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HOUSE OF REPRESENTATIVES

TUESDAY, SEPTEMBER 15, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most merciful Father, unto whom we come for directive wisdom and whose justice is wider than our mercy, grant us unity amid all diversity of thought and action. May we have fellowship with Thee on the heights of life and being, blending us into one inspiring harmony, from which flow the higher humanities. Implant in us a deep spirit of devotion to duty and a very serious sense of responsibility, giving ourselves courageously for the good of all and for our country's great need.

We pray, dear Lord, most devoutly for the homes from which have gone the defenders of our homeland. Give them the strength which comes to those who walk with Thee, keeping them serene above care; lift from their hearts corroding anxiety, blessing them with the morning glow of peace. O God, wherever vision and faith fail, Thou Christ, who art the Master Light of all revelation, let our hope in Thee be the highest reason for the redemption of the world, as it is the sweetest poetry of human life. In our dear Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

AUTHORIZING EXTENSION OF TIME FOR FILING RETURN OF CAPITAL-STOCK TAX IN 1942

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 344 authorizing extensions of time for filing return of capital-stock tax in 1942.

The Clerk read the title of the joint resolution.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is merely an extension of time for filing the returns and that it comes with a unanimous report from the committee.

Mr. DOUGHTON. It comes from the committee with a unanimous report.

This resolution extends the time for filing capital-stock-tax returns for an additional 60 days. Under the present law the Commissioner of Internal Revenue can extend the time for 60 days, and this resolution provides another 60 days' extension so that the taxpayer may have until November 28 to file his return.

The House tax bill amended the present law so as to provide for an annual declaration rather than a declaration every third year. The Senate committee has adopted a tentative provision wiping out the capital-stock tax. If the House provision should prevail, this resolution is necessary. Otherwise the corporate-tax payers would have to file their returns, pay the capital-stock tax, and should the Senate provision prevail, the Bureau of Internal Revenue would have to refund the payments. This extension is necessary.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

Mr. RICH. Mr. Speaker, reserving the right to object, many corporations have already paid their capital-stock tax for this period. If this resolution goes through and another extension of 60 days is allowed, and then should the Senate eliminate the capital-stock tax from the tax bill, will a refund be made to these corporations which have already paid this tax?

Mr. DOUGHTON. If the House should concur in the Senate provision, and should both bodies adopt it, then, of course, the tax would be refunded. As it is we do not know what the bill as enacted will contain, because the Senate provision may be changed on the floor of the Senate or it may be knocked out in conference; in other words, it is necessary for the protection of the taxpayer that this pending resolution be adopted.

Mr. RICH. The point I wanted to make is that should the conferees adopt the position of the Senate committee and of the Senate, should the Senate take that position itself, would those corporations who have already paid the capital-stock tax have that payment refunded to them?

Mr. DOUGHTON. Certainly they will have it returned, but at this time we do not know which provision will prevail.

Mr. CROWTHER. Mr. Speaker, reserving the right to object, the Treasury representatives appeared before the Ways and Means Committee and presented a very clear case. This resolution is made necessary entirely because of action so far taken by the Senate Committee on Finance on the tax bill regarding the repeal of the capital-stock tax. None of us know for a certainty what will occur in conference or what the final result will be, but it will be necessary to have this legislation to prevent confusion in the Treasury regarding this tax. A unanimous report was filed by the committee, I may say.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the joint resolution (H. J. Res. 344), as follows:

Resolved, etc., That section 1203 (b) (2) of the Internal Revenue Code (relating to power of the Commissioner to extend the time for filing capital stock tax returns) is amended by inserting at the end thereof the following new sentence: "With respect to the year ending June 30, 1942, the extension may be for not more than 120 days."

The joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CARGO PLANES

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, apparently Mr. Henry J. Kaiser has answered the problem of securing the material for the cargo planes he proposes to build. For my part it seems at the very least to be an excellent measure of insurance with regard to transportation of supplies to our soldiers for him to be given the go-ahead sign on this proposition. If he is not to be given such a go-ahead sign then at least definite and specific reasons ought to be given why not. I have heard none up to date. Certainly Mr. Kaiser has demonstrated an ability to organize production which is possessed by very few people. If there is even a reasonable chance that these cargo planes can finally and completely defeat the submarine, Mr. Kaiser's proposition should be accepted at once. Personally I am of the opinion that there is a great deal more than a reasonable chance that this would be the result.

[Here the gavel fell.]

ADJOURNMENT OVER

Mr. BLAND. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Thursday next.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. BLAND]?

There was no objection.

A DEDICATION TO A FIVE-STAR MOTHER

Mr. HOLLAND. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. HOLLAND]?

There was no objection.

Mr. HOLLAND. Mr. Speaker, I am about to place in the RECORD an editorial dedicated to a five-star mother, Mrs. Catherine Novak, of the south side of Pittsburgh.

Mrs. Novak, the mother of 14 children, 9 of whom are now living, 5 of these are in the armed service of this country, all of whom enlisted—this mother deserves a tribute.

Catherine Novak, whose husband Andy Novak labored for 35 years sharpening tools at the Oliver Iron & Steel Co., is a true five-star mother.

Here, Mr. Speaker, is a lesson in patriotism. Here is a lesson in Americanism. Here are Americans, Novaks by name, humble, hard working, and devoted to the ideals of freedom.

Andy and Catherine Novak can raise their eyes to the heavens in pride because of their great contribution to our Nation. As long as there are Andy and Catherine Novaks in America, this Nation of ours will survive.

[From the South Side Journal, Pittsburgh, Pa., of September 11, 1942]

DEDICATED TO A FIVE-STAR MOTHER OF THE SIXTEENTH WARD, SOUTH SIDE

The sixteenth ward of the south side can boast of a five-star mother—but speaking of stars, we must also give much credit to our five-star fathers. It was away back in the years gone by when a happy couple answered the usual questions, then said—"Yes, I do" and the keeper of the keys replied—"I now pronounce you man and wife." This was Mr. and Mrs. Andrew Novak.

For 35 years Andy Novak had kept "his nose to the grindstone"—for he was a sharpener of tools and implements at the Oliver Iron & Steel Co., having retired some years ago. His fellow friends and coworkers show a vast amount of praise and esteem for their former associate.

And Mrs. Catherine Novak must have been a busy and energetic lady with duties at the household, for 14 children were born to this couple. Nine of these children are still living; 3 of them are married, 5 sons are in the service of Uncle Sam and Theresa Novak still enjoys the fireside at the family home at 2128 Sidney Street, sixteenth ward of the south side.

The editor had a very pleasant visit at the Novak home Saturday and Mrs. Novak, in a proud and patriotic tone of voice told of her five boys now in service.

Here they are:

Pvt. (1st cl.) Frank P. Novak, Headquarters Company, Twenty-fourth Infantry Division, APO 957, care postmaster, San Francisco, Calif. Frank has been in the service 18 months.

Pvt. A. J. Novak, Company C-36, Engineers Corps, Fort Bragg, N. C. Been in service 12 months.

Pvt. M. S. Novak, Battery B, Second Battalion, First Regiment, FARC, Fort Bragg, N. C.—Later report states—transferred to Charlestown, Mass. In service 6 months.

Pvt. Raymond C. Novak, Battery B-29, CATB, Camp Wallace, Tex. Left last month.

Bernard A. Novak enlisted in the Navy on September 2 and was sent to a naval training school somewhere in Virginia.

A MISTAKE WAS MADE

Mr. DREWRY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. DREWRY]?

There was no objection.

Mr. DREWRY. Mr. Speaker, I have always held it true that any man who made an error should confess it if he was satisfied that an error had been made. In this case I hate very much to confess the error because it will be the means of disillusioning a distinguished friend on the minority side who seemed to get so much pleasure out of the error that was made. It is like taking a stick of candy from a child to disillusion him in this particular, but I think the error should be corrected.

The gentleman from New York [Mr. WILLIAM T. PHEIFFER] on yesterday put in the RECORD a statement that he had received a letter from the Democratic National Congressional Committee in which it paid him, as he said, "the supreme compliment and it was doubtless the first time that this committee had ever been so magnanimous as to place its facilities at the disposal of and stand so strongly with a freshman Republican Member of the House." The gentleman is correct in that statement. There happens to be two gentlemen of that name in the House—one named William and one named Joe. This letter from the Democratic National Congressional Committee resulted in the letter intended for Joe going to William. The gentleman is entirely correct in saying that this is the first time this committee has ever offered its services to a Republican. One of those two gentlemen, a Democrat, pure at heart, should have received the letter; the other one, a Republican, should not have received the letter.

I am sorry to disturb him, but I hate to have him lulled into a sense of false security by applying such sweet unction to his soul. In fact, I regret to think that he is going to sleep better by the thought of the help we are going to give him. I made an error; I freely confess it; but I hope it will not lull him into a sense of false security and that he will make the best fight he can, for, so help me God, I am going to beat him if I can.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD remarks made by me over the radio on the occasion of the eighth anniversary of the assassination of the Austrian Chancelor, Dollfus.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. EBERHARTER]?

There was no objection.

Mr. THOMAS F. FORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a statement from an organization in my own city.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. THOMAS F. FORD]?

There was no objection.

Mr. THOMASON. Mr. Speaker, there has been much discussion recently about the quality and effectiveness of our fighting airplanes. In my judgment, one of the best authorities in this country on this subject is none other than Capt. Eddie Rickenbacker. I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein an address delivered by Captain Rickenbacker before the San Francisco Chamber of Commerce on the evening of September 9 last, and I invite the careful reading of this interesting speech by every Member of the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMASON]?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Oregon [Mr. ANGELL]?

There was no objection.

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein two short newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. JARMAN]?

There was no objection.

The SPEAKER. Under a previous order of the House, the gentleman from New York [Mr. DICKSTEIN] is recognized for 15 minutes.

ALIENS IN THE ARMED FORCES OF THE UNITED STATES

Mr. DICKSTEIN. Mr. Speaker, I rise here to make an observation on a problem which is of vital importance to our armed forces. My committee tried to correct a number of evils that now exist in regard to aliens in the armed forces of the United States. We tried to secure the power to study the situation more carefully to suggest remedial legislation but on the 18th of June the Congress voted down a resolution brought in by the Committee on Immigration and Naturalization to clear up and adjust the status of aliens who have been in this country for a number of years but who cannot prove that they are legally in the country.

Some time ago the House passed the Second War Powers Act, one section of which in substance provides for the immediate naturalization of aliens serving in our armed forces. However, this provision applies only to aliens who entered this country legally. An alien who cannot prove that he is legally in the country cannot take advantage of the War Powers Act. I refer to section 1001 of the Second War Powers Act, being chapter 199, second session, Seventy-seventh Congress, Public Law 507. It was the Senate bill S. 2208, which provided, as passed by the House, that a person serving in the armed forces cannot obtain his naturalization unless he can show that he is legally in the United States.

There are thousands of aliens in this country today who cannot establish proof that they are legally in the United States. Some ports failed to record the proper name of the alien. In other ports the

parents did not give the name of the child, who has now grown to manhood and is being drafted by the Selective Service System into our armed forces.

I have received quite a number of letters not only from people affected but also from members of the American Legion and other civic organizations calling my attention to the fact that a number of aliens are being drafted into the armed forces, men who are ready to serve our country and to die in defense of democracy and who are stateless because they are technically men without a country although they have to take the oath of allegiance to the United States when inducted into the service. They cannot become citizens of the United States, although fighting for Uncle Sam, because in the first instance they cannot by documentary proof establish that they have a legal status in the United States. To illustrate this point let me quote a few paragraphs from a letter I received from the judge advocate of a Chicago American Legion post:

> In one particular case I have in mind, the alien has been here for over 20 years, but has been unable to legalize his entry because he has not been able to furnish documentary evidence of his residence in the United States and the Department will not accept affidavits of persons who have known him for a number of years. I, for one, have known him for over 20 years and can certify as to his uninterrupted residence in the United States for that period.
>
> It appears to me that if a person is good enough to serve in the United States Army, he ought to be good enough to become a citizen of the United States, and I believe that the law should be so amended as to permit these aliens, upon induction into the United States Army, to secure their citizenship papers without any other requirements.

When we passed the War Powers Act, I mentioned that it was wrong to provide in the law that a person must prove that he is legally in the country. That is all right in peacetime, but it seems to me that in wartime, when thousands of men are being inducted into our armed forces, both the Army and the Navy, this law ought to be corrected by striking from section 1001 of the War Powers Act that language which states that a person, before being allowed to become a citizen, in the armed forces of the United States after induction must establish that he is legally in the country.

Unless we do that, if these men are captured by the forces of the Axis countries they will be shot at sight without even a chance of this country's helping them, as we might be able to do in cases of citizens of the United States serving in the armed forces of this country. Being American citizens, they would not be treated as traitors to their former native countries but as prisoners of war, and would receive the same treatment as regards care and safety as would other prisoners of war.

Mr. Speaker, it seems to me that if a man is good enough to fight for our country and is able-bodied and ready to serve his country we ought to cut out the technicalities as far as the words "legally in the country" in the War Powers Act are concerned. Various administrators construe the words "legally in the country" in different ways. In the last 10 or 15 or 20 years children have been brought into this country by the thousands and their names do not properly appear at the ports of entry. In some instances the parents used different spelling of the name and the records cannot be located. These men are now of draft age and the draft boards are taking them into the service irrespective of whether or not they are legally in the country. They are now fighting soldiers, shouldering all the duties and responsibilities of citizens, yet they are aliens and can in no way procure a certificate of citizenship, because we provide in the War Powers Act that they must prove that they are legally in the country.

The Committee on Immigration and Naturalization tried to solve this problem, but, unfortunately, the House voted down the resolution, during the debate on which the gentleman from Mississippi made a great fight based on the point that it would open the door to immigrants, which argument was incorrect and misleading. The purpose of the committee was to clarify the status of hundreds of thousands of aliens who are ready to serve our country today and who are serving our country today but who cannot establish through actual, documentary evidence, that they are legally residents of the United States.

I submit that in fairness to our soldiers and in fairness to our great effort to win this war we ought to cut out the red tape and eliminate from the War Powers Act the words "legally in the country," and permit more freely the enlistment of hundreds of thousands of able-bodied young men who today are ready to sacrifice their lives in defending democracy and their adopted country.

It would seem to me this would be a step in the right direction, and I respectfully submit to the House and to the committees responsible for the legislation that they should bring out a bill cutting that red tape and permitting these able-bodied men and women who because of technicalities cannot establish through records proof of their admission, although they have been in this country for 10, 15, or more years, who have the right to enter the armed forces of the United States, to petition under the War Powers Act for the right of citizenship. If that is done, if or when by any chance these men are captured by the enemy, they will be treated as prisoners of war and not as traitors to the Axis countries, which would mean their death.

I respectfully submit to the leadership of the House that this legislation ought to be amended forthwith, and I serve notice now that unless this is done within the next week I propose to introduce such a bill myself. I thought the best way to bring this about was to have it come from the committee that handled the Second War Powers Act, and I hope and trust some action will be taken on it immediately, because we can add great manpower to the armed forces of the United States and we can relieve a serious situation now existing with respect to many of the draft boards in taking in men who are technically enemy aliens. The men who are ready to shed their blood in the defense of our country have demonstrated their loyalty beyond the shadow of a doubt. The least we can give them in return is the privilege to become citizens of the country they are fighting for.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. KELLY] is recognized for 10 minutes.

OIL

Mr. KELLY of Illinois. Mr. Speaker, in view of conflicting statements issued from time to time, in newspapers and by individuals, regarding the rationing of gasoline and the shortage of crude oil, I speak as one member of a select committee appointed by the Speaker in 1934 that made a study of the situation that was then prevailing, when the oil industry was in a chaotic condition. Under the leadership of the able gentleman from Maryland, the Honorable WILLIAM COLE, the Honorable and capable gentleman from New Jersey, CHARLES WOLVERTON, the Honorable PEHR HOLMES, of Massachusetts, who filled the vacancy on the committee after the untimely death of the late Carl Mapes, of Michigan, a man whom I had a great deal of respect for—and I believe all of us had—Sam Pettengill from Indiana, and myself, constituted the committee that was known as the Cole Petroleum Investigation Committee. This House is familiar with the work of this committee. It was our committee that advocated and passed legislation that has been both beneficial to the oil industry and the public welfare as well.

Recently and in the month of June of this year we made an act permanent that regulates interstate and foreign commerce in petroleum and its products produced in violation of State law—known as the Connally Act.

This committee held intensive hearings in the field and in Washington and was instrumental in the State compact agreements between the oil-producing States and this Government.

I have read some of the report of the Baruch committee, and in the report he has not told many of us that which we did not already know, back in the months of January and February of this year.

However, there has been much misunderstanding regarding the question involved—ever since the rationing order went into effect in zone No. 1, which took in the entire Atlantic Seaboard States. The reason, of course, we all know, is, and always has been a transportation problem, and nothing else. In peacetime and prior to the passing of the Lend-Lease Act, 95 percent of the East's petroleum supplies were delivered at low cost by ocean tankers. The East enjoyed relatively low prices because of its advantageous freight rates. Since the war began, submarine sinkings of tankers, and withdrawal of tankers from the American Flag Fleet, to our allies—and diversion of tankers from their normal routes to serve military machines on land and sea, have almost completely deprived the East of deliveries by way of ocean routes.

This severe interruption of the normal flow of petroleum and its derivatives has naturally caused extensive dislocation in the oil industry operations. For lack of sufficient crude oil, refineries in the East have had to discontinue running at capacity, despite the fact, that, capacity operation had been considered essential to the war effort. Similarly, operations in the important Gulf-coast refining districts have been materially reduced because of refiners' inability to ship to their normal markets on the Atlantic seaboard.

Because of the failure of ocean transportation and because of the failure of several States that would not permit the construction of pipe lines as early as 1939 and until substitute overland transportation could be developed, it has been impossible to continue the movement of oils to the Atlantic seaboard area in normal volume.

Nevertheless, a strong flow of heavy fuel oils and domestic heating oils has been imperatively required if maximum production for war was to be attained by industry and the population was to be kept from suffering next winter.

In order to force preferred handling of these essential fuel oils, it became necessary for the area affected to be limited as to transportation of gasoline, by rationing of the commodity itself.

Another picture arises, and that is through refinery yields and reconversion of refineries from gasoline to heavy and light fuel oils. They will probably face a loss in this year alone of from eighty to one hundred million dollars.

When it became apparent that new methods of delivery must be adopted, to offset the loss of ocean tanker transportation, the petroleum industry, after consultation with the Petroleum Coordinator, long since undertook the transportation of oils to the East by tank cars, pipe lines, barges, lake tankers, and motortrucks, all of which are higher-cost carriers. The additional cost of the substituted transportation has approximated in recent months an annual rate of $100,000,000, and here is where Mr. Henderson muffed the ball, in my mind, anyway. Had he then, as Price Administrator, allowed for the increased transportation cost to be placed on the price of oil, by raising the cost of gasoline and fuel oil, and then freezing that price, he would allow these oil companies to at least get their cost out of their production. Instead, he froze the price at a figure that was based on water rate transportation.

I asked him a question in the month of May—what the O. P. A. intended to do—if they were giving any consideration or study to reimburse these companies with the losses they had been sustaining—stating it was one of two things, bankruptcy for some or governmental subsidies. He stated they had a board studying that problem then. Whether any action has been taken, I do not know. For up to that time the oil companies sustained a loss of $38,000,000 in added transportation costs.

Since the impression has been spread that the Middle West has hoarded petroleum products and retained for its own use substitute transportation facilities, to the detriment of the people in the East, it is necessary to present not only a general denial but also a bill of particulars as to the far-reaching methods by which the Midwest has constructively aided in solving the supply problem for the Atlantic Seaboard States.

Tank cars were particularly needed for overland carrying of petroleum products to the East. The Midwest has given up most of its own normal supply of tank cars for that purpose. It is estimated that out of 110,000 tank cars engaged in transporting petroleum and its products, less than 1,000 were normally in use on routes to Atlantic Seaboard States, or in operation in district 1 prior to this year. Sixty-seven thousand two hundred and sixty-four tank cars were in this service from the Midwest and Southeast on July 31, 1942. Two out of every three tank cars hauling petroleum in the whole country are now serving routes into the Atlantic seaboard area.

In the week ending January 3, 1942, petroleum was moving in tank cars into district 1 at the rate of 60,060 barrels per day. On August 15 of this year the movement by tank cars was 830,820 barrels per day. It is anticipated that, with the recent adoption of plans for trainload movements, deliveries will increase to 900,000 or 950,000 barrels per day, by September 30 of this year.

This is the astounding progress already made, and in the making, as the result of the wholehearted cooperation of the Office of Defense Transportation, under Mr. Joseph Eastman; the Office of Petroleum Coordinator, under the Secretary of the Interior, Mr. Harold Ickes; the Association of American Railroads; and the petroleum industry.

Prior to the emergency, the Midwest was using approximately 40 percent of all tank cars. On May 4, 1942, it was using only 23,258 cars, and by July 31 the number had declined to 13,916. More than half of the 17,756 cars put into service on routes into district 1 from May 4 to July 31, came from district 2. The remainder were provided by transferring them from service within districts 1, 3, and 5.

From district 2 the Petroleum Coordinator requisitioned 12½ percent of its remaining tank cars, on July 31, and his order banning use of tank cars to haul gasoline in the Midwest will divert still more cars to the eastward traffic.

If all movements of gasoline, kerosene, tractor fuels, and domestic heating oils in tank cars were prohibited in district 2, not more than 6,300 additional cars could be made available. This has not been done for the obvious reason that the great agricultural areas and some industrial areas would be without any supplies whatever if some tank cars were not available to serve them. The balance of 5,700 tank cars must be retained in district 2 in any event to supply military demands and essential war industries with aviation gasoline, toluene, technical naphthas, asphalts, essential lubricating oils, paraffin waxes, residual fuel oils, and other vital war materials.

The railroads have performed admirably in handling the vast overland traffic in petroleum products, to take the place, in large part, of the previously dominant ocean-tanker transportation.

In order to release tank cars for the east-bound movement, the Midwest has carried out a revolutionary reorganization of its methods of local and semilocal delivery of products, supported by orders from the Office of Petroleum Coordinator and the Office of Defense Transportation. Where possible, it has substituted truck transportation of all products to all points within 100 miles of supply centers. Industry committees in district 2 have recommended that in the area in which tank-car distribution is forbidden by the Office of Defense Transportation the order be increased to 150 miles. They have also asked that the Interstate Commerce Commission issue temporary certificates of convenience and necessity to permit interstate truck movements up to 200 miles, as against the 100-mile limitation now existing.

Operators in district 2 have made large investments in tank-truck loading and unloading facilities in order to make this distribution by truck possible. Continuous night and day service has been provided at terminals to facilitate hauling by trucks 24 hours a day, 7 days a week.

Use of barges and tankers in Midwest traffic on inland waterways and on the Great Lakes has been decreased and a substantial portion of this type of bulk cargo capacity diverted to the eastward movement. Again, additional costs have been absorbed by district 2 operators to help solve the East's problem.

Pipe-line transportation in January of this year into the East amounted to only 65,000 barrels daily, whereas today it amounts to 120,000 barrels daily, and will be increased when this new 24-inch line that is now under construction from the east Texas oil field to Norris City, Ill., is completed, when we will be able to get a daily average of 350,000 barrels a day. This line is expected to be completed in December of this year.

Barge transportation on inland waterways has increased its shipment from 41,000 barrels daily as of January of this year to 120,000 barrels as of August of this year into district 1.

The daily average demand for petroleum in January of 1942 in the East was 1,907,800 barrels. The restricted essential demand for June was 1,378,000 barrels. Based upon voluntary rationing, conservation practiced by many, the demand will not exceed 1,534,000 barrels of petroleum for this coming January.

It was on August 22, 1942, that Coordinator Ickes issued Directive 57, which prohibited the movement of gasoline by tank car in 20 Midwestern and Gulf Coast States.

There was no complaint from the affected regions, although it involved innumerable hardships. It indicates the excellent spirit of cooperation which exists in the Nation.

A word might be said about Secretary Ickes as Petroleum Coordinator. In this emergency he has surrounded himself with the best available petroleum talent. He created the Petroleum Industry War Council, composed of all elements in the

industry, representing both major oil companies and independents, producers, refiners, transporters, and marketers. Its geographical representation included men from border to border and coast to coast. The Council elected William Boyd, Jr., of Texas, as its chairman. Mr. Boyd seems to have the ability to compose all factions of the industry and to furnish them with adequate representation.

So, through the combined efforts of the Office of Petroleum Coordinator and the Petroleum Industry War Council, they have done, and are doing, a remarkable job to help relieve the condition prevailing in the East in district 1. Knowing these facts, I cannot agree that Nation-wide rationing of oil is needed now. I am not in accord wholeheartedly with the Baruch report.

INCOME OF AGRICULTURE

Mr. GILCHRIST. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to include in my remarks an article by W. F. Hunter, editor of the Freeman-Journal, of Webster City, Iowa.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GILCHRIST. Mr. Speaker, figures and statistics all show that the cost of food at this time is taking a smaller percentage of consumer wages and income than at any time in the last 20 years. The newspaper article to which I have referred, recalls to mind some of the nigh prices for farm products that we paid at the close of World War No. 1. It is as follows:

ANNUAL GROSS INCOME OF AGRICULTURE

The Freeman-Journal doesn't recall the source of the statement to the effect that the gross income of agriculture this year is going to be as much as any year in history, the amount being placed at $15,000,000,000. That statement has been repeated time and again. However, the top gross income of agriculture is considerably above $15,000,000,000. It is only slightly under seventeen billion, the sum being $16,935,000,000 in 1919, according to the Bureau of Agricultural Economics.

But suppose we accept the gross income of $15,000,000,000 as the top. Well, on that basis if the gross income this year is going to be as much as ever before how will it be attained? If it is attained it will be because agriculture will produce much more than ever before and will therefore get a much lower price per unit for what it produces.

The top Chicago price on hogs in 1919 was $23.60 per 100 pounds. Now the top is around $15, hence the producer must sell about one-half times more hogs to get as much in the aggregate as he received in 1919.

Take corn as another example: Top corn price on the Chicago market is now 86 cents and that has been about the price for some time. The top on corn in Chicago in 1919 was $2.10, hence the farmer must now sell nearly two and a half times as much corn to get the same amount of money as he secured in 1919, if he took advantage of the top market. In 1920 the top in Chicago was $2.17 and in 1917 it was $2.36. Here in Webster City corn in those days was worth close to three times as much as it is today, or has been at any time this year.

Wheat prices were not much different. The top on wheat in 1919 was $3.50. Now the September top is $1.25. Hence the producer to get as much for his wheat crop as he received in 1919 must sell almost three times as much.

Other farm products—cattle, sheep, oats, poultry, etc.—are subject to similar price comparison, with more or less variations. Just what all combined prices now compared with those of 1919 are, the Freeman-Journal doesn't know. But it is quite apparent that if farmers are going to receive as much this year as they received in 1919 they will have to produce around one-half more, and perhaps they are going to do that.

* * * If they do receive as much it will be because they will give about one-half more service.

BILL PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on Monday, September 14, 1942, present to the President, for his approval, a bill of the House of the following title:

H. R. 6682. An act to suspend in part the processing tax on coconut oil.

ADJOURNMENT

Mr. BLAND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 44 minutes p. m.) the House adjourned to meet, in accordance with its previous order, on Thursday, September 17, 1942, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the committee at 10:30 a. m. on Wednesday, September 16, 1942, for consideration of H. R. 7204.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1903. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to authorize the Secretary of the Navy to pay the costs of transportation of certain civilian employees, and for other purposes; to the Committee on Naval Affairs.

1904. A letter from the Acting Administrator, Federal Security Agency, transmitting a suggestion for an amendment to S. 2686; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ELLIOTT of California: Joint Committee on the Disposition of Executive Papers. House Report No. 2467. Report on the disposition of certain papers by certain Government agencies. Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KLEIN: Committee on Claims. S. 2279 An act for the relief of O. R. Maxfield; without amendment (Rept. No. 2447). Referred to the Committee of the Whole House.

Mr. RUSSELL: Committee on Claims. S. 2551. An act for the relief of Vernon Van Zandt; without amendment (Rept. No. 2448). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 7480. A bill for the relief of Mrs. Claud Tuck and Darrell Claud Tuck, a minor; without amendment (Rept. No. 2449). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 7177. A bill for the relief of Earl Carbaugh; with amendment (Rept. No. 2450). Referred to the Committee of the Whole House.

Mr. RUSSELL: Committee on Claims. H. R. 7061. A bill for the relief of D. A. Sullivan & Sons, Inc.; without amendment (Rept. No. 2451). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 6993. A bill for the relief of the estate of Marlin Croft, deceased; with amendment (Rept. No. 2452). Referred to the Committee of the Whole House.

Mr. RUSSELL: Committee on Claims. H. R. 6970. A bill for the relief of Carolyn D. Griffin; with amendment (Rept. No. 2453). Refered to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 6907. A bill for the relief of Mrs. P. R. Yager; with amendment (Rept. No. 2454). Referred to the Committee of the Whole House.

Mr. SAUTHOFF: Committee on Claims. H. R. 6893. A bill for the relief of N. C. Lloyd; with amendment (Rept. No. 2455). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 6781. A bill for the relief of Frank Novak, as guardian of Lorraine Novak, a minor; with amendment (Rept. No. 2456). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 6558. A bill for the relief of Anne Berbig and Alfred E. Berbig, Jr.; with amendment (Rept. No. 2457). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 6491. A bill for the relief of the heirs of John W. Adams; with amendment (Rept. No. 2458). Referred to the Committee of the Whole House.

Mr. KLEIN: Committee on Claims. H. R. 6283. A bill for the relief of Franklin E. Ludwig, Mary Taylor, and Frank A. Taylor; without amendment (Rept. No. 2459). Referred to the Committee of the Whole House.

Mr. WEISS: Committee on Claims. H. R. 6078. A bill for the relief of Catherine Arthur; with amendment (Rept. No. 2460). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 6016. A bill for the relief of Michael-Leonard Seed Co.; with amendment (Rept. No. 2461). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 5624. A bill for the relief of certain claimants against the United States who suffered property losses as a result of the failure of the Big Porcupine Dam on the Fort Peck project, Montana; without amendment (Rept. No. 2462). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. H. R. 3478. A bill for the relief of Glenn A. Pike; with amendment (Rept. No. 2463). Referred to the Committee of the Whole House.

Mr. KLEIN: Committee on Claims. H. R. 1883. A bill for the relief of Llewella J.

Welsh; with amendment (Rept. No. 2464). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 2217. A bill for the relief of Wilson N. Yost; with amendment (Rept. No. 2465). Referred to the Committee of the Whole House.

Mr. RUSSELL: Committee on Claims. H. R. 3113. A bill for the relief of Cecil Higginbotham; with amendment (Rept. No. 2466). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. WALTER:

H. R. 7548. A bill to provide for the issuance of a device in recognition of the services of merchant sailors; to the Committee on the Merchant Marine and Fisheries.

By Mr. ANDERSON of California:

H. R. 7549. A bill to amend the act of March 5, 1942, relating to the planting of guayule and other rubber-bearing plants; to the Committee on Agriculture.

By Mr. DICKSTEIN:

H. R. 7550. A bill to amend the Nationality Act of 1940 to preserve the residence for naturalization purposes of certain aliens who serve in the military or naval forces of one of the Allied countries during the second World War; to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DIMOND:

H. R. 7551. A bill for the relief of Sigurd J. E. Wallstedt; to the Committee on Claims.

By Mr. PETERSON of Florida:

H. R. 7552. A bill for the relief of Mrs. Alethea Arthur; to the Committee on Claims.

H. R. 7553. A bill for the relief of S. I. Wotten; to the Committee on Claims.

H. R. 7554. A bill for the relief of F. M. Maloy; to the Committee on Claims.

By Mr. THOMASON:

H. R. 7555. A bill for the relief of El Paso Electric Co.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3318. By Mr. BURGIN: Petition of Ruth McCain and other members of the woman's auxiliary of the Waxhaw Presbyterian Church, Waxhaw, N. C., favoring the passage of House bill 4000; to the Committee on Military Affairs.

3319. By Mr. TALLE: Petition of Etta Nutting and others urging the enactment of Senate bill 860; to the Committee on Military Affairs.

3320. By Mr. MARTIN of Iowa: Petition of Mrs. Rob Campbell and members of the Unity Presbyterian Church of Tiffin, Iowa, urging the passage of legislation that will prevent the sale of liquor at our Army camps; to the Committe on Military Affairs.

3321. By Mr. HAINES: Petition of Mrs. Philip W. Hodgson, Jr., and 101 other members of Red Run Church (St. Pauls Union), urging elimination of alcoholic liquors in and around our camps; to the Committee on Military Affairs.

SENATE

THURSDAY, SEPTEMBER 17, 1942

The Reverend James H. Phillips, Ph. D., associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

God of our fathers, by whose will this Nation was conceived and dedicated to the proposition that all men are created free and equal, and in whose righteousness alone we shall gain true freedom, look with favor upon us in this solemn hour as we, a people, strive to endure in this sacred faith of our fathers. Make each of us, we pray Thee, equal to the high trusts bestowed upon us by our heritage, and by our determined commitment to its preservation. Save us in these days from false dependence upon might alone, but gird us for our task with our fathers' faith that right makes might invincible. In this faith we shall win the victory of battle; in this faith we shall win the victory of an enduring peace.

So grant it, God, through Jesus Christ our Lord. Amen.

NAMING A PRESIDING OFFICER

The Secretary (Edwin A. Halsey) read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., September 17, 1942.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. CLYDE L. HERRING, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

CARTER GLASS,
President pro tempore.

Mr. HERRING thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of Monday, September 14, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 344) authorizing extensions of time for filing return of capital stock tax in 1942, in which it requested the concurrence of the Senate.

RESOLUTION OF REPUBLICAN CONFERENCE

Mr. McNARY. Mr. President, I desire to make a brief statement. This morning I called a conference of the Republican Members of the Senate. The conference adopted a resolution which I ask to have inserted in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
REPUBLICAN CONFERENCE,
September 17, 1942.

Resolved, That the Republican Conference recognizes the present situation with respect to living costs, that it believes action is necessary, and will cooperate in an effort to work out a wise solution of the problems presented to the Senate and the country.

COMMITTEE SERVICE

On motion of Mr. HILL, and by unanimous consent, it was

Ordered, That the Senator from New York [Mr. MEAD] be excused from further service as a member of the Committee on Education and Labor; and

On motion of Mr. McNARY, and by unanimous consent, it was

Ordered, That the Senator from Colorado [Mr. MILLIKIN] be assigned to service on the Committee on Education and Labor to fill the existing vacancy.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PROTECTION OF NAVAL PETROLEUM RESERVE NO. 1

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to protect Naval Petroleum Reserve No. 1 (with an accompanying paper); to the Committee on Public Lands and Surveys.

LANDS AND ACCOUNTS OF WAPATO INDIAN IRRIGATION PROJECT, YAKIMA RESERVATION, WASH.

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to eliminate certain lands from the Wapato Indian Irrigation Project, Yakima Reservation, Wash., cancel and adjust certain charges, and for other purposes (with accompanying papers); to the Committee on Indian Affairs.

ACTS OF SECOND SPECIAL SESSION, FIFTEENTH LEGISLATURE OF PUERTO RICO

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, certified copies of five acts passed by the second special session of the fifteenth legislature of Puerto Rico, June 15–16, 1942 (with accompanying papers); to the Committee on Territories and Insular Affairs.

RESOLUTION OF THE DELAWARE RIVER YACHTMAN'S LEAGUE — WATERWAY ACROSS NEW JERSEY

Mr. DAVIS presented a resolution adopted by the Delaware River Yachtman's League, of Philadelphia and vicinity, Pennsylvania, favoring the enactment of House bill 7397, proposing to authorize the construction of a waterway across the State of New Jersey so as to complete the chain of waterways giving safe inland water transportation to cargoes from Florida to the New England coast, which was referred to the Committee on Commerce.

PRESERVATION OF FREEDOM—LETTER FROM DISTRICT SUPERINTENDENT AND MEMBERS OF THE EAU CLAIRE (WIS.) METHODIST CHURCH

Mr. WILEY presented a letter from the district superintendent of the Methodist Church of Eau Claire, Wis., and several members of that church, which was re-

ferred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

EAU CLAIRE, WIS., *September 14, 1942.*

DEAR MADAM OR SIR: The treacherous and unprovoked attack on American vessels at Pearl Harbor on Sunday, December 7, 1941, with great loss of life, caused Americans more than ever to realize that this World War is an attack by Satan upon the people of Christian principles and their allies.

That the Axis Nations (those who contend for national sovereignty) would, if able, take from us all everything that we hold dear, there can be no doubt.

So let all those American citizens who are grateful to Almighty God for our freedom as is written in the prelude to the Wisconsin constitution, oppose with all our might any effort to deprive us of this God-given freedom.

Let us contend for a peace established in righteousness and a world government under a constitution that recognizes the teachings of our Lord Jesus Christ as the rule of life.

ARTHUR C. GOWER,
American Citizen.
FRED J. JORDAN,
The Methodist Church,
Eau Claire, Wis.
ERNEST E. CLARKE,
District Superintendent, Methodist
Church, Eau Claire, Wis.

PROHIBITION OF LIQUOR SALES AND SUPPRESSION OF VICE AROUND MILITARY CAMPS—RESOLUTION AND PETITIONS

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a resolution recently adopted by the Kansas Annual Conference of the Church of the United Brethren in Christ. I am wholeheartedly in accord with their appeal for early and favorable action on S. 860, now on the Senate calendar.

There being no objection, the resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

WICHITA, KANS., *September 8, 1942.*

Mr. ARTHUR CAPPER,
Senator, United States Congress,
Washington, D. C.

DEAR SIR: As secretary of Kansas annual conference of the Church of the United Brethren in Christ, I am submitting to you the following resolution:

"Kansas State convention of the United Brethren in Christ in its eighty-sixth annual session, held August 26-30, 1942, Coffeyville, Kans., protest liquor in service camps and ask wartime prohibition.

"Whereas our Nation is engaged in a war that calls for all kinds of sacrifices, and demands the very best of every man in the armed forces; and

"Whereas the use of alcoholic liquors, including 3.2 percent beer, results in inefficiency through the waste of materials and loss of time in service; and

"Whereas it has been proven scientifically, as well as socially, that the effects of alcohol are detrimental to the physical and moral well-being of our people; and

"Whereas unmistakable evidence has been presented concerning the distressing prevalence of drinking, gambling, and vice among men in the armed forces of our country, among men in defense industries, and particularly in areas near training camps; and

"Whereas the production and delivery of alcoholic beverages require essential commodities, such as sugar, rubber, and other restricted materials: Be it therefore

"*Resolved*, That the United Brethren in Christ call upon the President and Congress, as well as our own Representatives and Senators, to forbid, or to pass such legislation as will forbid, the manufacture, distribution, and sale of all alcoholic liquors throughout the United States, except for medicinal, industrial, and scientific purposes, for the duration of the war.

"We urge our governmental authorities to take all possible measures to the end that the men serving in the armed forces of our country may not be subjected to the temptations of gambling, prostitution, and alcoholic indulgence. And we petition the President and Congress to take immediate and favorable action on the Sheppard bill (S. 860), which would protect military men from liquor sold in the camps and camp areas."

Rev. A. MCCANDLESS,
Secretary, Kansas Conference
Church United Brethren in Christ.

Mr. WILEY. Mr. President, I am in receipt of the following petitions with reference to S. 860:

First. A petition signed by Wisconsin residents, gathered at a convention held under the auspices of the Appleton District of the Evangelical Church;

Second. A resolution passed by the Wisconsin Woman's Christian Temperance Union in annual convention assembled at Whitewater, Wis.; and

Third. A petition signed by residents of Oconto Falls, Wis.

I respectfully ask that the petitions may be appropriately referred.

The ACTING PRESIDENT pro tempore. The petitions presented by the Senator from Wisconsin will lie on the table.

Mr. O'DANIEL. Mr. President, the rising tide of resentment and public indignation regarding the deplorable conditions existing around our military establishments caused by liquor is constantly being brought to my attention. I am passing this information on to this body and asking unanimous consent that the CONGRESSIONAL RECORD list the names of towns and States and number of petitioners from each place as per the list I am herewith submitting.

The total number of petitioners on this list is 271,733. These petitioners ask the Congress to enact promptly Senate bill 860, which is now on the calendar. I urge the Senate to agree to consider S. 860 at an early date, and I hope the bill will be enacted into law.

There being no objection, the list of petitions presented by Mr. O'DANIEL was ordered to be printed in the RECORD, as follows:

Petitions in support of S. 860

ARIZONA	
Phoenix	36
CALIFORNIA	
Los Angeles	6
San Bernardino	2,045
Santa Cruz	18
CONNECTICUT	
East Hartford	20
Hartford	84
Middlesex	27
Norwich	101
Plainville	23
Windsor	225
FLORIDA	
Plant City	324
Tampa	119
ILLINOIS	
Birds	23
Chicago	63
Grand Ridge	50
Lawrenceville	274
Lawrence County	283
Ottawa	36
Sandwich	27
Streator	41
Sullivan	47
Sumner	24
Thawville	73
INDIANA	
Vincennes	78
MARYLAND	
Baltimore	50
MASSACHUSETTS	
Brookline	17
Newton	161
MICHIGAN	
Ann Arbor	281
Barry County	15
Grand Rapids	113
Hancock	76
Lansing	100
MISSISSIPPI	
Canton	2
MISSOURI	
St. Joseph	45
Webb City	473
MINNESOTA	
Faribault	13
MONTANA	
Bozeman	435
NEBRASKA	
Ashland	18
Eagle	29
Lincoln	28
Weeping Water	34
NEW MEXICO	
Anthony	2
NEW YORK	
Ames	65
Appleton	22
Batavia	446
Brooklyn	86
Caledonia	24
Cambridge	43
Canaan	48
Cherry Creek	65
Clinton	18
Dundee	84
Eden	41
Ferndale	27
Flushing	27
Fort Edward	40
Geneva	227
Hamlin	66
Horseheads	29
Ithaca	9
Jamestown	455
Lakeport	21
Lebanon	27
Marathon	156
Middleport	21
Newfane	23
New York City	2,479
Niagara	61
Odessa	55
Lockport	34
Penn Yan	23
Plattsburg	13
Perry	30
Randolph	18
Richburg	30
Richmond County	78
Rushville	67
Sodus	230
Syracuse	63
Troy	18
Trumansburg	117
Utica	300
Warsaw	12
Watervliet	38
White Plains	29
NORTH CAROLINA	
Ridgecrest	73,000
Wendell	51
NORTH DAKOTA	
Underwood	72
OHIO	
Dayton	130,000
New Philadelphia	2

PENNSYLVANIA	
Blanchard	72
Bellefonte	2
Clinton	81
Philadelphia	47,000
Unionville	2
TENNESSEE	
Chattanooga	373
Englewood	51
TEXAS	
Abilene	187
Amarillo	48
Anna	38
Beaumont	1,353
Burkburnett	2
Canadian	12
Chester	85
Commerce	100
Corsicana	46
Daingerfield	60
Dallas	23
El Paso	358
Flint	68
Fort Worth	248
Gainesville	61
Georgetown	22
Greenville	61
Harlingen	1,448
Hebronville	13
Houston	2,636
Imperial	15
Kemp	27
Kingsville	89
McAllen	402
Midland	160
Mineral Wells	38
Nacogdoches	43
Olton	38
Palacios	74
Robstown	16
Roscoe	3
San Antonio	214
Terrell Wells	60
Somerville	43
Utopia	20
Uvalde	40
Waco	9
Waka	17
VIRGINIA	
Appomattox	151
WASHINGTON	
Bellingham	55
Bremerton	15
Custer	24
Ferndale	115
Kelso	22
Seattle	111
South Tacoma	52
Spokane	2
Tacoma	97
Townsend	7
Wickersham	26
WYOMING	
Cheyenne	449
Miscellaneous	20
Recapitulation	
Arizona	36
California	2,069
Connecticut	480
Florida	443
Illinois	941
Indiana	78
Maryland	50
Massachusetts	178
Michigan	585
Mississippi	2
Missouri	518
Minnesota	13
Montana	435
Nebraska	109
New Mexico	2
New York	5,765
North Carolina	73,051
North Dakota	72
Ohio	130,002
Pennsylvania	47,157
Tennessee	424
Texas	8,177
Virginia	151
Washington	526
Wyoming	449
Miscellaneous	20
Total	271,733

REPORTS OF THE COMMITTEE ON MILITARY AFFAIRS

The following reports of the Committee on Military Affairs were submitted:

By Mr. DOWNEY:

S. 2775. A bill to amend the act of March 5, 1942, relating to the planting of guayule and other rubber-bearing plants; with an amendment (Rept. No. 1607).

By Mr. REYNOLDS:

S. 2776. A bill to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941, to continue it in effect; without amendment (Rept. No. 1608).

ASSIGNMENT BY CHIEF JUSTICE OF THE UNITED STATES OF CIRCUIT JUDGES TO CERTAIN TEMPORARY DUTY

Mr. DANAHER. From the Committee on the Judiciary, I report back with amendments the bill (S. 2655) to amend the Judicial Code to authorize the Chief Justice of the United States to assign circuit judges to temporary duty in circuits other than their own, and I submit a report (No. 1606) thereon.

Mr. President, the bill just reported by me would amend the Judicial Code so as to authorize the Chief Justice of the United States to assign certain judges to temporary duty in circuits other than their own. This particular measure has had the approval not only of the Chief Justice of the United States but of the senior circuit judge of every single circuit in the country. Many witnesses appeared before the committee attesting the desirability of early action on the measure.

The amendments will become perfectly apparent from a draft copy of the bill itself, in which I have caused the amendments to be made apparent for the convenience of the authorities to whom the bill will be referred.

The ACTING PRESIDENT pro tempore. The report will be placed on the calendar.

SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM—LIMIT OF EXPENDITURES

Mr. LUCAS. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably without amendment Senate Resolution 288 and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 288), submitted by Mr. TRUMAN on the 14th instant, was read, considered, and agreed to, as follows:

Resolved, That the limit of expenditures under Senate Resolution 71, Seventy-seventh Congress, first session, relating to the investigation of the national defense program agreed to on March 1, 1941, is hereby increased by $100,000.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States which appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McFARLAND:

S. 2780. A bill for the relief of Margaret B. Martin; to the Committee on Finance.

(Mr. VANDENBERG introduced Senate bill 2781, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. DAVIS:

S. 2782. A bill to provide for a national cemetery in the eastern section of Pennsylvania; to the Committee on Military Affairs.

By Mr. McCARRAN:

S. 2783. A bill to amend the act entitled "An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes," as amended, by authorizing loans for mineral development purposes in time of war; to the Committee on Banking and Currency.

By Mr. HAYDEN:

S. 2784. A bill to revise the Alaska game law; to the Committee on Territories and Insular Affairs.

By Mr. REYNOLDS:

S. 2785. A bill for the relief of Col. Leo A. Luttringer, United States property and disbursing officer for Pennsylvania; to the Committee on Claims.

S. 2786. A bill to equalize certain disability benefits for Army officers; to the Committee on Military Affairs.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 344) authorizing extensions of time for filing return of capital-stock tax in 1942 was read twice by its title and referred to the Committee on Finance.

RATE OF TAXES UNDER FEDERAL INSURANCE CONTRIBUTIONS ACT

Mr. VANDENBERG. Mr. President, I introduce a bill to amend the Federal Insurance Contributions Act with respect to the rate of taxes thereunder for the year 1943, and, because both of the importance and imminence of the issue itself, I ask leave to make a very brief statement in connection with the bill.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from Michigan will proceed.

Mr. VANDENBERG. Mr. President, unless Congress acts prior to January 1, 1943, social-security pay-roll taxes on both employers and employees will increase on each from 1 to 2 percent. That is the schedule in existing law, as amended by Congress in 1939.

The proceeds of this pay-roll tax have but one legitimate purpose and justification: First, either to pay old-age benefits, plus the cost of administration, or, second, to build a reasonable reserve for the future guaranty of these payments.

For the fiscal year ending June 30, 1942, these receipts amounted to $972,000,000—that was the amount collected under the 1-percent pay-roll rate on both employers and workers—against withdrawals or payments of $141,000,000. Obviously, an increased pay-roll tax on employers and workers of the country is not necessary in order to meet current

old-age obligations. Furthermore, the existing 1-percent pay-roll tax on both employers and workers, in actual fact, will produce as much revenue as it was estimated would be derived from a 2-percent tax when the existing statutory tax schedule was written by Congress in 1939.

The real question therefore is whether this 100-percent increase in pay-roll taxes on employers and workers is necessary to sustain an essential reserve. We do not have to guess about that proposition. Testifying before the House Ways and Means Committee on March 24, 1939, Secretary of the Treasury Morgenthau said:

> We should not accumulate a reserve fund any larger than is necessary to protect the system against unforeseen declines in revenues or increases in the volume of benefit payments. Specifically, I would suggest to Congress that it plan the financing of the old-age-insurance system with a view to maintaining for use in contingencies an eventual reserve amounting to—

These are the important words—

> not more than three times the highest prospective annual benefits in the ensuing 5 years.

That is the rule recommended by the Secretary of the Treasury.

Congress, in 1939, did precisely what the Treasury recommended. Title II of the Social Security Act was amended to create a Board of Trustees of the Federal Old Age and Survivors Trust Fund, and, among other things, the Board is required to—I quote from the statute—

> (3) Report immediately to the Congress whenever the Board of Trustees is of the opinion that during the ensuing 5 fiscal years the trust fund will exceed three times the highest annual expenditures anticipated during that 5-fiscal-year period, and whenever the Board of Trustees is of the opinion that the amount of the trust fund is unduly small.

In effect, the Board has thus reported. The assets of the trust fund—which is to say, the reserve—were $3,227,000,000 at the end of the fiscal year 1942. The reserve is not 3 but 30 times the anticipated benefit payments in any 1 of the next 5 fiscal years; and it is not 3 but 6 times the total anticipated benefit payments during all the next 5 fiscal years combined.

I am omitting all details. I am simply submitting the over-all picture. I respectfully submit that it raises the clear presumption that there is no justification, on the basis of the accepted congressional formula, for permitting the statutory doubling of pay-roll taxes for these purposes on January 1, 1943. The bill which I introduce would hold these pay-roll taxes at the existing 1-percent level through 1943, when we can again adjust the financing to fit the developments.

In order to complete the prospectus, it should be said that the Treasury not only desires to have the statutory pay-roll tax proceed to 2 percent on January 1, 1943, but it actually will ask that the tax be further increased to 5 percent. The reasons have nothing to do with social-security or old-age payments—as clearly demonstrated by the foregoing figures. The reasons have solely to do with a further so-called attack upon inflation and with the creation of new reservoirs of general bond sales credits.

I completely acknowledge the need for mobilizing every possible resource against inflation; and certainly I completely acknowledge the unavoidable necessity for some form of enforced savings to sustain the public credit in the face of our unavoidably tremendous war expenditures; but, Mr. President, I am unalterably opposed to raiding social-security trust funds for these purposes, or for any purpose not directly related to the social-security benefits which these pay-roll taxpayers are presumed to buy for themselves with their assessments. The problem of financing the war is a separate problem and it must be candidly and courageously faced as a separate problem. If we must have enforced savings or induced War bond purchases, the order should be candid and courageous and, above all, it should be universal and not applied solely to the employers and the workers of the country who alone pay these social-security taxes.

I ask that the bill be referred to the Committee on Finance.

The ACTING PRESIDENT pro tempore. The bill will be referred as requested.

The bill (S. 2781) to amend the Federal Insurance Contributions Act with respect to the rate of taxes thereunder for the year 1943, was read twice by its title and referred to the Committee on Finance.

STABILIZATION OF THE COST OF LIVING—AMENDMENTS

Mr. OVERTON submitted an amendment intended to be proposed by him to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, which was referred to the Committee on Banking and Currency and ordered to be printed.

Mr. TAFT. Mr. President, I submit a proposed substitute for Senate Joint Resolution 161, the resolution dealing with inflation, and ask that it be referred to the Committee on Banking and Currency.

The proposed substitute differs from Senate Joint Resolution 161 in proposing to freeze all wages and prices by congressional action as of September 15, instead of leaving it entirely to the President.

The ACTING PRESIDENT pro tempore. The proposed amendment submitted by the Senator from Ohio will be printed and referred to the Committee on Banking and Currency.

Mr. DANAHER. Mr. President, I submit an amendment intended to be proposed by me to Senate Joint Resolution 161.

Under the terms of the proposed amendment, I would attain the objective sought by the President, with which I am completely in sympathy. It would accomplish the objective in very simple fashion. Indeed, not to exceed 100 words will disclose the entire subject.

We would by the terms of the proposed substitute merely strike out all after the enacting clause and thereafter repeal subclause (f) of section 2 of the Emergency Price Control Law and repeal section 3 of the same law. Obviously, the result would be to bring all commodities, of whatever character, under section 2, to be administered, of course, by the Office of Price Administration.

It seems to me to have become apparent from the testimony before the Banking and Currency Committee that we must take into account, among other important factors, the necessity of increased production of agricultural commodities. This country will face a substantial shortage in all agricultural commodities unless Congress now, or soon, takes affirmative steps to make certain that there are adequate protectives for the farmer and for the producer in this country.

Under section 2, for example, it will be possible, before a maximum price be fixed, that the Office of Price Administration take into account speculative fluctuations, general increases and decreases in cost of production, distribution, and transportation, and general increases or decreases in profits earned. It will make it possible, in other words, to take into account the farmers' labor costs. We believe that to be important.

The other objectives mentioned by the President will be achieved under his general policy, particularly with reference to the labor situation.

The matter can be simply dealt with. It can be dealt with in this fashion. I merely make this statement so that Senators may have before them, when the amendment has been printed the considerations which prompted it, to the end that when we actually act on Senate Joint Resolution 161 there will be an explanation available as to the wisdom of the enactment of the proposed amendment.

The ACTING PRESIDENT pro tempore. The proposed amendment submitted by the Senator from Connecticut will be printed and referred to the Committee on Banking and Currency.

PRINTING OF PROCEEDINGS HELD IN COMMEMORATION OF THE TWO HUNDREDTH ANNIVERSARY OF THE LANDING OF HENRY MELCHIOR MUHLENBERG IN PHILADELPHIA, PA.

Mr. GUFFEY submitted the following resolution (S. Res. 289), which was referred to the Committee on Printing:

> *Resolved*, That the proceedings in commemoration of the two hundredth anniversary of the landing of Henry Melchior Muhlenberg in Philadelphia, Pa., November 25, 1742, be printed as a Senate document, and that 5,000 additional copies be printed for use of the Commission.

TRANSFERS OF CIVIL-SERVICE EMPLOYEES

Mr. TYDINGS. Mr. President, some time ago the Senate authorized the appointment of a subcommittee of the Appropriations Committee, consisting of the Senator from Nevada [Mr. McCARRAN], the Senator from Oregon [Mr. HOLMAN], and myself, I being the chairman. Among the recommendations the committee made was one authorizing the Civil Service Commission to transfer employees from what might be called peacetime functions of the Government,

which, for the moment are in eclipse, to wartime functions of the Government, in the interest of efficiency, economy, better housing, better office conditions, and so forth, in the District of Columbia. When the committee made its report this was one of the things it strongly recommended. Mr. Paul McNutt, head of the Manpower Commission, the head of the Civil Service Commission, and I conferred the other day, and, as a result, that program is now in the process of being carried out.

Mr. McNutt, under authority granted to the President, has issued an order providing for the transfer of civil-service employees, under proper safeguards, from agencies which are more or less being curtailed now, to certain war activities of the Government.

In order that this whole picture may be a matter of record, I should like to have printed in the RECORD immediately following my remarks the letter from Mr. McNutt to me, with a copy of the order encompassing the desired purposes.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the letter and order were ordered to be printed in the RECORD, as follows:

OFFICE FOR EMERGENCY MANAGEMENT,
WAR MANPOWER COMMISSION,
WASHINGTON, D. C., *September 14, 1942.*

Hon. MILLARD E. TYDINGS,
United States Senate,
Washington, D. C.

DEAR SENATOR TYDINGS: Following our conversation, which was participated in also by Commissioner Flemming, of the Civil Service Commission, and Oliver Short, of the Commission's War Transfer Unit, I have decided to sign a directive which will make it possible for the Civil Service Commission to transfer Federal employees from one agency to another even in those cases where the employee does not give his consent.

As you will recall, we indicated to you that a few days before you introduced your bill in the Senate the members of the War Manpower Commission recommended to me that such a step should be taken. I have been advised that the President has the authority to direct moves of this type and, as you know, this authority under the Executive order establishing the War Manpower Commission has been delegated to the chairman of the War Manpower Commission who is authorized to take whatever steps may be necessary in the best interests of the war program after consultation with the members of the Commission.

The order which I have signed today, in addition to being recommended to me by the members of the Commission, has also been recommended by the members of the National Labor-Management Policy Committee of the War Manpower Commission. In addition, Commissioner Flemming has consulted informally with the heads of Government employee unions.

I am enclosing a copy of the directive with this letter and you will note that the order, in addition to making it possible for the Commission to transfer employees without their consent, also makes it possible for the Commission to transfer employees from one agency to another, irrespective of the priority ratings of the agencies involved.

Briefly, the directive makes it possible for the Commission to effect any transfers of Federal employees which it believes to be in the best interest of the war program.

In addition, the directive sets up safeguards for employees who are transferred by the Civil Service Commission under the authority which is being delegated to it. Persons whose transfer is in the interest of the war program are given certain reemployment benefits. The directive also provides that an employee cannot be transferred without his consent unless the Commission provides him with a fair opportunity for presenting his side of the case. Also, transfers will not be made to positions carrying a lower salary than that which the employee is now receiving.

There is a further provision that no transfer shall be effected from one part of the country to another unless the agency to which the employee is being transferred is in a position to handle his travel and moving expenses.

We feel confident that this order will go a long distance in the direction of making it possible for the Civil Service Commission to make a real contribution in the direction of converting Government to a war basis.

Both the War Manpower Commission and the Civil Service Commission will be delighted to receive any suggestions from you or other members of your committee at any time.

Very sincerely and cordially yours,
PAUL V. MCNUTT, *Chairman.*

WAR MANPOWER COMMISSION DIRECTIVE NO. 10

OFFICE OF WAR INFORMATION,
WAR MANPOWER COMMISSION,
September 14, 1942.

To all departments and agencies of the executive branch of the Federal Government, concerning transfer and release of Federal employees.

By virtue of the authority vested in me as Chairman of the War Manpower Commission by Executive Order No. 9139 establishing the War Manpower Commission, and by Executive Order No. 9243, and having found, after consultation with the members of the War Manpower Commission, that the measures hereinafter set forth will facilitate the filling of the Federal Government's requirements for manpower in the civilian service, and promote the proper allocation and the effective mobilization and utilization of the Nation's manpower in the prosecution of the war, it is hereby directed:

I. Whenever the Civil Service Commission shall find that a civilian employee of any department or agency of the executive branch of the Federal Government can make a more effective contribution to the war effort in a position in some other such department or agency, the Commission, with or without the consent of the employee or of the department or agency in which he is employed or to which he is transferred, shall direct the transfer of such employee to such position.

II. Whenever the Civil Service Commission shall find that a civilian employee of any department or agency of the executive branch of the Federal Government is qualified to perform work in a critical war occupation (as defined in the Essential Activities and Essential Occupations Directive) and can make a more effective contribution to the war effort in an essential activity carried on by a private enterprise, the Commission, with the consent of the employee, but with or without the consent of the department or agency in which he is employed, shall, upon request of such private enterprise, authorize the release of such employee to such private enterprise for work in such critical war occupation in such essential activity. An employee whose release has been authorized pursuant to this paragraph shall be carried on a leave-without-pay basis from his Federal position for the period of such employment with a private enterprise, except that such leave-without-pay status shall not continue beyond 6 months after the end of the war.

III. The Civil Service Commission shall base its findings, pursuant to paragraphs I and II of this directive, upon:

(a) The extent to which the skills, abilities, training, and experience of the employee are required and will be utilized by the departments, agencies, activities or private enterprise concerned; and

(b) The relative importance to the war program of the Government activities in which the employee has been employed and to which he will be transferred, as indicated by, among other considerations, priority classifications established by the Director of the Bureau of the Budget pursuant to Executive Order No. 9243; and

(c) The relative importance to the war program of the Government activity in which the employee has been employed and of the private enterprise to which he will be transferred, as indicated by priority classifications established by the Director of the Bureau of the Budget pursuant to Executive Order No. 9243 and by such policies and directives as the Chairman of the War Manpower Commission may prescribe.

IV. Any employee of a department or agency of the executive branch of the Federal Government (other than an employee holding a temporary position) who has been transferred pursuant to paragraph I of this directive shall be entitled to 30 days' notice from the department or agency to which he has been transferred, prior to the termination of his services with such department or agency, unless such termination is for cause. Upon the termination, without prejudice, of the services of an employee (other than an employee transferred or released from a temporary position) in the position to which his transfer or release has been authorized or directed pursuant to paragraphs I or II of this directive (or in a position which, for the purposes of this directive, is substantially similar thereto) such employee shall be entitled to the reemployment benefits hereinbelow set forth, provided he makes application for reinstatement therein within 40 days after the termination of his services with a department or agency of the Federal Government and, with respect to an employee released to a private enterprise, within 40 days after the termination of his services with such an enterprise but in no event later than 6 months after the end of the war:

(a) Reinstatement, within 30 days of his application, in the same department or agency and to the maximum extent practicable, in the same locality, in his former position, or in a position of like seniority, status, and pay, in such manner, to the maximum consistent with law, that he does not lose any of the rights or benefits to which he would have been entitled had he not been transferred or released;

(b) If such a position, or if the agency or activity in which he was employed, is no longer in existence, and such person therefore cannot be reinstated, the placement of his name on the reemployment list established pursuant to Executive Order No. 6924 of September 20, 1932, to be considered for certification to positions for which he is qualified elsewhere in the Government service. Certifications from such list shall be made by the Civil Service Commission prior to certifications from all other lists maintained by that Commission.

V. Any department or agency in which is employed an employee whose transfer or release is to be directed or authorized pursuant to this directive without the consent of such department or agency, shall be afforded, prior to such transfer or release, a fair opportunity to present to the Civil Service Commission evidence as to the extent to which such agency's or department's execution of its responsibilities will be jeopardized by the loss of such employee and as to the extent to which the employee's skills, abilities, training, and experience are being and will be utilized in such department or agency.

VI. Any employee whose transfer is to be directed pursuant to this directive without

the consent of such employee shall be afforded, prior to such transfer, a fair opportunity to present to the Civil Service Commission evidence that the proposed transfer is inequitable or will impose upon him an undue hardship. No employee shall, without his consent, be transferred to a position at a lower salary than he received at the time such transfer is directed, nor shall any employee, without his consent be transferred to a position beyond reasonable commuting distance from his home unless the department or agency concerned shall reimburse the employee for the cost of transporting himself, his immediate family, and his household goods, in accordance with Government regulations.

VII. Whenever the filling of any position by promotion from within for an indefinite period is being considered by any department or agency, employees who have been transferred or released pursuant to this directive and are entitled to reemployment in such department or agency under this directive shall be given the same consideration they would have received had they not been transferred or released, and such employees may be selected for such promotion. In the event of such selection, if such employee is not authorized to return to the position to which promotion was made, the position in question shall be filled only for the duration of such employee's reemployment rights under paragraph IV of this directive and such reemployment rights shall be applicable to the position to which promotion was made.

VIII. No request for the transfer or release of any civilian employee in any department or agency of the executive branch of the Federal Government shall be made by another such department or agency except through the Civil Service Commission, and no civilian employee of any such department or agency shall be released for transfer to another such department or agency except upon request of the Civil Service Commission. The Commission shall not request or authorize the transfer of any such employee who can make a more effective contribution to the war effort in the position in which he is currently employed or whose transfer would be contrary to the most effective methods of filling the Federal Government's requirements for manpower in the civilian service or would conflict with policies or directives of the War Manpower Commission.

IX. The Civil Service Commission is authorized and directed to adopt such measures and take such action as may be necessary or appropriate to carry out the provisions of this directive and to insure that the reemployment provisions set forth in paragraph IV of this directive are given full force and effect.

X. This directive shall become effective on and after September 27, 1942.

XI. This directive may be cited as the "Directive With Respect to the Transfer and Release of Government Employees."

PAUL V. MCNUTT,
Chairman, War Manpower Commission.
SEPTEMBER 14, 1942.

EXECUTIVE ORDER PROVIDING FOR THE TRANSFER AND RELEASE OF FEDERAL PERSONNEL

By virtue of the authority vested in me by the Civil Service Act (22 Stat. 403), and by section 1753 of the Revised Statutes of the United States (U. S. C., title 5, sec. 631), it is hereby ordered:

1. Effective on and after the fifteenth day following the date of this order, transfers of employees between departments, agencies, and independent establishments of the civilian executive branch of the Federal Government, the release of such employees to private enterprise, and the establishment, granting, and conditioning of reemployment rights in the event of such transfers and releases, shall be governed by policies and directives issued by the Chairman of the War Manpower Commission in conformity with Executive Order No. 9139 of April 18, 1942.

2. In conformity with the policies of the Chairman of the War Manpower Commission the Director of the Bureau of the Budget shall from time to time establish priority classifications of the several executive departments and agencies or parts or activities thereof, based upon the relative importance to the war program of the functions performed.

3. Executive Order No. 8973 of December 12, 1941, and Executive Order No. 9067 of February 20, 1942, are hereby revoked, effective on the fifteenth day following the date of this order; provided that nothing contained in this order shall be construed to affect reemployment rights theretofore acquired by any employee under Executive Orders Nos. 8973 and 9067.

FRANKLIN D. ROOSEVELT.

OFFICE OF WAR INFORMATION,
WAR MANPOWER COMMISSION,
September 14, 1942.

War Manpower Commission Chairman Paul V. McNutt and Civil Service Commissioner Arthur Flemming today issued the following joint statement:

In a further move to place the Federal Government on a total war basis, President Roosevelt issued on September 12 an Executive order delegating to the War Manpower Commission complete authority to control and regulate transfers of Federal employees. The order continues in effect the authority of the Bureau of the Budget to arrange Federal agencies in priority classifications based upon their relative importance to the war program.

The President's order, which becomes effective on September 27, was followed by a directive issued today by Chairman Paul V. McNutt, of the War Manpower Commission, ordering drastic changes in transfer regulations and procedures. This order also becomes effective on September 27.

Under the directive of the War Manpower Commission, the Civil Service Commission may order the transfer of a Federal employee from one department to another without the consent of the employee, of the department in which he is employed, or of the agency in which he is to be employed, whenever it finds that the transfer will result in a more effective contribution to the war program.

Employees who are transferred in this manner are guaranteed reemployment in their former position, or in similar positions, after the war. The directive of the War Manpower Commission establishes certain safeguards to prevent injustice or undue hardship upon employees who may be transferred without their consent.

Employees are required to be given an opportunity to be heard by the Commission before being transferred without their consent, and may not be transferred to a position carrying a lower salary than they are receiving. The directive prohibits also the transfer of employees beyond reasonable commuting distance from their homes unless the Government defrays the transportation expenses of the employee and his immediate family and the cost of moving his household goods.

A further provision of the directive requires the employee to be given consideration for promotion in his former department even though his transfer from that department has been ordered by the Civil Service Commission.

The Civil Service Commission is required, before transferring an employee, to give his department an opportunity to present evidence that its work will be jeopardized by the proposed transfer. The Civil Service Commission will pass on the objections.

Under the directive of the War Manpower Commission, the Civil Service Commission may also authorize the transfer of an employee of the Government to private industry engaged in war work whenever the Commission finds that the employee is qualified to perform work in a critical occupation. A list of essential occupations and critical war occupations is maintained by the United States Employment Service under a directive issued by the War Manpower Commission last June.

Government employees may not be transferred to private war industries without their consent, but upon transfer are also entitled to reemployment in their Government positions after the war. Such transfers may be ordered by the Civil Service Commission without the consent of the department in which the employee is serving.

Under the directive, the Civil Service Commission will also prevent unnecessary movements of Federal employees from one Federal agency to another.

The Civil Service Commission is expected to issue regulations implementing the Manpower Commission's directive within the next few days.

In the past the Civil Service Commission's authority to direct transfers was controlled by the priority classifications established by the Bureau of the Budget, and in many cases required not only the consent of the employee but also of his department. During the period February 27, 1942, to September 7, 1942, the Commission authorized the transfer of 31,977 employees to war jobs.

Mr. TYDINGS. Mr. President, I should like to say further that it was entirely proper to issue the order, and it was also proper to agree to it, and I presume the gentlemen in question are going to carry out the order which has been issued, but we will have to see to what extent the transfers are actually made before we can say whether the process has been as fruitful of benefit as the subcommittee in recommending it thought it would be.

THE PRIMARY ELECTION IN NEW JERSEY

Mr. SMATHERS. Mr. President, Tuesday last in New Jersey the Republican Party nominated one Albert W. Hawkes, a millionaire from upper Montclair, as its Republican nominee for the United States Senate.

The Newark Evening News commented, under date of Wednesday, September 16, 1942, at great length on Mr. Hawkes' nomination.

I ask unanimous consent to have published in the RECORD at this point the comment of the Newark Evening News on Mr. Hawkes' nomination.

There being no objection, the comment was ordered to be printed in the RECORD, as follows:

Hawkes made a surprising race. Starting from nowhere and with several of the principal Republican county organizations against him, he won over county leaders by direct negotiation, financing the campaigns of those who had to have help.

Wilson, beginning the campaign with a big lead, saw it slip away day by day as the various county leaders clamored for funds and got more.

The Hawkes campaign in Union was financed liberally by his supporters there, while Pascoe kept asking Wilson for money throughout the campaign.

Around the State the organizations that declared for Hawkes produced heavy pluralities, despite the light vote. Senator Farley's Atlantic machine, which held back for weeks

waiting for Wilson money, produced 6,700 plurality for Hawkes. Camden Republicans, led by Senator Wallace, turned up over 7,000 margin for Hawkes, although they negotiated earlier with the Wilson camp.

Lloyd B. Marsh, of Passaic, chief sponsor of Wilson, produced the 7,500 minimum he promised, but was unable to win over the other county leaders to Wilson as he had hoped. Marsh made several trips to south Jersey in an effort to hold Atlantic, Camden, and Ocean in line, but was outmaneuvered by the Hawkes managers. Several times in the campaign Marsh took shots at Hawkes as a millionaire candidate and promised Passaic would produce for Wilson without campaign funds.

SHORTAGE OF MANPOWER—ARTICLE BY SENATOR LA FOLLETTE

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article written by him for the Progressive entitled "America Faces a Manpower Muddle," which appears in the Appendix.]

ADDRESS BY HON. JOSEPH C. GREW TO THE REMINGTON ARMS CO.

[Mr. HILL asked and obtained leave to have printed in the RECORD an address delivered by Hon. Joseph C. Grew, former Ambassador to Japan, to the Remington Arms Co., at Bridgeport, Conn., on September 14, 1942, which appears in the Appendix.]

PROGRAM FOR WINNING THE WAR

[Mr. BARBOUR asked and obtained leave to have printed in the RECORD a letter to the Union League Club, of New York, from Mr. A. H. Cosden, its president, regarding a program for winning the war, which appears in the Appendix.]

RATIONING OF GASOLINE

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article from the Retail Gasoline Dealer News of Pittsburgh, Pa., issue of August 1942, entitled "Improved Rationing Plan Suggested," which appears in the Appendix.]

EXTENSION OF TIME FOR FILING RETURN OF CAPITAL-STOCK TAX IN 1942

Mr. GEORGE. Mr. President, House Joint Resolution 344 was messaged to the Senate this morning, and I am advised has been referred to the Committee on Finance. I ask unanimous consent that the order referring the joint resolution to the Committee on Finance be vacated, and that the joint resolution be taken up for immediate consideration.

By way of explanation, I will state that the measure merely authorizes extensions of time for filing return of capital-stock tax in 1942. It has had consideration by the Committee on Finance, and merely grants an extension of 120 days beyond September 30 for filing return of capital-stock tax for the current year.

It is necessary that this measure be passed, because the returns cannot be filed by September 30, and that is the last date to which the Commissioner of Internal Revenue can extend the time of filing. This is a simple joint resolution, and accomplishes the one purpose I have indicated.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Georgia that the order referring the joint resolution to the Committee on Finance be vacated? The Chair hears none, and the order is vacated.

The Senator from Georgia asks unanimous consent that the Senate proceed to consider the joint resolution. Is there objection?

There being no objection, the joint resolution (H. J. Res. 344) authorizing extension of time for filing return of capital-stock tax in 1942 was considered, ordered to a third reading, read the third time, and passed.

The ACTING PRESIDENT pro tempore. Routine morning business is concluded.

ORDER FOR CONSIDERATION OF THE CALENDAR

Mr. WILEY. Mr. President, I should like to have the attention of the Senate for about 10 minutes.

Mr. BARKLEY. Mr. President, will the Senator yield to me for a moment?

Mr. WILEY. I yield.

Mr. BARKLEY. Mr. President, I have conferred with the Senator from Illinois [Mr. LUCAS] about a resolution on the calendar which is ahead of the new bills on the calendar which have not heretofore been considered on a call of the calendar. I was going to ask unanimous consent, and I will do it now, that at the conclusion of the remarks of the Senator from Wisconsin [Mr. WILEY] the Senate proceed to the consideration of unobjected-to bills on the calendar, beginning with Calendar No. 1625, which is the resolution pertaining to attorneys' fees in the Langer case, and that the Senate then proceed to consider the new measures on the calendar, beginning with Calendar No. 1639.

Mr. NORRIS. Mr. President, does the Senator propose that the Senate begin with Calendar No. 1625?

Mr. BARKLEY. No. I will modify my request. At the time I conferred with the Senator from Illinois [Mr. LUCAS] I asked him if it would be agreeable to let the measure dealing with attorneys' fees in the Langer case go over until the call of the calendar was concluded.

Mr. LUCAS. Mr. President, I do not have any particular objection to that matter being considered, I will say to the Senator from Kentucky.

Mr. BARKLEY. If it is put over until the call of the calendar is concluded, it will accommodate some members of the Committee on Banking and Currency, which is meeting at 1 o'clock to consider proposed legislation before it. If it is agreeable, I suggest that we clean up the new measures on the calendar, and then go back to Calendar No. 1625.

Mr. McNARY. Mr. President, if I understand the Senator's request, it is that we begin with Calendar No. 1625?

Mr. BARKLEY. I have modified the request, and ask that the Senate begin with Calendar No. 1639, and that at the conclusion of the calendar Calendar No. 1625 be taken up.

Mr. McNARY. Consideration of that resolution would take considerable time.

Mr. BARKLEY. That is one reason why I did not want to have it taken up before the remaining measures on the calendar were acted upon.

Mr. McNARY. In view of the fact that members of the Committee on Banking and Currency desire to complete consideration of the joint resolution now before it, I thought perhaps we had better take up the Langer matter at another time, but I do not care particularly.

Mr. BARKLEY. Nor do I. I have just been informed by the Senator from Illinois [Mr. LUCAS] that he thought that resolution had been practically agreed upon, and that it would not take very long to dispose of it.

Mr. McNARY. Mr. President, I have no objection.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request made by the Senator from Kentucky [Mr. BARKLEY]? The Chair hears none, and it is so ordered.

PROPOSAL TO CREATE A FOREIGN RELATIONS ADVISORY COUNCIL FOR FORMULATION OF TREATIES

Mr. WILEY. Mr. President, in September 1918, 2 months before the armistice, we had no more idea of an armistice in the near future, or peace in the near future, than we have now. I do not mean by that, Mr. President, that we can anticipate an early victory; nor do I mean to imply that there has been anywhere in Washington any discussion relative to an early peace.

I merely mention the armistice of the first World War because of the fact that it came unexpectedly, and that we were unprepared with the machinery for working out a peace.

After the rejection of the Treaty of Versailles the United States Senate was subjected to a scathing broadside of criticism. It came from lecturers, newspapers, and political commentators.

At that time there were many demands for sharply restricting the arbitrary power of the Senate in connection with the making of treaties. At that time there was considerable criticism of the constitutional provision which made it possible for a minority of the Senate to block the desires of the President with respect to foreign policy. I refer to section 2 of article II of the Constitution, providing that the President shall have power, by and with the advice and consent of the Senate, to make treaties, providing two-thirds of the Senators present concur.

It is not my purpose at this time to review the factual history of treaty making, nor to put myself in the place of the critics and attempt to say what might have been had we had a more workable system of cooperation between the executive and the legislative branches, and if this Nation had accepted the Treaty of Versailles and had become a part of the League of Nations. All that is in the field of conjecture; let the dead bury their dead, and let us go on from this place, recognizing that the present has many challenges which must be met. It is about one of those challenges that I desire to speak briefly at this time.

When and if peace or an armistice comes, the American people, the Senate, and the President, will have to face the demands of that hour. I want to make a suggestion today which I think will help smooth over, as it were, the differences which may arise when that time comes. I want to suggest a change in

governmental mechanics, not in the power of the executive or the legislative branches.

December 7, 1941, found us unprepared at Pearl Harbor. When peace comes we must not be unprepared to meet the challenges which it will bring.

Pearl Harbor united America because outside powers intervened in our peace. When peace comes we want to have all the machinery working smoothly so that unity will continue. We need a working domestic unity between the executive and the legislative branches in connection with any treaty which may be written.

I cannot too strongly emphasize that the problem of arranging now for the mechanics of a peace, however far in the future it may be, is imperative. When peace comes there will be little time for gearing the machinery for such a peace.

We know that in the past the Senate has at times been to blame for delaying ratification of treaties for long periods. On the other hand, we know the Department of State has been similarly guilty in this respect in a number of instances, and that it has shown a lack of comprehension of human equations.

In other words, the executive branch has considered its function to be simply that of negotiating and producing, whereas the Constitution provides that the Executive shall have power by and with the advice and consent of the Senate to make treaties.

The word which has been overlooked and which I would stress emphatically in this matter at this time is the word "advice."

In planning a peace we are going to deal in global matters. We are going to think in terms of world-wide obligations for the American people. We are going to contemplate calling on the American people to extend the police power of government over all the seas and the lands of the earth. The destiny of the American people will be tied up in the treaties which mark the conclusion of this war, and it will be imperative that the peoples' representatives have a voice in the formulation of these treaties rather than merely being confronted with a fait accompli which may hardly be amended. Therefore, this period more than any other in American history calls for something more than the routine work of producing and submitting a treaty to the Senate. It calls for advice, which means cooperation in the inception steps of the treaty.

We know what the reaction of the American public was to the Senate's action on the Hay-Pauncefote treaty. We know what the reaction of the public was to the amendments to the Hay arbitration treaties. We know what the attitude of the public was toward the Senate participation in the Taft treaties of 1911, and we know what contemporary historians have said of the Senate and its participation in the Treaty of Versailles. There are Senators on this floor today who were Members of the Senate then, and who can recall vividly the wave of public indignation which followed the final death of the treaty in the Senate.

It is apparent now that if the present war is not to be lost by a disastrous peace there must be a better working arrangement between the Senate and the Chief Executive.

Some years ago there was discussed a constitutional amendment which would have deprived the Senate of its power, and which would have vested the approval of treaties in both Houses of Congress. Some proposals have been made to shift the Senate power over treaties to the House of Representatives, and one suggestion, which was put in the form of a constitutional amendment in 1920, was a proposal to give a majority of the Senate the power over treaties now exercised under the two-thirds rule. A still more recent proposal would have deprived the Senate of the power of altering treaties before it, and would have left the Senate with only the alternative of either unqualified rejection or unqualified acceptance.

Most of the proposals which have been made from time to time have involved a constitutional amendment, and amendment of the Constitution is, of course, an exceptionally difficult matter.

It serves no purpose for us to discuss whatever deficiencies may have existed in the past in connection with the treaty-making power. I believe, however, it is imperative for us now, before—perhaps long before—there are any peace and treaty proposals, to consider the establishment of machinery which will enable us to overcome the difficulties which have beset us in the past.

Some years ago there was a tentative discussion concerning objectives which I believe should be considered today. These objectives concern a more effective working relationship between the executive and legislative branches and could be achieved by a Foreign Relations Advisory Council. What do I mean by such a council? I mean, we should have an advisory council on foreign relations which would include the Secretary of State, the Under Secretary of State, and any other technician whom the Secretary might designate, the chairmen and the ranking minority members of the Senate Committee on Foreign Relations and of the House Committee on Foreign Affairs.

In other words, we should have an advisory council which would include the experts of the State Department and the political leaders on those committees of both Houses dealing with foreign affairs.

This council would, of course, be concerned with the definition and formulation of the foreign policy of the United States, and the agreements of the council would have the force of an understanding between the legislative and executive branches, and could well serve as guideposts in the formulation of treaties. Treaties would be negotiated in accordance with definite policies defined by the council, and then submitted to the Senate for ratification.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. WILEY. I yield.

Mr. AUSTIN. In the Senator's research into this subject did he find any record of a practice on the part of the State Department to counsel with Members of the United States Senate in advance of the formulation of a definitive treaty?

Mr. WILEY. I am frank to say that I did not discover anything of that kind, though I understand that at times there have been informal meetings. What I am talking about now is the creation of machinery which would get rid of the rough spots which exist between the Senate and the Executive. I shall come to that point later.

It is equally apparent that the legislators who might be members of the council would become, in effect, the floor leaders for treaties signed in pursuance of policies agreed upon by the council.

Moreover, the council would make it possible for Senate representatives on the council to discuss matters with the Senate Foreign Relations Committee and get the benefit of advice of that committee before the treaty itself had been formulated and completed.

The council would insure that there would be men on the floor of the Senate thoroughly familiar with the provisions of the treaty and committed to the provisions of the treaty, so that they could serve as advocates for the treaty on the floor. This would, of course, materially lessen the chances of a Senate rejection. It is obvious also that the council would have the advice of the Senate leaders in conference before the treaty was even transmitted to the Senate for confirmation or rejection.

All this would mean that there would be less need for defeating or amending treaties on the floor of the Senate, and less possibility of political friction. All the compromises between the Executive and the Senate could be considered long before the treaty itself was presented to the Senate.

This proposal requires no legislation. To me it could be a splendid example of democratic government at work, because it would embrace the technician, the Executive, and the representatives of the people working together on the establishment of a policy. That is an infinitely more democratic method than any dictatorial presentation of a fait accompli by an Executive, or any dictatorial action by the Senate.

In general, this proposal would result in a more intelligent formulation of our foreign policy, and would certainly create a better working relationship between the Chief Executive and the Senate.

I make this suggestion not as a final conclusion on this subject, which obviously requires much study. I make it merely as a suggestion to stimulate consideration of this problem at the present time rather than at some remote date. I have made the suggestion in a letter to Secretary of State Cordell Hull, and I ask that this letter be printed in full at the conclusion of my remarks. I have also sent copies of the letter to the Senate majority and minority leaders, and the ranking majority and minority members of the Senate Committee on Foreign Relations, and to the Under Secretary of State.

The ACTING PRESIDENT pro tempore. Without objection, the letter will be printed in the RECORD.

(See exhibit A.)

Mr. WILEY. Mr. President, I submit at this time a resolution asking the Executive to join with the Senate in creating a Foreign Relations Advisory Council. I ask that the resolution be referred to the Foreign Relations Committee of the Senate. The resolution is as follows:

Resolved, That the Chief Executive be invited to join with the Senate in the creation of a Foreign Relations Advisory Council to be constituted of the following: The Secretary of State, the Under Secretary of State, other technicians whom the Secretary of State might designate, the chairman and the ranking minority member of the Senate Committee on Foreign Relations, and the chairman and the ranking minority member of the House Committee on Foreign Affairs, and such other Senators as the President might from time to time designate.

The ACTING PRESIDENT pro tempore. Without objection, the resolution (S. Res. 290) will be received and referred to the Committee on Foreign Relations.

EXHIBIT A

SEPTEMBER 16, 1942.

The Honorable CORDELL HULL,
The Secretary of State,
Washington, D. C.

DEAR MR. SECRETARY: Attached please find a self-explanatory copy of a speech which I intend to make on the floor of the Senate tomorrow. The speech, as you will note, relates to the voluntary creation by the President and the Senate, of a Foreign Relations Advisory Council, in the thought that the creation of such a council can materially aid in eliminating the friction between the executive and legislative branches which has frequently characterized the presentation and ratification of treaties in the past.

I believe that the problem outlined in this speech is a critical problem, and I believe it warrants serious consideration at the present time.

I would welcome your comments at your earliest convenience.

Respectfully yours,

ALEXANDER WILEY.

THE CALENDAR

The ACTING PRESIDENT pro tempore. In accordance with the order previously entered, the clerk will proceed to state the measures on the calendar, beginning with Calendar No. 1639.

AMENDMENT OF ACT INCORPORATING AMERICAN WAR MOTHERS

The bill (H. R. 6401) to amend section 7 of the act entitled "An act to incorporate the American War Mothers," approved February 24, 1925 (43 Stat. 966; title 36, sec. 97, U. S. C., 1940 edition), was considered, ordered to a third reading, read the third time, and passed.

CAPT. SAMUEL N. MOORE

The bill (S. 2705) for the relief of Capt. Samuel N. Moore, U. S. Navy, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Captain Samuel N. Moore, United States Navy, the sum of $734.20 for the value of personal property lost or damaged in the hurricane at Tutuila, Samoa, on January 1, 1926: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdeameanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

BILL PASSED OVER

The bill (S. 2706) to amend the act entitled "An act to expedite national defense, and for other purposes," approved June 28, 1940 (54 Stat. 676), and "Title IV of the Naval Appropriation Act for the fiscal year 1941," approved September 9, 1940 (54 Stat. 883), was announced as next in order.

Mr. McNARY. Mr. President, I should like to have some explanation of the bill. The Senator from Massachusetts [Mr. WALSH] is not present. Perhaps some other member of the committee could explain it. I cannot tell from a mere reading of the text what the substance of the bill is. Let it go over for the present.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

CHARLES H. KOCH

The bill (S. 2717) for the relief of Charles H. Koch was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles H. Koch, of Minneapolis, Minn., the sum of $397.31, in full satisfaction of his claim against the United States Government for reimbursement for funeral expenses incurred by him in connection with the funeral and burial of the remains of Curtis Herman Koch, late seaman, second class, United States Naval Reserve, erroneously believed by claimant at the time to be those of his son, Charles Herbert Koch, apprentice seaman, United States Navy: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

REDUCTION IN COURSE OF INSTRUCTION AT THE UNITED STATES MILITARY ACADEMY

The bill (S. 2747) to authorize a reduction in the course of instruction at the United States Military Academy was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to reduce, in his discretion, until the termination of the present war, the course of instruction at the United States Military Academy from 4 to 3 years and to graduate classes which have completed such reduced courses of instruction.

SUSPENSION OF STATUTE OF LIMITATIONS IN CASES OF ANTITRUST LAW VIOLATIONS

The bill (S. 2731) to suspend until June 30, 1945, the running of the statute of limitations applicable to violations of the antitrust laws was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the running of any existing statute of limitations applicable to violations of the antitrust laws of the United States, now indictable or subject to civil proceedings under any existing statutes, shall be suspended until June 30, 1945, or until such earlier time as the Congress by concurrent resolution, or the President, may designate. This act shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by the provisions of existing laws.

SEC. 2. That this act shall be in force and effect from and after the date of its passage.

Mr. BURTON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the report of the Judiciary Committee, to explain the bill for the purposes of the RECORD.

There being no objection, the report (No. 1592) was ordered to be printed in the RECORD, as follows:

The Committee on the Judiciary, to whom was referred the bill (S. 2731) to suspend until June 30, 1945, the running of the statute of limitations applicable to violations of the antitrust laws, having considered the same, report the bill favorably to the Senate, with the recommendation that the bill do pass.

STATEMENT

This committee had previously reported favorably the bill (H. R. 6484) to suspend the running of the statute of limitations applicable to frauds against the United States, which bill has been enacted into law, approved by the President and is Public Law No. 706. This bill (S. 2731) will accomplish the same purpose as to violations of the antitrust laws, both civil and criminal.

Specifically it suspends the statute of limitations applicable to violation of the antitrust laws of the United States until June 30, 1945, or until such earlier time as the Congress by concurrent resolution, or the President may designate. The date is selected because it is 6 months after December 31, 1944, which has been used by the Congress as the estimated date of the termination of the war and it is felt that the suspension should continue 6 months after the termination of the war.

The bill expressly states that "it shall not apply to acts, offenses, or transactions which are already barred by the provisions of existing laws." Therefore it will not operate to revive causes of action against which the statute of limitations has now run.

Consideration of this matter was had by the full committee and it was unanimously determined that the bill be reported favorably. The enactment of this legislation was urged by the Secretary of War, the Secretary of the Navy, the Attorney General, and approved by the President. The following explanatory communication, with the enclosures mentioned and here printed, was received by the Hon. Frederick Van Nuys, chairman of this committee:

WAR DEPARTMENT,
Washington, August 18, 1942.

Hon. FREDERICK VAN NUYS,
Chairman, Committee on the Judiciary,
United States Senate,
Washington, D. C.

DEAR SENATOR VAN NUYS: There is enclosed draft of a bill to suspend until June 30, 1945, the runing of the statute of limitations applicable to violations of the antitrust laws, which it is recommended be enacted into law.

On March 20, 1942, the undersigned addressed a joint letter to the President with respect to postponement of antitrust court investigations, prosecutions, or suits (which

might interfere with the production of war materials) during the period of such interference. A procedure was set up under which antitrust investigations, prosecutions, or suits would be postponed if it appeared that proceeding therewith would seriously interfere with the war effort. In such letter we announced our intention to request the Congress to pass an appropriate extension of the statute of limitations applicable to antitrust cases. A copy of the above-mentioned letter and a copy of the President's reply, which approved the proposed procedure, are enclosed herewith.

In harmony with the purpose announced in such letter, we request that the enclosed bill be introduced at as early a date as practicable. In instances where antitrust investigations, prosecutions, or suits are postponed, as contemplated by the above-mentioned letter, it is advisable and, in some instances, essential that the running of the statute of limitations be suspended during the periods of postponement. Such postponements will be during periods expiring not later than the end of the present war. The proposed bill will accomplish the suspension of the running of the statute of limitations applicable to antitrust cases until June 30, 1945, or the earlier date specified therein.

The undersigned were prepared to submit a similar bill to the Congress prior to the passage of H. R. 6484, which suspends the running of the statute of limitations applicable to frauds against the United States. In view of the fact that H. R. 6484 was then before the Congress, instead of presenting a bill, we requested the amendment of H. R. 6484 so as to provide for the suspension of the statute of limitations applicable not only to cases of fraud against the United States but also to antitrust matters. H. R. 6484 was not, however, so amended. The proposed bill, enclosed herewith, is identical to H. R. 6484, except that, in lieu of providing for suspension of the statute of limitations with respect to frauds against the Government, the proposed bill provides for suspension of the statute of limitations in connection with antitrust suits—a subject matter not covered by H. R. 6484.

If you require any further information concerning the bill, the undersigned will be glad to furnish it.

The Bureau of the Budget advises that there is no objection to the submission of the proposed legislation to the Congress.

Sincerely yours,

HENRY L. STIMSON,
Secretary of War.
JAMES V. FORRESTAL,
Acting Secretary of the Navy.
CHARLES FAHY,
Acting Attorney General.

MARCH 20, 1942.

DEAR MR. PRESIDENT: The undersigned have been considering for some time the problem presented by the fact that some of the pending court investigations, suits, and prosecutions under the antitrust statutes by the Department of Justice, if continued, will interfere with the production of war materials.

In the present all-out effort to produce quickly and uninterruptedly a maximum amount of weapons of warfare, such court investigations, suits, and prosecutions unavoidably consume the time of executives and employees of those corporations which are engaged in war work. In those cases we believe that continuing such prosecutions at this time will be contrary to the national interest and security. It is therefore something which we seek to obviate as quickly as possible.

On the other hand, we all wish to make sure (1) that no one who has committed a violation of law shall escape ultimate investigation and prosecution; (2) that no such person shall even now be permitted to postpone investigation or prosecution under a false pretext that his undivided time is necessary to the war effort—in other words, that it must be preponderantly clear that the progress of the war effort is being impeded; and (3) that no one who has sought actually to defraud the Government shall obtain any postponement of investigation or prosecution in any event.

Accordingly we have worked out the following procedure, subject to your approval:

Each pending and future Federal court investigation, prosecution, or suit under the antitrust laws will be carefully studied and examined as soon as possible by the Attorney General, and the Secretary of War or the Secretary of the Navy, respectively. If the Attorney General and the Secretary of War or the Secretary of the Navy come to the conclusion that the court investigation, prosecution, or suit will not seriously interfere with the all-out prosecution of the war, the Attorney General will proceed. If they agree that it will interfere, or if, after study and examination, they disagree, then, upon receipt of a letter from the Secretary of War or the Secretary of the Navy stating that in his opinion the investigation, suit, or prosecution will seriously interfere with the war effort, the Attorney General will abide by that decision and defer his activity in that particular matter; providing, however, that he shall have the right in such event to lay all the facts before the President, whose determination, of course, shall be final. In each case the action finally taken will be made public.

The deferment or adjournment of the investigation, suit, or prosecution will not, however, mean the exoneration of the individual or corporation, or the discontinuance of the proceeding. As soon as it appears that it will no longer interfere with war production the Attorney General will proceed.

To make sure that no one escapes by the running of the statute of limitations, we shall request Congress to pass an appropriate extension of the statute.

Under no circumstances will there be any suspension or postponement of prosecution for any actual fraud committed against the Government.

We feel that this arrangement will adequately protect the public interest.

Respectfully yours,

FRANCIS BIDDLE,
Attorney General.
HENRY L. STIMSON,
Secretary of War.
FRANK KNOX,
Secretary of the Navy.
THURMAN ARNOLD.

On the same day, March 20, the President, in identic letters addressed to the Attorney General, the Secretary of War, and the Secretary of the Navy, notified them of his approval of the procedure outlined in the above memorandum.

The President's letter reads:

MARCH 20, 1942.

I approve of the procedure outlined in your memorandum to me dated March 20, 1942. If it is true that any substantial slowing up of war production is being occasioned by antitrust suits, prosecutions, or court investigations, then the war effort must come first and everything else must wait. For unless that effort is successful, the antitrust laws, as indeed all American institutions, will become quite academic.

No one, of course, should be permitted to escape ultimate prosecution for any violation of law. I am sure that the Departments of Justice, War, and Navy will all cooperate so that the needs of the war will not be hampered by these court investigations, suits, or prosecutions, but that, at the same time, the crisis of war will not be used as a means of avoiding just penalties for any wrongdoing. In other words, it must be made very clear that the war effort is being impeded. No right-minded person, or anyone who is conscious of what is at stake, should use the Nation's extremities as an excuse to violate any statute.

Nor indeed should there be any deferment or adjournment of any court investigation, prosecution, or suit, unless, after a study and examination with the Attorney General in each specific case, the Secretary of War or of the Navy is satisfied that the war effort will be jeopardized at this time unless such course is followed.

I note from your memorandum that proper steps will be taken to avoid the running of the statute of limitations in any case, and that under no circumstances will there be any delay in the prosecution of acts involving actual fraud upon the Government.

I also heartily approve your intention of making public each determination arrived at by you in accordance with your memorandum. The American people should be informed of each step in their war effort, excepting, of course, any information which may in any way help the enemy in his attempt to destroy us.

While every precaution will be taken to prevent anyone from escaping prosecution if he has violated the antitrust statutes, whether he is now engaged in war work or not, we must keep our eyes fixed now upon the one all-important primary task—to produce more materials at a greater speed. In other words, we shall give our attention to first things first.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

AMENDMENT OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The Senate proceeded to consider the bill (H. R. 6921) to amend the Soil Conservation and Domestic Allotment Act to authorize payments in cases where farmers' crops are acquired, prior to harvest, in connection with the acquisition of their farms for use in the national war effort, and to provide for the division of such payments, which had been reported from the Committee on Agriculture and Forestry, with an amendment, on page 1, line 6, after the word "or", to insert "effective with respect to the 1942 and subsequent farm programs."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

TRANSPORTATION OF CERTAIN GOVERNMENT AND OTHER PERSONNEL

The Senate proceeded to consider the bill (S. 2740) to provide for furnishing transportation for certain Government and other personnel necessary for the effective prosecution of the war, and for other purposes, which had been reported from the Committee on Naval Affairs, with amendments.

The first amendment of the Committee on Naval Affairs was in section 1, on page 2, line 2, after the word "authorized" to insert "in the absence of adequate private or other facilities"; on page 3, line 24, after the word "that" to insert "existing private and other facilities are not and cannot be rendered adequate by other means, and that"; on page 4, at the beginning of line 2, to strike out "an efficient supply of" and insert "the most efficient method of supplying"; on page 4, after line 5, to strike out:

5. The provisions of section 108 of the Navy Department Appropriation Act 1943 (Public Law 441, 77th Cong.), and of section 302 (b)

of the Treasury-Post Office Appropriation Act, 1943 (Public Law 495, 77th Cong.), are hereby suspended insofar as they conflict with the authority herein granted.

And at the beginning of line 12 to strike out "6" and insert "5", so as to make the section read:

Be it enacted, etc., That whenever during the continuance of the present war the Secretary of War, the Secretary of the Navy, or the Chairman of the Maritime Commission shall determine that the effective conduct of the affairs of his department or agency in connection with the prosecution of war requires assured and adequate transportation facilities to and from their places of employment for personnel attached to or employed by such department or agency, including personnel attached to or employed by private plants engaged in the manufacture of war material, he is hereby authorized in the absence of adequate private or other facilities to provide such transportation, subject, however, to the following provisions and conditions:

1. The equipment required to provide such transportation facilities may be either purchased, leased, or chartered for operation by the War Department, the Navy Department, or the Maritime Commission, and when so obtained may be maintained and operated either by enlisted personnel, civil employees of the War Department, the Navy Department, or the Maritime Commission, or by private personnel under contract with such departments or agency. Equipment so obtained may also be leased or chartered to private or public carriers for operation under such terms and conditions as the Secretary of War, the Secretary of the Navy, or the Chairman of the Maritime Commission, or such official within their respective departments or agency as they may designate, shall determine necessary and advisable under the existing circumstances: *Provided*, That any equipment purchased, leased, or operated by authority of this act shall have a seating capacity of 12 or more passengers.

2. That in each case where transportation facilities are provided hereunder, reasonable rates of fare for the service furnished shall be established and charged under such regulations as the Secretary of War, the Secretary of the Navy, or the Chairman of the Maritime Commission shall prescribe; the receipts from such fares, and the proceeds from the leasing or chartering of any equipment as provided in the foregoing paragraph, shall be accounted for in accordance with such accounting procedure as the Secretary of War, the Secretary of the Navy, or the Chairman of the Maritime Commission, respectively, may prescribe, and shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts.

3. The facilities and service authorized hereunder shall be utilized only for the transportation of personnel heretofore enumerated and for the purpose heretofore stated, under such rules and regulations as may be prescribed by authority of the Secretary of War, the Secretary of the Navy, or the Chairman of the Maritime Commission: *Provided, however*, That where the equipment and facilities herein provided for are pooled under lease or charter agreements, the reciprocal use of Government-owned and private-owned equipment shall be deemed to be within the intent of this paragraph.

4. The authority herein granted the Secretary of War, the Secretary of the Navy, and the Chairman of the Maritime Commission shall be exercised in each case only after a determination by the Office of Defense Transportation that existing private and other facilities are not and cannot be rendered adequate by other means, and that its exercise will result in the most efficient method of supplying transportation to the personnel concerned and a utilization of transportation facilities consistent with the plans, policies, and programs of the Office of Defense Transportation.

5. Nothing in this act shall be construed to modify or limit in any manner the authority vested in the Chairman of the War Production Board by any Executive order or act of Congress. All vessels purchased, leased, or chartered under this act shall be procured by or through the War Shipping Administration to the full extent of the authority and jurisdiction of the War Shipping Administration.

The amendment was agreed to.

The next amendment was, on page 4, after line 18, to insert:

SEC. 2. It shall be the duty of the Secretary of War, the Secretary of the Navy, and the Chairman of the Maritime Commission, respectively, to file with the Congress, within 60 days after the end of the fiscal year, a summarized report of the exercise of the authority herein granted, which report shall include (1) location, nature, and size of the plant for which transportation facilities were provided; (2) type, amount, and original cost of equipment furnished; (3) outline of lease or charter for rented or reciprocally used equipment with total costs for period of use or operation; and (4) citation of authority of the Office of Defense Transportation under which exercised.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RIGHTS-OF-WAY OVER NAVAL RESERVATIONS

The bill (S. 2739) to authorize the Secretary of the Navy to grant easements for rights-of-way over, across, in, and upon naval reservations was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and empowered, under such terms and conditions as are deemed advisable by him, to grant easements for rights-of-way over, across, in, and upon naval reservations and other lands under his control for gas, water, electric, telephone, power, and sewer pipe lines, and roads and highways, to any citizen, association, or corporation of any State, Territory, or possession of the United States, or any State of the United States or political subdivision of a State of the United States: *Provided*, That such rights-of-way shall be granted only upon a finding by the Secretary of the Navy that the same will be in the public interest and will not substantially injure the interest of the United States in the property affected thereby: *Provided further*, That all or any part of such rights-of-way may be annulled or forfeited by the Secretary of the Navy for failure to comply with the terms or conditions of any grant hereunder or for nonuse or for abandonment of rights granted under the authority hereof: *And provided further*, That the Secretary of the Navy shall include in his annual report to the President a full and complete statement of each and all easements granted, which statement shall also include the name and address of the grantee, the purpose of the grant, and the benefits accruing to the United States or to the public therefrom.

ST. ANN'S INFANT ASYLUM, DISTRICT OF COLUMBIA

The bill (S. 2689) to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863 (12 Stat. 798), was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863 (12 Stat. 798), be, and the same is hereby, amended to read as follows:

"That Theresa A. Costello, Lucy Gwynn, Margaret Bowden, Sarah M. Carroll, Catherine Ryan, Louisa Fisher, and Catherine Shea, and their successors, be, and they are hereby, made a body politic and corporate forever, by the name of 'St. Ann's Infant Asylum,' for the purpose of establishing and maintaining in the city of Washington, in the District of Columbia, an institution for the maintenance and support of foundlings and infant orphan and half-orphan children, and also to provide for deserving indigent and unprotected females during their confinement in childbirth; and by that name may sue and be sued, prosecute and defend; may have and use a common seal, and the same alter and renew at pleasure; may adopt and establish rules, regulations, and bylaws not repugnant to the Constitution and laws of the United States, for properly conducting the affairs of said corporation; may take, receive, purchase, and hold estate, real, personal, and mixed, not exceeding in value at any one time $1,000,000, and may manage and dispose of the same, and apply the same, or the proceeds of the sales thereof, to the uses and purposes of said corporation, according to the rules and regulations which now are or may hereafter at any time be established."

REGISTRATION OF BIRTHS IN THE DISTRICT OF COLUMBIA

The bill (S. 2733) to amend an act entitled "An act to provide for the better registration of births in the District of Columbia, and for other purposes," approved March 1, 1907, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to provide for the better registration of births in the District of Columbia, and for other purposes," approved March 1, 1907, is amended so as to read:

"SEC. 1. Any physician or midwife who attends at a live or stillbirth within the District of Columbia, and any person whosoever who, in the absence of a physician or midwife, performs any of the services usually rendered by such shall execute or cause to be executed and shall file with the health officer of said District, not later than 10 days immediately following the date of such birth, a complete report containing such data with reference thereto as may be required by the health officer, subject to the approval of the Commissioners of the District of Columbia, and such data as may be necessary for the purposes of the Bureau of the Census of the United States Department of Commerce. The health officer shall furnish forms for such purposes. Should any data contained in the aforesaid report be not based upon the personal observation of the physician, midwife, or other person by whom report is made, the report shall show the name and address of the informant and the relationship of said informant to the child born: *Provided*, That if the child is of illegitimate birth the name of the father shall not be entered without his consent, except when paternity has been established by a court of proper jurisdiction.

"A report of birth of a person born in the District of Columbia, whose birth was not reported by the person attending, may be filed at the discretion of the health officer on presentation of evidence satisfactory to the

health officer, concerning the (a) birth date, (b) birthplace, and (c) parentage of the person sought to be registered and the birthplace of both parents of said person.

"Whoever in the District of Columbia assumes the custody of a living infant under 1 year of age, of unknown parentage, whose birth has not been previously registered at the health office of the District of Columbia, or elsewhere, shall, within 10 days thereafter, report to the health officer on an approved form, the following: (a) Date and place of finding or assumption of custody; (b) sex; (c) color or race; (d) approximate age; (e) name and address of person or institution with whom the child has been placed for care, if any; (f) name given to the child. The State or political subdivision where the child was found shall be known as the place of birth and the date of birth shall be determined by approximation. If a child for whom such a report shall be registered shall later be identified and a regular certificate of birth be found or obtained, it shall be substituted and the previous report shall be sealed and filed in a confidential file."

SEC. 2. Section 2 of said act is amended so as to read:

"No person in the District of Columbia shall willfully or negligently certify falsely to any fact whatsoever upon any report of birth and no person shall make any false or fictitious report of a birth or any false or fictitious transcript of any record of a birth. The Commissioners of the District of Columbia shall have the power to adopt regulations governing the registration of births, not inconsistent with existing law.

"A new certificate of birth shall be made of a person whenever (a) proof is submitted to the health officer that the natural parents of such person subsequently married each other; (b) a certified copy of a judgment or decree of adoption of such person from a court of competent jurisdiction in the District of Columbia, or elsewhere, is filed with the health officer. On every new certificate of birth made because of adoption, a notation 'by adoption' shall be entered. When a new record of birth is made on account of adoption, the health officer shall substitute a new certificate for the original certificate and shall place under seal the original certificate and all papers pertaining to the new record. Such seals shall not be broken except by order of a court of competent jurisdiction in the District of Columbia."

SEC. 3. Section 3 of said act is amended so as to read:

"The reports required by this act shall, when duly filed with the health officer of the District of Columbia, be a part of the public records of said District, but the health officer shall not permit inspection of the records unless he is satisfied that the applicant has a direct and tangible interest in the matter recorded. The health officer shall be the custodian of all reports filed under the provisions of this act, and annually, and at such other times as the Commissioners of said District may direct, shall make and publish abstracts and analyses of such data as may be requested by the Commissioners.

"Upon request a certificate of birth registration shall be issued by the registrar under regulations prescribed by the Commissioners of the District of Columbia. A certificate of birth registration shall contain only the name, sex, date of birth, place of birth, date of filing of the certificate of birth, and the number of the certificate of birth of the person to whom it relates, and none of the other data on the birth record. Such certificate of birth shall be prima facie evidence in all courts and places of the facts therein stated. A verified transcript of a birth record shall be issued only upon written request therefor by the person to whom the record of birth relates, if 21 years of age, or by a parent, guardian, or other lawful representative of such person, or upon order of a court of competent jurisdiction."

REGULATION OF THE HEALING ART IN THE DISTRICT OF COLUMBIA

The bill (H. R. 6362) to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929, was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF DISTRICT OF COLUMBIA EMERGENCY RENT ACT

The bill H. R. 7235) to amend the District of Columbia Emergency Rent Act was considered, ordered to a third reading, read the third time, and passed.

PENALTY FOR INDECENT EXPOSURE IN THE DISTRICT OF COLUMBIA

The bill (H. R. 7399) to increase the penalty for indecent exposure in the District of Columbia, was considered, ordered to a third reading, read the third time, and passed.

WILLIAM R. LAURENCE

The Senate proceeded to consider the bill (S. 2411) for the relief of William R. Laurence, which had been reported from the Committee on Military Affairs, with an amendment, on page 1, line 11, after the word "misconduct" to insert a proviso, so as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges or benefits upon persons who served honorably in the military or naval forces of the United States the personal injury sustained by William R. Laurence (claim No. C-884670) on April 26, 1924, while on an authorized leave of absence from the United States Army, shall be held and considered to be a personal injury sustained by him in line of duty and not the result of his own misconduct: *Provided*, That no bounty, pay, back pay, pension, allowance, or other benefit shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GENERAL PULASKI MEMORIAL DAY

The joint resolution (H. J. Res. 271) authorizing the President of the United States of America to proclaim October 11, 1942, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF WOMEN'S ARMY AUXILIARY CORPS ACT

The bill (S. 2751) to amend the act entitled "An act to establish a Women's Army Auxiliary Corps for service with the Army of the United States," approved May 14, 1942, to create the grade of field director in such corps, to provide for enrolled grades in such corps comparable to the enlisted grades in the Regular Army, to provide pay and allowances for all members of such corps at the same rates as those payable to members of the Regular Army in corresponding grades, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 2, 3, 4, 5, and 6 of the act entitled "An act to establish a Women's Army Auxiliary Corps for service with the Army of the United States," approved May 14, 1942 (Public Law 554, 77th Cong.), are hereby amended to read as follows:

"SEC. 2. From women citizens of the United States, the Secretary of War is authorized to appoint the Director and such Assistant Directors and field directors as he from time to time may deem necessary and advisable, all of such appointees to serve during the pleasure of the Secretary. The Director shall receive pay and allowances at the rate now or hereafter provided by law for a commissioned officer of the Regular Army, without dependents, who is entitled to receive the pay of the sixth pay period. The Director, under the direction of the Chief of Staff of the Army of the United States, shall advise the War Department on matters pertaining to the establishment of the Women's Army Auxiliary Corps; shall operate and administer the corps in accordance with normal military procedure of command and administration and such regulations as may be prescribed by the Secretary of War; shall make recommendations as to plans and policies concerning the employment, training, supply, welfare, and discipline of the corps; and shall perform such other duties as may be prescribed by the Secretary. Each Assistant Director shall receive pay and allowances at the rate now or hereafter provided by law for a commissioned officer of the Regular Army, without dependents, who is entitled to receive the pay of the fifth pay period; and each field director shall receive pay and allowances at the rate now or hereafter provided by law for a commissioned officer of the Regular Army, without dependents, who is entitled to receive the pay of the fourth pay period. Each Assistant Director and field director shall perform such duties as may be prescribed by regulations published by the Secretary of War.

"SEC. 3. The Secretary is authorized to establish and maintain such number of schools as he may consider necessary for the purpose of training candidates for officers of the corps. The Secretary may establish by regulations the qualifications for entry into such schools, the course of study to be pursued, and the requirements for graduation therefrom. Candidates for such schools may be selected from enrolled members of the Women's Army Auxiliary Corps or from women volunteers who are citizens of the United States. Transportation in kind and subsistence may be authorized by the Secretary for such candidates from the place from which authorized to proceed to such schools, and return, or, in lieu of furnishing such transportation in kind and subsistence, to pay them travel allowances at the rate of 5 cents per mile and subsistence allowances at the rate of 1 cent per mile for the distance of such journeys by the shortest usually traveled routes. Payment of such allowances for return journeys may be made in advance of the actual performance thereof. During the attendance of such candidates at such schools, they shall be furnished living quarters, uniforms as hereinafter provided, medical and dental service, medicines, medical and hospital supplies, hospitalization, subsistence, textbooks, necessary school supplies, and pay. All enrolled members of the corps shall receive the pay and allowances of their grade as hereinafter provided, and all other candidates shall receive pay at the rate of $50 per month. The Secretary may appoint officers in such number as he may deem necessary for the proper administration of the corps in the grades of first officer, second officer, and third officer, and with such responsibilities as he may direct. First officers, second officers, and third officers shall receive pay and allowances at the rate now or hereafter provided by law for commissioned officers of the Regular Army, without dependents, who are entitled to receive the pay of the third, second, and first pay periods, respectively.

"SEC. 4. The Secretary is authorized to have enrolled in the corps, in addition to the Director, Assistant Director, field directors, and officers hereinabove provided for, by voluntary enrollment, women of excellent character in good physical health, between the ages of twenty-one and forty-five years and citizens of the United States. The personnel of the corps so enrolled shall be distributed, in accordance with regulations prescribed by the Secretary of War, in seven grades corresponding to the seven enlisted grades in the Regular Army; and the Secretary shall have complete authority to define the qualifications for all of the grades in which such personnel are so distributed. Personnel in each of the seven grades shall receive pay and allowances at the rates now or hereafter provided by law for enlisted men, without dependents, in the corresponding enlisted grades in the Regular Army.

"SEC. 5. The Secretary shall, so far as practicable, provide quarters for the members of the corps so enrolled either on established Army posts, camps, or stations, or on those to be established, or in such other places as he may direct, and may use any of the facilities of the Army for such purposes.

"SEC. 6. The Secretary shall procure and furnish subsistence to all members of the corps, exclusive of the Director, Assistant Directors, field directors, and officers, which shall conform so far as is practicable to the subsistence of the Army: *Provided*, That when subsistence in kind is not furnished, the Secretary, by regulation, shall provide for payment of allowances in lieu thereof."

SEC. 2. Section 8 of such act of May 14, 1942, is amended by inserting therein after the words "Assistant Directors" a comma and the following: "field directors."

SEC. 3. The Secretary of War is authorized to permit members of the Women's Army Auxiliary Corps to make allotments from their pay, under such regulations as he may prescribe, for purposes which in his discretion warrant such action.

PROSECUTIONS AFTER LAPSE OF A TEMPORARY STATUTE

The bill (S. 2696) to permit prosecutions after the lapse of a temporary statute for offenses committed prior to its expiration was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 4 of the act of February 25, 1871 (16 Stat. 432, R. S., sec. 13, U. S. C., title 1, sec. 29), be, and it hereby is, amended to read as follows:

"The repeal of any statute shall not have the effect to release or extinguish any penalty, forfeiture, or liability incurred under such statute, unless the repealing act shall so expressly provide, and such statute shall be treated as still remaining in force for the purpose of sustaining any proper action or prosecution for the enforcement of such penalty, forfeiture, or liability. The expiration of a temporary statute shall not have the effect to release or extinguish any penalty, forfeiture, or liability incurred under such statute, unless the temporary statute shall so expressly provide, and such statute shall be treated as still remaining in force for the purpose of sustaining any proper action or prosecution for the enforcement of such penalty, forfeiture, or liability."

TRANSFER OF BUTTS COUNTY FROM MIDDLE DISTRICT TO NORTHERN DISTRICT OF GEORGIA

The bill (H. R. 6951) to amend subsections (b) and (d) of section 77 of the Judicial Code so as to transfer the county of Butts from the Macon division of the middle district of Georgia to the Atlanta division of the northern district of Georgia was considered, ordered to a third reading, read the third time, and passed.

Mr. VAN NUYS subsequently said: Mr. President, I was inadvertently detained when Calendar No. 1657, House bill 6951, was passed. I ask unanimous consent that the vote by which the bill was passed be reconsidered.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Indiana? The Chair hears none; and, without objection, the vote by which the bill was passed is reconsidered.

Mr. VAN NUYS. I ask that the bill be passed over at the present time.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

That completes the calendar.

AUTHORIZATION TO COMMITTEE ON BANKING AND CURRENCY TO REPORT

Mr. BARKLEY. Mr. President, I ask unanimous consent that during the adjournment of the Senate the Committee on Banking and Currency be authorized to file its report on Senate Joint Resolution 161, but not later than midnight of Saturday next.

Mr. McNARY. Mr. President, may we assume that the joint resolution will be ready for consideration on the floor of the Senate on Monday?

Mr. BARKLEY. It is our hope to have it ready for consideration Monday.

Mr. McNARY. I have no objection.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. BARKLEY. Mr. President, I ask unanimous consent that when the Senate concludes its business for today it stand in adjournment until Monday next.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

RETIREMENT PAY FOR CERTAIN DISTRICT OF COLUMBIA JUDGES

Mr. McCARRAN. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1476, Senate bill 2503.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2503) to provide for the payment of retired pay to certain retired judges of the police and municipal courts of the District of Columbia.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Nevada?

Mr. McNARY. Mr. President, I do not know that I shall object. What is the reason for bringing up the bill at this time, when we have a unanimous-consent agreement to proceed with the consideration of another measure on the calendar?

Mr. McCARRAN. This bill is on the calendar preceding the point at which the call of the calendar was commenced today.

Mr. McNARY. I am conscious of that.

Mr. McCARRAN. I should like very much to have the bill disposed of because it proposes to grant a retirement allowance to one individual who, in the judgment of the Committee on the District of Columbia, should previously have been granted retirement pay. He has retired from the bench, and is 78 years old. Other judges have been granted the privilege of retirement allowances, but he has not. I hope that the Senator will not object at this time.

Mr. McNARY. I think the Senator's statement is a very fair one. I shall not be disposed to object.

There being no objection, the bill (S. 2503) to provide for the payment of retired pay to certain retired judges of the police and municipal courts of the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any person not less than 70 years of age who has heretofore served for at least 12 years as a judge of the police court of the District of Columbia or the municipal court of the District of Columbia and who is no longer serving as a judge of any court of the United States or the District of Columbia shall be entitled to receive retirement pay, during the remainder of his life, at an annual rate equal to the product obtained by multiplying the number of years, not in excess of 30, he served as such a judge by one-thirtieth of the annual salary which he was receiving for his services as such a judge immediately prior to the time he ceased to so serve. Such retirement pay shall be payable in the same manner as, and from the same funds from which, salaries of judges of the municipal court for the District of Columbia are payable.

SENATOR FROM NORTH DAKOTA—ATTORNEYS' FEES

The ACTING PRESIDENT pro tempore. Under the order previously entered, the Chair lays before the Senate Senate Resolution 283, to pay attorneys' fees in the WILLIAM LANGER election case.

The Senate resumed the consideration of the resolution (S. Res. 283), which is as follows:

Resolved, That the Committee on Privileges and Elections, authorized by Senate Resolution 81, agreed to March 10, 1941, to consider the question of whether WILLIAM LANGER was entitled to retain his seat in the Senate to which he was certified as having been elected on November 5, 1940, hereby is authorized during the Seventy-seventh Congress to expend from the contingent fund of the Senate, in addition to the amounts heretofore authorized, not to exceed $16,500 for the payment of attorneys' fees incurred by Senator LANGER and others in connection with the said proceeding, on vouchers approved by the chairman of the Committee on Privileges and Elections.

Mr. LUCAS obtained the floor.

Mr. NORRIS. Mr. President, will the Senator yield for a suggestion?

Mr. LUCAS. I yield.

Mr. NORRIS. As the Senator knows, I have a motion to make regarding an amendment. I suggest to the Senator that he permit me to make my motion to amend, and then proceed. Such an amendment would have to come up for consideration and vote, and then we could proceed with the discussion of the resolution.

Mr. LUCAS. I have no objection to that procedure.

Mr. NORRIS. I think that the amendment is the only one which will be offered. Will the Senator permit me to make my motion now?

Mr. LUCAS. I shall be delighted to have the Senator do so.

Mr. NORRIS. Then, Mr. President, I move, in line 8 of the resolution, to strike out the figures "$16,500" and insert in lieu thereof "$10,000."

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Nebraska.

Mr. LUCAS. Mr. President, before a vote is taken on the amendment, I should like to take a moment of the Senate's time to review briefly what has occurred in connection with the resolution, which was submitted sometime ago by the Senator from Illinois as chairman of the Committee to Audit and Control the Contingent Expenses of the Senate.

On July 21 the resolution was submitted after it was reported favorably by the Committee on Privileges and Elections. As I recall, the junior Senator from Nebraska [Mr. BUTLER] was chairman of the subcommittee of the Committee on Privileges and Elections which considered the records and the evidence upon which they based their recommendation of a fee of $16,000 for the attorneys in the case. I submitted the resolution to the Senate at that time, requesting immediate consideration, and also requesting that the Senate pass upon the question of attorneys' fees, because in reality the Committee to Audit and Control the Contingent Expenses of the Senate had had no formal vote as to what should or should not be done in that matter.

Some objection was made to the consideration of the resolution at that time; and after a brief debate it was passed over. Thereafter, once again, the Senator from Illinois attempted to obtain consideration of the resolution. Its consideration was again objected to on July 30, but at that time a slight amendment was offered whereby the payment of the legitimate expenses and obligations incurred in connection with the proceeding, upon which there was no controversy, was approved by the Senate, leaving now before the Senate for consideration only the question of attorneys' fees.

Mr. President, with that brief explanation, I yield the floor.

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). The question is on agreeing to the amendment of the Senator from Nebraska [Mr. NORRIS].

Mr. NORRIS. Mr. President, relative to the delay which has taken place, let me say that under no circumstances do I think that it can be attributed or charged to the Senator from Illinois, nor do I believe that I am to blame for it. At the time when the resolution was sought to be taken up there evidently was not a quorum of the Senate in the city. I stated then, and I state now, that I desired a yea-and-nay vote on my amendment. Through no fault of my own or of the Senator from Illinois, it probably would have been impossible at that time to obtain a quorum, which would have been necessary in order to dispose of the resolution if a yea-and-nay vote were had upon the amendment which I then said I would offer. No one is to blame, although in a number of respects it has been unfortunate that the delay has taken place. At the time I did consent to the request that the expenses be paid; and a resolution to that effect was agreed to, because there was no controversy in regard to it.

I am laboring under somewhat of an embarrassment in the presentation of my motion. I hope that my colleagues will not feel that I have any personal interest in the motion which I have made. I certainly have no desire to embarrass any of the attorneys who appeared in the case. Two of the attorneys have formerly served in the Senate. One was my colleague from Nebraska and another one was from Georgia. I enjoy, I hope, the very best of personal relations with those former Senators. I certainly have no desire to embarrass either one of them or to take away from them an attorneys' fee which probably they have earned in the amount which has been submitted here. I feel that I am moved by what I believe to be a public interest in the matter. I am not questioning the ability of the attorneys, both very able attorneys, and there were other attorneys in the case, with whom I was not personally acquainted, who showed by their activities and their work that they also were able. However, for some time I have felt that attorneys' fees allowed in such contested-election cases were exorbitant. Such cases offer an attraction to lawyers who charge a large fee, and probably without a question have a right to do so, because of their reputations and the ability which they have gained through long practice, and perhaps somewhat by their service in this body. However, I feel that, particularly at this time, the Senate owes to the country a duty to bring about a curtailment of attorneys' fees. If my motion prevails, it will still leave an attorneys' fee of $10,000 in this case.

I realize that there are many able attorneys, younger attorneys, whose practice and experience have not given them the great reputations which they will obtain later, and who would be very glad to do all the work just as well as it could be done by former Members of the Senate or other lawyers who, because of their great reputations, could command much larger fees. That may not be a fair way to look at the matter. I do not believe it is unfair to take the position which I am taking when I say that now, when this country is in the greatest war in which it ever was engaged, when we are expending money in untold and unaccounted amounts, expenditures necessary in order to win this war, when everyone is called upon to make sacrifices of all kinds, financial as well as other, it would not be any hardship to the attorneys in this case to have their fees cut from $16,500 to $10,000. I believe that they, as well as the Senate, owe a sacrifice to the country.

Of course, their patriotism cannot be questioned. Their fees in this case may not be as large as those which they would exact and command for the same amount of work in a private lawsuit.

I have had letters in regard to their fees from most of the attorneys, including both of those who were formerly my colleagues in the Senate. I do not question the statements they have made to me that their fees in this case were less than they would have charged for similar work in the ordinary legal business that comes to them from year to year and month to month; yet it seems to me that a fee of $5,000, to each side in the case, divided equally, if that shall be done, would be ample. Their expenses have all been paid, nothing but the fee remains.

I should like to have a yea-and-nay vote of the Senate, and having said this much in regard to the resolution, I now ask—I do not expect an immediate vote—for a yea-and-nay vote on my amendment.

The PRESIDING OFFICER. Is the demand seconded? The yeas and nays were ordered.

Mr. NORRIS. Mr. President, I have said about all I wish to say, and unless some question arises as the debate proceeds I shall not participate further therein.

Mr. LANGER. Mr. President, no one upon the floor of the Senate, I believe, is more interested in the pending resolution than am I; no one more clearly and thoroughly comprehends what the adoption or rejection of the pending amendment means.

When this matter came up some weeks ago, there was not a quorum present. I left word then with the Senator from Oregon [Mr. MCNARY], the Republican leader, that I would come back at any time when the matter came up, and the RECORD so shows.

Upon the floor at that time it was stated that there was some similarity between the legal fees allowed in the contest of Clarence Martin versus the present Senator from West Virginia [Mr. ROSIER] and my case. The former concerned a contest between two individuals, each of whom claimed that he had been legally appointed United States Senator from West Virginia. Each contested the right of the others' appointment to a single vacancy. So this case had to do with a purely legal interpretation of the Constitution of the United States, the constitution of West Virginia, and the power of the Governor of West Virginia to make an appointment to the United States Senate to fill a vacancy. It was right that in such an instance each contestant should incur the expense involved. In my case, however, coming from North Dakota, no such controversy existed. It was not a contest between two individuals claiming a right to a seat in the United States Senate. It was a very peculiar proceeding, brought by individuals who bore no official status whatsoever, who ostensibly represented no one but themselves, and who filed a protest against my being seated on their own account, without warrant or authority from anyone. I strenuously voice my objection to any money being paid to counsel representing any of the petitioners,

if such action is to be taken as a precedent.

These lawyers were not appointed by the United States Senate or by any committee or subcommittee of the Senate, and I do not believe the committee would have the power to appoint counsel in such an instance without obtaining the consent of the Senate. If the committee attempted in the North Dakota case to appoint such counsel for the petitioners, there is no evidence of it anywhere in the record. Since this was not done, it seems to me inconceivable, under ordinary circumstances, that the Senate would set a precedent to pay out of the taxpayers' money from Federal Government funds money to compensate counsel for the petitioners in a case in which no legal point whatsoever was concerned, and in which the Senate assumed absolutely no control over the amount of time taken or the expense incurred.

It is said—and well said by the Senator from Nebraska—that if this compensation is awarded counsel for the petitioners, it will set a precedent whereby any member of the United States Senate may find his seat threatened or in danger at any time either before or after he has taken the oath of office, regardless of the length of time he has served in the Senate. I agree with the Senator from Nebraska; I agree with him that it certainly opens a new field for political enemies of every Senator upon this floor. I do not think that should be encouraged by any Senator or that it will be encouraged by any Senator who gives the matter a moment of thought.

On the other hand, provided the amount concerned is a modest one, as in this instance the amount allowed to my attorneys is, there is every reason why a man who was elected to the United States Senate and who is duly qualified for the office be permitted to have legal counsel in order to protect his official status.

It will be remembered, of course, that the petitioners' claims were determined by the Senate to be unsound. There might be some distinction made between such an instance and one where the petitioners were successful in preventing a Senator from taking his seat. However, Mr. President, in looking over the record, I find that there was a precedent, as is claimed by counsel who appeared for the petitioners. I refer to the precedent in the Smoot case. In that case fees were allowed; and, in view of that precedent, I believe fees should be allowed to the attorneys who appeared against me. I desire, however, to serve notice that I propose to introduce legislation which will make that impossible in the future in case an action similar to the one against me is ever again brought. In the proposed legislation I shall follow the laws which prevail in the State of North Dakota, where even a county commissioner cannot contest the right of another county commissioner to hold office; nor can any group of citizens, as in a recent case from North Dakota, bring about a contest without putting up a bond indemnifying the taxpayers of the State of North Dakota or of the county—and in my case it was the taxpayers of the Nation who were affected—for the expenses of attorneys' fees which might be incurred. In view of the fact, however, that there is a precedent, and in view of the fact that the lawyers on both sides did a tremendous amount of work, I shall not protest payment being made to counsel for the petitioners.

I do not believe the distinguished Senator from Nebraska knew of the great amount of work which the attorneys were called upon to perform. The Senator from Nebraska was ill in the hospital, as will be remembered, at the time this matter came up.

I do not believe he has the faintest idea of the tremendous amount of work done by the attorneys on both sides. There were altogether 31 charges filed by the petitioners. Every one of those charges was thoroughly gone into. Before I retained my counsel in this case, I wrote a letter to the distinguished senior Senator from Texas [Mr. CONNALLY], who at that time was Chairman of the Committee on Privileges and Elections, and told him the number of counsel I would have to have in order that the case might be honestly and fairly presented to the United States Senate. I told him in my letter that two of my counsel would consist of Francis Murphy, of Fargo, N. Dak., who perhaps is the outstanding lawyer in the State of North Dakota, and Hon. J. K. Murray, of Bismarck, N. Dak., who also is one of the best lawyers in the State. I explained clearly why I had to have these two men as my attorneys. On several occasions they had appeared in court on my behalf and were thoroughly familiar with the charges which had been bandied about from one end of the State to the other. Some of the charges involved cases which had been tried in the courts of North Dakota and among the 31 charges there were some that required investigation. Manifestly, I could not ask a man such as Francis Murphy, whom during the time that I was governor I was glad to hire at $100 a day, to serve without adequate compensation. I informed by letter the senior Senator from Texas, when he was chairman, as I have said, of the committee, that I could not hire a man and pay him that amount of money to undertake an investigation. Therefore we employed an unusually able young lawyer in the State of North Dakota by the name of Morgan Ford, of Fargo.

Manifestly those lawyers did not know about procedure before committees of the Senate. Therefore, in order to protect my interests, I had to get in touch with some man who was thoroughly familiar with such procedure.

So there was employed an outstanding lawyer from the State of Georgia, a former Senator, who had been a member of the Committee on Privileges and Elections for a long time, who also at one time was Governor of the State of Georgia. I refer to Governor Hardwick.

Furthermore, of course, I wanted a local lawyer. This matter was of tremendous importance not only to myself but to the people of the State of North Dakota, and I wanted a local lawyer. One of my friends from North Dakota, who lives in Washington, recommended Mr. Dennis Lyons. Mr. Lyons is an exceptionally good lawyer and rendered splendid service and is entitled to his pay.

Mr. Murphy had to be in Washington 92 days. While he did not have to lock up his law office, he left one of the finest law practices in the State of North Dakota, came here, and spent 92 days at hard work. As I see it, if he had been working in the State of North Dakota, representing me, I should have paid him what I have paid him time and again in North Dakota—$100 a day—in this case $9,200.

I call the attention of the Senate once more to the fact that I so advised the senior Senator from Texas at the time when I employed Mr. Murphy. Mr. Murray, on the other hand, spent considerable time on the case in North Dakota, and he briefed some of the laws which were involved in the different hearings, particularly the law involving the Bank of North Dakota.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. CONNALLY. Of course, the Senator understands that as chairman I had no authority to fix any fee, or anything of the kind.

Mr. LANGER. That is correct.

Mr. CONNALLY. I wish to say, however, that I regard Mr. Murphy, to whom the Senator made reference, as probably one of the most capable lawyers I have ever seen in action around any of the committees of Congress. He is an outstanding and highly skillful attorney and exhibited a thorough familiarity with all the aspects of the case, both from the factual standpoint and the legal standpoint, and I can readily understand how he would enjoy a big practice and a prosperous income wherever he might be located, if his abilities were known as they appear to me.

Mr. LANGER. I might add that while he was in Washington he had to employ other lawyers in North Dakota to take care of various cases in which he had been retained as counsel, and in at least two instances was able to do that only because I myself got in touch with some of his clients and asked them if they would not release him temporarily and let some other lawyer appear for them.

I desire to make my position very clear. I do not wish to be in the position of agreeing to the amount of counsel fees which the lawyers on the other side shall receive, but, as a lawyer and a former attorney general of my State, I can say to the Senate that I believe they earned every dollar they possibly will get. They certainly earned more than $8,000, if they are to get $8,000.

I base this opinion upon what I observed as I sat in the hearings day after day. I base it upon the amount of work my own lawyers did in their work in connection with the 31 different charges. I base it upon the fact that this case took from January 1941 to the 23d day of March 1942—a period of 15 months. I think the amount asked is not exorbitant. I think, if anything, it is too little. But if the pending amendment shall be adopted, it can mean only one thing—

that I shall be obliged personally to pay these attorneys the difference between $5,000 and $8,000.

As Senators know, of course, the finding of the Senate was in my favor, and I do not believe it is fair, when a man has been elected to the United States Senate, to put him in such a position that, in addition to all the trouble he experiences, all the expense he has, and all the annoyance and the suffering it causes his family, he be asked to pay the sum of three or four or five thousand dollars so that he may be adequately represented.

If the conditions are as the senior Senator from Nebraska has stated, it certainly is not my fault. When I came into the Senate I took conditions as I found them. The precedent in the Smoot case was here.

I, therefore, submit that the amendment should not be agreed to, but that the very least which should be allowed these attorneys is $16,000, as provided in the resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the senior Senator from Nebraska [Mr. NORRIS].

Mr. LUCAS. I suggest the absence of a quorum.

Mr. NORRIS. Mr. President, does the Senator anticipate that the debate will continue longer?

Mr. LUCAS. I do not think so. I had assumed the debate was now over.

Mr. NORRIS. I wish to say a few words.

Mr. LUCAS. I withhold the suggestion of the absence of a quorum.

Mr. NORRIS. Mr. President, I wish to say a few words in answer to what has been said by the Senator from North Dakota.

As I intimated when I had the floor, there are some embarrassments I must face, one especially in addition to what I mentioned when I had the floor, one now presented by what the Senator from North Dakota has said.

Of course, I realize that it might be a hardship if the Senator from North Dakota were to be required to pay the difference between the amount which will be allowed the attorneys if my amendment shall prevail, and the amount now fixed in the resolution, and I should regret any embarrassment to him. However, I do not believe that is a sufficient reason for my withdrawing the amendment.

I have no desire to inflict any expense upon the Senator from North Dakota; that is far from my intention. I have no desire to take away from these attorneys, some of whom are personal friends of mine, what they believe they have honestly earned. But there is something about this case which has not yet been discussed here.

As I understand the law, if the case had been conducted and ended as I believe the law required that it should be, the committee would not have been in session more than one day. The records show that the committee found that the Senator from North Dakota was legally elected; and the committee reaching that conclusion was the Committee on Privileges and Elections.

The charges filed should never have been given any consideration by the committee. As I understand, they did present a very interesting question to a lawyer, but the only thing before the committee was the question, Was Mr. LANGER elected to the United State Senate legally? Before the committee had gone very far they found that he was, and they should have stopped right there.

I do not believe any of the charges indicating that he had had dealings years ago of this kind or that kind, which reflected upon his character and his honor as a man, should have been considered by the committee. If something connected with the moral character or financial standing, or any other shortcoming, of a Member of this body, is so gross that he should be expelled, a method is provided by the Constitution for removing him, that is, by way of expulsion proceedings. If these charges had any foundation whatsoever, they should have been presented in that kind of a removal proceeding, and expulsion would have required a two-thirds vote. They were not so presented. The desire was to show that this man was not fit to be a Senator, not that he was not elected. That question was not at issue, and if we are going that far afield, what kind of an invitation are we giving?

If we pay for all such proceedings, pay the attorneys who go into the charges, no matter how earnestly or well they do their work, we are throwing out an invitation which makes any Senator's seat here unsafe, if some unprincipled man wants to look over his life from the day he came out of the cradle, and can find something wrong with his life and say he is not fit to be a Senator, and try that kind of a case here. If we are to consider such charges we should take the Constitution as it is, and bring a proceeding which will require a two-thirds vote to expel the man.

As I have said, if we establish this kind of a precedent we are throwing out an invitation, Nation-wide, for unscrupulous men to attack Members of this body and say, "Although this incident indicating a defect in your character happened years ago, although it has been discussed in your State over and over again and you have been elected notwithstanding that, yet we have a right to show that, and prevent you from taking your seat, when it is admitted that you are honestly and legally elected."

I say that if we are talking about precedents, that is a dangerous precedent to establish here, and that is what this would result in, it seems to me.

I did not care to bring that matter into the discussion, but it is in the case if we are to discuss the facts, and that is one of the regrettable things in the case, according to my opinion.

Mr. President, are we to establish the precedent also that when a Senator is attacked by someone, he can go out and hire the best lawyer in his State to defend him, a man who commands $100 a day for his services?

Does the Senate want to pay such an amount? If so, then the Senate will have established a precedent in a contested-election case or an expulsion case. By doing so the Senate will invite lawyers to charge and obtain large fees from the Government of the United States at a time when the Government is almost bankrupt and when its financial condition is becoming rapidly worse.

Let us suppose the attorneys in this case were paid $1,000 apiece by the Government. Perhaps in their private practice they would each be justified in asking fees of $10,000 each; but if they were paid fees of $1,000 apiece they would not in these times be suffering very greatly.

Mr. President, when an individual is attacked he cannot escape the obligation of paying attorneys' fees, even though the attack is groundless. At one time I had some difficulty because a man in my State who bore my name tried to get on the ballot in the senatorial contest. That cost me some money. I had to go into the supreme court of my State to obtain justice, and I did. It never occurred to me, however, that the Senate ought to pay my attorney's fee. I do not believe it ever occurred to my attorney that the Government ought to pay that fee. If he had thought so, he probably would have charged a larger fee.

Mr. President, after Mr. Justice Hughes left the Supreme Court the first time, before he was appointed to be Chief Justice, he engaged in the practice of law. He was retained in some very important cases. He commanded large fees. I think he had a right to large fees. He had earned a great reputation as a lawyer. I have been told what some of his fees amounted to. I shall not say what I was told they were, because I do not know whether the information was correct, but they were very large fees.

Now, let us suppose that a Senator gets into trouble and must hire lawyers to defend his side of the case here. Let us say that Senator retained former Chief Justice Hughes, whose reputation everyone knows, and whose reputation would probably justify as large fees as would be charged by any man on earth. The very fact that he were retained as the Senator's lawyer would add greatly to the strength and dignity of the Senator's case. If the Government pays the attorney's fees, the Senator in question would not care anything about the size of the fee.

When I was a young practicing lawyer I was retained by a client whose case involved a stock of goods, not a very large stock. In that locality there lived an attorney who bore a great reputation as a lawyer, and everyone thereabouts who had a case and who could afford to pay the fees he charged tried to hire him. As the time of the trial approached my client said to me, "I believe I will hire that attorney." I said, "All right. I have, of course, no objection." I knew this man was a much better lawyer than I was. My client went to his home town and hired him. The case was tried. I do not think I am egotistical or boastful in saying so, but I did practically every bit of the work in that case, and there was a good deal of it. The case went to the Supreme Court, and, if that amounted to anything, we had the name

of that great attorney attached to the brief filed on our side. That attorney did not do any particular work in connection with the case. I myself prepared the brief which was filed in the Supreme Court. I did the best I knew how. After I had prepared the brief I went on an evening train to the city where this great attorney lived. I returned home the next morning on a train which left before daylight. The attorney, of course, knew I was coming, and came to his office to meet me. I went into his private office with him. He said, "Read the brief. I will listen to it." He sat and listened while I read. He made simply one suggestion. He changed only one word. I do not mind telling Senators what that word was, because in speaking on the floor of the Senate we often use that word.

In the brief I had referred to "the able attorney" on the other side. He said, "Strike out the word 'able.'" I struck it out. [Laughter.] We won the case in the Supreme Court. I presume the case was won, more by reason of the name of this great attorney than because of my work. As a matter of fact, when the case came up in the Supreme Court neither one of us said a word, because we had filed a stipulation agreeing to submit the case on the briefs, and the case was submitted in that way.

Mr. President, that great attorney received $500 as his fee in that case. I received $50.

I have no doubt that in this case some bright young lawyer, perhaps a future Justice of the Supreme Court or a future Senator, could have done the work required, and probably have done it better than some man who had been in the Senate, or who had been on the Supreme Court, or been the Governor of a State. Such a young lawyer, however, would not have the reputation which would entitle him to the large fees which men with great reputations receive. Young law clerks, however, often do the work for which their chiefs receive the credit. Every lawyer who has come up from zero and climbed somewhere near the top in his profession has found that to be true. I am not complaining that that is so. When the poor fellow who works for almost nothing at the bottom of the ladder gets to the top of the ladder he changes his procedure. Then he does no work and gets all the fee, instead of doing all the work and getting very little or no fee, which was the case when he was a young lawyer. That is true everywhere.

I do not wish the Senate to establish a precedent which will permit persons to hire the best lawyers in the country if they are to be paid by Uncle Sam. I do not believe the country wants that to be done. I do not think the Senate ought to have a reputation for doing so. My understanding is that in the House of Representatives there is a standing rule—perhaps I am wrong about it, for I have not read the rules lately, though I used to be familiar with them—limiting attorneys' fees in contested election cases to $2,500 on each side. If any Senator knows that statement not to be correct I should like to have him correct it. I think there is a standing rule somewhat similar to that. We have nothing of that kind in the Senate.

Mr. President, under all the circumstances it seems to me my motion should prevail.

Mr. LUCAS. I renew my suggestion of the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Downey	Mead
Andrews	George	Norris
Austin	Gillette	Nye
Bailey	Gurney	Pepper
Ball	Hatch	Reed
Barbour	Hayden	Rosier
Barkley	Hill	Smith
Brooks	Johnson, Calif.	Spencer
Brown	Johnson, Colo.	Taft
Bunker	Kilgore	Thomas, Idaho
Burton	La Follette	Thomas, Utah
Butler	Langer	Tobey
Capper	Lee	Truman
Caraway	Lucas	Tydings
Chandler	McCarran	Vandenberg
Clark, Idaho	McFarland	Van Nuys
Clark, Mo.	McKellar	Wagner
Connally	McNary	Wallgren
Danaher	Maloney	Willis
Davis	Maybank	

The PRESIDING OFFICER. Fifty-nine Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. NORRIS].

Mr. BUTLER. Mr. President, I had hoped that a few more Members of the Senate might be present at this time. As perhaps the only member of the Committee on Privileges and Elections who happens to be present, and as one who served as a member of the subcommittee which fixed the fees in this case, I believe I should have a few words to say.

First, let me say that I have very high respect for my colleague. No Member of the Senate, and no one else, thinks more of him or has a greater respect for his opinions.

As a layman, I cannot give a view on what would be proper, speaking legally, or what might be proper or improper with reference to this vote establishing a precedent for future action by the Senate.

However, in fixing the fees the committee had before it a brief listing the fees which have been allowed in cases which have been tried in the Senate in the past. As Senators know, a great number of such fees were many times the total amount which was allowed in this case. I believe that in not more than one or two instances were the time consumed and the energy expended comparable to the time and energy which went into this case.

Mr. NORRIS. Mr. President, will my colleague yield?

Mr. BUTLER. I yield.

Mr. NORRIS. Will the Senator tell the Senate, first, how much of the time which was consumed by the committee in this case was spent in ascertaining who had been elected in North Dakota; and, secondly, how much of the time of the committee was spent in investigating the 31 charges which were made against the character of the Senator from North Dakota?

Mr. BUTLER. I will say to my colleague that that question involves the legal phase of this case. I made my position very clear at the time the vote was taken on the so-called Langer case. I did not speak as a lawyer. I spoke as a layman; and what I have to say now is purely in my capacity as a layman.

I think my colleague, the senior Senator from Nebraska, was perfectly correct in saying that perhaps not a great deal of time was spent by the committee in investigating the question referred to by him. Nevertheless, that does not answer the question which was submitted to me as chairman of the subcommittee appointed to determine the correct amount of the fees to be allowed to the attorneys in the case. None of the attorneys were former attorneys for any member of the committee. Of the five members of the subcommittee, four had voted against the seating of Senator LANGER. One had voted in favor of seating him. We were in practically unanimous agreement regarding rejecting the amount which was originally asked by the attorneys—$15,000 for the attorneys on each side, or a total of $30,000. We reduced the amount to a total of $16,000, $500 being recommended to be allowed for some extra services in the State. We thought that by so doing none of the attorneys engaged in the case would be overpaid.

Again speaking as a layman and as one who has never spent a great deal of money in the employment of attorneys, I should very much dislike to have the task of finding an attorney who would handle such a case for the same amount of money which is proposed to be allowed the attorneys in this case.

I was a member of the committee whose report was rejected by the Senate. There were no ill feelings. There will be none now if the report of the committee is again rejected by the Senate, but under such circumstances I should be inclined to think that the time and energy put in by the members of the committee were not properly appreciated.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. LA FOLLETTE. I was called from the Chamber, so perhaps I am about to ask that some facts be restated. Will the Senator state again how many attorneys were on each side of the case, and approximately how long they were engaged in the case?

Mr. BUTLER. The junior Senator from North Dakota [Mr. LANGER] just now made the remark that the case consumed 92 days of his attorneys' time. That gives the answer to the question regarding the length of time consumed. All the attorneys were employed during the entire hearing of the case before the committee. Four attorneys, I believe, were listed on Senator LANGER'S side; three were employed on the opposite side of the case. The committee did nothing whatever with respect to deciding how the fee for legal services should be divided. That is left entirely to the attorneys themselves; and I understand it

is very agreeably settled by the attorneys on either side.

Again I wish to emphasize that my colleague and I are usually in entire agreement on matters that are fundamental, and I know, regardless of what action the Senate may take upon his motion, we shall continue to be.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Nebraska [Mr. NORRIS]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCNARY (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. DOXEY]. I transfer that pair to the junior Senator from Colorado [Mr. MILLIKIN], and will vote. I vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the senior Senator from Rhode Island [Mr. GREEN], and will vote. I vote "yea." I am not advised how the Senator from Rhode Island would vote, if present.

The roll call was concluded.

Mr. HILL. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Virginia [Mr. BYRD], the Senator from Iowa [Mr. HERRING], and the Senator from Massachusetts [Mr. WALSH] are detained in committee meetings.

The Senators from Mississippi [Mr. BILBO and Mr. DOXEY], the Senator from Washington [Mr. BONE], the Senator from South Dakota [Mr. BULOW], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senators from Rhode Island [Mr. GERRY and Mr. GREEN], the Senator from Virginia [Mr. GLASS], the Senator from Pennsylvania [Mr. GUFFEY], the Senators from Delaware [Mr. HUGHES and Mr. TUNNELL], the Senator from Utah [Mr. MURDOCK,] the Senators from Montana [Mr. MURRAY and Mr. WHEELER], the Senator from Texas [Mr. O'DANIEL], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Georgia [Mr. RUSSELL], the Senator from Wyoming [Mr. SCHWARTZ], the Senator from New Jersey [Mr. SMATHERS], and the Senator from Tennessee [Mr. STEWART] are necessarily absent.

The Senator from Louisiana [Mr. OVERTON], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Oklahoma [Mr. THOMAS] are detained in Government departments.

Mr. MCNARY. Mr. President, the following Senators are necessarily absent: The junior Senator from Maine [Mr. BREWSTER], the senior Senator from New Hampshire [Mr. BRIDGES], the junior Senator from Massachusetts [Mr. LODGE], and the junior Senator from Colorado [Mr. MILLIKIN].

My colleague the junior Senator from Oregon [Mr. HOLMAN], who is detained on the business of the Senate, has a general pair with the junior Senator from Tennessee [Mr. STEWART].

The result was announced—yeas 25, nays 33, as follows:

YEAS—25

Andrews	Kilgore	Rosier
Barbour	Lee	Spencer
Barkley	McCarran	Thomas, Utah
Bunker	McFarland	Truman
Capper	McKellar	Tydings
Caraway	Maloney	Wagner
Chandler	Maybank	Wallgren
Hatch	Norris	
Johnson, Colo.	Pepper	

NAYS—33

Aiken	Danaher	McNary
Austin	Davis	Mead
Bailey	Downey	Nye
Ball	George	Reed
Brooks	Gillette	Smith
Brown	Gurney	Taft
Burton	Hayden	Thomas, Idaho
Butler	Hill	Tobey
Clark, Idaho	Johnson, Calif.	Vandenberg
Clark, Mo.	La Follette	Van Nuys
Connally	Lucas	Willis

NOT VOTING—38

Bankhead	Guffey	Reynolds
Bilbo	Herring	Russell
Bone	Holman	Schwartz
Brewster	Hughes	Shipstead
Bridges	Langer	Smathers
Bulow	Lodge	Stewart
Byrd	Millikin	Thomas, Okla.
Chavez	Murdock	Tunnell
Doxey	Murray	Walsh
Ellender	O'Daniel	Wheeler
Gerry	O'Mahoney	White
Glass	Overton	Wiley
Green	Radcliffe	

So Mr. NORRIS' amendment was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the resolution.

The resolution was agreed to.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MCKELLAR in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CHANDLER, from the Committee on Military Affairs:

Several citizens for appointment in the Army Specialist Corps, established by Executive order.

By Mr. GILLETTE, from the Committee on Naval Affairs:

Sundry officers for appointment and/or promotion in the Navy.

By Mr. MCKELLAR, from the Committee on Post Offices and Post Roads:

Several postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

HAWAII

The legislative clerk read the nomination of Ernest K. Kai to be secretary of the Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. TYDINGS. Mr. President, I ask unanimous consent that in the case of the nomination which was just confirmed the President be notified immediately, because there are certain legal acts which, I am advised, cannot be consummated in Hawaii, which is more or less of a defense area, without the consent of the Secretary of the Territory.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

ARMY SPECIALIST CORPS

The legislative clerk read the nomination of Ewing Willard Reilley to be Chief, Organization Branch, Quartermaster Corps, Services of Supply.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles McCartney Wellons to be Chief of Design and Construction Division, Engineer Corps, Services of Supply.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of G. Ross Henninger to be liaison officer, headquarters, Army Specialist Corps.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Harold Ewing Spickard to be Chief, Rights-of-Way Subdivision, Engineer Corps, Services of Supply.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask unanimous consent that the postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

THE ARMY

The legislative clerk proceeded to read sundry nominations for appointment and promotion in the Regular Army and temporary appointment in the Army of the United States.

The PRESIDING OFFICER. Without objection, all the Army nominations are confirmed en bloc.

THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations for appointment and promotion in the Marine Corps.

The PRESIDING OFFICER. Without objection, the Marine Corps nominations are confirmed en bloc.

Mr. BARKLEY. I ask that the President be notified of all nominations which have been confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

ADJOURNMENT TO MONDAY

Mr. BARKLEY. As in legislative session, and in accordance with the order previously entered, I move that the Senate adjourn.

The motion was agreed to; and (at 2 o'clock and 3 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, September 21, 1942, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate September 17, 1942:

DIPLOMATIC AND FOREIGN SERVICE

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

Anthony J. Drexel Biddle, Jr., of Pennsylvania, now Ambassador Extraordinary and Plenipotentiary to Poland, serving concurrently as Envoy Extraordinary and Minister Plenipotentiary near the Government of Yugoslavia, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America near the Government of Yugoslavia now established in London.

Anthony J. Drexel Biddle, Jr., of Pennsylvania, now Ambassador Extraordinary and Plenipotentiary to Poland, serving concurrently as Envoy Extraordinary and Minister Plenipotentiary near the Government of Greece, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America near the Government of Greece now established in London.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Lyman W. Ramsey, Grand Bay, Ala., in place of J. H. Randolph, deceased.

Lorenzo D. McCrary, Prattville, Ala., in place of L. D. McCrary. Incumbent's commission expired June 23, 1942.

CALIFORNIA

Anthony J. Foster, Hayward, Calif., in place of A. J. Foster. Incumbent's commission expired June 13, 1942.

Phillip J. Dougherty, Monterey, Calif., in place of P. J. Dougherty. Incumbent's commission expired May 30, 1942.

Maude Dawson Shea, Redondo Beach, Calif., in place of M. D. Shea. Incumbent's commission expired April 20, 1942.

Grace E. Patterson, Samoa, Calif., in place of G. E. Patterson. Incumbent's commission expired May 27, 1942.

Leon L. Dwight, San Pedro, Calif., in place of L. L. Dwight. Incumbent's commission expired April 20, 1942.

Richard T. Ambrose, Santa Barbara, Calif., in place of R. T. Ambrose. Incumbent's commission expired June 1, 1942.

Robert B. Montgomery, Sequoia National Park, Calif., in place of R. B. Montgomery. Incumbent's commission expired June 13, 1942.

Harold B. Lull, South Gate, Calif., in place of H. B. Lull. Incumbent's commission expired May 30, 1942.

Lloyd L. Long, Veterans Home, Calif., in place of L. L. Long. Incumbent's commission expired April 20, 1942.

Harry Bridgewater, Watsonville, Calif., in place of Harry Bridgewater. Incumbent's commission expired May 27, 1942.

Charles A. Graf, Winters, Calif., in place of C. A. Graf. Incumbent's commission expired April 15, 1942.

CONNECTICUT

Harry W. Potter, Glastonbury, Conn., in place of H. W. Potter. Incumbent's commission expired June 23, 1942.

John J. Burns, Waterford, Conn., in place of J. J. Burns. Incumbent's commission expired May 12, 1942.

DELAWARE

William H. Draper, Wyoming, Del., in place of W. H. Draper. Incumbent's commission expired June 23, 1942.

FLORIDA

Morton O. Brawner, Pensacola, Fla., in place of M. O. Brawner. Incumbent's commission expired March 30, 1942.

Dwight W. Shower, Safety Harbor, Fla., in place of D. W. Shower. Incumbent's commission expired June 23, 1942.

Jerald W. Farr, Wauchula, Fla. in place of J. W. Farr. Incumbent's commission expired June 23, 1942.

GEORGIA

Robert R. Lee, Dallas, Ga., in place of R. R. Lee. Incumbent's commission expired June 23, 1942.

John C. McDaniel, Rossville, Ga., in place of J. S. Alsobrook, retired.

IDAHO

Fred Kling, Lewiston, Idaho, in place of Fred Kling. Incumbent's commission expired June 23, 1942.

ILLINOIS

Joseph P. Speelman, Arcola, Ill., in place of J. F. Speelman. Incumbent's commission expired May 11, 1942.

Louis Rump, Beecher, Ill., in place of Louise Rump. Incumbent's commission expired June 23, 1942.

Luella C. Mosley, Blandinsville, Ill., in place of L. C. Mosley. Incumbent's commission expired June 23, 1942.

Carl J. Markel, Carpentersville, Ill., in place of C. J. Markel. Incumbent's commission expired June 23, 1942.

Gilbert Jeptha Armstrong, Chandlerville, Ill., in place of G. J. Armstrong. Incumbent's commission expired June 23, 1942.

Walter T. McCanna, Chillicothe, Ill., in place of W. T. McCanna. Incumbent's commission expired June 23, 1942.

Martin M. Dalrymple, Chrisman, Ill., in place of M. M. Dalrymple. Incumbent's commission expired June 23, 1942.

Dwight C. Bacon, Christopher, Ill., in place of D. C. Bacon. Incumbent's commission expired June 23, 1942.

John R. Reynolds, Colchester, Ill., in place of J. R. Reynolds. Incumbent's commission expired June 23, 1942.

Vera E. Burrell, Cuba, Ill., in place of V. E. Burrell. Incumbent's commission expired June 23, 1942.

Philip G. Barron, Du Quoin, Ill., in place of P. G. Barron. Incumbent's commission expired June 23, 1942.

Grover C. Norris, Effingham, Ill., in place of G. C. Norris. Incumbent's commission expired June 23, 1942.

Charles R. Bowers, Elmwood, Ill., in place of C. R. Bowers. Incumbent's commission expired June 23, 1942.

Owen Kelly, Farmington, Ill., in place of Owen Kelly. Incumbent's commission expired April 26, 1942.

Edward P. Malone, Gilman, Ill., in place of E. P. Malone. Incumbent's commission expired June 23, 1942.

Arthur M. Hetherington, Harrisburg, Ill., in place of A. M. Hetherington. Incumbent's commission expired June 23, 1942.

William Raymond Grigg, Mount Vernon, Ill., in place of W. R. Grigg. Incumbent's commission expired June 23, 1942.

Warren S. Smith, Norris City, Ill., in place of W. S. Smith. Incumbent's commission expired May 11, 1942.

Floyd J. Tilton, Rochelle, Ill., in place of F. J. Tilton. Incumbent's commission expired June 23, 1942.

Joseph M. Ward, Sterling, Ill., in place of J. M. Ward. Incumbent's commission expired June 23, 1942.

Samuel T. Duncan, Tamaroa, Ill., in place of S. T. Duncan. Incumbent's commission expired June 23, 1942.

INDIANA

Edwin W. Hanley, Michigan City, Ind., in place of E. W. Hanley. Incumbent's commission expired June 23, 1942.

Dean I. Lauver, New Carlisle, Ind., in place of D. I. Lauver. Incumbent's commission expired June 23, 1942.

Alva K. Costin, Paragon, Ind., in place of A. K. Costin. Incumbent's commission expired June 9, 1942.

William E. Etcheson, Roachdale, Ind., in place of W. E. Etcheson. Incumbent's commission expired June 23, 1942.

IOWA

Hollis S. Saar, Cantril, Iowa, in place of H. S. Saar. Incumbent's commission expired June 23, 1942.

Vern D. Freeman, Clarence, Iowa, in place of V. D. Freeman. Incumbent's commission expired June 23, 1942.

Elmer A. Westlund, Dows, Iowa, in place of L. T. Quasdorf. Incumbent's commission expired January 28, 1940.

Lawrence J. Roth, Fairfield, Iowa, in place of L. J. Roth. Incumbent's commission expired June 23, 1942.

Fred W. Franzwa, Glidden, Iowa, in place of F. W. Franzwa. Incumbent's commission expired June 23, 1942.

Ella S. McDonald, Ledyard, Iowa, in place of E. S. McDonald. Incumbent's commission expired April 15, 1942.

Otha H. Darby, Madrid, Iowa, in place of O. H. Darby. Incumbent's commission expired June 23, 1942.

Elmer D. Bradley, Missouri Valley, Iowa, in place of E. D. Bradley. Incumbent's commission expired June 23, 1942.

Raymond A. Gleason, Ruthven, Iowa, in place of R. A. Gleason. Incumbent's commission expired June 23, 1942.

John I. Haldeman, Shenandoah, Iowa, in place of J. I. Haldeman. Incumbent's commission expired June 23, 1942.

Mary E. Kohorst, Templeton, Iowa, in place of M. E. Kohorst. Incumbent's commission expired June 23, 1942.

John H. Fitzgerald, Waterloo, Iowa, in place of J. H. Fitzgerald. Incumbent's commission expired June 23, 1942.

KANSAS

Sam C. Scott, Conway Springs, Kans., in place of S. C. Scott. Incumbent's commission expired May 6, 1942.

Millard S. Whiteside, Fall River, Kans., in place of C. J. Connell, transferred.

George H. Gill, Raymond, Kans. Office became Presidential July 1, 1942.

KENTUCKY

Mary H. Vaughan, Jenkins, Ky., in place of M. H. Vaughan. Incumbent's commission expired June 23, 1942.

Robert E. Johnson, Lawrenceburg, Ky., in place of R. E. Johnson. Incumbent's commission expired June 23, 1942.

Grace Williams, Lothair, Ky., in place of Grace Williams. Incumbent's commission expired June 23, 1942.

James M. Caudill, Neon, Ky., in place of J. M. Caudill. Incumbent's commission expired June 23, 1942.

Marie C. Hagan, New Haven, Ky., in place of M. C. Hagan. Incumbent's commission expired June 23, 1942.

LOUISIANA

Marvin A. Kent, De Quincy, La., in place of M. A. Kent. Incumbent's commission expired June 23, 1942.

James R. Wooten, Monroe, La., in place of J. R. Wooten. Incumbent's commission expired June 23, 1942.

MAINE

Leon C. Weed, Deer Isle, Maine, in place of L. C. Weed. Incumbent's commission expired June 23, 1942.

Anna M. McLaughlin, Dryden, Maine, in place of A. M. McLaughlin. Incumbent's commission expired June 23, 1942.

John A. Lyons, East Millinocket, Maine, in place of J. A. Lyons. Incumbent's commission expired June 23, 1942.

Irenee Cyr, Fort Kent, Maine, in place of Irenee Cyr. Incumbent's commission expired June 23, 1942.

James A. McDonald, Machias, Maine, in place of J. A. McDonald. Incumbent's commission expired June 23, 1942.

Leo V. Keenan, Mars Hill, Maine, in place of L. V. Keenan. Incumbent's commission expired June 23, 1942.

Lillian L. Guptill, Newcastle, Maine, in place of L. L. Guptill. Incumbent's commission expired June 23, 1942.

Orrin V. Drew, Vinalhaven, Maine, in place of O. V. Drew. Incumbent's commission expired June 23, 1942.

MARYLAND

William A. Strohm, Annapolis, Md., in place of W. A. Strohm. Incumbent's commission expired June 23, 1942.

James G. Archer, Bel Air, Md., in place of J. G. Archer. Incumbent's commission expired April 15, 1942.

Ralph Sellman, Mount Airy, Md., in place of Ralph Sellman. Incumbent's commission expired April 1, 1942.

MASSACHUSETTS

Alice H. Gibson, Canton, Mass., in place of C. F. Gibson, deceased.

Ellen M. O'Connor, East Taunton, Mass., in place of E. M. O'Connor. Incumbent's commission expired June 23, 1942.

Edward C. Pelissier, Hadley, Mass., in place of E. C. Pelissier. Incumbent's commission expired June 23, 1942.

Thomas A. Wilkinson, Lynn, Mass., in place of T. A. Wilkinson. Incumbent's commission expired June 23, 1942.

Agnes T. Doyle, Lynnfield, Mass., in place of A. T. Doyle. Incumbent's commission expired December 7, 1941.

James F. McClusky, Middleboro, Mass., in place of J. F. McClusky. Incumbent's commission expired June 23, 1942.

Arthur A. Mayhew, Vineyard Haven, Mass., in place of S. C. Luce, deceased.

James L. O'Brien, Williamstown, Mass., in place of M. L. Dempsey. Incumbent's commission expired February 16, 1941.

MICHIGAN

Daniel M. McAuliffe, Albion, Mich., in place of D. M. McAuliffe. Incumbent's commission expired June 23, 1942.

Joseph A. Byrne, Birmingham, Mich., in place of J. A. Byrne. Incumbent's commission expired June 23, 1942.

Morton G. Wells, Byron Center, Mich., in place of M. G. Wells. Incumbent's commission expired March 30, 1942.

Cleo T. Aldrich, Clayton, Mich., in place of C. T. Aldrich. Incumbent's commission expired February 9, 1941.

Mortimer W. Olds, Coldwater, Mich., in place of M. W. Olds. Incumbent's commission expired June 23, 1942.

John G. Watson, Colon, Mich., in place of J. G. Watson. Incumbent's commission expired June 23, 1942.

Charles S. Carland, Corunna, Mich., in place of C. S. Carland. Incumbent's commission expired June 23, 1942.

Joseph W. Harlan, Davison, Mich., in place of J. W. Harlan. Incumbent's commission expired June 23, 1942.

Patrick J. Scanlan, Hubbell, Mich., in place of P. J. Scanlan. Incumbent's commission expired June 23, 1942.

Charles M. Dillon, Iron Mountain, Mich., in place of C. M. Dillon. Incumbent's commission expired June 23, 1942.

Peter J. Nora, Iron River, Mich., in place of P. J. Nora. Incumbent's commission expired June 23, 1942.

Lyman Woodard, Peck, Mich., in place of Lyman Woodard. Incumbent's commission expired March 23, 1942.

MINNESOTA

Elizabeth E. Trench, Dennison, Minn. Office became Presidential July 1, 1941.

Aloysius I. Donahue, Elk River, Minn., in place of A. I. Donahue. Incumbent's commission expired June 13, 1942.

Dean M. Alderman, Grey Eagle, Minn., in place of D. M. Alderman. Incumbent's commission expired June 23, 1942.

Lee L. Champlin, Mankato, Minn., in place of L. L. Champlin. Incumbent's commission expired June 23, 1942.

Chester J. Gay, Moose Lake, Minn., in place of C. J. Gay. Incumbent's commission expired June 23, 1942.

Elmer Backer, New Ulm, Minn., in place of Elmer Backer. Incumbent's commission expired June 23, 1942.

Andrew Reid, South St. Paul, Minn., in place of Andrew Reid. Incumbent's commission expired June 3, 1942.

Paul J. Arndt, Stillwater, Minn., in place of P. J. Arndt. Incumbent's commission expired June 23, 1942.

Daniel M. Coughlin, Waseca, Minn., in place of D. M. Coughlin. Incumbent's commission expired June 23, 1942.

MISSISSIPPI

Ida F. Thompson, Dlo, Miss., in place of I. F. Thompson. Incumbent's commission expired June 23, 1942.

Allen A. Edwards, Richton, Miss., in place of A. A. Edwards. Incumbent's commission expired June 23, 1942.

MISSOURI

Charles C. Oliver, Bloomfield, Mo., in place of C. C. Oliver. Incumbent's commission expired June 23, 1942.

Otis D. Kirkman, Cabool, Mo., in place of O. D. Kirkman. Incumbent's commission expired June 23, 1942.

Harrison R. Porter, Conway, Mo., in place of H. R. Porter. Incumbent's commission expired June 23, 1942.

Richard W. Marsden, De Soto, Mo., in place of R. W. Marsden. Incumbent's commission expired June 23, 1942.

Birdie W. Brown, Forest City, Mo., in place of B. W. Brown. Incumbent's commission expired June 23, 1942.

Sadie G. Morehead, Milan, Mo., in place of S. G. Morehead. Incumbent's commission expired June 23, 1942.

John M. Moss, Nevada, Mo., in place of J. M. Moss. Incumbent's commission expired June 23, 1942.

Walter E. Duncan, Newburg, Mo., in place of W. E. Duncan. Incumbent's commission expired June 23, 1942.

MONTANA

Robert Midtlyng, Deer Lodge, Mont., in place of Robert Midtlyng. Incumbent's commission expired June 23, 1942.

Henry C. Wilcox, Joliet, Mont., in place of H. C. Wilcox. Incumbent's commission expired June 23, 1942.

Marie D. Laramy, Malta, Mont., in place of M. D. Laramy. Incumbent's commission expired June 23, 1942.

Peter J. Herbst, Plevna, Mont., in place of P. J. Herbst. Incumbent's commission expired June 23, 1942.

Estrid H. Knauts, Richey, Mont., in place of E. H. Knauts. Incumbent's commission expired June 23, 1942.

NEBRASKA

Margarete C. Phelps, Valentine, Nebr., in place of M. C. Phelps. Incumbent's commission expired June 23, 1942.

NEVADA

Lem S. Allen, Fallon, Nev., in place of L. S. Allen. Incumbent's commission expired June 23, 1942.

NEW HAMPSHIRE

Joseph A. Gorman, Durham, N. H., in place of J. A. Gorman. Incumbent's commission expired May 6, 1942.

Willis E. Herbert, Franconia, N. H., in place of W. E. Herbert. Incumbent's commission expired May 17, 1942.

Richard U. Cogswell, Warner, N. H., in place of R. U. Cogswell. Incumbent's commission expired May 6, 1942.

NEW JERSEY

Ernest F. Rohn, Arlington, N. J., in place of E. F. Rohn. Incumbent's commission expired June 23, 1942.

Hiram S. McKeen, Avalon, N. J., in place of H. S. McKeen. Incumbent's commission expired June 23, 1942.

Frank Tilton, Avon by the Sea, N. J., in place of Frank Tilton. Incumbent's commission expired June 23, 1942.

John P. Euler, Belford, N. J., in place of J. P. Euler. Incumbent's commission expired June 23, 1942.

Louis J. Bowlby, Bound Brook, N. J., in place of L. J. Bowlby. Incumbent's commission expired June 23, 1942.

Richard P. Hughes, Burlington, N. J., in place of R. P. Hughes. Incumbent's commission expired June 23, 1942.

Benjamin J. Haulboskey, Leonardo, N. J., in place of B. J. Haulboskey. Incumbent's commission expired June 23, 1942.

John J. Quinn, Perth Amboy, N. J., in place of J. J. Quinn. Incumbent's commission expired June 23, 1942.

Adolph F. Schmitt, Sayreville, N. J., in place of W. E. Riddle, deceased.

Patrick J. Shortt, Wildwood, N. J., in place of P. J. Shortt. Incumbent's commission expired June 23, 1942.

NEW YORK

Mayme Meegan, Altmar, N. Y., in place of Mayme Meegan. Incumbent's commission expired June 23, 1942.

James D. Cheesman, Andover, N. Y., in place of J. D. Cheesman. Incumbent's commission expired June 23, 1942.

Lorenzo J. Burns, Batavia, N. Y., in place of L. J. Burns. Incumbent's commission expired May 11, 1942.

Leo W. Pike, Belmont, N. Y., in place of L. W. Pike. Incumbent's commission expired June 23, 1942.

John A. Holland, Brushton, N. Y., in place of J. A. Holland. Incumbent's commission expired June 23, 1942.

Agnes H. Mead, Hannibal, N. Y., in place of A. H Mead. Incumbent's commission expired June 23, 1942.

Frank L. Egger, Larchmont, N. Y., in place of F. L. Egger. Incumbent's commission expired June 23, 1942.

Clayton C. Young, Moira, N. Y., in place of C. C. Young. Incumbent's commission expired June 23, 1942.

William F. McNichol, Nyack, N. Y., in place of W. F. McNichol. Incumbent's commission expired May 28, 1942.

Robert J. Henry, Port Ewen, N. Y., in place of R. J. Henry. Incumbent's commission expired June 23, 1942.

Lindsay J. Hollister, Jr., Port Henry, N. Y., in place of L. J. Hollister, Jr. Incumbent's commission expired June 23, 1942.

John J. Cassidy, Port Jefferson, N. Y., in place of J. J. Cassidy. Incumbent's commission expired June 23, 1942.

Nora E. Feeley, Skaneateles Falls, N. Y., in place of N. E. Feeley. Incumbent's commission expired June 2, 1942.

NORTH CAROLINA

William R. Young, Badin, N. C., in place of W. R. Young. Incumbent's commission expired June 7, 1942.

Berta B. White, Ellerbe, N. C., in place of B. B. White. Incumbent's commission expired May 14, 1942.

Stephen C. Clark, High Point, N. C., in place of S. C. Clark. Incumbent's commission expired June 18, 1942.

Robert T. Teague, Newland, N. C., in place of R. T. Teague. Incumbent's commission expired June 13, 1942.

NORTH DAKOTA

Charles K. Otto, Valley City, N. Dak., in place of C. K. Otto. Incumbent's commission expired June 23, 1942.

OHIO

Mary E. Bakle, Antwerp, Ohio, in place of M. E. Bakle. Incumbent's commission expired June 23, 1942.

Roy H. Kerns, Bellefontaine, Ohio, in place of R. H. Kerns. Incumbent's commission expired June 23, 1942.

Enoch W. Carman, Belmont, Ohio, in place of E. W. Carman. Incumbent's commission expired June 23, 1942.

Charles F. Hildebolt, Eaton, Ohio, in place of C. F. Hildebolt. Incumbent's commission expired April 1, 1942.

Rolland R. Pettay, Freeport, Ohio, in place of R. R. Pettay. Incumbent's commission expired June 23, 1942.

Clelland R. Polen, Lewisville, Ohio, in place of C. R. Polen. Incumbent's commission expired June 23, 1942.

Harry W. Gordon, McConnelsville, Ohio, in place of H. W. Gordon. Incumbent's commission expired June 23, 1942.

Thomas H. Rice, New Vienna, Ohio, in place of T. H. Rice. Incumbent's commission expired June 23, 1942.

Lewis T. Williams, New Waterford, Ohio, in place of L. T. Williams. Incumbent's commission expired June 23, 1942.

Paul A. Elick, Payne, Ohio, in place of P. A. Elick. Incumbent's commission expired June 23, 1942.

William I. Dague, Wadsworth, Ohio, in place of W. I. Dague. Incumbent's commission expired April 15, 1942.

Sara J. Bell, Waterford, Ohio, in place of S. J. Bell. Incumbent's commission expired June 23, 1942.

OKLAHOMA

Bourke Hamilton Bayless, Claremore, Okla., in place of A. V. D. Robinson, deceased.

James McK. Williams, Walters, Okla., in place of J. M. Williams. Incumbent's commission expired April 11, 1942.

PENNSYLVANIA

Harry R. Tomlinson, Andalusia, Pa., in place of W. W. Wright, removed.

James P. Bryan, Beaver, Pa., in place of J. P. Bryan. Incumbent's commission expired June 23, 1942.

Francis P. Kelly, Carbondale, Pa., in place of F. P. Kelly. Incumbent's commission expired June 23, 1942.

Alice E. Shoemaker, Fayetteville, Pa., in place of A. E. Shoemaker. Incumbent's commission expired June 23, 1942.

Walter C. Blessing, Hallam, Pa., in place of W. C. Blessing. Incumbent's commission expired June 23, 1942.

Emery C. Mahaffey, Mahaffey, Pa., in place of E. C. Mahaffey. Incumbent's commission expired June 23, 1942.

Emily V. Homsher, North Hills, Pa., in place of E. V. Homsher. Incumbent's commission expired February 10, 1942.

Dora Cowen, Roscoe, Pa., in place of Dora Cowen. Incumbent's commission expired June 23, 1942.

Joseph R. Ganly, Tower City, Pa., in place of T. F. Berney, deceased.

RHODE ISLAND

Grace B. Almy, Little Compton, R. I., in place of G. B. Almy. Incumbent's commission expired June 18, 1942.

TENNESSEE

Annie Blair Waller, Philadelphia, Tenn., in place of W. J. McCrary, transferred.

TEXAS

Joseph Y. Fraser, Colorado City, Tex., in place of J. Y. Fraser. Incumbent's commission expired June 23, 1942.

Stephen S. Perry, Freeport, Tex., in place of S. S. Perry. Incumbent's commission expired June 23, 1942.

William E. Porter, Glen Rose, Tex., in place of W. E. Porter. Incumbent's commission expired June 23, 1942.

Lucie Hill, Hull, Tex., in place of Lucie Hill. Incumbent's commission expired April 11, 1942.

Morris Ferrell, Krum, Tex. Office became Presidential July 1, 1942.

William M. Covey, Mabank, Tex., in place of J. W. Dyer, deceased.

Myrtle M. Hatch, Mission, Tex., in place of M. M. Hatch. Incumbent's commission expired June 23, 1942.

Claude F. Norman, Rule, Tex., in place of C. F. Norman. Incumbent's commission expired June 23, 1942.

Charles H. Grounds, Talpa, Tex., in place of C. H. Grounds. Incumbent's commission expired June 23, 1942.

VIRGINIA

Kathryn C. Ross, Accomac, Va., in place of K. C. Ross. Incumbent's commission expired June 23, 1942.

Fred Adams, Galax, Va., in place of Fred Adams. Incumbent's commission expired June 23, 1942.

James R. Gregory, Martinsville, Va., in place of J. R. Gregory. Incumbent's commission expired June 23, 1942.

Eugene P. Whitman, Pulaski, Va., in place of E. P. Whitman. Incumbent's commission expired June 23, 1942.

Vernon C. Griffith, Shenandoah, Va., in place of V. C. Griffith. Incumbent's commission expired June 23, 1942.

Gervis E. Lemley, Stephens City, Va., in place of G. E. Lemley. Incumbent's commission expired June 23, 1942.

VIRGIN ISLANDS

Bartholin R. Larsen, Christiansted, V. I., in place of B. R. Larsen. Incumbent's commission expired May 6, 1942.

WASHINGTON

George D. Magee, Aberdeen, Wash., in place of G. D. Magee. Incumbent's commission expired June 23, 1942.

Arthur H. Gerl, Wilbur, Wash., in place of A. H. Gerl. Incumbent's commission expired June 23, 1942.

WISCONSIN

Arthur C. Finder, Ableman, Wis., in place of A. C. Finder. Incumbent's commission expired March 1, 1942.

Perlee W. Dickey, Black River Falls, Wis., in place of P. W. Dickey. Incumbent's commission expired April 26, 1942.

Charles L. Haessly, Ellsworth, Wis., in place of C. L. Haessly. Incumbent's commission expired April 12, 1942.

John T. Tovey, Fremont, Wis., in place of J. T. Tovey. Incumbent's commission expired May 25, 1942.

Frank Heppe, Kewaskum, Wis., in place of Frank Heppe. Incumbent's commission expired May 31, 1942.

May K. Powers, Lake Geneva, Wis., in place of M. K. Powers. Incumbent's commission expired May 31, 1942.

Hildegarde Thering, Plain, Wis., in place of William Reuschlein, retired.

Joseph P. Kelly, Richland Center, Wis., in place of J. P. Kelly. Incumbent's commission expired April 26, 1942.

Adelbert O. Randall, Rosendale, Wis., in place of A. O. Randall. Incumbent's commission expired May 31, 1942.

Alfred H. Hadler, Thiensville, Wis., in place of A. H. Hadler. Incumbent's commission expired May 31, 1942.

WYOMING

Albert E. Holliday, Laramie, Wyo., in place of A. E. Holliday. Incumbent's commission expired May 4, 1942.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 17, 1942:

HAWAII

Ernest K. Kai to be Secretary of the Territory of Hawaii.

ARMY SPECIALIST CORPS

Ewing Willard Reilley to be Chief, Organization Branch, Quartermaster Corps, Services of Supply, $6,500.

Charles McCartney Wellons to be Chief of Design and Construction Division, Engineer Corps, Services of Supply, $6,400.

G. Ross Henninger to be liaison officer, Headquarters, Army Specialist Corps, $5,600.

Harold Ewing Spickard to be Chief, Rights-of-Way Subdivision, Engineer Corps, Services of Supply, $5,600.

IN THE REGULAR ARMY

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

Lt. Col. Charles Carlton to Quartermaster Corps.

Second Lt. Myron Richard Bittikofer to Corps of Engineers.

PROMOTIONS IN THE REGULAR ARMY

Thomas Henry Rees, Jr., colonel, Cavalry, with rank from September 1, 1942.

Floyd Randall Waltz, colonel, Infantry, with rank from September 1, 1942.

John Henry Woodberry, colonel, Ordnance Department, with rank from September 1, 1942.

Harold Francis Loomis, colonel, Coast Artillery Corps, with rank from September 1, 1942.

Leland Harold Stanford, colonel, Signal Corps, with rank from September 1, 1942.

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

Col. Caleb Vance Haynes, for temporary appointment as brigadier general in the Army of the United States.

IN THE MARINE CORPS

APPOINTMENTS AND PROMOTIONS

To be majors

William A. Willis	Charles H. Hayes
Harold W. Bauer	Richard C. Mangrum

To be second lieutenants

George M. Warnke	Richard H. Vestal
Ralph H. Guppy, Jr.	Robert H. Hammond
Wesley R. Christie	Paul H. Millichap

POSTMASTERS

ILLINOIS

Paul R. Smoot, Petersburg.
Arthur B. Caughlan, Pittsfield.

HOUSE OF REPRESENTATIVES

THURSDAY, SEPTEMBER 17, 1942

The House met at 12 o'clock noon.

Rev. Reuben K. Youngdahl, pastor of Mount Olivet Lutheran Church, Minneapolis, Minn., offered the following prayer:

O God, our help in ages past, our hope in years to come: Sustain us with Thy power today, and give us the assurance and the confidence that enables us to have a faith that looks up to Thee.

We pray Thee that we might understand that Thou art the way and without Thee there is no going; that Thou art the truth and without Thee there is no knowing; that Thou art the life and without Thee there is no living.

When darkness surrounds us, be Thou our light; when we are discouraged, be Thou our comforter; in moments of weakness, be Thou our strength.

Grant Thy blessing, we pray Thee, to those in authority, especially to the President and the Congress of the United States; may their actions and guidance preserve in this land the type of government which is fashioned after Thy will. May Thy blessing rest upon all the liberty-loving people of the world and upon those burdened with the responsibility of bringing about world peace. Theirs is a task that needs the prayers of every citizen of the universe; theirs is a duty that demands the cooperation and support of all of us.

Today we ask Thy special blessing upon those brave and courageous defenders of all nations in the cause of right, who now fight on many battlefields. Please, dear Lord, may their sacrifices be lessened by Thy goodness. In their responsibilities may they be guided by Thee so that eternal peace may forever reign; so that free people may again carry on in Thy cause; and Thy will be done on earth as it is in heaven.

Unto Thee, O Christ, our King, do we offer these petitions, for Thine is the Kingdom and the Power and the Glory, forever and ever. Amen.

The Journal of the proceedings of Tuesday, September 15, 1942, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 344. Joint resolution authorizing extensions of time for filing return of capital-stock tax in 1942.

ADJOURNMENT OVER

Mr. BLAND. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object, although I do not expect to. I would like to know for the benefit of the House if the so-called inflation bill, which we hope to be able to dispose of as quickly as possible, will be under consideration on Monday next. Is that to be the program?

Mr. BLAND. Mr. Speaker, my information is that the gentleman from Alabama [Mr. STEAGALL], chairman of the Committee on Banking and Currency, expects to appear this morning and ask unanimous consent that he be permitted to file a report upon that bill or upon a new bill during the recess, and my understanding is that it will be ready the first of the week.

Mr. MARTIN of Massachusetts. Then the membership of the House can plan to be here on Tuesday in the hope that the bill will be then under consideration.

Mr. BLAND. Subject to correction by the Speaker, if I am incorrect, I would say "Yes."

The SPEAKER. Is there objection to the request of the gentleman from Virginia.

Mr. RANKIN of Mississippi. Mr. Speaker, further reserving the right to object, let me inquire of the acting majority leader what we are going to take up on Monday next?

The SPEAKER. The Chair takes this opportunity to state that he expects to recognize the gentleman from Kentucky [Mr. MAY] to ask unanimous consent for the consideration at that time of bills, noncontroversial in nature, coming from the Committee on Military Affairs.

Mr. RANKIN of Mississippi. And may I ask further of the Speaker when we may expect the Consent Calendar will be next considered.

The SPEAKER. On the 21st of September.

Is there objection to the request of the gentleman from Virginia?

Mr. RICH. Mr. Speaker, further reserving the right to object, I suggest to the gentleman from Virginia that we have been informed by the President of the United States that if we do not get the so-called inflation bill passed by the 1st of October he is going to act himself. I think it is time that we got busy and that we bring the bill in here so that this Congress can act and keep a dictator out of this country, and we do not want to do any fooling around about it, either.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. BLAND. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk today I be permitted to address the House for 10 minutes on the one hundred and fifty-fifth anniversary of the adoption of the Constitution of the United States.

The SPEAKER. Is there objection?

There was no objection.

MR. SPEAKER RAYBURN

Mr. BLAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

Mr. BLAND. Mr. Speaker, my purpose in asking this time is to call the attention of the House to the fact that yesterday was the second anniversary of the elevation of the present occupant of the chair to the speakership. I consider the Nation extremely fortunate that in these troubled times the Speaker is a man of such parliamentary skill, of such legislative experience, and of such courage and patriotism as the present occupant of the chair. I have been here since the late Champ Clark was Speaker, and I have served under the subsequent Speakers up to this time. I am convinced that the present Speaker measures up to every one of the Speakers that we have had during my time, and I think at any time in the past history of the country. He is a man of courage, of patriotism, of loyalty, devoted to his country, learned in its history, and conscientious in his convictions. He is a great son of a great State.

Mr. MARTIN of Massachusetts. Mr. Speaker, speaking for the minority side of the House, I join with the acting leader on the majority side in felicitations to our beloved Speaker. I feel safe in saying that we on this side of the House appreciate the great ability and fairness of the distinguished gentleman from Texas. In my judgment, he is one of the great Americans of his day, and we felicitate him on the second anniversary of his elevation to the high office which he now adorns.

Mr. BLAND. I agree with everything the gentleman from Massachusetts has stated about our beloved Speaker. We hope that he may occupy his present position for many years to come. We all wish for him health, happiness, and prosperity in all the years that are to come.

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. COX. Mr. Speaker, I am glad the gentleman from Virginia [Mr. BLAND] took occasion to call the attention of the House to the fact that yesterday was the second anniversary of our Speaker as Presiding Officer of this House.

At this time when the whole world is writhing in a cauldron of war, a war precipitated by the venomous devil spewed up by an angry hell, the steady character of our friend, the Speaker, is a rock to which we may safely moor.

The title which he bears is not an honor to him, but it is he who is an honor to his title. I wish for him not fame, not power, not wealth, but health and happiness and the continued enjoyment of the love and confidence of his fellows who labor by his side.

THE LATE HONORABLE ALBERT W. JEFFERIS

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. McLAUGHLIN. Mr. Speaker, it is with profound sorrow that I rise to inform the House of the death on Monday last at his home in Omaha, Nebr., of Hon. Albert W. Jefferis, a former Member of this body. Mr. Jefferis served in the Sixty-sixth and Sixty-seventh Congresses. Born on December 7, 1868 near Embreeville, Pa., the son of a farmer, Mr. Jefferis was in his 73d year at the time of his passing.

Albert W. Jefferis was a big man in every sense of the word. Weighing well over 200 pounds and standing more than 6 feet 3 inches in height he was a striking figure of a man and stood out in any company because of his distinguished appearance. "Big Jeff," as he was affectionately known by his host of

friends and by his colleagues in the House, was big in spirit as well as in bodily stature. Always a fighter for any cause which he espoused, he was nonetheless gentle by nature and so tolerant of those who opposed his views that his antagonists in political and legal conflicts were among his closest friends and most staunch admirers.

After working his way through the State Normal School in Pennsylvania, Mr. Jefferis became principal of the Marshalltown, Pa., schools. A year later he entered the University of Michigan College of Law. It was at Michigan as a football and baseball star and champion debater that he first became known as "Big Jeff." Coming to the practice of law in Omaha in 1893 in the midst of hard times, he supplemented his small earnings by working as football coach at Doane College at Crete, Nebr.

Albert Jefferis was always active as a militant member of the Republican Party. In 1918 he was elected to Congress from the Second Congressional District of Nebraska, and was reelected in 1920. In 1922 he entered the Republican senatorial primary at which the late Senator Robert Beecher Howell was nominated. Throughout his life in Omaha he was an active and respected member of the bar of his city and State.

In 1920 he nominated Charles G. Dawes for Vice President and campaigned throughout the country for Coolidge and Dawes. Understood to be among those considered for appointment as Attorney General in 1925 he refused an appointment as an Assistant Attorney General in 1929.

The passing of "Big Jeff" will be a source of sorrow and regret to his many friends and former colleagues. In the death of Albert W. Jefferis the Nation has lost a sterling citizen, a big man in body, mind, and spirit.

[Here the gavel fell.]

MR. WILLIAM M. JEFFERS

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to address the House for one minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. McLAUGHLIN. Mr. Speaker, the appointment of Mr. William M. Jeffers, of Omaha, Nebr., to the extremely important post of Federal Rubber Administrator will have the wholehearted approval of all who know Mr. Jeffers and are interested in the success of the rubber program. William Jeffers is known as Bill in Nebraska where he was born and where he has always lived. He is known as Bill along the entire line of the Union Pacific Railroad from the Missouri River to the Pacific Coast. He is as big and strong and blunt and direct as his name Bill would indicate. He was Bill when, as a boy 14 years old, he left school in his birthplace at North Platte, Nebr., and went to work as office boy and janitor for the Union Pacific Railroad, for which road his father had started to work as an Irish immigrant laborer and continued to work throughout his lifetime. Neither Bill nor his father ever worked for anyone but the Union Pacific. He was Bill all the way up the ladder, step by step, as telegrapher, clerk, train dispatcher, trainmaster, assistant superintendent, superintendent of division after division, general manager, vice president, executive vice president, and president. The people of North Platte have changed the name of the street where Mr. Jeffers was born to Jeffers Avenue and the little cottage in which he was born has been moved to a place of honor in the town park.

In accepting the appointment Mr. Jeffers said, with modesty:

> I don't know anything about rubber. I'm just a railroad executive. That's all I've majored in. I'm going to do this job because it's the job to do.

He added:

> I intend to take all the time necessary to learn all about the job before I start to make decisions. But it won't take too long. It's not our way to take long.

Those who know Bill Jeffers know that he will act with judgment and with dispatch. He will do the job.

The Baruch report recommended that plants for the production of grain alcohol be constructed on sites near the grain producing areas. The report sets forth the assurance of the Secretary of Agriculture to the committee that no concern need be felt that the expansion of alcohol and butadiene from grain will interfere with our food supply; that all food requirements that can now be anticipated are met; that there will still be upward of 1,250,000,000 bushels of wheat left on this continent. The Baruch committee report asks for the creation of a rubber administrator who will direct the course of the technical and industrial development of the synthetic rubber production. Bill Jeffers says:

> I intend to do whatever is necessary to carry out the assignment.

Adding:

> I cannot do any more talking about the matter now. We do not need talk—we need action.

The country can count on Bill Jeffers for action. He will carry out his assignment.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein two short editorials on the problem that faces this House as a result of the report of the Attorney General.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent that following any other special orders today I may address the House for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. SCOTT. Mr. Speaker, I ask unanimous consent that following any other special orders today I may address the House for 15 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that after the other special orders have been concluded today I may be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague from Pennsylvania [Mr. VAN ZANDT] may be allowed to extend his own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRAVENS. Mr. Speaker, on behalf of the gentleman from New York [Mr. SOMERS] I ask unanimous consent that he may be allowed to extend his remarks in the RECORD and include a letter.

The SPEAKER. Is there objection?

There was no objection.

PRODUCTION AND DISTRIBUTION OF FARM PRODUCTS

Mr. FULMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. FULMER. Mr. Speaker, one of the many problems confronting our war effort—perhaps the greatest problem—is the serious situation confronting the proper and necessary production and harvesting of farm products and the distribution thereof at fair prices, so as to eliminate the tremendous losses from crops remaining in the fields because of the shortage of labor and the large, unjustifiable spread between producers and consumers, all of which is very costly to producers and consumers.

A sufficient quantity of food and fiber, not only to take care of 130,000,000 Americans but our hard-pressed Allies, in this the greatest struggle ever in the history of the world, is just as important as it is to "keep them rolling."

My committee, representing the various agricultural areas of the country, being deeply interested in every phase of agriculture, the serious problems confronting farmers, one of the most patriotic groups in America, and our war efforts, will meet tomorrow for the purpose of giving serious consideration to the two price-fixing bills now being considered by the Banking and Currency Committees of the House and Senate, for the sole purpose of recommending to these committees and the Congress our views thereon.

Realizing that every group in this country, except farmers, have representation on the War Production Board or the agencies connected therewith, with many technical and expert advisers representing these groups, we also expect to give serious consideration to the proposal of the appointment by the President of a director or a board composed of men from the agricultural areas, interested in and experienced in the problems of agriculture, to definitely represent farmers, their problems, proper distribution, shortage of labor, and proper adjustment of farm wages, all of which is

very necessary if we are to have a successful, well-balanced, and well-rounded war program.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. CAPOZZOLI. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein an editorial appearing in a newspaper in New York City.

The SPEAKER. Is there objection?

There was no objection.

Mr. PLAUCHÉ. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein an editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. WASIELEWSKI. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Milwaukee Journal.

The SPEAKER. Is there objection?

There was no objection.

Mr. PADDOCK. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article from the Chicago Tribune.

The SPEAKER. Is there objection?

There was no objection.

UNSATISFACTORY GOVERNMENT OF THE DISTRICT OF COLUMBIA

Mr. PADDOCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. PADDOCK. Mr. Speaker, there are three principal reasons why the present District of Columbia government is unsatisfactory:

First—

The existing organization has been built around an act adopted over 60 years ago and has obviously grown without plan or system; it is now unbelievably complex, confused, illogical, and cumbersome.

This is the language of the Griffenhagen report to Congress in 1939.

Second. The residents of the District do not vote.

Third. Most Members of Congress, which is in effect a municipal council, are not sufficiently informed regarding District affairs.

I will restate these three objections this way:

First. The present form of government is inefficient.

Second. The residents have no legally elected representative to advocate desirable changes.

Third. Congress, with full legal authority to improve conditions, does not at present have sufficient information to insure prompt action on greatly needed legislation.

H. R. 7339, providing for an elected Delegate in the House of Representatives from the District of Columbia, should correct objection 3, remove objection 2, and pave the way toward eliminating objection 1. An elected Delegate will certainly assist in obtaining a modern and efficient form of government for the District.

My own interest in this problem comes largely from my knowledge as a Member of the House that most of us do not know enough about District affairs. If there was an elected Delegate among us, well informed as to local problems and devoting his entire time to furthering District legislation, there is no doubt that we would then be better able to fulfill our responsibilities. The work of this Delegate would also be of the greatest assistance to the District Commissioners and to the House committees which consider District legislation.

Under present wartime conditions there is a sharply increased need for the work which a District Delegate can do in improving local conditions. Washington today is not merely a city of 800,000 people, it is more than our Nation's Capital, it is the general headquarters for the United Nations. Whatever impedes the efficiency of Washington impairs the war effort; and whatever improves Washington conditions brings military success that much closer.

We should, therefore, regard this proposal to provide a new and important element in District affairs as a contributing factor toward our victory.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to extend my remarks and include excerpts from a speech that I previously made on the floor of this House.

The SPEAKER. Is there objection?

There was no objection.

TOTAL GOVERNMENT REGULATION SOON HERE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, Paul McNutt urges single control of manpower, proposing to Congress that the Government be vested with absolute authority over manpower distribution.

Are we going to have a dictator over all labor? Why? I can tell you why. The Government is the greatest labor pirate. It builds on cost plus. The more the contractor pays, the more profits he has and the greater cost to Government. The taxpayers have to pay. The higher the wages paid, the faster the employees leave their regular jobs in industry and on farms to get Government higher pay jobs. On Government jobs the union gets them first. Men cannot work on Government jobs unless they join a union. That costs $50 to $500 to the worker to join the union. That is un-American. Whose fault? Miss Perkins and the New Deal.

The labor turn-over is the fault of this Government more than any individual or any business. Congress has done nothing to correct it. The President is to blame with the body that stopped labor legislation. The result will soon be every man and woman will be assigned a job and they will take it and like it. Free America will soon be a memory. Blame it on war? What war? Regulation, ration, prices, wages. Then communism. Soon there. Liberty gone. Our Government, oh, our Government, will you let our liberty and our freedom get away from us?

Not by my vote.

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. DIRKSEN. Mr. Speaker, after the other special orders I ask unanimous consent that I may proceed for 10 minutes today.

The SPEAKER. Is there objection?

There was no objection.

SILVER PURCHASE ACTS MUST BE REPEALED—END THE SILVER SCANDAL

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, I have offered this day bills to repeal the Silver Purchase Acts of 1934 and 1939.

We produce in this country 70,000,000 ounces annually. This is far more than is necessary to meet the needs of defense and normal industries. By virtue of the Silver Purchase Acts, not an ounce of this domestic production is available to industry. It must be bought up by the Government and buried. An enormous hoard of silver now is hidden and stored away at West Point on the Hudson, some 1,361,000,000 ounces. It is sorely needed by industries, yet cannot be touched. Such burial is asinine and scandalous.

It is the result of the machinations of the formidable Silver States, notably Idaho, Montana, Utah, Arizona, Colorado, and Nevada. Some little silver is mined in California, New Mexico, and Texas, but the deadly combine is as stated above. The conspirators have gone so far as to cut off foreign silver supply. To meet the dreadful need growing out of the war effort the War Production Board has even gone so far as to prohibit the use of imported silver except by special authorization. Extreme restrictions are placed upon silver manufacturers as to the use of foreign silver on their hands. They can only use a tiny portion and the balance will have to be disposed of as the War Production Board demands.

Jewelry manufacturers, silversmiths, and fabricators of civilian articles are in dire need of silver. They face the prospect of being forced out of business, despite the fact that 1,361,000,000 ounces are "free" but buried.

We face the anomalous situation of starving in the midst of plenty.

The entire question of silver must be pushed out into the open. The war effort demands it. There is acute need for silver in the making of tanks, trucks, guns, ships, bombs. The selfish owners of silver mines cannot block the war effort any longer. Silver is needed as a substitute for tin in solder no longer obtainable from enemy Japan. Silver, in many instances, can be used as a substitute for copper and in electrical connections.

This nonsense of blocking normal use of silver must cease; it is getting too serious. The closing up of the plants of silversmiths and manufacturers will

mean the placing of thousands on unemployed lists.

The two so-called Silver Purchase Acts of 1934 and 1939 must be immediately repealed. It can no longer be deemed holy and "untouchable."

The Silver Purchase Act of 1934 requires the Treasury to keep on buying silver for the purpose of getting and keeping one-fourth of our combined stocks of gold and silver in the form of silver, and the act of July 6, 1939, requires the Treasury Department to buy all domestically produced silver at 71.111 cents an ounce. And while the Treasury buys it is prohibted from selling any at less than the statutory price of $1.29 an ounce. Thus the Government has made competition for the purchase of silver well-nigh impossible. It would necessitate outbidding the Treasury's price of 71.111, and if this could be done, the private purchaser would run smack into the ceilings fixed by the General Maximum Price Regulations.

The obvious way out is the repeal of the obnoxious Silver Purchasing Acts enabling those industries in need of silver to compete fairly with the Government for its purchase. To the furtherance of that end, I offered my bills to wipe off from the statute books these entangling skeins skillfully woven by the so-called "silver bloc." With the whole country, nay, the whole world in pressing need for the commodity, must we serve the interests of but a segment, selfishly grinding its own ax?

Let silver be placed where it belongs—on a competitive basis like any other metal placed under restrictions and orders of the War Production Board, the Office of Price Administration and other war agencies. Force the Government to disinter silver now hoarded and stored at West Point. Thus the unallocated domestic silver could be used in the arts and crafts, by defense and non-defense industries.

To hold underground this vast amount of silver when the need for same is so great is just plain stupidity.

If after the repeal of the Silver Purchase Acts, the Treasury Department persists in hoarding free silver on the ground that it should be earmarked as "lend-lease for use in war plants," then the Treasury Department would have to get its knuckles cracked and then in that event enabling legislation would have to be drafted to force the Treasury Department to lift its hand off this buried silver. 1,361,000,000 plus 70,000 additional ounces each year would give us a glut of silver which is far more than necessary for defense purposes.

EXTENSION OF REMARKS

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein some quotations from the writings of George Washington on the subject of price stabilization.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AMENDMENT OF THE PRICE CONTROL ACT

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to have until midnight Saturday to file a committee report on the bill (H. R. 7547) amending the Price Control Act.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial in a recent issue of the Montgomery Advertiser.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Washington Post.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the disposition of the legislative business for the day and other special orders I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend in the Appendix of the RECORD a communication received by myself from Mr. Barton, the special aviation assistant to the Secretary of Commerce.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HOURS OF LABOR IN WAR INDUSTRIES OF THE FIGHTING NATIONS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, several weeks ago I addressed a letter to the War Production Board requesting figures on the hours of the workweek in war industry in the United States and those in England, in Russia, in Germany, in Italy, and in Japan. I have received an answer to my communication from the Department of Labor, Bureau of Labor Statistics, acting for Mr. Donald Nelson in the matter of the reply. I believe the information is most interesting, and that the Members will want to read it. I am not attempting to present a contrast or to say how many hours Americans should work in war industry. I believe labor will respond to the urgency of increased production, which is necessary to aid in defeating our foes.

Mr. Speaker, I ask unanimous consent to include this letter as a part of my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The letter referred to follows:

DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, September 5, 1942.

The Honorable JENNINGS RANDOLPH,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN RANDOLPH: Your letter of August 11 to Mr. Nelson, of the War Production Board, regarding hours of work in various countries, has been referred to this office with a request that we send you any additional information that may be available. Information about conditions in other countries is far from adequate, but is sufficient to warrant general comparisons.

The war industries, as you know, are predominantly in the durable-goods group of manufacturing industries. In this group the average in June 1942 was 45.1 hours per week. Some of these industries are continuous-process industries with three shifts, and hours as a result are not as high as in some other industries. In engines, turbines, water wheels, and windmills the average was 49.1 hours; in foundry and machine-shop products, 48.4 hours; in machine tools, 53.8 hours; in textile machinery and parts, 49.3 hours; in aircraft, 47.2 hours; in locomotives, 46.6 hours; in shipbuilding, 43.2 hours; and in railroad transportation, 47.1 hours. I am enclosing a copy of the Bureau's current release on hours and earnings, giving figures for April, May, and June, 1942.

These averages are lower than the hours worked by full-time workers because they include the hours of workers on the pay roll for any part of the pay-roll period. There is a wide variation in hours, and a large proportion of workers in war industries worked much longer hours than the averages indicate. Thus, as early as February 1942, almost half of the plants in the munitions industries had plant averages of 48 hours or more per week and the plant averages ranged as high as 70 hours per week. In another group of war industries, including machine tools, almost three-fifths of the plants had plant averages of 48 hours or more per week. In the machine tools industry more than 4 percent of the reporting plants had plant averages of 70 hours or more per week. These and similar details are to be found in the enclosed Bureau publication on "Working Hours in War Production Plants, February 1942."

Hours of work in foreign countries have tended to vary to a considerable extent with critical situations such as confronted England in the summer of 1940. It was found that after a few weeks of work at 65 hours or more per week output began to decline until it fell in some instances lower than before the increase in the length of the working week. Recently the average working week in war industries seems to have ranged from 55 to 60 hours, so far as plant schedules are concerned, but the average per worker is naturally lower. An order issued by the Ministry of Labor on May 20, 1942, announced a policy of maintaining 52 hours for industrial labor and 46 hours for clerical labor, with annual holidays of not more than 2 weeks as necessary for maintaining maximum utilization of the labor force. The policy was designed to facilitate the transfer of employees to essential production from overstaffed establishments not operating on the newly prescribed basis of hours of work. The hours mentioned (52 hours for industrial labor and 46 hours for clerical labor) are not average hours per employee, which would naturally be lower, but scheduled hours of shifts or plant operations.

Further information regarding hours of work in Great Britain is given in the Monthly Labor Review of July 1942, pages 36, 37, 42. There is also a discussion of hours in a recent book that has just come to my attention, entitled "People in Production," part 1 of "An Enquiry Into British War Production," a report prepared by an organization

known as Mass-Observation for the Advertising Service Guild. A special survey of hours indicates that 42 percent of the workers in war industries were working 9 hours or more per day, and that 26 percent in other forms of work were working 9 hours or more per day. (People in Production, p. 192.)

Information regarding hours of work in Germany is limited for the most part to statements in official decrees and regulations. A summary statement of some of these provisions has just appeared in an article on Wartime Developments in German Wage Policy, in the August 1942 International Labour Review. On page 146 of this journal it is stated that according to regulations issued on January 14, 1940, the normal working day was still regarded as 8 hours with a maximum of 10 hours for an adult male, this maximum to be extended only in exceptional circumstances as determined by labor inspection authorities. It is apparent, however, that wartime conditions were viewed as creating widely prevalent exceptional circumstances. In fact, the same set of regulations of January 1940 indicated that a 10-hour day or a 60-hour week was to be regarded as more or less the standard, with overtime payments to be made to the worker only for hours in excess of 10 per day or 60 per week. Later, however, there was a relaxation of the regulation regarding overtime payments.

The hours of work in Russia have apparently been extended in the vital areas of war production to a degree exceeding the length of hours in England or perhaps even in Germany. The pre-war rule seems to have provided for an 8-hour day and a 5-day week. The best available information indicates that working time has been lengthened from 8 hours for 5 days a week to 10 hours for 6 days a week. Reports in fact indicate that in the most critical areas hours have been still further extended and there seems to be substantial evidence that the unions have taken voluntary action to maintain hours to the point of maximum production.

There is little recent information about hours in Italy. Reports early in 1941 indicate, however, that hours were widely increased about that time, partly to make up for the loss of Italian workers transferred to Germany. There is a summary of these reports in the Monthly Labor Review of May 1941, pages 1159-1161. It appears that for plants with continuous operations for 24 hours a day, the two-shift arrangement was substituted at least in part for the three-shift plan, the two-shift arrangement calling for 12 hours per day and 6 days per week. In other plants it appears that the arrangements call for a working schedule of 10 hours per day and 60 hours per week. It is to be noted, however, that these are scheduled hours and that they are not comparable to the figures of average weekly hours by industry as published by the Bureau of Labor Statistics and given in the enclosed release. Average hours per worker are substantially lower than scheduled hours, especially when the latter are exceptionally high.

Formerly the Japanese Government issued statistics of daily hours of work, and the figures are available in the 1941 Year Book of Labour Statistics of the International Labour Office. The figure there given for the first 11 months of 1939 is 9.46 hours per day. It is to be noted, however, that Sunday is not recognized in Japan as a holiday and that the number of holidays is greatly restricted. It is to be presumed that current conditions in Japan have led to some extension of hours, but definite information is unfortunately not available.

If additional information is desired, please let me know. I regret, however, that the available information does not make possible really satisfactory international comparisons.

Sincerely yours,

A. F. HINRICHS,
Acting Commissioner of Labor Statistics.

PERMISSION TO ADDRESS THE HOUSE

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PATRICK. Mr. Speaker, everytime we meet our splendid colleague the gentleman from Pennsylvania [Mr. RICH] has to get up and berate the administration. I call the attention of the Members present to column 2 of page 7108 of the CONGRESSIONAL RECORD, where a little colloquy took place between the gentleman from North Carolina [Mr. BULWINKLE] and the gentleman from Pennsylvania, as follows: The gentleman from North Carolina [Mr. BULWINKLE] said:

> You are still saying as a Member of Congress on your own responsibility that this administration was responsible for the attack by the Japanese upon the United States, are you?

And the gentleman from Pennsylvania [Mr. RICH] said:

> I made that statement, and I do not apologize.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. PATRICK. No; I will not yield. I just want to state to the Members present that we know the Republicans do not feel this way and the stigma should not attach itself to the party the gentleman belongs to. Let me say further that I know that Congress will not take too seriously the rest of the mouthings of a man who thinks like that.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. BENNETT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from Mr. Hinkel, president of the Missouri Farm Association, on the subject of prices.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

IDLE C. C. C. TRUCKS

Mr. BENNETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BENNETT. Mr. Speaker, a few days ago the newspapers carried a story saying that the Army in 1 day recently purchased 880,000 trucks and trailers of various types at a total cost in excess of $1,500,000,000.

I do not wish to be critical, Mr. Speaker. I am not in a position to know about the Army's need of trucks. It is hoped that anything and everything necessary to turn defeat into victory will be done by the administration. However, this bit of news causes me to wonder if they could not have reduced the number of trucks purchased by making use of the many C. C. C. trucks stored over the Nation. At Harrisonville, Mo., in my own congressional district, and where the school board has been unable to secure school busses, there is a considerable number of good trucks which have stood idle and under guard since the C. C. C. camp there was abandoned more than 1 year ago. Just why some disposition should not be made of such trucks is more than I can understand. Every man knows that they have depreciated greatly since used. All batteries must be dead, tires and generators are going bad, paint is being damaged by weather, and the Government's investment is increasing by employment of guards.

I know, Mr. Speaker, that we must expect some waste during war, but we now have entirely too much of that. No one can claim that such mismanagement is due to lack of help. The Congress appropriated $10,000,000 to be used in liquidating the C. C. C. Why does it require so much time for disposal of C. C. C. trucks? If the Army cannot use them, why not make quick sales to dealers in used trucks, farmers, and others. If they are too worn for further use, now is when we need scrap metal. However, trucks that are in running condition should not be beaten into scrap, as frequently charged, is sometimes done by the War Department. I think the main trouble lies in too many civilian employees. When the farms and factories are short of manpower, why should we have far more than twice as many on the civilian pay roll as we had during the first World War? If the administration would drop 50 percent of the 2,430,000 civilian employees now on the backs of the overburdened taxpayers, Uncle Sam's business would be handled more efficiently, because the number is so great they are in each other's way. Do this and you will need to sell fewer bonds and sales will be much easier.

I suppose that for this brief statement I will be condemned by New Deal politicians, who can see nothing wrong in anything this administration may do, for "carping criticism when the country is at war." But I warn you, Mr. Speaker, the taxpayers of the Nation are going to place the blame where it rightly belongs when election day comes.

It has been my pleasure to support every bill for the defense of my country and the Western Hemisphere prior to Pearl Harbor, and every measure offered by this administration since that incident for prosecution of the war, but I have not given up my right to condemn either measures or men when I consider them detrimental to the welfare and safety of the Republic.

AMENDMENT OF THE PRICE CONTROL ACT—LET US ACT NOW TO PREVENT INFLATION AND TO CONTROL PRICES

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANGELL. Mr. Speaker, I trust the leadership of the House will bring before it without unnecessary delay the legislation which has to do with price control and inflation.

The President in his message recently delivered to Congress has urged the enactment of legislation to prevent further inflation and to control prices of food and the other necessities of life. This

program has my full approval and support.

As just reported to the House by the Acting Majority Leader, the House committee having this legislation in charge has expressed the purpose to bring the legislation on the floor not later than next Tuesday. I trust that nothing will be allowed to interfere with the carrying out of this program. We should not dilly dally, debate, and procrastinate in enacting the legislation necessary to accomplish these objectives. We are in war. Our men are fighting and sacrificing their lives on many battle fronts far removed from our shores. We have many supply lines which we are seeking to protect in order to supply our fighting forces and those of the United Nations fighting with us with implements of war and supplies and matériel needed for the successful prosecution of the war. It ill behooves any of us in such a crisis where our lives are at stake and we are fighting with our backs to the wall to fail to do everything within our power to bring success to our endeavors. Let us act now. Another week may be too late. As Donald Nelson, Chief of War Production said, we can lose the war. In fact, we have been losing it thus far. We are not utilizing all of our resources to full efficiency. The President has stated that we are only 50-percent efficient in our efforts thus far.

Let us all unite in the one great objective to win, which we can and must do; therefore I urge that we in this House proceed with all possible speed to enact the legislation the President has requested and make certain that inflation be prevented and that prices of the necessities of life be kept from increasing, to the end that we may bring our war efforts to full efficiency and achieve victory over our enemies at the earliest possible time and thus prevent the needless loss of life and the waste of our resources. For one I propose to continue to give full and unqualified support to the President as Commander in Chief in the war program.

EXTENSION OF REMARKS

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial on the subject of price control.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my own remarks by inserting in the RECORD a copy of a letter I have just sent to Mr. William M. Jeffers, the National Rubber Administrator, to whom America is now looking for important results.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. ROBERTSON of North Dakota. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes today after the conclusion of the other special orders.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

EXTENSION OF REMARKS

Mr. BONNER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article from the Goldfish Bowl on the life of Dr. Richard Gatling, the inventor of the Gatling gun.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McGRANERY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address I delivered at Boston last Sunday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

APPROPRIATION FOR DEFENSE HOUSING

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 538; Rept. No. 2471), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7312) to increase by $600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Buildings and Grounds, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. MURDOCK. Mr. Speaker, this is Constitution Day. I ask unanimous consent to extend my own remarks in the RECORD and to include a release for the Arizona papers concerning Constitution Day.

The SPEAKER. Is there objection to the request of the gentleman from Arizona [Mr. MURDOCK]?

There was no objection.

(Mr. BENDER asked and was given permission to extend his own remarks in the RECORD.)

Mr. McGRANERY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an address delivered by Judge J. Burnett Holland, of Norristown, Pa.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. McGRANERY].

There was no objection.

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. JARMAN]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. JARMAN]?

There was no objection.

Mr. JARMAN. Mr. Speaker, when I discussed several weeks ago the accomplishments of the crew of the Birmingham Blitz and expressed particular pride in the conduct of my constituent, Sgt. Kent L. West, in bringing down the first German plane, I was unaware that another constituent, who is a citizen of my home county, is also a member of the crew of this flying fortress. While the press did not mention his participation in this flight, I find that Sgt. Robert S. Jones, Jr., of York, Ala., is a radio operator on this bomber.

This information greatly increases my natural pride, if such be possible, and the pride I know is felt by all Alabamians, in the crew of the Birmingham Blitz and its accomplishments. Not only does it appear that two Birmingham boys participated in this raid, but two other Alabamians, both constituents of mine, are also members of the crew of this sturdy ship.

I know that my friends, Mr. and Mrs. Robert S. Jones, Sr., are proud parents indeed, which pride is shared by all their neighbors and friends, and I wish to heartily congratulate them and their noble son.

Sail on, mighty Birmingham Blitz, with these fine boys aboard. May the enemy never bring you down and may these Alabamians account for many more enemy planes during the remainder of their fine service for their country and for you and me and then safely return to their loved ones and friends as honored heroes of the greatest, though most horrible, war the world has ever experienced. May God bless and keep them and their parents in the meantime.

SPECIAL ORDERS

The SPEAKER. Under a previous order of the House, the gentleman from Virginia [Mr. BLAND] is recognized for 10 minutes.

Mr. BLAND. Mr. Speaker, I ask unanimous consent, to revise and extend the remarks I made this morning and also to revise and extend the remarks I am about to make.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. BLAND]?

There was no objection.

ONE HUNDRED AND FIFTY-FIFTH ANNIVERSARY OF THE CONSTITUTION

Mr. BLAND. Mr. Speaker, I feel that it is appropriate at this time for the Congress to pause for a little while and remember that this is the one hundred and fifty-fifth anniversary of the day when

the Convention at Philadelphia under the guidance of George Washington concluded their work in the formation of the Constitution of the United States and ordered it to be submitted to the Continental Congress of the United States. The action then taken prescribed the procedure for ratification of that Constitution by the various States.

Whether the action taken should be termed "adoption" of the Constitution or not I am not prepared to say. Certainly it was not the adoption by the States. It was the adoption by the Philadelphia Convention. I read the concluding article of that Constitution:

ARTICLE VII

The ratification of the conventions of nine States shall be sufficient for the establishment of this Constitution between the States so ratifying the same.

Done in Convention by the Unanimous Consent of the States present the seventeenth day of September in the year of our Lord one thousand seven hundred and eighty-seven and of the Independence of the United States of America the twelfth.

In witness whereof we have hereunto subscribed our names.

G. WASHINGTON,
President and deputy from Virginia.

In the letter of submission to the Continental Congress of the United States there were used expressions which appear to me to be particularly pertinent at this time—in fact the entire letter is peculiarly pertinent. This letter, submitting this draft of the Constitution to the Continental Congress was signed by George Washington as President and reads as follows:

SIR: We have now the honor to submit to the consideration of the United States in Congress assembled, that Constitution which has appeared to us the most advisable.

The friends of our country have long seen and desired, that the power of making war, peace, and treaties, that of levying money and regulating commerce, and the correspondent executive and judicial authorities should be fully and effectually vested in the general Government of the Union: But the impropriety of delegating such extensive trust to one body of men is evident—Hence results the necessity of a different organization.

It is obviously impracticable in the Federal Government of these States to secure all rights of independent sovereignty to each, and yet provide for the interest and safety of all: Individuals entering into society must give up a share of liberty to preserve the rest. The magnitude of the sacrifice must depend as well on situation and circumstances as on the object to be obtained. It is at all times difficult to draw with precision the line between those rights which must be surrendered, and those which may be reserved; and on the present occasion this difficulty was increased by a difference among the several States as to their situation, extent, habits, and particular interests.

In all our deliberations on this subject we kept steadily in our view, that which appears to us the greatest interest of every true American, the consolidation of our Union, in which is involved our prosperity, felicity, safety, perhaps our national existence. This important consideration, seriously and deeply impressed on our minds, led each State in the Convention to be less rigid on points of inferior magnitude, than might have been otherwise expected; and thus the Constitution, which we now present, is the result of a spirit of amity, and of that mutual deference and concession which the peculiarity of our political situation rendered indispensable.

That it will meet the full and entire approbation of every State is not perhaps to be expected; but each will doubtless consider, that had her interest alone been consulted, the consequences might have been particularly disagreeable or injurious to others; that it is liable to as few exceptions as could reasonably have been expected, we hope and believe; that it may promote the lasting welfare of that country so dear to us all, and secure her freedom and happiness, is our most ardent wish.

With great respect, we have the honor to be, sir,

Your Excellency's most obedient and humble servants,

GEORGE WASHINGTON, *President.*

By unanimous Order of the Convention.

His Excellency the President of the Congress.

These words ring today as truly as they did then and appeal to us earnestly that we must forget at this time all else except the winning of this war, the prompt adjustment of all differences, and the complete unity of all persons in the great work of restoring peace to the world. Differences, contentions, and disputes may exist between us, but for heaven's sake, let us try amicably to meet all these difficulties as our fathers did when they framed this Constitution. Now, as then, there are conflicting interests, conflicting groups, and selfish purposes, but the country is in peril. Our freedom, our liberty, and all that the Constitution means are now in the balance, and in need today of the same policy of unity, of conciliation, and of compromise with which the framers of the Constitution approached their problems.

I have found in the language of a former Member of this House a tribute to the Constitution which appeals to me with great force. It is an eloquent tribute. It came from an honest heart. I quote from a speech made by the Honorable Finis J. Garrett, of Tennessee, on the floor of this House in 1925. Speaking of the Constitution of the United States, he said:

We revere it as the preserver and the hope of human freedom. In it the great civic heroes of the past crystallized the rights which had been bought with patriot blood; in it they gave to liberty for all time a local habitation and a name. We think of it, sir, with unstinted emotions of gratitude and thanksgiving as having been, in sunshine and in storm, the sheet anchor of our past—our past with its hectic passions and its exalted powers; we recognize it to be the shelter of our present—our present with its prayer and its praise; we hold fast to the faith that it is to be the shield of our future—our future with its dreads and its dreams.

It is strange, Mr. Chairman, but it is true that almost every step which has been taken toward human liberty, apparently the natural state of man, has been taken upon and over the pulseless forms of battle-slain dead, and blood-stained flags are almost the only symbols that signal across the ages the accomplishment of fundamental governmental things.

To this latter our Constitution was the greatest and most notable exception. War, indeed, opened the way for its creation and acceptance, but it itself came into being through orderly and peaceful processes. It was a revolution of peace.

I desire to add also an excerpt from a speech made on March 4, 1939, by Chief Justice Hughes, on the occasion of exercises commemorating the first session of the First Congress:

Chief Justice Hughes said:

We not only praise individual liberty but our constitutional system has the unique distinction of insuring it. Our guaranties of fair trials, of due process in the protection of life, liberty, and property—which stands between the citizen and arbitrary power—of religious freedom, of free speech, free press, and free assembly, are the safeguards which have been erected against the abuses threatened by gusts of passion and prejudice which in misguided zeal would destroy the basic interests of democracy. We protect the fundamental rights of minorities, in order to save democratic government from destroying itself by the excesses of its own power. The firmest ground for confidence in the future is that more than ever we realize that, while democracy must have its organization and controls, its vital breath is individual liberty.

On September 17, 1887, 100 years after the Constitution was adopted in the city of Philadelphia, there gathered in the state yard, in rear of Independence Hall, in the same city an assemblage of many thousands, said to be as many as a hundred thousand persons. There were present the then President of the United States, Grover Cleveland, and a former President, Rutherford B. Hayes, the Chief Justice and Associate Justices of the United States, and Representatives from the Congress.

Hon. James M. Beck, in his work on the Constitution of the United States, says:

Near them sat the ambassadors and ministers of nearly every nation in the world, to attest by their presence its universal admiration for America's supreme achievement in statecraft.

To the left of the notables was a massed chorus of 1,000 voices who fittingly gave Mendelssohn's musical rendition of Schiller's Appeal to Truth and sang an original ode, whose proud refrain, referring obviously to Franklin's closing prediction in the Constitutional Convention, was:

"Thy sun has risen and shall not set
Upon thy day divine.
Ages, and unborn ages yet,
America, are thine."

The orator of the day was Samuel F. Miller, Senior Justice of the Supreme Court of the United States.

President Cleveland also spoke and concluded with words as true and as challenging to us today as when they were uttered 55 years ago today. The only substitution now for what he said then would be in changing the words "one hundred years" to "one hundred and fifty-five years."

He said then:

When we look down 100 years and see the origin of our Constitution, when we contemplate all its trials and triumphs, when we realize how completely the principles upon which it is based have met every national need and every national peril, how devoutly should we say with Franklin, "God governs in the affairs of men," and how solemn should be the thought that to us is delivered this

ark of the people's covenant and to us is given the duty to shield it from impious hands. It comes to us sealed with the test of a century. It has been found sufficient in the past, and it will be found sufficient in all the years to come, if American people are true to their sacred trust. Another centennial day will come, and millions yet unborn will inquire concerning our stewardship and the safety of the Constitution. God grant they may find it unimpaired; and as we rejoice today in the patriotism and devotion of those who lived 100 years ago, so may those who follow us rejoice in our fidelity and love for constitutional liberty.

In the prologue to his Bulwark of the Republic, a biography of the Constitution, Burton J. Hendrick, in 1937, 150 years after the adoption of the Constitution, says:

Few peoples at the present moment are living under the systems which their ancestors upheld a century and a half ago. Since 1787 civilization has been a world of tumbling thrones, prostrated dynasties, overturned constitutions—of new empires, new republics, new and constantly varying conceptions of the state. Yet in this epoch of upheaval one political entity has remained intact. The Constitution of the United States of America is essentially the same instrument today it was in 1787. Almost alone of all the civic organizations that existed 150 years ago, it has withstood the storms that have overwhelmed mankind since the day of its adoption. At the outset of our study, therefore, we are confronted by one arresting paradox: The youngest of the great nations is at the same time the oldest government.

We need today a closer study and a more intimate knowledge of the Constitution of the United States, its philosophy, its purposes, its objectives, its aims, its ideals, and its fundamental principles to the end that this Nation may endure.

God grant that we may know more of the principles of the Constitution of the United States and that we may do more to preserve it in its integrity as the sheet anchor of this Nation for all the ages that are to come.

[Here the gavel fell.]

The SPEAKER. Under a previous order of the House, the gentleman from California [Mr. HINSHAW] is recognized for 5 minutes.

THE RUBBER SITUATION

Mr. HINSHAW. Mr. Speaker, the purpose of the Baruch committee was "to study the rubber situation and to recommend action." It has done both. The report of that committee is a fighting document fit for a fighting people. It strips the decks for action. It pulsates with the strength of purposeful leadership. The people demand firm steady leadership and a purposeful direction. Let us have no more silly publicity stunts by petty Government officials—no more threats that upset people's minds—no more political chicanery. We want to stand shoulder to shoulder with each other and get down to steady hard plugging and fighting—and win this war. We are not much interested in social gains right now. We are not interested in personal gains nor in political futures. Those things can wait. The war will not. Let us be thankful for each other and fight our enemies.

Reading between the lines and occasionally in bold type the Baruch report tells us that there has been much pulling and hauling within administration circles for power, prestige, and favorable position. It tells of confusion and confounding of authority and consequent failure to act. It demands that that confusion be cleared away and final authority vested in one capable competent man who really knows the rubber business. That makes sense, of course. The President has now appointed a competent and capable executive as Rubber Administrator, a railroad man who admits no knowledge of rubber. With great respect for Mr. Jeffers' unquestioned executive ability we are confident that his ignorance of rubber will soon be remedied by his employment of competent men who may advise him.

But tucked away in the full report of the committee is a startling and in these times almost revolutionary recommendation that has been omitted, curiously, from the published summaries of the report. That recommendation makes sense, too.

It is found on page 28 of House Document No. 836, the message from the President transmitting that report. On page 28 are found five recommendations concerning rubber for passenger cars. I quote recommendation No. 2 as follows:

2. Nation-wide gasoline rationing to hold the average annual mileage to 5,000 miles under the general direction of the Office of Defense Transportation.

Now, there is something that you can hang your hats on, Mr. Speaker, and my colleagues. Rationing under the general direction of whom? Under the general direction of the Office of Defense Transportation. That means Mr. Joseph B. Eastman and not Mr. Leon Henderson. That means rationing under the direction of a man who really knows transportation and the transportation needs of all parts of the country. That means rationing under a man who knows where adequate public-service transportation is available or can be supplied, and where it cannot. That means rationing under a man who now employs State public utility and railroad commissions to aid in the solution of wartime transportation problems—agencies that know intimately the capacities of local public-service transportation systems and the transportation needs of the local citizens.

Mr. Eastman, our very able and publicity-shy Coordinator of Defense Transportation, Chairman of the Interstate Commerce Commission, is one man in this Government on whom the people may rely for sound judgment and real ability when it comes to transportation.

I salute the Baruch rubber committee for their keenness and insight in recommending Mr. Eastman and the O. D. T. as the general director of their plan to conserve rubber on passenger cars, and I trust that the President will make the transfer of authority from Henderson to Eastman one of his first orders of business now that the new Rubber Administrator has been appointed.

We of the wide-open spaces in the West have confidence in Mr. Eastman and the O. D. T. He has done, and is modestly and quietly doing, a magnificent job in coordinating the bus, truck, waterway, and rail transportation facilities of our country today. He employs the best technical experts available, and he himself knows his business.

Mr. Speaker, I would like to add a recommendation to that of Mr. Baruch's committee. I would like to recommend that there be transferred also to the Office of Defense Transportation the full powers from both the War Production Board and the Office of Price Administration to allocate priorities for and issue certificates to purchase all kinds of civilian vehicles, including trucks and trailers, busses, and passenger cars, and tires for all of them as well.

The Office of Defense Transportation is the one governmental agency charged with delivering the goods, and it is the one and only agency that should have the power to allocate all vehicles and tires if that job is to be done right. It is the only Federal agency fully competent to handle the problems of transportation.

If Mr. Baruch's committee had been charged with studying transportation as well as rubber, I am sure that they would have made just such a recommendation.

Mr. Speaker, our people want to work and fight and win this war. Time and men are wasting. Let us have action, and fast.

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania [Mr. SCOTT] is recognized for 15 minutes.

NONESSENTIAL GOVERNMENT PROJECTS

Mr. SCOTT. Mr. Speaker, there is daily evidence that nonessential governmental expenditures continue without regard to the demands of the war. Can it be that the war effort takes second place in the opinion of many of our bureaucrats? Is it not significant that practically no bureau has come back with a report to the Congress that at least some of the work being done by it is not essential to the war effort and could be dispensed with?

There is one exception, in a manner of speaking, and even this instance of which I am about to speak is 9 months late and proposes too little; the limited proposals contained in the report of which I spoke are composed of a considerable amount of skillful double talk. But to give the devil his due, it is at least a starter and that is more than we have heard from the other bureaus. I refer to a recent news release by the War Production Board, which is evidently the result of a compromise between two forces pulling in different directions. The more stouthearted and patriotic faction appears to have forced the cancelation of nonessential private and municipal projects, but the bureaucrats appear to have rallied with zeal—which might better have been devoted to advancing the war effort—to secure a reprieve for all pending governmental projects.

Cancelation of the private and municipal projects has been received in good part and they appear to have taken their medicine like good citizens. But not so the new dealers. With respect to their pet public power projects, no deadlines have been set by the executive depart-

ment for their termination, and no orders have been received from the Executive to act by a certain date—or else.

The pulling and hauling which goes on within uncountable bureaus is well described in an editorial in Collier's magazine under date of September 19, 1942, of which I include a part:

The situation is particularly bad in the War Production Board, with bureau fighting bureau, dollar-a-year men fighting Socialist, Socialist fighting Communist, and so on, and so forth. The War Production Board situation is not helped by the fact that Donald M. Nelson, head of the War Production Board, is so fine a fellow that he can't fire anybody, or even risk hurting a friend's feelings by hinting that the friend turn out a bit more work and a bit less talk. Washington's only finer fellow in this respect than Nelson is the President himself.

I have the highest regard for Mr. Nelson and for his very sincere efforts. He certainly ought not to be subjected to any sniping or petty criticism for partisan purposes, but it may well be that he is entirely unaware of much of the internal conflict which goes on within many of the bureaus in the War Production Board.

In the news release of which I spoke, the War Production Board announced recently the issuance of a series of orders supposedly "to effect a readjustment of the power-expansion program." Despite the careful phraseology of the news release issued by the W. P. B., the conclusion is inescapable that the purpose intended is to continue the promotion of New Deal schemes under the cloak of war necessities. The Power Division of the W. P. B. appear to have rejected the warlike American slogan, "Damn the torpedoes, go ahead" and substituted for it: "Dam the rivers, dam the creeks, dam the war, the New Deal marches on."

The W. P. B. news release states:

The orders involve extensive revision of existing priority ratings on public and private power projects throughout the country. All utility projects which are regarded as urgently necessary in the war program have been assigned higher priorities in order to assure their completion on schedule. In the case of the remaining projects, action has been taken so that they will not compete with immediate military requirements for critical materials and equipment, particularly equipment needed for the Navy and merchant ship programs, and copper and steel. This has meant the halting of some projects and continuance of another group only to the extent possible on low ratings.

The important thing to note about the above statement is what is left unsaid. We are assured that action has been taken so that projects will not compete with "immediate military requirements, particularly, copper and steel." Now, it is a fact that the projects referred to will compete with necessary civilian efforts closely related to the war effort and will even compete with the war program. A long list of projects halted or suspended in whole or in part is attached to the report, from which it appears that these projects represent municipal and private utility projects scattered through all parts of the country including areas where the principal war industries are located. A second list is attached under the heading, "Government Projects Proceeding on Low Priorities or Unrated," practically all of which are in areas in the South or far West. None of these projects are in the areas where the majority of war plants are located.

While private projects are canceled—and properly so—Government projects nonessential to the war effort are to go ahead, but it is stated that these will proceed at a reduced rate, which reduced rate will presumably be controlled by the very bureaus and groups who are interested in securing the completion of these projects as soon as possible.

Continuance of work on Government projects nonessential to the war effort will compete with the war effort by withholding from war production large sources of labor, immense quantities of construction machinery, concrete, and wooden forms—in spite of the threatened shortage of lumber—housing materials and supplies and valuable engineering and managerial skills which ought to be devoted to the winning of the war. The continuance of these nonessential projects involves the expenditure of a great deal of the taxpayer's money which expenditure could well be deferred until the institution of the public-works program after the war, since money, too, is ammunition and ought not to be spent for any but the most essential purposes in wartime. To spend it for nonessential public-works projects is, in effect, to throw it away, in view of the crisis in the battle of production which now impends.

Much construction and building machinery will continue to be used for the building of dams and other projects which could well be diverted to vital military projects, such as the desperately needed Alaska Highway.

At least nine projects will be continued by the United States Engineers, none of which is essential to the war effort, by the W. P. B.'s own statement. Is not this the most direct kind of competition with the war effort and should not the skilled services of the United States Engineers be diverted to the preparation for the second front, or to some of the other thirty-odd fronts where we are busily engaged in preparing, with the aid of our Army engineers, to strike out offensively.

The statement goes on to assure what its authors apparently hope constitutes a gullible public, that the work done in the low ratings will facilitate expediting these Federal projects later, if necessary. The whole history of these projects warrants the public in concluding, on the contrary, that those who are charged with the completion of the projects can be expected to use every sort of pressure to raise the priority rating later and to wrangle critical materials from every nook and corner, in order to keep these New Deal projects going, and thus to assure the continuance of their own nonessential, nonwar jobs.

We are also informed in this interesting news release that—

The Federal projects and the projects on which priorities are being suspended are designed to provide a margin of potential source of power supply that can be brought into operation speedily to relieve later power deficiencies.

Here we have again the old and frequently condemned evil of a Federal agency putting something aside in a "kitty" in order to assure the continuance of civilian or nonessential Government projects, without regard to genuine or recognized war necessities. It is this "kitty" idea which leads and has led to grievous shortages in spite of statistical indications of war materials surpluses. Nearly every Government agency tries to build up a "kitty" for itself in spite of the competing needs of other agencies, but here we have an added evil of putting aside a "kitty" for the completion of nonessential projects and, worse still, of projects which are not located in the localities where major war industries are concentrated.

The W. P. B. press release takes advantage of the lack of information on the part of the public as to the stages of completion of Government projects. The list of nonessential projects which will be continued—on low priorities or unrated—actually is a limitation on the installation of additional units only; for many of these dams and other projects will continue to be built on high priority ratings using critical materials, including copper and steel—which will have to be taken away from ship, plane, and tank construction; for example, the list mentions Fontana No. 3, Kentucky Nos. 3, 4, and 5, Norfolk No. 2, Denison No. 2, and Keswick No. 3. This indicates the Fontana, Kentucky, Norfolk, Denison, and Keswick projects are continuing on high priority, but that the No. 3 generator unit on the Fontana project, for example, constituting an additional facility, will proceed on low priority or unrated, and so with each of the other projects mentioned on the list. Thus, by its insistence upon the building of certain dams and completion of certain generator units at high priority ratings—while construction of other generator units continues at a presumably slower pace—our bureaucrats, to whom the war must seem very distant indeed, are actually depriving the war effort of materials of a most critical character. Thus the completion of these dams means that some ships will not be built, some planes will not fly, some tanks will not roll, but some bureaucrats will continue to draw pay, while busily thinking up new confidence games to impose on the American people, who trustingly assume that all the forces of their Government are dedicated to the sole proposition that the war must be won as soon as possible, with as much material made ready as quickly as possible in order that the casualty lists may be as short as possible.

The underlying philosophy of those responsible for the so-called readjustment of the power expansion program is that since Congress authorized these projects—largely before Pearl Harbor—they must be proceeded with upon the theory that a congressional authorization does not permit of the suspension of civilian projects no matter how unessential. The argument most frequently heard among these complacent gentry is that "Congress authorized these projects, therefore, we have not the right to suspend them." But none of these

bureaus have come back to Congress to report on the nonessential character of these projects in wartime, nor to raise the question as to whether these projects should, for the duration of the war, be constructed at all.

Perhaps many Members of Congress believe that nonessential projects have been put aside for the duration. As to authorized Government projects, this is not the case, and if the war powers of the Executive are not adequate to suspend these projects altogether, or if the Executive will not act because unwilling to interfere with the long-term plans of the New Deal, then the Congress should be plainly told that these nonessential projects are not going to be suspended, war or no war.

Unless the Congress is promptly furnished with a statement by the W. P. B. indicating whether these projects can be abandoned under Executive authority or must be set aside by congressional action, the necessary information must be obtained from the W. P. B. by introduction in Congress of a resolution of inquiry. Nor should we wait long for the information. The war is not waiting on the bureaucrats.

If congressional action is required, it would be the plain duty of Congress to provide legislation suspending all nonessential money-wasting, labor-consuming, material-grabbing "pork barrel" schemes. The boondoggling builders of unnecessary or unusable dams should know that the war comes first, dams or no dams. Let us dam Hitler and Hirohito and damn the dams we do not need for that job.

For the information of the Congress I include the press release referred to, which reads as follows:

OFFICE OF WAR INFORMATION,
WAR PRODUCTION BOARD,
August 22, 1942.

The War Production Board announced today the issuance of a series of orders to effect a readjustment of the power-expansion program.

The orders involve extensive revision of existing priority ratings on public and private power projects throughout the country. All utility projects which are regarded as urgently necessary in the war program have been assigned higher priorities in order to assure their completion on schedule. In the case of the remaining projects, action has been taken so that they will not compete with immediate military requirements for critical materials and equipment, particularly equipment needed for the Navy and merchant ship programs, and copper and steel. This has meant the halting of some projects and continuance of another group only to the extent possible on low ratings.

The decisions are the result of a comprehensive review of the electric utility construction program in the light of the power supply and requirements situation. This review, recently completed, has been under way since the late spring, in line with a general policy of proceeding only with such heavy construction as is indispensable to the immediate war program.

In the program of projects to be assured completion 5,500,000 kilowatts of new capacity are provided for the remainder of 1942, 1943, and, to a limited extent, early in 1944. Of this amount, 3,400,000 kilowatts is private and 2,100,000 kilowatts public.

Work on projects totaling 2,200,000 kilowatts, scheduled for operation in 1943 and 1944, is being stopped. Of this amount, 355,000 kilowatts represents capacity on which priorities are being suspended subject to reinstatement in the future should changing power requirements dictate such action.

In addition, projects totaling 1,890,000 kilowatts, scheduled for installation in 1943, 1944, and 1945 and authorized by the Congress as part of the program for Federal generating projects, are being reduced to low ratings or are being held to their present low-rated or nonrated status. Work on the low-rated projects is permitted to continue, but only to the extent that it does not compete for critical materials and equipment needed for direct war uses. For the most part, these Federal projects are hydroelectric developments on which, unlike steam plants, some construction operations can be carried on without requiring critical materials. The work done under the low ratings will facilitate expediting these Federal projects later, if necessary.

In conjunction with existing power installations, the projects which have been given the higher priorities are designed to assure supply for war and indirect war production as now planned with a small margin of capacity to provide for possible additional war production not included in the munitions program as now projected. It has been necessary to hold this margin to the minimum, and the risks involved in such action represent the price that must be paid for releasing materials needed immediately for direct military uses.

Because such a large part of the war program is now definitely planned for, it is feasible to plan for the electric capacity with more precision than has heretofore been possible. At the same time it was emphasized that the reduction in the utility expansion program has substantially enhanced the probability of widespread curtailment in the use of electricity for civilian purposes, especially during 1943 and thereafter. It was explained that the necessity for diverting critical materials and equipment to the direct war program makes it impossible to carry out a utility expansion program that would preserve the standards of reliability of service observed in peacetimes, that civilian inconvenience and sacrifice must be expected, particularly during periods of drought or other adverse weather conditions, or in the event of serious accidents affecting utility systems, or in case of unexpected large increases in power requirements for war production.

The Federal projects and the projects on which priorities are being suspended are designed to provide a margin of potential source of power supply that can be brought into operation speedily to relieve later power deficiencies. A close check is being maintained continuously by the War Production Board on power supply and requirements in order that action may be taken as promptly as possible to reinstate or speed up these projects or initiate new ones as need arose.

The accompanying lists show the projects to be halted or suspended and the Government projects permitted to proceed only under low priorities.

PROJECTS HALTED OR SUSPENDED IN WHOLE OR IN PART

Company or authority and plant or location

Albuquerque Gas & Electric Co., Albuquerque, N. Mex.
Austin, City of, Austin, Minn.
Bellefontaine, City of, Bellefontaine, Ohio.
Benton, City of, Benton, Ark.
Berea, City of, Berea, Ohio.
Boston Edison Co., Mystic No. 2.
Central Illinois Electric & Gas Co., Rockford.
Central Illinois Public Service Co., Meredosia.
Central Maine Power Co., Wiscasset.
Clarksdale, City of, Clarksdale, Miss.
Colorado Springs, City of, Colorado Springs, Colo.
Columbus & Southern Ohio Electric Co., Picway, Walnut Street.
Commonwealth Edison Co., Fisk No. 18.
Connecticut Light & Power Co., Devon.
Consolidated Edison Co., Hell Gate.
Consumers Power Co., Weadock.
Dallas Power & Light Co., Mountain Creek.
Dayton Power & Light Co., Millers Ford.
Des Moines Electric Light Co., Des Moines.
Ephrata, Borough of, Ephrata, Pa.
Fairmont, City of, Fairmont, Minn.
Farmers Electric Generating Corporation, Gilmer, Tex.
Flora, City of, Flora, Ill.
Florida Power Corporation, St. Petersburg.
Fort Dodge Gas & Electric Co., Fort Dodge, Iowa.
Glendale, City of, Glendale.
Gulf Power Co., Pensacola.
Gunnison, Town of, Gunnison, Colo.
Hinsdale, Village of, Hinsdale, Ill.
Illinois-Iowa Power Co., Peoria.
Illinois Northern Utilities Co., Dixon.
Iowa Electric Light & Power Co., Marshalltown.
Iowa Electric Light & Power Co., Boone.
Iowa Public Service Co., Sheldon, Iowa.
Jersey Central Power & Light Co., Raritan River.
Jones Onslow Electric Membership, Jacksonville, N. C.
Kansas City, Kans., Quindaro.
Kansas City Power & Light Co., Missouri, Grand Avenue.
Kentucky Utilities, Tyrone.
Los Angeles, City of, Harbor.
Lynn Gas & Electric Co., Broad Street.
Marshfield, City of, Marshfield, Wis.
Metropolitan Edison Co., Middletown, Pa.
Mississippi Power Co., Hattiesburg.
Missouri Power & Light Co., Mexico, Mo.
Monroe, City of, Monroe, La.
Montaup Electric Co., Somerset.
Murray City, Murray, Utah.
Narragansett Electric Co., Westerly.
New Hampshire Gas & Electric Co., Portsmouth.
New Jersey Power & Light Co., Gilbert.
Northwestern Public Service Co., Aberdeen, S. Dak.
Ohio Edison Co., Toronto, Ohio.
Ohio Power Co., Tidd.
Ohio River Power Co., Dilles Bottom.
Pacific Gas & Electric Co., Midway.
Pacific Gas & Electric Co. (indefinite).
Pennsylvania Power & Light Co., Williamsport.
Philadelphia Electric Co., Southwark.
Potomac Electric Power Co., Buzzard Point No. 6.
Princeton, City of, Princeton, Ill.
Produce Terminal Corporation, Chicago, Ill.
Public Service Co. of Indiana, Edwardsport.
Public Service of New Hampshire, Manchester.
Public Service of Oklahoma, Tulsa.
Reading, City of, Reading, Ohio.
Richmond, city of, Richmond, Ind.
San Antonio Public Service Co., Station B.
San Diego Gas & Electric Co., Silver Gate.
Southern Indiana Gas & Electric Co., Ohio River station.
Southern Indiana Power Co., Rushville, Ind.
Springfield Gas & Electric Co., Springfield, Mo.
Southwestern Gas & Electric Co., Caddo Lake.
St. Joseph Ry., Lt. Rt. & Pr. Co., Lake Road.
Tacoma, City of, Alder No. 1, No. 2.
Tampa Electric Co., West Jackson Street.
Tarentum, Borough of, Tarentum, Pa.
Traverse City, City of, Traverse City, Mich.
Union Electric Co., Venice No. 2, unit No. 4.
United Illuminating Co., Steel Point.
Virginia Electric & Power Co., Norfolk.

Windom, City of, Windom, Minn.

Wisconsin Hydro Electric Co., Clear Lake, Wis.

Wisconsin Power & Light Co., Beloit.

Numbers designate generator units in hydroelectric developments.

GOVERNMENT PROJECTS PROCEEDING ON LOW PRIORITIES OR UNRATED

Agency, plant, and location

Tennessee Valley: Wilson Nos. 15, 16, Alabama; Watts Bar No. 4 (steam), Tennessee; Pickwick No. 5, Tennessee; Fort Loudon Nos. 3, 4, Tennessee; Guntersville No. 4, Alabama; Chickamauga No. 4, Tennessee; Wautaga Nos. 1, 2, Tennessee; Wheeler Nos. 5, 6, Alabama; South Holston Nos. 1, 2, Tennessee; Wilson (steam), Alabama; Fontana No. 3, North Carolina; Kentucky Nos. 3, 4, 5, Kentucky.

United States Engineers: Bluestone, W. Va.; Markham Ferry, Okla.; Wolf Creek, Ky.; Center Hill, Tenn.; Allatoona, Ga.; Norfolk No. 2, Arkansas; Fort Peck No. 2, Montana; Fort Gibson, Okla.; Denison No. 2, Texas-Oklahoma.

United States Bureau of Reclamation: Colorado-Big Thompson, Colorado; Anderson Ranch, Idaho; Keswick No. 3, California; Davis Nos. 1, 2, 3, 4, 5, Arizona-Nevada.

Federal Works Agency: Pensacola, Okla.; High Point, N. C.

Bonneville Administration: Grand Coulee Nos. 7, 8, 9, Washington.

Numbers designate generator units in hydroelectric developments.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a release from the War Production Board under date of August 22, 1942.

The SPEAKER pro tempore (Mr. Cox). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. GILCHRIST. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement which I released to some newspapers about the Baruch report on rubber, and also a short release which the Gillette committee of the Senate sent out to the newspapers.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. EBERHARTER] is recognized for 10 minutes.

THE GROSSMAN FAMILY

Mr. EBERHARTER. Mr. Speaker, not very long ago a very famous motion-picture star was inducted into the Army. In order to become famous as an actor on the screen one must, of course, not only possess an artistic sense but must work very hard and earnestly at his chosen profession. The one to whom I am referring is none other than Clark Gable. I congratulate him particularly on the fact that he went into the service as a private and intends to do his best to work his way up.

When Mr. Gable was assigned to his quarters at the Army Air Training School at Miami Beach, Fla., his bunkmate was a sergeant by the name of Hyman Grossman. Up to that time the name Grossman had not appeared in the public prints, but it was discovered several days later that Sgt. Hyman Grossman was one of six brothers who are in the service of their country, doing everything they possibly can to bring victory to the United Nations and to this country.

As I said, Sergeant Grossman has five brothers in the service. One is Corp. Carl Grossman, another is Corp. Leonard Grossman, and another is Pvt. Sol Grossman. These are all in the Army. Two other brothers are in the Navy, one Chief Petty Officer Morris Grossman, and the other Cadet Eo Grossman.

I take this opportunity to salute the six Grossman boys and also to salute the father and mother of these six boys in the service, Mr. and Mrs. Samuel Grossman, who live in my congressional district.

In addition to this, a younger brother is now taking up defense work, being too young, as I understand, to enter the Army, and a younger sister, only 11 years of age, is taking Red Cross first aid.

Mr. Speaker, it seems to me that this family offers a lesson to many persons in this country. This family is offering practically everything they have or hope to have in the service of their country; six boys ready to go to the front, ready to make the supreme sacrifice, and so, again, I salute them, and it gives me an opportunity to make this statement. When we think of the many families in this country that are willing to sacrifice everything they have, a Member of Congress cannot be blamed for getting impatient at times when he hears complaints, sometimes from his constituents back home, sometimes even from members of the executive department of the Government, over minor matters or some little inconvenience that they may have to suffer, or over some little embarrassment that they may be put to or, perhaps, by reason of some Executive order or a piece of legislation which might reduce some of their pleasures, or because some of their profits may be curtailed. For my part, Mr. Speaker, I believe the Congress is willing to go all out and enact any type of legislation which in its opinion is necessary in order to get a total, all-out war effort, not only on the part of themselves but on the part of every person or individual and every business and corporation in the country. I know I am, and I trust we can go forward from this moment on in unity and in harmony and thus help bring ultimate success to the United Nations.

[Here the gavel fell.]

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Dakota [Mr. ROBERTSON] is recognized for 5 minutes.

SEED AND FEED LOANS

Mr. ROBERTSON of North Dakota. Mr. Speaker, within the last several days I have had many complaints reaching me from farmers in my State advising me that the Federal Government has dispatched numerous collectors into the State of North Dakota, charged with the responsibility of trying to squeeze out of hard-pressed farmers payments for old seed and feed loans granted in the drought period. There is great pressure being placed upon these farmers by these ill-advised collectors using the argument of patriotism in their collection efforts. The farmer is being told he is not patriotic if he does not pay this seed and feed loan.

I concede, Mr. Speaker, many of them can pay, but there are many who have not yet been able to overcome the handicap of the drought period sufficiently to meet this situation. I bitterly disapprove of the methods being used by the Government today.

In my opinion, the Nation needs all possible production, not only in the factories of the Nation but from the land as well. It would seem extremely unwise to force these farmers to the wall financially by attempting collection of these old relief loans which, in most cases, should have been considered as relief in the beginning. I am thinking particularly of that group who have not been able, in the short period which has passed since the excessive drought, to put their houses in order.

So seriously do I regard this situation in my State that to remedy it I am today introducing a bill which would give to the Governor of the Farm Credit Administration the power to determine whether old loans can be collected without harm to the borrower's productive capacity as a farmer. If the Farm Credit Administration finds that these loans cannot be repaid without serious financial distress to the farmer concerned, the Governor is empowered to cancel such obligations, over 6 years of age, and to remove liens and judgments in connection therewith from the record.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of North Dakota. I yield to the gentleman.

Mr. H. CARL ANDERSEN. Is it not a fact that the bulk of these seed and feed loans was brought into existence because of the drought of 1934, when your part of the country, as well as mine, was laid waste with practically nothing at all produced?

Mr. ROBERTSON of North Dakota. The gentleman from Minnesota is correct. It is a result of that period of drought which covered so much of the midcontinental area of the United States back in the years of 1934, 1935, and 1936.

Mr. H. CARL ANDERSEN. And if the gentleman will yield for a further question, is it not also a fact that the expenses of many of these collectors are hardly reimbursed by the money they are able to squeeze out of these poor farmers who, you and I know, have had a very difficult time even to exist in the past 8 or 10 years.

Mr. ROBERTSON of North Dakota. I think the gentleman from Minnesota is correct. I think the expenses of these collectors run very high and I know personally, from having lived in the State a number of years, that the amount of the loans is not large.

Mr. H. CARL ANDERSEN. Mr. Speaker, I am very much gratified that the gentleman from North Dakota is taking up the same fight that 3 years ago I endeavored to do something about. We were successful to the extent that

this same legislation practically was passed by this House almost unanimously, but the Senate has refused to act. I want to compliment the gentleman from North Dakota upon the interest he has shown in the welfare of the farmers of the Nation.

Mr. ROBERTSON of North Dakota. I thank the gentleman from Minnesota and I am glad to find my efforts so completely in harmony with his, which are always in the interest of the farmers.

THE WAR EFFORT

Mr. BRADLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent to proceed for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, in the Washington Star of last evening there appeared an article quoting Clarence Budington Kelland, executive director and publicity chief of the Republican National Committee, which I think requires some serious attention.

I would like to think that this gentleman has been misquoted, but I fear that because of his great prominence the newspaper has been more than careful in quoting him accurately. If what he says is true, it is a serious indictment, not only of the President of the United States but of the Chief of Staff of the United States Army, the Chief of Naval Operations of the United States Navy, and others charged with responsibility in our war effort. I will read in part what the gentleman said, to which I think the attention of this House should be directed.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. When I am through I will yield to the gentleman; I am sorry I cannot yield at this time.

The gentleman who is the executive director and publicity chief of the Republican National Committee charges in an article which the newspaper headlines in this manner, "Administration Holds Up War Until After Election," Kelland says. "Charges New Deal Fears Sacrifice Would Bring Defeat at Polls."

Then they quote him verbatim:

"There seems to be a disposition on the part of the powers that be," he said in an interview, "to postpone an all-out war effort, with the sacrifices it entails by the public, until after the elections."

Now, my friends, if that is true, the Chief of Staff of the United States Army, the Chief of Naval Operations, and Donald Nelson and other officials connected with the war program have to be parties to the fact that we are holding up the progress of this war until after elections. That is a dastardly thing for anyone who claims to be an American to say.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. Yes.

Mr. DINGELL. If that is true, then the President, the Chief of Staff, and the Chief of Naval Operations are guilty of treason, if not true then Mr. Kelland is guilty of treason.

Mr. BRADLEY of Pennsylvania. In saying those words this gentleman, who has a quasi-official standing in the Nation, has discovered a new way of committing treason in the United States, and I can imagine that the Chancelleries of the Axis Powers are very much in glee, or will be when they read this article, or when it is reported to them by their agents in this country. I can also imagine the German Minister of Propaganda, Herr Goebbels, chuckling in high happiness when he hears of these statements that have been made by this man, and realizes that some of the propaganda put out by the Axis assailing the patriotism of people in a democracy is at least true of some people, who think so highly of politics and so little of their Nation that they would have the American people believe that the gentlemen, who are charged with the responsibility of waging this war, are holding up our war efforts and being traitors to those boys out on the beachheads of the Solomon Islands at this critical time in the history of our Nation.

Mr. Speaker, this gentleman, Mr. Kelland, is a prominent author, and perhaps the fanciful flights in which he has indulged in his works of fiction have taken hold of his mind again with respect to this particular thing. The gentleman is undoubtedly a great patriot, as he professes to have such an interest in our war effort. Yet I find in consulting Who' Who, that he was 36 years of age at the time of the last war, but I fail to find that he has any active military record and I would be glad to say that he did, if anyone will point out to me where it was, but I fail to find in Who's Who that he had any active military record in the last war.

Further, Mr. Speaker, his charges to some extent are echoed by that distinguished publisher, and editor, Mr. Frank E. Gannett, and I also find in respect to Gannett that he was 41 years of age during the last war, and was unmarried at the time. Yet, according to Who's Who, which carries an exhaustive account of his activities and his record, he also had no military record in the last war. If he had, it would have undoubtedly been mentioned in that publication.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. I do not yield yet to my Republican colleague from Pennsylvania. I shall be glad to yield to him at the proper time. Mr. Speaker, this Gannett is the same gentleman who aroused the American people through propaganda when the reorganization bill was considered in this House. According to him—and he was the one who engineered that false propaganda at that time—if the reorganization bill should pass Congress the President of the United States would then become a dictator and representative government would then expire. Members of this House were deluged with telegrams and letters from people who had been misinformed and misled by Mr. Gannett. Well, we had the reorganization bill, and it has passed into history, and yet representative government still exists in the United States. At that time Gannett even endeavored to persuade the American people that their religious liberties would be violated if the reorganization bill were passed. This is the gentleman who joins with Mr. Kelland in this traitorous attack on the boys who are serving in the armed forces of the United States. I submit that this attempt to impugn the motives of the President of the United States is not the only thing which is implied in his article, because if there is any holding up of our war activity it can only be with the consent and knowledge of the Chief of Staff and the Chief of Naval Operations and others charged with responsibility; and he is attacking them just as much as he is attacking the President of the United States in this cheap attempt at political publicity.

But I would have thought that those who control the destinies of the Republican Party—and I am frank to say that I think the Members of this House on both sides of the aisle are patriotic and loyal Americans, and I do not link any of them to this; but I would have thought that somebody responsible for controlling the Republican Party would seek to put a shield over the mouth of a gentleman of this kind. I would think that because of his record in fantasy and fiction, perhaps they would scrutinize his remarks; but, I repeat, he has found a new way to commit treason and to be a traitor to his own Government.

I now yield to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. The gentleman has referred to legislation that might be held up on account of this being a political year.

Mr. BRADLEY of Pennsylvania. Let me stop the gentleman there. Is the gentleman presuming to interpret the remarks of Mr. Kelland?

Mr. RICH. No.

Mr. BRADLEY of Pennsylvania. Well, I can only go by what Mr. Kelland said. I cannot take any wishful interpretation that my distinguished Republican colleague from Pennsylvania may place upon his remarks. If that is all the gentleman wants to tell me, what he thinks Mr. Kelland thought, I do not yield further.

Mr. RICH. Then let me ask you a question.

Mr. BRADLEY of Pennsylvania. Yes.

Mr. RICH. If a high-ranking member of the Ways and Means Committee would say that the tax bill has not come out and we are not going to have certain things in the tax bill because it was said that the Chief Executive made the statement that this is a political year and we do not want to put that in the tax bill, what does the gentleman think of that?

Mr. BRADLEY of Pennsylvania. Now the gentleman is not talking about the same thing I am talking about, and the gentleman is not making a definite statement himself. I do not yield further.

I do not yield further, Mr. Speaker. I will strike the gentleman's remarks out, because he is not making a worth-while contribution, and I told him I did not yield further.

Mr. HOLLAND. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. I yield.

Mr. HOLLAND. If the statement of the gentleman from Pennsylvania [Mr. BRADLEY] is correct, and I believe it is correct, because those things appeared in a very responsible paper, that this man is supposed to make the utterances for the Republican Party, unless the Republican Party repudiates the gentleman, then the Republican Party stands indicted with the gentleman for treason against the United States.

Mr. BRADLEY of Pennsylvania. I hesitate to say that, because I do not think that the millions of Republicans in the United States and I do not think my Republican colleagues in this House are lacking in their loyalty to the United States Government, but I think this gentleman in his zeal to serve political purposes has stuck a dagger into the back of every boy who is serving the United States, and is attempting to inspire a lack of confidence in the minds of the American people, in those who are responsible for the prosecution of this war. When he makes a sweeping assertion of that kind he attempts to indict not only the President of the United States but also General Marshall, Admiral King, and every other responsible military and naval officer in this country.

Mr. RICH. Will the gentleman yield further?

Mr. BRADLEY of Pennsylvania. I am sorry I cannot yield, because the gentleman will get off the track again.

Mr. RICH. I want to ask you one question.

Mr. BRADLEY of Pennsylvania. I yield for a question.

Mr. RICH. Is it treason for anybody to criticize things that are happening in Government today?

Mr. BRADLEY of Pennsylvania. No. Honest criticism is always constructive and to be desired.

Mr. RICH. I should think so.

Mr. BRADLEY of Pennsylvania. But when someone is doing the same kind of work that Hitler and Tojo and Mussolini and the heads of the Axis governments and their propaganda departments are doing, then I say that comes so close to treason that I cannot define the difference.

The SPEAKER pro tempore (Mr. COX). The time of the gentleman from Pennsylvania has expired.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. CLAYPOOL, for Monday, September 21, on account of important business.

To Mr. SHEPPARD, for September 19 to 21, inclusive, on account of official business.

ORDER OF BUSINESS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MICHENER. For the purpose of asking the acting majority leader what the program is for the rest of this week and next week, as far as he knows.

Mr. BLAND. Consent has already been given that when the House adjourns today it shall adjourn until Monday next.

I am authorized by the majority leader to say that on Monday the Consent Calendar will be taken up. There will probably be a few bills from the Military Affairs Committee if unanimous consent is given for the consideration of those bills. They are only bills to which unanimous consent is given.

On Tuesday there will be the stabilization bill provided the committee shall, under the consent which has been given, report the bill this week. Consent has already been given to report the bill until midnight Saturday night. Following the stabilization bill there will be the Lanham building bill which has already been reported under a rule today. If the stabilization bill should not come in on Tuesday the Lanham bill will be taken up.

That is as far as I am authorized to go, and that is as much as I know about it.

Mr. MICHENER. I thank the gentleman.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. DICKSTEIN. As I understood the gentleman's statement this morning, the Consent Calendar was not to be taken up until about the 24th or 28th; is that correct?

Mr. BLAND. No; the Consent Calendar will be called on Monday.

Mr. DICKSTEIN. Then on Tuesday we were to take up the price-control bill.

Mr. BLAND. Yes; the stabilization bill.

Mr. DICKSTEIN. That stands.

Mr. BLAND. That stands, provided the committee reports it out under leave which has already been given. It has not been reported, and, of course, if it is not reported in time it will not be taken up; in that event the Lanham bill will be taken up.

Mr. MICHENER. As I understand it, if the price control bill is reported out this week, the Committee on Banking and Currency will ask the Rules Committee on Monday for a rule, and it is contemplated that if the price-control bill is so reported that a rule will be granted making it in order on Tuesday of next week; so it cannot possibly come up before Tuesday, and under the statement of the acting majority leader there will be no business on Monday except unanimous consent business.

Mr. BLAND. And bills from the Military Affairs Committee, which, of course, will be taken up only by unanimous consent.

Mr. MICHENER. Certainly.

Mr. BLAND. As for the Rules Committee, nothing has been said to me, but I assume from the knowledge I have of the rules of the House that it would have to go to the Rules Committee to be made in order Tuesday.

EXTENSION OF REMARKS

Mr. BLAND. Mr. Speaker, I ask unanimous consent that in the remarks I made today I may include certain historical and other quotations.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ADJOURNMENT

Mr. BLAND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 30 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, September 21, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1905. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Agriculture in the sum of $19,000,000 for the fiscal year 1943 (H. Doc. No. 843); to the Committee on Appropriations and ordered to be printed.

1906. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill for the relief of Donald L. Grunsky; to the Committee on Claims.

1907. A letter from the Comptroller General of the United States, transmitting his report concerning the claim of J. C. Munn against the United States; to the Committee on Claims.

1908. A letter from the Secretary of War, transmitting a draft of a proposed bill for the relief of Col. Leo A. Luttringer, United States property and disbursing officer for Pennsylvania; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of West Virginia: Committee on Mines and Mining. S. 357. An act to provide for the establishment and operation of a research laboratory in the Pennsylvania anthracite region for investigation of the mining, preparation and utilization of anthracite, for the development of new uses and markets, for improvement of health and safety in mining; and for a comprehensive study of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the war effort; without amendment (Rept. No. 2468). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH of West Virginia: Committee on Mines and Mining. S. 2515. An act to amend the Federal Explosives Act, as amended, by removing from the application of the act explosives or ingredients in transit upon aircraft in conformity with statutory law or rules and regulations of the Civil Aeronautics Board; without amendment (Rept. No. 2469). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANHAM: Committee on Public Buildings and Grounds. S. 2584. An act to permit appointment of White House Police, in accordance with the civil-service laws, from sources outside the Metropolitan and United States Park Police forces; without amendment (Rept. No. 2470). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 538. Resolution for the consideration of H. R. 7312, a bill to increase by

$600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended; without amendment (Rept. No. 2471). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 7556. A bill authorizing the temporary appointment or advancement of commissioned officers of the Coast and Geodetic Survey in time of war or national emergency, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. CARTWRIGHT:

H. R. 7557. A bill to eliminate the requirement in section 19 of the Federal Highway Act, as amended, that the Secretary of Agriculture include an itemized statement in his annual report under such act of traveling and other expenses, including a list of employees, their duties, salaries, and traveling expenses, if any, and for other purposes; to the Committee on Roads.

H. R. 7558. A bill to repeal section 19 of the Federal Highway Act, as amended, which requires the Secretary of Agriculture to make detailed reports with respect to the administration of such act; to the Committee on Roads.

By Mr. MAY:

H. R. 7559. A bill to equalize certain disability benefits for Army officers; to the Committee on Military Affairs.

H. R. 7560. A bill to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941, to continue it in effect; to the Committee on Military Affairs.

By Mr. ROBERTSON of North Dakota:

H. R. 7561. A bill providing a time limit for collection of feed and seed loans; to the Committee on Agriculture.

By Mr. CELLER:

H. R. 7562. A bill to repeal the Silver Purchase Act of 1934; to the Committee on Ways and Means.

H. R. 7563. A bill to repeal the act to extend the time within which the powers relation to the stabilization fund and alteration of the weight of the dollar may be exercised; to the Committee on Coinage, Weights, and Measures.

By Mr. SIKES:

H. R. 7564. A bill to provide an appropriation for the improvement of the Gulf Intracoastal Waterway; to the Committee on Appropriations.

SENATE

MONDAY, SEPTEMBER 21, 1942

Rev. Daniel W. Justice, S. T. B., M. A., minister, Trinity Methodist Church, Washington, D. C., offered the following prayer:

O God, our help in ages past, our hope for years to come, we pause this beautiful, bracing morning, to recognize the sovereignty of Thy Presence, and to seek the guidance of Thy Spirit.

Gracious Lord, whose law we fain would keep, whose fellowship we fain would enjoy, and to whose service we fain would be loyal, in the spirit of the Master Friend of all men, touch and bless the lives of all these Thy servants, our Vice President, and our Senators, and in every undertaking of this session of our Senate help them to do justly, to love mercy, and to walk humbly with Thee.

Graciously remember and protect all loved ones, the home ties and all interests of the citizenry of our United States—all the way from the responsible duties of this sacred Chamber of our Government to the utmost outposts where our boys and girls and men and women are serving faithfully to conserve the faith and the freedoms that make for the brotherhood of all under the living God. Ways of procedure and decision are not always certain for the living of these days. In quietness and in confidence, O God, show forth the light of Thy wisdom and love to our President, our Cabinet, our Congress, and all other leaders entrusted with grave responsibility.

Bless the tie that binds all humanity together in that immortal principle of "man to man shall brother be."

Pardon our sins, forgive those who despitefully use us, and in every crisis keep our fellowship with Thee and faith with one another unbroken.

Through Christ our Redeemer. Amen.

NAMING A PRESIDING OFFICER

The Secretary (Edwin A. Halsey) read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., September 21, 1942.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. A. B. CHANDLER, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

CARTER GLASS,
President pro tempore.

Mr. CHANDLER thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, September 17, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Connally	Lee
Andrews	Danaher	Lodge
Austin	Davis	Lucas
Bailey	Downey	McCarran
Ball	George	McFarland
Bankhead	Gerry	McKellar
Barkley	Gillette	McNary
Bilbo	Glass	Maloney
Brewster	Green	Maybank
Bridges	Guffey	Mead
Brooks	Gurney	Murdock
Brown	Hatch	Murray
Bunker	Hayden	Norris
Burton	Herring	Nye
Butler	Hill	O'Daniel
Byrd	Holman	O'Mahoney
Capper	Johnson, Calif.	Overton
Caraway	Johnson, Colo.	Pepper
Chandler	Kilgore	Radcliffe
Clark, Idaho	La Follette	Reed
Clark, Mo.	Langer	Reynolds
Russell	Thomas, Idaho	Van Nuys
Schwartz	Thomas, Okla.	Wagner
Shipstead	Thomas, Utah	Wallgren
Smathers	Truman	Walsh
Smith	Tunnell	White
Spencer	Tydings	Wiley
Taft	Vandenberg	Willis

Mr. HILL. I announce that the Senator from Washington [Mr. BONE], the Senator from South Dakota [Mr. BULOW], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. DOXEY], the Senator from Louisiana [Mr. ELLENDER], the Senator from Virginia [Mr. GLASS], the Senator from Delaware [Mr. HUGHES], the Senator from West Virginia [Mr. ROSIER], the Senator from Tennessee [Mr. STEWART], and the Senator from Montana [Mr. WHEELER] are necessarily absent from the Senate.

Mr. McNARY. The Senator from Colorado [Mr. MILLIKEN] and the Senator from New Jersey [Mr. BARBOUR] are unavoidably absent.

The ACTING PRESIDENT pro tempore. Eighty-four Senators have answered to their names. A quorum is present.

ORDER OF BUSINESS

Mr. BARKLEY. Mr. President, I wish to announce that we hope to take up the price-control measure at the conclusion of the morning hour, and I serve notice now that I shall object to any speeches by any Senator during the morning hour taking longer than 5 minutes. I ask the Chair to enforce the rule.

STABILIZATION OF THE COST OF LIVING—REPORT OF THE COMMITTEE ON BANKING AND CURRENCY

Under authority of the order of the 17th instant,

Mr. BROWN, from the Committee on Banking and Currency, to which was referred the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, reported it on September 19, 1942, with amendments and submitted a report (No. 1609) thereon.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

CLAIM OF J. C. MUNN AGAINST THE UNITED STATES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claim of J. C. Munn against the United States (with an accompanying report); to the Committee on Claims.

REPORT OF FEDERAL DEPOSIT INSURANCE CORPORATION

A letter from the Chairman of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, the annual report of the Corporation for the year ended December 31, 1941 (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF BOARD OF INVESTIGATION AND RESEARCH (TRANSPORTATION ACT OF 1940)

A letter from the chairman and members of the Board of Investigation and Research under the Transportation Act of 1940, transmitting, pursuant to law, the annual report of the Board for the year ended September 18, 1942 (with an accompanying report); to the Committee on Interstate Commerce.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A telegram in the nature of a petition from a group of citizens of Chelsea, N. Y., praying for prompt action on the President's Labor Day proposals for pushing the war effort to the maximum on the home front and also the speedy opening of a second front; to the Committee on Military Affairs.

A letter in the nature of a petition from several citizens of Punta Gorda, Fla., praying for the prompt enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. CAPPER:

Petitions, numerously signed, of sundry citizens of Harper and vicinity, in the State of Kansas, praying for the enactment of Senate bill 860; ordered to lie on the table.

STABILIZATION OF THE COST OF LIVING—TELEGRAMS FROM KANSAS ORGANIZATIONS

Mr. CAPPER. Mr. President, I have received a telegram from Frances Hancock, St. Francis, Kans., legislative chairman for the Kansas Department of the American Legion Auxiliary, asking the Congress to enact legislation which will control all prices, in wartime, including farm products and wages. I am in sympathy with the stand taken by this organization. I ask unanimous consent that the appeal made by this American Legion Auxiliary be printed in the RECORD.

I have also received a telegram from Reese V. Hicks, executive secretary of the International Baby Chick Association, which states that "agriculture is at a distinct disadvantage in ability to compete with industries at prevailing price levels." I ask unanimous consent that this telegram also be printed in the RECORD. I also request that the telegrams may be appropriately referred.

There being no objection, the telegrams were ordered to lie on the table and to be printed in the RECORD, as follows:

TOPEKA, KANS., *September 15, 1942.*

Hon. ARTHUR CAPPER,
United States Senate,
Washington, D. C.

The Kansas Department of American Legion Auxiliary requests legislation providing control over all prices including farm products and wages. This is in accordance with our Legion's universal service bill.

FRANCES HANCOCK,
Department Legislative Chairman,
St. Francis, Kans.

KANSAS CITY, MO., *September 15, 1942.*

Senator ARTHUR CAPPER,
Washington, D. C.:

Labor situation hatchery industry extremely critical. Unless draft regulations relaxed, poultry industry will fall short of Nation's requirements eggs, poultry next season. Agriculture at distinct disadvantage in ability to compete with industries at prevailing price levels. Increase in farmers' income recent years represents gross income, not net. Labor's wage gain is net. This should be considered in establishing ceilings and floors.

REESE V. HICKS,
Executive Secretary, International
Baby Chick Association.

REPORT OF THE COMMITTEE ON THE JUDICIARY

Mr. McCARRAN, from the Committee on the Judiciary, to which was referred the bill (S. 2572) to permit defendants to waive prosecution by indictment, reported it with an amendment and submitted a report (No. 1610) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HATCH:

S. 2787 (by request). A bill to protect Naval Petroleum Reserve No. 1; to the Committee on Public Lands and Surveys.

By Mr. HILL:

S. 2788. A bill to provide for universal service and total mobilization during any war in which the United States is now engaged; to the Committee on Military Affairs.

(Mr. HOLMAN introduced Senate bill 2789, which was referred to the Committee on Immigration, and appears under a separate heading.)

By Mr. WALSH:

S. 2790. A bill for the relief of Donald L. Grunsky;

S. 2791. A bill to authorize the Secretary of the Navy to pay the costs of transportation of certain civilian employees, and for other purposes; and

S. 2792. A bill to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral; to the Committee on Naval Affairs.

(Mr. MURRAY introduced Senate bill 2793, which was referred to the Committee on Appropriations, and appears under a separate heading.)

By Mr. REYNOLDS:

S. 2794. A bill to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes; to the Committee on Patents.

(Mr. HOLMAN introduced Senate Joint Resolution 163, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

RESTRICTION OF IMMIGRATION

Mr. HOLMAN. Mr. President, I introduce a bill to discontinue all quota immigration and to restrict the admission of nonimmigrant aliens, and I ask leave to make a brief statement concerning it.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Oregon may proceed.

Mr. HOLMAN. Mr. President, the brave American boys we are now inducting into the combat forces of our country and sending to battlefields all over the world will some day, we hope and pray, return to their homes. They then will be confronted with many serious problems very personal to themselves, problems as vital to each of them as the present war problems are critical to our Government.

If we do not act now to prevent it, immigrants from the devastated countries of Europe will swarm over our land and devour its resources for making a living and enjoying the American standards of employment and life, as of old the locusts did in the land of Egypt. Those whom we now send to battle for American ideals, opportunities, and liberties will be confronted upon their return with what, for them, will be a stripped country, void of opportunity to them again to live normal, prosperous, happy lives, unless we now provide for their protection from such unfortunate and difficult conditions. I am convinced the Congress should now do those things which will protect our returning soldiers from the competition of alien elements in our augmented population after the war.

Let us act now to protect our defenders when they return to us. With all we can possibly do now their lot will be most difficult then. Let not the national administration again be found to be "too little, too late."

I ask unanimous consent that the bill be appropriately referred and printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the bill (S. 2789) to exclude certain aliens from admission to the United States was read twice by its title, referred to the Committee on Immigration, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That on and after the date of enactment of this act no quota immigrant shall be admitted to the United States.

SEC. 2. No alien shall be admitted to the United States as a nonimmigrant unless the American consular officer to whom he applies shall have received a guaranty of the return of such alien to the place from which he is admitted upon the conclusion of his temporary stay in the United States, which in no event shall exceed 6 months.

SEC. 3. Nothing in this act shall be construed to apply to accredited officials of foreign governments, nor to their suites and families.

DUAL CITIZENSHIP—PROPOSED CONSTITUTIONAL AMENDMENT

Mr. HOLMAN. Mr. President, I also introduce a joint resolution proposing an amendment to the Constitution of the United States, and request permission to make a very brief statement about it.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from Oregon may proceed.

Mr. HOLMAN. Mr. President, "No man can serve two masters"; nor can any person be a perfectly loyal citizen of two separate national governments at the same time; yet our Federal Constitution does not now prevent persons from enjoying all the rights and privileges of American citizenship while at the same time they owe and acknowledge allegiance to a foreign power—even to a foreign enemy power with which we are at war.

The situation in which the Japanese people now in this country find themselves is unfortunate for them and perilous to us. Many of these Japanese are native-born American citizens; yet national safety demands that they be evacuated from their homes and interned elsewhere along with the alien Japanese. In my opinion, this creates an anomalous and intolerable condition.

The purpose of my resolution is to remedy the fault in our basic law which permits the existence and countenances the continuance of dual citizenship.

For our own protection and in fairness to all, let us make the necessary correction in our Constitution now. The situation may become even more complicated later.

I ask that my resolution be printed at this point in my remarks.

There being no objection, the joint resolution (S. J. Res. 163) proposing an amendment to the Constitution of the United States prohibiting dual citizenship was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved, etc. (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. Persons who under the laws of any foreign nation are deemed to be citizens or subjects of such foreign nation shall not become citizens of the United States, whether born in the United States or not, except to the extent and subject to such terms and conditions as the Congress may prescribe.

"SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission to the States by the Congress."

PURCHASE OF AUTOMOBILES BY CERTAIN GOVERNMENTAL OFFICIALS

Mr. MURRAY. Mr. President, I introduce a bill for appropriate reference. The bill is designed to make it possible for the War Department and the Navy Department to purchase automobiles from dealers. Since the stoppage of production of automobiles, and the rationing of cars, the Army and Navy are no longer able to purchase automobiles from the manufacturers, and, because of certain limitations in the law regarding the prices of cars, it is necessary now that legislation should be enacted in order to make it possible for the Army and Navy to obtain cars from the dealers.

The bill (S. 2793) to authorize the Secretary of War, the Secretary of the Navy, the Commissioners of the District of Columbia, and the Director of Procurement to acquire motor-propelled passenger-carrying vehicles necessary for the successful prosecution of the present war was read twice by its title and referred to the Committee on Appropriations.

STABILIZATION OF THE COST OF LIVING—AMENDMENTS

Mr. BALL, Mr. HATCH, Mr. LANGER, Mr. McKELLAR, Mr. NORRIS, and Mr. THOMAS of Oklahoma each submitted an amendment and Mr. TUNNELL submitted two amendments intended to be proposed by them, respectively, to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, which were severally ordered to lie on the table and to be printed.

AMENDMENT TO THE REVENUE BILL—CREDIT AGAINST UNEMPLOYMENT TAXES

Mr. WILEY. Mr. President, at this time I submit an amendment intended to be proposed by me to House bill 7378, the pending revenue revision measure, and also a short statement which I ask to have printed in the RECORD in connection with the amendment.

The ACTING PRESIDENT pro tempore. The proposed amendment submitted by the Senator from Wisconsin will be printed and referred to the Committee on Finance; and, without objection, the Senator's statement will be printed in the RECORD.

The statement presented by Mr. WILEY is as follows:

The situation involved in this amendment is not unique with my particular constituents. I shall briefly cite the circumstances involved in this particular case merely as an example of numerous similar situations which would be covered by the provisions of this measure.

My constituents operate a clinic at Marshfield, Wis. They believed they were not liable for contributions to the unemployment fund of the State of Wisconsin with respect to certain employees.

Consequently, they paid no contributions to the State with respect to their wages and paid the Federal unemployment tax upon their wages without the benefit of the credit allowable for contributions to the State.

Since then, the clinic has become subject to the State unemployment compensation law with respect to the wages of such employees and is required to pay additional contributions for past years. The clinic has found that the contributions are not eligible for credit against the Federal tax for past years, since they were not paid within the time limit prescribed by law for the benefit of such credit. In other words, there was a definite time limit set by section 701 of the Revenue Act of 1941.

It is obvious, of course, that this is double taxation.

Under title IX of the Social Security Act and the regulations issued pursuant thereto, a taxpayer was permitted to take credit against the tax imposed by such title for contributions paid by him into the State unemployment fund before the due date of his return under such title for the taxable year.

The Federal Unemployment Tax Act provides for the allowance of credit against the tax thereunder for 1939 and subsequent years for contributions paid into State unemployment funds on or before the due date of the Federal return, and also for contributions paid after such due date but before July 1 next following, subject to the limitation that credit for contributions paid after the due date shall not exceed 90 percent of the amount that would have been allowable as credit had they been paid on or before the due date. The total credits allowable to any taxpayer may not exceed 90 percent of the Federal tax.

The Congress has on several occasions extended the time within which contributions to State unemployment funds could be paid and be eligible for credit against the Federal tax. The most recent of such extensions is contained in section 701 of the Revenue Act of 1941 which provides for the allowance of credit against the Federal tax for the years 1936 to 1940 inclusive, based upon contributions paid into State unemployment funds prior to November 19, 1941, the sixtieth day after the date of enactment of such act.

In other words, since this clinic, and its case is not unique, failed to claim credit toward the Federal tax before the allotted time, it cannot now do so and wishes an extension of time to enable them to get this credit. I wish to emphasize that it is merely a technical limitation which prevents them from claiming credit toward the Federal tax and that as a matter of equity they are entitled to this credit.

My amendment merely provides for an extension of time of 60 days after the signing of the 1942 revenue revisions in connection with the credit against Federal unemployment taxes provision.

EMPLOYMENT ON OREGON DAIRY FARMS

Mr. HOLMAN. Mr. President, I ask unanimous consent that there may be read from the desk the letter I have received from Mr. Walter A. Duffy, regional director of the Farm Security Administration at Portland, Oreg.

The ACTING PRESIDENT pro tempore. Without objection, the letter will be read as requested.

The legislative clerk read as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
FARM SECURITY ADMINISTRATION,
Portland, Oreg., September 14, 1942.

Senator RUFUS C. HOLMAN,
712 Oregon Building, Portland, Oreg.

MY DEAR SENATOR: I regret to inform you that our efforts to obtain a family who wishes to work on your dairy farm have so far proved fruitless.

The employment opportunities in the entire Willamette Valley area are such that many families are leaving their farms to work for wages. It is not difficult for common laborers to obtain from $150 to $300 per month in the war industries of this area.

Our supervisor at Oregon City has made a very diligent search including contacts with the county agricultural agent. He has canvassed the rural rehabilitation borrowers of the area. I am afraid there is not much more we can do to be of assistance on this problem.

Sincerely yours,

WALTER A. DUFFY,
Regional Director.

NUMBER OF SOUTH CAROLINIANS IN THE ARMED FORCES—LETTER FROM STATE DIRECTOR HOLMES B. SPRINGS

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the RECORD a letter received by me from Holmes B. Springs, State Director of Selective Service of South Carolina. The letter shows that there are now 56,948 South Carolinians in the armed services of our country. It further shows that the vast majority of that number volunteered, and were not drafted.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF SOUTH CAROLINA,
HEADQUARTERS OF SELECTIVE SERVICE,
Columbia, S. C., September 16, 1942.

The Honorable BURNET R. MAYBANK,
United States Senate.

DEAR SENATOR MAYBANK: In compliance with your letter of September 14, I wish to advise that South Carolina has 56,948 men in the armed forces, as of September 1, 1942, as listed below:

Army	46,521
Navy (including merchant marine)	8,424
Marine Corps	1,649
Coast Guard	354
Total	56,948

It is impossible to give you the definite number in the merchant marine, as these are included with the number shown in the Navy.

With reference to the number of whites and the number of Negroes in the service,

we can only give you the number that have entered the service through induction, which is as follows:

Number of whites inducted	17,706
Number of Negroes inducted	8,634
Total	26,340

Trusting that this is the information desired, with kind regards, I am,

Sincerely yours,

HOLMES B. SPRINGS,
State Director.

EFFECT OF RISING COST OF LIVING ON POSTAL EMPLOYEES

Mr. DAVIS. Mr. President, we are so busy talking about the spirals of potential inflation that sometimes we neglect the lot of those who are having a desperately hard time to sustain themselves at their present salaries. I refer particularly to certain groups of post-office employees, and, in their behalf, wish to have, through unanimous consent of the Senate, the introduction of two editorials on this subject.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which appeared in the Morning Call of Allentown, Pa., September 9, 1942, and a second editorial which ran in the Evening Chronicle, of Allentown, of recent date.

I request that the editorials be referred to the Committee on Post Offices and Post Roads.

There being no objection, the editorials were referred to the Committee on Post Offices and Post Roads, and ordered to be printed in the RECORD, as follows:

[From the Allentown (Pa.) Morning Call of September 9, 1942]

MILLIONS SUFFER THROUGH INFLATION

If President Roosevelt had thought to pick examples of employee-groups which already have been most seriously affected by the rising cost of living and will be more and more affected as cost of living rises, he would have had to go no further than groups of Government employees and he might well have singled out that best known and highly faithful group—the employees of the postal department.

Because everybody has dealings with members of this group the workings and effects of a rising cost of living can be made just a bit more personal, although just about everybody knows for himself how unjust it is to himself and to his own family if prices are rising generally and wages and salaries are not. Everybody who went through the World War and the almost uncontrolled inflationary period that followed it knows how disastrous it was to the economic life of all but a very few of the people. It was the great masses that suffered, just as it is the great masses which again are suffering.

The postal employees furnish one of the best and at the same time one of the easiest examples to set forth. For 17 years the regular postal employees have not had an increase in wages and they have received no bonuses or other form of remuneration. Yet we know from the President's figures that the cost of living has increased 15 percent since January 1941 and there was an upward movement before that time.

It has not been indicated at any time by the regular postal employees, or their substitutes, that there was complaint; that there would be protests or some other form of demonstration. This same group suffered severely during the World War and thereafter and it would seem was preparing to suffer again without complaint.

The situation can be said to be even worse for the substitutes than it is for the regulars. While the regulars, like hundreds of thousands of other Government employees upon fixed salaries, see decrease in the purchasing power of their dollars, they are at least assured a fixed number of dollars in the course of any given period. But the substitutes have not even such guaranty. Despite the fact that they must learn their business thoroughly so that they can take the place of experienced hands almost anywhere at a moment's notice, they are paid only for time actually given to work. They may work as little as 2 hours a day, or none at all. They may work as many as 16 hours in a day and earn 65 cents per hour, a very rare occurrence. For all this they are subject to call at all hours.

They have no holidays off and rarely any Sundays. They must work a full year, calculated on the actual number of hours employed, which may occur in a calendar or fiscal year or longer, as it sometimes does in larger cities, before they become eligible for vacations or sick leave. As Columnist Damon Runyon recently put it: "They either starve from lack of work or become physical wrecks from too much of it."

More demoralizing than this is the fact that there is the impression among post-office employees that no additional regulars will be made for the duration of the war, because of an order from Washington freezing the list of regulars.

The vast majority of postal workers enter the service as substitutes and as such they work an indefinite period of time until vacancies in the regular force occur and their names are reached on the list for appointment.

But the freezing order has practically blighted their hopes. Their only ray of light for a brighter future lies in the bill recently introduced by Congressman THOMAS E. SCANLON, of Pittsburgh, which provides that all regular vacancies shall be filled by the promotion of substitutes.

These postal employees do not present an extreme example. There may be other groups which are as badly or worse off. Hundreds of thousands of people will be able to supply examples out of their own experience to parallel the postmen's situation.

It is to prevent further harm to all these groups and to all individuals similarly affected that the President has threatened to take things in his own hands as to the rising cost of living if Congress continues to take those steps which he asked be taken more than 4 months ago.

[From the Allentown (Pa.) Evening Chronicle of September 15, 1942]

Of all the legislation to come out of Washington in recent years on the subject of wages and hours little has developed to aid at least one group of Uncle Sam's own employees, the postal clerks. It hardly seems conceivable that the liberal government now in command of the Washington scene should continue to operate its own postal system, the very backbone of communications in this country, at wage scales below levels Uncle Sam insists must be paid in private industry.

With particular reference to the substitute postal clerk, the fellow who gets out at odd hours depending upon the mail load, much can be said in favor of better conditions. This fellow is paid 65 cents an hour when he works, which is frequently quite irregular. He gets nothing over this scale for above 40 hours, or for work on Sundays or holidays. By this scale a man must put in well over 40 hours to bring in sufficient revenue to maintain his family.

The local Federation of Post Office Clerks has gone on record approving a bill before Congress whereby regular appointments from the substitute list would be made to fill all vacancies, and where an appointment is made to fill the place of a regular clerk inducted into service the appointment would stand until the inducted man returns.

The substitute postal worker, not unlike substitute workers in other fields, may go along years in the hope of an appointment to the regular staff. During this period, however, he is entitled to more considerate treatment.

REGULATION OF FARM PRICES AND WAGES

Mr. CAPPER. Mr. President, I ask to have printed in the RECORD a statement from the heads of three national farm organizations—Albert S. Goss, master of the National Grange; Edward A. O'Neal, president, American Farm Bureau Federation; H. E. Babcock, president, National Council of Farmer Cooperatives—with regard to the proposed legislation on regulation of farm prices and wages.

Today the Nation is calling for more and more food and fiber production. Farmers are responding to that call, and during the present year are producing the largest yields of food and fiber in our history. But next year the needs of the Nation and of our Allies will be even greater. What the Congress this week does in regard to farm prices and wages will have a very important bearing on whether the farm-production goals of 1943 can be met.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Kansas?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SEPTEMBER 18, 1942.

The PRESIDENT,
The White House.

DEAR PRESIDENT ROOSEVELT: We, the heads of the undersigned farm organizations, whose members produce most of the food and fiber raised in this country, feel it is our duty to inform you that there is grave danger of a shortage of food and fiber next year unless the ceilings of farm prices are so adjusted as to enable farmers to meet essential production costs. The establishment of any ceiling on farm products which omits farm labor as an item of cost will fail of its purpose. The responsibility for the future food and fiber supply of the Nation must rest squarely on the shoulders of those who deny consumers of food and fiber this protection.

It is our duty to point out to you that the best protection against inflation is abundant production. Already the production of food and fiber in this country has passed its peak. Unless farmers can pay adequate farm wages, production of these essentials will continue to decline. The demand on farm labor by the military services and the attractive wages and shorter hours of labor which are already prevailing in industry are resulting in farm laborers, farm boys and girls, and even farm operators leaving our farms in ever-increasing numbers.

Respectfully submitted.

ALBERT S. GOSS,
Master, The National Grange.
EDW. A. O'NEAL,
President, American Farm Bureau Federation.
H. E. BABCOCK,
President, National Council of Farmer Cooperatives.

FARM PRICE STABILIZATION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement on farm price stabilization by M. W. Thatcher, legislative chairman of the National Farmers Union, delivered on September

17, 1942, before the Senate and House Committees on Banking and Currency.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The National Farmers Union stands with labor in full support of the President on the three great issues now under consideration by the Congress:

1. The immediate stabilization of farm prices, wages and salaries, and profits to business, with parity of sacrifice placed on every group in the Nation.

2. The immediate inclusion in the tax bill of the President's specific requests to Congress in his April 27 and September 7 messages. If the full seven-point program to stop inflation is not to falter and fail, taxes must be placed on those able to pay. Stalling and shifting the burden must stop.

3. The assignment of drastic wartime powers to the executive branch of the Government, so that this Nation may proceed to maximum production in agriculture as well as other businesses. Every businessman knows and every thoughtful person knows that responsibility and authority go together. Until we give the President authority to match his responsibility for winning the war we will keep on losing it.

The marines on the Solomon Islands are not debating the fine points of parity. Farmers are entitled to parity and no more. The position taken by the President has been our position for fully a year. We asked the Congress then and repeatedly since to give us stabilization at equitable levels "clear across the board" of all commodity prices, service charges, profits, interest, rent, wages, and salaries. The history already written in every country at war showed more than a year ago that such controls were necessary and inevitable.

We stood and stand for full parity for agriculture and no more. Let others try to explain any formula which asks for more at this time. We have no explaining to do.

Prominent farm leaders who no longer ago than July were fighting the release of Government-owned grain for feeding and loans to more small farmers, using the argument that we already had ample production, now raise the threat of lowered farm production in attempting to secure further benefits for themselves. The hollering for 10, 20, 30 percent more than parity is the voice of the 10 percent of farmers operating big commercial farms who harvest more than 50 percent of the total agricultural income.

The Nation is moving to a manpower crisis without adequate plans and machinery to meet it. Neither in industry nor agriculture can the manpower problem be met primarily by the payment of higher wages. This will soon be apparent. The Executive should have power to allocate the supply of farm labor and supplement wages where necessary. That is the answer to farm leaders crying labor shortage.

Whatever the merit of arguments for revising the parity formula, we believe it would be breaking faith with the Nation to do so at this moment. Moreover, no set of prices, however devised, will be sufficient to meet our production needs. For the duration we must move out of an economy controlled by prices into a war-managed economy in which the use of manpower and materials and resources is the test. Higher prices cannot direct limited supplies to their most efficient use.

Price relationships artificially established by our farm programs cannot be allowed to stand in the way of quick action to use our land and manpower resources fully for their most efficient and necessary yields. Only production incentive programs with stabilized markets and minimum price protection can insure maximum production of all major farm commodities. All major crops must be placed on the same footing as the so-called basic commodities—corn, cotton, wheat, tobacco, peanuts, and rice. We must use our land resources for the crops to which they are best adapted and thus avoid using such land resources blindly for "basic" crops in order to cash in on Government subsidy payments. This is necessary to get total production from our farmers.

We have repeatedly asked Congress and the Secretary of Agriculture for such action. Now the President has requested it. In the immediate future Congress should authorize the Secretary of Agriculture and the Commodity Credit Corporation to enlist all major crops, counting them into the list of crops with minimum price floors.

The tragic truth is that agricultural production has not yet been turned loose. We have a reservoir of more than one million farm families who want to produce more but are still throttled by either restrictive acreage allotments or the lack of adequate Government credit. These family-type farmers have the labor power. They must be brought into full war production by an enlarged farm security loan program, by revising acreage controls, and, if necessary, by shifting such farmers to better farms than they are now on. Agriculture can produce much more.

We have hundreds of thousands of wheat farmers with millions of acres of land who want to go into increased production but cannot because of arbitrary Federal restrictions on the handling of their land and the marketing of their products.

The Secretary of Agriculture would like to meet this problem and knows how. With parity prices and the war measures we have proposed, the lower two-thirds of farmers will have the opportunity to increase their production and their net income. The Nation need not be dependent upon the big commercial farmers who after years of milking the Treasury, farming the farmers, and sweating their farm labor now seem unable to take part in an all-out effort which might jeopardize their profits.

War conditions require concentrated authority to change many production practices. We shall have to abandon production of less useful products. We shall have to abandon less useful land, shifting farmers and farm labor to lands, crops, and methods that will produce our total requirements. We shall have to concentrate or break up farm units to fit the productive possibilities of these farm families. We shall have to require the cooperative use of farm machinery and family manpower. Before we win this war, farmers will be neighbors cooperating as they have never done before.

It costs the unbearable amount of 48 cents of the consumer's food dollar to move our products to his table, leaving the farmer only 52 cents out of each dollar. The President and the Secretary of Agriculture must have war authority to move in on this wasteful take. It is as costly and as vicious in its operations as the treasonable selfishness shown by big business in the mishandling of our rubber supply. The public must know this. An alert war Congress would maintain constant investigations to ferret out these bottlenecks and police all production and distribution, including farm products.

To place agriculture on an all-out war basis and to act vigorously to increase our farm production, Congress must give the green light to the Secretary of Agriculture with full power and authority to make rapid and proper use of every acre of land, every farm machine, every cooperative farm family, every necessary dollar of credit, together with control of storage and processing facilities for farm products.

Stabilization of farm prices at parity is only the beginning of wisdom. Let's do that quickly and then put ourselves on a total war basis. The sooner we start, the sooner we win.

PRICE FIXING

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter to me from R. A. Trovatten, Commissioner of Agriculture and Food for the State of Minnesota, and president of the National Association of Commissioners, Secretaries, and Directors of Agriculture.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SEPTEMBER 14, 1942.

HON. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Regarding price-fixing. In the interest of not only the American farmer, but our country and the national defense and war program, may I bring the following to your attention:

1. The so-called parity prices are not only a misnomer, but in no way represent equitable parity to the farmer. On the other hand, they do him a great injustice. This is because this so-called parity is based on an old formula of calculation that is both unjust and discriminating to the American farmer.

2. Present prices for commodities, which are the same as wages to the farmer, represent on the average less than 20 cents per hour for his toil and work as compared to 60 cents to $1.00 or more an hour for the industrial worker.

3. Even if our farmers received 110 percent of the so-called parity prices it would represent on an average less than 25 cents per hour for their work and below actual cost of production.

4. It should be especially borne in mind that the advance in commodity prices since 1939 was from the ruinous low level of only 52 percent of the so-called parity.

5. Compared to the 1909–1914 price levels, commodity prices on the average are up less than 51 percent compared to an advance of 197 percent in the wages of the industrial workers. In other words, wages of the industrial worker have advanced four times compared to the advance in price of commodities.

6. If farm prices are to be fixed at present levels, it would be necessary to reduce the wages of the industrial workers by 50 percent to place the farmer on an equitable parity. We are not advocating such a reduction in the wages of industrial workers, but in simple justice agricultural prices should be permitted to rise to an equitable parity compared to labor.

7. The cost of the raw materials on the average represent less than 12 percent of the cost of the manufactured goods to the consumer. Therefore, if agricultural prices advanced 10 percent above the so-called parity it should mean on an average less than 1 percent advance in the cost of manufactured goods to the consumer; or, if commodities advanced 50 percent, it should mean less than 6 percent advance in the cost of manufactured goods to the consumer.

8. Full and adequate agricultural production is vital to our national welfare and economy and the defense and war program. Present prices for agricultural production on the average are below the cost of production because of high cost to the farmers. It is, therefore, evident to be economically possible for our farmers to produce adequately that they receive equitable parity prices or cost of production.

9. It is impossible to have runaway inflation as long as we have adequate agricultural production because scarcity of produc-

tion is the fundamental cause of such inflation. Therefore, the danger of any runaway inflation does not lie in a reasonable advance in the price of commodities, but quite the contrary. The best insurance against a runaway inflation is to permit an equitable rise in commodity prices that will enable our farmers to produce adequately for the needs of the Nation.

10. The big financial bondholding group, for selfish reasons, has always opposed equitable parity prices for the producers. At this most critical time in our history, if their short-sighted and selfish views prevail, it will lead to scarcity and runaway inflation that may ruin them and our country.

11. It has been proved time and again that there is no more patriotic group than the American farmer who is feeding and clothing our Nation. The American farmer has not gone on strikes and failed to produce for our country. Yet, if he is not permitted equitable parity prices, you will make adequate agricultural production impossible.

12. We know you will agree that it is not only simple justice to the farmer, but essential to our Nation and the defense and war programs, that the farmer should receive equitable parity prices that will enable him to produce adequately for our national welfare and protection. Therefore, if Congress deems it advisable to fix prices on the American farmer, we know you will agree that it should be based on a new and honest equitable calculation that will do our farmers justice.

I would appreciate very much having your views on this matter which is not only important to the farmer, but more so to our Nation.

Sincerely yours,

R. A. TROVATTEN,
Commissioner of Agriculture and Dairy and Food for the State of Minnesota, and President of the National Association of Commissioners, Secretaries and Directors of Agriculture.

PRICES OF FARM COMMODITIES

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in full in the body of the RECORD a letter to me from Rev. V. F. Mikolasek, of Lankin, N. Dak., relating to farm prices.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ST. JOSEPH'S CHURCH,
Lankin, N. Dak., September 17, 1942.

The Honorable WILLIAM LANGER,
United States Senator, Washington, D. C.

DEAR MR. LANGER: I hear over the radio how they try to cut the prices of the grain in Congress.

I will give you few little data so that you may present them to those learned men for little discussion. They claim that the prices poor farmer is getting are high. O. K.; compare them with the prices he has to pay for labor: Shocking grain, 50 cents per hour.

I wish you could see the unshocked fields, in many places sprouting.

That will be some reward for the farmer, don't you think?

Threshing: $16 to $18 per hour, with but five teams. In my own case my threshing bill will be about $150 on one quarter. That will be some profit on the farm!

And the best thing: You cannot get any labor for shocking, neither for threshing. They go to the factories—certain hours to work, high wages. When farmer has to work from dawn to dark hours late in the evening.

The farmer does not ask any special privileges—only justice, fair remuneration for his work, and fair return on his investment.

Please call attention of those gentlemen to this: There will be many farms not cultivated next year.

Who can pay such wages, taxes, and get low prices for grain?

In my case, I had to pay $1.25 for plowing per acre; seeding, 75 cents; harvesting, 75 cents; twine; threshing, $18 per hour; shocking, 50 cents per hour. How much will be left for me to pay taxes, get interest on the money I had to borrow to pay for land?

What farmer needs is to regulate the price of grain and include the high price for labor, not only hired but his own, because children are leaving farms for factories.

Please try to help the farmers of your State.

Sincerely yours,

Rev. V. F. MIKOLASEK.

WILLIAM M. JEFFERS

Mr. BUTLER. Mr. President, a few days ago the President appointed William M. Jeffers, a resident of Nebraska and one of our leading citizens, as Rubber Administrator. Many Members of the Senate know William Jeffers; others do not. In order that all may be apprised of what we in Nebraska, and others who know William Jeffers, think of him, I should like to have printed immediately following my remarks an editorial regarding Mr. Jeffers which appeared in the Omaha World-Herald under date of September 17.

Mr. Jeffers has worked for but one concern since he began working—namely, the Union Pacific Railroad, of which he is now president, and in which he has been a directing influence for many years. He was born of Irish parentage in North Platte, Nebr., and has lived his life in our State. I wish to commend the administration for the appointment of a man such as Mr. Jeffers to this position. I ask to have the editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Omaha Morning World-Herald of September 17, 1942]

THE RUBBER CZAR

Those who work in a certain quarter of Washington during the next few weeks will have a memorable experience. They will see a hitherto irresistible force meet a hitherto immovable object.

The irresistible force, of course, is Omaha's and Union Pacific's William M. Jeffers, and the immovable object is Washington's rubber mess, which he has been commissioned to handle.

It is too early to predict the outcome of the conflict, but it is not too early to note that these are antagonists worthy of each other. The rubber situation has gathered mass and stickiness for 9 months past. Congressmen have looked it over, and walked away whistling softly. Experienced bureaucrats have sniffed it—and then tried to appear busy when the President looked their way. Only the Baruch committee has tried to deal with it realistically, and the burden of its report was that somebody ought to be appointed to handle the thing.

Bill Jeffers is known as one of the drivingest men in the ranks of American business. As he settles down into his new office he will not need to keep muttering to himself, "I must get tough * * * I must get tough." Bill Jeffers is tough. He can be as sentimental as the next one when talking with kids, or about people who eat in the kitchen, but give him a job that must be done and he will be a tornado of purposeful fury until it is finished. If anybody's tender sensibilities happen to be wounded in the process, that is too bad—but the tornado roars on.

Washington isn't accustomed to that way of operating. The cautious official there treads softly, lest he arouse Congress, and most carefully, lest he inadvertently step onto the preserves of some such bureaucrat as Leon Henderson, Jesse Jones, or Screaming Harold Ickes. All these fears and taboos make life so difficult that the average official becomes practically motionless.

We are reasonably sure Rubber Administrator Jeffers won't be motionless. The system may beat him—as to that, time will tell—but it will know it has been in a tussle. He will bring to this job the push, drive, vitality, and personality that have helped make his railroad one of America's best.

To the masses of victory-hungry Americans the Jeffers appointment will be tremendously encouraging news. For it is evidence that President Roosevelt and Donald M. Nelson are in earnest in their determination to get this war job done as quickly as possible. It is a strong hint that they are thinking, not in terms of politics, but only in terms of results.

If so, more power to them.

INDUCTION OF MARRIED MEN

Mr. MALONEY. Mr. President, on August 31, I inserted in the CONGRESSIONAL RECORD, at page 6997, a letter which I had written to Brig. Gen. Lewis B. Hershey, Director, Selective Service System, in which I referred to confusion existing under the Selective Service procedure. In that letter I made certain suggestions which I felt would help correct the confusion which I believe exists and which would afford a proper protection to married men with families now subject to call under the Selective Service Act.

On September 5, General Hershey replied to my letter. I now ask unanimous consent that his reply be printed as a part of my remarks, and I ask further consent that I may have printed in the RECORD at this point a letter which I addressed to General Hershey on September 19.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL HEADQUARTERS,
SELECTIVE SERVICE SYSTEM,
Washington, D. C., September 5, 1942.

The Honorable FRANCIS MALONEY,
United States Senate.

Subject: Request for clarification of Selective Service policies with regard to the calling of married men with dependents

DEAR SENATOR MALONEY: Please let me thank you for your letter of August 27 which, in my opinion, presents a most intelligent approach to the question of military service for married men and gives evidence of an understanding of the problem considerably beyond the usual concept.

It is gratifying to note that, first of all, you base your observations on the provision that military considerations come first. The procurement of men for the Nation's armed forces is, without question, the primary object of the Selective Training and Service Act, and such procurement has been the paramount purpose of the Selective Service System in administering the act.

Uncertainty is bound to exist as to when and how the services of married men should be utilized. That is only one of many uncertainties in war. Unfortunately, we do not know how and when the enemy may strike next. We do not know where or how many soldiers may be required to meet the next onslaught. Requirements of the Army for manpower have skyrocketed in recent months, precipitating calls through Selective Service for unprecedented numbers of men. Attempts to forecast the future are practically impossible.

I think you are quite right in stating that, despite worries and responsibilities, the great bulk of our American citizens is imbued with a degree of patriotism and the desire to defend the Nation that surmounts personal sacrifice. It is becoming increasingly evident, however, that such sacrifices may be necessary and on a wide scale. I believe you will agree with me that, from all present indications, this conflict will reach far deeper into our American life than any such previous experience. For that reason, if for no other, it is desirable that this invasion of the family and civilian status be made in as orderly a manner as possible.

Generally, I am in agreement with the first two basic considerations mentioned in your letter. Avoidance of the use of married men in armed conflict is a principle on which theoretical agreement is probable on every side; the practical application of the question, however, is governed by the needs of our armed forces. Your fourth consideration is one which, likewise, is greatly to be desired in theory, but which is apt to break down in practical application.

Closely allied with the premise that age and degree of financial dependency should govern calls of married men is your suggested regulation No. 1. The question of calls by age groups is, of course, a matter wholly for the determination of the Army. From a military standpoint, the Army does not regard it as wise to exhaust first those groups which are youngest and most able-bodied, leaving a residue of older and inferior men who might be required to bear the brunt of the heaviest and determining battles of the war. There are certain other dangers inherent in the age-group plan. Young married couples are less stable than older couples. Disruption of marriages only a few years old is therefore more likely than of those cemented by time. There is also the threat to posterity. If the 20- to 30-year group, for example, were sent solidly into the front line and suffered heavy casualties, incalculable effects on the descendants of that generation would result.

Your No. 2 suggestion is that announcement be made well in advance of calls by age groups and numbers of dependents. From the morale standpoint, there is some conflict of opinion as to whether notification of a call considerably in advance would be less disturbing than permitting men to carry on their regular civilian activities until nearer the time they make the change to a military status. From the practical standpoint, it is impossible to set definite call dates for any considerable time in advance. The War Department itself can estimate its requirements for only a brief period ahead. At present, Selective Service has but 60 days' notice of calls. Should announcement of call dates be made and the War Department found it necessary to step up the actual call, both the Army and the Selective Service System would be subject to criticism. It seems to me that such a situation might easily create a lack of faith in the Government.

The suggested No. 3 regulation coincides closely with the third basic consideration mentioned in your letter, and is, as a matter of practical application, a question wholly determined by the Army, and based largely on the exigencies of war.

While your fourth suggested regulation is again a matter which is determined by the War Department and therefore outside the jurisdiction of Selective Service, it is my own conviction that such variations would work a severe hardship on men less favorably endowed with health and physical fitness. In the majority of military assignments rigorous health and physical condition is requisite to the proper performance of such military duties. To accept a man on lowered standards and expect him to perform full routine duties would be manifestly unjust. It seems to me that any variation in standards because of age necessarily should be accompanied by variations in duties for the same reasons. You can readily realize that such procedure would lead to confusion and inefficiency.

I am wholly in agreement with your expression that a minimum of uncertainty should surround married men, and I want to take this opportunity of assuring you that the Selective Service System is keenly aware of its obligation to the citizenry as well as its function as a military procurement agency. We have taken a number of effective steps to reduce any such uncertainty to a minimum. Formerly when requirements were not heavy and our pool of manpower was large, it was necessary to classify only a sufficient number of men to fill military requisitions as received. The situation is now drastically changed. With mounting demands for men, I have directed local boards to complete classification of all registrants immediately, so as to enumerate our total military potential. Further, in the spirit and intent of congressional action, State directors have been ordered to apportion calls on local boards in accordance with an orderly progression of selection by dependency groups. Between the date of passage of the Servicemen's Dependents Allowance Act of 1942 and the present, a period of transition was necessary from the former governing policy to the present procedure. I have every evidence that this transition is nearing its close and that future calls and inductions will be made substantially on the basis contemplated by the Congress.

The careful consideration of men like yourself in determining the practical application of congressional intent is appreciated by those of us charged with the administration of the Selective Service System. I hope this discussion of the points set forth in your letter will prove helpful in viewing the entire subject from a broad standpoint. Please let me assure you again that the opportunity for such discussion is always welcomed by this headquarters.

Sincerely yours,

LEWIS B. HERSHEY,
Director.

SEPTEMBER 19, 1942.

Brig. Gen. LEWIS B. HERSHEY,
Director, Selective Service System,
Washington, D. C.

MY DEAR GENERAL HERSHEY: I thank you for the consideration you have given to my letter of August 27, as set forth in your reply of September 5.

I am glad to note your agreement with the principle that age and degree of financial dependency should govern the calls of family men to service, and that, whatever may be the additional requirements for the armed forces, it is desirable that calls upon family men be made in as orderly a manner as possible. It remains my conviction, however, that immediate steps are necessary to carry these principles more definitely into the actual regulations governing selective service. I realize that practical difficulties must be faced and that the application of any procedure to concrete situations involves compromises of conflicting consideration of policy. I am also conscious of the rapidly evolving requirements of our military forces. I suggest that these changes in themselves indicate that a comprehensive reconsideration of the basis and method for calling family men into the armed forces is immediately necessary and that, if rational and sensible revision is not feasible by way of regulation, the basic statute should be changed.

The very fact that the Army may be considering an increase of its forces over a period of a single year to numbers approaching 10,000,000 or more men indicates to me that a situation has now arisen which was not fully contemplated when the Selective Service Act was originally enacted. For instance, it is incredible that the withdrawal of so large a number of men, including an increasing number of family men, from civilian life in so short a period of time could have been intended to be governed almost entirely by a lottery system. Yet that is exactly what happens as the 3-A exemptions and other exemptions are being rapidly eliminated. Whatever may be the requirements of the Army, it does not seem to me either logical or necessary that a man 44 years old with say six children should be called into active service in advance of a married man 23 years old with one child, merely because his draft number is lower. Yet, as I understand it, that is the situation which may arise in numerous districts, if, in fact, it has not already arisen. The tremendous size of the Army now contemplated of itself permits, even if it does not require, orderly and rational calls to service based upon classification other than lottery numbers.

The various considerations you mention in connection with the regulations suggested in my letter of August 27 are matters which, of course, must be given weight, but none of them appears to me to negative the necessity for a full reappraisal of the Selective Service System, and none of them seems to me to eliminate the need for some kind of regulation along the lines which I have suggested. I, of course, did not intend to imply that the particular regulations suggested in my letter could not be subjected to change or revision to take account of matters which a full investigation of the facts would require.

Certainly I did not intend to imply that all of the able-bodied men in the lower age groups should contemporaneously be exposed to heavy casualties. I do not know that that is the case even at the present time. I should suppose, on the contrary, that the very purpose of enlarging the armed forces to the unprecedented numbers now under consideration was to give to the Army the flexibility in organizing divisions which would permit the building up of reserves which would be as strong and as youthful as those first in the field. It seems to me that such an organization could be accomplished while avoiding, in the absence of the most dire emergency, a predominant number of family men among the front-line troops.

As to your doubts concerning the suggested grouping according to age and degree of financial dependency, I regret that I cannot, in my own mind, concede validity for the proposition that young married couples are less stable than older ones. I doubt that there would be much difference in that respect between the 20- to 30-year group and the 30- to 40-year group. I continue to have confidence in the permanency and resiliency of the average American family of any age group, and if your point were sound it seems to me that for the good of the country all of the older groups should be called first. This would necessarily impair the general efficiency of the Army, and, if there be the need for an army so large as is now contemplated, the conditions would exist in any case.

The threat to posterity suggested in your letter is an inherent evil of warfare of any kind. The havoc in this respect is something which should cause the greatest anxiety to any farsighted person. However, it seems to me that a heavy depletion of the numbers of family men could give rise to as serious social and economic repercussions as an equal depletion of the younger and unmarried men. The problem facing this country during the decades immediately to follow the war will probably be as difficult to solve as the war itself. The task of properly rearing the present generation of children is to me as important and vital as the

task of insuring that there be an adequate generation of children to follow. It will be necessary without question, if this country is to survive in its present strength, that the present generation of our young people have more children than their parents. But certainly we must see to it, so far as may be compatible with the increasing exigencies of the present war, that the young children of today, who will be the backbone of the country during the post-war era, shall not be cast adrift.

I also remain unpersuaded that a longer period of advance notice to family men subject to call cannot be arranged. The flexibility which arises from a determination to have an army of 10,000,000 or more men seems to me to make such advance notice even more feasible than at the present time.

I have noted that you feel that many of the questions raised by me are questions which, under present conditions, are wholly to be determined by the Army. If a full investigation of the situation discloses, as I believe it will, that the questions I have raised are valid, it may be that the Congress rather than the Army should determine the answers along general principles.

Without in any way suggesting criticism of your own outstanding accomplishments in the unprecedented task of creating a large civilian army, and in full recognition of the enlightened point of view you have expressed to me, I think I am bound to say to you that the wide disparity in the administration of the Selective Service Act among the various States and among districts within a particular State is creating a state of chaos and confusion which will not long be tolerated. I am hopeful, therefore, that your cooperation (and suggestions) may be enlisted to find appropriate correctives both in regulation and in the basic statute as soon as possible.

Let me repeat that my concern for the family men of the country is not based upon their reluctance as individuals to give full service to their country or to avoid in any way the hazards of that service. They constitute the bulwark of the Nation. But they must not be made the victims of administrative confusion or of unnecessarily arbitrary action. In the last analysis they will determine the temper of the Nation and they will fix the degree of civilian morale. For these reasons, I most earnestly solicit your continued consideration of their problems under the selective service procedure.

Sincerely yours,

FRANCIS MALONEY.

THE RUBBER AND GASOLINE SITUATION

Mr. GREEN. Mr. President, the complicated problem connected with the rubber shortage and the gasoline shortage have occupied much of the attention of the public of late, and although they have been much simplified and clarified by recent action of the administration, it seems to me worth while to help in the further clarification by having printed in the RECORD a letter I wrote to the President on the subject, dated August 31, 1942, and his reply to me, dated September 16, 1942, which I ask to have printed as a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AUGUST 31, 1942.

The PRESIDENT,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: In an endeavor to secure a true picture of the national situation regarding rubber and gasoline, I have corresponded with Mr. Leon Henderson, Administrator, Office of Price Administration, presenting to him certain vital questions which would clarify the doubt in many people's minds regarding the justifiability of rationing only in the area of limitation. Mr. Henderson's answers have established the fact that rationing of gasoline in the area of limitation is essential to the war effort, but it seems to me that the questioning of rationing gasoline involves other aspects which would necessitate the rationing of this product on a Nation-wide basis, rather than in a limited area.

There are three issues involved in the situation—the distribution of gasoline considering our limited means of transporting it, the conservation of tires because of the lack of a supply of crude rubber which would satisfy the needs of the military forces and the demands of the civilian population as well, and the maintenance of the present number of automobiles which are so vital to the present economy of our country. To me, the latter two questions are matters with which we should be concerned, and which should be considered at the present time before our available supply of transportation means is exhausted.

The question of gasoline and an adequate supply for the area of limitation is but a transitory problem. The necessary elimination of water transportation for petroleum products has thrown a super burden upon the facilities of the railroads serving this area. This lack of adequate facilities could be remedied by the installation of pipe lines, or by a more equitable distribution of the tank cars available for such use.

The needs of the eastern seaboard communities for fuel oil for heating purposes this winter will aggravate the situation to such an extent that the railroads will be insufficient to handle both with their present equipment. To me, the only possible solution is a Nation-wide program of gasoline rationing. A large percentage of the homes and industries are heated by oil burners, and neither time nor materials are available for changing over from oil to coal as a source of heating.

The question of tires and automobiles, however, is of an entirely different nature. The output of tires and automobiles is definitely limited by available supplies of raw material and the lack of equipment for production, after the requirements of the war effort have been satisfied. This deficiency cannot be remedied by a geographical shifting of present equipment nor a more stringent plan of priorities or rationing, as the entire country is now limited in the issuance of such replacements.

Our present economy is based upon the use of motor vehicles for the necessary transportation. The abandonment of railroads and steamship lines during the past twenty years has increased our highway traffic immeasurably, and has thrown the burden of transportation upon local public utilities and private automobiles. The public transportation systems in most municipalities, in an effort to meet the competition of private automobiles, have converted their equipment from electric cars on steel wheels to a rolling stock of busses and trackless trolleys which operate wholly on rubber tires. Because of the lack of adequate rubber, and also on account of priorities in materials for new equipment of this nature, the transportation companies are now unable to add to their mobile equipment. Several of the local traction companies have had busses ordered for several months, but are unable to secure delivery of same, as the present production is being wholly absorbed by the military personnel for use in camps, bases and cantonments.

The lack of adequate housing facilities within reach of defense projects where thousands of workers are employed, necessitates the use of some means of transportation between home and work for thousands of men and women. Reports indicate that automobiles are being withdrawn from the highways at the rate of a million a month, and that at the present rate our national supply of passenger cars at the end of 1945 will be but four and a half million. Our present economy demands at least twenty million cars to make up for the deficiency of our public transportation systems, so we must slow down the rate at which the present supply of automobiles is being consumed.

The cars left running on the highways are fast consuming the supply of pneumatic tires now on hand. The demand for all sizes of tires far exceeds the quotas allowed by the rationing authorities as well as the rate at which these tires are being produced. Transportation problems along the eastern seaboard are being accentuated every day by the requests for replacements for tires which have given out in the necessary driving in these States. The problem will become more acute as time goes on, and supplies become more limited.

Let me cite the problems of metropolitan Newport, a city of some 28,000 people. This population has been increased on account of the war effort by ten to fifteen thousand enlisted personnel, and 10,000 civilian population, the majority of the latter being accommodated by three housing units of 900 families each. This increase has more than absorbed the ordinary facilities of social usage, and has taxed the stores and services to the breaking point. In addition, there are 15,000 more civilian workers who commute to work on the several projects by means of some 4,000 automobiles.

There is no railroad transportation available for these workers, the only access for personnel being by means of the bus line which serves the community. The company has 12 busses (average capacity 23) for transportation within the city, and 57 others (average capacity 29) for transportation to other centers of population. Efforts to increase the number of busses have to date been fruitless, priority being given to Army and Navy usage. Since the capacity of the bus company cannot be increased, it is most essential that the workers be furnished automotive means of getting to their work. They will have to be furnished more and more tires, as well as replacements for their present cars when they are no longer serviceable.

The industries and projects on which these are working are indispensable to the war economy, and are vital efforts in our program for carrying on the war to a successful conclusion. Such projects extend from Maine to Florida, and I am assured on all sides that the problems at Newport are common to all centers of war production in the area. They must also be present in States outside of the area. Although they have not been evident so long as the owners of the cars have plenty of gasoline, they will be accentuated in all parts of the country, as the present supply of tires and cars is exhausted, and people find themselves unable to replace such a necessary adjunct of our modern civilization.

For these reasons, I wish to present to you the stressing need of conserving all automobiles and tires in the country. Our defense work must go on; we must continue to produce the vital needs of our armed forces; and we must, insofar as we are able, maintain our present economy based on the use of the private automobile. We may be able to eliminate the automobile in private life and in business life, too, where such life is not essential to our campaign for victory, but we cannot allow our war efforts in the next 24 months to wane on account of a lack of transportation facilities.

The rationing of gasoline on a national basis is the only means of maintaining our present transportation needs. The 17 States in the area of limitation are doing a magnificent job in conserving the necessary rubber and gasoline, but I am sure that the resulting saving will be only a fraction of the conservation which must be carried on in the saving

of these items. To prevent such a disaster from occurring, we should begin at once to enact a national program of gasoline rationing in order that the saving may be made before the opportunity has faded into the future.

I know this all-important matter is receiving your appropriate attention, and I trust that my suggestions as to Nation-wide rationing of gasoline in the near future will meet with your approval.

Yours sincerely,

THEODORE FRANCIS GREEN.

THE WHITE HOUSE,
Washington, September 16, 1942.

Hon. THEODORE FRANCIS GREEN,
United States Senate.

MY DEAR SENATOR GREEN: This will acknowledge your letter of August 31 urging the adoption of a Nation-wide system of motor-fuel rationing to conserve tires and automotive equipment.

As you know, the Rubber Survey Committee submitted its report to me on September 10. This report recommended a program of rubber conservation through restrictions on gasoline sales and through the control of driving speeds. It also proposed an enlargement of the present tire replacement and recapping plan which would maintain essential automotive transportation.

In transmitting this report to Congress, I have already indicated that the committee's recommendations would be put into effect as rapidly as the necessary arrangements could be made. I believe that the measures soon to be initiated will protect the vital transportation facilities about which you have expressed justifiable concern.

The problem of providing adequate petroleum supplies for the east coast area, to which you have also referred, is receiving the continuous attention of the Office of Petroleum Coordinator for War. I understand that a comprehensive program for the withdrawal of tank cars from other parts of the country and for their assignment to the east coast service has been carried into effect. It is believed that this program, together with a number of pipe-line construction and relocation projects that are under way, will supply at least the minimum essential petroleum requirements of the Atlantic seaboard.

Your letter indicates that you have given careful thought to these vital problems, and I am pleased to have received your views.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

ADDRESS BY THE VICE PRESIDENT ON MEXICAN INDEPENDENCE AND NEW WORLD IDEALS

[Mr. HATCH asked and obtained leave to have printed in the RECORD an approximate English translation of the address delivered in Spanish by the Vice President of the United States on Mexican Independence and New World Ideals, on the occasion of the celebration of Mexico's Independence Day, at Los Angeles, Calif., September 16, 1942, which appears in the Appendix.]

WAR ISSUES IN THE CAMPAIGN—ADDRESS BY SENATOR THOMAS OF IDAHO

[Mr. THOMAS of Idaho asked and obtained leave to have printed in the RECORD an address entitled "War Issues in the Campaign" delivered by him at Boise, Idaho, September 9, 1942, at a meeting of Republican nominees in the State of Idaho, which appears in the Appendix.]

ADDRESS AT SYRACUSE, N. Y., BY HON. JOSEPH C. GREW, FORMER AMBASSADOR TO JAPAN

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD an address delivered by Hon. Joseph C. Grew, former Ambassador to Japan, at a war rally luncheon at the Hotel Syracuse, Syracuse, N. Y., on September 18, 1942, which appears in the Appendix.]

FOR SOUTHERN INDEPENDENCE—LETTER BY C. NORWOOD HASTIE

[Mr. SMITH asked and obtained leave to have printed in the RECORD a letter to the Charleston News and Courier, written by C. Norwood Hastie, which appears in the Appendix.]

CONTROL OF INFLATION—PRICES OF FARM COMMODITIES

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD two editorials by J. C. Morrison, editor of the Morris Tribune of Morris, Minn., one entitled "Is It the Wheat Deal Over Again?" and the other "The One-Sided Fight Against Inflation," which appears in the Appendix.]

THE WAR AND ITS IMPACT ON AMERICAN BUSINESS—ARTICLE BY E. L. MOULTON

[Mr. HATCH asked and obtained leave to have printed in the RECORD an article by E. L. Moulton entitled "The War and Its Impact on American Business," published in the New Mexico Quarterly, which appears in the Appendix.]

THE PRESIDENT'S LABOR DAY MESSAGE—ADDRESS BY ALBERT S. GOSS

[Mr. AIKEN asked and obtained leave to have printed in the RECORD a radio address delivered by Albert S. Goss, of Washington, D. C., master of the National Grange, discussing the President's Labor Day message, which appears in the Appendix.]

THE FUEL SHORTAGE

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an editorial from the New York Herald Tribune of September 21, 1942, entitled "Ten Million Cords," which appears in the Appendix.]

AN ASSERTION OF UNLIMITED POWER—ARTICLE FROM THE NEW YORK SUN

[Mr. DANAHER asked and obtained leave to have printed in the RECORD an article from the New York Sun of September 12, 1942, entitled "An Assertion of Unlimited Power," which appears in the Appendix.]

AMERICAN WAR PLANES

[Mr. ANDREWS asked and obtained leave to have printed in the RECORD an editorial from the Washington Evening Star of September 16, 1942, entitled "Injurious and Pointless," and also an analysis of the bomber situation made by the War Department, which appear in the Appendix.]

FARM PRICES—EDITORIALS FROM HOPE (ARK.) STAR

[Mr. SPENCER asked and obtained leave to have printed in the RECORD two editorials by Alex H. Washburn, editor of the Hope (Ark.) Star, dealing with farm prices, which appear in the Appendix.]

STABILIZATION OF THE COST OF LIVING

Mr. THOMAS of Oklahoma. Mr. President, I submit an amendment to Senate Joint Resolution 161, which I send to the desk and ask to have read for the information of the Senate.

The ACTING PRESIDENT pro tempore. The amendment will be read.

The CHIEF CLERK. On page 4, at the end of line 13, it is proposed to add the following new paragraph:

For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

Mr. THOMAS of Oklahoma. Mr. President, I ask that the amendment be referred to the Committee on Agriculture and Forestry for its consideration.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Oklahoma [Mr. THOMAS]?

Mr. BARKLEY. Mr. President, reserving the right to object, I wish to say that we are in the act of taking up Senate Joint Resolution 161, which has been reported by the Committee on Banking and Currency. I do not quite understand the logic of referring an amendment to that measure to another Senate committee which has not considered the joint resolution.

Mr. THOMAS of Oklahoma. Mr. President, about half the pending joint resolution—I presume it is pending, or if not it soon will be—relates to agriculture. A few days ago the Committee on Agriculture and Forestry held a meeting. At that meeting some 12 members were present. The matter in question was gone over rather thoroughly, and at the conclusion of the committee meeting a subcommittee was appointed to consider possible amendments to be offered to Senate Joint Resolution 161. The subcommittee worked on the matter for 3 or 4 days, and this morning met and agreed, tentatively at least, to submit to the full committee for its consideration the amendment just read at the desk, consisting of three lines.

Mr. President, inasmuch as I am hopeful that the main committee will consider the amendment submitted by its subcommittee, I take this procedure as a means of affording consideration of the amendment in what I think is in regular order. Of course, if the amendment cannot be referred to the Committee on Agriculture and Forestry, that does not prevent the Committee on Agriculture and Forestry from meeting if it desires to consider the amendment. So, in the end, the objective sought will be arrived at in exactly the same way.

Mr. BARKLEY. Mr. President, I do not like to object to any amendment going to the Committee on Agriculture and Forestry, but inasmuch as we are, I hope, to begin consideration of the joint resolution in a few minutes, it seems to me a little odd that an amendment to the joint resolution should be referred to a Senate committee which did not consider the joint resolution. Mr. President, I ask that the amendment lie on the table.

Mr. THOMAS of Oklahoma. Mr. President, let me make a further statement. Some years ago—in 1933, to be exact—the Committee on Agriculture and Forestry considered a bill for the benefit of agriculture in the main and for the country in general. The committee reported out the first Agricultural Adjustment Act. That was done in the early part of the present administration, in 1933. In considering that bill the committee also considered an amendment affecting the value of the dollar. As a result of its consideration of the amendment, it was submitted in the Senate, and was before this body for its consideration. At that time the Committee on Banking and Currency requested of

the Senate that the amendment, which had come from the Committee on Agriculture and Forestry, be referred to the Committee on Banking and Currency for its consideration. The Senate granted that request, which was a reasonable request. The amendment was then referred to the Committee on Banking and Currency and was considered by that committee, hearings were held, and the amendment was promptly reported back by it to the Senate. So there we have a precedent for the request which I made. That precedent may not be followed by the Senate; nevertheless, it is a precedent for the request now being made. The end sought will not be different in either case, whether the amendment goes to the Committee on Agriculture and Forestry officially or goes to that committee unofficially, I will say to the Senator from Kentucky.

Mr. BARKLEY. Of course, Mr. President, I am not in a position to prophesy about that, but it seems to me, regardless of what may have been done concerning some other measure in the past, there ought to be one committee which has jurisdiction of the measure now before us.

The measure was referred to the Committee on Banking and Currency. While it deals with agricultural subjects it deals also with many other subjects. It might be just as logical for some Senator to offer an amendment to this measure dealing with the tax laws, which would be in order from the floor of the Senate, and have that referred to the Committee on Finance, or have some other amendment dealing with some other subject referred to another committee. I think the Senator from Oklahoma ought to be agreeable to letting his amendment lie on the table for the present.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. NORRIS. I do not want to enter into a controversy on this subject. I do not care very much what the Senate does with the amendment. It will probably be offered to the bill anyway. But inasmuch as it deals with a subject of which the Committee on Agriculture and Forestry has immediate jurisdiction, it does not seem to me there would be anything wrong if that committee, as a committee, were to propose an amendment to a measure which came from another committee. As the Senator has said, some other committee might wish to suggest an amendment. That is true. I do not see anything wrong with such a thing being done. If the subject matter dealt with is one over which some other committee ordinarily had jurisdiction, it would not be wrong for it to submit an amendment to the measure. If there were time enough I would not have any objection, after the Committee on Agriculture and Forestry has considered the amendment, to have it then referred to the Committee on Banking and Currency.

Mr. BARKLEY. I do not deny that any committee can meet informally or formally and suggest an amendment to the pending measure.

Mr. NORRIS. That is all that has been done in this case.

Mr. BARKLEY. But that is a little different from offering from the floor an amendment to a measure reported by another committee, a measure which the Senate is just in the act of taking up, and asking that that amendment be referred to the Committee on Agriculture and Forestry. I do not think such procedure is good legislation.

Mr. NORRIS. I think the ultimate results would be exactly the same. I would not have any objection if the Senator from Oklahoma were to withdraw his amendment and have it considered by the Committee on Agriculture and Forestry and then have that committee report its conclusion thereon.

Mr. BARKLEY. I think the better practice and form would be, if the Committee on Agriculture and Forestry desires, to suggest an amendment officially and not have referred to it by the Senate an amendment to a measure reported by the Committee on Banking and Currency. I ask the Senator from Oklahoma to pursue that course.

Mr. THOMAS of Oklahoma. Mr. President, I realize the seriousness of the opposition of the majority leader, but I am following a precedent. In 1933 the Committee on Agriculture and Forestry reported to the Senate an agricultural bill containing a money amendment. The Senate, without objection, referred the money amendment to the proper committee, at the request of that committee. If the Senator's suggestion comes as an objection, I wish to have the objection stated.

Mr. BARKLEY. Mr. President, I object, then, to the request of the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, inasmuch as objection is made, a motion would have to be made and agreed to in order to have the amendment sent to the Committee on Agriculture and Forestry. At this time I do not care to make such a motion.

The ACTING PRESIDENT pro tempore. Such a motion would not be in order at this time.

Mr. THOMAS of Oklahoma. Mr. President, it would be in order at another time, if not at this time. The time will come, however, when I shall have the right to submit the amendment and to discuss it. The amendment cannot be put aside in this peremptory and summary manner.

Mr. BARKLEY. I wish to say to the Senator from Oklahoma, and to others who are interested in the matter, that I am not seeking to put any obstacles in the way of the Senator in submitting the amendment. He has a right to submit it, and when the measure is under consideration, he has a right to move, when he submits it, that the amendment be referred to the Committee on Agriculture and Forestry. But when we are in the act of taking up a measure reported by one committee, and before we even begin consideration of the measure, if a Senator submits an amendment—and I am not speaking of the Senator from Oklahoma personally now—but if any Senator submits an amendment to that measure which has just been reported and asks that the amendment go to another committee, I think I have a right to object, regardless of any single precedent with reference to legislation heretofore considered. I think not only am I within my rights, but it is a proper course for me to pursue at this time.

Mr. NORRIS. Mr. President, will the Senator again yield?

Mr. BARKLEY. I yield.

Mr. NORRIS. I do not question the attitude of the Senator from Kentucky on this matter at all.

Mr. BARKLEY. I realize that.

Mr. NORRIS. I hope the Senator from Oklahoma will withdraw his suggested amendment, and take the matter up with the Committee on Agriculture and Forestry, which, I understand, is to meet tomorrow, and let that committee then report the amendment to the Senate if it desires to do so.

Mr. THOMAS of Oklahoma. Mr. President, in view of the objections which have been made, the amendment, I presume, will lie on the table. I already have asked the chairman of the Committee on Agriculture and Forestry, the Senator from South Carolina [Mr. SMITH], to call a meeting of the full committee tomorrow morning, if it is agreeable, at which time the subcommittee report can be made to the full committee. Then, of course, it will be up to the full committee to take such action as it may deem proper. If the full committee tomorrow morning should agree to the amendment and agree to support it, that is one thing. If it does not agree to support it, that is another. In either event the amendment will be on the desk of the presiding officer, to be called up at the will of the author.

Mr. BARKLEY. I think that is the proper course to pursue.

The ACTING PRESIDENT pro tempore. The amendment will be printed and lie on the table.

REPORT OF THE FEDERAL DEPOSIT INSURANCE CORPORATION

Mr. GREEN. Mr. President, I desire to make a few remarks about two Government reports made public today.

Mr. BARKLEY. Mr. President, we are still in the morning hour. Will the Senator's remarks consume more than five minutes?

Mr. GREEN. No. These reports are of exceptional interest to the people of the United States, and might possibly escape the attention of some Senators.

Mr. President, the Annual Report of the Federal Deposit Insurance Corporation to Congress for the year ended December 31, 1941, and the report to insured banks as of June 30, 1942, both just made public, reflect great credit upon the activities of this agency of the Federal Government and upon its sound supervisory influence over the 13,500 insured banks of the country.

It is encouraging, indeed, to note among the conclusions of the Corporation's Chairman, Leo T. Crowley, that—

> Depositors throughout the country have every reason today for confidence in the soundness of the American banking system. The banks have today fewer criticized assets than at any other time in their history. They consequently are in an excellent position to lend vigorous support to financing the war effort.

Through June 30, 1942, 381 insured banks, having 1,247,638 depositors with total deposits of $479,497,000, had been liquidated or merged with the aid of loans from Federal Deposit Insurance Corporation. Deposits amounting to $468,781,000, or 97.8 percent of the total deposits in these banks, were made available promptly without loss to the depositors. Only 1,952 of the 1,247,638 depositors, or less than two-tenths of 1 percent, held accounts in excess of $5,000 and were not completely protected.

Performance of this sort by the Corporation has been perhaps the most effective stabilizing factor for our financial system in the last decade. The confidence inspired in bank depositors by the mere existence of a sizable insurance fund to protect them from loss is undoubtedly great. Knowledge that the financial strength of Federal Deposit Insurance Corporation is reinforced and husbanded through careful administration and through careful supervision of the affairs of insured institutions makes our people doubly confident of their security and so makes our financial system more stable and effective.

It is gratifying as well as significant to learn that this complete protection of depositors in the country's banks during the past 8½ years has been accomplished simultaneously with the regular growth of capital and surplus within the Corporation. On June 30, 1942, capital and surplus of F. D. I. C. amounted to about $584,000,000. Surplus accumulated during the entire period of F. D. I. C. operations was about $294,600,000 on that date, a figure $4,400,000 in excess of the entire assessments collected from insured banks since deposit insurance began. In other words, all deposit insurance losses and expenses as well as all administrative expenses of the Corporation have thus far been more than covered by the Corporation's interest and profits on its investments.

Chairman Crowley sees no potential drains upon the Corporation's funds in the near future. He proposes, though, to continue accumulating reserves for the Corporation through assessment upon insured banks at the present legally prescribed rate until the effects of post-war readjustment upon the banks are known.

In such parlous times as these it is good to know that factors so vital to our national welfare as the soundness of our banking system and the safety of bank deposits are receiving the unremitting attention of a strong, well administered, eminently successful Federal agency.

The ACTING PRESIDENT pro tempore. Routine morning business is concluded.

PLANTING OF GUAYULE AND OTHER RUBBER-BEARING PLANTS

Mr. DOWNEY. Mr. President, one of the imperative recommendations of the Baruch rubber committee was that the guayule rubber-growing program should have its acreage expanded. That recommendation is supported by the President, by the War Production Board, by the Department of Agriculture, and, I think, by all other governmental agencies. In conformity with that recommendation, last week the Military Affairs Committee favorably reported Senate bill 2775. I now ask unanimous consent for the present consideration of the bill.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2775) to amend the act of March 5, 1942, relating to the planting of guayule and other rubber-bearing plants.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from California?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause and insert:

That paragraph (2) of the first section of the act entitled "An act to provide for the planting of guayule and other rubber-bearing plants and to make available a source of crude rubber for emergency and defense uses", approved March 5, 1942, is amended by striking out the word "seventy-five" and inserting in lieu thereof the words "five hundred"; and by striking out the words "and land for nurseries" before the semicolon at the end of such paragraph and inserting in lieu thereof the following: "land for nurseries and administrative sites, and water rights."

SEC. 2. Paragraph (3) of the first section of such act is amended by inserting after the first semicolon the following: "to acquire water rights; to erect necessary buildings on leased land where suitable land cannot be purchased;".

SEC. 3. Paragraph (4) of the first section of such act is amended by inserting after the first semicolon the following: "to purchase guayule shrub;".

SEC. 4. Paragraph (8) of the first section of such act is amended by striking out the words "of seventy-five" and inserting in lieu thereof the words "not in excess of 500."

SEC. 5. Section (2) (a) of such act is amended by inserting after the words "citizens of" the word "other"; and by striking out the words "in the Western Hemisphere."

SEC. 6. Section 2 of such act is amended by adding at the end thereof the following new subsection:

"(e) In carrying out the provisions of this act the Secretary shall have all of the authority conferred upon him by the act entitled 'An act to facilitate and simplify the work of the Forest Service,' approved January 31, 1931."

Mr. DOWNEY. Mr. President, the bill has three or four rather inconsequential perfecting amendments. The major objective sought to be reached by the bill is to increase the potential acreage from 75,000 to 500,000 acres, in the discretion of the Department of Agriculture. One reason the change is made is that, strangely enough, the yield of seeds from the guayule plant was eight times what we had anticipated, which permits a greatly expanded program. It is the desire of the governmental agencies to take advantage of that possibility and to plant a larger acreage.

I submit the question upon that statement, and ask that the bill be passed.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STABILIZATION OF THE COST OF LIVING

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 161.

The ACTING PRESIDENT pro tempore. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Banking and Currency with amendments.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the formal reading of the joint resolution be dispensed with, that it be read for amendment, and that the amendments of the committee be first considered.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. BROWN. Mr. President, I should like to make a brief statement. Let me say to the Senate that, if I can proceed without interruption until 5 or 10 minutes after 1 o'clock, I think I can give a brief over-all picture. Then I shall be pleased to answer any questions with respect to the bill that may be propounded to me.

In the committee all of us strove as mightily as we could to expedite consideration of the joint resolution. On this highly important measure we spent 2 days in public hearings and 2½ days more in executive consideration. The House greatly expedited consideration by eliminating public hearings altogether. The Senator from New York [Mr. WAGNER], chairman of our committee, invited Members of the House to attend our hearings, and they did so. A great many Senators took advantage of the opportunity to attend the hearings, and some of them participated in questioning the witnesses.

I say this because I realize the necessity for very prompt consideration. I myself refrained from asking, as I recall, more than half a dozen questions or so during the hearing. I think everyone rather thoroughly understands the need and necessity for some action at the present time. So far as I can gather, outside the consideration, perhaps, of two rather important amendments, or possibly three, there is not much disagreement about the measure. Of course, it is not written in exactly the way that this Senator or that Senator would like it written; but I think it rather well covers the general subject matter, and I think it does substantially what the President has asked.

There is no question in my mind that the Price Control Act and the pending measure, which is in substance an amendment to the Price Control Act, are by no means the only weapons necessary to combat rising costs of living. The tax bill is just as important, if not more important, in taking care of the subject of inflation. We have heard a great deal

about the inflationary gap. I shall skip details, and shall give a brief analysis in the shape of five figures, two of them on the debit side and three of them on the credit side, which show what the inflationary gap is.

The inflationary gap is the amount of money which will be available for purchase of goods in excess of the supply of such goods. This is regarded by the economists, the Treasury, the Office of Price Administration, and the Department of Agriculture as the real inflation danger. It is the dammed-up purchasing power which endangers the price-control structure. It is now estimated that the national income for the calendar year 1942 will be in the neighborhood of from $113,000,000,000 to $115,000,000,000.

The only taxes which can be considered as a reduction of that purchasing power are the taxes paid by individuals. The taxes paid by corporations are production taxes; they are not taxes which are to be deducted from the income which individuals receive. So there will be a total of approximately $35,000,000,000 of taxes, on the basis of State, local, and county taxes as they now are, and on the basis of the tax bill as it now stands in the Senate; but of that sum, only $6,000,000,000 will be paid by individuals and will be deducted from their individual incomes. So I am reliably informed that the first item to stand against the $115,000,000,000 of individual incomes in the United States, which is the basis of purchasing power, is the $6,000,000,000 of individual income taxes.

Savings, which include the items of purchase of Government bonds, individual savings, purchases of insurance, and the payment of debts—and the President estimated that debt payments will amount to approximately $4,000,000,000, which, of course, is a highly deflationary figure—total $24,000,000,000. I am advised by the economists to whom I have alluded that that $24,000,000,000 may be deducted along with the $6,000,000,000.

It is further estimated that at the present level of supplies there will be $65,000,000,000 worth of goods for consumers to buy on the basis prices under the general maximum price regulation. Those are the goods which will be bought by consumers—food, clothing, and all the things which consumers will buy, things which we as individuals require.

So on one side of the ledger we have a national income of $113,000,000,000 or $115,000,000,000, and on the other side purchasable goods amounting to $65,000,000,000, individual income taxes of $6,000,000,000, and $24,000,000,000 expended for Government bonds, debt payments, individual savings and the purchase of insurance, making a total of $95,000,000,000, which leaves a gap of between $18,000,000,000 and $20,000,000,000 as the amount of money which will be available to individuals in the United States to spend, but for which no goods will be available for purchase. I hope I have made the matter plain; I have tried to state it as clearly as possible.

The gap of between $18,000,000,000 and $20,000,000,000 is the sum of money which the Secretary of the Treasury is hopeful he may find some means of reaching by way of compulsory savings and other means. It is the overwhelming danger in the picture.

I am advised by those in charge of price control that, although they feel that the enactment of the proposed legislation would give the President authority to maintain prices of goods substantially as they are, they desire it to be known that, in view of this pent-up purchasing power, it will not be possible to stop all price rises now. There is no question in my mind, from some study on the subject, that prices must be permitted to go a bit higher because of the necessities of the situation.

I hope the discretion in that respect will be left with the President of the United States. In the pending measure we have provided certain guideposts and directions; but there is no doubt that the farm labor situation, and possibly the situation with respect to labor in some other fields in the economic picture, will require some readjustment of prices. I should not want the country to believe that either the Congress or the administration was satisfied that we can now stabilize prices absolutely at their present level. I am reliably informed that it is hoped with some confidence by those in charge or who will be in charge of the administration of the measure that rises of from 3 percent to 5 percent should be the limit. If we can do that we shall have accomplished a marvelous work in meeting the threatened rise of prices throughout the United States. I shall not go into detail as to how much food costs have risen, or how much costs have risen with respect to uncontrolled prices.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from Oregon.

Mr. McNARY. I hesitate to interrupt the remarks of the able Senator unless it is with his consent.

I was attracted by the statement he made that, in his opinion, prices would not increase more than 5 percent. In what length of time would that be?

Mr. BROWN. I want the Senator to be sure to say that I said they hoped they would not increase more than from 3 to 5 percent, and that that hope was based upon some confidence.

Mr. McNARY. Yes; and let us confine the expression to the word "hope" only, rather than to anything final.

Mr. BROWN. Yes.

Mr. McNARY. How long may that hope continue?

Mr. BROWN. At the time when the price-control bill was passed it was my judgment that rises could be kept within a limit of approximately from 1 to 1½ percent a month, and that was the judgment of the senior Senator from Ohio [Mr. TAFT], who agreed with me in that respect. Based upon my own knowledge, and not quoting the Price Administration in that respect, I should think that if we maintained prices at levels not to exceed 5 percent of present levels for the ensuing year—let us say until December 1943—that would be an achievement. I should not want to predict beyond that time.

Mr. McNARY. Precisely—a very great achievement.

Let me ask a further question. Does that increase of 5 percent as a maximum include increases in farm prices and wages?

Mr. BROWN. We are talking about the cost of living.

Mr. McNARY. Yes; I am, too.

Mr. BROWN. That is the figure, and it seems to me that it covers both farm prices and wages.

Mr. McNARY. So the 5 percent increase as a prophecy includes both farm prices and wages, does it?

Mr. BROWN. Yes; I think so—their effect on the cost of living.

Mr. President, with that brief explanation of the fundamental economics of the situation, I was about to give a statement of the over-all difference between controlled prices and uncontrolled prices. I know that will be the subject of considerable argument later in the debate; but I give the facts as they are presented to us by the Office of Price Administration. Controlled prices from May 15 to August 15 have been held down practically at a level; they have not increased; in fact, there has been a decrease of three-tenths of 1 percent. In the case of uncontrolled food prices—and let it be admitted here that the fact that they are not controlled is not entirely due to a lack of legal authority to control prices—it has been necessary to go beyond the floor, so-called, in some instances. The increase has been substantially 10 percent from May 15 to August 15. That shows the trend, and it is undoubtedly the reason why it is felt by those in charge of the program that we should eliminate the limitations upon the power of the Price Administrator contained in section 3 of the Price Control Act.

Mr. AIKEN. Mr. President——

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Vermont?

Mr. BROWN. I yield.

Mr. AIKEN. In regard to the increase in the price of uncontrolled products, is it not true that the increase has been due partly to the deliberate bidding up of prices by the Federal Government itself in order to secure production? Is it not particularly true in the case of dairy products that the Federal Government deliberately boosted the price of butter because it was not getting enough at the regular prices?

Mr. BROWN. Yes; I assume that may be true.

Mr. AIKEN. That is not due to any lack of authority to control?

Mr. BROWN. Perhaps not. The price control law contains in it directions to the Price Administrator and to the Secretary of Agriculture to permit prices to go up, in fact, to increase prices if it is necessary in order to encourage production, which is, of course, an indication of what policy may perhaps have to be followed on the farm-labor question.

Mr. President, with that brief statement of the economics, I desire to go through the joint resolution and explain its provisions.

Mr. LUCAS. Mr. President——

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Illinois?

Mr. BROWN. I yield to the Senator from Illinois.

Mr. LUCAS. I should like to ask the Senator if he has a chart or table which shows the commodities which are controlled and those which are uncontrolled and the total amount in value of the controlled and the uncontrolled commodities?

Mr. BROWN. My recollection is that there is not a chart but the figures are contained on page 18 and pages 21 and 22 of the hearings. If that is not correct, some of the experts in the Price Administration, who are here, can shortly give the Senator from Illinois the information.

Mr. LUCAS. Will the Senator revise his remarks at the proper time to see that the figures are put in the RECORD?

Mr. BROWN. I think the table on page 18 of the hearings may give the Senator the information he desires, and I ask that it be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD as follows:

Minimum price ceilings for selected agricultural commodities

Commodity and unit	Actual price, Aug. 15, 1939	Actual price, Aug. 15, 1942	Parity price, Aug. 15, 1942	Minimum price ceilings [1]			Percent increase, August 1939 to August 1942	Percent which actual price would have to increase to reach	
				110 percent of parity price, Aug. 15, 1932	Average price, July 1919 to June 1929	Actual price-Dec. 15, 1941		Ceiling under present act	Parity price
Rice, per bushel (cents)	58.9	162.9	123.6	136.0	126.0	*143.9*	176.6	−11.7	−24.1
Wheat, per bushel (cents)	54.5	95.4	134.4	*147.8*	132.5	102.2	75.0	54.9	40.9
Corn, per bushel (cents)	45.7	83.4	97.6	*107.4*	88.9	66.9	82.5	28.8	17.0
Oats, per bushel (cents)	25.4	42.6	60.6	*66.7*	47.4	45.2	67.7	56.6	42.3
Barley, per bushel (cents)	34.5	56.7	94.1	*103.5*	69.3	56.1	64.3	82.5	66.0
Rye, per bushel (cents)	34.2	49.2	109.4	*120.3*	94.7	57.8	43.9	144.5	122.4
Flaxseed, per bushel (dollars)	1.35	2.26	2.57	*2.83*	2.34	1.78	67.4	25.2	13.7
Cotton, per pound (cents)	8.70	18.03	18.85	20.74	*21.47*	16.23	107.2	19.1	4.5
Potatoes, per bushel (cents)	69.1	115.4	108.1	118.9	*124.1*	82.7	67.0	7.5	−6.3
Sweetpotatoes, per bushel (cents)	90.7	137.3	133.5	*146.8*	134.4	86.6	51.4	6.9	−2.8
Hay, per ton (dollars)	6.77	8.89	18.04	*19.84*	13.53	9.43	31.3	123.2	102.9
Peanuts, per pound (cents)	3.39	5.99	7.30	*8.03*	5.83	4.79	76.7	34.1	21.9
Apples, per bushel (dollars)	.66	1.16	1.46	*1.61*	1.46	1.09	75.8	38.8	25.9
Hogs, per 100 pounds (dollars)	5.30	14.13	11.05	*12.16*	9.77	10.32	166.6	−14.0	−21.8
Beef cattle, per 100 pounds (dollars)	6.74	11.30	8.24	9.06	7.18	*9.54*	67.7	−17.3	−27.1
Veal calves, per 100 pounds (dollars)	8.08	12.91	10.26	*11.29*	9.56	11.18	59.8	−12.5	−20.5
Lambs, per 100 pounds (dollars)	7.21	12.07	8.94	9.83	*11.12*	10.13	67.4	−7.9	−25.9
Butterfat, per pound (cents)[2]	22.4	40.6	38.0	41.8	*44.0*	36.0	81.3	8.4	−6.4
Chickens, live, per pound (cents)	13.0	19.6	17.3	19.0	*21.1*	15.8	50.8	7.7	−11.7
Turkeys, live, per pound (cents)	14.3	19.9	21.9	24.1	*25.8*	20.9	39.2	21.1	10.1
Eggs, per dozen (cents)[2]	17.5	32.2	31.7	*34.9*	33.2	34.1	84.0	8.4	−1.6
Wool, per pound (cents)	22.0	39.4	27.8	30.6	34.1	*37.1*	79.1	−5.8	−29.5
Beans, per 100 pounds (dollars)	2.63	4.45	5.12	5.63	*5.77*	4.93	69.2	29.7	15.1
Cottonseed, per ton (dollars)	16.24	44.04	34.28	37.71	36.17	44.65	[3] 171.2	14.4	−22.2

[1] Minimum price ceiling in italics.
[2] Seasonally adjusted.
[3] The minimum ceiling is the approximated price on Oct. 1, 1941, which was 50.36.

Source: U. S. Department of Agriculture.

Mr. BROWN. Mr. President, if Senators care to follow the joint resolution, I will call attention to its main provisions.

Section 1 authorizes and directs that a general order stabilizing prices and wages as of their level on September 15, 1942, shall be issued by November 1, 1942. In order to be fair to both sides to the controversy in regard to wages and farm prices the original contemplation of the proposed legislation was that the order of stabilization should be made contemporaneously or simultaneously, as some Senators indicated. It was felt by the committee that that should be done in a general way, but that that might be difficult for the President, relying upon the Price Administration for a food control order and upon the National War Labor Board and the Department of Labor and other agencies for a wage control order, to do so. Indeed it might not be desirable to have them issued upon the same day. So, after some discussion in the committee, we decided to name a nearby date as a date before which both orders would have to be issued, without requiring that they be issued simultaneously. It may be of interest to note that the date fixed is November 1, 1942.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Ohio?

Mr. BROWN. I yield.

Mr. TAFT. I understand the Senator construes this language to mean that action can be taken in separate orders. As I understood, it must be taken in one general order, which necessarily would cover both wages, prices, and salaries and would be simultaneous.

Mr. BROWN. I think that it should be done in that way, I will state to the Senator from Ohio.

Mr. TAFT. I agree entirely with the Senator. I merely wanted to be sure that that was his interpretation.

Mr. BROWN. I think it should be done in that way; but I do not want to require the administration to issue the orders simultaneously if it thinks it is desirable to make the order with respect to wages and prices on different days, so long as it is done by November 1, 1942. As a matter of practice, in my judgment, it will probably be done on the same day.

Mr. TAFT. My interpretation of the expression "a general order stabilizing prices, wages, and salaries" means one order. Obviously one order must be issued on one day. So that I should think, as the joint resolution is drawn, it would have the effect of requiring a simultaneous dealing with both subjects.

Mr. BROWN. For the reasons I have stated, I do not want to hold the President to the absolute issuance of an order covering both on exactly the same day; I think the general order might be in two sections, one on wages and one on prices; but I think we are talking about something that is not of great moment.

By explicit language directing that wages and prices shall be stabilized as of the September 15 level—and September 15 was adopted because the 15th day of the month is the day on which statistics are issued by various departments of the Government—we tried to make as plain as we could the legislative intent that that level shall be the level of the general order of stabilization.

It is perfectly obvious that exceptions will have to be made. When we did this, we were conscious of the demand on the part of many Senators that there should be a fixing of wages and prices so far as practicable by the Congress and not by the President. We think we have gone as far in that respect as it is reasonably possible to go. It would not be reasonable to freeze everybody's wages and freeze all prices at that level. We would be violating the principles of the Price Control Act, which allows increases in prices in order to encourage production; we would be violating the principle of the Little Steel formula, which is that there should be a general average of wage rates at a figure 15 percent above the level of January 1, 1941, and a tying of the relationship between the cost of living and wages under that formula. Certainly in a great many cases, as the President pointed out, wage contracts and agreements are in existence between employer and employee fixed, we will say, upon the level of wages of January 1, 1940, or any other date between then and now, which did not reflect the increase in the cost of living; and it would be unjust and unfair when other wage increases have been permitted to prevent further consideration by the President of the adjustment of such wages up to the general level laid down by the National War Labor Board. Numerous instances could be given of similar injustices.

Mr. VANDENBERG. Mr. President, will my colleague yield?

Mr. BROWN. I yield.

Mr. VANDENBERG. I should like to ask for an interpretation at this point of the language at the top of page 2, covering the authority to make the adjustments. It seems to me it is a rather strange discrimination when the President apparently can make adjustments with respect to prices, wages, and salaries to the extent that he finds necessary to correct gross inequities, but in the case of increases in these items he must also find that they are necessary to aid in the effective prosecution of the war. My question is, Does this mean that the

President can make adjustments with respect to prices, wages, and salaries, as quoted in the first three lines, solely for the purpose of correcting inequities, whatever they may be, and regardless of their effect on the prosecution of the war?

Mr. BROWN. I will say to the Senator that his colleague accepted that amendment, proposed by the Republican members of the committee, with some reluctance. I was anxious to place a period after the words "gross inequities," or, if we included the phrase "to aid in the effective prosecution of the war," to let it apply to both increases and decreases. That was the idea of the junior Senator from Michigan, who was the author of the bill with the Senator from New York [Mr. WAGNER]; but I was persuaded by the Republicans on the committee to adopt this formula.

Mr. VANDENBERG. I am sitting over here on the Democratic side this afternoon, and I will join my colleague in his view on the subject. I do not think this should be allowed to stand as it is, because if this language means anything at all as it is written today—and I do not see how it could come from the sources the Senator indicates, under the circumstances—it means that the President would have a right to adjust all prices, wages, and salaries in this country solely for the purpose of correcting gross inequities, which means for social-reform purposes, if he desires, regardless of any effect on the conduct of the war. Is not that true? Could he not, under that language, reduce all incomes to $25,000 by Executive order?

Mr. BROWN. I desire to go into that subject later, but it is my judgment that the authority is not contained in a bill which stabilizes salaries as of September 15, 1942.

I will say to the Senator that the representatives of the two large organized labor organizations agreed with that view in the committee. There is subsequently provided in the joint resolution, in my judgment, authority to adjust prices and wages up or down, as will appear a little later during my statement of the contents of the measure. This is one case in which I find myself in agreement with the principle enunciated by my colleague, and it finds him and me joining in opposition to the proposition of the junior Senator from Connecticut [Mr. DANAHER], who proposed the amendment, and the Senator from Ohio [Mr. TAFT], whom I see rising to his feet, who supported it.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. TAFT. Of course, the objection that was made to the original language was somewhat different from that suggested by the Senator from Michigan. The language read that "to the extent that he finds necessary to correct gross inequities or to aid in the effective prosecution of the war." Once we insert the phrase "to aid in the effective prosecution of the war" we open the door, and the sky is the limit. The language is so broad that, in my opinion, it means nothing. If the President could make adjustments where he found it necessary "to correct gross inequities or to aid in the effective prosecution of the war," it would mean that he could reduce prices and wages all he desired just to aid in the effective prosecution of the war. If the word "and" is used, providing that he shall find the step necessary for both reasons, that is, that it will correct gross inequities, and also that it will aid in the effective prosecution of the war, I see no objection to that, if it is thought desirable.

Mr. VANDENBERG. Then everyone would be satisfied, so far as this three-ring circus is concerned, if we took out the words "in the case of increases." Am I correct?

Mr. TAFT. If we changed the word "or" to "and."

Mr. BROWN. That was the point which the junior Senator from Connecticut desired to make perfectly plain—that the President, to aid in the effective prosecution of the war, could let things go up, but he could not let them go down for that purpose, even if it were necessary.

Mr. TAFT. I have serious doubt of the need of granting the President power to reduce at all, but certainly my feeling is that if he could reduce at all there should be placed on that power every reasonable restriction.

Mr. BROWN. I am perfectly willing to give some further consideration to that point because my colleague and I are in substantial agreement.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. AIKEN. I should like to ask the Senator from Michigan if he will explain at this time why the words "and other factors" were deleted from the measure.

Mr. BROWN. I shall be very happy to do that.

Mr. AIKEN. Why does the joint resolution restrict the President to regulating agriculture and labor alone?

Mr. BROWN. And salaries.

Mr. AIKEN. And exempt the other 50 percent of the costs which enter into consumer goods, where much of the saving in consumer costs could be made? I should like to know the reason for deleting these words, and who wanted that amendment made to the joint resolution.

Mr. OVERTON. Mr. President, will the Senator from Michigan yield before he leaves the matter he has been discussing?

Mr. BROWN. I should like to answer the Senator from Vermont.

Mr. OVERTON. I desired to ask the Senator a question with regard to the subject he was discussing with his colleague.

Mr. BROWN. Will not the Senator defer until I make a brief explanation to the Senator from Vermont?

Mr. OVERTON. Very well.

Mr. BROWN. As the joint resolution was originally introduced, the phrase "other factors" was included in it. The Office of Price Administration was desirous of including certain classes of services, and upon inquiry I found that, although they were intending to cover certain personal services, they did not intend to cover fees of doctors, lawyers, and so on, and so forth. I felt that the matter was too inconsequential to justify a distinction of that character.

It was also thought by the Office of Price Administration that there should be an over-all power in the President to put a top on rates charged by common carriers and other public utilities. The junior Senator from Michigan is in agreement with that view of the Office of Price Administration. However, we finally came to the conclusion that it would be best to confine the subject matter to the principal factors in the cost of living, that is, the seventy-five or seventy-six billion dollars in wages and salaries, out of a total of $115,000,000,000, and farm prices, which is by far the next most important factor.

I know that the chairman of the committee, the Senator from New York [Mr. WAGNER], will sustain me in the statement of my view. I did not insist upon a vote. I call this matter to the particular attention of the senior Senator from Nebraska. It was my view that we should include in the joint resolution an over-all power in the President, which I think would be seldom exercised, to put a top on transportation charges and public-utility charges. Knowing that the Senator from Nebraska had in mind the offering of an amendment making such provision, I decided not to make an issue of it in a committee which was getting along pretty well in bringing about general agreement on the part of all those interests which were represented around the table, but to leave that proposition for determination by the Senate, without an express indication of how the committee felt about it. That is why the words "and other factors" were stricken from the bill.

Mr. AIKEN. I thank the Senator.

Mr. OVERTON. Mr. President——

Mr. NORRIS. Mr. President, I should like to ask the Senator from Michigan a question about the matter which the Senator from Vermont brought up.

Mr. BROWN. I yield to the Senator from Nebraska.

Mr. NORRIS. I have had several conversations with the Senator, as he knows, about this particular matter, and I should like to ask him whether he believes the condition which I have been trying to prevent, by the amendment I have heretofore suggested, is completely met by striking out the words which the committee has now stricken out; that is "other factors."

Mr. BROWN. Other factors in the cost of living.

Mr. NORRIS. Does it say that?

Mr. BROWN. "Other factors affecting the cost of living." The Senator will find that in lines 6 and 7, on page 1.

Mr. NORRIS. The Senator will find it again on page 2, line 3. I should like to say to the Senator that I have just written at my desk, and sent to the clerk for printing, an amendment which proceeds on the theory that the committee amendment will be agreed to, but if the words "and other factors" include the power to prevent utility rates going up, either they should be retained in the joint resolution, or some other specific amendment should be added. The

amendment I have asked to have printed, and which will be printed and on Senators' desks tomorrow, proposes at the end of line 6, page 2, to add a proviso, reading:

Provided, That no public utility rates of a common carrier or other public utility on September 15, 1942, shall be increased without the consent of the President.

It seems to me such an amendment would have the same effect as the language stricken out by the committee. That amendment would probably be unnecessary if the Senate does not agree to the committee amendment striking out the words "and other factors", and provided also that the phrase "and other factors" is sufficiently broad.

I offer the amendment because in the act setting up the Office of Price Administration we have left what seems to me to be a loophole. In other words, if we are going to prevent inflation, and do so by controlling various factors which enter into the cost of living, we have to control all of them, or the effort will result in failure. That is the reason we ought to include wages and cost of farm operations, and we ought to include, also, all public-utility rates, because everyone knows that they enter very materially into the cost of living. Yet under the existing law as it now stands, the Price Administrator has no jurisdiction whatever over public-utility rates. If requested utility rate increases are granted the price of water, telephone rates, and price of electric light and of gas, and streetcar fares in various cities will go up. In dozens of cities utilities are now asking for increased rates. Unless we take that matter into consideration, and control utilities also, then any price which is fixed by the Administrator, or, if the measure before us is passed, by the President, will simply not fit into the scheme, and the whole matter will be knocked into a cocked hat. I think we will have to give to whoever is going to handle this matter the right to prevent public-utility rates from going up, because increase in utility rates will mean a rapid increase in the cost of living.

Mr. BROWN. Mr. President, I will say to the Senator from Nebraska that I am in general agreement with his view, and I think his amendment is better than the original language of the measure. I wish to point out, however, and this is probably what is in the mind of the Senator from Ohio [Mr. TAFT] who is on his feet, that public-utility rates are at the present time covered and controlled pretty largely by various public-service commissions, while there is a vast field in the wage structure that is not covered, and there is a considerable field, particularly in the field of the price of food, that is not covered. The Interstate Commerce Commission, of course, has complete jurisdiction over railroad rates. The Federal Power Commission has considerable authority in its field, and I think practically all the 48 States——

Mr. NORRIS. And the one thousand municipalities.

Mr. BROWN. Yes. I think practically every one of the 48 States has control. I understand there are States, however, where telephone rates, for example, are not controlled by any public-service commission, and the reason why I, so far as I am individually concerned, will support the amendment of the Senator from Nebraska, is to cover those cases where there is no present control, or the present control is inadequate, and to establish a general over-all policy of no rises beyond September 15, 1942, except in the case of gross inequities, as the phrase is in the bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. TAFT. Those who objected to the phrase "other factors" had no particular matter in view, but objected to the generality of the language, which may include everything one can think of, and many things one cannot think of. There is hardly a thing in the United States which does not affect in some way the cost of living, and I hope the Senator from Nebraska will pursue his policy of offering particular amendments on particular subjects.

For instance, on the question of railroad rates, if it should be proposed to give the President power to supersede the Interstate Commerce Commission and go into the business of regulating all railroad rates, I think I should oppose such a proposal. On the other hand, if it should be proposed that in that case the Interstate Commerce Commission should not act to increase railroad rates without the President's approval, I think I would support such a proposal. As I heard the amendment of the Senator from Nebraska, I understood it to read that no public-utility rates should be increased without approval of the President. On the other hand, it seems to me unwise, where these things are already regulated, to give the President power to step in and decide the whole thing, and reduce, under provisions of this measure, various rates in different places. I think that would be a mistake.

As I say, fundamentally, I think that those who wanted this language taken out were not objecting to any particular matter, but felt that each thing should stand on its own feet, and, if we were to deal with it, we ought to deal with it specifically, and not in general language which could extend to everything one can think of, such as, for example, insurance and rates of interest. There is hardly a single transaction of any kind that would not fall under this provision. I may say that the use of the word "prices" used generally here, and not tied down to the definition of the Price Control Act, may well cover utility rates, the price of electricity, the price of gas, and the price of water. I do not know. But I see no objection to the——

Mr. NORRIS. I think they ought to be covered. That is all I care for; that they be covered.

Mr. BROWN. Mr. President, in line with what the Senator from Nebraska has said, I may add that it was felt by the committee that the words "and other factors" affecting the cost of living were pretty broad, and would bring in the services of a great many people, whose effect upon the cost of living is inconsequential. Therefore, I think the amendment which the Senator from Nebraska proposes is better than the committee amendment to cover the rather large field of public-utility rates.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. AIKEN. Since my question seems to have precipitated the discussion of public-utility rates, I should like to explain that that was not the thought behind my question at all. The measure as reported by the committee proposes to regulate labor and farm prices alone, whereas 50 percent of the cost entering into consumer goods lies in the distribution and the merchandising, rather than in the labor and raw material costs. So far as I can see, with the words "and other factors" stricken out, there is no control over the distribution costs. For instance, the New York City consumer of milk now pays, I believe, 18 cents for a quart of milk which brings the producer somewhere between 4½ and 5 cents. That 4½ to 5 cents would be controlled. Yet the 13-cent spread goes uncontrolled under this measure It seems to me that if its purpose is to control the cost of living, those factors ought to be considered, and language dealing with them should be placed somewhere in the bill. I do not know just what the right wording would be.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. TAFT. Those factors are in the bill. The Price Administrator can tell milk dealers the price at which retail milk can be delivered.

Mr. AIKEN. I will say to the Senator from Ohio that I do not question that, but it is the method of distribution which makes milk so expensive at the present time. When there are six milk wagons covering one street in the morning the customer is made to pay for that method of delivery, or it will be taken out of the farmer. When deliveries of milk are ordered to be made every other day, and the milk wagon drivers say, "Yes, we will make deliveries every other day, but you are not going to lay off any of us, or reduce our pay," that is a factor which ought to be controlled.

Mr. TAFT. Mr. President, the matter of wages is covered in the measure. If there are too many milk wagons, the distributors can be ordered to get rid of some of them; otherwise they will go broke. It seems to me the matter of distribution is covered in the measure.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. LUCAS. I call the Senator's attention to the language on page 1, lines 7 and 8, as follows:

Except as otherwise provided in this joint resolution, such stabilization shall, so far as practicable, be on the basis of the levels which existed on September 15, 1942.

Am I to understand that that language is to be liberally construed to the end that the President, for instance, could go back

of September 15—a number of days or months in order to fix a salary or a wage or a price?

Mr. BROWN. Yes; in section 3 of the bill specific reference is made to that proposition. If the Senator will permit me to explain section 2 briefly, then we will go into section 3, which I think is of considerable importance.

Section 2 merely authorizes the President to use existing agencies in carrying out the provisions of this measure, and contains a specific power to suspend, as may be necessary, section 3 of the price-control measure insofar as it relates to the four ceilings, which were placed in the original price-control bill—110 percent of parity, the 1919 to 1929 period, the October 1, 1941, or December 15, 1941, limitations.

The President may suspend those limitations, which are in reality the substance of the measure insofar as it relates to agriculture.

Section 3, to which the Senator from Illinois alludes, contains the limitation on the power of the President with respect to farm prices. He may in no event go below parity. I wish to put a period right there on that sentence. In no event may he go below parity in fixing prices.

Second, he may not go below the market price received by producers—that, generally speaking, means the farmers—for commodities between January and September 15 of this year, with the right in the Secretary to adjust for grade, location, and seasonal differences. I wish to make plain to the Senator that the second limitation is subject to the "gross inequity" exception. Clause 1, parity, is not subject to the gross inequity provision. Clause 2 is. If a price is grossly inequitable the President will not be required to follow strictly the injunction in clause 2 on page 3.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. LUCAS. The Senator spoke of the market price. I notice that the word "market" is stricken out.

Mr. BROWN. I misspoke myself. I meant the highest price received by producers.

Mr. LUCAS. Does that mean the highest prices in the various communities?

Mr. BROWN. Adjusted for grade, location, and seasonal differentials. I believe that that formula is very well understood in the Department of Agriculture. I know it is very well understood by the Senator from Alabama [Mr. BANKHEAD], who is interested in that question. That phrase is in practically all legislation relating to this subject matter.

The subsequent part of section 3 merely relates the processed article to the raw commodity.

With respect to the language on page 4, lines 3 to 13, I should prefer to leave that for later discussion, because it is the committee's compromise of the difficult and vexing question of farm labor. That language was written by the senior Senator from Wyoming [Mr. O'MAHONEY] as his judgment of a fair compromise on the question of farm labor, and the committee adopted it just as he wrote it. I believe consideration of it should be deferred until we discuss the amendment which is to be offered by the Senator from Oklahoma [Mr. THOMAS].

Section 4 applies, as nearly as practical, the same limitations on the President with respect to wages and salaries as are contained in section 3 with respect to farm prices. In substance, it preserves for labor the provisions of the Fair Labor Standards Act relating to minimum wages, hours, and so forth and the right of collective bargaining contained in the National Labor Relations Act, and provides that the President may not reduce wages below the wages paid, at the highest level, between January 1 and September 15, 1942, unless he finds that those wages are grossly inequitable. We selected the phrase "gross inequities" to control the action of the President and confine it to those cases in which great injustice is done, and in which a gross difference between one wage and another exists.

Section 5 fills in the gap which now exists with respect to wage controls. The Senator from Ohio [Mr. TAFT] and myself have on numerous occasions—usually in his speeches and my interruptions of his speeches—called the attention of the country to the fact that there is a twilight zone where there is no authority on the part of the Government to control wages. That is in the field in which employer and employee themselves agree on a wage schedule. Under existing law, whenever a dispute arises the War Labor Board can take care of the situation. However, let us assume—and I believe such cases are very few in number—that some Government contractor should get together with his employees and mulct the Government by paying excessively high wages; and suppose that situation should escape the attention of the War Department, the Navy Department, and Mr. Nelson's department. Such a situation might result in wages which could not be controlled by any authority of law now existent. So we say that—

> No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution.

The Senator from Georgia [Mr. GEORGE] might be interested in lines 10 to 15, on page 5, because they enter the field of taxation. The language provides that if wages are paid in contravention of section 5, they may be disregarded by the tax authorities of the United States in allowing deductions for wages paid. Similarly, excess wages will be disallowed as costs both by the procurement and price-control agencies of Government. Senators will realize that these are pretty strong penalties.

Subsection (b) makes all persons who violate the provisions of a regulation under this joint resolution subject to a fine of not more than $1,000. No imprisonment is provided.

Section 6 relates to the termination date, which is highly important. The over-all date is June 30, 1944, a year from next June. The custom of Congress in providing for termination by Presidential proclamation is also followed in the joint resolution; and, finally, there is a provision in the joint resolution to terminate it by concurrent resolution of the Congress. Some constitutional lawyers do not agree that we have such power, but the power is contained in a provision in the joint resolution. I believe everyone knows what that means; but I think I ought to say for the RECORD and for the press that if a majority of the Senate and of the House should adopt such a resolution, the act would be terminated. If that power is constitutional, we could terminate the act the day after it was enacted. I know that the Senator from Iowa differs with me on that proposition. I shall not enter into the constitutional argument. However, that power is contained in the joint resolution; and, of course, it has plenty of recent precedents in statutes which we have enacted.

Section 7 (a) extends the life of the Price Control Act for 1 year, from June 30, 1943, to June 30, 1944. So far as I recall, there was no objection whatsoever in the committee, and I have heard no objection on the part of any Member of Congress to such extension. The original termination in the Price Control Act probably allowed too short a period.

Subsections (b) and (c) are formal only and for purposes of administration. They confirm and relate to existing price control regulations and orders. I should add that in my judgment, and I feel sure that the committee concurs, the same result would obtain even without these sections. Existing regulations and orders would remain unaffected by this resolution, and future regulations and orders, pursuant to this resolution, will be subject to the standards, specialized procedures for administrative and judicial review, and penalties of the Price Control Act.

With respect to sections 8 and 9, I do not desire now to make a statement upon that subject matter, except to state what the sections contain.

Sections 8 and 9 contain a mandatory direction to the Commodity Credit Corporation to increase loans on basic commodities and commodities which are the subject of encouragement by the Secretary of Agriculture for war production. Sections 8 and 9 would increase the authority under existing law by 5 percent, from 85 to 90 percent. In the committee, as well as in the Senate, that is a very controversial matter, and will doubtless be thoroughly discussed subsequently on the floor of the Senate.

Section 10 is of no major importance. It merely provides that wages and salaries shall include bonuses, which are ordinarily paid in December, during the Christmas season, when adjustments of wages are made on the basis of profits. Pensions are often granted, and gifts of insurance are often made. That custom or practice is approved, and the President is directed to take such additional payments into consideration in determining the level of the September 15, 1942, wage. Personal services, of course, mean those services ordinarily rendered by an employee to his employer.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from Texas.

Mr. CONNALLY. I do not wish to interrupt the Senator. He stated that he wished to proceed without interruption.

Mr. BROWN. I will say to the Senator that that prohibition no longer obtains.

Mr. CONNALLY. Does the Senator believe that under the terms of the joint resolution the President could change the rate of salary of a State or Federal official, whose salary is fixed by law?

Mr. BROWN. No; I believe not.

Mr. CONNALLY. Neither upward nor downward?

Mr. BROWN. That is correct.

Mr. CONNALLY. I believe that is the correct view. Salaries which Congress has fixed by law certainly should remain unchanged until the Congress itself changes them.

Mr. BROWN. The joint resolution contains no authority to change such salaries.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. TAFT. Is it not fair to say that no statutes can be set aside under section 2 of the bill, in lines 18 and 20 on page 2?

The language reads:

> The President * * * may not under the authority of this joint resolution suspend any other law or part thereof.

Consequently the provision is not a general one relative to salaries; it applies to all congressional action.

Mr. CONNALLY. That may be.

Mr. BROWN. Let me say to the Senator from Texas that I think we have taken care of the matter to which he called my attention in connection with a letter received from a constituent of his in Texas. In other words, he moved the somewhat slow and laborious machinery of legislation sufficiently to get his ideas written into the measure.

Mr. CONNALLY. I thank the Senator.

Mr. BROWN. Mr. President, that is all I have to say on the subject matter of the joint resolution unless some other Senator desires to ask me some further question.

Mr. GILLETTE. Mr. President, I should like to ask a question, if the Senator will yield to me.

Mr. BROWN. I yield.

Mr. GILLETTE. The penalty provision, on page 5, of course, is limited to the violation of regulations relative to wages and salaries. Is it the thought of the framers of the pending legislation that the Price Control Act now on the statute books carries a penalty provision sufficient to meet other violations of regulations?

Mr. BROWN. I think it does. It was intended to, and the language is plain. In addition, as the Senator well knows, there is available in the United States Code a rather severe penalty which takes care of any violations of any acts of Congress for the violation of which no punishment is otherwise provided.

Mr. GILLETTE. Mr. President, if the Senator will yield further, let me say that it was because of the severity of the provision to which the Senator has referred that I wondered about the matter.

Mr. BROWN. Of course, the penalties for violations of price-control regulations are rather well worked out and are available under the pending joint resolution.

Mr. President, I shall conclude by saying that it is my judgment that the joint resolution would give the President substantially the authority for which he asked in his message; and if the resolution be agreed to substantially as drafted, I think it will give the administrative authorities all the legal authority which can be given them or which they desire in order to do the job as they want to do it.

I conclude with a word of caution to the effect that this is not a matter in which legal authority can do anything more than assist in solving the tremendous problem of the rising costs of living.

Mr. DAVIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Michigan yield to the Senator from Pennsylvania?

Mr. BROWN. I yield.

Mr. DAVIS. I was out of the Chamber for a part of the time during which the able Senator was presenting his statement on the joint resolution. I should like to ask him whether there is to be a ceiling on the prices of all commodities, on farm prices, and on wages and salaries.

Mr. BROWN. Yes; the joint resolution very generally would stabilize prices and wages as they existed on September 15, 1942, with authority in the President of the United States to correct "gross inequities," as we say—glaring injustices in either prices or wages—and with power, where it is necessary to the effective prosecution of the war, to let both wages and prices go up.

Mr. DAVIS. I should like to have the opinion of the Senator regarding the use of the words "gross inequities."

Mr. BROWN. We strove to find a phrase which would enable the President to stick as closely as reasonably possible to the level of September 15, 1942. We wanted to confine him to allowing increases or decreases only in those cases in which great injustice would otherwise be done. I shall give the Senator one example which we had in mind, an example which I previously gave to the Senate: Let us suppose that a contract between an employer and his employees had been made in 1939 to cover a 4-year period, and that despite the rise in the cost of living the laboring people have stood by their contract and have continued to work at the wage level as of 1939. In that kind of a case, if that contract extended over September 15, 1942, we think that the President should have the right to correct that inequity, because those wage workers are entitled to higher wages. They based their wages on the 1939 cost of living, and they are entitled to base their wages on the cost of living as of September 15, 1942.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. LANGER. What the Senator has said is true insofar as organized labor is concerned; but what about unorganized labor?

Mr. BROWN. The President would have the same power to take care of unorganized labor. The committee hearings and the committee reports very clearly set forth that point. Let me say to the Senator that in the case of the vast number of people whose wages lag behind, let us say, the Little Steel formula, they will have the right to ask that their wages be brought up to that general level.

Mr. LANGER. Let us take for example a man who works in the dairy of a North Dakota farmer or a man who works in the harvest field. Is it the purpose to let the President raise his wages also?

Mr. BROWN. Yes; I take it that we shall quite fully discuss that point when the amendment offered by the Senator from Oklahoma is under consideration. We hope that Congress will adopt the plan that the President shall, in fixing the prices of farm products, take into consideration the increased cost of farm labor to the farmer, and that he shall establish his ceilings upon farm labor so as to prevent any gross inequity from being done to the farmer.

Mr. LANGER. What about farm machinery?

Mr. BROWN. We did not cover that subject. I presume that the phrase "other costs," which is contained in what I call the O'Mahoney amendment, would cover the matter of farm machinery. We say, "farm labor and other costs." The President is directed and authorized to take those matters into consideration.

I do not want to argue that question now, because undoubtedly my good friend the senior Senator from South Carolina and his committee will bring before the Senate an issue of that kind, and at that time we shall go more fully into the matter.

Mr. JOHNSON of California. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. JOHNSON of California. What does the Senator mean by the term "gross inequities"?

Mr. BROWN. I explained that to the Senator from Pennsylvania by saying that I should say a gross inequity existed when a wage agreement had been made some 3 or 4 years ago and had been adhered to by labor and management, although the cost of living had increased during the intervening period, as we well know it has. Under such circumstances the wage earners should not be held to the 1939 level of their wages.

Mr. JOHNSON of California. I can readily understand that, and the justice of it appeals to me. However, what is the Senator's plan with respect to the farmer?

Mr. BROWN. Let me say—and I know that my friend the senior Senator from South Carolina will point this out—that if the farmer is faced with a large increase in the cost of farm labor to him, I think the President in fixing agricultural prices must take into consideration such an increase. I think the President must do so first, because it is just, for

otherwise it would be grossly inequitable—and we provide for that in the O'Mahoney amendment—and, second, because it is essential to the production of agricultural products, and, of course, their production is most essential to the successful prosecution of the war. I think that is the kind of inequity which would give the President the right to let farm prices go up in that instance, and I think he would be required to let them go up in that instance. I know that my good friend the senior Senator from South Carolina will say, "Well, we would be satisfied if we were administering it, but we shall not be satisfied if the President is administering it."

Mr. SMITH. Mr. President, if the Senator will yield, since I have been referred to, let me say that I think it is the duty of Congress definitely to state limitations, and not to leave the matter to the discretion and judgment of outside sources.

Mr. BROWN. I know that is the view of the Senator. However, I believe we have established fairly good guideposts in the pending measure.

Mr. JOHNSON of California. Mr. President, will the Senator yield further?

Mr. BROWN. I yield.

Mr. JOHNSON of California. Does the Senator think he provides a guidepost regarding the interpretation of the phrase "gross inequities" when he leaves the determination of the matter solely to the discretion of one man?

Mr. BROWN. I find it difficult to answer that question. The President is the only man to whom we can leave it. Certainly we cannot sit here as a court or an administrative body and let wages and prices go up or down; and certainly I think it would be illogical to write a further, definite, inflexible, unmovable rule.

Mr. JOHNSON of California. That may be.

Mr. BROWN. I think we must leave it to the President and to those to whom he may delegate it.

Mr. JOHNSON of California. The Senator proposes to leave it to the Administrator, as he says. The Administrator would have the uncurbed discretion to do as he might see fit.

Mr. BROWN. I do not agree with the Senator.

Mr. JOHNSON of California. Why not?

Mr. BROWN. Because the Administrator would be required to maintain farm prices as of their level of September 15, 1942, or the highest point which they reached from January 1, 1942, to September 15, 1942—which is a little helpful to cotton, let me say, and was put in, in part, for that reason. That is the Administrator's general standard. If he finds that in order effectively to prosecute the war it is necessary to let farm prices go up, or if he finds that the farm-labor problem, which is a tremendous problem, and I admit that, or other farm costs make it impossible for the farmer to produce his goods at a reasonable margin of profit, then, in my judgment, he is not merely authorized but is required to take that additional cost into consideration.

Mr. JOHNSON of California. The language is transformed so as to provide a distinct requirement, when there is no such requirement in it. Is not that true?

Mr. BROWN. I do not like to argue the question on the assumption that the President is going to be unfair.

Mr. JOHNSON of California. Oh, no; there is no use of the Senator's and my arguing, because he has talked for a long time today, and, doubtless, he is tired and weary of the whole subject.

Mr. BROWN. No. I always enjoy any ideas the Senator from California presents.

Mr. JOHNSON of California. I have no ideas on the subject, but this language certainly is peculiar. It is such as would leave it in one man's hands to determine what is meant by the requirement.

Mr. BROWN. The joint resolution reads:

> That modifications shall be made in maximum prices established for any agricultural commodity * * * in any case in which it appears that "such modification is necessary to increase the production of such commodity for war purposes, or in which it is satisfactorily shown that by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities."

The President is authorized to make such modifications. In such a case, if the facts are presented to a responsible Government official and, if in his judgment those facts exist, then he has no discretion. He has discretion to determine whether the facts exist.

Mr. JOHNSON of California. But the proposed law gives him discretion in the first instance.

Mr. BROWN. No; the Senator is wrong about that. If the facts exist then he shall make the modification.

Mr. JOHNSON of California. But he is to determine.

Mr. BROWN. I do not know how we could operate a democracy in any other way.

Mr. JOHNSON of California. We could certainly operate a democracy in some other way than to permit one man to determine questions of great importance to a large section of the community.

Mr. BROWN. I think it is utterly impossible for Congress to lay down any other rule.

Mr. JOHNSON of California. I am not speaking of Congress for the moment, but it must be possible to prescribe some rule of action which may be fulfilled, and that such rule of action, when it is fulfilled, will constitute a standard and guide. To say that one man shall determine the question involved, that he shall determine whether inequity exists, and the like, puts everything in the hands of one man.

Mr. BROWN. How would my friend from California do it?

Mr. JOHNSON of California. I do not know; I am not pretending to say how I would do it. I would do it in a way different; there is no doubt about that.

Mr. BROWN. I do not doubt the Senator's statement.

I have asked the same question several times in the Banking and Currency Committee of some who took the view of the Senator from California, and, while the junior Senator from Connecticut [Mr. DANAHER] has an amendment he intends to offer, this is the best thought that comes from a great majority on both sides in the Banking and Currency Committee, Republicans and Democrats, majority and minority alike, upon the subject matter.

Mr. JOHNSON of California. It seems to me the question might just as well be left in abeyance as to say that when the President thinks a gross inequity will result he may do as he sees fit.

Mr. BROWN. No; I think the term provides a sufficiently definite standard.

Mr. JOHNSON of California. He may go in such direction as he sees fit.

Mr. BROWN. That is all I have to say upon the subject.

Mr. JOHNSON of California. I beg the Senator's pardon for bothering him.

Mr. BROWN. The Senator has not bothered me at all.

Mr. JOHNSON of California. But this particular language in this portion of the joint resolution struck me as being so peculiar that I could not follow it; that is all.

Mr. THOMAS of Oklahoma. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oklahoma?

Mr. BROWN. I yield.

Mr. THOMAS of Oklahoma. Before the Senator from Michigan takes his seat, let me say that I have offered an amendment to the paragraph on page 4, at the end of line 13. I have an engagement of several days' standing which I must fill immediately. I do not expect to be absent from the Senate Chamber more than perhaps an hour or an hour and a half. I do not wish to be precluded from offering my amendment, so I ask the Senator from Michigan, in charge of the bill, if it will be agreeable to consider the other amendments first and then let my amendment wait until later, so that I will be sure to be present?

Mr. BROWN. The Senator's amendment has to do with his farm-labor parity amendment?

Mr. THOMAS of Oklahoma. Yes.

Mr. BROWN. So far as the Senator in charge of the bill is concerned, that is satisfactory to him.

The PRESIDING OFFICER. The Chair will state that an order has already been entered that committee amendments shall first be considered.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from North Dakota.

Mr. LANGER. The President must have figured out some way to carry out this act if it is passed. Is not that correct?

Mr. BROWN. Yes.

Mr. LANGER. I have offered an amendment asking that the President transmit to this body a statement showing the method he will follow in fixing

wages, salaries, and prices. Is there any objection to having such information sent in before the 1st of October?

Mr. BROWN. I am afraid, I will say to the Senator from North Dakota, that would be a very difficult way of legislating, to ask the President what he is going to do under certain powers granted him before he takes action. I do not think I could agree to such an amendment. I am sorry; but very definite guideposts are laid down in the joint resolution and limitations beyond which and below which the President may not go. I think that is the best we can do under the circumstances.

Mr. LANGER. Is it not true that under this joint resolution the President can have one board, for example, having to do with wages and another board having to do with prices?

Mr. BROWN. Yes; he could.

Mr. LANGER. Why should not the same board handle all such questions?

Mr. BROWN. That would require a new administrative set-up. The power is lodged in the President and undoubtedly would have to be cleared through his office. I should not want to attempt by legislation to create an over-all board.

The PRESIDING OFFICER. The clerk will state the first amendment reported by the committee.

The first amendment reported by the Committee on Banking and Currency was, on page 1, line 4, after the word "directed", to strike out "to stabilize" and insert "on or before November 1, 1942, to issue a general order stabilizing."

Mr. O'DANIEL. Mr. President, during June, July, and August of this year I traveled over the great State of Texas, visiting hundreds of towns and cities and visiting in the rural districts. I spoke to about 800,000 people personally, in addition to other thousands on the radio. I found that the thing uppermost in the minds of all classes was the winning of this terrible war. I found almost everybody back of the war effort to the last dollar, and the last man. I found amazement and downright resentment relative to the confusion and muddling of important domestic problems by some of our numerous Washington bureaucrats.

In addition to war worries, their next big worry is the fear of losing our American form of representative democracy. Recent events have increased their fears along this line.

I want to state plainly that it is my opinion that any basic change in our form of government should be accomplished only by the action of the majority of our citizens. Until such action by the people has been taken, I intend to continue to discharge my duties as a United States Senator in strict accordance with our Constitution. It may be that I do not have in my possession a late, revised copy of the Constitution of the United States, but, according to the copy which I do have, the authority to make laws still rests in the hands of the legislative department of government and not in the executive department of government.

I reiterate what I have often said before, Mr. President, that in the case of war measures I intend to support our President 100 percent, whether I think he is right, or whether I think he is wrong, because the sovereign voters of our Nation elected him as our Commander in Chief and all the duties and responsibilities of that office rest exclusively upon his shoulders; but when it comes to domestic matters I intend to contend for what I believe to be right and for the best interest of our people. On both war measures and domestic measures I intend to uphold and defend the Constitution of the United States of America.

There may be cases where a fine line separates war measures from domestic measures. Some purely domestic measures may have some bearing on the conduct of the war. In fact, almost everything we now do has some bearing on the war, but that does not necessarily mean that every piece of legislation is a war measure. We still have before us for consideration the broad subject of price control. Price control bears some relation to the war, but I do not consider it exclusively a war measure. We could fight a foreign enemy whether we had price control or not.

When the question of price control legislation first came before the Senate, I expressed the opinion that I doubted the advisability of attempting to prevent inflation and maintain a fair level of prices by the method then proposed in the price control bill. I stated at that time that I would oppose the price-control bill unless provision were made to take out of the bill some features which it then contained, which, in my judgment, I believe to be absolutely unfair to the great agricultural classes of this Nation. I then expressed the opinion that if we undertook to control prices by vesting the power in some governmental bureau, we had as well recognize that before the thing was over, it would be necessary not only to control the prices of a few things, as then proposed, but to control the price of everything. I expressed the opinion then that to inaugurate a system of controlling prices through orders issued by some Government bureau would result in building one of the largest departments the Government had ever had, and that this department would absolutely hold the power of life and death over all American business.

Incidentally, it also has its political implications and dangers.

I expressed the opinion that if, instead of attempting to control prices by bureaucratic board orders, we would proceed to pass an adequate tax bill and allow the Government to recapture all excess earnings of corporations and all excess earnings of individuals, we need not have any grave fears, at least for the immediate future, insofar as inflation was concerned. But the Congress decided to proceed with the consideration of the price control bill, and I joined with others in an effort to so amend the bill as to take out of it some phases which I deemed most unfair to agriculture, and when this was accomplished, I voted for the price-control bill.

Another reason why I hesitated in the beginning to give my approval to the general idea of controlling prices by Government order was that I thought I realized then the vast undertaking which we had ahead of us if we sought to proceed along this route, and I also thought I knew something about the tremendous hazards which come to all lines of business and industry, including agriculture, when there is vested in one governmental agency the power to do all these things.

We today face the situation of Congress having been told by the President that it is absolutely necessary to immediately establish control over all agricultural prices in order that a period of ruinous inflation may be avoided. I am in full agreement with the idea that whenever the Government sets out on the task of controlling prices by Government order, it inevitably reaches the place where it must control all prices of both goods and services, and it must at the same time control the price of all labor that goes into these goods and services.

We are now told that the prices of all goods and services must be stabilized. We are told that a ceiling must be fixed on the prices of all agricultural commodities. It seems to me, however, simple justice requires that in any effort to stabilize prices the farmers, the cattle raisers, the sheep and goat raisers, the dairymen, poultry raisers, and those who produce fruits and vegetables, should be given a fair deal.

It seems to me that if our Government is to engage in picking out certain segments of our population and become the guardian of their personal welfare, it should, as time goes on, extend the service, with the idea in mind of eventually becoming the paternal guardian of the personal welfare of each and every segment of our population. Of course, such a policy pursued to its fullest extent would mean state socialism, and pursued only partially would mean class favoritism. I am opposed to such a course, followed either partially or fully. Nevertheless, we have already embarked on such a course. The question before us now is whether we shall expand our activities along this line. Let us see what has already happened.

All Senators are familiar with the fact that there has been set up by Executive order the War Labor Board, and I am sure they are reasonably familiar with most of the decisions which this Board has rendered. One thing stands out in the decision of this Board on the question of wages; that is, generally the stabilization process, when worked out according to their formula, has been, in many cases—in fact, in most cases—a process of wage increases. It is true that in a number of cases wage increases have been denied, or possibly better described as postponed, but in most cases they have been granted. It seems that they have adopted a somewhat general policy, first, of equalizing wages as between wage earners in different industries; second, of giving wage increases of about 15 percent, on the theory that the cost of living has advanced approximately that amount.

If we have adopted this policy toward wage earners, why not consider adopting the same policy toward farmers, inasmuch as they are in fact also wage earners? If we apply this theory to agriculture, then I think we must reach the basic conclusion that before we at-

tempt by law to stabilize agricultural prices we must first equalize the earnings of those who are engaged in farming, livestock raising, and other agricultural pursuits with the earnings of other groups of our citizens who are engaged in other lines of business and industry.

Right here let us consider the relative position of farmers as compared to nonfarmers. In giving this farm matter consideration, let us eliminate from the discussion the deceptive and misleading words "parity prices." I say "deceptive" and "misleading" advisedly, because the average citizen listening to a discussion of farm prices would naturally construe the phrase "100 percent parity price" to mean a fair price and would construe "110 percent parity price" to be excessive. The real fact is that if farmers receive "100 percent parity prices" their per capita income is approximately only 26 percent of the per capita income of nonfarmers.

According to the United States Department of Agriculture, Bureau of Agricultural Economics, as published in July 1941, the per capita income of our farm and ranch population was $183. This included all cash income, including Government payments. It made allowances for the value of the homes used by the farmers. It even charged the farmers with the value of that part of their own crops which they consumed. For the same period the per capita income of our nonfarm population was $700. That means that the per capita income of farmers is approximately 26 percent of the per capita income of nonfarmers.

Surely, Mr. President, very few people would be so unreasonable as to contend that the prices of farm and ranch products should be frozen at a level which would sentence that important segment of our population to a life of drudgery from 10 to 12 hours per day at only approximately 26 percent of the per capita income of our nonfarm population. One hundred percent parity prices mean substantially such a sentence. Not only has our farm population been reduced to peonage existence, but, Mr. President, statistics published by the United States Department of Commerce show that during the past 20 years the equity owned by our farm population in their farms, ranches, stock, and equipment, has been reduced from $68,000,000,000 to $33,000,000,000. Thus we have the double ghastly calamity of seeing our farm population receive only approximately 26 percent of the per capita income of our nonfarm population, but at the same time we see these farmers lose more than half the capital, or equity, they held 20 years ago.

Mr. President, in my opinion this farm situation presents a most serious and alarming problem. Perhaps we will learn, all too late, that instead of Congress now considering ceilings for farm and ranch products, we should be adopting means of averting a serious food shortage. Texas is the largest agricultural State in this Nation, and conditions there are grave and serious indeed. We also have large ranches capable of producing livestock. We hear a great deal of talk about the tremendous increase in the price of livestock, but the figures of the United States Government itself show that the value of all farm animals on the farms of this Nation in 1941 was $3,000,000,000 less than the value 20 years ago. With farming and ranching in this impoverished condition, and the per capita income of farmers approximately only 26 percent of the income of nonfarmers, we are now giving consideration to freezing this disparity permanently.

If we consult any available statistics we find virtually the same glaring differences between farm workers and factory workers. I hasten to say, Mr. President, that I am not complaining that factory wages are too high. I am merely drawing comparisons to show the deplorable wages being received by our farm population.

A few days ago I was reading a bulletin entitled "Three Decades of Farm Labor," issued by the Bureau of Labor Statistics, and it contains this rather startling statement:

> The equity which farmers own in lands which they cultivate has gradually, year by year, been decreasing until today they have an equity of less than 40 percent in these farms.

It also carries the statement that in 1938 the average annual wage of farm workers was only 27 percent of the average wage of factory workers. According to figures of the United States Department of Labor in July 1941, the average wage paid to farm laborers per month was $45. This wage, on the average, has increased some since that time. If we take all manufacturing industries, both the high wage and the low wage industries, and average them, we find, according to figures given in the Monthly Labor Review of August 1942, that the average earnings in all manufacturing plants was $144 a month. In other words, it was three times the earnings of a man working on the farm.

The recent Handbook of Labor Statistics issued by the Department of Labor shows that a study of 117 occupational groups of employees employed by the Federal Government indicates that they earn an average of $156 a month—almost four times the average earnings of the man employed on the farm. Look where we will, make any comparison we desire, we reach an inescapable conclusion, that those employed on the farms, ranches, and dairies of this Nation, even with the increased prices they are now receiving for what they produce, are still living on a starvation income.

As I have already stated, since we have started out on the plan of regulating by law the prices of commodities, I realize, of course, that it is inevitable that we must regulate the prices of all commodities, of all services, and all earnings, and since that division of the Government which thus far has been entrusted primarily with responsibility for the question of wages—the War Labor Board—has laid down as one of the basic principles upon which it operates, an equalization of earnings within industries and a recognition of the factor of the cost of living in determining wages, it seems to me we must in simple justice, in considering any legislation designed to stabilize farm prices, take into consideration the present per capita earnings of those of our citizens who live on the farms.

I think it is essential that we do this to secure justice to this group of our citizens, and if we fail to do it, the ranks of those now engaged within the field of agriculture will constantly be depleted by a drift of all available farm labor, both old and young, male and female, to other industries with the ultimate result that we may face not a local but a general shortage of all the products of agriculture and livestock raising throughout the Nation, which means that we may face a shortage of something to eat and something to wear.

If the war is to be fought to a successful conclusion, certainly it is imperative that we maintain at a high standard the ability of those who are engaged in the livestock industry, the dairy industry, and general farming to produce for the Nation and our Allies those things which we must have. The State of Texas produces more wool than any other State in the Union; and we produce more mohair than all the other States in the Union. Texas is one of the large producers of beef cattle. We are developing large dairy herds, and at the request of the Government we are increasing the production of hogs. We are producing a large portion of the citrus fruits grown in this Nation. We produce large quantities of vegetables which are canned and shipped out of the State. Therefore, Texas has a broad, general interest in every phase of this great agricultural situation. But the citizens of Texas do not desire to be rated as a favored class, neither do they desire to be rated as a class to be discriminated against.

By what system of reasoning do we arrive at the conclusion that the Federal Government should pass a law and set up the National Labor Relations Board, as it did long before the war started, and use this Board, as it has, primarily for the purpose of furthering the unionization of industry on the theory that this would be beneficial to the employee, and then pass a wage-and-hour law designed, as the law states, to raise and equalize the standard of living in all industries, and then in the war emergency appoint a War Labor Board which has assumed the authority to direct industry to increase wages on the theory that it was necessary to equalize earning power?

I say, by what theory can we do all these things and then deny that this same Government of ours has the responsibility to equalize the earnings of those engaged in various fields of agriculture with those engaged in other lines of work? By what theory can we arrive at the conclusion that the average employee in the factory should earn $144 per month for working about 8 hours a day and that the average man employed on the farm should earn $45 per month for working 10 or 12 hours a day? Regardless of how we compare earnings, whether it be to compare the earnings of the owners and operators of farms or to compare the earnings of day labor or of monthly labor employed in agriculture with earnings of persons employed in other lines of work, this great discrepancy in earning power still exists. To my mind, one of the

greatest problems which faces the Nation today is the problem of putting agriculture on a fair basis of earning power with other lines of business and industry. It serves no purpose to talk about how much the earning power of agriculture has increased due to the increase of prices of farm commodities, because even with this increase the average worker on the farm today, or the average owner of the farm today, is earning approximately 26 percent of what is earned by similar effort in other lines of endeavor.

It may be contended that this is no time to undertake to equalize and to increase the earning power of our citizens. It may be argued that we have the one big job which is paramount to everything else, and that is to win the war. It may be argued that this is no time for social reform. With all these suggestions I have a somewhat sympathetic interest, but I want to see some of the social reforms, and some of the equalization schemes, and some of the other things designed to increase the earnings of all the highly organized and highly unionized groups in this Nation stopped before we put a lid on agriculture when it is as far down the scale as it is now. Simple justice demands that the first thing we do is to equalize agriculture with other industries and then stabilize it. If the general economic conditions will not permit this to be done 100 percent, then we should go as far as sound business judgment dictates toward accomplishing this purpose, and certainly we should call a halt, and we should do it now, to the constant increase in the flow of income to all the other classes of our citizens and then hope to prevent inflation by placing an absolute lid on the price of all farm commodities.

Again I wish to emphasize this fact: It is true the gross income of the farms and ranches has gone up during the last 2 years; it is also true that there has been some small increase in the net income of this group; but the big question is not how much the increase has been; the big question is, Where is farm income now? Even with these increases, where does agriculture stand? That is something we cannot forget.

There is another thing which we must remember. After the thousands upon thousands of young men have been called into the Army from the farms, if these farms and ranches are to continue to operate at full capacity, these young men must be replaced in most cases by hiring older men, and as the owners of the farms and ranches seek to hire older men, they find themselves in competition with all lines of industry which are constantly bidding up the price of labor. If we do not leave a fair margin of profit to those who are producing the hogs, those who are operating the dairies of this country, those who are growing the sheep, those who are producing grain and cotton, it will simply be impossible for them to carry on and produce not only what the Nation must have but what the world must have in the way of food and clothing.

When we talk about the prices of farm products being on a basis of parity or above parity, the question naturally arises, Parity with what? And the answer is, it is parity with a previous starvation period of agriculture as compared with other industries. It is true that to say that agriculture should be allowed to earn on a basis comparable with what it earned from 1909 to 1914 is better than to say that agriculture should earn on a basis comparable with what it earned in 1933 at the bottom of the depression, but the earning of agriculture during the time parity prices were being established was then far below what it should have been as a matter of equity and justice as compared with other lines of business and industry, and it still remains far below what it should be.

If the Government should take the position that it is not the responsibility of Government in any case to look after the individual earning capacity of its citizens or in any case to equalize these matters, then it might remain consistent and say that it is not the responsibility of Government to bring the earnings of citizens engaged in agriculture up to the standard of earnings of citizens engaged in other lines of endeavor. But, if I am correctly informed, our Government during recent years has most definitely assumed that it was the responsibility of Government to serve as an equalization agency between different groups of wage earners throughout the Nation, and that it was the responsibility of Government to increase wages and earnings where they were subnormal, and unless the Government is now ready to abandon this philosophy, then I think it should be consistent and apply it toward agriculture

When we consider the figures which I mentioned some moments ago, with reference to the farmer's income, we must remember that in order to produce this meager income he must have some investment. If he owns the farm, he has an investment in the buildings and improvements on the farm; if he does not own the farm, he at least has an investment in the equipment and other facilities necessary to carry on production. Certainly his income for similar effort should be equal to the income of a laborer in the manufacturing industry who has no investment whatever.

There is another phase of this question of fixing prices on agricultural products which I should like to discuss very briefly. It seems to me reasonable to say that, regardless of how desirable an objective may be, before it is undertaken to accomplish it by law, it must be certain that it is possible to attain the objective by this method. I have talked with a great many cattle raisers and they point out to me the fact that if the Government undertakes to fix the ceiling prices on pork, mutton, and beef, unless it puts a floor under the prices of hogs, lambs, and cattle and requires the buyers to pay at least a minimum, the result will be that whatever price is fixed as a ceiling will be passed back to the farmer, with the result that probably the price of beef or pork or of other such commodities may go down to the consumer, but the producer will be required to carry all the cost of distribution, and I think inevitably this is true.

In other words, I think if it is desired to protect producers, some way must be found to guarantee that each pound of livestock sold on the market will bring at least a specified price. The same producers also point out to me that when we consider the fact that all types of livestock are sold in so many different grades and that the human equation enters so largely into the determination of the grade in which a certain load of beef cattle or hogs belongs, it would be almost impossible to enforce any minimum price for every grade of livestock which is to be sold. Without such minimums being established, of course, the buyer would have the option of forcing all livestock sold down to the lowest minimum.

Those engaged in the packing industry have explained to me many of the problems which they would face if an attempt were made by law to put a ceiling price on all the various types and cuts of beef which are sold. If we concede that the fixing of prices on all livestock and dairy products is desirable, there is grave doubt in my mind that it is administratively possible to accomplish the purpose without serious injustice to somebody somewhere down the line. That somebody will likely be the producer. With world conditions such as they are today, we cannot afford to experiment very much with such a vital matter as the production of food.

Coming, as I do, from one of the great agricultural States of this Nation, where a large portion of our people are engaged in this industry, I feel that I have the responsibility, as their representative in the United States Senate, to place before the United States Senate these facts, because they affect vitally my own people, and they affect vitally the interest and welfare of the whole Nation and the whole war effort. An impoverished agriculture cannot do its part toward winning the war. So far as I am concerned, I am willing to go along and aid in working out any reasonable plan which is fair and honest to the great agricultural interests of this Nation and offers equity and justice to all our citizens.

There is no group of people in Texas, regardless of whether they be farmers, merchants, manufacturers, or industrialists, who want any special favors shown to them by the Government in this great world crisis; and I think it is unfair in the extreme to say, or to insinuate, that the great agricultural classes of this Nation, in Texas or in any other State, are seeking to profiteer out of the war. Year by year, the great agricultural industry of the United States has not only spent all of its income, but for the past 20 years it has been progressively spending its capital to the extent that it has reduced its capital from $68,000,000,000 20 years ago to $33,000,000,000 now. Today the farmers throughtout the Nation are not only feeding our own people but the world, and they are doing it for an income and a compensation of approximately 26 percent of the per capita income of our nonfarmers. When it is

said, or insinuated, that there is a tinge of profiteering in it, a rank injustice is done to this great class of our people.

As I stated a moment ago, it may be that in the grave crisis which the Nation faces we are not now able to correct all the injustices which our economic system has forced upon the farmers, but there is at least one thing we can do, and that is to see that we at least head in the right direction and do not go backward. If we are to have a ceiling price placed on everything the farmer has to sell, then so far as I am concerned, I insist that we accomplish this purpose by specific law, and not by some loosely worded piece of general legislation which delegates to some other agency of government the authority to solve the problem. If the Congress of the United States decides that this job shall be done, then let us write a law which will do it, and not simply pass the buck by delegating to somebody else the authority to do it.

Let us at the same time write into the same law legislation which will be just as definite and just as specific to control wages and earnings in all lines of industry. I am opposed to making the farmers of this country guinea pigs to be used in experimentation by theoretical bureaucrats, whose number is constantly increasing.

Let me close with this statement: The question is not how much the income of agriculture has increased. The question is, How do the earnings of the great farming and ranching class of our people today compare with the earnings of other people who render similar service? From this standpoint the current facts drive us to the inevitable conclusion that even with today's agricultural prices the great farming and ranching class of this Nation has an earning standard of only approximately 26 percent of that of those engaged in other lines of industry.

The second important fact which I think we should remember is that if we have a responsibility in this matter to set a ceiling on the price of all farm commodities, then we must so accomplish it that at the same time we set the ceiling we will also set a floor, so that all the expense of holding down farm prices will not be rolled back on the farmers. The third thing which I think is important is this: Whatever we do, we should do it by law, specifically and definitely, and not by delegating the job to some Government bureau to do for us.

Fourth, at the same time we put a ceiling by law on the cost of living, we must in the same law put a ceiling on wages, and not leave that matter in the hands of a partisan board which probably will be dominated by highly organized groups of labor. If we are to regulate prices of farm commodities by law, then let us regulate wages by law, and not merely delegate the power to somebody else to regulate wages.

I do not believe that any State in the Union, or any class of citizens in the Union, has a monopoly on patriotism. I believe that the willingness to fight for this country and, if necessary, to die for it, is an inherent trait of almost all our people everywhere. I do not believe that the great rank and file of labor in this Nation want to profiteer. I do not believe the great rank and file of employers of this Nation want to profiteer. I do not believe that the great rank and file of the farmers of this Nation want to profiteer. I believe that all classes and groups of our people stand ready to make any sacrifice which is necessary to carry this war through to a successful conclusion; but while I believe this is true, I also believe that it is the responsibility of the Congress of the United States to see that no law is passed which will require an unfair sacrifice to be made by our farm and ranch population, or any other particular class or group of our people.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment, on page 1, beginning in line 4.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, on page 1, line 6, after the word "wages", to strike out "salaries, and other factors" and insert "and salaries."

Mr. AIKEN. Mr. President, if we are to vote on the amendments, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Glass	O'Daniel
Andrews	Green	O'Mahoney
Austin	Guffey	Overton
Bailey	Gurney	Pepper
Ball	Hatch	Radcliffe
Bankhead	Hayden	Reed
Barkley	Herring	Reynolds
Bilbo	Hill	Russell
Brewster	Holman	Schwartz
Bridges	Johnson, Calif.	Shipstead
Brooks	Johnson, Colo.	Smathers
Brown	Kilgore	Smith
Bunker	La Follette	Spencer
Burton	Langer	Taft
Butler	Lee	Thomas, Idaho
Byrd	Lodge	Thomas, Okla.
Capper	Lucas	Thomas, Utah
Caraway	McCarran	Truman
Chandler	McFarland	Tunnell
Clark, Idaho	McKellar	Tydings
Clark, Mo.	McNary	Vandenberg
Connally	Maloney	Van Nuys
Danaher	Maybank	Wagner
Davis	Mead	Wallgren
Downey	Murdock	Walsh
George	Murray	White
Gerry	Norris	Wiley
Gillette	Nye	Willis

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. OVERTON. The pending amendment is, on page 1, line 6, after the word "wages", to strike out "salaries, and other factors" and insert "and salaries"; is that correct?

The PRESIDING OFFICER. Yes.

Mr. OVERTON. Mr. President, this is the first occasion in which the word "salaries" is used in the measure; and I desire to talk for a few minutes regarding salaries. Of course, in my opinion it is very proper and very wise to undertake to stabilize prices and to undertake to stabilize wages; and the purpose of the joint resolution is so to stabilize prices and wages that, so far as practicable, the stabilization shall be on the basis of levels which existed on September 15 of this year. I see no particular objection to that; in fact I am in favor of it.

Then the joint resolution proceeds with reference to prices and wages to provide specifically that there can be no lowering of prices and wages below the highest paid during the present year—that is, from January 1 to September 15. There is no objection to that.

However, when we go further than that, and when the Congress undertakes to deal with salaries, and when it gives to the President the injunction that, regardless of the amounts of the salaries which are paid, salaries shall be so stabilized that they shall not be reduced below the highest paid during the present year, I think we are undertaking legislation which is unwise, unsound, and impracticable.

I have before me a report made as of September 17, 1942, by the Secretary of the Treasury in connection with salaries paid by corporations to their employees during the last fiscal year. The report deals with salaries of $75,000 and over. It shows the payment by corporations to their employees of salaries ranging from $75,000 per annum to over $700,000 per annum. When I say "salaries" I include bonuses—the total compensation for personal services ranging from $75,000 to over $700,000.

Mr. President, I do not think we should declare as one of the purposes of the joint resolution that there shall be no reduction of such stupendous salaries or of any salary which rises above a wage level unless the President were to determine that a case of gross inequity exists; for in the pending measure the only exception to the mandate of Congress to the President with reference to salaries is that there can be no modification or lowering of salaries as of September 15, or the highest paid from January 1 up to September 15 of this year, except to the extent that the President may find such action necessary in order to correct some gross inequity.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. McKELLAR. I merely desired to ask how many salaries the Secretary of the Treasury reported as being between $75,000 and $700,000.

Mr. OVERTON. I have not counted them. Of course, the report deals only with salaries paid by corporations to employees; but there are some 47 pages of closely typewritten matter dealing with such salaries; so, of course, the total number is up into the hundreds.

However, over and above that, there are the $50,000 salaries, the $40,000 salaries, the $25,000 salaries, and the $10,000 salaries; and I shall go further than that, down to the $5,000 salaries.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. HATCH. I am very much interested in what the Senator is saying; because I very well recall that on various occasions the President of the United States has stated his position to be that no salaries shall exceed $25,000. Does

the Senator say that the pending measure now authorizes the payment of a salary of $75,000 to an individual, and that the President could not decrease such a salary?

Mr. OVERTON. Unless some gross inequity were to exist.

Now I shall read what the joint resolution has to say with reference to salaries.

Mr. VANDENBERG. Mr. President, before the Senator does that, will he yield to me so that I may comment on the Treasury report?

Mr. OVERTON. Very well; I yield.

Mr. VANDENBERG. While I entirely agree with what the Senator has said about such altitudinous salaries, I think it is a little unfortunate that such information goes out to the people of the country; because I think it is quite misleading. I am not charging the Senator with being misleading.

Mr. OVERTON. I have not given any of the details.

Mr. VANDENBERG. The figures are gross-income figures. I can assure the Senator and I can assure every one of the high-salaried drawers of the country that by the time the Senate Finance Committee gets through with the tax bill the figures which the Senator has just now read will look like the proverbial 30 cents. I think that when Government reports are made, it would be so much more informative to the country if they sometimes were made on the net basis instead of on the gross basis; because it is obvious that a statement made on the gross basis does not present the true picture.

Mr. OVERTON. The point raised by the Senator from Michigan relates to the revenue bill which is pending before the Finance Committee, of which the Senator is a very able, efficient, and effective member, and that question will arise when the revenue bill comes before the Senate for consideration.

However, the question now before us is whether we shall instruct the President of the United States that he cannot reduce any of these salaries below the level of the highest paid during this year.

Mr. VANDENBERG. Mr. President, will the Senator yield so as to permit me to make one more observation?

Mr. OVERTON. I yield.

Mr. VANDENBERG. Of course, what I said deals primarily with the tax bill; but I was trying to comment on a matter which has long lingered in my mind, and which should be discussed in connection with the Government report which the Senator is using; because I think the people receive a totally erroneous idea regarding our economic balance.

For instance, the able senior Senator from New Mexico has just referred to the suggestion which has so frequently come from the Chief Executive, that personal incomes should be limited to $25,000. There are in this country millions of persons who think we could solve all our economic difficulties if we would just do that simple little thing. That suggestion is constantly being thrown out, and it is an allurement. However, the Treasury Department reports that if we were to confiscate every penny of every income in the United States above $25,000, and then if we were to apply all the proposed high tax rates to the balance, we would pay the war bill for just 4 days and 10 hours.

All I am pleading for is for information which will let the American people understand the horrible extent of the fiscal burden which exists and which they must be prepared to bear; and I think that sometimes a little franker information in Government reports would lead to a somewhat more acute understanding upon the part of the people.

Mr. OVERTON. The Senator from Michigan may be correct in that regard, but I do not like to be diverted from the purpose which I had in mind, and which we had in mind with respect to the provisions of the joint resolution relative to salaries.

Mr. VANDENBERG. I apologize to the Senator.

Mr. OVERTON. When I conclude I shall make a suggestion with respect to an amendment which I think should be offered; and let me say to the Senator that it is not to authorize and direct the President to reduce all salaries to $25,000.

Mr. HATCH. Mr. President, I was very glad to hear the remarks of the Senator from Michigan, for I think they were very informative and will be very helpful to the country, but I was puzzled by what the Senator from Louisiana was saying. In view of the fact that the President has said that we ought to limit incomes to $25,000, and the Senator from Louisiana is saying that we are about to freeze incomes at the highest possible figure, I merely wanted information on that subject.

Mr. BARKLEY. Mr. President, if the Senator from Louisiana will yield, in that connection the President's recommendation with respect to a $25,000 limitation was a recommendation made in regard to the tax bill, and such a $25,000 limitation would be after all taxes. He has not recommended that we attempt to deal with that question in the pending measure.

Mr. OVERTON. Mr. President, quoting the provisions of the joint resolution as they relate to salaries in section 1, they are:

> That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this joint resolution, such stabilization—

That is, the stabilization of salaries—

> shall, so far as practicable, be on the basis of the levels which existed on September 15, 1942.

In section 4, page 4, the joint resolution provides:

> SEC. 4. No action shall be taken under authority of this joint resolution with respect to * * * salaries * * * (2) for the purpose of reducing the * * * salaries for any particular work below the highest * * * salaries paid therefor between January 1, 1942, and September 15, 1942: *Provided*, That the President may, without regard to the limitation contained in clause (2)—

That is the clause I have just read—

> adjust salaries to the extent that he finds necessary to correct gross inequities.

Section 5, on page 5, provides:

> SEC. 5. (a) No employer shall pay, and no employee shall receive, * * * salaries in contravention of the regulations promulgated by the President under this joint resolution.

That is the case presented by the joint resolution. The President of the United States is instructed to stabilize salaries so as not to reduce them below the highest amount being paid during the present year up to September 15, unless he finds a gross inequity to exist, and, in order to correct such gross inequity, then he may proceed to reduce salaries. There is an inhibition against any employer paying or any employee receiving a salary in contravention of the joint resolution and the orders issued by the President thereunder.

All that I suggest be done, by way of a very simple amendment, is this: In the proper place, add a new section, reading as follows:

> SECTION —. Nothing in this joint resolution shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of $5,000 or more per annum.

I place it at $5,000 because I think that is above any wage scale that is paid or any annual wages received by any laborer.

Mr. BROWN. Mr. President, will the Senator from Louisiana yield to me?

Mr. OVERTON. I am very glad to yield to the Senator from Michigan.

Mr. BROWN. We discussed this matter very briefly in the Banking and Currency Committee, and I think it was generally believed by the members of the committee that the Senator from Louisiana had placed his finger on a rather vital matter. Personally, I am very much inclined to go along with the amendment. We were thinking all the time of preventing increases, and, of course, we tried, all the way through, to stabilize wages and salaries as of a definite date. While the amendment would violate that principle, we are not much concerned about arrangements made between an employer and an employee with respect to salaries above $5,000. I am not speaking for the committee, but, speaking for myself, I am agreeable to accept the Senator's amendment.

Mr. OVERTON. That is very satisfactory, and at the proper time I shall offer the amendment. I understand it is not now in order.

Mr. BARKLEY. Mr. President, as the Senator from Louisiana offered this amendment in the committee originally, it included not only private salaries but included Government salaries. I expressed to him my opposition to any provision that puts Government employees, which would include Members of the Senate and of the House of Representatives and all others on the public pay roll, in a special sacred class, upon an island of safety, so that the President could not touch any of them. I objected to that. I have no objection to the amendment the Senator has suggested, and I under-

stand the Senator from Michigan has no objection. I think it ought to be stated, however, that there is nothing in the joint resolution that would prevent any employer from reducing a salary, whether above $5,000 or below $5,000.

Mr. OVERTON. I do not agree with the Senator in that regard. It could not be done; an employer could not do it, and an employee could not do it, under the express provisions of the joint resolution.

Mr. BARKLEY. The Senator is talking about increases.

Mr. OVERTON. No, I am talking about decreases; I am not talking about increases or any limitation on increases. The purpose of this bill, let me say, is to prevent inflation, to prevent excessive capacity to spend money; tremendous salaries certainly are inflationary, and my purpose is not to prevent the reduction of a salary of any employee by any employer, above the $5,000 bracket.

Mr. BARKLEY. The Senator's amendment provides:

> That nothing in this joint resolution shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of $5,000 or more per annum.

I have never construed the joint resolution in such a way as to prevent such action being taken if an employer saw fit to reduce the salary of an officer who was receiving above $5,000. I do not, however, object to the amendment if there is any doubt about the question which is involved.

Mr. OVERTON. As I read the provisions of the joint resolution, there cannot be any reduction except in case of gross inequity.

Mr. BARKLEY. I think that after the President has issued an order stabilizing salaries and wages he may adjust them to the extent necessary to eliminate gross inequities, but I doubt very much whether the joint resolution could be construed to prevent an employer from reducing a salary from $6,000 to $5,000 a year if he saw fit to do so if an employee received that much.

Mr. OVERTON. If the able Senator from Kentucky is not going to object to my amendment, I shall not debate it further.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. TAFT. Of course, under the Price Control Act there is no power whatever to fix minimum prices, and I, personally, have no question that the order issued by the President under the authority of the joint resolution will not provide minimum prices. I have no doubt that he will simply say that prices shall not be increased without approval by the President; I do not think he is going to attempt to interfere with reductions; but I agree that the language is so broad in connection with stabilization that it might be done. I certainly can see no objection to the amendment offered by the Senator.

Mr. OVERTON. It not only might be done but it could be done. The joint resolution contains the direction to the President to pursue that course and stabilize along the level of September 15.

Mr. TAFT. I have no doubt the President would construe this as requiring him to set minimum prices in a wage regulation. It seems to me he would conform to it if he simply says that no price or wage shall be increased without proper approval beyond the price or wage of a certain date. That is what I hope he will do. I think we might have well included the power to fix a minimum wage or a minimum price as we did in the Price Control Act; but since the Senator has called attention to it I see no reason why we should not say so, especially as to wages and salaries.

Mr. OVERTON. I am very glad the Senator from Ohio agrees with me.

Mr. BROWN. I ask unanimous consent that the Senate may now consider out of order and dispose of the amendment of the Senator from Louisiana while it is fresh in our minds.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan? The Chair hears none, and it is so ordered.

Mr. GEORGE. Mr. President, before any amendment is disposed of I desire to find out from those who drafted the bill, if they be in the Chamber, or those who are sponsoring the joint resolution, just what is meant by the section which was read by the Senator from Louisiana.

I refer to subdivision (2) of section 4:

> No action shall be taken under authority of this joint resolution * * * for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942: *Provided*, That the President may, without regard to the limitation contained in clause (2)—

Which is the one just read—

> adjust wages or salaries to the extent that he finds necessary to correct gross inequities.

I should like to have some light on the language "necessary to correct gross inequities," and I should like to know what that has to do with inflation.

Mr. BROWN. We must go back to section 1 for an understanding of the provision just referred to. We desire to direct the President to stabilize wages at the level of September 15, 1942. Undoubtedly there will have to be exceptions to the general stabilization, because some wage agreements are based upon contracts made, we will say, in 1939 or 1940, and wage earners and employers have stood by those contracts. If no exception were made in the joint resolution, the agreements made some years ago, based upon the cost of living as it then was, could result in an inequitable situation. A wage agreement based upon 1939 levels would be unfair in 1942. Therefore we make this exception, and provide that where such a situation gives rise to an inequity, the President may revise his order, or provide in his order for the correction of the situation. Briefly, that is the purpose of subsection (2) of section 4, on page 5. We wanted to insist as strongly as we could upon a general stabilization as of September 15, but we certainly cannot make it so rigid that no changes could be made. Therefore, we chose this language, with the idea that injustices could be corrected and should be corrected where it was found necessary.

Mr. GEORGE. I agree with that, Mr. President, but while I was reading from the language on page 5 simply because the distinguished Senator from Louisiana had just read it, the same language occurs in the first section of the bill. I agree that there should be stabilization of wages, salaries, and prices, and it seems to me the committee has done very well to try to bring about stabilization, so far as practicable, on the basis of levels which existed on a given date; but I do not know what some of the language means, and I am merely seeking light. The measure provides:

> The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities, and, in the case of increases—

The language which I have just read clearly contemplates decreases—

> and, in the case of increases, to the extent that he finds necessary to aid in the effective prosecution of the war.

Then on page 5, when the reference is again made to wages and salaries, it is very clear that it refers to decreases, and not increases. It reads:

> That the President may, without regard to the limitation contained in clause (2)—

That is, the one affecting wages and salaries—

> adjust wages or salaries.

The joint resolution originally read "below the wages or salaries referred to in clauses (2) and (3) of this section." That is stricken out, but the intent is clear. It provides that the President may "adjust wages or salaries to the extent that he finds necessary to correct gross inequities."

What I desire to ascertain is what is meant by "gross inequities," because in both these instances it is clearly contemplated that the President may adjust wages and salaries downward; not upward, but downward. That is an inescapable conclusion, and nothing else can be read into the joint resolution.

While I am discussing this question I should like to point out this language:

> The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities.

The President is going to provide for making those adjustments through Mr. Leon Henderson; and what is Mr. Henderson's concept of "correct gross inequities" when it comes to wages and salaries, or even prices?

Mr. BROWN. I beg the Senator's pardon about the administration of the law. I am inclined to think, from my conferences, that Mr. Henderson's Office of Price Administration will handle the matter of prices, and that the War Labor Board will handle the matter of wages, although I cannot bind anyone, of course.

Mr. GEORGE. I referred to Mr. Henderson because I supposed this was in his field, and I should think the President would wish to have the Price Administrator handle the matter. What I am

seeking to ascertain is just what is meant, when the clear intent and purpose is to allow a reduction in wages and salaries below the level of September 15, 1942, when either the President or some agency finds it necessary to correct gross inequities. What kind of inequities, and just what is meant by the phrase?

Mr. BROWN. I gave the Senator from Georgia one illustration. I may say that my construction of section 1 and section 4 is not the same as his. I assume that there will first be issued a general order for the stabilization of wages as of September 15, 1942. I think the language at the top of page 2, starting with line 1, "The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities," contemplates that after his general order of stabilization has been made he will at once, through the proper agency, provide for the making of adjustments up or down. I do not agree with the Senator from Georgia that they may be made only downward. That was not the intention of any of us at any time. The word "adjustment" implies a leeway. The President may make the adjustments up or down. During the consideration of the entire measure by the committee, I am sure it was thought it might be necessary to let wages go up, particularly in the case of unorganized workers, who have not presented their case to the War Labor Board, and whose wages lag behind the general level of wages in the highly organized industries. We, likewise, intend that the word "adjustment" shall imply that farm prices, when necessary, may rise. So much for that.

Mr. HATCH. Mr. President, will the Senator yield there?

Mr. BROWN. Let me reach my conclusion, then I shall yield.

I may say to the Senator from Georgia that the authors of the joint resolution are now and have been in the Chamber during the debate. The measure was written by the Senators on the Committee on Banking and Currency; it was not written down town. The idea we had was that the curing of the injustices which would inevitably appear in a freezing as of September 15, 1942, was a curing which would permit rises or declines in accordance with the limitations contained in the joint resolution over or under the levels established by the President.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BARKLEY. In connection with the Senator's statement giving the Senator from Georgia an example, it was brought to the attention of the committee that there are many wage contracts which were made 2 or 2½ years ago, based upon the cost of living at that time. No request has been made by either party to change those contracts. They have gone along and worked under them, notwithstanding the 19-percent increase in the cost of living since the contracts were entered into. Those contracts will expire within a few months, and it was the thought of the committee that the employees ought not to be foreclosed, when new contracts are entered into, from the right to ask for suitable increases based upon the increase in the cost of living since the contracts were entered into up to May 1942. Therefore I concur in the suggestion of the Senator from Michigan that the measure contemplates adjustments up as well as adjustments down.

In addition to that, it has frequently been stated on the floor of the Senate, and in committee, that there are about 50,000,000 people in this country working for wages or salaries. Only about 12,000,000 of them are organized. Outside the organizations there are vast numbers of persons, clerks in drygoods stores and grocery stores, workmen in laundries, who are unorganized and who have not received any increase at all, who have not received a 15 percent increase based upon the so-called Little Steel formula. Obviously it would be unfair to foreclose them against the right of asking for an adjustment of their wages based upon the present cost of living, as we all understand it to be. Of course, it would be unfair to all those vast numbers to preclude them from the right to ask for adjustments upward under the provisions of this measure. It would be a gross inequity, I think, to require all such persons to continue to work for the salaries or wages they received 3 years ago based upon conditions which then existed, without taking into consideration what has happened since.

Therefore I think the committee was wise in making the measure flexible, so that the President may consider gross inequities, which might require adjustments that would go up as well as adjustments that would go down.

While it is impossible to anticipate every particular instance in which the President may regard a situation as constituting a gross inequity, we must leave sufficient leeway and flexibility to him to adjust gross inequalities or inequities, whether they ought to be adjusted upward or downward.

There might be cases in which it might be desirable to adjust a wage or a price even downward, if there were a gross inequity, because of undertaking to freeze, on a given date, either prices or wages. I do not think we could give an exact definition of "gross inequity," but we have to leave it to the administrative authorities to interpret "gross inequity" in the light of conditions which may exist when they act.

Mr. HATCH. Mr. President, will the Senator from Michigan yield to me for a moment?

Mr. BROWN. Yes; I yield.

Mr. HATCH. In line with the discussion which has been proceeding with respect to gross inequities, I should like to have the Senator from Michigan explain, if he will, what that term, as used in the measure, means in connection with agricultural commodities. Some agricultural commodities are selling above parity, and, as I understand the rule laid down in the measure, first the parity price is taken and, second, the highest price up to September 15 of this year. But then it appears to me, though I am not sure that I am correct, that there is a broad general power in the President to decrease prices, for instance, of agricultural commodities which are now above parity, if in his opinion the prices, being above parity, constitute a gross inequity. I know what the Senator from Michigan thinks, and he is entirely fair, and I know what he wants to do, but, frankly, I wonder about this. Take the price of cattle, which is perhaps the most important industry in my State. Cattle are now selling above parity. If the President were to say, "Well, now, that is a gross inequity"—I do not know to whom that is an inequity or to what—could the President reduce that price arbitrarily to parity or even below?

Mr. BROWN. In the first place, the parity formula or limitation is not subject to the "gross inequity" provision in the measure. Parity is an absolute minimum below which the President may not go under any circumstances. I think any fair construction of section 1 of the measure—and this is in further answer to the Senator from Georgia on the wage question, as well as the Senator from New Mexico on the price question—any fair construction of the provision in section 1, as to the September 15 date, at least in the great majority of cases, is that a price in existence at that time was not a grossly inequitable price.

When we come to the highest market price limitation in section 3 of the bill, which is in respect to agricultural prices, the "gross inequity" provision relates and attaches to the limitation of the market price between January 1, 1942, and September 15, 1942. I would take it that, if prices had reached an unnatural level which was far out of line, under section 2 the "gross inequity" provision of the measure would become effective.

Mr. President, it is my judgment that the President would not find it necessary in most cases to lower the prices below the September 15, 1942, level, and we do not anticipate that he is going to lower wages below the September 15, 1942, level. That is the general standard. But when we come to these exceptions, particularly the highest market price exception, I could give the Senator from New Mexico a few examples of what seem to me to be unfair prices.

Mr. HATCH. Mr. President, will the Senator yield at that point?

Mr. BROWN. I yield.

Mr. HATCH. I am now rather thinking out loud, because this is the first time I have seen the committee print, and I have not had an opportunity to study it. I find on page 3, at the bottom of the page, relating to agricultural prices, the proviso:

> That the President may without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities.

Mr. BROWN. That is the market level of January 1 to September 15.

Mr. HATCH. Then further there is another provision which says:

> That modifications shall be made in maximum prices established for any agricultural commodity—

And so forth. I am skipping quite a bit.

That by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities.

There is nothing said about minimum prices. It is always about maximum prices. It seems to me to imply—and, as I said, I am thinking out loud—that someone has the idea that prices are too high, and that they should be lowered.

Mr. BROWN. Of course, the idea of using the phrase "maximum prices" grows out of the manner in which the ceilings are established. We say that prices may not go above a certain maximum. That was the phrase which we worked out on the floor of the Senate for use in the price-control measure. The whole idea of the language in lines 2 to 13 on page 4, which is what I call the O'Mahoney amendment, and which was written by the senior Senator from Wyoming [Mr. O'MAHONEY], is that in the case of agricultural labor there is a congressional direction to the President to take into consideration the question of rising labor costs and other costs—of farm machinery, as has been suggested here today—in his determination of a maximum price for an agricultural commodity. If it appears that because of price regulations issued by the Price Administrator relating to maximum or ceiling prices his maximum is too low to give farmers generally a fair return, after the payment of the increased labor costs, then it is the duty of the President to give due consideration to that, and if he finds that gross inequities would result, to readjust the maximum upward in order to take care of the increased costs.

Mr. O'MAHONEY. Mr. President, will the Senator yield at that point?

Mr. BROWN. I yield.

Mr. O'MAHONEY. It occurs to me to call attention to the table which appears in the hearing on page 57. The Senator will recall that I placed that table in the RECORD at the time Mr. Henderson was testifying.

Mr. BROWN. Yes.

Mr. O'MAHONEY. It lists 27 principal agricultural commodities, and shows which are above and which are below parity. Of the 27, 14 commodities on August 15 were below parity, and only 13 were above. The Senator will recall that I questioned Mr. Henderson during his testimony.

Mr. BROWN. Yes; I do.

Mr. O'MAHONEY. And he stated at that time that he knew of no farm price that was dangerously inflationary, and indicated that, so far as he was concerned, he did not think it would be necessary to reduce farm prices. That testimony, of course, was in perfect harmony with the terms of the bill, as introduced by the Senator from Michigan, and as now reported by the committee. It was also in harmony with the statement of the President in his Labor Day message, when he clearly declared that, so far as he was concerned, he would be satisfied either with parity or with the highest price that——

Mr. BROWN. That had recently prevailed.

Mr. O'MAHONEY. Yes; that had recently obtained. I believe that the question which the Senator from New Mexico is asking has to do with whether or not any of these general classes of commodities could possibly be regarded as reflecting a gross inequity. I think the Senator can very well answer that question upon the basis of the hearings, the discussions which we have had, and the testimony. Such prices do not now reflect gross inequities.

Mr. BROWN. Certainly that would be true as to meat prices. I believe that the only exception was with respect to the price of rice, which, it was felt, might be considerably out of line, because according to the table to which the Senator refers, it is now at 162.9 percent of parity.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the table to which reference has been made be printed in the RECORD at this point in the debate.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Average prices received by farmers Aug. 15, parity prices Aug. 15, and minimum ceiling under Emergency Price Control Act of 1942

Commodity	Unit	Aug. 15 farm price [1]	Aug. 15 parity price	Minimum ceiling under Emergency Price Control Act
Wheat	Ct. per bu	95.4—	134.4	147.8
Corn	Ct. per bu	83.4—	97.6	107.4
Oats	Ct. per bu	42.6—	60.6	66.7
Barley	Ct. per bu	86.7—	94.1	103.5
Rye	Ct. per bu	49.2—	109.4	120.3
Rice (rough)	Ct. per bu	162.9+	123.6	143.9
Buckwheat	Ct. per bu	87.5—	111.0	122.1
Grain sorghums	Dol. per 100 lb.	1.15—	1.84	2.02
Flaxseed	Dol. per bu	2.26—	2.57	2.83
Cowpeas	Dol. per bu	1.87—	2.37	2.61
Beans, dry edible	Dol. per cwt	4.45—	5.12	5.77
Soybeans	Dol. per bu	1.58+	[3] 1.44	[3] 1.58
Peanuts, for nuts	Ct. per lb	5.99—	7.30	8.03
Cotton	Ct. per lb	18.03—	18.85	21.47
Cottonseed	Dol. per ton	44.04+	34.28	50.36
Hogs	Dol. per 100 lb.	14.13+	11.05	12.13
Beef cattle	Dol. per 100 lb.	11.30+	8.24	9.34
Veal calves	Dol. per 100 lb.	12.91+	10.26	11.29
Sheep	Dol. per 100 lb.	5.62—	6.89	7.58
Lambs	Dol. per 100 lb.	12.07+	8.94	11.12
Butterfat	Ct. per lb	40.6+	[4] 38.0	44.0
Milk, wholesale	Dol. per 100 lb.	[2] 2.52+	[4] 2.38	2.66
Milk, retail	Ct. per quart	11.8+	[4] 10.3	11.4
Chickens, live	Ct. per lb	19.6+	17.3	21.1
Turkeys, live	Ct. per lb	19.9—	21.9	28.8
Eggs	Ct. per doz	32.2+	[4] 31.7	34.1
Wool	Ct. per lb	39.4+	27.8	37.1

[1] + indicates Aug. 15 farm price above parity; — indicates below parity.
[2] Comparable price.
[3] 110 percent of comparable price.
[4] Adjusted for seasonal variation.
[5] Preliminary.

Division of Statistical and Historical Research, Bureau of Agricultural Economics.

Mr. BROWN. My recollection is that the price of rice was the only price which was considered at that time to be far enough out of line to come within the meaning of that definition.

Mr. O'MAHONEY. That was the only price the Senator mentioned to me.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. MAYBANK. The reason for the present price of rice is that formerly most of the rice which we consumed was imported from the Philippines.

Mr. BROWN. That is correct.

Mr. MAYBANK. Rice culture in our State was abandoned during the period from 1909 to 1914.

Mr. BROWN. That is correct. That reason was given in the committee.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. GEORGE. I conclude, from what the Senator from Michigan has said in answer to my inquiry, and from the general discussion, that the provision on page 2—

The President may thereafter provide for making adjustments with respect to prices, wages and salaries, to the extent that he finds necessary to correct gross inequities—

contemplates increases in prices, wages, and salaries, as well as decreases, and primarily was intended to provide for increases to overcome any inequities which might exist by reason of subnormal or substandard wages, or subnormal prices for agricultural commodities.

Mr. BROWN. I agree with the Senator, except in his use of the word "primarily." I think our intent was to provide for either going up or down. The Senator will doubtless read the subsequent language, which was not in the original joint resolution, and which was put in somewhat against the wishes of the Senator from Michigan, with respect to increases found necessary to aid in the effective prosecution of the war. The majority of the committee felt that it was not desirable to tie decreases to the effective prosecution-of-the-war basis, but that such action should be confined to increases. With some reluctance I agreed to that proposition.

Mr. GEORGE. I may say that I have very great difficulty in following the reasoning of the Senator. A very careful reading of sections 1 to 4 indicates, to my mind, that what is contemplated is a reduction in prices or wages, and not an increase.

Mr. BROWN. The view of the committee was that reductions generally are not to be expected. We anticipate that the use of the "gross inequities" provision will, in a great majority of cases, be in connection with applications for rises in prices and wages; but it is conceivable that there may be a few instances in which reductions might be desirable. We did not want to leave the statute in such a condition that downward readjustments would be positively prohibited in cases in which gross inequities exist.

The only agricultural commodity the price of which, in the judgment of the Senator from Michigan, could be construed to be grossly inequitable at the present time is rice. As the Senator from South Carolina [Mr. MAYBANK] has indicated, market conditions are most extraordinary at the present time. The Japanese-Malayan production is, of course, lost to us; and the great market for rice which exists in the islands off the south coast of the United States, the West Indies, and certain parts of the United States, and the great demand of the United States Army itself for rice, have created an artificially high present

market. However, it is very doubtful that economic conditions will permit interference with that price at the present time.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BARKLEY. The language in the latter part of section 1, which appears at the top of page 2, contemplates two different situations. The President is authorized to make adjustments with respect to prices, wages, and salaries to the extent that he finds necessary to correct gross inequities. On the basis of gross inequities, he could raise or lower wages, prices, or salaries; but the following part of that section provides that only in cases of increases may he use as a basis his belief or finding that increases are necessary to aid in the effective prosecution of the war.

Mr. BROWN. The Senator is correct.

Mr. BARKLEY. In other words, if he should find it necessary to stimulate the production of any agricultural commodity, or if he should find it advisable in some case to increase wages in order to increase the morale of working men in a vital industry necessary to aid in the effective prosecution of the war, he would be justified in allowing an increase, and authorized to do so under this language. However, that applies only to increases.

Mr. BROWN. That is correct.

Mr. BARKLEY. It carries with it the implication that outside the correction of gross inequities he would also have the right to make increases both as to agricultural or other prices, and as to wages or salaries, if he should find it necessary in the effective prosecution of the war. So that clause must be taken in its two separate senses. One is on the basis of gross inequities, and the other is on the basis of necessary aid in the prosecution of the war.

Mr. BROWN. I should like to make one further comment to the Senator from Georgia, which I have made before, but which I think should be restated. The "gross inequities" provision in the joint resolution would in no event authorize a maximum price order at a level below parity. The "gross inequities" provision in section 3 relates only to the January–September level of prices.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. GEORGE. On that point I am inclined to think that the Senator from Michigan is correct. However, the matter is not clear to my mind, for the following reasons:

The President is bound by section 3, which provides:

> No maximum price shall be established or maintained for any agricultural commodity under authority of this joint resolution or otherwise below a price which will reflect to producers of agricultural commodities—

first, the parity price, and second, the highest price received by such producers.

In line 15 this language follows:

> and no maximum price shall be established or maintained under authority of this joint resolution or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section.

Then we come to the provision on which the Senator bases his statement. No doubt it was intended to accomplish the purpose stated by the Senator, and it may do so. The language is:

> *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities.

The maximum price is whichever price the President finds to be the higher; that is, the parity price or the highest price received by the producers. Then the provision is applicable, that the President may, without regard to the limitation contained in clause (2)—the one which fixes the highest price received by such producer for such commodity between certain dates—adjust any such maximum price to the extent that he finds necessary to correct gross inequities.

Let me say to the Senator from Michigan, with very great respect, that I am not at all sure that the President could not find that a parity price resulted in gross inequities and reduce the price below parity, if the parity price had been found to be the higher of the two prices. I say that in large part because of the language on page 2 of the joint resolution, which, after providing for the stabilization of prices and wages on the basis of levels which existed on September 15, would authorize the President thereafter to provide for making adjustments with respect to prices, wages, and salaries to the extent that he finds necessary to correct gross inequities.

It is not clear to my mind that after the President has fixed or found the higher of the two prices—that is to say, parity or the highest price received between certain dates by producers of the commodity—he may not, without regard to the limitation contained in clause (2), bring about or make a readjustment if he finds it necessary to do so in order to correct gross inequities. It does not seem to me to be altogether clear that he could not fix a price below parity if he said, "I found the highest market price received between January 1 and September 15 to be the parity price of the farm product, and I fixed that as the maximum price; but, nevertheless, I find that it is necessary to adjust that price in order to correct gross inequities"—and without any regard to the limitations contained in clause (2) he might proceed to do so. It seems to me that is a possibility.

Mr. BROWN. Mr. President, I think the first sentence in section 3 on page 2 is a direct limitation upon all authority contained in section 1 of the joint resolution. If the President attempted to do as the Senator from Georgia has pointed out—that is, to operate under the gross inequities provision in section 1—he would be confronted with section 3, which says that—

> No maximum price shall be established or maintained for any agricultural commodity under authority of this joint resolution or otherwise—

Not just under this section, but under the joint resolution—

> below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—
>
> (1) The parity price * * *.

As one of the authors and sponsors of the joint resolution, I want to make a positive statement that that is the construction which we placed upon the language, that in no event could the President under the gross inequities provision contained in section 1 or the provision contained in the latter part of section 3 fix a price below parity. Parity we intend to be an absolute limitation upon any price-maximum order which may be issued.

Mr. GEORGE. In order to make the joint resolution clear—because I am trying to find out what it means—let me ask the Senator a further question. Suppose in the case of wheat or beef cattle the President were to find that the highest prices paid to the producers of such commodity between January 1, 1942, and September 15, 1942, as adjusted by the Secretary, and so forth, were above parity. Then it would be the President's duty to fix that as the maximum price; would it not?

Mr. BROWN. That is correct.

Mr. BARKLEY. As the minimum price; not the maximum. It would not be his duty to fix it as the maximum.

Mr. BROWN. He could do so.

Mr. BARKLEY. He could fix it.

Mr. BROWN. Yes; that is what the Senator from Georgia means.

Mr. BARKLEY. But he would not be required to do it.

Mr. BROWN. Yes.

Mr. GEORGE. Then I do not understand the joint resolution at all. It says that the President is to fix prices, and it provides that—

> No maximum price shall be established or maintained for any agricultural commodity under authority of this joint resolution—

And so forth.

Mr. BARKLEY. Any price which is lower than a certain amount.

Mr. GEORGE. That is correct; but let us go back to my question. Suppose it is either minimum or maximum. Suppose that in the case of beef cattle or wheat the President found that the highest price received by the producers for either commodity between the dates fixed in the joint resolution was above parity, and therefore he fixed the maximum price at the higher figure, or we might state it the other way around, if desired, and say "a floor." However, I am assuming that that would be the maximum price. Then why could not the President, under the language of the same section 3, reduce the price which he had fixed, and where is there any provision which would require him to stop at the parity level? That is the question I ask.

The language reads:

> *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities.

I may be mistaken, but it seems to me that in the case which I have presumed to state the President may actually reduce the price for beef cattle or wheat below the parity price. I give that purely as an illustration.

Mr. BROWN. I have the case the Senator states thoroughly in mind; and if I may be permitted to do so, I think I can point out to him why I think no such limitation could be fixed.

In the first place, we talk so much about maximum price that we do not realize that the President may go higher. In the second place, section 3 is regarded by the committee—and I think that a fair and careful reading of its provisions will show it so to be—as a definite limitation upon the power of the President under section 1. So much for that.

It is our position that clause (1) on page 3, starting in line 3, is a definite limitation upon the right of the President to fix any maximum price below parity. If it happens—as is the case with respect to several commodities—that the highest market price from January 1, 1942, to September 15, 1942, is higher than parity, the President may—in fact, he must—adopt that top limitation. However, with respect to that top limitation he may give consideration to the question of inequity; but the proviso distinctly, in my judgment—and I know that is the intent of the committee—prohibits him from using the gross-inequities provision to reduce any price maximum below the level provided in clause (1). It may operate only with respect to the limitation contained in clause (2) as to the highest price received by producers. I know that such was the intent of every member of the committee, and I myself am satisfied that a careful reading of the language can lead to no other conclusion.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. BROWN. I yield.

Mr. BARKLEY. It should be pointed out that the revised authority here proposed to be given to the President has no relationship whatever to clause (1) which deals with parity.

Mr. BROWN. Except that it is a limitation.

Mr. BARKLEY. Yes. I mean the provision applies only to clause (2), under which he may deal with the highest price existing as between January 1, 1942, and September 15, 1942; and it should be kept in mind that in interpreting the language which is now in the joint resolution in connection with the committee amendment at the bottom of page 3, we must keep in mind what the committee struck out there, because the two go together. As it originally read, it provided that "the President may provide for a lower price than the highest market price for any commodity between January 1, 1942, and September 15, 1942;" and in order to get away from any emphasis which someone might put upon the expression "lower price", we struck out that phrase, and wrote in the phrase "without regard to the limitation contained in clause (2)"—which provision applies only to the price between January 1 and September 15, but has no application to clause (1) which deals with parity—"adjust any such maximum price to the extent that he finds necessary to correct gross inequities."

So, under the modified language there contemplated, it seems to me—and I think that is the view the committee has—the President would be under no limitation with respect to bringing about a lower price, but he might adjust the price in clause (2), which deals with the highest price between January 1 and September 15, either up or down in order to correct gross inequities. In that modified language which deals solely with the question of parity, we do not touch clause (1).

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BROWN. Let me say to the Senator from Georgia—and then I shall yield to the Senator from Ohio—that our intent is clear. I think it is clearly expressed in the joint resolution; but if the Senator from Georgia can frame a provision—and I know he is a very busy man with his tax bill—which will more completely state what I have stated on the floor as the intent of the committee, I should be delighted to accept it. However, I think the point is fully covered.

I yield now to the Senator from Ohio.

Mr. TAFT. Mr. President, the interpretation placed by the Senator from Georgia had not occurred to me, but I think there is something to his objection. In other words, we do not say, "He may, with regard to section 2." We say, "He may adjust the maximum price regardless of section 2."

That language may apply to section 1, but it does not say so. I should suggest that it is very easy to meet that point simply by providing that "He may adjust such maximum price to the extent necessary to correct any gross inequities, but in no case lower than provided by clause (1)."

That would make it absolutely clear, and I see no reason why it should not be done.

Mr. BROWN. We could use the phrase "but not below parity" at the end of the provision with respect to gross inequities.

Mr. GEORGE. We could; and I was about to make that suggestion. I was about to suggest that we could clarify it entirely by saying, "Nothing in this joint resolution shall be construed to give the President power to provide for prices lower than those provided in clause (1) of section 3."

I should prefer to have it applied to the whole joint resolution.

Or the purpose could be accomplished by the statement that "nothing in section 3 shall be construed to authorize the reduction of the price below parity as set out in subsection 1 of section 3," which was substantially the same conclusion the Senator from Michigan reached.

Mr. BROWN. I may say to the Senator from Georgia——

Mr. SCHWARTZ. Mr. President——

Mr. BROWN. I will ask the Senator from Wyoming to wait a moment in order that we may settle this matter.

Mr. GEORGE. I say that the suggestion which the Senator from Michigan made, it seems to me, would cover the point and clarify it.

Mr. BROWN. The suggestion was made to me by the Senator from Arkansas [Mr. SPENCER] and by the Senator from Wisconsin.

Mr. GEORGE. I had in mind suggesting some qualification of that kind, to say, for instance:

> Adjust any such maximum price to the extent that he finds necessary to correct gross inequities, but nothing herein contained shall be construed to authorize fixing the price below parity.

Mr. BROWN. I may say to the Senator that I am in agreement that such an amendment should be added, and I will ask the drafting service to draft appropriate language, to be put in the joint resolution at that point.

Mr. GEORGE. If I may say so to the Senator, I think the confusion has come about because of striking out some of the original language in line 22 and by the inclusion of the words "maximum price", because the maximum price clearly contemplated—that is, the price which the President shall fix as the maximum—may be either one or the other, parity or the higher price. By referring to that same maximum price, clause 2 virtually becomes meaningless when it is provided that adjustments may be made if found to be necessary to correct gross inequities in the maximum price. By the addition of that simple amendment, it seems to me that the meaning could be cleared and that the intent and purposes of the bill as explained by the able Senator from Michigan would be clearly expressed.

Mr. BARKLEY. Mr. President, if the Senator will permit a suggestion at that point, I think we could take care of all that by adding after the words "gross inequities," the words "but not below the prices stipulated in clause (1) of this section," which are parity prices.

Mr. GEORGE. That is correct.

Mr. BROWN. I think the general idea is clear, and I will have the drafting service prepare an amendment.

Mr. SCHWARTZ. Mr. President, did I understand the Senator correctly a moment ago to say that it is the thought of the committee that the President would issue a general order based on parity, and thereafter correct it?

Mr. BROWN. No, the general order would be the level of September 15, 1942. That is the direction of section 1 of the joint resolution and, of course, the prices will be based upon the general level of September 15.

Mr. SCHWARTZ. Of course, parity would be of no service at all to one of the major industries in the West, for on the old basis of parity, wool would be down to 27 cents, because the generally accepted parity period was in the case of wool a period of lowest prices; and today the cost of producing wool has increased at least 35 percent.

Mr. BROWN. The first level will be September 15, 1942, price, and the second would be the market price paid the producer between September 15 and January 1 of this year. That is the way it would work. It could not go below parity in any event; but parity, I may say to the Senator from Wyoming, would be of no importance to him.

Mr SCHWARTZ. If the price of wool were fixed at parity, there would be little wool produced.

Mr. HATCH. Mr. President, it is important to us in the Western States to know, with some certainty, what the stabilization of prices is going to be. If we give the President blanket power—and I say that with all due respect to the President of the United States; I am not critical of him; I know that if this matter were left in his hands it would be perfectly all right; I am not so sure about some man who would administer price control under the law we might pass—but if we give blanket power to reduce prices down to parity——

Mr. BROWN. We certainly do not do that, I will say to the Senator from New Mexico.

Mr. HATCH. Suppose the President shall find that in the case of the price of wool there is a gross inequity because it is above parity?

Mr. BROWN. I have said several times that my own construction of that is that the September 15 level would apply. The September 15 level is, in all likelihood, the bottom below which the President would not go.

Mr. HATCH. I know the Senator has said that. He said it on the floor; I have talked with him privately, and I know that it is exactly what he feels, and I have no hesitancy whatever in saying that if the Senator from Michigan were administering the act I would not raise a single question, but I am puzzled about how much power is given.

Mr. BROWN. Mr. President, I did not have the floor. Somehow, I seem to have taken it for the last hour. I had concluded.

Mr. OVERTON. I had the floor.

Mr. BROWN. Can we dispose of the Senator's amendment?

Mr. OVERTON. I should be glad to have that done.

Mr. BROWN. It is perfectly agreeable to me to let the amendment which the Senator from Louisiana has proposed go into the joint resolution in line 15, on page 5, immediately after section 5 relating to the prohibition against increasing wages or salaries in contravention of the regulations promulgated by the President. It could come in as a new subsection.

Mr. O'MAHONEY. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, after line 15, it is proposed to insert the following:

> Nothing in this joint resolution shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of $5,000 or more per annum.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. OVERTON].

Mr. O'MAHONEY. Mr. President, may I ask the Senator from Louisiana to what extent he thinks the amendment would be operative?

Mr. OVERTON. To the extent that salaries of $5,000 or more could be reduced by direction of the employer without the consent of the President to $5,000.

Mr. O'MAHONEY. Does the Senator feel that this amendment would make it clear that the joint resolution does not attempt to freeze unusual increases in salaries?

Mr. OVERTON. It is the very purpose of the amendment to prevent freezing high salaries.

Mr. O'MAHONEY. The Securities and Exchange Commission, for example, has had occasion to release during the past 6 months various reports which indicated that in some instances large corporations have granted what appear to be inordinate increases of salary to their executive officers. In some cases the executive officers have increased their own compensation. Sometimes the increase has been for the purpose of reducing the tax burden upon the corporation itself, and sometimes it has been, of course, to give a larger share of what appear to be war profits to the management. When I first read the joint resolution I wondered whether it might not be interpreted in such fashion as to prevent any correction of such obvious inequities. I take it that the Senator's amendment will prevent the joint resolution from freezing such inequities.

Mr. OVERTON. That is the purpose of the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Louisiana [Mr. OVERTON].

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 1, line 6.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The LEGISLATIVE CLERK. On page 1, line 7, after the word "and" and the comma, it is proposed to insert "except as otherwise provided in this joint resolution."

The amendment was agreed to.

The next amendment was, on page 1, line 9, after the words "existed on", to strike out "August" and insert "September."

The amendment was agreed to.

The next amendment was, on page 1, line 10, after the date "1942" and the period, to strike out "In exercising the authority conferred by this joint resolution, the President may", and to insert "The President may thereafter."

The amendment was agreed to.

The next amendment was, on page 2, line 3, after the word "wages" and the comma, to strike out "salaries, and other factors", and to insert "and salaries."

The amendment was agreed to.

The next amendment was, on page 2, line 4, after the word "inequities", to strike out "or" and to insert a comma and the words "and, in the case of increases, to the extent that he finds necessary."

Mr. VANDENBERG. Mr. President, this amendment raises the question we were canvassing earlier in the afternoon. I submit to my able colleague that as the language stands it authorizes the President to make adjustments with respect to prices, wages, and salaries to the extent he finds necessary to correct gross inequities without any regard to any consideration of war necessity.

The pending measure is supposed to be geared to the war emergency. So far as this particular power and this particular finding are concerned, it can relate to a social purpose or an economic purpose; it does not have to have any relationship whatever to the war. So far as I am concerned, I see no reason why we should yet find it necessary to authorize the President of the United States to do what he pleases with the social and the economic structure of this country, regardless of the war. So I suggest to my able colleague, who was kind enough to agree with my preliminary analysis of this matter a little earlier in the day, that if we strike out in line 5 the words "in the case of increases" and leave the remainder of the provision as it is, then any action which the President may take must be geared to two purposes: First, to correct inequities; second, to aid in the effective prosecution of the war.

Mr. BROWN. So far as I am concerned, I am willing to accept the amendment. I should like to know what the Senator from Ohio thinks about it.

Mr. TAFT. It is perfectly satisfactory to me.

Mr. BROWN. Does the Senator feel that the amendment should be made in the absence of the Senator from Connecticut.

Mr. TAFT. I think that if the Senator from Connecticut wishes to raise the question again, we can reconsider the action.

Mr. BROWN. With that understanding, I am agreeable to the change. I am not sure that it will be satisfactory to the Senator from Connecticut, and he may wish to discuss it.

Mr. McNARY. Mr. President, it is very considerate to ask various members of the committee how they feel about a proposed amendment, but in my opinion that is not the way to proceed. I favor the amendment, but I think the Chair should ask for a decision from the Members of the Senate.

The PRESIDING OFFICER. The Chair intended to put the question in any event.

Mr. VANDENBERG. Is this the amendment to the committee amendment on page 2, line 5, to strike out the words "in the case of increases"?

The PRESIDING OFFICER. It is.

Mr. OVERTON. I should like to ask the Senator from Michigan his interpretation of the amendment.

Mr. VANDENBERG. I thought I had just made it as plain as I could.

Mr. OVERTON. I should like to call attention to another point I have in mind.

Mr. VANDENBERG. All I am trying to do is to make certain that the President's action in all instances shall be geared both to the correction of gross inequities and to the effective prosecution of the war.

Mr. OVERTON. I agree with the Senator.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. LUCAS. Does not the Senator believe the amendment would be strengthened if we struck out the word "and" on line 5?

Mr. VANDENBERG. No; that is precisely what I do not want. I want the word "and" in the joint resolution, so that both these necessities shall be consulted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the senior Senator from Michigan to the amendment of the committee on page 2, line 4.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The LEGISLATIVE CLERK. On page 2, line 9, before the word "may", it is proposed to insert the word "and."

The amendment was agreed to.

The next amendment of the committee was, on page 2, line 12, after the word "direct" and the semicolon, to strike out "and may suspend any provisions of law relating to the establishment or maintenance of prices, wages, or salaries which are inconsistent with the purposes of this joint resolution" and to insert "The President may suspend the provisions of sections 3 (a) and 3 (c) of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this joint resolution, but he may not under the authority of this joint resolution suspend any other law or part thereof."

Mr. McNARY. Mr. President, I appeal to the able Senator from Michigan, who has the joint resolution in charge, and to our distinguished leader to recess for the day at this point. This is a controversial amendment, and I desire to have it go over until tomorrow.

Mr. BARKLEY. I have no objection to the amendment going over.

Mr. BROWN. That is satisfactory to me.

Mr. BARKLEY. It might be that we could consider other noncontroversial amendments.

Mr. McKELLAR. Mr. President, if the Senate is to adjourn at this time, I wish to present and to have printed and lie on the table an amendment which I propose to offer tomorrow to the pending measure.

The PRESIDING OFFICER. Without objection, the amendment will be printed and lie on the table.

Mr. BARKLEY. Whatever the Senator from Michigan wishes to have done is agreeable to me. I thought we might dispose of noncontroversial amendments, such as those on page 3.

Mr. HATCH. I am not quite sure that the amendments on page 3 would be noncontroversial. I should like very much to have them go over.

PRODUCTION OF PETROLEUM AND GASOLINE RATIONING

Mr. O'MAHONEY. Mr. President, I desire to have printed in the RECORD a telegram which I addressed to the Secretary of the Interior relating to survey of Rocky Mountain and Texas oil resources, together with the response I received from the Deputy Petroleum Coordinator, Mr. Davies, and a letter which I have received from Dr. Mendenhall, the Director of the Geological Survey. This letter is accompanied by a table relating to the black oil petroleum reserve of the State of Wyoming.

What the petroleum industry will have to do in order to supply gasoline and lubricating oil for our air forces during the war will be a question to which the Subcommittee on Western Minerals of the Committee on Public Lands and Surveys will investigate and find an answer to on October 5.

Last night's raid of the Royal Air Force over Munich calls attention in dramatic manner to the increasing demand for petroleum. These bombers had to make a round trip of 1,200 miles, and they were burning gasoline and oil at a rate which staggers the imagination.

When the first raid was made over Cologne, on May 30, with 1,000 bombers, spokesmen for the R. A. F. announced that it was the beginning of a prolonged aerial offensive upon the German industrial system. Since that time, including last night's expedition, about 46 huge raids have been made on German industrial and maritime centers. The attacking force has ranged from one or two hundred to as many as 1,300 planes.

It may be conservatively estimated that no fewer than twelve to fifteen thousand bombers have been involved in carrying out this vast aerial offensive. When it is remembered that it cost 1,000,000 gallons of aviation gasoline to carry out the single raid on Cologne, a raid which involved not to exceed 6 hours of flying, it becomes clear that tremendous quantities of gasoline and oil are necessary to carry out an offensive program of this magnitude.

The picture becomes more amazing when we realize that American Flying Fortresses and other war planes are fighting on every front in the global war. From Australia and the Solomon Islands to China and to Libya, as well as to Germany itself, our planes are carrying death and destruction to the Axis Powers. We are talking even now of increasing the number of cargo planes. We are planning aerial war on an unprecedented scale.

All this means petroleum. It means the production of petroleum. It means production in the United States, because large areas of the other producing sections of the world have fallen into the hands of our enemies.

It means that the mistakes in the production of rubber and steel must not be repeated with respect to petroleum.

Oil men of the United States have already done an excellent job under the direction of Secretary Ickes and the Petroleum Industry War Council. A better job needs to be done, not only because of the increasing demand, but also because of increasing obstacles to production.

Nation-wide gasoline rationing, for example, would unquestionably tend to decrease supplies because by cutting off markets for small operators it would tend to put them out of business. We need every oil operator in America actively producing petroleum now. Price controls, based upon the cost of gasoline to the consumer rather than upon stimulated production, also tend to hold down the development of new supplies.

The Senator from New Mexico [Mr. HATCH] and I, as members of a special subcommittee of the Senate Committee on Public Lands and Surveys, have recently held hearings at Casper, Wyo., Artesia, N. Mex., and Midland, Tex., where the oil operators of the country told their story of how production may be stimulated. Representatives of the Office of Petroleum Coordinator and the Office of Price Administration participated in these hearings, as they did in a hearing on July 17 in the committee room here in Washington.

All the agencies which have jurisdiction over the production and distribution of oil will be invited to participate in the sessions planned for the week of October 5.

Representatives of the armed services, both the Army and the Navy, will tell of the demand for petroleum. Representatives of Secretary Ickes and the Office of Petroleum Coordinator, of Leon Henderson and the Office of Price Administration, of Donald Nelson and the War Production Board, and of Joseph Eastman and the Office of Defense Transportation have been invited to participate.

The Senator from New Mexico [Mr. HATCH] and I have also discussed the problem with William R. Boyd, Jr., president of the American Petroleum Institute; with Russell B. Brown, general counsel of the Independent Petroleum Association of America; with Robert E. Allen, Assistant Deputy Petroleum Coordinator; and others. The American Petroleum Institute as well as the Independent Petroleum Association of America and other organizations interested in petroleum are expected to participate. The following outline has been prepared for the hearings:

I. Growing need for petroleum supplies to carry on the war: Testimony by representatives of the War and Navy Departments.

II. Sources of petroleum:

(a) Exploration for new deposits.

(b) Development and preservation of present reserves. Geological Survey and industry estimates of unproven oil lands.

(c) Coal as a source of petroleum through hydrogenation. Bureau of Mines—Cost and availability of processing.

(d) Shale as a source of petroleum through hydrogenation. Bureau of Mines—Cost and availability of processing.

III. Methods of stimulating search and production:

(a) Incentives by way of royalty reduction on public domain.

(b) Incentives by way of price modification.

(c) Incentives by way of protection of labor supply.

(d) Handicaps of operators.

IV. Organization of Government authority:

(a) Jurisdiction of armed services.

(b) Jurisdiction of the Office of Petroleum Coordinator.

(c) Jurisdiction of the Office of Defense Transportation.

(d) Jurisdiction of the War Production Board.

(e) Jurisdiction of the Office of Price Administration.

V. Comments on field hearings:

(a) Herman Stabler, Geological Survey.

(b) William B. Heroy, Office of Petroleum Coordinator.

(c) W. B. Joyes, Office of Price Administration.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks a letter dated September 18, 1942, addressed to me by Russell B. Brown, of the Independent Petroleum Association of America; also a telegram which I addressed to Secretary Ickes, and a letter from Ralph K. Davies, Deputy Petroleum Coordinator, in reply thereto, as well as a letter from the Director of the Geological Survey to me, and a table giving data on black oil fields in Wyoming as of July 1, 1942.

There being no objection, the letters, telegram, and table were ordered to be printed in the RECORD, as follows:

INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA,
Washington, D. C., September 18, 1942.

Senator JOSEPH C. O'MAHONEY,
Chairman, Subcommittee of the Senate Committee on Public Lands and Surveys.

MY DEAR SENATOR: May I express to you my appreciation for the constructive program of your subcommittee as evidenced by the hearings which you have conducted to date. Your hearing on July 17, 1942, here at Washington laid a broad foundation for a complete study of the petroleum situation at a time when the necessity seems very great.

In conversation with you today you have indicated a continuation of these hearings on a basis that should develop information very necessary to the Government and to the industry at this time.

During your hearing on July 17, 1942, you developed the existence of multiplicity of agencies who have authority and responsibility over petroleum during the present emergency. This multiplicity of agencies is confusing to many in the petroleum industry.

You have outlined to me the possibility of future hearings of your committee in which you expect to cover the need for petroleum and its products, the known sources of supply of petroleum, the question of necessary incentives to continue exploration and development work, as well as the impediments under which the industry is now operating.

In response to your request the Independent Petroleum Association of America will be glad to furnish witnesses from the petroleum industry to discuss before your committee the present known supplies of petroleum, as well as the possibility of exploring for new reserves. We will also be glad to supply witnesses who will discuss the preservation of the present reserves through secondary recovery and other methods of extending the life of the small or stripper wells. We will also be glad to provide witnesses who will be prepared to discuss the need for incentives in the exploration and development work in the petroleum industry which should include the question of price and supply of materials, as well as the protection of labor engaged in the industry. In this connection I understand you will develop testimony on the war impacts which affect the operations of the petroleum industry.

The broad basis on which your committee is conducting these hearings suggests that this committee may become a forum for the collection of information that may be used as a basis for important decisions that seem necessary to the success of our war effort with particular relation to the petroleum industry.

What has happened in the case of rubber could happen in the case of petroleum. It might be slower in developing but it would also take longer to cure.

Very truly yours,

RUSSELL B. BROWN.

TELEGRAM TO SECRETARY ICKES

CHEYENNE, WYO., *August 31, 1942.*

Hon. HAROLD L. ICKES,
Secretary of the Interior,
Washington, D. C.:

Survey of Rocky Mountain and Texas oil resources just completed by Senate Public Lands Committee with efficient assistance of Herman Stabler, Geological Survey, William B. Heroy, of Office of Price Control, and W. B. Joyes, of Office of Price Administration, indicates substantial possibility of relieving Eastern oil shortage by price adjustment and transportation reorganization. This particularly true of black oil. Wyoming has 27 black-oil fields with estimated reserves of 261,000,000 barrels, but present low price which is 50 cents or under in most fields is not sufficient to move the product. Seven fields are shut in and only 330 wells are producing in all black-oil fields. On the conservation formula of not more than 1 well to every 40 acres, 385 additional wells could be drilled increasing daily output by forty-five or fifty thousand barrels.

This oil could be treated in Wyoming refineries and could be used as could light oils also to handle markets west of the Mississippi while Texas and Midcontinent oils with pipe line outlets could be concentrated on New England and other Eastern areas now facing distress. Development of Wyoming black oils has been retarded for years by low price.

Present price level was frozen by Office of Price Administration as of October 1, 1941, and represents a price structure which existed when black oils were not needed. It should not be permitted to continue to throttle development, now, when fuel oil and asphalt are needed for military as well as industrial and civilian purposes.

Operators made convincing showing of hardship at present limits. I strongly recommend that Office of Price Administration grant immediate increase. If action is delayed until formal application is prepared and presented prospects of necessary development will be seriously impaired. I suggest temporary increase should be immediately granted on basis of testimony presented to this committee subject to modification later if necessary. Action rather than deliberation is needed if fuel oil shortage is to be met.

On basis of information from California I believe special consideration should be given to liberalization of acreage and other drilling rules for small operators. Labor shortage is another grave impediment to oil production. Oil field work, particularly well drilling, is skilled and hazardous essential war employment and operators should be protected from labor pirating by other industries. Turn-over is becoming so rapid as to threaten increased accident rate and decreased production. Wells and fields which are shut down because of low price or labor shortage will be difficult to reopen by small operators with resulting renewed hardship for all consumers.

JOS. C. O'MAHONEY.

RESPONSE OF DEPUTY OIL COORDINATOR

OFFICE OF PETROLEUM COORDINATOR FOR WAR,
Washington.

Hon. JOSEPH C. O'MAHONEY,
United States Senate.

MY DEAR SENATOR O'MAHONEY: I have delayed replying to your wire of August 31, addressed to Secretary Ickes, until Mr. Heroy returned to Washington.

This Office is in complete concurrence with the principles stated in your message and we believe that the production of crude in the Rocky Mountain States, especially the black oil in Wyoming, should be stimulated. This will require the establishment of adequate prices and the readjustment of transportation facilities.

We join you in the belief that present price ceilings reflect only the approximate supply-and-demand situation as of June 1941, whereas the war economy costs have greatly increased supplies of heavy fuel oil and reduced quantities of motor gasoline. For that reason the light and heavy crude price schedules of 15 months ago are unrealistic under present-day conditions. The Office will join you in recommending prompt action by the Office of Price Administration in readjusting the price schedules of Wyoming heavy oils, which were at depressed levels 15 months ago, but we doubt that the Office of Price Administration will act without having before it a formal application, accompanied by full supporting data. This is based upon our previous experience in presenting other urgent matters for its consideration.

An increased supply of crude oil in the Rocky Mountain States might be useful in serving markets to the east unless freight rates are prohibitive. But the fuel-oil situation on the Pacific coast is of some concern to us and we feel that any additional productive capacity quickly available in the Rocky Mountain district should be used to meet the rapidly increasing demands on the Pacific coast.

I have inaugurated a study in this Office of the possibilities of increasing Rocky Mountain production with a minimum use of steel and other critical materials and we will also investigate to what extent surplus refining capacity exists there for processing additional quantities of crude.

Please let me know if we can be of further service to you in this regard.

Sincerely yours,

RALPH K. DAVIES,
Deputy Petroleum Coordinator.

WYOMING BLACK-OIL RESERVES

UNITED STATES DEPARTMENT OF THE INTERIOR,
GEOLOGICAL SURVEY,
Washington, September 19, 1942.

Hon. JOSEPH C. O'MAHONEY,
United States Senate.

MY DEAR SENATOR O'MAHONEY: The following information and the accompanying table are submitted in response to your recent request by telephone to Mr. Stabler.

While there is considerable variation in estimates of Wyoming oil reserves, field by field, it may be stated with some assurance that the known black-oil reserves of the State are of the order of magnitude of 260,000,000 barrels and that the estimated reserves of fields entirely shut in are of the order of magnitude of twenty-five or thirty million barrels. The production for the month of July amounted to about 33,000 barrels per day from 305 wells; 111 wells were shut in, and it is believed that if these wells had been on production the average might have been 40,000 barrels per day with all wells being produced at a reasonable rate. If the fields were completely drilled up, additional wells being drilled on 40-acre spacing, it is believed that 825 wells could be put on production and, without excessive rates of production, could supply as much as 90,000 barrels per day of black oil. Unless supplemented by reserves and pools not now known to be productive, such a rate of production would necessarily decline, probably within a year.

The accompanying table gives information for each field as to the gravity of oil, production for the first 6 months of 1942, production in July 1942, productive acres, producing wells, wells shut in, and additional wells required for complete drilling up of productive area on 40-acre spacings.

Cordially yours,

W. C. MENDENHALL, *Director.*

Data on black-oil fields in Wyoming as of July 1, 1942

Field	Gravity	Production first 6 months 1942	Production July 1942	Productive acres	Producing wells	Wells shut-in	Additional wells [1]
Black Mountain	26	5,251	2,204	760	3	2	14
Byron	25.6	794,765	161,035	1,650	17	2	22
Circle Ridge	22	0	0	210	0	7	0
Dallas	22	84,653	15,396	160	28	4	0
Derby	23	7,376	1,386	120	10	4	0
Fourbear	13.5	0	0	2,465	0	1	61
Frannie	28.1	599,312	88,709	720	20	3	0
Garland	19.6	259,756	45,258	2,000	19	4	27
Gooseberry	23	[2] 771	[2] 2,443	620	0	1	14
Grass Creek	25.4	493,969	143,471	2,000	15	0	35
Hamilton Dome	14 and 26.	194,035	45,050	1,000	12	22	0
Lander-Hudson	22	52,022	8,502	350	13	22	0
Lake Creek	25	0	0	100	0	1	1
Maverick Springs	22	421,229	60,652	1,345	31	5	0
Notches	23	0	4,628	360	2	1	6
Oregon Basin, north and south	22.2	1,877,506	376,510	7,100	64	0	114
Pilot Butte		18,119	20,064	2,120	1	0	52
Pitchfork	18.6	0	0	400	0	1	9
Poison Spider	22	31,467	5,262	[3] 1,280	40	1	0
Red Springs	11.3	0	0	300	0	1	7
Salt Creek	28	137,155	25,019	1,100	9	0	18
Sheep Creek	22.8	0	0	260	2	0	4
Shoshone	22.2	12,730	2,907	160	2	0	2
Simpson Ridge	23	2,748	575	160	5	0	0
South Sunshine	19	0	0	200	0	1	4
South Casper Creek	15	89,676	15,177	(?)	(?)	(?)	(?)
South Spring Creek	15.4	0	0	765	0	1	19
West Warm Springs	21.7	9,447	2,453	[4] 180	12	27	0
Total		5,091,987	1,926,710	27,885	305	111	409

[1] Additional wells required for complete drilling of productive area on 40-acre spacing.
[2] Fuel.
[3] Includes South Casper Creek.
[4] Includes East Warm Springs (SI).

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. BUNKER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing a nomination), which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

By Mr. BAILEY, from the Committee on Commerce:

Commander (Engineering) Gustavus R. O'Connor to be a captain in the Coast Guard, to rank from the 1st day of September 1942;

Cadet Robert J. Wescott to be an ensign in the Coast Guard, to rank from the date of oath of office; and

Several captains to be rear admirals in the Coast Guard for temporary service.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

ARMY SPECIALIST CORPS

The legislative clerk proceeded to read sundry nominations in the Army Specialist Corps.

Mr. BARKLEY. I ask that the nominations be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. BARKLEY. I ask unanimous consent that the nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the calendar.

THE ARMY—MAJ. GEN. JACOB LOUCKS DEVERS

Mr. CHANDLER. Mr. President, from the Committee on Military Affairs I report certain nominations in the Army, for appointment and promotion of officers, which the President sent to the Senate today.

Included in these nominations is the nomination of Maj. Gen. Jacob Loucks Devers (Brigadier General, United States Army), Army of the United States, for temporary appointment as lieutenant general in the Army of the United States, under the provisions of section 127 (a), National Defense Act, as amended.

General Devers is one of the ablest and greatest generals the Army of the United States has produced. It will be an inspiring thing for the armored forces of the United States all over the world to know that their commander has been made a lieutenant general. The headquarters of the armored forces are located at Fort Knox, Ky.

I ask unanimous consent for the immediate consideration and confirmation of this nomination, and that the President be notified immediately.

Mr. BARKLEY. Mr. President, I wish to join in the request made by my colleague. I have known General Devers for many years. He is a credit to the Army of the United States. He is one of the outstanding military officers of our country. I hope there will be no objection to my colleague's request for confirmation of this nomination.

The PRESIDING OFFICER. Is there objection to the request made by the junior Senator from Kentucky? The Chair hears none, and, without objection, the nomination is confirmed, and the President will be immediately notified.

Mr. BARKLEY. Mr. President, I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be so notified.

AMENDMENT OF LIBRARY OF CONGRESS TRUST FUND BOARD ACT

Mr. BARKLEY. Mr. President, as in legislative session, I ask unanimous consent to report two bills, for which I ask immediate consideration.

First, I report from the Committee on the Library House bill 7114, to amend the Library of Congress Trust Fund Board Act. The measure would amend the act authorizing the acceptance of gifts and bequests on the part of the Library of Congress. I ask for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 7114) to amend the Library of Congress Trust Fund Board Act.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 7114) was considered, ordered to a third reading, read the third time, and passed.

BOOKS FOR THE ADULT BLIND

Mr. BARKLEY. Also from the Committee on the Library I report favorably House bill 7273, to amend section 1 of the act entitled "An act to provide books for the adult blind." This measure would increase the appropriation from $350,000 to $370,000 per year.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 7273) to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931, as amended.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 7273) was considered, ordered to a third reading, read the third time, and passed.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 28 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, September 22, 1942, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate September 21, 1942:

DIPLOMATIC AND FOREIGN SERVICE

Thomas L. Hughes, of the District of Columbia, now a Foreign Service officer of class 1 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

APPOINTMENTS, FOR TEMPORARY SERVICE, IN THE ARMY OF THE UNITED STATES

TO BE A LIEUTENANT GENERAL

Maj. Gen. Jacob Loucks Devers (brigadier general, United States Army), Army of the United States, for temporary appointment as lieutenant general in the Army of the United States, under the provisions of section 127a, National Defense Act, as amended.

TO BE MAJOR GENERALS

Brig. Gen. John Henry Hilldring (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. Edward Mallory Almond (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. John Beugnot Wogan (lieutenant colonel, Field Artillery), Army of the United States.

Brig. Gen. Frank William Milburn (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. Paul John Mueller (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. Leroy Hugh Watson (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. Vernon Edwin Prichard (lieutenant colonel, Field Artillery), Army of the United States.

Brig. Gen. Leland Stanford Hobbs (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. Ira Clarence Eaker (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Brig. Gen. Henry Spiese Aurand (lieutenant colonel, Ordnance Department), Army of the United States.

Brig. Gen. Kenneth Thompson Blood (colonel, Coast Artillery Corps), Army of the United States.

Brig. Gen. Barney McKinney Giles (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Brig. Gen. Leven Cooper Allen (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. Andrew Davis Bruce (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. Frank Floyd Scowden (colonel, Quartermaster Corps), Army of the United States.

Brig. Gen. Clifford Lee Corbin (colonel, Quartermaster Corps), assistant to the Quartermaster General.

Brig. Gen. Frederick Gilbreath (colonel, Cavalry), Army of the United States.

Brig. Gen. Charles Harrison Corlett (lieutenant colonel, Infantry), Army of the United States.

TO BE BRIGADIER GENERALS

Col. Nelson Macy Walker (lieutenant colonel, Infantry), Army of the United States.

Col. Ivan Leon Foster (lieutenant colonel, Field Artillery), Army of the United States.

Col. William Henry Colbern (lieutenant colonel, Field Artillery), Army of the United States.

Col. John Eubank Copeland (lieutenant colonel, Infantry), Army of the United States.

Col. Robert Wilson Hasbrouck (lieutenant colonel, Field Artillery), Army of the United States.

Col. John Max Lentz (lieutenant colonel, Field Artillery), Army of the United States.

Col. Donald John Myers (lieutenant colonel, Infantry), Army of the United States.

Col. William Robert White, Quartermaster Corps.

Col. Lawrence Carmel Jaynes (lieutenant colonel, Infantry), Army of the United States.

Col. Guy Humphrey Drewry (lieutenant colonel, Ordnance Department), Army of the United States.

Col. George Honnen (major, Infantry), Army of the United States.

Col. Russell Edward Randall (major, Air Corps; temporary lieutenant colonel, Air Corps), Army of the United States—Air Corps.

Col. Henry Charles Wolfe (major, Corps of Engineers), Army of the United States.

Col. Hermon French Safford (lieutenant colonel, Ordnance Department), Army of the United States.

Col. Frank Albert Allen, Jr. (Lieutenant colonel, Cavalry), Army of the United States.

Col. Remi Paul Hueper (lieutenant colonel, Finance Department), Army of the United States.

Col. Everett Strait Hughes, Ordnance Department.

Col. Eley Parker Denson, Infantry.

Col. Rufus Stanley Ramey (lieutenant colonel, Cavalry), Army of the United States.

Col. John Lloyd McKee (lieutenant colonel, Infantry), Army of the United States.

Col. Frederick Harry Black (lieutenant colonel, Field Artillery), Army of the United States.

Col. Doyle Overlton Hickey (lieutenant colonel, Field Artillery), Army of the United States.

Col. James Francis Clark Hyde (lieutenant colonel, Corps of Engineers), Army of the United States.

Col. Norman Randolph (lieutenant colonel, Infantry), Army of the United States.

Col. Vernon Evans (lieutenant colonel, Infantry), Army of the United States.

Col. Walter Alexander Wood, Jr. (lieutenant colonel, Corps of Engineers), Army of the United States.

Col. Paul Ramsey Hawley (lieutenant colonel, Medical Corps), Army of the United States.

Col. Albert Cowper Smith (lieutenant colonel, Cavalry), Army of the United States.

Col. Edwin William Piburn (lieutenant colonel, Infantry), Army of the United States.

Col. Gordon Russell Young, Corps of Engineers.

Col. William Francis Heavey (lieutenant colonel, Corps of Engineers), Army of the United States.

Col. David Ayres Depue Ogden (major, Corps of Engineers), Army of the United States.

Col. Harry Fouts Hazlett, Infantry.

Col. Robert Wilkins Douglass, Jr. (major Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States—Air Corps), Army of the United States.

Col. George Hatton Weems (lieutenant colonel, Infantry), Army of the United States.

Col. Fred Sidney Borum (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. Raymond Edward O'Neill (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. Richard Gentry Tindall (lieutenant colonel, Infantry), Army of the United States.

Col. Robert Boyd Williams (major, Air Corps; temporary lieutenant colonel, Air Corps; temporary lieutenant colonel, Army of the United States), Army of the United States—Air Corps.

Col. James Alexander O'Connor, Corps of Engineers.

Col. Robert Morris Webster (major, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States—Air Corps), Army of the United States.

Col. Frederick Mercer Hopkins, Jr. (major, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. Owen Summers (lieutenant colonel, Infantry), Army of the United States.

Col. Howard Knox Ramey (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. Harvey Steele Burwell, Air Corps.

Col. Edward Moses Morris (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. George Jacob Forster (lieutenant colonel, Infantry), Army of the United States.

Col. William Warren Welsh (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. Orvil Arson Anderson (major, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States—Air Corps), Army of the United States.

Col. Hans Kramer (lieutenant colonel, Corps of Engineers), Army of the United States.

Col. Robert Victor Ignico (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. Alden Harry Waitt (lieutenant colonel, Chemical Warfare Service), Army of the United States.

Col. Walter Scott Fulton, Infantry.

Col. Julian Buckner Haddon (major, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States—Air Corps), Army of the United States.

Col. Leslie Richard Groves (major, Corps of Engineers), Army of the United States.

Col. Evarts Walton Opie, Infantry, National Guard of the United States.

Col. Francis Willard Rollins, Field Artillery, National Guard of the United States.

Col. Henry Carlton Newton (lieutenant colonel, Infantry, National Guard of the United States), Army of the United States.

Col. Fred Abraham Safay, Infantry, National Guard of the United States.

Col. Miller Grieve White (lieutenant colonel, Infantry, National Guard of the United States), Army of the United States.

Col. Clayton Sinnott Adams, Adjutant General's Department Reserve.

Col. Alfred Robinson Glancy, Army of the United States.

IN THE NAVY

Capt. Harry W. Hill to be a rear admiral in the Navy, for temporary service, to rank from the 22d day of April 1942.

The following-named captains to be rear admirals in the Navy, for temporary service, to rank from the date stated opposite their names:

Claud A. Jones, October 9, 1941.
Alexander M. Charlton, October 9, 1941.
Joseph J. Broshek, October 9, 1941.
Sydney M. Kraus, October 9, 1941.
James M. Irish, October 9, 1941.
Harold T. Smith, November 21, 1941.
Thomas B. Richey, November 21, 1941.
Charles L. Brand, November 29, 1941.
Ernest M. Pace, Jr., May 13, 1942.

The following-named medical directors to be medical directors in the Navy with the rank of rear admiral, for temporary service, to rank from the 15th day of September 1942:

William Chambers
Kent C. Melhorn

The following-named pay directors to be pay directors in the Navy with the rank of rear admiral, for temporary service, to rank from the 15th day of September 1942:

John F. Hatch
Emory D. Stanley
Fred E. McMillen

The following-named civil engineers to be civil engineers in the Navy with the rank of rear admiral, for temporary service, to rank from the 15th day of September 1942:

Henry G. Taylor
Gaylord Church

IN THE COAST GUARD

Capt. Lloyd T. Chalker to be a rear admiral in the Coast Guard, for temporary service, to rank from the 10th day of March 1942.

Capt. Harvey F. Johnson to be a rear admiral in the Coast Guard, for temporary service, to rank from the 10th day of March 1942.

Capt. James Pine to be a rear admiral in the Coast Guard, for temporary service, while serving as Superintendent of the Coast Guard Academy, to rank from June 30, 1942.

Capt. Frank J. Gorman to be a rear admiral in the Coast Guard, for temporary service, while serving as Chief, Division of Finance, to rank from June 30, 1942.

Capt. Robert Donohue to be a rear admiral in the Coast Guard, for temporary service, while serving as Chief, Division of Personnel.

Capt. Edward H. Smith to be a rear admiral in the Coast Guard, for temporary service, while serving as commander, Greenland Patrol.

WITHDRAWAL

Executive nomination withdrawn from the Senate September 21, 1942:

POSTMASTER

LOUISIANA

Lloyd Armand Theriot to be postmaster at Lockport in the State of Louisiana.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 21, 1942:

ARMY SPECIALIST CORPS

Abraham Herbert Klubock to be principal Army exchange instructor, Army Exchange Service, Services of Supply, at a salary of $5,600 per annum.

Newman Smith to be Deputy Director, Fourth Service Command, Field Service, Army Specialist Corps, at a salary of $5,600 per annum.

William Johnson Fuller to be principal personnel procurement officer, Fifth Service Command, subdistrict office, at a salary of $5,600 per annum.

Ellerton James Brehaut to be Deputy Director, First Service Command, Field Service, Army Specialist Corps, at a salary of $5,600 per annum.

IN THE ARMY

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

Jacob Loucks Devers for temporary appointment as lieutenant general in the Army of the United States.

IN THE NAVY

APPOINTMENTS FOR TEMPORARY SERVICE

Arthur S. Carpender to be vice admiral, to rank from September 4, 1942.

Louis E. Denfeld to be rear admiral, while serving as Assistant Chief of Naval Personnel, from May 16, 1942.

Ralph E. Davison to be rear admiral, while serving as Assistant Chief of the Bureau of Aeronautics, from August 1, 1942.

Theodore D. Ruddock, Jr., to be rear admiral, while serving as Assistant Chief of the Bureau of Ordnance, from July 5, 1942.

Luther Sheldon, Jr., to be medical director, with the rank of rear admiral, for temporary service, while serving as Assistant Chief of the Bureau of Medicine and Surgery, from November 17, 1941.

William J. Carter to be pay director, with rank of rear admiral, for temporary service, while serving as Assistant Chief of the Bureau of Supplies and Accounts, from September 4, 1942.

Lewis B. Combs to be civil engineer, with rank of rear admiral, for temporary service, while serving as Assistant Chief of the Bureau of Yards and Docks, from July 20, 1942.

Leslie E. Bratton to be rear admiral in the Navy, on the retired list, for temporary service, while serving as Assistant Judge Advocate General of the Navy, from September 4, 1942.

PROMOTIONS IN THE REGULAR SERVICE

The nominations of Earland E. Hedblom et al., for promotions in the regular service of the Navy.

(NOTE.—A full list of the names of the persons whose nominations for promotion in the regular service of the Navy were confirmed today may be found in the Senate proceedings of the CONGRESSIONAL RECORD for September 14, 1942, under the caption "Nominations," beginning with name of Earland E. Hedblom on p. 7139 and concluding with the name of Arthur B. Simms, Jr.

POSTMASTERS

ARKANSAS

Benjamin S. Kent, Mountain View.

COLORADO

James O. Stevic, Denver.
Thomas H. Hargreaves, Holyoke.
James F. North, Rocky Ford.
Ben B. Beshoar, Trinidad.

HOUSE OF REPRESENTATIVES

MONDAY, SEPTEMBER 21, 1942

The House met at 12 o'clock noon and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, the strength of all men who put their trust in Thee, perfect our weakness in Thy strength. Thou who dost hold in Thy hands the basic laws of the universe, we pray that this sad world may emerge from the tragic scenes of darkness and threatened death. Help us to yield ourselves to Thee so completely that every fiber of our Nation's soul shall revolt against unprovoked war with its tempest and burning blackness. As lovers of freedom, may our people put on the whole armor of God that we may be able to stand against the wiles of the devil and quench all the fiery darts of the evil one. Again we invoke Thy blessings upon our world-renowned President, our Speaker, the Vice President, and both Houses of the Congress that strength, unity, and wisdom may abound and that they may be directed in the realms of resolution, endeavor, and determination.

Dear Lord, we pause in reverent tribute to the honored Member who answers not to the roll call. Oh, take unto Thyself the soul of him whose devotion to duty and integrity of purpose abide with us. O heavenly Father of compassion, through their halting hours of anguish, breathe upon all the loved ones stricken in their grief that they may take up the weary burdens of life. In the name of our Saviour. Amen.

The Journal of the proceedings of Thursday, September 17, 1942, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 6362. An act to amend the Act entitled "An Act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929;

H. R. 6401. An act to amend section 7 of the Act entitled "An Act to incorporate the American War Mothers," approved February 24, 1925 (43 Stat. 966; title 36, sec. 97, U. S. C., 1940 edition);

H. R. 7235. An act to amend the District of Columbia Emergency Rent Act;

H. R. 7399. An act to increase the penalty for indecent exposure in the District of Columbia; and

H. J. Res. 271. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1942, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6921. An act to amend the Soil Conservation and Domestic Allotment Act to authorize payments in cases where farmers' crops are acquired, prior to harvest, in connection with the acquisition of their farms for use in the national war effort, and to provide for the division of such payments.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2411. An act for the relief of William R. Laurence;

S. 2503. An act to provide for the payment of retired pay to certain retired judges of the police and municipal courts of the District of Columbia;

S. 2689. An act to amend the act entitled "An act to incorporate Saint Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863 (12 Stat. 798);

S. 2696. An act to permit prosecutions after the lapse of a temporary statute for offenses committed prior to its expiration;

S. 2705. An act for the relief of Capt. Samuel N. Moore, United States Navy;

S. 2717. An act for the relief of Charles H. Koch;

S. 2731. An act to suspend until June 30, 1945, the running of the statute of limitations applicable to violations of the antitrust laws;

S. 2733. An act to amend an act entitled "An act to provide for the better registration of births in the District of Columbia and for other purposes," approved March 1, 1907;

S. 2739. An act to authorize the Secretary of the Navy to grant easements for rights-of-way over, across, in, and upon naval reservations;

S. 2740. An act to provide for furnishing transportation for certain Government and other personnel necessary for the effective prosecution of the war, and for other purposes;

S. 2747. An act to authorize a reduction in the course of instruction at the United States Military Academy; and

S. 2751. An act to amend the act entitled "An act to establish a Women's Army Auxiliary Corps for service with the Army of the

United States," approved May 14, 1942, to create the grade of field director in such corps, to provide for enrolled grades in such corps comparable to the enlisted grades in the Regular Army, to provide pay and allowances for all members of such corps at the same rates as those payable to members of the Regular Army in corresponding grades, and for other purposes.

HOUR OF MEETING

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I do this for the purpose of making known to the House what we may expect concerning this bill to control inflation.

Mr. McCORMACK. Mr. Speaker, it is hoped that the Committee on Rules will report a rule today and it is the intention to bring that up tomorrow.

Mr. MARTIN of Massachusetts. Tomorrow will be devoted to general debate?

Mr. McCORMACK. Yes; and there will be no vote before Wednesday.

Mr. MARTIN of Massachusetts. The vote will not be before Wednesday?

Mr. McCORMACK. Yes.

Mr. RANKIN of Mississippi. Mr. Speaker, further reserving the right to object, may I ask the majority leader if it is the intention to take up the Consent Calendar tomorrow?

Mr. McCORMACK. No.

Mr. RANKIN of Mississippi. Then that will go over for 2 weeks?

Mr. McCORMACK. After disposition of the price-stabilization bill, the Lanham housing authorization bill will come up for consideration. The Consent Calendar will not be called this week. Whether or not I shall ask unanimous consent to have bills on that calendar called next week, I am unable to state at this time. However, I may say if there are any bills on that calendar that can be brought up by unanimous consent we are always glad to cooperate, as the gentleman from Mississippi knows. As a matter of fact, tomorrow the gentleman from Kentucky [Mr. MAY] will bring up a few bills by unanimous consent.

Mr. RANKIN of Mississippi. May I say to the gentleman from Massachusetts that we have at least one bill on the Consent Calendar with reference to hospitalization of veterans, and I would like to take that up this week if possible.

Mr. McCORMACK. I do not see any reason why that cannot be done if the bill can be passed by unanimous consent.

Mr. RANKIN of Mississippi. I thank the gentleman.

Mr. MAY. Mr. Speaker, reserving the right to object, in answer to the statement of the gentleman from Massachusetts, may I say that it will be my purpose in the morning, if I am permitted, to call up three or four small bills that are not controversial.

Mr. MARTIN of Massachusetts. Could the gentleman put in the RECORD the bills he is going to call up? That may facilitate the matter.

Mr. MAY. I will be glad to do that. They are as follows:

S. 2686. An act to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin-American republics in military and naval matters";

S. 2670. An act to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing State and Territorial military forces with such arms, ammunition, clothing, and equipment as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and for other purposes;

S. 2275. An act to amend section 10 of Public, No. 360, Seventy-seventh Congress, to grant national service life insurance in the cases of certain Army flying cadets and aviation students who died as the result of aviation accident in line of duty between October 8, 1940, and June 3, 1941;

S. 2698. An act to make transportation and storage facilities available for military use where military necessity exists, by authorizing the removal to other points of merchandise in customs custody;

S. J. Res. 129. Joint resolution to remove certain limitations on the cost of construction of Army and Navy living quarters;

H. R. 7526. A bill to authorize a reduction in the course of instruction at the United States Military Academy; and

S. 2685. An act to provide that promotions to higher grades of officers of the Army of the United States, or any components thereof, shall be deemed to have been accepted upon the dates of the orders announcing such promotions, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

FILING OF RULE ON AMENDMENT TO PRICE CONTROL ACT OF 1942

Mr. SABATH. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a special rule on the amendments to the Emergency Price Control Act of 1942.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. SABATH]?

There was no objection.

REPORT NO. 2474

Mr. SABATH, from the Committee on Rules, submitted the following report to accompany House Resolution 540:

The Committee on Rules, having had under consideration House Resolution 540, reports the same to the House with the recommendation that the resolution do pass.

House Resolution 540

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7565) to amend the Emergency Price Control Act of 1932, to aid in preventing inflation, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 day, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of such consideration, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

FILING OF REPORT ON PRICE CONTROL ACT, H. R. 7565

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. STEAGALL] may have until midnight tonight to file a report on H. R. 7565.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is there any minority report? If so, provision might be made to incorporate that.

Mr. McCORMACK. If there are any minority or supplemental views, they should be included and that privilege accorded members of the committee.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

THE LATE FRANK H. BUCK

Mr. LEA. Mr. Speaker, it is with sorrow that I announce the death of our colleague from California, FRANK H. BUCK, Representative from the Third District of California in Congress, in this city on the 17th day of this month.

Mr. BUCK was elected to the Congress 10 years ago, serving first in the Seventy-third Congress and continuously since. He was born in Vacaville, Solano County, Calif., on the 30th of September 1887, and that remained his residence until the time of his death. Mr. BUCK was a man of wide experience and education. He was well trained in the law and in education had the advantages of some of the best universities of our country. He was experienced in agricultural production covering a large number of farm crops, and in the shipping and marketing of its products. He made a special study and had a practical training in the practice of revenue law and its applications before he came to Congress. He was a man of vision and broad practical understanding.

He came here with that background of experience which well qualified him to take the part he did as a Member of this House.

The life book of Mr. BUCK is closed. The decline in his health and physical strength commenced over 2 years ago and progressively persisted until his death.

As a Member of this House and his friend I prefer to remember FRANK BUCK as we knew him in the days of his strength and ability, of his virile manhood and keen intellect, in the days of his finest accomplishments. His record here, if we judge it by his performance as a Member of Congress, is closed; but those who may study it in the future will find in that record a career of courage, intelligence, and of constructive statesmanship useful to our State and Nation and highly appreciated by his constituents in the State of California.

Even in the last 2 years when he was in this decline of health and physical

strength, in the main his votes and his record as a Member of Congress were consistent with that former record, which was one of constructive and useful statesmanship. His ability was outstanding in the House, where many men of fine ability worthily took their parts. Today we can pay to him a tribute due those who have done a useful service for their country.

Mr. Speaker, I offer a resolution, which I send to the desk.

The SPEAKER. The Clerk will report the resolution (H. Res. 539).

The Clerk read as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. FRANK H. BUCK, a Representative from the State of California.

Resolved, That a committee of four Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. LEA. Mr. Speaker, I yield to the gentleman from California [Mr. ELLIOTT].

Mr. ELLIOTT of California. Mr. Speaker, the voice and activities of Congressman FRANK HENRY BUCK have been stilled, but the effects and results of his efforts remain with us yet. His work is finished and his record complete, but his name and fame will linger and be cherished for ages to come.

It was my good fortune to know FRANK BUCK as a friend. The Third California Congressional District, which he represented, is the place of my birth, and I knew him prior to his election to Congress on November 8, 1932. He was possessed of great common sense, a fine intelligence, affable manner, and a keen sense of honor, ethics, and responsibility. He had the personality and ability of a born leader, and was vigorous, honest, courageous, patriotic, and high-minded in everything that engaged his attention. In him was placed the confidence of the people and of his associates because of the high standards of ethics and public service that always actuated him. Reliance could be had upon the soundness of his judgment and decision upon any matter affecting the public or general welfare.

No doubt exists in the minds of the people of California that they have lost a most worthy servant. His contribution to the welfare of the Nation as a Member of this body was of the highest order and merited sincere respect.

His widow and children have my deepest sympathy.

Mr. LEA. Mr. Speaker, I yield to the gentleman from California [Mr. ROLPH].

Mr. ROLPH. Mr. Speaker, FRANK BUCK served for almost 10 years in this body. He has contributed greatly to the upbuilding of his native California. Who will ever forget the masterful manner in which he opposed the mandatory joint income-tax feature on this floor last year? The complete success of the effort was in no small degree due to his work.

The people of California will long remember FRANK H. BUCK.

As a new Member of the House, I want to say how cordial and helpful Frank was to me in becoming adjusted to the congressional routine. He was ever willing and anxious to help, and we shall miss him sorely.

In Frank's passing, I am thinking of those verses entitled "In a Friendly Sort of Way":

When a man ain't got a cent and he's feeling kind 'er blue
And the clouds hang dark and heavy and won't let the sunshine thru,
It's a great thing, oh, my brethren, for a fellow just to lay
His hand upon your shoulder, in a friendly sort of way.

It makes a man feel curious, it makes the teardrops start
And you sort of get a flutter in the region of your heart.
You can't look up and meet his eyes, you don't know what to say
When a hand's upon your shoulder, in a friendly sort of way.

Oh, the world's a curious compound, with its honey and its gall,
With its cares and double-crossers, but a good world after all.
And a good Lord must have made it, leastways, that is what I say,
When a hand's upon my shoulder, in a friendly sort of way.

Mr. LEA. Mr. Speaker, I yield to the gentleman from California [Mr. LELAND M. FORD].

Mr. LELAND M. FORD. Mr. Speaker, the Members of this House now know of the passing of another of our beloved Members. I rise to pay tribute to my personal friend and departed colleague, FRANK HENRY BUCK, of the Third Congressional District of the State of California. I feel, as I am sure do all of FRANK BUCK'S colleagues, that the State of California has suffered a distinct loss in his passing. Since elected to Congress in 1932 Congressman BUCK has served continuously up to the time of his death. During the years when he served on the Ways and Means Committee of the House, he devoted long hours of study and work to the important problems which this committee has had to consider during the past 8 or 9 years in the history of our country. We have all found in FRANK BUCK the ever-readiness to cooperate and to help us with the individual problems of our districts, and we are all going to keenly feel his loss. In his service in Congress Congressman BUCK was a true representative of the State in which he was born, and has typified the ideals of a true American and a true Californian. I am sure we all, who have known FRANK BUCK, will deeply feel his absence.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

The SPEAKER. The Chair asks the indulgence of the House until tomorrow, at which time he will name the funeral committee.

The Clerk will report the further resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 12 o'clock and 18 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, September 22, 1942, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1909. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the legislative establishment, United States House of Representatives, for the fiscal year 1942, amounting to $50,000 (H. Doc. No. 844); to the Committee on Appropriations and ordered to be printed.

1910. A communication from the President of the United States, transmitting deficiency estimates of appropriations for the fiscal year 1942, amounting to $6,820,000, and supplemental estimates of appropriations for the fiscal year 1943, amounting to $2,731,154,308, for the Navy Department and naval service (H. Doc. No. 845); to the Committee on Appropriations and ordered to be printed.

1911. A letter from the Director, Department of Justice, Alien Enemy Control Unit, transmitting a draft of a proposed legislation prohibiting Japanese right to become citizens of United States; to the Committee on the Judiciary.

1912. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral; to the Committee on Naval Affairs.

1913. A letter from the Secretary of War, transmitting a list of contracts in excess of $150,000, undertaken during the fiscal year 1942, submitted by letter, dated August 29, 1942; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STEAGALL: Committee on Banking and Currency. H. R. 7565. A bill to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes; without amendment (Rept. No. 2472). Referred to the Committee of the Whole House on the state of the Union.

Mr. AUGUST H. ANDRESEN: Committee on Agriculture. H. R. 7431. A bill to permit the prepayment of the purchase price of certain housing sold to individuals by the Farm Security Administration, and for other purposes; with amendment (Rept. No. 2473). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 540. Resolution for the consideration of H. R. 7565, to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes; without amendment (Rept. No. 2474). Referred to the House Calendar.

Mr. MAY: Committee on Military Affairs. H. R. 7539. A bill to amend the act entitled "An act to establish a Women's Army Auxiliary Corps for service with the Army of the United States," approved May 14, 1942, to

create the grade of field director in such corps, to provide for enrolled grades in such corps comparable to the enlisted grades in the Regular Army, to provide pay and allowances for all members of such corps at the same rates as those payable to members of the Regular Army in corresponding grades, and for other purposes; with amendment (Rept. No. 2475). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 2685. An act to provide that promotions to higher grades of officers of the Army of the United States, or any components thereof, shall be deemed to have been accepted upon the dates of the orders announcing such promotions, and for other purposes; without amendment (Rept. No. 2476). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. Senate Joint Resolution 129. Joint resolution to remove certain limitations on the cost of construction of Army and Navy living quarters; without amendment (Rept. No. 2477). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. H. CARL ANDERSEN:

H. R. 7566. A bill for the relief of the victims of the Minnesota cyclone of September 11, 1942; to the Committee on Appropriations.

By Mr. RAMSAY:

H. R. 7567. A bill to amend title 5, section 632, of the Code of Laws of the United States, relating to Civil Service Commission; appointment; removal and compensation, and to amend title 5, section 633 of the Code of Laws, relating to rules of said Civil Service Commissioners and the duty of said Commissioners; to the Committee on the Civil Service.

By Mr. DOUGHTON:

H. R. 7568. A bill to discharge more effectively the obligations of the United States under certain treaties relating to the manufacture and distribution of narcotic drugs, by production and distribution of the opium poppy and its products, and for other purposes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DIMOND:

H. R. 7569. A bill for the relief of Charles E. Naghel; to the Committee on Claims.

H. R. 7570. A bill for the relief of Charles E. Naghel; to the Committee on Claims.

By Mr. JACKSON:

H. R. 7571. A bill for the relief of Anthony J. Leiberschal; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3322. By Mr. HEIDINGER: Petition presented by Mrs. R. G. Putnam, of Eldorado, Ill., signed by 64 representative citizens of southern Illinois, urging the early passage of Senate bill 860; to the Committee on Military Affairs.

3323. By Mr. KRAMER: Petition of Local Lodge No. 92, International Brotherhood of Boiler Makers, Iron Ship Builders and Helpers of America, American Federation of Labor, Los Angeles, Calif., urging the immediate opening of a second front against Hitler; to the Committee on Military Affairs.

3324. By Mr. MARTIN of Iowa: Petition of Mark G. Thornburg, secretary of agriculture, State of Iowa, Des Moines, Iowa, protesting in behalf of the meat producers of Iowa against the President's order of meatless days; to the Committee on Agriculture.

3325. By the SPEAKER: Petition of Edmond C. Flether, lawyer, Washington, D. C., petitioning consideration of their resolution with reference to impeachment of a Federal district court of eastern Virginia; to the Committee on the Judiciary.

SENATE

TUESDAY, SEPTEMBER 22, 1942

(Legislative day of Monday, September 21, 1942)

The Senate met at 12 o'clock noon, on the expiration of the recess.

Rev. John Compton Ball, D. D., pastor, Metropolitan Baptist Church, Washington, D. C., offered the following prayer:

Lord, Thou hast been our dwelling place in all generations.

Before the mountains were brought forth, or ever Thou hadst formed the earth and the world, even from everlasting to everlasting, Thou art God.

And in our humility we are ready to cry with the Psalmist:

"When we consider Thy heavens, the work of Thy fingers, the moon and the stars, which Thou hast ordained;

"What is man, that Thou art mindful of him? and the son of man, that Thou visitest him?"

But we thank Thee that the Psalmist adds "Thou hast made us but a little lower than Thyself and crowned us with glory and honor"—glory in that we bear Thy divine image and honor in that we can think Thy thoughts after Thee. So today, with this trust in Thee, we come pleading for divine guidance and direction in all deliberations and any decisions that may be reached. Bestow on us Thy wisdom. Help us to so live within the confines of Thy will that our work shall prosper and Thy name be glorified. And when the evening shadows fall may we have the consolation that we have done our best for the uplift of character, the help of our fellow men, and the bringing of peace to a storm-tossed world.

In the name of Thy Son, Jesus Christ. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, September 21, 1942, was dispensed with, and the Journal was approved.

TRIUMPH OF DEMOCRACY IN SWEDISH ELECTIONS

Mr. THOMAS of Utah. Mr. President, I cannot at this time refrain from making a comment or two in regard to a very significant and very important action which recently took place in Sweden.

In that great neutral democracy in the northern part of Europe an election was held in which every Nazi candidate for election in the councils of Sweden was defeated. Democracy rode triumphant in the election, and democracy now stands in the councils of Sweden in the proportion of about 21 to 1.

The Communist Party out of sympathy with the brave stand of the patriots of Russia, gained seats. That is a sign which will be welcome to all liberty-loving people at this time.

Mr. President, when one conceives the situation Sweden is in, surrounded as she is by single-will states, standing out alone in her respect for elections in accordance with true democratic processes, one marvels at the power of the institution of democracy. When one realizes the effect of the election upon the people throughout the world one cannot help but realize that there is justice in the world and that there is an understanding of right and wrong in government on earth.

This good news will afford gratification to hundreds and hundreds of thousands of Scandinavian people in America, who came to America because they loved American institutions, who were, in a sense, Americans before they left their native country.

This message of an election in a democratic country in northern Europe at this time will cause consternation in the minds of our enemies. There can be no doubt about that. One of our enemies, Japan, for example, enjoyed for some 40 or 50 years the blessings of democracy. She is an apostate nation today, but we may hope that reformation will set in. We may also hope that the people of Germany too, will see the light. The news from Sweden will be an encouragement to those people who are seeking light in that benighted land at the present time. This brave election should make the people of Italy thoughtful about the loss of their rights which were theirs under their constitution which is now shelved by the Fascists.

China, striving as she is to retain her democracy, will take heart and gain strength, realizing that she stands not alone.

England, our ally and the other members of the United Nations, realizing that ultimately a new world can rise only upon the democratic processes, will be assured that her neutral friend may remain neutral but will not be neutral when it comes to a matter of democracy.

Mr. President, I ask unanimous consent that the Associated Press dispatch from Stockholm giving a brief account of the result of the Swedish elections be made a part of my remarks.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

SWEDISH NAZIS LOSE THEIR ONLY SEATS IN COUNCILS

STOCKHOLM, September 21.—Swedish Nazis lost their only 5 seats and Communists won 39, a gain of 17, in Nation-wide town and country council elections yesterday, a tabulation of returns showed tonight.

The dominant Social Democratic Party lost 34 seats, but still maintained its overwhelming majority with a total of 829. Conservatives were next with 266, losing 15; the Farmers Party 212, a gain of 36, and the Liberals 170, an increase of 7.

The Germans pounced upon the Swedish elections as a cue for the most violent out-

burst yet in their current propaganda campaign against Sweden, which the Nazi foreign office has called the Communist center of Europe.

(The Berlin radio asserted, "This development will have to be carefully watched by European powers fighting against the common Bolshevist enemy.")

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore [Mr. CHANDLER]. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	O'Mahoney
Andrews	Green	Overton
Austin	Guffey	Pepper
Bailey	Gurney	Radcliffe
Ball	Hatch	Reed
Bankhead	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Russell
Bone	Holman	Schwartz
Brewster	Johnson, Calif.	Shipstead
Bridges	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Truman
Chandler	McKellar	Tunnell
Chavez	McNary	Tydings
Clark, Idaho	Maloney	Vandenberg
Clark, Mo.	Maybank	Van Nuys
Connally	Mead	Wagner
Danaher	Millikin	Wallgren
Davis	Murdock	Walsh
Downey	Murray	Wheeler
Ellender	Norris	White
George	Nye	Wiley
Gerry	O'Daniel	Willis

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] is absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW], the Senator from Mississippi [Mr. DOXEY], the Senator from Virginia [Mr. GLASS], and the Senator from New Jersey [Mr. SMATHERS] are necessarily absent.

Mr. McNARY. The Senator from New Jersey [Mr. BARBOUR] is necessarily absent.

The ACTING PRESIDENT pro tempore. Ninety Senators have answered to their names. A quorum is present.

DISPOSITION OF EXECUTIVE PAPERS

The ACTING PRESIDENT pro tempore laid before the Senate a letter from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents in the files of the Departments of the Navy and Interior, National Housing Agency, and the Federal Security Agency which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking toward their disposition, which, with accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS

Petitions were presented, and referred as indicated:

By Mr. BONE:

A petition of sundry citizens of Seattle, Bellingham, and vicinity, in the State of Washington, praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. CAPPER:

A petition bearing the signatures of 126 members of the Shawnee County Woman's Christian Temperance Union, of Topeka, Kans., praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

REGULATION OF WAGES, AND FARM AND OTHER PRICES—LETTER FROM GEORGE W. HOOD UNIT, NO. 91, AMERICAN LEGION AUXILIARY, WASHINGTON, KANS.

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a letter in the nature of a petition received from George W. Hood Unit, No. 91, American Legion Auxiliary of Washington, Kans., urging the enactment of legislation covering all prices. I am in accord with the petition or resolution adopted by this group for protection against wartime inflation.

There being no objection, the letter in the nature of a petition was ordered to lie on the table and to be printed in the RECORD, as follows:

WASHINGTON, KANS.,
September 18, 1942.

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR MR. CAPPER: The George W. Hood Unit, No. 91, American Legion Auxiliary, of Washington, Kans., wish to request you to enact legislation covering all prices (including wages and farm products) and thus protect our Nation against further ravages of wartime inflation.

Yours sincerely,
Marjorie W. Smith, Elizabeth L. Clasen, Ida Mae Wohlgemuth, Blanche Zimmerman, Faith E. Soller, Eva W. Astatina, Blanche Darby, Ida Soller, Mary M. Chedester, Lila Wayland, and Minnie Sampson.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CLARK of Missouri, from the Committee on Interoceanic Canals:

H. R. 6196. A bill to amend the Canal Zone Code in relation to the control of marihuana; without amendment (Rept. No. 1611).

By Mr. TAFT, from the Committee on Education and Labor:

S. 2725. A bill to increase by $600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended; without amendment (Rept. No. 1612).

By Mr. WHEELER, from the Committee on Interstate Commerce:

S. Res. 270. Resolution to supplement compilation of Federal laws regulating carriers subject to the Interstate Commerce Act (submitted by Mr. TYDINGS on June 30, 1942); without amendment (Rept. No. 1613).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

BILL INTRODUCED

Mr. WALSH introduced a bill (S. 2795) to amend the act approved July 24, 1941 (34 U. S. C., Sup. I, 350f), so as to adjust the pay status of enlisted personnel appointed to commissioned rank for temporary service, and for other purposes, was read twice by its title and referred to the Committee on Naval Affairs.

STABILIZATION OF THE COST OF LIVING—AMENDMENTS

Mr. BALL, Mr. BUTLER, and Mr. WILEY each submitted an amendment intended to be proposed by them, respectively, to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, which were severally ordered to lie on the table and to be printed.

SPECIAL COMMITTEE TO INVESTIGATE MANPOWER RESOURCES OF THE UNITED STATES

Mr. PEPPER submitted the following resolution (S. Res. 291), which was referred to the Committee on Education and Labor:

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is hereby authorized and directed to make a full and complete study and investigation, in cooperation with the Manpower Commission and any other agency or agencies, public or private, it might see fit to consult, of the manpower resources of the United States, and how such manpower resources should be employed to the best advantage in agriculture, industry, the armed services, and other activities so as consistently with the spirit of our institutions and the national emergency best to promote the war and victory for our cause. The committee shall report to the Senate, as soon as practicable, the results of its study and investigation, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-seventh and succeeding Congresses, to employ such clerical and other assistance, to require by subpena, or otherwise, the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to make such investigations, to administer such oaths, to take such testimony, and to incur such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $10,000, shall be paid from the contingent funds of the Senate upon vouchers approved by the chairman of the committee.

ADDRESS BY SENATOR TUNNELL BEFORE DELAWARE STATE DEMOCRATIC CONVENTION

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address delivered by Senator TUNNELL before the Democratic State convention at Dover, Del., on September 1, 1942, which appears in the Appendix.]

ABOLITION OF STATE POLL TAXES—STATEMENT BY HON. ABRAM P. STAPLES

[Mr. BYRD asked and obtained leave to have printed in the RECORD a statement by Hon. Abram P. Staples, attorney general of the State of Virginia, before a subcommittee of the Senate Judiciary Committee concerning the constitutionality of Senate bill 1280, relating to State poll taxes, which appears in the Appendix.]

TAXING THE SOLDIERS — EDITORIAL FROM THE WASHINGTON STAR

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an editorial from the Washington Star of September 20, 1942, entitled "Taxing the Soldiers," which appears in the Appendix.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. Frank H. Buck, late a Representative from the State of California, and transmitted the resolutions of the House thereon.

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

The ACTING PRESIDENT pro tempore. The clerk will state the pending amendment.

The CHIEF CLERK. On page 2, line 12, after the word "direct" and the semicolon, it is proposed to strike out "and may suspend any provisions of law relating to the establishment or maintenance of prices, wages, or salaries which are inconsistent with the purposes of this joint resolution" and to insert "The President may suspend the provisions of sections 3 (a) and 3 (c) of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this joint resolution, but he may not under the authority of this joint resolution suspend any other law or part thereof."

THE BIGGEST THREAT TO OUR WINNING THE WAR

Mr. WILEY. Mr. President, I desire to speak to the pending joint resolution. There are those who say that the joint resolution is a fraud and a delusion, and from their side make out a pretty good case by statistics. However, the President asked for it. This is war. There is disagreement as to whether the President, as Commander in Chief, has the power without the enactment of the joint resolution to exercise the powers mentioned in the joint resolution. I am not discussing that phase of the subject at this time. I say, Mr. President, that the war situation is so serious that we should cut the argument and settle the matter by conferring the power.

This morning I was reading in the morning Post an article by Allen W. Maddren entitled "Aspects of Total War." I wish at this time to put into the RECORD a very short table Mr. Maddren includes in his article, showing the percentage of vital materials possessed by the Axis before the war and what the Axis has at this time.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Axis pre-war per-cent	*Axis now, per-cent*
Copper	5	10
Lead	7	22
Zinc	16	27
Tin	1	72
Manganese	2	30
Chrome	3	30
Tungsten	6	60
Rubber	0	95

Mr. WILEY. Mr. President, I also wish to place in the RECORD at this point something which seems rather peculiar, perhaps, to be offered for the RECORD, an advertisement which appears in the United States News of the issue of September 25 entitled "It Is Later (and Worse) Than You Think." In my opinion, this is a very fine contribution to a realistic picture of what we are facing in this global war. I ask permission to have the article inserted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the United States News of September 25, 1942]

IT IS LATER (AND WORSE) THAN YOU THINK

Wishful thinking is an American habit. Another name for it is "kidding ourselves." Ordinarily it isn't serious. But this time it can cost us our lives.

"This country has never been beaten in all its 166 years."

Japan has never been beaten in its 2,000 years.

"They can't get at us, 3,000 miles away."

Japan got to Burma 3,600 miles away—and conquered it.

"Anyway, we're pouring it out of our factories."

But Germany has been doing just that for 10 years—and at a faster rate per man than we have yet reached.

"Our boys are brave."

You bet they are. But they're up against fanatics, who are experienced campaigners.

"Our allies will hold until we get there."

Singapore, Philippines, Pearl Harbor, Burma—and now Libya.

"The Government is handling the war."

Who is the Government except you? And if you don't do your part, don't blame the Government when you slave for Jap and German masters at starvation wages with no rights and no liberties.

"But I can't give up my rights."

No? Our soldiers have. Most managers have. Almost all owners have. And unless everyone gives up every "right" that slows war production the Jap and German will take your rights—every one of them—forever.

"Anyway, what can one man do?"

What if all the other 130,000,000 Americans felt the same? If you do, they have a right to. And too many do. Nobody else is going to win this war for you. You win it—or you lose it. And if you lose it, you and your family will pay for it in agony and starvation the rest of your lives. Ask the Poles, the Czechs, the French.

And this war is nearer to being lost than you think. That isn't pessimism—it's only looking the facts in the face. Work by you can save it. But—there isn't much time to get busy.

WARNER & SWASEY,
Turret Lathes, Cleveland.

Mr. WILEY. Mr. President, as I have said, the war situation is so serious we should cut out the argument and settle the matter by conferring the power desired. However, the joint resolution, and the discussion of it, have continued the smokescreen which has been too apparent in this country, the object of which has been to cover up the incompetence in the preparations for war, and the incompetence on the Washington front in carrying on the war.

When the joint resolution shall have been enacted into law, unless the administration and its advisers do more than they have done in the past, it will just be another opportunity to "pass the buck."

Two terrible wrongs have been done in this whole matter. What are those wrongs?

First, Congress has been smeared, called hesitant, inadequate, political-minded, and so forth. Why this procedure in war time? Who is in complete command under the Constitution? Who built our bureaucracy up to over 2,200,000?

Second, the farmer has been misrepresented and likewise smeared. Many a writer and commentator under orders has filled his column and radio talks with the rottenest kind of sabotage, maligning one of the hardest working and most loyal segment in America—the farmer.

Mr. President, when we approach the problem must we always look for someone to crucify? Are we always going to permit the loose-thinkers, the men who fail in the performance of their duties, to put the blame on others? "Passing the buck" should be outlawed for the duration.

In the price-fixing bill we gave the President the power to operate when products went above 110% of parity. Was action taken? No. The increased cost of labor on the farm was not even considered then, but the farmers carried on magnificently—father, mother, and kids, little kids not in their teens. And there is no mandatory provision concerning that item now in the pending measure.

This brings me to the subject of these remarks—"the biggest threat to our winning of the war." While we talk, farms are going out of production, dairy cattle are being slaughtered for beef, and there is a diminishing number of feeders in the feed lots, which means less foods for ourselves, our army, and our allies. That's why the government has been talking about rationing—more rotten results because of incompetence. It is the result of mere dumbness—not in Congress, but in our administrative branch of government. There is no understanding of the real situation; more starry-eyed theorists in the picture, instead of practical men who know the realities of the farm picture—dairying and beef raising.

We know the letter and intent of the Conscription Act has been violated in removing necessary labor from the farms.

We have taken men from the food-production line by extravagent wages and placed them in the war plants. Two million men have been taken from the farms.

Government has turned the whole farm-economy picture upside down. That would not be so disastrous if it did not result in less production of food—the most needed "ammunition" in the win-

ning of the war. Tragedy is almost on us, and to avert the consequences of an unrealistic approach to this problem, we must not delay another day. We must act now.

Mr. President, a few days ago I telegraphed a very distinguished citizen of our State, Dean Christensen, of the College of Agriculture, University of Wisconsin. Dean Christensen is one of the fine outstanding agricultural leaders of this Nation. I wish to read from a letter I received from him. I think the Members of this body could well pause in their talk and listen to what a great farm leader says. I read from the letter:

The current confusion as to what the Government will do on farm prices needs to be cleared up because farmers cannot with certainty make plans for next year when they do not know what the prices are likely to be for the products which require months to produce.

When we say that land is being used less intensively we mean that thousands of farmers who in the past have kept dairy cows are considering selling a part or all of their dairy herd so as to reduce the labor requirements to the greatly lessened labor supply available on their farms. This, of course, will mean that much of the grain which they normally raised and fed to dairy cows and converted into butter, cheese, and evaporated milk will next year be sold for cash grain or fed to animals like beef cattle or hogs, that require less labor.

Many farmers will be forced to seed to grass acres that normally produce corn and small grains.

Mr. President, I call particular attention to this statement in the letter:

There is every indication that when the pasture season is over thousands of dairy cows that would ordinarily be put into barns will be sold for slaughter because of shortage of labor to take care of them during the months ahead and the uncertainty with respect to future prices.

There is also a disparity between returns from milking cows and producing other important foods.

The largest number of farm sales of livestock and personal property for a generation are taking place.

Think of that, Mr. President. There are now occurring the largest number of farm sales of livestock and personal property for a generation.

Many auctioneers have schedules which will fill every working day until snow flies and are now refusing to take on additional sales.

There are two classes of farm operators that are holding these sales of personal property:

And this is truly a picture of the condition in the State, and, I take it, throughout the whole Middle West—

(a) Young farm operators who have been drafted or who are uncertain about the future on the basis of what they are reading in the newspapers are selling their personal property now while prices are relatively good and also because of their uncertainty as to whether or not they will be given occupational deferment. For instance, just last Thursday a group of farmers came into our office and told us of a young man who had been farming in their community for 5 or 6 years. He has a good herd, good equipment, and is a very efficient operator and producer of the foods needed for the armed forces and on lease-lend. This man has just been notified by the local draft board that he will be called in the very near future and he is under the compulsion to sell off his livestock and equipment. This man was married in December 1941, but does not expect deferment on a basis of his marital situation. But his case does clearly raise the question as to whether Selective Service is going to be willing to recognize any case of occupational deferment on a basis of a man's need in food production. If such deferment is given, it would seem to me that a case such as I have described would clearly deserve consideration.

We have been informed that in one community in this State in a radius of 7 miles 11 farm operators have already been inducted into the service.

(b) Many sales are being held by older farmers who have been unable to continue to operate the farm with its present complement of livestock and equipment in the light of the restricted supply of competent and experienced farm labor, and here I refer to not just hired men, but sons and sons-in-law who have actually carried the load of operating the farm, although the title is in the hands of the old folks.

Mr. President, the writer continues:

The farm situation is already critical and is rapidly getting worse. The most serious aspect of this is the policy of the local boards in putting men in L-A classification who are actually farm operators, not just hired men. Hundreds of Wisconsin farm operators who have demonstrated their ability to produce large quantities of the products which the Government has put on the priority list are being inducted into the service. We consider as a farm operator not only the man who has title to the land, or is operating the farm under a lease, but also the thousands of instances where the older generation on the farm is absolutely dependent upon a young son or son-in-law to carry on the actual operation of the farm, although the owner may live on the land and legally be classified as the operator. When this son or son-in-law is drafted the old folks have little choice but to sell off a part or all of the personal property so as to be able to operate the farm on a reduced basis. It is within this class where many of the farm sales are arising today.

Many experienced farm operators and competent farm laborers have left the farms for the armed service and urban war industries. This situation has already resulted in a reduction of dairy herds and started a reduction of milk production which is bound to continue, in fact will be accelerated under current Selective Service policies and uncertainty as regards future prices.

Mr. President, if Government officials cannot see this picture and help, then I say to the people of America that the rest of us Americans must tend to the "help-starved" farmer problem.

I believe the men and the women in the farm States who are not farmers will have to solve this problem. We, the people, are awakening in this war—and it is our war, and we will have to pay the price in lives and sacrifices. We are awakening to the fact that we cannot depend upon Washington for things we should depend upon ourselves to do. The wizardry of Washington is all bunk. The people at home have plenty of intelligence and are public-spirited enough to do this job, and the job is to provide farm help.

Mr. President, it may mean that businessmen and office helpers will have to become farm helpers. Soil has to be prepared and seed planted, crops cultivated, and crops harvested—not left to rot or be killed by weeds.

It may be that high-school and college boys and girls will have to be excused during certain seasons. In Great Britain there are 100,000 tractorettes running the farms of Britain.

Right now bumper crops are in evidence in certain sections of the country, and the "help-starved" farmers must have reenforcements at once if we are to defeat the enemy. The home food front must be maintained.

If the President can, under this measure—and I hope he can and will—take action to aid in averting the pending collapse of the production of beef and dairy food products, we may yet partially undo the damage done under foolish and incompetent administrative actions.

We need not indulge in personalities, but, Mr. President, the seriousness of the situation has compelled me to speak as I have and call a spade a spade. We must awake to our responsibilities to the Nation—not especially to the farmer but to the Nation—and see that the food plants of America—the farms—are given priority in manpower and machinery to do the job.

I repeat, if we fail, we lose the war. Let us put some brains into this picture. Our job is to see that men of awareness are in the saddle—not impractical idealists, not mere theorists. A great leader on another important occasion when we were meeting a great crisis said:

We are defeated, but there is time to turn defeat into victory.

Mr. President, when we stop and reason we know that victory must be ours, but we cannot win through to that end unless we reverse our present policy and get the food plants of the Nation—the farms—in full operations by providing manpower and machinery, and that cannot be done under present Washington administrative technique. For too many years now we have been leaning on Washington. Much of the moral courage of the people has been sabotaged by that technique. Let us get back the old American spirit of dependence on self. The pioneer spirit of our fathers is our inheritance. I have no hesitation in saying that, in my judgment, the measure now before us will not control inflation. In fact, if we keep on reducing the quantity of food, it will only tend to increase inflation. It will not control inflation because of two factors:

First. Any control program to be effective must be coupled with a tax bill which will reduce the vast purchasing power of America where that purchasing power has been most increased and not curtail production of food.

Second. The pending measure will not completely control inflation because it neglects to consider a fundamental economic lesson, namely, that curtailed production coupled with an expanded market means higher prices and inflation.

I am in wholehearted and complete accord with the objective of controlling inflation, but it cannot be denied that the best method of controlling inflation is to have a completely adequate production. In other words, there is no inflation in places where there is an ample supply; where the supply exceeds or equals the demand, there will be no

inflation. The pressure for inflation comes when the demand greatly exceeds the supply. Restriction means bootlegging, black markets, and law violation. That is plain elementary economics.

Mr. President, yesterday the distinguished junior Senator from Michigan [Mr. BROWN], gave us the financial picture. He told us in substance that there would be an economic pressure toward inflation of between $18,000,000,000 and $20,000,000,000; and yet, in spite of that, our administrative officers have not seen what they are doing when it means curtailing production, putting farms out of operation, permitting dairy cattle, as the dean of the school of agriculture in my State said, by the thousands, to be put upon the beef block.

Mr. President, we have heard almost every conceivable type of statistics on this question. It perhaps would serve little purpose for me to give additional statistics. This much is certain, however, without the benefit of any statistics. In my State, where the dairy farmers are reputed to be making such vast fortunes, dairy farms are being foreclosed and other farms are being sold because of a serious labor shortage and milk cows are sold for beef. Farm sales and labor shortage result from two factors:

First. The competitive wages offered by Government in its war project—and, Mr. President, do not forget that Government war projects pay the farmer who leaves his farm a great deal more than he can make on the farm; and

Second. The loss of farm manpower because of the demands of the Selective Service System.

Mr. President, it is a little difficult to understand why so many farms are being sold, by those who no longer make a living on them, and why so many herds of cattle are being sold, if the dairy farmer is making such a tremendous profit as many persons would have us believe. It is about time that some persons who speak and write on that subject quit sabotaging that segment of our society, and acquire a little horse sense, and understand the picture.

Dairy products represent 25 percent of the total farm income of the Nation. The dairy cow is a milk factory requiring both labor and raw material, or feed, which must be paid for. The dairy farmer operates on an 80-hour week, and he gets no time and a half, and he works on Sundays and holidays also.

In 1941 the farm population was 22.5 percent of our total population. That segment of almost 23 percent received only 8 percent of the national income. Think of it!

Mr. President, I should like to insert in the RECORD at this point a letter which I recently received from a typical dairy farmer. I shall not take the time to read it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DOYLESTOWN, WIS., *September 14, 1942.*

ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: * * * We have 255 acres of land for which we paid $23,000, and we have about $6,000 or $7,000 of personal property. As everyone knows, our earnings were less than nothing from 1930 to 1937. Machinery wore out, fences and buildings were run down, and general disrepair occurred. We do general farming, having some cows and beef cattle, some hogs and sheep.

Our gross income was $1,985 in 1933 and gradually went up until we received a net profit of $2,067.75 in 1941, the first year we paid any income tax. We allowed $90 per person for food raised on the farm, or a total of $270. Owing to weather conditions, our income will not be as high this year as last.

In 1941 we had expenses divided as follows:

Labor	$650
Feed	200
Seed	75
Machine hire	150
Repairs	650
Fertilizer	67
Veterinary	25
Fuel	95
Taxes	334
Insurance	50
Interest	485
Electricity and telephone	125
Trucking	200
Miscellaneous	75
Total	3,181
Deductions on buildings	225
Total	3,406

As most things are higher this year and our income will probably be less, our earnings for my wife and me will be between 21 to 26 cents per hour. Last year our earnings were about 28 cents per hour, figuring 80 hours per week, and some weeks we work more hours than that.

Now if I add the earnings of my hired help to that of ours, we would have less than $3,000. Take $650 for hired help, deduct necessary living expenses for ourselves, new equipment which we must have to meet the existing conditions, and we do not have much left. So if farm prices are lowered, many of us would be forced out of business and after the existing emergency we would all be forced to quit.

Now take the man in war plants earning $6 to $10 per day. Three hundred days at $8 per day he would have $2,400 and most of them are earning more than that. Allow him $600 for transportation and rent, and he has left $1,800, or more than we get by having both my wife and me work. If prices are lowered the difference would be even greater.

* * * * *

Very truly yours,

CARL J. BAHR.

Mr. WILEY. Mr. President, it will be noted in this letter the wage scale for the farmer—the amount he earned—was 28 cents an hour. It will be noted also in his statement he took no depreciation on personal property. It will also be noted in the statement the farmer allowed $90 per person for food—food raised and consumed on the farm.

Mr. President, the dairy farmers of the Nation have proved their patriotism by exceeding every quota which was requested, despite the necessity of an 80-hour workweek. The operators and employees of dairy plants have worked day and night, and have switched their production to suit the changing requirements of the lease-lend program and shipping facilities; and yet there have been no dairy strikes.

In conclusion, Mr. President, I wish to emphasize that I do not approve the joint resolution in its entirety. I regret that the proposal to incorporate the item of farm-labor cost in the measure was rejected by the President and not put in the joint resolution as a mandatory provision. I hope we shall have an opportunity later to vote on that question.

At this point in my remarks I desire to introduce into the RECORD a resolution adopted by the Wisconsin Council of Agriculture, at a meeting held in Madison, Wis., on September 19, 1942.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The following resolution was adopted by the Wisconsin Council of Agriculture at a meeting held in Madison on September 19, 1942:

"In view of pending legislation designed to freeze farm prices in the face of an ever-increasing shortage of farm labor, and in the face of almost certain increases in agricultural costs, the Wisconsin Council of Agriculture is convinced that:

"Agricultural production is seriously threatened, because:

"1. Present ceiling will be difficult if not impossible to maintain because present costs have not yet been fully reflected in wholesale and retail prices. The council is certain that this is true in regard to farm costs.

"2. The increasing shortage of farm labor due to industrial wages wholly out of proportion to the farmers' ability to pay.

"3. The induction into the armed forces of irreplaceable skilled agricultural workers so essential to the maintenance of agricultural production.

"4. The dairy, poultry, and livestock branches of farming do not lend themselves to reduction of manpower through further mechanization. Hand labor must still be used in the livestock industry in heaping measure.

"Efficient and bountiful agricultural production is basic to the successful prosecution of the war, which requires an adequate food supply for our armed forces, our allies, and the domestic civilian population. Armed forces and factory employment in proportions now contemplated cannot possibly be maintained without full agricultural production.

"In order to fulfill this task, agriculture must be granted an equality of opportunity to produce. Farmers demand only prices sufficient to cover farm costs, and a minimum of manpower to perform essential tasks."

Mr. WILEY. Nevertheless, and despite the fact that the joint resolution omits the vital factor of farm labor, I recognize that we must have an inflation-control measure, first, because an attempt must be made to control the rising prices of commodities on the retail market. I recognize that the prices of food commodities on the retail market must be controlled.

Secondly, we must have an inflation-control measure because labor prices or wages must be controlled.

Thirdly, because so much has been said on this subject that the entire psychology of the country is geared to thinking that unless this bill is passed there will be an immediate runaway inflation, we must have some anti-inflation measure, even though it does not do the job.

In other words, even to those of us who disagree with the form of this measure, there is no alternative other than to subscribe to the broad objective of controlling inflation, however inadequately it may have been advanced in the pending joint resolution, and however misleading the arguments for its adoption may have been. We should seek to amend it to make it more complete.

Mr. President, it was my privilege to attend the hearings of the committee on the joint resolution. I am not a

member of the Banking and Currency Committee, but I was in constant attendance on its sessions, and I learned much about the farm picture which I did not know. I believe that those of us who are on the consumers' side should seek to obtain an adequate picture of the great contribution which the farmer has made. He has been the great enthusiast in this war program. He and his wife and children have rushed into the breach and produced more than this Nation ever produced before. Now we have taken away from him the ability to keep up that program. We consumers should join with the farmers and see to it that everything is done to keep up production.

It is my hope that this measure will be effective. I believe it can be made so if the Chief Executive will wisely use the discretionary powers proposed to be granted by the joint resolution, and administer it equitably and fearlessly, and provided the Government tackles at once the problem which I have outlined in relation to farm help, machinery, and feeding cattle.

Mr. President, I shall vote for the joint resolution, not because I completely approve the measure as it is drawn, but because there is immediate need for an inflation control measure of some sort, and immediate action along the lines I have indicated.

Mr. REED obtained the floor.

Mr. AUSTIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Kansas yield to the Senator from Vermont?

Mr. REED. I yield.

Mr. AUSTIN. I have listened with interest to the address of the distinguished Senator from Wisconsin [Mr. WILEY]. I agree with him in the recognition of the principle that the surest way to prevent inflation is to produce goods. I agree with him in the doctrine that in order to win the war our boys on the front lines must have food, clothing, and munitions; more than that, they must have the spirit which comes from the moral power of the people. I rise at this time to interrupt the distinguished Senator from Kansas only to put a caveat upon one interpretation of the Senator's remarks which occurs to me.

I would not have the character and status of the selective-service system impaired by anything that Senators may say about it. In my opinion, that organization, particularly in the remotest branches of it, namely, the selective service local boards, is the most democratic and effective way of handling the extremely delicate and difficult problem of selecting men and maintaining a proper balance between those who are assigned to duty in combat service—that is, fighting men—and men who are deferred, or, as I interpret the law, selected for service on the farms and in industry. I believe that there is no better way to sustain the moral power of the people than to have this dangerous and delicate process handled by those who are close to the people, as are the local boards. At this time I wish to avoid any inference from my silence that I think that plan should be changed, or that the function of the Selective Service System should be reduced, or that it should be transferred to some other bureau.

At a later time I shall take the floor for the purpose of extending these remarks. I thank the Senator from Kansas for permitting me to make this caveat at this time.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. REED. I yield to the Senator from Wisconsin.

Mr. WILEY. Mr. President, I trust that I made myself clear when I stated that I do not think there is any need for indulging in personalities. Nor would I transfer to any other organization the power which Congress has given to the Selective Service System.

The other day the Senator from Connecticut [Mr. MALONEY] spoke in relation to the way the Selective Service was nonselective. The facts which I have put into the RECORD today clearly demonstrate, not that the local boards have not worked efficiently, but that the spirit of the act itself has not been observed. We should not take men who are imperatively needed on the home front, but should select others, who are needed in less degree on the home front. It is clearly demonstrable that what we have done is to take 2,000,000 men away from the farm front. As a result, the whole producing economy of the Nation is upset. Unless we awaken to that serious situation we shall find ourselves losing the war. That was the main point to which I spoke this morning.

Mr. AUSTIN. I thank the Senator for giving that interpretation of his remarks.

Mr. REED. Mr. President, along with other Senators, and most of the citizens of the country, I have read the President's message with a great deal of interest, and also some concern.

Last winter when we passed the so-called Price Control Act of 1942 the majority of the Members of this body desired to include a control over the largest single item of cost, namely, wages. We were deterred from writing such a provision into that act only by the influence of the President and his advisers. We now come to the point where our failure, because of pressure from the administration, is charged against us as negligence, and something for which we should be criticized.

There is another point in the President's message which very greatly concerns me, and that is the very clear inference—almost the direct charge—that the greatest immediate danger of inflation arises from what he terms uncontrolled farm prices. In the next half hour I shall try to demonstrate the utter fallacy of that argument.

Mr. President, it seems to me that the President has needlessly alarmed the country. Since Orson Welles invented the theory of an invasion from Mars, which disturbed many persons throughout the country, I can think of no hoax so groundless and so alarming as the charge that farm prices have unreasonably and unduly brought on a danger of inflation.

The President set up a contrast or a comparison, whatever one may wish to call it, between the farming class and the wage earners. For purposes of easy description we shall call them the industrial wage earners, as compared with the farmers, and I shall come back to that matter a number of times in the course of this discussion.

In order to get to the question clearly and to show the groundlessness of the President's intimation, I shall read from the latest official document from the Department of Agriculture, entitled "Marketing and Transportation Situation, August 1942." On page 4 of the report I read the following paragraph:

> The cost of the basket of all foods to the American consumers amounted to 22 percent of family income, while the cost of the 58 foods produced on American farms amounted to 17 percent of family income for each of the 3 months, May, June, and July 1942.

Let me explain that for a moment. The first statement as to the basket of all foods includes bananas, coffee, tea, and spices, articles which we do not raise in the United States. The 58 foods to which reference is made we do produce on American farms. In May, June, and July of this year all the foods took 22 percent of the family income. The 58 foods produced in this country took 17 percent.

I read again from the report:

> These percentages were the same as for the year 1941.

In the report a comparison is made with an index base now used by the Department of Labor, namely, 1935 to 1939.

I read further from the report:

> The average for 1935 to 1939 was 27 percent of income, representing the cost of all foods, and 22 percent, the cost of 58 domestic foods.

I quote further from the report which is an official statement from the most recent official document of the Department of Agriculture:

> Cost of food as a percentage of family income is thus smaller at present than before the war, since incomes have risen more than prices.

There is a complete official refutation of the President's intimation that food prices—farm prices, if you will—are the prime and immediate danger of inflation.

Having quoted from a report of the Department of Agriculture, I now shall quote from a report prepared by the Department of Labor. Again I refer to the most recent official document available from the particular Department referred to. In its press release on the subject of hours and earnings for July 1942, released only at the beginning of this week, the Department of Labor officially gives the following data as the cost of living and of wages:

From July 1941 to July 1942 the cost of living increased 10.4 percent. In the same period hourly wages increased 14.2 percent, and in the same period weekly wages increased 22.9 percent.

The larger increase in the weekly wage over the hourly wage is undoubtedly due to a longer workday, or perhaps a larger factor is the item of overtime payments, I do not know which; but I have given the facts from the most recent report, only 2 days old, from the Department of Labor.

Mr. President, the voice of the President of the United States carries far. He owes a duty to himself as well as to the people of this country and to any important group to state all things fairly—and that the President has failed to do. He should not discriminate or favor or prejudice. He has prejudiced the case of the farmer and the food producer in the minds of the people of this country.

Let me say here that last winter I was one of the Senators who advised against inserting the factor of 110 percent of parity, for the very reason which has come to be so apparent in these days. It was easy to prejudice the farmer's case so long as that was there. I told my farm organization friends that I would vote with them. I agreed with the objective, but I was fearful of the method of attaining it. The use of that factor has prejudiced the farmer's case.

The President was very strong in his criticism of certain things. He held out the idea that limitations in the 1942 Price Control Act would produce inflation, that his hands were tied, that he could not control it. He even declared a dictatorship in this country, except that he graciously postponed the effective date of the dictatorship to the 1st of October, provided that the legislative body, created with equal powers under the Constitution, should in the meantime enact legislation in certain form.

I want now to refer to that phase of the situation created by the President. He definitely said in his message:

> I ask the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities. The purpose should be to hold farm prices at parity, or at levels of a recent date, whichever is higher.

The only justification for the President's extraordinary language in an extraordinary message containing an extraordinary declaration and conveying an extraordinary degree of alarm to the country could be that something in the 1942 Price Control Act relating to farm prices and food prices was endangering the safety of the country. Let us see. I prefer to stick to the facts.

I obtained from the Bureau of Agricultural Economics, one of the most able economic statistical agencies in the country, some figures which are most illuminating. I ask unanimous consent to have the table containing the figures, prepared by the Bureau of Agricultural Economics, inserted in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Specified farm commodities, estimated 1942 farm marketings and alternative minimum ceiling prices

Commodity and unit	Estimated sales, 1942	Minimum ceilings		Estimated 1942 sales multiplied by—		Column (4) minus column (5)
		Under Emergency Price Control Act of 1942	Aug. 15 parity price or actual price whichever is higher [1]	Column (2)	Column (3)	
	(1)	(2)	(3)	(4)	(5)	(6)
	Million units	*Dollars*	*Dollars*	*Million dollars*	*Million dollars*	*Million dollars*
Beef cattle, per hundred pounds	185	9.34	11.30	1,726	2,090	362
Hogs, per hundred pounds	167.5	12.16	14.13	2,037	2,367	330
Cotton, per pound	6,542.5	.2147	.1885	1,405	1,233	−172
Wheat, per bushel	780	1.478	1.344	1,153	1,048	−105
Eggs, per dozen	3,328	.349	.322	1,161	1,072	−89
Milk, wholesale, per hundred pounds	578	2.66	[2] 2.52	1,537	1,457	−80
Corn, per bushel	600	1.074	.976	644	586	−58
Butterfat, per pound	1,300	.440	.406	572	528	−44
Turkeys, live, per pound	557	.288	.219	160	122	−38
Veal calves, per hundred pounds	22	11.29	12.91	248	284	36
Cottonseed, per ton	5	50.36	44.04	252	220	−32
Chickens, live, per pound	2,100	.211	.196	443	412	−31
Potatoes, per bushel	260	1.241	1.154	323	300	−23
Lambs, per hundred pounds	22	11.12	12.07	245	265	20
Hay, all, per ton	10.5	19.84	18.04	208	189	−19
Apples, per bushel	115	1.61	1.46	185	168	−17
Rye, per bushel	35	1.203	.720	42	25	−17
Oats, per bushel	260	.667	.606	173	158	−15
Barley, per bushel	150	1.035	.941	155	141	−14
Rice, rough, per bushel	69	1.439	1.629	99	112	13
Beans, dry edible, per hundred pounds	18.2	5.77	5.12	105	93	−12
Milk, retail, per quart	2,650	.114	.118	302	313	11
Flaxseed, per bushel	40	2.83	2.57	113	103	−10
Wool, per pound	392	.371	.394	146	154	8
Peanuts, per pound	1,000	.0803	.0730	80	73	−7
Grain sorghums, per hundred pounds	25	2.02	1.84	50	46	−4
Sheep, per hundred pounds	5	7.58	6.89	38	34	−4
Sweetpotatoes, per bushel	25	1.468	1.373	37	34	−3
Cowpeas, per bushel	3.7	2.61	2.37	10	9	−1
Buckwheat, per bushel	1.6	1.221	1.110	2	2	0
Soybeans, per bushel	177	[3] 1.58	1.58	280	280	0
Total				13,933	13,918	−15

[1] If the Aug. 15 parity prices are reduced by the amount of Government payments per unit, the minimum ceiling prices in column (3) would be cotton, $0.1803; wheat, $1.11; corn, $0.834; and peanuts, $0.0724. This would reduce the total for column (5) by $322,000,000.
[2] Preliminary.
[3] 110 percent of comparable price.

Division of Statistical and Historical Research, Bureau of Agricultural Economics.
The farm commodities not listed in this table account for about $1,000,000,000 of the total cash income from farm marketings. The estimates of 1942 sales were based on the August Crop Report.

Specified commodities: Estimated 1942 sales and United States average prices received by farmers, August 1942

Commodity	Estimated sales 1942	Farm price August 1942	Sales times August farm price
	Million units	*Dollars*	*Million dollars*
Beef cattle, per hundred pounds	185	11.30	2,090
Hogs, per hundred pounds	167.5	14.13	2,367
Cotton, per pound	6,542.5	.1803	1,180
Wheat, per bushel	780	.954	744
Eggs, per dozen	3,328	.322	1,072
Milk, wholesale, per hundred pounds	578	[1] 2.52	1,457
Corn, per bushel	600	.834	500
Butterfat, per pound	1,300	.406	528
Turkeys, live, per pound	557	.199	111
Veal calves, per hundred pounds	22	12.91	284
Cottonseed, per ton	5	44.04	220
Chickens, live, per pound	2,100	.196	412
Potatoes, per bushel	260	1.154	300
Lambs, per hundred pounds	22	12.07	266
Hay, all, per ton	10.5	8.89	93
Apples, per bushel	115	1.16	133
Rye, per bushel	35	.492	17
Oats, per bushel	260	.426	111
Barley, per bushel	150	.567	85
Rice, rough, per bushel	69	1.629	112
Beans, dry edible, per hundred pounds	18.2	4.45	81
Milk, retail, per quart	2,650	.118	313
Flaxseed, per bushel	40	2.26	90
Wool, per pound	392	.394	154
Peanuts, per pound	1,000	.0599	60
Grain sorghums, per 100 pounds	25	1.15	29
Sheep, per 100 pounds	5	5.62	28
Sweetpotatoes, per bushel	25	1.373	34
Cowpeas, per bushel	3.7	1.67	7
Buckwheat, per bushel	1.6	.875	1
Soybeans, per bushel	177	[2] 1.58	280
Total			13,159

[1] Preliminary.
[2] 110 percent of comparable prices.

Division of Statistical and Historical Research, Bureau of Agricultural Economics.
The commodities not listed in this table account for about $1,000,000,000 of the cash income from farm marketings. The estimated sales are based on data available from the August 1942 Crop Report.

Mr. REED. At the upper right-hand corner of the table is the date, "9–14–42"—September 14, 1942. The second column of the table is entitled "Minimum Ceilings Under Emergency Price Control Act of 1942"—that is to say, the figures appearing below the heading are the minimum ceiling prices which the Price Administrator can apply and comply with the Price Control Act of 1942.

In the fourth column is the aggregate of those prices applied to 1942 farm production. The aggregate amount of money, maximum, which the farmer could have received had ceilings been applied to every commodity by the Price Administrator at the limit contained in the law would have been $13,933,000,000.

Now let me refer to the President's plan. A moment ago I read the language, and I shall repeat it. The President has a program which he wants to put into effect if Congress will let him do so. I read again from the President's message:

> The purpose should be to hold farm prices at parity, or at levels of recent date, whichever is higher.

Column 3 of this table, Mr. President, is made upon that basis applied to the same commodities and in the same quantity as in the case of the other figures. The aggregate of the various items is found in column 5 and is shown to be

$13,918,000,000. These are not my figures, if you please, but the figures of the Bureau of Agricultural Economics, which is one of the leading statistical agencies of the country whose integrity and whose intelligence nobody questions. The difference between the maximum that could be collected if the provisions of Price Control Act of 1942 were applied and what could be collected under the present program is $15,000,000 on a basis of almost $14,000,000,000. In other words, the difference between these two factors, arrived at in this way by one of the President's own departments and by one of the foremost statistical agencies of the country is one-tenth of 1 percent. I ask the Senate and the country, Does that much of a variation justify the extreme note of alarm which the President sounded in his message, which, if carried out in all its implications, would change the future history of this country as to its form of government?

Now let us go a little further.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. REED. Certainly.

Mr. VANDENBERG. I ask for additional information. In column 3 the figures represent either the parity price or the actual price, whichever is higher. Is there any way to indicate which is which in these figures?

Mr. REED. Certainly; and I want to say here I should be very glad to be interrupted at any time. I have lived several days and several nights with these figures, and am moderately familiar with them. I may say to the Senator from Michigan that if he will turn to column 6, on the same page, he will there find that all the items except nine have a minus sign in front of them. Those which do not have a minus sign are commodities which are above the level of prices under the Price Control Act of 1942.

The difference between column 4 and column 5 is set down in the sums stated in column 6. I do not know that I can make it any clearer. Does my statement carry an understanding to the Senator from Michigan?

Mr. VANDENBERG. I thank the Senator. I am still somewhat confused, which is probably my own fault. What I particularly wanted to know was whether the figures quoted in column 3 are parity or actual price, whichever is higher?

Mr. REED. Whichever is higher.

Mr. VANDENBERG. Which ones are higher?

Mr. REED. Beef, hogs, veal calves, lambs, rice, milk (retail), wool. Then down at the bottom are two which are not important in this discussion.

Mr. HOLMAN. Mr. President, may I ask if the Senator from Kansas has had the table put in the RECORD in order to illuminate his remarks?

Mr. REED. I asked for and received permission to put it in the RECORD.

Now I desire Senators who are following me to turn the page over. On the reverse side they will find a second page marked by red pencil "2." I ask that, in making up the RECORD, both sides of the page be printed, the side to which I have just referred is to be considered as page 1, and the side to which I am referring now as page 2.

Mr. President, the income for 1932 of the farmers of the United States will not, by any means, reach the sum incorrectly and unfairly intimated by the President of the United States under either of the programs, whether the Price Control Act of 1942 or his own.

I wish further to state there was a clear intimation in the President's language that the farmer was collecting or might collect unreasonable prices for his commodity.

Now I ask Senators to turn to page 2, which contains figures showing what the farmers are actually collecting. The table on what is called page 2 was prepared for me at my request. I wanted to compare the present current actual income derived by the farmers of the United States, first, with the President's criticism of the Price Control Act of 1942, and, secondly, with what the President suggests under his program. So this computation was made by the Bureau of Agricultural Economics in the same way as the other one. The left-hand column of figures on page 2—the columns are not numbered on that page—is headed "Estimated sales 1942—million units." It will be observed, by referring back to page 1, that the number of units of each commodity is the same as stated in the columns on page 1. In other words, here is applied the actual going price of August 15 to actual sales of the same units of the same commodities, to show what the farmer is actually getting and not what the President says he is getting or could get under the Price Control Act of 1942.

I doubt if there has ever been a greater injustice done to any important group of people in this country than has been done to the farmers or whether the welfare of any group has been more greatly prejudiced than has that of the farmers by the President's message and statement on September 7.

Now let me go ahead with the figures on page 2. There it is shown that the farmers of the United States, collectively, will not receive $13,933,000,000, as the President said they could receive under the Price Control Act; they will not receive $13,918,000,000, but they will receive $13,159,000,000. That, Mr. President, is $774,000,000 less than the amount inferred in the President's message. He laid great emphasis upon his program as against the program possible under the Price Control Act of 1942. Here are official figures to show the difference between these two programs is only $15,000,000, or one-tenth of 1 percent; and yet nothing was said about the actual income of the farmers this year for their toil at the prices they are actually receiving, which is $774,000,000 below the figures indicated for income under the Price Control Act.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. REED. I am glad to yield to the Senator from Montana.

Mr. WHEELER. One of the reasons for that is that the parity price of wheat would have been 134.4 cents, but, actually, the farmer is getting for his wheat at St. Paul and Chicago only approximately 95 cents, and, as a matter of fact, in Montana he is only getting about 85 cents.

Mr. REED. Let me suggest to the Senator from Montana—and I think he will agree with my statement—that I am talking about a fraud that has been perpetrated upon the American farmer and the American public. It is even worse than the Senator from Montana has indicated. One hundred and ten percent of parity would be $1.47 a bushel for wheat; actual parity would be $1.34—I am giving the figures from memory, but I think they are correct—but, Mr. President, the wheat farmer is selling his wheat for about 95 cents a bushel, and there is not any chance in the world for wheat to go up materially in price during the remainder of the present year.

Mr. WHEELER. Mr. President, if the Senator will pardon me further, wheat in western Montana is not selling for 95 cents. The plain truth about it, as I was informed by one of the dealers out there just before I left, is that the farmers did not have storage for their wheat, and, consequently, sold it; and the one who bought it paid him 85 cents for it, and that was all he possibly could pay him. The cost of shipping to St. Paul is about 10 cents a bushel. So the farmer had to sell his wheat, in many places, because of the lack of storage, for 85 cents.

Mr. REED. Mr. President, let me go a little further than that. With the senior Senator from Alabama [Mr. BANKHEAD], who sits in front of me, I have long been vocal on the farm-problem question. Both of us, as recently as the meeting of the Committee on Banking and Currency considering the pending measure, agreed again—I do not know how many times we have done so—that we want the farmer to get his income in the market place.

Mr. BANKHEAD. That is correct.

Mr. REED. And not by Government payments in the nature of subsidies. I have always been opposed to that in principle. I am opposed to it now. I go along with it only because there is nothing else to do, practically, at this time.

Mr. BANKHEAD. Let me put it in another way. I think the consumers of agricultural commodities, rather than the taxpayers, should pay for them.

Mr. REED. And not the taxpayers. I agree entirely.

Let me say to the Senator from Montana that, as he knows, the price of wheat is largely controlled and sustained by the loan level under the parity program. The loan level at the terminal

markets, if I recall correctly, is about $1.11. Then we have to take out the freight rate. In Kansas, for example, which, as is well known, is the largest wheat-producing State in the United States, 50,000,000 bushels of wheat were put on the ground. There was no place for storing it. Under the rules of the Commodity Credit Corporation, not over 60 percent of the normal loan price will be loaned on wheat on the ground. I am not criticizing the Commodity Credit Corporation; perhaps that is a wise precaution. I am merely stating a fact. Therefore the farmer in Montana, or in Kansas, if he had no storage facilities for his wheat and it had to go on the ground, where 50,000,000 bushels went in Kansas this year, temporarily at least, was restricted to 60 percent of his loan, and that would put his loan down to about 65 cents, we will say.

The farmer may be penalized at any time with what we call distressed wheat, what is called distressed wheat in the free market, to the extent that the distressed wheat moves at the lowest price level. So the farmer in Montana might suffer even a greater penalty than the Senator has indicated. So much for that.

I wish the senior Senator from Michigan [Mr. VANDENBERG] were present. The President strongly suggested that he could not do many things he would like to do to protect the consumer because he did not have the power—a lame, impotent, dull, and stupid Congress had tied his hands. Let us see. On the chart which has just gone into the RECORD, and which I have read, the top item is beef cattle. The August price of beef cattle was $11.30 a hundred pounds. One hundred and ten percent of parity on beef cattle, or the comparable price on beef cattle, is $9.34 a hundred pounds, and there has been no day, up to and including today, when the President of the United States or the Price Administrator could not have made an order reducing the price of beef cattle from $11.30 a hundred pounds to $9.34 a hundred pounds, under authority of the Price Control Act.

I do not wish to be misunderstood; I am not discussing whether $11.30 or $9.34 is too much, or too little, or just right; all I am talking about is the authority of the President, which he led the country to believe he did not have. I repeat the assertion and challenge anyone to question the correctness of it. There has not been a day, up to and including today, when the President of the United States or the Price Administrator could not have issued an order fixing on beef cattle a ceiling of $9.34, which is the limit within the present law.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. REED. Let me add one thing, and I shall be glad to yield.

Mr. TYDINGS. I desire to ask a question in line with what the Senator is saying. I am curious to know why the President and the Price Administrator, if the price went above the formula, did not reduce it. What was the reason given? I am not advocating its reduction, I am not advocating that it go up, but for purposes of my own thought I should like to know why it was not reduced, if the Senator knows.

Mr. REED. Let me answer my good friend the Senator from Maryland with the suggestion that if there is a Senator who perhaps has a lower place in the President's esteem than the Senator from Maryland, it is the Senator from Kansas.

Mr. BANKHEAD. May I give the Senator the information about the reason?

Mr. REED. If the Senator from Alabama has the information.

Mr. BANKHEAD. It was brought out before the committee, and I am merely giving information as presented to the committee by the Secretary of Agriculture. He said they did not put the ceilings in operation because they were afraid of the effect it would have on production, that it might decrease production.

Mr. REED. Then why do they not say so?

Mr. TYDINGS. Will the Senator yield further?

Mr. REED. I yield.

Mr. TYDINGS. It is useless to have ceilings unless they are to be leakproof. In other words, the whole purpose, once we agree on what is fair, is that the ceiling should be leakproof. If it is going to leak, we might as well go out in the rain and stay there.

Mr. REED. I shall come back to this particular phase of the subject later.

Let me add that if the President or the Price Administrator had put a ceiling at 110 percent of the comparable price of beef cattle that would have reduced farm prices $392,000,000 in 1942, and I shall call attention to the result if they had done the same with the next item on this table, in the case of hogs. The August 15 price of hogs was $14.30, and 110 percent of parity would be the maximum permissible. Let me draw to the attention of the Senator from Maryland the fact that the maximum permitted under the Price Control Act is 110 percent, with the exception of two or three articles, as to which special periods are fixed. One hundred and ten percent of parity on hogs is $12.16. There has never been a day, up to and including today, when the President or the Price Administrator, or both of them, could not have put a ceiling on hog and beef prices, and if they had fixed the ceiling at 110 percent of parity, the figure would have been reduced $330,000,000. The aggregate of the two items, figuring the difference between 110 percent of parity and the market price, which the President proposes to continue in line with his Labor Day speech, is $692,000,000.

I am not saying those prices are too high; I do not think they are. But when the President is trying to get a degree of control which I think he ought to have, and which I am going to vote to give him, and have been willing to give him all the time, I object to his coming here under false pretenses, and alarming the country, first, over a needless and insignificant difference in total prices, and, secondly, as a matter of principle, I object to his alarming the people and prejudicing this great group of farmers of the country.

Mr. TYDINGS. Will the Senator yield further?

Mr. REED. I yield.

Mr. TYDINGS. Is there any dispute at all as to the accuracy of the statements the Senator has made as to these particular commodities being above the prices fixed in the law, and the power of the price administrator, appointed by the President, to reduce the prices if it were thought wise? Is there any dispute as to that?

Mr. REED. None at all.

Mr. TYDINGS. I think the country feels that the reason why some adjustment has not been made is that there is no power in any one to make the adjustment.

Mr. REED. Let me say to the Senator from Maryland and to the Senate that I consider this question to be so important that for the last 2 weeks, ending tonight, I have lived with it.

Representing in part one of the important farm States, I was incensed at the bad faith the President of the United States exhibited in his message regarding the farmers of the United States. I resent it, and I am taking the Senate floor today to call to the attention of the Senate, and I hope of the country, so far as my voice may carry, that there is no dispute as to these facts. I have checked carefully with the Bureau of Agricultural Economics on every statement I have made. Every price, every figure, every table and percentage was furnished by the Bureau of Agricultural Economics, and there is no question as to the facts in any instance.

Mr. President, the situation was so serious, the implications of the President's message so misleading, that I asked the Bureau of Agricultural Economics to aid me in preparing, in the most terse and graphic form I knew how, the recent history of agriculture. I shall be very glad if Senators who are interested will examine the table, copies of which I shall pass around.

Mr. President, I ask unanimous consent that the table to which I have just referred be inserted in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table above referred to is as follows:

Selected data relating to farm and nonfarm income; individual incomes of industrial workers and farmers with percentage relationship; cost of living; effect of national polices on agriculture and industry and the enormous disparity in division of national income between farm and nonfarm populations

Year	Population				Income												
	Total	Nonfarm	Farm	Farm population as percentage of total population	National income	Income to persons not on farms	Income to persons on farms	Income from agriculture to persons on farms as percentage of national income	Net income from agriculture per person on farms	Income per person not on farms	Cost-of-living (all items) index numbers, 1910–14=100	Wage income per industrial worker: Per year	Wage income per industrial worker: Index numbers, 1910–14=100	Average net farm income per person engaged in agriculture	Column 14 as percentage of column 12	Hourly earnings factory workers: Per hour	Hourly earnings factory workers: Index numbers, 1910–14=100
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	Thous.	*Thous.*	*Thous.*	*Pct.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Pct.*	*Dol.*	*Dol.*		*Dol.*		*Dol.*	*Pct.*	*Cts.*	
1910	91,417	59,340	32,077	35.1	33,064	28,614	4,450	13.5	139	482	96.9	573	98.6	371	64.7	20.0	94.5
1911	93,110	61,000	32,110	34.5	32,490	28,575	3,915	12.0	122	468	96.9	562	96.4	348	61.9	20.3	96.0
1912	94,480	62,270	32,210	34.1	34,456	30,121	4,335	12.6	135	484	102.9	575	98.6	371	64.5	21.2	100.3
1913	96,220	63,950	32,270	33.5	37,762	33,375	4,387	11.6	136	522	100.9	600	103.0	382	63.6	22.1	104.3
1914	98,320	66,000	32,320	32.9	36,367	31,851	4,516	12.4	140	483	102.4	603	103.6	360	59.7	22.3	105.5
1915	99,880	67,440	32,440	32.5	38,254	33,859	4,395	11.5	135	502	103.4	622	106.7	381	61.3	22.9	108.3
1916	101,280	68,750	32,530	32.1	44,913	39,858	5,055	11.3	155	580	111.1	694	119.1	465	67.0	26.1	123.3
1917	102,830	70,490	32,340	31.4	53,360	45,031	8,329	15.6	258	639	130.7	818	140.2	690	84.3	31.1	147.1
1918	104,080	72,320	31,770	30.5	58,121	48,461	9,660	16.6	304	670	153.4	1,064	182.4	882	82.9	40.8	192.8
1919	104,700	73,770	30,930	29.5	66,136	56,259	9,877	14.9	319	763	176.6	1,188	203.7	969	81.6	47.7	225.6
1920	105,861	74,247	31,614	29.9	73,393	65,025	8,368	11.4	265	876	204.4	1,411	242.0	753	53.4	57.8	273.3
1921	107,695	75,932	31,763	29.5	58,333	54,538	3,795	6.5	119	718	182.2	1,234	211.4	417	33.8	50.6	239.1
1922	119,549	77,800	31,749	29.0	60,517	55,667	4,850	8.0	153	716	170.8	1,182	202.6	453	38.3	46.4	219.3
1923	111,247	80,117	31,130	28.0	70,675	65,067	5,608	7.9	180	812	173.9	1,274	218.3	532	41.8	52.0	245.7
1924	113,366	82,549	30,817	27.2	70,634	65,074	5,560	7.9	180	788	174.3	1,273	218.1	559	43.9	54.5	257.5
1925	115,160	84,330	30,830	26.8	75,187	68,321	6,866	9.1	223	810	178.9	1,293	221.9	642	49.6	54.4	257.2
1926	116,785	86,166	30,619	26.2	80,396	73,779	6,617	8.2	216	856	180.3	1,318	226.2	600	46.2	54.8	258.9
1927	118,387	88,217	30,170	25.5	78,502	72,188	6,314	8.0	209	818	176.9	1,311	224.9	621	47.4	55.2	260.9
1928	119,923	89,735	30,188	25.2	81,044	74,357	6,687	8.3	222	829	174.9	1,323	226.8	616	46.6	56.0	264.7
1929	121,249	91,029	30,220	24.9	85,954	79,213	6,741	7.8	223	870	174.8	1,334	228.8	649	48.7	56.6	267.5
1930	122,497	92,328	30,169	24.6	75,364	70,250	5,114	6.8	170	761	170.3	1,249	214.2	489	39.1	55.2	260.9
1931	123,643	93,146	30,497	24.7	59,853	56,371	3,482	5.8	114	605	155.1	1,129	193.5	322	28.5	51.7	244.3
1932	124,475	93,504	30,971	24.9	43,605	41,320	2,285	5.2	74	442	139.2	929	159.2	218	23.4	45.8	216.4
1933	125,222	93,529	31,693	25.3	42,006	39,024	2,982	7.1	94	417	131.8	900	154.2	289	32.1	45.5	214.9
1934	126,011	94,241	31,770	25.2	49,448	45,933	3,515	7.1	111	487	136.5	983	168.6	400	40.6	54.1	255.7
1935	126,864	95,063	31,801	25.1	56,398	51,361	5,037	8.9	158	540	139.9	1,057	181.3	468	44.2	55.9	264.1
1936	127,718	96,363	31,355	24.6	65,707	60,367	5,340	8.1	170	626	141.4	1,129	193.5	536	47.5	56.4	266.7
1937	128,474	97,628	30,846	24.0	71,566	65,492	6,074	8.5	197	671	146.5	1,217	206.9	565	46.4	63.4	299.7
1938	129,353	98,851	30,502	23.6	66,404	61,408	4,996	7.5	164	621	143.8	1,131	194.1	489	41.4	63.9	302.0
1939	130,404	100,699	30,305	23.2	71,043	65,869	5,174	7.3	171	658	141.8	1,203	206.3	498	41.4	64.4	304.3
1940	131,456	101,377	30,079	22.9	78,037	72,651	5,386	6.9	179	717	142.9	1,268	217.6	527	41.6	67.0	316.7
1941	132,525	102,725	29,860	22.5	92,397	84,806	7,591	8.2	254	826	150.1	1,484	254.4	742	50.0	73.6	348.0

COMPARISON, ACTUAL INCOME AND PARITY INCOME

Parity income and actual income from agriculture to persons on farms, United States, 1910–41

Year	Parity income (18)	Actual income (19)
	Mill. dol.	*Mill. dol.*
1910	4,266	4,450
1911	4,142	3,915
1912	4,284	4,335
1913	4,647	4,387
1914	4,299	4,516
1915	4,477	4,395
1916	5,205	5,055
1917	5,692	8,329
1918	4,877	9,660
1919	6,495	9,877
1920	7,619	8,368
Total for period	57,003	67,287
Excess of farm income over parity income		10,284
1921	6,289	3,795
1922	6,255	4,850
1923	6,973	5,608
1924	6,687	5,560
1925	6,875	6,866
1926	7,226	6,617
1927	6,788	6,314
1928	6,883	6,687
1929	7,253	6,741
1930	6,335	5,114
Total for period	67,564	58,152
Deficit in farm income under parity income		9,412
1931	5,093	3,482
1932	3,778	2,285
1933	3,645	2,982
1934	4,257	3,515
1935	4,738	5,037
1936	5,393	5,340
1937	5,707	6,074
1938	5,216	4,996

COMPARISON, ACTUAL INCOME AND PARITY INCOME—continued

Parity income and actual income from agriculture to persons on farms, United States, 1910–41

Year	Parity income (18)	Actual income (19)
	Mill. dol.	*Mill. dol.*
1939	4,485	5,174
1940	5,956	5,386
Total for period	49,268	44,271
Government payments, 1933–40		3,358
Income less Government payments		40,913
Deficit in farm income under parity income	8,355	
1941	6,808	7,591
Government payments		514
Income less Government payments		7,077
Excess of farm income over parity income		269

With the exception of columns 11 and 15, all data shown on above statement are taken from publications of the Bureau of Agricultural Economics, Department of Agriculture. Column 11 was furnished by the Bureau of Labor Statistics, Department of Labor. Column 15 is a simple arithmetical computation based on BAE figures. Selection, adaptation, and arrangement of information shown hereon were made by Senator CLYDE M. REED.

Mr. REED. Mr. President, in order that I may inform Senators clearly the source of the table, I shall read the note at the bottom, as follows:

With the exception of columns 11 and 15, all data shown on above statement are taken from publications of the Bureau of Agricultural Economics, Department of Agriculture. Column 11 was furnished by the Bureau of Labor Statistics, Department of Labor. Column 15 is a simple arithmetical computation based on Bureau of Agricultural Economics figures.

That is the Bureau of Agricultural Economics figures.

Selection, adaptation, and arrangement of information shown hereon were made by Senator CLYDE M. REED.

Mr. President, only the selection, only the adaptation, only the arrangement is mine. The basic figures are official, all from the Department of Agriculture, except one column, and that is from the Department of Labor.

Mr. President, I wish to hasten along. I shall begin with columns 1, 2, and 3 on the left-hand side of the table. Column 1 shows the total population of the United States in the years 1910 to 1941, inclusive. Column 2 shows the nonfarm population for those years, and column 3 shows the farm population for those years. Those figures are simple and easily understandable.

The important thing in the table is the comparison of column 4 with column 8. It will be observed that, as shown in column 4, in 1910, 35.1 percent of the total population of the country was on the farm. The farm population in that year received 13.5 percent of the national income.

In 1940, 22.9 percent of the total population of the country was on the farm, and the 22.9 percent received 6.9 percent of the national income. He who runs may read.

Mr. TYDINGS? That was in 1940, was it not?

Mr. REED. Yes; 1941 was a better year for agriculture. In 1941, 22.5 percent of the total population of the country lived on farms and received 8.2 percent of the national income. I hope the farm income in 1942 will be still better.

Mr. TYDINGS. Mr. President, will the Senator again yield?

Mr. REED. I yield.

Mr. TYDINGS. In order that we may clearly understand the presentation which the Senator is making, do I correctly understand farm income to consist only in dollars, or does it take into consideration the things the farmer gets off his farm as a part of his way of life in addition to the money he receives for what he sells from his farm? Do the figures which the Senator presents give the farmer's all-over picture?

Mr. REED. Mr. President, I am very happy to continue the education of Senators as far as possible today.

Mr. TYDINGS. I wish to tell the Senator that I have been very well educated from the standpoint of the checkbook during the last 6 or 7 years on a farm.

Mr. REED. I hold in my hand a publication issued by the Bureau of Agricultural Economics of the Department of Agriculture entitled "Net Farm Income and Income Parity Summary, 1910–41." I hope every Senator will get a copy of this publication and give it as much attention as he reasonably can. I wish to read the items on page 20 to the Senator from Maryland. On page 20 the first item in the left-hand column is, "Cash income from markets." The next is, "Government pay." That makes the total cash income. The next column is, "Value of home consumption." The next column is, "Rental value of farm."

Mr. TYDINGS. What is the total of the four?

Mr. REED. I was about to read the item of "Value of home consumption." For 1941, for example, it was $1,421,000,000. The rental farm value for the same year was $706,000,000.

When all those columns are added together it produces the gross income.

To get the farmer's net income turn to table 14 on page 27 and there will be found the net income to persons on farms. Take the gross income, and then take deductions from the gross income and the result is the net cash available to persons on farms after farm expenditures.

Mr. TYDINGS. What deductions are made? The deductions, I presume, are for fertilizer and implements and what not.

Mr. REED. Yes. Then we have the net cash left after that. Then there is added the rental value of the farm home, the value of home consumption, and that gives the net income with a couple of smaller items added.

Mr. TYDINGS. The Senator is going into more detail than my question warrants. What I really am interested in knowing is, Does the figure of the per capita income of the farmer take into consideration only the net cash which he has after paying his expenses, or does it take into consideration the things which the farm produces and upon which the farmer lives, without actually expending money for them?

Mr. REED. It does take into consideration the latter items.

Mr. TYDINGS. It does. So that the picture we have is just the same as if the farmer had included every direct and indirect item of income and outgo on the farm?

Mr. REED. That is correct.

Mr. TYDINGS. That is the information I am seeking.

Mr. AIKEN. If the Senator from Kansas will yield, I should like to state to the Senator from Maryland that in the farm income is also included income from rents, from money loaned, and innumerable other sources of income which accrue to persons living on farms. If they live on farms of 3 acres or more, that is classed as farm income by Government officials, although it is very far from being ordinary farm income.

Mr. TYDINGS. I may say that the only reason I asked the Senator from Kansas the question is that I rather thought his answer would be the answer we have finally obtained, but without that answer it would be open to misinterpretation, which would not be what the Senator from Kansas wants. My point in asking the question is that we might have the net farm income in order to compare it with the net industrial income when we get down to writing a price-control measure, with no other item included or excluded.

Mr. REED. I thank the Senator from Maryland very much for interrupting me. The questions were very timely and very helpful. I find, and everyone who discusses the farm problem finds, constantly arising in the minds of certain persons the question: What does the farmer do about food which he raises on his own farm, and what does he do about his rent? I was only referring to these two items because I do want to get along. Those are the two largest items, and as I read awhile ago in computing the net income to the farmer, there is taken into consideration the actual cash which he receives from his marketing, and then there is added the rental value of the farm home and the value of farm consumption. In 1941 the sum of those two items was in excess of $2,000,000,000. That, I am sure the Senator from Maryland will appreciate, is a very substantial sum.

Columns 9 and 10 show a comparison of net income from agriculture per person on farms with income per person not on farms. The junior Senator from Vermont [Mr. AIKEN] discussed that item, and what he said might have left some misunderstanding as to those columns. Column 9 shows the net income from agriculture, and does not include items of income that a person living on a farm might receive other than from agriculture.

In 1910 the net income from agriculture per person on farms, that is, for everyone living on a farm, including the children in the family, whether they worked or not, was $139. In 1940 it had risen to $179. As I said, that is the net income received by every person that lives on the farm, whether he worked or not.

Column 10 shows the income per person not on farms. The same test is applied with respect to such persons. That is, it applies to all persons not on farms, whether they are wage earners or not. The national income is divided between the farm and the nonfarm population, and then is subdivided so as to show the income per capita. The income per person not on farms, the urban population, in 1910 was $482 a year, whereas the net income per person on the farm was $139.

By 1940 the income per person not on farms had increased to $717, and of those on farms to $179. The cost of living is shown from 1910 to 1941, inclusive. That column was furnished by the Department of Labor.

The President of the United States, who—in his policies has consciously or unconsciously favored certain classes and segments of our population—particularly of our voting population—has at least invited a class war between the industrial worker on the one hand and the farmer on the other. All the way through his message he emphasized the purchasing power of wage workers. That is shown in this table. Columns 12 and 13 show the wage income per industrial worker back to 1910. These figures deal with the income of the industrial worker, as distinguished from the average income of the total urban population.

The income of the industrial worker in 1910 was $573. In 1941 it was $1,484, or 254 percent of the 1910 figure. As shown by the figures of the Department of Labor, and also by the figures of the Department of Agriculture, the income of the industrial worker is now 254 percent of what it was in 1910.

The cost of living index in 1941 was 150, as against a wage index of 254 for the industrial worker. No group in our society has more definitely improved its status, actually and relatively, than the industrial worker. I do not begrudge him his better conditions. I am glad that wage levels are higher. I think we ought to pay good wages. In my own business as an employer I try to do so. However, I want the people to know the truth; and the message of the President was misleading.

I invite attention to column 15. Neither the Department of Labor nor the Department of Agriculture furnished that column. It is merely a mathematical computation. In 1910 the farmer received 64 percent as much income as did the industrial worker. In 1940 the farmer received 41 percent as much income as did the industrial worker. In other words, the industrial worker's gain in wages has outstripped the increase in the cost of living. It has outstripped any improvement in the farmers income, until we have reached the point where actually and relatively the industrial worker is the favored person in our whole economy.

It is startling to observe that in 1940 the farmer had only 41 percent as much average wages as the industrial worker in factories received. That does not

justify any claim from any source, no matter whether that source be as lofty as the President of the United States, that the farmer is responsible for any threat of inflation. Nor does it justify leaving the people of the Nation under a misapprehension as to the truth.

Column 16 shows the hourly earnings of factory workers. In 1910 those earnings averaged 20 cents an hour. In 1941 the average was 73.6 cents. That is the average earning of all factory workers, high and low, skilled, semiskilled, and unskilled. From 1910 to 1941 the wage per hour went up three and a half times. Using the 1910 figure as a base, the percentage index number in 1941 was 348.

Let me close by summarizing. For 20 years previous to 1941 the farmer did not have a living income. Throughout all that period the wages and working conditions of industrial workers have steadily improved, an improvement which I welcome and do not begrudge. I am standing on this floor only in the interest of truth, which has been badly treated so far as the farmer is concerned.

I ask Senators to refer to the two right-hand columns. This is the first public occasion when an attempt has been made to trace the parity principle back to 1910. We have all come to accept parity, even though many of us believe that the parity formula might well be revised. However, we accept the principle. Even the great metropolitan newspapers which criticize the farm bloc accept the principle of parity. If there is any such organization as the farm bloc, I belong to it. I hope I am an earnest member. Today I am trying to be a vocal member.

For 20 years the great problem in this country has not been the industrial worker. It has been the farmer. Let us look at the two right-hand columns. In 1921 we began a new era of agriculture. In that year we came out of the inflation period following the First World War.

From 1921 to 1930, inclusive, the first 10 years of that period, the farmers received an income of $58,152,000,000. That is a 10-year aggregate. I telephoned to the Bureau of Agricultural Economics and asked if the parity principle could be applied back through those years. I was told that it could be so applied, and the Bureau did so. In that 10-year period the income of the farmers as a group should have been $67,564,000,000 to attain parity. Such an income would have given them parity—not 110 percent of parity but parity. In that 10-year period the accrued deficit in the farmers' income under the parity principle was $9,412,000,000.

I studied the question in the same way for the next 10 years, from 1931 to 1940. The farm income in that period was $44,271,000,000, but included in that amount were the Government payments, which began in 1933. They amounted to $3,358,000,000.

I am trying to show what the farmers should have received in the market place. That is where I want the farmer to go for his income. Whenever we can put into effect that kind of an agricultural policy we shall be in a much healthier and better condition all around than when we try subsidies, which are only a stopgap, and which I thoroughly dislike in principle as well as in actual administration.

In that period the farm group of the country had an income of $40,913,000,000 in the market place. The farmers should have received $49,268,000,000 to give them parity. In round numbers, Mr. President, the farmer had a gross deficit in the market place in the 20-year period of approximately $18,000,000,000; and when we deduct the Government payments from 1933 on he still had a deficit of about $14,000,000,000.

From the standpoint of income no large, important group of people in the United States has suffered through the years as the farmer has suffered. That is why banks have failed in the Farm Belt. That is why mortgages were foreclosed. That is why farm machinery deteriorated. That is why houses and barns are unpainted. That is why earnings were so poor. That is why, whenever a job was available off the farm, there was a tendency to take it. That is why we from the Farm Belt have been trying through the years to get our story to the people of the United States. It occurred to me that handling it in this way might be of some advantage in carrying the message.

Mr. President, I should like to acknowledge the fine courtesy and cooperative spirit which I found in the Bureau of Agricultural Economics in compiling these data. The officers of the Bureau did everything I asked them to do, and did it cheerfully and courteously.

Let me refer to one thing further, and then I shall have concluded. The Senator from Wisconsin [Mr. WILEY] recently discussed the dairy production situation. It is fully as bad as he described it. Let me read from the President's message:

> The greatest danger is in dairy products, which are, as you know, most important items in the American diet. Butter, cheese, and evaporated milk are exempt under the Price Control Act. The prices for those have been going up so fast that they constitute a serious threat to an adequate supply of fluid milk. Unless we are able to get control of butter, cheese, and other dairy products in the very near future, the price of milk in large cities is certain to go up.

The President again sounds a note of alarm to the people of the country, but on the wrong basis. The note of alarm which the President should have sounded is that unless he and those responsible for the blundering, stupid, inefficient, confused, and impossible labor policy, which is stripping the farms of their labor, change that policy, the danger to the American people, particularly those living in the towns, in 1943 will not be a few cents more or less on the price of milk or the price of butter, but it will be the danger of the impossibility of obtaining those commodities. As was so graphically described by the Senator from Wisconsin [Mr. WILEY], every day dairy farms are being closed, and dairy cattle are being sent to the packing houses for slaughter. Today there is less production of dairy products than there was a year ago. That decrease is progressively becoming larger. More dairy farmers are closing up their dairies, selling their cattle, getting rid of them, going out of business. There is the danger; and in 1943 it will not be a question of increasing the production by means of the higher prices which must be paid. We cannot increase that production after the dairy farmers have folded up and quit; after dairy cattle have gone to the slaughterhouse.

Dairy farming is the most highly specialized and most difficult form of farming. It is in that classification, where experienced and skilled farm labor is most needed, that the largest losses of labor are occurring.

Tomorrow, Mr. President, the Kansas delegation in both Houses, including my colleague who sits here and the Kansas Members of the House of Representatives are to have our second interview in 2 weeks with the Secretary of Agriculture, to discuss the farm labor problem.

In Kansas 2 or 3 weeks ago, four or five of the Members of the House of Representatives and myself, who happened to be there, sat down in Topeka and discussed the situation with the Kansas State Board of Agriculture, the representatives of the Agricultural Adjustment Authority, and representatives of the Kansas farm organizations. We collected some data. Thereafter, when we returned to Washington, we presented our findings and discussed the matter fully with the Secretary of Agriculture—all of us together as a delegation from an important farm State—laying the farm labor trouble before him.

Next we went to General Hershey, to discuss the Selective Service Act—again going as a delegation. Then we went to Chairman McNutt, of the War Manpower Commission, and then we went to the Under Secretary of War, Mr. Patterson, to discuss the operation of the Government ordnance and munitions plants.

Tomorrow we shall go back where we began, to the man most directly in contact with the problem, the Secretary of Agriculture. We shall say to him, tomorrow, that if the present loss of labor from the farms continues until next year, the farms will not be able to produce enough food for the Nation, particularly in the line of the most highly specialized production of all—dairy products—and that unless the present labor policy is corrected, unless some relief can be given, when next year comes, no matter what action may be taken then, it will be too little and too late.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 6921) to amend the Soil Conservation and Domestic Allotment Act to authorize payments in cases where farmers' crops are acquired, prior to harvest, in connection with the acquisition of their farms for use in the national war effort, and to provide for the division of such payments.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5503) to

authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. CELLER, and Mr. MICHENER were appointed managers on the part of the House at the conference.

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

The PRESIDING OFFICER (Mr. SPENCER in the chair). The question is on agreeing to the committee amendment on page 2, in lines 12 to 20.

Mr. THOMAS of Idaho obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. THOMAS of Idaho. I yield.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	O'Mahoney
Andrews	Green	Overton
Austin	Guffey	Pepper
Bailey	Gurney	Radcliffe
Ball	Hatch	Reed
Bankhead	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Russell
Bone	Holman	Schwartz
Brewster	Johnson, Calif.	Shipstead
Bridges	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Truman
Chandler	McKellar	Tunnell
Chavez	McNary	Tydings
Clark, Idaho	Maloney	Vandenberg
Clark, Mo.	Maybank	Van Nuys
Connally	Mead	Wagner
Danaher	Millikin	Wallgren
Davis	Murdock	Walsh
Downey	Murray	Wheeler
Ellender	Norris	White
George	Nye	Wiley
Gerry	O'Daniel	Willis

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

CONTROL OF FARM PRICES AND WAGES

Mr. THOMAS of Idaho. Mr. President, in dealing with the present problem of farm prices there are two considerations of vital importance to the people of the United States.

One is the possible adverse effect of low ceilings on farm prices upon production of food for essential war needs. The other is the adverse effect of higher farm prices on the consuming population.

Congress must balance these two factors against each other. We should approve a level of farm prices high enough to cover increased costs and to give an incentive to production. At the same time we should avoid an excessive burden upon consumers.

From first hand observations of the present plight of the farmer during a recent visit to my State of Idaho, I am convinced that the danger of inadequate agricultural production forms a most serious menace to success in our war program. Failure to provide sufficient food for our civilian population, our armed forces, and the people of allied nations may lead to disaster comparable to reverses on the field of battle. If prices are not high enough to maintain needed production, consumers in the end will be confronted with very much higher prices than should now be sufficient.

My viewpoint with respect to the pending legislation for more effective control of farm prices and wages may be summarized as follows:

First. I favor over-all control of all prices in agriculture and industry and of wages under definite statutory standards.

Second. Besides providing safeguards against inflation, the new legislation should give sufficient encouragement to agriculture to assure production necessary for war purposes.

Third. Under a statutory rule for ceilings on farm prices it should be made mandatory to take into account abnormal costs of production, including agricultural wages.

Fourth. Inflationary rises in both farm and industrial prices—due to the pressure of increased incomes of consumers upon limited supplies—should be checked by a statutory freezing of all wages and salaries.

Fifth. Delegation of broad authority to the Executive can accomplish nothing if a politically minded administration continues policies which make impossible effective resistance to inflation.

I have consistently favored complete control of all prices and wages. I voted against the present Price Control Act last January because it failed to provide for any regulation of industrial wages and also ignored farm wages in connection with agricultural prices. The failure of that law to accomplish results is now conceded by the administration, which dictated its terms.

While I strongly favor new legislation I am not satisfied that the pending bill, unless strengthened by amendments, will accomplish the desired results.

THREAT TO FOOD PRODUCTION

The United States has abundant resources for production of food for all possible needs of ourselves and our allies during this war. Except for shortsighted policies under the planned economy of the New Deal, our position in this respect would be impregnable.

The restrictions heretofore placed upon agricultural production under mistaken New Deal policies have now been aggravated by new factors growing out of war conditions. A serious shortage of food, including meats, dairy products, poultry, sugar, and many fruits and vegetables, is now a definite probability.

We cannot continue the tremendous physical effort required by our all-out war program without proper nourishment both at home and in the battle lines on many continents. Prices must give incentive to production.

The people of my State and elsewhere have done their best to meet the quotas for expanded food production which are a part of the war program. The production this year will be the greatest in history, due in part to unusually favorable weather conditions, but will fall short of what would have been possible if there had been less inefficiency and bungling in our war planning.

A shortage of farm labor was unavoidable as a result of military demands. It has become needlessly acute as a result of the failure of the administration to hold down wages paid by war contractors. If the administration had been willing a year ago to freeze wages as urged by Bernard M. Baruch, present conditions would have been less serious. Coordination of manpower requirements in civilian and war industry and in agriculture has been lacking. Ridiculously high wages offered by war contractors, with the approval of the Government, have made it impossible for farmers to compete for available labor.

In the face of such conditions the farmers in my State were stunned by the demagogic attacks upon agriculture which came from the White House on Labor Day.

FARM PRICES AND COSTS

The President has given the impression to the consuming public that any farm price above parity is too high and may be considered inflationary. I deny that these assumptions are justified.

Facts were presented by farm leaders to the Banking and Currency Committee to show that the parity formula does not fit present conditions. It was demonstrated that the base period is unjust, that the formula is obsolete, that price alone is not an accurate measure, and that agricultural labor should be included among the items which measure the expenditures of the farmer.

I will concede that the upward movement of farm prices is inflationary to such extent as it is due to an expansion of purchasing power of consumers beyond available supplies. A large measure of responsibility for inflation of this nature rests upon the administration because of its failure to freeze the earnings of consumers.

Such advance in farm prices as was necessary to raise the very low level of 1939 to normal and to provide for increased costs cannot be considered inflationary.

Elaborate calculations which are available in the record of our committee hearings show that for the years between 1909 and 1941 there were only 2 years—mark you, Mr. President, only 2 years—1917 and 1918, when the farmers received an income equal to his production expenses, including an estimated wage for himself equivalent to the average wage of industrial labor. According to these figures, farm income should be about 30 percent greater than in 1941 in order to place the farmer on a parity with industrial labor.

At the beginning of the present administration its goal was restoration of a predepression price level for agriculture. The administration at that time liked to use the word "reflation" to describe the attempt to increase farm prices. In February 1933, wholesale prices of farm products had dropped to 41 percent of the 1926 level, which was then considered

normal. Attainment of the administration's goal would have required an increase of about 145 percent. The administration avoided any use of the word "inflation" in connection with its program. It succeeded in bringing about a very substantial increase in farm prices, to an average for 1937 of about 86 percent of the 1926 level. In August 1939, the month before the outbreak of the European war, wholesale prices of farm products had slumped to 60 percent of the 1926 level. It required an increase of 66⅔ percent to restore the price level of the normal year, 1926.

The actual increase in wholesale prices of farm products from August 1939 to September 12, 1942, was 75 percent. The farm price level on that date was only 7 percent above that of 1926. The administration now insists upon using the word "inflation" in describing the entire increase in farm prices from 1939, although the major part of it should properly be considered "reflation," under the New Deal's own standards.

If we use parity prices as our standard for comparison, we find that all farm prices on August 15, 1942, averaged 107 percent of parity. However, many important commodities were below parity. Wheat stood at only 71 percent of parity, and corn and beans at 85 percent of parity. Livestock was considerably above parity, but this branch of agriculture could not possibly exist on a return equal to parity, owing to changed conditions affecting costs. The wide variations in relations between parity prices and actual prices show the absurdity of the formula as applied to present war conditions.

The Price Administration has failed to impose ceilings on farm products which would have been possible under the terms of the present law. It is not true that farm products are exempt from control, as the Administration would have the public believe.

Evidence is lacking that consumers have been burdened excessively by the increased farm prices of the present year. The index of retail food prices of the Bureau of Labor Statistics for June was lower than the average of any year of the decade from 1920 to 1930, with the single exception of 1922. The index for June 1942 was 89 percent of the level of 1926. Price ceilings imposed upon retailers have prevented any great increase in food prices since June.

FARM WAGES

When the parity price formula was first adopted under the Agricultural Adjustment Act of 1933, provision should have been made for inclusion of wages and other elements of farm costs. I never could understand why this was not done.

The sharp increase in farm wages under war conditions has served to make it imperative that this factor in costs receive consideration in connection with parity prices, if the parity formula is to serve as a standard.

Figures of the Department of Agriculture indicate that average farm wage rates for the entire country had risen in July by 65 percent over those prevailing in 1939, and by nearly 140 percent over 1933.

While it was possible a few years ago to get plenty of farm labor in Idaho for $2 a day or a little more, I know of many instances at the present time where $6 a day or more is being paid. Under a recent agreement, in connection with the picking of potatoes, workers are being paid at a rate per sack which will net them as much as $8 or even $10 per day.

A study of growing beans on 33 Idaho farms in 1938 has recently come to my attention. It was made by the extension department of the University of Idaho. Average costs were found to be a little greater than the average return. One-fifth of the cost per acre was represented by labor, which was shown as 25 cents per hour. At the present time prices received by farmers for beans per 100 pounds are about double those in 1938. Wages of 75 cents an hour are being paid, or three times the 1938 rate. Other costs have increased also. The difficulty of securing sufficient labor to obtain a maximum yield has tended to increase unit costs. I am certain that the farmers are finding it just as difficult to break even on their beans as when prices were much lower.

I have been unable to understand the opposition of the President to an allowance for increased wage costs in the computation of parity prices. Nor can I comprehend his attempt to explain the assertion in his message to Congress that—

> Calculations of parity must include all costs of production, including the costs of labor.

Labor costs entering into the cost of industrial commodities purchased by farmers are an entirely different matter from the question of wages paid by farmers in the production of their crops. The latter receive no consideration whatever in computing parity prices.

PROVISIONS OF PENDING BILL

I am in accord with the provision of the pending bill as reported from the Banking and Currency Committee to authorize and direct the President on or before November 1 to issue a general order stabilizing prices, wages, and salaries on the basis of the level existing on September 15.

I approve also the provision for ceilings on farm prices no lower than parity, or the highest price between January 1 and September 15, 1942, whichever is higher.

I am not satisfied with the proviso added by the committee for consideration of war production needs and farm wage costs. While this proviso is a step in the right direction, it is not sufficiently definite, and leaves too wide an area of discretion to the President.

The President's position on farm prices was made known in his message to Congress and his radio speech on Labor Day, and in his subsequent letter on farm wages. Consequently, I fear that under the very general language of the proviso he will not feel obliged to rule that a higher price for any farm commodity is necessary to increase its production for war purposes. Similarly, I am afraid that he will not be inclined to hold that gross inequities will result from price ceilings by reason of increased labor or other costs to the producers.

I favor a definite inclusion of farm wage rates among factors required to be considered in computing parity prices. As soon as possible Congress should take up the question of revising more completely the parity formula to meet new conditions.

With respect to wage control, I favor a more specific statutory rule for the guidance of the President. Inflation has continued its progress under the wage stabilization policies of the administration. There is no assurance that wage stabilization, under authority vested in the President by this legislation, will be any more effective than in the past. Only by freezing wages can this road to inflation be closed.

The administration has allowed political considerations to control its actions. Such a factor should not enter into Government policy in a period of war.

Congress properly has the responsibility for the determination of policies governing prices and wages. It should assert its prerogatives more definitely than in the pending bill. Unless it does so, we are threatened with serious difficulties. Failure to encourage production of food will jeopardize our chance of victory in the war. Continued advance of inflation will have disastrous consequences upon our people.

Mr. WILLIS. Mr. President, let me first dismiss the obvious. Every Senator is, of course, agreed that we cannot fight a war such as the one in which we are now engaged, and at the same time prevent a degree of inflation, but every Senator is at the same time agreed that inflation must be kept at a minimum. We need a price-control law with a good set of teeth. It needs teeth to chew off every possible excess in the cost of living. It needs teeth to masticate every possible threat to the low-income and fixed-income citizens whose wages and salaries are not protected by organized vigilance. We have given too little attention to the gravity of the need confronting the great middle class group. It needs teeth to snap off truly excessive costs, and to bite back at price curtailments dangerous enough to kill production itself.

But let me hasten to insist upon something else which should be equally obvious. There is not being experienced an inordinately high cost of living due to increased prices of farm products. Recent attacks upon the American farmer, wafted to us in voices of the night from on high, obviously have not been harvested in the fields of fact. Nor have those fields of fact been within the ascertainable range of vision of the occupants of scores of metropolitan editorial chairs. History, past and current, reveals the American farmer in a more patriotic light than that which surrounds a group of critics whose possible charity of motive is ill-matched by their ignorance of fact, oversight of fact, or prostitution of fact.

The spirit of the farmer is present on this floor today to ask only one protection. The farmer does not ask protection for "farming as usual." He knows what a fruitless reward that would be.

Nor does he ask that fair share of the national income to which he has always been entitled, but which he has never received. He thinks this is not the time. But he does ask one protection—the simple and obviously vital protection of his ability to produce.

If the cost of the labor which the farmer must employ is not included in the computation of parity, then the farmer—in hundreds of thousands of instances—will be finished.

Government trucks are picking up 55 colored boys a day within a 3-mile radius of a North Carolina air base and taking them from the farms to well-paying construction jobs. Intelligent farmers who cannot match the wages on the construction job, and who therefore cannot keep workers on their farms, cannot continue to produce food and industrial-agricultural raw materials for the Nation.

I hold in my hand a tear sheet from the Lafayette (Ind.) Journal and Courier of September 18. "Closing-Out Sale of Guernsey Cattle" is the headline on one of its advertisements.

I am offering for sale—

It says—

my entire herd, forty-five cows and heifers, twelve 10-gallon milk cans, a 24-inch copper tubular cooler, a clean easy-milking machine less than 1 year old.

That advertisement was placed in the newspaper by Joe Kerkhoff, winner of the "Pure Milk Dairy" award a few years ago. Joe Kerkhoff has been producing 80 gallons of milk every day, enough for half the nearby town. And this is only one advertisement, in only one State, in only one town, in only one newspaper. This page is jammed with similar ads offering at public sale nearly 300 head of choice dairy cattle, and so are thousands of other pages in other newspapers in communities all over this country. The reason is obvious: the farmers cannot find enough labor, and to the little they do find they cannot pay enough to match what can be earned elsewhere.

Even the present administration now finds it impossible to blink this fact any longer. Many farm prices have been permitted to rise above various ceilings already provided in the first price-control law, however inadequate it certainly and admittedly is. But the administration cannot with consistency or intellectual honesty recognize that fact on a Monday evening and then get up with the dawn on Tuesday and scream its honorable lungs out in defamation of the "selfish" farmer.

One measure which we can and should take to relieve patent injustice to the farmer is to safeguard to him the cost of the labor which he now must bear in producing the Nation's food. Without that safeguard the production lines of food in America will break down.

Mr. President, to that program I subscribe.

Mr. HOLMAN. Mr. President, will the Senator yield to me for a moment?

Mr. WILLIS. Yes; I yield.

Mr. HOLMAN. I may remind the Senator that there is one important factor in the cost of living which has not yet been stressed in this discussion. I call attention to the fact that the high cost of the executive civil department of our Government is a great factor in the cost of living, and is itself one of the causes of the threatened inflation about which the President alarmed the country. The inordinately high taxes which are imposed, or must be imposed, upon the productive efforts of the country are a discouraging threat to production and are causing scarcity of needful things, a scarcity which results in high prices and perhaps will result in inflation. Extravagance in governmental administration causes high taxes, and the power to tax is the power to destroy.

Mr. WILLIS. It might be well to add to the price-control measure a limitation on the farmer's taxes—that limitation being what the farmer is able to pay.

The PRESIDING OFFICER. The question is on agreeing to the pending committee amendment.

Mr. TAFT. Mr. President, I inquire what is the pending amendment?

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 12, after the word "direct", it is proposed to strike out "; and may suspend any provisions of law relating to the establishment or maintenance of prices, wages, or salaries which are inconsistent with the purposes of this joint resolution" and to insert in lieu thereof "The President may suspend the provisions of sections 3 (a) and 3 (c) of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this joint resolution, but he may not under the authority of this joint resolution suspend any other law or part thereof."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, on page 3, line 10, after the word "highest", to strike out "market."

The amendment was agreed to.

The next amendment was, in the same line, after the word "price", to insert "received by such producers."

The amendment was agreed to.

The next amendment was, on the same page, in line 12, after "1942", to insert "(adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials);".

The amendment was agreed to.

The next amendment was, on the same page, line 22, after the word "may", to strike out "provide for a lower price than the highest market price for any commodity between January 1, 1942, and September 15, 1942," and insert "without regard to the limitation contained in clause (2), adjust any such maximum price."

Mr. McKELLAR. Mr. President, before that amendment is agreed to, I desire to offer an amendment to it, which I will ask to have stated. My amendment is to the language on page 4 at the end of line 13.

The PRESIDING OFFICER. The Chair will state that that committee amendment has not yet been reached.

Mr. McKELLAR. I beg the Chair's pardon. I thought the amendment had been stated.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 3, beginning in line 22.

The amendment was agreed to.

Mr. TAFT. I wish to ask the junior Senator from Michigan [Mr. BROWN], in charge of the bill, a question. The Senator from Georgia criticized the language in the committee amendment which has just been adopted. I wondered if a substitute amendment had been prepared for the language of the committee amendment.

Mr. BROWN. I will say to the Senator from Ohio that I asked that one be prepared; and if the vote by which the amendment was passed may be reconsidered and the amendment passed over, I shall bring in a substitute amendment shortly and submit it.

Mr. BARKLEY. Mr. President, I have an amendment to the committee amendment on page 3, line 12, to add certain language after line 14. I thought I had arranged to have that committee amendment passed over until I returned to the Senate Chamber. I ask unanimous consent that the vote by which the committee amendment on page 3, beginning at line 12, was agreed to, be reconsidered in order that I may offer an amendment to the committee amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote by which the committee amendment was agreed to is reconsidered.

Mr. BONE. Mr. President, I merely wish to make an inquiry. I was not privileged to hear the discussion which I understand the Senator from Michigan [Mr. BROWN] made on the floor of the Senate regarding the provisions at the bottom of page 3. I confess I am not sure precisely what is meant by the language:

without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities.

Precisely what does that mean?

Mr. BROWN. I will say to the Senator that the matter is to be cleared up a little further in order to meet the criticism as to section 3 made by the Senator from Georgia [Mr. GEORGE] on yesterday. It means that "parity" is an absolute limitation upon the power of the President to fix a price minimum. He may in no event fix a minimum below parity. With respect to clause (2), which is the other guide to the President in this limiting section, he may not fix a price below the price received by producers between January 1 and September 15, 1942, adjusted by the Secretary of Agriculture. Under that clause he may revise that price if he finds it necessary in order to correct gross inequities.

Mr. BONE. Mr. President, is there any limit to his power to revise? If it is a blanket power to revise he would probably have no limitations placed on him at all.

Mr. BROWN. Yes; the price would have to be grossly out of line. I may say that so far as agricultural prices are concerned, the only price of which I know which is grossly out of line at the present time is the price of rice, which is the subject of extraordinary market conditions. So far as I am aware the price of no other commodity would come within that definition.

Mr. BONE. It seems such a blanket grant of power that I was impelled to inquire about it. I assume the committee members have studied it sufficiently to be satisfied with it.

Mr. BROWN. The phrase "gross inequities" is about as strong a phrase limiting the President's power to make adjustments as we could find. I am sorry the Senator from Washington did not hear what was formerly said on that subject. We spent a great deal of time on it. The point here is that we cannot absolutely freeze existing wages or existing prices, because some of them are distinctly out of line. The idea is that we want a general stabilization of prices and wages as of the level of September 15, 1942, which is really the gist of the measure, but it has been commonly conceded that with respect to prices and wages there must be some opportunity to adjust up or down, to correct gross injustices. That is the purpose of the amendment. But in no event, with respect to farm prices, may they be adjusted below parity. The President cannot go below parity in any event, not even if necessary to correct gross inequities.

Mr. BONE. This adjustment then, I take it, would refer only to the market price between January 1 and September 15 of 1942?

Mr. BROWN. That is correct.

Mr. BONE. And that would be the fluctuating and fluid price which existed then?

Mr. BROWN. That is correct. So the amendment states.

Mr. BONE. Mr. President, I call the attention of the Senator from Kentucky to the fact that I am yielding the floor. I merely wished to make an inquiry.

Mr. BARKLEY. I thank the Senator. I submit an amendment to the committee amendment on page 3, line 12, which I ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 3, at the end of line 14, it is proposed to strike out the semicolon, and to insert a comma, and the following: "or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices during such period, of other agricultural commodities produced for the same general use."

Mr. BARKLEY. Mr. President, the Committee on Banking and Currency had an understanding that an amendment would be offered which would take care of the situation with respect to tobacco. It may not affect anything other than tobacco. In North and South Carolina and Georgia the tobacco market has opened, and a price has been determined by the market within the past few weeks. In my State, and in Tennessee, southern Ohio, and other States, the market for tobacco does not open until December or January. So if the language were to remain as it is, it would be necessary to go back to last December or January to find the market price fixed for the 1941 crop. The price for the 1942 crop will not be determined until the opening of the market in December or January.

This amendment would simply permit the Secretary of Agriculture to adjust the price in a comparable way, after the market is opened, in situations in which there has been no active market during the past 6 months. It would take care of a situation such as I have described. The amendment is necessary in order to put the types of tobacco which are marketed in December and January on a comparable basis with those which are marketed in August and September.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BAILEY. It would not affect the standards already established in the bill with regard to North Carolina tobacco, would it?

Mr. BARKLEY. No; it would not affect them at all. Such an amendment is necessary in order to put our tobaccos on a comparable basis with tobaccos the prices of which have already been established in the market.

Mr. BAILEY. Just what is the language?

Mr. BARKLEY. Mr. President, I ask that the amendment be again stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Kentucky to the committee amendment on page 3, after line 14, will be stated.

The CHIEF CLERK. On page 3, at the end of line 14, it is proposed to strike out the semicolon, insert a comma, and the following: "or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices during such period, of other agricultural commodities produced for the same general use."

Mr. BAILEY. I think that is eminently fair.

Mr. BARKLEY. I thank the Senator. The amendment would apply not only to my State, but to Tennessee, southern Ohio, and all other tobacco regions where the market does not open until practically the end of the year.

Mr. BAILEY. It would also apply to western North Carolina.

Mr. BARKLEY. Yes; it would also apply to western North Carolina.

Mr. McKELLAR. It would extend the principle to all parts of the country.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY] to the committee amendment on page 3, after line 14.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 4, line 2, after the word "inequities", to insert a colon and the following: *"Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case in which it appears that such modification is necessary to increase the production of such commodity for war purposes, or in which it is satisfactorily shown that by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities."

Mr. McKELLAR. Mr. President, I offer an amendment to the amendment, which I send to the desk and ask to have stated. I hope the Senator from Michigan [Mr. BROWN] will accept it.

The PRESIDING OFFICER. The amendment offered by the Senator from Tennessee to the committee amendment will be stated.

The CHIEF CLERK. On page 4, line 13, before the period, in the committee amendment, it is proposed to insert a colon and the following: *"Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing."

Mr. BROWN. Mr. President, that amendment is in line with the policy already established by the Price Control Act, and I believe it is substantially a restatement of existing law. As I understand, the Senator from Tennessee desires that the policy be restated in the joint resolution. Personally I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR] to the committee amendment on page 4, line 13.

The amendment to the amendment was agreed to.

Mr. THOMAS of Oklahoma obtained the floor.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BROWN. I understand that the modification proposed by the Senator from Tennessee modifies the committee amendment contained in the first 13 lines on page 4, but that the committee amendment has not as yet been agreed to.

The PRESIDING OFFICER. That is true.

Mr. BROWN. The Senator from Oklahoma desires to offer a substitute for the committee amendment.

Mr. THOMAS of Oklahoma. Mr. President, that is not correct. I desire merely to add one sentence at the end

of the section. I do not desire to change the committee amendment, or to change the amendment offered by the Senator from Tennessee. I desire to offer an amendment adding one additional sentence to this section, if such an amendment be in order.

The PRESIDING OFFICER. The committee amendment is open to amendment.

Mr. THOMAS of Oklahoma. I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Oklahoma to the committee amendment will be stated.

The CHIEF CLERK. On page 4, at the end of line 13, in the committee amendment, it is proposed to add the following new paragraph:

For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

Mr. THOMAS of Oklahoma. Mr. President, I shall occupy only a few moments in explanation of my amendment. The amendment is offered by order of the Committee on Agriculture and Forestry. During the past several days the Committee on Agriculture and Forestry has been in conference with various farm groups. These groups embrace the American Farm Bureau Federation, the Grange, and the National Council of Farmer Cooperatives. I am advised that this amendment is approved by each of these organizations. In support of that statement I submit for the RECORD at this time a letter which I have just received from the National Council of Farmer Cooperatives, and ask that the letter be read at the desk.

The PRESIDING OFFICER. Without objection, the letter will be read.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. Purely as a matter of procedure, I wonder whether the Senator from Oklahoma and others interested in the amendment would be agreeable to permitting the Senate to dispose of other committee amendments and then return to this amendment, inasmuch as it is the most controversial of all.

Mr. THOMAS of Oklahoma. The Senate has just considered one amendment to the committee amendment, and I am submitting a second amendment to the committee amendment. I understand that it is in order.

Mr. BARKLEY. There is no question about that.

Mr. THOMAS of Oklahoma. I shall consume only a brief time in explaining the amendment.

Mr. BARKLEY. Does the Senator prefer to go ahead with his explanation now?

Mr. THOMAS of Oklahoma. Inasmuch as I have started, I think it would be proper.

The PRESIDING OFFICER. Without objection, the letter referred to by the Senator from Oklahoma will be read.

The Chief Clerk read as follows:

NATIONAL COUNCIL OF
FARMER COOPERATIVES,
Washington, D. C., September 21, 1942.

Hon. ELMER THOMAS,
United States Senate,
Washington, D. C.

DEAR SENATOR THOMAS: The National Council of Farmer Cooperatives, representing 4,500 farmer cooperative business organizations with a membership of over 2,000,000 farmers in every State in the Union, on Monday, September 21, gave full approval to the amendment proposed by Senator HATCH of New Mexico and yourself to Senate Joint Resolution 161, which reads:

"On page 4 at the end of line 13, add the following paragraph:

" 'For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.' "

In response to a Nation-wide demand, 100 delegates, representing every important agricultural State from Maine to California and from Washington to Florida, and representing every major branch of agriculture, assembled in Washington, Monday, and without a dissenting voice, voted their support of the Hatch-Thomas amendment.

It was their unanimous opinion that the establishment of any ceiling on farm products which fails to include farm labor as an item of cost, is unfair to agriculture, consumers, and every segment of the national economy. They feel that not only will such a ceiling fail of its purpose, but that it will induce a disastrous curtailment of agricultural production in 1943.

Far from alone in their convictions, they are joined in support of the Hatch-Thomas amendment by the National Grange, American Farm Bureau Federation, and the Chamber of Commerce of the United States. The three farm organizations are authorized to speak for fully 90 percent of the Nation's farm families, while the Chamber of Commerce expresses the sentiments of the Nation's leading businessmen.

At no time in its history has this Nation been in greater need of maximum production of the food and fiber produced for its farms and ranges. Yet farmers are being asked to accept prices that make payment of current high farm wages impossible. The result is that farm laborers, farm boys and girls, and even farm operators are leaving the farms for the high pay and short hours of industry. A rapid rate of induction of farmers and farm workers into the military services further handicaps production.

If farm prices are to be placed under rigid control, as the President has demanded, farm production may be expected to decline disastrously in 1943 as farmers lose more workers when they can no longer pay. The rate of abandonment of farms may be expected to show a startling increase.

It rests with Congress to write into the pending price-control legislation some protection, not alone that farmers may continue to produce, but that American consumers, the military services, and the people of the United Nations may continue to receive the food and fiber so vitally needed if we are to win this war for freedom.

We appreciate your willingness in taking the leadership in sponsoring the Hatch-Thomas amendment to S. J. Res. 161, and we believe that when properly understood, the inclusion of farm labor in the computation of parity will be seen by the public to be not only fair and just, but essential to maintenance of production at present high levels.

Respectfully submitted.

H. E. BABCOCK, *President.*

Mr. THOMAS of Oklahoma. Mr. President, I wish to call the attention of the Senate to one sentence in the letter which has just been read. That sentence is to the effect that the Chamber of Commerce of the United States has considered the amendment and is on record in favor of its adoption.

At this point I submit for the RECORD a copy of a telegram just received, signed by Edward A. O'Neal, president of the American Farm Bureau Federation; Albert S. Goss, master of the National Grange; H. E. Babcock, president of the National Council of Farmer Cooperatives; and Charles W. Holman, secretary of the National Cooperative Milk Producers Federation. I submit the telegram and ask that it be printed in the RECORD as a part of my remarks. I do not ask that the telegram be read, because the substance of it is contained in the letter which has just been read from the desk.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *September 21, 1942.*

Senator ELMER THOMAS,
Washington, D. C.:

The responsibility for the future food and fiber supply of the Nation must rest squarely upon the shoulders of those who deny the farmers the opportunity to meet the costs necessary for maximum production.

In the opinion of the undersigned, whose members produce most of the food and fiber raised in this country, amendments to the pending price-control bill, which will make mandatory the inclusion of all farm labor costs in establishing farm price ceilings, are necessary to protect the Nation's food and fiber supply. We strongly urge that you support such amendments. The danger of inflation is far greater from uncontrolled wages than from farm prices. Industrial wages are 38 percent above first World War peak, while farm prices are 37 percent below.

EDWARD A. O'NEAL,
President, American Farm Bureau Federation.
ALBERT S. GOSS,
Master, the National Grange.
H. E. BABCOCK,
President, National Council of Farmer Cooperatives.
CHARLES W. HOLMAN,
Secretary, National Cooperative Milk Producers Federation.

Mr. THOMAS of Oklahoma. Mr. President, this morning the Senate Committee on Agriculture and Forestry met, with 15 members present. After a full consideration of the text of the amendment a vote was had, and the amendment was approved by a vote of 14 for it to 1 against it. I simply submit these statements as matters of fact for the RECORD.

Mr. President, the amendment, if agreed to, will have the effect of modifying the general principle with relation to parity. That principle is stated in the Agricultural Adjustment Act of 1938. On page 9 of that act we have the statement of principle with respect to parity, which reads as follows:

SEC. 301. (a) General definitions.—For the purposes of this title and the declaration of policy—

(1) "Parity," as applied to prices for any agricultural commodity, shall be that price

for the commodity which will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the base period; and, in the case of all commodities for which the base period is the period August 1909 to July 1914, which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, and freight rates, as contrasted with such interest payments, tax payments, and freight rates during the base period.

If the amendment be agreed to, it will add one additional element to go into the parity concept; and that is the element of farm labor. If the amendment becomes a part of the law, the authority which from month to month makes up the parity price will be authorized to include in the parity formula the element of labor costs along with the elements of taxes, interest, and freight rates. That is the whole force and effect of the amendment.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. Will the Senator define what is meant by "farm labor," as that expression is used in the amendment?

Mr. THOMAS of Oklahoma. Mr. President, in answer to the question I shall read one or two paragraphs from the statement prepared by the group of agricultural organizations sponsoring the proposed legislation. I read now from the typed copy furnished our committee:

EXPLANATION OF AMENDMENT

The proposed amendment to section 3 of Senate joint resolution 161 provides for the inclusion of all labor performed on the farm in the production of agricultural commodities for the purpose of computing parity. The inclusion of this farm-labor factor is for purposes of maximum prices only.

Specifically, the amendment requires the inclusion in the parity-price calculations, when used for ceiling purposes in order that full weight may be given to the sum of the hired labor, the family labor and the operator's labor used on the farm in producing agricultural products.

That is the interpretation given by the sponsors of the amendment.

Mr. LUCAS. Mr. President, will the Senator yield for one further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. I should like to know how the determination would be made as to what farm labor is under the amendment, and I should like to know who would make the determination—whether there would be a determination of farm labor rates throughout the country; whether a different rate would be determined in the New England States, in the Corn Belt—which is the country from which I come, and in the cotton districts of the South; or whether any consideration has been given by the committee as to how such rates would be determined. Thus far, no evidence whatsoever has been submitted by anyone from the Department of Agriculture as to how the rates are to be determined from an administrative standpoint. I should like to have some enlightenment upon that point by the able Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, the present parity formula is only a principle. There is no law vitalizing that principle. The parity principle is stated in the broadest language. It merely includes interest, taxes, and freight rates. It does not include labor. The principle states that the farmer is entitled to receive sufficient money for any commodity he produces to enable him to buy a corresponding amount of the articles of industry at any particular time. That is a broad statement of principle. The Department of Agriculture, operating through the Bureau of Agricultural Economics, administers the program. That Bureau of the Department of Agriculture figures out what it construes to be the proper interest factor, and what it construes to be the proper tax and freight factors. If the factor of labor is added to the law, the same authority will use its own judgment in determining the proper labor factor. Inasmuch as the other factors are not defined more fully, and inasmuch as the amendment proposes only an addition to a principle, I am not prepared to write here on the floor of the Senate the formula which would answer in detail the question submitted.

I am of the opinion that very soon an effort will be made to perfect the formula, so that anyone who will read it will be able to understand it, and so that anyone, whether in the East, the South, the North, or the West, who will make the effort to do so will be able to figure it out if he has the figures with which to make the calculation.

At the present time we do not have a definite formula. It is wholly in the mind of the managers of the Bureau of Agricultural Economics. After the figures have been arrived at, the Secretary of Agriculture has the power to adjust the figures by making allowances for seasonal differentials, location, the cost of transportation, and items of that character.

So at present the parity formula is stated in a broad way; and to the administration of the Department is left the task of arriving at some figure, and that figure is what the Department thinks the price should be.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. THOMAS of Oklahoma. I yield to the Senator from Illinois.

Mr. LUCAS. The Senator has discussed the previous formula which makes up parity Of course, taxes are certain; interest is certain; freight rates are certain; but I am wondering whether the Senator has in mind the labor that is done on the farm by the owner of the farm; whether he includes the labor that is performed by the housewife on the farm; whether he includes—I know it should be included—labor performed, for instance, by the tenant if he is employed by the farmer. In other words, in the event this proposed legislation shall be enacted I think the Congress itself should incorporate in it an explicit definition of the term "farm labor." The Agricultural Department, which will have to administer the act, should be definitely advised as to what the Congress means by "farm labor." I think that an amendment should be offered to the joint resolution by someone who is interested in the passage of the measure defining this term. Whom does it include? The individual who owns the farm and who works on the farm is performing farm labor, the housewife is performing farm labor, the hired man or the individual who comes along to help out the farmer in his work is performing farm labor. I am wondering whether the Senator means to include all these individuals in the definition of "farm labor." I am honestly attempting to analyze the term "farm labor" for the purpose of passing it on to the Department which must ultimately administer the act, because it will make a great difference whether we include all the elements or only a part of them.

Mr. HATCH. Mr. President, will the Senator from Oklahoma yield to me?

Mr. THOMAS of Oklahoma. I yield to the Senator from New Mexico.

Mr. HATCH. I will say to the Senator from Illinois that we will include all the elements mentioned, every one of them. Does the Senator from Illinois draw a distinction between the labor of the farmer, his wife, and his boys and girls?

Mr. LUCAS. No; I have drawn no distinction between any of them. I am asking only for information; but now that the Senator from New Mexico has said that he would include the farm labor of these various individuals——

Mr. HATCH. I certainly would.

Mr. LUCAS. I honestly believe that serious difficulty will be encountered in administering the act. I should like to know what the Department of Agriculture might say upon that question. I shall have more to say upon the amendment in my own time.

Mr. HATCH. So shall I.

Mr. LUCAS. I am very much interested in the farmer's problems, rather than fooling him. If, however, we are going to adopt the amendment, I want the Senate of the United States to define what they mean by "farm labor." I think that the farmer is entitled to know what the Senate means by "farm labor," and I think the Agriculture Department would be glad to invite the Senate to write a definition of farm labor into the measure.

Mr. HATCH. Mr. President, will the Senator from Oklahoma yield to me?

Mr. THOMAS of Oklahoma. I yield further to the Senator from New Mexico.

Mr. HATCH. It is not so difficult to frame a definition of farm labor. I really cannot quite understand why the opposition arises to this amendment. I spent the younger years of my life in southwestern Oklahoma, where men came and said, "Me and my force can do so much work." Does the Senator from Illinois understand what "me and my force" means?

Mr. LUCAS. Yes; I understand it just as well as does the Senator from New Mexico. I was raised right on the farm.

Mr. HATCH. No; I do not think he was.

Mr. LUCAS. The Senator is not challenging my statement, is he?

Mr. HATCH. Oh, no; certainly not. What I meant was simply this, Mr. President, that the man in southwestern Oklahoma who referred to "me and my force" meant his wife and his children. Talk about the cost of farm labor. Do you know, Mr. President, what that cost includes? I will state what it includes. It includes the labor of boys and girls who did not start to school in September. Why? Because they were needed on the farm to pick cotton, and they picked cotton through September, October, and into December. Then they went to school for a few months. I went to school with them, and know what I am talking about. When April came did they finish school? No. They went back to the farm and chopped cotton through April and May.

Mr. LUCAS. That is probably the reason the Senator is now here.

Mr. AIKEN. Mr. President——

Mr. THOMAS of Oklahoma. I now yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I see no reason why anyone should attempt to confuse the question now before the Senate with the suggestion that difficulty may arise because of the lack of a formula about what constitutes farm labor. Our Federal agencies already have formulas which they must use in computing the value of farm labor; otherwise, they would not be able to tell us from month to month what the average farm-labor costs are by the hour, the day, and the month.

Further than that, they know, approximately, how much farm labor is required to produce a bale of cotton, a hundred pounds of milk, or any other farm commodity. I do not think, for a moment, we should let this matter become confused by the injection of the question as to what constitutes a fair formula for farm labor, for we already have such a formula.

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. THOMAS of Oklahoma. After making a brief statement, I shall be glad to yield to the Senator from Ohio. The principle as written into the law refers first to interest. There is no direction in the law as to how the interest item shall be computed. The interest rate in my State may be different from what it is in some other States. In my State, until recently, the interest rate was at a rather high figure. More recently the interest rate has fallen. Take taxes, for example; taxes are not the same in any two States. Take freight, for example; in my section of the country freight rates are the highest back in the interior. The border States have lower freight rates, as a rule. So we have given no directive up to date to the Department as to how it shall figure interest or as to how it shall figure taxes or as to how it shall figure freight. Therefore, in this amendment we did not undertake to direct the Department in a particular way as to how it should figure labor. If we can adopt the principle, then it will be up to the Department to work out the details; if we cannot adopt the principle, then, it is obvious that we cannot adopt the details, anyway. I now yield to the Senator from Ohio.

Mr. TAFT. I wanted to ask the Senator a question. Do I understand that the important factor is the increase in the cost of farm labor between the period of 1912 and the present date?

Mr. THOMAS of Oklahoma. The cost of labor has increased.

Mr. TAFT. It has, but is that a factor to be considered or is it only to be considered as farm labor has increased more than city labor in construing the cost of farm labor?

Mr. THOMAS of Oklahoma. Labor has never entered into the calculation up to date. We are trying to get the Department to calculate labor or to add as one of the factors to be considered in arriving at a parity price. Up to date it has not been done.

Mr. TAFT. I was curious to know how it is to be done, and what is the formula that is supposed to be used. I understand the Senator to say there is such a formula, and I wanted to know if there could be some explanation given of the formula.

Mr. THOMAS of Oklahoma. Let me ask the Senator from Ohio, what formula is used in calculating the interest rate in arriving at parity?

Mr. TAFT. I do not know, but there must be some formula used or they could not come to a conclusion.

Mr. THOMAS of Oklahoma. What formula is used in calculating freight rates?

Mr. TAFT. I do not know, but there must be some formula used, because they have come to certain conclusions. So there must be some method.

Mr. THOMAS of Oklahoma. If the Senator could explore the mind of the Administrator of the act he could probably find a formula. It is not written; it is not printed, and we could not drag it out of the witnesses. All we could get was that they arrived at a conclusion through a formula which pertains to prices. They have about 267 commodities represented in their formula.

Mr. TAFT. Can the Senator tell me how much the amendment with respect to farm labor, if adopted, would increase agricultural prices, on an average?

Mr. THOMAS of Oklahoma. The maximum which might be used to increase the present formula would be about 12 percent.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. In order to ascertain the need for the factor of labor in the parity equation, I asked the Bureau of Agricultural Economics for some figures on farm labor and industrial labor as of 1917 and as of today. The statement I have received is very short, and I should like to present it at this time.

Mr. THOMAS of Oklahoma. I yield for that purpose.

Mr. TYDINGS. I read from the statement:

The index number of prices received by farmers (1910–14 equals 100) was 181 in August 1917 and 163 in August this year. The average farm wage rate per day without board for the year 1917 (monthly data not available) was $1.98; on July 1, 1942, it was $2.45. The average hourly earnings of factory workers for the calendar year 1917 was 31.1 cents, while the average in 1942 will be around 84½ cents. The number of people working on farms in 1942 will average 12 percent less than in 1917, but the quantity of agricultural products produced for sale will be about 45 percent larger this year than in 1917. In other words, production per worker is about 65 percent higher this year than in the third year of World War No. 1.

I asked the Senator to yield because farm wages increased from $1.98 in 1917 to $2.45 in July 1942, while industrial wages have increased from 31 cents an hour in 1917 to 84½ cents an hour in 1942. I think that pretty well illustrates the need for some consideration of labor costs in the parity formula.

Mr. THOMAS of Oklahoma. I thank the Senator from Maryland.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. In connection with the figures presented by the Senator from Maryland it seems to me we should keep in mind that the fact that industrial wages are taken into consideration in the parity formula. Automatically parity goes up as industrial wages increase, because it is not a question so much of prices, as of relative parity of purchasing power as between the present time and the base period of 1909 to 1914. So that regardless of the increase in farm wages, the greater increase in industrial wages has automatically, and must continue automatically, to drive parity up.

It may be that we should, in working out a parity formula, decide which increase we will take as a basis. We cannot take both. Manifestly it would be improper to take both the increase in industrial wages, which now goes into parity, and add to that figure the increase in farm wages. Instead of bringing the prices of farm products down, under the law, from 110 to 100, which was the objective in the President's recommendation and which has been testified as the objective on the part of the farm organizations, the amendment of the Senator from Oklahoma would increase them probably up to 120, if we add the increase in farm wages to the increase in industrial wages, and use both of them as a base for figuring parity.

Mr. TYDINGS. Will the Senator yield further?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. To show the Senator from Kentucky that I do not believe the facts bear out his argument, let me quote the prices of articles as of August 1917 and the prices of articles as of August 1942.

In 1917 beef cattle sold for $8.54. In August 1942, they sold for $11.30, showing an increase.

Hogs sold in 1917 for $15.21. In August 1942 they sold for $14.13, indicating a decrease.

Cotton sold in 1917 for 23.9 cents but in 1942 it sold for 18 cents, indicating a drop of almost 20 percent.

In 1917 wheat sold for $2.19, but in August 1942 it sold for 96 cents, in other words, about 40 percent of its 1917 price.

In 1917 eggs sold for 30.5 cents. Today they sell for 32.2 cents, about the same price.

Milk in 1917 sold for 2.42 cents, and today it sells for 2.52 cents, approximately the same.

In 1917 corn sold for $1.86, but today it sells for 83 cents, in other words, less than half.

Butterfat sold in 1917 for 37 cents. Today it sells for 40 cents, almost the same.

In 1917 cottonseed sold for $57.98. Today it sells for $44.04, which is considerably less.

I will not read all the items, but the prices of agricultural commodities as of today, compared with the prices of agricultural commodities in 1917, are, on the whole, less.

Mr. BARKLEY. Mr. President, will the Senator from Oklahoma yield again?

Mr. THOMAS of Oklahoma. I do not desire to retain the floor, and I shall be very glad to have the facts brought out, so I shall be glad, if the Chair will permit me, to yield for this colloquy.

Mr. BARKLEY. There was no price control in 1917, or at any other time during World War No. 1. A Food Administration was set up, which was operated by Mr. Hoover, and minimum prices were fixed for certain products. For instance, I think the price of wheat was fixed at about $2.50 a bushel, but there was no price control act, or anything approximating the act we have now, in force at any time during World War No. 1. I do not know to what extent that would be considered in connection with a comparison of prices then and now. We all know, however, that prices, not only during World War No. 1, but following that war, were out of line, and produced an inflation which resulted in bankruptcy for millions of our people, and one of the things we have sought to guard against during the present war has been runaway prices, such as we all experienced, and can remember, as a result of there being no control, at the time, of the prices to which the Senator refers.

Mr. TYDINGS. Will the Senator from Oklahoma permit me to conclude my statement?

Mr. THOMAS of Oklahoma. I further yield to the Senator from Maryland.

Mr. TYDINGS. The point I am attempting to make is that I do not wish to ask for or support any legislation which will give the farmer any advantage at all over other citizens of the country, nor do I wish to support any legislation which will give the industrial workers any advantage over the other citizens of the country. I may err, but what I am trying to do is to give all an equal standing in the whole economic set-up.

A study of the records shows that as of August 1942, which is a good many months after Pearl Harbor, as compared with August 1917, which was a short time after we declared war, prices are now lower, on the whole, than they were in 1917. No one will say that agricultural implements, or fertilizer, or the other things which the farmer has to buy today, are not higher in price than they were in 1917, because the record shows that they are higher. I think, therefore, that we should attempt to find an equation which will put the farmer on a basis of equality with industrial labor.

I represent in part a State which is primarily industrial. We do not have as large a farming population as we used to have, but I have reached the conclusion that the farmer cannot get labor today at the price at which he could get it 2 weeks ago, or 2 months ago, because in the State of Maryland that class of labor has been siphoned off into the big war plants, where wages are high. Crops are rotting in the fields, in many cases, and farmers are selling their dairy herds and other things because they cannot get the help they need.

I am afraid that sometimes in our zeal to do what we think may be the right thing, we will wind up with a food shortage in the country, because we will not have given the man who has not the labor to harvest his crop the help and encouragement which he has to have in order to produce a crop such as is necessary if this country and our allies are to have food with which to fight and win the war.

Mr. THOMAS of Oklahoma. Mr. President, upon that point, let me say that prices of farm commodities today are not one-half as high as they were at the end of World War No. 1. At that time wheat sold for more than $2.50 a bushel. Wheat is selling today for about $1.10 or $1.12 a bushel. At that time cotton sold for 42 cents a pound. Yesterday cotton futures sold for less than 18 cents a pound.

Mr. REED. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. REED. Let me remind the Senator from Oklahoma that the August price of wheat on the farm was 95 cents.

Mr. THOMAS of Oklahoma. The record shows that the average price the farmers received for their wheat during August was 95 cents a bushel, 5 cents less than a dollar. Yet we hear throughout the country, at the hands of certain newspapers and certain columnists, that the farmers are profiteering; that they are getting rich at the expense of the industrialists and the laboring people of the country.

Mr. REED. Will the Senator yield further?

Mr. THOMAS of Oklahoma. I yield.

Mr. REED. I do not ask the Senator from Oklahoma to agree, because he belongs to the party at present in power, but I say the columnists and others who make the claim to which the Senator has referred find their greatest source of encouragement in the misleading and prejudicial statements made by the President in his message.

Mr. THOMAS of Oklahoma. The facts speak for themselves.

Mr. HATCH. Mr. President, will the Senator from Oklahoma yield to me?

Mr. THOMAS of Oklahoma. I yield.

Mr. HATCH. I wish to ask the Senator a question. I do not think the President of the United States has ever made a misleading statement. I think the President of the United States fully understands the entire agricultural situation of this country, so far as he is individually concerned. I am not so sure about his advisers.

Mr. REED. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. THOMAS of Oklahoma. I have yielded to the Senator from New Mexico. When he concludes, I shall be glad to yield to the Senator from Kansas.

Mr. HATCH. As I have said, the President fully understands, so far as he individually is concerned, the entire agricultural situation of this country. I am not so sure about his advisers. I should like to ask the Senator from Oklahoma——

Mr. REED. Mr. President, will the Senator from Oklahoma yield to me for a moment?

The ACTING PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Kansas?

Mr. THOMAS of Oklahoma. I have yielded to the Senator from New Mexico first. When he shall have concluded, I shall be glad to yield to the Senator from Kansas.

Mr. REED. While the Senator from New Mexico is examining some papers I should like to amend what I said.

The ACTING PRESIDENT pro tempore. Does the Senator from Oklahoma yield for that purpose?

Mr. THOMAS of Oklahoma. I yield to the Senator from Kansas.

Mr. REED. I amend my statement by stating that whoever wrote the President's message, be it the President or his advisers, made some very prejudicial statements.

Mr. THOMAS of Oklahoma. I now yield to the Senator from New Mexico.

Mr. HATCH. I may say that I am very fond of the President of the United States, and I think he thoroughly understands the entire situation in this country when he receives proper information and advice. Of course, the Senator from South Carolina is disagreeing with me.

Mr. SMITH. Yes, I am.

Mr. HATCH. Anyway, what I started to say to the Senator from Oklahoma is, if he would include in the amendment the words "shall also include the cost of all farm labor"——

Mr. THOMAS of Oklahoma. Mr. President, inasmuch as the Senator from New Mexico is the joint author of the amendment, at the proper time I shall be glad to confer with him with respect to amending our amendment.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Texas.

Mr. CONNALLY. I wish to ask the Senator from Oklahoma a question with respect to parity. My information is that parity was adopted in peacetime. It was supposed to reflect a certain relationship between agricultural prices and industrial prices. Someone said the other day that parity was a good standard in peacetime and in wartime. If parity is to be a wartime price, and farm products are to be pegged at parity, why should wages which are paid out because of war be advanced to high levels? The farmer

should be entitled to the same consideration with respect to his increased labor cost as industry is.

Mr. THOMAS of Oklahoma. The Senator suggests the very impelling argument that in these wartimes wages have gone up and are continuing to go up.

Mr. CONNALLY. Because of the war.

Mr. THOMAS of Oklahoma. Salaries have gone up and are continuing to go up. That makes it necessary for industry to charge more for what industry produces. That makes industrial wages and salaries go up. As salaries and wages in industry go up, prices of many industrial products go up.

Who can justly say that the farmer shall not receive consideration for the money he has to pay in wages necessary to operate his farm?

Mr. BARKLEY. Mr. President, I do not like to interrupt the Senator, but I ask him if he will yield for a moment?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. The very fact that industrial wages and other costs go up automatically raises the farmer's parity. If they go up 100 percent they would be reflected by 100-percent increase in his prices.

Mr. THOMAS of Oklahoma. Mr. President, the Senator is slightly wrong in his conclusions, because wages as such are not included as one of the items upon which parity is computed. There are about 265 items in the list of commodities upon which parity prices are computed, and wages is not one of them. Wages may enter into the cost of so much steel, so much iron, so much powder, and so much this, that, and the other, but only indirectly. Wages of themselves do not figure in the parity equation.

Mr. BURTON. Mr. President—

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Oklahoma yield to the Senator from Ohio?

Mr. THOMAS of Oklahoma. I yield.

Mr. BURTON. It is exactly on that question that I wish to inquire of the Senator from Oklahoma. As I understand his amendment, it would be added at the end of section 3, and therefore the provisions contained in lines 3 to 13 on page 4, section 3, would remain in the measure. Is it not a fact that under those provisions there is given to the President himself exactly this authority to include whatever may be necessary to meet a case of gross inequity, in this language:

Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case in which it appears that such modification is necessary to increase the production of such commodity for war purposes, or in which it is satisfactorily shown that by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities.

Therefore is it not a fact that if there is a case of gross inequity it will be remedied?

Mr. THOMAS of Oklahoma. The Senator from Ohio may be correct in his assumption that the President will have such power. I think the President, under the broad powers granted in the Constitution, and under the broad powers granted by acts of Congress, can do almost anything to further the war effort. If this could be construed as a factor or an act in furthering the war effort perhaps he could do such a thing. But that is only discretionary. He may have the power, but if he does not see fit to use the power, then, of course, he would not use it. Our amendment makes it mandatory that he shall do so and so; that is the purpose of the amendment.

Mr. BURTON. As I understand, then, the Senator is not willing to take a chance on the President's finding of a gross inequity in the case of labor contributing to farm prices?

Mr. THOMAS of Oklahoma. Mr. President, the statement suggests its own answer. It is a fact that most of the things farmers produce are not up to parity. Wheat is not up to parity, corn is not up to parity.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. As I understand the amendment I do not interpret it exactly as the Senator from Oklahoma interprets it. I should like to have his judgment as to what the words mean. The amendment says:

For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

Parity is not changed, no matter whether farm labor is included or excluded. Parity is the relative purchasing power of agricultural products for industrial products, or industrial products for agricultural products, and parity would not be changed. So far as I can see all that the Senator is doing by his amendment is to direct the officials who fix the prices to take into consideration the labor factor, but necessarily the old parity formula remains the same. Am I wrong about that?

Mr. THOMAS of Oklahoma. The parity formula remains the same, except one element is added as a mandatory consideration by those who work out the prices.

Mr. TYDINGS. That is true, but was not labor a part of the agricultural cost previously.

Mr. THOMAS of Oklahoma. It was not.

Mr. AIKEN. No.

Mr. TYDINGS. Certainly it was, because the farmer's purchasing power, using agriculture as a medium of exchange, to a certain extent was measured by the cost of the farmer's labor. Without any reference to the amendment, suppose farm wages were doubled; that would automatically drive up the price of agricultural commodities. The amendment does not provide that the labor costs shall be added to parity. It provides that they shall be considered in connection with parity. The Senator from Oklahoma does not seek to impose them on parity.

Mr. THOMAS of Oklahoma. We place labor in the same relationship to parity prices as freight rates are to parity prices or interest rates or taxes.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. AIKEN. I should like to say in answer to the Senator from Maryland that if farm labor prices went up 1,000 percent they would not add anything to parity, because, as weighted, the various elements of farm costs——

Mr. HATCH. I have the figures as they would be under the amendment of the Senator from Oklahoma.

Mr. AIKEN. I have them as they now are. As weighted, the various elements of farm costs are as follows: 86 percent to commodities purchased, 7.2 percent to interest paid, 6.8 percent to taxes, absolutely nothing at all to labor. If the amendment is adopted there would be a weighting of 53.1 percent given to commodities purchased, 4.5 percent to interest, 4.2 percent to taxes, and 38.2 percent to farm labor, that is, all farm labor, including family labor, making 100 percent in all.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. The Senator said that if farm wages went up 1,000 percent it would not affect the parity situation with reference to agricultural products. Let me ask this question: Suppose industrial wages went up 1,000 percent, would that affect the parity equation in reference to agricultural products?

Mr. AIKEN. That would depend on what the industrial workers were making. If they were manufacturing things that the farmer buys it would affect the farmer's parity, but if they were making gunpowder, airplanes, cannon, war goods, as they are, that would not affect farm parity. Nevertheless, that is the competition for labor which the farmer has to meet. It makes him very badly off, for he simply cannot compete with war industry.

Mr. TYDINGS. What would happen if industrial wages did go up 1,000 percent? What would be the effect on parity?

Mr. THOMAS of Oklahoma. Mr. President, I should like to answer that question, supplementing what was said by the Senator from Vermont. The things that industry produces now do not go into the equation with respect to parity prices. At no place does the Department figure cannon as an element for parity, or gunpowder, or airplanes.

Mr. TYDINGS. I mean if they were producing things which we normally use. If they were producing things which we normally use, and wages should increase 1,000 percent, what would be the effect on agriculture?

Mr. THOMAS of Oklahoma. If wages should go up in industry, causing the things which enter into the calculation to rise in price, that would affect the parity of agricultural products. For example, if the prices of wagons and sugar should go up——

Mr. TYDINGS. I do not mean the prices of the finished products. I am speaking only of wages, which are a large part of the price.

Mr. THOMAS of Oklahoma. If wages should go up in industry, the price of a binder, an ax, a hammer, or a pound of nails would rise, and, of course, that would affect the prices of agricultural products, because a relationship is established between the agricultural commodity and the thing which the farmer must buy. He must buy binders, nails, and articles of that character.

Mr. TYDINGS. That is correct; but that relationship is based upon a situation which existed a number of years ago. If agricultural wages should increase, why would not the same situation prevail?

Mr. THOMAS of Oklahoma. Mr. President, if wages in industry increase, causing the farmer to pay more for the things he must buy, if he is not permitted to include wages in his equation, he is at a great disadvantage.

Mr. TYDINGS. The point I make is that if wages increase, and the cost of industrial products goes up, that automatically causes the farmer's prices to go up. Otherwise, there would be no parity. We cannot get away from that argument.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Alabama.

Mr. BANKHEAD. Let me suggest to the Senator from Maryland that the parity may be theoretically the same, but the trouble is that if the cost of production on the farm, which is not considered in computing parity, goes up, then the farmer has more deductions from the amount of money which he receives.

Mr. TYDINGS. The point I am trying to establish—and I do not wish to leave the point without establishing it—is that if industrial wages increase a thousand percent, thereby increasing the cost of industral articles, that automatically increases the cost of agricultural products, because parity must go up and down. Otherwise there is no parity.

Mr. BANKHEAD. It does not do so unless, as the Senator from Oklahoma indicated, industrial production is devoted to the things which the farmers buy. If it is not, it has no direct effect on the farmers. I am trying to state the situation as I understand it. I know that the Senator is seeking information.

Mr. TYDINGS. I wish to understand the problem.

Mr. BANKHEAD. Suppose parity on cotton is 20 cents a pound, and, to make the case clear, suppose that industrial prices go up on the things which the farmer buys. Theoretically the farmer's parity, we will say, is 20 cents a pound. As the thing which he buys goes up, the parity of 20 cents goes up.

Mr. TYDINGS. That is correct.

Mr. BANKHEAD. But he has an additional large element of cost at this time.

Mr. TYDINGS. Yes; but he is getting more for his goods.

Mr. BANKHEAD. No; he is not. He is paying out more. He is paying out of his parity price the increased cost of farm labor. A part of the purchase money goes to pay labor, leaving that much less of his money with which to buy goods. With the money he receives he can buy less goods at parity prices because he has less money. He is paying out more money to get the 20 cents, so on a net basis he is out of line with parity. Does the Senator understand the idea?

Mr TYDINGS. Yes. I have no objection to including labor as one of the elements to be considered in the so-called general equation, but if the definition establishing parity remains the same, we are fighting a sham battle.

Mr. BANKHEAD. The trouble is that he does not have as much left out of the 20 cents when he gets through. For the same number of units he does not have the same amount of money left.

Mr. BONE. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield to the Senator from Washington.

Mr. BONE. I wish to try to simplify this problem in my own mind if I can. A little while ago the Senator from Ohio [Mr. BURTON] asked a question, and he seemed to me to have arrived at a conclusion which satisfied him, and that is that under the terms of the joint resolution as it is now written the President would have power to make these adjustments. It would be purely discretionary. It is my understanding that the Senator from Oklahoma and the Senator from New Mexico now desire to translate that discretionary power into a mandate from Congress. Am I correct in that assumption?

Mr. HATCH. Mr. President, will the Senator yield to me for a moment?

Mr. THOMAS of Oklahoma. I yield.

Mr. HATCH. All I wish to say in answer to the Senator from Washington is that I wish to make it mandatory.

Mr. BONE. In other words, the Senator wants a mandate from Congress, instead of a mere permissive power given to the President?

Mr. HATCH. Exactly.

Mr. BONE. That simplifies the issue so that we may know what we are fighting about.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ELLENDER. With respect to the inclusion of hired labor and other labor on the farm in the price index, I have some figures which I obtained from the Department of Agriculture just a few minutes ago which I would like to submit to the Senate. They show how the index rises if hired labor and other labor used on the farm enters into the calculation. For example, the index for August is 152. If we add to that index the amount paid by the farmer for hired labor alone, it rises to 157; but if we also add the cost of the labor of the farmer, his wife, and children, the index rises from 152 to 168. I was told by the head of the Bureau of Agricultural Economics that it is an easy matter for the Bureau to establish what the cost of labor is, whether it be hired labor or labor of the farmer and his family, or both. So there would be no problem at all if we should adopt the amendment offered by the distinguished Senator from Oklahoma. I am convinced that if we do not compensate the farmer for his additional labor costs he will be unable to remain in business. I am hopeful that the amendment will be adopted. Since it is necessary to raise the price of labor because of war, by the same token we should raise the price of farm commodities. It is common sense that the price of farm products should keep pace with the cost of labor that the farmer must pay to produce his products.

Mr. THOMAS of Oklahoma. Mr. President, I desire to make one or two further statements. I wish to state positively that we do not now have inflation in the United States. Anyone who challenges that statement must fix the point or line at which we left deflation and entered upon inflation. The line which has been fixed is the general price level of 100. We have not yet reached a general price level of 100. In 1926 the administration fixed 100 as the general level of prices. After 1926 the price level fell. It went as low as 64 in 1932 and 1933. For the past 10 years we have been trying to get the price level up above 64 and 65. We have been successful, until today the price level is approaching 100. It has not yet reached 100. Last Thursday the price level was 99.2, or eight-tenths of 1 point below 100. So it is my contention that until the general price level reaches 100 we are as a Nation still in deflation. When the price level advances beyond 100, to the extent that it advances beyond 100 we shall then be in inflation; and as the price level goes up, of course, inflation will increase.

During the World War we had a price level which was very high. In order that the figures may be in the RECORD, I shall read two or three of them at this point.

In 1917, the first year of our participation in the World War, the price level rose to 117.5. In 1918, the second year of our participation in the World War, the general price level rose to an average of 131.3. In 1919, the year after the World War, the price level rose to 138.6; and in 1920 the average price level was 154.4.

The price level on last Thursday was 99.2, which is approximately 55 percent below the high point reached in 1920. So those who contend that we are now having unparalleled inflation, that the spiral of inflation is on us, and that it is rising, are mistaken. The trend since May has been almost in status quo. It has been neither upward nor downward. In some weeks since May 1942, the price level has been below what it was on the second day of May 1942. At the present time the price level is approximately the same as it was then. The prices of some things are higher, and the prices of other things are lower, but the average has not changed more than 1 or 1½ percent.

Mr. LEE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to my colleague.

Mr. LEE. I should like to have the attention of the Senator from Maryland [Mr. TYDINGS], since he asked a question which I do not think has been satisfactorily answered or illustrated. I think it is a good question. His point was that if the cost of labor to the farmer should increase, it would be reflected in the

computation of parity, and the result would be the same so far as the farmer is concerned.

Let me illustrate the problem in this way. The result to the farmer would not be the same. For example, if the farmer raises a bushel of wheat, and wheat is selling at $1.25 a bushel, and overalls are $1.25 a pair, he can trade a bushel of wheat for a pair of overalls. Let us say that is parity. Then let us assume the cost of all labor increases 100 percent. Overalls would then sell for $2.50, and the price of wheat, due to parity, would rise to $2.50 a bushel. The farmer would still be able to trade a bushel of wheat for a pair of overalls; but the cost of producing the bushel of wheat when the farmer received $1.25 for it was 50 cents, whereas now, because of the increased cost of labor, the cost of producing a bushel of wheat is $1, so he is out 50 cents for the same overalls.

Mr. THOMAS of Oklahoma. Mr. President, I believe that Senators understand this question rather thoroughly. My amendment does not seek to go into details. If Senators feel that the element of farm-labor cost should enter into the formula, they will have an opportunity to vote on the question in a few moments, I hope.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. DOWNEY. Mr. President, it is my intention to cast my vote in support of the proposed amendment. Coming, as I do, from one of the greatest agricultural States of the Union, I wish for a period of only 5 minutes to state for the benefit of my constituents why I am supporting the proposal.

Let me say, Mr. President, that, in my opinion, unless our farmers in California are allowed to include the item of farm labor in computing the parity price, we shall not find it possible to produce any crops at all. If the joint resolution on inflation control is successful it will mean that industrial wages and industrial prices will be approximately frozen. Therefore, during the next year parity for farm crops probably will remain almost constant. But does that mean that the farmer will be in the same successful position that he now is in? It does not; because we shall find ourselves absolutely unable to freeze the price of farm labor if we are to have any men working on the farms. Indeed, in California the situation already is such that the costs of handling some crops are double what they were last year. Let us consider raisins, for instance. This year the cost of handling raisins and putting them into the hands of the wholesalers is double what it was last year; and for raisins the cost of labor is 80 percent of the cost of the entire product.

It is true that the situation which has developed on the floor of the Senate is largely due to a malformed social and economic structure. By that I mean that while our farm workers work harder than almost any other toilers in the entire social structure, their wages are only one-half or one-third of industrial wages. On the basis of present wages our farmers will not be able to get farm workers. It will be necessary for them, in my opinion, to increase the payments to their workers 50 or 75 or 100 percent; and if they are not enabled to do that they will not be able to produce their crops.

Some of the Members of the Senate around me are suggesting that we should freeze workers on their jobs at present pay. Mr. President, I say that that cannot be done. If we say to the farm worker, "You must work for 50 cents an hour doing harder work than that which is being done at the factory over the hill, where $1 or $1.50 an hour is being paid," of course the farmer will not be able to get any workers who will be worth anything to him.

Consequently, I want to make it clear that there are three reasons why I shall vote to allow farm labor to become a factor in the computation of parity. First, because I know that it will tend to lift the present submerged farm worker and give him a better status. A large portion of the added percentage will go to the farm worker who should have it, who now is working for $40 or $50 or $75 a month.

In the second place, Mr. President, the per capita income received by the farmers of America is by far the lowest received by any segment of our social structure. The proposed slight addition to their standard of living, as represented by the present effort, if it is accomplished, would still leave farm workers as the lowest-income segment of any great group in America, but at least would give them some added benefit, as compared to what they now have.

In the third place, Mr. President, thousands of farmers in California will not even plant their crops if they are not allowed the proposed additional amount on the prices which they are to receive.

The answer to all that may be that under the joint resolution the President will have the power to do that very thing. Yes; he will. However, I do not believe that the Congress of the United States should be left in such a position that it might later be said that we did not make a congressional declaration of policy along the lines of the proposed amendment.

Consequently, Mr. President, I believe that in casting my vote for the amendment I shall be expressing a sentiment in favor of equity for the farmer, the farm worker, and in the interests of national defense; for unless either what is proposed by the amendment or something similar to it is done, we shall not have any food for next year, at least in the State of California, as to which I speak from personal knowledge.

Mr. TAFT. Mr. President, I wish to explain the reasons why I intend to vote for the pending joint resolution and also why I shall vote against the amendment of the Senator from Oklahoma [Mr. THOMAS].

On September 7, the President sent to Congress a message, to some of the terms of which I violently objected at the time; but the program which he proposed, it seems to me, was a perfectly reasonable one. It was a program to give him the power to fix wages as we had given him the power to fix prices, and to remove from the Price Control Act the restrictions which we placed there which prevented him, and are still preventing him, from checking the increase in the price of some foods.

While I do not entirely approve of the provisions of the present joint resolution, in July I made a speech in the Senate in which I proposed very much the same program. I should like to read the conclusion of the speech and the program which I then proposed to prevent inflation:

> First. Let the Treasury expand its borrowing program so that bonds may be sold almost entirely to corporations and to individuals instead of to the commercial banks.

That still is not done. We still face a tremendous amount of inflation in the sale of bonds.

> Second. Revise the farm price floor to 100 percent of parity.
>
> Third. Adopt the Ball bill to give the War Labor Board control of wages and salaries, with a provision that they should not increase wages more than provided in the recent Little Steel decision.

I understand that the Senator from Minnesota [Mr. BALL] proposes to offer an amendment which will add the proviso that they shall not be increased more than as provided in the Little Steel decision.

> Fourth. Create an over-all commodity control board, with administrators to carry out the control.
>
> Fifth. Gradually adapt the price-control measures to the stabilization theory instead of to the ceiling theory; and eliminate price fixing on all minor items which have no substantial effect on the cost of living.

The program of the President is almost exactly what I proposed at that time, and I think it is not different from that which has been universally advocated by those who sincerely desire to prevent inflation; because there is a real danger of inflation. I think everyone agrees that we cannot permit an increasing spiral in wages and in prices.

In the last 6 months, from May to August, prices have gone up at the rate of 15 percent a year. When we passed the price-control bill I expressed the opinion that we could not freeze prices and wages, but that we could hold them down to an increase of 10 percent a year, possibly gradually stabilizing them on the basis of an increase at the rate of 5 percent a year.

Now they are increasing more rapidly than that, and they are rising more rapidly for the very simple reason that it is impossible to restrain the rise in the price of food until it reaches a certain statutory figure. In the price-control bill we put certain floors under the prices of agricultural products, and they have prevented the Administrator from regulating many of those prices.

The President criticized Congress for putting in that provision and making that ceiling in some cases 110 percent of parity and in some cases more than 110 percent. He criticized Congress also, apparently, for failure to deal with the wage problem. I do not think that criticism was justified, certainly not from the President of the United States; for when the administration's bill deal-

ing with prices was introduced in Congress it contained the provision with respect to the 110-percent-of-parity floor. We did not write that provision in the bill. The administration wrote it in. That provision was in the bill when it was before the House, and it was in the bill when it came to the Senate. I think that a majority of the members of the Committee on Banking and Currency were in favor of reducing the floor to 100 percent of parity; but the administration leaders felt it would be unwise to do so, and so the 110-percent provision remained in the bill.

So far as wage control is concerned, the Senator from Minnesota [Mr. BALL] introduced a bill which has been before the Committee on Education and Labor ever since last December. The bill provides for the fixing of wages and for the adoption of standards, and provides that no salaries or wages may be increased without the approval of the National War Labor Board under certain rules. Immediately there appeared before the Committee on Education and Labor, Miss Perkins, the Chairman of the National War Labor Board, and other officials of the Government concerned with wages, who said "Leave it to us. Do not legislate; do not impose any legislative standards; we will take care of wages."

The President in his seven-point message made the statement that wages should be controlled, and in his radio broadcast, which followed that message the same night, he said:

> Do you work for wages? You will have to forego higher wages for your particular job for the duration of the war. Wages, in general, can and should be kept at existing scales.

Was this policy followed? It certainly was not. I think it will be very hard to find, until very recently, any decision of the War Labor Board which has not increased wages from time to time. The War Labor Board is the creature of the President, and has, presumably, followed the principles laid down by the President; but it has had, according to the testimony of its chairman, no word whatever from the President directly, no instructions to follow the principle declared in the broadcast, and no rules for their guidance. So I think when the President assumes to blame Congress for failure to control inflation he is simply omitting to state the real facts, for the things to which he objects have really been the policies of the administration which Congress has been willing to accept.

I think, however, that the President is fundamentally right with respect to price control. I do not think price control is so important as he feels it is. The price situation is about this: Meats are generally considerably above the floors in the Price Control Act. If today the President is complaining of the price of meat, and if in his message he intended to give the impression to the people that he is being prevented from reducing the price of meat and beef and pork by the Congress, that would be a gross misrepresentation, because, under the powers the Congress gave him the price of meat could have been reduced two or three cents a pound for a considerable number of months. Those prices are above the floor fixed in the price control act. He has not reduced them. Why? Because he knows that if those prices were reduced he would reduce the production of beef and pork, which are so essential for war purposes. I think that those who are interested in beef and pork, having seen that, can well understand that it will not make any difference whether we reduce the floors or keep the floors where they are. Economic conditions are such that the President cannot possibly reduce the price of beef and pork.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Wyoming.

Mr. SCHWARTZ. Just so surely as we are here, if there should be a reduction in the price of beef and pork, we would not get the production of beef and pork the President says we must have.

Mr. TAFT. The Senator's statement is correct. The point I am trying to make is that nothing we do in the pending joint resolution, no amendment adopted, not even the enactment of the joint resolution itself, would, in any way, affect the price fixed for beef and pork. Today that is entirely in the discretion of the President, and will be in the discretion of the President under any legislation Congress is considering today or under any formula we may adopt. So, really, it is not an issue in the consideration of the pending joint resolution.

The second group of products is well below parity. Most of the grains are below parity, and they will not be particularly affected by the passage of the joint resolution. There is not much evidence that they are likely to go up; but they may go to a higher price under the existing price control law than they could if we enacted the pending joint resolution as introduced. I do not think that any of the farmers of corn and wheat and even cotton have any great interest as to whether the floor is at 100 percent or 110 percent; it is, in any event, well above the prices they are now receiving.

The third group of products is made up of products which have reached the 100 percent of the parity level, but have not reached 110 percent and they, presumably, are likely to go to 110 percent or the highest ceiling which is provided in the price-control act, unless some action is taken to prevent that occurring. The most important of those products are potatoes, butterfat, chickens, eggs, and milk. Of course, they are products which are expensive to produce, and the cost of production has gone up. On the other hand, they are also products that enter vitally into the cost of living of every man, woman, and child in the United States, and it is true that if the prices of those products go up there will be a further substantial increase in the cost of living.

I think we ought to permit the President to hold them where they are if he can. I think that if the cost of production does go up he will be forced to increase the prices of these commodities and let them go up. For that reason, to my mind, it does not make a great deal of difference in the end. They will probably go up faster if we do not pass the joint resolution. I am pretty well convinced that even if we enact the joint resolution 6 or 8 months from now these prices are going to go to 110, anyway. Under the O'Mahoney amendment to the joint resolution, which is now sought to be further amended, the President is given pretty direct instructions to consider the cost of production if he wants to get production; and he has got to count in the cost of labor. It may be necessary to let these prices go up; it may be that the cost of production will require it; but I believe we ought to give the President the power to control those products.

In any event, it certainly seems to me that we would be stultifying ourselves and doing an act which we cannot defend if we adopt the pending amendment, because, obviously, we are saying in effect, "All right, we will reduce the price from 110 to 100, and then we will change the definition of parity"—which nobody knows anything about—"so as to put back the price to 112½." That is the increase in the floor price of most products if we count in farm labor, as estimated by the Department of Agriculture. It seems to me that we cannot defend such a proposal.

If we are going to do that, why do we not abandon the entire joint resolution? What is the purpose of the joint resolution, anyway, except to give the President greater control over the price of farm products? He may or may not exercise it justly; I do not know what the result will be; but in a measure which is intended to give him greater power to control inflation to impose a restriction which will increase inflation, is an act which on its face would make the Senate ridiculous.

I think the farm organizations are making a great mistake in urging it. I urged upon those who came to see me that the best interests of the farmer demand that he take the position "If the President of the United States thinks it ought to be 100 percent, very well, but we want to see that it applies to everybody else; we want a corresponding provision for labor and want that control just as tight as we can get it; we are willing to sacrifice as much as anybody else."

After all, the business of price control is something we cannot handle. We cannot see that it is administered justly, though we can prescribe general standards, and we have prescribed them. Section 2 of the Price Control Act contains the cost of production basis that is sought in this amendment. We can prescribe control, but we cannot possibly carry out the details of price and wage adjustment. It is our duty to see that some standards are laid down, but the actual conformance to them must be left to the discretion of the President or to some administrative board, just as we leave to the Interstate Commerce Commission the fixing of railroad rates in detail after we lay down a standard.

I myself have never believed very strongly in the freeze theory. I do not think the freeze theory will work.

I think in wartime there are too many conditions existing. Take the question of farm labor; supposing we had frozen labor; suppose we had frozen everything a year ago, as some wished to do, farm labor would have gone on up because the maladjustment between farm labor and labor in the factories is such that, while in time of peace there is no direct competition, the moment there comes a drain on manpower labor is drawn off the farm, where it is paid less than it is in the cities. That condition was bound to arise, and it was bound to create an increased cost for agricultural production.

Then there would have had to be an increase in the price of agricultural products in order not to stifle production, and that, in turn, would have increased the cost of living, and it would have been necessary to adjust, to some extent, the wage level. The freezing theory is unsound, but we can give enough power to hold back gradually increases in farm prices, to hold back increases in labor, so that the net result in any year will not be so great as to threaten runaway inflation. I think it can be held to 10 percent, and possibly to as little as 5 percent, if sufficient power is given.

As I see it the principal function of Congress in this war crisis is: First, to assist the war effort in every possible way. So far as the President's war powers are concerned, we rush the bills through as fast as they can go through. But, second, Congress does have the burden of working out the plans by which the costs of the war shall be equitably distributed among the various elements of our population. As I see it, that is our principal job today. We have to pass a tax bill which will impose the tax burden as equitably as possible. We may have to get a compulsory savings law which will impose the burden of buying bonds as equitably as possible.

We have to try to set up a method of adjusting prices and wages which will hold the scales as equal in that respect as they can possibly be held. In this field of price and wage regulation we cannot determine here that the farmer must have a certain amount, we cannot determine that the laborer must have a certain amount. We can say, "You must pursue a policy first of fixing all prices and wages where they are on September 15 and then adjusting them to correct inequities." That is what we do in the pending measure. In the first part of the joint resolution we say that the President must, in an order, which it seems to me must be one order, stabilize wages, prices, and salaries as of September 15 of this year. That is the basis. It is not a freeze, because we then give power, as we must necessarily give power, to increase those prices and wages.

We provide in section 2 of the Price Control Act that if costs increase, prices must be increased. It may be that the Price Administrator has not done that in all cases. I know some in which he has not done it. But that is as far as we can go. We cannot assume responsibility for administrative failure. If we are to do anything to control inflation, the only thing we can hope to do is to set up machinery which will work as well as human institutions can work, perhaps with some injustices, to fix prices, to fix wages, and hold them as closely as possible to the September 15 level.

There is one highly interesting fact that was very apparent to me in the hearings on the joint resolution. The farm organizations were against the joint resolution, not so much on account of the principle, but because they felt that those administering the law were going to be hard on the farmer.

They thought that those administering the law would have no sympathy with the farmer, that they would use all the powers granted in the joint resolution against him. On the other hand, the labor leaders apparently felt that they would receive the most sympathetic possible treatment. In fact, it is not entirely certain that they have not received an assurance that they will receive such treatment, because Mr. Green testified rather interestingly:

We have discussed this matter—

That is, the matter of the pending measure—

We have discussed this matter with the President during the last few weeks. I am sure I am not betraying any confidence when I say to you that numerous conferences were held between representatives of labor and the President dealing with this particular subject; and, in my opinion, at those conferences we arrived at a pretty definite understanding. I think you gentlemen have embodied in the proposal now under consideration very largely that understanding, or at least a large part of it.

Mr. Green again indicated his willingness to leave it entirely to the President, apparently because of this understanding he had reached as to how the control of labor would be handled.

Mr. BARKLEY. Mr President——

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. TAFT. I yield.

Mr. BARKLEY. If the Senator is implying, as I assume he is, that Mr. Green left the impression on his mind that he had some sort of secret understanding with the President, the Senator will recall that Mr. Green disavowed any such idea in response to a question from me. The impression I got from his first statement was that there had been numerous conferences with the President, as we all know there had been, because the press carried announcements of them, but in those cases, as in most cases, things were said, conversations took a trend, which could not be revealed to the public or to the committee without betraying the condence of the occasion.

Mr. TAFT. The Senator states the testimony exactly.

Mr. BARKLEY. He stated emphatically that he had no secret agreement or arrangement with the President as to any wage, price, or anything else, but that they were willing to leave it to the President, or such agency that he might set up. He did not leave the impression I am afraid the Senator is endeavoring to indicate he did.

Mr. TAFT. I will modify my statement, I think, before I get through, and make it clear. Since the Senator from Kentucky has raised the question of this agreement, I shall read the cross-examination by the Senator from Connecticut [Mr. DANAHER] of Mr. William Green.

Senator DANAHER. Mr Green, you stated that you had a definite understanding at the White House in your conference with the President as to how this matter would be administered. I assume you mean?

Mr. GREEN. Well, I think we did have, when the Congress shall finally confer upon the President power and authority to deal with it.

In other words, a definite understanding as to what was to be done under the proposed law, when we enacted it.

Senator DANAHER. And is your understanding of that definite understanding in line with the testimony you have given here?

Mr. GREEN. Well, partially so. But I am not in position to go into that in detail.

Apparently there were details of the agreement.

Senator DANAHER. Am I correct in deducing from what you have said that there has been an understanding agreed upon but as to the details you do not feel free to divulge the confidence?

Mr. GREEN. That is right.

It is fairly obvious why the labor people do not have any great fear of the pending measure, and that is one reason why there should be a definite standard written into the joint resolution, so far as we can write any, on the basis of the "Little Steel" decision. An amendment is lying on the table, drawn by the Senator from Minnesota [Mr. BALL] to accomplish that result. I think that is necessary, because both the testimony of Mr Green and Mr. Van Bittner indicated some difference from Mr Davis, of the War Labor Board, as to what this formula was. Mr. Davis said this was a formula under which we could increase wages under a ceiling when the condition arose, that ceiling to be 15 percent over the existing standard on January 1, 1941, about 2 years ago. But Mr. Green and Mr. Van Bittner apparently thought that if the cost of living increased further, that 15 percent was to be increased further. At least we could not get from them any definite statement that they would agree to the interpretation of the standard which had been laid down by Mr. Davis of the War Labor Board.

In view of the general fact that the labor people definitely feel that they are to be treated with reasonable lieniency under the proposed law, I think we should write in a more definite labor standard, and I hope very much we may adopt the amendment which will be offered by the Senator from Minnesota [Mr. BALL.]

While I am speaking, there is one other matter to which I should like to refer. I think we should insert an amendment to provide that no subsidies shall be authorized by the joint resolution in excess of any existing powers to subsidize. The Senate will remember that we had before us sometime ago a measure involving this subject, and that apparently the overwhelming sentiment of the Senate rejected the idea of a gen-

eral power to grant subsidies, of having the Government come in and pay for every wage increase and every price increase.

Once in a while a subsidy may be necessary, and perhaps should be granted—is granted under existing law—but I believe this joint resolution is so broad that it might well be construed as to give additional power to grant general subsidies, when the Senate is really not in favor of any such general subsidy policy. If we want to grant subsidies, each proposal should be brought in specifically, the amount to be spent for the purpose should be stated, and we should give express authority to do it on a limited scale, rather than just drift into a general subsidy policy.

Mr. President, as I have said, I think the joint resolution does not prescribe a sufficiently definite standard, but it does prescribe some standard. I do not think it is a matter which Congress can determine itself. I do not know any more about parity now than I knew when I started several weeks ago to look into this matter, and I do not think anyone here does. It is impossible for us to determine what price is just for any particular product. We must leave that to be worked out on an equitable basis, or we should not require it at all. We make a big mistake when we try to determine the exact price of any agricultural commodity, either a minimum price or a maximum price.

I question very much the provision in the joint resolution itself for a 90-percent loan. The only effect of a 90-percent loan that I can see is that it would increase the cost of feed, push up further the cost of dairy products, and push up further the cost of producing meat. So far as possible we should not attempt to set up a system of regulating prices which have been left to administrative agencies. If Mr. Henderson is not fair to the farmer, we should ask the President to appoint someone who will be. Personally, I have always thought there should be a board of four or five men to act on these matters, not that I have anything against Mr. Henderson, but because it is a judicial problem, and one man may get a prejudice, which would not be true where the decision was made by a board. But whatever the system is, it seems to me it is important that we should retain this particular power.

Mr. President, we are discussing one of the most important functions of Congress, and the decision should be correct. We should not try to evade the express purpose of the proposed act by changing the definition of parity in such a way as to nullify the act, because if we do that we might just as well postpone the enactment of the law indefinitely. It will accomplish no part of the purpose which the President is endeavoring to carry out.

Mr. TRUMAN. Mr. President, apropos of the debate which has been going on today, I ask unanimous consent to have placed in the RECORD as part of my remarks an editorial entitled "Ominous Parallel." The editorial is published in today's Washington Star.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial is as follows:

[From the Washington Star of September 22, 1942]

OMINOUS PARALLEL

A Brookings Institution study of the French experience with price control has brought to light some interesting and ominous parallels with our current effort to stabilize living costs.

Generally, the French experiment has not been successful, and it has failed because the government lacked the courage or the ability to deal impartially with strong political pressure groups. Instead of approaching the problem with a view to protecting on an equitable basis the interests of all the French people, the government made special concessions to the farmers and the city wage-earners, the principal pressure groups in France and in this country. The result, according to the Brookings study, was that price-control objectives rarely were achieved, and then generally at the expense of the retailers.

This fatal defect—preferred treatment for farmers and organized wage-earners—was plainly evident in this country's first attempt at price-control legislation, and it is now conceded that the effort failed for this reason. At the moment, Congress is engaged in an attempt to repair this original blunder, but the prospects of achieving any real success are not bright.

Possibly, the special favors conferred on the farmers will be whittled down a little bit, but there is not even an attempt being made to rectify the unbalanced wage advances which have been granted to labor through the medium of the War Labor Board. Thus, while we may hope for some improvement over the original legislation, there seems to be virtually no prospect of a price-control formula under which all citizens will share and share alike.

It is worthy of note that Canada has been substantially successful in her effort to stabilize living costs, but Canada went about it in the right way—enacting legislation at the outset which struck an approximately fair balance among all the factors which make up the cost of living. Unfortunately, we set out to follow the example of France instead of that which was set by Canada, and there is no assurance that we have yet learned the lesson of that mistake.

Mr. SMITH. Mr. President, I had not intended to join in the debate, but I have been startled at finding that some Senators are opposed to the inclusion of farm labor in considering what the farmer shall receive for his products. I know that parity, which no one understands, and which has never been defined, has gotten into the question to the confusion of everyone. I want the question to be considered on the basis of its absolute merits. The farmer has to pay for farm labor. Therefore the net which he gets for his farm products is less the amount he pays out for his labor. No business in America, or anywhere, can pay out more than it receives and continue in business. I wish to say to the Senate that I advocate the Thomas amendment in order to do justice to the farmer, regardless of parity. If the farmer pays for his farm labor he is entitled to put that cost into the cost of his production.

The subject of farm labor has been discussed today. I should like to know if the farmer is not as much entitled to a fair return as is anyone else.

A man recently told me he could raise cotton at 5 cents a pound. I said, "How can you do it?" He said, "Why, I work with my family and gather it with my family." In other words the labor of his family was not worth a snap.

If the farmers of America could be in the Senate gallery and hear the discussion with respect to the restrictions proposed to be placed on them they would think they were nonessential in our economy. If the farmers of America were to strike today and determine not to sell a thing from an egg to a steer, I should like to know what some of our righteous brethren who are saying that the farmer is selfish and is so and so would do. They go down into the Senate restaurant and fill up with the products of the farm, and then come on the floor and proceed to try to curtail the farmer's production.

Mr. President, we are face to face with the most tragic possibility that ever confronted the people of this country. Farm labor is gone. Farm prices are sought to be frozen at a level which cannot possibly meet the cost of production, and yet the farmer is told "Go ahead and produce abundantly."

Mr. President, I have not had a hired hand on my farm this year. My overseer cultivated some land, but I received a message from home today saying that not a single cotton picker could be obtained. It is simply impossible to get them. I do not blame laborers for not wishing to work on the farm if they can go somewhere near and receive $3 per day for their work, when I can afford to pay only a dollar a day. In such case why should they not go somewhere else?

Commentators, newspaper writers, and many Senators are denouncing the very source of their livelihood. I am astounded that they do not want to include farm labor in the cost of the farmer's production.

Mr. President, I want to vote and I think we should vote on this question today. We have listened to many speeches. As some Senators said, we have received the kind of counsel that could confuse wisdom. I wish we could vote today. With the hope that we may vote today I will say that at some other time I shall in my own time express myself in reference to this matter.

Mr. NORRIS. Mr. President, the amendment now pending provides only that in determining the price of farm products, the cost of all farm labor shall be included. That seems to me to be a fundamental matter. I do not believe the amendment presents any new idea. I think everyone concedes that the farmer has to pay for labor. Labor enters into the equation, and cannot be taken out of it by legislation or by any administrative act. It is there; it is fundamental; it is necessary. Then why not give it consideration?

Mr. President, as I see it, to decline to consider the element of farm labor would be the same as providing by law for change in the multiplication tables. All the laws Congress may pass, all the administrative steps which may be taken, cannot do away with the fact that included in the farmer's product is the element of labor. Then why not consider it in reaching the price that is going to be fixed for the farmer's product? Parity or no parity, labor is a mathematical proposition in this question.

Mr. President, I believe the authorities have the right, without the adoption of this amendment, to do just what the amendment provides to be done, but there was a fear that it would not be done, a fear which I do not share in all respects, but which was entertained by many honest, conscientious men. Since the amendment has been offered, to reject it would, I think, be tantamount to saying that the farmer's price should be reached without giving any consideration to the labor cost which everyone knows enters into the cost of the product. So why should not the amendment be agreed to? Why should we hesitate to adopt a proposal which is as fundamental and as true as that two and two are four? I cannot see any objection to the amendment. If the carrying out of that fundamental formula should result in injury, we must be reconciled to it. I am afraid of inflation, but if I believed that the adoption of the amendment would lead to some inflation I would still be in favor of it, because I believe it involves a fundamental question. The farmer's labor must be considered, or our whole structure will fall to the ground.

Mr. President, probably in a year from now we shall be clamoring for increased production, when we realize that increased food products are necessary to sustain our soldiers at the battle fronts. How can we expect to obtain an increase in production if we eliminate from the cost of production one of the very fundamental and necessary things involved in it? We cannot have production in any great measure without expending labor upon it. Then why should we hesitate to say that in reaching the price to be paid the farmer consideration should be given to that necessary element involved in agricultural production?

CONFIRMATION OF NOMINATIONS

Mr. BARKLEY. Mr. President, I ask unanimous consent that, as in executive session, the Senate proceed to consider the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the nominations on the calendar.

COAST GUARD

The legislative clerk proceeded to read sundry nominations in the Coast Guard.

Mr. BARKLEY. I ask that the nominations in the Coast Guard be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be so notified.

DEATH OF REPRESENTATIVE BUCK, OF CALIFORNIA

The PRESIDING OFFICER. The Chair lays before the Senate a resolution coming from the House of Representatives, which will be read.

The resolution (H. Res. 539) was read as follows:

IN THE HOUSE OF REPRESENTATIVES,
September 21, 1942.

Resolved, That the House has heard with profound sorrow of the death of Hon. FRANK H. BUCK, a Representative from the State of California.

Resolved, That a committee of four Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. McNARY. Mr. President, on behalf of the senior Senator from California [Mr. JOHNSON], who is temporarily absent from the Chamber, I send to the desk a resolution, which I ask to have read, and for which I ask present consideration.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 292) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. FRANK H. BUCK, late a Representative from the State of California.

Resolved, That a committee of two Senators be appointed by the Presiding Officer of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Under the second resolving clause the Presiding Officer appointed Mr. JOHNSON of California and Mr. DOWNEY as the committee on the part of the Senate to attend the funeral of the deceased Representative.

Mr. McNARY. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate now take a recess until 12 o'clock noon tomorrow.

The motion was unanimously agreed to; and (at 4 o'clock and 36 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, September 23, 1942, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 22 (legislative day, September 21), 1942:

IN THE ARMY

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

To be major generals

John Henry Hilldring
Edward Mallory Almond
John Beugnot Wogan
Frank William Milburn
Paul John Mueller
Leroy Hugh Watson
Vernon Edwin Prichard
Leland Stanford Hobbs
Ira Clarence Eaker
Henry Spiese Aurand
Kenneth Thompson Blood
Barney McKinney Giles
Leven Cooper Allen
Andrew Davis Bruce
Frank Floyd Scowden
Clifford Lee Corbin
Frederick Gilbreath
Charles Harrison Corlett

To be brigadier generals

Nelson Macy Walker
Ivan Leon Foster
William Henry Colbern
John Eubank Copeland
Robert Wilson Hasbrouck
John Max Lentz
Donald John Myers
William Robert White
Lawrence Carmel Jaynes
Guy Humphrey Drewry
George Honnen
Russell Edward Randall
Henry Charles Wolfe
Hermon French Safford
Frank Albert Allen, Jr.
Remi Paul Hueper
Everett Strait Hughes
Eley Parker Denson
Rufus Stanley Ramey
John Lloyd McKee
Frederick Harry Black
Doyle Overton Hickey
James Francis Clark Hyde
Norman Randolph
Vernon Evans
Walter Alexander Wood, Jr.
Paul Ramsey Hawley
Albert Cowper Smith
Edwin William Piburn
Gordon Russell Young
William Francis Heavey
David Ayres Depue Ogden
Harry Fouts Hazlett
Robert Wilkins Douglass, Jr.
George Hatton Weems
Fred Sidney Borum
Raymond Edward O'Neill
Richard Gentry Tindall
Robert Boyd Williams
James Alexander O'Connor
Robert Morris Webster
Frederick Mercer Hopkins, Jr.
Owen Summers
Howard Knox Ramey
Harvey Steele Burwell
Edward Moses Morris
George Jacob Forster
William Warren Welsh
Orvil Arson Anderson
Hans Kramer
Robert Victor Ignico
Alden Harry Waitt
Walter Scott Fulton
Julian Buckner Haddon
Leslie Richard Groves
Evarts Walton Opie
Francis Willard Rollins
Henry Carlton Newton
Fred Abraham Safay
Miller Grieve White
Clayton Sinnott Adams
Alfred Robinson Glancy

COAST GUARD

TEMPORARY SERVICE

To be rear admirals for temporary service

Lloyd T. Chalker
Harvey F. Johnson
James Pine
Frank J. Gorman
Robert Donohue
Edward H. Smith

REGULAR SERVICE

To be captain

Gustavus R. O'Connor

To be an ensign

Robert J. Wescott

POSTMASTERS

INDIANA

Edwin W. Hanley, Michigan City.
Dean I Lauver, New Carlisle.
Alva K Costin, Paragon.
William E. Etcheson, Roachdale.

IOWA

Hollis S. Saar, Cantril.
Vern D. Freeman, Clarence.
Elmer A. Westlund, Dows.
Lawrence J. Roth, Fairfield.
Fred W. Franzwa, Glidden.
Ella S. McDonald, Ledyard.
Otha H. Darby, Madrid.
Elmer D. Bradley, Missouri Valley.
Raymond A. Gleason, Ruthven.
John I. Haldeman, Shenandoah.
Mary E. Kohorst, Templeton.
John H. Fitzgerald, Waterloo.

KANSAS

Sam C. Scott, Conway Springs.
Millard S. Whiteside, Fall River.
George H. Gill, Raymond.

MASSACHUSETTS

Alice H. Gibson, Canton.
Ellen M. O'Connor, East Taunton.
Edward C. Pelissier, Hadley.
Thomas A. Wilkinson, Lynn.
Agnes T. Doyle, Lynnfield.
James F. McClusky, Middleboro.
Arthur A. Mayhew, Vineyard Haven.
James L. O'Brien, Williamstown.

MICHIGAN

Daniel M. McAuliffe, Albion.
Joseph A. Byrne, Birmingham.
Morton G. Wells, Byron Center.
Cleo T. Aldrich, Clayton.
Mortimer W. Olds, Coldwater.
John G. Watson, Colon.
Charles S. Carland Corunna.
Joseph W. Harlan, Davison.
Patrick J. Scanlan, Hubbell.
Charles M. Dillon, Iron Mountain.
Peter J. Nora, Iron River.
Lyman Woodard, Peck.

NEW JERSEY

Marguerite Fox Sando, Hewitt.

VIRGIN ISLANDS

Bartholin R. Larsen, Christiansted.

HOUSE OF REPRESENTATIVES

TUESDAY, SEPTEMBER 22, 1942

The House met at 11 o'clock a. m., and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, our Heavenly Father, bearer of the world's pain and sorrow, we beseech Thee to make us strong and courageous in this hour of our utmost need. In our "land of every day" there is hard waiting in which there will be unbroken flows of grief and disappointment. Dear Lord, while our path will be the deep sunken way of fire and hail, from the leaden and thunder clouds of war, give us to understand that lest we toil and sacrifice at the bitter cup we cannot wear the victor's badge. The sadness which came upon the earth before the Day Spring came was the dark shadow of failure; so help us that we may not fail as men, as chosen patriots, nor lose the luster of the soul.

Heavenly Father, set us off our superficial values and stubborn trust in self and may we share the pangs of the world's rebirth, giving us the lofty perspective of the spaciousness of life that really lives; oh, frightful is the solitude of that soul which is without God in this world. Dear Lord, lift this low-flying humanity of ours to the level of high-flying realities where no selfish life ever touches the cup of joy and peace; so long as we serve we grow. In the name of our holy Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 7114. An act to amend the Library of Congress Trust Fund Board Act; and

H. R. 7273. An act to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931, as amended

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2775. An act to amend the act of March 5, 1942, relating to the planting of guayule and other rubber-bearing plants.

APPOINTMENT OF FUNERAL COMMITTEE

The SPEAKER. Pursuant to House Resolution 539, the Chair appoints the following Members of the House to attend the funeral of the late Honorable Frank H. Buck: Mr. DOUGHTON, Mr. CARTER, Mr. ELLIOTT of California, and Mr. IZAC.

EXTENSION OF REMARKS

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a speech made by the Honorable Jesse Jones, Secretary of Commerce.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein three items with respect to the present oil drilling in Illinois.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE RUBBER PROGRAM

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARNOLD. Mr. Speaker, I was glad to read in Saturday's papers that William M. Jeffers, the Nation's new Rubber Administrator, had announced that he will keep America rolling—on rubber tires—and that the elimination of confusion, and more synthetic rubber production, would guarantee sufficient tires for both military and essential civilian needs. It is my hope that he will be let alone to do the tremendous job ahead of him.

There are too many conflicting statements regarding selective service. Officials here in Washington have contradicted previous statements, and each other, and then when State directors come out with another and different announcement, and all are then taken up by commentators over the radio and columnists in the papers, each giving his interpretation, it causes far too much confusion throughout the Nation. One sure thing is that the farming situation should be thoroughly considered and farm boys deferred as the needs require.

The men in my district are patriotic and willing to serve, but it is very confusing to hear one day that married men with dependents will be called soon and the next day that no such plan is contemplated. The solution will be found if officials of the Government will act more and talk less. I call upon them to follow that procedure, as well as officials in some other agencies.

EXTENSION OF REMARKS

Mr. PATTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a few letters I have received from some real farmers in Texas.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. NELSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SUPERTAX ON INDIVIDUALS

Mr. HILL of Washington. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HILL of Washington. Mr. Speaker, during these serious days when we are using every effort to win a complete, decisive, and early victory over the Axis Powers, when our boys are fighting and dying at $50 a month, when everybody is asked to sacrifice, and most Americans are sacrificing in every way, I think that excess profits should be limited. So I am introducing a bill today to limit all individual profits after taxes have been paid to $25,000, and ask that it may be included in my remarks at this time. The President suggested this some time ago in a message to the Congress but nothing was done. The President so suggested

again recently in a press conference. I believe we should have action, so I am introducing this bill today.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The bill is as follows:

A bill to further the national war effort by limiting to $25,000 the net income of individuals after the payment of other Federal income taxes

Be it enacted, etc., That chapter 1 of the Internal Revenue Code is amended by inserting after supplement T the following new supplement:

"SUPPLEMENT U—SUPERTAX ON INDIVIDUALS

"SEC. 421. SUPERTAX ON INDIVIDUALS.

"(a) Imposition: There shall be levied, collected, and paid for each taxable year upon the supplement U net income of every individual (other than an estate or trust) a tax equal to 100 percent of so much thereof as is in excess of $25,000.

"(b) Definition: As used in this chapter, 'supertax net income' means the surtax net income, except that there shall be allowed as an additional deduction the amount of the tax imposed by sections 11 and 12 for the taxable year."

SEC. 2. The amendment made by section 1 shall be applicable only with respect to taxable years beginning after December 31, 1941.

PARITY

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Speaker, we have heard a great deal about parity and 10 percent above parity, but I want to present a speech here today on the question of parity of sacrifice and I want to quote from the testimony before the Banking and Currency Committee and have the whole matter appear in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

[Mr BURDICK addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. GRAHAM. Mr. Speaker, recently at the instance of the Navy Department, I prepared a transcription of remarks to be broadcast over radio stations in the Commonwealth of Pennsylvania, the address entitled "The Navy's Challenge for Service." I ask unanimous consent to extend my remarks and to include the transcription of the address in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

JAPANESE BOMBS IN OREGON

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

[Mr. ANGELL addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in the Appendix, and include a quotation.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. MARTIN J. KENNEDY. Mr. Speaker, at the end of the calendar day, and other special orders, I ask unanimous consent that I be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks and include a statement from the Missouri Farmers' Association, through its president, Mr. F. V. Heinkel.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter on the question of shortage of labor in Montana.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address I delivered at the meeting of the Grand Army of the Republic at Indianapolis last week.

The SPEAKER. Is there objection?

There was no objection.

Mr. WASIELEWSKI. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an editorial from the Milwaukee Journal.

The SPEAKER. Is there objection?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in two particulars, one on the subject of rubber production and one on postal employees.

The SPEAKER. Is there objection?

There was no objection.

TRANSPORTATION OF BODIES OF DECEASED SOLDIERS AND SAILORS

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, my attention has recently been directed to the fact that the maximum Government allowance for the transportation of deceased members of our armed forces to their former homes is $50.

If the mother of a soldier who lost his life in Tampa, Fla., or somewhere in Texas, wants his body transported to his former home in Oregon or Idaho, she must pay the charges above the sum of $50 or permit the body to be buried in a Government cemetery in the vicinity of the place of death.

Mr. Speaker, this is manifestly unfair. If the Government can transport these boys away from their homes, surely one of the least things it can do is to provide for transporting his body to his former home in the event of his death while in the service of his country.

EXTENSION OF REMARKS

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by the inclusion of an article by Mr. George Rothwell Brown, and also an article by Mr. Frank B. Waldrop.

The SPEAKER. Is there objection?

There was no objection.

Mr. WILLIAM T. PHEIFFER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix, and include the proclamation of Governor Herbert H. Lehman, of New York, fixing a date for observance of Constitution Day in the State of New York.

The SPEAKER. Is there objection?

There was no objection.

DESTRUCTIVE CYCLONE IN MINNESOTA

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. H CARL ANDERSEN. Mr. Speaker, on September 11, 10 days ago, there occurred in Minnesota the most destructive cyclone, in property loss, ever suffered by our State.

Beginning at the western border, near the South Dakota lines, this storm swept a path from 6 to 12 miles in width practically across Minnesota for a distance of 150 miles.

Ten counties felt the effects of this 80-mile wind; 2,000 barns and 300 concrete silos were leveled, livestock destroyed by the hundreds, and numerous dwellings damaged.

Fortunately, only three deaths occurred. The great corn crop in that region, still green, was flattened before the wind and it is estimated that 50 percent of the thousands of acres of corn blown down will be a loss.

Ten million dollars appears to be a conservative estimate of the damage suffered by Minnesota in that cyclone.

In order that the barns and homes can be reconstructed and repaired before winter, I appeal to you House Members today to help push through H. R. 7566, which would make available $2,000,000 for reconstruction and the prevention of suffering to the many affected by this catastrophe.

The Red Cross is on the job, so is the State of Minnesota, but the Federal Government must help if the 2,000 or more homes and farms are to be in shape against the coming cold of winter, only 2 months away.

EXTENSION OF REMARKS

Mr. PADDOCK. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article from today's Washington Post.

The SPEAKER. Is there objection?

There was no objection.

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to extend my remarks and include a short editorial from a Newark, Ohio, newspaper.

The SPEAKER. Is there objection?

There was no objection.

LOWERING THE DRAFT TO 18 YEARS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. DONDERO. Mr. Speaker, the question of drafting boys 18 and 19 years of age is again before the country.

On the 17th day of last December I voiced my opinion before this body in opposition to amending the Selective Service Act to include young men of 18 and 19 years of age in the draft.

The Military Affairs Committee of the House of Representatives at that time said it was not necessary. Should the War Department and those charged with the war effort of this Nation now believe that it is necessary to take the youth of this country into the armed forces of the Nation, undoubtedly the Congress will act to support such recommendation.

If boys 18 and 19 years of age are to be drafted, then I believe that they should receive complete and ample training in the United States for at least 1 year before they are attached to any combat unit for overseas duty.

It is my information that 27,000,000 men were registered between the ages of 21 and 44. It would seem reasonably possible that an army of 10,000,000 men could be enlisted from such a vast number of available men.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a speech given by Mr. J. Edgar Hoover, the distinguished head of the Federal Bureau of Investigation, in New York City on yesterday, before the International Association of Chiefs of Police.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMASON of Texas. Mr. Speaker, in view of the discussion over the country about the effectiveness of our fighting airplanes, I ask unanimous consent to revise and extend my remarks and include therein a statement by Lt. Gen. Henry H. Arnold, commanding general of the Army Air Force, whom I regard as the highest authority on that subject in this country.

The SPEAKER. Is there objection?

There was no objection.

(By unanimous consent, Mr. BECKWORTH was granted permission to revise and extend his own remarks.)

AMENDING SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

Mr. POAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6921) to amend the Soil Conservation and Domestic Allotment Act to authorize payments in cases where farmers' crops are acquired, prior to harvest, in connection with the acquisition of their farms for use in the national war effort, and to provide for the division of such payments, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, after "or", insert "effective with respect to the 1942 and subsequent farm programs."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, as I understand it, the Senate amendment merely establishes a date beyond which you cannot go.

Mr. POAGE. That is right. It is a limitation so that there may not be any claims made for past years.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

DETAILING OFFICERS AND ENLISTED MEN OF THE ARMED FORCES TO ASSIST GOVERNMENTS OF LATIN-AMERICAN REPUBLICS

Mr. MAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2686), to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin-American republics in military and naval matters."

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from Kentucky explain this bill?

Mr. MAY. Mr. Speaker, this is a bill which amends the act of May 19, 1926. Since that time it has been the law that the Government may designate military personnel to aid South American countries. Due to the exigencies of the war it is now being extended to other countries who are our allies in the war. There is at least one country that has requested military aid in that respect. It is very essential that it be assigned now.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the act of May 19, 1926 (44 Stat. 565), as amended by the act of May 14, 1935 (49 Stat. 218), be, and the same is hereby, amended by inserting after the words "and the Commonwealth of the Philippine Islands" the words "and, during war or a declared national emergency, the governments of such other countries as the President deems it in the interest of national defense to assist,".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING STATE AND TERRITORIAL MILITARY FORCES WITH ARMS, AMMUNITION, CLOTHING, AND EQUIPMENT

Mr. MAY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2670) to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing State and Territorial military forces with such arms, ammunition, clothing, and equipment as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is this to provide the State guards with materials?

Mr. MAY. That is correct. Due to the fact that we called the National Guard out of all the States in 1940, they have since established State guards. The purpose of this bill is to render them such assistance as may be necessary to maintain their organizations.

Mr. MARTIN of Massachusetts. What have they been doing since the time they have been called out? What equipment have they at the present time?

Mr. MAY. I think all of the States have been supplied with certain equipment—guns and other equipment necessary to maintain the State force. In some instances, I think, uniforms have been supplied.

Mr. MARTIN of Massachusetts. And what do you propose to give them under this bill?

Mr. MAY. Nothing, except to extend it to the Virgin Islands, along with other outlying possessions—the Panama Canal Zone and other places.

Mr. MARTIN of Massachusetts. The amendment does not affect the regular State guard? It is only the outlying possessions?

Mr. MAY. That is all; the Virgin Islands.

Mr. MARTIN of Massachusetts. The present State guard is well taken care of?

Mr. MAY. That is right, as I understand it.

Mr. ANGELL. Mr. Speaker, reserving the right to object, I would like to ask the gentleman a question. I have just been in communication with the War Department with reference to furnishing arms to the State guard of my own State of Oregon, and I am advised that there is no provision at present for doing so.

Mr. MAY. This bill amends the provision of law with respect to that, which gives them the right to do it.

Mr. ANGELL. Under this bill, will authority be given the War Department to provide arms?

Mr. MAY. That is what they say in the amendment which we are adopting in this bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That section 61 of the National Defense Act of June 3, 1916, as amended, be further amended to read as follows:

"SEC. 61. (a) No State or Territory or Puerto Rico or the Canal Zone shall maintain troops in time of peace other than as

authorized in accordance with the organization prescribed under this act: *Provided*, That nothing contained in this act shall be construed as limiting the rights of the States and Territories and Puerto Rico and the Canal Zone in the use of the National Guard within their respective borders in time of peace: *Provided further*, That nothing contained in this act shall prevent the organization and maintenance of State or Territorial police or constabulary.

"(b) Under such regulations as the Secretary of War may prescribe for the organization, standards of training, instruction and discipline, the organization by and maintenance within any State or Territory or Puerto Rico or the Canal Zone of such military forces other than a National Guard as may be provided by the laws of such State or Territory is hereby authorized while any part of the National Guard of the State or Territory or Puerto Rico or the Canal Zone concerned is in active Federal service. That such forces shall not be called, ordered, or in any manner drafted, as such, into the military services of the United States; however, no person shall, by reason of his membership in any such unit, be exempted from military service under any Federal law: *And provided further*, That the Secretary of War in his discretion and under regulations determined by him, is authorized to issue, from time to time, for the use of such military units, to any State or Territory or Puerto Rico or the Canal Zone, upon requisition of the Governor thereof, such arms, ammunition, clothing and equipment as he deems necessary. The provisions of this subsection shall terminate upon the expiration of 6 months after the termination of the present war, or at such earlier time as the Congress by concurrent resolution, or the President by proclamation, may designate."

With the following committee amendment:

Page 2, line 15, after the word "service" insert a colon and the following: "*Provided*, That under such regulations as the Secretary of War may prescribe for the organization, standards of training, instruction and discipline, the organization by and maintenance within the Virgin Islands of the United States of such military forces as may be provided by the laws of the Legislative Assembly of the Virgin Islands is hereby authorized: *Provided further*."

Page 3, line 5, after "Puerto Rico" insert "or the Virgin Islands."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE NATIONAL SERVICE LIFE INSURANCE ACT, SEPTEMBER 14, 1942

Mr. MAY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill S. 2275, an act to amend section 10 of Public, No. 360, Seventy-seventh Congress, to grant National Service Life Insurance in the cases of certain Army flying cadets and aviation students who died as the result of aviation accident in line of duty between October 8, 1940, and June 3, 1941.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. MAY. The only thing this bill does is to provide $10,000 life insurance for a certain number of cadets, two, in fact, who were killed before the time of payment of the first premium in 1941. Only two cases are involved.

Mr. MARTIN of Massachusetts. Does the bill have the approval of the War Department?

Mr. MAY. I believe it has, also of the Treasury Department and the Bureau of the Budget.

Mr. COLE of New York. Mr. Speaker, reserving the right to object, I believe if the gentleman will refer to his records he will find that the War Department is opposed to the measure.

Mr. MAY. I think not. What happened was that the Claims Committee set forth in their report on the bill H. R. 5039, after investigation, that only two cases were involved. Yes, the gentleman refreshes my recollection; the War Department stated it was opposed to the enactment of S. 2275 to amend section 10 of Public Law 360. The Bureau of the Budget and the Veterans' Administration, however, make no objection to it, but call attention to the fact that this report shows there are only two cases involved; two flying cadets were killed.

Mr. ANDREWS. Mr. Speaker, reserving the right to object, may I suggest to the chairman of the Military Affairs Committee that in view of the fact the Secretary of War has definitely rendered an unfavorable report, that he withdraw the bill at the present time?

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. ANDREWS of New York. I yield.

Mr. SUMNERS of Texas. Will the gentleman permit a brief explanation in regard to this bill? This young man lived in Dallas County and these are the facts with regard to this particular matter. This boy was killed in less than a day——

Mr. MARTIN of Massachusetts. Mr. Speaker, I do not like to interrupt the gentleman, but apparently there is going to be considerable discussion about this bill. I think it should be taken up on some other day when we have no pressing business on the calendar.

Mr. MAY. Mr. Speaker, I withdraw the bill.

MAKING CERTAIN TRANSPORTATION AND STORAGE FACILITIES AVAILABLE FOR MILITARY USE

Mr. MAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2698) to make transportation and storage facilities available for military use where military necessity exists, by authorizing the removal to other points of merchandise in customs custody.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. MAY. Mr. Speaker, some 2 weeks ago I made a statement on the floor of the House with respect to the congestion of large amounts of war materials destined to foreign countries at certain shipping points.

The only thing this bill does is to give the Secretary of War power and authority through use of his forces to divert certain nonessential materials from present places of storage and locate these materials in other warehouses. This is to be done in order to provide storage space to remove goods from railroad facilities, docks, and yards temporarily.

The Treasury Department has no objection to the bill but has approved it. The work is to be done by the War Department under the responsibility of the War Department to take care of the moved material.

Mr. MARTIN of Massachusetts. It takes these goods out of customhouses and moves them into private warehouses?

Mr. MAY. Yes.

Mr. MARTIN of Massachusetts. Mr. Speaker, I have no objection to the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, upon determination by the Secretary of War or any officer or civilian official of the War Department designated by him that any specified transportation or storage facilities are needed for military purposes, the War Department is hereby authorized to transport or cause to be transported from such transportation or storage facilities at any port of entry or elsewhere to other facilities at the same port of entry or elsewhere any entered or unentered merchandise being transported in bond or otherwise in customs custody. The War Department thereafter may store or retransfer and store such merchandise, and, when military necessity permits, shall return such merchandise to the port to which it was being transported in bond or at which it was held in customs custody immediately prior to its removal pursuant to this act or, subject to the approval of the collector of customs concerned, to such other place as may be designated by the owner or consignee of the merchandise provided the expense of transportation to such designated place does not exceed the expense of transportation to the port to which it would otherwise be transported.

SEC. 2. The War Department shall issue to the collectors of customs concerned an appropriate receipt for each lot of merchandise removed pursuant to this act and shall be responsible for the safekeeping and the preservation of the identification of the merchandise until it is returned to the collector of customs to whom such receipt was issued, which collector shall issue a receipt to the War Department for the merchandise delivered. The collector of customs shall be absolved from all liability with respect to the merchandise between the time it is removed pursuant to this act by the War Department and the time that Department delivers it to him.

SEC. 3. The rights or privileges conferred by the customs laws or regulations shall be continued in full force and effect except so far as inconsistent with the provisions of this act. The time prescribed for the performance of any act in the customs laws or regulations shall be suspended during the time the War Department is responsible for the safekeeping of the merchandise and rights or privileges dependent upon continuous customs custody shall not be defeated by the provisions of this act.

SEC. 4. This act shall be effective on and after the date of its enactment and until the expiration of 6 months after the termination of the unlimited national emergency proclaimed by the President on May 27, 1941.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

REDUCTION IN THE COURSE OF INSTRUCTION AT THE UNITED STATES MILITARY ACADEMY

Mr. MAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7526), to authorize a reduction in the course of instruction at the United States Military Academy.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain just what this bill does to West Point?

Mr. MAY. This bill reduces the term of instruction and the curriculum from 4 years to 3 years, similar to the action that was taken with respect to the Naval Academy. The bill also provides for the graduation of two classes: One in January and one in June of next year, which would not otherwise graduate.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, this is a subject that has been considered a good many times in various committees dealing with the War Department and a subject about which great difference of opinion has been expressed by members of the War Department within my hearing. I very seriously question whether a bill of this character ought to be passed by unanimous consent without some debate and consideration, and I am inclined to object.

Mr. MAY. We have had testimony before the House Military Affairs Committee, we had the superintendent of the academy, we had the representatives of the War Department, and they all favor enactment of this bill. They say it is necessary in order to get the Army officer personnel that they need during the present emergency. This applies only for the duration of the present emergency. It is temporary legislation.

Mr. CASE of South Dakota. I understand it is temporary legislation, but I recall that when the Board of Visitors was up there last year this question was informally discussed with members of the academy and with some officials of the War Department. There was a good deal of difference of opinion as to whether or not it should be done. The point was then made that the situation was not analagous to that of the Navy because of a different officer need. The argument was made to us that officers who are graduated from West Point are primarily for general staff duties 15 and 20 years from now and that their ability to do their duty then depends upon their getting a thorough groundwork now. West Point is not the source of officers for the present war; they are coming out of the officer schools, the Reserves, and the guard. At least these were the arguments given to us. I do not know what the best course is but will defer to the judgment of others. I question, however, whether legislation about which authorities disagree should be passed by consent and without debate.

Mr. MAY. The gentleman realizes that conditions as they now exist are very different from what they were a year ago. In addition to that, the civilian colleges of the country in every State have speeded up their courses, so as to graduate students in 3 years instead of 4 years.

The SPEAKER. The Chair suggests that the gentleman from Kentucky withdraw this. It seems there are several Members on their feet.

Mr. MARTIN of Massachusetts. Mr. Speaker, I think it has been cleared up very well.

The SPEAKER. The Chair sees another gentleman on his feet.

Mr. MAY. The gentleman has withdrawn his objection.

Mr. CASE of South Dakota. I have withdrawn my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. MAY. Mr. Speaker, I ask unanimous consent to substitute an identical Senate bill for the House bill.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to reduce, in his discretion, until the termination of the present war, the course of instruction at the United States Military Academy from 4 to 3 years and to graduate classes which have completed such reduced courses of instruction.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 7526) was laid on the table.

REMOVAL OF CERTAIN LIMITATIONS ON COST OF CONSTRUCTION OF ARMY AND NAVY QUARTERS

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S. J. Res. 129) to remove certain limitations on the cost of construction of Army and Navy living quarters, and its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

Mr. RICH. Mr. Speaker, reserving the right to object, may I ask the gentleman what he intends to do by this joint resolution?

Mr. MAY. Mr. Speaker, in one of the appropriation acts there was a limitation placed on the construction of officers' quarters of $7,500 for each unit. That means each house. That did not include the utilities, such as sewage, roads, telephone, telegraph, electric power, and so forth. The Army tells us in open hearings before the committee that many, at least 15, of their post construction programs are being retarded very materially due to the fact it is impossible to figure out just exactly what the utility cost will be, which ranges from $300 to $3,000.

Mr. HOFFMAN. Mr. Speaker, I object.

AUTHORIZING ATTORNEY GENERAL TO STIPULATE TO THE EXCLUSION OF CERTAIN PROPERTY FROM CONDEMNATION PROCEEDINGS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5503) to authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings, with Senate amendments thereto, disagree to the Senate amendments and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection, and the Speaker appointed the following conferees on the part of the House: Messrs. SUMNERS of Texas, CELLER, and MICHENER.

PERMISSION TO ADDRESS THE HOUSE

Mr. FULMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. FULMER]?

There was no objection.

[Mr. FULMER addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a patriotic song and also to include a letter from its composer.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. GATHINGS]?

There was no objection.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on ship construction and to include some quotations.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. BLAND]?

There was no objection.

Mr. PAGÁN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein some newspaper editorials.

The SPEAKER. Is there objection to the request of the Resident Commissioner from Puerto Rico?

There was no objection.

Mr. BENNETT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a brief editorial.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Belleville Telescope.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

(Mr. BISHOP asked and was given permission to extend his own remarks in the RECORD.)

Mr. CHIPERFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Daily Register-Mail.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CONSTRUCTION OF QUARTERS FOR ARMY PERSONNEL

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I do not know who objected to the consideration of Senate Joint Resolution 129, but whoever it was did a good job, for this reason. The cost of quarters for certain Army officers runs as high as $10,000 in some instances, and $7,500 in other instances, and as high as $3,500 for quarters for enlisted men. The trouble is that you are using the cost-plus system in contracting for this construction. Unless the Army stops that business and uses some sense about the cost of the things they are building today, the Army will not get any place in furnishing the things that are necessary for the Army. It is too extravagant. You must regulate wages and cost-plus construction. The only way you can regulate prices in the bill we are going to discuss today is to regulate some of the things the Army is doing, or you will not be able to meet the cost of government.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Kentucky.

Mr. MAY. The gentleman knows very well that the House Committee on Military Affairs filed an extensive report some weeks ago in which we condemned the extravagant practice of using cost-plus-a-fixed-fee contracts, and in which we pointed out the very things about which the gentleman is speaking. However, the bill we passed this morning relates to new camps under the jurisdiction of the Corps of Engineers.

Mr. RICH. I am speaking of the bill that did not pass—on cost-plus basis—the Senate Joint Resolution 129. The cost plus is expensive and extravagant as administered. Why the more a contractor pays the more he makes. Why the labor unions will not let a citizen work on the job unless they collect a fee of $50 to $500 to join the union. That goes in the cost because the laborer gets more money so he can pay the exorbitant fees collected. No wonder everything costs the Government so much. Who is responsible? Why the administration for permitting it.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. VAN ZANDT] be permitted to extend his own remarks in the RECORD and include therein some statistics regarding veterans.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from the Comptroller General on the appointment of persons on the civil-service retired list.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

AMENDMENT OF EMERGENCY PRICE CONTROL ACT OF 1942

Mr. SABATH. Mr. Speaker, I call up House Resolution 540, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 day, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. SABATH. Mr. Speaker, later I shall yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. Speaker, House Resolution 540 makes in order consideration of H. R. 7565, a bill to amend the Emergency Price Control Act of 1942, prevent inflation, and equalize the cost of living and wages. As we all know, it is upon the urgent request of the President that this bill is before us.

The rule that has been granted provides for an entire day of general debate. It is an open rule, and provides for the consideration of the bill under the 5-minute rule, and allows amendments to be offered not only by members of the committee but also by any Member of the House.

I am pleased that on this occasion I shall not be forced to move the previous question, and will grant to the other side the usual time, to which it is entitled. Therefore, I feel that there cannot be any opposition to the rule, as everyone will have full opportunity to express himself and offer any amendments under this broad and liberal rule.

However, I have been informed that my colleague the gentleman from Illinois [Mr. ALLEN], a member of the committee, contemplates criticizing me and the Committee on Rules because of the haste with which this rule has been reported. I say to him that I am willing to assume any and all responsibility, and in connection with that statement I cannot omit expressing my appreciation to our colleagues the gentleman from Michigan [Mr. MICHENER] and the gentleman from Indiana [Mr. HALLECK], both of our committee, who, realizing the importance of this measure and the need for immediate action, cooperated and helped in bringing out this rule.

The Committee on Rules has been informed by several Members that there is some opposition to the bill because of certain provisions in section 2 of the bill. I am pleased to report that the chairman of the Committee on Banking and Currency and those Members who were present with him at our meeting yesterday assured the Committee on Rules that they will move to strike out the verbiage to which some of the members of the committee objected. This objectionable language appears beginning in line 7 and extending into and including line 11, page 2, of the bill.

After that is stricken, I am inclined to believe there should be no further objection to the bill, unless it be to the language following (3) in lines 23, 24, and 25, page 3, of the bill.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I gladly yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Will the gentleman state the language to which objection was made in the committee, the language appearing in line 7 on page 2?

Mr. SABATH. It is as follows, and appears after the semicolon beginning in line 7 on page 2—

and may suspend any provisions of law relating to the establishment or maintenance of prices, or to wages, salaries, or other factors affecting the cost of living which are inconsistent with the purposes of this act.

Mr. WHITTINGTON. In other words, as I understand, it is proposed to strike out all of that part of section 2?

Mr. SABATH. Yes; that is true.

Mr. WHITTINGTON. Suspending certain laws which have been passed by the Congress?

Mr. SABATH. I am inclined to say yes.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman from Illinois yield for a question?

Mr. SABATH. Yes; I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. I note with interest that the gentleman says that with the striking out of one line there will be no further objection to the bill.

Mr. SABATH. No; I said or wanted to say that I feel there should not be any further objection. The gentleman from Michigan [Mr. CRAWFORD] did raise opposition to language in lines 23, 24, and 25, page 3, of the bill.

Mr. JOHNSON of Oklahoma. In reading the President's message, I note it is stated on page 7 of the report:

Calculations of parity must include all costs of production, including the cost of labor.

I understand there will be an amendment offered to do that very thing. Will the gentleman object to that amendment, if offered?

Mr. SABATH. The rule permits the offering of any amendment, and it will remain for the membership of the House to vote any amendment up or down. Personally, I am informed that the opposition to the bill which came to my attention believes that the wages of farm labor should be taken into consideration in adopting a ceiling price on farm products. Personally, I have received, as have other Members, communications from various farm organizations that insist upon that provision; and as the gentleman from Oklahoma stated, that provision will be offered on the floor as an amendment to the bill. And I may again state that settlement of the matter will be left to the membership of the House.

However, I feel, Mr. Speaker, that the gentlemen who are insisting upon some of these amendments to safeguard the rights and the prices of the farmers should not be, and cannot be alarmed at the action of the President So far he has demonstrated the greatest friendship for agriculture, and we know that under his leadership the farmers have received greater help and advantages and are in better condition than ever before in the history of our country. I realize that the gentleman from Mississippi my colleague on the committee [Mr. COLMER] and my beloved colleague the gentleman from Georgia [Mr. COX] are extremely anxious about the welfare of the cotton grower. Of course, they are justified in protecting their cotton-growing constituents, but I feel that the cotton growers, notwithstanding increased wages, are in better position, and should be in better position, than ever before. I recall years ago when, to aid the cotton growers, I bought 50 bales of cotton at 5 cents, and I know that the price of cotton in 1932 and 1933 was not much higher. Today the price of cotton is about 17 cents and, personally, I feel that the differential in the price of cotton should take care of the increased wages.

Mr. LUTHER A. JOHNSON rose.

Mr. SABATH. Now, as to wages, I note that my good friend the gentleman from Texas [Mr. JOHNSON] rises, and I presume he will say the same thing that the gentleman from Georgia [Mr. COX] and the gentleman from Mississippi [Mr. COLMER] have said about labor being hard to obtain. I know that for years, whenever labor was needed in the cotton fields of Texas or other States, they have been able to obtain labor from Mexico; and I do not know any reason why that should not be done again if there is a real shortage of labor in the cotton fields, because Mexico is very friendly to us, has much surplus labor, and ever desires to help us.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Mississippi.

Mr. COLMER. Since the gentleman has referred to the position of the gentleman from Georgia [Mr. COX] and myself on this matter, will the gentleman not state that the position of the gentleman from Georgia [Mr. COX] and the gentleman from Mississippi has been that they ought all to be fed out of the same spoon and no preference given to any one particular class, so that no benefit will be given to any particular class of our people and the sacrifice will be made by all alike?

Mr. SABATH. I fully agree with you, sir, and I am in favor that there be no favoritism shown or given to any particular class as unfortunately exists in favor of livestock and other farm commodities.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Yes; I yield now.

Mr. LUTHER A. JOHNSON. What I wanted to call to the gentleman's attention was not the scarcity of farm labor, although that is certainly true, and the price of farm labor has increased and continues to increase, but the gentleman mentioned the fact that the price of cotton is 17 cents a pound, reflecting therefore the prosperity of the farmers. But the gentleman overlooks a fact which should not be overlooked and it is that in order to get that price the cotton farmers have had to reduce their acreage very, very materially and therefore the volume of cotton that the farmer produces has been cut in half and therefore his profits have been cut in half, regardless of the price of cotton.

Mr. SABATH. I realize, as a farmer, that when the crop yield is large prices are low and when there is a small crop the prices are higher, which is unfortunate, of course; and I sympathize with the farmer because I have had some personal experience with farming and I know the trials and tribulations of the farmers, but with all what the gentleman states, even if the price of farm labor has increased 200 percent, the price of cotton has increased more than 300 percent.

Let me say also to all of you gentlemen representing all different agricultural sections that the statistics will prove that the prices of farm commodities have increased 85 percent in the last 3 years, and industrial wages have increased only 71 percent.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SABATH. In just a moment I will yield to my colleague.

Mr. COX. That is, if the gentleman wishes to be corrected.

Mr. SABATH. However, in that calculation in respect to the increase of 71 percent in industrial wages, the great salaries drawn by the big manufacturers and the great industrialists, running into many hundreds of thousands of dollars, are included, so that really wages of wage earners have increased only to a point where they are much more than 14 percent less than the increase that the farmers have received for their products. I now yield to the gentleman from Georgia [Mr. COX].

Mr. COX. Farm wages have gone up 202 percent, whereas the pay of the industrial worker has increased far in excess of 400 percent. In other words, the position of the gentleman from Mississippi [Mr. COLMER] and other gentlemen to whom the gentleman from Illinois referred is that the farmer's dollar that he gets out of his crop ought to be worth just as much to him as the dollar that he puts in. Under the present rate of exchange that condition does not apply. For months and years we have been talking about the stabilization of the dollar. Labor's dollar has been stabilized, but what, if anything, has been done for the farmer's dollar? The farmer, in the purchase of goods and services, is still obliged to exchange from 5 to 14 hours of his labor for 1 hour of the labor of the industrial worker. That is the condition against which we have been inveighing for years. This bill may do something for the farmer, if it narrows that disparity. I fail to see how it can, and to me it appears that it widens it greater than it now happens to be.

Mr. SABATH. I have not examined the statistics and do not accept responsibility for the statements that have been made in the other body.

Mr. COX. I happen to hold in my hand a graph made by the Department of Agriculture, received this morning which tells the story. There stands the pay of the farm worker, and there is the pay of the industrial worker. Below the pay to the farmer you will find the so-called parity pay.

Mr. SABATH. I am quite sure that every effort is being made and will continue to be made to effect a fair adjustment.

Personally, I am not familiar with the figures that the gentleman has received nor is there any evidence that I know of to substantiate them, but, conceding that farm wages have gone up 202 percent, the price of cotton has increased over 300 percent. The statement that the wages of industrial workers in general has increased over 400 percent is, to me, unbelievable. There may be a few instances of such increases as the gentleman states, but they can only be in the cases of highly skilled technical or precision workers, of which there is a great scarcity. I have given the general increases in wages, which is 71 percent, and I maintain this percentage increase is correct as against the 85 percent general increase in the price farmers receive for their products.

Mr. WICKERSHAM. Mr. Speaker, will the gentleman yield?

Mr. SABATH. No; I am sorry that I cannot yield now. The Congress and the country in the past have expressed complete confidence in the President, and Congress has given him almost unlimited powers, and no one can justly charge that these great powers have in any way been abused. They have always been used for the best interests of our country. Personally, I was under the impression that the powers granted him in this bill were already vested in him under the Constitution, but I shall not argue that point because he has requested the Congress to act, and asks especially that these powers be granted him. I believe he has made this request to avoid any criticism by his enemies and haters and all those opposed to his policies, who, in season and out of season, for years have unfairly charged him with desiring to become a dictator. Further, many able Members maintain that these powers have already been given him in the last

Price Control Act, and, if exercised, would have served to prevent the abnormal increase in the price of livestock. It is claimed by some Members that he has omitted or failed to invoke or carry out these powers. However, it is to discredit these attacks or charges which he no doubt feels might create discord among our people that he urges the enactment of this proposed legislation. I am satisfied that his desire and aim is not only to arrest inflation and an unreasonable increase in the cost of living, but also effect a fair increase in pay of the unorganized wage earners, or, generally speaking, to effect justice, equity, and a square deal for all.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Yes.

Mr. O'CONNOR. I agree with what the distinguished gentleman has just said with reference to what the administration has done for the American farmer. I think it is the first real attempt that any administration has ever made to alleviate the conditions of the American farmer and place him in his proper economic sphere; but I also wish to remind the gentleman that since we declared war farm wages have gone up from 100 to 200 percent over and above what they were 1 year ago; and if we are going to do equity and justice by the American farmer who has been feeding the Nation at tremendous losses for years, we should take into consideration now at least the increased cost of wages that he is required to pay because of the war.

Mr. SABATH. I think that will be done. I earnestly believe that when the President acts the farmers and the consumers also will be satisfied. The gentleman points out the increased cost of farm labor, and the increased cost of wages on the part of organized labor, but the gentleman does not take into consideration the 30,000,000 men—many of whom, of course, are married—who do not belong to labor unions, who are still working for 30 and 35 and 40 cents an hour and cannot pay the increased prices of food and the other necessaries of life.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Yes.

Mr. COX. In the present price of farm commodities the farmer is getting a little less than 20 cents an hour for his labor.

Mr. SABATH. I am not going to enter into a dispute with my learned colleague.

No doubt my friend recognizes, and, if not, he should recognize, that the cost of living in the industrial centers is not only 40 or 50 percent greater than in the rural, including cotton, sections, and, though the unskilled industrial workers in the large cities receive double the pay of farm laborers, they still are not on equal economic terms with the farm laborer.

Mr. Speaker and gentlemen of the House, about the only other objections and fears expressed so far as I know relative to the vast powers given to the President in this bill are that he might use that power to hold individual incomes down to $25,000. While I feel that during the war the President is justified in believing that the net income of $25,000 a year should suffice for anybody, yet I feel in view of the statement which I read in this morning's paper, wherein Mrs. Roosevelt feels disinclined to agree with the President, I can leave to all of you married gentlemen here whether you do not feel, as I do, that it may cause him to hesitate to carry out his views in this respect.

The SPEAKER pro tempore. The gentleman from Illinois has consumed 20 minutes.

Mr. SABATH. I will use 3 minutes more.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Is it a question? I yield for a question.

Mr. RICH. You said a while ago that the President has and has had the power to regulate prices. Is not this a bill to give him unmistakable and complete power and have the Congress turn everything over to him? That is what this bill does, is it not?

Mr. SABATH. This bill gives him additional power and eliminates any doubt that might have existed in the minds of anybody. I believe it will minimize the charges, as I have stated, that have been made by those who have at all times opposed him and his policies, who enviously hate him and who have been wantonly charging him with trying to become a dictator.

Mr. RICH. You abdicate and turn everything over to him.

Mr. SABATH. The statement of the gentleman from Pennsylvania as well as others that he makes are uncalled for and unwarranted. They are made only for the purpose of creating prejudice against the administration.

It is for that reason that he has urged and requested, perhaps in rather strong language, that remedial action be taken and that unmistakable power be given to him so that there can be no question in the minds even of his enemies that he is usurping power in this important field.

As I said before and I now repeat, the Nation has expressed its implicit and complete confidence in the President three different times. We have. So far he has not abused any power that was given him and I feel satisfied that he will not abuse it in the future. Of course, his enemies and the enemies of the New Deal generally will proceed to abuse and accuse him, but we all know that Washington, Jefferson, Jackson, Lincoln, Teddy Roosevelt, and Wilson, great Presidents who ever were fighting to protect our liberty, justice, and the maintenance of our form of democratic government, have thus been criticized. I feel that President Roosevelt is such a great man, being recognized universally as the greatest statesman in the world today, that he can take it, because he is doing the righteous thing by his country.

Mr. Speaker, I reserve the balance of my time and yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I yield 15 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I am going to try to talk a little about the way in which this bill comes before us and some of the implications which it contains and, also, something about some of the terms of the bill. I trust that what I will have to say will be of such interest to the membership that some degree of order can be had.

After all, we are dealing with a highly important proposition. It is a problem for the solution of which I think the overwhelming majority of the people of this country are holding us accountable.

First of all I want to commend the members of the Committee on Banking and Currency for the speed and expedition with which it has handled this matter. I just hope that it has not been a case of haste making waste, because, as I said a moment ago, this matter is of tremendous importance and of far-reaching implications. One might even be led to suggest that possibly last summer when there was so much talk about the growing threat of inflation and when the clouds of runaway inflation were hovering over the country, when there was so much talk about some action being had, it might have been better had the leaders of the administration at that time sent word up here about their ideas rather than to wait until this rather late hour and to tell us to do it by October 1, or else.

I commend the committee also because this bill is not a blank check of authority to the Executive and his administrative assistants. Controls are written into the bill. Safeguards are written into the bill. Our people all recognize that in time of great stress and strain tremendous power must be concentrated in the hands of the Chief Executive and more particularly do they recognize that tremendous power must be concentrated in the hands of government in Washington. But while they recognize that, I am convinced that their strength and determination in an all-out war effort will be heightened as they are led to believe that they are in the hands of a collective leadership in Washington, a leadership that recognizes responsibility in the legislative branch of the Government for those affairs and matters that are properly before it.

I congratulate the committee for including in this bill something in the way of wage stabilization. When the President sent his message to us and spoke to the Nation he did not ask for wage controls in the bill. I hold in my hand a copy of Victory, put out by O. W. I., on September 15. The headline is "President Asks Curb on Farm Prices." Apparently there is nothing about wages, except this, and I quote again from that article:

Wages can be stabilized at the same time as farm prices are stabilized—

He added—

and this I will do.

Now, I congratulate the committee of this Congress for not leaving that equally important matter to the determination of the Executive. I congratulate the committee for putting into this bill something about wage stabilization.

Now, this bill is before us, as I stated, as a result of the message of the President and his address to the people of the country.

It was, as I said, a do-something-about-it-or-I-will message. Personally, and I think a lot of members of the committee agree with me, I do not believe the President under any executive authority presently in his office would have power to do the things that are sought to be done by the Congress in this bill. But wholly apart from that, I wonder whether or not that message to the people and to the Congress was justified in the light of all the circumstances. Let us take a look at the record, as somebody once said. About a year ago the Congress was asked to do something about price control and about the threat of run-away inflation. We all knew the dangers of run-away inflation and we all recognized that something had to be done. There was a choice before the administration and the Congress, a choice between a so-called over-all system that would have included farm prices and wages, and a so-called selective system that contains something about farm prices but nothing about wages and left the time, or place, or period of intervention in the hands of the Administrator.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield at that point?

Mr. HALLECK. I should like to continue with my statement, if I may.

As I remember, and I believe my recollection is correct, the Administration got about what they wanted in the bill that was first enacted by the Congress. Some of us were for an over-all type of control; some of us recognized the necessity for this sort of action and stood up and voted when the time came, but there just were not enough votes to put it over. I believe also that had the administration at that time demonstrated the courage, the audacity, and the proper depth of understanding of the readiness of the people to go along in an all-out effort that we would not be here today undertaking to supply the deficiencies of the original proposal. I feel that it is worthy to note that that great leader who very recently was chosen by the President to head a committee trying to solve the rubber muddle existing in the country was at that time contending that more of an over-all price-control system would be absolutely essential to any effective dealing with the problem. Without minimizing the responsibility of the Congress, because it was in large measure our responsibility, I say again that had we received a little encouragement, had we had a little of that strong leadership for which the people of this country are crying, we could have avoided many of these recent increases in prices about which so much is now being said. Much is being said about the so-called farm bloc in Congress. At times I am accused of belonging to the farm bloc and at other times some of my farmer friends say there must be something wrong with me because I do not properly represent the farmers of my district; and as a matter of fact I am not in any bloc. But I have always had an idea that the farmer along with everyone else is entitled to a square deal under our Government and our economy. That is all I ever tried to give him.

What I have to say may not please some of the folks who talk so loudly about the unconscionable demands of the farm bloc, but I honestly feel that many farmers have had quite a lot of kicking around in recent months and years. They are being kicked around now in respect to the farm labor problem. Consider the situation of the farmers in your district. Let me say that in my area men who have operated big farms cannot get help to run them and are letting part of their farms lie fallow, or letting them go to pasture or are just quitting. You can pick up any weekly newspaper in my district and see where herds and herds of dairy cows are being offered for sale. Why? Because farmers cannot get the help to run their businesses. I do not know that this can be said to be the fault of any one particular person, because, after all, there is a demand for manpower in this country that is becoming almost overwhelming. But I do say that as among others the farmers have certainly had a little consideration coming to them.

Certain of the recent prices affecting the cost of living have been charged against the farmers and have been causing much concern in the country. Let us consider the law under which we are operating—the statute enacted by the Congress last January, since which time it has been in effect. Let us examine the authority granted the President to see who is now responsible. It provided for a farm ceiling price of 110 percent of parity with a couple of alternative provisions. It was to be operated under the selective system, giving the Administrator authority to act. Some of my farmer friends said to me that the bill was all wrong because it did not include wages. Maybe that was a valid criticism but I voted for the bill. It refers to 110 percent of parity. There has been a lot of talk about parity, yet a lot of people do not know what it is. Here is a definition that is short and to the point that was written by the Department of Agriculture:

> The parity price for any commodity may be described as that price which will purchase the same amount of goods the farmers buy as it did in some prescribed base period, usually August 1909 to July 1914. It is calculated each month by multiplying the base period average price received by farmers, for instance, $5.42 for beef cattle, by the current index of prices paid by farmers including interest and taxes. In March 1942 this index was 1.48, and the parity price for beef cattle was $8.02.

Just what does that mean? The parity formula has been fixed; we have known what it was; it has been written about and talked about for years, but any given price under the parity formula computation is not fixed. It is an attempt to tie the farmer's dollar to the dollar of the man in the city. This has been the goal of the New Deal administration ever since I have been in Congress. It would seem that parity on that basis is about the least the farmer is entitled to.

Now, how did that bill that we enacted into law last January work? Well, when we consider that, let us see what inflation is. An increase in prices that we call inflation is the result of the impact of an increased purchasing power on a diminishing supply. That old law of supply and demand has never been repealed, and I do not think it is going to be repealed right away.

What has happened? On grain raised in my country, of which there has been a surplus, that impact has never operated. What is the result? Why, the parity price on August 15, 1942, on wheat was 71 percent. That is, the price was 71 percent of parity. Corn was 85 percent; oats, 70 percent; and rye, 45 percent. Soybeans have gone up in price. The Government has guaranteed, as I understand it, $1.60 a bushel. Those grain prices represent the dominant grains raised in my country.

From my home-town paper in Indiana here are the cash quotations on grain to the farmer: Wheat, $1.10; No. 2 corn, 78 cents; oats, 46 cents; No. 2 beans, $1.60; what the Government says it is going to pay; and rye, 60 cents.

It is obvious from that that the so-called 110 percent parity about which there has been so much talk and for which the farm bloc has been criticized has never operated on those prices. Corn is selling below parity, for one reason because our papers during the last week have been full of publicity releases by governmental authorities and others urging feeders in our section to buy wheat that will be delivered there by the Government for 82½ cents a bushel. As long as you do that, corn is going to ride along at 78 cents, which is away below parity.

Criticism has been made of livestock prices that have advanced. They have advanced, but why have those prices advanced? They have advanced because there has been a tremendous demand that has exceeded the available supply. We all recognize the necessity for the production of livestock. We have had a shortage apparently in the production of livestock or at least in the available supply in spite of the prices that have been paid.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. HALLECK. Now, the price of hogs has gone to 128 percent of parity, beef cattle 137 percent of parity, veal calves 126 percent of parity, and lambs 125 percent of parity. Assuming those prices should not have gone that high—although I assume that probably was not only permitted but encouraged in order to stimulate production—but, to repeat, assuming they should not have gone that high and that someone should be criticized because they have been permitted to go that high, is the responsibility on the Congress or is it on those in charge of the administration of the act which we put on the books last January? I say the responsibility is in the hands of the President and his administrators, who could have applied the ceilings given them by the Congress of the United States, and they could have stopped these increases if they had wanted to.

I stated that the President's message was quite a jab at the Congress. As one Member of Congress, I do not propose to stand by and see that attack made on my position. Now, to check my figures and

the authority granted under the bill, I inquired yesterday in the Rules Committee of all the members of the Banking and Currency Committee if my contention about administrative power under existing law is correct, and it was not challenged by one of them.

I talked to a lot of beef feeders when I was home. We have a kind of an operation there in the Corn Belt area that may not be familiar to all of you. Our fellows raise corn in tremendous quantities. A farmer with 160 acres will go to Chicago and get maybe 50 steers that have come in off the range country from the West or some other area. He will take those feeder cattle to his feed lot, to his farm, and he will feed this corn to them. Then he takes them back to Chicago and sells them. It is obvious that he has got to get some sort of a spread between what he buys and what he sells in order to make any money for his operation and to get paid for his feed. All my beef feeders state, "We are not going to object to any reasonable ceiling so long as a ceiling is placed on the animal we have to buy and the feed we have to buy and if prices generally are stabilized. All that we ask is that we get a fair return for our feed that we put into these animals and a fair return for the work and the risk involved in feeding."

May I say another thing about this operation as it affects beef cattle. I do not know what has been in the minds of some people in the Government but apparently they have tried to set up a demand for these lighter grass-fed cattle that has shoved the price up to almost what we get for a finished prime corn-fed steer out of the Corn Belt area. What is the result? It brings about an unfair discrimination. If there is a shortage of beef, then why in heaven's name should not these feeder cattle be given the surplus corn and wheat that exists on our farms, put three, four, or five hundred pounds more weight on them, then use them for the Army, Navy, lend-lease, the civilian population, and everybody else who has to buy beef?

There is one thing that the feeder of cattle has always had to contend with. His is a kind of speculative proposition at best. He buys a lot of high-priced stuff and takes a tremendous gamble on what the market is going to be. Now, in addition to having to gamble on what the market will be, he has to gamble on what the Government is going to do. They are crying above everything else that the Congress, the Government, and the administrators take out of the difficulties before them the uncertainty that presently confronts them. I know feeder after feeder who is not going into the market to get feeder calves and feed them. Why? Because of the conflicting statements, the indecision, one thing said this way and something else said another way, the pulling and the hauling, and the administrative bickering that has got them down to where they do not know what they are doing.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 2 additional minutes to the gentleman from Indiana.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. The gentleman is so clear in his explanation that he must know, as we all know today, what the trouble is going to be if all costs are to be added to parity before there is a new formula for parity. I want the gentleman to make it clear, and I am sure we all agree, that parity was that if a bushel of wheat could buy a shirt in 1909–14, it should buy a shirt today. Am I right? I want the gentleman to agree with me. Because the bushel of wheat costs more to raise, they want two shirts, maybe. But can we not remind the people here today that the shirt manufacturer says that the shirt has cost so much more to make that he wants 2 bushels of wheat? That problem is going to be pressed today. I think the gentleman's opinion will be very valuable to us if he will say that I am right or that I am wrong in the discussion of what parity may be.

Mr. HALLECK. The gentleman is ingenious. He comes from the great State of Massachusetts. I have undertaken to say what parity is and I have said what it is. The definition of parity as given by the Department of Agriculture includes taxes and interest. Those are items in the cost of production of the farmer. I do not know what other items have been specified or may be specified, but the farmer's cost of production is certainly an important consideration. The only thing on which I insist, as I said before, is that the farmer get a square deal with the industrial worker and vice versa. It is no secret that workers are leaving the farms all over the country to take $8-, $10-, and $12-a-day jobs in industrial plants, and the farmers are finding it virtually impossible to meet the competition.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 2 additional minutes to the gentleman from Indiana.

Mr. COFFEE of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. The gentleman has advocated a price ceiling on cattle, the live animals, the feeder cattle. I am sure that if the gentleman investigated the situation he would realize that is a wholly impracticable job, especially for a price administrator and his army of inspectors. How in the world could that be done in view of the hundreds of different classifications and grades that exist?

Mr. HALLECK. I recognize that there are practical difficulties in the way of any such far-reaching proposal as this. Adequate price control is a tremendous undertaking. But there are the same practical difficulties in determining the grades of the cattle that go in from the corn farms as finished prime beef as there are in grading the feeder cattle. But I say again that except as you ceiling the price of the feeder calves that the feeders in the Middle West must buy to feed their corn to, you are going to squeeze them out. If you let the price of feeder stock go on unchecked, then you will have a continuance of the existing situation, one under which the feeders are saying, "We just cannot do the job."

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman spoke about labor leaving the farms and going into industry. The greatest offender in this respect is the United States Government. Everything the Government is doing it is doing on a cost-plus basis. It is paying enormous wages, but unions are striking for more and more. The contractor and the union man go down the street arm in arm, and they say, "Raise them up, we will get it out of the Government." They are going to the farmer and taking his labor. That is what the trouble is.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Labor being the largest single item the farmer purchases in making his crop, does the gentleman believe labor should be included in the parity formula?

Mr. HALLECK. If I undertook to enter into a lengthy discussion of that, it would take up more time than is available. I have given the subject a lot of consideration, but I did not in the statement I made here undertake to develop that question. It is obvious that the cost of production as it affects the farmer is a highly important one. After all, if the farmer does not get back more than his cost of production, he has no profit, and obviously he cannot be said to prosper under that condition.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a list of farm commodities above parity and a list of farm commodities below parity.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, every contemplated move at this critical time in our Nation's history—legislative or otherwise—by Congress or by any other branch of our Government, should be measured by the yardstick of how much will this move contribute to winning the war, preserving our form of government, and preventing economic chaos.

SURPRISED AT TONE OF MESSAGE

While I was surprised at the tone of the President's recent message to a heretofore and now friendly Congress, I welcome his effort in bringing to the fore the important questions presented by

him as I believe there is more or less misinformation spreading over the country in relation to these problems. Every person in and out of Congress is in sympathy with the general objectives of the President's program, mainly to bring under control the price of living and prevent inflation.

FARM LABOR SCARCE AND HIGH

However, let me emphasize that no step should be taken that will imperil the production of food—the most essential item for winning this war. Farmers and livestock producers today are faced with unprecedented high costs of production on every front. Farm labor is so scarce that it is nearly impossible to secure at any price. This has been caused, primarily, by the wages paid by the Government on cost-plus contracts for ships and other war material. Wages on some of these projects range as high as $1 to $1.50 per hour for common labor. Then there is the operation of the draft act, voluntary enlistments in the Army, Navy, and other branches of our armed service, and other factors.

We in Montana are so pressed for farm help that we are required to pay from $6 to $8 per day for help to stack our hay and harvest our other crops, and as high as $4 to $5 per day for 10-year-old boys and women. These wages include board and lodging. There is no market for this expensive hay, but we stockmen and farmers must have it to carry on our business. It is an essential product of the farm. Without it we cannot raise beef cattle and sheep. Some ranchers this year were so pressed for labor that they did not attempt to put up their hay. They turned their stock into the meadows to feed and planned to market them as beef this fall. Next year they will have no beef to feed our defense workers and our fighting men scattered all over the world.

MACHINERY REPAIRS SCARCE AND HIGH

On the second front is the tremendous increase in the cost of repairs to farm machinery; that is if these needed parts can be found at all, at any price. Large quantities of badly needed machinery were not used this year because of the inability of farmers and stockmen to secure repair parts.

Taking these factors into consideration, the farmers' and stockmen's cost of production has risen tremendously of late.

FARMERS SELLING OUT AND MILK SHORTAGE

We have been in this war scarcely 9 months as an active participant and yet we find the spectre of a food shortage looking at us. Through the administration of the Selective Service Act and the wages being paid in war industries both for skilled and unskilled labor, many farmers have liquidated their holdings, either in order to meet a draft call or to enter employment in war industry. The auction crier is already swinging into action on many of our ranches and farms. Moreover, in my own State of Montana 75 percent of the milk-marketing areas now have an actual shortage of milk for human consumption and rationing of milk, so vital to the human diet, is on the way. Through the application of the Selective Service Act in my State, 332 expert dairy workers have already been taken from dairy farms, and a total of 3,821 cows have been removed from the channels of fluid-milk production in these areas. These milk cows are now on their way to slaughter. No lack of loyalty is involved in this situation. These men were drafted to our armed services from this vital industry.

There is no element, group, or class of people in the entire United States more patriotic and more willing to serve and sacrifice to win this war than the American farmer. Their hours of labor range from long before the first rays of the morning sun break over the horizon until darkness sets in. Long have they worked for small incomes to feed a vast nation.

CANNOT WAG DOG BY TAIL

Let us be cautious about making any such move as will put these people out of business. It is my belief that the prices received by farmers and stockmen as used in determining controlling factors in the cost of living and causing of inflation have been overemphasized. Trying to control the price of living by controlling these farm prices at the source is like trying to make the tail wag the dog.

The farm population of this country represents about one-third of our total population. The total income of this country last year was about 90 billions of dollars. Of this 90 billions, our farmers, representing one-third of our population, got about 6 billion 700 million.

It is said this year the farmers' income will be doubled and will reach the highest point in history. How can this be when the prices of farm products today are but one-half of those received during the last World War?

But even if the farmers' income this year reaches a maybe 15 billion, this group of our citizens will not be getting an equal share of our national income. The other 80 billions of dollars will go to the other two-thirds of our population. That is hardly equal distribution.

Let me cite some further figures that are of interest.

In 1920 the nonfarm family income was around $1,857 a year. The retail cost of all food prices was about 37 percent of this income. Fluctuations in the family income occurred off and on until in 1942 we find, that, from May to July, the average income for this nonfarm family had mounted to an annual income of $2,336 at retail prices, but 22 percent of this income was absorbed for food.

It will be observed that as nonfarm income goes up, the percentage of this income spent for food declines. Right now it is lower than it has been for 20 years.

Going back to this nonfarm family in the 2 years cited, namely, 1920 and 1942, in both of these years we find that on the average, a farmer and stockman got about one-half or 11 percent of the 22 percent that the nonfarm family spent for its foodstuffs. In some instances, say for bread, and other flour products, the farmer would not receive 50 percent of what the nonfarm family spent for such necessities but would only receive 15 percent for such products.

It has been said by high authority that if farmers produced wheat free of charge, the average person would save less than 1 cent a day on bread. It is needless to say that bread and other flour products are the staff of life, especially at a time like this. It is also needless to say, that on the basis of these figures, the farmer is definitely not a war profiteer as has been charged.

My conviction is that with the current high level of consumer demand, it is nearly certain that most retail prices would hold at present high levels even though farm prices were reduced, unless this should be followed through by a forced downward move of maximum prices at retail by the Office of Price Administration.

Among other factors, the price of which enter into the cost of living, are rent, light, heat—the latter especially important in our northern and western States—exorbitant interest rates on sales contracts—with which practically every American family is burdened—transportation, clothes, social security, medical and dental care, cosmetics, repair and maintenance of homes, education of children, entertainment, and countless other necessities. Maybe the prices and costs of these essentials should also be controlled.

READ PARITY LISTS

Legislation is now sought to fix ceilings on the prices the farmer receives for his products. It is alleged that this price should not be above parity. I have gone into this question of farm products selling today both above and those selling under parity prices, and I find that 76 farm products are selling above parity price and 74 below. Each list, in my opinion, is of importance in a family's diet. You will see that the list is not much out of balance. I am attaching hereto such lists for your information.

If we bring up to parity those products which are now selling under parity prices and reduce those which are selling above parity, we will not see any noticeable change in the cost of foodstuffs.

COST OF PRODUCTION IN MONTANA

Owing to the climatic and soil conditions, different sections of the country are adaptable to the production of different varieties of foodstuffs, all of which combine in the aggregate to contribute to the living of an average American family.

For instance, in our great northwestern country, of which Montana is a major part, the principal crops are wheat, rye, oats, barley, sugar beets, hay, beef, mutton and wool, beans, and other minor vegetables and fruits.

You will observe that wheat, barley, oats, sugar beets, and hay are listed under parity. Beef, lamb, and wool are rated above parity.

It is estimated in the December 1941 issue of Crops and Markets that the cost of producing and marketing a bushel of wheat in a State like Montana amounted to 86 cents, including rent, or 65 cents excluding rent. Those figures were taken from a 10-year average. Wheat in

Montana is now selling for from 92 to 99 cents a bushel, depending upon the quality, scarcely more than the cost of production. In 1940 the estimated cost of a bushel of oats was 40 cents, including rent. Oats are now selling for about that same price. Other farm products are selling at about the same ratio.

As to cattle it has been estimated by economic authorities of the Department of Agriculture that the average cost of producing a beef in the range country of the West under present circumstances is as follows:

Four-hundred-pound calf, $40.

Seven-hundred-pound yearling, $60.

Nine-hundred-and-fifty-pound two-year-old, $85.

One - thousand - two - hundred -pound grass-fat three-year-old, $110.

These figures I have quoted represent actual cost of production covering the past few years. I raise cattle myself and from my experience and knowledge I would say they are about right. Some cattle in Montana are selling for slightly above these figures. On the basis of parity, this 400-pound calf mentioned above would bring about $33, or about 18 percent lower than cost of production. The other animals would bring correspondingly lower prices.

If we apply the strict rule of parity and the formula currently used and say to the stock growers: "You must take parity for beef—and let me include sheep and other livestock in this list—on foot," we will sweep the ranges clear of cattle and maybe sheep as the cost of actual production will be far above what they are calling parity. On the basis of parity a stockman would get $8.24 per hundredweight for his beef animals.

PRESIDENT ON PARITY

The element that is lacking in the formula fixing parity is the absence of taking into account wages for farm help.

The President in his message to the Congress on September 7 this year very aptly covered the matter when he said:

> After all, parity is, by its very definition, a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production, including the cost of labor.

Farm labor, from the days of 1909–14 up to the present, have risen at least 200 percent. And industrial wages have been upped at least correspondingly. This increase in industrial wages from 1933, at the time the parity law was written, to the present time also has not been accounted for in the formula.

Suppose a critic of a plan to include farm wages in parity were to spend a couple of days on the average American farm or ranch. He will see the wife, and in nearly all instances also a mother, rising at the crack of dawn to carry on the household work and perhaps help in the field during these trying times. A little later, the children, both boys and girls, will be getting out to their respective odd jobs before trudging off to school or joining with the work in the fields. Maybe they are running the milk separator, carrying in wood and water, taking in the milk cows and returning them to pasture, and a thousand and one other things that only youngsters do so well. The old man is not idle either. From the minute he rolls out of bed until long after dark he is busy managing the difficult job of operating the farm. Not only does he manage but he works the day throughout. At nightfall you will find this family's work still unfinished.

The farmer, the wife, and the children are allowed nothing as wages in this parity formula—neither are they allowed anthing for the wages they pay hired help. Give these folks or each of them even a small percentage of what we pay to others then you will see the formula for parity blown into a cocked hat. In order to be fair to the farmer the parity formula must be changed to include farm wages and something for the family's work if parity is going to be the measuring stick of farm prices.

FEAR OF CATTLE FEEDERS AND SHORTAGE OF BEEF

Let me point to another illustration showing how ceiling prices and parity affect the stockmen:

Cattle feeders are today fearful of filling their feed lots on account of the Government's threatened reduction in the price of beef. In this connection we of the Northwest have an active market for our spring calves in the fall. This year, owing to the uncertainty of what steps are to be taken to control the cost of living, feeders only in a few instances are contracting or buying our calves. To show the disastrous effect of this condition it is only necessary to point out that a spring calf in Montana will weigh somewhere between 380 and 400 pounds. That calf placed in a feed lot a year from this fall will have taken on close to 500 pounds, the increase of weight being made up of natural growth together with the poundage produced through scientific feeding. If these calves are not so fed, the Nation will lose in the neighborhood of 200 pounds of beef on each animal raised, as that same animal will not take on to exceed 200 to 300 pounds a year on the open range.

That would be a whole lot of beef for this country to lose at a time when every ounce and every pound is needed to feed our fighting men, our civilians, and our defense workers.

Again, I emphasize that the placing of a ceiling on live beef animals has scared the so-called feeder and unmatured beef are being marketed with a result that beef weighing from 100 to 200 pounds under what they would weigh if properly finished are being sold. We cannot afford to take this loss on our beef cattle and neither can the feeder, the stockman, or the sheepman.

Any ceilings on live beef or other meat animals at this time will not only cut production now but also in the future.

Moreover, ceilings could not be intelligently imposed on live animals without grading these animals by competent cattlemen. Cattle are marketed daily in thousands of places and on thousands of ranches and farms. It would take a vast army of trained men to determine the value of this stock. Furthermore, with the price arbitrarily set, there would be no competition among buyers. In a few words, ceilings on live animals will not work from a practical standpoint.

I do not believe it is the purpose of the administration or anyone else to force the farmer and the cattleman to produce below cost of production, especially in view of the tremendous profits now being made by thousands of others through high wages and Government contracts. The farmer, in a country such as ours, is entitled to his share as well as the shipyard worker, the munitions worker, and the owners of the giant industries which are turning out implements of war.

WOOL

Now a word about wool. It has been charged that the prices the sheepman receives for his wool have resulted in a sharp increase in the price of clothing for men and women. Let us analyze this complaint a moment.

A typical three-piece suit of clothes takes 3½ yards of woolen worsted material. Medium heavy weight wool weighs 14 ounces to the yard. Making of a suit requires 4.14 pounds of scoured wool or about 10.2 pounds of wool in grease as sold by the sheepman. Based on August 15 prices, the scoured wool in a suit of clothes cost about $4.60. This wool was sold by the sheepman at an average of 39 cents per pound earlier in the season, making a total cost of $4.73 for the quantity required for the suit. The August parity price of wool at the farm was 27.8 cents, and the comparable cost of wool in a suit at parity price was $4.34. These suits, mind you, retail at from $25 to $70. The wool grower himself probably gets 10 percent or less as his share of the cost of that suit.

MEN AND FOOD WILL WIN WAR

I need not emphasize that men and food will win this war.

Every child knows that the absence of either would be fatal. The best equipped and armed garrison in the world can be captured in a few weeks if it has no food. The soldiers on Bataan were starved into submission. If they had had sufficient food, including some good beefsteaks, perhaps the story would have been different. Let us not take a step that would cause us to wake up some fine morning and discover here in the United States a serious food shortage.

I trust that whichever course is followed by this Congress—whether the President is given blanket authority to fix prices or whether ceiling prices are fixed by Congress itself—that we will not destroy our vital food-producing industry.

WE CAN LICK OURSELVES

We all want the cost of living controlled, as well as inflation. There is no argument about that. But—and let me emphasize this—we must hit every head in the economic set-up that sticks up and contributes to the increasing cost of living and inflation. We should not single out a head to hit that is today under the general economic level.

I am not unmindful of the job of converting a peacetime nation to all-out war. The picture we must get fixed in

our minds is not one of this group or that group having the edge, but it takes all groups to fill in and round out an over-all picture. A chain is as strong as its weakest link. Our economy is as strong as it is at its weakest spot. The winning of this war is going to require the cooperation of every group and every man, woman, and child in this country. No group should be permitted to profit at the expense or at the cost of our general over-all effort, neither should any group be unfairly dealt with. Our enemies cannot lick us, but we can lick ourselves.

In closing let me again remind you that farmers, stockmen, and sheepmen for years without number have fed this Nation at tremendous losses. The records of the courts of bankruptcy are replete with evidence of the tragedies of these people. Let us not take a step in this critical hour that will not only cause repetition of these tragedies but imperil our war effort as well.

Farm products: Relationship of prices received by farmers to parity prices, Aug. 15, 1942

Above parity	Below parity
Rice, rough.	Wheat.
Dry field peas.	Corn.
Soybeans.	Oats.
Cottonseed.	Barley.
Potatoes.	Rye.
Sweetpotatoes.	Buckwheat.
Hops.	Grain sorghums.
Tobacco:	Flaxseed.
Flue-cured, type 11-14.	Cowpeas.
Maryland, type 32.	Velvet beans.
Maple sirup.	Beans, dry edible.
Maple sugar.	Peanuts.
Seeds:	Cotton.
Alfalfa.	Broomcorn.
Crimson clover.	Popcorn.
Orchard grass.	Hay, all (loose).
White clover.	Sweet sorghum forage.
Common rye grass.	Sorghum sirup.
Vegetables for fresh market:	Sugarcane sirup.
Artichokes.	Sugarcane for sugar.
Beets.	Sugar beets.
Cabbage.	Seeds:
Cantaloups.	Red clover.
Carrots.	Alsike clover.
Celery.	Sweetclover.
Cucumbers.	Timothy.
Kale.	Sudan grass.
Lettuce.	Redtop.
Watermelons.	Hairy vetch.
Vegetables for processing:	Vegetables for fresh market:
Asparagus.	Asparagus.
Cabbage.	Beans, lima.
Peas, green.	Beans, snap.
Spinach.	Cauliflower.
Tomatoes.	Corn, sweet.
Oranges, for processing.	Eggplant.
Grapefruit, on-tree:	Onions.
For fresh consumption.	Peas, green.
For processing.	Peppers, green.
Lemons, on-tree, for processing.	Shallots.
Apples:	Spinach.
For canning.	Tomatoes.
For drying.	Vegetables for processing:
Peaches for canning:	Beans, snap.
Clingstone.	Corn, sweet.
Freestone.	Cucumbers.
Peaches, dried.	Pimentos.
Pears:	Oranges, on-tree, for fresh consumption.
For canning.	Lemons, on-tree, for fresh consumption.
Dried.	Limes.
Plums:	Apples.
Fresh.	Peaches, fresh.
For canning.	Pears, fresh.
Grapes:	Prunes:
Except raisin.	Fresh.
Raisin, dried.	For canning.
Apricots:	Dried.
Dried.	Cherries:
For fresh consumption.	Sweet.
Figs, dried.	Sour.
Olives:	Apricots, for canning.
Canned, ripe.	Figs:
Crushed for oil.	For fresh consumption
Pineapples, Florida.	For canning.
Cranberries.	

Farm products: Relationship of prices received by farmers to parity prices, Aug. 15, 1942—Continued

Above parity	Below parity
Red raspberries.	Avocados.
Black raspberries.	Dates.
Loganberries.	Pecans:
Gooseberries.	Seedling.
Blackberries.	Improved.
Almonds.	Walnuts.
Hogs.	Gum rosin, all grades.
Cattle.	Gum turpentine.
Calves.	Sheep.
Lambs.	Horses.
Milk cows.	Mules.
Butterfat.	Turkeys.
Butter.	Honey:
Milk:	Extracted.
Wholesale.	Comb.
Retail.	Beeswax.
Milk equivalent.	
Chickens.	
Eggs.	
Wool.	
Mohair.	

Mr. FISH. Mr. Speaker, I yield myself as much time as I may desire.

Mr. Speaker, the problem before us is that of defense against inflation and its ruinous consequences to the American people. We must realize that our standards of living will be reduced as a result of war and the attack on Pearl Harbor. It is inescapable. All elements of the American people are ready and willing to make sacrifices on an equitable basis to help win the war. The position of the great farm organizations, including the National Grange, of which I am a member, is that they are willing to reduce the 110 parity price provided any ceiling placed on farm products should include cost of farm labor as set forth in the parity formula and control of industrial wages comparable to farm price control. The New York State Farm Bureau Federation, through its president, C. C. Dumond, has made similar recommendations to me. All the farmers are asking for is a square deal and a right to survive and maintain their farms and investments and make a reasonable profit.

The dairy industry is the largest single industry in my district and the dairymen in the Hudson River Valley are eking out a precarious living at the present prices.

The metropolitan newspapers are always saying the farmer is getting too much. The fact is that the farmers and dairymen of the Hudson River Valley have not been getting enough. It is sheer nonsense to say that the farmers in my district are profiteering. I know that is not so. They are not receiving a decent return on their investments and labor. The big city newspapers apparently do not know that the farmer sells wholesale and buys retail. The appeal of defense wages is attracting many off the farms, as the farm income will not permit an increase in wages, and the draft is taking farmers' sons between 20 and 44 years of age. Our farmers are regimented, taxed right and left, but obtain no benefit or increased income. It is time the press stopped intolerant and unfair attacks upon the farmers who are entitled to receive fair prices for their products, and this applies specifically to the dairymen of Dutchess, Orange, and Putnam Counties. The farmers of my district are having a difficult time to make ends meet, due to increased cost of all farm equipment, increased cost of dairy feeds, and the rise in price of everything they buy.

Mr. Speaker, I ask unanimous consent to include in my remarks at this point a telegram from Fred H. Sexauer, president of the Dairymen's League Cooperative Association of the State of New York, which explains the point of view of most dairy farms in the State of New York. The sons of our farmers and dairymen are being inducted into our armed forces and the problem of capable farm labor is becoming more serious every day. Mr. Sexauer is right in warning that unless the farmers and dairymen are treated fairly and placed on an even basis with labor and industry there may be a serious food shortage in our own country.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to is as follows:

NEW YORK, N. Y., *September 21, 1942.*

Hon. HAMILTON FISH,
House of Representatives,
Washington, D. C.:

Dairy farmers cannot continue to produce adequate amounts of milk and milk products under prices allowed by proposed Wagner price-ceiling bill. Present parity formula in bill would reduce prices to farmers and eventually result in reduced volume of production, extensive food rationing, and eventual food shortage. Even now Secretary Wickard and Under Secretary Appleby are quoted as predicting food shortages next year. Further discouraging farmers by inadequate price ceilings is dangerous. Urge you support amendment to include wages in parity formula as recommended by four national farm organizations. Anything less than amendment urged by National Grange, American Farm Bureau, National Council of Cooperatives, and National Cooperative Milk Producers Federation will seriously threaten the Nation's food supply. Even with this amendment food supplies cannot be assured if public officials and public press continue to discourage farmers by continued condemnation. Urge you again to follow unanimous suggestion these national farm organizations.

FRED H. SEXAUER,
President, Dairymen's League Cooperative Association.

Mr. FISH. To show how seriously the draft is affecting the labor problem on the farms in my district I am including a letter signed by approximately 100 farmers and residents of Orange County asking me to help obtain permanent deferment for a third son aged 44 years to help his 75-year-old widowed mother to run a 185-acre farm with a dairy herd of 30 cows, and I shall do everything in my power to have their proper request granted.

WALTON LAKE, MONROE, N. Y.,
September 18, 1942.

Hon. HAMILTON FISH,
Congressman, Washington, D. C.

DEAR SIR: We, the undersigned, residents of Orange County, N. Y., are appealing to you in behalf of Mrs. James Henry.

Mrs. Henry is a widow, 75 years old, with a dairy farm of 30 cows and 185 acres of ground. Her three sons, who were working the farm for her, have all been drafted. Gerald S. Henry is in camp in Colorado; James G.

Henry reported for induction today. The oldest, Charles R. Henry, who is about 45 years old, received a postponement till December 22. This will leave Mrs. Henry absolutely alone with no help. The local draft board to whom she appealed advised her to obtain help and "break them in" to work her farm.

The fact that only last Saturday four farmers in this vicinity were obliged to sell out because of being drafted, is sufficient to show how utterly impossible it is to obtain any help, especially farm help.

The Government asks us to use more dairy products because of meat shortage, and the farms in this vicinity are all dairy farms. We feel that Charles R. Henry will be serving our glorious country in the best possible way by running the farm for his old mother, and thus saving another splendid farm from being deserted.

We turn to you as our Government representative in behalf of these people, who are among the very finest of our citizens, dependable and hard working. We know that you are interested in our welfare and will do all in your power to come to Mrs. Henry's aid.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina [Mr. FULMER].

Mr. FULMER. Mr. Speaker, I have thoroughly enjoyed the splendid address delivered by my colleague the distinguished gentleman from Indiana [Mr. HALLECK]. His speech is very timely, considering the serious problems confronting the farmers of this country at this time.

I want to call to your attention that under the provision as carried in the price-control bill, known as the 110-percent parity provision, it was thought by all of those who were interested in agriculture that with a bottom of 85 percent, that with the leeway above actual parity of 110 percent, and the 85 percent bottom, in the fluctuation of prices up and down it might be possible for farmers to secure the average or the so-called parity.

In the bill that is now up for consideration you will find that the 110-percent provision has been eliminated. It is proposed in this bill to place a definite ceiling on actual parity or the price that may be agreed upon under the bill with a bottom under the loan plan of 90 percent of parity. Now, let me indicate to you just what this will mean to the manufacturers of the various products, the producer and the consumer, in that the manufacturer's price will contain a ceiling that will permit the purchasing of various commodities at the ceiling price, with his profit included therein. Now what is going to happen to farmers, those who produce a surplus, as is the case at this time, with many of the products such as corn, wheat, cotton, and so forth? Why, as a matter of fact, the minimum price, the 90-percent loan figure, will become the maximum price in that farmers operate as individuals and therefore have no control whatsoever over speculation and the monopolistic buying on the part of the other groups.

Now, I am very fearful that those who represent industrial areas, consumers and wage earners, may get the idea that if these farm products are sold based on the minimum price—10 percent below parity—that it will be helpful to their constituents. What a joke. The manufacturers of wheat and cotton will have the ceiling on their manufactured goods—flour and textile goods—based on the farmers' ceiling price, so-called parity, including every item of cost, wages, and a profit, therefore, there will not be a possible chance for the manufacturer, the jobber, or the retailer to increase their prices above these ceilings. This would mean that the buying of any of these commodities below the ceiling price would be simply adding to the profits of these concerns, at the actual expense of farmers. Under the present program this is absolutely true and I want to say to you that the manufacturers of wheat, cotton, corn—all of these surplus products that are now selling below parity—are simply adding millions to their profits as stated, at the expense of the farmer, without a possible chance of increasing their price to consumers above the fixed ceiling price; therefore those of you who represent consumers and wage earners should join with us in seeing to it that if the 110-percent provision is eliminated—and that is perfectly satisfactory to me—that the maximum fixed price should be the minimum during this duration.

I expect to offer an amendment tomorrow to make the maximum the minimum and will discuss this amendment at that time.

I now want to discuss with you at this time the President's message to the Congress on September 7, outlining a seven-point economic policy designed to establish the domestic economy of the United States during the period of the war. With all of these seven points I agree.

Certainly there is no more important matter pending in Congress than the passage, as quickly as possible, of the tax bill, one that will bear heavily on income and profits, having in mind dealing fairly with millions whose income is barely sufficient to buy the real necessities of life. We should realize, in the last analysis, that the consuming public—including millions of farmers and wage earners—actually pay the tax in added profits in the prices paid by them for that which they purchase.

The President states—and I quote:

If we are to keep wages effectually stabilized, it becomes imperative, in fairness to the worker, to keep equally stable the cost of food and clothing and shelter and other articles used by workers.

If only the President had continued his statement at this point with this additional statement: "And if we are to keep farm prices and consumer prices effectually stabilized, it becomes imperative to keep equally stable the cost of labor."

In other words, the one without the other would leave those in charge of the program just as helpless and as hopeless as they would be if they would put a ceiling on the manufactured price and did not control retail prices at the consumer's end of the line.

The President states—and I quote:

Cash farm income, including Government payments, has increased from $8,700,000,000 in 1939 to substantially more than $15,000,000,000 in 1942.

In that we will not know the exact figures for 1942 until after the end of this year, the President's guess as to the $15,000,000,000 may not be correct; however, if the President had also stated that the $8,700,000,000 received by farmers in 1939 was considerably below the just amount that farmers should have received according to the national income, then those who are not familiar with the income of farmers in comparison with the nonfarmer group would have been given the real picture which has existed in practically all of the past as to actual income on the part of the farm group, including subsidies, in comparison with the nonfarm group.

Purchasing power is derived from income. While the 1909–14 period probably represents the era of the highest purchasing power of agriculture for many years, it is, according to the figures, unjust. Although farmers had a higher capital investment in their industry than the average citizen, and although farmers worked longer hours than those engaged in any other industry, and although the farmer's wife and children added many hours of uncompensated work daily, the farmer's net income, even in that period, was far below the average. In other words, for every $2 the farmer received, a nonfarmer was receiving more than $7.

We have heard much during the past few years about parity. What is parity? Listen to the President, and I quote:

After all, parity is by its very definition a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include—

States the President—

all costs of production, including the cost of labor.

Can anyone deny the truth of this definite statement as made by the President? Is there anyone, or any group, in this country willing to deny farmers a price based on the President's formula?

However, with this definite statement on the part of the President, which is absolutely fair and in line with the operations of every other group, that is, taking into consideration the cost of labor, the bill as reported by the Banking and Currency Committee does not carry this provision.

Tomorrow I intend to bring up for consideration an amendment which I propose to the pending price-control legislation, H. R. 7565. My amendment will provide for the inclusion of all farm labor in parity calculations, but for price ceilings only. The amendment will be the addition of a new paragraph for price ceilings only. The amendment will be the addition of a new paragraph in section 3, on page 3 of the bill following line 14, which reads as follows:

For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

This amendment will simply mean that when price ceilings are established on agricultural commodities on the basis of 100 percent of parity, as section 3 requires, that all farm labor must be included in determining parity. The

words "all farm labor" used in my amendment mean just what they say.

The present parity formula, as you know, does not include any farm labor, but is based entirely on articles farmers buy, interest, and taxes. My amendment does not propose to alter this formula in any respect whatsoever so far as any other legislation is concerned. However, for price-ceiling purposes, my amendment requires the inclusion of all farm labor so that in any price ceiling established on an agricultural commodity, that ceiling price will reflect not only articles farmers buy, interest, and taxes, but also that other important element of a farmer's production costs, namely, labor.

Based on estimates of expenditures by farmers in the United States in the period 1924–29, all farm labor would have a weight of 38 percent. Articles farmers buy, interest, and taxes combined would have a weight of 62 percent.

All farm labor so weighted would be incorporated in the parity determinations by using the index of the average rates of hired farm labor as published by the United States Department of Agriculture.

The effect of adding farm labor in parity determinations is not to raise actual prices but to raise the ceilings below which prices of farm products cannot be fixed.

I am sure there is not a Congressman that does not fully realize the serious problem confronting farmers because of the draft service, and more especially the draining of farm labor, both skilled and unskilled, away from the farm due to the very attractive wages being paid by industry, as well as those in connection with war contracts. Unless something is done to remedy this situation—that is, enabling farmers to get a price for that which they produce so as to be able to pay increased farm wages—there is just one of two things that will happen: That is, either we are going to wake up with "too little" and "too late" or you are going to find those in authority coming in, requesting the appropriation of millions, to be used either in paying subsidies or in carrying out some kind of program suggested here in Washington, perhaps by those who do not know anything about farming.

LET ME GIVE YOU SOME FACTS ABOUT THE FARM GROUP INCOME

According to figures submitted by the Bureau of Agricultural Economics, I find that the income for 1910–14 amounted to $35,028,000,000, of which the farm group, constituting 34 percent of the total population, received 15 percent, or $5,202,000,000, while the nonfarm group, representing 66 percent of the population, received 85 percent, or $29,626,000,000. In 1930 the national income was $75,364,000,000, of which the farm group received 8.7 percent, or $6,568,000,000, while the nonfarm group received 91.3 percent, or $68,796,000,000. In 1941 the income was $92,397,000,000, of which the farm group received 9.7 percent, or $8,964,000,000, including Government subsidies, while the nonfarm group received 90.3 percent, or $83,433,000,000.

The only way to remedy this situation is to include in the price-fixing formula a fair wage to all wage earners on the farm, including the farm family. In other words, price alone—either on the things the farmers sell or on what the farmers buy—is not an accurate measure.

The result of the gross inequity has brought about the low standards of living on the farm, all of which has denied millions of boys and girls on the farm a college education and the farm group many of the conveniences, called necessities by nonfarmers, such as telephones, electricity, running water, bathtubs, and so forth.

Back in the old days about 65 percent of the farmers actually owned their own farm land. Today it is the other way around. Practically 65 percent of the farmers are either tenants or near tenants because of the total indebtedness on their farm lands and their private properties. According to the Bureau of the Census, 33 percent of the farms were mortgaged in 1910. Today 41 percent are mortgaged. In the meantime, according to Dr. Black, Farm Credit Administration, Land Bank Commissioner, loan payments are 15 percent delinquent at this time, with thousands of farmers becoming farm tenants, farm mortgages increasing with delinquent payments on mortgages amounting to 15 percent and yet they would have us believe that the farmers of the country are the most prosperous group that we have.

Now, let us take a look at the progress made by wage earners, nonfarmers.

The facts will show that for every dollar the factory worker had in his pay-roll envelope during 1910–14, he is now receiving $3.17. To prove this, let me give you the real facts concerning wages during the 1910–14 period and at present, and the percentage of increase up to the first of 1942 over the 1910–14 period:

Wage earners, cotton industry, averaged in 1910–14, 15 cents; today, 51½ cents; an increase of 315 percent.

Wage earners, boots and shoes industry, averaged in 1910–14, 24 cents; today, 64 cents; an increase of 277¼ percent.

Wage earnings, clothing industry, 1910–14, 22¾ cents; today, 65 cents; an increase of 284 percent.

Hosiery and knit goods, 1910–14, 17 cents; today, 57 cents; an increase of 277 percent.

Woolen industry, 1910–14, 18 cents; today, 71 cents; an increase of 415 percent.

Lumber industry, sawmilling, 1910–14, 19¼ cents; today, 60¼ cents; an increase of 315 percent.

Meat-packing industry, 1910–14, 20 cents; today, 80 cents; an increase of 322 percent.

Iron and steel industry, 1910–14, 30 cents; today, 92 cents; an increase of 413 percent.

According to a statement issued by Madam Perkins some days ago, and certainly these figures should represent the facts, she stated:

> Earnings of workers in manufacturing industries averaged 85 cents an hour in July—an increase of 1.1 percent over June, and 14.2 percent over July of last year.

Further quoting Madam Perkins:

> Hourly earnings of workers in durable goods industries averaged 94.6 percent in July—a gain of 14.6 percent in a year.

Now you will note that the increases in wages referred to by Madam Perkins are much larger than some of the prices just referred to in my comparison of the wage prices during 1910–14 and during the first of this year. Now these figures do not apply to wages being paid by contractors who are operating under the plus-profits contract program, where the sky is the limit, neither do these wage figures apply to the wages paid at the various navy yards of the country, for instance where unskilled farm labor is now receiving from $60 to $75 per week.

Listen to this statement:

War appropriations now amount to over $200,000,000,000. Based upon Admiral Fisher's statement, the total contribution to labor, in overtime, would amount to over $16,000,000,000, which the taxpayers are asked to pay—at least $4,000,000,000 more than the whole farm group will receive in 1942 in income, including subsidies.

I received a letter some days ago from a member of the cotton exchange, New York, in regard to increased wages. I quote:

> A Negro ex-cotton picker working on the New York Cotton Exchange, paid $25 per week, is now working in the navy yard at $100 per week, or around $5,000 per annum. Painters on the cotton exchange, paid $12 per day, are now drawing $140 per week, or around $6,000 per annum, working on an 8-hour-day basis.

On September 12, 1942, there was a conference held in Memphis, Tenn., for the purpose of discussing farm wages. According to an article carried in the Cotton Trade Journal, Mr. John Brewster, of the United States Department of Agriculture, Washington, was present and spoke concerning the agreement that had been made between the United States and Mexico, guaranteeing imported Mexican labor a maximum of 30 cents per hour for farm work. It is also my understanding that they will be paid for transportation costs and will be furnished housing facilities.

In the meantime, it is my understanding that cotton pickers in the great State of Texas, where they produce much larger quantities of cotton than perhaps any two other Cotton States in the Union, were striking for a wage rate based on the proposed wages for Mexicans. It would appear from this that those in authority are perfectly willing to pay to Mexican wage earners 30 cents per hour, with other special benefits attached thereto, but when it comes to giving to farmers a price for their products which would enable them to pay to our own wage earners on the farm a fair wage, one that they are clearly entitled to, and one that farmers are now unable to pay because of the prices they receive for their products, that the only way they will be able to secure same is by organizing and striking, in line with other well-organized labor groups. I am wondering if we are going to wait until this happens.

I want to quote from an article carried in the press on September 17, quoting Mr. Wickard, Secretary of Agriculture:

If a patriotic appeal for men to stay on the farm won't work, then we will have to make some other approach.

I have a very high regard for the Secretary, but I can assure him, and I can assure you, that while the wage earners on the farm, as well as the farmers themselves, are just as patriotic as any other group, and while they are perfectly willing to sacrifice in line with every other group, they are not going to stay on the farm and labor long hours, at hard work, with the prices that are now being paid on the farm, and, as stated by Mr. Wickard, something is going to have to be done to remedy this situation.

My contention is for fair prices for farm products that will enable the payment of fair wages, along normal lines, on a common sense basis, without creating some new, untried program or the paying of subsidies or bringing about a disturbance with farm labor as was the case with the cotton pickers of Texas on account of the arrangements with Mexican labor.

Mr. FISH. Mr. Speaker, I yield the balance of my time to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, we received this bill about an hour and a half ago and this is the first opportunity we have had to know what is in the measure. We are going to debate it today and tomorrow we vote on it.

In this bill it is stated that the purpose is to aid and effect the prosecution of the war and it is also stated that the President is authorized and directed to stabilize prices, wages, salaries, and other factors affecting the cost of living. It goes on to stipulate a few things which probably will be regulated to a certain extent, but it puts into the hands of the President the question of the regulation of all prices. He has had that power for months.

As was stated by the gentleman from Illinois [Mr. SABATH] a while ago, he has had that power. In his speech of September 7, he stated that unless the Congress regulated the prices of commodities by October 1, he would do it. All you are doing in this bill as I see it is simply saying, all right, Mr. President, go ahead. We delegate our power to you.

I am not in sympathy with that kind of legislation and I want you to understand that. When you come to section 4 of this bill, all labor that has not been granted a 15 percent increase since the first of the year is going to be granted automatically a 15 percent increase—15 million or more wage increases. The farmers are going to have to stand their share of that increase and that, in turn, is going to increase the price of farm commodities.

I am not so much opposed to the increasing of the wages of those who receive 40 cents an hour or less. I think that ought to be done. But I am opposed to permitting the Government to grant cost-plus contracts on all the things they are doing and in that way create a demand for high-priced labor, so that the contractors will go to the farms and say to their help that they will pay them more money in industry than they can get on the farms. This is the trouble today and this is the reason farm labor is migrating to the industrial centers. The man working on the farm can get more money working in the industry of Uncle Sam and then the labor organizations are interested in increasing wages and the more they get, the more the farmer has to pay for his labor and the more wages paid for labor, the greater the burden that the taxpayers of this country have to bear.

And now the contractor and the labor union organizer are going down the street arm in arm, saying, "Uncle Sam, we want more money for the production of these articles"; and they go to the War Department and to the Navy Department, and they say that it costs more to do the job, and up they jack the price, and we are in an awful mess, I would say. High costs and high prices and getting higher every day.

Mr. DEWEY. Mr. Speaker, will the gentleman yield?

Mr. RICH. You are going to put this in the hands of the President. He has not done anything about the high cost of the labor situation for the last 2 years. Does anyone think he is going to do anything about it now? I do not. I yield to the gentleman from Illinois.

Mr. DEWEY. I wish to correct one statement. The gentleman said 15 percent increase would be from January 1. That would be from January 1, 1941.

Mr. RICH. Yes. I am glad to have that correction. With this section 4 in the bill they may make all of these increases and no doubt they should, but what they have to do is to stop these fellows getting $1 and $1.50 an hour, and these racketeer labor unions from demanding these high prices, and then striking for still higher wages.

I think the Congress should appoint a committee to regulate these prices and assume the responsibility and not pass the buck to the President. I am tired of rubber stamping everything to the Chief Executive; the country does not want it. So let us appoint our own committee to handle inflation and let us do it in this bill. Let us regulate profits, and labor, and agriculture—everything that will hold inflation on an even keel.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. SABATH. Mr. Speaker, the gentleman from Pennsylvania [Mr. RICH] tries to make people believe that all Government contracts are being let under the so-called cost-plus basis. Such is not the fact, and he should know it; if he does not know it he is so informed right now.

My friend and colleague from Indiana [Mr. HALLECK] stressed that the feeders will be obliged to go out of business, because they will not make sufficient profit. Other gentlemen who have addressed the House today fear that the farmer is not going to make the profit to which he is entitled, because the price of farm labor has increased. That is because farm boys have gone to the cities; and I admit that some of them have really been drafted for the war. There is something that gentlemen of the House have failed to realize or to recognize, namely, that we are at serious war, confronting real dangers, and that we should stop talking about profits and selfish advantages and think only of and work for the good of the country.

We must sacrifice wholeheartedly in the interest of our country, which we love so much, as the greatest country in the world, where we have a free, enlightened, and independent people under the best form of government yet devised by man. In view of that, I hope gentlemen in the future will take into consideration we have a plain duty to perform for our country. Let us forget about all kinds of profits and shun all special and undue advantages and prove ourselves worthy of our great citizenship and privileges by a befitting conduct in a time of our country's danger and need.

The SPEAKER. The time of the gentleman from Illinois has expired. All time has expired. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7565, to amend the emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7565, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. STEAGALL. Mr. Chairman, I take it for granted that we of this body are all in accord with the view that all necessary and legitimate steps should be undertaken to prevent inflation in the United States. Speaking for myself that is my attitude, and that attitude has been disclosed time and time again throughout the period of my service as a Member of the House and as a member of the Banking and Currency Committee of the House. In this connection I call attention to the fact that during the first session of the Congress after I became chairman of the Committee on Banking and Currency of the House, that committee, after prolonged and diligent studies, reported a bill to stabilize the purchasing power of the dollar. That bill was designed to stabilize values in normal times. That bill directed the use of all of the powers of the Federal Government, the Treasury with all of its operations and the Federal Reserve System with its vast powers, including open market operations. In the House that bill received a vote of approval with only 60 Members voting in the negative. So at this time when the Nation finds itself in the most abnormal economic situation that has ever confronted us, the need for a stabilization of values, is accentuated as never before in all of our history. I do not know of any group, or of any great class of our

citizens, who do not subscribe to the view that we should establish all legitimate safeguards that can be imposed by our Government to prevent a period of inflation with all of its harmful developments. In January of this year we passed a bill to accomplish this purpose, and that bill is now law. It is contended that that bill is inadequate, and that further legislation is necessary if those in charge of the administration are to be properly equipped to render the desired service. In response to that view, and to the message of the President of the United States, the Committee on Banking and Currency present to the House today a measure amending and supplementing the original Price Control Act. That leads us to a discussion of the proposed changes and the additional authority that would be conferred under this bill. With only slight exceptions the present act would not be disturbed under the provisions of the bill now under consideration. This bill attempts to leave the original measure in full force and effect, excepting in certain details to which I shall refer later, and to confer upon the President of the United States certain powers and authority in addition to the powers conferred upon the Price Administrator by the original act.

In the present law certain limitations were imposed upon the power of the Price Administrator in fixing ceilings on prices of farm commodities. In that act there are four specific limitations upon the power of the Price Administrator to fix ceilings. One would not permit the Price Administrator to deal with utility rates. Another would prevent any action on his part in dealing with transportation rates. Another would prevent the Price Administrator from fixing any ceilings on labor. Still another limitation would exempt from his action any regulatory ceilings upon charges made by the press for advertising. There are no exemptions in that bill other than those just stated. I make that statement in view of the fact that we hear statements now and then to the effect that there are other exemptions in the original Price Control Act. There were embodied in that act certain specific limitations—not exemptions, but limitations—upon the power of the Price Administrator with respect to farm commodities. One of those provisions has received a great deal of comment and a great deal of criticism. I might confess, if it will give any satisfaction to anybody, that I am the chief culprit in that connection. But let me say this: I do not know of anybody who will make the statement that the farmers of the country should not receive prices for their products as high as the price based upon the parity concept which is written into existing law and with which I am sure all of us are familiar. Much criticism has been directed against the 110-percent parity price limitation upon the power of the Price Administrator in the original bill. That provision, designed to assure the farmers of the country a price equal to 100 percent parity, as defined in the law. In order that that may be understood, if anybody does not at this time understand the matter, a moment's reflection will convince anyone that if a limitation simply provides that a price may not be fixed at less than the parity price, in practical operation it would be impossible to maintain a parity price. If you fix a price at parity, all operations in the market, all speculation, if any, all transactions would have to be based upon recognition of that limit. So that many operations would be below parity and we could not sustain a parity price with such a limitation.

Much has been said that would leave the impression upon people who do not understand the situation that that provision in the law guaranteed 110 percent parity price to the farmers of the country. Nothing is farther from the fact and such was not intended or expected. Under the present bill we provide a new formula for the establishment of ceilings on farm commodities and we confer power, not upon the Price Administrator or anyone who might become Price Administrator, but we confer authority upon the President of the United States, and it is authority separate and apart from the powers conferred under existing law upon the present Price Administrator.

In this bill we provide that no ceilings shall be established that will not reflect 100 percent parity price to the producer. There is quite a difference between establishing a price ceiling at 100 percent and a ceiling that will reflect 100 percent parity price to the producer. So, the provisions of the present act and the bill under consideration differ in that respect, but the main purpose in this measure, as in the original act, is to make sure that the farmers of the country would not have the Government lower their prices below parity. There is no guarantee, of course. There is no floor at parity, the purpose simply being that the Government shall not arbitrarily fix a ceiling that will not permit the farmer to receive parity for his products. That is the provision of the present bill and it was substantially the purpose of the original bill, which is now the law.

We have included in this bill still another limitation which provides that no ceiling may be established on any agricultural commodity below the highest price received by farmers between January 1, and September 15, 1942. In addition, of course, this bill, as did the original bill, attempts to safeguard the purpose in this connection by a provision which would prevent a ceiling upon finished or processed articles, processed from agricultural commodities, which would indirectly beat down the price below parity.

Those are the provisions in this bill, and such is the relation between the provisions of this bill and existing law with respect to farm commodities.

There is another provision in this bill to which I wish to call attention and which I think is of most stupendous importance, and without which we could not maintain equitable price levels or anything approaching fair prices for any class of farmers. We have provided in this bill that loans on agricultural commodities and purchases and other operations in connection with farm commodities, not only as applied to basic commodities but as to all commodities where the Department of Agriculture has sought to bring about increased production, shall be made on a basis of 90 percent of parity. We provide in that section that those loans shall be extended for a period of 3 years following the termination of the war. This would put a floor under farm prices after the war. It will be remembered by all that we had an inflationary rise in prices during the first World War. Farm prices then went to twice what they are now.

After the war practically everything stayed high except the price of farm commodities. They dropped at a rate never before equaled in history. Take, for instance, the case of wheat. The high point reached by wheat during the last war was $2.50 a bushel. It went down to 30 or 40 cents. Cotton went above 40 cents, even as high as 42 cents, but during the time following the termination of the war it dropped to 5 cents. Farmers also found themselves burdened by debts contracted on the price levels prevailing during the period of inflation. Prices of everything fell except on what the farmer had to buy. The result was an economic collapse that destroyed the solvency of the Federal Land Bank System. It brought on thousands of bank failures and resulted finally in the closing of every bank in the United States. Then followed a period of suffering and distress unparalleled in the Nation's history, with hunger, nakedness, bread lines, millions of unemployed, and Government relief—all this in the midst of unprecedented production of all the necessaries of life. We are undertaking in this bill to safeguard the people of the United States against a repetition of that horrible experience which must forever discredit the leadership of that time and those whose duty and responsibility it was to have dealt constructively and intelligently with that situation. We hope by this legislation to benefit by that horrible and unhappy experience.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield myself 3 additional minutes.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. CUNNINGHAM. I was much interested in the gentleman's statement to the effect that wheat dropped from $2.50 a bushel to as low as 39 and 40 cents. I concur in that statement, and will state further that the same thing happened proportionately with the price of corn. Does the gentleman believe that much of that rise and subsequent drop was due to speculation on the board of trade?

Mr. STEAGALL. Yes; to some extent; but speculation could not do that if the provisions of this bill are written in the law.

Mr. CUNNINGHAM. My question, then, is this: The bill providing 90-percent parity loans leaves 10 percent for speculation on the board of trade?

Mr. STEAGALL. If people want to be so ill-advised as to speculate on that margin, the answer is "yes."

Mr. CUNNINGHAM. Would not speculation on the grain market be done away

with by making the floor parity as well as the ceiling? Would not that take away the gambler's profit?

Mr. STEAGALL. That might be the case, or it might not; it depends on the kind of speculation there is. You can run the market up as well as down, though not so easily sometimes.

Mr. CUNNINGHAM. Not if the floor price was parity and the ceiling price was parity.

Mr. STEAGALL. They could run it up to meet the parity price.

Mr. CUNNINGHAM. People would not be that foolish.

Mr. STEAGALL. They would speculate within whatever limits they found.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. TARVER. I am interested in the gentleman's construction of that portion of section 2 which directs that the President may suspend any provisions of law relating to the establishment of prices.

Mr. STEAGALL. If the gentleman will allow me to interrupt him I think I can clear the matter up in a minute.

Mr. TARVER. Certainly the gentleman cannot understand what I want to have cleared up until I complete my statement.

Mr. STEAGALL. I shall be happy to have the gentleman proceed.

Mr. TARVER. That language appearing in section 2 provides that the President may suspend any provision of law relative to the establishment of prices, and so forth. Does that, in the gentleman's opinion, include suspending any of the provisions of this bill should it be enacted into law?

Mr. STEAGALL. That is what I had anticipated was in the gentleman's mind. I interrupted merely in the hope of saving time.

I may say to the gentleman from Georgia that that language appears in the bill through clerical error in the final drafting of the legislation. It was not intended to be in the bill and is expected to go out by consent of the committee, and I shall make a request to that effect when we get to the consideration of the bill for amendment.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield for a question?

Mr. STEAGALL. I yield to the gentleman from Montana.

Mr. O'CONNOR. Would the gentleman say that the President has the power under the general clause of correcting gross inequities to provide in the parity formula for the adjustment in connection with farm prices due to labor costs?

Mr. STEAGALL. There would be some question about that. The language of this bill attempts to deal with this matter on the basis of parity.

Mr. O'CONNOR. Was that language intended to give the President that power?

Mr. STEAGALL. There was a difference of view in the committee as to whether we should include the cost of labor. It was not the intention of the committee that that should be incorporated. But the President could give any matter weight that might seem desirable, since he would not have to fix ceilings until price levels reach a point that in his judgment made it necessary to do so.

Mr. O'CONNOR. I saw something in the newspapers to that effect.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is it not true, as suggested by the gentleman from Montana, that if it develops the price of farm labor is so high it would result in a gross inequity, there is nothing in this bill that would prohibit the President, in addition to the parity price, giving consideration to the ceiling and providing for that difference?

Mr. STEAGALL. The President, in dealing with the gross inequity as such, would have the power to fix his ceiling accordingly. He cannot fix the ceiling at less than the standard, but as to specific legislative intent that the President shall consider the cost of labor in connection with farm parity, that is not in the bill. Farm labor is not included in the calculation of parity in the 1909–14 base. That basis was established upon certain designated articles of costs on the part of the farmer. There are many articles, although I do not have the exact number.

Mr. WHITTINGTON. Eighty-five.

Mr. STEAGALL. Whatever it is, I believe there are more than that number. Then certain expenses of the farmer—such as taxes, interest, commodities—but the cost of labor was not included. I may say to my good friend from Massachusetts that the formula was not based on wheat and oats alone.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield myself 2 additional minutes.

Mr. RAMSPECK. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Georgia.

Mr. RAMSPECK. May I ask the gentleman whether or not the committee gave any consideration to the question of whether sections 4 and 5 give the President the right to fix the salaries of people working for the Government?

Mr. STEAGALL. Oh, that was never intended, of course.

Mr. GORE. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Tennessee.

Mr. GORE. The gentleman very clearly explained, in my opinion, that the President would have to make a finding of gross inequity to apply a ceiling or to raise the ceiling above the level prescribed. The levels set out are minimum levels below which he cannot go. He would have to make no finding of gross inequity to place a ceiling at, for instance, 200 percent of parity?

Mr. STEAGALL. There is no limit as to how high he may go, but he cannot go less than the limits prescribed.

Mr. CRAWFORD. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I want to understand the chairman. Does the chairman say that the President can raise farm prices to 200 percent of parity if he decides to do so?

Mr. STEAGALL. The President cannot raise farm prices at all. There is not a thing here that raises or supports prices except loans. The President is not required under this bill to set ceilings. He is prevented from establishing ceilings at less than such prices as will reflect parity prices to producers. He does not have to do that. He can wait until prices get higher. There is no provision for raising prices.

Mr. CRAWFORD. The parity price is now determined.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, it is perhaps unfortunate that price control has been mixed up as it is with general economic questions and perhaps political questions. On January 30, 1942, there was approved the Emergency Price Control Act of 1942. I believe that members of the Banking and Currency Committee assured the Members of the House when that bill was enacted that the President was given adequate power to stabilize the cost of living. Nothing has happened since then to cause those of us who gave you that assurance that the price of goods and wages could be stabilized under that act to change our minds. There was ample power in the Price Control Act of 1942 as enacted so that if properly administered this bill would not be before us today.

We were convinced by Mr. Henderson, and many others who spoke on the bill in committee, that under the Constitution and under the two war powers acts and under the general provisions of the Emergency Price Control Act of 1942, the President had ample power to stabilize the costs of production of nonagricultural products. Inasmuch as parity is tied and tied fast to the prices of nonagricultural commodities, it would follow ipso facto that if the President had exercised judiciously the powers granted to him in the Emergency Price Control Act of 1942, agricultural prices would have been by the same act stabilized and prices would have been stabilized to the point where the cost of living would have been kept down and we would not be at the present time paying from 20 to 50 percent more for food and clothing than we were when the Price Control Act was passed. So any deficiencies in the Emergency Price Control Act of 1942 were not legislative, but administrative. I want that distinctly understood.

The President was given the power to stabilize the costs of production and had he done so agricultural prices would have been stabilized, limited only by the formula which appeared in the bill.

Six or seven weeks ago the President gave to the press a statement that he was going to ask the Congress for authority to stabilize the costs of production, including wages. I am told that the leadership in Congress told the President that it was the understanding in Congress that he already had the power to stabilize the costs of production, including wages, and I am told that upon request by the Presi-

dent of the Attorney General, the Attorney General gave the President an opinion that the President had the authority to stabilize the costs of production, including wages and had it ever since January 30, 1942, when the Price Control Act of 1942 was enacted into law.

Mr. Chairman, there is a very grave fundamental question involved when the President of the United States, one branch of this Government, one of the coordinate branches of this Government, threatens to usurp to himself a fundamental constitutional right which is vested in the people of the United States, the right to have the Congress of the United States pass the laws and the right to have the President of the United States impartially enforce those laws.

The threat of the President that if the Congress does not reenact the powers which have already been given to him before a certain date he will assume to have powers which might not be in the act or which might be in abrogation of congressional acts or which might amend or modify or perhaps repeal an act of the legislative branch of the Government presents a fundamental question which has to be settled here in this Congress today.

I am a man of pride. I am proud of the fact that I am an American. I am proud of the fact that I live under a Constitution which guarantees to the people of the United States the right to have laws passed by their chosen Representatives instead of by a single individual. I am proud to be a member of the legislative branch of such a government, and I have accepted my responsibility, as all of you have; and you are doing the best you can to coordinate all of these divergencies of opinion into a law which will benefit, in your judgment, the greatest number of people. In fulfillment of that obligation which we have to maintain constitutional government in America today, I am going to vote to give the President this power which he assumes to have, so that historians will never be able to write as a precedent that a President in 1942 usurped to himself the inalienable rights of the American citizens and another coordinate branch of this Federal democracy, and so that it will never be said 1 month, a year, or 50 years from now as a precedent for the amendment, the modification, or the repeal of legislative enactments by a President that "the President of the United States back in 1942 did it and, therefore, I now can do it." That is the reason, and the only reason, why we should consider and pass this legislation.

Mr. Chairman, it has never been contended by anybody in Congress, it has never been contended until recently by anyone in the administrative branch of the Government, including Mr. Henderson, that price control alone would control inflation. As a matter of cold fact, no man in his senses honestly believes that you can control inflation by price control alone. Mr. Henderson, when he appeared before the Committee on Banking and Currency on the Emergency Price Control Act of 1942, did not hesitate to say that price control alone would not control inflation; but he correctly took the position that it was a very important and necessary adjunct to our efforts to control inflation.

Briefly, we might state that if we are ever going to control inflation we must do an about-face in respect to the acts which we have passed to force prices up—the Gold Act, the monetization of silver, the use of Government bonds as security for Federal Reserve notes—and we might mention several other influences. Until those things are done we are going to have inflation. But price control is essential as an aid, as ancillary, to these other efforts, and it is a very important aid under this bill which, if it is enacted, will be the last act in respect to price control.

We do give the President broad but discretionary powers. If you will take the bill and refer to the first sentence in the first paragraph you will get the gist of the power which it delegates to the President. I will read it to you:

> That in order to aid in the effective prosecution of the war, the President is authorized and directed to stabilize prices, wages, salaries, and other factors affecting the cost of living.

You might stop right there, because all that the rest of this bill does is to set up certain standards which are not binding upon the President to the point that he cannot deviate from them if he finds gross inequities.

I know there has been some joshing about the restriction that the President cannot deviate from these standards unless gross inequities appear. The word "gross" has a very definite meaning in the law. All the lawyers in this House who have ever had any damage cases understand that a very clear distinction is drawn between gross negligence and ordinary negligence. Of course, if the courts were called upon to interpret this act, they would hold that "gross" meant conspicuous by reason of its importance and size, it means glaring, it means flagrant and not ordinary. So, if the President deviates from these standards, he must first find that there is a glaring, an outstanding, a sizeable inequity before he can go up on these prices or down on these prices.

The point is, Mr. Chairman, that if the President raises prices over the standards established in this act, it is his responsibility and not ours. The responsibility must rest somewhere. The success of any law depends upon the manner in which the law is administered. Let me reiterate that if the Emergency Price Control Act of 1942 was administered as the Congress intended it to have been administered, there could not have been any criticism of the President, there could not have been any criticism of Mr. Henderson, there could not have been any criticism of the Congress. Prices 156 percent of parity are surely not the fault of the Congress, which said the prices should not go beyond a certain point, because the Administrator had the authority to set a ceiling prohibiting them from going beyond that point, but are due to the fact that the Administrator has neglected or refused to put a ceiling on prices preventing them from going beyond that point.

The President may under this act raise the ceiling on wages and he may raise the ceiling on agricultural prices, but if the President does it, he does it with full knowledge that it is contrary to the intent and purpose of this act and he must assume as an individual the consequences of price inflation.

This bill should be passed with minor amendments to bring the cost of production of nonagricultural commodities into affiliation and alinement with agricultural prices, and this bill if properly administered will do it.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield myself 5 additional minutes.

We say that all wages which have not risen 15 percent since January 1, 1941, may do so, and there they stop, at that point.

As I said, parity of agricultural products is tied to the ceiling on the prices of nonagricultural products, and when the price of agricultural products, all and several—not an average—do not tell me there is any rule in this Price Control Act which says that the average price of all agricultural commodities shall be 110 percent, for it does not say anything about averages there—each specific commodity, when it reaches parity under the bill as it is now written, must stop there.

Now to guarantee that there is going to be sufficient food and sufficient encouragement for the farmers to produce the food which is necessary to carry on this war we have put a floor under agricultural prices of 90 percent.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. In just a moment.

So in this manner we bring agricultural prices and wages into alinement and into juxtaposition, and if the position of either the production cost of nonagricultural commodities or farm prices is raised one point above the standards in this bill it is the President's responsibility.

We give the President no more and no less authority than he assumes to have in his message of September 7. We leave the President, so far as his interpretation of his authority is concerned, in status quo, but we do recognize the right of the chosen Representatives of the people to set up certain standards, and I might say that the standards in the Emergency Price Control Act are just as much there—they are not repealed—as a guide to him as are these standards. He must take into consideration the whole field, the intention of Congress, and unless he is intellectually dishonest he will administer this law according to the intent of Congress, which is to authorize him to bring nonagricultural prices and agricultural prices into alinement. I believe that for the purpose of maintaining American democracy it is essential that this bill be passed.

Mr. ROBERTSON of Virginia. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman.

Mr. ROBERTSON of Virginia. What was the committee's theory from an anti-inflationary standpoint or from an increased production standpoint of writing a 40-hour week into this bill?

Mr. WOLCOTT. We did not take up the matter.

I did want to cover one matter, though, about this 100-percent parity.

Mr. ROBERTSON of Virginia. The gentleman does not deny that you did put the 40-hour week in the bill?

Mr. WOLCOTT. That we did?

Mr. ROBERTSON of Virginia. It is in the copy I read.

Mr. WOLCOTT. It is not in the copy I read.

Mr. CASE of South Dakota. Mr. Chairman, if the gentleman will yield, what is meant by that part of section 4 that no action shall be taken under authority of this act with respect to wages or salaries——

Mr. ROBERTSON of Virginia. That is the 40-hour week, and I would like to have an explanation of that, because you must have had some purpose in putting that into the bill.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield myself 5 additional minutes.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield to me on that point?

Mr. WOLCOTT. Yes; I yield.

Mr. CRAWFORD. Would the gentleman say to the House whether or not there were any oral hearings or written hearings or any kind of hearings held on the bill here submitted?

Mr. WOLCOTT. No; there were not any.

Mr. CRAWFORD. How long did the committee have this particular bill under consideration?

Mr. WOLCOTT. One day.

Mr. CRAWFORD. Does the gentleman mean a whole day or part of one afternoon?

Mr. WOLCOTT. It was available in the morning.

Mr. CRAWFORD. The bill was not available to me, as a member of the committee, and I attended every session every hour. If the gentleman will yield I would like to ask the gentleman from Texas [Mr. PATMAN] if it was available to him.

Mr. PATMAN. It was not available to me until there had been an understanding or by unanimous consent we had agreed to meet at 2:30 o'clock p. m. and stay in session, with no recess or adjournment, until we had brought out a bill. Then this bill was brought out.

Mr. WOLCOTT. I wish you gentlemen would discuss that in your own time.

Mr. CRAWFORD. If we can get some time we will discuss it.

Mr. WOLCOTT. You can get time.

It has been charged sometimes that the farm bloc in the Congress forced 110 percent of parity onto the country, and that was the cause of high prices and our economic ills. I want to read into the RECORD at this point the testimony of Secretary Wickard, who appeared before our committee, and also a statement by Mr. Leon Henderson. The former appeared on October 21, 1941, and this testimony appears at page 2072 of the hearings. Mr. Wickard had this to say in respect to 110 percent of parity:

> The prices of industrial goods bought by farmers include the wages paid by industry, and a change in wage rates sufficient to change the price of the item will change the index of prices paid by farmers.
>
> Section 3 of the bill provides that no price ceiling shall be established on any agricultural commodity below 110 percent of the parity price or comparable price for such commodity, or the market price prevailing for such commodity on July 29, 1941. There has been a good deal of discussion of this 110 percent figure.
>
> Farmers have been accused of greediness, of not being content with parity.

I might say, parenthetically, the same thing is true today.

> Let me say here and now that accusations of that sort are, in my opinion, unjustified and unfair. The farm-price-ceiling provision of this bill is certainly no basis for such a conclusion.
>
> There is a perfectly practical and obvious reason for stipulating that no ceiling should be imposed on farm products at less than 110 percent of parity, rather than exactly at parity. * * *
>
> If ceilings were placed exactly at parity, the daily fluctuations in the market would necessarily all be between parity and some lower figure, and, as a result, farmers, could not possibly average parity. The real purpose of restricting ceilings to a point somewhat above parity is to make it reasonably sure that all farmers will have an opportunity to get parity.

Now, I think we have a right to assume that 110 percent of parity was written into the bill because Mr. Wickard wanted it there, and may I go a step further and quote from Mr. Leon Henderson who now deplores the 110 percent of parity as inflationary. I quote now from Mr. Henderson, from the record of hearings of August 15, 1941, pages 649 and 650, and this was in response to a question asked by our colleague from New Jersey, Mr. KEAN. Mr. KEAN asked this very pointed question:

> Mr. Henderson, do you favor the 110 percent parity provision provided for in this bill?

I shall now read Mr. Henderson's reply after a few dots and dashes referring to some other matters that are immaterial:

> And if I interpret that provision correctly, the 110 percent is a workable standard for price determination. In my opinion we are bound, if the bill passes, by certain standards in relation to all commodities and some special standards in relation to agricultural commodities, and the 10 percent above parity is a good working standard. For that reason I am in favor of it.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 5 minutes additional.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. CASE of South Dakota. Referring to No. (3) of section 4, it is provided that no action shall be taken under authority of this act with respect to wages or salaries—

> which have not reached a 15 percent increased cost of living level above the wages or salaries paid on January 1, 1941.

Can the gentleman tell the membership how much in total amount of money will be added to the total cost of doing business in the country to raise the wages 15 percent, that are now ready to receive the 15-percent increase?

Mr. WOLCOTT. Mr. Chairman, I prefer not to answer that question, because I would have to answer from my memory of the figures, and I do know that following me in debate there will be several gentlemen who have made a study of that, and will give the gentleman the figure exactly.

Mr. CASE of South Dakota. The gentleman has generally described the bill as a price-control bill. Does not the gentleman feel that a 15-percent wage increase above wages that have been received will be decidedly inflationary?

Mr. WOLCOTT. Oh, I think there are several influences here that are immediately inflationary to the point where prices will be forced up perhaps another 2 or 3 percent, but the benefit that I see in this bill is that they stop somewhere. Under the Little Steel case, as I understand it, if we take the Little Steel case literally, if wages could go up 15 percent, then agricultural prices under the parity formula could go up likewise, and then, under the same logic which forced up wages, wages would go up another 15 percent and agricultural prices would tag along behind, and that would go on indefinitely, and you could not stop it. That is why I did not agree that the President should have adopted the Little Steel formula in its entirety without putting a stopping place somewhere on the cost of production of nonagricultural products, because that is not stabilization, and that is why I expressed my dissatisfaction with the statement made in the President's message that he would stabilize wages. I did not know whether he was still under the impression that he could stabilize them under the Little Steel decision and still control prices, and nobody in his right mind would think that he could do that, and so I think the President should have been more specific. But we have been specific with the President in saying that after this first increase of 15 percent it must stop unless he finds gross inequities. There is the stabilization.

Of course, it is expected that prices will go up a little bit. Of the $70,000,000,000 estimated annual income of nonagricultural workers I do not know but perhaps that will go up another 10 percent to seventy-seven billion, and if so we will inflate in proportion as that 10 percent or seven billion is to the total price index, and under this bill it must stop somewhere, and that is our purpose, and I must say, also, that if the President, as empowered under this act finds gross inequities, and if gross inequities will result in further increase in prices, then he can stop them, and your attention should be called to section 5 of the bill——

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 2 minutes more.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Section 5 provides that no employer shall pay and no employee shall receive any further increase

in wages or salaries unless approved by the President or such agency as he may designate. That is the President's responsibility.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. DONDERO. In arriving at a parity of 110 percent, has the farmer's own labor or the cost of labor been included?

Mr. WOLCOTT. Up to the present time as I understand it they do not include the farmer's labor in the parity price. In justice to this situation and a seeming incongruity in the President's statement, the President said that parity should take into consideration labor, and then he said that the formula should not be disturbed at the present time. Now he contends that it was not his intention to include the farmer's labor, but now farm labor is taken into consideration in fixing parity prices. I hope somebody will offer some kind of an amendment to clarify the situation with respect to farm labor. I think that will be taken care of.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. DONDERO. How can the farmer survive unless you do include the cost of labor?

Mr. WOLCOTT. I agree that something along that line must be done.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BENDER. I have listened very carefully to the gentleman's explanation of the bill. Does the gentleman feel that this bill gives the President what he wants or does it give him what he asks for?

Mr. WOLCOTT. It gives him everything. He can do anything he wants to under it. I do not know what else he would want other than the power contained in this bill.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield myself 3 additional minutes.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HINSHAW. The gentleman has heard other Members state that agricultural commodities have gotten as high as 135 percent of parity. How did they get that way when the ceiling was supposed to be in the neighborhood of 110 percent?

Mr. WOLCOTT. I discussed that matter. I said it was because the Administrator did not put a ceiling on them. There is nothing in the law which prohibits the placing of a ceiling on agricultural products. The only limitations are the standards of 110 percent of parity and the others, as the gentleman knows it.

Mr. HINSHAW. In other words, if we have this inflation of prices today, it is because the Administrator did not place a ceiling on it?

Mr. WOLCOTT. That is right.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. REED of New York. As a practical proposition, is not this likely to happen: If we fail to put in an amendment including the farmer's labor, the farmers who are now in a state of discouragement about labor might sell and reduce their stocks and thus reduce food production to the point where it will bring on inflation later?

Mr. WOLCOTT. Food is just as necessary to win the war as ammunition.

Mr. REED of New York. But temporarily it will bring down prices and then those who are sponsoring this bill will claim that this bill did it, but later it will accentuate inflation.

Mr. WOLCOTT. If the President finds that under this bill they are brought down to a point where production is insufficient, I think he will be justified in holding that a gross inequity has occurred by reason of it, and he can correct it by making adjustments. That is his responsibility.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. COFFEE of Nebraska. Is it not a fact that in the case of certain commodities the parity formula is inequitable and wholly inadequate to meet the cost of production? I am not certain whether the Committee on Banking and Currency has had evidence as to the low and inequitable parity price that has been placed on cattle.

Mr. WOLCOTT. Yes; we have.

Mr. COFFEE of Nebraska. Our Committee on Agriculture has had that before it for a great many years.

Mr. WOLCOTT. Yes. The gentleman will remember we put the December 15 price on last year in order to take care of that situation.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield myself 2 additional minutes.

Mr. KERR. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. KERR. I have the greatest respect for the gentleman's intellectual approach to any matter, but do you think that the Emergency Price Control Act of 1942 gave the President the rights that the committee has written into this bill?

Mr. WOLCOTT. Not that act standing alone, but the contention is that under the Constitution and under the War Powers Act, together with the act of 1942, he was given all the powers he needed. I understand that is what the Attorney General held.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. O'CONNOR. In connection with the question of parity price on cattle, I doubt if the hazard of the business has ever been taken into consideration. In our northwestern country we go through rigorous winters. Many times we have to feed 5 and 6 months. Sometimes our herds are entirely wiped out. You will recall the great picture, the last painting by Charles Russell, where he depicted the last of 10,000. It was an old cow that was ready to fall into the snow, starved to death. That is an illustration of what we have to go through with in that northwestern section of the country. That should be considered in connection with the parity price on cattle in that country. If we reduce the parity price of cattle down to the law written in 1933 we will sweep clean the ranges of the Northwest both of cattle and sheep.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield for a brief question?

Mr. WOLCOTT. I yield.

Mr. KNUTSON. Is there anything in the bill that would suspend the operation of the Tydings-Miller bill, the Fair Practices Act?

Mr. WOLCOTT. No; not now.

Mr. KNUTSON. Not now?

Mr. WOLCOTT. That is, if the language on page 2, the third clause of section 2, is stricken—and I think it will be, because the committee is in agreement on it. It never should have been in the bill. It was not reported out of the committee that way.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WILLIAMS. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, when we passed the bill to prevent inflation some time ago it passed almost unanimously. It was accepted by the country at large; it was approved by the President; it was approved by the Administrator; it was recognized as the best the Congress could do to satisfy the majority, and the great majority, of the people. The purpose of the bill then, the purpose of the bill now, is to control inflation. It is not a consumers' bill; it is not the purpose to help the farmers, to help labor, or to help consumers, but the purpose is to control inflation. I say this because it was sent to the Committee on Banking and Currency which committee would not have had jurisdiction of it had it not been for the purpose of controlling inflation.

I take the stand that you cannot improve on the bill that we passed. If I support the bill now under consideration it first will have to be amended. The President complains of the fact that farm commodities are too high or liable to become too high under present law. He states that he has a right to fix wages but Congress must fix the price of farm commodities. I join with the gentleman from Michigan [Mr. WOLCOTT] who has just left the floor: If ceilings had been placed according to the formulas for agricultural prices contained in that first anti-inflation bill we would not today be called upon to pass another bill. I do not like to be called upon to reverse myself when I give any proposition matured consideration, and I think all the Members feel the same way. That is what we are asked to do; in other words, certain people are trying to make the country believe that the farmer is at the bottom of all of it. It takes 70 percent of the price of farm products to get the raw products from the producer to the consumer. Let me say here and now that the farmer and the consumer are being made the goats. Bring in and regulate the crowd that receives this large 70 percent; when you have nerve enough to do this you will probably prevent inflation.

The farmer has always sold in a free market. He has been discriminated against not only in the marketing field but in the transportation field in the inflow and outflow of his products. The world markets today are closed to the American farmer on account of the war and the naval blockade. We want to win this war. We can win this war not by manpower alone; we must have the implements of war to win, but, Mr. Chairman, it is just as necessary to have food, and clothing as it is to have the implements. This attitude is all wrong which goes on the theory that all that is necessary to win the war is to have implements of war. Mr. Chairman, if we are to achieve victory it is just as necessary to have foods and fibers. You must pay a fair price for the farmers' products. Not in this land can you set a ceiling on the labor on the farms; it is impossible because the only way you can help the laborer on the farm is to give a fair price to the producer for his commodity; that is the only way it can be regulated. I want the country at large to know that we are asking the farmer to produce at a much lower wage rate than any other class. The idea of the 10 percent of the national income the farmers receive controlling inflation or even making a dent in the control is preposterous to me and to everybody else; that is all there is to it. This administration itself has recognized that the farmer was not getting a fair price, for it paid subsidies, and is paying subsidies today. What better evidence do we want than has been written on the statute books by the very Members of this House now sitting in this Chamber which recognized that the farmer was not receiving a fair price and gave him money out of the Treasury of the United States, paid him subsidies through many agencies?

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. Certainly.

Mr. TARVER. I am wondering if the gentleman's committee had hearings to determine to what extent agricultural prices may be contributing to any inflationary trend that may be under way? To what extent did the gentleman's committee hold hearings?

Mr. BROWN of Georgia. We did not have any hearings at all; we received statements from two or three farm organizations and five or six people connected with the administration.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield at that point?

Mr. BROWN of Georgia. I yield.

Mr. CRAWFORD. I know the gentleman wants to be correct. We did not receive a single statement on the bill submitted, did we?

Mr. BROWN of Georgia. We did not.

Mr. CRAWFORD. The statements were submitted on the bill introduced by Chairman STEAGALL.

Mr. BROWN of Georgia. The gentleman is correct.

Mr. CRAWFORD. Which was stigmatized by certain opponents and praised by certain supporters; but this bill comes here without any stigmatization or support from the outside country, does it?

Mr. BROWN of Georgia. The gentleman is absolutely correct, and I would support today the Steagall bill. I understood from the message, and 95 percent of the Members of this House understood from the message, that the President himself wanted to give fair play to the farmers of the country and to calculate the cost of labor in the farmer's cost of production; that is, labor cost on the farm should be one of the elements to go into parity. I want to be fair to the President; and HENRY STEAGALL, chairman of our committee, so wrote the bill, to contain this idea suggested by the President as plainly as could be. I understand that afterwards the President said he did not mean it in that sense. I have no criticism, but I do know that the idea contained in the message was received wholeheartedly by the American farmer as well as the American consumer, because many consumers in the large cities of this country know something about farming; maybe they were reared on a farm themselves, and they know the hardships the farmers endure, and they were not opposed to helping the people on the farm who have barely been making a living for the last 20 years. Practically none of their products have approached parity until just a few months ago when war was declared.

Mr. DIRKSEN. Will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Illinois.

Mr. DIRKSEN. On the price control bill, in response to the gentleman's own question, recorded on page 1503, Mr. Tolley, who is head of the Bureau of Agricultural Economics, said: "We recommend that farm wages be included in the parity index."

Mr. BROWN of Georgia. I thank the gentleman for his contribution.

Mr. Chairman, I think the consumer of the city wants to be fair to the fellow who produces the food to eat and the clothing to wear. There has been much said, and the other side has been built up much, until I am glad of this opportunity to address you on this bill.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I do not quite understand the gentleman. Does the gentleman say that the Steagall bill was drawn especially to meet the President's request, that the gentleman understands it to have been drawn with that in mind?

Mr. BROWN of Georgia. The gentleman from Alabama [Mr. STEAGALL], drew his own bill. After he read the message of the President he thought and I thought it carried out all the ideas embraced in the message.

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. JENKINS of Ohio. I would like to develop that a little further. Do I understand that if the Steagall bill were before us the gentleman would support it?

Mr. BROWN of Georgia. I would support the bill first introduced by the gentleman from Alabama [Mr. STEAGALL], but I see no reason for asking for another bill. I think the present law is the best thing we are going to get and give equality to the producer.

Mr. JENKINS of Ohio. I quite agree with the gentleman. That is what I am trying to bring out.

Mr. BROWN of Georgia. I will support this bill if an amendment is adopted to calculate the labor costs to the farmer in computing parity.

Mr. CRAWFORD. So that the record will be absolutely clear to those who are not members of the committee, the Steagall bill that was introduced on September 14 was H. R. 7547 on which the committee deliberated and received written statements from people for and against through Wednesday and Thursday of last week.

Mr. BROWN of Georgia. That is true.

Mr. CRAWFORD. Then on Friday afternoon, to be exact, H. R. 7565, now before the House, was submitted to the committee by certain members of the committee as a substitute for H. R. 7547. So we are now considering the substitute bill on which there was no kind of hearing and no written or oral reports received?

Mr. BROWN of Georgia. That is correct.

Mr. Chairman, it is my opinion that the most satisfactory bill that can be passed to curb inflation is one carrying more than one formula for the farmer. In considering the first bill, which was enacted into law, we found that parity perhaps would not help raise some farmers' products up to the present prices that other farmers were receiving for their products. In other words, the prevailing price as of October 1 was one formula, the prevailing price as of December 1 was another formula that would help different classes of farmers. The 110 percent of parity would help other farmers. Then there was the formula covering the average price between 1919–29, the 10-year period of free farm economy, 1 year after the war and the year just before we began to legislate in behalf of farmers. That was another formula. The average price formula was one that not a single witness for the Government or anybody else stated was inflationary or unfair. On the contrary, all of them said it was reasonable and I say today it is the best formula we have had. I think it is a shame to give it up now. I certainly will not yield unless we can get the labor costs placed in parity.

I agree with the President that the 110 percent of parity from the psychological standpoint looks as if we are benefiting one particular class more than another, but when the situation is thoroughly analyzed by the man who knows the agricultural situation, especially in my section of the country where we raise cotton, an entirely different view will be gained. In my section, for 6 months of the year cotton may approach only 85 percent of parity. So in the next 6 months cotton would have to be an average of 115 percent of parity in order to attain parity the year around. That is the basis that is equitable and when people know it they will realize it is fair. That is the truth and it is not unfair.

By these four formulae we undertook to give equality to the agricultural pro-

ducers, we planned to equalize the products of one producer with the products of another producer. What does this bill do? It sets the highest price between January 1 and September 15, 1942. What does it catch? It catches some of the agricultural products at 138, others at 128, and these particular commodities are those dealing with meats, which the consumers and the President are complaining about. So you leave the other farmers at parity or below parity and the very thing that the President is complaining of this bill permits of the highest prices for this class of food and permits inequalities to the other farm producers.

Coming back to my theory, in order to attain justice for all alike, so far as agricultural producers are concerned, you have to have more than one formula to give equality and equity to all farmers. You cannot escape that conclusion. Yes; the President said that the psychology of 110 percent for any group is not good. I think myself the psychology is not good. But we were called upon to give a 15-percent raise to labor on the 1st of January 1941. Is that good psychology? It is at present receiving the highest prices in the history of this Nation. I want labor to have good prices, but at the same time I want the fellow who produces something to eat and something to wear to have a fair price also. I say today that if this bill passes labor will leave the farms. In my section of the country today practically all of the able-bodied men are working in factories to produce war materials or else going to the front lines to defend our country.

There are left behind to gather this crop old men and old women, and young children are brought from the schools and the schools are closed today in order that the crops may be harvested. How are you going to get labor back? The farmer, in view of the price of his products, cannot get labor back. If he pays too much for his labor he goes in debt and has to mortgage or sell his farm. It simply means that you must give equality. You must increase the price of his product in order to get food and clothing to carry on this war and to maintain the civilians at home.

I was reared on a farm. I know farming. I know the hardship of farming. I know the cotton farmer as well as any man. I know the grain man. It makes me sick to have the people of the large cities of my country talking all the time about the high prices of the producer, when it affects less than 10 percent of the national income, and to have them putting all their sins at the farmer's door. Then they call upon him to get enough food for them and their children and to feed the Army and Navy, while we must pay higher wages than the farm products would stand to get the employment necessary if we are to win this war.

Mr. Chairman, do not let them mislead you about the effects of this bill. I do not mean that any Member of Congress would. You are going to have more inequalities if this bill is passed than you had in the other. You are going to have dissatisfied agricultural producers in this country. It means more today to maintain our people and to help win this war than ever before. You must encourage these people. You have to make them feel that they are getting fair treatment at your hands and that you are with them.

The parity of labor in May was 311 percent. Pay a good price for labor in industry, pay a good price to the boys who are making implements of war, but at the same time remember that it is just as necessary, in order to get food and clothing, to pay a fair price to those people who are producing the things absolutely necessary to win this war.

The other day I received a letter in which a man told me that he had to pay $1.50 per hundred pounds to have his cotton picked. This means that he has to pay $20 or $25 per bale for picking a bale of cotton, and that is not one-fiftieth of the labor contained in it. He cannot do it. The farmer of my country cannot pay it because his product does not bring enough.

I was told the other day by a Member of the House that some gentleman returning from California said that the wages of dairymen there had increased from $90 to $200 per month. The farmer cannot pay it. Still, you are requiring in this bill that cotton and dairy products stay at the same level, while wages at the same time go up and up and up. You cannot win this war by such inequalities.

Inflation has been defined as an increase of purchasing power at a more rapid rate than productive power, so no commodity can cause inflation as long as there is a surplus of the commodity.

All of us are against uncontrolled inflation, but at the same time we realize as long as we are spending forty and fifty billion dollars a year for our war effort there certainly will be some inflation.

We are asking the farmers to produce more and to do it with less—less machinery, with higher cost supplies, and with less labor.

This bill is unjust both to the consumer and to the farmer. It will not control inflation, the cost of living is going to go on up despite this bill because it does not provide an effective over-all control of all of the factors responsible for inflation.

The consumer is being fooled into believing that this legislation is going to stop the rise in the cost of living. This bill will not stop inflation because there are too many loopholes in the controls of wages which constitute about 70 percent of the total cost of living, wages and salaries.

The following is quoted from the testimony of Mr. Davis, Chairman of the War Labor Board, before the Senate Committee on Banking and Currency on September 16, 1942:

> We are going to have a very much greater purchasing power than we have consumer goods. Now, if we are going to have to pay out $120,000,000,000 and we have got only $60,000,000,000 worth of consumer goods, you have got a $60,000,000,000 gap.

Under this bill wage increases are going to be permitted up to 15 percent above the wage level of January 1, 1941. This means that wages of a large number of workers can be increased under this formula and if these wages are increased it is going to raise the cost of goods, it will also increase the pressure of consumer purchasing power, also an inadequate supply of consumer goods. This will in turn force increases in price ceilings, which in turn will increase the cost of living.

This bill is a rank injustice to American farmers. It permits a 15-percent increase in all wages above January 1, 1941, to offset the increases in the cost of living since that date.

Such a proposal is unjust to the farmers of this country. Farm prices on January 1, 1941, were far below the level of industrial wages—they were greatly out of balance. Furthermore, industrial wages have gone up more since that date than the retail cost of food, so that the worker today is spending less of his income for food than he was on January 1, 1941, or any time during the past 30 years. Today the average workingman is spending only approximately 22 percent of his earnings for food which is the lowest percentage on record.

Suppose farmers were to ask for a floor under farm prices at the same relative level as the floors that are being proposed in this legislation for industrial labor. Suppose the farmer were to be given a floor of 40 cents an hour for his labor, and time and a half for overtime above a 40-hour week. What would that mean? It would mean that the consumer would have to pay far more for agricultural commodities than the farmers are seeking today. If farm prices were to be supported at this basis the prices paid index would have to be raised to 242 instead of 152 in July 1942, and the parity price of cotton would have to be increased to 30 cents per pound, corn to $1.55 per bushel, wheat to $2.14 per bushel, hogs to $17.59 per hundredweight, cattle to $13.12 per hundredweight, eggs at 50.5 cents per dozen, and butter to 60.5 cents per pound.

Farmers have not asked for these prices; all they have asked is that farm prices not be depressed below parity price adjusted to include all increased farm labor costs. If this were done the prices paid index would be increased from 152 to approximately 171, and parity prices on July 1942 would have to be increased as follows:

Cotton from 18.85 cents per pound to 21.20.

Corn from 97.6 cents per bushel to 109.8.

Wheat from 134.4 cents per bushel to 151.2.

Hogs from $11.05 per hundredweight to $12.43.

Cattle from $8.24 per hundredweight to $9.27.

Lambs from $8.94 per hundredweight to $10.05.

Wool from 27.8 cents per pound to 31.3.

Chickens from 17.3 cents per pound to 19.5.

Much has been said about not freezing industrial wages. Even those who are clamoring the loudest for putting ceilings on farm prices vigorously insist that we must not put a ceiling on all wages but we must allow substandard wages to be adjusted upward to the level of all

industrial wages. But these same people bitterly oppose the adjustment upward of substandard farm prices to an equitable level with other prices and wages. That is really all that is involved in the minimum ceilings provision for farm products in the present price control act. They were put in there to permit substandard farm prices to rise to parity or equitable levels with other prices and then to be stabilized.

The fact is, as I have said before, the provisions of section 3 of the Emergency Price Control Act have been grossly misrepresented. They are not inflationary unless wages are left uncontrolled. Of course, if wages are not controlled, then rising wages will cause a rise in industrial prices and whenever the prices of things farmers buy go up the parity index for farm products goes up. But the thing the public does not understand is that the parity index can only go up because of increases in industrial prices. This index is a ratio of the average farm prices in 1910–14 in relation to the current index of prices of commodities bought by farmers. The farm price portion of the index always remains the same. Consequently, the ratio goes up only insofar as the index of things farmers buy goes up.

The injustice of these attacks upon the agricultural minimum ceilings provisions of the Emergency Price Control Act is shown by the fact that even if the prices of all farm products which are below the minimum ceilings specified in that act were to be increased to the highest of these minimum ceilings the effect on the cost of these to city workers would be inconsequential. It would amount to a maximum increase of only 7 percent in the index of retail food costs which in turn would require an increase of only 2½ percent in the average worker's cost-of-living index. If cotton and wool are included the total over-all increase in the cost of living to the average workingman would amount to only 3½ percent if all farm prices which are below these minimum ceilings were to be increased to the highest of these ceilings. By no stretch of the imagination can this be called an orgy of inflation.

The facts are that rising wages are far more important in causing inflation than rising farm prices. In 1942 nonagricultural salaries and wages are estimated to average about $33,000,000,000 more than the average received during 1935–39, whereas net farm income in 1942 will probably average only about four and one-half billion dollars more.

Farm prices in July 1942 were only 54 percent above the 1909–14 level and were far below the highest point reached in the World War No. 1 period, but the average hourly earnings of factory workers stood at 397.1 percent of the 1910–14 level in June 1942 compared to the peak of 278.7 in the World War No. 1 period. Thus, the hourly earnings of factory workers today are far above the highest levels reached in World War No. 1 and are the highest in the history of the Nation, whereas farm prices are still far below the peak of World War No. 1.

In the President's message to Congress on Labor Day he stated that food costs have been rising at the rate of 1¼ percent per month since May 1942, and if this rate should continue for another 12 months it would result in a 15-percent increase in food costs. This statement, however, overlooks the fact that if the Price Administrator used the powers he already possesses under section 3 of the Price Control Act, the maximum increase in the retail cost of food which could take place if all farm prices which are below the minimum ceiling levels were to be increased to those levels, would be 7 percent, as I have already pointed out. If the Administrator does not use his powers, then the fault lies with him and not with the act. It is unfair to charge farmers and farm prices with the blame for inflation, if inflation occurs.

In the President's message he warned of a prospective 15-percent increase in food costs, saying:

> This drastic increase has been caused, and will be caused, chiefly by the fact that a number of food commodities are exempt under existing law.

The fact is no agricultural commodities are exempted under the Emergency Price Control Act. The Price Administrator has the authority to impose price ceiling at or above the ceiling levels specified in this act.

The President referred frequently to uncontrolled food prices. It should be clearly understood that if there are any food prices that are not controlled it is due to either the failure of the Administrator to impose ceilings or to the failure of farm prices to reach the minimum ceiling levels specified in the act. A tabulation of a list of 144 agricultural items on which parity prices have been computed by the United States Department of Agriculture on August 15, 1942, shows that 72 of these items, or exactly one-half of the total, are still below parity. Furthermore, out of the list of 20 farm commodities which the President specifically mentioned in his message as being "uncontrolled agricultural commodities" 15 of the 20 were below parity on August 15, 1942.

Farmers are insisting upon the principle of equality of sacrifice, but thus far they are being asked to make the sacrifices while industry will make the enormous profits out of the war. The farmer is not working for 40 hours a week. He is not getting or asking for this or for time and a half and double time for overtime. He is ready to continue to toil and sweat not 40 hours a week, but 60 and 70 hours a week to do his utmost to produce the maximum output of food and fiber to win the war. He is about the only group in the Nation which has not come short too little and too late. Today the American farmers have produced the greatest volume of food and fiber in the history of the Nation. They have done this despite an acute shortage of farm labor, a skyrocketing farm-labor cost, shortage of machinery, fertilizer, and other materials, and increasing costs of articles bought by farmers. The farmer wants to continue to produce the maximum output needed for the war effort, but he cannot do the impossible.

There is grave danger of an acute shortage of food next year unless this bill is modified to protect the production of food and fiber. Unless the farmers can be assured that price ceilings are not going to be fixed so low that they cannot get their costs of production and unless something is done to relieve the acute shortage of farm labor, it will be impossible for farmers to produce enough food and fiber so vitally needed for the war. It will not be the farmer who will suffer the most from such a terrible catastrophe. It will be the workers and consumers who will suffer from a food shortage, and the country needs to wake up and realize that such a shortage is going to happen unless this bill is modified and unless the Price Administrator changes his policies and attitude toward agriculture.

To offset this injustice and to prevent such a calamity it is imperative that farmers be assured that price ceilings are not going to be placed below levels necessary to enable them to produce an adequate supply of food and fiber for the winning of the war. To this end farmers are asking that no price ceiling be placed below parity prices adjusted to include all farm-labor costs. These labor costs must include not only hired labor but also the labor of the farm operator and family labor, because most of the farmer's labor is the labor of the farm operator and his family. The great majority of farmers do not depend principally upon hired labor to produce their crops. It would be a rank injustice to small farmers and to farmers who operate their own farms, as well as to tenants and sharecroppers, to provide an adjustment for hired labor only. If hired labor only is included in the parity index at prevailing wage rates for farm labor, it would raise the prices-paid index from 152 in July to 159, which would mean an average increase of only 4.6 in the parity price goal, whereas if all farm labor, including the operator and family labor, is included, it would raise the prices-paid index to 171.1, which would provide an average adjustment of about 12½ percent.

In addition, if we are going to repeal the 110-percent-of-parity provision and the other safeguards in section 3 of the Price Control Act, then it is imperative to provide a floor under farm prices which will continue for a reasonable period after the war ends.

I hope that this bill will be amended so I can support it.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, the responsibility upon every Member of the House today is very great and perhaps painful. If you vote for this bill, you are a rubber stamp. You will be blamed by one class of people for being a rubber stamp and allowing the legislative body to be dictated to by the Executive. The Supreme Court—the third branch of our Government—having already been taken over, the public will be ever watchful as to what may happen to the legislative

body. Certainly acceptance of appointment to that Court now carries the implication of sympathetic interpretation of the wishes of the Executive. Another class of people demand that we do be rubber stamps, and that we jump through the hoop today. I am ready to jump through the hoop, but I have something to say about the necessity of the proceeding.

I have here a great number of clippings from editors and commentators who should seemingly reflect public opinion. If they do not, it should be most surprising. Perhaps a speech such as the gentleman from Georgia just made in behalf of the farmers would be really effective in Georgia, but the New York Times, the New York Herald Tribune, and all those other papers criticize the farmers most unmercifully.

Now comes your President, who has bestowed his affection both on labor and agriculture. When we attempt to bestow affection equally, both become jealous and dangerous. Certainly the President has courted them both assiduously. But now the time has come when I see the love and affection ebbing away from him today, especially on the majority side of the House. You are being roundly spanked. You have my sincere sympathy. He is your President. You must restrain yourselves. He is mine also, but I did not choose him. He is my President because I could not help it. You selected him for me; but he is now my President, and I have been trying to support him in his war policies and efforts. I shall support him today, but, being one of the minority, free speech is accorded to me.

I have been reading and rereading his message. It is extremely interesting. I wish he could have stopped his condemnation with his message, but he "fireSided" us again in the evening. He desired to awaken a public to add to and support him in this condemnation. How shrewd the attempt to cover the failure of his own administration to act by the attempt to place the blame on the Congress.

He was not content to send us a message, but he desired to arouse the public against us. Has he succeeded? He has spoken of the psychological effect of the unfair privileges which the farmers have in the original price-control bill. I can read between the lines where he seems to say, "How can I talk to labor as long as you farmers have this 110 percent of parity?"

He declares that he requested us, on April 27, to change that percentage, but that we have ignored his request. Why should we have changed it? Mr. Henderson came before our committee with an administration bill in December. He agreed to accept the 110-percent-parity provision if we would write no provision as to wages. After he obtained what he then wanted, he waited until April and then rather gently suggested that we do nothing about wages, but to change that 110 percent of parity which seemed to annoy him. Because the farmers had made a trade with him fairly and squarely it was thought best not to change so quickly. Mr. Henderson made a deliberate statement that he could stabilize on a 110-percent basis as well as on a 100-percent basis. However he has not even attempted to stabilize many food products although he has had full authority. Why has Henderson withheld his power? He has evidently wanted these prices to soar in order that an outraged public would be led to believe that he could not do it at 110 percent. These writers in supporting the President now excoriate the farmers. "Goodbye, Mr. President," now say the farmers, "we will express ourselves in November." It is a sorry mess we now find ourselves. This day we will have to choose. Are the people with the President? According to these statements they are. Do not blame the minority. You have a real majority. You are to be held responsible.

I will not allow it to be said in my section that I did not support the President in his war effort. He has tried this price-control matter with effort. Let us return to his message. As we read it, these immortal lines naturally rush to our minds, "Upon what meat does this our Caesar feed?" We are informed that Mr. Harry Hopkins is one of those who feed him.

I think he would put the crown upon his head if he followed his own desires. But the President seemingly has demurred. He states that he believes in the democratic processes and will first give the Congress another chance. But if we do not do act "adequately" by October 1, then he will act. Of course there is no crown to be worn. I will take back the facetious reference if you do not like it. But he will assert the power, the scepter will be in evidence. Do not be too much worried about this particular bill. It does not matter whether you vote for this bill or any bill. The President says that he has the power and will act and believes the people will applaud such action. What is more important to me is that he used the word "adequate," so that if we do not give him exactly what he thinks he needs or wants he will ignore our action entirely.

The gentleman from Michigan [Mr. WOLCOTT] said we had given him all he had asked for. We had. Perhaps, we ought to assert ourselves and make some expression of policy in this bill, but I am hesitant in inserting any clause that he can use to excuse future failures by putting the blame on us.

Perhaps I have not too much common sense in some people's estimation; but I claim a little, and I have serious doubts about the great powers he claims to have. I presume great lawyers are advising him—he should have the best there are—and they seem to have advised him that he has these vast powers. The first sentence of this bill reads: "In order to aid in the effective prosecution of the war," we now grant him this power. He has tied this price-control power to his war powers by declaring that if we have inflation he will be unable to get tanks and guns and other things necessary to carry on war. What a broad interpretation! No wonder the New York Times in a scathing editorial declares that if he can assume this power, what possible limitation is there now upon his actions.

It is now said that Congress might just as well pack up and go home. Is it possible that in our absence he can tax people as he pleases? Can go into debt as deep as he pleases? We must still assert our right to determine the amount and the method of taxing our people. In his attempt to arouse the people against our declared dilatory action is he contemplating another seizure of taxing power? Will his legal advisers feed him more of that kind of meat? Gentlemen of this legislative body, decide now whether you will yield your prerogatives and your self-respect to the whim and whip of the Executive whose duty is clearly only to carry out the will and intent of the legislative branch. In time of war, we are glad to delegate power in the name of efficiency, but shall it be forcibly taken from us?

This is an important day in our legislative history. Yield to his particular request or threat as we may choose to call it, but in unmistakable terms in this debate, express a determined attitude toward the Executive. Shall we postpone action until October 2? That would be interesting but childish. We will not do that. Rather will we determine how to act in the future under similar unfortunate circumstances. I think I did read that in another body they will give him this power, but also at the same time order him to act before November 1. That is coming back at him. But is it good policy? In the contemplation of this whole matter I have come to certain conclusions. I am not immediately greatly disturbed over the present amount of inflation. It has been greatly overdrawn to frighten the public into submission.

Supply and demand can be somewhat checked and regulated and we will do it.

However, the farmers cannot find laborers to work their farms, housewives cannot find domestic help. On every side there will be a shortage of help. Wages will of necessity rise and the power of government will not in all cases restrain them. I was not trying to be facetious when I remarked that ordinarily parity is looked upon in this way: That if a bushel of wheat would purchase a shirt from 1909 to 1914, during those years when farmers were prosperous, a bushel of wheat ought to buy a shirt at all other times, especially now. But you are to offer an amendment to the effect that since wheat labor costs are now greater, you therefore should have two shirts. However, the shirt people are ready to declare that it now costs more to make a shirt, and therefore they should have 2 bushels of wheat. Walter Lippmann and others have offered such simple illustrations of parity. Probably it is the way the public understands the parity matter. The President's message indicates that to be his version, as I read his statement. Are you not a little puzzled yourselves as to the real effect of your proposed amendment. My farmers are telegraphing me to vote for such an amendment, and I want to help the farmers. I desire to think clearly, but it

is all rather confusing. The very earnestness and heated arguments befog the issue. It is true that the parity formula has been changed to add taxes and insurance in the cost of production, and that will be now used to bolster the argument that increased labor costs be also added. But we must keep in mind the labor costs in the shirt. It is all so annoying. Keep in mind that the President has condemned this amendment, and that he has firesided you before the public as a selfish and special class and, as he said, "unpatriotic"? Ought not you farmers to be ashamed of yourselves to so embarrass your President? Can you prove to his public that he is wrong and that you are right? You have my sincere, best wishes.

Do not forget that he is your President. You must be patriotic. You must sacrifice according to views of your trusted leader. As to the labor problem. I stated in my remarks of a few days ago that it seems perfectly plain that the President intends to follow the Little Steel formula, and then those in industry who have not already got the 15 percent will receive it. I feel sure of this. When this bill operates, we will have created for a while, at least, a very real period of inflation. There seems to be little question about that. The gentleman from Michigan [Mr. WOLCOTT] agreed with that statement and he expressed the hope that when that 15-percent point is reached it will be curbed. However, before it reaches that point others will have been affected, and will demand increases, and it will be difficult to find a real halting point. Again, we are to provide 90-percent loans on farm products. You will note that in this bill. In other words, if you cannot make the public pay parity prices, then the Government must buy the farm products. The poor old public will bear the burden and the loss. This certainly does put farmers in a favored class. Other citizens are not so protected. Not even the homes of the people. I am a farmer, and I sympathize with them, but when we are loaned 90 percent on our produce we are certainly in a highly favored class. We now stand on this floor and plead that because of the shortage of labor we are to be short of farm produce. Let us recall that you were paid not to plant wheat and not to plant cotton. You now find the chickens come home to roost. It does not now sound well to talk about shortages so deliberately planned for and so highly subsidized.

In passing I desire to call to your attention that your President now desires that these benefit payments and these other payments running from the customs duties should also be figured in when you arrive at your 100-percent parity. More grief to the farmer in these most hectic days.

In reading his message it seems that a change in this parity matter is really all he wants and asks. He did not ask you to do anything about labor. He is not asking you to give him any more powers than he already has. The simple thing he suggests is, "take that 110 and make it 100." He seems to say, "I cannot reason with labor, as long as the farmers are treated as a privileged class." On April 21 he called our attention to seven points. We should buy bonds. He claims to have taken care of that. We should curb installment buying. He claims to have taken care of that. He holds us wholly to blame on two points. We have not passed the tax bill, and we have not amended the price-control bill as to 110 percent of parity. His own administration is most to blame for the delay in the tax legislation. He cannot support that indictment. We are now facing the other issue. Let us give it to him. But that is not the grave issue here today. I see my friend, the great constitutional lawyer from Texas, chairman of the Judiciary Committee, sitting near me. I do not believe this 110 percent parity matter troubles him greatly. But he is probably staggered over this vaunted assumption of power. He thought he had a real Constitution of the United States handed down to him by his forefathers, in which the legislative branch of the Government should at least determine the course of our domestic affairs.

The President might conduct a war, lead the Army and the Navy, but we are, or were, supposed to tell him whether he may draft men of 18 or 19 years of age, determine many other phases of even the war effort. We surely have to vote him the money. We have done that. Now having the money, does he think that is all that is expected of us? All Governors are supposed to follow the legal advice of their attorney generals. The same with our President. Is he not to be absolved if he simply claims and uses the powers his legal advisers assure him he possesses? With supreme confidence, he now declares, "If Congress does not act adequately, I have an abundance of powers under laws already granted by Congress and under the Constitution of the United States." Contemplate our unhappy fate. The Commander in Chief of the Army and Navy may now reach out and take possession of all law-making powers affecting the life and happiness of our citizens when he may decide any law interferes in the slightest degree with the carrying on of war. This is the issue of this day's proceeding and far transcends the so-called selfish parity question.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GIFFORD. There is nothing of much great importance in this bill. It makes a declaration granting broad powers, limits but a little, and gives leeway in the matter of gross inequalities. Some of the President's advisers may decide trivial matters as gross inequities if he desires. We must trust them, of course. Some of us hesitate a little, having memories of the past. The words "gross inequities" appear twice. They relate to both labor and prices. There is the section relating to the 90-percent loan. There is little in the bill that needs explanation. Proposed amendments will occupy the time during its passage. Again, a few general observations.

Our people are getting skeptical and uneasy. David Lawrence recently referred to this administration very aptly when he used the words "ineptitude and hypocrisy." Many of us agree with him. We see plenty of it. More and more an idolatrous public is discovering these characteristics. It is claimed that we are to have an income of $115,000,000,000 in 1943, and that we will have only $67,000,000,000 worth of goods possible to purchase. We are to have $45,000,000,000 that our people will not know how to spend. These guesses may prove somewhere near correct. We may well question it. What a chance for our people to pay their debts and invest in bonds. But we must protect our people from themselves lest they bid high for the goods they specially may desire. We will fix prices and ration those goods.

Because of that danger we must have this price control. We must control our citizens in the manner they use their own money. However, this is not the real danger of inflation. Some day the gentleman from Ohio [Mr. SMITH], will be listened to. These days he does not seem to have much of an audience. He fears wildcat money as the inflation monster. I have talked about it so much that I make but little mention of it now. But real inflation is usually brought about by an overdose of printed money, as well as a great surplus of money on hand. We have not arrived at that point yet, but that it is to be feared is as plain as the nose upon your face. We have not had to swallow it yet. You know, the nose is put over the mouth so that you can smell a thing before it goes in. You must be quite sure of what you are eating. Some people can smell a long distance off and I trust they will notify us in time when and if the stench of real inflation reaches them.

If we do not pass this bill in "adequate form we will probably be firesided again." I do not like to be firesided. That microphone really endangers the existence of this legislative body. How the public are stirred as they listen. However, the people can be awakened by a little competition of the same kind. Let us do what we can to renew the confidence of our people in their own representative form of Government. Courageous and prompt action will greatly help in this critical time when such prompt action is needed. Because the President of the United States has such a tremendous responsibility I close pledging strict adherence to his efforts to win this war, but reserving the right to resent unwarranted attacks on that legislative branch of the Government in which I am proud to serve.

Mr. CRAWFORD. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 10 minutes.

Mr. CRAWFORD. Mr. Chairman, on Monday, September 7, the President of the United States presented a message to Congress and which we can say was the forerunner of this bill. That evening the President held his fireside chat on the same subject with the people of this country. On Monday, September 14, H. R. 7547 was introduced. On Wednesday, September 16, the House Banking Committee began the consideration of H. R.

7547. That bill was considered through Wednesday, Thursday, and up until Friday, the 18th. Following noon of the 18th there was presented to the committee the bill H. R. 7565. The bill now before the House, and which was considered by the committee some 2 or 3 hours. Now let us go to a few remarks first contained in the fireside chat and then, to the President's message to us.

In the fireside chat the President made this interesting observation:

> If the vicious spiral of inflation ever gets under way the whole economic system will stagger.

I assume by that that the President meant that at that particular hour the vicious spiral of inflation had not yet begun to operate.

Further quoting:

> Prices and wages will go up so rapidly that the entire production program will be endangered, the cost of the war, paid by taxpayers, will jump beyond all present calculations. It will mean an uncontrollable rise in prices and in wages which can result in raising the over-all cost of living as high as another 20 percent.

I read this particular language because I propose to tie it directly to section 4 of the bill now under consideration, which section if enacted into law will, in my opinion, bring about an increase in wages of not less than seven and one-half billion dollars within the coming 12 months, and it may rise to fifteen or twenty-five billions before the thing blows up in our face, if this is to be our program.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. CASE of South Dakota. What do those figures of seven and one-half to fifteen billion dollars mean? How do they compare with the total income received by the farmers of the country?

Mr. CRAWFORD. Seven and a half billions is about 50 percent of the estimated total farm income for this year.

Mr. CASE of South Dakota. Then this bill is inflationary in wages to exceed at least half the farm income of the country?

Mr. CRAWFORD. In my opinion, applying that statement to the provisions of section 4 of this bill is a pertinent observation.

Continuing the quotation from the fireside chat of the President:

> That would mean that the purchasing power of every dollar you have in your pay envelope, or in the bank, or included in your insurance policy or your pension, would be reduced to about 80 cents. I need not tell you that this would have a demoralizing effect on our people, soldiers and civilians alike.
>
> Over-all stabilization of prices, salaries, wages, and profits is necessary to the continued increasing production of planes and tanks and ships and guns.

As I understand that language it is in direct opposition to section 4 of this bill.

Further quoting:

> In my message today I have told the Congress that this must be done quickly. If we wait for 2 or 3 or 4 or 6 months, it may well be too late. I have told the Congress that the administration cannot hold the actual cost of food and clothing down to present levels beyond October 1. Therefore I have asked the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities.

Section 4, as I interpret it, is a direct hint to more than 25,000,000 people of this country to go out and strike and demand and agitate for and insist upon a wage increase of not less than 15 percent over their wages and salaries as of January 1941.

> The purpose being to hold farm prices at parity or at levels of a recent date, whichever is higher.

How you are going to hold farm prices at parity and at the same time hold them at the highest levels of a recent date, I do not see; because the prices on all those things which the farmer purchases and consumes and which he buys and uses for production will advance in price considerably with the section 4 increase in wages. The enactment of section 4 carrying this wage increase which will boost the price of things the farmer buys will necessitate a recalculation of parity, farm prices will move upward and you get an increased cost of living, and the spiral about which the President spoke will, in my opinion, be in full operation.

> The purpose should also be to keep wages at a point stabilized with today's cost of living.

If the things I just read to you occur, as the proponents of this bill stated in the committee they intended for them to occur, today's cost of living must necessarily rise. I wish somebody would take this floor and attempt to explode this philosophy which I am now presenting, because it ties directly into this entire picture as it has been discussed from the very beginning for some 2 years down to the present time. Further quoting from the President's message:

> Both must be regulated at the same time, and neither can nor should be regulated without the other.

So, in view of this last statement of the President, I submit this question:

When wages increase under the operation of section 4, that is the 15-percent proposition, I say when wages increase, how can the President prevent the inflating of the prices of foodstuffs, thereby pushing up the cost of living? And that, of course, will call for a further increase in wages, and all over and above the so-called ceiling on wages as provided in section 4. Of course, if the industrial workers and all of our people are now to insist that wage increases shall be continued, that will encourage inflation pressure and we may experience some sad situations.

The President refers to wages and the cost of living and he says:

> If one moves up the other must move up, otherwise you have these inequities.

Which are so often referred to in this bill.

> In the event that the Congress should fail to act and act adequately, I shall accept the responsibility and I will act for it.

Now, keeping in mind my question of a moment ago, let us go to the President's message to the Congress: We find him saying:

> Annual wage and salary disbursements have increased from forty-three and seven-tenths billion dollars in 1939 to an estimated $75,000,000,000 in 1942. This represents an increase of 71 percent. To obtain a full appreciation of what that increase means, we should remember that $75,000,000,000 is more than our total national income was during any single year in the 1930's. Due to constantly increasing employment, overtime, and wage-rate increases, the annual wage and salary bill for the entire country has been rising by more than a billion dollars a month.
>
> It is impossible for the cost of living to be stabilized while farm prices continue to rise.

Just get that language, and tell me what you think the President will do if the 15 percent all-over wage increase occurs as provided in section 4 of this proposal.

I take the position that it is impossible for the cost of living to be stabilized while industrial wages continue to rise. And I believe that the primary purpose of the bill before us is to bring about an increase in wages for all of those employees who have not had the wage increase. I now refer to civilian nonagricultural employees, of which there are about 36,000,000 on the pay rolls in this country. I contend that the primary purpose of section 4 of this bill as submitted, is to see that those of this group to whom I have just referred, and who have not had an increase of 15 percent in their wages since January 1, 1941, shall receive that increase of 15 percent and the gentleman from Michigan [Mr. WOLCOTT], made that perfectly clear in his presentation here on the floor.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. As a practical proposition, and in answer to those people who are so anxious to do something for the white-collared worker, the unorganized groups who have not received a 15-percent raise, does the gentleman think it would be possible for the Price Administrator to resist the pressure from organized groups to get a further raise once the unorganized groups get the 15-percent raise?

Mr. CRAWFORD. Why should the Administrator resist if the Congress passes a statutory provision saying in substance to the people of this country: "You are entitled to a 15-percent raise. Go get it."

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I yield myself 5 additional minutes.

Miss SUMNER of Illinois. I mean as a practical proposition, does the gentleman believe that organized labor is going to stand back and see unorganized labor get a 15-percent raise and not themselves?

Mr. CRAWFORD. I do not think they would. Organized labor wants a further participation in the total income of this country so that it may increase its savings. That is the primary objective of organized labor. It is not so much to have increased wages just to spend but

to have a greater share in the total national income in order to increase their volume of savings.

Miss SUMNER of Illinois. Not only that but for the reason that most of the war industries have organized labor, and if you are going to keep an adequate supply of labor in your war industries you have to pay higher prices.

Mr. CRAWFORD. I think the practical situation supports that.

The President says:

> You cannot expect the laborer to maintain a fixed wage level if everything he wears and eats begins to go up drastically in price.

May I say the British experience thoroughly supports that statement.

Going back to my proposition awhile ago, wages increase, parity prices will be recalculated, the cost of living will increase and the President says:

> You cannot expect the laborer to maintain a fixed wage level if everything he wears and eats begins to go up drastically in price.

Therefore the industrial worker will demand another increase in wages and that speeds up and accelerates the spiral of inflation against which the President's message was directed.

Mr. Chairman, this bill is not suposed to be, in the mind of the public, a special piece of class legislation for the benefit of any one group. It is supposed to be an anti-inflation bill and my opposition to the bill in its present form is based on the proposition that it is unfair as related to farm and factory workers, and that it is inflationary. If the bill becomes law in its present form I am sure the situation in the months and years to come will substantiate my statement 100 percent.

Let us go a bit further into the President's message to the Congress. He uses this language:

> After all, parity is, by its very definition, a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production including the cost of labor.

When the President released that statement he must have had at least twenty-five or fifty million people listening to the radio reports and reading the press comments relative thereto, and as he followed that night with the fireside chat he must have had many additional millions listening to his voice over the radio.

He states further:

> As a result parity prices may shift every time wage rates shift.

In the same message to the Congress, a few lines later, he states:

> In computing parity, we should continue to use the computations of the Bureau of Agricultural Economics made under the law as it stands today.

For some 9 days the people of this country went along accepting the President's mandate that parity must include all costs including labor.

Then on September 16 the President sends what to me is one of the most amazing documents ever issued carrying the signature of the Chief Executive of this country. And I refer to this interesting letter to the Chairman of the Committee on Banking and Currency in which the President says:

> My attention has been drawn to proposals to revise the parity formula in connection with the legislation I requested on September 7. I understand that it is proposed to include certain allowance for farm labor in the index of the prices which farmers pay that is used in computing parity prices.

That is exactly what the Steagall bill—H. R. 7547—proposed to do.

I am now referring to the Steagall bill of September 14 and not H. R. 7565 of September 21 and which you have before you at the present time. The President said in his letter:

> I should like to make clear my unalterable opposition to any recomputation of parity at this time. In my message of September 7 I stated, "In computing parity, we should continue to use the computations of the Bureau of Agricultural Economics made under the law as it stands today." This will continue to be my policy.

Before he made this statement just quoted and in his message to the Congress, he made another statement to which he refers in this letter and which I now quote:

> Earlier in my message I stated, "After all, parity is, by its very definition, a fair relationship between the prices of the things farmers sell and the things they buy. Calculation of parity must include all costs of production including cost of labor." By that I meant what the language states—that parity is fair, and it is fair because it now includes the labor cost incorporated in the prices of the things which the farmers buy. It is this which brings farmers into a fair relationship with other groups. This is the purpose of parity. This the present formula does.
>
> The parity principle for which this administration has stood since 1933 was a good standard for peace time—it is a good standard for war. To recalculate parity now and to offer the public 100 percent of a new and higher parity would be to offer stabilization, yet destroy the possibility of achieving it.
>
> Sincerely yours,
>
> FRANKLIN D. ROOSEVELT.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, the President will hear from the country on two matters: (a) his letter to Chairman STEAGALL, a part of which I have quoted; and (b) the President's proposition to the effect that what is good for the country in time of peace shall also apply in time of war. The people of this country are too well informed to accept that proposition of the President. They know very well that the doctrine of "butter and guns" has long ago been exploded. They do not forget the President's earlier statement to the effect that the national defense and the whole war program would be of such a nature as to not "discomboomerate" the country. Well, when we consider such proposals as here being debated and those other far-reaching ones that are to be before this body within the next 90 to 120 days, let me assure you that the country will learn very well that what was the order in peacetime is not to be the order in time of war.

Mr. WILLIAM T. PHEIFFER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from New York.

Mr. WILLIAM T. PHEIFFER. I am wondering if the gentleman does not agree with me that considerable weight should be given to that portion of the Senate report on this bill pointing out, in connection with the contention that parity should be recalculated, that farm prices increased from August 1939 to August 1942 by 85 percent, whereas farm costs, which I presume include labor, have increased only 22 percent.

Mr. CRAWFORD. If the gentleman takes the position that the cost of farm labor in this country has increased only 22 percent, I suggest that he go out and spend some time in the farm districts and find out how much wages have increased and how utterly impossible it is to obtain sufficient farm workers capable of doing the job in a workmanlike manner at any price. About this, we shall hear more in the near future.

Mr. GILCHRIST. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Iowa.

Mr. GILCHRIST. In that connection does the gentleman from Michigan not know that oats at the time they speak of in the Senate report, on which parity prices are based, were selling in Iowa for only 20 cents a bushel? No wonder, then, that the percentage of increase has been much. You cannot raise oats for 20 cents a bushel and live.

Also, at the time that the Senate in its amendment chooses as the time to fix the percentage of increase, corn was selling in Iowa for only 37.5 cents a bushel. No wonder it has risen highly in value.

Mr. CRAWFORD. In other words, it came from the bottom up a little way.

Mr. GILCHRIST. Yes. It is just like a baby that in its first year gains so many pounds. If it continued that same rate of increase until it was 70 years old it would weigh a ton.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Farm prices in 1939 were about the third lowest in the history of the country, whereas the industrial prices to which the gentleman from New York referred were well up.

Mr. CRAWFORD. I think that is a factual observation.

If you will refer to the current issue of Current Business by the Department of Commerce you will find figures similar to this:

There were 41,208,000 nonagricultural industrial employees in this country as of June 1, 1942; 5,037,000 of them were Government employees, who have not, as I understand, had this section 4 15-percent increase; 6,606,000 of them were retailers and wholesale trades employees, who, I understand, have not had the increase; 3,484,000 of them were transport and public-utility employees, who have not had the full increase; 4,324,000 people were engaged in finance and miscellaneous business, and they have not had the full increase. In construction work, 1,991,000 people were engaged, who, it is

assumed, have largely had the increase; 921,000 were engaged in mining, who, it is assumed, have had the increase; 14,302,000 were engaged in manufacturing. Part of them have had the full increase and part of them have not had the increase.

When you take that large number of people who have not had the 15-percent increase and give them the 15-percent increase, what do you suppose will happen to the $75,000,000,000 annual wage bill referred to by the Chief Executive in his message to the Congress?

Let me read just a statement along that line taken out of the new book, Parity, Parity, Parity, by Prof. John D. Black, of Harvard University, and published by the Harvard Committee on Research in the Social Sciences:

One constantly hears talk these days of sacrifices necessary to win the war. Sacrifices indeed there are and will be, but they will be mainly of a very personal sort—as personal as one's life. Economic sacrifices, from the war itself? Yes; for a few millions of individuals for whom the direction of the war effort runs contrary to what they have been doing—for manufacturers and their employees whose civilian products the war cannot afford, for building contractors with no homes to build, for merchants and salesmen with no goods to sell. But for the rank and file of farmers and wage earners, the war has entailed no pecuniary losses thus far, and will entail none. Instead, they have already reaped a sizable harvest from the war, and stand in prospect of reaping larger ones. The problem confronting the war administrators is not that of distributing war sacrifices between economic groups, but instead that of keeping them from cashing in unequally on the war gains.

As I interpret this bill in its present form, it is designed to distribute as the war moves on economic benefits to specific groups.

The Price Administrator, in filing his protest against the September 14 Seagall bill, H. R. 7547, which will not be considered by this House because you are considering the substitute bill, H. R. 7565, had this to say:

Taken in conjunction with the farm-price limitations, this provision—

That is, section 6 of the Steagall bill.

would require the President to raise industrial wages and salaries to match the increase in farm prices made necessary by this bill.

Just consider section 4 of the present bill as related to that statement.

In turn, the parity formula would require that maximum farm prices be raised again to reflect the resulting increase in the prices farmers pay, and so on without limit. The President has asked for a stabilization of farm prices and wages. The bill makes inevitable a disastrous race between them.

I think that statement can be applied against section 4 of this bill.

Then the Price Administrator went ahead to say this:

Bluntly, here is how I feel about H. R. 7547—

That is not the bill under consideration, that was the Steagall bill of September 14, H. R. 7547. Said Mr. Henderson:

I find no public awareness of the inflationary character of this measure. The President asked for legislation to repair cracks in the dam against inflation. This bill is a heavy charge of dynamite at the very base of the dam. It also lights the fuse.

I think if these words were applied against the bill now under consideration you would have a perfect application.

If this bill is to be pushed through here without at least an effort to do some equalizing by taking the cost of farm labor, which is the biggest single item that the farmer has to pay for in connection with the production of foodstuffs—I say if this bill is to be pushed through without putting that equalizing factor into this bill alongside of section 4, then the bill will go through without my vote, because I do not intend to vote for it unless we do a little equalizing in the meantime.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include certain quotations.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. STEAGALL. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Chairman, I have listened with a great deal of interest to the discussion of this question of parity. It seems to revolve around the question of price of labor and the price of agricultural products. Personally, I am thoroughly conscious, as you gentleman are, that we are in a dangerous war, and I want the farmers to be able to produce; that is what I am concerned about now. They are not concerned about making 15 cents a bushel on potatoes. Their demands have been very, very moderate and reasonable all during their existence. But when I take a ride of 50 or 75 miles through the country and see the cotton patches as white as snow and the cotton falling out on the ground and not a row of that cotton being picked, because they cannot compete with the United States Government labor prices, then I begin to wonder where are we going to get our cotton, where are we going to get the linters for the explosives, where are we going to get the cottonseed oil and the other commodities that we need so much?

I would like to know who it was and what purpose they had in mind when they attempted to blame agriculture for inflation. It is just as sensible and practical to walk up to a man with a foot pump and blame him for starting a hurricane. There never has been any excuse for it and there is no excuse now. Why, I was told a few days ago by Mr. Henderson about the 15-percent rise in canned products. Well, you can take a can of beans which has in the can less than 1 penny's worth of beans, and there is 14 cents' worth of labor and can there, but yet that less than 1 penny's worth of beans, the producer of it is to be blamed for the 15-percent rise in the canned goods. It does not make any sense. It is another case of the 4-inch tail wagging the 8-foot dog. It just does not work that way.

I have gone to the trouble to collect some figures, some cold figures, from the Agricultural Department and the State department of agriculture on the cost of production of some of these very commodities. The reason I refer to it is because in reading the President's letter I am a little confused as to what he means. In one statement he says that labor must not be taken into consideration and in the other he indicates that it is. To me labor and the cost of production of agricultural commodities are so inseparably tied together that you simply cannot arrive at even a semi-intelligent price of a farm product without taking into consideration the labor cost.

I want to give you some of the actual figures I have been trying for a couple of years to get and have just recently secured. Here is how they work with tobacco. Few people know that you must start with the tobacco crop in January and usually wind up with the marketing in November or December. Attached to an acre of tobacco is a fixed cost, fertilizer and so forth, of $71.30. It might also be interesting for you to know that it takes 408.2 man-hours of labor to produce an acre of tobacco, aside from the fact that he must assume the risk of crop failure or droughts, excessive rain, hail, insects, diseases, fire, and so forth. By taking the average weekly wage rate of 25 average industries, who operate 40 hours per week, multiply the number of hours by the hour wage scale, derived from the figures mentioned, the cost will be $394.32. To this add the $71.30 fixed cost, makes a total cost of $465.62 per acre. Using the production of 1,050 pounds per acre, which in my opinion is a little high, tobacco would have to bring 44.34 cents per pound. The average price in North Carolina, according to the North Carolina Crop Reporting Service, is 37.57 cents per pound, and as best as I could figure from the present ceiling price order, it is fixed at 34.86 cents per pound. The present parity price of tobacco is 27.9 cents per pound. Should be figure the same acre of tobacco at 27.9 cents per pound he would receive $292.95, from that deduct $71.30 fixed cost, which would leave $221.65, from which the farmer must pay his supervising expense, taxes, plus 408.2 hours of labor. From these figures it is not difficult to see just what labor scale they have in mind for the farmer and his family, especially when the farmer is doing mighty good to produce a successful crop as much as 50 percent of the time.

We will take an acre of peanuts which the Government is begging for now. They are needed as a food and the by-products are needed, the oil from the peanuts, and so forth. There is a fixed cost on an acre of peanuts of fertilizer and such purchased commodities of $16.44. There are 79 man-hours of labor. If you take the 79 man-hours of labor and figure the labor cost on 25 existing industries, just take 25 industries indiscriminately as the agricultural authorities and experiment stations have done, and use as a basis for figuring the production cost, you get a cost of $76.31, plus $16.44, which makes a total of $92.75 for an acre of peanuts. They found that the average yield from an acre of peanuts is 1,280 pounds. Divide this and you get a cost of 7.24 cents per pound. The present price of edible peanuts is 6.8 cents per pound. The present price on oil peaunts is 3½ cents per pound.

The parity price as of August 15, 1942, was 7.30. But you can readily see that under these figures for the oil peanuts he gets half of the cost of production and for the other about a penny less.

Mr. KERR. Mr. Chairman, will the gentleman let me interrupt him there?

Mr. BARDEN. Yes; with pleasure.

Mr. KERR. While the farmer gets 6 and a fraction cents for his peanuts, still the consumer pays for those peanuts more than 15 cents if they are bought for eating purposes. If they are put into the products of peanuts they pay as high as 35 cents a pound for them.

Mr. BARDEN. Why, of course, that is true. Now, let us take an acre of Irish potatoes. There is a fixed cost per acre there of $96.71. Thirty-two dollars of that is for fertilizer, and I think that is under the price, because potato fertilizer used to go as high as $35.60. There is a fixed cost, as I say, of $96.71 per acre for Irish potatoes. There are 46 man-hours of labor. If you figure the average labor cost of 25 industries in the same State, you have a total cost of the fixed cost plus labor of $141.15. The average yield in 1942 per acre was 105 bushels. If the terms are to be the same as industry, and the price of $145.15 is divided by 105, you will get $1.34 per bushel. But the present price of potatoes is only $1 per bushel. Parity on August 15 was 1.06 and the actual market price was $1.15. In giving these figures I am still wondering why all the disturbance over trying to blame agriculture for shaking the foundations of this Government by starting inflation.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. Yes.

Mr. DONDERO. The gentleman's remarks find a sympathetic response from me. I am wondering if every Member of the House understands what we mean by farm labor and what is included in that term. Does it mean the farmer who owns the farm, his wife and boys to help and the hired help that he must employ to harvest the crop? I am wondering how far that term farm labor goes, and I am of opinion that farm labor should be included in the cost of the product.

Mr. BARDEN. I think that an hour of muscle and sweat from the farmer, his wife or child, is worth just as much as it is from any other man or woman, and if he has to put his wife and little children out there to work, is that any reason for this body or any other group of men to brush them aside and say, "We will not notice you, because you cannot speak for yourselves."

Mr. DONDERO. I further ask the gentleman if there is any segment of our population who works harder, who works longer, who sweat more and get less for what they do than the farmer?

Mr. BARDEN. The gentleman is exactly right, and may I say that those who would put him out of business had better remember where they and our fighting forces are getting their food. There has been some talk here about cotton, and we have been talking in generalities. Throwing the term parity around assigning to it many meanings. To me if parity should mean anything, it should mean a fair price, a fair return to the producer, and I do not care how they figure it. If they want to turn it around and use some peculiar type of figures to make it mean something else. I am not in accord with them. I have often heard that figures will not lie, but that sometimes liars will figure. I do not want any deceit about it. I just want a fair system of figures used in dealing with this problem. Take an acre of cotton. There is a fixed cost to an acre of cotton of $30.45. There are 147.1 hours of man labor in that acre of cotton. If you take the average price paid for labor by 25 industries in the same State where this cotton was produced, and use that scale as a basis for figuring the cost of that labor, you will get $142.10. Add $142.10 to the fixed cost of an acre of cotton, and you will have $172.65. Listen to this. The average yield was 415 pounds. If returns are to be the same as industry, and you use the same figures that I have referred to, cotton would have to bring 42 cents per pound, and it is now bringing 19 cents. Parity as of August 15, 1942, was 18.85.

If anyone wants to know where these figures come from, they are here set out, and the sources indicated.

As to the number of hours required to produce 1 acre of cotton, the Department of Agricultural Economics, Experiment Station, results, Lincoln County, N. C., 1939, as to hourly wage rate at 40 hours per week.

Survey of current business, July 1942, United States Department of Commerce, average weekly wage in April 1942 of 25 industries compiled by the National Industrial Board.

As to yield in 1942, the general crop report, Bureau of Agricultural Economics, released September 10, 1942.

As to present price of cotton, agricultural prices, Bureau of Agricultural Economics, released August 29, 1942.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. WILLIAMS. Mr. Chairman, I yield 5 minutes additional to the gentleman.

Mr. BARDEN. At this point I wish to state that the figures and estimates previously used and those I will use later were secured from the same departments as mentioned above; and further, these figures were the result of experiment station, extension service, the State department of agriculture, in cooperation with the Federal Department of Agriculture, so I am definitely of the opinion that they can be relied upon.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. Yes.

Mr. CRAWFORD. Within the last week the Department of Agriculture has issued this bulletin, Farmers and a Stable Economy, and I quote from point 3 on page 5:

> Wages of industrial workers have risen more than the cost of living has increased since the outbreak of the war. Those charged with carrying out the seven-point program are fully aware of the fact that unless wages are stabilized, the whole effort to prevent inflation will fail.

If farm labor costs are not stabilized and industrial wages are not stabilized, the Department of Agriculture says that the whole program will fail.

Mr. BARDEN. And in my opinion they are correct. I am in perfect accord with the program of stabilizing everything, and have been in accord with that for a long time. We had a lot of talk about it with the Gore amendments, but we did not have many followers at that time. It might be interesting in that connection to say this, that the statistics show that wages are now 38 percent above last World War levels, and farm prices are 36 cents below. I am not going to be one to be terribly disturbed over the dangerous farmer. I think he has been most maligned and abused in that respect. We should be encouraging him instead of trying to slow him up.

Again I say, there is much more danger of bringing about conditions that would make it impossible for the farmer to produce meat, vegetables, and food crops by putting the cost of production too high and the market price too low than there is of his ever playing an important part in bringing about inflation. As late as April of this year, 1942, it was necessary for me to call on the Surplus Commodity Corporation to go to my district where they purchased several hundred thousand bushels of U. S. No. 1 cured sweetpotatoes at 90 cents per bushel, a little more than one-half of what it cost to produce them. Some of those producers were crippled financially. Now, if we fix them so they cannot secure the necessary labor to harvest this year's crop, somebody will go without potatoes and we simply cannot afford a food shortage. I realize there are a lot of people in Washington who would like to ration the air we breathe, but the way to do away with that unpleasant process is by producing abundantly, and that certainly cannot and will not be done unless the average farmer can see where he is going to receive returns sufficient to pay the cost of production, handling charges, and so forth. We talk about floors and ceilings. Unless we change our practice of putting the farmers under the floor, you will wake up some bright morning and find this country short on all food commodities and even rationing will not feed hungry mouths, unless the farmers have produced the food.

May I also mention that in May of this year, 1942, U. S. No. 1 cabbage was selling in my district for $5 per ton, and much of the crop was left in the field. Yet the people in New York who purchase this cabbage to eat paid many times more than one-fourth cent per pound and the farmer got the blame. Of course, the people want cheap food, but why should it all be taken out of the farmer's hide?

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. SHORT. How in the world can any man reasonably claim that the farmers of the Nation, who constitute more than one-fourth of our total population and who receive a little more than 10 percent of the gross national income, can start inflation?

Mr. BARDEN. Oh, I would say to the gentleman I do not believe I will attempt to take on that task. It would take some fellow who did not know anything about farming and cared nothing about the farmer's welfare.

Mr. SHORT. I am sure the gentleman agrees with me that the farmer has been maligned.

Mr. BARDEN. I think somebody just adopted the elephant's reasoning when he was walking across a bridge and turned around and shouted at the mouse, "Stop shaking this bridge."

Mr. SHORT. In relation to the bill that is before us, the price of parity in existing law does not include the cost of farm labor.

Mr. BARDEN. That is as I understand it.

Mr. SHORT. I take it that is the reason the President said in his message to the Congress on September 7 and reiterated it in his fireside chat, "Calculations of parity must include all cost of production, including cost of labor"; and then on September 16, just a few days later, in his letter to the chairman of the committee the gentleman from Alabama [Mr. STEAGALL] he states that the present formula does bring the farmer into a fair relationship with other groups. In his message he said that should include labor costs. In the letter to the chairman of the committee he says we should not include labor costs. When are we to believe the President?

Mr. BARDEN. I will say that I am inclined to believe the President most of the time.

Mr. SHORT. Those two statements are irreconcilable, inconsistent, contradictory, and diametrically opposed.

Mr. BARDEN. I would say that just because I do not understand him sometimes is not going to cause me to question his truthfulness. I do not quite understand the reasoning in his statement or in this bill.

Mr. SHORT. I think perhaps the Secretary of Agriculture——

Mr. BARDEN. Just a moment. The gentleman has given me enough help and trouble for the time being.

Mr. SHORT. I thank the gentleman for his generosity.

Mr. BARDEN. At this point, I would like to read a letter, signed by Mr. Edward A. O'Neal, President, American Farm Bureau Federation, Mr. Albert S. Goss, Master, National Grange, Mr. H. E. Babcock, President, National Council of Farmer Cooperatives, addressed to the President of the United States under date of September 18:

WASHINGTON, D. C., *September 18, 1942.*
The PRESIDENT,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: We, the heads of the undersigned farm organizations whose members produce most of the food and fiber raised in this country, feel it is our duty to inform you that there is grave danger of a shortage of food and fiber next year unless the ceilings of farm prices are so adjusted as to enable farmers to meet essential production costs. The establishment of any ceiling on farm products which omits farm labor, as an item of cost, will fail of its purpose. The responsibility for the future food and fiber supply of the Nation must rest squarely on the shoulders of those who deny consumers of food and fiber this protection.

It is our duty to point out to you that the best protection against inflation is abundant production. Already the production of food and fiber in this country has passed its peak. Unless farmers can pay adequate farm wages, production of these essentials will continue to decline. The demand on farm labor by the military services and the attractive wages and shorter hours of labor which are already prevailing in industry, are resulting in farm laborers, farm boys and girls, and even farm operators leaving our farms in ever increasing numbers.

Respectfully submitted.

ALBERT S. GOSS,
Master, National Grange.
H. E. BABCOCK,
President,
National Council of Farmer Cooperatives.
EDWARD A. O'NEAL,
President,
American Farm Bureau Federation.

This, I think is a fair statement of the problem as it faces the farmer. I have talked to some of the representatives of these organizations. They are very definitely disturbed and my mind is not at all at peace when I read in section 3 of the bill under consideration:

Notwithstanding any provision of the Emergency Price Control Act of 1942—

And so forth. Which means that the President can wipe out those provisions which were designed to afford at least a little protection to agriculture; and when I read section 4 of the same bill, which has an entirely different ring to it.

No action shall be taken under authority of this act with respect to wages or salary—(1) which is inconsistent with the provisions of the Fair Labor Standards Act as amended; (2) which is inconsistent with any recommendation or order of any agency of the Federal Government affecting wages or salaries—

And so forth. Yes; I am in favor of labor having protection, but by the same token, I am in favor of agriculture and the poorest paid man in America, the farmer, having the same protection. Regardless of what act we may write here, unless it results in fair treatment of industrial labor, agricultural labor and the farmer himself, it will not, and should not, be permitted to stand very long by the American people.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I yield to the gentleman from Illinois [Mr. DEWEY] 20 minutes.

Mr. DEWEY. Mr. Chairman, my distinguished colleague from Michigan [Mr. CRAWFORD] has several times made mention that there were no hearings on the bill which is before the committee. I have in my hand Senate Resolution 161, and if I recall correctly, about 8 or 10 days ago I received a letter, as I believe most of the members of the Committee on Banking and Currency of the House did, inviting me to appear and take part in the hearings before the Senate Committee on Banking and Currency when Senate Joint Resolution 161 was being discussed. I think I saw most of the members there. Senate Joint Resolution 161 and H. R. 7565, the bill here under consideration, are practically the same, with one or two exceptions which I will point out.

In section 2 there was a typographical error made in the printing of the House bill, by which it included certain words that appear in the Senate resolution, but which were not reported in the House bill, to which our distinguished chairman referred and with reference to which an amendment will be offered striking them out. That is to say, lines 8, 9, and 10 and a part of 11, on page 2, section 2, of the bill.

Then on page 4 of the bill under consideration, lines 15, 16, 17, and a part of 18 provide that the bill shall not apply to any employer who regularly employs less than 8 persons, and so forth. Similar wording has been entered into the Senate resolution, and it says 25 persons.

Then in the bill under consideration section 5, which permits 90-percent loans, was added in the committee. It was not in the original Senate resolution, but was added in the House committee when everyone was there.

So I think that any member of the Committee on Banking and Currency who cared to accept the invitation of the chairman of the Senate Committee on Banking and Currency might have heard Mr. Wickard and Chairman Davis, of the War Labor Board, and Mr. Leon Henderson discuss the bill, and they might have been pretty well informed as to what is in the bill.

I know the zeal of many of my colleagues in regard to this bill and their interest, but my time is limited, and I have prepared a statement which I would like to read without interruption, and hence I will yield only after that statement is completed.

One year ago the Banking and Currency Committee was toiling with the emergency price-control bill, which was finally enacted in January 1942.

It was quite definitely shown as the hearings proceeded that Mr. Henderson favored a policy of what he called selected ceilings; that is to say, the control of the general price level by placing price limits on a number of basic commodities which by manufacture entered into the general consumption demand of the public.

Supplementing this control of prices of the selected commodities as a means of preventing inflation, the Federal Reserve Board enacted several regulations limiting the use of credit for installment purchases, and the Treasury Department recommended a series of taxes which would siphon off much of the excess spending power of the public, which was rapidly increasing due to large Federal expenditures for war materials.

This briefly outlines the system of price control which has now been in operation for about 9 months. While it has worked fairly well as a starter; nevertheless, as the country reaches closer to a point of full production it becomes more and more evident that any price-control system that will really do a job of even controlling inflation will have to depart from the selective theory of price limits and move forward to practically freezing prices of all commodities, wages, salaries, and other factors entering into living costs at some date when there had been a fair relationship between them and then make adjustments to correct gross inequities.

H. R. 7565, which is now before the House, supplementing the Emergency Price Control Act of 1942, attempts to provide authority to the President to make a forward step.

The theory of tying commodities, wages, salaries, and the other factors entering into living costs to a date when some stability existed was very happily illustrated by Mr. William H. Davis, Chairman of the War Labor Board, in his statement to our committee. He wrote:

> In the first place, as it seems to me, section 6 lacks the essential attributes of clearness and simplicity. As I understand it, it proposes to tie industrial wages to the prices of agricultural commodities. That is, it proposes to tie together the two variables which we are jointly seeking to control. If you had one horse harnessed to a mowing machine and another horse harnessed to a farm wagon and you were threatened with a violent storm, you would not hitch the two horses to one another. You would, I think, hitch each of them to an appropriate hitching post which you knew from past experience was firm and stable enough to keep each of the horses from running away. I think that is what we do when we tie farm prices to the parity provided in your bill and tie wages to existing wage levels, with adequate provision in both cases for adjustments of substantial inequalities which result in manifest injustices.

At this point I wish to state that the words "freezing" and "tying" are used only in a relative sense, and that throughout the bill provision is made to correct any substantial inequalities mentioned by Mr. Davis.

Let us for a moment consider the two hitching posts referred to—parity for farm prices and existing wage levels for wage earners.

As I understand it, the term parity for farm prices refers to the period 1909 to 1914, when agricultural prices were fairly stable. Six basic commodities—wheat, corn, cotton, rice, tobacco, peanuts—were selected and their average value per pound, or whatever is the customary unit of measuring, was translated into a long list of manufactured articles which the farmer buys. This relationship is the parity we desire to maintain.

The second hitching post is wage level, or real wages. It can readily be understood that it is just as much to the disadvantage of the wage earner as to the farmer if parity gets out of adjustment. True, one or the other may profit for a period, but it is inevitable that there will be a readjustment. If farm prices advance over parity the wage earner's dollar will buy less, hence his real wages are lower. If, on the other hand, wages increase too rapidly, parity gets "out of kilter" as far as the farmer is concerned because manufactured articles increase in price to cover wage raises.

What usually occurs, particularly in times of intense business activity, is that a rise in wages causes farm prices to advance in their turn and this is followed by another increase in wages. The process continues, one ratcheting the other up, with the recipient, either the farmer or the wage earner, really gaining nothing at all. Each may have more dollars in his pocket, but they will not purchase any more needed articles. Further, each—the farmer and the wage earner—is injuring himself, for the reason that the purchasing power of any dollar set aside out of past effort, in a savings account, decreases as does the dollar value of life-insurance policies.

If this bill is enacted and the President receives the additional powers, let us see what he will have to contend with. The Price Control Act of 1942 permitted four ceilings below which the Price Administrator might not limit prices of a commodity: First, 110 percent of parity; second, the market price prevailing on October 1, 1941; third, the market price prevailing on December 15, 1941; fourth, the average price during the period July 1, 1919, to June 30, 1929. As a result, great inequalities as far as parity is concerned have developed in the prices of various commodities. However, it is of extreme importance to note from figures supplied by the Department of Agriculture that the over-all average farm prices in percentage of parity is 100.4 percent of parity for the first 8 months of 1942. This would appear to be a period of reasonable stability as far as the general prices of agricultural products are concerned, and probably can be maintained, provided consideration is given to stimulating production and provided an adequate amount of farm labor to assist in producing the crops is made available.

In considering the farm-labor situation, it would be unwise to try and attract labor by high wages. Such a system would only stimulate an inflation spiral. The farm producer would make no more money for himself, but the added cost of each commodity would place a great burden on living costs of every other citizen. The whole question of adequate labor, both for the manufacture of implements of war and the providing of food and dairy products for our population and many of our allies, is a separate question from price control. It must be dealt with separately and in a comprehensive manner.

Let us look at this subject from a realistic standpoint. A kind providence has granted this year most bountiful crops to our country.

What the producer, individually, and our war effort, collectively, want is to get these crops harvested. To attempt to entice farm labor on a price basis is wishful thinking. Common labor on a neighboring airport or some other defense job gets as a starting wage 75 cents an hour or $6 a day as compared to the dollar and a half and "keep" that farm labor receives.

The President has publicly expressed opposition to including increased cost of farm labor in figuring farm parity prices. Having so expressed himself one may believe that as Chief Executive, he has plans in the making for the present harvest and for future expansion of farm production.

Even should the Government subsidize a portion of the cost of the wages of a federalized land army under the direction of Manpower Commissioner McNutt, it would bear less heavily on the people, who are also the taxpayers, than would a price inflation of agricultural commodities which would tend to increase the cost of every bomber, tank, or fighting ship the Government purchases.

Let agriculture ask the Commander in Chief, as a war measure, to provide harvest hands this year, and for future crops ask for special legislation that will take care of them as well as other parts of our war economy that are short of manpower. This is an all-out war; let's have an all-out effort.

The second hitching post—existing wage levels—has been arrived at by a series of controversies, between labor and management, before the War Labor Board. The Board has, I understand, taken as a base the period 1938 to 1940, both inclusive, which is about the same years used by corporations in figuring their average earnings for excess-profits tax payments. The Board has endeavored to hold wage advances to the same percentage that living costs have advanced. This procedure maintains the real value of the workman's dollar, permitting him to maintain his standard of living. It also establishes a type of labor parity similar to farm parity.

After many minor settlements between management and labor, the Little Steel agreement was announced on July 16, last, by the War Labor Board. This agreement, among others, established the date January 1, 1941, as a hitching post, and also established that statistics showed that living costs had advanced 15 percent to May 1, 1942. Hence wage earners that had received no advance since January 1, 1942, were entitled to a 15-percent increase, to reestablish the real wage value. Those who have received, for example, a 10-percent increase since January 1, 1941, would only be entitled to a further 5 percent.

Although there has been only 2 months of experience with the Little Steel agreement, it appears to have general acceptance, just as farm parity is commencing to be understood and accepted by the nonagricultural portion of our population.

These two hitching posts have been designated in H. R. 7565 for the President to use in the fight to stabilize prices, wages, salaries, and other factors affecting the cost of living. It is obvious that there will be many substantial inequalities to correct. The bill permits this. It states, as to farm-commodity prices, wages, and salaries, the President may make adjustments to correct "gross inequities." It is important to understand, however, that this authority to adjust is definitely limited. The President may lengthen or shorten the hitching rope of our two horses, but he may not change hitching posts.

As regards prices of a farm commodity, the President may not place a price below 100 percent of its parity, or the highest prices received by producers between January 1, 1942, and September 15, 1942, except to correct "gross inequities." And may I say that Webster's dictionary interprets "gross" as shameful or flagrant.

As regards wages or salaries, the President may, first, take action not inconsistent with the provisions of the Fair Labor Standards Act of 1938; second, not lower them below the highest amount being received between January 1, 1942, and

September 15, 1942; and third, to permit such increases as will raise real wages to equality with existing cost of living, which is estimated to have increased 15 percent since January 1, 1941. The same provision to correct "gross inequalities" applies to wages and salaries as it does to farm prices.

Aside from this latitude given the President, H. R. 7565 hitches, freezes, ties, or immobilizes prices, wages, salaries, and other factors affecting the cost of living. It attempts, without injustice to one farmer or to one wage earner, to prevent the start of a competitive price race between wages and farm prices.

True, it is no "snake oil" cure-all. It will not put farm labor back on the farms. Some other legislative action will be required for that. Nor will it prevent the pirating of labor from one industry to another; that sort of thing also needs attention. It is a common-sense method of trying to stop inflation which contains as many dangerous elements as war itself.

There has been so much said about the dangers of inflation that I hesitate to add more. As a memory refresher I offer the following.

Upon inquiry the Department of Commerce furnished me some data, and in a covering letter I was struck by the opening paragraph which I quote herewith:

As a result of a brief survey of available materials on the distribution of income among families and individuals in the United States, it is estimated that approximately 50 percent of American families have received no appreciable increase in their incomes since December 7, 1941, and that 20 percent have had no income increase since 1939.

It is estimated that in 1942 between thirty-two and thirty-three million families of 3.6 persons to a family dwelled in the United States and that about 10,000,000 persons dwelled alone but were considered as a family. One-half this number of people, or over 64,000,000 souls, have had no income increase since December 7, 1941.

And let me speak a word for another and distinguished group of our population, our senior citizens, those good people who have reached or passed the age of 60 years. The latest figures available show that there are almost 14,000,000 of these. Not all but many of these elders, I feel sure, have received no increase in income. In fact, many are dependent on annuities or fixed dollar investments of their efforts of younger days. What will be their situation if the real purchasing power of their dollar income decreases, due to a price race between commodity prices and wage rates? This is a race they and many millions more of our fixed salary or income fellow citizens cannot enter. Yet they are the rent payers and the purchasers of about 40 percent of agricultural commodities. This group has no farm-parity or wage-parity system to protect their dollar. Our elder citizens and our fixed income and salary groups have only their United States Congress to look to for protective legislation.

This is a moment to put aside sectionalism or partisanship. Each of us, I know, owes a particular obligation to the citizens of the district each represents and to their major occupation. However, there is a greater obligation to our indivisible country—our America—which is at war. If any person has a better system for stopping the advance of prices than by stopping them, let his system be paraded. If not, let us—we, the Congress of the United States—reaffirm the duties of the three branches of government, the legislative, the executive, and the judicial, by enacting common-sense legislation empowering the President to fix prices and forefend the danger of inflation. Ours is the duty to legislate. Once empowered, it is the duty of our Chief Executive, the President, to act. Let us legislate and request the President to act promptly.

Mr. ROBERTSON of Virginia. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield to my distinguished colleague from Virginia.

Mr. ROBERTSON of Virginia. Mr. Chairman, I understood the gentleman to say that during the 8 months from January 1 of this year the over-all parity average had been 100.4 percent.

Mr. DEWEY. One hundred and four-tenths percent on the average for all commodities.

Mr. ROBERTSON of Virginia. On yesterday I was told by the Bureau of Farm Economics that as of August 15 the prices the farmer was paying had advanced the over-all average, had moved it up to 107 percent. Am I correct in assuming that when the gentleman speaks of 100 parity ceiling it really means with respect to existing prices 107 percent over-all average?

Mr. DEWEY. I think the gentleman is correct in his statement.

Mr. ROBERTSON of Virginia. I want to commend my able and distinguished colleague from Illinois for the fair and nonpartisan spirit with which he has approached a difficult and complicated economic problem and to thank him for the clear and lucid statement of what this bill contains.

Mr. DEWEY. I thank my distinguished colleague from Virginia for his very kind words. Coming from such a source, I consider them a compliment, indeed.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. Yes; I yield to my distinguished colleague from Minnesota.

Mr. KNUTSON. I am very much interested in the very able and clear statement the gentleman has made. As I read this legislation it is merely permissive; it is not mandatory.

Mr. DEWEY. I think the gentleman is entirely correct; there is nothing mandatory except the legislation provides certain limits.

Mr. KNUTSON. If, therefore, the purpose of this legislation is not carried into effect the responsibility will be the President's rather than the Congress'.

Mr. DEWEY. I think that is entirely correct.

Mr. KNUTSON. I thank the gentleman.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio, Mr. Smith.

Mr. SMITH of Ohio. Mr. Chairman, I approach the consideration of the bill before us, H. R. 7547, which is supposedly in response to the peremptory demand made by the President upon Congress in his Labor Day message that further legislation be enacted by October 1 to give him more power to control farm prices, wholly from the standpoint of the overshadowing and all-embracing demands that are inherent in our struggle to win the war.

Especially in the consideration of the measure before us this one thought should constantly be uppermost in our minds and be the guiding element of every decision we make. To the extent we fail to do this we shall likely write legislation that will have the opposite effect from that which is intended.

If we approach the consideration of this measure from the standpoint of the farmer or laborer, the rich or the poor, or of reform, we shall likely go astray and write legislation that will increase prices and bring us nearer to run-away inflation.

The war needs now supersede the conflicting interests of every group. Only that which will give our soldiers the necessary means to win the war should have first consideration.

Why, then, the precipitate and arbitrary demand of the President?

Was it really necessary?

Would anything more have been required to put the desired legislation through Congress than for him to have given orders to his own party leaders to do so?

Has not the power he wields over both Houses of Congress, through the overwhelming majority of members of his own political faith, given him just about everything he has ever asked for?

Was the President waiting for the Republican minority to initiate the legislation he requested?

Who has failed the Nation, the Congress or the President's own party?

I can find no justification whatever for the President's vitriolic attack upon Congress; namely, that he had on April 27 last asked Congress to pass two pieces of legislation—one to provide adequate taxes, and the other to permit him to lower the ceilings which the Price Control Act places on farm commodities, that Congress had failed to heed this request and that this "delay has now reached the point of danger to our whole economy."

And has already "imperiled the war effort by the threat of economic chaos."

Is the President's complaint about failure to pass more adequate tax legislation directed at Congress because the pending tax bill is not going through fast enough? If so, why did not he specifically include in his mandate to Congress an order for it to act on that too by October 1, or sometime before November 3?

But his express demand upon Congress did not even mention the tax bill. So it does not look as though the failure to enact adequate tax legislation was worrying him so much.

Farm prices seem to have been his main concern. Indeed, it appears he

thinks the rising cost of living, the spiraling domestic economy, and the threat of inflation itself are somehow all caused by excessive farm prices.

He says:

The Congress must realize that unless the existing control over farm prices is strengthened, we must abandon our efforts to stabilize wages and salaries and the cost of living.

The movement of uncontrolled food prices since May 18, 1942, the date when the price regulation became effective, has been so drastic as to constitute an immediate threat to the whole price structure, to the entire cost of living, and to any attempt to stabilize wages.

The delay has now reached the point of danger to our whole economy. Therefore, I ask the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities.

But let us keep clearly in mind that the President's demand upon Congress involved only two pieces of legislation, each dealing with specific items, the one with taxes and the other with farm prices.

In referring to his seven-point program enunciated last April, he said:

However, we are carrying out, by executive action, the other parts of the seven-point program which did not require congressional action.

The two that he said require congressional action are points 1 and 4. Point 1 relates to taxes and point 4 to farm prices. Having disposed of point 1, there remains only point 4 of his seven-point program to which the President's mandate upon Congress could have had reference.

So when the President says:

Therefore, I ask the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities.

Since he fails to include in his demand anything that can be interpreted as referring to tax legislation, there results the inescapable conclusion that the President's peremptory demand upon Congress relates specifically to giving him authority to lower farm prices. It appears he thinks this is all he needs—

in our objective of stabilization * * * to move on all seven points at the same time.

I cannot see how it is possible to put any other construction on his language without violating it.

Since the burden of the President's message seems to be worry over excessive farm prices, it would appear he goes pretty far when he says:

Therefore, I ask the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities.

And—

I ask the Congress to take this action by the 1st of October. Inaction on your part by that date will leave me with an inescapable responsibility to the people of this country to see to it that the war effort is no longer imperiled by the threat of economic chaos.

And also—

The President has the powers, under the Constitution and under congressional acts, to take measures necessary to avert a disaster which would interfere with the winning of the war.

In the event that Congress should fail to act, and act adequately, I shall accept the responsibility, and I will act.

I shall not comment on this language, except to inquire what on earth have the farmers of America done which causes the President to feel they deserve such treatment as this? And to further ask if the weight of his attack has not fallen upon them, rather than upon the Congress or even his own party.

But the irony of the President's claim that excessive farm prices are the roots of the inflationary spiral, that this situation is so grave he must have congressional authority to deal with it by October 1, or else, is that he already possesses, under section 3 of the Price Control Act, powers under which he can lower substantially the current prices of some of the more important farm products, which power he has not used.

Here are some of the food items on which he now has the legislative authority to lower the current prices. Figures supplied by the O. P. A.

Hogs from $14.13 per hundredweight to $12.16 per hundredweight.

Beef cattle from $11.30 per hundredweight to $9.34 per hundredweight.

Veal calves from $12.91 per hundredweight to $11.91 per hundredweight.

Lambs from $12.07 per hundredweight to $11.07 per hundredweight.

Rice from $1.63 per bushel to $1.44 per bushel.

Dry field peas from $4.14 per hundredweight to $3.93 per hundredweight.

Wool from 39 cents per pound to 37 cents per pound.

I am not saying the President should lower these prices. I am merely pointing out his inconsistency and utterly fallacious utterances that farm prices are getting out of control because he lacks authority to curb them.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. AUGUST H. ANDRESEN. Under the bill before the House which continues the floor price at the price of September 15, the prevailing prices will stand, but the President will not have as much authority as he has under existing law.

Mr. SMITH of Ohio. I am glad the gentleman brought it out; that is largely true.

Mr. AUGUST H. ANDRESEN. In other words, this ties the President's hands and places a floor under beef, pork, and the other commodities to which the gentleman referred, and the prices can only go up; not down.

Mr. SMITH of Ohio. That would be my conclusion.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. O'CONNOR. The gentleman I believe referred to wool. It has been charged that the present increased price of wool contributed highly to the prevailing high cost of wearing apparel for both men and women. I want to point out the fact that a typical suit will use in the neighborhood of 10 pounds of wool in the grease, which means about half that weight of scoured wool. Under the present price of wool, even though it is comparatively high, the cost of the wool in the suit will not exceed $4.50, the typical suit that sells to the public at from $25 to $70. This means that the farmer or the stockgrower receives for the wool that goes into that suit approximately 10 percent of the cost of the suit.

Mr. AUGUST H. ANDRESEN. Labor and industry get the rest.

Mr. O'CONNOR. I do not know where the rest goes, but there you have the stretch between the time the wool is sold and the time the individual buys the suit.

Mr. SMITH of Ohio. By the way, there may be a very good reason why the administration hesitates to enforce the ceiling prices on at least some of the farm commodities, for example, cattle, hogs, and other meat animals.

Figures supplied by the Department of Agriculture show that on January 1, 1942, there were in the United States only 5 percent more of "all cattle and cattle other than milk cows," and only 5 percent more hogs than there were in 1917 when we entered the other war. Yet the population has increased about 30 percent since 1917, so that there are approximately 30,000,000 more mouths to feed.

We entered this war with an absolute and critical shortage of these animals, something the administration is peculiarly, if not ominously, silent about. It would appear an "ever normal granary" with empty stables leaves something to be desired in rounding out the economy.

I shall not take much time discussing the pending bill. It is not the original measure introduced by Mr. Steagall in our committee. Without previous notice the pending bill was given to our committee last Friday and received no more than 2 hours of superficial and perfunctory consideration and then was steam-rolled through.

No testimony was offered in support of this measure, or explanation given of it. So far as I could see the main consideration was how many votes it would yield.

About the only part of the Steagall bill that is in this pending measure is the crop-loan provision.

The origin of the bill is as obscure as its substance is alarming.

This is not an anti-inflation bill. It is definitely an inflation measure. What it will likely do, in effect, is to streamline the inflation spiral and make it official.

Mr. Chairman and ladies and gentlemen of the House, I plead with you that we proceed cautiously on this proposed piece of legislation. Let us not do something here today that we may regret and which may rise to haunt us the rest of our days. Let us not do something which can, in my studied opinion, become a major factor in losing the war.

I am not arguing against legislation to control the cost of living and prevent uncontrolled inflation. I think my record shows that I have warned and warned against this eventuality and have striven hard to have legislation enacted or repealed to prevent it.

If the President is correct in picturing the situation as menacing the war effort, I want to go with him all the way in setting up means for averting this disaster. And, for my part, I am convinced that he has not overstressed the danger of inflation, though I disagree with him as to some of the causes he advances and some of the cures he offers for this deadly economic disease.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield further?

Mr. SMITH of Ohio. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Can the gentleman explain to us what is meant by the very frequent term that is used in the bill called "gross inequities"? When the President finds gross inequities then he can do as he sees fit irrespective of existing law. I would like to have the gentleman's interpretation as to just what is meant by "gross inequities."

Mr. SMITH of Ohio. I think the gentleman can define that expression as well as I can. My objection to that term is that it forms a rallying point for the pressure groups to press their demands. What is a gross inequity for one person may be a minor inequity for another.

Something should now be done to directly control the cost of living, but let us not be misguided into thinking that inflation can be curbed with the measure now before the House.

Since the administration, the Congress, the agricultural and labor groups, as well as the country in general are now committed to the principle of stabilizing farm prices and wages I think the logical, fair, and safe thing for the Congress to do under the conditions created by the President's peremptory order would be to pass temporary legislation stabilizing farm prices and wages pretty much at the present levels. Such legislation should be written for a period of not to exceed 90 days.

If this procedure were carried out it would effectuate three vitally important objectives.

First. It would give the President everything he could possibly have intended to include in his demand upon Congress for legislation to check the rising cost of living, and for halting inflation.

Second. It would preserve the constitutional prerogatives and powers of Congress. This is so vital that it should take precedence over nearly all other considerations.

Third. It would provide more time for the careful, thorough, and judicious study of the questions involved, which is needed in the writing of permanent legislation dealing with the disturbing problems of inflation.

Such interim legislation would be simple, direct, and specific. It would be free from vagaries and formulas and would require no lawyers to interpret its meaning. It would be safe for it would involve no risk of further complicating present conditions.

If adopted, it would be simple, easy, and comparatively inexpensive to administer. It would have the extraordinary merit of being as free from political and pressure-group influences as any anti-inflation legislation that could be written. It would be fair as between agriculture and labor, at least as fair as it is possible to legislate now under existing conditions. It would do as much to check rising prices as could possibly be expected from any direct price-control legislation.

If this temporary legislation were enacted, it would show the people of this country that the Congress is willing to assume the responsibilities and duties the Constitution imposes upon it.

Of course, there would be uncertainties and inequities under such legislation as here suggested. But would these likely be as great as the ones that will almost certainly result from the legislation now before the House, which has had little or no consideration, and which is loaded with elements that are subject to all sorts of political influences and pressures. Such inequities and uncertainties as would appear could be corrected in the permanent legislation.

Were we to wait before putting direct price controls into effect until all the inequalities and uncertainties between different economic groups, as well as between different members of the same group, were corrected we surely would never have any such controls. It appears to me conditions are now such that the more we legislate on these matters the greater become the disparities we are trying to correct. We have to start somewhere to take definite action, or else give up the idea altogether of trying to hold the cost of living down, and prevent inflation.

I am not assuming that my suggestion, if it were adopted, would be a cure-all. Other measures must be put into effect, some of vastly greater importance than direct price control, if run-away inflation is not to overtake us. A most important measure would be one to eliminate wasteful spending and nonessential, nondefense spending. These spending practices are doing more to create inflation than all the other inflationary forces put together.

If such a proposal as I have suggested were adopted I believe it would be the best thing Congress could do for all groups in the way of direct control of prices.

No one knows how near upon us uncontrollable inflation may be. The President thinks the threat of wild inflation is already present. He has so stated. This is a dangerous situation, one that requires strong action. Should this pernicious disease overtake our Nation not only must every class and group suffer great hardships, lose their life savings, the value of their insurance policies, annuities, and so forth, but it will definitely imperil our war effort and can cause us to lose the war.

The whole question before the House is whether we really want to do something to curb the rising cost of living and check the inflation movement. If we do then we should have the courage to turn down the pending measure and substitute a bill embodying the suggestion I have made. The situation demands strong action. The war needs impose upon us the responsibility to act.

Mr. WILLIAMS. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman, in this grim all-out struggle for our national existence when we must muster every resource and exert every effort to secure this Nation for our posterity, we are losing one battle—the battle against inflation. If we cannot win a battle such as this—one which is purely domestic, in which all the factors necessary to victory are within our own control—then we will probably lose the war in which we are engaged and we will deserve to lose it.

Once more we have reached a period in our national life where the demands for special privileges for pressure groups are given more consideration than is given to the general welfare or to the national security. We have passed through like periods in the past and the results were inevitably disastrous. That we survived these crises was due to the fact that our difficulties at the time were purely domestic. Now conditions are different. We are facing dangerous situations both from within and from without. If we are to survive, we must meet both of these situations honestly and courageously. We cannot solve our present problems, whether economic or military, by half-hearted, piecemeal, demagogic measures.

I was one of those who opposed the original price-fixing bill because it did not provide for the fixing of wages or the price of agricultural commodities. Just how anyone could bring himself to believe that inflation could be prevented without controlling the two most important factors in the set-up, I cannot imagine. Certainly any school child should know better; but then, school children for obvious reasons are not susceptible to the influence of pressure groups.

There can be no doubt but that the influence, which was the most influential in preventing enactment of proper measures to prevent inflation, was the leadership of organized labor. Let it be remembered right here that much of this same leadership encouraged and assisted in a system of racketeering wherein free-born American citizens are forced to pay exorbitant initiation fees before they are allowed to work at the construction of cantonments to be used to shelter your sons or your neighbor's sons while they are being trained to fight the battles of this Nation, or before they are allowed to work in industries producing arms, munitions, or equipment to be used in producing for the security of this Nation, and all the wages in connection with such industries comes from the pockets of American taxpayers.

Why should conditions exist under which a free-born American citizen, who is trying to earn a living for himself and his family, before he is permitted to work in an industry supported in whole or in part by money from the pockets of free-born American taxpayers, be compelled by force or violence or threats thereof to join a labor union and pay fees and dues into the coffers of racketeers, who are immune from all governmental supervision or control and who are neither responsible nor accountable for the money? When the time comes, and it is nearly here, when a man can be forced to belong to a union before he can earn a living to support himself and his

family, it is only a step and a very short step until he can be forced to belong to a certain church or a certain lodge or be a member of a certain race, before he will be allowed to earn a living. Such practices do not belong in a free nation and a nation which permits, tolerates, or encourages them cannot remain a free nation. The right to earn a living for oneself and one's family is a right more sacred, more basic, and more fundamental than the right of freedom of religion, freedom of speech, freedom of press, or freedom of assemblage. If we cannot enjoy this right, of what avail are all the other rights guaranteed to us by the Constitution?

Let it also be remembered that throughout our entire rearmament program these leaders of organized labor have been responsible for the loss of millions upon millions of man-hours, both directly and indirectly, as a result of strikes. These man-hours are gone forever and can never be regained. The loss occasioned is more than it appears to be, because many of these strikes were in key industries and crippled many industries other than those where the strikes occurred. We are feeling this loss keenly and will continue to do so throughout this entire emergency. Yet, because of the influence of such obviously ignorant, selfish, and unpatriotic individuals, we have permitted this Nation to drift up to the very edge of this maelstrom of inflation, which will destroy the purchasing power of the professional and white-collared classes as well as that of the laboring classes. Any worker who believes that his wage increase will not be reflected in increased prices in his food, clothing, and rent is blind to the realities of the situation.

The rank and file of labor are not to blame in this matter, except insofar as they support those of their leaders who are ignorant, selfish, and unpatriotic. They are bulldozed into paying tribute to these racketeering leaders who have perfected a tight private organization, immune from all forms of government supervision or control. They are led to believe that their prosperity is dependent upon high wages. They do not understand, that high wages bring on inflation because they create a demand for commodities, which is greater than can be satisfied. They listen to the rabble-rousing propaganda of their leaders about high salaries of officials of industry, which in many cases are unjustifiably high. These factors, however, do not cause inflation, because the increased buying power represented is negligible. Then, too, they have been led into a system, which before the emergency curtailed the per capita output of consumer's goods. The 40-hour week was a desirable condition at that time, inasmuch as it prevented a surplus of consumer's goods and spread the work. Now, such a condition is undesirable, because it restricts the output of consumer's goods when they are badly needed and thereby encourages inflation. Organized labor, however, blinded by the cry of their leaders, that even during this dire emergency, none of their so-called gains shall be surrendered, demanded the continuance of a condition, which contributes to an inflation, which will harm them more in the end than it will any other class. We have been governed in our enactment of legislation by such influences. Is it any wonder we are on the brink of disaster? Is it any wonder the people of this Nation are looking askance at Congress? Is it any wonder that we in Washington are accused of being more concerned about politics than about winning the war? Only strong courageous decisive action can serve in such times as this and such action has certainly not been forthcoming.

All of the effort so far expended to prevent inflation might just as well have not been spent. In the absence of a strong policy to control wages and agricultural commodities, all other efforts are futile as the Nation will soon learn beyond the possibility of any doubt. Inflation is inevitable, the cost of living will skyrocket, and our system of domestic economy will come to disaster, all because the Congress and the Administration have lacked the courage to resist the unreasonable demands of pressure groups.

The leaders of labor, and those who support them, argue that the raises in wages come from money which would otherwise go to the Government in the form of taxes, or to stockholders in the form of dividends. This may be true in part, but the Government must have taxes and investors are entitled to reasonable returns upon their investment. As a matter of fact, dividends are being cut every day because of wage increases and taxes. Wage increases, under such circumstances, means the taking of money which would otherwise go into the Federal Treasury to help meet the expenses of the war. Instead of being used for this purpose, which is not inflationary, they are used to increase the demand for consumer goods, which is inflationary.

The argument is also used that since many industries are working exclusively upon material for our armed forces, the money to pay the wage increases demanded comes from the public treasury. Of course, it is very easy to satisfy the financial demands of any pressure group by recourse to the taxpayer's pockets. That is the path of least resistance. Such a solution, however, is certainly not statesmanlike. It is hoped that some day the taxpayer will get wise to such a procedure and put an end to it. It is obviously unfair to the already overburdened taxpayer to attempt to solve the problem of inflation by subsidies, bonuses, or wage increases at his expense. This is all the more true, since those who are clamoring for wage increases are also protesting against legislation which taxes those who by their demands are making higher taxes necessary by causing increases in the cost of everything necessary to the prosecution of the war.

In this matter of prevention of inflation, the advice of Baruch and others who have had experience with the same problem during World War I, has been rejected in favor of that of those who are long on theory and short on experience and who are also biased and selfish in their viewpoint. The powerful labor lobby had its way. Against all the dictates of common sense, Congress was bulldozed into the enactment of a bill which everyone knew to be inadequate. As a result, we have had a steady raise in wages, which has resulted in a corresponding rise in living costs, which is used as an excuse for further demands for wage increases. Thus we have a situation in which the total cost of the war is increased by billions, which must eventually be wrung from the taxpayers and no one is any better off.

If we are to control inflation and prevent disaster to our domestic economy, we must recognize the fact that high prices are not the cause, but the effect of inflation. The real cause of inflation is the increase of civilian's purchasing power confronted by a decreasing supply of consumer goods. We must combat inflation by regulating all of the factors which go to make up food, clothing, and consumers goods. We must fix wages for the same reason and also to curtail buying power. In addition, we must siphon off the surplus purchasing power now in civilian hands in order to more nearly preserve the proper ratio between the supply of consumers goods and the demand.

In this legislation we are considering the control of wages and agricultural commodities. I hope we will be able to accomplish this in a manner which will be fair, equitable, and just to all concerned. I hope we can do so with the least possible economic disruption. I hope we can do so in a manner in which the regulation and sacrifice will not fall mainly upon a minority of our population. I am sure that American citizens of all classes, whether farmer, laborer, white-collar, or capitalist, will cheerfully and willingly bear their full share of the burdens of this war if they can be made to understand the truth. If any class has been misled by their leaders to the point where they have been influenced to bring pressure for preferential treatment from the Congress, we should exercise the statesmanship of which we are presumed to be capable and resist such demands. We should do so not only in this legislation, but in revenue legislation and all other legislation which comes before us.

If we solve this problem in a manner which in fact makes every individual bear his share of this burden, we should be able to maintain a system of relatively free economy. If we continue to be influenced by the arrogant demands of pressure groups, we are certain to reach a condition where strict rationing of all commodities and a rigid central control of every industry and worker will be necessary. Under such a system our standard of living will fall and our individual liberty will vanish. We will be a victim of the very system we are fighting to destroy.

The people of this Nation, irrespective of class, are ready, willing, and even anxious to make any sacrifice to preserve this Nation. They are looking toward their elected representatives for guidance and direction. If we are to expect them to turn a deaf ear to the propaganda and the tub thumping of the unelected would-be regulators of the affairs of this Nation, we must set them an example and do so ourselves. Let us, without fear or favor, pass legislation to

control prices and wages and then follow it up with measures which will impose the tax burdens of this Nation in an equitable manner. In no other manner can we win this battle against inflation. In no other manner can we preserve our American institutions and the American system of individual free enterprise, which in such a short space of time, builded upon this continent the greatest Nation the world has ever seen, which has given to the inhabitants thereof more rights, privileges, and liberties, more necessities, comforts, and conveniences than the inhabitants of any other nation have ever known. This system which individual free enterprise has builded is going to furnish the material, equipment, supplies, manpower, and the morale necessary to save this Nation and preserve our freedom. This great American industrial system with its industries, resources, and skill; its ingenuity, ability, and initiative, is determined to protect what it has builded, because the system is worth fighting for.

The men who builded this system and this Nation were not loafers, beggars, cowards, or strikers. They were workers, planners, and men of thrift and vision. They were not afraid to labor, save, and sacrifice in order to bring into being a system which would furnish employment and commodities for the Nation. We owe it to our posterity to preserve this system against all its enemies, both foreign and domestic. We can do so only if we properly exercise our constitutional legislative authority and write definite and explicit legislation to cover the subject of stabilization of prices, wages, and salaries which will insure justice to all and special privilege for none.

Mr. WILLIAMS. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr Chairman, so many claims and counterclaims have been made here today regarding the inflationary aspect of the wage-control formula it is wise at this time to look at the record industry by industry and to survey the number of employees apt to be affected by this specific provision.

I have always contended that only by an over-all price, farm products, and wage control could the vicious spiral of inflation be avoided. We are now entering on the first spiral upward with such force that unless drastic action is taken, and taken quickly, the top will blow off, and control then will be impossible.

No Member can hope to win a popularity contest by voting for any form of price control. There will always be inequities in any control program, the same as exists at any given time in a free and competitive price structure. Effective control cannot adjust these inequities, for they are by their very nature interlocked in the entire price structure. But we must not overlook the stark threat of the greatest inequity of all—inflation.

Labor will have to forego further general increase of its wages in order to prevent run-away prices. Farmers will have to sacrifice greater income and face rising production costs in order to avoid the disaster that inflation will cause. The dangers from uncontrolled inflation are so much greater than the inequities each will face under proposed price control that I see no choice but to enact the strongest bill that the Congress can write to stabilize prices, farm products, wages, and salaries at the nearest possible figure to their present levels. It is wise to stabilize now, for each succeeding month throws the situation further out of balance.

It has been argued that the proposed formula to provide a ceiling over wages at their present levels or at a level 15 percent above the January 1, 1941, figure is inflationary. Under the present law remember there are no ceilings on wage or salary rates and many of the wage rates today are far out of proportion because of this lack of control. To avoid taking action now will further permit unrestrained increases.

These, according to the Office of Price Administration, are occurring at the tremendous rate of about $1,500,000,000 a month. Largely these increases occur in the durable-goods industry where labor is in a strategic position to demand and insist upon increases.

Of greatest importance therefore is a first consideration of the wage rates in these industries. I would like to quote a letter received this morning from Mr. N. Arnold Tolles, Acting Commissioner of Labor Statistics of the United States Labor Department, who states that the bulk of the durable-goods industries have already granted wage increases of 15 percent or more.

He writes as follows:

> Average hourly earnings have increased as a result of increasing amounts of overtime work at premium rates and increasing amounts of night work, quite apart from general wage increases. Changes in the composition of the work force also influence the movement of these averages. When allowance is made for such influences, it still appears that the bulk of the durable-goods industries have granted wage-rate increases of 15 percent or more. Among those durable-goods industries are most of the key industries for war production.

Complete figures are available for all manufacturing industries and the 13,146,000 employees engaged therein only on the basis of average hourly rates of pay and consequently the increases shown fail to separate or isolate the premium overtime payment. They do serve as a guide, however, worthy of the study of Congress. (See table A.)

I would like to call your attention to the schedule printed herein and point out that out of the 43 industries included in the durable-goods industry, only five industries have failed to exceed 15 percent increase since January 1, 1941, in average hourly earnings. Out of the 43 industries, the five not yet above the 15-percent increase are:

Increase above Jan. 1, 1941

	Percent
Cutlery	12.8
Hardware	14.1
Cement	13.7
Glass	8.2
Marble, granite, etc	7.5

In the nondurable-goods industries, the rise to 15 percent has not been so complete. Out of the 47 industries, 18 have not yet reached the 15-percent point of increase. These are as follows:

Increase above Jan. 1, 1941

	Percent
Hats, fur-felt	11.5
Hosiery	7.8
Knitted outerwear	14.3
Men's clothing	13.5
Women's clothing	9.9
Millinery	7.4
Baking	11.3
Beverages	8.0
Butter	12.3
Flour	13.0
Ice cream	8.8
Sugar refining (cane)	12.2
Chewing and smoking tobacco	14.3
Cigars and cigarettes	13.2
Book and job printing	6.9
Newspapers and periodicals (printing)	6.1
Petroleum refining	13.2
Cottonseed oil	13.5

Thus, only 23 industries out of the 90 making up our entire manufacturing industry have failed to reach a 15-percent increase in average hourly earnings. Of these, however, only 9 industries show less than a 10-percent increase in average hourly earnings as compared with January 1, 1941.

Admitting the possibility of adjustment in some of the industries to take care of the premium overtime pay included in these figures, it is apparent that most of the 15-percent increase over January 1, 1941, provided for in the bill had already taken place in the manufacturing industries in May 1942. Most of them have continued to go up each month as the last column indicates. These figures cover the 13,146,000 employees of these industries.

Mining is not included in these figures, but it is interesting to note that the wages of the bituminous coal miners have increased on an average hourly earnings basis 19.8 percent from January 1, 1941, to May 1, 1942. This figure for July 1942 stood at 22.8 percent according to the Bureau of Labor Statistics. Anthracite miners, a relatively smaller proportion of the mining group, have gone up only 7.1 percent in the January 1, 1941, to May 1942 period. (See table B.)

The Bureau of Labor Statistics lists 3,417,000 workers under the classification of transportation and utilities. Of this group most wages are below the 15-percent figure but reflect substantial increases. Railway straight time hourly earnings show an increase from January 1, 1941, to May 1942 of 12.6 percent while crude petroleum shows an increase for the same period of 12.3 percent. Telephone and telegraph workers reflect only a 3-percent increase for the same period; electric light and power workers 7.3 percent, and street railway workers 9.4 percent. (See table C.)

Figures are not available for the construction classification in which 2,073,000 are employed. But judging from average hourly earnings unofficially reported, these are either above or near the 15-percent figure.

Figures are not available for the following classifications: Trade, wholesale and retail, 6,582,000; finance service and miscellaneous, 4,314,000; Federal, State, and municipal government employees, 4,889,000. (See table D.)

I feel that Congress must act and act now if we are to get legislation that will

fix a ceiling on wages. From the figures included herein, it seems apparent to me that the bulk of wages, particularly those in groups that have always set the pattern for increased wage rates, have already reached or nearly reached the specified 15-percent ceiling.

Only by stabilizing these wage rates and the farm prices now can the upward pressure for continuing wage increases and continuing price increases be avoided.

Unless this is done the farmer, worker, and businessman—all three—will lose the value of the purchasing power of his dollar. He might make more dollars under inflation, but they will buy less than they will today.

Likewise the Government, instead of spending $212,000,000,000 as has been appropriated to date for war, would spend four hundred billion or more under inflation and still receive no more guns or tanks or planes or ships.

A few cents sacrificed today by the individual in increasing his anticipated price, anticipated wage, or anticipated profit can prevent this anticipated inflationary spiral from breaking loose.

TABLE A.—*Average hourly earnings in manufacturing industries, January 1941,[1] May 1942, and July 1942, and percentage increase in average hourly earnings, January 1941[1] to May 1942*

[Compiled by the Bureau of Labor Statistics]

Industry	Average hourly earnings including overtime pay			
	Base period [1]	May 1942 (preliminary)	Percentage increase base period to May 1942	July 1942 (preliminary)
	(1)	(2)	(3)	(4)
DURABLE GOODS				
Iron and steel and their products, not including machinery:				
Blast furnaces, steel works, and rolling mills	*Cts.* 86.1	*Cts.* 100.0	*Pct.* 16.1	*Cts.* 100.4
Bolts, nuts, washers, and rivets	70.6	88.2	24.9	88.6
Cast-iron pipe	[2] 61.3	75.7	23.5	77.3
Cutlery (not including silver and plated cutlery) and edge tools	[3] 63.5	81.0	12.8	82.2
Forgings, iron and steel	81.8	102.4	25.2	103.4
Hardware	69.5	79.3	14.1	84.8
Plumbers' supplies	69.6	84.0	20.7	83.7
Stamped and enameled ware	66.5	81.2	22.1	83.2
Steam and hot-water heating apparatus and steam fittings	73.2	91.9	25.5	92.2
Stoves	67.8	81.5	20.2	84.1
Structural and ornamental metalwork	74.3	90.3	21.5	91.0
Tin cans and other tinware	63.9	73.8	15.5	74.9
Tools (not including edge tools, machine tools, files, and saws)	66.2	81.7	23.4	83.0
Wirework	71.2	84.9	19.2	86.5
Machinery, not including transportation equipment:				
Agricultural implements (including tractors)	82.1	98.6	20.1	100.0
Cash registers, adding machines, and calculating machines	84.6	105.8	25.1	107.5
Electrical machinery, apparatus, and supplies	[2] 76.6	91.8	19.8	93.2
Engines, turbines, water wheels, and windmills	[3] 84.1	113.8	35.3	116.9
Foundry and machine-shop products	75.7	91.0	20.2	92.4

TABLE A—Continued

[Compiled by the Bureau of Labor Statistics]

Industry	Average hourly earnings including overtime pay			
	Base period [1]	May 1942 (preliminary)	Percentage increase base period to May 1942	July 1942 (preliminary)
	(1)	(2)	(3)	(4)
DURABLE GOODS—continued				
Machinery, not including transportation equipment—Continued.	*Cts.*	*Cts.*	*Pct.*	*Cts.*
Machine tools	[3] 78.1	96.5	23.6	97.3
Radios and phonographs	63.2	78.5	24.2	80.3
Textile machinery and parts	[3] 67.8	82.0	20.9	82.7
Typewriters and parts	67.5	81.3	20.4	83.4
Transportation equipment:				
Aircraft	77.6	98.9	27.4	99.7
Automobiles	96.9	114.2	17.9	114.4
Cars, electric and steam railroad	[3] 75.6	100.2	32.5	102.6
Locomotives	81.4	104.5	28.4	108.3
Shipbuilding	89.3	109.0	22.1	113.3
Nonferrous metals and their products:				
Aluminum manufactures	77.3	92.2	19.3	92.1
Brass, bronze, and copper products	[3] 77.7	99.4	27.9	102.6
Clocks and watches and time-recording devices	61.4	77.0	25.4	78.3
Jewelry	58.6	70.0	19.5	71.1
Lighting equipment	71.7	85.1	18.7	88.1
Silverware and plated ware	66.6	82.7	24.2	83.9
Smelting and refining—copper, lead, and zinc	[4] 71.8	89.4	24.5	92.2
Lumber and allied products:				
Furniture	[5] 56.5	67.7	19.8	67.0
Lumber:				
Millwork	55.4	66.8	20.6	69.8
Sawmills	51.0	62.0	21.6	64.6
Stone, clay, and glass products:				
Brick, tile, and terra cotta	58.7	70.0	19.3	71.3
Cement	70.9	80.6	13.7	83.7
Glass	77.2	83.5	8.2	84.0
Marble, granite, slate, and other products	[6] 72.3	[7] 77.7	7.5	[7] 77.6
Pottery	63.5	75.1	18.3	76.0
NONDURABLE GOODS				
Textiles and their products:				
Carpets and rugs	67.5	78.3	16.0	79.3
Cotton goods	41.9	52.8	26.0	53.1
Cotton small wares	50.3	64.6	28.4	66.4
Dyeing and finishing textiles	55.1	65.5	18.9	66.4
Hats, fur-felt	75.5	84.2	11.5	85.7
Hosiery	55.0	59.3	7.8	61.0
Knitted outerwear	48.9	55.9	14.3	56.3
Knitted underwear	44.6	52.3	17.3	52.8
Knitted cloth	50.3	60.9	21.1	61.8
Silk and rayon goods	46.1	57.5	24.7	57.7
Woolen and worsted goods	57.6	71.5	24.1	77.0
Men's clothing	60.7	68.9	13.5	68.5
Women's clothing	55.3	60.8	9.9	61.7
Corsets and allied garments	49.2	57.9	20.1	58.0
Men's furnishings	42.2	51.8	22.7	52.6
Millinery	[8] 66.6	71.5	7.4	71.2
Shirts and collars	42.0	51.8	23.3	51.6
Leather and its manufactures:				
Boots and shoes	53.0	65.0	22.6	65.4
Leather	66.2	80.5	21.6	81.9
Food and kindred products:				
Baking	64.4	71.7	11.3	73.7
Beverages	[9] 89.8	97.0	8.0	98.9
Butter	[9] 49.5	55.6	12.3	57.5
Canning and preserving	51.0	61.6	20.8	59.7
Confectionery	51.1	59.2	15.9	60.6
Flour	60.8	68.7	13.0	70.9
Ice cream	[9] 63.9	69.5	8.8	70.9
Slaughtering and meat packing	68.1	80.0	17.5	80.1
Sugar, beet	[9] 77.2	89.9	16.5	89.6
Sugar refining, cane	65.0	72.9	12.2	74.3
Tobacco manufactures:				
Chewing and smoking tobacco and snuff	53.7	61.4	14.3	63.6
Cigars and cigarettes	49.3	55.8	13.2	56.8
Paper and printing:				
Boxes, paper	[5] 56.6	66.3	17.1	67.6
Paper and pulp	66.2	77.7	17.4	80.9
Printing and publishing:				
Book and job	81.0	86.6	6.9	86.6
Newspapers and periodicals	105.2	111.6	6.1	112.8

TABLE A—Continued

[Compiled by the Bureau of Labor Statistics]

Industry	Average hourly earnings including overtime pay			
	Base period [1]	May 1942 (preliminary)	Percentage increase base period to May 1942	July 1942 (preliminary)
	(1)	(2)	(3)	(4)
NONDURABLE GOODS—con.				
Chemical, petroleum, and coal products:	*Cts.*	*Cts.*	*Pct.*	*Cts.*
Petroleum refining	97.0	109.8	13.2	110.9
Other than petroleum refining:				
Chemicals	[10] 81.1	98.8	21.8	100.5
Cottonseed oil, cake and meal	[5] 34.2	[7] 38.8	[7] 13.5	39.9
Druggists' preparations	16.4	73.2	19.2	73.2
Explosives	[4] 84.0	99.0	17.9	99.7
Fertilizers	[6] 41.7	[7] 49.8	[7] 19.4	50.1
Paints and varnishes	[10] 73.3	85.6	16.8	86.5
Rayon and allied products	69.9	80.8	15.6	82.8
Soap	[3] 73.3	86.7	18.3	87.6
Rubber products:				
Rubber boots and shoes	63.9	75.2	17.7	75.5
Rubber tires and inner tubes	97.5	109.6	12.4	110.9
Rubber goods, other	[3] 63.4	78.0	23.0	79.4

[1] The base period is January 1941 unless otherwise specified.
[2] Base period December 1940.
[3] Base period October 1940.
[4] Base period September 1940.
[5] Base period March 1941.
[6] Base period April 1941.
[7] April 1942.
[8] Base period May 1941. Unpublished figures.
[9] Base period May 1941.
[10] Base period November 1940.

TABLE B

Same as above for coal mining:

	January 1941	May 1942	Percentage increase	July 1942	Percentage increase, 1941–July 1942
Anthracite	92.5	99.1	7.1	98.2	6.2
Bituminous	88.5	106.0	19.8	108.7	22.8

TABLE C

	January 1941	May 1942	Percentage increase between January 1941 and May 1942	July 1942 (preliminary)
Crude petroleum	88.5	99.4	12.3	99.6
Telephone and telegraph	80.4	82.8	3.0	81.5
Electric light and power	90.3	96.9	7.3	97.5
Street railways	73.1	80.0	9.4	81.6
Class I railways	71.4	80.4	12.6	79.6

The 79.6 figure under July 1942 was secured from June 1942.

Class I railways figures furnished by Interstate Commerce Commission. They are straight-time earnings. Would not then be directly comparable to average hourly earnings.

TABLE D

Census of nonagricultural workers, June 1942

Total nonagricultural workers	41,415,000
Total hired nonagricultural workers	35,272,000
Manufacturing	13,146,000
Mining	851,000
Construction	2,073,000
Transportation and utilities	3,417,000

TABLE D—Continued

Trade, wholesale and retail	6,582,000
Finance, service, and miscellaneous	4,314,000
Federal, State, and local governmental	4,889,000

Mr. WILLIAMS. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, this is an appropriate time for the American people and the American Congress to be considering the question, How can labor do more, how can the farmer do more, how can the industrialist do more, to bring about a successful conclusion of this war with a minimum loss of human life? That is a question worthy of the best efforts of the American people. The soft and easy road is out of the window for the duration of the war. The test is not how little can we do but how much can we do for our country.

This bill has to do with the prevention of ruinous inflation. All Americans have ample cause to be disturbed about inflation. I know of no one who wants wild, runaway inflation in this country. Everyone wants some kind of equitable control, a control that will be fair to labor, fair to the farmer, and to industry and the public.

Mr. Chairman, I resent the efforts which have been made by some to make the farmer appear at this time to be Public Enemy No. 1. The farmer is deeply offended because his patriotism has been called in question and it has been made to appear that he is responsible for all the inflation ills which beset our people. This is so grossly unfair, so grossly untrue, that it is not inappropriate to take a moment to deny it.

In the September 16 issue of one of the Washington papers there appeared on the front page a very interesting cartoon.

There was pictured in a bed the farm bloc, represented apparently by a farmer. He was sleeping peacefully. Above him was a sign indicating that he was dreaming of dollars and fabulous riches. A clock on a table indicated that the hour of 12 was approaching. On one side of the bed Ambassador Grew was saying, "There's a war on, and we are in it for keeps." The farmer slept on. Mr. Nelson was shouting through a trumpet, "We are not winning the battle of production." The farmer kept on sleeping. General Hershey was ringing a bell and crying, "Every man has got to be a soldier," or something to that effect. Our great President was shaking the farmer and trying to arouse him. Underneath was the title of this cartoon, "It seems to be a case of sleeping sickness."

The cartoon was a clever piece of drawing, but it was a terribly unfair and untrue attack on the farmer. No; the farmer is not asleep. A thousand times no. As an indication of that I call your attention to the fact that the farm population has furnished a greater proportion of the men who fight in the front lines today than any other portion of our society.

I respectfully submit that with hard work and long hours the farmer this year is producing more than ever before in his history. No; the farmer is not asleep. Others may be, but not the farmer. The farmer knows that our destiny is at stake, and he has produced with a vengeance and determination in order that he might furnish the food and the fiber for the winning of this war.

The farmer is not profiteering, and he must undoubtedly resent the implication that he is rolling in wealth when as a matter of fact he is having the fight of his life to survive and keep up the production goals of the Government.

There are many available figures which conclusively show that the farmer is not receiving his share of the national income—that the threat of inflation cannot be properly laid at the door of the farmer. The farmer represents about 22 percent of the population of the United States, but he gets only about 10 percent of the income.

Let me point out, in comparing industrial wages and farm prices, that farm prices are now 154 percent of the 1909–14 base period, the period used in figuring farm parity. But the earnings of factory workers are 400 percent of the same period. In other words, farm prices have advanced 54 percent during the past 30 years, while the earnings of the factory workers have advanced 300 percent, and are now at the highest level in the history of the Nation.

This further fact is interesting—and it was pointed out by someone in the discussion earlier in the afternoon—wages are now 38 percent above what they were in World War No. 1 while farm prices are 36 percent below what they were in World War No. 1. An additional fact is in point: A smaller percentage of the wages of labor is now required for the purchase of food than at any time during the past 30 years.

The farmer has been denounced because of the provision in the law passed sometime ago prohibiting the fixing of farm prices at less than 110 percent of parity. In fairness it should be pointed out that last January when the price-control law was passed the 110-percent provision was placed in the bill with the thought that this provision and the provision of law making an 85-percent-of-parity loan might tend to give the farmer, on the whole, a price of about parity for his products. Parity offers the farmer a modest minimum instead of a fancy profit as some uninformed people have concluded.

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I yield 3 additional minutes to the gentleman from Texas.

Mr. MAHON. The average farmer does not receive parity prices for his products, and he does not have a parity of income with the factory worker. All the farmer wants is a satisfactory balance between farm prices and industrial wages and a strong inhibition against war profiteering by industry. He does not want to see the inequalities of the past and the present perpetuated by regulation or by law. He knows that sacrifices are required—he wants an equality of sacrifice.

I am firmly of the opinion that the cost of hired labor on the farm should be taken into consideration in arriving at a proper price for farm products, in determining parity price so to speak. It sometimes costs a farmer one-third of what his product is worth to hire it harvested, and to say that this cost should not be considered in arriving at a fair price for the product is beyond my comprehension. Believe me, there is a very definite sense in which the cost of hired labor on the farm is affecting farm production. The farmer cannot pay high prices for farm labor without getting a better price for his product. Farm labor is rapidly leaving the farm and entering defense plants where much better wages exist. There are instances where one boy from the farm goes away to work on a defense project and makes more per week than his father and mother and brothers and sisters are able to make per month on the farm.

Labor is not being attracted to the farm; people are not being attracted to the farm; they are being siphoned out of rural communities and into defense work and industry.

What further proof does anyone need that farm income is inadequate and that the farmer is getting a disproportionately small part of the national income?

It would be a short-sighted policy which would deny consideration of the important question of farm labor because the food and fiber production program will break down if this element of cost in farm commodities is disregarded.

Let us never forget that victory on the battlefields will be impossible if laws are passed or regulations made which make it impossible for farmers to carry forward with their production program.

The farmer will not strike; he and his family will continue to work in the field under the blazing sun and in the bitter cold to win the battle of production, but a willing spirit is not enough. A sympathetic consideration of the problems of the farmer is important to the farmer, but it is even more important to the Nation and to the world.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, I am supporting this legislation, with proper amendments, which has for its purpose the control of prices, prevention of further inflation, and placing a brake on increases in the cost of living. I believe that the request of the President should be complied with and the necessary legislation enacted immediately so that a solution may be provided for this important problem facing us.

Production is one of the major activities going into our war effort. We are not only required to produce for the civilian population but we are the bread basket for the United Nations fighting by our side in this great struggle. In addition we are furnishing the tools of war, not only for ourselves but to a considerable extent to the nations fighting with us. In order to achieve full production it is absolutely essential that the

skyrocketing of prices be prevented. It is equally important that a stabilization of wages and farm prices be achieved. It cannot be done piecemeal. It must be handled as one complete undertaking. The legislation proposed in the President's message is designed to that end.

Unfortunately there are a number of factors entering the problem which require careful consideration. The rights of labor, those engaged in agriculture, the consuming public, as well as the Government itself in supplying its needs in the prosecution of the war, all enter into the problem. It is patent that we cannot by legislation lay down a hard and fast formula which will control completely all of these far-reaching factors. We must of necessity adopt a general formula controlling the problem and leave broad latitude and discretion to the President as Commander in Chief in the administration of the law.

For my own part, Mr. Chairman, I will give my support to the legislation to accomplish these ends.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. JONKMAN].

FIRST THINGS MUST COME FIRST

Mr. JONKMAN. Mr. Chairman, a week ago in the Well of the House I commented upon President Roosevelt's Labor Day message to the other body on price inflation in relation to farm products.

In my remarks attention was called to the inherent danger of the President's policy with respect to farm products. In his message the President stated that policy to be: First, to hold the line against inflationary price increases. Second, to get the production of necessary farm products.

I sought to establish the fact that this policy of putting first things second in the farm-products program was just as tenuous, flimsy, and just as dangerous as it had proved in the rubber-products policy.

The President's policy with respect to rubber was clearly, first, to restrict the use of rubber by the intricate, confusing, and paralyzing policy of national rationing of rubber and gasoline; second, to get the production of necessary rubber.

According to the Baruch committee report—and this was the President's own committee—had the President put first things first, and had he made any effort whatsoever to get the production of the necessary rubber, this could easily have been accomplished and we would not now be suffering from a rubber famine in which, as the committee states, "unless corrective measures are taken immediately this country will face both a military and civil collapse."

Several days after I called the attention of the House to the danger of our food situation, Secretary of Agriculture Wickard confirmed it. Secretary Wickard admits that the American farmer is deprived of his help by the muddled draft-board situation, of his farm machinery by the War Production Board, of his fertilizer by the use of nitrates for munitions, of his insecticide by the war in the Dutch East Indies, and now the President threatens him with a measure enforcing production at less than cost.

I repeat, the President's policy with reference to farm products is equally tenuous and dangerous, as was his inexcusable and disastrous policy on rubber.

First things must come first if we are going to win this all-out war. If the administration will seek first and foremost to get the required production of necessary farm products and encourage plentiful production, price inflation of foodstuffs will be half licked. If, on the other hand, the administration loses sight of this task and fiddles around with price control and other artificial repressives, disregarding the cost of production, to the strangulation of production, price inflation will not only give the administration a licking but will result in dire scarcity of food and even famine.

The President in his message said:

> Our experience during the last 4 months has proved that general control is possible but only if that control is all-inclusive.

This is a specious statement and I am not convinced of its soundness. If the President means that general control of prices is not possible unless that control is all-inclusive, and no more, then, of course, we agree with him.

In other words, the President now wants the Gore bill. Or does he not? Ten months ago when the price-control bill was up in the House the gentleman from Tennessee [Mr. GORE] presented his substitute bill providing for all-inclusive control, fixing wages, and a ceiling of 100 percent of parity for farm products.

At that time 63 Members, including myself, voted for the Gore bill and tried to give the President what he now says he should have had. But at that time the administration would not listen to the good advice of the gentleman from Tennessee [Mr. GORE], and 218 votes, including the administration votes, were against it.

Had the administration listened to that advice, it would not have required "procrastinations, indecisions, conflict of authority, clash of personalities, delay and lack of understanding" or, in other words, "the experience of the last 4 months" to prove to it the folly of the price-control bill and the virtue of the Gore bill. The administration could have been 8 or 10 months on its way with the only bill that will work if, indeed, price ceilings alone can prevent inflation, which I doubt very much.

However, the President seems to go further than that. He seems to say that the experience of the last 4 months has proved that general price control will work if that control is all-inclusive. It seems to me this is far-fetched. I would rather believe that all that 4 months' experience proved to the administration is that general price control will not work without that control being all-inclusive. It may have proved this, but no more. At least I do not believe there are any convincing factual reasons in the President's message drawn from that 4-months' experiment showing that it will work.

Nor do I think it can be shown in the history of any nation that the imposition of price ceilings alone has worked out successfully. The inevitable result has been to strangle production, create further shortages, black markets, and final chaos, in which the wealthy survive and the poor perish.

That price ceilings alone will not solve the problem of both, production and inflation, is apparent if we give true significance to another portion of the President's message, which says "in regard to increasing the total of our food production, one of the worries that a farmer has to face is the shortage of labor for cultivating and harvesting crops." The irrefutable implication of this shortage of farm labor is that farm wages are high. And it is a well-known fact that farm wages are from two to three times as high as they were in the parity base period. Moreover it is claimed that the present 110 percent of parity provision, which is in reality a floor and an implied ceiling, is expected to do no more than to average parity for the farmer.

On the other hand, it will be admitted that industrial wages, to an even greater extent than farm wages, in contradistinction to farm prices, are now away above what they were in the base period. We can speak of uncontrolled farm prices and industrial wages chasing each other in a vicious inflationary circle, but with farm prices fixed at parity, causing the farmer to operate at a loss, what is the farmer expected to chase? Only his love of the farm and patriotism to produce for the war, even at a loss, will keep him there. Unless this is the case he will be chasing a job in a defense factory at several times the pay, and what will that do to farm production? And yet, that is what the administration policy is driving him to do.

I have never understood New Deal mechanics for the attainment of an objective, and here again I cannot see how the problem of production, which comes ahead of the problem of inflation, is going to be solved by an ultimatum to Congress which, in effect, says, "You fix farm prices by October 1 or else, and don't worry, I'll fix the price of wages." In this connection would it not inspire more confidence if the President had put a ceiling on wages and then asked Congress to put one on farm products?

And, anyway, without some proof that all-inclusive price ceilings will do the job, what is there to inspire confidence in the proposed corrective legislation? And is not this especially true in the absence of a provision fixing wages? There is nothing that the administration did not also advance for the price-control bill, which has utterly failed to control prices, while on the contrary it ruined thousands of small business men and created another terribly burdensome bureaucracy.

It seems to me that the President's message has a far different motive than to put ceilings on farm prices at 100 percent instead of 110 percent of parity, or something similar. Its purpose seems to be, now that the administration price-control bill has been proven to everybody

to be a total and miserable failure, to blame the Congress, beat Congress to the punch, and publicly spank it for this administration debacle.

In conjunction with the foregoing this becomes apparent when we examine other portions of the President's message, where he said:

> In my message of 4 months ago I pointed out that in order to succeed in our objective of stabilization it was necessary to move on all seven points at the same time; but that two of them called for legislation by the Congress before action could be taken. It was obvious then, and it is obvious now, that unless these two are realized, the whole objective must fail. These are points 1 and 4; namely, an adequate tax program, and a law permitting the fixing of price ceilings on farm products at parity prices.
>
> I regret to have to call to your attention the fact that neither of these two essential pieces of legislation has as yet been enacted into law. That delay has now reached the point of danger to our whole economy.

Without commenting on the delay on the tax law to which the Secretary of the Treasury has contributed as much as anybody else, the President blames the Congress for not giving him a law permitting a ceiling on farm prices at parity, something he would not take 10 months ago.

Then the President goes on to say:

> However, we are carrying out, by Executive action, the other parts of the seven-point program which did not require congressional action.

Here he states that the other five points including, of course, point 3, stabilization of wages, he is carrying out by Executive action, in other words, a clean bill of health for his own efficiency in performing that part of the program.

But a few paragraphs farther on, the President contradicts himself by stating:

> Our entire effort to hold the cost of living at its present level is now being sapped and undermined by further increases in farm prices and in wages.

Then at another point in asking Congress to stabilize farm prices he says:

> At the same time that farm prices are stabilized, wages can and will be stabilized also. This I will do.

When will that be done?

Just what truth is sought to be established it is difficult to determine and yet only the truth can keep us free.

The President is embarrassed. In his fight against inflation he started on the wrong road 10 months ago when he spurned all-inclusive price control. Now he knows he is on the wrong road. Everybody knows it. The situation will not be corrected by blaming Congress for it. Threats to dispense with Congress and take over its functions by making the laws himself may divert attention, but will not cure the situation. Especially not a dictated 100-percent-parity price instead of a 110 percent of parity law. For nearly 10 years the country has sought to give the farmer parity prices as the basis of a sound national prosperity. The farmers' average prices are still slightly below parity. So the parity-price problem is not of such an immediate danger as to call for heroics. In fact, the probability is that it will only lead us from one wrong road onto another, namely, that of famine, and, of course, in an opposite direction from our objective of winning the war. For Congress to supinely submit to such abdication and acquiesce in a second blunder by the administration, which is probably worse than the first, would not be patriotism but diametrically the opposite.

The people want price control but not at the cost of famine. They want Congress to continue as the lawmaking body. They want the President to win the war, using the best men, methods, and material available.

It would be in harmony with this will of the people, it seems to me, for Congress to amend the price-control bill by making it all-inclusive. However, ceilings and especially farm price ceilings, should be adjustable up or down in accordance with some standard that will insure cost of production and a reasonable profit so as to give the greatest possible assurance of a plentiful food supply.

The administration is charged with the conduct of the war. The people are rarin' to go, to get into unity of will and action, to win the war as quickly as possible. But so far they have been confused and lacked the inspiration that only organized and unified action in Washington could give to the direction of their thoughts and efforts.

For instance, they realize that the rubber situation is desperate. They realize that except for the synthetic rubber bill passed by the Congress in July, the administration would still be in chaos, with no intelligent unified effort toward the solution of this vital problem.

They hope that the appointment of William M. Jeffers will solve it. It is only by these close-ups that they can form a general concept of the mechanics of the war effort and there is widespread fear that the above-named example of lack of organized effort is characteristic of the general war program.

They feel that food supply is a vital element in winning the war; that providing this supply should not be left to the haphazard results of cross-purpose effort, conflict of authority, clashing of personalities, delays and duplications of the Department of Agriculture, the Food Requirements Committee, the War Production Board, and several other alphabetical agencies and bureaucracies, but should be an integrated part of the war program under a competent administrator with power and responsibility to guarantee a plentiful supply of food for military and civilian needs 1 or 2 years hence as well as for this year.

If we are going to win the war we must put first things first and under such a policy "to get the required production of necessary farm products" will be considered of far greater importance than to decide whether 100 or 110 percent of parity shall be paid for farm products, and we can do it only by placing this problem in the hands of a competent administrator with power to act.

Mr. MILLS of Arkansas. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. GIBSON].

Mr. GIBSON. Mr. Chairman, debate being limited on the measure now before the House, H. R. 7565, a bill to amend the Emergency Price Control Act of 1942, I am going to consume but very little time in discussion of the measure. I want to state emphatically that unless the measure is materially amended I shall vote against its passage.

There is no one more cognizant of the danger of inflation than I, and no one any more ready to enact legislation that will thwart inflation, but I do not expect to be a party to any discriminatory legislation. We are today facing our greatest crisis. Our Nation is passing through the most trying days of its life, and we are facing our hardest test. We, therefore, cannot permit ourselves to play any favors among our people. It is a day of sacrifice, and all must share equally in this burden. We must sacrifice to save the life of freedom and justice.

Under the bill as it now stands, the producers of farm products, turpentine, timber in its processed forms, such as cross ties and lumber, are so greatly discriminated against that the result of the application of the provisions of this bill will be to destroy the possibility of even normal production of these commodities, to say nothing about an increased production. Our armed forces and our civilian population must be fed, and, frankly, the farmers in my section of the Nation, sawmill men, and turpentine producers, are going to be forced to close shop unless the ceiling is placed high enough on their products to permit them to pay the prices they have been having to pay for labor and will have to pay under this bill. Farm labor cannot be had at a price that the farmers can afford to produce the necessary products for the successful prosecution of the war, which also applies to the producers of cross ties, lumber, and turpentine. I, therefore, shall be forced to vote against this measure unless amendment is allowed that will adequately protect the rights of this portion of our citizenry, who has in the past, and who will be expected in the future, to play a very important part in the progress of our war effort.

I thank you.

Mr. MILLS of Arkansas. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Chairman, I wish to briefly point out a few pertinent facts. The farmers have been stripped of their labor, their sons, their implements, their fertilizer, and their tires. They face increased freight rates, which reminds me of a story where Pat said to Mike, "Why don't you put some more flesh on the bones of that poor, old horse?" Mike said, "He has about all that he can carry now." It seems that the farmers have about all the load they can carry. Furthermore, farmers have no representation on the War Production Board.

We should not pass any far-reaching legislation so hastily. In my opinion inflation can be cured by abundant production and not merely by ceilings on raw farm products.

I desire to call your attention to two lines in the President's message. The President's message was headed, "Placing a floor under prices of farm products." I hope that this is done. It seems to me that the text of the President's message included some other things as well. The President's message of September 7 specifically directed that parity prices should include labor costs. I believe that such a provision is fair.

Another thing that has been overlooked in our debate here is the A. C. P. payment which is earned by the farmer. In my opinion the A. C. P. payment should not be considered a part of the farmer's parity income. He earns that and it should not be included as a part of his parity income in determining the price received for the products marketed.

In my opinion we should bring agriculture, labor, including unorganized labor, into a proper relationship and freeze all of them as of a definite date.

Before increasing wages to certain groups we must bear in mind the millions of teachers, clerks, laborers, especially unorganized laborers, the aged, and others with fixed incomes, or small businessmen, public officials, and ministers with fixed or dwindling incomes. They have not received increases in their pay and can never receive any increase in wages or income during the war. Every increase in pay of the others is taxed against those who cannot receive an increase.

I direct your attention to the fact that wheat is selling for 71 percent of parity, rye for 45 percent of parity, and barley for 61 percent of parity.

In my opinion a slight increase in cost in farm production cannot cause inflation, because we are spending $6,000,000,000 a month on war expenditures alone, and the whole 1942 farm income will be only $14,000,000,000.

The cost of living is not what endangers or threatens inflation, but purchasing power, which is being created for war purposes.

The production of cattle, hogs, and sheep is at an all-time high.

Some have mentioned the fact that the income of the farmer this year is the largest in history. This year is not the largest farm income year.

Many comparisons have been made with reference to the 1939 level of farm prices. In fairness to agriculture I desire to state that in 1939 the prices received for each of the farm products was the lowest in all times in the past 144 years except 1840 and 1896. At the same time industrial profits for 1941 and 1942 reached levels far greater than we ever dreamed. Industrial profits were 194 percent of 1939 profits.

Farmers have not carried their side of this to the people. The farmers have not had the money to use the radios, the editorials. If you would afford the farmers a little more time you would see their side of the picture. The farmers are rather meek; the farmers do not want any more than their share; they just want something that is fair. Above all, the farmers desire that we win this war and win it quickly.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman, farmers and all other patriotic people earnestly desire to cooperate fully to win the war in which our country is engaged at the earliest possible moment and at the smallest cost of men and lives. The farmers of the Nation have demonstrated their loyalty to the cause by their record-breaking production for 1942. They are anxious to repeat that record for 1943 if they shall be permitted to do so. There is some question that they can do so because of conditions over which they have no control.

There also is a question as to whether this measure may not so seriously interfere with production as to bring on an acute shortage of food for our own people in 1943 which will also interfere with the absolutely essential supplies to Britain and Russia. Great as may be the dangers of inflation, in such a crisis they are less than that of failure of our farmers to produce the foods and fibers upon which victory in the war depends as fully as it does upon munitions and war equipment and facilities.

The serious situation as to the farmers is reflected in the greatest movement from the farms ever known, exceeding even that of the darkest days of the depression.

In my own rural county this week, 18 farm-auction sales are in progress. In the district I represent, farm-auction sales are averaging 100 per week. Those sales have been going on for weeks and will continue throughout the fall and early winter months. Milch cows and other dairy livestock are being sold at lower prices than obtained a year ago. Many cows also are being sent to the block. The disturbance of farming conditions in the dairy country is the greatest ever.

Not every farm auction means a vacant farm, but most of them mean that farmers are unable to proceed under present conditions. Some are retiring; others are moving off because they cannot obtain hired help, are unable to obtain farm machinery and equipment for carrying on, and are unable to make ends meet with prices of farm products at present levels. How many farms in Wisconsin will be vacant or unfarmed in 1943 is not known but estimates place the number at 10,000.

My own observations as to conditions and the movement of farmers away from farms are but part of the story. Not only from Wisconsin but from all other parts of the Middle West come the same stories of auction sales and of farmers closing out to move to town to obtain work and more lucrative returns for their labors.

The farms have contributed not less than one million fine young men to our armed forces during the year. More are going weekly. Millions more have responded to the call for men in industries and Government war projects. This movement also continues and more and more farm sales are inevitable.

Commenting upon this unsatisfactory situation, Kenneth W. Hones, the able president of the Wisconsin Farmers' Equity Union, recently said:

On the basis of bumper crop records, loyal American farmers have met the challenge of this year's "vitamins for victory" program. Every farm home deserves the utmost praise for doing this job. However, agricultural production for next year will be a different story. We are fearful of the results.

This year's production goals were met in spite of an acute shortage of farm help. The record was accomplished because farm women and children jumped into the breach; and because of favorable weather conditions. However, there are many farm jobs which women and children cannot do; and the weather is something that even the Government cannot guarantee.

Reports are daily coming into this office which indicate that many farmers are placing their farms on the auction block this fall. Farm auction sales are becoming more prevalent now than during the depression period. Hones cited that in two Wisconsin communities 45 farms will be auctioned off in the next few weeks because farmers cannot see their way clear to operate next year.

Ralph Ammon, Director of the Wisconsin Department of Agriculture, issues a statement upon conditions, as follows:

American agriculture faces a crisis of a shortage of manpower to meet the goals of food production for 1943.

In Wisconsin this crisis will arrive within 90 days. In other States of the middle west, not later than spring.

Agriculture is losing manpower to industry and to the armed forces at a rate too rapid to permit any hope of maintaining agricultural output.

There is evidence that many dairy herds will be completely dispersed, some going to the butcher's block. Farmers cannot hire sufficient labor to keep dairy herds in production because they cannot pay wages sufficient to stop the rush of farm labor to industrial and defense plants. Likewise, creameries and cheese factories cannot hold their help.

Today many Wisconsin creameries and cheese factories by necessity are working employees 70 hours a week at half the salary defense-plant workers get for 40 hours per week. Farmers, likewise, are working 70 hours per week for a monthly wage equal to the wages of the defense-plant worker for a 40-hour week.

With ceiling on farm prices the farmer and the dairy plant cannot raise the price of their products, butter and cheese. Unless they increase prices, they cannot increase wages. Unless they increase wages they will lose their men. Then they cannot meet production goals.

This from-the-farm movement is general throughout the Middle West and possibly to a more limited extent in other States. The Prairie Farmer quotes the manager of the Illinois Pure Milk Association as follows:

"Our milk production for September will probably be down an average of 5 percent," says Art Lauterbach, manager of the Pure Milk Association. "All indications point to a continued decrease in production below a year ago because of the shortage of farm labor. All of the farmers are working too hard and the pace cannot be continued. The outcome will be the selling out of entire herds and in many instances a reduction in the number of dairy cows to the number that the farmer and his family can take care of. By next spring we will be talking about rationing dairy products."

From scores of sources and particularly from the leaders of national farm organizations comes the same warning of curtailed agricultural production in the face of constantly increasing demands, including those for an Army twice as large as we have at present.

Anxious as I am to support any measure deemed necessary to prevent inflation, any measure deemed necessary to help win the war, I hesitate to lend my support to the present measure. It proposes ceiling prices for farm products, and leaves without limit except by the taxation the great and growing profits of the large corporations, which, even after taxes, will exceed even the levels of those of the first World War.

City consumers and others seem to believe that the increased costs of living are due to farm prices. They are not advised that the farmers receive less than 45 percent of the cost paid by consumers. Milk in Washington sells at from 14 to 16 cents per quart, and in other eastern cities even more. Wisconsin dairy farmers receive only 4 cents per quart at cheese factories. Bacon is 45 or 50 cents per pound, while farmers receive 14 cents for pork. Cheese, for which Wisconsin farmers receive 21 cents per pound brings from 45 to 60 cents in city markets. Wisconsin poultry men receive 32 cents for eggs. In Washington markets they bring 58 to 60 cents per dozen.

Few people realize the spread of costs from the farm to city consumers. The list might be extended to many other farm products. City folks are led to believe that the high costs of food are due to exorbitant profits of farmers, while thousands of farmers are deserting their farms because they cannot make a living. There is much more to the high cost of living than farm prices.

This bill is indefinite. The President proposes to stabilize the cost of living, which affects farm folks as well as city people. This measure would fix prices on farm products at parity, but many farm products now are much below parity. Only 8 of 22 principal products are above parity.

The President mentions butter prices in particular. But this measure has features discriminating as to dairymen. Logically it would seem to increase the price of corn, for instance, by parity loans at 90 percent. Corn and oats are among the principal feeds for milk cows. Corn now is about 85 percent of parity. This bill would permit and probably provide an increased cost of 15 to 20 percent for such foodstuffs for dairy cattle. The ceilings on dairy products would hold dairy prices where they are. To fix butter prices at parity would mean a loss to farmers of from 4 to 6 cents per pound. Under circumstances which I have related such lowered prices would mean more farm auction sales, more dispersion sales of dairy herds, more cows going to the block. Instead of increased production of dairy products there would be an alarming decrease.

There is much emphasis upon "parity prices" for the farmers. Millions are misled as to what parity really means. They are told ambiguously that it places farmers on the same basis as industry. But parity does not mean cost of production to the farmers. The formula does not include farm labor. It omits farm maintenance, including all the innumerable instances of costs of farm operation. This bill, unless amended, will continue the formula based upon farm prices from 1909 to 1914, which has long since become obsolete for fixing just parity prices.

Leon Henderson, in his statement before the Senate committee, stated that, were all farm prices to be fixed at parity—even the old outmoded parity—it would increase the total of farm income by not less than $2,000,000,000. In other words, the farmers are now receiving $2,000,000,000 less this year than they are entitled to under so-called parity. This bill would prevent that increase, or any increase, if it fulfills its purpose by his administration of it.

The food supply of a nation is far too important, especially at this time, to be threatened by hasty legislation. This bill supplanting the Steagall bill before the House Committee on Banking and Currency is said by newspapers to have been drafted and perfected by a group of members of that committee, some 12 in number. Included in the group are said to have been not less than seven from industrial centers whose general knowledge of farming conditions may be limited. It represents their views of "inflation" without consideration of the farm angle. It was their privilege, of course. It is my privilege, however, to insist that only farmers can produce the food supply needed by our own and allied nations, and under production of foods is just as great a threat to the city consummers as it is to the farmers and the Nation. Vacant and abandoned farms will not add to the food supply.

The Middle West produces 86 percent of the corn and oats, 77 percent of the wheat, 78 percent of the barley, and 94 percent of the soybeans raised in the United States. It produces 75 percent of processed dairy products and a like percentage of the meat supply. It is in that section that the exodus of farmers has reached alarming proportions. The effect of this added price control measure will be felt more largely there than in any other. There should be time to "stop, look, and listen" as to what that effect may be.

My own views seem to be confirmed by Pane H. Appleby, Under Secretary of Agriculture, who said in a N. B. C. broadcast at Chicago:

> Although the Nation's farms this year produced more than they ever did before in all history, all factors pointed toward a decline in future output of foodstuffs.
>
> This year farm production rose nearly 17 percent—

Appleby said on the University of Chicago round table broadcast—N. B. C.—

> but this was because no other year on record has been as universally favorable to production.
>
> Apart from the weather, the farm labor shortage is becoming increasingly acute and agricultural machinery will steadily decline in usefulness. War needs will also limit the available amounts of farmers.

Appleby said that prices of many commodities should not be based upon old farm parity levels because changing national needs and technological improvements in farming have made such a basis obsolete.

Mr. WOLCOTT. Mr. Chairman, I yield now to the gentleman from Wisconsin [Mr. MURRAY].

PRICE-CONTROL FACTS—FOOD TO WIN THE WAR

Mr. MURRAY. Mr. Chairman, this second Price Control Act, like all legislation, must be approached from the standpoint of helping win the war. No man has a corner on this desire. The President is entitled to, and should have, our cooperation in controlling inflation.

If the slogan "Food will win the war" is of its announced import, we should make it our No. 1 business to produce food in abundance. There can be no inflation due to food prices if we have an abundance of the food. This problem cannot be approached from the angle of rectifying any agricultural injustices which have prevailed in the past. It is not so much a question of parity, of above parity, or of below parity prices as it is how are we best going to feed our armed forces and our domestic population and fulfill our foreign commitments for this food?

THE 1939–42 FOOD SITUATION

In 1939, after 7 years of the New Deal, we found agricultural prices at a low level—hogs, 5 cents; milk, $1 per hundredweight or less; cheese, 11.7 cents per pound the first 6 months of the year; and other products priced accordingly. In 1939 we also saw the highest number of farms foreclosed in Wisconsin of any year in the history of the Federal land bank. You will note that the 1939 prices are often used to show the advance in food prices. Since 1939 we have seen agricultural prices gradually advance until the past few months, the total for all crops and products have hovered right around the 100-percent-parity mark. There has, however, developed a situation where some crops, like rye, is only 45 percent of parity, while a product like wool is up to 142 percent of parity. The following figures are as of August 15, 1942:

U. S. Department of Agriculture

Commodity	Bureau of Agricultural Economics, Crop Reporting Board, Aug. 15, 1942, with comparison		
	Base period, 1909–14	Parity price, Aug. 15, 1942	Actual price as a percentage of parity
Wool.....cents per pound..	18.3	27.8	142
Wheat.....cents per bushel..	88.4	134.4	71
Corn.....do....	64.2	97.6	85
Oats.....do....	39.9	60.6	70
Barley.....do....	61.9	94.1	60
Rye.....do....	72.0	109.4	45
Cotton.....cents per pound..	12.4	18.85	96
Potatoes....cents per bushel..	113.8	108.1	107
Hay.....dollars per ton..	11.87	18.04	49
Flue-cured tobacco cents per pound..	22.9	27.9	121
Maryland tobacco cents per pound..	22.9	21.8	135

U. S. Department of Agriculture—Continued

Commodity	Bureau of Agricultural Economics, Crop Reporting Board, Aug. 15, 1942, with comparison		
	Base period, 1909-14	Parity price, Aug. 15, 1942	Actual price as a percentage of parity
Georgia and Florida tobacco shade grown cents per pound	60.3	[1] 120.	166
Eggs.....cents per dozen	21.5	31.7	102
Hogs dollars per hundredweight	7.27	11.05	128
Beef cattle dollars per hundredweight	5.42	8.24	137
Veal calves dollars per hundredweight	6.75	10.26	126
Sheep dollars per hundredweight	4.53	6.89	82
Lambs dollars per hundredweight	5.88	8.94	135
Butterfat....cents per pound	26.3	38.0	107
Milk:			
Wholesale, dollars per hundredweight	1.60	2.38	106
Retail....cents per quart	6.8	10.3	113
Chickens...cents per pound	11.4	17.30	113

[1] 1941.

Please note that milk, wholesale, was 106 percent of parity and, retail, 115 percent of parity. Please explain how the producer can be held accountable for this 90-percent advance.

The following are the prevailing August prices to farmers as reported by Mr. Matt Wallrich for the Consolidated Badger Cooperative, of Shawano, Wis.:

	Per hundredweight
Milk for evaporated milk	$1.85
Cheese (2.6 times twins)	1.92
Butter (casein at 10 cents)	1.75
Butter and animal food	1.98
Butter and human food roller	2.04
Butter and human food spray	2.13

As there are about 48 quarts in 100 pounds of milk you can see that this is about 4 cents per quart to the farmer. Do you really think 4-cents-a-quart milk will contribute to inflation? Should the producer be held wholly responsible for prices for services between the producer and the consumer? When the consumer pays 7 cents for a glass of milk for which the producer received 1 cent per glass, do you really think the producer is causing the inflation? Or do you think the 6-cent spread really needs attention?

THE PRICE CONTROL ACT OF 1941

The Price Control Act of 1941 was brought forth as the solution of the inflation problem. No doubt some food prices have been kept under control but the real facts are that the Federal purchases have had more control over the prices than most of us realize. These purchases in themselves have directly influenced the price of cheese to bring it from 17 cents per pound up to 24 cents per pound and then back to 21 cents per pound. Other food prices are similarly influenced.

ARE THE CONSUMERS BEING DECEIVED?

The public, after several months of the present Price Control Act, are told in the President's message of September 7 that Congress is responsible for the food price situation. The facts are that Mr. Henderson and Secretary Wickard both asked for the 110-percent parity ceilings in the present Price Control Act, but there is no evidence to show that any effort was made to place or maintain this 110 percent of parity ceiling. Certain food products like beef and pork were allowed to attain a 128-percent parity price and a 137-percent-of-parity price, respectively, and wool went up to 142-percent parity price.

You ask why was not the 110-percent ceiling prices established? I cannot answer that. I do know I wrote Secretary Wickard on April 27 and said:

The parity price on hogs is about 10½ cents per pound. It appeared that a price ceiling of 12½ cents per pound was to be placed on them. This was 117 percent of parity the day of this announcement. The price of hogs has gone up to over 14 cents per pound and yet no ceiling has been established. As prices rise consumer resistance is encountered. The consumers have complained because no ceilings have been established on hogs. Why haven't they?

You can find the complete letter on page A1740 of the Appendix of the CONGRESSIONAL RECORD.

Here was an opportunity to follow the spirit of the Price Control Act and it was accompanied by the necessary legal authority. Now, frankly, why should anyone try to blame Congress for advances in food prices when they themselves had been given the law they testified would do the job of control and then failed to put it in operation? Was this really the right approach? I accept no responsibility for the failure after I went to the trouble to call attention to the conditions.

CONSUMERS AND PRODUCERS BOTH ASK THESE QUESTIONS

First. If the present administration would not and did not place the 110-percent-parity ceiling included in the Price Control Act what assurance have you that the same administrator will place a 100 percent ceiling, or any other ceiling, for that matter?

Second. What assurance has the housewife, who has not been able to find any beef on the markets day after day, when beef was a 137 percent of parity price, that she is going to have a supply when someone puts a 100 percent parity price ceiling on the beef?

Third. Why can the consumer of New York City complain about the cost of his vegetables as long as the producer has to pay a tribute of $9 per truck load to go to the New York City market?

Fourth. Why allow the racket connected with "filled milk" to continue and why furnish tin for this purpose through the War Production Board? Tin for dog-food canning has been stopped. Why not for filled milk?

Fifth. Is it not a fact that factory pay rolls and dairy prices go up and down together, and that they have been doing so for years and years? Is it any surprise to see dairy prices advance when pay rolls reach the highest point in our history? How can one be controlled without the other, effectively and fairly?

SOME FACTS TO REMEMBER

The estimated national income in 1942 is $110,000,000,000. The estimated national farm income is about $15,000,000,000 for 1942. If the 30,000,000 rural people have a $15,000,000,000 annual income they will have a $500 per capita income. The rest of our population, or 100,000,000, will have a $95,000,000,000 income, or a $950 per capita income. When we legislate to put a ceiling on any one group, should it not apply to all groups, including ourselves, if we are going to follow the President when he asks for equality of sacrifice? No one wants to see the farmer or any other group profit out of war. The objective is to follow a program that will best assist the war effort.

The confusion and frustration which are so evident to the consumer and producer can only be accomplished by a change of attitude right here in Washington. Most people doubt that the present Administrator of Price Control could perform a very satisfactory service, regardless of the perfection of the act we might pass.

Many people think that this bill was brought out by the administration to cover up the mistakes of the Price Administrator, Mr. Henderson. Some of the agricultural forces here in Washington must substitute a "promotion-for-production program" to replace the psychology of a scarcity control that has influenced their teachings for many years.

If the producer had a little more assurance from Washington as to what he could expect for his product and if Washington would be careful to see that he received what he was promised, a needed element of stability would be added.

THE PRESENT PICTURE

Farm labor is not included in figuring parity. This farm labor is now 202 percent of the base period. When one produces milk he not only has the labor of producing the feed crop but he also has the labor involved in transforming the crop into milk. It is nearly impossible to find this farm labor at this time. They have joined the colors and entered defense plants in great numbers. The U. S. D. A. says 2,000,000 men have left the farms and that another million is expected to go. What is the result?

I have a letter dated September 19, 1942, from Mr. George Rupple, manager of one of the country's largest dairy cooperatives, in which he says:

I suggest that you keep your eye on this very closely as production is dropping in the country faster than we have ever seen it before. We have 8 percent more patrons than we had a year ago and are getting 7 percent less milk.

I also have another letter from Mr. P. O. Peterson, of Manawa, Wis., master of the grange, who says:

So, instead of feeding the world, we will not be able to raise enough for our country alone.

Thousands upon thousands of farm auctions are being held because the operator does not have the labor to carry on. We were told last year that the suggested price-control bill would take care

of the situation. It evidently has not. Now we are being told that this is the answer. Someone should be doing a little forward thinking and less talking. Everyone wants to follow the administration but any thinking man is compelled to ask the direction we are going. The Baruch report on rubber is an example of the universal acceptance of a proposal because the public had confidence in the man who issued the report. There is no substitute for experience and we need it sorely, regardless of party, in the administration of these acts. In other words, what we need most is better administration of the legislation we already have.

With all the pictured horrors of inflation, each and every one of us must realize that starvation is much more to be dreaded than inflation. An abundant food supply is the best protection for our Nation. We have the millions of extra acres to produce it.

Please remember that if the present amendment is passed and the rules are enforced, we are very liable to see a further advance in food prices. If the loan rate on feeds is increased from 85 to 90 percent, will not the feed costs to the poultry, hog, and dairy producers really be increased 5 percent? Will not this further increase the prices for the very food products that the consumer is now having to pay from 128 to 137 percent of parity at this time?

This is no time to fear criticism hurled at the farm bloc. This is not a question of protecting a minority group. This legislation is of vital interest to every man, woman, and child in America. If we make it possible to furnish the abundance of food, we will have fulfilled our obligation.

Mr. MILLS of Arkansas. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Chairman, methods of warfare have been so completely revolutionized in the last 3 years as to discard in a large measure the basic principles of military tactics that have been recognized and followed since men first beat their plowshares into swords and their pruning hooks into spears. The outcome of this conflict turns on new weapons, new methods, new formulas, never used or dreamed of in any previous war.

But there is one fundamental military axiom which in all the welter of change remains unchanged. That is the fact that it takes food to win wars.

Food is still the most essential and the most indispensable munition of war. That is as true today as it was in the days of Genghis Khan. It takes food to win battles, it takes food to win wars. Food dictates the terms of peace and food maintains the supremacy of the conqueror and completes and enforces the subjugation of the vanquished.

The iron rule of the German administrators in Europe today—from Norway to Greece and from France to Ukrania—is maintained not by bayonets and machine guns but by food tickets. Acquiescence in the most oppressive measures is secured by the simple expedient of denial of rations. All hope of remobilization or resistance to unspeakable tyranny and spoilation is blasted by controlled starvation. Strong and spirited men, nurtured from infancy on the imperishable doctrines of liberty and constitutional justice—men impervious to the lash and the imminence of execution—surrender home and family association and forge more securely the fetters of their masters in unrequited labor in alien treadmills in return for a daily morsel of food for themselves and their families.

I remember an historic meeting in this Chamber in April 1917, one of the most extraordinary sessions ever convened on this floor. At 12 o'clock midnight, a secret meeting, attended only by sitting Members of the House and the Senate, with no reporters present and with none of the employees of the House except the elected officials, was held in this Chamber. It was remarkable in many ways. It was the only meeting of House caucus ever held here without newspapermen in attendance or waiting in the corridors. Whether they were advised of it I never knew, but, so far as I am aware, no mention of it ever appeared in any newspaper or magazine and no reference to it was ever made on the floor or in the CONGRESSIONAL RECORD.

Immediately following the declaration of war, April 6, 1917, missions from our Allies—England, France, Belgium, and Italy, and others—visited the United States; and after paying their respects to the President came down to the House where they were received, made speeches from the Speaker's rostrum, and were introduced to Members from the usual receiving line.

Shortly after the formal visit of the French Commission, members were notified, without resort to the mails or the telephone, to attend a confidential midnight meeting to hear a statement by the commission.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. MILLS of Arkansas. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. CANNON of Missouri. Mr. Chairman, prior to the declaration of war by the United States, we had been given to understand that our participation in the war on the side of the Allies was not urged with any view to the active participation of American troops but merely for the sake of the effect upon morale throughout the world and to secure closer economic cooperation and better access to our markets. But on this night a member of the French Commission, in one of the most stirring addresses I have ever heard delivered from that rostrum, said in effect that the Allies had reached the end of their resources; that they had been bled white; that they were fighting with their backs to the wall, and that it devolved on America to supply both men and munitions to win the war. He said that we must not only bring men, but we must bring with them everything they needed, especially food. That we must bring with us rails for the railroads, engines, cars, and all rolling stock, because theirs were worn out and they could not replace them. When he concluded the members rose and walked away with bowed heads in stunned silence, appalled and staggered by the magnitude of the task ahead.

Once again it devolves upon us to supply both the men and the munitions to win the war. And farm products constitute the most important munitions on the list. The war cannot be won without the products of the American farm. Our farmers, veterans serving in the first line of defense on the home front, must produce enough for ourselves and our allies. We must produce for our own Army.

We must supply civilian populations at home and abroad. We must supply farm products in quantities of such unprecedented proportions as to stagger human comprehension.

Will this bill contribute to the efficient and assured accomplishment of this prodigious task? Will it sustain present production and bring about the increase in production required to meet war needs in both hemispheres?

Let us examine the visible effects of this legislation as now apparent in anticipation of its enactment. Already farmers are stripping feed lots, pastures, and cattle pens. They are rushing stock to market from every section of the livestock-producing areas to beat the reduction in price threatened under this bill. Cattle, hogs, and sheep are being shipped half finished, half ready, because farmers cannot risk feeding them another 30, 60, or 90 days and then having to sell them at less than current prices.

[Here the gavel fell.]

Mr. MILLS of Arkansas. Mr. Chairman, I yield the gentleman from Missouri 5 additional minutes.

Mr. CANNON of Missouri. As a result we are sacrificing not only huge quantities of choicest meat but the foundation herds which produce it, herds which have required years of scientific breeding to build up and which cannot be replaced on short notice, if at all.

They are preparing to ration beef and pork because of the inadequacy of the supply. And at the same time they are sacrificing millions of tons of beef, pork, and mutton which would be produced by herds, now being thrown on the market, if they would permit us to keep this stock long enough to finish it; long enough to put 100 to 300 pounds more on each steer and 50 to 100 pounds more on each hog, as we would do if it were not for the menace hanging above us in this bill and in the agencies which we know will administer it.

For, mind you, this bill will be administered by agencies which have never shown the slightest interest in the farmers' standard of living; agencies which have showered him—and him alone of all the workers in America—with mendacious abuse and vituperation when, under heaviest handicaps, he is working longer hours than any worker in the Nation—at the lowest wage paid any worker in the Nation, giving the most loyal service of any worker in the Nation, and producing more efficiently than any worker in the Nation.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. In just a moment; if the gentleman will permit me to conclude at this point.

We are not only losing products which we would otherwise produce, but we are losing those which have already been produced. Crops are rotting in the fields because, even at present prices, labor cannot be secured to harvest them.

Crops already made are not being harvested because, at current prices, they will not bring enough to pay a wage sufficient to draw farm labor away from war industries which have lured it from the farms. Industry can pay large wages because it gets a fair price for its products with the cost of labor figured in, but the farmer cannot pay high wages because, under this bill, you propose to so reduce the price of his product as to leave no margin for increased wages.

This war will not be won by this magnificent air power that we are developing, indispensable as it is. The war will not be won by guns or tanks or ships, as essential as they may be. This war must be won, if won at all, by farm products, and that is what you are legislating on today. You are legislating here as to whether or not you will make it possible or impossible for the farmers to produce in quantities sufficient to win the war.

[Here the gavel fell.]

Mr. MILLS of Arkansas. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. CANNON of Missouri. The farmers want to produce it. Men, women, and children are remaining in the fields from dawn to dusk trying to produce it, trying to make up by longer hours for the labor of which they are being deprived through lack of prices to pay increased wages. If you will let them do it, if you pay them enough to provide the necessary labor, they will produce every ton of food and fiber the war requires; but under this bill you are not even making it possible to maintain present production, much less increased production. That is what you are voting on this bill—that is the question you are deciding in drafting this legislation. If you vote for this bill as it is written, as it is presented to you here without amendment—to include the farmer's cost of production as you include every other producer's cost of production—you are voting to prolong the war and you are voting away certainty of early and perhaps complete victory.

[Here the gavel fell.]

Mr. MILLS of Arkansas. Mr. Chairman, I yield the gentleman from Missouri 5 additional minutes.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to my friend from South Carolina.

Mr. HARE. I gathered from the gentleman's very interesting and illuminating statement that he believes that in order to prosecute the war efficiently there must be decidedly increased production of farm crops.

Mr. CANNON of Missouri. Unquestionably. Present production alone will not do it.

Mr. HARE. As a matter of fact, would not an increased production proportioned to the increased purchasing power of the country prevent inflation and solve both problems at the same time?

Mr. CANNON of Missouri. Obviously.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to my colleague from Missouri.

Mr. SHORT. The able chairman of the Committee on Appropriations has made a most excellent statement in which I wholeheartedly concur. I merely wanted to observe that I consider my colleague not only an outstanding parliamentarian, but one of the best authorities on agriculture and the best friend of agriculture in this House. I should like to ask him if it is not his considered judgment that we face a grave shortage of food within the next year unless the farmer is given equal protection with the wage earner of the country?

Mr. CANNON of Missouri. Beyond the peradventure of a doubt. The consuming public does not appreciate that fact as yet because we are crowding the marketing centers with stock which under normal conditions would be kept on the farm for herd purposes or for further fattening, but which are being rushed to market to beat the enactment of this bill. Even dairy herds are being sacrificed.

Here is an excerpt from a letter I received from Union, Mo., just as I was leaving the office to come to the floor:

> A prominent farmer here was feeding 60 head of steers. They averaged 1,200 pounds, and he consulted his salesman at the stockyards. He was told to feed them longer and held them. The day after Secretary Wickard's speech steers dropped $1 a hundred, and after the President's radio address they fell another dollar, entailing a $1,440 loss to the feeder. A neighboring hog raiser who has been accustomed to sell at a weight of 225 pounds per head was advised to feed to a weight of 250 pounds and as a result took a $600 loss.

You can understand the state of mind on the farm these days.

Dairy cattle are going to the abbatoir in alarming numbers. The effects of this sacrifice of livestock will not become immediately apparent but in the future when the proponents of low farm prices begin to appreciate the situation it will be too late, it will then be irreparable and the country will understand what this loss means.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman no doubt noticed in the President's sixth report on lend-lease operations that the maximum dollars available are a fraction under 63,000,000,000 and that 18 percent of the shipments at least up to date have consisted of food products. I think this is worth noting at this particular hour on this floor. I want to ask the gentleman this question: Is it not true we can state there is a law which operates to the effect that the nearer the total population of a country becomes engaged in war the more catastrophic a slight error in finance and in the production and distribution of foodstuffs may become?

Mr. CANNON of Missouri. That is true, and the gentleman's remark calls to mind very forcibly the fact that in making their calculations those who propose this bill have taken it for granted that every farm year will be a full year, that we will have full production. We may have next year or in any year, as we have had for several years past, unexampled droughts or other catastrophes which will greatly reduce production. If we should have such a drought next year as we had 3 years ago, lack of food would become an acute problem.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Minnesota.

Mr. O'HARA. The gentleman will agree with me, I am sure, that there will be a falling off in production next year, even assuming we have good crop conditions, due to farmers being compelled to go out of farming operations because of help shortages, because of the effect of the draft, and that there will be a falling off of production on farms next year. Is not that true?

Mr. CANNON of Missouri. Unquestionably. I recently passed farms which were no longer in operation and was told that the owners of these farms, unable to secure help and dissatisfied with the cost of production as compared with the returns they were getting, had closed down the farms and gone to the city and secured jobs in munitions plants where they were making more than they would have made if they had stayed on the farms, working only about one-third of the hours per day they would have had to work on the farm, and having no financial responsibility, no capital invested, and no taxes to pay. Sweatshop conditions are not permitted in the city, but they are found on every farm. Child labor is prohibited in the factory, but it is the rule on the farm. And now that farm prices are being reduced 10 percent and factory wages raised 15 percent under this bill, is it to be wondered that men are closing down the farms and taking their families to the cities? It is the life of Riley in the city as compared to life on the farm as it will be under the administration of this bill.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. GUYER].

Mr. GUYER. Mr. Chairman, it has always puzzled me why the farmer must always be the "goat" in war. The primary materials that feed and clothe armies are produced on the farms. No army, however well trained and equipped can fight without food, which the farm and the farmer produce, yet, invaluable as is the farm and the farmer, his interests and welfare are among the last considerations toward which the Government directs its attention.

The farm not only furnishes the food and clothes which sustain armies, but along with the rest of the population it furnishes its share of the military manpower of the Army and the Navy.

If the Government needs sites for its war industries it takes them from the farmers and never in all my experience,

or within my knowledge, has the Government ever paid the farmer adequately for the land it has taken. Around this land and home twines the tenderest memories of his life. Often his departed parents settled on the land in the pioneer days of peace and there they lived and loved. The farmer was born and reared on this land. It holds memories beyond the price of gold. There he lived with his bride and here they too reared their families. Here they planned for their children who should, in turn, live and love and preserve the traditions of family and country. Then comes war, shod with iron fury, devoid of all sentiment except to destroy, and the Government joins with this destructive force and with heartless cruelty elbows the farmer and his family off their beloved soil and chisels even on the price to be paid for that which to the dweller on the farm is beyond all monetary computation.

The farmer whose farm is not disturbed has his labor siphoned from him by the selective draft and by war industries with whose wages he cannot compete. His wife and daughters are compelled to go to the fields like men because of the labor shortage, and now the President and evidently the Congress, is going to discriminate against him in fixing the price of his products below that which will enable him to raise food and fiber to feed and clothe our armies and to support and feed the civilian population.

Between the racketeer and the Government the farmer is ground between upper and lower millstones so that along with the heartaches of the war his economic future is hopeless.

The President has demanded that we act on this price-fixing stabilization matter to prevent rampant inflation, or if we do not, then he will arbitrarily fix farm prices and wages for labor.

As I said a week ago, "The remedy is for Congress to assume its constitutional duty of fixing, through legislation, equitable prices and wages and giving the President no cause to assume dictatorial powers not authorized by the Constitution. Already there has been entirely too much of such usurpation."

Why cannot this Congress assert its constitutional powers and exercise them in doing justice to the farmer so that he can have justice in his prices comparable to those enjoyed by labor in its wages?

This House should insist upon the consideration of cost of farm labor in any measure to fix farm prices; otherwise the farmer will produce at a loss and the result will be that he will not produce; resulting in inevitable food shortage and delay in ending the war.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I have asked for permission to speak this afternoon in defense of what I believe to be an unwarranted criticism against the farmers and producers of this country. They are being charged through some sources of being the chief cause of inflationary conditions. Such is not the case. The farmer's case has not really been fairly presented. Farmers are just as deeply interested in the prevention of a spiral of uncontrolled prices as any other group in this country. Farmers know inflation will injure them just as much or more than any other group. Furthermore, the American farmers want to do everything they can to cooperate and help in bringing the war to a successful conclusion. They, with their families, are willing to work hard for long hours, and are glad to make any reasonable sacrifice that may be required of them that will help in winning the war.

Let me say again, the farmer does not want a runaway inflation, nor is he demanding or asking excessive prices for his products. All he wants is a fair price on the basis of what he is required to pay for the things he buys. The farmer and his wife and children are accustomed to working long hours, and are more than willing to continue to do it. The average farmer, as you know, works from 12 to 16 hours per day. There is a limit to the amount of work he can do.

Let it not be forgotten that farmers have contributed their full share of men for the armed forces. The American farmer has demonstrated his willingness to put forth his utmost effort to help his Government in this crisis.

Certainly inflationary prices should and must be curbed. We are late now in handling the problem, but I just do not want the man, who with his family, tills the soil and milks the cows and cares for the chickens and pigs, and who works from early morn until late at night, to be unfairly charged with creating a burden, or of taking advantage of the people of his country, especially at this critical hour.

The farmer is not profiteering. He gets much less than his share of the Nation's income. He does not complain about it. It costs an average of 52 cents out of the consumer's dollar to move the farmer's products to his table. On many items it is more. So the producer gets less than half of it. For example, my home-town paper this week quotes No. 1 eggs at 30 cents per dozen; Washington retail grocery stores quote eggs at 60 cents per dozen. Poultry in this local paper is quoted at 16 and 17 cents per pound; in Washington it sells for 50 cents per pound. Choice beef cattle on the hoof sold on the Kansas City market last week for an average of about 12½ to 13½ cents per pound. Beefsteak in the butchershops of Washington and New York were selling for 65 cents per pound. Of course, there are cheaper cuts, but they average about 40 cents and 75 cents per pound. You talk about parity prices and comparative prices. Let us look at that picture for a moment. The ceiling on wheat is $1.48 per bushel on the Kansas City markets wheat is quoted this week at $1.03 per bushel. The ceiling on corn is 98 cents. In my section of the country it sells for about 75 cents per bushel.

Now, let us compare these figures with those that were paid during the first World War, and I am certainly not advocating those prices. During that period wheat, in place of selling for $1 a bushel, sold for $2.50 and as high as $3 per bushel. Beef cattle sold as high as 23 cents per pound on the hoof and hogs sold on a comparative basis. Although labor costs are much higher to the farmer and machinery is much more expensive, the farmer is now getting about 60 percent of what he received for his produce during the first World War period.

It should be understood that when comparative prices are discussed the farmer's wages receive little consideration. The average is about 20 or 25 cents per hour.

Let me say again that I am not here pleading for great increases in prices, but I am here to take the side of the man who works long hours and long days in an effort to contribute his share in the war effort by providing food and fiber for the people of this country and our armed forces, as well as the armed forces of our Allies.

Mr. Chairman, the situation is extremely serious. The farmer just does not have the help to operate his land and harvest his crops. Right now he just cannot compete with other industries and get along. Let me remind you that because of the boys who have gone to war and because a number of farmers themselves have gone into war industries, there will be at least 25 percent less land in production next year. Furthermore, a great share of the remaining land will not be properly cultivated and handled. Let me remind you, Mr. Chairman, that if we should have a short crop next year, or a partial crop failure, there could develop a most critical situation with respect to our food supply. I think it is time for those in authority to examine the situation with respect to the needs and demands that are going to be made upon agriculture during the next year. It is planned, we are informed, that within a year there will be between 12,000,000 and 13,000,000 men in our armed forces. There are more than 2,000,000 people on the Government civil pay roll. We have millions of men and women employed in our war industries. Not only that, but we have already made commitments to allied countries to furnish food for their armed forces. Do you know that about $750,000,000, or 13 percent of lend-lease funds so far this year was for food? The need for greater production of food is the greatest in our history. Let us not forget, food is a very essential war material.

Mr. Chairman, the production of food is a gigantic job—it is a most serious problem. I think it is high time that this question be carefully examined along with other war problems. We should see to it that every encouragement be given to help the farmer carry out the tremendous task he has before him.

Mr. Chairman, that our Government is spending about $75,000,000,000 this year; and plans to spend $100,000,000,000 next year, of which at least 75 percent will be borrowed, indicates very seriously the danger of inflationary conditions. I do hope we can escape such conditions.

Congress should deal with the problem of inflation now. It should have been dealt with months ago. It may soon be "too little and too late."

Mr. Chairman, let me say again, I am not here to plead for high prices for the American producer. I am here to ask that he gets a square deal along with other groups and professions, in the discharge of a most important obligation.

Mr. Chairman, we are living in a confused and bleeding world. Our very civilization is threatened. All Americans, in all groups and all professions, and men and women in all walks of life, must work together, and work harder, with a realization that it is for a common cause. Personal profits and personal gains must be secondary. The saving of our country and the preservation of the American way of life must be first and paramount.

Mr. Chairman, we have a tremendous task before us. It can be accomplished. America will win. She is bound to be victorious, but it will require "sacrifice and blood and tears" such as has never been experienced in our history. Let us work as we have never worked before. Let us pray that the day when victory shall be ours may not be too far away.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. LANDIS].

Mr. LANDIS. Mr. Chairman, each day the part that food must play in the winning of the war becomes more apparent. American farmers may well be proud of the tremendous production of food and fiber indicated by the July crop report. They are meeting production schedules despite some labor shortages and unfavorable weather conditions. They will make 1942 a year of record production.

We must keep in mind that more food is being consumed by our people than ever before in history. We have our armed forces to feed at home and overseas. We must ship food abroad to our Allies. Our defense workers require more food. There is a demand on agriculture to produce more food, and with less labor with which to do so. With so many able-bodied men leaving the farm, much of the farm work will be done by women, young people, and older men. They cannot keep up the tempo of production. No laborer requires as widespread technical knowledge as the successful farm operator.

If we are to prevent a food shortage and keep the cost of living down for farm products, some method must be found to provide the farmer with enough labor to sow, care for, and reap his crops. It is impossible for the farmer to compete with defense industries on the matter of wages. An increase in farm wages to meet this competition would eliminate the farm profit or drive the price of the basic food commodities far above the present levels.

The demand for farm labor is the highest since 1920. The supply is 58 percent of normal. The average farm wage for the entire country is $2.45 per day, ranging from $1.15 in South Carolina to $4.85 in the State of Washington.

Farm organizations agree that the goals for agricultural production will not be reached in 1943 under present trends. There are two principal factors for this alarming condition: Namely, attraction to defense plants and the present application of selective service. In defense plants there is the patriotic appeal and the monetary consideration offered by attractive wages. Thousands of farm boys have answered their country's call to service. They march under the colors alongside boys of every other walk of life. We honor them. Our concern regarding each of these boys is the dwindling food supply to support their war front activities.

If the slogan, "Food Will Win the War" is the national slogan, then the rightful position of agriculture in this march to protect the American way of life must be established and made known.

There is little glorification in the milking of cows, plowing of corn, or the multitude of other tasks on the farm. There are no certificates of merit, no flags of recognition; and no medals for achievement have been awarded to American farm families. No group has accomplished so much with so little.

A continuation of the present policies and current trends will mean a food shortage in 1943. Thousands of dairy herds have been dispersed as a result of shortages in competent labor. Under the present trend, in a year from now 10 percent of our best dairymen will be out of business. Tomatoes rot in the fields today and soybeans and corn will remain in the fields unless something is done to remedy the situation. We have 19 percent less cattle in the feed lot today than we had a year ago.

American farmers do not ask for any special favors, but wish to do their part in producing the food to win the war. They also wish to have their just share of the national income.

Agriculture industry cannot operate at full capacity if the farmer is forced to produce his goods at a loss. He cannot stay in business any more than can a manufacturer in any other industry similarly situated. The American farmer has certainly demonstrated a willingness to give his utmost effort in this emergency. At the present time we are in danger of actually forcing him out of business by freezing prices at a point where he cannot possibly continue to operate.

In 1941 the gross farm income, exclusive of Federal payments was $13,627,000,000. Production expenses including interest and taxes was $5,938,000,000. Wages of farm labor—$843,000,000. A return of 4 percent on the equity of all farm property was $1,354,000,000 and compensation to farm family labor was $421,000,000 and $9,176,000,000 compensation to the 6,097,000 farm operators. The farmer's production cost was $17,732,000,000 against the gross farm income of $13,627,000,000. His income in 1941 was 76.9 percent of his cost. To be placed upon a comparable basis with industry and labor they should have enjoyed a 30-percent increase in income.

It is estimated that the farmer's share of the national income this year will be $15,000,000,000. This figure would give the rural people on the average of $500 per person, while the rest of our population would receive on the average of $950 per person. If the rural people are to receive a fair share of our $110,000,000,000 income this year, they will have to receive more than $15,000,000,000.

Production expenses, interest, and taxes increased 13.4 percent this year over 1941. Wages to farm labor increased to 18.8 percent while on the basis of compensation to the farm operator which is equivalent to industrial labor's weekly wage. There is an increase of 21.6 percent while his total cost of production increased an average of 17 percent from 1941 to June 1942.

Another matter which we should bear in mind is that farm labor cost is not included in the computation of parity prices. In June 1942, the general average of farm prices of all farm products was approximately 99 percent of parity. Generally speaking, parity prices would enable the farmer to clear his production expenses and receive an average of $6 per week. Eighty-five percent of parity would just about pay his expenses and he would work for nothing. Any ceilings of farm prices must be so adjusted as to enable farmers to meet the essential production costs. This ceiling must not omit farm labor.

Our best protection against inflation is abundant production. Lest we forget, past wars have been won by nations possessing the last loaf of bread.

Mr. MILLS of Arkansas. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, I believe it is agreed now that the production of food is as necessary for the successful prosecution of the war as is the production of any other implements of war. If there is any misgiving about that on the part of any Member of the House, I wish he would indicate it. It follows that this question should be pertinent: If planes and tanks are needed for the successful prosecution of the war and if food is needed for the successful prosecution of the war, why is it approved by Government agencies, why is it approved by the President of the United States, as being entirely satisfactory to pay workmen $10, $15, $20, and sometimes as high as $25 a day to produce those planes and those tanks but as being all wrong to pay those who produce the food a living wage for their services and certainly not a wage comparable with those paid in the war industries?

For my part I do not seem to be able to grasp the distinction. I do not understand why it is a terrible thing to pay the farmer a reasonable wage for the labor that he employs in the production of the food commodities, but it is perfectly all right to pay the industrial workers $15 and $20 a day for munitions.

I would like to propound one other question to those who seem opposed to the inclusion of farm wages in the parity formula. By what right does a consumer of this Nation demand the privilege of buying his food for less than it cost to produce it? I repeat that question: By what right does the consumer demand the privilege of buying his food for less than it cost to produce it? I certainly hope that this House will include in the parity formula all farm labor. It is important for this reason: It is true that the President in his supplemental letter stated that what he meant was that the wages of industrial workers were now

included in the formula and that the farmer received the benefit of that in his parity price. Of course he does. If the wages of an industrial worker who is making wagons is increased, then the parity price is increased an infinitesimal amount. But the wages of munitions workers, the wages of those working in airplane factories and in munition plants, have no relation whatever to parity. They can go up to $50 or $100 a day and the farmer receives no benefit from them in the parity picture; but if the wages of an industrial worker who is engaged in the manufacture of wagons or farm implements is increased, it is immediately reflected or should immediately be reflected in the parity formula and there should be a slight increase in the parity price. If under the present law the wage rate on the farm should be doubled, although it cost the farmer twice as much from the standpoint of wages to produce the crop, he receives no return whatsover in the price.

It was testified this morning before our committee by a responsible Government official that he had just returned from California, that he found that the wages of dairy workers in California had increased from $90 a month to $230 a month. Think of it, from $90 a month to $230 a month for a dairy worker. Yet we are told not to include that increased wage and require the dairyman to continue to sell his milk at identically the same price. Of course, those dairymen out there happen to be in an area where there is enormous defense production. I understand that when this gentleman, Mr. Kaiser, who has been so successful in production, gets another contract or adds another addition to his plant, he sends 50 or 100 representatives throughout the country with the admonition: "Get me 15,000 men. Get me 20,000 men." They go from farm to farm, from factory to factory, telling the workmen: "Come on here, we will give you $15 a day, we will give you $20 a day." Mind you, that is all done, unhappily, with Government approval and with Government money.

Certainly no man who wants to be fair can insist, regardless of what it might do to the parity formula, that that farmer, or that milk producer is not entitled to a commensurate increase in the price of his milk to take care of the increase in wages he must pay those who work in the dairy.

Mr. CREAL. Will the gentleman yield?

Mr. PACE. I yield to the gentleman from Kentucky.

Mr. CREAL. That man who has been paid those wages very frequently was called last year from crops already under production, walking away and leaving the farmer without anybody to finish the crops that had been started?

Mr. PACE. Unfortunately, that is the situation.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think the gentleman has made a great contribution to this debate today. Let us see if we cannot emphasize it a little more. In other words, the wage paid to a worker engaged in a manufacturing plant producing war material is not taken into the index figures used in the calculation of parity.

Mr. PACE. It is not. The only industrial wages that enter into the parity picture are the industrial wages in those few establishments which make things the farmers must buy.

Mr. CRAWFORD. That is covered by the very limited number of commodities carried in the index for the parity formula.

Mr. PACE. That is correct.

Mr. CRAWFORD. I think it is very important to emphasize that.

Mr. PACE. Consequently, those wages can rise as they have risen. I hope it was explained to the President. I have some misgivings, frankly, that the President does not thoroughly understand what his letter really meant.

May I make this final prediction to the Members of the House on this amendment which will be offered to include wages in the parity formula.

[Here the gavel fell.]

Mr. MILLS of Arkansas. Mr. Chairman, I yield 2 additional minutes to the gentleman from Georgia.

Mr. PACE. The President of the United States, in my opinion, is going to include farm wages in the parity formula. The Senate bill authorizes it. This bill does not. He is going to include it for two reasons: First, because he is going to realize that it is the fair thing to do, and second, because he is going to have to include it in order to get the necessary production in this Nation.

Therefore, I say that tomorrow when the vote comes, the only question you are going to be called upon to determine is whether or not you as Representatives of the people are going to say to the farmers of this Nation, "We feel that you are entitled to include in the formula the wages that you have to pay," or are going to deny them and let the President of the United State accord it to them himself.

For my part, and for those whom I try to serve, I shall vote to accord to the producers of my district the right to include in the cost of their goods what they must pay out to their labor and what the members of their own family earn in producing the commodity.

Mr. CRAWFORD. I think the gentleman's statement is supported 100 percent by that great labor leader, Leo Wolman, in his statement in the Washington Post of September 20, 1942.

Mr. PACE. Of course, the President is going to include it. He is going to do it because it is fair and necessary. No man can make me believe it is not fair and not right. I have never asked and have never sought for the farmers of this Nation anything more than they are justly entitled to. They have the right to demand, and I demand for them, merely equality of treatment. I beg you today to do unto them the same as you have done unto others.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I have listened to every argument that has been made on this bill on the floor of the House today. I am in complete accord with the sentiment that has been so very ably expressed by the gentleman from Georgia [Mr. PACE], who just addressed the House, the gentleman from Missouri [Mr. CANNON], and the gentleman from Texas, who spoke in the same vein. I believe the House will support the amendment that will be offered to include hired farm labor in the parity formula.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin (Mr. JOHNS).

Mr. JOHNS. Mr. Chairman, like my colleague from Wisconsin (Mr. KEEFE) I have listened with a great deal of interest to the debate on this bill. I am deeply interested in it because the President in his message of September 7 called particular attention to dairy products, in this language:

> The greatest danger is in dairy products, which are, as you know, most important items in the American diet. Butter, cheese, and evaporated milk are exempt under the Price Control Act.

These items are no more exempt under that act than beef or pork. The great complaint I have heard is not about the price of cheese or butter but about the price of pork and beef, and the inability to get a good cut of either of these kinds of meat.

I say this only because the President seems so alarmed about the increase in the price of cheese and butter, that it may cause inflation in this country, but I agree with my colleague from Missouri that when any class of people represent 25 percent of the people of the United States and get only 10 percent of the national income there is no great danger of inflation from that class of people. That is the situation with the farmer.

I recall that during the first World War I hauled my milk to the cheese factory and received a dollar a pound for my butterfat. Last month I received 55 cents a pound for it. I do not see any danger of inflation with cheese at the price it is now, about 22¼ cents a pound.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. JOHNS. I yield to the gentleman from South Carolina.

Mr. HARE. There would be danger of inflation in view of the statements made today that a large number of dairymen are going out of business, as a result of which there would be an actual reduction in the production of cheese, butter, and so forth. With this decreased production and an increase in purchasing power, would not inflation naturally follow?

Mr. JOHNS. The fact that people are going out of the dairy business is the reason I think there will not be any lowering of the prices of dairy products.

Mr. HARE. Certainly, there will not be.

Mr. JOHNS. No.

Mr. HARE. But the production will be so limited that inflation, so far as that particular product goes, will naturally follow.

Mr. JOHNS. You do not need to worry at all about farm products causing inflation in this country. If there is any inflation caused here, it is going to be

from the borrowing and spending of money without any control of it by taxation.

Mr. HARE. I am not worrying about farm products causing inflation, because I am satisfied the gentleman from Missouri [Mr. CANNON] is correct when he says there is absolute necessity for increased production in order to prevent inflation. Inflation comes only when the production of farm products is not commensurate with the purchasing power of the public, and anything that reduces the productive power of the farmers naturally would tend toward inflation.

Mr. JOHNS. Yes; I think that is true. I do not think there is any question about that, but I have a different view of what the President said here than some of you have expressed on the floor here. I may be mistaken. The President may know more about this than I think he does, but if so he did not express himself very well. He said here:

> After all, parity is, by its very definition, a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production, including the cost of labor. As a result, parity prices may shift every time wage rates shift.

I do not believe that a large percentage—in fact, I think a very small percentage of the people of this country, including the farmers, understand that the labor cost of production is not included in their parity formula; and it may be that the President, when he made that statement, did not have that in mind, because he follows this up and says:

> The farmer, instead of looking forward to a new collapse in farm prices at the end of the war, should be able to look forward with assurance to receiving a fair minimum price for 1 or 2 years after the war. Such a national policy could be established by legislation.

Then he says:

> In computing parity, we should continue to use the computations of the Bureau of Agricultural Economics made under the law as it stands today.

He was talking about farm products and he was not saying anything about industrial products. He was talking about farm labor and he was not talking about industrial labor. So I think when the President made that statement he did intend that the farmer should have the cost of his labor figured in as a part of the cost of parity, and I agree with the gentleman from Georgia [Mr. PACE], if the President wants to be fair, and I think he does, he is going to put that into the formula when he figures the price on farm products, and puts the prices into effect.

Here is something that the President said, and I will say very frankly it shows that somebody was well informed, and probably the President was himself from traveling through the country, although I do not believe he has had much time for doing that. He says:

> In regard to increasing the total of our food production, one of the worries that a farmer has today is the shortage of labor for cultivating and harvesting crops. The time is soon coming when in many parts of the country we shall have to use seasonally the help of women and grown young people. I feel certain the Nation will cooperate wholeheartedly.

Probably 50 percent of my district is farming, and as I drive around to see some people in the district whom I have not been able to see for some time on account of my duties here in Washington, I have noticed particularly that the women were at work helping in the harvest fields. I saw them even threshing and helping to haul in the grain, and on one of my own farms I was unable to hire anybody that would come to the farm and work because, as everyone knows, they are all engaged in shipbuilding up there. I hired a boy who was 8 years old, another one 10 years old, and another 16 years old to do the work with the men I have on my own farms, and, by the way, I was helping some myself. So I know what the conditions are on the farms today.

The President or somebody connected with the Department of Agriculture and the Selective Service must correct this condition or you are going to have a shortage of food in this country. Take it up in my own district. You cannot hire a man on the farm, even when he is not doing anything else, for less than $5 a day. He can go to the shipyards, a short distance away, and he can get $1.20 an hour after he has been there for a few months and he even starts in at 65 cents an hour, and then the pay is increased up to the extent I have stated. I have another farm on which I have a man employed, and he has always been a good man. This year he has not been as efficient. I talked to some other people who had men on their farms working for them, and they say that this year labor is inefficient because they can get such higher wages in the shipyards that they are becoming discontented and as a result they are not farming these farms efficiently because they are not getting the amount from the farms they would get if they were getting the wages which they feel they are entitled to. So when the contracts are up, the chances are that these men will say that they cannot work for this wage and will have to have increased wages, which, of course, farmers cannot pay with present prices for their products. They will then go into the shipyards.

I do not believe anybody has put this into the RECORD this afternoon, but here is what some of the farm organizations think about this bill.

They say in the following telegram as follows:

> WASHINGTON, D. C., *September 21, 1942.*
> Representative JOSHUA L. JOHNS,
> *Washington, D. C.:*
>
> The responsibility for the future food and fiber supply of the Nation must rest squarely upon the shoulders of those who deny the farmers the opportunity to meet the costs necessary for maximum production.
>
> In the opinion of the undersigned, whose members produce most of the food and fiber raised in this country, amendments to the pending price-control bill, which will make mandatory the inclusion of all farm-labor costs in establishing farm-price ceilings, are necessary to protect the Nation's food and fiber supply. We strongly urge that you support such amendments. The danger of inflation is far greater from uncontrolled wages than from farm prices. Industrial wages are 38 percent above first World War peak, while farm prices are 37 percent below.
>
> EDWARD A. O'NEAL,
> *President, American Farm Bureau Federation.*
> ALBERT S. GOSS,
> *Master, the National Grange.*
> H. E. BABCOCK,
> *President, National Council of Farmer Cooperatives.*
> CHARLES W. HOLMAN,
> *Secretary, National Cooperative Milk Producers Federation.*

So, Mr. Chairman, I hope this labor amendment when it is offered will be passed and put into this bill. I do not think it will make much difference because the Secretary of Agriculture during this summer, with the facilities he has, with the Commodity Credit Corporation and the Refiners Corporation, and the other agencies that he has for use, has been able to control the price of butter and cheese to a large extent. You will find the butter price has not varied much and you will find that cheese has been practically at parity all of this summer.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. MILLS of Arkansas. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. HILL].

Mr. HILL of Washington. Mr. Chairman, I shall support the amendment that is going to be offered by the gentleman from South Carolina [Mr. FULMER], because I believe it is just and fair, and I heartily approve of the sentiments expressed by my good friend from Georgia [Mr. PACE]. The farmers, to my mind, are the most loyal and patriotic citizens of the United States. They are sacrificing, they are buying bonds and stamps, they are producing, quite often at a loss. They have been doing that for years, and even now with good prices for wheat, and for apples, and so forth, there are products which they are producing at a loss.

I want to mention three cases this afternoon. Last June I tried to get priorities for the building of some elevators to store wheat in eastern Washington, at Pullman, Colton, Colfax, and other places. While men down here in Washington, D. C., were sitting in swivel chairs figuring on how they could issue priorities, the sun and rain were ripening the grain. It had to be harvested the first week in July. I had to go down two or three times before I could get priorities for these elevators. They had told these farmers to produce, and the farmers were producing, and then when they asked for materials to build elevators to take care of the grain they had produced, these men in the various bureaus dilly-dallied along until it was almost too late.

I went back to my district in late July. When I arrived at Yakima, Mr. Dobie, who is a prominent farmer in the Yakima Valley and president of the tomato growers' association, said to me, "Knute, we are not getting much for our tomatoes." I asked him what he was getting for his tomatoes, and he said $17.50

a ton, and that that was 50 percent more than they got last year. But he said that they were paying 60 cents per hour for labor, that they were hauling labor to and from work, and one farmer said he took his truck and traveled about 50 miles every day to bring the laborers to work. The laborers were given one meal. He said that they could not do that and harvest their tomatoes at $17.50 a ton. I wired officials in Washington and got no relief; and now listen: The next day I picked up the Yakima Daily Herald of Sunday, August 16, a copy of which I hold in my hand, and tomatoes were quoted in the local market at 8½ cents per pound. There are 2,000 pounds in a ton. That makes $170 a ton that the consumer was paying for the tomatoes for which the farmer was getting $17.50. Still it is said that the farmers are profiteering during this war. It is not true, and there is no danger of inflation from that.

Mr. CREAL. Mr. Chairman, will the gentleman yield?

Mr. HILL of Washington. Yes.

Mr. CREAL. I call the gentleman's attention to the fact that corn on the cob in Washington is 15 cents per half an ear, which is 30 cents an ear. There are 150 ears in a bushel of corn. Corn is selling for 83 cents a bushel. That makes the consumer pay at the rate of $45 a bushel for corn for which the farmer is getting 83 cents.

Mr. HILL of Washington. I thank the gentleman from Kentucky for his contribution to the discussion. My third instance is this: I went to Kennewick and met a man there, Ed Brand, and Ed said to me, "We are not getting much for our dried onions." He said that they were getting $15 a ton delivered at the shipping station. I told him that I did not doubt his statement but suppose we corroborate it officially. So we went to the Pacific Fruit & Produce Co. and asked the manager what they were paying for dried onions. He replied $15 a ton. Ten minutes later I went to a store right there in Kennewick and purchased 2 pounds of onions, and I brought them along here as an exhibit. I paid 10 cents for those 2 pounds of onions. That means that they are sold for 5 cents a pound. With 2,000 pounds to the ton, that is $100 a ton that I paid for the onions for which the farmer one-quarter of a mile away out of Kennewick was getting $15 a ton. You know also that when onions get down to $15 a ton they cull them out quite a bit.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. MILLS of Arkansas. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. HILL of Washington. Mr. Chairman, I am just wondering why the people say that the farmers are profiteering. They are, as I said above, producing in many cases at a loss.

So I say that here in this House today we should support the amendment that will be offered by the gentleman from South Carolina [Mr. FULMER], which will include in the cost of production at least the cost of the labor that he has to hire. That does not mean he is going to get anything for the labor of himself and his family. He never gets that. My good friend from Kansas [Mr. LAMBERTSON] knows that the farmer never gets anything for his own labor or that of his family.

Mr. FULMER. Will the gentleman yield?

Mr. HILL of Washington. I yield.

Mr. FULMER. In other words, it is the spread between the farmer and the ultimate consumer that is playing havoc with the farmer and the consumer?

Mr. HILL of Washington. Absolutely. Here is the evidence. If any of you want to see these onions, here they are. The farmer received $15 a ton for them and I paid at the rate of $100 a ton for the same onions.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Chairman, I think the gentleman from Missouri [Mr. CANNON] hit the nail on the head exactly. I have been out in my district for 60 days. I have traveled approximately 1,800 miles there since the Labor Day speech, listening to farmers. They are being sacrificed every day, and for the last 30 days they have been selling livestock prematurely, flooding the market because of this price-control agitation. The Government is losing food, too, because half-fat livestock is shipped. That is losing food for the Government and it is losing money for them. This stir about the prices of farm products is ruining them right now. The farmers do not have any confidence in the President of the United States in dealing commensurately with labor and agriculture if he is given the power which this bill proposes to give him. They tell me, "Go back and see that you pass something yourselves." They read in the President's message on Labor Day an attempt to put the House of Representatives and the Congress of the United States over along where they put the Supreme Court—emasculated. They want us to fight dictatorship, too. They are just as much interested in that as anything else.

Everything is emergency. It was the same thing that happened in every act that led us into this war. Every act was an emergency about this or that. There was no emergency about this any more than has existed for 6 months. But men are afraid of being purged. They are going to vote for this and hope for the best. They are afraid of somebody or something, and election is coming along. There is not going to be anything done before November 3 if he is given these powers in the time limit set by the ultimatum. That is my prediction. But the effect of hanging prices in the balance will be to lower farm prices without any positive act of the President.

One thing more: At the close of the President's speech he said that automatically these powers which you give to him revert to the people at the end of the war. You know that all of our acts giving the President power were under an emergency that can only end with the Congress and the President agreeing on when it shall end. The war does not automatically end any of the dictatorial powers, and that statement at the close of the message proves to me that he was thinking about more power as much as he was about controlling the prices of farm commodities. More power is on Franklin Roosevelt's mind. If the Congress wants to end the emergency and he vetoes the bill, it takes two-thirds of each House to override the President's veto and end emergency.

I challenge any lawyer or anybody else here to substantiate the statement that automatically those powers that we are giving him end with the cessation of war. They do not.

Many of you say you are for the Fulmer Amendment but what are you going to do if you do not get it?

I am going to vote against the bill because it is not fair and nothing will be done with it. If the power is given to Franklin D. Roosevelt to handle labor and handle the farmers commensurately, nothing will be done. It will not be done at least commensurately, and he will not do it before election at least, because a Democratic House hangs in the balance. We are headed for a labor dictatorship.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, today, as probably never before in our history, the American people are painfully conscious of the confusions and uncertainties of Government action and inaction. Those confusions and uncertainties run the whole gamut from whom will be called for selective service to the temperature of our homes during the coming winter.

I am afraid the bill now before us adds further confusions and uncertainties to those with which our people are now wrestling. If the purpose had been to load the measure with loopholes it could not have been done in better style. As I contemplate the probable confusions and uncertainties growing out of this measure, two Executive orders appear to me to be pertinent to the debate on this bill. Most of you will remember that on September 9 the President issued an Executive order with reference to the payment of double time for Sunday work.

That appeared in the Federal Register of September 11. A very considerable amount of fanfare attended the issuance of that Executive order. I have here a copy of the press release that went out of the White House announcing to everybody that the Executive order had been issued doing away with penalty double-time payments for Sunday work. All of us understood that that Executive order was the measure by which payments were to be made or not to be made for work in industrial establishments. But a more significant Executive order appears in your Federal Register of today. I find that under date of September 17 the President by Executive order directs that the Executive order of September 9 shall be amended to read as follows:

All Federal departments and agencies affected by this order shall refer to the Secretary of Labor for determination questions of interpretation and application arising hereunder. In any industry or occupation in which the Secretary finds that a wage stabilization agreement approved by a Government department or agency is operating satisfactorily, or in any industry or occupation in which the Secretary finds that the nature and exigencies of operations make such action necessary or advisable for the successful prosecution of the war, the Secretary may determine that any or all of the provisions of this order shall not apply to such industry or occupation or to any classes of employees therein.

No fanfare attended this change. In fact, I understand no release was issued. A veil of secrecy was thrown around the delegation of authority to Madam Perkins to say whether the original order shall or shall not apply.

In this bill now before us we are faced with very much the same condition as has arisen as a result of this Executive order. Throughout the whole bill we are faced wtih a delegation of authority. The President is permitted to do as he will to correct "gross inequities." There is no measuring rod as to what "gross inequities" are. There is no method established by which "gross inequities" are to be determined. What may be gross or otherwise is in the realm of uncertainty. Madam Perkins may be the referee. Everything is conjectural and nebulous. If this is what Congress wants to do, then let it be frank enough with the American people and tell them so. I think David Lawrence has summarized what this bill does in a very forceful way.

I quote from David Lawrence as he referred to this rescinding of the special order of September 9 by the directive of September 17. Said Lawrence:

The simplest way to have written the order—

And I paraphrase by saying, "The simplest way to write this bill"—

The simplest way to have written the order in the first place might have been as follows:

"On and after October 1 the President will fix any and all wages in America as he pleases, union contracts or agreements to the contrary notwithstanding, and he will delegate the power to anybody he pleases."

If that is what we want to do in the way of the delegation of authority, let us be mindful of those words of Justice Cardozo, when he said in connection with the N. R. A.:

Vagrant and unconfined.

With this evidence of vacillation on the part of the President before us, as we find an Executive order of one day materially changed by a subsequent order a few days thereafter what can we anticipate if authority such as this bill contemplates is granted? It seems to me that we owe a duty before making this delegation to inquire what can be looked forward to as a Presidential policy. What does the record show as to the President's attitude on factors entering into the cost of living? True, he has made a speech which seeks to convey the impression of concern, and in which the Congress is charged with the blame for the inflation already so painfully apparent. But I have seen nothing which convinces me that he has departed from inflationary influences.

The change in the Executive order, to which I have referred, seems to indicate that some strong influence made itself felt, an influence sufficiently strong to persuade the President to change his course within a few days of his original decision. Are we to assume that these influences will become impotent by the passage of this legislation? If they were assertive before the positive action of the Congress in delegating authority is it not reasonable to be apprehensive and fearful that they will become more assertive after the specific delegation? Will our uncertainties and confusions be increased or diminished under this bill?

Again, Mr. Chairman, I cannot dismiss from my mind the latitude allowed the Secretary of Labor in the amended Executive order. It seems to me to open the door to favoritism on the broadest possible scale. Will the same latitude be available to the Secretary of Labor or to some other selected individual to determine what gross inequities are? Will such latitude lessen or increase the possibilities of inflation? Does the record give us any assurance whatever on this point? What may be gross inequities to one person may be a totally different thing to another person. What may be equitable to one chancelor may be repugnant to the conscience of another chancelor. What may appear to be gross to one may possibly be inconsequential to another. What is the measuring rod, and who shall establish it with a finality which will not permit of further confusions and uncertainties?

There are those who claim that the President should be given the power because of the war—that the President has inferred that he already has the power, and that the responsibility should be his to solve the problem. If we have come to this pass, we should make it clear that the Congress is not chargeable with the consequences which I fear will come.

Were I convinced that wildcat inflation—the spiral of ascending living costs—would be checked in this way, I would depart from my long-established opposition to the delegation of authority to the Executive without well-defined limitations. I have sounded warnings against the dangers of inflation long before price controls were attempted. I am profoundly impressed with the threat of inflation before us. I believe we should resort to any reasonable suggestion which comes within the bounds of the Constitution, and which has a foundation in common sense, and which we believe holds out a hope of success. But I find it difficult to dismiss from my consideration the record as it has been written by those in charge of the Government. I hope we can avoid a sham and a hoax which will plague us in the future and which will be a snare and delusion for our people. I hope amendments will be adopted to remove the doubts.

In his message to the Congress and the country on Labor Day, the President declared that it is impossible to keep any prices stable—farm prices or any other prices—if wage rates, one of the most important elements in the cost of production, continue to increase. The unfortunate thing is that it took the President so long to come to this conclusion. Many of us here in the House made the same point more than a year ago. We insisted at that time that the price-control program as then outlined, and as it has since continued to operate, was a snare and a delusion. It was nothing more than a camouflage, an extravagant and exceedingly expensive camouflage, which has deceived millions of Americans, which has autocratically imposed a rationing system on our people and which has opened the door to dictatorial methods and procedure. We have been paying the bill for the maintenance of a colossal anti-inflationary machine employing thousands, and all the while the spiral of inflation has been moving steadily upward every day. If the President's statement on Labor Day was sound, and I believe it was, then it would have been equally sound more than a year ago. Surely the American householder, the American purchaser of food and clothing and every other commodity included in the family budget, knows how costly the delay has been; how much it has cost him to defer until this late date reaching a conclusion which common sense dictates and which common honesty requires. The conclusion is so obvious that some reason must have prompted the unwillingness to reach it at any earlier day. Those of us who took this position more than a year ago are vindicated today.

Try as it will, and despite the careful construction of the President's message implying as it did that the fault was with the Congress as a body, the administration cannot escape responsibility for the rising costs of living. Many of us in the House tried to get some degree of certainty on factors involved in this problem long ago with no success whatever. Instead of a definite, fixed, and determined policy, the administration has resorted to vacillation and to expediency. For a time it appeared the farmer was to be favored. Then, as public opinion shifted the policy was changed. The advances of the earlier day became a disdainful disregard. In the meantime, the President and the administration encouraged a continuing friction by refusing to make any attempt at stabilizing wages. "One of the most important elements," to use the President's words, in the perplexing problem was carefully avoided. Even now the President does not indicate how this element will be dealt with if left to his determination. If the past record in this respect is to be taken as an indication of what may be anticipated in the future, then the menace of inflation, already moving at a breakneck speed, will continue its joy ride of destruction. Viewed in any light, we cannot escape the conclusion that the policy of the administration has been to keep an eye perpetually on the ballot box.

I believe the average wage earner knows what is in store for him and for all of us if this price spiral is allowed to go on unchecked. I believe he realizes that he has been made the innocent suf-

ferer of a system which has exploited him—which has sought to impress upon him a pretentious concern for his welfare—which has sought to barter for his favor, and which has permitted a few men to gain a mastery over him. I believe he is aware of conditions which face him when, instead of wages in terms of purchasing power, the attempt is made to mislead him with wages in dollars of increasingly dubious value. And I am persuaded that he senses the danger of being made the pawn of political strategists.

The plain truth of the matter is that the unattractive formula of "blood, toil, tears, and sweat," has been side-stepped. We had better face it courageously and with conviction. I believe the rank and file of the wage earners of the country are willing to face it. Some of their leaders may not be. But by far the vast majority of the wage earners has adopted the slogan of working to win and it has set itself against the economic fallacy of controls which have been established. "Blood, toil, tears, and sweat" have nothing in common with the New Deal policy of holding "political trenches."

The surprising thing to me, Mr. Chairman, is that the administration clings to its course of half-way measures with such persistency. I have the impression that the American people have become much less credulous than they were; that they are demanding all-out endeavors; that bland promises mean little, that they want results. As I see it, no matter what form this legislation may ultimately take, it will not relieve us of the threat of inflation unless other measures are taken. With the country doing a boom business in war work, inflationary policies adopted in the days of depression are continued. How can we have an effective safeguard against inflation with inflationary powers uncontrolled and unconfined? How can we have an effective safeguard against inflation when our dollar is one of fluctuating value? Today it is a 59-cent dollar. Tomorrow it may be something different. The cheaper the dollar, the dearer the goods we buy. How can we have an effective safeguard against inflation if $3,000,000,000 in greenbacks can be put in circulation at any time? How can we have an effective safeguard against inflation with a silver-purchasing power on the statute books? The answer to these questions is crystal clear. With these powers as they are, there can be no assurance against inflation, no assurance of stability.

No better statement on this subject could be made than the one made in the Federal Reserve report to the Congress almost 2 years ago when it sounded the warning that—

> In the period that lies ahead a secure monetary system is essential to the success of the defense program and constitutes an indispensable bulwark of the Nation.

These were the closing words of a report which urged the determination of the President's power to devalue the dollar, the withdrawal of the power to issue $3,000,000,000 in greenbacks, the discontinuance of monetizing foreign silver, and the repeal of the power to issue silver certificates against the seigniorage on silver purchases. As long as we have a trapeze dollar, we are bound to have trapeze prices.

Mr. Chairman, I believe we should tackle this problem of inflation as a whole, and not on a piecemeal basis. It is a single problem. It should be dealt with as such. It is on this basis that the people must deal with it. We should do the same. It is a responsibility which we should not attempt to avoid, a duty we should not shirk. To do this may take courage. To do less invites the charge of cowardice.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, the provisions of this bill have been so well and thoroughly discussed this afternoon that I hesitate to take any time; however, since I come from the heart of Iowa—the district I represent is in the very heart of the Corn Belt—and since I was recently home and talked to many farmers in that district, I will make a few observations.

One of the first questions asked me when I talked with these farmers was, "What are we doing in the war effort? Are the people in the East and particularly in Washington aware that there is a war on?" They were very much concerned about it. Before I went home I read in the local papers that the people of the Middle West and in my own State of Iowa were complacent. I found just the opposite to be true; I found that they were very much awake out there—willing to make sacrifices in any way necessary in order to win this war, no matter what it is. The only thing they requested was that they be treated equitably with all other branches of industry and with everybody else in our country. I found my own State leading per capita in the purchase of War bonds; I found it leading per capita in voluntary enlistments in all of the armed forces. I found the people there very much awake. If anyone tells you the people of the Middle West are complacent, they just do not know what they are talking about.

In connection with this bill I was concerned with several questions that were asked me—asked in fact by practically every farmer I talked to—and that was with regard to feeder cattle or feeder calves. We produce more beef for the market than any other State in the Union, but most of it is purchased from Texas and other States as feeders and fattened on the farms of Iowa before it is sent to the market. They were concerned that any additional legislation take into consideration in computing parity the cost of feeder calves because they have had to pay more than parity for the feeder calves. If after they fatten them they have to sell them at parity, they will be operating at a loss, and they told me frankly that they could not do it, that it would put them out of business; yet they realize the necessity of beef for the war effort, that it is more necessary today than ever.

Next, we have the labor situation on the farm. The only place the farmer can get labor is on the farm. I found that the people out there had tried getting workers from the cities, but they were not satisfactory. In fact, the farmers had to let them go. They were of less value than nothing at all, because it took too much time to teach them what they needed to know to farm in order to be of any value. People who have been raised in the city and who have lived in the city all of their lives cannot be transplanted to the farm and be successful farm workers overnight. Therefore, what was the situation? Every farm family in Iowa has at least one son in the Army, some many more. So they have not to exceed 50 percent of their normal help left. In addition, the hired help has gone into the Army or war industries. We have a munitions plant in my district. They have left the farms for the higher wages, with the result that there is only one way the farmer can get labor to carry on to harvest this year's crop and continue next year if we are to have foodstuffs next year, as we have now, and that is by going into the open market and competing with war prices in war industries. This he cannot do unless in the computation of parity by the Secretary of Agriculture the cost of this labor is taken into consideration as will be proposed by the amendment which, as I understand, is to be offered tomorrow.

Mr. JOHNS. Will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Wisconsin.

Mr. JOHNS. Did the gentleman have any contacts with those who had been on the W. P. A. and who had been offered jobs on farms?

Mr. CUNNINGHAM. Yes. I talked to farm people who tried to get W. P. A. workers to come out and work on the farm. They experimented with them, but they were not successful. They had been on W. P. A. work too long.

Mr. JOHNS. I found in my own district that men who were driven off W. P. A. by the Administrator or by the Director and were offered jobs on farms refused to take them because they could get more pay in the city.

Mr. CUNNINGHAM. I also found that to be true.

I am concerned about the ceiling for parity and the floor for parity that was touched upon by the gentleman from South Carolina, the distinguished chairman of the Committee on Agriculture. I think he made it clear that if we have loans up to 90 percent of parity, then have the ceiling at 100 percent, the 90 percent will ultimately result as parity. There is an old economic law that I was taught in school many years ago and that is if a merchant has 10 pairs of shoes to sell and has 11 people to purchase them, it is a sellers' market and he can demand a price. But if he has 11 pairs of shoes and only 10 purchasers, it is a buyers' market and he will have to sell at the buyer's price. That is the law of supply and demand. When we place the ceiling at parity, then place the floor at less than parity, at 80 or 90 percent, we are penalizing the farmer in this manner: We are taking away from him the advantage of the sellers' market and giving to him at the same time all of the detriments that accrue to the farmer when it is a purchasers' or buyers' market.

This bill should fix a floor of parity as well as a ceiling of parity. That is what the farmers in the great Middle West are concerned about. They are as much if not more concerned about the floor as they are about the ceiling. Who would it hurt if we had a floor of parity as well as a ceiling of parity? It might put the Board of Trade at Chicago out of business. Who else would it hurt? The Board of Trade at Chicago, speculating in farm products, particularly food during the war, has done more damage to not only our farmers but to all our people than any other one institution. This for the duration would do away with that.

Mr. TREADWAY. Will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentlemen from Massachusetts.

Mr. TREADWAY. Will there be an amendment offered, favorable to the farmer, establishing both a ceiling and a floor?

Mr. CUNNINGHAM. I do not know whether the gentleman from South Carolina is going to offer such an amendment or not, but as I interpreted his talk today it meant just that.

Mr. JOHNS. Does not the fact that the parity price here shall be fixed by the Secretary of Agriculture fix a floor on farm products?

Mr. CUNNINGHAM. Yes; but we do not know what the floor is going to be.

Mr. JOHNS. It is fixed by the Secretary of Agriculture at parity.

Mr. CUNNINGHAM. I understood the gentleman from South Carolina to say that it would be a 90 percent floor and the ceiling would be 100 percent.

Mr. JOHNS. That is the loan. The bill provides:

(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner); or

(2) The highest price received by farmers between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials);

Mr. CUNNINGHAM. If there is a surplus, and there is apt to be quite a surplus this year, then the farmer will be forced to go to loans, and that will make the floor 90 percent of parity instead of 100 percent.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to revise and extend the remarks which I made today.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

Mr. MILLS of Arkansas. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, had come to no resolution thereon.

HOUR OF MEETING TOMORROW

Mr. COOPER. Mr. Speaker, I ask unanimous consent that when the House adjourn today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Calendar Wednesday business in order on tomorrow be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a speech made by me.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on the rule today and to include therein a letter from one of my constituents.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PACE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this afternoon and to include therein certain tables, resolutions, and reports.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Columbia Daily Tribune.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. Under a previous order of the House, the gentleman from New York [Mr. MARTIN J. KENNEDY] is recognized for 10 minutes.

STOCKHOLDERS' PROXIES FOR HOLDING OF CORPORATE MEETINGS

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to insert in my remarks a communication from the Securities and Exchange Commission and a short article from the New York World-Telegram.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARTIN J. KENNEDY. Mr. Speaker, I wish to bring to the attention of the House a condition which, in my opinion, is deserving of our immediate consideration.

I refer to a proposal apparently advanced by the staff of the Securities and Exchange Commission making much more difficult the obtaining of stockholders' proxies for the holding of corporate meetings and the imposition upon all subject corporations of greatly increased burdens in making financial reports.

In communicating the proposal to so-called interested persons for comment under cover of a form letter, mailed the latter part of August, and copy of which I now ask permission to insert in the Record, the assistant to the general counsel of the Commission states that: "The Commission itself has taken no position as to these suggestions of its staff, and asks for comment by the interested persons before September 15."

I have no doubt that such comment was invited in entire good faith and that the invitation conveyed was accepted by many "interested persons" in reliance upon the statement that the "Commission has taken no position as to these suggestions." Nevertheless, we find that the Chairman of the Commission, in a speech at St. Paul on September 3, twelve days before the deadline on the solicited comment by "interested persons," describes the entire proposal as having the approval of the Commission; and on the deadline date, September 15, the Commission released to the Dow-Jones newsticker service the statement that the Commission is expected to promulgate the new rules "in the next couple of weeks, probably between October 1 and 15."

I am informed that the corporations at which these new requirements are aimed state that it will be physically impossible to obtain and prepare by the required time the multifarious financial data which would be made part of the statements to accompany the notices of stockholders' meetings and the proxies; and in this difficulty the loss of experienced personnel who have gone into the armed services plays a large part.

The act creating the Securities and Exchange Commission was framed in the Committee on Interstate and Foreign Commerce of which I am a member. We have every reason to be proud of that act and of the great good which has been accomplished under it.

I have no criticism to make now of the proposed new rules and requirements. They are drastic, controversial, and multifarious and it is only because they are so that I seriously question the advisability of bringing them up at this time when our every effort should be to increase the production for this all-out war. Any controversial proposal, unless related to the war effort, should be deferred.

There is probably not much information called for by the proposed rules and requirements which has not been or which will not be given to the Commission by the corporations and made available by the commission to the public and, in fact, published in the financial manuals and in the newspapers. All stockholders who are really interested

can obtain full information from these publications or from the Commission.

The new rules would add greatly to the number of reports, returns, and statements of an official nature which are now required and to which are now added the reports to the War Production Board, the War Labor Board, priority reports, salvage reports, tax returns, reports to the Price Administration, and innumerable others. We must remember that as demands for these reports and statements increase, the available personnel to prepare them is rapidly shrinking due to their induction into the armed forces and Government service.

It seems to me that if any addition be made to the long list of reports and statements now required by the Government, it should have a distinct, direct, and helpful bearing on our war effort and should strengthen our hands for victory. If it does not do this, then common sense and even our national safety demand that it be deferred until the war ends.

The following is a brief summary of what has occurred to date in connection with proposed changes of proxy rules. Please note the dates of statements and press releases:

First. Original letter written by Mr. Freeman on August 25 stated the proxy changes had been presented to the Commission by its staff; the Commission itself had taken no position as to the suggestions but had authorized their circulation to interested persons for comment. The letter urged that comments be submitted before September 15.

Second. On August 28 the Commission released an announcement providing for the amendment of the financial instructions in the instruction book for Form 10-K which would indicate that the changes were based on the adoption of the suggested changes in the proxy regulations with respect to the form in which the annual report must be submitted to stockholders, and so forth.

Third. On September 4 Chairman Purcell in a speech made at St. Paul outlines the proposed revisions and gives them the approval of the Commission, which is contrary to the statement in the letter dated August 25.

Fourth. On September 15, the final day of the period during which comments were to be received, the Commission released a statement over the Dow Jones ticker that it expected to promulgate the new rules governing the solicitation of proxies around October 1.

The following is a copy of letter from the Securities and Exchange Commission to "interested parties":

SECURITIES AND
EXCHANGE COMMISSION,
Philadelphia.

DEAR SIR: Enclosed herewith is a proposed draft of amendments to the Commission's proxy rules under section 14 of the Securities Exchange Act of 1934 which have been presented to the Commission by its staff. The Commission itself has taken no position as to these suggestions, but has authorized their circulation to interested persons for comment. The draft of the rules is accompanied by a short statement indicating the major changes and the reasons why such changes are proposed to be made. The proposals are, in general, limited to the requirements in connection with solicitation of proxies for annual meetings of stockholders. No drafts are being submitted at this time with respect to the remaining provisions of the proxy rules presently constituting items 7 through 16 of schedule 14A.

There is also attached to the rules a sample form of proxy statement and proxy as they would appear under the proposed rules. Where feasible, the draft of the rules is annotated with comments explaining the relation of the proposed rules to the existing rules.

We would appreciate very much receiving any comments and suggestions you may have upon this draft. Since it is desirable that revised proxy rules be in effect well in advance of next year's corporate meetings, it is urgently requested that you submit such comments as you may have before September 15.

Very truly yours,
For the General Counsel:
MILTON V. FREEMAN,
Assistant to the General Counsel.

I ask unanimous consent to include the following article which appeared in the New York World-Telegram of September 4, 1942:

PURCELL SEEMS OUT OF BOUNDS IN SPEECH CONDEMNING CORPORATE SALARIES

(By Ralph Hendershot, financial editor)

All must be well with the security selling organizations of the country if a speech delivered by Chairman Ganson Purcell of the Securities and Exchange Commission in St. Paul, Minn., may be accepted as a criterion. He apparently found it necessary to move over into the field of corporate management salaries in order to make an attack worthy of headlines.

On second thought, however, the move may have been necessitated because of the fact that the security-selling organizations, over which he is supposed to rule, have done so little in recent years that they couldn't possibly have made many mistakes worthy of public notice. In other words, his kingdom has become so small and impotent that he may fear that his subjects already have been regulated virtually out of business.

In any event, he indicated that he is seeking new fields to conquer and believes industry is a likely prospect. Whether he can make it stick, though, may very well be a horse of a different color. It is possible, however, that he regarded it more or less in the nature of a raid anyway and he may now retire in good order.

LIFE IS DULL IN PHILADELPHIA

He probably should not be blamed too much for making such a raid. Philadelphia is recognized as a pretty quiet town, and the fellows in the security-selling business are rather remote from the war effort. It is true that the brokers and dealers are selling a large amount of War bonds, but they are doing that without profit, so they can hardly be held up to public ridicule for that.

But then, again, there are a number of people in this country who believe that corporate executives do receive too much money in salaries, bonuses, etc., and they are led to believe that Mr. Purcell is going to do something about it. The dispatches, however, indicated that the Securities and Exchange Commission chief only hinted that he might have something in mind along that line. He suggested that he might use his good offices to give them a greater control over management.

It is our understanding that the various boards of directors determine the salaries to be paid corporate managements. And we know of no law which makes it necessary for them to consult the Securities and Exchange Commission on the subject. The Securities and Exchange Commission could step in if they misrepresented the amount of salaries paid in connection with the sale of new securities, but most of these companies are not in need of new capital, and if they were, they probably would be much too smart to lie about salaries.

WOULD PROBABLY BYPASS SECURITIES AND EXCHANGE COMMISSION

Moreover, most of them are engaged in war work, and if they needed money they probably would get it directly from the Government, since the market for securities is so nearly dead that they doubtless could not get accommodations from the general public on a satisfactory basis.

We wonder, therefore, how the Securities and Exchange Commission could be of much help in having salaries reduced. It has moved in to some extent in establishing corporate procedure in sending out proxies for meetings and other purposes, but that is pretty round about and probably would not be very effective in salary matters. And, it must be admitted, too, that any statement it might issue would have some weight with stockholders. But there still would be a considerable gulf to span in bringing its powers down to the doorstep of directors.

I wish to thank the membership for the attention and interest displayed in my remarks. I feel sure that further study will convince you, as it has convinced me, that the proposal of the Securities and Exchange Commission to alter the proxy rules at this time, is unnecessary and ill advised.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2411. An act for the relief of William R. Laurence; to the Committee on Military Affairs.

S. 2503. An act to provide for the payment of retired pay to certain retired judges of the police and municipal courts of the District of Columbia; to the Committee on the District of Columbia.

S. 2689. An act to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863 (12 Stat. 798); to the Committee on the District of Columbia.

S. 2696. An act to permit prosecutions after the lapse of a temporary statute for offenses committed prior to its expiration; to the Committee on the Judiciary.

S. 2705. An act for the relief of Capt. Samuel N. Moore, United States Navy; to the Committee on Claims.

S. 2717. An act for the relief of Charles H. Koch; to the Committee on Claims.

S. 2731. An act to suspend until June 30, 1945, the running of the statute of limitations applicable to violations of the antitrust laws; to the Committee on the Judiciary.

S. 2733. An act to amend an act entitled "An act to provide for the better registration of births in the District of Columbia, and for other purposes," approved March 1, 1907; to the Committee on the District of Columbia.

S. 2739. An act to authorize the Secretary of the Navy to grant easements for rights-of-way over, across, in, and upon naval reservations; to the Committee on Naval Affairs.

S. 2740. An act to provide for furnishing transportation for certain Government and other personnel necessary for the effective prosecution of the war, and for other purposes; to the Committee on Military Affairs.

S. 2775. An act to amend the act of March 5, 1942, relating to the planting of guayule and other rubber-bearing plants; to the Committee on Agriculture.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 6362. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929;

H. R. 6401. An act to amend section 7 of the act entitled "An act to incorporate the American War Mothers," approved February 24, 1925 (43 Stat. 966; title 36, sec. 97, U. S. C., 1940 ed);

H. R. 7235. An act to amend the District of Columbia Emergency Rent Act;

H. R. 7399. An act to increase the penalty for indecent exposure in the District of Columbia;

H. J. Res. 271. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1942, General Pulaski's Memorial Day for the observance and commemoration of the death of Gen. Casimir Pulaski; and

H. J. Res. 344. Joint resolution authorizing extensions of time for filing return of capital-stock tax in 1942.

ADJOURNMENT

Mr. COOPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 7 minutes p. m.), under its previous order, the House adjourned until Wednesday, September 23, 1942, at 11 o'clock a. m.

MOTION TO DISCHARGE COMMITTEE

To the CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to the clause 4 of rule XXVII, I, Hon. LEE E. GEYER, move to discharge the Committee on Rules from the consideration of the resolution (H. Res. 110) entitled "A resolution to make H. R. 1024, a bill to amend an act to prevent pernicious political activities, a special order of business," which was referred to said committee February 26, 1941, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. Lee E. Geyer.
2. Warren G. Magnuson.
3. Jennings Randolph.
4. Knute Hill.
5. John M. Coffee.
6. Lewis D. Thill.
7. Thomas E. Scanlon.
8. Hugh D. Scott, Jr.
9. Henry M. Jackson.
10. Robert L. Ramsay.
11. F. L. Crawford.
12. Karl E. Mundt.
13. Usher L. Burdick.
14. James C. Oliver.
15. Walter C. Ploeser.
16. Phil A. Bennett.
17. Carroll Reece.
18. Fred C. Gilchrist.
19. Vito Marcantonio.
20. H. Carl Andersen.
21. Richard P. Gale.
22. Martin L. Sweeney.
23. R. S. McKeough.
24. Thomas F. Ford.
25. Frank E. Hook.
26. John F. Hunter.
27. Rudolph G. Tenerowicz.
28. Melvin J. Maas.
29. George D. O'Brien.
30. Albert Vreeland.
31. Homer D. Angell.
32. John D. Dingell.
33. James P. O'Connor.
34. Jerry Voorhis.
35. Paul Cunningham.
36. Augustine B. Kelley.
37. W. S. Jacobsen.
38. William T. Schulte.
39. Charles S. Dewey.
40. Arthur W. Mitchell.
41. Charles R. Clason.
42. B. J. Gehrmann.
43. Merlin Hull.
44. Harry Sauthoff.
45. Samuel Dickstein.
46. Joshua L. Johns.
47. Richard J. Welch.
48. William G. Stratton.
49. W. A. Pittenger.
50. Stephen Day.
51. Leo E. Allen.
52. A. D. Baumhart, Jr.
53. Charles H. Elston.
54. C. W. Bishop.
55. William S. Hill.
56. Earl Wilson.
57. Gerald W. Landis.
58. James W. Mott.
59. Jeannette Rankin.
60. Arthur B. Healey.
61. A. J. Sabath.
62. Herman P. Eberharter.
63. Samuel A. Weiss.
64. W. K. Granger.
65. George H. Bender.
66. Charles A. Wolverton.
67. Francis J. Myers.
68. Joseph E. Casey.
69. U. S. Guyer.
70. Oscar Youngdahl.
71. Elmer H. Wene.
72. Evan Howell.
73. Noble J. Johnson.
74. Lucien Maciora.
75. John Jennings, Jr.
76. Louis Ludlow.
77. Thomas H. Eliot.
78. William W. Blackney.
79. Jesse P. Wolcott.
80. John E. Fogarty.
81. Frank C. Osmers.
82. Arthur B. Jenks.
83. James J. Heffernan.
84. John J. McIntyre.
85. Herman P. Kopplemann.
86. Thomas D'Alesandro, Jr.
87. Martin F. Smith.
88. John M. Houston.
89. Aime J. Forand.
90. Robert Crosser.
91. Alfred F. Beiter.
92. J. W. Robinson.
93. Louis J. Capozzoli.
94. Elmer J. Holland.
95. Sol Bloom.
96. Robert T. Secrest.
97. William T. Pheiffer.
98. Arthur G. Klein.
99. James A. Shanley.
100. John H. Tolan.
101. Edwin A. Hall.
102. Stephen M. Young.
103. John A. Meyer.
104. Paul W. Shafer.
105. William J. Fitzgerald.
106. LeRoy D. Downs.
107. Joseph E. Talbot.
108. Mary T. Norton.
109. Michael J. Kirwan.
110. Greg Holbrock.
111. Thad F. Wasielewski.
112. J. Harry McGregor.
113. William H. Sutphin.
114. Charles Kramer.
115. William H. Stevenson.
116. Katharine Edgar Byron.
117. John C. Butler.
118. Harry L. Englebright.
119. Lansdale G. Sasscer.
120. Ed. V. Izac.
121. Compton I. White.
122. Joseph L. Pfeifer.
123. Roy O. Woodruff.
124. James E. Van Zandt.
125. Hamilton Fish.
126. Michael J. Kennedy.
127. Henry O. Talle.
128. Lawrence H. Smith.
129. John Lesinski.
130. John Kee.
131. Emanuel Celler.
132. John Edward Sheridan.
133. W. H. Larrabee.
134. George W. Johnson.
135. Joseph Clark Baldwin.
136. D. Lane Powers.
137. Jacob E. Davis.
138. Andrew L. Somers.
139. Joseph P. O'Hara.
140. Thomas J. Lane.
141. James A. Wright.
142. Everett M. Dirksen.
143. Frank B. Keefe.
144. Philip A. Traynor.
145. George W. Gillie.
146. Gordon Canfield.
147. Reid F. Murray.
148. Raymond S. Springer.
149. William T. Byrne.
150. James A. O'Leary.
151. Matthew J. Merritt.
152. A. F. Maciejewski.
153. James M. Fitzpatrick.
154. William E. Hess.
155. Walter A. Lynch.
156. Bertrand W. Gearhart.
157. Louis C. Rabaut.
158. Lawrence E. Imhoff.
159. Harry P. Beam.
160. Robert A. Grant.
161. Foster Stearns.
162. John M. Vorys.
163. Frank Carlson.
164. Edith Nourse Rogers.
165. Frances P. Bolton.
166. Noah M. Mason.
167. Ivor D. Fenton.
168. Charles R. Robertson.
169. Leslie C. Arends.
170. Francis Case.
171. Jessie Sumner.
172. Ben F. Jensen.
173. James V. Heidinger.
174. Clarence J. Brown.
175. Harry R. Sheppard.
176. Francis E. Walter.
177. Francis D. Culkin.
178. Edward A. Kelly.
179. Robert L. Rodgers.
180. Harve Tibbott.
181. Edward H. Rees.
182. Anton J. Johnson.
183. Carl Hinshaw.
184. Francis R. Smith.
185. Michael J. Bradley.
186. John B. Sullivan.
187. Fred A. Hartley, Jr.
188. Dow W. Harter.
189. Leonard W. Schuetz.
190. John J. Delaney.
191. Frank Crowther.
192. Leon Sacks.
193. William R. Thom.
194. Joe L. Smith.
195. James P. McGranery.
196. Harry L. Haines.
197. Walter M. Pierce.
198. Walter G. Andrews.
199. Martin J. Kennedy.
200. Eugene J. Keogh.
201. J. William Ditter.
202. Donald L. O'Toole.
203. Joseph A. Gavagan.
204. Albert J. Engel.
205. Robert W. Kean.
206. William B. Barry.
207. John M. Robsion.
208. Charles A. Buckley.
209. J. Roland Kinzer.
210. Forest A. Harness.
211. Henry C. Dworshak.
212. Robert B. Chiperfield.
213. Leland M. Ford.
214. Harold K. Claypool.

215. Thomas A. Jenkins.
216. William P. Lambertson.
217. John R. Murdock.
218. Cliff Clevenger.

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees, September 22, 1942.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization Wednesday, September 23, 1942, at 10 a. m. on H. R. 7275 and private bills H. R. 5062, H. R. 6938, and H. R. 6677.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing on Wednesday, September 30, 1942, at 10:30 o'clock a. m., on H. R. 7548, to provide for the issuance of a device in recognition of the services of merchant sailors.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1914. A letter from the Secretary of War, transmitting a draft of a proposed bill to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes; to the Committee on Patents.

1915. A letter from the Chairman of the Board of Investigation and Research, transmitting the annual report of the Board for the period ending September 18, 1942 (H. Doc. No. 846); to the Committee on Interstate and Foreign Commerce and ordered to be printed, with illustrations.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HILL of Washington:

H. R. 7572. A bill to further the national war effort by limiting to $25,000 the net income of individuals after the payment of other Federal income taxes; to the Committee on Ways and Means.

By Mr. PATMAN:

H. R. 7573. A bill to authorize the Secretary of War, the Secretary of the Navy, the Commissioners of the District of Columbia, and the Director of Procurement to acquire motor-propelled passenger-carrying vehicles necessary for the successful prosecution of the present war; to the Committee on Expenditures in the Executive Departments.

By Mr. SUMNERS of Texas:

H. R. 7574. A bill to amend section 36 of the Criminal Code; to the Committee on the Judiciary.

By Mr. VINSON of Georgia:

H. R. 7575. A bill to expedite the prosecution of war, and for other purposes; to the Committee on Naval Affairs.

H. R. 7576. A bill to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral; to the Committee on Naval Affairs.

H. R. 7577. A bill to amend the act approved July 24, 1941 (34 U. S. C., Supp. I, 350f), so as to adjust the pay status of enlisted personnel appointed to commissioned rank for temporary service, and for other purposes; to the Committee on Naval Affairs.

H. R. 7578. A bill to authorize the Secretary of the Navy to pay the costs of transportation of certain civilian employees, and for other purposes; to the Committee on Naval Affairs.

By Mr. VREELAND:

H. R. 7579. A bill to authorize and empower officers and agents of the Counter-Intelligence Corps of the Army of the United States to administer oaths in certain cases; to the Committee on the Judiciary.

H. R. 7580. A bill to confer the power of arrest without warrant upon officers and agents of the Counter-Intelligence Corps of the Army of the United States in certain cases; to the Committee on the Judiciary.

By Mr. CASEY of Massachusetts:

H. R. 7581. A bill to amend the Federal Insurance Contributions Act with respect to the rate of taxes thereunder for the years 1943 to 1946, inclusive; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. IZAC:

H. R. 7582. A bill for the relief of Premier Insurance Co.; to the Committee on Claims.

H. R. 7583. A bill for the relief of Vernon Wayne Tennyson; to the Committee on Claims.

H. R. 7584. A bill for the relief of George Henry Bartole; to the Committee on Claims.

By Mr. CREAL:

H. R. 7585. A bill for the relief of Albert B. Goodin; to the Committee on Military Affairs.

By Mr. McGEHEE:

H. R. 7586. A bill for the relief of Victoria Jessie Lodge Skin, now Standing Bear; to the Committee on Claims.

H. R. 7587. A bill for the relief of Etta A. Thompson, Marion E. Graham, Irene Morgan, and Alice K. Weber; to the Committee on Claims.

By Mr. SPRINGER:

H. R. 7588. A bill to amend the act entitled "An act for the incorporation of the American Legion, as amended, and matters relating thereto"; to the Committee on the Judiciary.

SENATE

WEDNESDAY, SEPTEMBER 23, 1942

(Legislative day of Monday, September 21, 1942)

The Senate met at 12 o'clock noon, on the expiration of the recess.

The Reverend Howard Stone Anderson, D. D., minister, First Congregational Church, Washington, D. C., offered the following prayer:

O God, our Heavenly Father, we stand in Thy presence and acknowledge our dependence upon Thee. Thou hast set our feet in a large room, but we pray that Thou wilt fortify us with strength and enlighten us with wisdom.

Help all the men and women in our armed services to bear their hard tasks with strong courage and devotion. Bless their dear ones and the homes which they have left. Give each and all, at home and abroad, the faith that they cannot drift beyond Thy love and care.

Lead us as we legislate for our Nation. Guide the President of these United States and all who are in positions of authority and responsibility in these fateful days.

May we make Thy cause our own, and in that spirit we pray for an early and complete victory. Help us to defend the weak, to free the oppressed, and to work and wait for Thy kingdom and Thy peace.

We ask it for Thy name's sake. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, September 22, 1942, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 2686. An act to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin-American republics in military and naval matters";

S. 2698. An act to make transportation and storage facilities available for military use where military necessity exists, by authorizing the removal to other points of merchandise in customs custody; and

S. 2747. An act to authorize a reduction in the course of instruction at the United States Military Academy.

The message also announced that the House had passed the bill (S. 2670) to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing State and Territorial military forces with such arms, ammunition, clothing, and equipment as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

H. R. 6362. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929;

H. R. 6401. An act to amend section 7 of the act entitled "An act to incorporate the American War Mothers," approved February 24, 1925 (43 Stat. 966; title 36, sec. 97, U. S. C., 1940 ed.);

H. R. 7235. An act to amend the District of Columbia Emergency Rent Act;

H. R. 7390. An act to increase the penalty for indecent exposure in the District of Columbia;

H. J. Res. 271. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1942, General Pulaski's Memorial Day for the observance and commemoration of the death of Gen. Casimir Pulaski; and

H. J. Res. 344. Joint resolution authorizing extensions of time for filing return of capital-stock tax in 1942.

PETITIONS AND MEMORIALS

Petitions, etc., were presented and referred as indicated:

By Mr. GUFFEY:

Memorials, numerously signed, of sundry citizens and organizations, all in the State of Pennsylvania, remonstrating against the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor in the vicinity of military camps and naval establishments; ordered to lie on the table.

A petition of sundry citizens of the State of Pennsylvania, praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. VANDENBERG:

A resolution of the Allegan County (Mich.) United States Department of Agriculture War Board, favoring the fixing of a definite classification relative to induction into the armed forces of key farmers and farm labor under the Selective Service System so that the unsettled conditions of farm planning may be relieved with the assurance that key farmers and key farm labor will be allowed to produce the basic agricultural commodities necessary for the successful prosecution of the war effort; to the Committee on Military Affairs.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RADCLIFFE:

S. 2796. A bill to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended, so as to enable Filipinos to qualify for service thereunder; to the Committee on Commerce.

By Mr. REYNOLDS:

S. 2797. A bill to authorize decorations for services rendered during World War No. 1; and

S. 2798. A bill to amend Article of War 52 to delegate additional authority in reference to court-martial sentences; to the Committee on Military Affairs.

STABILIZATION OF THE COST OF LIVING—AMENDMENTS

Mr. BROOKS and Mr. NORRIS each submitted an amendment, and Mr. CLARK of Missouri submitted an amendment in the nature of a substitute intended to be proposed by them, respectively, to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, which were severally ordered to lie on the table and to be printed.

DEFERMENT OF CERTAIN EMPLOYEES

Mr. TYDINGS. Mr. President, it will be recalled that in the course of the investigation made by a special subcommittee of the Committee on Appropriations, of which I was chairman, facts were adduced showing that about 1,000 men under 26 years of age had been deferred from military service, because they were indispensable in the positions they were holding in the Federal Government. This seemed to be such a rather unusual cause for deferment at that age that the subcommittee directed me, as chairman, to take the matter up with General Hershey, the Director of Selective Service, and ask for a restudy of these thousand cases. I think that finally, in order to save time, we reduced the number of cases to 891, and up to the present 681 of them have been restudied, resulting in the ending of the deferment and, in most cases, the incorporation of the men into the military service, or they are about to go in, if they are not actually in.

I received a reply from General Hershey, dealing with the subject of these deferments, and since it is not long, I shall read the letter for the information of the Senate and of the country. It is as follows:

NATIONAL HEADQUARTERS,
SELECTIVE SERVICE SYSTEM,
Washington, D. C., September 21, 1942.

Hon. MILLARD E. TYDINGS,
Chairman, Subcommittee on Inquiry in re Transfer of Employees Under Senate Resolution 223, Committee on Appropriations, United States Senate.

Subject: Report on Investigation of Selective Service Classifications of Certain Federal Employees.

DEAR MR. CHAIRMAN: I wish to refer to your letter of June 16, 1942, in which you requested this headquarters to investigate the classification of certain governmental employees who are registered under the Selective Training and Service Act of 1940.

In investigating these cases, we have first requested the governmental agency concerned to furnish a report, setting forth certain statistical information desired, together with the reason for making the request for deferment. This has now been completed.

Following this, the State directors of selective service having jurisdiction of the registrants were requested to obtain a report from local boards concerned, furnishing the same statistical information as a check, and in addition, setting forth the reasons for granting the request. Upon receipt of this information, this headquarters intends to make a complete check of the cases, in order to determine what, if any, action should be taken.

Up to the present time we have received information from the States on 681 of the 891 cases which your committee referred to us. Of this number, 170, or approximately 25 percent, are now in class I–C, as being members of the armed forces. In 101, or approximately 15 percent of the cases, the deferment granted has expired, and the classifications are now under consideration. In all likelihood the majority of these cases will be classified in class I–A, as available for military service.

Sixty registrants are definitely in class I–A, available for induction; 14 are in class I–B, available for limited military service; and 5 are in class IV–E, conscientious objectors available for assignment to work of national importance.

This makes a total of 350 registrants who are either in the armed forces, or in all likelihood are available for induction at the present time. This shows a percentage of approximately 51 percent of the 681 cases on which investigation has been completed, out of the total of 891 which were referred to us by your committee.

This large percentage of registrants either in the armed forces or available for service has in all probability been occasioned by two factors: First, the original deferment granted having expired, the local boards are of the opinion that no further deferment is warranted; and second, the general tightening-up process, due to the fact that this country is now in a state of war, whereas at the time deferments were originally granted, registrants were called for training, and only in a limited number. From casual observation of the remaining cases in which deferment has been granted, it would appear that the vast majority of these is warranted. However, a careful check will necessarily have to be made before a definite conclusion can be reached.

As soon as a complete report has been received and a study made, we shall be very pleased to advise you of the complete results of our investigation.

Sincerely yours,

LEWIS B. HERSHEY,
Director.

Mr. President, I read this letter, not that the investigation is completed but because there have been many inquiries from the press as to what was happening with these 891 deferred Federal employees. It now appears that a restudy will result in most of the deferments not being continued and that the men will be inducted into the armed forces of the country.

STABILIZATION OF THE COST OF LIVING—ADDRESS BY SENATOR WAGNER

[Mr. BROWN asked and obtained leave to have printed in the RECORD a radio address on the subject of the stabilization of the cost of living, delivered by Senator WAGNER on September 21, 1942, which appears in the Appendix.]

ADDRESS BY SENATOR SMATHERS BEFORE NEW JERSEY STATE DEMOCRATIC CONVENTION

[Mr. HILL asked and obtained leave to have printed in the RECORD an address delivered by Senator SMATHERS on September 22, 1942, at the Democratic State convention at Trenton, N. J., which appears in the Appendix.]

SPEECH BY R. K. CHRISTENBERRY AT HOTEL EZRA CORNELL, ITHACA, N. Y.

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a speech by R. K. Christenberry, vice president and general manager, Hotel Astor, New York City, delivered at the Hotel Ezra Cornell, Ithaca, N. Y., which appears in the Appendix.]

HAS THE LITTLE FELLOW A CHANCE?—EDITORIAL FROM THE RALEIGH (N. C.) NEWS AND OBSERVER

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an editorial entitled "Has the Little Fellow a Chance?" published in the Raleigh (N. C.) News and Observer of September 6, 1942, which appears in the Appendix.]

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

The VICE PRESIDENT. The pending amendment is the amendment of the Senator from Oklahoma [Mr. THOMAS] to the committee amendment on page 4, beginning in line 3.

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Burton	George
Andrews	Butler	Gerry
Austin	Byrd	Gillette
Bailey	Capper	Green
Ball	Caraway	Guffey
Bankhead	Chandler	Gurney
Barkley	Chavez	Hatch
Bilbo	Clark, Idaho	Hayden
Bone	Clark, Mo.	Herring
Brewster	Connally	Hill
Bridges	Danaher	Holman
Brooks	Davis	Johnson, Calif.
Brown	Downey	Johnson, Colo.
Bunker	Ellender	Kilgore

La Follette	O'Daniel	Thomas, Okla.
Langer	O'Mahoney	Thomas, Utah
Lee	Overton	Tobey
Lodge	Pepper	Truman
Lucas	Radcliffe	Tunnell
McCarran	Reed	Tydings
McFarland	Reynolds	Vandenberg
McKellar	Rosier	Van Nuys
McNary	Russell	Wagner
Maloney	Schwartz	Wallgren
Maybank	Shipstead	Walsh
Mead	Smathers	Wheeler
Millikin	Smith	White
Murdock	Spencer	Wiley
Murray	Stewart	Willis
Norris	Taft	
Nye	Thomas, Idaho	

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] is absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW], the Senator from Mississippi [Mr. DOXEY], and the Senator from Virginia [Mr. GLASS] are necessarily absent.

Mr. MCNARY. The Senator from New Jersey [Mr. BARBOUR] is necessarily absent.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

The LEGISLATIVE CLERK. It is proposed to add the following new paragraph on page 4, at the end of line 13:

For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

Mr. THOMAS of Oklahoma. Mr. President, I desire to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. The yeas and nays were ordered on this amendment yesterday. Does the order still hold good for today?

The VICE PRESIDENT. The order holds good for today.

Mr. LUCAS obtained the floor.

Mr. REED. Mr. President, will the Senator yield for just a moment?

Mr. LUCAS. I yield.

Mr. REED. At 9 o'clock this morning, in company with my colleague the senior Senator from Kansas [Mr. CAPPER] and the entire Kansas delegation in the House of Representatives, I visited the Secretary of Agriculture on a second visit in 2 weeks. We have been discussing the farm labor situation in all its critical phases. We filed with the Secretary of Agriculture a statement signed by all the members of the Kansas delegations in both Houses of Congress, and I ask unanimous consent to have the statement inserted in the RECORD at this point in my remarks.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SEPTEMBER 23, 1942.

Hon. CLAUDE R. WICKARD,
Secretary of Agriculture,
Washington, D. C.

MY DEAR SECRETARY: Unless immediate and continuing provision is made to insure necessary labor and machine equipment for American farms, a food shortage that will cripple the war program and threaten the stability of the Nation is just a matter of time—and that time will come in months, not years, from now.

The undersigned Members of the Senate and House of Representatives from the State of Kansas, as the result of personal investigations, reports from all sections of the State, and surveys made through agencies qualified to get the facts, come before you today for the second time in less than 2 weeks to urge action, because we believe any further delay in meeting this situation is perilous in the extreme.

Members of the Kansas delegation in Congress called a conference in Topeka, Kans., August 25, to consider the farm labor situation in Kansas. At this conference, in which representatives of the Kansas farm organizations, Kansas State Board of Agriculture, and other interests participated, a telegram setting out the deplorable conditions was sent to General Hershey. A copy of that telegram is attached.

At that time the Kansas State Board of Agriculture, Kansas Bankers Association, and Agricultural Adjustment Agency State and county organizations were asked to make a survey of the extent to which the lack of labor was now affecting farm production and would affect it in the future. Copies of the result of this survey are attached (copies have already been filed with your Department). At the conference in Topeka on August 25, it was agreed to pursue the matter vigorously when the information requested was obtained and the signers had returned to Washington.

Pursuant to that understanding, a discussion was had between members of the Kansas delegation at a conference held on September 8 that was followed by a conference with you on September 10. At that time the situation was thoroughly discussed and the results of the survey made in Kansas filed in your department. The survey showed, briefly, that—

(a) The farm labor supply was being depleted to a point that was reducing production at the present time and threatening a disastrous shrinkage in future production.

(b) Nine hundred farms were reported entirely idle in 1942 as compared with a probable 3,600 farms idle in 1943; 5,000 farms were partially idle in 1942, and the estimate for 1943 indicates that 10,202 would be idle.

(c) The survey indicated that in the depletion of farm labor 52.2 percent was due to the Selective Service and 35.2 percent due to higher wages and shorter hours in war industries.

(d) Report (perhaps the most complete of all) from Labette County, Kans., showing that 15 percent of the plow land is idle and growing weeds; that several hundred acres of splendid prairie hay will not be cut because of lack of labor; that women are operating hay rakes; that 10- and 12-year-old boys are operating tractor mowers, while older men are doing the heavier work; that the farmer cannot compete with industry in the labor market.

Since our return to Washington, following the inception of this survey in Topeka, we have been deluged with letters and telegrams from our constituents in Kansas emphasizing the increasingly difficult labor conditions on the farms which can only result in a disastrous shrinkage in production. We can furnish these letters by the hundreds or by the thousands if they would serve any useful purpose.

Following our conference with you on September 10, we had further conferences as follows:

With General Hershey on September 11, Chairman McNutt, of the War Manpower Commission, on September 12, Undersecretary of War Patterson on September 14.

The whole situation, as well as special phases coming within their particular jurisdiction, was discussed with all of these responsible officials. We have come back to lay our views before you both as Secretary of Agriculture carrying the largest responsibility for food and fiber production necessary in this war situation, and in your other relations to this situation, including membership in the War Manpower Commission. We have made an honest effort to obtain the actual facts. We have discussed the whole situation as described above. We have given the matter earnest consideration in our own conferences. We speak earnestly because we feel earnestly. We fear that the Nation is threatened with a serious reduction in the production of foods in 1943 and thereafter that would be disastrous. We feel that the country as a whole is not yet alive to the extreme hazards of the almost certain outcome.

Specifically we bring your attention to the desirability of:

(a) Making a thorough regional, State, and local area survey with the view of determining the precise situation as regards the amount of available farm labor and the extent of the labor deficit, in the various areas.

(b) Declaring and defining critical areas where the farm-labor shortage is most severe.

(c) Considering limitations or restrictions in the employment of labor by war industries that would further deplete labor on the farm.

We declare our belief that the continued and progressive depletion of labor on the farms will reduce the production of foodstuffs in 1943 and thereafter below the requirements of this country and of the United Nations which we are supplying. We feel this situation is so serious that we urge and would insist, if we had the power, that concerted and definite action be taken and that the handling of the labor problem be coordinated to whatever extent is feasible and necessary to meet this most urgent problem. We further declare our belief that farm labor will continue to leave the farms under present conditions. The Selective Service has priority, of course, but our survey shows that 35 percent of the depletion in Kansas is due to higher wages and shorter hours offered by industry, including Government-operated plants, and further including plants operated for the Government under contract.

In these plants the Department of Labor and the Ordnance Bureau of the War Department show 44 and 47 hours of labor, respectively, in the two classifications made of all plants. The latest report of the Department of Labor for all manufacturing industries shows 42.4 hours of labor per week. In individual industries the average runs from 27 hours per week to 57 hours per week; only a few classifications as much as 48 hours per week. In all of these plants, whether governmentally or privately operated, the scale of wages is far in excess of those that can be paid on the farm under present farm prices. On the farm the hours of labor average from a minimum of 60 hours per week to a varying maximum around 84 to 96 hours per week.

We earnestly urge that labor cannot be retained on the farms under these conditions of work and wages.

And, finally, we declare it to be our belief that the United States of America cannot do its share in winning the war when a preponderance of labor is working on a basic hours-per-week premise below the standard regarded as fair and reasonable for peacetime. We are in war. Peacetime rules are out.

We have approached this question earnestly; we have done our best in the time available to collect information; we have laid

this information before you and other responsible officers of the Government. We earnestly hope that steps will be taken toward a solution.

Very earnestly yours,

ARTHUR CAPPER,
CLYDE M. REED,
Members of the Senate.
WILLIAM P. LAMBERTSON,
U. S. GUYER,
THOMAS D. WINTER,
EDWARD H. REES,
JOHN M. HOUSTON,
FRANK CARLSON,
CLIFFORD R. HOPE,
Members of the House.

Mr. LUCAS. Mr. President, yesterday there was much debate upon what is known as the Thomas amendment. At the outset of my remarks I wish to take this opportunity to commend the senior Senator from Ohio [Mr. TAFT] for the address he made in connection with the proposed inflation legislation, and especially do I desire to point out a statement in his remarks which appears on page 7251 of the RECORD, which seems to me to hit the nail squarely on the head insofar as the consideration of the proposed legislation is concerned. The able Senator from Ohio said, among other things:

> In any event, it certainly seems to me that we would be stultifying ourselves and doing an act which we cannot defend if we adopt the pending amendment, because, obviously, we are saying in effect, "All right, we will reduce the price from 110 to 100, and then we will change the definition of parity"—which nobody knows anything about—"so as to put back the price to 112½." That is the increase in the floor price of most products if we count in farm labor, as estimated by the Department of Agriculture. It seems to me that we cannot defend such a proposal.

Mr. President, I subscribe to the sentiments expressed in that paragraph of the address of the distinguished Senator from Ohio. It seems to me that is the meat of the entire controversy raging around this important piece of legislation. There is no particular reason I can see why we should be considering proposed legislation of any kind at this moment if we are literally to scrap the emergency price-control law, and add 2½ percent to the 110 percent that was provided in that act.

I regret to find myself in opposition to practically every member of the Committee on Agriculture and Forestry. Let it be said in the beginning that I have every respect for the judgment, the integrity, and the patriotism of the men with whom I serve upon this very important committee; I seem to be the only one who is in opposition to the pending amendment, notwithstanding the fact that for 7½ years, since I have been a Member of Congress, I have been a member of the Committee on Agriculture, both in the House and in the Senate.

Mr. BROWN. Let me say to the Senator from Illinois that I think that when he stands alone he is in very good company.

Mr. LUCAS. I thank the Senator from Michigan for that remark. As I have said, for 7½ years I have served as a member of the Committee on Agriculture both in the House and in the Senate, and the record I have made speaks for itself. I would not under any circumstances change the record. I have not always seen eye to eye with the various farm organizations which are in existence in my State on every proposal submitted by them, and in the main our relationship has been pleasant and cooperative.

Back in 1937, as a member of the Agricultural Committee in the House, the Senator from Illinois initiated and put through an amendment to the agricultural bill which was then being considered, known as the mandatory corn-loans amendment, and later on, cotton and wheat were added to that original principle. I undertake to say that as the result of mandatory loans back in 1937 such a price stabilization has been given to the farmer in America over a period of 5 years as has never been experienced in any other 5 years in the history of the country.

Mr. President, it was no easy job to put across mandatory corn loans. Some men serving in this body now will recall the fight that occurred on the floor of the House. As I recall, we were defeated in the beginning by a vote of something like 205 to 196, and the Senator from Illinois promptly voted against that agricultural bill because there was not a single thing in that bill for the American farmer. Later on in conference it was ironed out to the point whereby mandatory loans were agreed to, and mandatory-loan legislation was brought back into the House, and with that principle added to the bill it was passed by a vote of 2 to 1, and became the law.

Mr. President, my life has been spent with the farmers in the Corn Belt of my State. I was born and raised on the farm. I am the owner of farm land at the present time. I am a member of the Farm Bureau in my county. I believe I understand something about the farmers' problem in my section of the country. I believe I understand the attitude of the American farmer in my section also in respect to the great problems which now face the American Congress and the country as a whole. In talking with many farmers during the last 3 weeks in my own county and surrounding counties I have learned from them that they are primarily interested in the No. 1 problem, which is the winning of the war at the earliest possible time, in order that the boys who have gone from the farm into the armed service and to the defense industries may return as soon as possible to a normal and peaceful life. That is what the farmer is primarily interested in in my section of the country, notwithstanding what the leaders of farm organizations may inform Senators in telegrams sent to them, in other communications, and in conferences.

Problem No. 1 for the American farmer is production—and why? Next to the winning of the war he is more interested in the problem of production than anything else, because production is the primary thing which will help win the war and bring the boys in the service back as soon as possible. He is more interested in seeing production come from the soil than he is in any formula which has been written in the so-called Thomas amendment. If the Thomas amendment really could do something from the standpoint of producing more from the soil I might have a different attitude toward it. The production I am speaking of is not only necessary to support the civilian population at home, as well as those who are on the military front, but it also serves a second purpose in being a real barrier to inflation.

Mr. President, the most acute problem, the one which is giving the Nation, and especially the farmer, the real jitters at this particular time, is the shortage of manpower. I challenge anyone to show me how the Thomas amendment is going to effect an increase in the manpower in the agricultural communities under present conditions. Men have been called from the farm into the military services. Men have been called from the farm into industrial plants. Agriculture is faced with a situation entirely different from that which existed in World War No. 1, when few men left the farm to go into industrial work, compared with the number required to go into industry today in order that we may make modern weapons and instruments of war necessary to defeat the totalitarian group across the seas. That is the real problem, and it would not make any difference if the formula of parity were put up to 200 percent; if the men are not in the community to do the job they simply cannot be obtained, regardless of what is done with respect to the formula of parity. To my way of thinking that is one of the great problems—it may be number one problem before the Nation at this particular time.

We have heard that problem discussed on the floor of the Senate. The junior Senator from Wisconsin [Mr. WILEY] complained bitterly on the floor of the Senate yesterday about the lack of manpower, and what is being done to his section of the country in connection with the taking of men to the Army and to industrial plants, and he has a just complaint, of course. The Senator from Kansas [Mr. REED] complained bitterly about the same thing. But what will the Thomas amendment do insofar as increasing manpower is concerned in that section of the country?

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WILEY. I have listened very attentively to the remarks made by the Senator from Illinois. I cannot follow the logic of his last statement. For instance, in my speech yesterday I demonstrated my point by inserting in the RECORD a statement that the wage of the farmer himself was about 28 cents an hour. In my section of the country probably 50,000 workers have been taken from the farms and have gone into the war plants, where they are earning from $1 to $1.25 an hour. If the farmer's earnings are to be frozen——

Mr. LUCAS. Mr. President, I do not wish to yield for a long speech. If the Senator from Wisconsin will ask me a question I shall be glad to answer it.

Mr. WILEY. If the farmer's earnings are to be frozen at 28 cents an hour more

men will be taken from the farms into industrial plants, because the farmer himself will sell his farm and will be glad to get $1.25 an hour for his labor. That is what is happening, sir.

Mr. LUCAS. The argument which the Senator makes does not make any impression upon me whatsoever. It is not in point.

Mr. WILEY. I did not expect it would.

Mr. LUCAS. I presume that is the reason why the Senator is now leaving the floor. In any event, the differential between the farm-labor rate and what a worker is receiving in defense industry is such that no farmer at any time in this crisis will be able to compete, and he has never been able to compete with wages which have been paid in industry.

Mr. President, how does the Thomas amendment affect the people in my section of the State of Illinois? How will it affect the corn and wheat farmer in Illinois? It will do absolutely nothing for the wheat farmer, the corn farmer, the oat farmer, and the rye farmer in the State of Illinois, and we produce all those basic commodities in that section of the country. Why do I say that? The Thomas amendment says:

> For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

According to the Bureau of Agricultural Economics of the Department of Agriculture that formula will increase the present parity formula from 10 to 12½ percent. In other words, before the corn farmer of Illinois, for instance, will be able to get any benefit out of the new formula corn would have to go to approximately $1.10 per bushel. As I recall, corn is now selling around 80 cents a bushel. There is little or no chance of a serious rise in the price at least for another year and here is the reason: The corn carry-over into the new marketing year which begins October 1, 1942, is estimated to be 590,000,000 bushels. The corn crop as of September 1, 1942, is estimated at 3,015,915,000 bushels. The total supply of corn in prospect for the year starting October 1, 1942, is 3,515,915,000 bushels.

The goal for the 1942 production of corn was arranged last February by the Department of Agriculture at somewhere between 2,636,000,000 and 2,708,000,000 bushels; in other words, approximately 800,000,000 bushels of corn will be considered as a surplus during the next year.

Under no circumstances will the farmer get any help from the standpoint of an increase in the cost of corn whereby he can go out and pay the laboring man an increase of 12 percent, as is suggested in the proposed new formula.

Mr. President, what is true of corn is true of wheat, only the situation is worse in the case of wheat. The carry-over in wheat into the marketing year which began July 1, 1942, was 633,000,000 bushels. The wheat crop of 1942 is estimated, as of September 1, at 981,793,000 bushels. The total supply of wheat in prospect for 1942 is 1,614,793,000 bushels.

The goal announced last February by the Department of Agriculture for this year's wheat crop is 793,000,000 bushels, compared with the 1942 wheat crop estimate of more than 981,000,000 bushels. In other words, during the next year we shall have a surplus of wheat of some 800,000,000 bushels. As we all know, at the present time wheat is selling for $1.05 or $1.10 a bushel. The parity price is $1.36. Under the proposed new formula wheat must reach a price of $1.50 a bushel before the wheat farmer would be able to obtain any benefit in the way of compensation for the increased cost of labor in harvesting the wheat. Because of the bumper crops the prices of wheat, corn, oats, and rye are all so far below the parity price that there is no prospect or hope of any of these basic commodities ever reaching the point where any farmer in my section would obtain any benefit as a result of the proposed formula. I must expose these salient facts. I do not want the farmer in Illinois to be fooled by thinking he is getting any relief under this amendment.

A strange situation exists with respect to hogs and cattle. We raise quite a few hogs in my section of Illinois and throughout the State. In 1939 the actual price of hogs was $5.30 a hundred. I mention that because I wish to return to that point a little later.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HATCH. The Senator has been arguing that the proposed new formula would not in anyway affect or benefit the farmers in his State. The Senator says that if the amendment were adopted it would not benefit the farmers of his State.

Mr. LUCAS. That is true.

Mr. HATCH. If the parity price should increase, the loan value would also increase, would it not? The loan value is fixed even now at 85 percent of parity.

Mr. LUCAS. I understand what the Senator means.

Mr. HATCH. An increase in the parity price would benefit the farmers of his State, would it not?

Mr. LUCAS. No; it would not benefit the farmers of my State, because the loan value would not increase.

Mr. HATCH. If the parity price were increased and the loan value were fixed on the basis of 85 percent of parity, why would not the loan value be increased?

Mr. LUCAS. From that angle the Senator may be correct so far as the loan value is concerned; but I am speaking from an entirely different premise.

Mr. HATCH. The Senator said that the new formula would not benefit the farmers in his State.

Mr. LUCAS. From that angle, what the Senator says is true.

With respect to hogs, on August 15, 1939, hogs were selling for $5.30 a hundred. The actual price on August 15, 1942, was $14.13 a hundred. The parity price was $11.05 a hundred. In the case of hogs, the actual selling price is so far above the parity price that the hog farmer does not need this formula, and it would not affect him, because at the present time he is receiving more than 110 percent of parity.

What is true of the hog farmer is true of the farmer who is feeding cattle in my section of the country. In 1939 beef cattle were selling at $6.74 a hundred. The actual price on August 15, 1942, was $11.30. The parity price was $8.24. The actual selling price is far above the parity price. Consequently, the farmer feeding cattle in my section would obtain absolutely no benefit.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. TYDINGS. Does the Senator contend that the parity prices of hogs and cattle should be increased, in view of the prices reflected in the figures which he has quoted?

Mr. LUCAS. I am not discussing the question of whether or not the parity prices should be increased. I am not making any argument on that point. I am willing to leave that to the judgment of those who are administering the law. I do know that the prices of cattle and hogs are far above the parity prices, and I seriously question that the prices of cattle and hogs should be reduced, because such prices will produce the meat which is so necessary to win the war.

Mr. TYDINGS. I am not taking issue with the Senator; but I should like to suggest to him that, as I see it, most of the complaint about the high cost of living as it relates to food arises because of the cost of beef and pork to the consumer.

Mr. LUCAS. That is correct.

Mr. TYDINGS. Hardly anything that I know of evokes more comment about the high cost of living than the prices of cattle and hogs. Therefore we are up against a practical situation. If that be so, and if that is where all the complaint is coming from, if the power to reduce such prices exists, it ought to be applied, and we ought to quit talking.

Mr. LUCAS. I am not acquainted with all the factors which have a bearing on the continued high prices for beef and hogs; but, as I stated a moment ago, I am willing to leave to the judgment of those who are administering the act the question whether such prices should be reduced or increased. Those administering the law have all the factors before them. They have the necessary research facilities, and they ought to know what they are doing in connection with that very important problem.

Mr. TYDINGS. Mr. President, will the Senator yield for one further observation?

Mr. LUCAS. I yield.

Mr. TYDINGS. I am not advocating a reduction. I am merely commenting on the current criticism throughout the country. It is my belief that if today the prices of cattle and hogs were reduced to parity, or even 10 percent above parity, 99 percent of the criticism about the high cost of living would disappear. I am not saying that the prices of cattle and hogs should be reduced or that the criticism is sound; but certainly the power to reduce prices exists, and a reduction is not being made. That is the reason for most of the criticism with respect to the high cost of living.

Mr. LUCAS. I agree with the Senator that there is a tremendous amount of criticism, and no doubt much of it is justified. However, the housewife is complaining about a number of other retail prices. I am thinking now primarily of eggs and chickens. Yesterday morning eggs were being sold at the grocery store at the Wardman Park Hotel at 69 cents a dozen. I do not know whether those eggs came from the Senator's farm or not.

Mr. TYDINGS. No; they did not. I wish they had. Perhaps our friend, the Secretary of the Interior is selling them. [Laughter.]

Mr. Henderson, appearing before the Committee on Agriculture and Forestry the other day, commented on the fact that the price of eggs had gone up in the past 3 or 4 months. I think we all know that the price of eggs usually goes up at this time of the year. Hens are moulting, and new pullets are coming into production. Pullet eggs are not standard. There is a shortage of standard-sized eggs. The price of eggs always goes up at this time of the year. That phenomenon is almost as regular as the sunrise; but apparently it has been seized upon as a great discovery, indicating that something unusual is happening. Aside from beef and pork, the prices of which account for 90 percent of the criticism as to the high cost of living, not many other agricultural products are the subject of ordinary conversation in that connection.

Mr. LUCAS. In the conversations which I have had with housewives a number of other products have been discussed, such as lamb, eggs, and chickens, the prices of which are pretty high.

The point which I am trying to bring out is that the farmers in my section of the State would not receive one iota of benefit as a result of the pending amendment. I cannot see any benefit for a long time to come, if ever. The corn farmer would have to receive a price of $1.10 a bushel for his corn before he could get any benefit. If the Senator thinks that the prices of pork products are high at this time, there would be a real complaint from the people as to the high prices if the farmer had to feed his hogs with corn at $1.10 a bushel.

What the farmer in my section of the country really wants is somebody to do the work on the farm. He simply cannot find enough farm labor which is capable and willing. This amendment does not reach that problem. I should like to read into the RECORD at this time a letter which demonstrates to me what the country is facing so far as lack of manpower on the farms is concerned. The letter comes from the Kendall County Farm Bureau. Those farmers are not asking for increased prices. They are asking for men. This country is crying for men to win the war on the military front as well as men to win the war on the production front.

The method of obtaining men to do the work that must be done on the farm is secondary to the all-important problem of getting the men there. We have heard a great deal about subsidies. Nearly everyone seems to be against subsidies. The Senator from Illinois certainly has never championed subsidies at any time; but for a long time the American farmer has been receiving subsidies through soil conservation payments. So far as I am concerned, if a subsidy is necessary to get men to go into the cornfields, the wheatfields, or the dairy industry of the Northeast, the Northwest, or any other section, or to dig potatoes or pick cotton, or tomatoes which would otherwise perish on the vines, in this crisis the Senator from Illinois is in favor of having some governmental agency see to it that no food is lost. I do not care how we get the labor. A subsidy in time of peace is one thing, and a subsidy in wartime is another. This is a total, all-out war, and the American people cannot afford to lose a single tomato or a single potato. They cannot afford to lose necessary production in the dairy industry throughout the country.

Here is the letter:

KENDALL COUNTY FARM BUREAU, INC.,
Yorkville, Ill., September 15, 1942.

Hon. SCOTT LUCAS,
Senior Senator, State of Illinois,
Capitol Building, Washington, D. C.

DEAR HONORABLE LUCAS: We are a committee appointed to write you and others in authority concerning the labor situation in Kendall County. We have been appointed by a representative group of 30 farmers representing each township and who were appointed by a committee within the township.

This group of 30 farmers in discussing the labor situation within the county feel that you and others in authority do not have the facts in regard to our labor situation.

Kendall is a small county of 9 townships, with no large towns, and with a total population, according to the last census, of 11,069. We are near the Wilmington defense plant on the southeast, near the Seneca defense plant on the southwest, and near the manufacturing centers of Aurora, Montgomery, and other cities to the north. All of these have drawn heavily on farm labor because they are paying very much higher wages than farmers can afford to pay.

Our local selective service board feels that it is obligated to meet the quota of men to serve in the military forces. Because of this fact and because of the condition explained above, the county is destitute from the labor standpoint, and unless something is done, the situation will be more acute in 1943.

The local selective service board is now required to take men who are definitely skilled in farming and are needed on the farm to the extent that production will be definitely curtailed if there is not a change in attitude toward keeping them on the farm.

We believe the farmers of Kendall County are as patriotic and determined to win the war as the farmers or townspeople in any other section, and this letter is not written in a spirit of criticism, but as an expression of facts. We have numerous reports from farmers who are definitely planning or have planned to cut down on livestock production because of farm boys being called by the draft from farms on which the whole family has worked almost day and night during the present year in order to comply with the request of producing an increased amount of food.

It is our opinion that if necessary from the standpoint of food production and war effort, it would be wise to draft a number of these farm boys and station them on the farm as a part of the war effort. We believe you realize that inexperienced help cannot feed and care for livestock, since livestock feeding is a specialized industry and requires knowledge, skill, and a real interest in order to be successful. Numerous reports were made by the group of damage to farm implements and loss in livestock feeding because of inexperienced help during the past year.

We urge you to give this matter your sincere consideration in order that the situation may be corrected and efficient food production may continue within the county. We believe this can be done in one or both of two ways:

1. The local selective service board could be instructed to be more lenient in drafting experienced farm boys, even if the county quota is not met.

2. Experienced farm boys could be drafted and stationed on the farm for agricultural duty.

Very respectfully yours,
DANA CRYDER,
KENNETH RICKETTS,
SIMON DICKSON,
Committee.

Mr. President, I have read that letter into the RECORD in order to advise the Senate as to what the country is thinking about with respect to the shortage of farm labor. The persons who wrote the letter even go so far as to want to draft men who at the present time are in the military services, in order to have them go on the farms and help do the work. As I said a moment ago, the patriotic and sincere farmers in Kendall County are entitled to relief, and I do not care how they get it—whether it be by means of a subsidy, whether it be from the military forces, or what-not. If they have a crop to harvest they are entitled to have that crop harvested this fall; and no corn on the stalk there should be left to rot in the winter winds.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CHANDLER. Would the adoption of the so-called Thomas-Hatch amendment in any way cure that situation?

Mr. LUCAS. Its adoption would have absolutely nothing whatever to do with curing the situation insofar as the emergency is concerned in Kendall County. I am talking now about the emergency which exists, and I have just now read a letter which tells us what the emergency is in a certain county in my State.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HATCH. Would the rejection of the amendment have anything to do with meeting the emergency situation?

Mr. LUCAS. Probably it would not have anything to do with it; but the rejection of the amendment would do just what the Senator from Ohio [Mr. TAFT] said yesterday it would do. In other words, the adoption of the amendment—in my humble opinion—would stultify the United States Senate. We should not even be considering such legislation at all, but should leave as is the Price Control Act, which covers farm commodities at 110 percent.

Mr. BILBO. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I yield.

Mr. BILBO. Does the Senator think that if the farmer were to receive enough for his corn so that he would be able to compete with the industrialists who are taking his labor away from him, he would be able to get all the labor he needed in order to harvest his corn?

Mr. LUCAS. No; sufficient experienced labor is not now on the farms and what labor is left on the farms is moving out faster and faster all the time because of the military situation and because of the defense plants which are in the Kendall County area and in every other area throughout the country. That is the real trouble, Mr. President. The experienced men who can handle farm machinery and who can handle livestock and do it in a way which will produce the most are out of the picture for the moment. Anyone who knows how a farm is operated at the present time realizes that all the work is done by machinery, and the young fellow who was on the farm, who always was there to oil the machinery and gear it up and repair it, has now been taken away. The older men who are left on the farm have had little to do with the operation of the new motorized machinery.

Mr. BILBO. The Senator does not contend, does he, that all the experienced labor he speaks of has been called into the Army?

Mr. LUCAS. Oh, no; I do not so contend.

Mr. BILBO. Or that the shortage of available farm labor exists because the farmers have not been able to receive a price for their crops sufficiently high to enable them to pay wages which would compete with industrial wages?

Mr. LUCAS. I have just read a letter to show what has happened in one particular county, and two reasons for it.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LUCAS. I shall always be glad to yield to my able friend from New Mexico.

Mr. HATCH. Is it not true that the men who have gone into defense plants have gone simply because it is more profitable for them to go there than it is for them to stay on the farms?

Mr. LUCAS. I should say that probably 90 percent of the men who have left farms and who have gone into industrial plants have gone there because of the higher wages paid.

Mr. HATCH. Because it is more profitable. Does the Senator still wish to say that, because some of us in the Senate are trying to make it profitable for the men to remain on the farms, the adoption of the amendment would mean that the Senate would stultify itself?

Mr. LUCAS. No; I did not say that at all.

Mr. HATCH. The Senator certainly said so.

Mr. LUCAS. I stated that in my opinion the Senator from Ohio [Mr. TAFT] was correct when he said yesterday that the Senate would stultify itself if it now were to eliminate from the Price Control Act the formula which provides for 110 percent of parity, and were to pass a measure which would give the farmers 112½ percent of parity. In other words I do not see why we should quibble here for days over a proposition involving an increase of 2½ percent. We could just as well leave the formula as it is.

Mr. HATCH. Mr. President, will the Senator yield to me again for an observation?

Mr. LUCAS. I yield.

Mr. HATCH. I do not want to take exception to the Senator's remarks; but I must say that when a Senator resorts to language such as that which the Senator from Illinois has just now used and which he said the Senator from Ohio [Mr. TAFT] used yesterday, I think that Senator stultifies himself in so doing.

Mr. LUCAS. Of course, I shall not argue with the able Senator from New Mexico. Perhaps the word "stultify" is the wrong word to use. I was quoting from the remarks of the able senior Senator from Ohio. Whenever he speaks everyone listens, and his remarks yesterday impressed me.

Obviously, if the Senator from New Mexico wants to take exception he may do so. If I have offended him in any way, I apologize, because I do not desire to offend the able Senator under any circumstances whatever. Perhaps the word "stultify" is a little strong but I think I shall let it remain in the RECORD.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CHANDLER. The pending joint resolution is an anti-inflation measure, is it not?

Mr. LUCAS. I thought it was.

Mr. CHANDLER. If we have something which we call parity, which no one here seems to know anything about—or if anyone does, he will not admit it—and which results in some imaginary figure of 110 percent, and if in the consideration of an anti-inflation measure which seeks to prevent the imposition of a higher cost of living upon the people of the country we debate the measure and finally increase the cost of living by 2½ percent, we shall have done a magnificent job, shall we not?

Mr. LUCAS. Yes; extremely magnificent.

Mr. CHANDLER. The President has said that he wants to prevent a rise in the cost of living.

There are two reasons why a sufficient number of men are not working on the farms. One is because many farm workers have gone into the Army. The second is that many farms are near defense plants, as is the case in Kendall County and in my own county of Woodford. Under such circumstances, when there is an opportunity to work in the defense plants, the boys will work in them as long as they are out of the Army. They will do so in order to get more money.

Even if we do not do something here to curtail the rising cost of living—and that is what we seek to do by the pending measure—the farmers have boys in the Army just as others have, and they want them fed and protected. If the cost of living continues to rise, and rises unabated and uncontrolled, the necessity for wage control will constantly grow greater.

This is the finest chance the members of the farm bloc ever have had to have wages regulated; but evidently they are willing to give up that chance, because they say they want the wages of everyone else regulated but do not want the wages paid by farmers regulated.

I live in the country. In my section the farmers are paying a maximum of $3.50 a day for labor; and an ordinary laborer in a nearby defense plant receives at least $4 a day, and sometimes much more. Unless everyone—the members of the farm bloc and everyone else—gives up his privileges in an effort to work out a solution of the problems existing in connection with the war effort, all of us will get into trouble. I hate to see the friends of the farmers take the farmers up on the mountain again, as was done 25 years ago, and then, when the war is over, let them drop down into the valley—into the cellar, so to speak. If that happens, I do not know what the farmers will do, but certainly they will not be up on the mountain any longer.

Mr. LUCAS. I thank the Senator for his remarks. What he has said is correct, in my opinion.

In considering the pending amendment of the Senator from Oklahoma, we are doing nothing toward furthering the war effort. All we are doing is considering whether to increase by 2½ percent the parity formula laid down in the Price Control Act.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. THOMAS of Oklahoma. At this point I desire to place in the RECORD some information which came to me this morning. I have a friend who is constructing a bank building in Dallas, Tex. This morning he told me that he is paying $18 a day for bricklayers who work 5 days a week; and on Saturday, because Saturday work is overtime, he is paying them $28 a day. With wages of that kind current in private industry, and wages that we know are current in public industry, I cannot understand why the farmers should not be given a chance to have their wages included, at least, in their farm parity formula.

Mr. LUCAS. Of course I know that high prices are being paid to the workers to whom the Senator refers; everybody knows that; it has been going on for a long time, and I wish that the farmer could get as much as those workers; but if the Senator will tell me just how it can be done without destroying the agricultural life of the Nation I should like to have him do so. It simply cannot be done, Mr. President. The only thing I am saying is, as I said a moment ago, that in this emergency I want to see every crop harvested, regardless of how it is done, whether it is done through a subsidy, through the Army, or what not. I do not want to have complaints continually coming, as they will continue, unless someone solves problem No. 1 along the line of the suggestions I have read from the fine farmers of Kendall County.

The President recognized this situation in his message to Congress with regard to stabilizing the cost of living when he said:

> Next to military and naval victory, a victory along this economic front is of paramount importance. Without it our war production program will be hindered. Without it we

would be allowing our young men, now risking their lives in the air, on land, and on the sea, to return to an economic mess of our own making.

Mr. CHANDLER. Mr. President, will the Senator yield there?

Mr. LUCAS. I yield.

Mr. CHANDLER. Could the President stabilize prices with the proposed amendment in the joint resolution?

Mr. LUCAS. I do not think he could; that is my opinion about it. He was not able to do so under the Price Control Act, and I do not see how he could do it if we should increase by 2½ percent the prices which the Price Control Act allowed.

Mr. CHANDLER. I confess I do not, either. I merely wanted to get the Senator's idea about it.

Mr. LUCAS. In the opinion of the Senator from Illinois, if there is any one thing the American farmer is entitled to, insofar as labor is concerned, it is what the increased cost of labor has been over the base period since the emergency began. At one time I thought about offering an amendment along that line. It would be fair and meritorious. I think, however, the amendment offered by the able Senator from Wyoming [Mr. O'MAHONEY] is sufficient to do that very thing.

The amendment that I had in mind in the beginning, and which I discussed somewhat with the members of the Banking and Currency Committee, had to do with the Price Control Act. It would have struck out subsection (a) of section 3 and inserted in lieu thereof the following:

SEC. 3. (a) No maximum price shall be established or maintained for any agricultural commodity below the highest of the following prices as determined and published by the Secretary of Agriculture: (1) 100 percent of the parity price for such commodity as computed by the Bureau of Agricultural Economics in accordance with existing law, plus such adjustment as is necessary to compensate for the increase in the wage rates of agricultural labor over the base period used in computing the parity prices, or in the case of nonbasic commodities a comparable price as directed under subsection (b), adjusted to compensate for such increase in the wage rates of agricultural labor; (2) the market price prevailing for such commodity on ——.

In my humble opinion that would be an honest adjustment of the parity formula because of the increased price of labor as a result of the present emergency. It can be done, and, in my humble opinion, will be done under the O'Mahoney amendment, which gives the President of the United States the discretionary power to adjust gross inequities. My amendment was mandatory; the O'Mahoney amendment is discretionary.

Mr. President, much has been said throughout the country, and some things have been said upon the floor of the Senate, about the message the President sent to Congress. Perhaps some unfortunate words were used in that message but I think everyone knows, at least, the country knows, that the President of the United States has just one thing in mind, which, as I said before, is the paramount issue above all, and that is the winning of this war. For the last 10 years Franklin D. Roosevelt has been the best friend the farmer has ever had in the White House, and he still is a friend of the farmer, notwithstanding critical references to the message which he sent to the Congress a few days ago. All one has to do is to look back over the record from 1932 to the present time to find out just what the farmer has accomplished under the present administration.

It is an old American custom, Mr. President, to attack the President of the United States during wartime. "Dictator" was a mild term hurled at Abraham Lincoln. It was said that Abraham Lincoln's suspension of the writ of habeas corpus was the act of a tyrant and a despot. He was charged with corruption, inefficiency, and political favoritism. It was said that precious American lives were sacrificed by his ignorance and his obstinacy. These were merely a few of the mild things which were said about Abraham Lincoln in the great crisis between the States. Methinks that I hear some of the same rumblings in this great emergency against the man now in the White House, but Roosevelt will live, as Abraham Lincoln lived, long after those who are attacking and criticizing him have been forgotten.

It has been repeatedly said here that President Roosevelt favors the laboring man over the farmer. That is the insinuation and the implication that has been made. Mr. President, I deny that to be so. I have read the message of the President, and, on eight different occasions in that message the President talks about the stabilization of wages. First he says:

To keep the cost of living from spiraling upward, we must stabilize the remuneration received by individuals for their work.

At another place he says:

If, however, the costs of production, including labor, are left free to rise indiscriminately, or if other major elements in the costs of living are left unregulated, price control becomes impossible.

In another sentence he says:

Our entire effort to hold the cost of living at its present level is now being sapped and undermined by further increases in farm prices and in wages, and by an ever-continuing pressure on prices resulting from the rising purchasing power of our people.

At another point he says:

You cannot expect the laborer to maintain a fixed wage level if everything he wears and eats begins to go up drastically in price. On the other hand, it is impossible to keep any prices stable—farm prices or other prices—if wage rates, one of the most important elements in the cost of production, continue to increase.

And so forth. No, Mr. President, he treats labor in this message just as he does the farmer in connection with the very important inflation legislation which the Senate is now considering.

Mr. President, the most important thing he said in that speech, in my opinion, is found printed on page 5 of the committee report. After going into details with regard to wages and salaries and prices, he said:

What is needed, therefore, is an over-all stabilization of prices, salaries, wages, and profits. * * *

At the same time that farm prices are stabilized, wages can and will be stabilized also. This I will do.

Mr. President, ever since I have been in the Senate there has been a hue and cry about stabilizing wages, but this is the first time the opportunity has ever been given the Senate to tie farm prices with the stabilization of wages. It is in the pending joint resolution. I should dislike to see the so-called Thomas amendment go into the joint resolution, because, as one who has always been interested in the farmers, and his problems, I have fought for the opportunity for the farmer to take his dollar and go into the grocery store and buy as much with it as could a workman in any other industry in America.

Mr. CHANDLER. Mr. President, will the Senator yield there?

Mr. LUCAS. I yield.

Mr. CHANDLER. Would it not be possible that the adoption of the so-called Thomas-Hatch amendment might preclude the stabilization of wages which the President has placed squarely before the Congress?

Mr. LUCAS. I hope it will not, but I fear that is exactly what would happen.

Mr. CHANDLER. Then would not those supporting it be held responsible for having defeated one of the important steps which the President has urged upon the Senate and upon the Congress at this time, in order to stabilize farm prices and wages at the same time, and do it justly and fairly?

Mr. LUCAS. I think the Senator's observations are pretty nearly correct, because when we get into one of these spirals of inflation, one brings on another, and it is impossible to stop it. It is a vicious circle which will carry us back to the inflationary period of the roaring 1920's.

Mr. CHANDLER. It can be stopped now but the opportunity to do it may be lost, and inflation may be so uncontrolled that it would not make any difference what was attempted.

Mr. LUCAS. I agree with the Senator.

Mr. CHANDLER. Then the President would be forced to act, and if he did, he would be called a dictator, and would be called other names. He would have to act because of the failure of the House and the Senate to act, when he has given them the opportunity, and has said that if they do not act, he will be compelled to do so.

Mr. GILLETTE. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. GILLETTE. This is not in the spirit of criticism, but I believe the Senator made an inadvertent remark in his statement when he said this was the first time there had ever been concretely before the Senate a proposal tying the wage scale to the farm-price scale. The Senator from Wyoming [Mr. O'MAHONEY] very definitely presented a measure doing just that.

Mr. LUCAS. I think the Senator is right; it was eliminated in conference.

Mr. GILLETTE. The Senator is correct.

Mr. LUCAS. I thank the Senator for his correction.

Mr. President, what the Senator from Kentucky and I have been discussing is the main issue in which the American people are interested. In my recent visit back in Illinois I talked to at least 30 or 40 farmers, and I found that the principal thing in which the farmer is interested is the stabilization of wages, if we are to fix prices. Whenever we do that—and I have complete confidence that the President of the United States will do it under the pending joint resolution—we will do more to lift the morale of the people in my section of the country than any single thing that could be done.

Mr. President, that is the real issue, that is the fundamental issue in connection with the pending measure. The people want an over-all stabilization of prices, wages, salaries, and profits, and no fooling about this thing. The President of the United States will have the power to bring that about, as he said he would in his message. He will carry out that pledge.

Mr. BILBO. Mr. President——

The PRESIDING OFFICER (Mr. SMATHERS in the chair). Does the Senator from Illinois yield to the Senator from Mississippi?

Mr. LUCAS. I yield.

Mr. BILBO. Does the Senator from Illinois entertain the idea that the President will stabilize prices and the wage scale according to the levels prevailing now?

Mr. LUCAS. I cannot answer that question. I do not know what the President will do, but I have faith in the President. I am convinced that the farmer and laboring man will get a stabilization formula that will give them and America a square deal.

Mr. BILBO. The Senator would indeed be an optimist if he thought the President would, and if the President stabilizes at the present levels, the Senator knows the farmer cannot compete.

Mr. LUCAS. Mr. President, stabilization must be accomplished if we are effectively to prosecute the war on the home front, as well as the military front, and I have no hesitancy in saying that the American farmer should not be compelled to compete with the labor necessary to run the war industries of the Nation. He cannot do it. Some relief must be given him, but the Thomas amendment will utterly fail to accomplish that objective.

Certainly the differentials are such as to constitute a gross inequity. I am certain that the President of the United States will use his adjustment powers to correct any inequities that might exist. The farmer is asking today for what he has always fought for, a fair balance in the price level of all commodities, and the standard of wages. He asks only that his dollar purchase as much as any other industrial dollar, and no more. The fulfillment of this principle is more important at this hour than it has been through all the years the farmer has been fighting for it.

Mr. BILBO. Mr. President, Monday night I went to a Washington grocery store and bought what I should call a second-class steak, raw meat, at 70 cents a pound. I bought some sweet potatoes at $6 a bushel. Of course, the ordinary consumer would be enraged against the farmer at such prices, not knowing that the farmer does not enjoy the exorbitant price paid by him at the grocery store.

When we talk about hogs at $14 a hundred and beef at $12 or $14 a hundred, that does not mean that the farmer is being overpaid for his farm products; but the consumer is being crucified by the middleman, or the man who handles and processes the farmer's product. Yet, because the consumer is being compelled to pay these exorbitant prices, there is a demand in some quarters, even on the floor of the Senate, that the prices of the farmer's products be reduced.

Mr. President, if we win this war, as win it we must, it is absolutely imperative that we have 100-percent enthusiastic and all-out help and cooperation of the 25 percent of the people of this Nation engaged in growing the feed and food supplies for our own people and our Army, as well as for our allies.

It may be true that at the present time we have a surplus of some of the basic crops, but unless we keep up the farm effort it will not be many months before there will be a shortage in all the feed and food supplies of the Nation. I think by that time my good friend from Illinois will awake to find that he has made a mistake in being the only Senator on the Committee on Agriculture and Forestry who opposes the pending proposal.

We are all interested in escaping the disastrous results of inflation gone wild, and while we are legislating to this end we must not lose sight of what is taking place in the agricultural life of our Nation. There are some things which could be more disastrous than inflation.

There have been certain groups in our country which have laid the blame of inflationary tendencies at the door of the farmer on the outside and the farm bloc in the Congress. These charges are wholly unfounded. The farmers of this country have asked no more than fair prices for the crops produced by their labor. The farmers of our Nation are ready and willing to undergo any sacrifice necessary to win the war. All they ask is that the war be fought and won on an equality of sacrifice.

The critics of the farmer and the farm block overlook the fact that farm wage rates have gone up a little more than 100 percent since the base period of 1909–14, which is the base used in determining parity prices of farm products, and that during the same period industrial wages have increased more than 300 percent. Yet our Government is calling for more and larger production.

Today there is an alarming shortage of farm labor. In the case of many crops in many sections of the country there is not adequate farm labor to gather the crops which have already been made. Millions of dollars worth of crops already grown will deteriorate and be left in the fields ungathered because of the shortage of labor, which has been brought about, first, because of the drafting of the farm labor from the farms for the Army; and, second, because of the increased wages in the industrial plants and war projects throughout the Nation, labor has left the farms. Even at 100 percent parity a farmer cannot afford to compete with the wages paid in the construction of war projects and in the industrial plants of the Nation.

Farmers must increase wages on the farms if they are to continue to operate their farms, and they cannot increase wages unless they are able to sell their farm products at even a greater price than they are now receiving. One way to stop inflation is to produce more.

The so-called parity price is not enough, and I am surprised that any person who is informed about the critical situation which confronts the American farmer would for one moment object to the inclusion of the cost of production to the farmer, including the all-important item of the cost of labor. When all others around him are enjoying abnormal profits because of the war effort, no one but a fool would expect the farmer to operate his farm at a loss.

I warn my colleagues, all those in authority, and the country, that unless something is done, and done quickly, to guarantee to the hog farmer, cattle farmer, the cotton, wheat, and corn farmer, and the growers of all other products, a reasonable return in the growing of the next year's crop, hundreds of thousands of the farms of America will be shut down next year. I am not charging that the farmers will go on a strike; I am merely announcing what is going to happen, and giving the reason.

The farmers will not close down their farming operations, because of a lack of patriotism or of willingness to sacrifice to win the war, but they cannot pay the expenses of operating their farms, including taxes and labor and increased prices, unless they have the positive assurance that they will receive enough for their crops to pay their taxes, their labor, and other necessary expenses in carrying on their farming operations. The prices of farm products must be at such a point that the farmers can compete with labor in industrial plants and in the war industries of the country.

I was reared on a farm and have operated a farm, and I have heard all my life that no farmer could show a profit if he figured in the cost of the labor of himself, his wife, and his children. There is no reason why the farmer and members of his family should not be as well compensated for their labor as the man who works in a sawmill, in a store, or in any industrial plant in America.

For half a century the farmer of this Nation has been receiving from 5 to 10 cents an hour for his labor as he toiled to feed the rest of the population. His return may be somewhat higher now, but that has been the record. This condition should and must be changed, and I am sure that no sane or reasonable consumer can or will object to paying a price for the farm products which will yield to the farmer and his family a reasonable wage per hour for their work.

If the Price Administration desires to do something to protect the consumer, it can look after the prices at which farm

products are being sold by the wholesalers and the retailers of this Nation. It is not what the farmer is receiving, or what he would receive under the pending amendment, that is crucifying the consuming public; it is what the consumer is being compelled to pay by the middleman, the wholesaler and the retailer.

It is a well-known fact that many of the dairymen are now selling their dairy cows because they are not able to secure adequate labor to operate their dairies and because the prices they receive will not justify them paying the necessary wage to obtain the labor, the amounts necessary for feed supplies and to meet other expenses necessary to operate their dairies at a profit.

We are going to suffer a severe shortage in milk, butter, and cheese supplies if something is not done about it at once, for, remember, Mr. President, it takes 2 to 3 years to restock a dairy farm.

We had better act now before the damage is done and the supplies of dairy products are stopped. It is all right to pass every reasonable law and adopt every necessary policy to regulate inflation, but in doing this we must not bring about our defeat in the war by a break-down and failure to grow the imperative necessities in the way of feed and food supplies for our people, our Army, and our allies.

Mr. BALL. Mr. President, I wish to state briefly my reasons for opposing the pending Thomas-Hatch amendment and urging the Senate to reject it.

The President's message implied that farm price increases have pushed our Nation to the brink of real inflation and that limitations in the original Price Control Act were primarily responsible for this condition. The facts developed before the Banking and Currency Committee do not sustain either charge.

Beef and pork account for nearly one-third of the $15,000,000,000 of farm income. But O. P. A. failed to place ceilings on meat prices until they had risen considerably beyond the limitations in the Act. I do not blame O. P. A. I think they let those prices go up because they realized that we could not possibly get the production we needed unless they did. But neither can Congress be blamed for the high meat prices.

As for the prices of dairy products on which Mr. Henderson based his main argument, I believe these prices must rise still further, whatever we do in this measure, in order to bring out the increased production of these products essential to the war effort. Dairy products provide $3,500,000,000 of farm income, and together with livestock account for more than half of all farm income.

Meats and dairy products are the foods we need most in the war effort. If higher prices are necessary to assure full production, then higher prices are inevitable, and nothing we say or do will alter that fact. On the other hand, it does not make sense to increase the prices of grains and cotton where we already have surpluses and are producing more than we need.

But while the testimony before the Banking and Currency Committee did not make out a case for the Administration's charges against Agriculture and Congress, it did show clearly that we are on the verge of a really vicious inflationary spiral, with wages and prices racing one another up the precipice. For those groups powerful enough to keep up in the race, the initial stages of this inflationary spiral are pleasant, and both labor and farmers, to a degree, are enjoying this first stage. If real inflation comes, they will suffer most in the subsequent deflation. The millions of people on fixed incomes who are caught in the squeeze already are suffering.

Knowing the depressed condition from which farm prices began their rise and the struggle farmers have had for 20 years, I believe there is no question that if equity were all that we had to consider here, the farmer is entitled to still further increases in prices and income. Unfortunately, the equities of the situation are not all we must consider. The danger of inflation is a dynamic force which threatens, not any one group, but our whole Nation. The welfare of the Nation must and should outweigh the interests or demands of any or all groups as we draft legislation to meet this danger.

The pending amendment changes the formula for determining parity; in other words, changes the rules in the middle of the game. A few years ago when farmers were looking toward parity, under the old formula, as a goal which would solve all their problems, we heard little of the need for changing the formula. Now, when the old parity has been achieved substantially, the demand is made to change the formula and boost the goal. The public will interpret it as a selfish grab in time of national crisis, and it will be extremely difficult to convince the public otherwise, whether the farmer has equity on his side or not.

This change in the parity formula would boost the permissible ceilings on all farm commodities, not just on those where maximum production is needed for the war effort. It would not apply only to dairy products, where the facts clearly indicate labor costs have increased most and prices must be increased in order to maintain production. It would also boost ceilings on cotton and wheat, where production already is far outrunning our needs. That might be nice for those farmers who prefer to raise wheat and cotton whether we need them or not, but it does not make sense in an all-out war program.

So far as dairy products are concerned, there is ample authority and direction in section 3 of the bill as reported by the committee for increases in those prices to cover increased labor and other costs. The proviso on page 4 of the joint resolution is as follows:

That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case in which it appears that such modification is necessary to increase the production of such commodity for war purposes, or in which it is satisfactorily shown that by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities.

To imply that the President will not be sufficiently concerned about production of these all-important products to see that proper prices bring it about is, it seems to me, to imply that the President is not interested in winning the war.

There has been a great deal of argument in the Senate about the tremendous differential between farm and urban wages. Unquestionably that, more than the selective service, is what has created the farm-help problem, but I do not believe that in the middle of a war we can or should stop and try to level out that differential which has been with us for centuries.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. VANDENBERG. The Senator has just read a portion of the pending measure which it seems to me is extremely important, and I think the able Senator in his thoroughly courageous analysis of this situation—an analysis I may say in which I substantially concur—has reached the point where it ought to be worth while again to read the provision which is in the pending measure on the question of farm prices:

Provided further, That modifications shall be made in maximum prices established for any agricultural commodity—

It could not be any more wide open—

and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case in which it appears that such modification is necessary—

To do what?

to increase the production of such commodity for war purposes.

Mr. BALL. That is the key to it.

Mr. VANDENBERG. That is the key to the thing, and that is what everyone has been talking about here today, and everyone is constantly saying that we will not have production unless the farm-labor differential is acknowledged.

Yet here in specific terms is the mandate to the President of the United States, and anyone who wants to say that the President will refuse to meet a situation with the authority thus provided is prepared to say that the President is not willing to do his full duty in the face of this war challenge. Let me finish reading, with the Senator's permission, from the provision in the pending measure:

In any case in which it appears that such modification is necessary to increase the production of such commodity for war purposes, or in which it is satisfactorily shown—

What?

that by reason of increased labor or other costs—

Is that not what everyone is talking about here?

by reason of increased labor or other costs to the producers of such agricultural com-

modity, the maximum prices so established will result in gross inequities.

Mr. President, I submit that the able Senator from Minnesota is entitled to stand on that section of the proposed legislation, and I think I am entitled to stand on it. I recognize the farm problem. I think it is terrific. I think agriculture has been the underdog in this whole procedure from one end to the other, and I think it is being made the goat by a great many political organizations today. I sympathize totally with its anxiety, and its right to be treated with equity, but I submit, in precisely the same argument which the able Senator from Minnesota is making, that in the language just read is the specific directive to achieve every objective to which we all subscribe, and, having written that directive in the measure, I decline to go any further.

Mr. BALL. I thank the Senator from Michigan, and I might add that the very fact that the administration did not impose ceilings on cattle and hogs, when it might have done so, is proof that the President and the administration will recognize this problem, and will keep the maximum prices on dairy products at such levels as will bring about the production we must have.

The most important objection of all to the pending amendment is that it would, in legislation drafted in response to the President's request to tighten price control on farm products and stop inflation, actually raise the permissible ceilings on those prices from 110 to 112½ percent of parity. No arguments or pleas can alter that basic fact. If Congress does that, I believe it will be virtually inviting the executive branch to take over its functions.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. AIKEN. Will the Senator give me some information in regard to the proposed amendment raising the ceiling on certain farm products? Does the Senator understand that the proposed amendment, requiring that farm labor costs be taken into consideration in figuring agricultural production costs, would raise the ceiling on beef above the present price?

Mr. BALL. I do not believe it would.

Mr. AIKEN. Or on pork or other products?

Mr. BALL. I am taking the figures given by the Senator from Oklahoma [Mr. THOMAS] yesterday in response to a question by the Senator from Ohio [Mr. TAFT]. He said it would raise parity 12½ percent on the average.

Mr. AIKEN. Does not the Senator from Minnesota believe that farm labor costs are a legitimate factor in computing the cost of farm production?

Mr. BALL. Of course, they are a legitimate factor; and they are taken care of. They are reflected in the present formula. As I understand, the present formula is based upon the relationship between the things which the farmer buys and the things which he sells. The increasing wage level is reflected in the things which he buys.

Mr. AIKEN. According to the figures from the Bureau of Agricultural Economics, the present formula gives farm labor absolutely no weighting whatsoever.

Mr. BALL. It does not give it directly, but it certainly gives the cost of labor a weighting indirectly in the things which the farmer buys.

Mr. AIKEN. Let me remind the Senator from Minnesota that today industrial wages have been bid up by those who are engaged in making goods which do not enter at all into the computation of farm parity. The wages of those engaged in making battleships or airplanes are not computed at all in estimating farm parity.

Mr. BALL. They never were reflected. Does the Senator from Vermont believe that this amendment would enable the farmer to bid against a munitions plant for labor?

Mr. AIKEN. The effect of the amendment would be largely psychological. If the amendment should prevail, the farmers would stick to the farms. If the amendment should be rejected, hundreds of thousands of them would say, "What is the use of trying to go on and do things we cannot do, with both the administration and Congress against us?" I say let us tell the farmers that their Congress is not participating in any program to create a peasantry in the United States, but that we insist that agriculture have fair treatment once and for all.

Mr. BALL. I agree with the Senator that the primary effect would be psychological, in that the country would once again get the impression that Congress has been pushed around by the so-called farm bloc.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Minnesota yield to the Senator from Oklahoma?

Mr. BALL. I yield.

Mr. THOMAS of Oklahoma. A moment ago the Senator referred to me as having made the statement yesterday that the amendment, if adopted, would have the effect of raising prices approximately 12 percent.

Mr. BALL. It would have the effect of raising parity 12½ percent on the average.

Mr. THOMAS of Oklahoma. That is correct.

If the Senator will yield further, I should like to refer to a letter which has just been delivered to me. It is dated today. It comes from the National Grange. It is signed by the master, A. S. Goss. The National Grange has a very competent corps of research assistants in Washington. This letter was prepared after considerable research had been completed. If the Senator will yield, I should like to read a few lines from the letter, in conection with the point raised a moment ago. Quoting from the letter:

It is doubtful if more than 25 percent of the volume of commodities would be affected in any way. Most of these would be affected far less than the 12½ percent estimated in the article.

He refers to some article in this morning's newspaper. Reading further:

The fact is that on the basis of the wild assumption that all agricultural commodities would be increased 12½ percent, the total increase would be approximately $2,000,000,000 instead of $4,000,000,000, as estimated. Since many of the commodities would be affected in a very slight degree (such, for example, as soybeans, which could not be raised as much as 3 percent), the net result would be an increase far less than $500,000,000.

Inasmuch as the matter was mentioned, I thought perhaps I might give the Senator the benefit of the research which has resulted in the letter which was sent to me.

Mr. BALL. I thank the Senator. I was merely taking his statement of yesterday. I agree that trying to find out how the amendment in its present form would operate is probably a very difficult job. So far as I am concerned, I cannot understand how the Department of Agriculture is to compute the value of the labor of the farmer and his wife and children in calculating parity on farm products.

If the dynamics of the inflation picture now outweigh the equities—and I believe they do—then the only effective answer to the danger and to the President's message is an overall freeze of prices, wages, and salaries at their present levels, with broad authority granted the administration to make such adjustments as it finds necessary to correct gross inequities or to maintain or increase essential production. The Senator from Michigan [Mr. BROWN] coauthor of the joint resolution, has stated that that is the objective of the measure.

Such a freeze is already in effect on all prices except those of some farm products under the original Price Control Act. The joint resolution would do the same thing for all farm prices, and authorize the President to do it for wages and salaries.

Congress fixed the standards and the formula under which prices of farm and other commodities are controlled, and the level at which ceilings apply. I believe Congress should do the same thing for wages and salaries. The public generally understands the principles governing ceilings on prices, because Congress wrote those principles into legislation, and they apply equally to everyone. That is not true as regards such stabilization of wages as we now have. The so-called Little Steel formula being used by the War Labor Board has never been clearly stated so that all employers and employees may know its rules; and not one in a hundred of the general public understands it. With the broadening of inflation-control measures to apply to every economic group in our society, I believe it is absolutely essential that all groups—the whole public—understand fully the formula under which these controls will be applied. That can be the case only if Congress fulfills its legislative function and writes the formula into the statute. If it is left to executive action,

the rules can, and possibly will, be changed from time to time. That is neither fair nor conducive to public confidence in the administration of the war effort. The public is entitled to assurance from Congress that all groups and individuals will be treated alike in the application of necessary controls.

Actually, wages and salaries, now totaling seventy-five billions and still increasing, are far more important in their inflationary effect than the fifteen billions of farm income. I expect to call up later an amendment which would write into the pending joint resolution the Little Steel formula for stabilization of both wages and salaries, with direct control instead of the indirect control provided in this measure.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. WILEY. The Senator just mentioned the Little Steel formula. That contemplates the power in the President to increase wages up to 15 percent, to equalize the cost of living, does it not?

Mr. BALL. It contemplates an increase of not to exceed 15 percent over the average prevailing in the industry on January 1, 1941. It compensates for 15 percent of the increase in the cost of living, which now averages about 2 or 3 percent more than that.

Mr. WILEY. Yes; I listened to the interrogatories by the Senator from Michigan [Mr. VANDENBERG]. The Senator from Michigan and the Senator from Minnesota agreed that the joint resolution contemplates, not a mandatory but a discretionary power in the President to take into consideration the increase in labor costs on the farm. That is correct, is it not?

Mr. BALL. That is correct.

Mr. WILEY. As I remember, recently the President made a direct statement to the effect that he was not in favor of permitting the farmer to have that increase in labor costs.

Mr. BALL. No; the President said in his letter to the Senator from Kentucky [Mr. BARKLEY] that he did not favor and was absolutely opposed to any change in the parity formula at this time.

Mr. WILEY. To me, that is the equivalent of what I just asked the Senator. Then we come down to the nubbin of the whole matter. The question is, Shall Congress, which has the legislative function, tell the President what the formula shall be, or shall we simply say nothing on the subject, and let the President use his discretion in the matter? Is not that the nubbin of the whole thing?

Mr. BALL. The nub of it is that if we adopt this amendment we shall be changing the rules in the middle of the game. As the joint resolution was reported by the committee, it would give the President authority to recognize increased costs, and to raise maximum ceilings when necessary to increase essential production. We are fighting a war. We want to increase the production of certain products. We do not care about increasing the production of others, because we have too much of them as it is. This amendment would apply to all of them.

Mr. WILEY. The Senator is sponsoring an amendment which would direct the President to take into consideration the 15 percent increase for labor. The Senator would change the rules in the middle of the game in that respect, would he not? That argument does not appeal to me, I might say. We constantly change the rules here. The vital problem here is how to get production of vital foodstuffs. The consuming public is most concerned in that result as well as our armed forces and allies. We should cut out the smoke screen and get results.

Mr. BALL. If I may interrupt the Senator, my amendment would not direct the President to allow a 15 percent increase. It provides that the maximum increase he may allow is 15 percent.

Mr. WILEY. Mr. President, will the Senator yield further to me?

Mr. BALL. I should like to conclude my remarks.

Mr. WILEY. If agreeable to the Senator, I should like to make a few observations for a moment or two.

Mr. BALL. In a moment I shall be glad to yield the floor to the Senator. Meantime, I desire to conclude my remarks, because I am almost through.

Mr. WILEY. Very well.

Mr. BALL. We recognize that there will be some injustices and inequities in an over-all freeze. Some groups and individuals may be caught in a less advantageous position than others. But it was tough on the automobile dealers of America when they were frozen out of business last January. It was even tougher on the boys who died on Bataan and in the Solomons. War is tough; and no matter how hard we try, its burdens will not be distributed with absolute justice.

So far we have been content to talk a very tough war, but to fight a soft one, so far as the home front is concerned. I believe it is past time to put into effect an all-out domestic war program at home to match the all-out war our boys are fighting abroad.

The great economic organizations of business, labor, and agriculture perform valuable services in our democracy. But inevitably they are primarily concerned with their own special interests, and sometimes, in their preoccupation with their own group problems, their leaders overlook the national welfare.

I believe it is the duty of Congress in this time of crisis to determine national policies solely on the basis of what is best for the welfare of the entire Nation, and to resist the pressure of groups which seek special privilege or unwarranted advantage. I believe that principle should apply whether the group involved is a farm organization, a labor organization, or a business organization.

Mr. GILLETTE. Mr. President, on two or three occasions when various matters were pending before the Senate for action I have occupied the time of the Senate in discussing my general views on farm problems. I have no intention of going over those grounds or of further imposing on my fellow Senators. I expect to occupy approximately 10 minutes in discussing two factors which I feel have not been directly alluded to or sufficiently discussed in relation to the pending proposal.

Before I discuss those two factors I desire to take occasion to pay my respects to and endeavor to express my own personal appreciation of the painstaking work, labor, study, and sincerity of purpose which my colleague the junior Senator from Michigan [Mr. BROWN] and others of his coadjutors and colaborers have expended on the proposed legislation. I feel that they are entitled to great credit. I have discussed the various problems with some of them. I have found them ready to concede everything that is reasonable; and I wish to sincerely commend them, even with the split infinitive which I have just now used, for the very excellent service they have rendered to the country. I wish to say in that connection that their task was not only extremely difficult but it was impossible. In a few minutes I hope to state why I feel it was impossible.

Before explaining that matter I wish to say that I shall support the pending measure, regardless of whether the Thomas-Hatch amendment be agreed to or whether it be rejected. I shall support the Thomas-Hatch amendment because I think it is basically sound, because I do not think there is any logical reason under the heavens for not including it in the pending legislation.

However, whether it be agreed to or rejected, I shall support the pending legislation, and at the same time shall express my belief that the legislation itself will be ineffective for the same reason that I mentioned a moment ago when I said that the task assigned to those eminent Senators was impossible.

Let me read two or three paragraphs of a reprint which I hold in my hand, which will succinctly and convincingly state my reasons for supporting the Thomas-Hatch amendment. This is a reprint from the Country Gentleman magazine under date of July 31, 1942. It is an article by a very learned gentleman from my own home State, from the State Agricultural College at Ames. I read the following excerpt:

> One thing is plain, if there is anything to economic analysis, the livestock economy of the United States cannot be managed according to a 1910–14 set of price relations without greatly reducing its efficiency in volume of output and the income of the farmers.
>
> Prices must be forward looking. They cannot be tied to the past. The deadweight that is inherent in the 1910–14 relationship is enough to sink agriculture. The war is making this fact most patent. To go back 30 years for basic price directives is economic folly when one considers the colossal changes that have occurred since then.

Let me use a homely illustration. If 20 years ago my little boy asked me to buy him a suit of clothes similar to what the other boys were wearing, and if I promised it to him, but if I waited until yesterday to buy it, and yesterday I said to him, "Son, I am going to buy you a suit of clothes such as the boys wore 20 years ago," that outmoded suit of clothes would be a graphic illustration of the type of parity relationship which we would have if we were not permitted to develop the parity concept in the light of the present situation.

An assertion was made, and a few moments ago there was a colloquy on the other side of the Chamber between the distinguished Senator from Minnesota [Mr. BALL] and the equally distinguished Senator from Michigan [Mr. VANDENBERG], to the effect that the pending measure envisions such a situation, and would clothe the President with the power—not discretionary, as certain Senators allege, but compulsory and directive—to act. I do not intend further to delay action on the matter; but let us see what the so-called O'Mahoney amendment which the committee has reported would do:

Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case in which it appears that such modification is necessary to increase the production of such commodity for war purposes—

There is the first condition—

or in which it is satisfactorily shown—

To whom, and by whom?—

that by reason of increased labor or other costs to the producers of such agricultural commodity—

Now listen; by reason of those factors, if it were satisfactorily shown by someone to someone else—that its impact on the farm economy is destructive? No. The President simply would have to find that, because of those things, either their effect on the war program or because someone was able to show him that by reason of the increased labor cost—

the maximum prices so established will result in gross inequities.

The President would not have to be convinced that there was injustice to the farmer or that the farmer was unable to carry on because of his unfair position, but he would have to find that gross inequities would result. He would not abuse that discretion. I am just as convinced as any other man can be that the President would not abuse that discretionary power; but why place it in the hands of any man? Why not exercise the legislative responsibility which is placed by the Constitution in the United States Congress and write into the measure, when we are delegating the power, the directive to take that element into consideration on such discretionary basis as he might see fit, but direct him, under our constitutional obligation, to exercise that authority? That is all the Thomas amendment is.

I repeat that, whether the Thomas amendment be agreed to or be rejected, I shall support the joint resolution; but in equity, in honesty, or because of any other consideration, I can see no reason why we as legislators should not perform the function which we are required to perform, and, instead of having that inchoate, formless, amorphous discretion which is embodied in the committee amendment, make a directive. Then the President would exercise the discretion; he would determine. That would be sound, logical, and proper; and we would direct him to do it, not on the basis of an outmoded "suit of clothes" but in the light of present-day conditions.

Mr. President, that is all I care to say about that particular phase of the matter.

A moment ago I said I would refer to two matters which had not been generally discussed here. I said I should discuss why I think an impossible task was assigned to the worthy members of the committee and why I think the product of their work—giving them every credit to which they are entitled—will not be successful. Again I shall give a homely illustration: There are three tools which are necessary in order to build a house. Many other tools could be used for the refinements; but the three tools which are necessary are a saw, a hammer, and a square. We could not direct the junior Senator from Michigan [Mr. BROWN], the senior Senator from New York [Mr. WAGNER], and other Senators to build a house, and give them a hammer and a square, but no saw, and expect them to convert a pile of lumber into a building, any more than we could give them a saw and a square, but no hammer, and expect them to do it.

What are we attempting to do? As every student of political economy knows, three factors go into the production of wealth. They are the raw material, the labor to process it, and the distribution and handling costs. Almost every editorial on the inflation problem which has been written in this section of the country has had in mind two things—hold labor down; do not let it run away; hold farm prices down; do not let them run away. Keep these factors under control or you will have inflation. The third factor, however, without which there can be no effective action, is entirely left out of the picture.

In 1935 the Congress delegated to the Federal Trade Commission the power, and directed it, to make a study of the cost of the production and distribution of farm products, and appropriated $150,000 for that purpose. The Commission worked for over 2 years on that task and then submitted a report. Some of the Senators present, no doubt, will recall that there were but 4 copies of it published, and we worked here for a year and 8 months to have 1,600 copies of it published so that the public could obtain it.

The Federal Trade Commission found that in this country in some cases only 26 cents of the consumer's dollar went to the producer of the raw material, and that, on the average, it was 47 cents, while the average in Europe in pre-war times was 75 cents on the dollar. The Commission reached some surprising conclusions and submitted them to Congress in March 1937. That report ought to be read by every Member of the Congress, if it has not been so read, and by every student of this question throughout the country. From a reading of it the conclusion must be reached that the difficulty which is facing us today, the thing which makes this problem acute at this time, is not grasping by labor alone, it is not grasping alone by the greedy farmer, but it is—and I use language that is generally used—the unconscionable profiteer and racketeer who stands between the producer and the consumer.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. GILLETTE. I am glad to yield to the Senator from Montana.

Mr. WHEELER. I should like to call attention to the fact that I was the one who offered the resolution calling upon the Federal Trade Commission to submit the report to which the Senator has referred, which, as the Senator says, took 2 years to prepare, and which, from the farm standpoint, was one of the most remarkable documents ever submitted to the Senate. It was given, however, very little publicity, and it is almost impossible to get copies of the report for Members of the Senate.

Mr. GILLETTE. I thank the Senator from Montana, and I will supplement the statement I just made by saying that it is to the eternal credit of the Senator from Montana that he took the initial action which resulted in there being submitted to Congress that voluminous and well worth while study which was given to the Nation and which we have largely left inoperative through lack of action on our part.

Let me give another illustration. Here [indicating] is the price level the farmer gets. There [indicating] is the necessary differential before his product is made usable for the consumer, and here [indicating] is the level of prices paid by the consumer. Unless some support is given to farm prices, if the differential is allowed to be expanded, farm prices are forced down to a lower level. It is inescapable; nothing else can happen; that is what is happening.

The eminent Senator from Mississippi [Mr. BILBO] referred to beefsteak which he tried to buy a day or two ago. I went to one of the chain stores in this city yesterday. I had in my hand a newspaper, published in the little town in Iowa where I live, advertising the foodstuffs which were for sale.

The prices in Iowa for pork loin were: End cut, 25 cents a pound; center cut, 29 cents a pound. Someone may suggest that Iowa is a hog-producing State, but let me say that every pound of pork chops which we use on our tables in Iowa comes from the packing centers. We ship the livestock to Chicago, where it is processed by the packers, and then sent back to Iowa. As I have said, I went into a chain store in Washington and priced pork loin. The price was 45 cents a pound, as compared with from 25 to 29 cents a pound in my home State, but it was advertised by the Washington purveyors of the meat as an attractive price, and the customers were urged to come in and buy it at 45 cents a pound.

Let me take another article, which is not produced in my home State, and compare prices. Let me take oranges. Heaven knows that oranges are not produced in Iowa, but in Iowa oranges were selling two dozen for 35 cents. In the Washington store yesterday they were from 45 to 60 cents a dozen—45 cents for the small ones and 60 cents for the large ones. Take apples. Washington is close to the heart of the apple-producing section in Virginia. In my State,

where apples are shipped in from this section of the country, they are selling 5 pounds for a quarter, while in Washington they are selling 4 pounds for a quarter.

Let me interpolate that I talked with the manager of the store, and he said, "I am ashamed to face my customers when they come in here and I tell them these prices. I have been 30 years in this business, and there is not a particle of justification for it; it is highway robbery, and I do not want to participate in it."

Yet every time a customer in the East goes into a store on the eastern seaboard and he sees that beefsteak has gone up, bacon has gone up, pork chops have gone up, mutton has gone up, lettuce has gone up, white potatoes and sweetpotatoes have gone up, and the storekeeper says, "We will have to charge you so much," he is told that it is because the greedy farm bloc of the United States Congress is insisting on the farmers grabbing more than their proportionate share of the consumer's dollar.

So I say that any attempt made by the Congress to hold labor within bounds, as it ought to be held, and to hold the producer of the raw materials within bounds, as he ought to be held, without regulating the conscienceless group responsible for distribution and handling, will be largely ineffective.

Let me use an illustration that came to my personal attention. A truck driver on his way to the Chicago market with a load of chickens in crates is stopped outside and is told, "You have to unload these chickens into our crates and pay us a dollar a crate before you can take your load into the commission houses." The chickens are all right in the crates of the truck driver and the crates cost only 20 cents each to make. The truck driver says, "I do not care to unload." He is told, "You would like to take your truck back home, would you not; you would like to see your family again? Then unload those chickens and pay us a dollar or you do not go inside the corporate limits of the city of Chicago."

Let us consider another matter to which the Federal Trade Commission called attention. There is a fish market at Gloucester, Mass. A man brings his fish to the market and says, "How much will you give me for my fish?" He is told "6 cents a pound." He says, "I cannot pay expenses with that kind of price." Then he is told that there is a fish market in Boston and he can hop to Boston or take them to New York. In the case I have in mind he went to New York and inquired how much he could get for his fish. He was told 5 cents a pound. He said, "I could have gotten 6 cents at Gloucester." He is then told, "Well, you should have taken it. You can get 5 cents for your fish here. Take it or leave it." He has no choice; the fish will not keep, and so he has to subject himself to that grasping, greedy crowd. I do not mean to suggest that all middlemen are grasping and greedy; there are legitimate charges, such as handling charges, transportation charges, commission charges, which are very proper, and which must be paid under any method of distribution, but what I object to, and so long as I can speak I shall continue to object to is the constantly reiterated, unjustified assertion that labor on the one hand and the farmers on the other hand are responsible for spiraling inflation. No attempt is made in the pending legislation—I say it in all kindness to those in charge of the bill—to control it.

Oh, yes; there was such a proposal, but there was stricken from the joint resolution the only possible phraseology that could be definitely effective in that connection. The paragraph originally read:

> The President is authorized and directed * * * to issue a general order stabilizing prices, wages, salaries, and other factors.

The words "other factors" were stricken out. It was feared, possibly—no, it is unkind and unjust to say there was fear, but someone had in mind that the other factors, which represent more than 50 percent of the cost according to the Federal Trade Commission's study, would enter into it, and so the authority was taken away.

Mr. President, I wish to refer to a statement made by the eminent senior Senator from Ohio [Mr. TAFT]; and I may say, to be facetious for a moment, I was interested a moment ago when the Senator from Illinois was speaking, when he said he agreed with a statement made by the Senator from Ohio yesterday, and the Vice President said, "Without objection, it is so ordered." I did not agree with the Senator from Ohio yesterday, and, the order of the President of the Senate notwithstanding, I am not agreeing with him today. But I wish to refer to the other section to which the Senator from Ohio referred, carrying out my wish to be fair. It reads:

> And no maximum price shall be established or maintained under authority of this joint resolution or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section.

That is a plausible statement, but one could take the words making up that paragraph and let them go up in the air and come down in any order at all, and they would be fully as meaningful a proposal as is contained in the proposal now before us.

Let me illustrate what I mean, Mr. President. I shall not take the suit of clothes I am wearing as an illustration, because mine is cotton, but I will use the suit of clothes worn by the senior Senator from Wisconsin [Mr. LA FOLLETTE], who sits before me. How is a price ceiling to be placed by the President on that woolen suit which will assure the wool grower one of the two price alternatives? How is he to determine that the shirt I have on, which cost me $2.50, though I bought one like it last year for $1.50—the greedy cotton grower has mulcted me a dollar on that shirt——

Mr. SMITH. The multimillionaire!

Mr. GILLETTE. How is the President to determine that the price he places on that shirt will insure the cotton farmer one of the two alternative price levels? How can he fix such a price on shoes, how can he fix such a price on furniture for the protection of forest products, how can such a price be fixed?

Mr. President, the theory is beautiful. I remember a year or so ago hearing a little song in the Wizard of Oz:

> Somewhere over the rainbow away up high
> There is a land I dreamed of once in a lullaby.

I am convinced that those who wrote this measure dreamed it once in a lullaby because it is unworkable, and unless some attempt is made to protect the consuming public by bringing in the other elements which are fattening on the public efforts to lay the responsibility at the door of labor and to lay it at the door of the farmer are doomed to the failure which they deserve.

Mr. President, I shall not take my seat without referring to another matter which has no direct bearing on the measure before us, but I am speaking as a cornfield lawyer. On several occasions there has been presented in the Congress the proposal that a piece of legislation which might be considered unsavory or unpalatable may be repealed by concurrent action of the Congress. When perhaps we are delegating unnecessary powers—powers which the Congress should exercise—it is suggested that Congress can recapture them whenever it sees fit by the adoption of a concurrent resolution. In my estimation that is legal poppycock. It cannot be done, and the only reason why I speak about it at this time—I do not care whether it is in the joint resolution or is not; it does not amount to a snap of the finger—is that I do not want the public to be told that when Congress delegates this power it retains within itself the power to recall it by concurrent resolution.

As every one of my colleagues knows better than I do, the Constitution of the United States provides, in article I, section 7:

> Every order, resolution, or vote to which the concurrence of the Senate and House of Representatives may be necessary * * * shall be presented to the President of the United States; and before the same shall take effect, shall be approved by him, or being disapproved by him, shall be repassed by two-thirds of the Senate and House of Representatives.

Let me read from volume 4, page 330, of Hinds Precedents:

> Concurrent resolutions began immediately upon the organization of the Government, but their use has been, not for the purpose of enacting legislation, but to express the sense of Congress upon a given subject, to adjourn longer than 3 days, to make, amend, or suspend joint rules, and to accomplish similar purposes, in which both Houses have a common interest, but with which the President has no concern.

In 1897 a member of the Judiciary Committee of the Senate, Senator David B. Hill, of New York, was appointed chairman of a subcommittee to make a study of this very subject and report, and his report held unequivocally that no such power existed.

We can fix a time limit for legislation. We can predicate it on a condition subsequent that is a reasonable and legal

condition. We could not pass a proposal that certain powers should cease when the Senator from Michigan burned down my barn. We could not even predicate it on the theory that they should cease when justifiable homicide had been committed on the Members of the American Senate. [Laughter.] It cannot be predicated on an unconstitutional, illegal, and unlawful thing, and when there are words in a bill to the effect that we can pass a law, and, when we pass the law, provide for its repeal by a concurrent resolution without giving our coordinate legislator, the Executive, power to exercise his function, it is meaningless, and I for one will not sit in the United States Senate and give my consent to such a provision. As the Senator from Michigan very properly said, there is ample precedent, we have done it again and again, but it has no more meaning now than it had before. Its purpose now is what it may have been before, to convince the public that Congress was not abdicating, but was holding control.

In all kindness to the Senator from Michigan, let me call his attention to this provision of the joint resolution. I do not believe it is intended by its framers, I say in all kindness. Section 6, at the bottom of page 5, provides:

The provisions of this joint resolution * * *, and all regulations thereunder, shall terminate on June 30, 1944—

That is all right.

or on such earlier date as the Congress by concurrent resolution—

That is all wrong—

or the President by proclamation may prescribe.

Certainly it was not the intention of the framers of the proposed legislation to provide that the President of the United States could by proclamation repeal a substantive law on the statute books. If their intention was to provide that if the President in the future, as a condition subsequent, could find that certain conditions existed, and on that predicate a proclamation terminating the law, that would be justifiable; but the language as drawn says that—

The provisions of this joint resolution and all regulations thereunder—

And he could repeal regulations—

The provisions of this joint resolution * * * may be terminated by proclamation of the President.

There is not a lawyer who will claim that that power should be given or could be given, and I honestly do not believe that the Senator from Michigan—and there is no more learned or astute lawyer in the Senate—or those working with him, intended any such interpretation as that. I direct attention to it as a sort of a left-handed friend of the bill. [Laughter.]

Mr. BROWN. I may say to the Senator from Iowa that I think we could get along pretty well in controlling inflation without section 6 in the joint resolution. If the Senator will agree to vote against the Thomas amendment, which would completely destroy the joint resolution, I shall be very glad to amend section 6 in any manner the Senator from Iowa wants it amended.

Mr. BROOKS. Mr. President, I send to the desk an amendment I wish to propose to the pending amendment. I ask to have my amendment read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to amend the pending amendment by striking out all after the word "law," in line 3, and inserting the following:

plus an amount necessary to cover the increase in agricultural labor costs over that prevailing in the base period used in computing parity prices.

The PRESIDING OFFICER (Mr. MAYBANK in the chair). The amendment is not in order at this time, since it would be an amendment in the third degree, the amendment of the Senator from Oklahoma being an amendment in the second degree.

Mr. BROOKS. Then, I shall offer it later.

The PRESIDING OFFICER. The Senator will have such an opportunity.

Mr. BROOKS. Mr. President, the first Monday in September is generally observed throughout the entire Nation as labor's holiday. On this day the great army of workers, rich and poor alike, all over our country, usually put aside their tasks. It is a recognized holiday throughout our entire country and has been so observed during my entire lifetime.

This year Labor Day was an unusual day, for the vast majority of our American workmen and women celebrated Labor Day at their usual places of employment, turning out an extra amount of material, equipment, and munitions of war to back up our gallant American women and men in the armed forces dispatched to the battle fronts of the world, and our heroic Allies.

For this positive demonstration of loyal devotion to country they earned and received the appreciation of all America. It was truly a practical exemplification of the spirit which will lead us to victory.

Labor Day this year had another national significance, for it was on September 7, Labor Day, that the Congress of the United States was required to meet to transact the business of receiving a written message from the President of the United States which was intended to and did synchronize with another of the President's fireside chats to the American people; the consequence of which was that the message to Congress was carried by the principal newspapers of the entire country. The fireside broadcast was carried by practically all the radio stations of the country, and was printed in part or in full by practically all the newspapers in the land the following day.

The result was that Labor Day was used for a triple-play charge to Congress to "do, or else," and a general impression was abroad in our country that both the Congress and those engaged in and representing agriculture were responsible for the high cost of living and they jointly were heading the country toward the dangerous rapids of inflation. Further, it was implied that additional authority was necessary to fix the prices of agricultural products so that the President could stabilize wages, and thus save our country from run-away inflation.

First, I believe it was unfortunate and unnecessary to have used Labor Day as an occasion to challenge either the Congress or agriculture. Second, I believe that no new authority was necessary, and that any additional authority would have gladly been granted at the time the price-control bill was originally passed but for the attitude of the administration against it.

Be that as it may, the fact is that Congress is again responding by granting additional authority to the executive branch of our Government not only under the wish but the demand of the executive branch. I intend to vote for the joint resolution, but before I do so I wish to make an observation or two.

Mr. President, it is daily becoming apparent how vast and difficult a task it is to change a nation which has grown great in private enterprise designed for peace, to an all-out directed war effort. It is becoming more apparent that many citizens must, for war purposes, give up their vocations, their business, their homes, and in a measure their freedom.

It is rapidly becoming apparent how vast and difficult a task it is for a nation of 132,000,000 people to raise and properly equip an Army, Navy, Marine Corps, and Air Force sufficient to meet and defeat such treacherous, powerful, and vicious foes as are arrayed against us throughout the world, in addition to fulfilling our commitments to be the arsenal for all the peoples fighting for liberty everywhere.

The dislocations, discomforts, and adjustments are just beginning, but the joint resolution before us today concerns one of the most important and vital problems both of today and of the future, namely, that of agriculture and the constant production and flow of food for victory.

When we launched our unprecedented war effort to meet the attack and the declarations of war made against us, the signal was full speed ahead, to raise the manpower and build the mechanized equipment for the largest military and naval force in our entire history.

Vast organizations were developed to encourage voluntary enlistment as well as to draft the necessary manpower for the naval and military forces. Drives were instituted to secure the manpower, material, and metal to build the equipment.

For a time we were flushed with the excitement and the success we were having in attaining results. Agriculture, the manpower, and machinery to produce the all-essential food supply for our workers, our Army, our allies, and our other civilian population, were set aside for later attention. But that time is here.

During the immediate transition from peace to war, the farmer has faced many difficult problems. The most important, of course, was the loss of his labor—either his sons or his hired help. These have been required for military service, and, through voluntary enlistment or

draft, they have left the farm to take their places in the armed forces.

An even greater problem was presented by the sudden demand for labor in the building of cantonments and munition plants, as well as industrial plants engaged in war production. The continued increases in wages since the war effort began have brought wages to such height that an unusual number of men have left the farm to obtain these higher wages. The curtailment of priorities and facilities for the production of farm machinery has so greatly reduced the available equipment that farmers are forced at the present time to pay more than the original price for used machinery wherever they can obtain it. This is presenting an ever increasing problem.

The stoppage of any further construction in connection with rural electrification, the curtailment of sugar for canning the crops, the curtailment of rubber, which has in some instances caused great loss by making it impossible to market produce, all have played their part. In addition to all of these and other handicaps, the farmer is put in the light of being unpatriotic, grasping, and profiteering, none of which is true.

The result is that after the charge was made and the proposed legislation was initiated, the farmer, in self-defense presented his problem to the Congress. Every farm organization in my State, including the director of agriculture, has brought this matter directly to my attention. Nation-wide surveys have warned against possible food shortages. Former Governor Frank O. Lowden, of Illinois, a few days ago, in a general statement published throughout the country, warned against a coming shortage of food. I ask to have his statement incorporated in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. MCFARLAND in the chair). Without objection, it is so ordered.

The statement is as follows:

I am greatly concerned over a possible food shortage. Responsible officials in Washington now assure us that this is a real danger confronting us in 1943; this in spite of the fact that owing to almost perfect weather conditions, products of the farm this year are the greatest in recent years.

Scarcity of farm labor is proceeding at a progressive rate—attracted by the high wages of labor in munition projects, which the farmer cannot afford to meet, and by enlistments or draft into the armed forces. Thousands of farmers in the dairy industry have been obliged to curtail their operations or go out of dairying altogether. Daily, dairy herds are being sold—many dairy cows going to the butcher's block. The situation in the dairy industry seems to be the most serious. However, there is a growing scarcity of labor in all branches of agriculture.

It takes years, under modern conditions, to train a young man to farm successfully. Especially is this true in the livestock industry, and it is in that branch of agriculture where the food shortage is already being felt. Indeed, I do not hesitate to say that apprenticeship in agriculture takes longer, much longer, than the training required for employment in the munition plants; and yet, the selective service law in its operation exempts the latter from military service and gives but little thought to the farmer. A very large proportion—there are no accurate figures but I have heard it estimated as high as two-thirds—who are operating farms, either as owners or tenants, are under 45 years of age. These are the men who are producing the surplus of farm commodities which are urgently needed. To take any one of these men from his farm would greatly reduce the output of that farm. This is true only in a lesser degree of skilled farm hands. And yet, we are now told that the operator of the farm, or the trained farm hand, in the coming year, cannot claim deferment on account of his occupation. Unless something is done to stop this draft of experienced farmers from the farm, I fear not only a food shortage, but in all probability a food famine.

Mr. BROOKS. Mr. President, Governor Lowden was Governor of the State of Illinois during the last World War, and has been an agriculturist and dairyman of note with long experience. He knows the seriousness of the situation and warns against actual shortages of food unless something is done at once to relieve the farmers and the dairymen of the country.

The Prairie Farmer, which is one of the leading agricultural newspapers of the Nation, has made a survey of farm agents throughout the States of Michigan, Wisconsin, Indiana, and Illinois. As a result of the survey an alarming prediction is made of the lowering of our food production for 1943. I ask to have the brief survey incorporated in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The survey referred to is as follows:

Prairie Farmer asked these farm-labor questions of 81 farm advisers and county agricultural agents in Illinois, Indiana, Wisconsin, and Michigan. Their answers spell lower food production in 1943:

Is there a labor shortage in your county now? Yes, 67; not serious, 12; not yet, 2.

Can your county produce as much food in 1943 with the present labor supply? No, 41; doubtful, 9; yes (if can keep present farm labor), 31.

At the present rate of drafting farm boys and farm hands, will any land in your county lay idle next year? Yes, 53; probably, 9; won't be farmed as well, 16; no, 4.

Mr. BROOKS. Mr. President, the Prairie Farmer has further made certain recommendations in a statement entitled "Draft Farm Labor To Produce Food." I ask to have the statement printed in the RECORD at this point without further comment by myself, but with the view that it may be helpful to the Congress.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

DRAFT FARM LABOR TO PRODUCE FOOD

A. Our 1943 farm production must again break all records if it is to feed: (a) our armed forces; (b) our allies; (c) our people (In spite of the biggest agricultural production in history, we are now facing meat rationing.)

B. Prairie Farmer foresees these difficulties in maintaining 1943 farm production:

1. New farm machinery is impossible to get. Repairs are getting scarcer.

2. Farm hands have been weaned away from farms by war industries who pay $10 to $20 a day. These industries are operated on a cost-plus basis.

3. Much farm labor, deferred by draft boards for the summer months to get in this year's crops, will go into the armed forces by December.

4. Farmers, farm women, farm children have been working 80 to 100 hours a week all summer. There has been much overtime but no time-and-a-half pay. However, there is a limit to human endurance.

5. Because of the labor shortage, dairymen are forced to disperse their herds; cattle and hog raisers to cut down on their livestock; tenants to seek smaller farms; general farmers to sell out or seed down acres that should be in production.

6. The 1942 weather has been the best growing weather in a decade—in 1943 it may be less favorable.

C. Farm critics say: "Let the farmer pay higher wages and he'll get labor." Farm management experts reply: "If dairy farmers paid labor a comparable wage with war industry, the price of milk would be boosted 2 cents a quart. The farmer would have to have more for his corn, more for hogs, more for beef."

D. Sources of farm labor frequently suggested to farmers: Work Projects Administration, high-school boys, farmerettes—and we've had a hint that in Illinois they may try to use men from State institutions. This is all a part of the thinking that caused a draft-board member to say in the spring: "Any bum can farm." Farming is a skilled occupation. A high-school boy or woman can be taught more quickly and efficiently to do a job in industry than to farm.

E. Critics also say farm prices are too high. We ask a question, Would dairy farmers be selling their herds if they were getting rich producing milk? The United States Employment Service in Indiana reports: "More than half of our requests for assistance come from farmers who want someone to run the farm while they work in defense plants or to replace a member of the family who formerly worked on the farm but who now wants to make more money at some other occupation."

F. Prairie Farmer still stands on its headline in our February 7 story on farm labor: "Keep 'em working—where each works best!" If any more farm labor is taken into war industry or selective service, farm production will go down in 1943. Our Government must make up its mind now whether it really needs this food as badly as it says it does. Next spring when the farm laborer is in the Army will be too late. The 1943 food-production year has already begun.

G. To guarantee 1943 food production, we call on War Manpower Commissioner Paul V. McNutt and Selective Service Director Maj. Gen. Lewis B. Hershey to—

1. Draft experienced farm labor for productive farms and keep needed farm labor out of the armed forces and industrial plants.

2. Keep up fighting spirits of farm help, thus drafted for farm work, by official recognition of their patriotic services through presentation of an insignia which will label them as patriots of the farm front.

Mr. BROOKS. Mr. President, the situation has become so disturbing that in one county in Illinois, namely Kendall County, a meeting was held of the farmers in the 30 townships making up the county for the purpose of selecting 1 representative in each township to meet with the other representatives and to formulate a plan urgently asking the assistance of the Congress. I ask to have a letter addressed to me by members of that group incorporated in the RECORD as a part of my remarks at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

KENDALL COUNTY FARM BUREAU, INC.,
Yorkville, Ill., September 15, 1942.

Hon. C. WAYLAND BROOKS
Senatorial Office Building,
Capitol Building, Washington, D. C.

DEAR HONORABLE BROOKS: We are a committee appointed to write you and others in authority concerning the labor situation in Kendall County. We have been appointed by a representative group of 30 farmers

representing each township and who were appointed by a committee within the township.

This group of 30 farmers in discussing the labor situation within the county feel that you and others in authority do not have the facts in regard to our labor situation.

Kendall is a small county of nine townships with no large towns and with a total population according to the last census of 11,069. We are near the Wilmington defense plant on the southeast, near the Seneca defense plant on the southwest, and near the manufacturing centers of Aurora, Montgomery, and other cities to the north. All of these have drawn heavily on farm labor because they are paying very much higher wages than farmers can afford to pay.

Our local selective service board feels that it is obligated to meet the quota of men to serve in the military forces. Because of this fact and because of the condition explained above, the county is destitute from the labor standpoint, and unless something is done, the situation will be more acute in 1943.

The local selective service board is now required to take men who are definitely skilled in farming and are needed on the farm to the extent that production will be definitely curtailed if there is not a change in attitude toward keeping them on the farm.

We believe the farmers of Kendall County are as patriotic and determined to win the war as the farmers or townspeople in any other section, and this letter is not written in a spirit of criticism, but as an expression of facts. We have numerous reports from farmers who are definitely planning or have planned to cut down on livestock production because of farm boys being called by the draft from farms on which the whole family has worked almost day and night during the present year in order to comply with the request of producing an increased amount of food.

It is our opinion that if necessary from the standpoint of food production and war effort, it would be wise to draft a number of these farm boys and station them on the farm as a part of the war effort. We believe you realize that inexperienced help cannot feed and care for livestock, since livestock feeding is a specialized industry and requires knowledge, skill, and a real interest in order to be successful. Numerous reports were made by the group of damage to farm implements and losses in livestock feeding because of inexperienced help during the past year.

We urge you to give this matter your sincere consideration in order that the situation may be corrected and efficient food production may continue within the county. We believe this can be done in one or both of two ways:

1. The local selective-service board could be instructed to be more lenient in drafting experienced farm boys, even if the county quota is not met.

2. Experienced farm boys could be drafted and stationed on the farm for agricultural duty.

Very respectfully yours,

DANA CRYDER,
KENNETH RICKETTS,
SIMON DICKSON,
Committee.

Mr. BROOKS. Mr. President, this letter shows an alarming condition which must be met if we are to have sufficient food production. In addition to the matters which I have presented, I have received countless communications, not from farm organizations but from patriotic men and women who live on the farms in Illinois who have presented their individual problems and asked for assistance.

I have been reliably informed that in one purely rural community in the northern section of my State, the farm auctioneer has booked at this time 50 sales to be conducted this fall. I wish to point out what this may mean. It will take 3 years to replace each milk producing cow sold and sent to the market. If a beef cow is sent to market it will take 3 years to replace each milk-profurther production of beef. It is difficult, even impossible, in many cases, for the farmer to obtain new farm machinery; so if the machinery of a farm is dispersed among many farms, the machinery, as well as the cattle sold from that farm, will be lost to the war-production effort, and cannot quickly be replaced.

Again, I wish to remind the Members of the Senate that we can no longer deal with this problem theoretically or by conjecture. We need facts and action. No farmer can stay on his farm and continue to produce what he has produced in the past, to say nothing of increasing his production, if he cannot have his help, if he cannot have his machinery, if he cannot have a return for his effort, so as to make it possible for him to bid for labor.

This problem is more serious, in my opinion, than the rubber problem. I propose to vote for the pending joint resolution, and the pending amendment, which provides for including an amount necessary to cover the increase in agricultural labor costs over that prevailing in the base period used in computing parity price, with one thought only in mind, to keep the production of food for victory ever on the increase in this country.

If the President sees fit to veto this measure because of the inclusion of the Thomas amendment, then he should do so, as he did the synthetic-rubber bill for which I worked and voted. He should likewise in considering this problem follow the exact example which he set in dealing with the rubber problem, namely, appoint a competent committee, headed preferably by Mr. Bernard Baruch, immediately to survey the entire problem of the production of food and, based on facts and the necessities presented by the facts, he should appoint a food administrator with the same powers that the Rubber Administrator has, namely, to take charge of the priorities necessary for the production of farm machinery, and make his positive recommendations in regard to securing adequate farm labor, and provide adequate farm prices.

A challenge has been hurled at the Congress with respect to a most vital subject involving the lives and the liberties of all America, as well as our allies who depend on us for food, and I urge those Members of this body who have the greatest influence with the administration to demand the appointment of a committee at once to meet this emergency. It will be recalled that the rubber problem was muddled and bungled until the President's committee finally reported—

We find the existing situation to be so dangerous that unless corrective measures are taken immediately this country will face both a military and civilian collapse.

Mr. President, the naked facts present a warning which cannot be ignored. Without further delay we should find the facts, and we should act to prevent our country becoming a nation of magnificent blunders, and being constantly on the verge of military or civilian collapse during the greatest war in our Nation's history.

Mr. CAPPER. Mr. President, I am not speaking today in opposition to the objectives of the pending measure to authorize and direct the President to stabilize all prices and wages and salaries. I am in favor of an inflation-control measure, but the joint resolution needs amending. I believe some such program should have been undertaken many months ago, as an aid in retarding and controlling inflation.

One amendment which should by all means be adopted, in my opinion, would provide that the cost of farm labor be included, for the purposes of the act, in computing price ceilings. There is no question that farm-labor costs are now much higher and out of all proportion to what they were when the parity formula was written. Farmers will have to pay higher wages in order to get help—if they can get necessary hired help even at higher wages. The only way farm wages can be paid is out of the prices which the farmer receives for his products. Farm production is absolutely necessary to provide food for the needs of ourselves and our allies.

We may as well be realistic in approaching the subject of inflation. Whenever Government spending is increased from fifteen, or even twenty billion dollars a year to eighty billion dollars a year—or $100,000,000,000, as Secretary of Treasury Morgenthau tells us it will be in the next fiscal year—there will be an inflationary rise in prices.

This inflationary rise in prices is bound to be accentuated when we have, at the same time, a sharp and very large decrease in the amount and volume of goods which can be purchased with the money put into circulation by the tremendously increased expenditure of Government funds.

We can retard the inflationary spiral by increasing tax collections—which we are doing to some extent. We can retard the inflationary spiral by individual purchases of Government bonds and by other transfers of purchasing power to savings. Another step is to control prices and wages by Government edict, which is what is proposed by the pending joint resolution.

It is my judgment that such price and wage controls will have to be supplemented by a severe rationing system. National purchasing power in dollars is on the way toward being doubled. The national supply of goods which can be purchased with dollars is on the way toward being cut in half. To insure those with the least purchasing power an opportunity to obtain goods, it will be necessary to establish that right through an equitable rationing system.

I believe that what I have just tried to say deals with the fundamentals of

the problem which we are trying to solve in part through the pending legislation.

I do not believe it is necessary for me to reel off barrels of statistics to show the condition of the farmers in our scheme of things. Facts and figures already placed in the RECORD indicate that the present general level of prices and wages does not give the farmer more than his fair share of national income.

It has been shown also that the cost of foods for the family budget is, in fact, a smaller percentage of average family income than in the 5-year period prior to the opening of World War No. 2. In the years 1935–39, according to the Bureau of Agricultural Economics in a July bulletin, food costs amounted to 27 percent of the family income.

However, in May, June, and July of this year the family food budget took, on an average, only 22 percent of the family income. In the case of industrial workers, the percentage is even less. In the case of salaried workers and professional persons, the food cost percentage would be higher than the average.

The point made is that during the past year and a half—nearly 2 years now—incomes have risen faster than have food prices. So as a matter of equity, it is not necessary to lower food prices or farm prices in order to retain or make a proper balance.

I shall not go further into this general problem. What I wish to say to the Senate at this time has to do with two things, in the main; and they are closely related.

First, there is the problem as it affects the farmer himself, and second, as it affects farm production.

I call attention to a reality in our war program. Any system of prices or wage control, taxation, or rationing, which cuts down or promises to cut down the production of things needed to prosecute and win the war, is bad. It not only is bad, but it may prove disastrous to the prosecution of the war.

Since the President on September 7 sent his message to Congress and delivered his fireside chat to the Nation the same night, I have received hundreds of letter and telegrams on the subject of farm prices and farm income, farm wages and industrial wages, and price and wage controls.

Running through all these letters is a firm determination to do everything possible to win the war. Running through most of them, however, is the question whether there will be enough manpower left on the farms next year to produce the foodstuffs required to feed our own armed forces, the forces and people of our allies, and our own working population.

Also through most of the farm letters I am receiving there runs a distrust of what the present administration will do to keep a balance between farm prices and industrial wages which will enable farmers to continue producing needed meat supplies, and especially needed milk and other dairy products. A great many of those who write to me cannot understand why the President asks Congress to enact legislation fixing farm prices but insists on himself taking care of wages, without Congress having anything to do with that part of the problem.

I believe that the dairy farmers are now facing the most difficult job faced by any sizable group in agriculture. Secretary of Agriculture Wickard tells us that already dairy production is falling off, in the face of the fact that the Nation needs more milk, butter, and other dairy products.

Washington demands that farmers increase their production by from 20 to 40 percent. Then Washington drafts away the boys and young men; encourages those not drafted to go to work at high wages for short hours in war plants; denies the farmers needed tires and machinery—and then their Government puts the blame for the inflation on the farmers and "bawls them out" in official messages and on the radio for being a "selfish group." I say that is not fair to the farmer.

In his message to the Congress, President Roosevelt professed to be particularly disturbed over the rise and threatened further rise in the prices of dairy products as particularly inflationary.

It must be remembered the Government itself has called for greatly increased production of dairy products for our own use and for the needs of our Allies. Upon several occasions Secretary of Agriculture Wickard, himself, has caused price rises by fixing market prices at points higher than prevailing prices, in order to stimulate production.

I also point out—and Secretary Wickard, himself, has made the same statement—that dairy production has not kept up with the dairy production goals for 1942. In fact, dairy production is starting to decrease instead of increase.

I believe that two telegrams I have received in the past 3 weeks almost tell the story of decreased dairy herds and, therefore, decreased dairy production. These should be a warning against trying to hold milk and dairy prices down to the point where they give us less instead of more dairy production.

The first telegram is dated September 12, 1942, and reads as follows:

> I own and operate Dornwood Farm, east of Topeka, Kans. We milk 39 cows and have 28 heifers coming on; other stock, including hogs. Farm a total of over 300 acres, selling 250 quarts a day. Unable to supply demand of probably another 250 quarts or more, account Topeka milk shortage, caused by dairies selling out account price ceilings and labor shortages. All our help classified I-A. Unable to get any help; cannot compete with wages and hours other lines. If our present help is called into service means closing all operations of this farm. Please help if possible; situation desperate.
>
> MRS. G. E. VALLETTE.

That telegram was received September 12. The proprietor of that dairy farm has been operating at a loss, facing the practical certainty of not being able to get hired labor through the fall and winter. The dairyman as a rule is now in almost direct competition, so far as employing help is concerned, with the higher wages and shorter hours in industrial plants. Furthermore, the operator of this dairy reads and perhaps hears the President's message, with its plain implication that the prices of dairy products are too high, are inflationary, and the Congress must authorize the President to lower those prices.

Yesterday, Mr. President, I received a second telegram from Mrs. Vallette. It reads as follows:

> TOPEKA, KANS., *September 21, 1942.*
>
> Forced to sell our dairy herd. Advertising sale now. Two other dairies selling this week.
>
> MRS. G. E. VALLETTE.

Mr. President, I am not reading these telegrams merely to show that price ceilings and high wages have forced a dairy operator to sell her herd and go out of business. The point is that this means a decrease in milk production at a time when increased production is needed. This is not an isolated instance. I have received word of scores, perhaps hundreds, of similar forced sales in Kansas, and Kansas is not a great dairy State.

Mr. President, the dairy farmer today needs a floor-price guaranty from his Government, not a price ceiling. Also he needs assurance that he will be able to get the necessary labor to handle his milk cows day after day. Dairying is not a 5-day-a-week, 8-hour-a-day operation. Cows must be properly fed, and carefully looked after by persons who know how to care for them. They must be milked regularly.

In view of the huge demand now being made and which will continue to be made on agriculture for increased foods and fibers, it can be said that the problem is one of manpower to get increased production, instead of merely a problem of prices, but we cannot ignore the price problem.

The only way the dairy farmer, the vegetable grower, the fruit farmer, the grain farmer, and the livestock producer can pay their hired help—if they can get it—is from prices received for their production. When contractor and workers agree to higher wages in a war plant, the Government Treasury provides the additional funds—and the cost of living is on its way up again.

But when the farmer—and this also applies, of course, to businessmen not holding Government contracts—has to pay higher wages—if he can get the help to whom to pay the wages—he can only pay them out of the prices received for his products.

I wish to impress upon the Senate, and especially upon the Price Administrator and, I might say, upon the White House, in view of the White House statements about dairy prices, that unless adequate prices and sufficient labor are provided, dairy production especially is going to fall off, and fall off in extreme volume, within the next few months.

It is impossible to replace a dairy herd and bring back dairy production overnight. What I fear is that the Government will wait until dairy herds are broken up and dairies have gone out of business by the hundreds before providing prices and labor to keep them going; and then again it will be too little and too late.

Mr. President, what I have just now said about dairying applies, in greater or less degree, to other branches of American agriculture. At the present time the dairy situation is most acute. Other branches of farming which require large numbers of workers and long hours of hand work also are affected.

The real problem in farm production is manpower. I know that manpower will not be obtained merely by paying higher wages; but higher wages are one of the things needed to keep boys—aye, and girls—hired men, and even farm operators themselves on the farm, and farm wages have to be paid out of prices received for farm products.

I believe that my colleague, the junior Senator from Kansas [Mr. REED] gave one of the most complete and illuminating expositions of the statistical picture of the American farmer that has been placed before the Senate and the country for a long while. So it is unnecessary for me to cover that ground at this time.

I do desire to tell the Senate what some actual farmers have to say on the subject. Mr. Dana K. Clark, of El Dorado, in Butler County, puts it in this way:

Here I am, for one example, milking 14 cows. A year ago oats cost me 35 cents a bushel, and today 55 cents. A year ago milk sold for 60 cents per pound butterfat; today for 70 cents.

Last year I had 200 laying hens. Their egg mash cost me $1.85 per hundred pounds. I sold 12 dozen eggs a day for 36 cents a dozen. Today the mash costs me $3. The Government asked for more egg production. I added 150 laying pullets, and am getting 32 cents a dozen for eggs.

If prices are pegged at present levels, I and many of my neighbors will have to send our cows and chickens to slaughterhouses.

I have a college education. I decided several years ago to make farming my profession. I live 7 miles from an airplane factory, and can go to work any day I wish. If enough of us farmers forsake the farm for the factories, ask President Roosevelt where he will get the food.

Here is another letter from Butler County, from Mr. Floyd C. Ramsey, who has one of the largest Aberdeen-Angus herds in the Midwest. Listen to what he has to say:

DEAR SIR: I am a rancher and farmer near El Dorado, Butler County, Kans. I maintain an Aberdeen-Angus cow herd of 500 head. In addition I have 800 head of feeder cattle that are quite fleshy and will soon be ready for the feed lot, for full feeding to make the beef we so badly need.

To maintain these cattle I farm 700 acres of good farm land, located in three separate farms approximately 7 miles apart. There is in addition approximately 9,000 acres of grass land which lies west of these farms.

My farming operations are so planned that the cattle consume all of the output from these farms and no cash feeds are raised. There is a very excellent feed crop on hand in this community that will shortly be ready to harvest. The principal feed crops I speak of are corn and several varieties of sorghums. We are also just approaching the fall planting season. In other words our work is just starting, and there is not enough labor available to take care of our routine work not to mention the harvesting.

I am not speaking of myself only but of a great majority of the farmers and ranchers in this community. We have advertised for farm labor in local papers and in the Kansas City paper with very little (no) results.

The three big airplane plants at Wichita, Kans., one at Hutchinson, and several defense construction jobs have taken all of our supply of labor, and in addition there is the threat of the selective service digging deeper and deeper into our already depleted supply of manpower.

The country is faced with a shortage of meat, but we on the farms and ranches have the feed and a goodly number of cattle which combination will make the meat so badly needed, if we can get the labor necessary to do that job.

Tire rationing has hit us hard—but the authorities must know that our cattle must eat every day and when our operations are on a large scale feed must be transported by trucks. Time is an important factor—each day every cow-brute must eat or our beef shortage would grow larger. Cattle will not get fat waiting for a tire some construction job has taken.

Gasoline rationing is imminent—the authorities must know that gasoline in large quantities must be used to plant and harvest our crops or there will be no feed—and gasoline must be furnished to transport the feed to the cattle or there will be no meat.

The ceilings the President has asked for (if placed at the present levels) will let us get along. But it is absolutely necessary that labor shall also operate under ceilings and those ceilings should be placed by Congress simultaneously. Don't do a half-way job, place ceilings on labor and farmers at the same time and then we are sure that each will be regulated.

We farmers and ranchers are ready and willing to do our part in our all-out effort. We cannot pay wages on the farm in competition with the airplane factories and defense construction. We must have labor or we cannot produce the meat. We must have tires and gasoline or we cannot produce the meat.

Give us some backing and we will produce the meat.

Yours truly,

FLOYD C. RAMSEY.

Mr. President, I have received a number of other very interesting telegrams and letters protesting against the present situation, and particularly as to the inability of the farmer to obtain the help necessary to carry on his operations. I could consume some hours of the Senate's time in reading similar letters from bona fide farmers, each telling much the same story from his own situation. Instead of doing so, I ask unanimous consent that the telegram and letters I now submit be printed in the RECORD at this point as a part of my remarks.

There being no objection, the telegram and letters were ordered to be printed in the RECORD, as follows:

KANSAS CITY, MO., *September 21, 1942.*

Senator ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.:

I understand in connection with new tax bill your committee has revoked the so-called Johnson amendment which we regret, but I now understand there is proposal before Finance Committee that in the case of coal-mining property there shall be allowed as a credit against the excess-profits net income in addition to any excess-profits credit otherwise allowable an amount equal to one-half the product of a unit net income from the property for the taxable year and the amount by which production for the taxable year exceeds the average annual production from property for the base period. This proposal in lieu of the Johnson amendment would give some relief to coal operating companies that are attempting to increase production to meet our war requirements in face of increased costs brought about by untrained labor, higher costs of supplies, delays of allocation of replacement materials and other costs incidental to the war effort. I sincerely urge that you favorably consider some relief on excess profits on new production over and above the base period to stimulate production as has been the case in other minerals. Your consideration is respectfully requested.

KENNETH A. SPENCER.

KANSAS POULTRY IMPROVEMENT ASSOCIATION,
Manhattan, Kans., September 18, 1942.

Senator ARTHUR CAPPER,
Senate Chamber, Washington, D. C.

DEAR SENATOR CAPPER: A labor shortage confronts the baby chick batching industry of this State. Some hatcheries indicate that they may be unable to operate unless they are able to hold their present employees, because replacements are practically impossible.

This means that if hatcheries are unable to operate, the number of chickens raised will drop and fall short of the Nation's requirements. This we would not like to see happen for food production is essential to the war effort.

Hatcheries are unable to compete with many nonagricultural industries at prevailing wage scales. Agriculture is at a distinct disadvantage.

Draft regulations should be relaxed, if at all possible, in order to relieve this situation. We know of a number of cases where the machine operator has been called and the hatcheries are seriously handicapped.

Your assistance in this matter will be appreciated.

Very truly yours,
THE KANSAS POULTRY IMPROVEMENT ASSOCIATION,
R. G. CHRISTIE,
General Secretary.

KANSAS CITY, *September 15, 1942.*

Hon. ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPPER: * * * Most farmers feel that inflation should be curbed. They also feel that the President has favored labor unions at the farmer's expense.

* * * * *

Consumers as a whole seem to think that the extremely low prices paid for farm products during the depression were fair prices when in reality they were not normal and nearly wrecked the farming industry. Recent prices of cattle and hogs are not exorbitant, in fact, are very reasonable, everything considered. In 1925 wheat sold at $1.50 per bushel, corn at $1, barley 75 cents, and cotton over 20 cents a pound. Cattle prices were about the same as they are now and hogs $11.50 or a little better. In 1937 cattle were $1 to $2 a hundred higher than they are now. During the two above periods we were at peace, did not have war and inflated wages as we now have, and the consumers bought the products without much complaint.

Farmers doubtless would be willing to accept August prices for cattle and even some reduction in hog prices, in spite of the fact that we are now at war, unless inflation developed in other industries to such an extent to justify higher prices for farm commodities. This seems to be in line with the President's request in his recent speech that ceilings should be either parity or the highest price of the commodity between January 1, 1942, and September 15. One thing is sure: unless we do assure the cattle feeder a reasonable profit on his feeding operations, there will be a big shortage of meats. We have conclusive proof of this by the fact that we have had such a large increase in unfinished cattle on the market the last few months and the country needs prompt assurance in order to take the fear element out of their operations.

Statistics show that those employed in industries now spend a smaller proportion of their earnings for food than at any time

since records were kept. Under such conditions the public really feels that Congress should keep control of the inflationary machinery and see that the President's appointees do not fail to deal fairly with both labor and the farmer.

Trusting you will use your best efforts to this end, I remain

Very truly yours,

A. J. MAURER.

MINNEAPOLIS, KANS.,
September 18, 1942.

Hon. ARTHUR CAPPER,
Member of Congress, Washington, D. C.

DEAR SIR: We are very much in favor of the legislation our President is insisting on Congress enacting covering farm prices and wages. Also that this legislation extend over a number of years into the post-war period, also they each have a floor as well as a ceiling, or better still a fixed price and fix it now. We are hoping too that Congress will exhibit sufficient statesmanship to assume their own responsibilities in due time and not shift their burdens on an already overworked President in a critical time like this. Individual interests should not be considered, we know your path is not all roses, neither is ours.

Respectfully,

Mr. and Mrs. O. E. HARDESTY.

MCBRIDE HATCHERIES,
Rock Creek, Kans., September 17, 1942.

Senator CAPPER,
Washington, D. C.

DEAR MR. CAPPER: We are writing to let you know the situation here in Kansas.

The labor situation for the hatcheries and farms is very critical. We are at a great disadvantage as we are unable to compete with other industries at present price levels. We positively do not make enough money to pay the price for labor that other industries do. It is not a question of not wanting to, it is an impossibility. In depression times our prices were below cost of production and many many farmers lost their homes. Now our prices are higher but not nearly as high as others in comparison. Increase in price of farm products is on gross income and not net income—labor's gain is net. We ask that you please consider this in setting ceilings and minimums. If something is not done soon farmers will be forced to quit and in fact many are now having sales because of lack of labor. Lots of them are getting work in defense plants because they receive wages so much above what they can make on farms. What will the country and soldiers do if we cannot raise the food to feed them? Also many hatcheries are not going to be able to operate because of labor and also farmers will be unable to pay the price for chicks that we will have to have. Please come to our rescue.

Help us with our price and labor problems.

Thanking you for anything you can do.

Yours very truly,

Mrs. H. H. MCBRIDE.

ERIE, KANS., *September 7, 1942.*

Senator ARTHUR CAPPER.

DEAR SIR: It appears that Mr. Roosevelt wants to be dictator of the United States, and it seems to me that now is the time to stop him as he has gone far enough. You know and I know that farm prices are not up to parity compared to labor. Grain prices are considerably below parity prices also. If there is to be a ceiling placed on farm products let's also have a floor at no more or less than parity. Cattle prices may be a little higher than parity, but grain prices are considerably lower. If Mr. Roosevelt was fair-minded he would realize this. As a supporter of yours all I ask is that justice be done to the farmer and labor alike. If the farm prices are cut, also cut labor to the same level.

Yours respectfully,

J. FRANKENBERGER.

MOUNDRIDGE, KANS., *September 7, 1942.*

Mr. Senator CAPPER.

DEAR SIR: Just to let you know that I am in favor of setting the price of farm products providing other prices are held as they are. Wages should be set also.

I am a mid-Kansas farmer and raise cattle, milk cows, raise hogs, chickens, turkeys, wheat, oats, barley, rye, alfalfa, and kaffir, and under present prices am able to make a net profit on everything excepting chickens. I am satisfied with parity and do not want a cent more.

* * * * *

From a fellow American,

PETER A. DYCK.

PERRY, KANS., *September 7, 1942.*

SENATOR ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: In a recent broadcast of yours, you invited anyone who had any suggestions to write and after hearing the President's broadcast tonight I feel compelled to write.

First, I wish to say that I do not speak for any group but have talked with some people on the matter on which I am writing and they all seem to feel as I do. I feel that to control and prevent inflation is a very sound idea and is for the benefit of the entire country. I think that everyone must and should expect to sacrifice, but think that sacrifice and limitations should be applied as equally as possible. I am willing that farm prices should be controlled and kept in line with other prices but when I read and hear of the (what I consider exorbitant) wages being paid to workers in defense plants, the extra pay for overtime and holidays, the strikes, demands for higher wages, jurisdictional disputes, etc., statements by high officials that we are not producing nearly the quantities possible in our factories, I am angered when I hear that the farmers are trying to get too much. Farmers have been asked to produce more this year and from what I read they are meeting the goals and are doing it with less help and at greater expense.

We are told that we don't realize here in the Midwest the seriousness of the task we are faced with. Well, everyone I have talked to think they realize what faces the country and wonder if some of those who belabor us do. We think that labor should have a fair share and realize that the rise in the cost of living has worked a hardship on a good many families. We also think that organized labor is and has been the administration pet and are full of foreboding for the future if they are allowed to continue on their present course. We don't see how part of the people can with their profits controlled and their costs of production raised by the ones they are taxed to pay make enough to pay the taxes they will be called upon to pay.

I would like to call your attention to two articles in the September issue of Reader's Digest. One, the article Waste—The Enemy at Home by Harry F. Byrd, the other Regulating Unions for the Common Good, by William Hard.

It seems that we could get along with the Agricultural Adjustment Agency for the present at least, and the millions of dollars and thousands of workers could be put to a better use.

I would like to see Congress take a greater part in the affairs of the Nation, and pass legislation that would be for the benefit of the country regardless of whether it would win or lose votes.

Yours truly,

ALLEN ENOS.

MORRILL, KANS., *September 9, 1942.*

Mr. Senator CAPPER,
Washington, D. C.

DEAR SENATOR: I will write you a few lines after hearing President Roosevelt's talk on the radio Monday night. I am a farmer and cannot agree with what he said about price fixing. He wants farm prices to be reduced to parity and leave other prices be where they are. We know the largest percent of them are sky high. Take taxes, they are about trebled since 1912 to 1914. Take building material, it is so high the farmers cannot build and repair their buildings. Labor is clear out of reason. We farmers cannot hire help without paying two prices. Corn huskers want 12 cents a bushel for husking corn. All kinds of living costs are far above if farmers have to take parity prices. Take a look at the prices of implements—double the price in 1912–13. I have always said Roosevelt is responsible for the high wages. Please give this serious thought.

Yours truly,

R. B. HAWK.

UNITED STATES DEPARTMENT
OF AGRICULTURE,
U. S. D. A. DEFENSE BOARD,
September 14, 1942.

HON. ARTHUR CAPPER,
United States Senator, Washington, D. C.

DEAR SENATOR: I am writing you relative to the agricultural situation in Labette County. Conditions of which you are no doubt familiar. It is a condition which I think is very serious.

First, in checking over the field supervisors' reports of the farms which they have checked under the farm program the reports show some 15 percent of all plow land idle just growing weeds, and a much larger acreage of lespedeza without any grain crop. The lespedeza is a splendid crop this year. This lack of land operation has been brought about largely on account of losing farm operators by the induction of them into the Army and drawing them into war industries.

With the continued inroads being made by the Selective Service and farmers going to war industries I think Labette County agriculture is facing a very serious situation on account of this shortage of labor when we need a greatly increased production of most of the products of Labette County farms.

I believe you are aware that even at present prices the farmer cannot compete with industry in the labor market.

It is interesting to note the extreme effort our farmers are making to produce and harvest their crop. I had recently an occasion to contact many farmers scattered over the county. It seemed the job of most of them at that time was putting up hay. I found the hay crews were mostly two or more families going together to make a hay crew. I found women operating sweep and sulky rakes and 10- and 12-year-old boys operating tractor mowers while older men were doing the heavier work.

Another observation was that with all this effort there is going to be several hundred acres of splendid prairie hay that they will not be able to harvest on account of help. Also that there will be thousands of acres of good lespedeza they would like to have made hay out of that will not be put up.

Many dairymen are selling out or are reducing the size of their herds on account of help.

Our condition may be worse on account of the Parsons Ordnance Plant being located in the county, but I think the situation is gen-

eral enough that we may be facing a shortage of farm production for 1943.

Am enclosing a copy of the minutes of the September 10 meeting of the Labette County United States Department of Agriculture War Board, where this matter was discussed.

Sincerely yours,

ARTHUR H. HUNTER,
Chairman, Labette County United States Department of Agriculture War Board, Altamont, Kans.

SEPTEMBER 10, 1942.

MEETING OF UNITED STATES DEPARTMENT OF AGRICULTURE WAR BOARD, LABETTE COUNTY

Meeting was called to order by Chairman A. H. Hunter, at Altamont, Kans., at 9:14 p. m. Others present: W. L. McFillan, S. C. S.; K. G. Knouse, S. C. S.; George Cunningham, F. S. A.; J. Creel, N. F. L. A.; M. Wychoff, Extension; and Russell Ritz, State conservationist. Minutes of previous meeting accepted as read.

BOND SALES

Chairman Hunter read a recent letter from State Bond Chairman Griffeth requesting that a county rural bond sales committee be set up. Creel reported that the county as a whole has been oversubscribing the county quota. It was the general opinion of the board that so long as the quotas are being met that it should not be necessary to set up another bond drive. Suggested that a letter of appreciation be sent to all farmers thanking them for what they had done to date and encouraging them to continue their purchases. It was felt this was all that was necessary at the present since two previous farm drives have been already conducted this year. Suggested that George Cunningham check with W. W. Barnard, county bond chairman, to see if this action would meet his approval.

FARM PRODUCTION AND LABOR SITUATION

Hunter said that present estimates by Agricultural Adjustment Administration farm supervisors show that at least 15 percent of Labette County cropland was idle last year because of labor shortage. Thousands of acres of good hay can't be put up because of shortage of labor. It was estimated by the board that production will be cut at least 25 percent next year unless the situation can be relieved. The number of farm sales at this time of the year is unprecedented. In talking with many of these men who are selling they state they can't get help so they are quitting and going to high pay defense jobs. All of the larger dairy herds of the county are cutting operations at least 50 percent. Several have already made this cut. They were forced to make this cut because they couldn't get help to continue operating on a larger scale. They can't compete for labor because the prices other industries are paying is so high they just can't compete for this labor with present agricultural prices.

FARM TIRE SITUATION

Hunter reported that W. W. Walker who has the lime-spreading contracts for Labette County can't get 8-inch tires for his truck to haul 5-ton loads. He can't economically haul less than 5-ton loads and can't haul 5-ton loads, and comply with the law without 8-inch tires. The lime is needed on Labette County farms to increase legumes acreage to provide legumes hay for livestock feed. It was reported that a number of farmers have been turned down on the applications, and will soon not be able to get produce to town.

MEAT

Suggested that the margins be widened between finished and unfinished cattle to help slow up the heavy slaughter of only partly finished cattle, so the total pounds of beef produced will be increased.

SALVAGE

Reported that scrap metal is still moving too slow. Fred Holmes of Altamont is doing a good job.

Moved by McFillan that the chairman send a copy of these minutes of this meeting to Senators REED and CAPPER, and to send a letter of further explanation recorded and carried unanimously.

Moved by George Cunningham we adjourn and carried.

MAURICE I. WYCKOFF,
Secretary.

DORNWOOD GUERNSEY FARM,
Topeka, Kans., September 21, 1942.

Hon. ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR: Since wiring you September 11, one of our men has been called for service and leaves tomorrow; another one has had his preliminary examination, and we expect his notice of call on any mail. We are now forced to sell our farm and are arranging for the sale this week. Must sell as quickly as possible; the cows may have to go to the packing plant, as there are and have been so many sales of dairy herds around Topeka that we do not know if we can sell our Guernsey cows. There are two sales this week already.

People are coming for milk before daylight in order to be able to get it before it is gone. The milk situation in Topeka is serious now, and after this week we will sell no more milk. That source of supply will be gone.

We are hoping we can hang on to our hogs and chickens and some of the young heifers, but we may have to let them all go. How we will get in the crop that is now ready for harvest we don't know.

* * * * *

Aside from what this situation is meaning to us, I have in mind what it means to the entire Nation, and I feel so strongly that every effort possible should be put forth to save the situation or as much of it as can be salvaged. I know what you are doing and what the rest of the Kansas delegation are doing, and we hope that finally by the concerted effort of us all that Washington and Congress will be made to realize the situation before it is too late.

We wish to express our appreciation for the stand you are taking and the fight you are making for us all..

Yours very truly,

MRS. G. E. VALLETTE.

BELLE PLAINE, KANS., *September 8, 1942.*

Senator ARTHUR CAPPER,
Washington, D. C.

MY DEAR SENATOR: I listened in on the President's big broadcast last night and it sounds like he is getting Hitler fever. Now I have heard a great deal of comment before the broadcast and since; the farmers don't like it. These defense workers are a batch of scabs, there are a lot right from my city, they don't do much but shirk, never would work, but joined the union, get from $8 to $15 per day. Farmers can't get help only by paying $4 to $5 per day, and take older men that can't get on at defense plants. Now the President wants Congress to take the rap for what he wanted and got, and wants to change but hasn't got the courage to do, but he don't want Congress to tamper with wages—he will attend to that and it will be on the up and up.

Now if they make the change, let Congress do their duty and fix the farm prices and labor both in the same bill, as you are well aware the unions own him, and he don't dare crack down. He wants something done before election, but wants Congress to take the rap.

If Congress would fix union dues at $2 per month for the duration instead of letting the big racketeers collect from $8 to $150 per month from labor, the difference would take up the rise in price of living. But if you leave it to the President, he will stabilize it every time they go on strike. I know one farm boy pays $50 per month union dues. What you do on this matter will have a big bearing on the coming election. Get all the help you can, and raise a little h—— and the folks back home will be for you. Wishing you success in this and the election to follow. I know you are working against big odds, but there are not as many new dealers here now as last election. The old men workers and the farmers and stockmen have had a change of heart.

Sincerely,

T. J. MARSHALL.

SMITH CENTER, KANS., *September 10, 1942.*

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR: I listened to the fireside chat the other evening and decided to write you and Mr. CARLSON, of the House, as I thought the President was very lopsided and unfair in his criticism of the farmers and their elected representatives.

I can't think that he isn't aware of the fact that wages have risen far more since 1909–14 than have farm prices. Further, the high wages he conveniently forgot to mention are being reflected back in the things we try to buy to farm with. Parity 30 years ago and present wage scales just don't make sense and are discriminatory against the farmer. It doesn't make much difference where prices are at, but we must have a fair exchange of goods and services.

The chat struck me as being an effort to put Congress on the spot for a mess that is more of Roosevelt's making than anyone else, and I want to urge you to insist that Congress legislate farm prices where it thinks they ought to be and at the same time attend to high wages and union demands also. Roosevelt wants to do the wage regulating, but I hope Congress does the job itself. It seems to me the more Roosevelt tries to do the more lopsided he gets, and I don't think he is quite as well versed in running a nation on democratic principles as he is running it as per New York's Tammany, Chicago's Kelly-Nash, and Jersey City's Hague.

I, for one, am putting my faith in Congress to legislate the American picture on an American plan instead of New Deal dictatorship, which to me looks too much like the European kind.

Roosevelt has you Congressmen on the spot on farm prices, so I hope you do the job for unions, too. He isn't being fair to the producers at all, so I trust Congress will be. Power to you who can still muster courage enough to set him right when occasion demands.

Yours truly,

ROY E. KARP.

P. S.—I am an American-born farmer. Handle over 700 acres of land and keep 300 sheep, 40 head of cattle and calves, 15 hogs, and 200 to 250 hens; farm about 200 acres wheat, 80 corn, etc. I am going to sell off sheep because of lack of help, my only boy being in 1–A and subject to call soon.

I would prefer to keep the sheep, and I think the country needs them and their pelts, but I say this to show what is happening to us. I bought new corn binder as a help. They are nearly 30 percent higher than last year. Maybe Roosevelt ought to find out what parity is now instead of a base of 30 years back.

MERRIAM, KANS., JOHNSON COUNTY,
September 12, 1942.

HON. ARTHUR CAPPER,
United States Senate,
Washington, D. C.

DEAR SENATOR: We know here you are doing all you can to prevent the farmers and gardeners being "sold down the river." All of our manpower has been taken into the service, or working at one of the nearby so-called defense projects. The farmer is not getting enough now for his produce. An example: Beans, seed cost for 2 acres $21, cultivated, to some extent by high-priced labor, 50 cents per hour. The beans are now being picked. The gardener pays 40 cents per bushel to some old Negro women for picking beans. The gardener sells his beans at 75 cents per bushel. You can easily see he will not try it next year. Then here is where the "Nigger is in the woodpile."

The local merchant sells these same beans for 7½ cents per pound to defense workers and to poor alike. It is easy to see who gets the profit—middlemen—not the gardener. These are actual conditions right here on my place.

If the farmers next year raise only what they themselves consume, there will be a lot of people in Washington starve to death. That's the picture today. Farm prices must be maintained or raised, not lowered.

Yours truly,

M. A. FARLEY.

MCLOUTH, KANS., *September 8, 1942.*

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: After hearing President Roosevelt speak last night I am at the crossroads to know what to do. I am farming my father's estate of 375 acres and have over 50 head of whiteface cattle and keep 12 sows to raise pigs from. This is a little over half what we used to keep before the Agricultural Adjustment Administration reduction program and the drought forced us to cut down on our livestock. We hear of the demand for more meat and I had planned to keep my best heifers from this year's crop and to about double the pig crop. The present price of livestock is good enough, but if we have to take less with union labor as high as it is I am not going to work myself to death raising more food for less. My brother-in-law is getting $200 a month at Leavenworth shipyards and he can get me a job there. Some of my neighbors are working at the Sunflower ordnance plant at more than that. Farm labor is almost impossible to get. I have one man working for me and my son is home summers. He is a junior at Kansas State this year and will be 20 years old this month. I suppose he will be in the Army next year. I can farm the land to wheat and other crops that can be handled with tractors, but have to have men to help raise livestock. At the Farm Bureau dinner a week ago Sunday the farmers were going to sell their cattle and hogs to get as much as they could before the price was cut. That next Monday there was more cattle in Kansas City than any day since 1934.

With all the power that Congress has given Mr. Roosevelt and last night's demand by him for more power, the Congress has a hard job ahead of it.

I thought this war was fought to do away with dictators. If we end up with one, then all this effort and bloodshed is useless. It is up to Congress to see to it.

Yours truly,

JOHN R. MOSES.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Pepper
Andrews	Guffey	Radcliffe
Austin	Gurney	Reed
Bailey	Hatch	Reynolds
Ball	Hayden	Rosier
Bankhead	Herring	Russell
Barkley	Hill	Schwartz
Bilbo	Holman	Shipstead
Bone	Johnson, Calif.	Smathers
Brewster	Johnson, Colo.	Smith
Bridges	Kilgore	Spencer
Brooks	La Follette	Stewart
Brown	Langer	Taft
Bunker	Lee	Thomas, Idaho
Burton	Lodge	Thomas, Okla.
Butler	Lucas	Thomas, Utah
Byrd	McCarran	Tobey
Capper	McFarland	Truman
Caraway	McKellar	Tunnell
Chandler	McNary	Tydings
Chavez	Maloney	Vandenberg
Clark, Idaho	Maybank	Van Nuys
Clark, Mo.	Mead	Wagner
Connally	Millikin	Wallgren
Danaher	Murdock	Walsh
Davis	Murray	Wheeler
Downey	Norris	White
Ellender	Nye	Wiley
George	O'Daniel	Willis
Gerry	O'Mahoney	
Gillette	Overton	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS].

Mr. BARKLEY. Mr. President, an effort is being made to compose the differences which have arisen revolving around the pending amendment to the joint resolution as reported to the Senate by the Committee on Banking and Currency. I think that progress has been made and will be made in that field. For that reason, I think it would be helpful if we should recess until tomorrow, in order to provide time for consideration of such a program.

Therefore, I shall ask that the Senate proceed to consider executive business, with a view to recessing until tomorrow.

Mr. THOMAS of Oklahoma. Mr. President, in reply to the suggestion made by the senior Senator from Kentucky [Mr. BARKLEY], I wish the RECORD to show that, so far as I am concerned, and those I represent, we were ready on yesterday for a vote and a vote was ordered on yesterday. We have been ready for a vote ever since the yeas and nays were ordered; we are ready for a vote now. I realize that an effort is being made to bring about some modification of the amendment, but, so far as I am concerned, I am unable to agree to any modification. So I am ready to vote now, and will be ready to vote whenever the time comes when we can get a vote.

CONTROL OF MARIHUANA

Mr. CLARK of Missouri. Mr. President, will the Senator from Kentucky yield before he makes the motion to which he referred?

Mr. BARKLEY. I yield.

Mr. CLARK of Missouri. I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to consider House bill 6196, a bill in the nature of an emergency measure to enable the authorities of the Panama Canal Zone to prohibit the importation or production of marihuana in the Canal Zone.

The Canal Zone authorities state that heretofore the matter of the importation of marihuana into the Canal Zone has not been very important, but that in recent months there has been a great increase of it; and they urgently recommend the passage of the bill as an emergency measure.

Therefore I ask unanimous consent that the unfinished business be temporarily laid aside, and that House bill 6196 be considered by the Senate. The bill would simply authorize the Canal Zone authorities to prohibit either the importation or the production of marihuana in the Canal Zone.

Mr. McNARY. Mr. President, is the bill on the calendar?

Mr. CLARK of Missouri. It is. It was reported yesterday from the Committee on Interoceanic Canals.

Mr. McNARY. Mr. President, I have no objection to its consideration.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Missouri that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of House bill 6196.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 6196) to amend the Canal Zone Code in relation to the control of marihuana.

The PRESIDING OFFICER. If there be no amendment to be offered, the question is on the third reading of the bill.

The bill (H. R. 6196) was ordered to a third reading, read the third time, and passed.

ORGANIZATION, TRAINING, AND EQUIPMENT OF STATE GUARDS

The PRESIDING OFFICER (Mr. MCFARLAND in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 2670) to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing State and Territorial military forces with such arms, ammunition, clothing, and equipment as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and for other purposes, which were on page 2, line 15, after "service:", to insert "*Provided*, That under such regulations as the Secretary of War may prescribe for the organization, standards of training, instruction, and discipline, the organization by and maintenance within the Virgin Islands of the United States of such military forces as may be provided by the laws of the Legislative Assembly of the Virgin Islands is hereby authorized:", on page 2, line 15, after the word "*Provided*", to insert the word "*further*"; and on page 2, line 24, after the name "Puerto Rico", to insert "or the Virgin Islands."

Mr. SCHWARTZ. Mr. President, the only change made by the House was to include the Virgin Islands within the provisions of the bill. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

EXCLUSION OF CERTAIN PROPERTY FROM CONDEMNATION PROCEEDINGS

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 5503) to authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. VAN NUYS. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McCARRAN, Mr. O'MAHONEY, and Mr. NORRIS conferees on the part of the Senate.

INCREASED AUTHORIZATION FOR DEFENSE HOUSING

Mr. TAFT. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate consider Senate bill 2725, Calendar No. 1664, which is a bill to increase the authority of the National Housing Authority to provide war housing by the sum of $600,000,000. It is an authorization bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2725) to increase to $600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio?

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. Is it a new authorization or is it a modification or extension of some old legislation on the subject?

Mr. TAFT. This bill does nothing except to increase the authorization for war housing from $600,000,000 to $1,200,000,000. It contains no other changes whatever in the provisions of the existing law, except to increase the authorization of the Lanham Act.

Mr. McNARY. Is this the Lanham Act which passed the other House?

Mr. TAFT. This bill has not passed the other House. I think a similar bill is now on the calendar of the House, and that it may be considered at any moment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio?

Mr. McKELLAR. Mr. President, let me inquire what is the necessity for the bill? Will the Senator from Ohio state why it is necessary to construct additional housing and where are the houses to be built?

Mr. TAFT. The necessity for it is that the sum of $600,000,000 has been exhausted; that quite a number of war plants are now almost without housing accommodations; that a large amount of additional housing is planned, which, it seems to me, is essential.

I may add that the subcommittee of the Committee on Education and Labor held hearings. Mr. Blandford and Mr. Ferguson, and various other officials having to do with housing, appeared before the committee and submitted their entire program, showing approximately, subject to variations, where the housing is necessary.

They are limited, even more than we would limit them, by priorities. They have had difficulty, of course, in getting priorities for materials, and I think we can be sure that the War Production Board will give no priorities except as they regard them as absolutely essential for the proper continuation of war production and the bringing of workmen to locations where war plants are in operation.

I may say that, practically, all the housing planned under this bill—not all but about three-fourths—is housing of the most temporary character, housing which is of the dormitory type, or very small apartments suited for temporary occupancy of persons while they are working at war plants. The amount of permanent housing, I do not remember exactly, but it is of the cheapest character even when it is called permanent housing.

Incidentally, whether money is appropriated or not will depend upon the Appropriations Committee, and that committee, of course, can determine the question of whether a particular request made by the Housing Authority is necessary.

Mr. McKELLAR. I understand that; but what I wanted to ask the Senator to explain is whether additional housing is needed in the city of Washington or its suburbs?

Mr. TAFT. I do not understand that this authorization covers any housing whatsoever in the city of Washington. That is dealt with by a separate law. I think I am correct about that.

Mr. LA FOLLETTE. Mr. President——

Mr. TAFT. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. I may say that I was convinced, after listening to the testimony, that this is a very conservative estimate of the housing which is absolutely required in order that war production may go forward. There seems to have been a very great misunderstanding on the part of those who were planning for the new war plants. They seem to have proceeded at the time on the theory that they could build new plants and housing would take care of itself. Now, however, the situation has become such that, in my opinion, housing will be a very critical factor, indeed, a deterrent factor, in war production during the coming winter. One reason I am hopeful that the proposed legislation may be passed is in order that the Congress may be absolved from whatever responsibility may be inherent in the situation, which, I am apprehensive, will prove to be very critical during the coming few months.

Mr. McKELLAR. Mr. President, if the Senator will yield, I inquire was there any difference of opinion in the committee that reported the bill?

Mr. LA FOLLETTE. No; the committee was unanimous. I may say, as the Senator from Ohio has suggested, that the housing agency has now cleared arrangements with the War Production Board, so that I feel it is fair to say that all agencies concerned with the war production, namely, the Army, the Navy, the Maritime Commission and the War Production Board, are in entire agreement upon the war-housing program which has been worked out.

Mr. REED. Mr. President——

Mr. TAFT. I yield to the Senator from Kansas.

Mr. REED. Mr. President, I wish to take just a moment to emphasize what the Senator from Ohio [Mr. TAFT] has said. From my own experience, I can give an illustration on a small scale showing the necessity for action at this time. I happen to live in a town in Kansas of about 15,000 people, at the doors of which an ordnance plant has been erected and is now in operation. The town of 15,000 people to which I refer had to take care of a construction force of 11,000 maximum on the pay roll at one time. It was clearly impossible for the town itself to take care of that number, but in that section of my State there are other towns of about the same size, approximately within a radius of 30 or 40 miles. So, all put together, we did manage, on a temporary basis but not satisfactorily, to furnish housing. We were able to do so only in that way. When it comes to the operation period of the plant, there will be, say, 6,000 people employed in the plant in that town, and its normal housing facilities are wholly inadequate. There has been set up a trailer camp in which there are 400 trailers, all occupied. On the other side of the town there are being put up now—the work has been delayed because of lack of available funds—an additional 400 prefabricated houses, but even with those houses and all the additional houses we have been able to build in the town the housing situation is still unsatisfactory. It ought to be relieved, and therefore I am very happy to make this brief statement in behalf of the position taken by the Senator from Ohio.

Mr. BREWSTER. Mr. President——

Mr. TAFT. I yield to the Senator from Maine.

Mr. BREWSTER. I should like to know whether or not the Housing Authority indicated not only their emphasis on the dormitory type but also on the use of existing facilities which might readily be converted to dormitory use.

Mr. TAFT. Yes; as a matter of fact, of the total planned program, the number of units to be provided from existing facilities and from making available existing facilities is greater than the whole number of new units contained in the program, and is the main reliance of the housing program.

Mr. BREWSTER. We have had considerable difficulty in our area, where a very great housing problem exists, in getting any sympathetic consideration of

the use of existing structures which could readily be used for dormitory facilities. The Housing Authority seems rather uninterested.

Mr. LA FOLLETTE. Mr. President, if the Senator from Ohio will allow me, Mr. Blandford stated positively that under the new priority set-up and arrangements which they now have with W. P. B., it is impossible for them, because of the critical situation so far as materials are concerned, to get priorities until there has been a survey and they can demonstrate that existing facilities are being utilized.

Mr. BREWSTER. Within the past week I communicated with New England authorities in charge, and they were not informed of any survey of very considerable facilities in the Portland area which I have mentioned repeatedly to representatives of the Housing Authority in recent months. When I mentioned the matter to Mr. Blandford at a hearing on the Detroit situation, he said he considered it a reflection upon American labor that they should be expected to live in dormitories. If that attitude of mind prevails, I am sure we are not going to make the progress we desire. Our boys overseas are living under very difficult conditions far from home. In Alaska I saw our soldiers living in tents. Now I note that snow igloos are recommended in the Alaskan area.

Mr. LA FOLLETTE. I may say that dormitories form a very substantial part of the program as outlined to the subcommittee of the Committee on Education and Labor.

Mr. BREWSTER. And the Senator would understand, would he, that if there were available hotels or other structures which could readily be converted to permanent use for the dormitory type of housing they would, at least, be seriously considered?

Mr. LA FOLLETTE. That was my understanding, that existing facilities were being utilized wherever possible, and that they could not get by W. P. B. for priorities until they had satisfactorily demonstrated that they were being utilized.

Mr. BREWSTER. There are under construction housing projects with separate houses 3 miles from a plant so that it will be essential to use rubber to get to the plant whereas within a few miles hotel facilities of the dormitory type could be utilized and a railroad running into the plant would directly serve the occupants.

Mr. LA FOLLETTE. I do not know about the particular situation to which the Senator refers. I can only tell the Senate what the committee was told by those who were cognizant of conditions. I personally was very much impressed by Mr. Blandford's grasp of the situation, and his evident integrity of purpose in the whole matter.

Mr. BREWSTER. Have the transcripts of the hearings been printed?

Mr. LA FOLLETTE. Yes; the hearings have been printed.

Mr. TAFT. Hearings on the bill were first held by the House committee as long ago as June, but there has been very considerable delay in the House, owing merely to the fact that there have not been enough Members of the House in the city to transact business. So we are particularly anxious to get the bill through before any further delay can occur.

If the Senator from Maine will present to Mr. Blandford the facts in the particular situation in which he is interested, I am sure he will get the most sympathetic consideration. I think that what makes the proposal before us different from any housing project we have ever had is that it is under the control not only of the housing officials, who may be accused of overenthusiasm for public housing, but it is absolutely directed by the War Production Board, and it is directed, therefore, solely to the necessities of the War Production Board in the production of war materials.

Mr. McKELLAR. I should like to ask the Senator a question. He says that hearings were held as long ago as June. Have hearings been held in the House committee, and what has the House done?

Mr. TAFT. The House committee favorably reported the bill unanimously, and I understand a rule has been granted, but the House has not as yet acted on the bill.

Mr. McKELLAR. How does it happen that the pending bill comes from the Committee on Education and Labor?

Mr. TAFT. The authority for housing has always been handled by the Committee on Education and Labor.

Mr. McKELLAR. In the Senate?

Mr. TAFT. Yes. U. S. H. A. matters have always come before that committee. The consideration of the Lanham Act was for a while in the Committee on Public Buildings and Grounds. Then the Senate took it away from that committee and gave it to the Committee on Education and Labor, so that that committee has jurisdiction over all housing matters today, unless some change is made in the reference of a measure.

Mr. McKELLAR. I shall not object, but it seems to me that when this matter has been in contemplation since June, and we are just getting to it the latter part of September, it could not have been considered by the agency involved as a very extreme necessity. However, we will have the matter brought up again when it comes before the Committee on Appropriations. Of course, when it comes before that committee, being backed up by an act of authorization of the Congress, it will be in a very different light from what it is originally.

Mr. TAFT. Those desiring the legislation have been pressing the House. Their idea was to start in the House, and they have been pushing the House, and I think the House has been slow in dealing with the matter.

Mr. McKELLAR. Of course, if it is necessary to have additional housing for war purposes, we should have it, but we should not have it merely for the purpose of spending money.

Mr. LA FOLLETTE. If the Senator has had any experience with the W. P. B. in the last few months in connection with the priority situation, I think he can feel pretty sure that the housing agencies will not get any priorities for defense housing which they cannot prove are directly connected with and are directly necessary for keeping war production going.

Mr. McKELLAR. As I understood one of the Senators advocating the measure, either the Senator from Wisconsin or the Senator from Ohio, he stated that an arrangement had been worked out between the War Department, the Navy Department, the Maritime Commission, and the W. P. B., as to the necessity for this action, and that they are all one in furthering the plan. Was I mistaken about that?

Mr. LA FOLLETTE. It was my understanding from Mr. Blandford's testimony that this program had been cleared with all the war agencies, and that in particular they have now made an arrangement with the W. P. B. whereby they clear their priorities only after they have demonstrated that existing facilities which are suitable for this purpose are given full utilization before priorities are granted. That is only reasonable, in view of the shortage of lumber and other critical materials necessary in a housing program.

Mr. McKELLAR. There has not been a recommendation by the Budget Bureau, has there?

Mr. LA FOLLETTE. I understand this request was, of course, cleared by the Budget before it came here.

Mr. McKELLAR. I did not know that; I was merely asking for facts.

Mr. THOMAS of Utah. In addition to what the Senator from Ohio and the Senator from Wisconsin have said, I should like to state that Congress received a special message from the President of the United States last spring asking for this appropriation. Immediately arrangements were made for the introduction of a bill, a bill was introduced in the House of Representatives, and an agreement was made that the House should proceed with the hearings, that we would start our hearings when we got the signal from the House of Representatives.

Mr. McKELLAR. The President recommended it last spring?

Mr. THOMAS of Utah. Yes. There is one thing about housing that we should keep in mind. Several housing agencies were set up by the Government, at different times, but when the war effort became our supreme effort, the President, by Executive order, reorganized the agencies, and now the reports to Congress come through one head, who is thinking primarily and entirely of the war effort at the present time. There is no reporting about slum-clearance projects, or things of that kind. We are dealing with the war effort, and, as the Senator from Wisconsin and the Senator from Ohio have explained, the clearing of this whole program has come through the various war agencies, has the approval of the Budget, the recommendation of the President, and, so far as the law is concerned, the law is not changed in any particular.

Mr. McKELLAR. I shall not object to the consideration of the bill.

Mr. BARKLEY. Mr. President, I am glad the Senator from Tennessee does

not intend to object. As the Senator from Utah and other Senators have said, the President recommended this action last spring, and the matter was considered informally here several months ago. There was a general understanding that the House would go forward with it first, but they had the tax bill to consider, and when the tax bill was out of the way the Members of the House were tired, and they entered into an arrangement for an informal recess in the House, which lasted a couple of months. So the bill is now before us. It seems that we must act initially.

The bill provides for only an authorization, and the authorization must be made before the appropriation can be made. It will still be within the control of Congress and the Committee on Appropriations, based upon the facts as they will be submitted to that committee. I am delighted that the Senator from Tennessee will not object to the consideration of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio?

There being no objection, the bill (S. 2725) to increase by $600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3, as amended, of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, is amended by striking out "$600,000,000" and inserting in lieu thereof "$1,200,000,000."

Mr. PEPPER. Mr. President, referring to the bill just passed, I desire to make the observation that I hope our action in passing the bill, of which I heartily approve, will not be considered as indicating the desire of either the administration or the Congress to discourage the very fine job of housing for defense purposes which is being done by the Federal Housing Administration with private capital, the guaranteeing of private investments, which has been growing, with good results, in defense housing.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LA FOLLETTE. The Senator will find, if he will consult the hearings, that the private segment is a substantial part of the program, and all the permanent housing covered by the $600,000,000 is expected to be done, as I understand, by private sources. It is only the two-family dormitory type, and the absolutely temporary type of housing, that is to be constructed by the public agencies.

Mr. PEPPER. I thank the Senator.

Mr. LA FOLLETTE. The Senator will find in the testimony that that phase of the program was emphasized. I am quite as much interested as are the other members of the committee and as is the Senator from Florida in that phase, and I appreciate that the authorities are going to try to induce private capital to undertake all the permanent type of housing they can be persuaded to undertake.

Mr. McKELLAR. To what extent is it proposed to use private capital?

Mr. LA FOLLETTE. It is proposed to build permanent housing only where a survey of the community indicates that permanent housing will be required after the war shall have ended. That, of course, is really the only type of permanent housing which private capital could be expected to construct in connection with the war effort.

As the Senator well knows, it is impossible to build a house, it is practically impossible to lay one brick on top of another without a priority; so that in the last analysis the whole matter is within the control of the War Production Board, because they will issue priorities only for housing, either public or private, which they think is essential to the carrying on of war production.

ASSIGNMENT OF CIRCUIT JUDGES

Mr. DANAHER. Mr. President, I address myself to Calendar No. 1658, Senate bill 2655, providing for an amendment to the Judicial Code. I had expected to ask that this bill be taken up earlier, but the majority leader told me that we would presently be engaged in the business which has occupied our time for the last 15 minutes.

I have received a letter from Chief Justice Groner, of the United States Court of Appeals for the District of Columbia, calling to my attention the urgency of early action on Senate bill 2655. Since the bill was reported on September 17 last, and is now on the calendar, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2655) to amend the Judicial Code to authorize the Chief Justice of the United States to assign circuit judges to temporary duty in circuits other than their own, which had been reported from the Committee on the Judiciary, with amendments, in section 1, on page 3, line 13, after the word "sections" to strike out "17 to 23, inclusive, of this title", and to insert "13 to 19 of the Judicial Code;" in section 3, page 4, line 8, after the words "amended by", to strike out "inserting after the first figure 17 the following: '(a)'", and to insert "striking out the words 'either of the two preceding sections' and substituting in lieu thereof the words 'section 13 (a) of the Judicial Code;'" on page 4, after line 12, to strike out "And by inserting after the second figure 17 the following: '(c)';" and on page 4, after line 14, to insert:

And by striking out the last three words of said section, to wit, the words "the preceding section", and substituting in lieu thereof the following: "section 13 (c) of the Judicial Code."

So as to make the bill read:

Be it enacted, etc., That section 13 of the Judicial Code (U. S. C., title 28, sec. 17), as amended, is hereby amended to read:

"(a) Whenever any district judge by reason of any disability or necessary absence from his district or the accumulation or urgency of business is unable to perform speedily the work of his district, the senior circuit judge of that circuit, or, in his absence, the circuit justice thereof, shall designate and assign any district judge of any district court within the same judicial circuit to act as district judge in such district and to discharge all the judicial duties of a judge thereof for such time as the business of the said district court may require. Whenever it is found impracticable to designate and assign another district judge within the same judicial circuit as above provided and a certificate of the needs of any such district is presented by said senior circuit judge or said circuit justice to the Chief Justice of the United States, he, or in his absence, the senior associate justice, shall designate and assign a district judge of an adjoining judicial circuit if practicable, or if not practicable, then of any judicial circuit, to perform the duties of district judge and hold a district court in any such district as above provided.

"(b) Whenever, by reason of the volume, accumulation, or urgency of business in any circuit, or the disability or necessary absence from the circuit of one or more of the circuit judges, the circuit court of appeals is unable to perform speedily the work brought before it, and a certificate of the needs of the court is presented by the senior circuit judge or the circuit justice, the Chief Justice of the United States, or in his absence, the senior associate justice, may, if in his judgment the public interest requires, designate and assign any circuit judge of any other circuit, including circuit judges retired under section 260 of the Judicial Code, as amended (U. S. C., title 28, sec. 375), to act as circuit judge in such circuit and discharge all the official duties of a circuit judge thereof for such time as in the opinion of the Chief Justice (or in his absence, the senior associate justice) the business of the circuit to which such circuit judge is temporarily assigned may require.

"(c) Before any designation or assignment as herein provided for is made the senior circuit judge of the circuit from which the designated or assigned judge is to be taken shall consent thereto. All designations and assignments made hereunder shall be filed in the office of the clerk and entered on the minutes of both the court from and to which a judge is designated and assigned.

"(d) For the purposes of sections 13 to 19 of the Judicial Code, the District of Columbia shall be deemed to be a judicial circuit and the Chief Justice and Associate Justices of the United States Court of Appeals for the District of Columbia shall be deemed to be, respectively, the senior circuit judge and associate circuit judges of the circuit subject to the same duties and having the same power and authority as other senior circuit judges and associate circuit judges."

SEC. 2. Section 14 of the Judicial Code (U. S. C., title 28, sec. 18), as amended, is hereby amended by inserting the following as an additional sentence at the end of the section: "Each circuit judge designated and assigned to serve temporarily as a circuit judge in another circuit may and shall, during the period of his assignment, exercise all the judicial powers and discharge and perform all the judicial duties of and be subject to the same assignments of duties as the circuit judges of the circuit to which he is designated and assigned for temporary duty."

SEC. 3. Section 15 of the Judicial Code (U. S. C., title 28, sec. 19), as amended, is hereby amended by striking out the words "either of the two preceding sections" and

substituting in lieu thereof the words "section 13 (a) of the Judicial Code."

And by striking out the last three words of said section, to wit, the words "the preceding section", and substituting in lieu thereof the following: "section 13 (c) of the Judicial Code."

SEC. 4. Section 16 of the Judicial Code (U. S. C., title 28, sec. 20), as amended, is hereby amended by inserting the following after the words "Chief Justice": "(or in the absence of the Chief Justice, the senior associate justice),";

And by inserting the following before the words "district judge": "circuit or."

SEC. 5. Section 18 of the Judicial Code (U. S. C., title 28, sec. 22), as amended, is hereby amended to read:

"(a) The Chief Justice of the United States (or in the absence of the Chief Justice, the senior associate justice), or the circuit justice of any judicial circuit, or the senior circuit judge thereof, may, if the public interest requires, designate and assign any circuit judge, including retired circuit judges, of a judicial circuit, and including circuit judges designated and assigned to temporary duty in the judicial circuit, to hold a district court within such circuit. The judges of the United States Court of Customs and Patent Appeals, or any of them, whenever the business of that court will permit, may, if in the judgment of the Chief Justice of the United States (or in the absence of the Chief Justice, the senior associate justice) the public interest requires, be designated and assigned by him for service from time to time, and until he shall otherwise direct, in the District Court of the United States for the District of Columbia, or the United States Court of Appeals for the District of Columbia, when requested by the Chief Justice of either of said courts.

"(b) During the period of service of any judge designated and assigned under this chapter, he shall have all the powers and rights, and perform all the duties, of a judge of the circuit or district, or a justice of the court, to which he has been assigned (excepting the power of appointment to a statutory position or of permanent designation of newspaper or depository of funds). In case a trial has been entered upon before such period of service has expired and has not been concluded, the period of service shall be deemed to be extended until the trial has been concluded.

"(c) Any designated and assigned judge who has held court in another district than his own shall have the power, notwithstanding his absence from such district and the expiration of the time limit in his designation, to decide all matters which have been submitted to him within such district, to decide motions for new trials, settle bills of exceptions, certify or authenticate narratives of testimony, or perform any other act required by law or the rules to be performed in order to prepare any case so tried by him for review in an appellate court; and his action thereon, in writing filed with the clerk of the court where the trial or hearing was had, shall be as valid as if such action had been taken by him within that district and within the period of his designation.

"(d) Likewise, any designated or assigned circuit judge who has served temporarily in a circuit court of appeals other than his own shall have power, notwithstanding his absence from such circuit or the expiration of the time limit in his designation, to join as an associate circuit judge in the decision and final disposition of all matters submitted to him and his associate judges in such circuit court of appeals, and to join in the consideration and disposition of any petition for rehearing, or any motions, petitions, or further proceedings in respect of any submitted cause in the decision and disposition of which he has participated."

SEC. 6. Section 19 of the Judicial Code (U. S. C., title 28, sec. 23), as amended, is hereby amended by striking out the last seven words of the section and inserting in lieu thereof the following: "the circuit judges of the circuit, or the district judge of the district, as the case may be."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. CLARK of Missouri. Mr. President, I should like to have the Senator from Connecticut indicate to me the scope of the bill. Does the bill merely permit the Chief Justice the same authority in assigning circuit judges as the presiding judges in the various circuits have in assigning district judges?

Mr. DANAHER. That is correct. The measure is not only fully covered by way of explanation in the report which accompanied the bill when I reported it on September 17, but it has had the support of the Chief Justice of the United States and of the presiding circuit judge in every one of the judicial circuits throughout the country, as well as the support of the American Bar Association.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

Mr. BARKLEY. I ask that the President be immediately notified of the nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be so notified.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 25 minutes p. m.) the Senate took a recess until Thursday, September 24, 1942, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 23 (legislative day of September 21), 1942:

POSTMASTERS

CONNECTICUT

Harry W. Potter, Glastonbury.
John J. Burns, Waterford.

GEORGIA

Robert R. Lee, Dallas.
John C. McDaniel, Rossville.

IDAHO

Fred Kling, Lewiston.

LOUISIANA

James R. Wooten, Monroe.

NEW YORK

Mayme Meegan, Altmar.
James D. Cheesman, Andover.
Lorenzo J. Burns, Batavia.
Leo W. Pike, Belmont.
John A. Holland, Brushton.
Agnes H. Mead, Hannibal.
Frank L. Egger, Larchmont.
Clayton C. Young, Moira.
William F. McNichol, Nyack.
Robert J. Henry, Port Ewen.
Lindsay J. Hollister, Jr., Port Henry.
John J. Cassidy, Port Jefferson.
Nora E. Feeley, Skaneateles Falls.

VIRGINIA

Kathryn C. Ross, Accomac.
Fred Adams, Galax.
James R. Gregory, Martinsville.
Eugene P. Whitman, Pulaski.
Vernon C. Griffith, Shenandoah.
Gervis E. Lemley, Stephens City.

WYOMING

Vernon L. Green, Cokeville.
Albert E. Holliday, Laramie.

HOUSE OF REPRESENTATIVES

WEDNESDAY, SEPTEMBER 23, 1942

The House met at 11 o'clock a. m., and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thou who makest the outgoings of the morning and the evening to rejoice, help us to welcome this new day as a blessing and to follow the light which Thou dost bestow upon us. Undismayed by failure and disappointment, make us conscious of the true meaning of life. With a quest yeasting in our minds and hearts, we pray that we may extend the franchise of our sympathy and might as widely as does the Saviour of the world. Grant that our fellow citizens may not reduce to comfortable terms our requirements and responsibilities, nor refuse to meet the challenge which comes to us these urgent times, nor be stiffened into self-sufficiency.

Blessed Lord, let the fire of a great purpose flame in all breasts, alive and compelling, never losing the trail at the price of neglect or indifference. Oh, free our country from all selfish interests and all forms of mammon worship, never forswearing the debt to our institutions through all the human years.

"Be strong! It matters not how deep entrenched the wrong,
How hard the battle goes, the day, how long; faint not, fight on!
To-morrow comes the song; be strong, be strong, be strong."

Through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had adopted the following resolution (S. Res. 292):

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. FRANK H. BUCK, late a Representative from the State of California.

Resolved, That a committee of two Senators be appointed by the Presiding Officer of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 12 o'clock meridian tomorrow.

The message also announced that pursuant to the above resolution the Presiding Officer of the Senate appointed Mr. JOHNSON of California and Mr. DOWNEY members of the committee on the part of the Senate.

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of the Interior.
2. Department of the Navy.
3. Federal Security Agency.
4. National Housing Agency.

EXTENSION OF REMARKS

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter from the Reverend Maurice S. Sheehy.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

(Mr. BOEHNE asked and was given permission to revise and extend his remarks in the RECORD.)

REPEAL OF THE SILVER PURCHASE ACT

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, the Silver Purchase Act was passed in 1934 as a subsidy to the silver producing States. I vigorously opposed its enactment at that time, and subsequent events have justified my opposition.

It now develops that this law is seriously interfering with the war effort by preventing war industries from making full use of silver as a substitute for critical metals of which there is a scarcity such as tin and copper.

Moreover, the act constitutes a noose around the neck of the silverware industry, which will presently have to close down because of inability to obtain silver, although the Government is hoarding it and burying it in the ground at West Point. In other words, we have an artificial scarcity in the midst of plenty.

This situation is very serious to the silverware industry in my district. I have received a petition from the workers engaged in that industry imploring that action be taken to save their jobs.

Heretofore, the silverware industry has had to rely entirely upon foreign silver for its raw material, as the domestic supply has been entirely taken over by the Government for monetary purposes at an artificially high price. Now, under orders of the W. P. B., the small foreign supply is to be devoted entirely to war production, and the silverware industry is being forced to close down.

I am today introducing a bill calling for the repeal of this absurd and destructive measure, and I hope that the good sense of the Congress will result in prompt action to strike it off the statute books in the interest of the war effort and the jobs of the thousands of workers.

EXTENSION OF REMARKS

Mr. STEARNS of New Hampshire. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an address by Nicholas P. Morrissey, president of the Massachusetts Federation of Labor.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

(Mr. GALE asked and was given permission to revise and extend his own remarks in the RECORD.)

FIGHT PROMOTION DURING WAR

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'TOOLE. Mr. Speaker, it seems to me the War Department is making a mockery of this war in allowing two members of the armed forces to engage in a pugilistic encounter in New York City, where one of the beneficiaries is to be a fight promoter who is to receive $30,000 that is owed to him by Joe Louis. Surely the war is a serious thing and it is time for the War Department to realize we are engaged in an actual war and cut out these theatrical performances, football games, and other sport endeavors, and apply themselves solely to the war. This is the first time in the history of the country that the armed forces have taken upon themselves to pay the indebtedness of individuals, and it should be stopped.

EXTENSION OF REMARKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

STATEMENT OF HARRY HOPKINS

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to speak for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, all the newspapers this morning carry a statement by Mr. Harry Hopkins, made yesterday before the Inventors' Council. The New York Herald Tribune this morning carries this headline "Hopkins terms Congress main problem of war." Then the article goes on to say:

Harry L. Hopkins, principal adviser to President Roosevelt on lend-lease aid, told the National Inventors' Council today that "only one thing is important—whether we have in Congress men who want to win this war."

This statement is an insult to every Member of this House, because it is an implication that there are some Members of the House who do not want to win the war. I dare Mr. Hopkins to name one single Member of this body who does not want to win the war. I say that Mr. Hopkins should either put up or shut up.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two subjects.

The SPEAKER. Is there objection?

There was no objection.

Mr. HARNESS. Mr. Speaker, I ask unanimous consent to extend my remarks and include a speech I delivered at Kokomo, Ind., to the employees of the Kingston Products Corporation last Monday on the occasion when the Army and the Navy award was made to that company.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks and include a radio address which I delivered over KWKG, by electrical transcription.

The SPEAKER. Is there objection?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to extend my own remarks on two subjects.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New York [Mr. CROWTHER] be permitted to extend his remarks in the RECORD and include certain excerpts.

The SPEAKER. Is there objection?

There was no objection.

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a radio address I delivered on the subject of oil information.

The SPEAKER. Is there objection?

There was no objection.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered on the subject of Czechoslovakia, notwithstanding the space required.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNS. Mr. Speaker, I ask unanimous consent to extend my remarks and include three telegrams pertaining to the bill now under consideration, H. R. 7565.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix and include a short discussion of business profits by Ralph Robey.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDERSON of New Mexico. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

THE POLL TAX

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for one minute and revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

[Mr. RANKIN of Mississippi addressed the House. His remarks appear in the Appendix.]

AMENDMENT OF EMERGENCY PRICE CONTROL ACT OF 1942

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7565, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. All general debate having been exhausted, the Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That in order to aid in the effective prosecution of the war, the President is authorized and directed to stabilize prices, wages, salaries, and other factors affecting the cost of living; and such stabilization shall so far as practicable be on the basis of the levels which existed on August 15, 1942. In exercising the authority conferred by this act, the President may provide for making adjustments with respect to such prices, wages, salaries, and other factors, to the extent that he finds necessary to correct gross inequities.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 1, line 5, after the word "wages", strike out the comma and insert the word "and"; also in line 5 strike out the words "and other factors".

In line 1 on page 2 strike out the comma after the word "wages" and insert the word "and"; also in the same line strike out the words "and other factors."

Mr. WOLCOTT. Mr. Chairman, there has been some criticism of this bill, and it has been justified, that the bill is too broad in scope. In agreement with that criticism I have offered the amendment which has just been read. Read carefully the first sentence of section 1; it reads now as follows:

That in order to aid in the effective prosecution of the war, the President is authorized and directed to stabilize prices, wages, salaries, and other factors affecting the cost of living.

It is my interpretation of that language in this section that the President could nullify the rulings of the Interstate Commerce Commission in respect to tariffs. He could nullify the trade practices, as established by the Federal Trade Commission. He could nullify or amend or set aside temporarily or permanently the operation of several other of the executive agencies.

As a matter of fact, it is so broad that the President, in the guise of stabilizing prices, wages, salaries, and other factors affecting the cost of living might be empowered under this language to amend the provisions of the national banking acts and the Federal Reserve acts in respect to the coinage of money or the circulation and velocity of credit. I do not think it is intended by the Congress that we shall give the President such blanket authority.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman.

Mr. LUTHER A. JOHNSON. I did not catch the reading of the gentleman's amendment. Did the gentleman offer to strike out just the words "and other factors affecting the cost of living"?

Mr. WOLCOTT. No. I just ask to strike out the words "and other factors," and the other changes simply affect the grammar.

Mr. LUTHER A. JOHNSON. It is simply to make it conform to that provision?

Mr. WOLCOTT. The gentleman is correct.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. RICH. In a sense you are giving the President power to stabilize prices, wages, and salaries. Will that cover all of the items that are essential to keeping the cost of living on the present standard? Will it do that?

Mr. WOLCOTT. Well, if it does not, if the President finds that his hands are tied at all in the operation of the Federal Trade Act or the Interstate Commerce Act, or any of the other acts of Congress, the Federal Reserve Act or the Banking Act, I think probably we should insist that he come back and ask specifically for amendments to those particular acts.

Mr. RICH. Do you believe it is better to place this in the hands of the President or in a committee of the Congress, to administer these wages, salaries, and prices?

Mr. WOLCOTT. Of course, that question is rather outside the question which we are considering. I offered an amendment and it was adopted by this House to establish a Board of Administrative Review, so that one man would not become what was termed an economic czar. Had the other body in Congress accepted that amendment and had it become law, I think Mr. Henderson would find himself in a position today where he could get rid of a lot of the trouble which he now has.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were ayes 64 and noes 16.

So the amendment was agreed to.

Mr. LYNCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LYNCH: On page 2, line 2, after the word "inequities", insert "or to aid in the effective prosecution of the war."

Mr. LYNCH. Mr. Chairman, this is essentially a war bill. The reason that this bill is before the House is because of the spiraling of prices and wages so that the war effort will be endangered if there is a continuance of this spiraling. In my opinion, it is not sufficient that we should say, as we do in this bill, that in exercising the authority conferred by this act the President may provide for making adjustments with respect to such prices, wages, and salaries to the extent that he finds necessary to correct gross inequities. I believe we should give the President power to do more than correct gross inequities because after all what constitutes "gross inequities" is too nebulous, uncertain, and indefinite. I believe it is the purpose of this House that this bill should be passed not for the sole purpose of giving the President authority to correct gross inequities as they might appear to him but the essential purpose is to aid in the effective prosecution of the war. If we were in no war we should not have this bill. It seems to me, therefore, we should make the principal objective of the bill the winning of the war and definitely state so in the bill, state that we are giving this power and authority to the President for the one outstanding and all-important purpose namely to aid in the effective prosecution of the war.

Mr. DEWEY. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. Yes; I yield to the gentleman from Illinois.

Mr. DEWEY. I notice that the language the gentleman contemplates including in the bill is contained in the first paragraph of Senate Resolution 161.

Mr. LYNCH. That is correct.

Mr. STEAGALL. Mr. Chairman, I hope members of the committee will understand the significance of this proposed amendment, because in it is embodied all the issues that will probably be involved in the consideration of this bill.

Under the present language of the section the President would be authorized to depart from the limitations contained in other provisions and given an additional authorization to do any of the things which in his judgment would aid in the prosecution of the war.

My good friend, the distinguished gentleman from New York, treats the lan-

guage in the present bill "gross inequities" as being indefinite and uncertain. Let me say to him that the phrase "gross inequities" is far more definite, far easier of legal interpretation, its meaning far more easily ascertainable than the broad language "anything the President deems helpful in the prosecution of the war." "Gross inequities" are words that have well-established definitions not only in the dictionaries but in the law books, and this language carries a very definite guide to the President. This standard could not be disregarded without gross disregard of the expressed will of the Congress. If we employ general language authorizing any act the President deems helpful in the prosecution of the war you can strike out every other provision in this bill, adopt that language, and send the bill to the Senate, because the adoption of this amendment would nullify and legitimately nullify every safeguard and every limitation carried in this bill. There need be no thought on the part of Members that other provisions and limitations will be of any value or that any amendments to this bill will accomplish anything Members may desire, if the proposed amendment is adopted.

It is not my purpose now to argue with the membership as to the wisdom of this amendment; this is a matter for the Members to decide, but I feel I should call to the attention of the membership of the House what will be done if this amendment is incorporated in the bill. It is for the membership of the House to decide whether we want to legislate or whether we shall say, "We have no responsibility." I have great confidence in the President of the United States; I think he is by far the best equipped man who lives to lead the American people in the great struggle in which we are engaged at this time, but I still feel that Members of the House of Representatives have some responsibility to their country and to their obligations under the Constitution.

Mr. LYNCH. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. LYNCH. Is it not a fact that the purpose of giving the authority to the President to adjust wages, salaries, and prices is to aid in the prosecution of the war? If this be so I cannot understand the reason for the objection to setting it forth definitely.

Mr. STEAGALL. If the gentleman desires to ask me a question I shall be glad to yield. I think what I have said expresses my attitude.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. BENDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENDER: On page 2, line 2, after the word "factors", insert "*Provided*, That there shall be no discrimination in the administration of this act or the Emergency Price Control Act of 1942 on account of race, creed, or color and in the membership of rent, price, and rationing boards."

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes in support of his amendment.

Mr. BENDER. Mr. Chairman, I shall not require the entire 5 minutes to explain this amendment. The language of the amendment is very clear and needs no discussion. Let me read the amendment:

That there shall be no discrimination in the administration of this act or the Emergency Price Control Act of 1942 on account of race, creed, or color and in the membership of rent, price, and rationing boards.

I am sure there can be no valid objection to this amendment; it is clear, understandable, and entirely in order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BENDER. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, manifestly every Member of the House must appraise this bill for himself, and I ask your indulgence very briefly that I might appraise for the RECORD my own estimate of the effect of this bill.

In the first place the grant of power is not so disturbing because I find on examining the act of August 10, 1917, that infinitely greater power was extended to President Woodrow Wilson. Secondly, I find that this bill does not deal with the real inflationary forces and cannot, so long as continued expending must go forward in the interest of victory. It cannot have any effect on spending for the war effort so it will not have an impact on deposits that have reached $71,000,000,000, it can have no impact on debt, it cannot stop money circulation which since the beginning of this war in September 1939 has gone from about $9,600,000,000 to over $13,000,000,000. It can only deal with effects and not causes.

Its provisions freeze the terms of the 40-hour act because the language is to the effect that nothing inconsistent with the provisions of that act can be done. I think the labor provision will be slightly inflationary, first, because the American Federation of Labor reports that there are 5,300,000 industrial workers who are receiving less than $30 a week and whose standard of living should be brought up, and, secondly, it is addressed not only to preventing inflation but to the effective prosecution of the war, as indicated in the first section of the bill. In illustration of that, let me say that only recently a panel in the War Labor Board in connection with the demands of 10,000 miners out in Idaho and Utah reported that they ought to have an increase of 12½ cents per hour, not because they had not already received increases but because the W. L. B. had to do something to stop them from migrating to shipyards and to other industrial plants. If this power can be used in effective prosecution of the war, it will have an inflationary effect so far as those provisions go, because they can be applied in innumerable cases.

The bill contains no provisions relating to retail, wholesale, and manufacturing prices, and if the last clause of section 2 is stricken, which would authorize the suspension of existing laws, it will mean that sooner or later Mr. Henderson will be compelled to punch more holes in the existing price ceiling to permit a reflection of increased costs. Thus the general effect of this measure will mean an ultimate increase in the general price level and I presume it will be the fond hope of the administration to uphold the general rise of prices within a 15 or 20 percent increase.

With respect to farm commodities the maximum price authorized by this bill cannot be below parity or the January-September price, whichever is highest.

Inasmuch as the January-September price is below parity with respect to certain commodities, it would mean that potentially those commodities could rise to parity.

In round figures we could increase wheat by 45 cents a bushel, corn by 14 cents, oats by 18 cents, barley by 38 cents, rye by 60 cents, and cotton by four-fifths of a cent per pound.

Since the highest of the two prices, namely parity or the January-September price, must prevail, it would mean in the case of commodities for which the January-September price is the higher of the two that they could be frozen at prevailing levels. This would affect rice, which is 39 cents per hundred pounds over parity, soybeans which are 14 cents above parity, butterfat which is 2.6 cents per pound above parity, chickens which are 2.3 cents per pound over parity, wool which is 12 cents per pound above parity, hogs which are $3.08 per hundredweight above parity, beef which is $3.06 per hundredweight above parity, veal which is $2.65 per hundredweight above parity, and cotton which is $10 per ton above parity. These are prices as of August 15, 1942.

As I read the bill, it will also prohibit the imposition of the 110 percent ceiling now carried in the Price Control Act. This authority could have been used at any time but was never enforced by the Administrator. The price of cattle on August 15, 1942, was $11.30 per hundred. The parity price was $8.24 per hundred. One hundred and ten percent of the parity would have been $9.06 per hundred or $2.24 under August 15 price. The Price Administrator could have established a ceiling of $9.06 but for some reason he never used the power to impose 110 percent price ceiling on cattle.

This brief dissertation proposes only to indicate what in my judgment the effect of the bill would be as reported to the Committee of the Whole House on the state of the Union.

Mr. GORE. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Tennessee.

Mr. GORE. The gentleman has set forth a remarkable record in giving to the House accurate information, and I know he will want to point out that in using the word "freeze," as applied to

this bill and those prices to which he refers as being brought down, that there is nothing in the bill which establishes the maximum price. The provisions to which he refers are restrictions below which a ceiling cannot be placed.

Mr. DIRKSEN. Definitely so.

Mr. GORE. The bill does not place a ceiling there.

Mr. DIRKSEN. I am only speaking of effect and speaking of potentialities as to what might be done under this bill. If you will examine page 5, you will find there a rather amazing provision which amends the Commodity Credit Corporation Act. The Secretary of Agriculture is directed to make loans and purchases. Those loans shall be 90 percent of parity. They are made to encourage production and they will cover basic and nonbasic commodities. Loans can be continued for a period of 3 years after the first of January following the time when the President proclaims or determines the end of hostilities in the present war.

Let us assume that the war ends on June 30, 1944. The base point will be January 1, 1945. Three years thereafter will be 1948. So we are setting a ceiling, we are mandating loans for a period of 5 years, and I doubt very much the wisdom of so long a period of loan authority when we cannot foresee what the conditions will be. Oddly enough that provision is there notwithstanding the fact that the powers in this bill terminate on the 30th of June, 1944.

Consider, then, a general résumé of what this measure appears to do. One, it makes a grant of power, which, however, is no greater than that granted to Woodrow Wilson during the first World War. Two, it in no way deals with the real inflationary factors, such as the Silver Purchase Act, nondefense spending, and other items which are definitely and directly inflationary. Three, it in effect repeals that part of the Price Control Act which permits the imposition of ceilings at 110 percent of parity insofar as it relates to commodities for which the January-September price is above the 110-percent level. Four, it does not and it cannot deal with the inflationary effect of deficit spending because expenditures for victory must go forward. Five, it permits price ceilings which shall not be less than parity price or the January-September price, whichever is highest. Six, it would in effect freeze the price of some farm products, and it would permit others to rise to parity levels. Seven, in effect it freezes the Fair Labor Standards Act. Eight, on the basis of figures submitted by the American Federation of Labor, it would permit increases to 5,300,000 or more workers whose wage is $30 per week or less where those wages can be regarded as substandard and where no wage increase has been afforded since January 1, 1941. Nine, it would permit wage increases, as in the case of the western metal miners, where such wage increases are deemed necessary for the effective prosecution of the war. Ten, it sets a loan floor of 90 percent under farm prices for a period in excess of 3 years which might, depending on the cessation of hostilities, run into 5 or 6 years or more. Eleven, it permits adjustments to cure gross inequities. Twelve, in a general way it would probably mean an increase in the general price level over a period of time of 15 percent or more.

This in my considered judgment would have been the impact of this measure on our general economy and I can see the need of amendments which will cure weaknesses and inequities which already appear to exist.

In three different sections of the pending bill there is reference to gross inequities which may develop as a result of the administration of these powers and provision is made for the President to adjust prices and wages to meet such inequities.

It must be manifest to every Member of this body who has heard the various reports on the shortage of farm labor in every section of the country that this constitutes a real inequity. It would, therefore, be quite logical to cure that inequity by legislative act rather than by Presidential action and one of the amendments which should be submitted for consideration should deal with farm labor shortage and the increase of farm labor wages because it involves the question of continued production.

I have observed that the emphasis in most of the discussion was on the question of price control. It should not be forgotten that our first and foremost responsibility is greater production in the interest of victory and for that reason a measure should be devised which places the emphasis on expanded production.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 1, line 6, strike out "so far as practicable."

Mr. TABER. Mr. Chairman, I have offered this amendment with the idea of fixing prices. The only sincere way that prices can be fixed is by fixing them. Trimming around and dodging the way we did on that other bill and the way that is being done by this bill is just a fake. I will not be a party to a fake and a fraud upon the American people.

The President of the United States has promoted inflation by manipulating labor prices up. This bill carries the implication that we can permit him to continue to manipulate labor prices up and fix farm prices at a definite figure. Those things are positively ridiculous. It just cannot be done. If anybody thinks that you can monkey around with one type of prices and not affect all of them, he is just reckoning without thinking. Unless we are going to go completely wild and have inflation, we must make the prices absolutely definite by legislation.

The President has shown that he wants to promote inflation. He has proceeded continually through the War Labor Board to raise prices. The effect of the rise in prices that has resulted from just his operations has been that the rise in prices has been more than the rise in the labor wage, and the result of it is that the workingman has been deceived that he has been better off when he is worse off.

Are we going to quit this monkey work and get right down to earth and do our duty or are we going to dodge it? That is the question that is here presented.

I hope this House will, by a large majority, adopt an amendment which will make this thing absolutely certain and will do business. That is the only way we can stop inflation. Otherwise, we are going to have it worse and worse as the days go on. We are going to have inflation pile up in such a way that it will be very difficult for us to carry on the war effort. We must remember that the overtime pay and the enormous increase in the hours of employment due to the war effort has given everybody who works a large increase in pay, anyway. Unless we stop this inflation and stop it now, we shall come to the point where we cannot control it at all. I hope this amendment will be adopted.

Mr. RANKIN of Mississippi. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, unless this bill is radically amended to give the farmers of this country equality, I shall vote against it. The amendment offered by the gentleman from New York [Mr. TABER] will not do it any good. If Congress and the administration really want to do something to give agriculture a square deal, let them go back and repeal the Wagner Act and the Wages and Hours Act, with which Congress raped the farmers and the Constitution a few years ago. You cannot destroy the farmers of this country and have prosperity. That is exactly what these legally imposed inequalities are doing today; they are grinding the farmers into the dust.

Let me show you what they mean. This measure will not prevent inflation. You already have inflation; and it is here to stay, at least for a long time.

In 1919 and 1920, when we had $53.21 per capita in circulation, cotton was 35 or 40 cents a pound and wheat was $2.50 a bushel, with the prices of corn, hogs, beef, and other farm commodities in proportion. Industrial wages were much lower than they are today. Yet today, instead of having $53 per capita in circulation, we have more than $92 per capita in circulation, with cotton at 18.5 cents per pound and wheat at about $1.15 a bushel, and corn, hogs, lumber, and other raw materials in proportion.

By this legislation and the legislation you have already passed, you are grinding the American farmers into the dust. Today the American farmers, the men who till the soil, are furnishing to this war more of their sons in proportion than any other class of people under the American flag; and they are entitled to equal treatment.

You talk about parity. Forget that antiquated, obsolete expression. Whoever trumped it up attempted to give the farmers alleged parity based on the prices prevailing during the Taft administration, at a time when the farmers were so depressed that they raised up and created a third party, with the result that Taft carried only two States, and one of them on a religious issue.

If you want to give the farmers real parity or equality, let the price of cotton

rise to 40 cents a pound, let wheat go to $2.50 a bushel, and other farm commodities in proportion. A cotton farmer gets 1 cent an hour for every cent a pound he gets for his cotton, and the wheat farmer is paid in proportion. You may say he works only a certain amount of time, but that in addition to what he puts into labor goes into machinery and the expense of that machinery.

The man who tills the soil, the hardest-working man in America today, is the cotton farmer. Edwin Markham described him perfectly when he said:

Bowed by the weight of centuries he leans
Upon his hoe and gazes on the ground,
The emptiness of ages in his face,
And on his back the burden of the world.

He is the hardest-working man in America; not under an electric fan, not with ice water at his side, not with fixed hours, but from sun to sun he works under the hot sun, fighting all the vicissitudes of the weather, all the speculators of the exchange, the boll weevil, and everything else by which he is harassed.

The cotton farmer gets 18.5 cents an hour for his work today, whereas the laziest man in the country can go to a defense plant and get $10 a day. You are paying an average of 75 cents an hour for men in industry, while the farmer is getting about 18 or 19 cents an hour for his work.

In my home town the charwoman who sweeps the floor in a factory building, the lowest paid labor in the factory, has her wages fixed by the Labor Relations Board at 40 cents an hour. If you paid the farmers at that rate they would get 40 cents a pound for their cotton. Yet you propose to stabilize the farmer in his present position by doing just what Thomas Jefferson warned you against. He said:

Whenever Washington can say when the farmer shall sow and when he shall reap, the Nation will want for bread.

Today the farmers all over the country are wondering whether or not to plant their crops next year because they are losing money. Their cotton is in the field, their corn is in the field, and they cannot get help to gather it.

Unless we can amend this bill drastically and protect the American farmers, I shall vote against it.

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I rise in opposition to the amendment. I shall have only this to say about it. If this amendment is adopted we might just as well, or we would necessarily have to, strike out the rest of this bill, because all the inequities that existed on the 15th day of August would be frozen into the measure without any remedy at all and without any means of adjustment.

There are a good many people in this House who are interested in farm prices and anybody who would vote for this amendment would necessarily vote to freeze, for instance, the price of cotton, corn, and wheat far below the parity level. If this is what you want to do all you have to do is to vote for this amendment. There are other members here who are especially interested in the laboring class of people. If you want to freeze all the inequities that exist now with respect to the laboring class of people in this country all you have to do is to vote for this amendment and freeze the labor prices existing on August 15.

It is inconceivable, Mr. Chairman, that this amendment should be adopted, otherwise the purpose of this bill is completely destroyed, and the amendment should be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and the amendment was rejected.

Mr. STARNES of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STARNES of Alabama:

On page 1, line 5, after the word "living", strike out the semicolon and insert "by fixing maximums therefor;"

On page 1, line 7, after the word "on", strike out the words and figures "August 15, 1942" and insert "December 8, 1941."

Mr. STARNES of Alabama. Mr. Chairman, the purpose of this amendment is to direct the President of the United States in stabilizing prices, wages, salaries, and other factors affecting the cost of living by fixing maximum prices or ceilings therefor. There can be no control of inflation by legislation alone. There can be no effective control of inflation, as the gentleman from New York [Mr. TABER] well said a little while ago, until we face cold facts, and neither the original bill, nor this bill, unless amended, will provide any real check upon inflationary tendencies in this country. There can be no check upon inflationary tendencies until the Congress of the United States takes positive affirmative action toward fixing maximums or ceilings on the factors which go into an inflationary movement.

This is proposition No. 1; and, secondly, I say we should go back to December 8, 1941, at a time when this country was at peace, and fix the levels at that period and let the President of the United States, through appropriate agencies, make the necessary adjustments to correct gross inequities, and for the purpose of providing that no one shall reap any undue benefits or grow rich at the expense of the Nation's travail. This provision is to apply peacetime standards to wartime conditions in order that no group or any particular section of this country shall profit by the blood of American patriots. If there were existing inequities on December 8, 1941, then, under the terms of the bill which follow in this same paragraph, the President has the authority to make whatever corrections are necessary for farmers, for laborers, or any other group in this country to correct such gross inequities so there shall be no injustices.

In my humble judgment we are shadowboxing with this whole question. We are not deluding anybody but ourselves if we think the people of the United States——

[Here the gavel fell.]

Mr. STARNES of Alabama. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STARNES of Alabama. We are not deluding anyone except ourselves if we think the people of the United States believe that the original price bill was effective or that this bill will be effective unless we assume our responsibilities and establish decent maximums on the factors which tend toward inflation. We must fix a date when these maximum ceilings will become effective. Let us take a date when the country was at peace, not at war, and let the President through proper administrative agencies make whatever corrections are necessary to see there shall be no gross inequities. I call the attention of the gentlemen of the Committee before they rise and say that this would destroy the purpose of the bill, that we leave in this bill these provisions which expressly permit the President of the United States to take appropriate action to remedy gross inequities, in whatever field they exist, but as of the date of December 8, 1941. We cannot control inflation by legislation alone, as I have already said. We have to face the facts, and they are stern facts. This Congress will sooner or later be forced by the course of events to throw aside political expediency, face the facts and place a tax on the people of the United States which will pay the cost of this war and keep down inflation. The only way we will effectively combat inflation is through the taxing powers of the Government of the United States. We can and should siphon off the purchasing power built to gigantic proportions by the war effort by taxation. This price-control bill is merely an attempted brake. The sooner we act like men with the same bravery and courage that the men who have faced the foe in the air, on the sea, and on the battlefields exhibit, the sooner we will win this war, and the sooner we will win the support and approval of the American people. The American people are ready to have the Congress act with determination and courage in combating the problems of inflation and taxation brought about by the greatest crisis in history. Let us have the courage to do what we should do with reference to this bill, and with reference to the subject of taxation.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. GORE. Mr. Chairman, I rise in opposition to the amendment. The gentleman from Alabama [Mr. STARNES] seeks by his amendment to insert language in two different lines of the bill. In line 5 he seeks to add "by establishing maximums." I submit that that is inherent in the bill. The whole purpose of the bill is to authorize and direct control of the Nation's economy by the fixing of maximum prices, wages, and salaries, subject to the standards of the bill. Therefore this particular addition would not have any meaning. All it would do would be to add superfluous words.

The second proposed amendment would be quite a material change. It seeks to change the date from August 15, 1942, to December 8, 1941. If we

do that, a large portion of the price ceiling now in effect, which has been established since that date, would necessarily have to be reduced. All of the wage stabilization which has been done throughout the United States would have to be reduced. The difficulty we find ourselves in is we just cannot very well go back. We have to start where we are. Therefore, Mr. Chairman, I submit that the amendment should be rejected.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. GORE. Yes.

Mr. WOLCOTT. If the President should find that this date of August 15 would create gross inequities, he need not adhere to that date, but he can go back as far as he wants to.

Mr. GORE. If he finds those conditions to exist he has authority to so do, but under the language of the proposed amendment we would be fixing as a standard for the administration of the act a change which is wholly impractical and would make the standards of the bill meaningless.

Mr. BURDICK. Mr. Chairman, I rise in opposition to the amendment. Demand after demand is now coming in from the public insisting that this Congress exercise its constitutional powers and frame legislation to suit itself. This demand comes too late. The public ought to know that the powers we should have exercised were all delegated to the President under Public Law No. 11 of the Seventy-seventh Congress.

That is the reason why the President notified Congress that, unless this body passes a law—which the President would approve—he would do it himself. That was no idle threat. The President told Congress the truth, for he has that power absolutely, and this Congress gave it to him.

Let me call your attention to section 9 of the act:

> The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this act; and he may exercise any power or authority conferred on him by this act through such department, agency, or officer as he shall direct.

Of course, the President was tied down with a twine string on the matter of informing Congress what he was doing. Section 5 (b) reads:

> The President, from time to time but not less frequently than once every 90 days, shall transmit to the Congress a report of operations under this act, except such information as he deems incompatible with the public interest to disclose.

In other words, the President does not have to report anything unless he wants to.

If anyone doubts the powers conferred upon the President under this act, he should read section 3 where the President is authorized to do anything and everything as long as he deems it to be in the interest of the national defense.

In this act Congress also authorized a blank appropriation for anything the President thought necessary. Section 6 of the act reads:

> There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this act.

All Congress can do when one of these demands comes up is to approve the demand, for the reason that Congress has already said it would do what it might be called upon to do.

In the consideration of the bill now before the Congress to put a ceiling on farm prices, I notice that a great many Senators and Members of the House say it is about time Congress woke up and exercised its constitutional functions. This is an amazing statement, and I note also that these remarks come mostly from Senators and Members of the House who voted for Public Law 11.

Mr. Chairman, this protest comes too late, and most of those who voice this protest in the Congress know it comes too late. Many know they voted to turn this blanket, airtight authority over to the President.

What a spectacle this debate is. Every Member here knows the President can fix the ceilings by proclamation; everyone here knows that he will not accept a bill which is not satisfactory to him; and many who now assert on the floor that Congress should exercise its constitutional functions voted that right away when Public Law 11 was passed.

Why not be honest with the people and tell them the truth, that so far as this war is concerned Congress can approve appropriations and nothing more? I was not one of those who voted away our power. I have done my best to keep the constitutional powers of Congress, but I was outvoted, and as long as Public Law 11 remains on the statute books debates such as this are entirely unnecessary.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the question that is presented to the House is whether we shall continue the existing Price Control Act or whether we shall amend it as proposed. In that choice, whatever may be said about the defects of the pending bill, it is my judgment that it is an improvement over the Price Control Act, which prohibits the regulation and control of labor and wages. The committee has stated that it proposes to offer an amendment to strike out that part of section 2 that authorizes the President to suspend existing laws. Of course, I favor that amendment. As the President, the Chief Executive of the Nation has no power to suspend any law unless the Congress of the United States authorizes it. The only laws that he could suspend, if this act passes, are laws that are repealed by implication. It has been said that section 4 of this bill freezes the Fair Labor Standards Act. I opposed that act. Section 4 of that bill does nothing more nor less than recognize that that act is the law of the land. I should like to vote to repeal it.

With respect to the 15-percent increase in wages and salaries in section 4, that is a fact, and we recognize it. If we are to improve the existing Price Control Act, there must be concessions by both labor and agriculture.

I think it was unfortunate that the price-control bill provided in terms that have been misunderstood for 110 percent of parity. If the definition of parity was not correct then and if it is not correct now, that definition should be changed by law. The consumers of the Nation have been led to believe that they are entitled to higher wages because, by statute, the farmers are getting 110 percent of parity.

Now, Mr. Chairman, it is said that if this bill is passed, that to remove inequities, the President of the United States will consider the increased costs of labor in agricultural production. If he is authorized to consider that factor, why not say so in the bill? If in section 4 we are recognizing a labor law that exists—a law that will continue to be in force, which law is the Fair Labor Standards Act—and at the same time assert that it is necessary to consider costs of labor in agriculture, why not, those of us who advocate the rights of labor and those of us who advocate the rights of agriculture, agree to a change in the definition of parity, especially if section 4 is to remain in the bill?

In my judgment, there is a provision in this bill that is of more real benefit. I understand the real meaning of 110 percent of parity. It was to enable the farmers to receive parity because oftentimes prices are 90 percent of parity one week and they are 110 percent of parity the next week. The purpose of that provision was to enable the farmers on the average to receive 100 percent or parity. But the real guaranty of receiving anything like parity is the commodity loan. Under the terms of this bill the farmers will receive at least 90 percent of parity because there is a provision for 90-percent parity loans, and that is of far greater advantage than the existing provision of 85 percent.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WHITTINGTON. So that I would say that the provision in the bill increasing the commodity loans from 85 percent to 90 percent of parity is a greater benefit to agriculture than the existing 110 percent of parity.

If, as a matter of fact, we believe that prices have to do with inflation it does occur to me and I am sure to others who want to prevent dangerous inflation—and no groups in the Nation suffer more than labor and agriculture in the long run from unbridled inflation—that a fair and just amendment to this bill that would include in parity the cost of labor to the farmer, should be agreeable to labor and agriculture. This amendment would enable us to support the pending bill as an improvement over existing law.

Now, I am aware that under section 1 of the bill, when prices are fixed as of August 15, 1942, the President of the United States, if the existing prices of agricultural products were totally inequitable, in order to remove that inequity would have the right to consider the ad-

mitted increased cost of labor. If that be true, then why not say so?

I suggest, Mr. Chairman, with that amendment defining parity to include the cost of labor the pending bill is far better than the existing law.

I extend by saying that the purpose of price control is to prevent inflation. It is not the only factor but it is an important factor in preventing inflation. War, unless prices are controlled, always results in inflation.

In price-control legislation it should be kept in mind that labor is generally the most important element and the most expensive item in the cost of all products, both agricultural and industrial. Labor, therefore, must be considered in the control of all prices.

It is difficult to prescribe a definite yardstick that will do justice to all groups, and it is particularly difficult to prescribe a yardstick that is fair to agricultural commodities. It is also difficult to prescribe a yardstick for the control of labor and wages.

At the time the Emergency Price Control Act of 1942 passed the House I voted against the bill because it did not embrace ceilings for labor and wages. I supported the so-called Gore or Baruch bill. Labor and wages had increased; in fact, they had already soared, but agricultural commodities had not increased in anything like the ratio that labor and wages had increased. It was unthinkable to me then and it is unthinkable to me now that a fair price could be fixed on any commodity without the price of labor being considered. Factory wages in December 1941 were 352 percent of the 1909–14 period, or factory wages are 352 percent of parity. Factory wages thus have risen 250 percent in 25 years as compared with the rise in farm products of only 39 percent. Wages have risen six and a half times more than agricultural prices since the parity period. There should be ceilings on prices for all or ceilings on prices for none.

Price control is not the only means to prevent inflation. Taxes are just as important. It is more important that the taxes reach the group who are receiving the increased wages and prices. It is estimated that the national income for the calendar year 1942 will be around one hundred and thirteen or one hundred and fifteen billion dollars and that there will be available around $85,000,000,000 with which to buy the $65,000,000,000 worth of goods for consumers to buy on the basis prices under the general maximum price regulation. These goods will be bought by the consumers. The consumers have $20,000,000,000 more than is necessary to buy these goods at present prices. Inflation will result unless the prices are fixed, taxes levied, and savings enforced.

The Emergency Price Control Act of 1942 fortunately, but in unfortunate language, provided that ceilings could not be fixed below 110 percent of parity on farm products. I say unfortunately because the term 110 percent of parity is misleading. Parity based upon the existing definition of parity is really about 85 percent of parity. The increased labor costs are not included. Moreover unless there is a floor as well as a ceiling, a modification or variation of at least 10 percent is essential to enable an agricultural commodity to bring parity. The market price may be 90 percent of parity one week and the next week it may be 110 percent of parity. The average would be parity.

The increases of industrial income exceed largely the increases of agricultural income. In 1938 the average annual wage of farm workers was only about 27 percent of the average wage of factory workers.

The ceilings in the Emergency Price Control Act do not mean that commodities will bring these ceilings in the market or that inflation will be absolutely controlled. Prices will still be determined by the law of supply and demand, ultimately, unless controlled, and unless there is rationing.

Under the Price Control Act parity prices were the prices then authorized by law. The prices of agricultural products were controlled. I maintained at the time the bill was passed that it should provide for the control of wages and labor. Time has vindicated the wisdom of this position. That act specifically provided, and I quote:

Provided, That nothing in this act shall be construed to authorize the regulation of (1) compensation paid by an employer to any of his employees.

This quotation is from title III, section 302 (c).

At the time of the passage of the Price Control Act the President opposed the inclusion of labor and wages and so did Leon Henderson. Mr. Henderson, however, as disclosed by the hearings approved the 110 percent of parity as stipulated in the act for agricultural commodities.

I have stated that it was unfortunate that the act stipulated for 110 percent of parity. This is misleading. The consumers have been led to believe that they are discriminated against. Personally I believe that there should have been a redefinition of parity so that parity would have included the increased costs of labor. The comparative costs of labor in the basic period, 1909–14, for agriculture were much less than the comparative costs today. The remedy was not to adopt the misleading 110-percent provision for parity but the remedy then and the remedy now is to provide for a parity definition including the costs of labor. It is admitted that the costs of farm labor are not now included in the act of Congress defining parity.

H. R. 7565, the bill under consideration, does not contain a provision that parity prices and comparable prices shall be determined so as to include all costs of production, including the costs of labor. I will support an amendment to this effect and offer such an amendment, if not offered by some member of the committee, or the chairman of the Committee on Agriculture. If there has been a mistake in the definition of parity there should be a redefinition so that parity will include now the costs of labor.

The chairman of the committee, the gentleman from Alabama [Mr. STEAGALL], has stated that the committee will offer an amendment to strike out the provision of section 2 that authorizes the President to suspend any provisions of law relating to the establishment or maintenance of prices, wages, salaries, or other factors affecting the costs of living which are inconsistent with the purposes of this act. It is for Congress to pass laws; it is for the President to enforce laws. If in war, when vast powers are essential in the President as Commander in Chief of the Army and Navy, any statute should be suspended, it is for Congress to provide for such suspension. The exercise or usurpation of the authority to suspend by the President smacks of dictatorship and is contrary to the democratic concept; moreover, it is wholly unnecessary in the prosecution of the war.

No group in the United States will suffer more from inflation than farmers; they are supremely interested in the prevention of unbridled inflation often following wars and that followed the first World War. There must be no repetition of such inflation which resulted in bankruptcy not only to farmers but to industry as well. The farmers are the first to suffer in a depression or in inflation.

The President has asked that the limitations on agricultural products in the Price Control Act be repealed; he has stated that he will then control wages. I believe that Congress should provide for the control of both. While the pending amendments are not what I favor and do not provide for parity control of labor and wages as well as agriculture with the amendments that I deem to be imperative, I shall support the bill.

Under the existing Price Control Act the President is not directed to stabilize labor. The pending bill is an improvement. It authorizes and directs the President to stabilize prices, wages, and salaries. It would be difficult to define definitely wages and salaries in an act. There must be flexibility. The President is directed to fix all prices, wages, and salaries on the basis of the level existing on August 15, 1942. The flexibility is that he is authorized to correct gross inequities. While the cost of labor is not embraced in the definition of parity in existing law and while I think it should be embraced and while I favor an amendment as stated for that purpose, I believe that if the continued increased costs of labor would result in a gross inequity in agricultural commodities, the President would have the right to consider and make adjustments to provide for the increased costs in agricultural labor. I think that this provision is an improvement over the existing law.

Again, under the pending bill the loans on agricultural commodities are to be not less than 90 percent of parity. A floor is thus put on the price of cotton and other agricultural products. Ordinarily the loan value determines the market price. This is especially true when there is a large crop. In a large crop the farmer is always penalized for his prosperity. Under existing law the floor is 85 percent. Ninety percent will enable the farmer more nearly to receive parity.

It has been said that the pending bill approves the 40 hours and time and a half for overtime. There are yardsticks for ceilings for agricultural prices. I want to be fair to labor. I opposed the Fair Labor Standards Act, but it is the law. The pending bill does not change that law, just as the pending bill does not change the definition of parity. I would like for both to be changed but I believe that the provision in the pending bill which authorizes the President to adjust wages and salaries to correct gross inequities is preferable to existing law, and the President cannot change the Fair Labor Standards Act.

Under the pending bill the parity price or the price of agricultural products between January 1, 1942, and September 15, 1942, whichever is the higher, controls. The pending bill provides that no action shall be taken with respect to wages or salaries which have not reached a 15 percent increased cost above the wages or salaries paid January 1, 1941. I would like to see this provision eliminated and shall vote for its elimination, but in all fairness if higher than parity prices of agricultural crops are to obtain, the recent high prices of labor should prevail. I favor equality of treatment for both agriculture and labor.

Under section 5 of the bill, whether there is an application for increase or decrease submitted to the National Labor Relations Board or not, no employer shall pay and no employee shall receive any increase unless approved. I think this is an important provision. It would not leave it to employers and employees. After all the public foots the bill and should have a voice in the costs to the consumers. This section provides that all increases in wages and salaries must be approved by the President. He is thus authorized to prevent and thus control wages and salaries.

War not only calls for sacrifice but makes sacrifice a privilege. It will have to be expressed in terms of denying ourselves many of the things we have been accustomed to have. All must do that. Wages, rents, and prices must be controlled.

The cost of food used by wage earners has been going up at the rate of 1¼ percent per month since the price ceilings were set in May 1942. If this rise continues until next May, there would be an increase of 15 percent. I think that Leon Henderson should have placed price ceilings on all foods. I do not believe that he is restricted by section 3 of the act. In his message of September 7, the President stated that the Price Control Act prohibited ceilings until farm prices as a whole have gone up beyond parity prices. I believe this to be an erroneous interpretation. The Administrator has the right to fix a ceiling on all agricultural products except as stated in the act, and there is no provision in the act denying him the right to place a ceiling on any product until farm prices as a whole have gone up beyond parity prices. However, there is evidence that there have been very much higher increases in uncontrolled agricultural prices than there have been in controlled agricultural prices. Where ceilings have been fixed the percentages of increases in prices have been comparatively small. I believe the time has now come to put a definite ceiling on all.

The psychological effect for agriculture would be good. The consumers believe the farmers now have an unfair advantage. All the farmers demand is equality of treatment. They expect the same yardstick applied to them that is applied to labor; they want an equivalent control for all.

The ceilings as to agricultural products are being cited by labor constantly for increases in the price of wages. There is no question but that agricultural labor is a serious problem. Farms are being abandoned; labor is being attracted to higher wages. If farmers pay higher wages they must get higher prices for their products. Inevitably, the President, to remove the gross inequities, will have to consider in fixed ceilings the cost of labor to farmers, otherwise farmers will be unable to produce food and feed for the prosecution of the war.

Standards of living are being threatened by higher prices. From the middle of May to the middle of August the price of uncontrolled food items increased 9.8 percent as contrasted with the price of controlled foods, which dropped 0.3 percent.

The bill under consideration is intended to provide the farmer with a parity income; it is intended to stabilize wages. The cost of food is an important item in stabilizing wages. Drastic action to prevent inflation is imperative. We must not have a disastrous inflation. Prices of labor and agricultural products should be controlled. This is the first and most important step to prevent unbridled inflation.

[Here the gavel fell.]

Mr. DONDERO. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I endorse what has just been said by our able colleague the gentleman from Mississippi [Mr. WHITTINGTON] when he says that if we are going to authorize the President of the United States to include the cost of labor in the cost of farm products why do we not say so in the bill.

This morning I received a short telegram from Fred Beckman, a prominent citizen and farm leader in the second largest county in the State of Michigan. I am going to read it to you, because I think it is significant. What he says in this telegram undoubtedly exists in many other portions of the United States, and to my mind presents a serious and threatening condition which will have a very damaging effect upon the war effort of this country as it relates to the production of food so badly needed not only for ourselves but for the Allied Nations who are fighting this battle with us.

I ask you to listen:

Urgent you support farm program endorsed by National Farm Bureau, Grange, and Council of Farm Cooperatives. Sincerely believe cost of farm labor must be considered imperative calculation, if serious food shortage is avoided.

Now, listen to this line:

All auctioneers busy 6 days a week in this area because farmers are discouraged.

Auctioneers busy 6 days a week, doing what? Selling out the farmers. The farmers in that county—and they represent a considerable portion of the population of Oakland County, Mich.—are selling out, leaving the farms and the soil. Why? For two reasons: First, because the young men of the farms have been taken into the Army; and, second, those who have not been taken into the armed services of the country have gone into industry which exists in the metropolitan area of Detroit. The farmer cannot compete with the wages now being paid by industry. The result is the farmers do not have help on the farms to harvest their crops, and after they have raised their crops, they cannot obtain a price for their products sufficient to pay the labor entering into the cost of production. Unless we include in this legislation, now before the House, the right of the farmer to include the cost of labor in figuring his cost of production we are going to have the same condition that exists in Oakland County, Mich., repeated in many other parts of the country. The result will be that the war effort will be seriously affected and delayed, and the best efforts of the Nation to winning this war will be thwarted.

No one begrudges good wages to the laboring man, wherever he may be—whether in the factory or on the farm. If wages or the cost of labor is increased in industry now engaged in the production of the instruments of war, the industry does not have to absorb that increased cost or take it out of profits, it is simply added to the contract paid for by the Government and the taxpayers of the Nation meet such increased cost. The enormous increase in the cost of labor which the farmers are now compelled to pay, if they can obtain help on the farm, cannot be passed on to the taxpayers of the country, but that increased cost must be absorbed by him in the price which he receives from the products of his farm.

The farmer is as patriotic as any other citizen in the country, and he is as anxious and desirous of doing everything possible to aid the Nation in its hour of peril. He can be depended upon to do his part. Let Congress make its contribution in giving the farmer a square deal by providing in the bill before the House a provision whereby the cost of labor can be included in the cost of production.

I intend to support this bill and vote to include farm labor in the cost of farm products.

Mr. O'CONNOR. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, as I view the bill that is before us, while I have said heretofore that it will not prevent the cost of living from rising or lower the present cost of living, and neither will it prevent inflation, yet I see from the record nothing that would indicate that the membership should be at variance. The only matter that is really in controversy is whether or not wages for farm work are to be figured in the formula of parity. The President of the United States, when he asked for this special legislation to give him additional power to control the cost of living and prevent inflation, seems

to me, expressed the whole thing as to this controversial item when he used this language in the message that he sent to Congress:

> After all, parity is by its very definition a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production, including the cost of labor.

When I read this statement made by the President, and when I read it now, I see no cause for dissension in this body, as the President emphasized the labor item when he used "a fair relationship," and so forth. I personally know, and feel, that it is the fair thing to do for the farmer and, so far as I am concerned, I am following the President in that matter. I do not want to put the President of the United States in a strait jacket; I want to give him the power he has asked for. If the amendment offered by the gentleman from Alabama were adopted, we had better not pass this bill; we would eliminate powers the President already has. He is our Commander in Chief; it is up to us to follow him in war and in domestic issues where we can. He is asking the Members of Congress to extend him additional powers to control wages and to control prices. The farmers and labor have no objection; in fact, want that, because he stated right in his message that the cost of production, including farm labor, shall be figured in parity.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. POAGE. I want to write that into the law because the President has changed his mind since he wrote that message. I do not know who induced him to do so, but I do know that he was indeed ill-advised.

Mr. O'CONNOR. That is what the President said in his message, and that is what I am going by.

Mr. POAGE. Then, as I understand it, the gentleman from Montana wants the President to stay with that message just as I do. And since there seems to be some question as to what the views of the President may be, will not the gentleman join me in writing a clear mandate into the bill?

Mr. O'CONNOR. Answering the gentleman's question—of course, I want to write it into the law as I feel it should be and I feel that is what the President wants as expressed in his message.

I think the President made his wants very clear in his message to the Congress and to the country at large over the radio, and when I read his message on my return to Washington I remarked that the President is dead right on parity. I think that the President's message should be the basis of this legislation because after all he is the one who is charged with the responsibility of carrying on the war and its various ramifications. Something has been said about some letter or something to the effect that the President meant something else. I do not know what he meant but I do know what he said in his message and, knowing him as I do, I do not feel that he would blow hot and cold on the same question. Mr. Chairman, I am representing my country and the people as a whole and I want to see the farmers as well as everybody else get a fair deal. I want to see the farm family, the mother and children and the old man, if you please, get a little something for their labor that they put in in raising the food that we all eat. In addition to that I think that what they pay for hired help should be taken into consideration in considering parity. I know of no industry on the face of God's earth that does not consider the cost of labor in the price of the article it sells, so why should the farmer be made an exception? After all the big thing is to produce food and you cannot hope to have food produced at less than cost of production, which includes labor.

We today of the West are paying from $6 to $8 a day for hired help to put up our hay and harvest our other crops. Our hay has no particular value excepting to keep our herds of sheep and cattle from starving during the winter months. Sometimes we are required to feed from 4 to 6 months out of the year. We are required to pay, this year, from $4 to $5 a day for boys, maybe 10 years old and a little older, and for women to work in the fields. This is the condition we are faced with already and we have not been in the war to exceed 9 months. Here is what is happening. Owing to the dearth of labor and owing to the fact that you can scarcely get it at any price many stock growers are turning their livestock in on their meadows and hope to market them this fall regardless of their condition.

It does not take a prophet or the son of a prophet to visualize in the near future the specter of hunger in this country.

[Here the gavel fell.]

Mr. SHORT. Mr. Chairman, I move to strike out the last four words, and I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. SHORT]?

There was no objection.

Mr. SHORT. Mr. Chairman, I very seldom make any promise to anyone for anything at any time. However, I do strive to keep and fulfill any promise that I make. I have promised my people that I would never vote to place a ceiling on the prices of farm products unless at the same time we vote to put a limitation on wages in industry.

I was amazed that the President in his message of September 7 to the Congress attempted to escape his own responsibility and to place the blame for the failure of the present Price Control Act upon the Congress. When the existing law was before this body months ago for consideration, Members had the opportunity to vote for an over-all price-control bill. The young and able Representative from Tennessee [Mr. GORE] offered an amendment, essentially the Baruch plan, which provided control of both wages and prices for farm products. I supported and voted for the Gore amendment because I felt then and still feel that it is utterly impossible to control the price of any product, whether it be produced in the factory or on the farm, unless you control the price of every element and ingredient that go into the manufacture or production of the particular article or commodity. We all know that labor in most cases constitutes at least 80 percent of the cost of goods and services. When the Gore amendment failed of adoption, due to pressure brought by the administration, I was one of the minority who voted against the present Price Control Act because I thought it wholly inadequate and that it would prove to be a fraud and a failure.

The President now admits the failure of the present law. He had a majority months ago in the Congress, as he has today, to pass most any bill he wants, and it ill-behooves him after the farcical-tragical operation of the present law to blame Congress for its failure to act. I will admit that the present law is bad and that its administration has been worse. However good or bad it might be, it is the law of the land, and the President's threat to abandon this child of the administration by October 1, whether the Congress acts or not, is but another bold and brazen attempt of the Executive to usurp the legislative functions of Congress.

Mr. Chairman, the President has the power to veto, but he does not have the power under our constitutional system to modify, amend, annul, or repeal any act of the Congress. If the President can ignore a bad law, he also can ignore a good law. The merits of the legislation are beside the point. The ultimatum he issued to Congress is an arrow aimed at the heart of democratic processes. It is an unblushing assumption of unrestrained power. This arrogant arrogation of legislative power by the Executive is worthy of the autocratic decrees issued by despotic monarchs in the Dark Ages. Millions of our fellow Americans are now engaged in fighting the most cruel and devastating war in all history. Many of them will lay down their lives for liberty, but to no avail if we lose liberty at home. What will it profit this Nation to fight and die to establish freedom abroad if we lose it here? The sovereign power of this Government is vested in the people and not in one man. The greedy grasp for power to exercise the functions of our three branches of government by any individual is not excused because the Nation is at war. Indeed, Jefferson insisted that the Constitution and strict adherence to it is needed more in times of stress and strain than under normal conditions.

Though we cannot ignore this fundamental constitutional question and the threat of the Executive contained in his message, let us examine briefly the bill now before us. No sincere friend of our American farmer could support it as it now stands. This measure definitely places a ceiling on farm prices and does not take into consideration the costs of farm labor in establishing parity. It leaves the President free to deal with wages in industry. This bill, if enacted in its present form, would destroy the whole principle of parity, and the poor farmers of our land, who constitute more than a quarter, almost one-third, of our

entire population but who receive little more than 10 percent of our total national income, would become slaves comparable to the serfs in feudalistic times. Today the American farmer cannot compete with the wages paid in private industry or the high wages paid by the Government to workers in defense plants. Hordes of men have left the drudgery of the farm to enter these more lucrative positions while millions of farmers' sons are being drafted into our armed services. Because of this vast exodus, voluntary and involuntary, from our American farms, not only our allies but our own people will soon be faced with an acute shortage of food. Napoleon once said that "An army fights on its stomach." We all know that food is just as essential as guns to win this war. Indeed, food is the basic requirement, and everyone knows that we must feed not only our own civilian population and our armed forces here and abroad but that we must send huge supplies to our fighting allies. It must also be borne in mind that the products of the farm are to be used not only for food but that many of the byproducts of farm commodities are necessary in the manufacture of munitions. Where, then, are we going to get this food for human consumption and for manufacture of munitions if we drain the farms of all manpower? If we continue to draft the boys on the farm and refuse to pay farm labor something which begins to approach the prices received by workers in industry, stark famine will stare us in the face.

The title of this bill says that it is "to aid in preventing inflation." Unless it is amended so as to include the costs of farm labor in establishing the price of parity it will fail of its objective and indeed will produce exactly the opposite result. It will promote inflation rather than prevent inflation. Common sense tells us that if the farmer cannot receive the cost of production he simply cannot produce. When the farmer does not produce, there is a scarcity and scarcity always increases the price of any commodity. The best cure or prevention of inflation is abundant production. Abundant production cannot be achieved by placing a ceiling on farm prices. Due to the fact that the farmer is now selling many of his commodities far below parity and due to the fact that his labor supply has dwindled because of the induction of his sons into the service and because of more attractive prices paid to men in industry, thousands of farms are now being abandoned. Here is a widow who is forced to sell a fine dairy herd of 40 Jerseys because her son is drafted for military service. Here is an old couple too feeble to plow the land. Because the son is working in a defense plant, the land instead of producing food which will be sorely needed grows only weeds. Every day I receive numerous letters pitifully telling me of the sorrowful plight in which many farm families are selling their livestock at public auction and where it will be impossible for them to continue the pursuit of agriculture.

Nobody enjoys the rise in the cost of living; no one wants to see prices run wild but there can be no fair and equitable price control law that does not place a ceiling on wages at the same time it places a limitation on the prices of the farmers' products. Mr. Chairman, I regret that in this moment of our Nation's grave peril when unity of all our people is so sorely needed, that there should be any conflict between the executive and the legislative branches of our Government. I also deplore the attempt to drive a wedge between the so-called farm and labor blocs. Cooperation and not competition is what we need most in these critical days. All are in the same boat, and will sink or swim together. A great man, centuries ago, said: "To act contrary to conscience is neither safe nor upright." For the sake of the record I want all to know that I cannot with clear conscience support this inequitable measure. I shall vote for the amendment to include the costs of farm labor in reaching parity and, if the bill does become law, I hope that it will not receive the same bad management and maladministration of the present act.

Miss SUMNER of Illinois. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, it seemed obvious last year when the Congress voted for the administration price-control program that the program was foredoomed to failure because the administration lacked sufficient political courage to resist industrial wage increases.

You know today that the bill under consideration will probably hurt rather than help matters because it invites wage increases for the large group of unorganized people who have not yet received their 15-percent increase. As soon as these workers get it, the administration will not resist pressure from organized groups who will then demand further increases—if only because many organized groups are working in industries where relatively high wages, compared to the unorganized groups, are necessary in order to attract workers to war industries.

There is no question that in this war, as in the last World War, farmers are willing to be sacrificed for the benefit of other groups if that will help speed the victory, although it is nothing less than American to resent being sacrificed to impracticable theories and politics.

It is, however, of deep concern to every citizen of the Nation that there shall be produced sufficient amounts of corn, soybeans, cotton, and meats, and so forth, which are strategic materials necessary to save the country from defeat.

The committee has no estimates showing what amounts will be needed. Not a single witness from the administration testified concerning the bill before us. They are in a perfect position to blame mistakes on you. All we know is that the administration must not be against this bill, or it would not be supported so vociferously by new dealers in Congress. Their chief argument for it seems to be that it will get increased wages for the white collar worker.

The answer to the question, What amounts of farm commodities are needed? depends considerably upon the crop weather, the amounts shipped to Allies, the ship sinkings.

This you do know, however: Farm production is becoming paralyzed by lack of labor and equipment. Farmers here and there are liquidating. While there is labor available in large towns where there are few defense contracts, that labor is not going to the farms, because the farmers have not the money to pay as much or more than W. P. A. wages.

You know that no price administrator on earth could keep down the cost of living if the food shortage becomes really serious. Men who have starving families get food for them any way they can, regardless of the number of policemen who guard the grocery stores. You know that Russia, when it liquidated the farmers, became the hungriest, "nakedest" nation of our time.

For reasons I have indicated, it is difficult to know what course is wise. Honest mistakes by you, under such circumstances, are excusable. But certainly it is inexcusable not to resist mistakes you know are mistakes. And surely it is imprudent not to make certain that there shall be adequate supplies of farm commodities needed for the war effort.

I know quite well that Members of Congress who resist mistakes are apt to be put on purge lists and smeared by certain newspapers for whose freedom of speech soldiers are dying. These newspapers may call you everything from moron to Mother Goose. Their smear stories drive the war off their pages. They seem to be more interested in making this a goose-stepping Congress than in defeating Hitler and Hirohito.

But no American worth the name will let himself be intimidated at a time when America expects every man to do his duty. This Congress shows excellent judgment whenever it uses its own judgment, resisting outside pressure. I hope that you will never again surrender your good judgment to those who blame everything and everybody, including Congress, for mistakes they make. Let us not render to Caesar the things that are not Caesar's.

Mr. NICHOLS. Mr. Chairman, I move to strike out the last six words.

Mr. Chairman, it is a bit strange to me that it is necessary for men to get up on the floor of this House and defend the farmer. I hope there are none of us who have forgotten there is no more strategic undertaking, no more vital industry in the United States than that of agriculture. Why should not the farmer have the cost of farm labor computed in parity? Mr. Chairman, if we do not do it we are going to impoverish the farmer and finally we are going to destroy his ability to produce both food and clothing.

Is it necessary that we have food and clothing? Of course it is. It is necessary to feed the civil population, it is necessary to feed the military and the naval forces of our own country and beyond that the American farmer today is faced with the responsibility of feeding and clothing 50 percent of the population of this earth.

I have just been home. The situation in the Southwest is about as follows: The young man has either gone to the war or following attractive wages paid in defense industries, he has gone to the factory. For the most part, the farmer today is a man above 50 years old. Anybody under 50 years of age either goes into the Army or he can make $60 to $100 a week in the defense plants.

That leaves you with this situation: The only people you have left on the farm today are the men above 50 years old and the women and children. You go into the fields of the Southwest today and you will find the farmer trying to do his job.

One other thing. This Government has to start looking on the farmer and the farm as strategic. He has been pushed back, he has been pushed aside. Cotton is selling for 6 cents in the seed, yet they are demanding $2 a hundred to pick it. You cannot pay $2 to pick 6-cent cotton. What is that going to mean? That is going to mean that the cotton this year is going to stay in the field. Whom is that going to help? Is it going to help the laboring man? Certainly not. It is not going to help anybody. It is going to impoverish this country.

It is not a matter of whether or not the farmer is going to make a lot of money. Everybody knows the farmer is not going to make a lot of money. He never has and he certainly will not now.

The fondest friend of labor certainly will not take the well of this House and argue against permitting the farmer to include the cost of labor in fixing parity. I can think of nothing more equitable. Certainly there will be few votes against the amendment, when it is offered, providing that labor shall be included in computing parity. Unless you do it, you are going to make it impossible for the farmer to produce those things which he must produce.

This is the farmer's situation: We must repeal the laws which are keeping acres out of production. If this war goes on, this country has to put every available acre into production. Then we are going to demand of the farmer that he produce more per acre than he has ever produced before in the history of this country.

Against that, however, he has no labor with which to do it, and we will not permit him to pay wages which will attract labor back to the farm. Unless we do that, we cannot produce more from each acre and we cannot put in more acres, and it will be a physical impossibility to do the thing which the farmer must do. So, of course, we have to include the cost of labor in fixing parity.

[Here the gavel fell.]

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, yesterday in my remarks on the floor I suggested that in view of the all too brief time given us to write a safe and good price and wage control bill we might pass a temporary law which would stabilize farm prices and wages at their present levels. I suggested that this act might be in effect for a period of 90 days. That would give the Congress more time to study and consider properly this very important subject before writing a permanent act.

When I made that suggestion I had in mind the grave inequities which I believe the pending bill will create, its inflationary potentialities, the all too short time we have had to consider this bill, and particularly the critical situation that confronts the Congress as a result of the President's peremptory demand upon it. I wish to state now that, depending on the course the pending bill takes, I shall offer an amendment embodying my suggestion.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was rejected.

The Clerk read as follows:

SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this act; may exercise any power or authority conferred upon him by this act through such department, agency, or officer as he shall direct; and may suspend any provisions of law relating to the establishment or maintenance of prices, or to wages, salaries, or other factors affecting the cost of living which are inconsistent with the purposes of this act.

Mr. STEAGALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STEAGALL: On page 2, line 5, after the word "Act", strike out the semicolon and insert in lieu thereof a comma and the word "and." Also, in line 7, after the word "direct", strike out the semicolon, insert a period, and strike out the remainder of the section.

Mr. STEAGALL. Mr. Chairman, this amendment simply strikes out of this section language which was inadvertently included. It merely corrects a clerical error. The committee is in entire agreement on the adoption of the amendment.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from New York.

Mr. WADSWORTH. If this language is stricken out, what is the purpose of the language in the first sentence of section 4?

Mr. STEAGALL. I do not know just what language the gentleman refers to in section 4.

Mr. WADSWORTH. The language which is about to be stricken out was intended as written to give the President the power to suspend laws. With that in the bill, the committee reported in section 4 a prohibition against the suspension, as it were, of provisions of the Fair Labor Standards Act. If this language is stricken from section 2, what is the purpose of forbidding the suspension of the Fair Labor Standards Act?

Mr. STEAGALL. The language in section 4 deals with the substance of section 4, and I do not see that it has any relation to the provisions of section 2. In any event, this language represents a clerical error, and it was never intended to be reported in the bill by the committee.

Mr. WADSWORTH. Section 4 reads:

No action shall be taken under authority of this act with respect to wages or salaries which is inconsistent with the provisions of the Fair Labor Standards Act.

Mr. STEAGALL. Yes.

Mr. WADSWORTH. That apparently was put in as a limitation of the power given in the latter part of section 2. That part of section 2 coming out, why leave that other language in the bill?

Mr. STEAGALL. I do not think the gentleman is correct in his construction. Section 4 relates to the actions to be taken by the President with respect to salaries and wages.

Mr. WADSWORTH. So does section 2.

Mr. STEAGALL. I would not contend that this limitation would necessarily have to be included in the bill to make clear the legislative intent, but it is simply an expression of the intention of the committee that the Fair Labor Standards Act should not be disturbed by any action taken by the President, and there are several other inhibitions in section 4 against actions which may be taken by the President.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. STEAGALL].

The amendment was agreed to.

Mr. H. CARL ANDERSEN. Mr. Chairman, no sane person wants inflation. No farmer wants inflation. No laboring man, no business or professional man wants inflation. They all realize inflation would be disastrous.

No reasonable man can expect, however, one segment of our population, defense plant labor, to enjoy the best returns from its work that it has ever enjoyed, while another segment, agriculture, is begrudged the right to have its long hours of toil considered as part of the cost of the products the farmer sells.

No reasonable man or woman will argue against permitting the farmer to include the cost of his farm labor, whether it be his and his family's labor, or hired labor, when figuring parity, any more than he would begrudge decent pay and working conditions for union labor or a fair recompense for professional men.

My colleagues, just what is parity? I can best describe it as a square deal for all groups. The farmer does not begrudge labor a square deal, nor does he resent seeing industry profit on its investment. Why then all this uproar about reimbursing the farmer for his labor and for his family's work? If an entire adult family works in defense plants they are well paid for so doing. Why not make it attractive for the boys to remain on the farm, at least enough of them to assure the production of sufficient food?

Did you ever stop to think that food is just as necessary to the winning of this war as is almost anything, except manpower, that you can mention, tanks, guns, planes, or munitions? Have you momentarily paused and thought of what may come to our beloved Nation in a few years' time if too much farm labor is stripped from the farms, if experienced farmers continue to be taken in the draft,

if dairy cows and brood sows go to the slaughter pens rather than to remain on the farms to further our production? We have plenty of food today. How about tomorrow? Meat rationing is already on the way. If there is so much profit in farming today, as some seem to think, why all these auctions?

I have here, Mr. Chairman, 42 auction notices gathered from 1 week's issue of my district's newspapers. Forty-two sales that mean the dispersal of herds of milk cows whose butterfat our Nation needs so badly today. Forty-two sales selling hogs and sheep because of farmers having to quit farming. Does this appear as a future promise for the production of the food we must have for our armed forces, our civilians, and our allies? Does this seem to indicate that all is well with the granary of America? To me these numerous sales spell disaster.

Let us look at a few of the reasons these good farmers of the Seventh Congressional District of Minnesota, the greatest agricultural district in America, are giving for selling out. This man says, "Because of military classification of my boys I am unable to carry on my farm operations." Fellow Congressmen, who will produce the food, the pork, the beef, and butterfat these boys produced? Where can this farmer, if he were to continue farm operations, get the labor he needs? It looks hopeless to him, so he is selling out. He cannot carry on without at least one of his sons to help him. Every quarter section of farm land in Minnesota should be entitled to priority on one able-bodied man. We need at least one man to each quarter section if the production of food is to be maintained.

Here are a half dozen auction notices that read, "Having decided to quit farming." Why have they decided to quit farming? Just because the farm boys have gone into the Army, into defense plants with their enormous wages, everywhere but remaining on the farm—and you cannot blame these boys for wanting to get as good jobs as they can. But who are going to milk the cows, feed the steers and hogs, and produce the crops they produced?

I know the trouble we have had on my farm this harvest to try to secure help. For the first time in 42 years our grain was not threshed by September 1. Weather was bad, but lack of labor was still worse. I saw boys coming down from the Duluth Iron Range, boys who did not know which end of the horse to put a collar on, boys who wanted 50 cents an hour to go out into the field and learn how to shock grain. This class of farm labor would not have received 20 cents per hour last year. Yet we have an uproar in the eastern press and over the controlled radio today because we ask that the farmer be allowed to take into consideration the cost of these 50-cents-per-hour boys, who are worth 20 cents per hour, when computing parity. Do we object to the manufacturer allowing for his $1.50 per hour labor in computing his costs? Do we object to the contracts given industry for 10-percent guaranty over cost of production? All the farmer asks is cost of production. He will waive the profit.

Let us look at a few more of these 42 auction notices, 42 sales in one week, in just one congressional district. Here is a fine herd of Holstein cows offered for sale, 70 head of hogs, and 35 head of sheep. This notice reads, "As I will soon leave to serve in the Army." When will our Nation learn that a man also serves on the farm, producing milk and butterfat from these Holstein cows, pork from these 70 hogs, wool and mutton from these 35 sheep. A far larger percentage of the population of many of our Minnesota agricultural counties, in comparison with city areas, is today in our armed forces. Our Army today would have 6,000,000 men in it if all parts of the United States had contributed as heavily to it as had our section of the Nation—and we know we do not have 6,000,000 men in our Army today.

Here we have another notice entitled "Having Sold My Farm," another "As My Sons Have Been Drafted I Am Compelled to Leave the Farm," another "Moving to California." Why to California, except perhaps to take one of these $1.50 per hour defense jobs, and time and a half for overtime over 40 hours per week. I do not blame anybody for leaving the farm with its 80-hour and 90-hour week, but it is a tragedy for our Nation that wages are so out of line that the farmer himself today looks to other fields. Yes, my friends, this may spell disaster to our war effort. Wages so high the farmer cannot even hire labor after his own boys are gone into the service just as all good Americans want to do.

Mr. Chairman, last night I took in a movie on the way home and enjoyed it all with the exception of one portion of the vaudeville act. That act brought out six men, five of them in their twenties, lustily singing a patriotic song about how we were going to lick the Japs in nothing flat—five young men who represented to me manpower that should either be in the Army or some defense plant or on the farm. As I watched these men singing about licking the Japs, I wondered why were they there on the stage at all. I wondered, too, at the applause an unthinking audience gave to men who should have been anywhere but on that stage. We are at war. When I looked at those able-bodied young men on the stage I thought of the many people in my district, up in their sixties, who have watched their boys, whom they need just awfully bad on their farms, leave for camps. Six of these farm boys could have remained at home and these actors, good as they were, could exhibit their patriotism better by being in the Army.

Mr. Chairman, the amendment offered by the gentleman from Georgia [Mr. BROWN] simply states that parity prices shall be computed on a new basis, that basis to include the cost of farm labor. What can be more fair? Is it not part of the expense a farmer must meet, whether it is his own labor or hired labor? Are not the long hours of sweat and toil of agriculture to be considered a part of the parity formula?

How can the farmer ever compete for labor nowadays if he cannot obtain sufficient for his products to justify the wages farm labor demands?

Inflation caused by the farmer! What rot. How can anyone accuse agriculture, 25 percent of our population, of causing inflation, when it only receives 10 or 12 percent of our national income? The raving of radio commentators and the ranting of columnists employed by nonagricultural interests have tried to distort this picture the past week, but hard, cold facts do not lie.

Last January the administration opposed the placing of a ceiling on wages, but it demanded and received a 110-percent parity ceiling for agriculture. I stated then, when that half-baked measure came before us for final roll call, that unless all groups were covered, price legislation would fail—and it has.

Here we argue against permitting the farmer to have enough for his products so as to be able to pay for his farm labor. At the same time do we find the administration objecting to the following—listen, my colleagues, to a postcard, just written a few days ago, by a plumber working at Coeur d'Alene, Idaho:

DEAR FRIEND: Am working here and like it. Am getting $131.75 per week.

JOE.

Who in the name of common sense would not like to get $131.75 per week, where he used to work for $1 per hour or not over $50 per week just a few short months ago in our Seventh District? I do not begrudge Joe this money; but who is going to pay the bill for the millions of Joes over the Nation?

Why does not the President do something about Joe's $131.75 per week before he goes on the radio, as he did last September 8, and practically accuse the farmer of being a profiteer? I want the answer to that question before I vote to lower the ceiling on farm products to parity. Many farm products today have not reached parity.

Let me quote from a letter from this same Joe to his father:

Come out, Dad. We do not do as much work here in a day as we did in our home town in 2 hours. Due to union restrictions, we cannot drive a nail when we have to have a few boards nailed in place to hold our pipes, so we have some so-called carpenters with us. (We could never call these carpenters back home.) All these carpenters do for the $12 that they are paid (or about that) for an 8-hour day is to nail up a few boards to hold the pipe. (We always did this ourselves back home.) I'll bet some of these so-called carpenters do not drive 12 nails a day some days.

So wrote Joe, who earns $131.75 a week, to his father. Where is the money coming from?

There, Members of Congress, is an instance of the dislocation which has been caused by this administration permitting union labor to run hog wild, raising Cain with every other line, making it impossible for agriculture to endure or for small business to stay in business.

The President has permitted labor's wages to rise unchecked. Congress wanted last January to clap a just, fair ceiling on labor, but administration pressure killed that proposal. Now with labor in defense plants receiving unheard of wages the President very unkindly tries to blame the farmer and the Congress for the situation for which nobody

but himself and his advisers are responsible. I want labor to have decent wages but defense labor today is at least 50 percent too high and out of line.

Mr. Chairman, the farmer is eager to do his part. He is willing to barely exist as far as returns for his products are concerned. He wants to buy War bonds if he can. He wants to help where he can. He resents, however, to be held up unjustly by the administration as a money grabber when all he asks for is a fairly even break with other groups. Neither he nor anybody else can pay defense wages to farm labor and break even financially with the present method of figuring parity. Give agriculture a square deal and the farmer will work 16 hours a day, 6 days a week, to try to produce what food he can for our boys on the front line, for our own people at home, and for the starving peoples of other nations after this awful war has been brought to a successful termination. We will win this war, please God, but all groups must sacrifice equally. The boys on the front are willing to die. Let us show our appreciation of that here at home.

Mr. HOOK. Mr. Chairman, I rise in opposition to the pro forma amendment. I have listened very attentively to the debate here yesterday and today. I think that one of the troubles is that we have too many absentee farmers. I think that this Congress, if it had properly followed the recommendations of the President of the United States and arranged a program whereby a family-sized farmer would be taken care of, and the man who operates his own farm would be properly taken care of, and have given the Farm Security Administration authority to go in and help the small family-sized farmer instead of paying your tribute to the American Farm Bureau Federation, you probably would not have the shortage of labor on the farms that you have today.

May I suggest at this time that while we are considering this problem that we authorize the President of the United States and delegate authority to him coupled with the necessary appropriation to aid the family-sized farmer and to rehabilitate him to the point that he will be able to produce to the full limit of his capacity because the needs for food and fiber are increasing steadily. A steadily growing army of fighters and a steadily growing army of workers brings an increased demand for farm products. The disruption of food production in many of the nations at war means that American food will be needed all over the world for our allies today and for most of the world when the fighting stops. That is the reason that inflation threatens us.

Our national farm plant is undergoing serious dislocations. I realize that farm labor shortages are becoming increasingly serious. Rubber-tire shortages are threatening to cripple tractors and farm automobiles. Machinery already on farms is wearing out and very little new machinery will be available. So you see it is not only the farm-labor shortage that is being so seriously discussed here today that is the only problem that confronts us. Some of the reasons that our crops are not being harvested is the lack of machinery. Many of the large commercial operators who depend on hired labor and whose farms are completely mechanized will be forced to decrease production when increases are needed. We should be a little more lenient in providing the necessary machinery for the harvesting of these crops, because before long the farm problem will be one of lack of production and the question will be who can produce at all—not who can produce most efficiently.

The answer, as I see it, and the challenge to be met, as I see it, can be met by the small farms of the country. The small farms of the country can and will supply the answer to this problem. They number more than 2,000,000, and they have the labor they need to run their farms right in their own hands. Lack of machinery is not as big a problem for them as it is for the big commercial farmers. They do not need as much machinery and they can share what they have. These families, the small men, the men who actually toil on the farms, the family-sized farmers, if you please, according to the 1940 census, produced total farm products worth less than $800 per farm. They were and are underemployed. The large commercial farmers, because of the billions of subsidies that were dished out to them, were overemployed. All the small family-sized farmers need is to have the American Farm Bureau Federation and the professional farm groups, political lobbyists, if you please, off of their neck to the point that the small men will be able to operate without hindrance. All the small men need are small loans and guidance and you will have your increased production. You will have it without inflation. They will be more than pleased to follow along the definition of parity as requested by the President of the United States, and give to you the needed food and fiber. That is the way to stop inflation. All the small men need is a chance, but they will not have that chance with the chambers of commerce tying in together with the big farm organizations headed by the commercial farmers sending their telegrams and orders throughout the Nation advising people to wire their Congressman to vote for and support the Paul Brown inflation amendment.

The family-sized farmer is not getting help to really go out and produce the food that is needed and the necessary food and fiber that are needed in this war program. You are not going to get your increase in production from a group that is represented by the American Farm Bureau Federation, which represents the large commercial farmers or from the big packers of this Nation. If this Nation is to be able to obtain the proper necessary increase in production, you will have to get it from the man who operates his own little farm.

I hear the argument today, a threat if you will, by the big commercial farmers, the spokesmen of the chambers of commerce, that unless they get this or unless they get that, in fact, unless they get what they demand, they will refuse to produce food and fiber. These were the same men who stood on the floor of this House and shouted to the rafters that the laboring men of this Nation were guilty of treason because they asked for just dues. They charged labor with being unpatriotic, with slowing up the production program, and they now make the same threat in the midst of the war after Pearl Harbor, while American boys are fighting and dying on the battlefields. It seems to me that there is a lack of national unity and that there is a lack of American spirit. By that I mean that certain selfish, greedy group—and I do not mean the farmers of this Nation, but those who are farming the farmers—who are interested in themselves only and refuse to cooperate with the President of the United States in his frantic efforts to bring about an all-out 100-percent production on the farms and on the assembly lines. It all depends on whose ox is being gored. We as Americans in a life-and-death struggle should quit this quibbling and should organize, sacrifice, and cooperate with the President of the United States and those whom he has delegated to do the job and go in for an all-out total war effort. The war can only be won in such a manner.

I do not like to make statements such as I am about to make now, but under the circumstances I am forced to do it. I might say that Goebbels and Hitler could not wish to read any better Nazi propaganda than has been spread on the floor of the House here today by some of those who profess to be 100-percent American. I do not question their loyalty to America, but I do question their good judgment in this most vital problem.

It is about time that we looked over the record of what labor and labor organizations have actually done. They are now and always have been cooperating with the President of the United States for an all-out 100-percent production. They have refused to go out on strike. They have given every ounce of effort that is within them to produce and to do everything possible for an all-out total-war effort. Labor has demonstrated its loyalty in this war. The small farmer, the average farmer throughout the United States, has demonstrated his loyalty and his patriotism along those lines. But the big commercial farmer is the stumbling block that is impeding the small farmer from going ahead. It is about time that we had cooperation between labor and agriculture and industry and that we realize that we must sacrifice and that we must do things in the interest of winning this war. I do not know whether I am correct or not; but if I had my way, I would vote for a simple resolution authorizing the President of the United States to have full power to go ahead and take care of this problem exactly as it should be taken care of and let the chips fall where they may; and if we do that, we will have placed the responsibility upon the Commander in Chief of this Nation. If he is big enough, if he is strong enough to be charged with the responsibility of being Commander in Chief of our armed

forces, we should place in him the authority to do the job. He will, I know, accept the responsibility of being in charge of the program that will furnish those armed forces with the necessary equipment to fight and also the necessary food to equip them to keep them alive on the fighting lines.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. HOOK. Yes.

Mr. O'CONNOR. I know the gentleman is favorable to labor, and likewise I think he wants to be fair to the farmer.

Mr. HOOK. I certainly do.

Mr. O'CONNOR. I believe that the gentleman will follow the message of the President and help today to write into the law that the cost of labor will be figured in parity prices to the farmer.

Mr. HOOK. If you will give the small family-sized farmer—if you will authorize the Farm Security Administration to go down to the small family-sized farmer and give him help, you will see that he will be able to get parity for his products and his labor.

Mr. O'CONNOR. The gentleman wants to follow the President, does he not?

Mr. HOOK. I certainly do, but in following the President, who in my opinion is right 100 percent with regard to stopping inflation, I must reluctantly submit I will not travel in the same direction of the gentleman from Montana because he is going sled length in the opposite direction and that is the road to high cost of living and inflation with its ultimate ruinous results.

[Here the gavel fell.]

Mr. HINSHAW. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I think it is quite evident that if we had adopted the Gore bill a year ago we would not be in this mess today. I voted for the Gore bill, which embodied the ideas of Barney Baruch gained through his experience as Price Administrator in the last war. Out in my country we have dairies that are operated in the Los Angeles metropolitan area. At one time they paid milkers in those dairies $100 to $125 a month. Now it is $200 and $225 a month, and they cannot get enough of them. If you think a dairyman can sell milk under a price ceiling established several years ago on any kind of a parity basis and pay those wages, you have got something else to think about. Dairymen are selling their herds to the packers and that spells a shortage of dairy products in the not distant future.

But that is not what I rose to discuss primarily today. I hold in my hand a printed sheet, printed on both sides, about 12 by 20 inches, which is the formulative regulations by the Office of Price Administration for the establishment of price ceilings on aircraft, aircraft subassemblies, and parts. I had thought that the Office of Price Administration was supposed to be concerned with consumer goods, but evidently I was mistaken. I would think that in controlling prices of consumer goods they had plenty to do, without concerning themselves with the business of the W. P. B., the Army and the Navy, and the W. L. B.

Last spring when the President declared his seven-point program the representatives of aircraft labor and manufacturers promptly assembled in Washington for the purpose of discussing stabilization of wages with Government officials. They arrived at some basic agreement and then went home for further meetings. When they got there and opened their meeting at home a representative of the Office of Price Administration showed up and offered this sheet and a whole stack of other stuff demanding a cost accounting on aircraft and aircraft subassemblies and parts as of March 31, 1942, with a wage base as of April 27, 1942, stating that the intention of O. P. A. was to establish price ceilings on these defense articles as of March 31, I believe. They proceeded to completely throw all negotiations between employers and employees into a turmoil by announcing that there would be no stabilization of wages, even though the President had said there would be stabilization. This whole group had to return then to Washington for further negotiations, and as far as I know they are still here. The Office of Price Administration, in other words, has attempted to override the War Labor Board, the War Production Board, the Army, the Navy, and all of the other agencies of Government that had to do with defense industries, and take unto themselves the powers of negotiation supposedly residing in these agencies. Perhaps by now the muddle is straightened out—I do not know.

Of course the great difficulty involved in this "Title 30, National Defense, chapter 11, Office of Price Administration" sheet is the fact that they demand a cost accounting and propose to freeze wages. If anybody can tell me how you can arrive at the cost of a contract that is not yet completed I would like to know how to do it. It would take more accountants than there are in the United States to figure it out, and they could not then give more than an approximate answer.

I would like to ask the gentleman from Tennessee [Mr. GORE], who is the only member of the committee on the majority side who is paying attention at the moment, whether or not it was his idea that the price-control bill was supposed to have anything whatever to do with the prices of defense articles?

Mr. GORE. In reply to the gentleman I will say that authority is clearly granted to place maximum prices on those articles.

Mr. HINSHAW. Was it the gentleman's idea that the purpose of the Price Control Administration was to monkey with the prices of defense articles, or was it consumer goods?

Mr. GORE. If necessary, certainly.

Mr. HINSHAW. Then how does the gentleman expect the Army and the Navy to satisfactorily negotiate contracts for the delivery of defense articles?

Mr. GORE. Certainly the gentleman does not think that we should leave all work connected with the war program beyond the realm of regulation?

Mr. HINSHAW. Does not the gentleman think that the Army and the Navy are able to regulate the prices of defense materials? They negotiate the contracts and know what they want, when they want it, and the quantities needed.

Mr. GORE. Certainly the Price Control Act was intended to apply to many of those basic commodities, or else the increased cost of the war would be stupendous.

Mr. HINSHAW. I agree with the gentleman as far as basic commodities are concerned, but this is for aircraft, aircraft subassemblies, and parts. The same thing could be applied to antiaircraft guns, tanks, trucks, or anything else.

Mr. Chairman, one great point in the President's seven-point program of last spring was stabilization of wages. This part of the program is badly needed to stabilize labor in their jobs. Stabilization should be arrived at quickly and on the basis of proper job classification on a regional basis. That should be accomplished in order to insure a minimum of labor turn-over in defense industries. Defense industries have been bidding against each other for skilled as well as unskilled labor in an ever-thinning labor market. That could be stopped by wage stabilization and when it is stopped then training and experience will improve the production of defense articles, and the war effort will be increased. Wage freezing may come but stabilization should precede it.

[Here the gavel fell.]

Mr. CREAL. Mr. Chairman, I move to strike out the last six words.

Mr. Chairman and gentlemen of the jury, somebody has committed a wrong in the last few days and we have before us a list of 8 or 10 of the accused parties. Seven or eight middle men, some transportation fellows, some higher wage boys, and one old horny-handed farmer is also in the accused list. He is my client for whom I would like to enter a plea of not guilty as to who threw the rock.

Before this war ends you are going to hear the anguished cry in America, "When do we eat?" It is of very little importance, this floating dollar that seems to be in abundance, as to what particular citizen grabs the bigger corner of it in tearing that bill in two, whether it is John, Bill, or Jack, but I do not like the system that we are now about to propose on that far greater question as to "When do we eat?"

You appeal to patriotism for a man to stay on the farm. I appreciate that compliment very, very much, because in that you ascribe to the 25 percent of the population a greater degree of patriotism than you expect others to pay any attention to who have been lured by the dollar. Will patriotic appeal alone keep a man on the farm when just a few miles away he could throw his tools down and improve his financial condition and let the farm stand idle? That is the perturbing question to me. While we want people to have their fair share, that fades into insignificance. When you make an error about an airplane you can correct it immediately. If you have too many men in one factory you can ship them overnight to another, but when you make a mis-

take and sleep on the job about the question of the abundant food supply you cannot correct it in the shortest time less than 12 long months, and a man could get hungry in that time.

I want to ask every man here if he does not believe this statement true: If the farmer's price had not raised one single red penny in the last 6 months and had been frozen by an act of law there would still be the rise in what you buy to eat? You know and I know that there would be practically no difference in what the consumer pays if there had been no rise in price whatever in what the farmer sold. Did you not hear the gentleman from Washington speak the other day of the $17.50-per-ton onions hauled 25 miles in his own truck to market that retailed at 10 cents a pound, or $200 a ton? Do you not believe that the people would still be paying 10 cents per pound if onions went up or down a dollar a ton? Let me amplify with a striking illustration. I eat up here at a little restaurant occasionally. I am very fond of peach pie. They used to serve a quarter section of pie for a dime. The other day I noticed their prices and found the pie marked at 15 cents, but lo and behold, when it came instead of being a quarter it was one-eighth. He had doubled the number of pieces of pie in the peach pie and then added 5 cents to the price of each piece, a jump of 80 cents per pie instead of 40, and all the material that went into that pie, a scanty crust and that little smear of peach that you could smell on the crust—all of that at no time since Pearl Harbor or any other time, to Mr. Peach Grower in Georgia or somewhere else, did not fluctuate in price more than one and a half or two and a half cents—all the material that went into that $1.20 pie.

You are after the wrong man. My man is the least guilty of the whole crowd. He is the only man you propose to put the hooks to specifically here, and when you do that you will furnish the consumer no relief.

Mr. CREAL. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CREAL. Since when has Congress ceased to have authority to make a definition? Can we not define whisky for the purpose of collecting revenue? Can we not define tobacco? Can we not define what coca-cola is? All we propose to do here is to say what parity is. The only substantial objection to that would be that we are not properly defining parity. If the power exists somewhere to ignore our definition today it will still exist tomorrow and next week; but where is there any wrong in defining anything? Then when you pick up that tool we have defined, such as tobacco, or whisky, or parity, or coca-cola, the man using those tools in seeking revenue or limitations may act according to his own notion. I am not going to say whether there is the power already or not; I will say that if the power exists today to ignore parity, it will still exist after we have given a proper, sensible, logical, scientific, legal definition of parity.

Are you going to surrender your right to define anything in the manner in which it should be properly, scientifically, legally defined? That is the question. Define it, define it properly; let the men use it as they claim to have the power to use it. I cannot see any reason whatsoever in not being able to give definition to any law you pass, to state what is the proper and legal definition of the objects affected by the law.

Mr. Chairman, as I said in the beginning, I am not so interested in the question of who grabs the dollar as I am afraid of what is about to come upon us. I have been home myself for a month. I know of farms that are absolutely idle and that are going to be that way next year. I know that production is going down. You had 8,000,000 last year, 7,000,000 this year, raising something to eat. Would it be rather high to state that you are going to have 6,000,000 next year? And had you ever thought when dealing with the problem of production that in some years God Almighty steps in with a drought with sometimes a resulting 50-percent reduction in crops? We have had several pretty good years. Nature has a way of repeating herself; we are about due, according to the cycle, for a drought—a 50-percent reduction in yield per acre on a 25-percent manpower acreage. It just takes one year like that to raise the question, When do we eat?

Mr. GILCHRIST. Mr. Chairman, we have under discussion the House bill (H. R. 7565) to amend the Price Control Act of 1942, and for other purposes. I shall support the amendment by the Chairman of my Agricultural Committee, Mr. FULMER—sometimes called the Brown amendment—which provides that in computing parity prices for farmers there shall be taken into consideration an element which has never before been considered, namely, the cost of farm labor on the farm. It is just as essential for us to consider the cost of farm labor as it is for us to consider the cost of industrial labor or any other kind of labor when we come to fix parity prices.

Today the industrial worker gets from 200 to 300 percent of the wages that he got during the parity or base period. He gets from $1 to $2 per hour in war-production plants in contrast to the 30 cents per hour that the farmer really earns in his laborious work. A farmer works more hours and as industriously and for less pay than any other workingman. He works harder than others, and more intelligently, and he also works in a highly skilled occupation. As a superintendent and manager of a business, his returns are very meager when compared with the wages or salaries that other managers get in every other form of endeavor. His work is highly exacting. It requires attention every day. He has no annual leaves or holidays, and a large part of Sundays even must be spent in looking after his livestock and his farm. His family also works hard from sun to sun. His wife and his children must employ themselves in constant labor. But under present laws and present formulas for fixing parity prices none of these things are considered. Indeed, and as late as September 7, only about 2 weeks ago, and in a solemn message to Congress, the President himself said that parity prices "must include all costs of production, including the cost of labor."

Notice that he uses the imperative verb "must" when saying that all costs of production, including labor, must become a factor in fixing parity prices. Even if his language had not comprised the words "cost of labor," still the words "all costs of production" would have fully covered this point because labor is a part of the cost of production, and it is not fair that farm labor should be excluded in any computation when it is included in all other formulas or concepts for parity prices. In the President's message he emphasized this very thing by including the words "cost of labor." There can be no mistake about that. The language is plain and imperative in nature.

The base period for farm parity is fixed at a time when the whole country was prosperous and was going ahead in full enjoyment of all of the things that make American life satisfactory and happy, and when every group of our people and every section of our country were prosperous. The years from 1909 to 1914 were fixed upon as the parity, or base, period.

This formula for parity is now outmoded and ancient, because it covers a period 30 years ago and had to do with another generation of men. Nevertheless it is still fixed by law and we still go ahead with it. But it was not fair to farmers in the first place, because the annual per capita income of farmers at that time was only $134, while the annual per capita income of nonfarmers was $488. This in itself is not justice. There is no equity in saying that farmers should get only $13 for their work while everybody else is getting nearly $49 for it. But the formula is fixed and we are bound to go ahead with it during these times and under the present bill. Cost of production, if it could be figured properly, would be a more honest and a much better formula, but this presents many difficulties, while the parity formula makes computation easy. In this sense it is a lazy man's formula.

The same disparity still exists at the present time. Our net income last year for the whole country was about $92,397,000,000, but farmers got no more than about $10,000,000,000, although they had about 25 percent of the population. Some figures indicate that they got a little more than this, but nobody pretends that they get more than one-eighth of the national income, although they had one-fourth of the population.

At this point I stop to say that it seems silly to believe that with $82,000,000,000 to spend in the hands of wage and salary earners and only $10,000,000,000 to spend in the hands of the farmers that the farmer will cause any great inflation. On its face it is ridiculous to damn the farmer with the inflation threat or to accuse him of being the cause of any inflation. Furthermore, we confidently assert that the huge debts which piled up previous to our entry into the war, and

which are still unpaid, added to the enormous debts that we are piling up now in our war effort, can never be paid with cheap prices and cheap incomes. It is foolish to believe that a period when prices are on a low plane will pay the enormous taxes and liquidate our enormous obligations and at the same time contribute to our war effort. The farmer is not now and can never be the cause of any serious inflation. It is a joke fitting for cheap burlesque-stage comediennes to assert that our farmers can or will or want to cause any inflation.

During this entire discussion I have never heard anyone point out facts, as distinguished from mere opinions and from mere guesses and from mere predictions, which will go to show that by including labor costs in the computation of parity prices—as the President 2 weeks ago thought we should do—would cause inflation. Guesses are not good arguments when used to commit a wrong or an inequality or an injustice.

There has been a wicked misrepresentation of the purposes and intentions of those who want farmers to get honest parity formulas. The metropolitan press and the demagogic soap-box orators try to frighten our people by shouting that the proposal we are now considering will cause inflation and a tremendous rise in the cost of living. They present no facts. They content themselves with mere conclusions and abstract platitudes. The farmer does not get high values for his products. The fact is that there is a tremendous rise in the price of his products between the farm and the dinner table. It is this spread that should cause apprehension among housewives. But why blame the farmer for it? What he now asks will not cause a penny more expense for your dinner table. If you give justice to the farmer, the food that you eat at your meals will not be increased in price.

Heretofore I have many times given facts which prove that this spread is the thing that causes higher prices, and not the price actually paid to the farmer. During this discussion I have picked up at random a few articles which I submit for your consideration. The facts surrounding these examples apply to practically all other kinds of farm commodities.

BREAD

The Division of Information in the Agricultural Adjustment Administration says that the average cost throughout the United States for a loaf of bread is 8.3 cents, and that the farmer's wheat in that loaf of bread nets him only about 13 percent, which is a little less than 1.1 cents. Now, suppose that you would pay the farmer one-tenth of 1 cent more for the wheat that goes into that loaf of bread. Is anyone gullible enough to believe that this would cause inflation? Is anyone gullible enough to believe that this is the thing that would cause a higher cost of living? It is the high cost of this spread that we ought to inquire into and not blame the farmer for wanting his wage outlay computed in the formula exactly the same as other people get.

WHEATIES

I call to your attention this package of Wheaties that I bought this morning to use as an exhibit. It is an 8-ounce package and costs you 13 cents when you buy it for your breakfast. This is at the rate of about $14.56 per bushel for wheat, whereas the farmer gets only about 96 cents per bushel. If you eat the farmer's wheat, then you ought in justice to pay him the cost of production and a profit or else you ought to go hungry. Do you think that by raising the price of that wheat from 96 cents to $1.05 would cause any inflation? Certainly not—because you would buy your Wheaties at exactly the same price that you pay for them now.

SHREDDED WHEAT

This box of Shredded Wheat which I have here affords a like example only that you are paying $8.96 a bushel for wheat when you buy it in this form. The same thing is true of the wheat preparation called Pep, which you buy in small packages at the rate of $11.76 a bushel for wheat. And another good example is flour itself, where there is ar enormous spread in the cost of what you pay at the grocery store and what the farmer gets for his wheat. Adding 5 cents or 10 cents a bushel for wheat will make no difference in these prices, and you should laugh at statements contained in metropolitan newspapers and made by eastern politicians to try to scare you with the bugaboo and cry "Inflation."

CORN

I paid 8 cents this morning for this box of corn flakes that I hold in my hand; it contains 6 ounces, and at this rate corn would sell for $11.92 per bushel. If the farmer got nothing at all, they would still be charging you just as much for this corn when you buy it in this form. I sold corn in 1937 for about 37½ cents a bushel. The cost of corn flakes then was practically the same as it is now, and corn is selling now for about 70 cents a bushel out on the farms in my district. If they would double this price, it would not add to the high cost of living or be responsible for inflation. When they cry "Boo" at you, please do not become alarmed. They give no facts and no figures, but prey upon your credulity.

POTATOES

They are paying farmers here around Washington about $2.25 for 100 pounds of potatoes; but when I went to the store and bought this can of shoestring potatoes I paid at the rate of $72 per 100 pounds of potatoes. Of course, there are some highly colored lithographs on the outside, as you can now see. But however attractive the picture of the young lady is to the eye, nevertheless, one cannot eat the labels. It will be all right with me if you want to pay $72 for a hundred pounds of spuds. It will be all right with me, but then do not go ahead and damn the farmer for the high cost of fried potatoes.

RICE

So, too, it is with this package of Rice Krispies that I now show to you. This rice cost 32 cents a pound, but the farmers are getting only a fraction of such a price out in their rice fields.

OATS

Here in my hand is the old-fashioned package of Quaker Oats. There are some good recipes here also showing the housewife how to use these oats. They tell us that Mother's Oats, and Old-Fashioned Quaker Oats, and the Quick Quaker Oats, and Aunt Jemima's Old Plantation Pancakes are a treat at any meal. This is true—but you pay $6.40 a bushel for these Quaker Oats when you go out shopping and buy for your breakfast tomorrow morning. I sold oats for 21 cents a bushel in 1939, and at the present time they are about 38 cents out on the farms in my congressional district. The price of Quaker Oats in 1939 was practically the same as it is now. So beware. Have a care. The bogeyman will get you if you dare pay the farmer anything like the cost of his labor in producing oats.

Passing now from cereals and grains to other things, it was said yesterday on the floor of Congress that a can of beans packed down in the Congressman's district would cost 10 cents or 12 cents, but the farmer got only 1 cent for the beans. Well, they would charge just as much for this can of beans if the farmer gave them a bonus to come out on his farm and rid him of the beans. Of course, any farmer that hoped to get 2 cents instead of 1 cent for his beans ought to be sent to the penitentiary, or else he ought to be drawn and quartered and his head set upon a gibbet post at the gates of the city because he would then be guilty of the awful crime of inflation. Oh, men and women of America, be on your guard. Do not allow farmers to cause runaway prices for their beans. All other farm vegetables run about the same way.

For example, tomatoes were selling in the local markets in Yakima, Wash., for 8½ cents per pound, which would equal $170 a ton. But the farmers there are getting only $17.50 for a ton. Our theorists and dreamers have some very unique ideas about farm parity.

Congressman HILL says also that onions in his State go at $15 a ton to the farmers; but these onions sell at $100 a ton when you buy them in the local retail grocery stores. All right, any farmer who would raise onions should be an outcast and pariah, and exposed to infamy and never be allowed to associate with upright Christians in America. He is the cause of unwarranted inflation.

TOBACCO

The American Tobacco Co. last year made $28,000,000 in profits which is more than all of the farmers got for their entire crop of tobacco. The farmer does not get the money. It is the spread. A lot of smoke camouflages the tobacco markets when the farmer tries to get justice. Producers in some parts of Wisconsin are getting only 4 cents for milk that is sold in the markets at from 14 to 17 cents per quart.

Examples could be multiplied many, many times. For instance when you eat an ear of corn here in Washington you are paying $45 a bushel for it and it is

not very good corn at that. Our Iowa roasting ears are bigger and better and more succulent and sweeter anyway, and nobody ought ever to buy any corn in the city of Washington because it will cause inflation, just the same as those dairymen out in Wisconsin will cause inflation when they sell their milk for 4 cents a quart.

The chairman of our Agriculture Committee says that he is wearing a shirt that has about 1 pound of cotton in it. It is a good shirt all right; but he claims that if you added 1 cent or 2 cents more to the price paid the farmers for the cotton that is in it, the shirt would have cost him exactly the same as before. They pay $2 a hundred or about $30 for picking a bale of cotton in the Southland, and then they get only from $75 to $80 per bale, and the farmers are suffering under the low prices which they now receive.

The same principle applies to a suit of clothes. If you add a little to the price of the wool that is in it, the suit would not cost a penny's worth more. In a 65-cent dinner the farmer here gets only about 12 cents. If he got a penny more they would not charge you any more for the dinner.

Four of the great farm organizations are begging us for justice in the passage of the Brown or Fulmer amendment which will make the cost of farm labor a factor in fixing parity prices. They have sent a very remarkable argument in the form of a telegram to every Congressman. This was joined in by the American Farm Bureau Federation, the National Grange, the National Council of Farmer Cooperatives, and the National Cooperative Milk Producers Federation. Their members produce most of the food and fiber raised in this country and they ask that we make mandatory the inclusion of farm labor in determining farm-price ceilings. They say that this is necessary to produce the Nation's food and fiber supply.

The very best protection against inflation is abundant production. Unless farmers can pay adequate farm wages, production, which has already passed its peak, will decline. Many farm products are to be rationed right away The shortage in farm labor is apparent and ominous and it threatens our war effort and the very existence of our farm life. Our farm boys have been taken by the draft into selective service. They are being drained off of the farms by the higher wages paid in industry and war-production plants. The farmer cannot get labor-saving devices such as binders and combines, and the demand for more production is insistent. We have a shortage in production in many things right now.

We must give farmers sufficient income so that they can compete for labor in this crucial time. Our war effort is imperiled. Next year farmers cannot produce as much as now. Meat is already rationed or is about to be. It is high folly to say that farm labor shall not be considered in making up prices for their production, especially when we know that all other labor is considered.

The amendment proposed does not put a floor under farm products nor prevent them from going as low as the market brings them down to. It does not require the payment of any higher prices to farmers, whereas all other labor is protected by laws which fix minimum prices and maximum hours. All we ask is that in fixing ceilings upon farm prices, then that labor involved in the cost of producing these foods and fibers shall be considered as a factor. Statements are frequently made that this will raise the cost of living. It is not so. What the farmers will get out on the farms will not raise living costs. On the contrary this proposal will have some tendency at least to bring in more production; and an increased supply will not raise any market prices. The law of supply and demand still operates even in these times.

Housewives have been frightened by the misrepresentations and fraudulent and untrue statements that have been made as to the effect of this proposal. It is about time that metropolitan papers should know that farming and farm prosperity is essential, and that without it the whole structure will collapse and our war effort will fail. Food is the first requisite of armies.

The Agriculture Committee upon which I serve has issued a terse statement in which the following facts are stated:

First. Farmers are ready and willing to undergo any sacrifice necessary to win the war. All that they ask is that the President carry out the purport of a message he delivered to Congress some time ago to the effect that this war must be fought and won on an equality of sacrifice.

Second. Farmers ask no more than a fair price.

Third. The President should stand by the plain language of his message of September 7 saying that parity prices must include all cost of production, including the cost of labor.

Fourth. Returns to farmers always have had and always will have a distinct bearing on production. Do not reduce prices below the cost of production and thereby bring about a critical shortage of food.

Fifth. Give more thought to remedying the wide spread between the prices the farmer receives on the farm and the prices that the consumer pays in the market.

Sixth. The threat of inflation has already been retarded and kept under control by the increase in production of some commodities. No fair person can believe that farmers who constitute 25 percent of the population and receive a cash income of less than 10 percent, or $10,000,000,000 out of the estimated national income of $113,000,000,000, can be charged with contributing to any inflation.

Seven. Parity prices on farm commodities as now computed are unfair and do not reflect the cost of production. This is particularly true of those commodities which are now selling above parity, because these commodities were selling at exceedingly low and ruinous prices during the base period. Giving them a parity status as based upon a ruinous foundation will not raise them up to the cost of production.

The opposition argues that there has been a rise in the percentage of labor returns for the farmer since 1939, and that this rise equals or exceeds the percentage of rise since 1939 in industrial labor. This statement is a mere trick and reminds one of pettifogging arguments sometimes made to juries by lawyers who have a paucity of sound reasoning. Not long ago a certain automobile firm boasted that its production in the then current year had increased 700 percent. Fine. Splendid. But when the truth was discovered we found that this firm had built only 2 automobiles in the previous year, and in the current year it had built only 15 automobiles, and it was therefore able to boast about a 700-percent increase.

The fallacy of this argument is readily seen. So in the present case we learn that the price of farm products in 1939 was at such an exceedingly low ebb that it did not return the cost of production. Oats were 21 cents. I sold them for that. Corn went for from 35 to 37½ cents. I sold it for that. Of course, there has been a percentage of increase. But this "percentage" argument as applied to the present bill is fallacious and tricky. Although labor is receiving substantially greater income than during the last war, farm prices average less than 60 percent of the top prices of the last war. We must now protect all labor; and we must be sure to protect the consumer and the housewife from the threat of any high cost of living. Farmers are interested in this, and their demand for honest parity prices will not cause hardships to anybody. We must all sacrifice, and this sacrifice should be shared equally by all groups.

We must and we will win this war. But we cannot do it by depressing farmers and farm laborers. We must give every support to the Army and the Navy and the President, who is Commander in Chief.

Mr. HILL of Colorado. Mr. Chairman, I move to strike out the last paragraph.

Mr. Chairman, no group in America is more patriotic than our farm population. In every struggle that has faced this Nation American agricultural leaders have shown by their deeds the deep love and devotion that they have felt for their country. In this present crisis we have another demonstration of their abiding faith and loyalty to our democracy. Every farm family in America is willing and anxious to produce to the limit to see that our boys at the front and our Allies have plenty of food and clothing as well as the finest military equipment that is possible for us to provide them.

Long hours and intensive labor have always been the lot of those who till the soil. During harvest seasons when the available labor supply is short, every member of the family becomes a part of the necessary labor supply line and works extra hours, even to the extent of human exhaustion, to bring in the grain or finish the harvest.

But there is a limit of human endurance. When we see necessary farm labor, with experience, drafted into the

armed service, sons of farmers long past middle age, who have been depending on this help for many seasons past, we understand why some of our best farm operators are planning on the curtailment of acreage and the cutting down of the farm operations because of inexperienced farm labor. If this continues we may face a real shortage of farm products before this war ends.

With the uncertainty of unfavorable price control manipulation, with labor shortage, and the freezing of labor saving farm machinery, the future for favorable operation of farms seems questionable. Little blame can be placed on the shoulders of our farmers when so many unfavorable circumstances face food production in this country.

Mr. Chairman, this would not be so serious if it were not Nation-wide. The cranberry grower of the New England States, the vegetable grower of the Middle Atlantic, the cotton grower of the South, the corn producer of the Mississippi Valley, the wheat producer of the Great Plains, the cattle and sheep growers of the West, the beet producer of the Mountain States and the west coast, and the fruit grower of the far West and the South all face identical situations. Now this House would add to the confusion by passing a measure definitely fixing farm prices or ceilings without consideration of the increased cost of production placed on our farm operators. Gentlemen, it simply does not make sense. For your information I shall include as part of my remarks tables of farm prices for the past 5 years, plus a 5-year average column. These tables were supplied by the agricultural marketing service and the economics department of the Colorado State College of Agriculture.

Average prices received by farmers in Colorado

[Figures compiled from Agricultural Marketing Service reports]

Commodity	Aug. 15 1938	Aug. 15 1939	Aug. 15 1940	Aug. 15 1941	Aug. 15 1942	Aug. 15 (5-year average)
Wheat, per bushel	$0.45	$0.48	$0.55	$0.83	$0.89	$0.64
Corn, per bushel	.53	.50	.66	.67	.80	.63
Oats, per bushel	.25	.30	.33	.35	.40	.32
Barley, per bushel	.27	.35	.39	.40	.50	.38
Potatoes, per bushel	.41	.65	.50	.55	1.15	.65
Hay (loose), per ton	7.10	7.50	7.50	5.90	7.20	7.04
Alfalfa, per ton	6.80	7.80	7.80	6.70	7.70	7.36
Apples, per bushel	.90	.70	.70	.65	.85	.76
Hogs, per hundredweight	8.00	5.30	5.80	10.40	13.90	8.68
Beef, per hundredweight	6.70	7.10	7.50	9.20	11.20	8.34
Veal, per hundredweight	7.80	8.20	8.90	11.20	13.70	9.96
Sheep, per hundredweight	3.10	3.50	3.15	4.55	5.40	3.94
Lambs, per hundredweight	7.20	7.60	8.10	10.00	12.90	9.16
Milk cows, per head	51.00	55.00	56.00	73.00	90.00	65.00
Horses, per head	65.00	65.00	56.00	65.00	76.00	65.40
Mules, per head	84.00	88.00	79.00	74.00	90.00	83.00
Chickens, per pound	.141	.117	.113	.151	.178	.140
Turkeys, per pound	.15	.14	.13	.14	.17	.15
Whole milk, per hundredweight	1.35	1.35	1.50	1.80	2.15	1.63
Butter, per pound	.27	.25	.28	.35	.40	.31
Butterfat, per pound	.21	.21	.24	.32	.39	.27
Eggs, per dozen	.197	.153	.148	.240	.291	.206
Wool, per pound	.19	.21	.26	.33	.40	.28
Dry beans, per hundredweight	3.80	3.30	2.40	2.65	3.95	3.22

Under another table, I offer the 1941 percent of parity and the 1942 percent of parity. These tables are worth careful study. They paint a real picture of present conditions:

United States farm prices in percent of parity, Aug. 15, 1941 and 1942

[Figures compiled from Agricultural Marketing Service Reports]

Commodity	1941, percent of parity	1942, percent of parity
Wheat	74	71
Corn	80	85
Oats	60	70
Barley	51	60
Rye	50	45
Dry beans	91	87
Potatoes	73	107
Hay	47	49
Apples	65	79
Hogs	106	128
Beef cattle	123	137
Veal calves	114	126
Sheep	82	82
Lambs	120	135
Butterfat	106	107
Whole milk:		
Hundredweight	107	106
Retail	117	115
Chickens	105	113
Turkeys	82	91
Eggs	95	102
Wool	143	142

As a final table, I offer a list of the usual farm products of my territory, figured as to the increased cost of labor. Here again you begin to understand why many farmers are not reaping the financial harvest many of our city farm advisers would lead you to believe:

Effects of increases in labor and feed costs on the total cost of producing certain farm commodities

Commodity	1942, percent increase over 1941 in labor rates	Percent labor cost of total cost of production	1942, percent increase over 1941 in feed prices	Percent feed cost of total cost of production	1942, percent increase over 1941 in cost of production
Wheat:					
Irrigation	67	14	------	------	9.4
Dry	60	20	------	------	12.0
Barley	67	11	------	------	7.4
Oats	67	11	------	------	7.4
Potatoes	50	28	------	------	14.0
Sugar beets	38	40	------	------	15.2
Alfalfa	60	15	------	------	9.0
Butterfat	67	20	20	60	25.4
Whole milk	67	20	20	60	25.4

For your further information it might be well for us to consider what our national farm organizations are thinking on this matter. I quote from recent statements.

National Association of Commissioners, Secretaries, and Directors of Agriculture:

1. The so-called parity prices are not only a misnomer, but in no way represent equitable parity to the farmer. On the other hand, they do him a great injustice. This is because this so-called parity is based on an old formula of calculation that is both unjust and discriminating to the American farmer.

2. Present prices for commodities, which are the same as wages to the farmer, represent on the average less than 20 cents per hour for his toil and work as compared to 60 cents to $1 or more an hour for the industrial worker.

3. Even if our farmers received 110 percent of the so-called parity prices it would represent on an average less than 25 cents per hour for their work and below actual cost of production.

4. It should be especially borne in mind that the advance in commodity prices since 1939 was from the ruinous low level of only 52 percent of the so-called parity.

5. Compared to the 1909–14 price levels, commodity prices on the average are up less than 51 percent compared to an advance of 197 percent in the wages of the industrial workers. In other words, wages of the industrial worker have advanced four times compared to the advance in price of commodities.

The National Grange:

Plentiful production. To win the war we must have vast supplies of food, equipment, and munitions for ourselves and our allies. We must protect our machinery of production from any chaotic economic upset such as would accompany inflation.

A just peace will require equally vast supplies of ready food for a starving world and a foundation for rehabilitating Europe's agriculture. A return to peacetime conditions without destructive deflation is possible only if we have avoided inflation during war days, and if we develop ways of preventing prices from falling below compensatory levels. In our judgment, maintenance of production is domestic problem No. 1, with the prevention of inflation running a close second.

The problem of production and the prevention of inflation are inseparable. The two chief causes of inflation are rising costs and the pressure of income upon short supplies. The surest defense against inflation is plentiful production.

National Farmers' Union:

The immediate stabilization of farm prices, wages and salaries, and profits to business, with parity of sacrifice placed on every group in the Nation.

The Nation is moving to a manpower crisis without adequate plans and machinery to meet it. Neither in industry nor agriculture can the manpower problem be met primarily by the payment of higher wages. This will soon be apparent. The Executive should have power to allocate the supply of farm labor and supplement wages where necessary.

Price relationships artificially established by our farm programs cannot be allowed to stand in the way of quick action to use our land and manpower resources fully for their most efficient and necessary yields. Only production-incentive programs with stabilized markets and minimum price protection can insure maximum production of all major farm commodities.

It costs the unbearable amount of 48 cents of the consumer's food dollar to move our products to his table, leaving the farmer only 52 cents out of each dollar. The President

and the Secretary of Agriculture must have war authority to move in on this wasteful take.

The National Grange, the American Farm Bureau Federation, and the National Council of Farmer Cooperatives:

It is our duty to point out to you that the best protection against inflation is abundant production. Already the production of food and fiber in this country has passed its peak. Unless farmers can pay adequate farm wages, production of these essentials will continue to decline. The demand on farm labor by the military services and the attractive wages and shorter hours of labor which are already prevailing in industry are resulting in farm laborers, farm boys and girls, and even farm operators leaving our farms in ever-increasing numbers.

During my visit home in August I had occasion to visit and have dinner with the T-Bone Club of Greeley, Colo. This club is composed of members, all cattle feeders, producing fat cattle in Weld County, Colo. These members do year-around feeding and usually feed about 30,000 head per season. Estimates were that this group of feeders would produce about 17,000,000 pounds of dressed beef annually. The number fed per member varies from 100 to 5,000 head. In our discussion after dinner we discovered that very few of them were planning to fill their corrals, a conservative estimate seemed about 40 to 60 percent of normal feeding. The reason for this, I discovered, was almost entirely due to the uncertainty of the price-fixing program of the Office of Price Administration. As part of my remarks I include resolutions passed by the T-Bone Club at their last meeting:

The T-Bone Club of Greeley, Colo., vigorously protests the present ceiling and ceiling controls on cattle. These controls are not working satisfactorily because of the many inequities on all sides which are familiar to everyone, and in our opinion need serious changing in order to be more equitable to all grades or classes of fed cattle, or fed cattle will not be produced.

You have had recent proposals to establish ceilings on live cattle. We do not think you can find any producer who will agree that this is the answer to the situation. If you impose ceilings on live cattle you will injure production more than any other one single thing you can do, because where it has been difficult to enforce ceilings on dressed beef it will be many times more difficult to enforce ceilings of any kind on live cattle. No one would benefit from ceilings on live cattle except some packers, and if you change the price grade of fed beef and adjust ceilings between various cities and various markets there is no reason why the packers need to have any other help than that.

It has been called to our attention of the recent publicity on meatless days. The Department of Agriculture should know better than anyone else that it took years to get over this propaganda from the last war. We realize that meat rationing will be necessary, and we are agreeable to calling it meat rationing, but let's stop the propaganda of meatless days as that will injure everyone. We understand that the House and Senate restaurants have started this in Washington and other restaurants have followed: Therefore be it

Resolved, That we enter a vigorous protest to these facts which we have mentioned, and we ask the Secretary of Agriculture to use all of his influence in correcting the ceiling situation, and particularly in stopping the meatless days propaganda.

A. W. AVERY,
HILDING BERG,
REX EATON,
W. D. FARR,
Resolutions Committee.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. HILL of Colorado. I yield to the gentleman from Arizona.

Mr. MURDOCK. I wish to confirm what the gentleman has stated regarding the far West. From my observation similar conditions prevail in the State of Arizona which the gentleman has described in Colorado. I also agree with the gentleman from Iowa that the farmers are getting only a small fraction of the amount the consumer pays for the farmer's product. As the gentleman from Kentucky says, the farmer is not the guilty party in the rising cost of living.

Mr. HILL of Colorado. Let me add that the actual expense of harvesting our potato crop for 1942 has increased 50 percent, and many times the farmers cannot get helpers even at the increase in wages.

The Clerk read as follows:

SEC. 3. Notwithstanding any provision of the Emergency Price Control Act of 1942, no maximum price shall be established or maintained for any agricultural commodity under authority of this act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner); or

(2) The highest price received by farmers between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials);

and no maximum price shall be established or maintained under authority of this act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section: *Provided*, That the President may adjust the price for any commodity between January 1, 1942, and September 15, 1942, to the extent that he finds necessary to correct gross inequities.

Mr. BROWN of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Georgia: On page 3, at the end of line 14, add the following paragraph:

"For the purposes of this act, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor."

Mr. BROWN of Georgia. Mr. Chairman, our country is to be congratulated on the progress we are making today in obtaining the implements of war. Some time ago when we were considering the price-fixing bill that is now the law, one of the Government witnesses testified that in order to get labor in the industries to produce the implements of war they had to offer a higher wage than was given labor in civilian industries. These instruments of war have cost us a great deal, but they claimed that was the only way we could obtain sufficient labor.

In my opinion, within a few months from now we shall have a shortage of food. In my section of the country and in all the other sections of this great land labor is leaving the farm to get work at higher wages, and you cannot blame them for it. Practically all those who are able to work are going into industry in order to obtain higher wages. The farm producer, in order to have his crop harvested, is thus forced to employ aged persons, both men and women. Further, as stated yesterday, the schools in my section of the country are closed today in order that the small children may help gather the crops.

To me, it is just as important to entice labor back to the farm to produce food as it was to entice labor into the industries to make the implements of war with which to win this war.

This is not an unfair amendment. It is just offering the farmer something in the neighborhood of equity. It is just offering the farmer labor costs which should have been calculated in parity at the beginning. It does not offer him what he is entitled to.

When we had the original price control bill under consideration Dr. Tolley stated that the cost of labor should be included in calculating parity. Who is Dr. Tolley of the Agriculture Department? He knows more about parity and all the elements constituting parity, which is his specialty, than any other man in the United States. He is the recognized authority on it. His testimony was that parity should include all the elements of labor costs.

What else do we have on it? Our great President in his message to this body stated:

Calculations of parity must include all costs of production, including the cost of labor.

The President's attention was called to this by many people. He explained his message was not intended to have labor on the farm calculated as one of the elements of parity. In his message, however, he said that the calculation should include labor, meaning by the very usage of that language that labor was not one of the elements of parity.

What does this amendment do? It gives only about a 4.5 percent rise in the parity formula if you take into consideration only day labor, or hired labor as we call it. It gives only about a 7-percent rise if you include both hired labor and the family labor. It gives about a 12-percent rise if you include operating labor together with hired labor and farm labor. To give justice to the farmer, everyone will have to admit that labor

costs should have been included in the elements of parity at the beginning.

Is it not more important to have sufficient food and clothing for the Army, Navy, and civilians than to place a ceiling on farm prices which would prevent this?

How are you going to get these people back to the farm? How are you going to do it in my State, where these people are working in many large plants at four or five times higher wages? Who blames labor for leaving the farm? But who is going to cultivate the farm? The landlord will have to sell his farm or quit because he will lose unless he can obtain a better price for his commodity. He must have a better price in order to pay labor a higher wage.

I hope this amendment will be adopted.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT as a substitute for the amendment offered by Mr. BROWN of Georgia: On page 3, line 14, after "inequities", strike out the period, insert a colon, and add the following: *"Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case in which he finds that such modification is necessary to increase the production of such commodity for war purposes, or in which it is satisfactorily shown that by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities."

Mr. WOLCOTT. Mr. Chairman, in the amendment offered by the gentleman from Georgia [Mr. BROWN] the parity would be the equivalent to about 112 percent. The reason this legislation is before us is because the President blamed 110 percent of parity for the rise in the cost of living. The rise in the cost of living was due to the fact that the President and the Administrator of the Office of Price Administration did not exercise the powers which had been given to them to stabilize the cost of production of nonagricultural commodities.

I would like to see the cost of farm produce as reflected to the farmer go up to at least 112 percent, but I do not want to see it go up to 112 percent if it is going to reflect to the farmer much less than that in the actual purchasing power and value of the American dollar. So I want to analyze for a moment what the amendment that I offer does.

What we are fearful of today is that if farm labor is not given consideration in determining parity we will not be able to grow the things which are necessary to feed our armed forces and our civilian population. Therefore, we maintain the philosophy of this bill in this amendment by authorizing the President for two purposes to give consideration to the farmer's labor or what he pays for labor. The first is to encourage enough production of agricultural products to feed our armed forces and civilian population. Then when he finds that because the price that the farmer has to pay for labor so increases his cost of production as to either discourage production on the farm or bring farm prices out of alinement with nonagricultural commodities, this constitutes in anyone's language a gross inequity and the President then can add to the parity price the amount which he pays for the labor. Now, at most, this bill increases this parity to 104.6. I want to call attention again to the fact that if you will turn to page 3 of your bill, the proviso that the President may adjust the price of any commodity between January 1, 1942, and September 15, 1942, to the extent he finds it necessary to correct gross inequities, does not apply to the parity referred to in subsection 1. It applies only to the prices referred to in subsection 2. So if you accept the Brown amendment you have frozen farm prices at 112 percent.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN (Mr. BOEHNE). Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. In just a minute, when I have finished my statement.

Now, what we do is to compromise between these two extremes of no help to the farmer and an amendment which we know is going to result in the veto of this bill, putting Congress in the same position and the American form of government in the same jeopardy as we would have, had we taken no action at all. So between these two extremes, Mr. Chairman, it seems to me the amendment which I have offered, and which I hope will be accepted by a majority of this Committee, is a reasonable compromise, something which will give the farmers something real because you know and I know and every Member of this Congress knows that if you write the Brown amendment into this bill, the bill will be vetoed by the President and then where are we? Just where we started, and the public is going to say that because the Congress was diffident and did not act, prices are going up. We have got to be reasonable about this. We have got to save the American form of government.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Miss SUMNER of Illinois. Is there not this difference between the gentleman's amendment and the Brown amendment: the gentleman's amendment gives the President the option to say whether or not he will add labor prices to the farm prices?

Mr. WOLCOTT. Yes; this whole bill gives him the option to do anything he pleases under certain circumstances. We have set up certain standards, the standard in this case being that if he finds gross inequity results from not taking into consideration the cost to the farmer of his labor, then he shall modify it upwards and take it into consideration.

Miss SUMNER of Illinois. The President has already stated that he did not believe in adding labor to the prices. He has already said this in a letter to Chairman STEAGALL of the Banking and Currency Committee.

Mr. WOLCOTT. If he finds that a gross inequity results to the farmer as a result of not doing so, then there is a mandate in this bill that he must do it.

Miss SUMNER of Illinois. Does the gentleman think he is going to find today what he could not find last week?

Mr. WOLCOTT. We will look into the future in the operation of this measure.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Mississippi.

Mr. COLMER. As I understand my friend's amendment, it would leave the matter largely in the discretion or in the hands of the President. As has been pointed out, the President has said he does not want it. So if we adopt the gentleman's amendment we have not got any place.

Mr. WOLCOTT. You have just as much as you would have if you pass this bill, because you have left everything, otherwise, in this bill to the discretion of the President.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. DIRKSEN. I am sure the Committee would like to know, before this debate goes further, whether the Brown amendment includes only hired agricultural labor or family labor as well, because it is an important distinction, and it ought to be made right now.

Mr. AUGUST H. ANDRESEN. The Brown amendment, as I understand it, includes all farm labor including hired farm labor. There should be no apprehension about that.

Mr. BROWN of Georgia. It includes all, because it includes hired labor and family labor and also operating labor.

Mr. DIRKSEN. Then the Committee ought to understand that family labor may be computed for the purpose of the Brown amendment.

Mr. BROWN of Georgia. Yes.

Mr. AUGUST H. ANDRESEN. All labor is included on the farm very rightfully, including hired labor, which should be included.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. CRAWFORD. If the Brown amendment is adopted and used hereafter, would it carry the 104.6 onto the 112 in these figures?

Mr. BROWN of Georgia. It would carry the 112.

Mr. AUGUST H. ANDRESEN. As I understand it, it would carry whatever index figure the addition of this type of labor added to the formula. I am supporting the Brown amendment. I think it should be approved overwhelmingly by this House for the reason that unless something is done to aid agriculture in securing production we will soon have a

scarcity of farm products. It takes labor to produce food for our people and food to win the war. Congress and the farmers are being blamed a great deal for the high cost of living. The facts will show that the increased price in food products is largely due and solely due to the administration policy. Under the existing law, which provides for prices 10 percent above parity, Mr. Henderson and his associates could have stepped in at any time and pegged the price of pork and beef and the other commodities that have risen over 10 percent above parity and pegged them at that price. The administration failed to take this action and consequently some prices, particularly of beef and pork, have gone way beyond 110 percent of parity, and now the buck is being passed on to Congress to do something about it in order to reduce prices.

This bill does not reduce the prices as some expect it will, because it definitely pegs the prices on beef and pork at the highest price between January 1, 1942, and September 15, 1942, and you will see the prices pegged at that figure. Therefore, the existing law is much better if they want to bring prices down than to enact this bill, which will freeze prices at the prevailing figure or at the high point between January 1, 1942, and September 15.

Mr. DEWEY. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. DEWEY. Yesterday our colleague the gentleman from Virginia [Mr. ROBERTSON] stated that the Bureau of Farm Economics stated that as of August 15 parity includes up to 107 percent. Do I understand that this 12 percent of farm labor would be added on top of that 107 percent if this bill is passed now and the labor amendment put into effect? In other words, would parity be 119 percent?

Mr. AUGUST H. ANDRESEN. No. It all depends upon how the statisticians in the Department of Agriculture, coupled with the Department of Labor, figure out the formula and conclude by giving labor a certain weight in the formula, and I do not know what the experts in the departments would do in that respect.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to proceed for 3 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DEWEY. May I continue my question?

Mr. AUGUST H. ANDRESEN. I wish the gentleman would take a little time of his own and follow me, and then he may give us his ideas.

Mr. DEWEY. I would not want to take the time of my colleague.

Mr. AUGUST H. ANDRESEN. My time is very short. The farmers are being blamed for a good many things, but I think the President has answered the question of the high cost of living and inflation in his message of September 7. He said that wages in this country had increased from $43,000,000,000 in 1939 to $75,000,000,000 in 1942, most of which increase has been caused by the Government spending policy in paying excessive wages in industry engaged in defense production. It is true that farm prices have increased from the low point in 1939, and some of them have increased substantially, but when you figure the increase in wages paid to industrial workers, which has now taken nearly the entire national income, as the figure existed back in 1939, of $75,000,000,000, you will find that the share that has gone to the farmer is very, very small. We must not overlook the tremendous increase in farm labor costs. This kind of labor is hard to secure because of competition with high-wage war production jobs and the drain of farm help to our armed forces. The time may shortly come when farm labor cannot be secured at any price. Then will appear scarcity and rationing, when we could have plenty if proper policies were inaugurated.

The farmers get between 40 and 50 percent of the consumer's dollar; not a great deal. As I was looking over the prices that the farmers out in my district receive—not the figures given by the Department of Agriculture, which are general averages—I find that the prices at home are considerably under the average figures given by the Department. For instance, the farmers are selling poultry around 17 and 18 cents a pound. Eggs from 28 to 30 cents a dozen. That must sound nice to the people in Washington who are paying around 60 cents a dozen for eggs. Oats at 40 cents a bushel; wheat at $1 a bushel; rye, 59 cents a bushel, and so on along the general range of prices, as I have indicated. The figures given out by the Department of Agriculture are much higher than the actual prices received by the farmer when he markets his products in his regular marketing place. It is only fair that we take into consideration the amount of work contributed by the farmer in his labor and the amount that he must spend for labor.

To stop inflation, which we all fear, definite action must be taken by equitable and complete coverage of all economic groups. This bill does not do so. The President claims that he has the power to stop excessive price increases. If he has, he should exercise his power so that all groups would be treated alike, at the same time, and not in the manner now proposed to single out the farmers without taking care of labor, industry, and war profits at the same time.

In urging the membership of the House to vote for the Brown amendment, I believe that we are meeting the specification set forth by the President in his Labor Day message to Congress, when he said, "Calculations of parity must include all costs of production, including the cost of labor." The Brown amendment complies in every respect with the President's suggestion and should therefore be approved by Congress.

Mr. LEA. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the Brown amendment. I recognize that at this time in the history of our country the fundamental problem is production. Production is more important than ceilings. I think we must recognize that at this time in our country it is the duty of all of us, if the country's need requires it, to give not only our services but our property to this Nation.

I believe, however, that as a practical proposition the way to get production is to give good wages and good prices to those who produce. The profit motive is the great dominating motive that inspires production everywhere, under our system of private ownership. It is the fundamental reason for production. It would be folly in wartime to discard what is in peacetime the principal motive for production.

The Government, through its great war production program, is a competitor with agriculture in bidding for the labor supply of the country. Without question and without difficulty the cost of industrial labor is included in the cost of everything furnished to the Government to conduct this war. The labor cost is a part of the costs awarded and paid for by the Government to the industrial contractors for all Government supplies. Nobody has even thought of suggesting that the costs on Government-negotiated contracts should not include labor costs. In following out that policy we have taken from the employer the resistance that he has against high wages in the ordinary business affairs of the Nation.

An employer who must pay his employees out of profits resists unreasonable demands for increase of wages. If costs, including wages, exceed his income he is on the way to bankruptcy.

When a Government contractor faces a demand for increased wages he is told not to resist because the Government will make an allowance for the increase. He simply adds the additional cost to his bill, which is paid by the taxpayers through the Treasury. When an ordinary employer, like a farmer, has increased labor costs he cannot get his money back from the taxpayers; he must make it out of profit or else he is on the way to bankruptcy. He is forced to bid against employers who are indifferent to increased labor costs because they do not foot the bill. He must get his wage payments back from the profit out of his farm. Profit to the businessman and the farmer is the same as wages to the laboring man. It is the means by which he and his family live.

In addition to paying increased cost of labor in war industries, the Government has established a 40-hour workweek schedule; time and a half for overtime. An hour of work on Saturday is not worth any more to the Government than an hour of work on Friday, but the Government pays the additional expense out of the Treasury. The hour's work on Saturday is of no more value to the farmer than the hour's work on Friday. When the farmer, in competition with the Government schedule, pays time and a half for overtime he must get back that increased cost of labor out of the profit of his crop or else he never gets it back.

The average farmer is as patriotic as anybody, but his living cost and limited

capital prohibit him from long continuing production unless he gets back the cost of production.

Is anyone within the sound of my voice foolish enough to say that the labor cost to the farmer is not part of his cost of production? Is anyone unfair enough to say that he should not be rewarded for all his cost of production to furnish the Nation's food supply?

I am a farmer myself to a limited extent. The labor cost of operating our farm amounts to more than 50 percent of the total cost. As it looks to me, it is nonsensical to think you are going to make a success of agricultural production for the war if you are not going to give the farmer his production costs, including labor. You do not provide for his compensation if you do not take care of this basic element of his cost. Farmers must meet this competition of the Government, they must meet the competition of the pay roll.

Is there anything so sacred about a parity that we must preserve it even though it restricts production and threatens failure of our war effort? A parity system in the face of war conditions that stands in the way of just compensation for production is a hindrance instead of a help.

In many sections of our country today the farmers' crops of great value needed to provide for this war are decaying and wasting for the lack of agricultural labor. The farmers' employees have been drained away by the draft and Government-inspired competition. Shall we tie the farmer's hands by restricting his pay roll to the point where he cannot compete with the Government's labor competition?

I have observed with regret and resentment the extent to which the publicity sources of the Nation have been prostituted to misrepresentation as to the extent of the farmers' responsibility for the high cost of living. Nation-wide publicity has been given to the suggestion that food prices are mainly responsible for an alleged increased cost of living amounting to $900,000,000 a month. The farmer is branded as a special cause of this increased cost of living. Nothing is further from the truth. At best the farmer only received a mere fraction of the price paid for his production when it reaches the consumer.

The total production of all the farmers of the Nation for this year will not exceed $14,000,000,000. His production converted into food constitutes only a part of his production. Many of the food articles he is producing are today selling below 100 percent of parity.

What influences are at work in the country when so many editorial writers disseminate demagogic editorials and misinformation as to the responsibility of the farmer for inflation.

The farm population of the United States is one-fourth of the total of the country when so many editorial writers eighth of the total income. Today we are suffering from inflation and we are confronted with the possibility not only of inflation which is already here, but the greater evil of deflation to come.

An even greater evil than inflation is the uneven plane of prices among the different productive elements of the country. An uneven plane of prices is a system which gives special privileges to its beneficiaries and burdens to its victims. The greatest suffering that the farmer has undergone in the last 10 years has been from the fact that he has been at the bottom of the plane of prices.

Information furnished us by the farm agencies indicate that industrial wages are now 38 percent above the peak of the World War levels. Farm prices are 37 percent below. It would be a cruelly oppressive situation if prices should be frozen at such unequal levels.

Mr. HILL of Washington. Mr. Chairman, I move to strike out the last 4 words and I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HILL of Washington. Mr. Chairman, for weeks and months the Congress of the United States has been held up to ridicule by commentators and by the press. They have, in some measure, put it across to the people back home, but I think they have gone too far.

You remember hearing about Mr. Albi, the man who started the "Bundles for Congress" campaign. Well, he tried to run for Congress to fill the shoes of that efficient and good Congressman, Judge LEAVY, but he was defeated ignominiously in that district by the people who knew him.

Then they brought up the X cards; all the newspapers in the country mentioned the fact that some of the Congressmen had X cards, but they never mentioned the fact that hundreds and thousands of bureaucrats in the city of Washington had X cards; that was not news.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. HILL of Washington. I yield.

Mr. PACE. Many of those who held cards did not mention the fact they held them.

Mr. HILL of Washington. That is true, too.

They have now turned their wrath against the farmers. I picked up the Daily News of yesterday, September 22. Here is a cartoon in the newspaper. I want to call your attention to it; look it up. They have put words in the mouth of the young man talking to Congress up here in the upper part of the cartoon. In the lower part they depict the farmer at the pig trough. Now listen! Listen! And I want the people of the United States to listen. It reads:

Uh-uh—Pop's down there with the pigs—you can't miss him. He's the one with the hat on.

In other words, Talburt of the Daily News here classes the farmer with the hogs. I was born and reared on a farm. I have a farm now and am proud of having come from the farm. I would far rather be a man who came from the farm than to be a penpusher at a mahogany desk or a bureaucrat sitting in a swivel chair.

Whom the gods would destroy they first make mad. These daily newspapers here in the city of Washington are urging you and me to give votes to Washington so that they, the penpushers, the kept press, and the bureaucrats here in Washington may not only run the city of Washington, but the United States itself. I am telling you, Mr. Chairman, that you and I as Members of Congress had better reassert our independence and take back unto ourselves the authority and the power that belongs to us. I am supporting the Brown amendment, and I am going to give you some reasons why. Yesterday I mentioned them; I am going to state them again today.

Early in the summer I tried to get some priorities for the building of wheat elevators in eastern Washington. I had to go downtown two or three times in order to get those priorities, and by the time they were granted it was almost too late to store the harvested crop. While these bureaucrats were sitting around in their swivel chairs dilly-dallying about what they should do, the sun and the rain were ripening the wheat in eastern Washington. They had to harvest it the first week in July while these men, who utterly fail to understand the farmers' problems, were wondering whether they should grant priorities for nails, lumber, and other things to build the storage facilities. The administration was urging the farmers to produce, produce, and produce, but then the W. P. B. would not give them the means to take care of what they did produce.

I was back in the State of Washington in the latter part of July and first of August. I had friends come to me in Yakima saying: "We cannot harvest our tomatoes; we are not getting enough for them—$17.50 a ton." Seventeen dollars and fifty cents a ton! "We are paying 60 cents an hour for labor and are required to haul the laborers to the work and back again." One farmer said he had to drive his truck 50 miles every day to get the laborers to the fields and give them 60 cents an hour. Then they had to give them one meal. That is all right; I am not blaming them for that, but I say that this price of labor should be added to the cost of production. I wired back here to the bureaucrats trying to get some relief but could not get any at all; I got no result whatever. A lot of those tomatoes rotted on the ground. Produce! And then let the products rot on the ground, not only this year's products, but next year there will be no crop. Do you suppose the farmers are going to produce next year when they cannot get cost of production this year?

I picked up the daily newspaper for the day following the above conversation, the Yakima Morning Herald of August 16, and saw tomatoes on the local market quoted at 8½ cents a pound. Multiply this by the 2,000 pounds there are in a ton, and that makes $170 a ton that the consumer had to pay for the tomatoes the farmer had to sell at $17.50 a ton. Yet people are blaming the farmer for getting too much for his produce. The fact is that the producer does not receive the cost of production and the

consumer at the other end cannot afford to purchase those products.

I was in the little city of Kennewick, and a farmer friend came to me and said, "I am not getting enough for my dried onions; I am getting only $15 a ton." Fifteen dollars a ton. And you know that at that price they cull out a great many. I corroborated that price by going to the warehouse myself. I asked the Pacific Fruit & Produce Co. what they were paying for onions that day. They said $15 a ton. Only three blocks away, I went into a store and bought 2 pounds of dried onions—here is one of them—and I paid 10 cents for the 2 pounds, or 5 cents a pound. With 2,000 pounds to a ton, that is $100 a ton for onions that were raised and sold one-quarter of a mile away by the farmer at $15 a ton. And you tell me the farmer is profiteering. You tell me that the farmer is trying to bring about inflation.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HILL of Washington. I yield.

Mr. CRAWFORD. I want to make sure where this cartoon was published, the cartoon the gentleman showed us.

Mr. HILL of Washington. In the Washington Daily News for yesterday, and Mr. Talburt, the wonderful cartoonist, is the creator of it.

Mr. CRAWFORD. And it depicts the farmer——

Mr. HILL of Washington. As one of the hogs.

Mr. CRAWFORD. As being so selfish as to get down with the swine and eat with them?

Mr. HILL of Washington. I will read it again, and the gentleman can judge for himself:

> Uh-uh. Pop's down there with the pigs—you can't miss him. He's the one with the hat on.

Mr. CRAWFORD. Personally, I think it is one of the most disgraceful things that has ever been published in the history of this country against the religious, hard-working, devoted farm people of the United States.

Mr. HILL of Washington. No one but a penpusher or a cartoonist would be capable of a thing like that; but they have been doing it in the past, and they are going to do it in the future unless you and I get up on our feet and vote for the Brown amendment and tell everybody that we are going to support what is right and fair.

We are not going to be compelled to do that by the farm bloc any more than we should be compelled by other forces to vote against it. We should vote for it because it is right, just, and fair. That is the only reason we should vote for it.

Mr. VINCENT of Kentucky. Will the gentleman yield?

Mr. HILL of Washington. I yield to the gentleman from Kentucky.

Mr. VINCENT of Kentucky. I want to congratulate the gentleman for bringing these facts to us and may I state to the gentleman what they have done to the tobacco growers in my State. The American Tobacco Co. made more than $28,000,000 last year, which was more than the tobacco growers got for the crop. The president, George Hill, received over $400,000 as president of the American Tobacco Co.

Mr. HILL of Washington. That is always the story. Let me urge all my colleagues to stand on their own feet and express themselves not only on the floor of the House but by their votes.

[Here the gavel fell.]

Miss SUMNER of Illinois. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it has been said that the parity formula was all right in peacetime and that it should be good enough for war. If we analyze the way the formula is calculated, we shall see that it is not appropriate in wartime. The parity formula is made up by adding together a lot of items which make up the cost of living to the farmer, but it does not include farm labor. If you will read these 174 items which the Department of Agriculture uses to make up this so-called budget for the farmer, and which makes up the difference in the cost of living, you will see that many of these items are plainly out of date. The farmer cannot get many of the articles mentioned. He has to use labor and he is concerned with the cost of that labor rather than the items mentioned here and the cost thereof.

Among the items mentioned in this list which he cannot get are bananas, rubber boots, tires, washing machines, farm machinery, including binders and corn shellers, gas engines, ensilage cutters, and so forth. Many farmers are not able to get those machines today because of quotas and shortages. Then there are automobiles. It was stated in our committee that the agriculture of the country would collapse if they could not get automobile and truck transportation. Someone replied that the farmers ought to be able to carry their products to market on their backs. I felt forced to retort, "How would you like to go to market with a load of hay on your back, sir?"

This list includes tractors, it includes nails, roofing, and many other things which have nothing to do with the cost of production. I say to this Congress, and I know those who know oats from soybeans will agree with me, that the parity formula is out of date in wartime. It must yield today to some cost-of-production formula which includes labor. We must pay whatever is necessary to secure adequate production of such commodities as are necessary to the war effort, whatever that price may be.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I appear in support of the Brown amendment, not to do some favor to the farmer, but to keep the necessary productive energy of the country, its interdependent units, in proper adjustment. I express the city man's interest in what happens to the farmer's prices, his ability to keep in production. All over this country they are going out of production. I represent the city of Dallas. We are concerned as to what happens to the farmer from two angles. One, the farmer has got to have money to buy what is sold by the people in the city of Dallas. The so-called panic in the late twenties was not a panic, it was a paralysis of the economic circulatory system, beginning with the paralysis of the buying power of the farmers. That paralysis resulted from the spread between the price we gave to the farmer for what we bought from him and the prices we were charging him. We did not give him enough net profit to move our products from us to him. The result was that our warehouses became filled, our manufacturers had to stop manufacturing. I realize the situation is different now because of war production but still it is important that this spread be not permitted to develop. It is still valuable to recall that that paralysis extended first from the farmer to the little storekeeper above him and went on up and up until it reached great cities like New York.

If it be a part of the philosophy of this bill, offered as an anti-inflation bill, to hold down the farmer's prices so that he cannot buy, and thereby reduce competition for other commodities it is bound to react against the general interest. If the farmer is not permitted to have his increased labor cost considered so that he can hire the necessary labor at the increased wage and keep his own children on his farm, he cannot produce what we, our soldiers, and our Allies must have for the physical strength to win this war.

We people in town have a mighty vital interest in what happens to the farmer's ability to produce what we have to have. We know what is happening to farm labor, to farm production, to the ability even to harvest the present crop. That is just a plain, practical proposition.

We know what has happened to wages in industry against which the farmer must compete and we know who is getting the labor in that competition. Is labor moving from the factories to the farms? Without questioning either its necessity or wisdom, will anybody contend that governmental policy has not contributed to this movement?

To the degree that we permit existing conditions to dismantle farms of this country as is now taking place, we create a public peril of the first magnitude, and we will not only have to pay a price which if now paid would keep a going farm in operation, but we will have to pay the farmers enough additional profit to induce them to start over again. Take dairying for instance, which has already been mentioned. This is not theory. I am talking about facts. All over this country now the farmers by reason of the fact that they cannot pay the prices to get labor to operate their dairies are selling their dairy herds to be slaughtered. I am stating the fact. Is that of no concern to us? Will we play along with this situation while the inevitable results of our policy develops, then get all "het up" and use a lot of money trying to repair the damage which common sense ought to have prevented? Do we not know that we have got to

have milk from those dairy herds? Do we not know that we have to pay the farmer enough to enable him to hire the people to help milk those cows and compensate for the labor of himself and family if we people in town get any milk? Do we not know that the farmers would not be scrapping their dairy herds if they were making any money out of them? I am using the dairy business merely as an example.

I am talking horse sense now. When I was home recently I inquired about a dairyman friend of mine—we will call him Peck—one of the best dairymen we ever had in that part of the country. I asked, "Where is Peck?" I was told that Peck had sold his herd and had gone out of business. He was a trained dairyman. He has been doing nothing else ever since I have known him. Why did he do that? Do you think he did it because he was making money? Did he do it because he was wanting to profiteer on us? He did it because he was not getting enough money for his milk to pay the increased price of his hired hands and endure the annoyance. I was in one of our great Army camps on this same trip. One of the things most necessary in the physical preparedness of our men for combat service is milk. I was told by the officer in charge that the former allowance of milk for each man was being cut down because of the inadequate supply. Yet this dairyman I mentioned was within that milkshed.

I was being shown through one of the training schools for airplane mechanics recently. There was pointed out to me a young boy who had recently come in from the country. He had been in training for a relatively short time. He was going to get $1.15 an hour soon. He came from the country where a long day's work would not have paid him as much as 2 hours, whether he was hired or on his own. I have only one county in my district. The strictly farming population is relatively negligible, but my city people have to eat the things which come from the soil and they will not come from the soil unless these farmers can be kept on the job. They have to fight floods and droughts, storms, and insects and at last the hazards of prices.

When I was home this summer I saw field after field of onions where the onions were laying on top of the ground. They had been planted and cultivated and brought to the harvest at great expense. I saw them advertised at 15 cents per bushel along the road. From many fields people were privileged to take them for nothing.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection.

Mr. SUMNERS of Texas. Mr. Chairman, in my county I do not believe one single stalk of small grain was harvested this year. On a farm I am familiar with, the freeze got the first planting of oats last fall. That farmer did not quit. He planted again; the next planting the green bugs destroyed. In three days a beautiful field of green grain would not have a vestige of green left. The farmer tried again. That crop was destroyed by flood waters. The corn crop is cut short by dry weather. I was home recently and the leaf worms have eaten off the leaves of the cotton.

I know we fellows in town think we are getting off something smart when we say the farmers are always grouching about something. The farmer has as much courage and self-reliance as any group I know of. We town people had better realize, and those of us in governmental responsibility should recognize, that during the times when the prices were received which constitute the bases of the parity calculations, 1909 to 1914, inclusive, agriculture was at great price disadvantage. It was losing during all that time in the competitive bid for labor and population, because its earnings were less.

Let me make a further statement: You do not have to go into detailed figures to know this. If you want to know who is making the most money in any country you do not have to listen to a lot of figures and read a lot of charts; just note the direction in which the mass of population is moving. Individuals are influenced by all sorts of considerations, but the mass of population moves under the operation of irresistible economic law toward the center of the best economic opportunity. That law is as irresistible as the law of gravity. That movement has been away from the farms and everybody knows it.

Where are the new houses being built in America? Who is putting up the big houses, and where are they being put up? Where is the population increasing? In the country? Everybody knows it is not. Where are the people going to to make money now? Where do they find the best wages? Everybody knows that we in the towns are tapping every population reserve in the country. That thing has been going on until it has become a public danger. We deserve to get hungry if we are not willing for the people who provide the food for us to get enough profit to keep agricultural production going enough to provide a decent wage, a decent salary, a decent income. This situation which confronts us is not as though it had been a normal development. We have been mixing things up pretty much, by what we have been doing, arbitrarily. We have got to reverse this tide of labor movement somewhat, at least slow it up. The farmers have got to pay new wages. These new wages must be considered in any plan of price parity, so long as the effect of the whole policy of the Federal Government is to maintain the high prices in industry which the Government policy so largely brought about. I am not criticizing, I am just stating a fact which it would be folly to ignore. In the working out of the law of retribution if we continue this policy that time must come, we cannot know when, when we of the cities will ask where the food is, and nobody can tell us.

This thing that is happening in America is a tragedy. If we would but open our eyes we would see it. This building of great cities at the expense of the country population is not a matter merely of agricultural concern.

In the great crises of the past, when civilizations and governments have met the supreme tests, it has been largely the conservative strength of the country that has saved its people, if they have been saved. Viewed from the standpoint of the public interest, so long as we are dealing more or less arbitrarily with prices and profits, we can afford to make a mistake even of overdoing a little bit for the people of the fields, but we cannot afford to take any chance in having this thing continue—prices inadequate—in these fields now ready for the harvest. Farmers are unwilling to risk the wage increase necessary to produce and to harvest unless they be permitted to have these higher wages figured into the prices which they are to receive. Without regard to other provisions of the bill, this allowance seems to me to be a sound and necessary arrangement not merely from the standpoint of the farmer but from the standpoint of labor and of all the other industries, each constituting with agriculture an interdependent unit of our economic entity. It is also sound from the standpoint of this Nation, which must keep enough of its productive energy at work in our fields to provide the physical strength to win this war.

Mr. FULMER. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I am very glad that the distinguished gentleman from Georgia, my colleague and good friend, PAUL BROWN, member of the Banking and Currency Committee, the committee that is handling the bill, has decided to offer the pending amendment. It is identical with the amendment I proposed to offer.

My colleague referred to the statement made by the President that labor should be included in the cost of production. It has been very clearly brought out here that unless you carry out the President's views farmers will not get a square deal in price fixing. I challenge any man on the floor of this House to stand up and tell me of any business concern or corporation that does not take labor into consideration in connection with the total expenses of its business.

Under this amendment, as stated by my colleague, the increase will be very small. It may be that the cotton farmers of this country will get 1 or 2 additional cents per pound for their cotton. What would that mean in connection with the purchases of wage earners or any other consumers in the way of added cost? The shirt I have on contains about 1 pound of cotton. If you add 1 or 2 cents to that pound of cotton contained therein it will not mean any additional cost that consumers could not afford to pay.

The papers, the commentators, and certain groups continue to put out propaganda that the farm group and the farm prices are responsible for inflation. The farm group constitutes about 25 percent of the total population of the country. They receive less than 10 percent of the total national income, which amounts to about $10,000,000,000 out of a ninety billion income. Does anyone here believe that that small minority, with that small

amount of income out of the national income, is responsible for inflation, when the nonfarm group will receive this year approximately $76,000,000,000?

This morning we had Mr. Wickard before our committee, and I tried to get information as to the percentage of the income of labor that goes into food. The best that I could get was the wage earners of this country spend for food perhaps 30 percent of the total amount they receive, and all the balance goes into various and sundry other purchases.

One of the reasons I hope to see this amendment adopted is that we may do something to settle this problem before we get into something that nobody wants to get into.

Already those in authority have arranged with the Mexicans to come over to do farm work, under an agreement that they shall be paid 30 cents an hour, with limited hours, transportation, and good housing facilities, all this to be furnished by the farmer. Today in Texas the cotton pickers are striking because they believe they ought to have at least $2 a hundred for picking cotton if we are going to pay Mexican labor 30 cents an hour, which is much more than common labor is receiving in the South.

There is something in the atmosphere that we are going to take people from the city and train them for farm work. That will call for large appropriations and many employees to train these people and try to educate them in doing farm work on the farm. What a ridiculous proposition. If we would do the fair and the necessary thing, that is, give the farmers a price whereby they may be able to pay farm labor, many of whom are working on a starvation basis, a fair price it would tend to settle this problem.

Mr. Wickard made the statement the other day that the hired man has become so important that if, based on patriotism, we cannot keep him on the farm, then we are going to have to do something about it.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, is there going to be an opportunity for some more of us who are here or are we going to adjourn after awhile?

The CHAIRMAN. The present occupant of the chair cannot give the gentleman any answer to that question.

Is there objection to the request of the gentleman from South Carolina to proceed for 5 additional minutes?

There was no objection.

Mr. FULMER. I want to say to Mr. Wickard—and I want to say to you as a farmer—that the wage earners and the farmers of this country are just as patriotic as any other class of people, but you are not going to keep farmers, their sons and daughters or the wage earners, on the farms on a starvation-wage basis when handsome wages can be had in every nook and corner of the country. If they leave the farm under these circumstances, like Mr. Wickard did when he became Secretary of Agriculture, they are just as patriotic as any other group. Now, in 1909–14—I want you to get this—this wonderful period, 30 percent of the farms were mortgaged. At this time, when everybody claims the farmers are so prosperous, and the President is asking them to use their surplus money to liquidate their farm debt, 43 percent of the farms are mortgaged. According to Dr. Black, delinquent payments at this time on Commissioner and land-bank mortgage loans amount to over 15 percent.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. FULMER. Let me give you this additional picture, and then I shall yield.

Back in the really good old days, 65 percent of the farms were owned by farmers, while at this time the picture is the other way around, 65 percent of our farmers are tenants or near-tenants.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield.

Mr. HOFFMAN. Is the gentleman sure about those figures about the increase in the number of mortgaged farms and the increase in farm tenancy?

Mr. FULMER. That is right.

Mr. HOFFMAN. In spite of all the New Deal farm-aid policy?

Mr. FULMER. And yet it is claimed that the farmers are prosperous and that they are responsible for the tendency toward inflation. What a joke!

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield to the gentleman.

Mr. TARVER. In view of the fact that the House is to vote first on the Wolcott amendment, I would like to know the opinion of the gentleman, as chairman of the Committee on Agriculture, with reference to whether or not that amendment in his judgment is designed to accomplish anything toward the objective of the Brown amendment.

Mr. FULMER. I do not agree with the gentleman from Michigan [Mr. WOLCOTT] that his amendment would be worth while.

Mr. TARVER. In view of the fact that the President has indicated he is opposed to calculating the cost of farm labor in determining parity for farm products, what advantage would there be in simply giving him discretion to do that?

Mr. FULMER. I agree with the distinguished gentleman from Georgia that it would not serve any good purpose so far as the farmer is concerned.

Let me say in closing that I do not believe there is anyone here in this House who is more interested in the wage earners of this country than I am. I have been one of them, and I call your attention to the fact that back in the old days the wage earners in the industries of this country not only worked on a starvation basis, but they were absolutely under the control of those who employed them—even at voting time they had to go down the line like sheep going to the pasture. What I am interested in is wiping out the starvation wages on the farm, which can be done by paying farmers fair prices for their products.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield to the gentleman.

Mr. AUGUST H. ANDRESEN. The gentleman then would recommend that the Committee vote down the substitute offered by the gentleman from Michigan [Mr. WOLCOTT] in order that we may have an opportunity to vote on the Brown amendment?

Mr. FULMER. Absolutely; I hope that the Wolcott amendment will be voted down and that the Brown amendment will be adopted.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I propose to take only 2 minutes at the outside to clarify what I think is the issue here. The amendment offered by the gentleman from Georgia (Mr. BROWN) contains language to the effect that in the computation of parity prices and comparable prices, they shall include all farm labor. By his own admission here on the floor it would include family labor and would provide a level of about 112 percent of parity.

That was the original amendment that had been offered. A substitute amendment has been offered by the gentleman from Michigan (Mr. WOLCOTT) which in substance says that there can be a modification in the price level contained in this bill "if the President finds"—and that is the language—two things, first that it is necessary to modify that price level to increase production or, secondly, if it can be satisfactorily shown that on account of increased labor costs, or other costs, those price levels must be modified to avoid any gross inequity. That is the Wolcott substitute, and it places it within the discretion of the President whether or not he shall make that finding. I am opposed to the Wolcott substitute, and I am opposed to the Brown amendment. Everybody is familiar with the President's speech and his message to Congress.

How are you going to go to the country today with a proposal of 112 percent of parity, when the Price Control Act itself has a limit of 110 percent? We will be damned up and down from the Gulf to the Dominion and from coast to coast, and obviously the Congress cannot put itself in what I regard as a ridiculous position. To clarify it further, I propose to vote against the Wolcott substitute, and then vote for a substitute for the Brown amendment, which I shall offer, which would include only hired agricultural labor and which would increase the parity level by approximately 4 percent plus. That may be acceptable to the White House; I do not know; but I do know that we put ourselves in a very difficult position by accepting the Brown amendment for 112 percent of parity, when existing law which is presently under fire provides ceilings at 110 percent. We do not get too much in the Wolcott amendment unless the President finds that there is an increased labor cost that is satisfactorily shown or that it is necessary in the interest of increased production to up these price levels. It reposes in the President the discretion to make that finding. That is the issue before the House at the present time.

Mr. TARVER. Mr. Chairman, before the gentleman quits, will he yield?

Mr. DIRKSEN. Yes; I yield.

Mr. TARVER. I am sure the gentleman does not mean to indicate by his statement with reference to our being damned up and down the country if we do so-and-so, that he thinks that his vote or the vote of any other Member of this House ought to be controlled by the question of his own political welfare and whether or not it is going to meet with the approval of public opinion.

Mr. DIRKSEN. No; I did not intend it in that sense at all, but the country is pretty familiar with the message to Congress and the message to the country, and of course the people are price conscious at this time. I am thinking of victory, of the general welfare, and of securing a measure that will be fair and provoke a minimum of dislocation. The Congress must approach this with some degree of patience and restraint for the reason that the only way that we can bring Congress into the confidence of the country and probably meet what I thought was a petulant note in the message of the President, is to take a moderate level that would be satisfactory to the farmers, fair to the consumers, and at the same time meet the problem of farm labor. That is the only thing that I intended to indicate to the House.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. CASE of South Dakota. Does the gentleman's amendment in any way contain a clause about the highest price at a certain date?

Mr. DIRKSEN. No; it only provides that in the computation of parity under existing law by the Bureau of Agricultural Economics, hired agricultural labor shall be included, and that they shall calculate the difference between now and the base period in 1909–14.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BECKWORTH. Mr. Chairman, I certainly favor, in computing parity prices for cotton, corn, sweetpotatoes, tomatoes, peanuts, ribbon cane, blackberries, strawberries, peaches, watermelons, poultry, livestock, and all agricultural products, including the cost of farm labor. In January of this year, 1942, after having been in my district visiting my neighbors, many of whom are farmers, and traveling throughout the district I have the honor to represent, I personally conferred with our Secretary of Agriculture, Hon. Claude Wickard, and other authorities of the Department of Agriculture about the farm labor shortage, which was even then existent and very apparent. I also submitted my observations to General Hershey, the Director of our Selective Service System. In the last 9 months, as the shortage of farm labor has become more and more pronounced, I have continued to notify the proper authorities of our Government, and I have urged that action be taken to assist our farmers to procure farm labor.

The important fact that must be borne in mind is that our farmers cannot compete in the labor market; in order to compete, the farmer must receive more for the commodities he sells. This amendment provides the cost of farm and processing labor—which is much higher than it was this time last year—shall be included in computing parity prices on agricultural products.

Mr. HOFFMAN. Mr. Chairman, I rise in opposition to the pro forma amendment, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, the argument back of the substitute of my colleague the gentleman from Michigan [Mr. WOLCOTT] seems to be this: Admittedly the farmer is not getting enough; he is practically starving to death; but instead of giving him what he is entitled to receive for his produce, we will compromise on 4.6 percent, and let him wiggle along, if he can, and keep a little meat on his old bones so that he can do something—feeding the Army, our allies, the civilians, and a little for himself.

The argument back of the proposed Dirksen amendment is a little different. He admits that the farmer is not getting what he ought to have—what is justly due him—and so he says let us give his hired help something, but let us stop there; why give the poor old farmer or his wife or any of his kids anything? That is the argument back of that.

My friend the gentleman from Washington, Judge HILL, should not be too greatly disturbed about that cartoon depicting the farmer as a hog, because if the farmer has in his make-up one-tenth of one one-hundredth percent of what that cartoon pictures him as having, that cartoonist and those of us who depend on the farmer for our livelihood would have starved to death. Sometimes I think the farmers would do well if they would quit for 24 hours—go on strike—and let some of these fellows in the cities, who levy tribute upon every truckload of product that goes into the city, go out and dig in the ground for something to eat—not every day but just 1 day.

Let me tell you another one, which shows the futility of depending upon the new dealers for efficient administration of any law we pass. Back home, week before last, speaking in Berrien Springs, a farmer in the crowd said, "Now, why don't you fix this?" I said, "What is the matter?" He said, "We have been hauling our tomatoes down to the plant where the Government inspector is on the job. We got in there last night and we had many truckloads of tomatoes. The Government fellow who passes them in said, 'Boys, it is 6 o'clock. Take them back home and bring them back tomorrow.' "

You know what happens to tomatoes. They are no good the next morning. If by this bill we fail to provide a fixed formula we will find our efforts defeated by the crazy ideas of the dreamers—the incompetency and confusion which have made a mess of administration up to the present time.

As we all know, this bill will not stop inflation. We all know that the people are thoroughly disgusted with Congress. Why? Because we do not have the courage to go ahead and write a price-fixing bill ourselves. It may be smart politics, fellow Republicans—it may be smart politics to pass this back to the President. He will not act effectively to end inflation. So the blame will rest upon him and his administration. Perhaps so, but that is not an answer to the people who are asking us to represent them, to legislate and prevent the threatened disaster.

INFLATION IS DUE TO THE ADMINISTRATION'S POLICY

The situation confronting us today is not an unusual one except that with reference to this proposed legislation, we have been told that we must adopt it before October 1 or the President will legislate for us. A declaration of that kind might be expected from a dictator. It is amazing that it should come from a President who has sworn to uphold constitutional government.

Our Constitution gives no power to the President, as President, or to the President as Commander in Chief of the armed forces of the Union to legislate either in peacetime or in wartime.

Nor does it give him power to coerce the Congress into adopting legislation. The President as Commander in Chief can appoint the officers of the armed forces and he can direct the movements of those forces but the Constitution gives him no authority to issue decrees or orders concerning nonmilitary matters or to regulate the lives or the actions of the civilian population.

The Constitution expressly provides that—

> The Congress shall have power to declare war, to raise and support armies, to provide and maintain a navy, to make rules for the government and regulations of the land and naval forces.

It is apparent that the Congress, acting as a Congress, cannot carry on a war. There must be centralized authority. Congress, therefore, delegates to the President the authority, as it did in its declaration of war against Japan, Germany, and Italy to "employ the entire naval and military forces of the United States," but no power has been given by the Congress to the President to legislate or to, by order, directive, or regulation, control the nonmilitary activities of the civilian population.

The President boldly announced that unless Congress acted by October 1 to prevent inflation, which he said would bring disaster to the Nation, he would act and he said he had the power to act. The natural inquiry arises—if inflation will bring disaster unless action is taken by October 1, and if the President has the power to act to prevent that disaster, why is it that, recognizing the danger, he has failed to act?

Months ago this Congress gave the President the legislation which he demanded and which he said was necessary to, and would prevent inflation. It is evident from his statement of September 7 that he was mistaken as to the remedy needed. He was the doctor. The Congress took his prescription. Now he tells us that the remedy prescribed by him was

the wrong remedy and he insists upon another remedy. He insists that Congress operate, that it operate prior to October 1.

Knowing that the Nation is ill; that it is dangerously ill; knowing that the disease—inflation—may destroy us; having the power according to his own statement to cure that disease, prevent that disaster, the President, for purposes of his own, instead of acting, turns on Congress and follows a course which tends to make the people believe that this disaster which threatens to engulf us is here because the Congress has failed to act. That is not true.

For the past 8 years the President has had control of the Congress. He has exercised that control to such an extent that the Congress has become known as the "rubber stamp" Congress. Submitting to Presidential demands; forgetting its responsibilities to the people; ignoring the fact that it is one of the three coordinating branches of the Government, the Congress has done the bidding of its master, which has brought it into disrepute with the people; he now turns on the Congress, charges that it is responsible for the threatened danger brought about by his own inaction, and demands that it turn over to him its legislative authority. He brazenly tells it that if it does not do so, he will take it anyway.

Republicans, if they merit criticism, do so because they have not challenged the President's excursion into legislative fields. If they have failed, they have failed because they have not boldly, without fear, courageously told the people what the President was doing and the result of his actions.

Time and again in days gone by appropriation bills for fabulous sums were submitted to the Congress for the aid of the unfortunate—to create employment. In each instance when a Republican minority sought to amend those bills so as to prevent waste, and worse, they were told that the legislation was humanitarian in its scope and that if they opposed it they were depriving the needy of the means of livelihood.

Bill after bill has been forced through Congress by the majority party at the demand of the President. Time and again the President was given a blank check for funds and for authority. On almost every occasion the minority were told that if they did not go along the poor, the needy, the unfortunate would suffer.

When war became imminent, a like course of intimidation was followed. Those who believed we should first prepare this Nation to meet any enemy or combination of enemies who might come were told that if they did not vote for everything proposed by the President, they were disloyal, unpatriotic.

Since the New Deal came to power the minority has been helpless, because it was outnumbered, to do the obvious thing which would cure our domestic troubles, prepare us to meet the present situation. Today the same situation exists. We of the minority can only protest, offer constructive measures when things go wrong; we cannot force them through for we are hopelessly outnumbered. The President has stated, and all with common sense know that if the threatened disaster which can only be prevented by anti-inflation legislation is to be avoided, there must be a stabilization of prices, a stabilization of not only prices of farm products but a stabilization of wages. Yet for months, realizing that fact the President of the United States has followed a policy of yielding to the demands of labor organizations, of increasing wages; of giving premium pay for so-called overtime—as if there could be overtime in wartime—when the life of the Nation is at stake.

Now the President turns on the farmers—on the farm bloc and charges them and it with attempting to obtain for the farmer an unjust, unfair advantage. That charge is not true. The President ignores the fact that the so-called farm parity price is based upon the years 1909–14. He ignores the fact that if the same years were used to fix a so-called parity wage, he would find that the present wage of the industrial worker is two or three hundred percent as compared with the farm parity figure of 110 percent.

We all know that the Government, by the awarding of war contracts and the fixing of wages on war contracts has brought about a situation where industrial workers receive all the way from $1 an hour for common labor to $2 an hour and more for skilled labor. We know too that labor on the farm receives anywhere from 25 to 40 cents an hour; that all too often the farmer who owns the farm, his stock and his tools receives a return of no more than 25 cents, yes; sometimes less per hour for the labor of himself and the members of his family who assist him. On top of that situation we are now advised that there will come an Executive order preventing farm laborers from going to the industrial plants where high wages prevail.

Is the President creating a situation where a special class or group, members of unions, for this administration has brought about the closed shop and the check-off, are the only ones who are to receive high wages? Has this Administration not created a situation which threatens to hold upon the farms and in the cities all those who have not been taken for the war—compel, force them to work for a fraction of what the industrial worker receives?

The President tells Congress that it is now to pass legislation limiting the price of farm products and leave it to him to control wages. Playing politics with organized labor leaders, as he has been doing, as he is doing, some of us know that this bill as presented, that the legislation demanded, will place in his hands the power to grant special privileges to those pressure groups.

If the past is any guide to the future, it is evident that the power now demanded will be used, not to end inflation but to favor organized labor at the expense of the farmer, the businessman, Government employees and all those who live on so-called fixed incomes. Members of some unions have continued from the beginning of the war, down to today, to call strikes and to threaten strikes. Jurisdictional strikes still continue.

The A. P. tells us that at Flint, Mich., on September 21, approximately 300 members of the United Automobile Workers, A. F. of L., walked off their jobs at a war production plant because the Corporation, obeying an order of the N. L. R. B., attempted to reinstate a woman employee who belonged to the U. A. W.-C. I. O.

Earlier in the week American Federation of Labor cooks in hotels and restaurants in Detroit threatened to strike if the proprietors bought milk from organizations where the employees were members of the Congress of Industrial Organizations.

Somewhat earlier C. I. O. industrial workers employed in a plant in Michigan producing materials for the armed forces went on strike because the A. F. of L. was organizing grocery clerks.

These illustrations are cited to show that this administration is not bending its efforts wholeheartedly toward the ending of the practices which are interfering with industrial production which are contributing to inflation. These instances are cited to show that this administration will not, even though this legislation be adopted, put a ceiling over wages and salaries nor take into consideration in stabilizing the prices of farm products, the cost of labor on the farm.

Proof of the same policy is found in orders of various administrative boards which during the past months, even after the danger of inflation was apparent, have followed a practice of raising industrial wages, thus not only increasing the cost of materials needed for the carrying on of the war but tending to promote inflation.

Today the administration is fighting the demand that the farm cost of labor be included in the parity price. Why do we have inflation? Listen to this story. It gives you one reason. Yet here in Washington last week a steam-shovel man working on the underpass at Bolling Field was paid for 1 week's work $178. At the end of the week he quit. He gave no reason. The only apparent reason was that he had money enough and wished to spend it. The contractor had difficulty in getting another man, even though the wage was $2 per hour; $3 per hour for overtime and $4 per hour for work on Sunday or holiday.

Farmers, their wives, the members of their families, the hired man, they all are patriotic, but it does not add to their enthusiasm to know that this administration, while requesting them to serve sometimes from daylight until dark and receive no more than a bare existence wage, is using their tax money to pay industrial workers $2 an hour.

The draft has stripped the farms of their young men. The factories, because of higher wages, have taken the older men into the industrial centers. There is talk of an army of 13,000,000 men. The old saying that "an army travels on its belly" is still true. Our fighting men must not only have the implements of war, the munitions of war, they must eat, and an army of 13,000,000 men—an army of 4,000,000 men, which we now have in the service, cannot be fed, cannot live, if

the farmers are to be denied the means of cultivating their land.

This administration, in its conduct of the war, is following the same policy which it pursued in connection with their domestic affairs. It is building a superstructure without a firm foundation under it.

The majority party is forcing through this legislation. It will not accomplish the purpose for which it is introduced. The majority party says to the minority: "Vote for it or be branded as hindering the war effort." Just how long the people of this country will be fooled by that kind of propaganda is a question. I, for one, have gone out on a limb time and again, have incurred the vicious, malicious attacks of new dealers and worse, because I have followed my conscience, my judgment, and voted against New Deal legislation which was harmful.

Unless the amendment requiring the cost of farm labor to be figured into the parity equation is adopted, I will not vote for this bill.

Even then the bill grants too much authority to the Executive, but inasmuch as the administration will not permit any other legislation to go through, inasmuch as there is threat of a veto, we must make the best of a bad situation.

The CHAIRMAN. The gentleman from Texas [Mr. POAGE] is recognized for 5 minutes.

Mr. POAGE. Mr. Chairman, we have discussed the effect of this bill upon the farmer without giving much consideration to the effect this bill will have upon the ability of this Nation to win the war. The ability of this Nation to win the war must depend upon its ability to feed itself and to feed the people all over the world, because the greatest of the European grain-producing nation that is now carrying on the fight against Hitler almost alone has lost most of its food-producing areas. We are going to have to feed 160,000,000 Russians as well as our own people. We are going to have to feed the peoples of the world. You cannot feed the peoples of the world unless you have farmers on the farms.

Just last week when I was in Texas I found that it was very difficult to obtain a tenant for a farm today, because the men who used to work those farms, who a year or 2 years ago sought farms to rent, now find that they can make as much money in one week working in a defense industry as they oftentimes made from a whole year's endeavor on these farms, and without any risk and without any chance of loss and without working their family, whose labor the gentlemen here would not allow to be included in the parity formula.

Why do you expect the farmer to continue back-breaking toil day after day if you are not going to allow him a reasonably fair income; if you are going to deliberately destroy his last chance of making a return for that labor somewhat comparable to that which he can secure in some other industry?

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I am happy to yield to my good friend from the Sixth District.

Mr. LUTHER A. JOHNSON. I want to corroborate what my colleague has said about the difficulty of getting farm labor and also tenants to work farms. I speak from my own experience and those back in my own district where cotton is raised. It is exceedingly difficult to get farm labor or to rent farms because so many young men have gone into the Army and many of those who have not gone into the Army are accepting employment in these high-priced defense industries.

Mr. POAGE. That is exactly right, but there are more of them who have accepted employment in the high-priced defense industries than have gone into the Army. So do not blame the draft for all of our troubles. Blame the price that the Government has set on wages in war work.

All the Brown amendment seeks to do is to make the calculation of parity include the costs of production, including the cost of labor, and those are the words of the President of the United States, directed to the Congress on the seventh day of September this year, when he stated "Calculations of parity must include all costs of production including the cost of labor." All that we are now asking is that you adopt this formula which the President himself presented to us.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. O'CONNOR. Does the gentleman think that "agricultural commodity" is broad enough to include livestock?

Mr. POAGE. Certainly I think the term "agricultural commodity" includes livestock and it should include it. It should include everything that is raised on the farm, the things that the people must have to eat and wear. To grow those things we must take into consideration the farmer's cost of production, because the farmer has not a penny to spend for the things that industry produces until he has paid the cost of labor in production. Before a man has a thing left from a bale of cotton in Texas today he has to pay $30 for picking it. That is $2 per 100. That has to come out first. So do not tell us that he has $75 or $80 from each bale of cotton. Thirty dollars first has to come out for the picking. Then the ginning has to come out. Then he has had to pay for what it cost him to make that crop, to plow it, to chop it, and to buy the seed at $2 a bushel to put into the ground. Until he is able to pay for those things you need not talk about him staying in business and producing a crop next year. You need not talk about him feeding and clothing this Nation next year when he cannot pay his costs this year. All that those of us who are supporting the Brown amendment ask is that you include these necessary labor costs in determining the parity formula. All we ask is that you allow the farmers an income sufficient to enable them to attract a small portion of the available labor of the country and thereby make it possible for them to continue to produce the food and fiber so absolutely necessary to the successful prosecution of our war effort. We all want to prevent unrestrained inflation. To do this the farmer expects to accept and has always cheerfully accepted sacrifice greater than any other class, but it is a physical impossibility for him to continue to produce food or fiber if he is compelled to try to meet ever-rising labor costs without any commensurate increase in the price of his products. This amendment will have practically no effect on the general price level, but even if it were possible for the small percentage of the consumers' dollar that reaches the farmer to materially increase the cost of bread, clothes, and shoes, the price of which has been shown to consist almost entirely of labor costs, is it not better for the Nation to have adequate supplies of food and fiber at a price than to have a low theoretical ceiling price but no bread, clothes, or shoes to be had? My friends, if you want rationing of every food product, just pass this bill without this amendment.

Mr. ROBSION of Kentucky. Mr. Chairman, the President on September 7 submitted to the Congress his message in writing, urging the Congress to pass legislation to stabilize the prices of farm commodities, in order, he stated, to prevent inflation. He told the Congress in his message he would take appropriate action to stabilize wages and salaries. He claimed in this message he already had the power and authority heretofore granted to him by the Congress to stabilize the prices of farm commodities, wages, and salaries, and if the Congress did not act, as requested in his message, by October 1, 1942, he would exercise these powers and stabilize farm prices, as well as wages and salaries.

He claimed in his message that prices of farm commodities have risen rapidly in the last few months, which threatens the country with uncontrolled inflation. As a matter of fact under the Price Control Act, passed by the Congress in April 1942, and the two Emergency Powers Acts, passed by the Congress many months ago, the President has had for months, and still has, the power as claimed in his message to stabilize the prices of farm commodities as well as the prices of nonagricultural commodities, wages, and salaries. If the rise in farm prices has threatened inflation, and the President possesses the power to stabilize farm prices, we are led to wonder why the President has not heretofore exercised these powers and prevented the condition about which he complains in his message. We also wonder why the President insists that the Congress deal alone with the stabilization of farm prices and leave to him the stabilization of wages and salaries. Why has not the President acted?

Stabilization of wages and salaries is quite as important as the stabilization of the prices of farm commodities. Why should the Congress be called upon to deal with one and not both?

No efforts should be spared to prevent uncontrolled inflation. Uncontrolled inflation means bankruptcy and repudiation. We are engaged in the greatest war of all times. The Congress in passing legislation should first consider the welfare of all the people and

the winning of the war. Neither the Congress nor the administration should bow to the selfish interests of any group or groups. No individual or group should be permitted to profiteer in this great hour of emergency. We should be willing to do everything necessary within our power to bring success to our armed forces as speedily as possible.

Our first great line of offense and defense in winning the war is made up of the millions of fine American soldiers, sailors, and marines, who are fighting heroically on all the continents, seas, and islands of the world. They cannot protect themselves and win the war without being supplied with the necessary ships, planes, bombs, guns, tanks, and shells, and also supplied with the necessary food and clothing, and we must furnish great quantities of these supplies to our allies.

Therefore the millions engaged in production in industry and in agriculture form our second great line of offense and defense. Management and labor in industry, with few exceptions, are doing a splendid, patriotic job. We cannot win the war without food, clothing, and shelter. The farmers must produce the raw material to provide food, clothing, and much of the shelter for our armed forces and for those engaged in industry, for our civilian population, and for our allies.

There should be no favoritism shown to any group engaged in production in industry or in agriculture. Each group is entitled to fair and just treatment. Each group and each individual must subordinate his own interests to the welfare of our country, and all of us must make sacrifices as our soldiers, sailors, and marines are doing.

The farmers of our Nation, in providing food, clothing, and much of the shelter, are confronted with a tremendous task. They have many great handicaps. Every acre of tillable soil, including small garden patches, must be utilized. After we have done all that can be done to meet these great demands, I am afraid we shall fall short of the requirements. To accomplish this great task the farmers are entitled to, and must have, such encouragement and aid, in fairness and justice, as the Government can give them.

Under the price-control bill, passed by the Congress at the behest of the President, and the emergency powers granted to the President, floors and ceilings have been placed on nearly all nonagricultural products. The President fixed October 1, 1942, as the dead line for the Congress to act. It is most unfortunate that the President, already possessing the power to do the very things he asks the Congress to do, failed to act for months, and now gives the Congress only 25 days in which to act. He demands that the Congress pass the measure set forth by him and sign on the dotted line before October 1.

Congress is one of the three great coordinate branches of the Government. The Congress had acted and given the President the authority to do the very things he now asks the Congress to do. If it was necessary and right and just to do the things the President now desires the Congress to do, and in the way he says to do them, why did he not take action?

It does not make for unity for the President to continue to request the Congress to sign on the dotted line. As one Member of Congress, I have made a careful study of this whole subject, and I am sure my colleagues have done likewise, and under our oaths we should pass such a measure as we honestly believe will serve the best interests of our country as a whole, producers, consumers, and expedite our war efforts.

If the Congress must continue to sign on the dotted line, why have a Congress? Our Nation is aiding in this great war to do away with governments where the lawmaking bodies of the governments are required to sign on the dotted line. We must win the war in order to preserve our three coordinate branches of government, and if possible to extend it to other people. What shall it profit the American people to fight to give to other people freedom and lose our own freedom? Let us not lose sight of the importance of preserving our own freedom, and to do this we must not destroy the Congress, the representatives of the people.

In order to cooperate with the President, bills were introduced in the House and Senate. The bill before us, H. R. 7565, provides for the stabilization not only of the prices of farm commodities but also wages and salaries. There appears to be no serious controversy as to any part of the bill, except the Brown amendment, now under consideration, which provides "calculations of parity must include all costs of production, including the cost of labor." In other words, in fixing the parity price of farm commodities all cost of production, including the cost of labor, should be included. The President, in his message to the Congress of September 7, 1942, used the identical language set out in the Brown amendment for fixing parity prices for farm commodities, but for some reason, not made clear, the President, on September 16, 1942, sent a letter to Mr. STEAGALL, chairman of the Committee on Banking and Currency, in which he appears to have changed his attitude, and insisted in this letter the Congress should not take into consideration the cost of labor in fixing the parity prices for farm commodities.

The words "including the cost of labor" is the point at issue between the House and the President. The House insists that in fixing the parity prices of farm commodities the cost of farm labor must be included. The President says it must not be included.

The Committees on Agriculture in the House and Senate have considered this matter carefully, and they insist the cost of labor should be included. All of the great farm organizations of the country, whose members produce most of the food and fiber and material for the clothing of the Nation, strongly insist that "cost of labor" should be included. It appears that the overwhelming majority of the Members of the House believe that cost of labor on the farms should be included in fixing the prices of farm commodities.

The Brown amendment, in my opinion, is just and fair to the farmers and to the consumers as well, and will encourage production and thereby curb inflation. I favor the Brown amendment and I trust the House will give it overwhelming support. There were omitted from the bill provisions necessary to give fair treatment to small processors of livestock and tobacco. These have been agreed to and will be adopted.

CAUSE OF INFLATION

What causes inflation? Inflation is simply a great surplus of spending money and a great scarcity of consumers goods. The demand for consumers goods greatly exceeds the supply. This forces those who have the money and desire and need the goods to bid against each other in order to secure the goods and in that way force a constant rise in the prices.

It is variously estimated that the national income of the American people this year wil be approximately $115,000,000,000. In other words, the American people will have that much to spend. It is estimated there will only be about forty-five or fifty billion dollars worth of consumers goods available for use of the American people, yet they will have an income of approximately $115,000,000,000. They will have more than twice as much income as there is of consumers goods. Here we see a great surplus of spending money and a great scarcity of goods, and hence the American people will bid against each other and spiral the prices upward unless these prices are controlled. Under these circumstances, there must be a stabilization of commodity prices. If all prices are fairly stabilized no group or groups will suffer. It is the big task of the Government to avoid partiality or favoritism and protect consumers.

The metropolitan press and our friends in the great cities insist that the farmers of the country have been permitted to inflate the prices of farm commodities as compared to nonagricultural products produced by industry and labor. On the other hand, the farmers insist that industry is gobbling up big profits and the wages of industrial workers are out of proportion to the reward of the farmers and farm workers. We must not be unfair either to those engaged in agriculture, those engaged in industry, or the consumers.

The President and the metropolitan press and others would have us to believe that the farmer is enemy No. 1 in causing inflation, and, therefore, some action must be taken by Congress, not only to control but cut down farm prices. The farmers say that their parity prices are based on the average from 1909 to 1914, in peacetime, and the price of farm labor has increased 100 percent, but on the other hand, industrial wages have increased approximately 300 percent. They also point out that industrial wages are 38 percent above World War No. 1 peak while the farm prices are 37 percent below World War No. 1. They also insist that industry has been making enormous profits.

One of the important committees of the House reported some time ago that one war contractor was making 1,760 percent profit, and it developed that other war contractors were making profits running into the millions of dollars. The farmers say that because millions of their boys have been called into the armed

forces and millions of other farm workers have been attracted to the industrial plants because of the high wages paid them, farmers have been unable under the present prices to pay sufficient wages to workers to hold them on the farms. The farmers insist that they are entitled, the same as industry, to the cost of production of farm products and a reasonable return on their investments, and this cannot be had without including cost of labor in fixing parity prices for farm commodities.

SHOULD LABOR BE CONSIDERED AS A PART OF COST?

It seems to me, this is elementary. The cost of labor should be considered as an element of the cost of production whether we are producing on the farm, in the shops, in the plants, mills, mines, or factories. It has always been my notion that the cost of labor should be and is an important element in determining the cost of production, and fixing a fair market price for all commodities.

The Government, industrial plants, and transportation management, in determining the fair price for commodities and transportation services, have always taken into consideration the labor cost. Now in arriving at parity prices for the farmers, farm labor costs have not been included.

The Brown amendment to this bill provides:

Calculations of parity must include all costs of production, including the cost of labor.

It seems to me, the President and every other person who has made a study of this subject would readily accept this provision as fair and just. In fact, the President, in his message to Congress on September 7, 1942, used the identical language and urged that Congress, in stabilizing the price of farm commodities, should take into consideration—

Calculations of parity must include all costs of production, including the cost of labor.

As I have stated, the objection to the Brown amendment is that part of the language used by the President—

including cost of labor.

The agricultural committees of the House and Senate both have given this matter careful consideration, and they insist that labor costs should be included in fixing the parity, the fair price, the farmers should receive for their products.

In a telegram received by me from Edward A. O'Neal, president, American Farm Bureau Federation; Albert S. Goss, master, the National Grange; H. E. Babcock, president, National Council of Farmer Cooperatives; and Charles W. Holman, secretary, National Cooperative Milk Producers Federation, representing the farmers of the Nation, they state:

Responsibility for the future food and fiber supply of the Nation must rest squarely upon the shoulders of those who deny the farmers the opportunity to meet the costs necessary for maximum production. In our opinion, amendments to the pending price-control bill which will make mandatory the inclusion of all farm labor costs in establishing farm price ceilings are necessary to protect the Nation's food and fiber supply. We strongly urge that you support such amendments.

The members of these farm organizations produce most of the food and fiber raised in this country. They insist that labor costs must be considered as part of the cost of production of farm commodities in fixing parity prices for the farmers. The President, in his message of September 7 to Congress, agreed that Congress must include the costs of labor in fixing parity prices for the farmer. But in his letter of September 16, 1942, he advised the House not to include the cost of labor. The Brown amendment, which provides for the inclusion of the cost of labor in fixing the parity prices puts the issue squarely before the House. There is no controversy about any other part of the bill. With the Brown amendment, we feel that the House will fairly stabilize the price of farm commodities, as well as wages and salaries.

Many of the farm commodities are considerably below present parity prices. The parity price of wheat is $1.344. It is selling today on the Chicago market at about $1.20. The price of wheat in the last World War was fixed at $2.26 a bushel. Cotton, as well as many other farm products, is selling today below parity. Some farm commodities are selling above parity. In the matter of farm commodities, as well as wages and salaries, the President is given power under this bill to adjust gross inequities.

We are informed, on the average, the farmer only receives about 30 percent of the price paid by consumers for farm products. The other 70 percent is received by processors and middlemen. The farmer only gets 30 cents of the consumer's dollar. What effort has been made by the administration to stabilize the prices of those who receive 70 cents of the consumer's dollar? The farmer is certainly not guilty of starting or aggravating any inflationary tendencies. Agriculture represents about 25 percent of the Nation's population and receives only about 10 percent of the national income. The other 75 percent of the Nation's population receives about 90 percent of the Nation's income. It is ridiculous to talk about one-fourth of the population, receiving only about one-eighth to one-tenth of the income, being responsible for inflation.

The patriotism of the farmers in this war cannot be questioned. They have carried their full share of the burdens of this Nation. They truly have eaten their bread in the sweat of their faces.

OUR FOOD SUPPLY THREATENED

We cannot win this great war without ample supplies of food and clothing. These must come from the farms. Every productive foot of ground in the United States should be utilized to the fullest. To accomplish this the farmers of this Nation must not be kicked around like stepchildren. They must receive hearty cooperation from the Government. If the boys are taken from the farms and the farmers do not receive such prices for their products as will enable them to employ farm labor, tens of thousands of our farms and millions of acres of fertile soil must lie idle. Almost every day we receive one or more letters advising us that people must give up their farms because those who work the farms are either taken into the armed forces or have gone to industrial plants to enjoy the high wages paid there. I certainly would not minimize the importance of developing the finest and best Army, Navy, and air force in the world, or the production of munitions of war, but at the same time we must not overlook the tremendous importance of increasing our food and fiber supply.

We are now under sugar rationing, and the announcement has been made that our meat supply will be cut 21 percent beginning October 1, and the demands for foods and fibers will increase day by day. There would be no necessity to regulate the price of farm products except because of its scarcity. The logical solution for inflation is abundance—ample supplies of food and fibers. We must not expect our farmers to do the impossible.

Unless we make it possible for the farmers to compete with industry and keep more people on the farms, we shall be faced with a great shortage of food within a year. We will have to tighten our belts. What if we should have a great drought next year? We have had wonderful crops for several years throughout the Nation. We need not be surprised to have a drought. We cannot emphasize too strongly the necessity of ample food, not only to win the war but to take care of our civilian population and to help our Allies. Russia, the great granary and food basket of Europe, at least the fertile part of her great dominions, have been overrun by the Germans. This means there will be literally millions of starving Russians. There will be a tremendous demand on us for food for Russia, and this is also true of China and our other Allies.

These farm leaders in their telegram say that the responsibility for the future food and fiber supply of the Nation must rest squarely upon the shoulders of those who deny the farmers the opportunity to meet the cost necessary for maximum production. This means Congress as well as the President. In urging you to support the Brown amendment to include in the cost of production the farmer's labor cost, I am not thinking alone of the farmer. I am thinking in terms of winning this war and the welfare of the consumers, the wage and salary workers in industry. If our food supply grows scarce and the income of the people continues to grow, there is no power of government that can keep down the price of farm commodities. Production to capacity on the farms of this country is the natural and great preventive of inflation of farm prices. Let us encourage and help the farmers to produce to maximum capacity. There should be no idle acres or gardens. Their dairy herds should not be sacrificed and sold; their cattle, hogs, sheep, and poultry should not go to market before they are ready because of lack of farm labor.

WILL FARM LABOR BE DRAFTED?

We must have food and clothing as well as men, ships, tanks, guns, planes, and shells to win the war. The food and clothing must come from the farms—American farms. If we follow the present selective laws and regulations, there

will be taken from two to three million of the able-bodied young men of the Nation from the farms. If parity prices are fixed for farm commodities without including therein labor costs, and the farmers are thereby unable to pay higher wages than they can today, millions of able-bodied men will continue to be attracted from the farms to enjoy the much higher wages in munition and other industrial plants. We will then be confronted with the problem of a great scarcity of farm commodities which must provide our food, clothing, and much of our shelter. With tens of millions of acres of idle productive soil, then will not the Government in order to meet the emergency of the war as well as the civilian needs be forced to draft labor to work on the farm? This will likely cost the Government more and increase the prices more to consumers than it would cost by giving the farmers a fair price, including the necessary cost of labor. It would in effect mean the taking over of the farms by the Government.

I sincerely pray that it may not be necessary to adopt this alternative. Let us indulge the hope that the policy laid down in this bill to stabilize both farm commodity prices, wages, and salaries may work. I believe the plan set out in this bill is immeasurably better than to conscript men and women to carry on the work on the farms and in industry.

ADMINISTRATION RESPONSIBLE

The administration is responsible for the inflationary tendencies in our land today. They have sown to the wind and are threatened with the whirlwind. The billions and billions of dollars borrowed in peacetime and put into circulation were steps toward uncontrolled inflation. The bill forced through Congress by the President giving him the power to issue $3,000,000,000 of printing-press money added to the threat of uncontrolled inflation.

The policies of the administration advocating scarcity instead of plenty as the road to prosperity is now bearing bitter fruit. The administration destroyed millions of pigs, hogs, sheep, and cattle, and took out of cultivation more than 30,000,000 acres annually of productive land in this country and in that way cut down production and created a scarcity of farm products. These are great contributing factors of uncontrolled inflation.

We now find we have too much spending money and a great scarcity of consumers' goods. We are faced with a shortage of food and clothing. Although our sugar is rationed, the Government has been and is paying out subsidies to many great landowners and some small landowners to cut out the cultivation of sugar beets and sugar cane. Subsidies are being paid to others to cut out millions of other acres of productive lands in this country.

The administration set on foot and is still following the policies creating a great surplus of spending money and scarcity of consumers' goods. Many of us for a number of years have warned that some day we would be confronted with the danger of uncontrolled inflation. In order to protect our Nation from the danger of uncontrolled inflation we must now not only put a ceiling on prices for both agricultural and industrial commodities, but we must ration the people of this country.

This administration wasted the credit, economic, and industrial resources of this Nation in time of peace, and these unwise policies now handicap us in our war efforts.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I want to discuss a phase of this matter which I have not heard mentioned up to this time. It has been said here that if we adopt the Brown amendment we will increase parity by about 12 percent. That is not a correct statement, if by parity you mean you are going to give the farmer the same purchasing power today that he had during the 1909–14 period.

Up until this time labor costs have not been included in determining parity, and there was good reason for that because if they had been included they would have made practically no difference in the computation of parity. This is due to the fact that while other costs of the farmer had risen, labor costs as compared with the 1909–14 period had not risen substantially. It is only during the last 18 months that labor costs have risen as compared with the 1909–14 period. Therefore, if today you do not take into consideration the fact that these labor costs have increased during the last 18 months, you are not going to give the farmer the same purchasing power that he had in the 1909–14 period. That is the argument for the Brown amendment, and I think it is an unanswerable argument if you believe that the farmer ought to receive real parity—that is, the same purchasing power that his products had during the 1909–14 period.

During the last 18 months farm wages have practically doubled. They are still going up, and they are going to continue to go up if farmers have to compete with the high wages in industrial plants. Therefore, if we want to give the farmers of this country parity, and the Congress is on record—everybody is on record—as wanting to give him parity, you cannot do it unless you adopt the Brown amendment or something similar.

Mr. Chairman, in my opinion, within 6 months from this time a lot of things that have been said on this floor yesterday and today are going to sound rather silly. I mean a lot of things that have been said in opposition to the Brown amendment and on the general subject of farm prices and costs, because in 6 months from now if we do not change our course or our policy in the meantime we are going to be rationing a lot of food supplies in this country. It is not going to be a question of the prices of farm products. It is going to be a question of getting adequate supplies. We are also going to find that in this country where we have always thought we had a great surplus of manpower, that we have a shortage of manpower. That shortage is already acute on the farms. Many actual operators of farms have been drafted into the armed services. Some of those farms are going out of production. Other operators have had to discontinue operations because their employees have gone to industrial plants at wages three or four times farm wages. Newspapers in farm areas are filled with advertisements of farm sales. I see no way by which farm production goals for 1943 can be met. We must do everything we can to give the farmer the opportunity to stay on the farm. The Brown amendment will not do a lot along that line, but it will help. Unless we make every effort to enable the farmer to keep his help and to stay on the farm himself so as to produce the food and fiber that we are going to have to have in order to win the war, we will find ourselves in a most serious situation before many months have passed.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Oregon [Mr. PIERCE] is recognized for 5 minutes.

Mr. PIERCE. Mr. Chairman, there was never a more erroneous statement than the assertion that the farmers are to blame for the rising cost of living. It is surprising how it has been put over and how the people along the Atlantic seaboard have been made to believe it. I am astonished that men continue to talk about the high cost of living being caused by this 110 percent of parity.

Mr. Chairman, I am going to support the Brown amendment. I was a Member of Congress when the original act was passed. As a matter of fact, it was about my first service in the Congress and as a member of the Committee on Agriculture. The bill was introduced by our colleague from South Carolina [Mr. FULMER], now chairman of the Committee on Agriculture. He belonged to a group, and so did I, who believed that parity should be a cost-of-production proposition, but when the men came down from the Department of Agriculture they talked us into the idea of adopting this parity formula. We supposed at that time that it would take in all costs, and it was some time after that I learned they were not counting labor costs. I asked the Department why the men who did the figuring did not take this factor into consideration and they advised me that labor was so low at that time that it would reduce the parity price of the product which they wanted to keep up. At least, that is the excuse they made.

Mr. Chairman, the situation, of course, is entirely different today. They say that those prices will not advance anything like we think they will when they apply these various formulas and indexes. I want to have the Brown amendment agreed to. I shall vote against the Wolcott amendment. I do not believe the President is going to veto this bill. He is a realist and he must know that if the farmers do not get back cost of production they cannot produce.

My objection to the old formula is that it comes out of ancient history, out of an entirely different era—33 years ago, away back in the kerosene lamp days, in the days of horse-drawn vehicles. Today farming is a commercialized business. I

have endeavored to explain the situation from the point of view of the practical farmer as well as from the standpoint of a Member of Congress responsible for legislating so that our people and our armed forces may be protected in their food supplies.

FARM PRODUCTION VITAL—PARITY A DELUSION

The gravest internal matter before the people of America today is the question of stabilizing agricultural production so that a plentiful supply of foods and fibers will be assured for the duration of the war. Every Representative of agricultural districts receives daily news of the destruction of dairy and beef cattle herds and neglect of flocks and fields because the owners and cultivators have been called to serve in the armed forces or in war industries. The older farmers and their wives and children, having worked to the point of exhaustion, are not planning to plant next year. This is a bitter time for the farmers because they have sons in the armed forces and everything is at stake for them. They entered into the production program with high-hearted enthusiasm and thankfulness for an opportunity to do their part. Events beyond their control have shattered those hopes, and now while we bandy the words "parity," "inflation," "cost of production," and "stabilization" an actual food and fiber shortage threatens this rich agricultural Nation. This terrible situation has not been brought about by the farmer, by his organizations, nor by the Congress. It is the result of official inexperience and neglect.

The solution of the problem before us is probably appointment of a food administrator who understands the agricultural situation and the national economy. Subsidies should be used only as a last resort. They cannot stay inflation. Experimentation with growing things is fatal. Herds cannot be restored quickly, neither can orchards. Confusion and misunderstanding must give way to cooperative effort by city and country. No Government agency should be allowed to create and foster a cleavage between farm people and city people. Our interests are identical.

THE SPIRAL OF INFLATION

We wholeheartedly agree with our President's fear of inflation as expressed in his message to the Congress recently, and in his Labor Day radio talk to the Nation. The President quite clearly pointed out that it would be easier to stop the spiral of inflation before it got into full swing. There is no question but that it is true. We of the Congress, and the farmers of America, must lend aid by every means within our power to halt inflation at the earliest possible moment. It would injure us all. It seems unreasonable, however, to hold up the bogey of the scientifically planned inflation of Germany in order to force the Congress to pass laws without careful consideration. Germany, after the first World War deliberately brought on inflation so as to cancel the national debt, and as a means of drawing into the German economy an immense contribution from other countries. Millions of marks were sold, especially in this country, to those who could not believe that Germany would deliberately plan repudiation. No; the conditions in Germany, at that time, are not comparable to those that exist in this country at this time.

PRODUCTION IS ALL-IMPORTANT

The surest and most effective way to curb inflation so far as it is related to rising prices of farm commodities is to produce in large quantities and make the products available to our people. Meet the demand fully, and, naturally, it will follow that prices will be reasonable. Most farm products would be sold below present ceiling prices if there were sufficient quantities with adequate control of costs of processing, distribution, and transportation.

The resentful city housewife thinks of the farm producer as the man who is getting the additional pennies paid for bread, meat, vegetables, or dairy products. If she could find labels on those purchases setting out the amounts paid grower, wholesale and retail handlers, processors, and railroads or other transportation agencies, her sympathy would go out to the farmer.

Foods and fibers are as necessary in this war as are men and munitions. It was Napoleon who said, "An army fights on its stomach." Products from our American farms must feed not only ourselves and our armies in our own country, but they must be sent to American boys in uniform who are in foreign lands. Our allies look to us for food because their populations are strained to the limit to meet industrial production and military demands.

The important question before this Congress and before the American people is production in quantity, not parity nor even prices only so far as they affect production. We are in great danger of finding ourselves short of some of the essential foods and fibers that we must have. We have a surplus of the basic commodities—wheat, corn, cotton, rice, tobacco, and peanuts, and they are for the most part now below parity. Should an attempt be made to force beef, mutton, and hogs down to the parity prices as found by the old formula, using the base period of 1909 to 1914, it would result in such shortages as to hazard our whole food economy. Price to either producer or consumer is not now so vital as quantity. There may also be real shortages in the very near future in meats, vegetables, fruits, and dairy products.

RISING PRICES

The farmers of America are not the cause of the rising food prices. The farmer fixes no prices. When he has foods or fibers to sell, he asks, "What's the price today?" When he has to buy manufactured goods, he asks the same question. American farmers are guiltless in this matter of advanced living costs. The money has not all gone to producers and it is totally unfair for O. P. A. to seek to give that impression by its frequently reiterated statements on farm prices. They are not farm prices, but, rather, prices of farm commodities as determined by retailers who include in their prices the costs and profits of wholesalers, processors, carriers—all these handlers collect some profit. It is an accumulation of costs and profits which determines the final retail price.

The farm producer is the only one who cannot fix his price based on his cost of doing business. He learns from press and radio what his commodity will bring on a speculative market, now partially controlled by Triple A legislation or under war measures. Increases have been granted to others by the Government for cost of transportation and for wages. The farmer is used as the whipping boy in this unfortunate situation. It is unjust to hold him responsible for the rising cost of living and threatened inflation.

It is estimated that in an average 65-cent dinner the producer of the raw products would get not to exceed 12 cents. It is the sheerest nonsense to state that a rise of from 10 to 16 percent in parity, which cannot amount to more than 2 cents on that dinner, is the cause of inflation. The big profits go to the processors, the middlemen, the carriers, those groups which have "always borne down with terrific oppression upon that group which derives its sustenance from agriculture."

The figures vary as to what part of the consumer's dollar the farmer really gets, but it is certainly less than one-half. The Division of Information of the Triple A has just issued a statement that the average price of a loaf of bread, throughout the United States, is 8.3 cents, and that the farmer's wheat in that bread netted him 1.1 cents or 13 percent of the cost of the bread to the consumer. To say that a rise of one-sixth, or less than 2 mills, is a cause of inflation, and is responsible for the increased cost of living, is to state an untruth. Such statements malign the farmers who are hard pressed for labor and machinery and face an uncertain financial future.

INDUSTRIAL CENTERS WANT CHEAP FOOD

In discussion of food prices, it must never be forgotten that the industrial centers of the United States want cheap food and cheap raw materials. It is necessary to their economy. Many of the Representatives in the Congress from industrial centers have voted for farm legislation in the belief that if farmers did not have profits they could not buy the products of the factories in the industrial East. Their House Members out-vote those of the far-western sections many to one. There are 45 Representatives in the House from the 12 far-western States, commencing at the Red River of the North. New York alone has that many Congressmen. The man riding the range in the big outdoors of the West must understand that it is some task to make those in the East comprehend the difficulties of our sectional position.

LOWER STANDARDS OF LIVING

Food rationing is suggested as a remedy. That should be used only as a last resort. Rationing will not in any way add to the quantity but will stimulate the black market as well as inflation. It is true that we must accept a lower standard of living as the result of the world-wide war. It is one of the inevitable consequences of the struggle for world mastery on the battlefield. How

low that standard of living must go depends entirely upon the length of the war. I remember that when I was Governor of Oregon, Gen. Hunter Liggett, who commanded our Army in the Argonne Woods, said to me that, if another World War should come and be fought to exhaustion, it would result in a semicivilized condition in much of Europe. He thought the sceptre of empire might then pass from northwestern Europe to America or to Asia.

Whatever the future may bring, or however long deferred the military decision may be, we do know that our country must be prepared to feed the exhausted peoples of the world. We cannot allow our flocks, herds, orchards, and farming lands to deteriorate nor to lie idle.

FARM COMMODITIES MUST YIELD PRODUCTION COSTS

Everyone today realizes that this is not a war as usual. So we must all understand that the production of foods and fibers by the American people cannot take place under usual conditions. The position of the farmer must be stabilized so he can remain on the farm with some assurance of labor supply and financial returns for his products which will pay labor and other farm costs. There is no proposal for cost-plus contracts for our farmers, but Government must use farm manpower—and now it is womanpower, too—most beneficially.

The No. 1 economic problem in America today is to get farm commodities produced in sufficient quantities to supply the demand and help hold down inflation.

Farm commodities cannot be produced at a financial loss thr.ugh a long period of time. Thirty years ago, during the "base period," used as a yardstick for farm parity, the farmer did practically all his own work. He could then hold on for quite a long time, producing at a financial loss, though he accumulated debts which are not yet paid. Today, in this highly commercial age, with costly machinery for harvesting and the costly fuel for operating the machinery, he must have cost of production for the commodities, or he must cease to produce. He must have cash for machinery, gas, taxes, and interest—or lose his farm.

The farmers work longer hours than any other group; their women and girls feed the chickens, drive the tractors, milk the cows. They are now doing the drudgery of farm work like European peasants. Even this cannot continue if prices to the farmer are less than his production costs. The country must be informed as to the actual conditions on the farm, and must know that the farmers are not a profiteering group. They have not raised their prices unduly and do not intend to do so, nor would they have the power to accomplish this if they were so minded. All the tillers of the soil ask is a chance to do their part in these terrible times.

Production costs today should not be figured on the old "parity base" of another era. Economists must give consideration to net income, a much fairer measuring stick than the so-called parity. The Government has told industry, involving billions of dollars, that it will receive for war work the cost of production, with a margin of profit—cost-plus. Guarantee to the farmer that he can receive cost of production, and he will forget the profit while his sons are on the war front.

Family labor is not even computed as part of the cost of production under parity. One question now before the Congress is an amendment to the price-fixing bill providing for inclusion of farm labor at wages of hired labor, when computing parity. This is fair and may hold some experienced operators on farms. It is difficult to include such a provision in hurried legislation, but it is right.

Selective service boards throughout the Nation should be required to leave a few key men to handle the intricate farm machinery and to manage the work done on the farms by the less efficient help. A trained, practical, experienced farmer is absolutely necessary to adequate farm production even though he would make an ideal soldier and wants to go into the armed forces. Selective service boards have been given authority to exempt the ministers of the gospel of all faiths in order that they may be left to minister to congregations and feed men's souls. Surely, the selective service boards should be empowered to grant farmers the right to stay by their flocks and feed men's bodies. Farm boys are usually young men of fine character who rush to enlist.

PARITY

It is unfortunate that the misleading term "parity" should enter into a discussion of inflation at this time. Parity as a yardstick for farm prices was a hastily contrived device of economists accepted by the Congress during the economic crisis of 1933. It was a temporary expedient, and a recognition of the fact that farmers, the most essential of all producers, should have a stabilized economy. Parity does not now, and never did, mean cost of production. Striving for parity for the last 9 years has been a real goal for the farmers. It has made them hopeful of finally securing production costs. It is not an entirely satisfactory nor a final method of determining fair agricultural prices. We do not want to give it up until we find something better.

Parity simply means that the financial return for certain farm commodities should have the same buying power for farm essentials that it had during the years selected as a "base period." Agencies of the Government are charged with the responsibility of price adjustment to this end.

The largest single item of cost for the farmer was and is the wages paid for farm labor. It was not included as an item in the farmer's parity index. It was claimed by economists of the Department of Agriculture that if it were then used, it would lower parity value because wages of labor during the base period were very low. Owing to increased use expensive machinery, farm wages are higher and farm labor is very much more effective today than it was 30 years ago.

When I became a Member of the Congress in March 1933 and secured the coveted place on the Agriculture Committee, I immediately became interested in the cure for disease of prostrate and debt-burdened agriculture. We found that, in the period from 1909 to 1914, farmers on the average had been able to secure a fairer portion of the commodities they wanted to buy than in any other 5-year period. This was not true in regard to sheep and wool producers during that period of time, because there was then no tariff protection on wool and prices were extremely low. It was not true in regard to cattle, consequently cattle and sheep men asked that cattle and sheep be not included as basic commodities. In the First World War, the emphasis was on wheat and cereals. In this world war, having lost the oils and fats of the South Sea Islands, the emphasis is on meats and fats. Another basic period, 1919 to 1929, was selected for tobacco. For the four basic commodities—wheat, cotton, corn, rice—the years from 1909 to 1914 were selected as the base-measuring period for prices, and incorporated into the law.

Members of the committee knew that the parity formula would not prove to be a perfect measuring stick, but it was the best we could find at that time and it was something to tie to as a beginning. We knew that over one-third of the population was then living on farms and was receiving less than one-eighth of the national income. We knew that the per capita income during that base period was only $134 to those engaged in agriculture, while for those engaged in nonagricultural pursuits the annual income was $488. The average income for the nonfarmers was over three times what it was for the farmers. The financial debacle of the farmers of America following the First World War had brought disaster also to merchants and banks and had seriously affected our whole economy. Local businessmen and small manufacturers today find themselves in trouble, almost as badly off as the farmers. These two groups rise and fall together.

THE BASE PERIOD WAS ANOTHER ERA

My objection to the base period calculation is that it was of another and totally different economic era of our swiftly changing world. The first year of that period, 1909, one-third of a century ago, was the day of the horse-drawn farm implements; products were hauled to market by horses. If the farmer needed a new engine to pull his carriage, his wagon, or his machine, he went into the back pasture and caught a colt and broke him to the harness. The oil and the gas he now needs, and must have in such quantities, were then supplied by the oats, the barley, and the hay from the farmer's own fields. Now the money all goes to the Atlantic seaboard. The successful farm tractors had not been made. The farmer, during the base period, had comparatively little costly farm machinery. In the farmer's home during the base period there were no radios, very few electric lights, not many telephones; taxes were comparatively light.

The world then offered a market for all the surplus agricultural products. The work, during that base period, was mostly done by the farm family itself including the boys and the girls. When harvest time came, exchange of work went on between farm families. Today farm implements are motor-driven and their

prices are fixed by monopoly, having been constantly increased without check or hindrance. Farm boys and girls are now early attracted from the farms by the higher wages paid in industry.

Certainly, there was a lower standard of living during that base period. To compare that era with the present and to adopt it as a yardstick is sure to bring unsatisfactory results. Farming today is highly commercialized. Thirty years ago it was more nearly a way of life.

The base period was previous to World War No. 1 which brought such tremendous economic changes. Now, in a global war, an artificial expedient of another age is clearly outdated. Now there are no foreign markets, except gifts under lend-lease. During the base period, industry was largely competitive. Now, industry, especially war industry, is cost-plus. In fact most of industry today is practically on a cost-plus plan. Utilities find they can raise their rates if they can show the State public service commissions that they are not making sufficient dividends. The great monopolies, including farm machinery manufacturers, are really cost-plus businesses. They fix the prices paid for the raw products as well as for the finished commodity.

Wages everywhere are much higher than they were during the base period. The public is led to think that parity for farm prices means a fair relationship between agriculture, labor, and industry. I wish this were true, but my experience as an actual farmer, reaching through many years, and my long study of this problem lead me to the conclusion that farm profits have been at least one-third below what they should have been to have given a reasonable relationship between agriculture and industry. It has been stated over and over in this discussion that parity is just restoring to agriculture the same buying power it enjoyed 30 years ago. Those who make such assertions should be reminded that the farmer was then getting $2 as against $7 returned to industry and labor. The average daily farm wage was then less than $1 for a 12-hour day. Now the farmer if he can get any help must compete with a minimum of $10 to $12 a day in war industry.

CEILINGS AND FLOORS ON FARM COMMODITIES

Farmers will accept ceiling prices on their products if those prices are fair as compared with industry and transportation. With ceilings must go floors, or we shall fail to secure sufficient foods and fibers for the war effort. We now have floors under six basic agricultural commodities—corn, cotton, wheat, rice, tobacco, and peanuts. The floor is the amount the producer is allowed to borrow from the Government by signing a nonrecourse note. He can pay that note at maturity and redeem the pledged commodity, or he has the privilege of considering it a sale.

The Agriculture Committee also provided, in the Triple A act, for agreements and enforceable contracts for dairy products and perishable farm commodities. This has been an extremely valuable provision in stabilizing prices on perishable products. We must go further and provide floors, or minimum prices, for commodities which we must now have in such unending quantities. We must ever bear in mind that ceilings and floors alone will not stop inflation. Neither will ceilings or floors insure production in quantity unless very careful provision has been made to guarantee that the floors are not below cost of production.

EFFECT OF CEILINGS ON RETAIL PRICES

The O. P. A. price dictator, who makes the public think of its retail food prices as "farm prices," fixed ceilings on canned goods in stores and warehouses. These fruits and vegetables in cans were processed when wages and costs were much lower. Merchants were compelled, under the ceiling order, to sell the goods off their shelves for less money than it would cost to replenish the exhausted stocks. Labor costs having skyrocketed, canners cannot pay as much as they formerly paid for the raw products if they sell at fixed ceiling prices. They push the burden back on the producers, who cannot afford to harvest crops, and, therefore, foods are wasted. Hundreds of acres of vegetables were not gathered this year, and packs were lower.

We have, by this method of fixing ceilings without floors, encouraged the black market, and hastened the day of wild inflation. Ceiling prices will endanger supplies, unless fair returns reach the producer. Production under them might be cut half in two, the price might then be doubled, and the farmers would get no more money. We have piled up big surpluses in some protected products like wheat, owing to bumper crops caused by weather conditions. Lack of protection and inclement weather conditions have brought on a severe scarcity of other food crops.

THREATENED FOOD SHORTAGE

There is grave danger of a shortage of foods and fibers next year, and for the duration of the war, unless some reasonable and fair stabilization program can soon be formulated by the Congress and expressed in legislation. This is not a threat on the part of the farmers, nor do I suggest there will be any reprisal on the part of the farming world which is essentially American and highly patriotic. The food shortage will be a natural consequence of neglect to make it possible for the farmer to finance his production and to secure the necessary labor. Consumers must be informed by governmental agencies that retail food costs represent not only the cost of farm production but labor and profits for processors, handlers, and carriers who are all necessary to our complex economic system. All our legislation should be based upon the encouragement of farm production.

THE FARM PICTURE TODAY

I wish I could paint the picture which is being filled in, day by day, as letters and newspapers come to my desk from my agricultural district. Small farms are being abandoned because men are going to war and industry, and price uncertainties are frightening farmers away from preparations for next year's production. Dairy farmers are auctioning off their fine cattle and destroying the herds which have been built up so carefully. There is no labor available. An observer writes from my home town:

At this time next year there will not be any milk for anyone here, and the time is rapidly approaching when there will not be milk in Oregon for anyone except small children.

A well-known cattleman of southern Oregon states that but one small band will be fattened in a section which has usually carried 10,000 cattle. As a result of the fixing of ceiling prices, the cattle are not going into the feed yards but are going to the slaughterhouses 250 pounds lighter than they would have been in the spring. No one can afford to take the chance of feeding them.

A brief news item is:

Half of the eastern Oregon sheep outfits are for sale. Herders are not available and many retired sheep owners have gone back to work to help out during the emergency.

A farmer writes:

Defense work is taking all our help from the farm. Many of our stockmen are closing out their entire herds of sheep and cattle. Farmers who are milking from 15 to 20 cows are discontinuing on account of lack of help. They themselves are now working 15 hours a day and have no kick on what they are doing.

Here is another letter from a farmer who has done everything within his power to meet difficult conditions:

This railroad here has been ordered out by the War Board, never taking into consideration that it is a feeder line and part of a system. This will mean the end of raising sugarbeets and potatoes in this territory. Our farm labor and our tires are gone and now they say these rails are needed elsewhere. What is the end to be?

Another farmer writes:

Walter, we are battling on the home front, doing our best, working 16 to 18 hours a day, but our farm labor is uncertain and costs so much we do not know how long we can hold out. We are going to stay till the last dog is hung; however, I feel that something should be done, and very soon, regarding farm and sheep labor. We now have over 7,500 ewes for sale for the reason that our best labor has been drafted. What are we going to do next year?

Another man, comparing wages and costs, says:

Compare the present wholesale farm prices at my place with those of World War No. 1.

	1942	1918
Lambs, pound	$0.10	$0.13
Hogs, pound	.13½	.20
Wool, pound	.45	.50
Butterfat, pound	.45	.70
Eggs, dozen	.35	.70
Turkey, pound	.30	.49
Barley, ton	23.00	40.00
Oats, ton	26.00	40.00–60.00

On the other hand, look at the farm expenses—wages twice as high as 15 months ago, and one-third to one-half higher than in World War No. 1. Freight rates are 10 to 20 percent higher. There is heavy increase on taxes, indirect and direct, also on the cost of machine work and machinery.

Our dependable farmers say to the Commander in Chief, "Mr. President, Congressmen from western farming and stock-raising districts want to aid you in every possible way to stay the advance of inflation. There is no more patriotic

group in America than the farmers we represent. Their sons have volunteered by the thousands. Any accusation that they are profiteering or are the cause of increased cost of living is entirely unjust. We know you are fair-minded and that you have been understanding and sympathetic in regard to the farmer's plight. Now we ask you to fix floors when it is found necessary to fix ceilings. The floors must be so fixed that production will continue in unending quantities. American farmers will be satisfied and happy only if it is made possible for them to do their part by feeding and clothing our armies and our allies."

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and the pending substitute to the amendment conclude in not to exceed 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. HULL. I object, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. COFFEE].

Mr. COFFEE of Nebraska. Mr. Chairman, before this debate closes I want the Members to realize how impractical and how obsolete the present parity formula really is. Parity prices to the producers of certain commodities mean profit. Parity prices to other producers mean bankruptcy.

In order to find out what the present parity price is on any agricultural commodity, with the exception of potatoes and tobacco, all you have to do is to take the average price of the commodity between 1909 and 1914 and increase that price by 52 percent.

Does it stand to reason that the cost of producing all the various commodities, from spinach to cattle, has increased in the same amount, uniformly, throughout these 30 years? Of course not. It is ridiculous. The Brown amendment will be helpful but the formula is faulty so long as it ignores actual cost of production.

The average price of cattle between 1909 and 1914 was $5.42 per hundred. Bear in mind that about 30 years ago we had longhorn Texas steers running the range from Texas to Montana. Further, they were grazing Uncle Sam's free range before the Homestead Act settled the western range country. Today those ranchers must either own the land or lease it. Also, instead of the longhorn Texas steers that formerly ran that range, you have the finest quality of cattle there today that you will find in the world.

It costs more money to produce cattle of good breeding than it does those of poor quality. But according to the figures of the Bureau of Agricultural Economics formula, cattle are cattle. Quality makes no difference. You just add 52 percent to the average price current 30 years ago and that gives you your present parity price, which is $8.24 a hundred.

If a price ceiling were placed on cattle at $8.24 per hundreweight, it would wreck the livestock industry. The present average price of cattle throughout the United States, according to the Bureau of Agricultural Economics, is $11.30 per hundredweight, $3 above parity. Should Mr. Henderson or anyone else under the authority granted in this bill exercise that authority and put a ceiling on cattle at parity, it would mean not only wrecking that industry but something much more serious. It would mean the loss of production of vital food in this war effort.

Increased meat production should be encouraged. One of the reasons there is talk about rationing meat today is simply because production is not increasing as fast as consumption. This is a result of the threat that has been hanging over the industry for the last year. Cattle feeders throughout the Corn Belt have refused to fill up their feed lots with cattle because of price-ceiling agitation and many of them have decided they would just sell their corn to the Government under the loan program and play safe. Today thousands of feeders who would normally have cattle in their feed lots have none. They are afraid to buy for fear of being forced to sell at some inequitable price ceiling.

[Here the gavel fell.]

Mr. COFFEE of Nebraska. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. COFFEE of Nebraska. Cattle today are going to the packers half fat, directly from the range. They should go to the feed lots in the Corn Belt but they are going direct to the packer. The people who now have cattle in the feed lots in the Corn Belt are getting nervous. They fear the sword of Damocles that is hanging over their head at the present time, and as a result cattle from the feed lots are going to the packers prematurely.

The Nation is losing millions of pounds of meat simply because of this uncertainty. There is no real need for this bill because the President has all the authority necessary to control prices on all commodities under the existing Price Control Act. That act does have certain safeguards that protect farmers and livestock producers against arbitrary price ceilings that would impede production.

But I am afraid the delegation of power in this measure will be more far reaching—until industrial wages are stabilized price ceilings on agricultural products will be forced higher because the farmer must compete for labor to maintain production. Higher prices for farm products are a result not the cause of inflation.

We can protect the consumers of this Nation by doing what is necessary to secure increased production as the best safeguard against scarity and higher costs of living. We should be thinking more about how to prevent a serious decline in food production next year and less about the small profit the farmers are now receiving.

[Here the gavel fell.]

Mr. THOMAS F. FORD. Mr. Chairman, I move to strike out the last word.

Mr. WILLIAMS. Mr. Chairman, will the gentleman from California yield to me?

Mr. THOMAS F. FORD. I yield to the gentleman.

Mr. WILLIAMS. Mr. Chairman, I would like to see now if we can agree on the time at which this debate will close on the pending amendment and the substitute. I suggest that all debate on this amendment and the substitute close not later than 4 o'clock.

The CHAIRMAN (Mr. COOPER). The gentleman from Missouri asks unanimous consent that all debate on the pending amendment and the pending substitute close not later than 4 o'clock. Is there objection?

Mr. MUNDT. Mr. Chairman, reserving the right to object, I would like to call the attention of the Chair to the fact that there are approximately 20 Members standing. This would give them less than 2 minutes and the Chair has permitted several Members to take 10 minutes today in the Well, and I think the rest of us should have at least 5 minutes.

Mr. O'CONNOR. Mr. Chairman, reserving the right to object, may I ask the gentleman in charge of the bill if he would agree to give the Members who are now standing 3 minutes each?

Mr. WILLIAMS. I have made the request.

Mr. DWORSHAK. I object, Mr. Chairman.

Mr. WILLIAMS. Mr. Chairman, I move that all debate on this amendment and the substitute close not later than 4 o'clock.

The question was taken; and on a division (demanded by Mr. BOREN) there were—ayes 104, noes 38.

So the motion was agreed to.

The CHAIRMAN. If the Chair may be indulged a moment, the Chair will read the names of those who were standing: Mr. O'CONNOR, Mr. MUNDT, Mr. SPARKMAN, Mr. CARLSON, Mr. REED of New York; Mr. HULL, Mr. STEFAN, Mr. MONRONEY, Mr. BOREN, Mr. DWORSHAK, Mr. BENNETT, Mr. KLEBERG, Mr. GRANT of Alabama, Mr. MOTT, Mr. RIZLEY, Mr. EDWIN ARTHUR HALL, Mr. MCCORMACK, and Mr. WILLIAMS.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Chairman, was the request as stated for the closing of all debate on any other substitutes that might be offered?

The CHAIRMAN. No; on the pending amendment offered by the gentleman from Georgia [Mr. BROWN], and the pending substitute offered by the gentleman from Michigan [Mr. WOLCOTT] to the Brown amendment.

The gentleman from California [Mr. THOMAS F. FORD] is recognized for 5 minutes.

Mr. THOMAS F. FORD. Mr. Chairman, what I have to say will be short; it may not be sweet, but it is my personal view.

First of all, I am convinced that the measure before us, while not perfect, is a step in the right direction.

Inflation—that most disastrous of all catastrophies—is in the offing. To check it is the duty of Congress insofar as it can be checked by legislative action.

The President has asked this body to enact legislation that will enable him to check inflation. The Congress is endeavoring, honestly I am sure, to legislate effectively to that end.

No man in this body is more jealous of congressional prerogative than I am. Therefore, I urge you to carefully study the measure now before you as presented by the Banking and Currency Committee of the House.

This measure undertakes to permit the President, within certain well-defined limits to fix ceilings on labor and on agricultural products.

It is my firm conviction that if we adopt this measure we will, in the final analysis, give the President the necessary authority to make such adjustments as are essential to achieve the objectives which he has in mind and which I believe the Congress also has in mind.

One of the amendments being offered, in fact the major amendment, that to include the cost of labor in the computing of farm parity, is to my way of thinking both vicious and silly. It is vicious because it will entail a veto of the bill. It is silly because we are not discussing a cost-of-production bill, but a parity bill. If the farm group want to scrap the parity principle and enact cost-of-production legislation, well and good, but that problem is not involved in this bill.

We are in a war, not merely a war for some indefinite objective, but a war for the preservation of democratic ideals the world over.

Whether we like it or not, this war can be lost. We are determined that it shall not be lost, but mere determination minus the taking of all steps to win it, will not suffice.

Unless we control our domestic economy in such a manner as that control contributes directly to our war effort, we are jeopardizing that war effort.

For that reason, I, as just a plain American citizen, regardless of the selfish interests of certain groups, whose demands I am convinced will, if granted, impede that effort, am stating definitely now and here that I shall support this measure and oppose all crippling amendments that have for their ultimate purpose the promoting of selfish group interest.

Stabilization of our national economy to prevent ruinous inflation is vital.

The President, as Commander in Chief of our armed forces, is vested by the Constitution with certain inherent and inalienable powers. Being as he is a devotee of genuine democratic processes he has asked the Congress to grant him by legislative sanctions the authority to do certain things necessary to the war effort. In making this request he merely asks congressional sanction.

His blunt manner in making the request may, I admit, have been of a nature to ruffle congressional pride or ego. As to whether this was warranted or not I am not prepared to say.

But I am prepared to say this: The American people want action on price control. The Congress can take this action or it can, like a famous ancient general, sulk in its tent, but it can do this only at its peril.

This measure will, in my reasoned judgment aid the President in achieving the necessary control over prices and wages that will stop the inflation spiral now threatening our economy. For that reason I shall support it, as it stands.

The CHAIRMAN. The gentleman from South Dakota [Mr. MUNDT] is recognized.

Mr. MUNDT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MUNDT. If at the conclusion of the time limitation on this debate the Wolcott amendment is voted down, will the procedure then be to vote immediately on the Brown amendment or opened to other substitutes?

The CHAIRMAN. It would be subject to other substitutes or other amendments that may be offered.

Mr. MUNDT. And the time limitation would not hold at that time?

The CHAIRMAN. The Chair is of the opinion that the limitation would not apply to that, because the question was not put as to amendments to any other amendment or any other substitute.

Mr. MUNDT. Then, Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point and yield back the balance of my time.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. MUNDT. Mr. Chairman, I have given much special study to the President's message on the subject covered by the legislation before us today and to the hearings, the committee report, and the debate which have preceded the vote to be taken today on the important problem of inflation control. It is important that appropriate steps be taken to control inflation in this country and that those steps be taken in such a manner that they will not prejudice the interests of one group of citizens as against those of other citizens. I hope that by the time this bill finally passes both the House and the Senate and by the time it is written in its final form by the conference committee that it will be legislation which will deal equitably and firmly with the problem of inflation. I hope it will set up formulas for action and principles of administration by which wise and just executive direction can administer its provisions in the interests of America, generally.

Our present price-control legislation is in my opinion faulty in principle and it has been faulty in administration. As a consequence injustices have come about, inequities have developed and we find ourselves in serious economic trouble. At the time the present price-control legislation was before Congress I opposed it and voted against it; I did this not because I am opposed to inflation-control legislation, because I am in favor of sound legislation in this direction. My opposition was, however, based in part upon the failure of the existing legislation to include all the factors of cost of production in its consideration of established prices and its failure to bring the wages of labor into consideration in its efforts to regulate prices and control inflation. It seemed obvious to me that it is impossible for any man or bureau to control prices equitably unless he has some authority or some formula for regulating the costs of the various factors going into the make-up of the prices which must be charged. For that and other reasons which I shall not go into today, I voted against the price-control legislation which even the President has now admitted has been a failure and which we are today attempting to correct.

A NEW PRICE FORMULA NEEDED

I believe, Mr. Chairman, we might do better today if we were to start over with a new approach to inflation control based on a scientific over-all formula operating from an index number which would treat labor, industry, agriculture, and investment interests equitably and scientifically while at the same time definitely establishing controls over inflationary movements. I think we might produce better legislation by that method than by trying to patch up legislation which it seems to me was based on a faulty premise in the first instance. However, a new approach was not made and so we must proceed with our patchwork as best we can since we are denied the opportunity of voting upon or giving legislative consideration to any other method of inflation control at this time.

Therefore, if the legislation now before us is to be the only basis offered us for securing inflation control it seems obvious that we should try to iron out as many inequalities as possible and to make it as universally operative as can be done. In this connection, I think it is clear that some action must be taken whereby the farmers of America are permitted to receive consideration for the greatly increased costs of employed labor on the farm in any formula set up for fixing ceilings on farm prices. To fail to give any consideration to the rapid increase in farm costs resulting from the steadily rising costs of farm labor, is to write a bill which cannot operate justly and under which it may well develop the American farmer cannot operate at all.

MUST NOT KILL GOOSE LAYING GOLDEN EGG

After all, Mr. Chairman, if in our desire to control inflation we fix ceilings on farm prices upon the basis of a parity formula more than 30 years old and without giving any consideration to the wartime conditions under which our farmers are now operating we may well be killing the goose that lays the golden eggs. Unless farmers can secure the labor they need to conduct their farm operations they cannot produce what is needed to feed America and the United Nations.

If we proceed to fix ceilings on farm prices which give no consideration to these greatly increased costs of hired labor we may force hard-working farmers to abandon their efforts and give up their farms because if the sale of farm prod-

ucts will not produce sufficient to pay the wage scales demanded for their production the farmer is whipped. That would be bad for the farmers, Mr. Chairman, but it would be worse for America and the very city consumers, eastern newspapers, radio commentators, cartoonists, and others who are calling for action to hold down costs of living would be the first to cry out to high heaven for additional food at the first signs of a shortage of farm products. Worse than food at high prices, Mr. Chairman, is a shortage of adequate food or no food at all. Therefore, we must be careful that we do not enact legislation which will make it impossible for the American farmer to stay in production and we must not lose sight of the fact that it takes labor to run a farm just as it requires labor to run a factory or to man a production line.

WHAT CAUSES FARM LABOR PROBLEM?

What is causing the present labor problem on our American farms? There are at least four very important reasons, Mr. Chairman. First, of course, is the fact that men of draft age are being called from the farm to join the armed services. There is perhaps no alternative to this because it requires men to fight a war and aside from giving due care to seeing that men on the farm are not called in any greater numbers than men in industries and other occupations there is no way to correct this situation. However, it is an important factor in creating an unusual and serious labor problem on the farm and in giving rise to a greatly increased need for hired help to whom cash wages must be paid.

In the second place, many boys and men have left the farms of America to work in defense industries by virtue of the fact that wages in such industries are so much more attractive than the highest wages the farmers have been able to pay. It is a fundamental law in economics that employables always seek the sources of greatest income and there is no equitable way to correct this situation while the present great disparity exists between the net income of a man working 10 or 12 or 14 hours on a farm with the fellow working not to exceed 8 hours in an industrial job. However, it has helped mightily to aggravate the labor problem on the farm and if today we fail to recognize this fact we may completely drain dry the labor market for the farmer; unless we protect the ability of the farmer to pay wages to those he employs which can induce them to work on the farm we may be in fact setting ceiling prices on farm products which will soon become entirely unavailable to large portions of our citizens.

A third important reason why the labor problem on our farms has become so acutely serious is the increasing difficulty to secure labor-saving machinery on our farms. You all know the reason for this. It is the matter of priorities. America and the United Nations need the steel for making implements of war. While there is not steel enough to go around, the war needs must and should come first. But the necessity of the action does not decrease the seriousness of the result. Consequently, more men are needed on farms today than ever before since when corn-picking machinery is not available the corn must be picked by hand; when combines are not available, the grain must be shocked or stacked by hand. Thus, in a third manner, labor has become more scarce and therefore more difficult to purchase on our farms.

Still a fourth reason for the increased and increasing labor problem on our farms is the fact that the war needs of the United Nations have required a greatly increased production. There are demands for more wheat, more corn, more dairy products, more fibers, and so on, all down the line. And we must remember that the best protection against inflation in food prices and the high cost of living is in the final analysis ample and increased production. But increased production requires increased labor on the farm. And to get increased labor today it is as clear as black on white that increased wages must be paid in view of the many other more attractive opportunities which are presently offered to men willing to work.

Mr. Chairman, I have tried to point out why the costs of farm labor must be recognized and included in any formula for fixing ceilings on farm prices if the formula is to work and if it is not to curtail the very farm production which we are today seeking to increase. There is no magic by which farmers can pay labor with money which they do not have. And there is no way for our farmers to get the money to pay labor unless they are permitted to receive prices which will provide them with that money.

THE PRESIDENT'S VETO THREAT

About the only argument offered against writing a formula here today which will recognize these elemental, economic factors is the cry by administrative spokesmen that the President will veto the bill if we include the costs of farm labor in any formula for fixing ceilings for farm prices. Well, Mr. Chairman, maybe he will veto the bill and maybe he will not. I do not profess to know. I do not know whether those who profess to speak for him really know or not. When the President returns he will have to decide for himself whether to veto this legislation or approve it. That is his job. Our job is to write a bill which is equitable and which does not blind itself to the very obvious fact that if the farmer cannot secure enough for his produce to pay for its production he simply cannot continue to operate his farm. If we do that we shall have done our job and if the President will take the time to study the thing through carefully I do not see how he can ignore the fundamental logic and honesty of such a course.

Furthermore, Mr. Chairman, the oft-repeated cry, "If you don't do this the President will veto the bill" is losing its effectiveness in this House. I am glad that it is. Were it otherwise, and were we as a legislative body to scamper for cover every time a Presidential leg-man presents that argument we might as well close up shop. Either we should legislate in accordance with our judgment and our convictions or we should hang a sign on the doors of this legislative Hall saying, "Closed for the duration. Proxies of all Members will be found on file at the White House." The veto power is an Executive prerogative. The President has a right to use it when he so desires. However, legislating is a congressional prerogative and Congress has a duty and responsibility to exercise it on the basis of its collective judgment and not as a shrinking maneuver conducted under the threat of a Presidential veto.

FARMERS NOT CAUSING INFLATION

Mr. Chairman, it has been said that the increase in wages resulting from the provisions of this bill will amount to between ten and twelve billion dollars as they are generally adjusted upward in conformity with the 15-percent increase provisions. If this is not inflationary, certainly the increase in costs of perhaps eight or nine hundred million resulting from including costs of farm labor in the formula for determining ceilings on farm prices is not inflationary. And if the former is important, as the President seems to think it is, surely the other is even more important. If we are to freeze prices or fix ceilings, Mr. Chairman, we must freeze or fix the relationship between labor charges and farm prices. We cannot write a workable bill by freezing the one while failing to consider the other. The previous price-control bill tried to do this and failed.

Personally, I am not sure the so-called Brown amendment is the best way in which to approach this problem but it is apparently the only method to be made available to us to give consideration to the costs of farm labor. It is obviously better than nothing. If we pass it, the conference committee may work out a more scientific basis for giving fair consideration to these costs of farm labor. But if we pass nothing to protect the farmer in this connection, we put in jeopardy the whole functioning of this legislation.

Industrial wages are today 38 percent above the averages of the World War while farm prices are 37 percent below World War averages. The farmers comprise over 25 percent of our population but even today they are receiving less than 9 percent of the national income. With such facts before us and before the President it is simply ignoring the evidence in the books to insist that the farmers are responsible for inflationary movements in America today. Let us not be misled by overzealous editorial writers in the East or by ill-informed radio commentators—let us proceed carefully to write an inflation control bill which will be workable because it is equitable and which will fix a relationship between farm prices and industrial wages which will be fair to both without being prejudicial to either and which above all will not jeopardize the productive program of America.

The CHAIRMAN. The gentleman from Montana [Mr. O'CONNOR] is recognized.

Mr. O'CONNOR. Mr. Chairman, necessarily, owing to the time, I do not expect to discuss this amendment very

much. I simply want to say that I came to Washington on the 8th of September. Immediately on coming here I read the President's message. I knew from the time of the passage of the act of 1933 that it was not fair to the American farmer because it did not include the cost of labor. When I read the President's message, which he not only delivered to the Congress but that he gave to the country as well over the radio, I concluded that I could cooperate with the President 100 percent on this domestic issue because he apparently realized the fairness and the justness of having the cost of labor included in the parity price.

In the northwest section of the country, in figuring parity on cattle and sheep, we cannot overlook the hazard of wintering livestock. There have been winters, such as 1919, when cattlemen and sheepmen were almost wiped out by 6 months of continuous winter. Hay was imported into Montana at prices ranging all the way from twenty to fifty dollars per ton to save what cattle and sheep that were saved during that time. Now, in order to be on the safe side, it is always necessary to anticipate just such weather and try and put up feed enough to take care of our basic herds. It is easy for someone here in Washington to sit in a swivel chair and say that a cow will produce a calf at such and such cost or a sheep will produce a lamb at such and such cost, but they should take into consideration the fact that that cow or ewe sheep may be wiped out during the winter in just such a way as I have mentioned. I have referred before to the famous Russell post card, where he depicted a starving cow standing nearly up to her belly in snow during a temperature of probably 40° below zero. The card was entitled "The Last of the Five Thousand." This post card immortalized Charles Russell as a painter.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York, [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I rise for a brief moment to say that I will vote to keep farm labor wages in the parity price program. I received a letter today from a friend who is a dairy farmer in one of the counties in my district. He says that he could not get hold of any farm labor and he could not pay the price that farm labor wants in competition with defense plants adjacent to him, that he is working his wife and two young children, as his two older sons have left with the draft. I say to the House here today that if we are to win the war we must provide the farmer with the opportunity at least to pay farm labor costs and to include other costs of production.

This farm situation is no joke; unless the farmers are given half a chance, they cannot keep on producing food for freedom. Unless farmers are allowed to break even, they cannot stay on their farms.

Already there is strong indication that food will be rationed throughout the country before next spring due to scarcity created by Army consumption and vast shipments abroad. How will the people be able to subsist if the farm population continues to move off the farm where it cannot survive and go to a more attractive living in cities where defense plants offer lucrative jobs with shorter hours?

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and reserve the remainder of my time.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Chairman, two major problems stand in the way of freezing farm prices at current prices or any other level. First, there is need for greatly expanded production of farm products. The most effective way of encouraging larger production is higher prices. The second major problem in fixing farm prices is the relative level of farm prices and wage rates. Much of the controversy over prices during recent years has centered around parity, which is simply another term for the relation of one group of prices to another group.

The 1909-to-1914 formula of farm parity has never included labor costs. Certainly no one will contend at this time that labor costs should not be included in the cost of farm production. The truth is they must be included, if a farmer is to produce the necessary foods for winning this war. Much has been said this afternoon in regard to the increased parity costs if the Brown amendment is adopted. Farmers have been accused of profiteering. They have been accused of being unpatriotic. These charges are not only unfair, but are untrue. When one realizes that parity is figured on a basis of conditions 30 years ago it must be evident to everyone that some change must be made if we are to encourage the farm production needed. Farmers today are not profiteering. It is hard for them to understand why they have been singled out as such offenders. Many of them could quit their farms and secure a job in some war industry, make more money and work a lot shorter hours. Many of them are doing this very thing. They are being forced to by the present labor situation. Farmers have been asked to produce to the limit. They have responded wholeheartedly and very successfully, as figures from this year's crop reports and receipts at livestock markets will well show. All of this has come about despite a shortage of labor and equipment. The farmers have not complained. They have not insisted upon a 40-hour week or an 8-hour day. They work from dawn until dusk. Their wives and children have all contributed to this effort. The farm industry this year is prospering because it has been a year of unusual yields. Fair but not excessive prices have been received. We must bear in mind that, if the farmers are not allowed to receive prices in keeping with the competition they have to meet, the production of farm products is bound to shrink. Our Nation cannot afford this and the United Nations cannot afford this.

It seems to me that the farmers' share in inflation appears to be out of all proportion to the attention paid to it. The entire national income last year, according to the Bureau of Agricultural Economics, amounted to $92,397,000,000. Out of this, total wages and salaries amounted to more than two-thirds, or above $64,000,000,000. The farmers' share was a net income of $6,748,000,000, or slightly less than 8 percent. Nonfarm income increased $12,000,000,000 over the previous year, and farm income increased only $2,000,000,000. For this year it is estimated that wages and salaries will take another great jump to approximately $75,000,000,000, and farm income may reach $8,000,000,000. With $75,000,000,000 in the hands of the wage and salary earners and $8,000,000,000 in the hands of farmers, where is the great inflation threat?

The Kansas delegation has had several conferences during the past 10 days with various governmental agencies in regard to the farm-labor problem. We have discussed this matter with Secretary of Agriculture Claude Wickard; Paul McNutt, Chairman of the Manpower Commission; Gen. Lewis B. Hershey, Director of the Selective Service; and Robert Patterson, Assistant Secretary of War. We have tried to present to them the serious problem confronting agriculture. Recent surveys in our State indicate that Selective Service has taken 52 percent of the young men from the farms. Industry has taken another 35 percent. Under these circumstances, it is very easy to see what is happening to farm production. One cannot blame the boys nor the farmers for leaving the farms and securing work in defense industries at higher wages and reduced hours.

The latest report from the Department of Labor for all manufacturing industries shows an average of 42.6 hours of labor per week. Few industries run as high as 54 to 57 hours a week, while some average as low as 27 hours a week. On the farm the labor average is from a minimum of 60 hours a week to a varying maximum of as high as 96. This makes an intolerable situation for farm labor.

In my opinion, action must be taken today by the House in order to assure necessary farm production.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. GRANT].

Mr. GRANT of Alabama. Mr. Chairman, I rise in support of the Brown amendment, because I believe that it is just and right. Its adoption will not bring agriculture on a par or parity with industry but it will help bring about equality. Even if I believed that the farmers of the Nation were not entitled to any consideration I would support this amendment as a war measure if for no other reason.

We face a crisis in this Nation insofar as agriculture is concerned. I am not basing this statement upon something that I have read or heard rumored, but from an individual investigation, having recently spent several weeks in my district it gave me first-hand information.

I found that many farmers, both landowners and tenants, have left their farms for work in war industries. A majority of these in the southern part of my district have secured employment in the shipyards, where wages are high. Many landowners told me that they could not keep tenants and hired hands. You cannot blame them for leaving the farm to accept employment where hours are much shorter and pay many times over. The situation is growing more acute each day and by the fall of 1943 it will be disastrous unless something is done to keep farm workers on the farms.

The defeat of this amendment will hasten the day of drafting farm labor. There has been very little deferment of farm labor by local draft boards. This, coupled with the departure of others for work in war industries, means that part of the crops this year will not be gathered. Many farmers told me that by working night and day they would do everything possible to gather this year's crop but that next year they would not attempt to farm.

I note that several days ago in addressing the American Legion convention, Donald Nelson, Chairman of the War Production Board, stated that there would be no food shortage in this country during the war. However, in the same paper, I noticed an article written by James Olds of the Times-Herald which stated:

Agriculture Department sources disclosed today that a system of rationing will be placed on dairy products within the next 2 months because of rapidly decreasing milk production—already insufficient to meet wartime demands.

The Agriculture Department blamed decreasing production of the dairy industry on farm-labor shortages, decline in favorable weather conditions, and the more profitable nature of farming outside dairy production.

Milk supplies available to civilian consumers for the present year, experts revealed, will fall almost 10 percent below last year's supply.

Officials explained that although milk production this year will run 8,000,000,000 pounds above last year, the fact that over 17,000,000,000 pounds of milk must go abroad for lend-lease and the armed forces will sharply curtail supplies.

The first step will be an allocation curtailment of milk to ice cream, butter, cheese, and other dairy products industries.

Before the middle of next summer, agriculture experts said shortages of labor in the dairy industry will probably have forced rationing of all milk and milk products.

They added that unless some method is devised to keep dairy labor on the farm, the milk shortage may become dangerous.

During the last year 50 percent of the dairy workers between the ages of 18 and 30 have left dairy farms either for the armed forces or for industry.

What is true in dairy farming is true with other types of farming.

Farm leaders and those who know the situation are alarmed over it. Something must be done.

No, the farmers of the Nation will not strike but unless some relief is given it will be impossible for them to carry on.

The farmers of the Nation are patriotic. They are willing to do more than their share, however the burden of war should be equalized insofar as possible upon all groups.

The enactment of this amendment will let the farmer "eat the crumbs" from the table. He does not ask for a seat at the table but we should not take the crumbs away from him. The life of the farmer at best is only a gamble. When he plants his crop he takes a gamble against the weather and all forms of pests which might destroy his crop. If he should have a good crop and a good price, it would be more than offset by the bad crops and low prices.

The high cost of living is not brought about by the prices that the farmer receives for his products. Those handling farm commodities, after they leave the farmer's hands, are chargeable with the increased cost to the consumer. The adoption of this amendment should not increase consumer prices. Everything that the farmer has to purchase has advanced in price. He cannot continue to exist under our present economic system unless he is given some relief.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I simply rise to say at this time that I shall support the Brown amendment. What I have to say with reference to this bill I extended yesterday in the Appendix of the RECORD. Here is something that I think the Members of this House ought to consider, and that is the pressure that they are under through propaganda agencies. The farmers who have spent their own money in telegraphing to you or in writing letters to you urging that the labor costs be made part of the definition of parity, have been severely condemned by the great propaganda agencies in the Government. I call attention to the fact that there are 2,895 full-time publicity agents in the employ of the Government at the present time, and that the cost of them to the Government is $27,700,000 annually. Also, there are 31,516 part-time publicity agents whose cost to the taxpayers I have not ascertained. Every time that a piece of legislation comes here that is not favorable to the administration, the publicity and propaganda agency of the New Deal is wheeled into action and the product of the poison pens is directed at the public mind in an effort to bend your will and that of the public to their particular philosophy. With such a powerful array of propaganda agents at its command it comes with poor grace from the administration to criticize the farmers for sending telegrams at their own expense to their Representatives in an effort to protect their rights and to express their views with respect to pending legislation. I am for the farmers of this country.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. BOREN].

YOU SHALL NOT CRUCIFY THE AMERICAN FARMER

Mr. BOREN. Mr. Chairman, the farmers of our Nation are ready and willing to make any sacrifice necessary to win the war. The present threat of inflation has not been brought about by any increase in farm prices. Rather it has been retarded by the enormous increase in production which the farmers have voluntarily brought about. If you can imagine a stack of eggs reaching from the earth to the moon, if you can imagine a can of milk big enough to float the United States Navy, if you can imagine a beefsteak an inch thick big enough to pave a four-lane highway from New York to New Orleans, then you can visualize the increase in 1942 production over the average from 1935 to 1939, when we were farming as usual. The illustrations I have given represent not the total production but the increase in 1942 as a result of voluntary response on the part of the farmer to the President's plea for increased production.

The farmers ask no more than a fair price for the crops produced by their labor. With regard to the present law providing a ceiling of 110-percent parity price, it should be borne in mind that the minimum is only 85 percent of parity, and I feel that the maximum authorized should be some figure above parity in the hope that fluctuations of the market would still permit the farmer to receive an average of parity price. Mr. Speaker, the farmers of America are not rolling in wealth or obtaining exorbitant profits. Certainly no fair-minded person can believe that the farmers, constituting 25 percent of the people of this Nation, receiving less than 10 percent of the national income, can be chargeable with responsibility for inflation. Mr. Speaker, the problem before us is a grave and vital problem. The proposal under consideration extends rigid price control upon the farmer and a wage control upon the laborer, with particular emphasis of the proposal being placed upon the farmer. With animosity toward none, with good will toward all, but with determination to stand boldly by my own conviction, I must stand opposed to making the farmer a victim of inequity and injustice.

Every general burden that must of necessity be shouldered by the people in America's war effort must be applied with impartial equality to all.

The same sound judgment that leads each American to realize the importance of liberty as compared to personal profit or selfish gain should direct the leaders of the people on a path of wisdom which would accept every essential service or sacrifice, but which would exact none without need and proper utility.

I do not accuse everyone of bad faith who preaches that the farmer's getting a big share of the Nation's wealth. Thousands of untruths are disseminated by honest stupidity and believed by innocent credulity. The 30,000,000 farmers of America are not causing inflation. It is preposterous to build upon the fallacy that the farmer is at this point the recipient of prices that endanger the public welfare.

Mr. Chairman, I am willing for the farmer to take his full share of the burdens of our war effort, but I want to stand between him and any proposal to cheat, crush, and crucify him. Let us take what action the facts warrant. Let us investigate and reach conclusions

based upon the facts as they affect the farmer, the facts as they affect labor and as they affect the Nation as a whole. And then let us stand on those conclusions with determination.

At this moment the farmer is not only threatened with less than a cost price for his products, but he is denied the freedom to produce.

At this moment Government agents are compelling the farmers to curtail and cut down on production, though today the world in some of its parts feels the fright of famine and sees a dying child with pallid lips suck at the breasts of hunger's dead.

The American farmer deserves special consideration. In the chainless liberty of his thought rests the freedom of America and the hope of the world. He gave liberty to America. He knows what it means to call America a free land and the land of the free. He has been the hero of every battle for the rights of man that the world has ever known. He has written every bill of rights. He is the minute man of liberty and you shall not pick him out for special penalties in a land sorely beset by all the forces of ruthless selfishness. I for one take my place to stand beside the farmer, opposed, if it need be, to the pressure of organized power that threatens to make the farmer the victim of special concessions that result in tagging him with special penalties.

The farmer, more than any other American, has felt many times the crushing weight of the historic fallacy that man is the creature of government. Today the American farmer is the pawn of the so-called agriculture program. He is scourged by the whip of compulsion, regulated, penalized, told when and what and how much to plant and reap and sow. Tied like a serf to the land through the quotas.

Throughout history the little farmer has been robbed and plundered; throughout our history he has been beset by false friends, and in this proposal he is betrayed again.

There is no record to compare with the record of service that the American farmer has made for the welfare of the American Nation. From the day of our Nation's birth up to this very day and hour, not one single page, not one single line of American history records a single instance where the American farmer acted in divergence with his Nation's interest. Not one word has or can be written of blame for the American farmer, but the volumes that could and should be written in his praise could be stacked as mountains.

There is no other with a record of loyalty to compare with his. There is no record of unselfish devotion that is comparable, and in this crisis the American farmer has extended his hand to Uncle Sam with an offer of any sacrifice essential to our cause.

If the circumstances that lead to this discussion and debate compel us to see a difference by group or class, I defy you to find any other that you can look upon with such certain reliance in his unselfishness, loyalty, and devotion. I have implicit faith in the character and wisdom of the farmer. I have implicit confidence in his unselfishness. The farmer's lack of organization must not result in a denial of justice to him.

Because the American farmer has not raised a vociferous cry of threats of reprisals at elections is no reason to penalize him.

Because the American farmer does not seek or obtain time and a half for overtime does not justify taking all wages from him.

Because the American farmer has not set up a picket line against production is no reason why you should crucify him.

To say that the American farmer is the beneficiary of exorbitant prices even at this hour is a lie that is mocked by the grim and tragic presence of want and misery on the farm.

I want for every farmer what I want for myself and all mankind—security, the certain knowledge that life and opportunity await the hopeful, loving, tender souls for whom you toil.

You want security. You want to be sure that you and yours will never be hungry, ill clad, poorly housed, or denied medical treatment. You want to be sure that hunger, scarcity, and want shall never be the lot of the child whose cradle you watch with infinite love and tender care. That is what it will take to drive from your heart the phantom of fear.

Were you ever hungry? Do you know what it means to be cold? Did you ever face the rain and the chill without a coat because you had no coat? Did you ever sit down to a table without enough food to satisfy the hunger of your helpless children? Did you ever see winter come without clothes and shelter sufficient to insure the health and safety of your family? If you have never had any of these experiences, you have not lived the life of the average farmer, the tenant farmer.

The American people are faced with the gravest problems that can confront a nation devoted to principles of liberty. The welfare of America and the future of the world will be decided largely by the course pursued by the United States during this crisis.

The preservation of democracy demands a well-informed direction of the war effort. It demands the subjugation of all other interests to the supreme interest of victory. Victory is the first axiom of service to our general welfare.

I conceive it to be every man's obligation to do at this hour and every hour that which will best serve the war effort. As a nation and as individuals we must rearrange our plans, accept personal sacrifice, and lay aside all thoughts of serving any interest other than the paramount one of serving our Nation's war effort.

Every citizen must realize the truth that democracy depends upon his individual selfless effort and determination.

We will win this war because we believe and have faith in democracy.

Mr. Chairman, when the first price-control bill came before Congress I was one of the advocates of over-all legislation. I stated in the debate that I would support a universal price-control bill but that I did not believe piecemeal price-control programs were either workable or just. Price-control legislation in my opinion must cover everything. I do not believe it is either practical or just to fix the wages of the merchant and the farmer unless you also fix the wages of the laborer, the manufacturer, and so forth.

Every time price-control proposals have come before Congress I have taken the position of being for price control that would be universal in its application. I earnestly believe that the only fair freeze order will be one that will cover the entire Nation like a blanket. I have been a constant advocate of such over-all legislation, but the leadership has been unwilling to have over-all legislation. They have taken the position that labor should be exempted.

I am willing today or any day to vote for universal price control, but I do not believe it is just to fix the farmer's wages and leave other wages uncontrolled. I am unwilling to bind and chain the farmer with profiteering contractors and industrialists and racketeers on labor having freedom and license for the practice of unlimited ruthless selfishness.

I personally do not know any farmers who are rolling in wealth or obtaining exorbitant profits. Farmers as a class have made no record that shames the country. The farmer has not struck against the Government with Government connivance and support. He has not refused to provide food for our soldiers and our Allies. The farmer has done his job without a slow-down or a sit-down. And he has not organized a racketeering grasp for profits and for power.

When one group is required to sacrifice, the same requirement should be made of all others. We must adopt a policy of uniformity of treatment for all. This I am ready to do, but if the wages of the farmer and the merchant are to be frozen, then I see no justification for exempting any other group or class. I do not believe in privileged classes. We all are ready to adopt whatever measure of sacrifice is essential to victory. But I for one will not be a party to putting the chains of sacrifice on the farmer while granting privilege and exemption to special classes. If sacrifices there must be, then let it be on the basis of democracy, share and share alike, for each and all.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman, I rise to say that I am heartily in support of the Brown amendment and that I am strongly opposed to the Wolcott amendment.

I call attention in particular to a statement of the President in his message in which he says:

> Even more important is the psychological effect of such unfair privilege. It provides fuel for fires of resentment against farmers as a favored class.

Mr. Chairman, it seems to me that if there is any psychological effect as to the farmers in this country, it ought to be heartily in their favor. They have

broken all records in increasing production, notwithstanding shortage of farm help, lack of equipment, and steadily increasing costs. When the dairymen were asked to increase the Nation's supply of cheese, a year ago, they met the demand. They increased the output by 50 percent. And so with all other dairy products.

They have met every test. A million of farm boys have been drawn into our armed forces. Another million farmers' sons have answered the Government call for labor in defense industries. Their response has been 100 percent to every call. Why then should there be fires of resentment against farmers as a favored class? They comprise 25 percent of the population and receive less than 10 percent of the national income. Why should there be criticism when they ask for justice?

I hope, Mr. Chairman, that the Brown amendment will be adopted. On page 5 of the printed message of the President, he says:

> Calculations of parity must include all costs of production including the cost of labor.

Will anybody deny that the farmer is justly entitled to that much?

I ask unanimous consent to extend my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. ALLEN].

Mr. ALLEN of Louisiana. Mr. Chairman, I rise in support of the Brown amendment. Like the other Members, I went home during the recess of the House and I spent most of my time going over the district and talking with the people. I saw the farmers trying to farm short-handed. Farmers told me that they would have great difficulty in harvesting the crop made this year, and that next year many of them would be compelled to reduce their crop because of lack of farm labor.

The Brown amendment simply does one thing. It seeks to include farm labor in the definition of parity. There is not a business in the country which does not include labor in the cost of production. The manufacturer includes labor in the price that he gets for his product. The seller includes labor in fixing the price for which he sells goods. The farmer is a producer. He produces the vital necessities of life. It is ridiculous and absurd to contend that the labor of the farmer should not be included in calculating the price which the farmer should receive for his product. Those who oppose the Brown amendment are placed in the awkward position of saying to the farmer that his labor should not be taken into consideration in fixing the price of his product.

I want to say to you Members representing the industrial centers and large cities that the farms are now being depleted of the young men who are going into the armed services, and when you do not want to pay the farmer a price for his product in line with the price of the labor that goes into that farm product, you thereby strangle the farmer and you make it impossible for him to produce the food and fiber to win the war. We have hundreds of thousands of our fine young men fighting in the different parts of the world, and our farmers have to produce the foodstuff to feed them and the fiber to clothe them. How are they going to do it when you deny the farmer a price for his product that will justify his hiring the labor to produce it? I say to you that your position in this matter is short-sighted. When the price the farmer receives for his product will not justify his hiring labor to produce that product, then the result is scarcity and want. And you people in the cities will find that you will not be able to buy the farm products. It is suicidal for this Nation today to place the farmer in a position where he cannot produce the things which are necessary to preserve this Nation in this trying time. I say to you that we must produce more and more. We must not only feed ourselves, but we must be prepared to supply a great portion to our allies.

The point has been made here today on this floor, I am sorry to say, that the labor of the farmer and his family should not be taken into consideration because it is not hired labor. Throughout the Farm Belt fathers and mothers, and sometimes widowed mothers, have seen the last son march away to war and no one is left to work the farm but the old father and mother. I say to you it is cruel to contend that people like that who have given their all for this country should be denied the right to have their own labor taken into consideration in fixing the price of the product which they make on the farm. Not only is this my conviction, but it was the definite conviction of President Roosevelt when he sent his message to Congress just a few days ago, September 7, wherein he said "calculations of parity must include all costs of production including the cost of labor." The President was right when he made that statement. The Brown amendment seeks to do just that. The farmer wants parity for his product and he wants the cost of labor included in that just as the President pointed out. Any other course will be bad for the farmer. Failure to do that will hinder the production of vital farm products in this country. In the interest of national defense and in order to provide this Nation with the products which it must have to win this war, I urge the adoption of the Brown amendment so that the labor of the farmer might be taken into consideration.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

The gentleman from Nebraska [Mr. STEFAN] is recognized.

Mr. STEFAN. Mr. Chairman, I did not intend to speak at length on this very important price-control bill. But due to the fact that I have just returned recently from the Third District of Nebraska and because I have talked to so many farmers there, I believe it proper that I add a little to this debate. First, I wish to state that the people in the Third District of Nebraska are among the most patriotic people in our country. They want us to win this war in the least amount of time with the least number of casualties. The people in the Third District of Nebraska are among the first in bond purchases; among the first in the collection of scrap iron and are determined that we become united and win this war.

The farmers in the Third District of Nebraska are interested in this price-control bill. I have not heard them complaining about prices. But many of them have told me that if we are going to fix ceilings on farm prices we should also fix ceilings on wages and profits. All they want is to be given the same kind of treatment that is given to other people of our land. They want and welcome the opportunity to take an active part in winning of this war.

The people in the Third District of Nebraska have contributed much toward helping in this crisis and they know that they will be called upon to contribute more and also that they will be faced with further sacrifices. They believe, however, that these sacrifices must be shouldered by all Americans alike.

The bill before us is said to be a sort of price-control measure which will in some measure curb or curtail inflation. Yet some of the experts on banking and money in this House tell us that the passage of this legislation in itself will not stop inflation. Most of the bill contains language which indicates that some curb must be put on farm prices and some of the statements made in debate would indicate that the farmer may be blamed for the threat of inflation. In my humble opinion the farmer has nothing to do with inflation. We have 32,000,000 farm people in our land; we have 7,000,000 farms; the farmer represents about 23 percent of our entire population. Yet the farmer gets only about 10 percent of our national income. Then how can the farmer be blamed for inflation?

As I have explained, Mr. Chairman, I have just come back to Washington only recently after visiting nearly every one of the 24 counties which comprise the Third Congressional District of Nebraska. I have visited many of the farms. I have found that many of the young men have gone into the service; many others have gone into industrial plants where they are earning large salaries. I have found older men, women, and children running the farms. Even in the towns I have found a labor shortage because skilled men have left the communities and have gone to the defense plants to earn higher wages. I have talked to scores of farmers and their wives about their farming operations. Many of them are parents of young men who are fighting in far-away lands. These farmers are worried about the farm-labor shortage. They have asked me who will operate the farms if all of the men are taken away. Immediately upon my return to Washington I visited the Director of the War Manpower Commission. I told him the story of the farm labor situation. I also have discussed this matter with heads of other departments. All of them have agreed with me that the situation is serious. Everyone in authority in Washington agrees with me that food is as

necessary as guns in the winning of this war.

Some of these officials have indicated to me that they do not have an immediate solution. Some of them believe that this Congress must pass new legislation along the lines of universal service before the problem can be solved because there is so much dislocation of labor, because there is pirating of labor in industry, and because attractive jobs are tempting the man who usually works on the farm.

But the farmer and his wife and the children who remain on the farm are worried in order that the food and fibers which we are asking them to produce will not be harvested. They believe that something should be done at once to relieve a situation which is critical now. They fear that perhaps some farms will not be operated and that the food our Army and Navy and our allies are demanding of them will not be forthcoming. I hope that in considering farm legislation that we emphasize the plight of the farmer and the farm wife in this hour of crisis, that we solve this farm labor problem at once in order to assure our men in arms and our allies of a steady flow of food and clothing.

Now regarding this price-control bill before us I feel that our farmers are interested only insofar as equality is concerned. If you look at section 4 of the bill you will find provisions there which in my opinion freeze the 40-hour week and the time and a half for overtime and many other gains which have been made by labor.

In other sections you will find considerable about putting ceilings on farm commodities. I feel it proper to support any amendment that will allow the Secretary of Agriculture to take into consideration the labor costs of the farmer in computing parity prices, but in view of the fear I have that farm prices may be beaten down and that no consideration may be given to the wage spirals I am constrained again to offer my amendment for the average cost of production plus a fair profit for the farmer. I feel that would at least put the farmer on an equality with labor and industry. I will offer the amendment at the proper time and instead of taking your valuable time now I shall explain the amendment briefly when I take the floor for that purpose.

The CHAIRMAN. The gentleman from Idaho [Mr. DWORSHAK] is recognized.

Mr. DWORSHAK. Mr. Chairman, it may be inconsequential what is said in defense of the farmers on this floor under this gag rule which has been invoked to shut off debate, but I say to you it will be significant what will be said and done by the American farmers when they go to the polls to vote on November 3.

I am in favor of the Brown amendment because I sincerely believe that the production of foodstuffs is just as vital in the winning of this war as is the production of tanks, planes, ships, and other munitions and implements. I believe that the farmers of this country are entitled to equitable treatment and not maladministration of the various laws under the supervision of the Department of Agriculture and other executive departments.

The Government has competed with agriculture by setting high wage scales in war industries and on construction projects, so that farm labor is an acute problem. How can producers meet the food requirements and insure maximum production if competition instead of cooperation is the general policy of this administration?

In Idaho today are thousands of farmers producing dairy and livestock products, sugar beets, potatoes, and other commodities so essential for the armed forces and the civilian population. Equitable and sympathetic treatment must be accorded to these citizens, so that they will not be the victims of economic injustice, nor retard unwittingly our war effort.

I have received numerous appeals from these farmers relative to the critical situation confronting the Nation, and present at this time the following typical telegrams:

DAIRY FARMERS SELLING STOCK

CALDWELL, IDAHO, *September 21, 1942.*
Hon. HENRY DWORSHAK,
Member of Congress:

Dairy farmers devoting overtime hours to the production of food products as essential to winning the war as production of other war necessities keenly resent the attempt being made to shift the burden of high commodity prices and inflation from war and industrial labor, where it properly rests, to agriculture. Any casual visitor to the 5,000 members of this creamery would observe that the dairy farmer has been able to keep up his production only by reason of the willingness of himself and his family to work long hours in order to replace in part the loss of hired help attracted to war industries by higher wages, shorter hours, and easier work. The dairy farmer cannot compete in the labor market with the war industries and cannot secure the help he requires to care for his production. Price fixing of farm products must be accompanied by action regarding wages, or farm production increases will stop and inflation will go further unchecked. We earnestly urge you to support any legislation which will establish both farm prices and wages at definite and equitable levels, taking into consideration the increased cost of farm labor in setting any level for agricultural prices. The farmer does not ask for more and will not be satisfied with less.

DAIRYMENS COOPERATIVE CREAMERY
OF BOISE VALLEY.

BOISE, IDAHO, *September 22, 1942.*
HENRY DWORSHAK,
House Office Building,
Washington, D. C.:

Idaho Cooperative Council urges you support legislation which will include all farm labor costs in determining price ceiling on farm products. Farm labor situation in Idaho becoming increasingly acute. Without prices for farm products at levels enabling farmers to pay increasing costs and hold farm labor it is certain that agricultural productions will be adversely affected.

IDAHO COOPERATIVE COUNCIL,
ALBERT H. JAGELS, *President.*

IDAHO FALLS, IDAHO, *September 23, 1942.*
Hon. Representative HENRY DWORSHAK,
Washington, D. C.:

With heavy demand on farm labor for armed forces and war industries in many cases now farmers are having to pay more than competing wages to get help. Conditions are critical and rapidly getting worse. Unless definite action taken by Congress to include our present wage scale into price ceiling consideration on farm products, our military forces and entire civilian population most certainly going to face serious and critical food shortage, especially farm crops, next year. Please insist on balanced labor and price schedule. We favor amendment to Senate price ceiling resolution introduced by Senators THOMAS of Oklahoma and HATCH of New Mexico, which provided for inclusion of all farm labor in parity determination for price-ceiling purposes.

F. L. HANSEN,
Idaho Potato Growers.

CALDWELL, IDAHO, *September 23, 1942.*
Hon. HENRY DWORSHAK,
United States Representative,
Washington, D. C.:

Resolved by board of directors of Cooperative Oil Association, representing 7,000 farm members, That parity farm price must allow for increased labor cost. Serious food shortage certain. Manpower being drained to war industry. Maximum production best defense against inflation. Insist Congress itself set wage ceilings concurrently with farm ceilings.

C. W. MONLUX, *President.*

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Texas [Mr. LUTHER A. JOHNSON] is recognized.

Mr. LUTHER A. JOHNSON. Mr. Chairman, I shall not detain the Committee at length. The hour is late and there has already been much discussion by various Members of the House, but I do want to discuss briefly and give my reasons for supporting the Brown amendment, which reads as follows:

For the purposes of this act, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

Coming as I do from an agricultural district which is one of the largest cotton-producing districts in the Nation, and having recently visited my district and every county in it, I have first-hand knowledge and am thoroughly familiar with the conditions prevailing there at this time.

It is difficult for those from the industrial sections, where abundant prosperity abounds by reason of the war activities, to realize the grave conditions existing in the agricultural regions of the country, and I believe that if the membership of the House knew this condition this amendment would be overwhelmingly adopted.

I do not have first-hand knowledge of the farmers in other sections of the country, but I do know that the cotton farmers are not prosperous at this time.

Those who cite the price of cotton as an evidence of prosperity overlook the fact that the cotton farmers have been required, under the Agricultural Adjustment Act, to materially reduce their cotton acreage and plant only about one-half of their land in cotton, and the other half in soil-enriching vegetation which they cannot sell and therefore produces no revenue.

Parity prices are based upon the prices prevailing from 1909 to 1914, and a cotton farmer who, during that period, planted 100 acres in cotton, can, under

the present law, plant but 50 acres in cotton, which means that if the price is greater, the amount he receives from his crop is cut in two because of this reduction, which is required by the Federal law. In other words, parity is based on what a cotton dollar would buy in 1909–14, and what a cotton dollar would buy at the present time, and since the farmers in 1909–14 planted a full crop and today can only plant one-half a crop, the volume of production of the cotton farmer is only one-half what it was during the period on which parity prices are based.

Let us make a comparison in dollars and cents. The average price of cotton from 1909 to 1914 was 12.4 cents per pound, and the farmers in my district today are receiving 17 cents per pound. A hundred bales at the 1909–14 price brought $6,200, whereas 50 bales today, the amount produced under the restricted acreage, brings $4,250, or $1,950 less than he received in 1909–14 on the same farm.

Even though the farmer's dollar today brings parity in the purchase of other commodities, under the reduced acreage he has $2,000 less with which to buy than he did in 1909–14.

The Brown amendment, directing that in computing parity prices the cost of farm labor shall be included, is fair because the farmer, under existing parity prices, receives less money on account of restricted acreage. And, furthermore, it is justified because the cost of farm labor has materially increased since 1909–14.

When the parity prices were fixed under the Agricultural Adjustment Act, the price of farm labor had not then materially increased from the period of 1909 to 1914, whereas today the cost of farm labor has more than doubled. The price paid for cotton picking last year was 75 cents a hundred, and it is now $2 per hundred, and this is indicative of other increases in labor costs that the farmers have had to pay in producing their crops.

The farm labor situation is most critical. The farm boys are going into the Army. They are too patriotic to ask for deferment and those who are not going in, and other labor which the farmer could formerly secure, are now going to the cities, working in war industries, where they get wages five times greater than they could on the farm.

Unless the farmers receive a price for their products which enables them to pay for the labor in producing it, there is a grave danger that the country will not have sufficient cotton and foodstuffs for next year.

The Brown amendment would therefore increase the price of farm products to correspond, in a slight degree, with increased prices which farmers have to pay for farm labor.

The country needs food and clothing as much as it needs munitions, and the national welfare requires that the farmers shall be paid prices sufficiently high so they can afford to produce food and clothing.

The increased prices which the consumers are paying today are not going to the farmers but to the manufacturers and to industrial labor.

I quote from a letter which I received from a farmer in my district recently:

> Another thing that seems to be overlooked is the ceiling price on the manufactured products. For instance, it has always been that you could buy a yard of 8-ounce duck for the price of a pound of raw cotton, that is, duck at 10 cents a yard and cotton at 10 cents a pound would give the mill the other one-half-pound profit for making up the duck, or 20 cents a pound made up. At the present time a yard of 8-ounce duck is selling for 30 cents, and the grade of cotton that duck is made from is selling for only 18 cents a pound. Figuring it on the same basis as before, duck should be 18 cents a yard, the same as a pound of cotton, or cotton should be selling for 30 cents a pound, the same as a yard of duck. The result is, the mill is getting 60 cents a pound for cotton made up into duck, whereas they should be getting 36 cents, twice the price of the present raw cotton. This gives to them an increased profit of 24 cents a pound. As a result, some of the mills last year made around 100-percent profit. I have the figures.

The purpose of the Brown amendment is to insure the farmers receiving a price somewhat commensurate with the increased wages and profits in industry, and also to insure production of agricultural products so badly needed during the war, in our own country and by our Allies, which we will have to supply.

The CHAIRMAN. The gentleman from Missouri [Mr. BENNETT] is recognized.

SHALL WE FORCE RATIONING OF FOOD?

Mr. BENNETT. Mr. Chairman, I asked for this bit of time because I want to add a few words in support of the Brown amendment.

I voted against the price-control bill which was approved last January. It was my contention then and it is my belief now that no such legislation can be successful unless it is fair and general in its application.

The bill as reported to the House is not fair to agriculture. Prices paid to farmers never have and never will bring dangerous inflation. The administration is simply trying to make the farmer a scapegoat for its failure.

Farmers are entitled to parity, and there can be no honest farm parity that does not cover the following: Reasonable percent on investment in land and equipment; also taxes, insurance, fertilizer, and labor.

The President was correct in saying that some farm prices are above parity. However, he neglected to say that wheat, corn, oats, barely, rye, cotton, hay, apples, turkeys, and sheep are selling far below parity.

The administration does not seem to understand that there could be a shortage of food in this country.

Mr. Chairman, I am disturbed by the number of farm sales. Every Member here who represents an agricultural district will agree that he has never known of so many farm auction sales and this in spite of fair prices on most farm products. Several small-town newspapers come to my desk each week. From last week's issue of such papers I have clipped the 28 advertisements which I hold in my hand. I note that 3 say they are selling because they have been drafted and 3 others because they cannot get necessary help. Others neglect to give reason for selling all their personal property at auction.

L. C. Pratt, Appleton City, Mo., who cannot get help, is selling all equipment, 68 head of livestock, poultry, and so forth.

Fay R. Herman, Butler, Mo., called to military service, is selling 42 head of stock and all equipment.

Toodles Glassmire, Butler, Mo., called to military service, is selling 123 head of livestock and all equipment.

Bernard Castel, Lamar, Mo., is selling 28 head of stock, all farm machinery and equipment, household goods, 400 chickens, 1,345 bushels of grain, and so forth.

Shandy Stewart, Lowry City, Mo., is quitting the farm and will sell 165 head of livestock and all farm equipment.

Mr. Chairman, it will be noted that many men who have been doing extensive farming are quitting. What is taking place in my district can be multiplied many times over the Nation. The situation is alarming. Unless the ceiling on the price of farm products is placed high enough to make farming attractive tens of thousands of farms will not be cultivated next year, and this Nation, the greatest agricultural country on earth, will have a food shortage and food rationing. I know that Congress cannot repeal the law of supply and demand, but if we act wisely we can keep enough men on farms to provide food which is as necessary as guns in these critical days.

Mr. Chairman, I know of no good reason why anybody should oppose adoption of this amendment unless it be the auctioneers of the country. They are more prosperous and busy than ever before.

The CHAIRMAN. The gentleman from South Carolina [Mr. HARE] is recognized.

Mr. HARE. Mr. Chairman, unless I have forgotten some of the elementary principles of economics, land, labor, and capital are still the principal factors in production, and I am, therefore, supporting the amendment providing that labor shall be taken into consideration in arriving at a formula for farm parity prices.

It is just as essential that labor be included as any other element. The farmer buys labor just as he buys fertilizer, machinery, or any other element that goes into the production of his crop. It is nothing but logical and reasonable that, in all fairness and justice to him, the cost of labor be included in arriving at his parity formula.

The cost of labor is included in the machinery, farm equipment, fertilizers, and so forth he buys for use in connection with his farm, the shoes, clothing, and so forth he buys for his family; and I again submit that in all fairness labor costs should be considered in arriving at a parity price for his crops, for it is the price received by the farmer that determines his purchasing power and not the price paid by the ultimate consumer.

The President was poorly advised when he concluded that the increased

cost of living is due primarily to increased prices received by the farmer. Certainly there has been an increase in the price of many farm crops, but such increases have not been in keeping with the prices paid by the consumer for the processed product and such increases have not been in proportion to the increased cost of production, particularly the increase in wage costs. If the prices for farm crops had increased in proportion to wages, the farmer would have been able to pay appropriate wages and the labor would not have left the farm and gone elsewhere for employment. There is little or no complaint in my section of the country on account of increased wages in our regular industrial plants, but there is bitter criticism on account of wages paid in Government construction work, such as camp construction and erecting houses to accommodate workers, where farm hands have been paid from 75 cents to $1 per hour, many of them receiving from $8 to $15 per day.

This is not due, as believed by many, to the Fair Labor Standards Act, but is wholly due to the operations of the Bacon-Davis Act and the Walsh-Healey Act where the wage is fixed by the Government itself through its Labor Department. Of course, the work is necessary and indispensable in our war effort, but the farmer believes and knows that these wages have been excessively high as compared to wages paid in other activities requiring similar qualifications, and he knows further that it is unwarranted and unfair for him to be charged with being responsible for the increased cost of living and considers it unfair that an effort is now being made to reduce his prices below parity in order to prevent inflation. The President has had the power, through the Labor Department, from the beginning to stabilize wages in the activities to which I have just referred and where the greatest inflation in wages has been found, but no action has been taken.

In an effort to inflate prices for farm crops Congress passed the Agricultural Adjustment Act some 6 or 8 years ago and there made provision for fixing what is known as parity prices. It was made possible for the Federal Government to make loans on certain major crops ranging from 50 percent at first to about 85 percent of parity at present. In order to make the program more effective, provision was made in the same bill for rather drastic reduction in acreages of major crops, with the idea that eventually production would be reduced to a point where there would be a natural and logical increase in price in response to the law of supply and demand. It is now suggested to use the same vehicle and practically the same plan to prevent further increase in prices of farm crops in order to avoid inflation by placing a ceiling on farm prices at parity.

There has always been and there is still some misunderstanding as to what constitutes parity. I do not know that I can give a perfect definition but, as I understand, parity is a price level on agricultural commodities that gives them the same purchasing power as the articles the farmer usually buys; that is, parity places the purchasing power of farm crops on a par with the purchasing power of the products of industry. Parity therefore, fluctuates just as the price range of the articles ordinarily purchased by farmers fluctuates. The base period from 1909 to 1914 used to fix parity was selected because that period comes nearer representing equal purchasing power between farm prices, wages, and commodity prices. For example, the parity price of cotton today is a price at which a pound of cotton is supposed to go as far in paying for the things a farmer has to buy as it did during the base period of 1909 to 1914. If the price of things the farmer has to buy has increased since that time parity price on cotton is supposed to have increased accordingly. However, this does not necessarily increase either his purchasing power or his annual income. For example, if a farmer were making six bales of cotton per plow 8 years ago and was receiving 10 cents per pound and he has in the meantime by a reduction in acreage reduced his production to three bales and now receives 20 cents per pound he has not increased his income or purchasing power because what he has to buy has increased proportionately. Of course, if he has managed with his decreased acreage to maintain a production of as much as four bales per plow then it is easy to see that he has been benefited by the parity-price program.

The idea of fixing the ceiling price at parity now seems to be that this will stabilize the cost of living at that point, but to some of us this is extremely doubtful for the cost of living is not contingent on the price of farm crops at the farm and, therefore, if the price of such crops is fixed at parity it would have little or no effect on the cost of living.

It is true the cost of living is determined in a measure by the price of things obtained from the farm, but it will be found that the price obtained for the finished or processed product usually fixes the cost of living rather than the price of the farm crop itself. The farmer sells wheat but not bread, hogs but not bacon, cows but not steaks, cotton but not bed sheets. The cost of living is determined more by the spread between the price the farmer receives for his crop and the price paid for the finished product by the consumer. When the price of a loaf of bread goes from 10 to 11 cents there is an increase of 10 percent on bread, but the price of wheat does not increase 10 percent. The same principle applies to bacon, steaks, bed sheets, and so forth. The idea that the cost of living can be fixed and regulated by fixing the price of farm crops at parity is absurd, and such a policy would only punish the farmer without helping the consumer, for it will not prevent inflationary prices of farm products after leaving the hands of the farmer.

It is elementary to say that one of the primary causes of inflation is the increase of money or medium of exchange out of proportion to the increase of commodities or consumer goods. Roger Babson puts it another way when he says: "Inflation is when purchasing power is made available to the people at a faster rate than goods are made and brought to market." When there is a general and substantial increase in wages or income there is a substantial increase in purchasing power and inflation follows and you cannot prevent it by killing off pigs and plowing up crops. On the contrary, the reasonable, logical, and ethical way to head off inflation under such circumstances would be to increase production or supply of consumer goods in proportion to increased income. When you fix the ceiling price of farm crops at parity and regulate production by acreage control you then turn on the green light for inflation prices of farm products in the hands of the processor or distributors, unless there is a definite ceiling price on the finished product, in which event the increased costs in wages, transportation costs, rents, and so forth, are all rolled back by the processor or distributor to the farmer and the price for his commodity will then be reduced to less than parity. Therefore, inflation will not be prevented by pegging farm prices at parity, unless the price of all factors of production are pegged upon the same basis. I see no way to prevent an abnormal or increasing demand for farm products during this war and if production should fail to equal demand inflation will follow. I am sure some price control will be enacted but the prices fixed on farm crops should be such as to justify and encourage increased production to a point to meet demand.

Increased production will not only prevent inflation, but it will assist in meeting a tragic necessity for foodstuffs if this war continues through 1943, and in the light of my experience and observation I am unable to see any possibility whatsoever to increase farm products by insisting upon a reduction in farm prices. This would simply mean a continued reduction in farm labor, followed by a reduction in farm products and accompanied by a higher cost of living just as certain as night follows the day. The President is correct in his objective to stabilize prices and wages, but it is not only unfair but economically unsound to expect the farmer to make the only sacrifice and survive, and it is indispensable for the economic life of the Nation for him to survive and be able to carry on. What will happen to our armed forces and civilian population if the farmer is unable to maintain maximum production? A great many of our people think it is all right for them to go on making money and amassing profits with a stabilized cost of living without taking any thought as to what will happen when the remaining limited farm labor is lured from the farm and the farmer is no longer able to supply the necessary food and feedstuffs to meet their normal demands. The supply of farm labor is more nearly exhausted today than at any time in our history, and yet we quibble for days and days while others go into hysteria over the question whether the cost of farm labor should be considered in compiling a formula for parity prices on farm products.

Mr. Chairman, let us go back to the amendment before us. I have always advocated that the laborer is entitled to

his pro rata share in the value of any commodity he has assisted in producing, whether it be in agriculture, industry, or elsewhere, and I am unable to understand why anyone should insist upon a high scale of wages for production of equipment essential to the prosecution of this war and then insist upon a low scale of wages for labor expended in the production of food and clothing admitted by all to be just as essential in the successful prosecution of a war as guns, tanks, and airplanes. However, that is the position taken by those who oppose this amendment and insist that the farmers should be required to produce the necessary food and clothing to maintain our armed forces at a price less than fair parity; and when you leave the labor cost out of the formula for arriving at parity, you are certainly depriving the farmer of a fair and just price for his efforts and labors. He cannot afford it, and no one can expect him to pay wages out of proportion to what he receives from his products; and if he is to receive a fair price under the program being prepared he must be accorded a fair parity price. It has been said today that the passage of this amendment will mean 12 points above parity. It may mean 12 points above what has heretofore been considered as parity; but if the farmer's labor cost has not been taken into consideration heretofore in preparing the parity formula, the amendment will not increase parity whatever, but will only establish what parity should have been heretofore. In other words, if including labor costs in the parity formula increases parity 12 points, it simply means that the farmer heretofore has been robbed 12 points of his parity all these years. The farmer is not insisting upon any advantage over others in the way of parity, but he is insisting that his parity price be established upon an equitable, fair, and honest basis. The farmer is not asking for 112 percent of parity, but he is asking for a parity based on a formula wherein all factors are taken into consideration.

I was not a Member of Congress when the farm program was inaugurated and the formula for farm parities was established but I have always had the impression that the cost of farm labor was included, but it now appears it was not, and, in my opinion, to that extent the farmer has been deprived of the benefits he was led to believe he would obtain under the parity price program.

Several Members indicated yesterday that, regardless of whether this bill was amended or not, the President would include farm labor costs in any order he may issue relative to stabilizing farm prices and wages but, according to press reports this morning, the President is reported to have declared that with a provision of this kind in the bill he would veto it. I do not know what his idea is, but I believe him to be fair and just in making a decision in matters of this kind, and I am sure he could not object to any provision in the law that is fundamentally fair and just.

Just why the opponents of this amendment should undertake to say the President himself is opposed to including farm labor costs in the parity formula, I am unable to understand for he takes the position that such costs should be included, and so stated in his message to Congress of September 7, 1942. In speaking of parity he said:

> After all, parity is, by its very definition, a fair relationship between the prices of the things farmers sell and the things they buy. Calculations for parity must include all costs of production including the cost of labor.

This last sentence did not get into his message by accident, but it was put there after due, careful, and studied deliberation. The remainder of the message will warrant no other conclusion, because his other observations relative to inflation and price control are fundamentally sound and his statement that "calculation of parity must include all costs of production, including the cost of labor" is equally sound. He could have said that the "calculations for parity must include the cost of production" and stopped there, but he did not. He emphasized the fact that parity to be fair and equitable must include the cost of labor. As I have already said, if the cost of labor has not heretofore been included in parity, then what has been heretofore represented to the farmer as parity has been a misnomer and operated as an injustice to him. The inclusion of labor costs in the parity formula is absolutely essential if we expect to deal fairly and honestly with agriculture.

Therefore I am going to support this amendment, for without this provision in it the bill will be manifestly unfair and unjust to agriculture.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Oklahoma [Mr. RIZLEY] is recognized.

Mr. RIZLEY. Mr. Chairman, of course, I shall support the Brown amendment. For several months a program of propaganda has been going on to intimidate and coerce the American farmer, by stigmatizing him throughout the country as being unpatriotic, having no interest in winning the war, and taking advantage of the war to feather his own nest by charging exorbitant and unconscionable prices for his products.

The people of this country through certain sections of the press, certain radio commentators, and by various other means, have been told that the high cost of living is almost entirely chargeable to the tillers of the soil and that they are the chief sinners contributing toward inflationary trends. The housewife in the city is ready to believe that because she has to pay 60 cents per dozen for eggs and 60 cents per pound for butter in the retail stores, and that because numerous other articles of food have correspondingly advanced in price, that the producer is at fault and the chief cause of the spiraling costs of her household.

No greater falsehood has ever been fostered and used to accomplish the purpose of those who seem to be endeavoring to crush down upon the tillers of the soil the bonds of peonage and the shackles of peasantry. Anyone who knows anything about the facts at all knows that the retail prices of the articles I have referred to—and many others—are about double what the farmer himself actually receives.

Since the President's Labor Day address, at which time he delivered his ultimatum to the Congress, that new legislation curbing farm prices must be enacted by the first of October "or else," succession of events makes it apparent that the real purpose of the so-called attack on inflationary tendencies was designed to provide a strait jacket for the farmer, with the fixed and absolute direction by law as to ceilings for farm prices, and leaving wages and other factors which necessarily enter into inflation, a mere matter of administration whim.

This pending bill in its present form—if the Members of the Banking and Currency Committee know what they are talking about—will bring about immediate increase of several billion dollars in wages, estimated by some to be as much as six and one-half or seven billions under the provisions of paragraph 4 of the bill, and in addition thereto the same paragraph of the bill freezes the working week of the industrial laborer at 40 hours.

Obviously, increasing the spending capacity of a select group by six or seven billions of dollars can have but one effect—and that would be to aid inflation, at least temporarily.

The immediate wage increase of six or seven billions of dollars contemplated by this bill will give to a spending public approximately one-half of the total farm income for 1 year. Thus illustrating the ridiculous situation of pointing to the producers as the causes of inflation.

The farm situation is indeed becoming critical. Shortage of labor and increased labor costs may well mean a shortage of production even next year. In many sections of the country now food and fiber are rotting in the fields, adequate help cannot be had for the farm; and still it is being insisted here that labor costs must not be figured in the formula for fixing parity prices for the farmer's products—not even hired labor—and yet, some are still talking about the equality of sacrifice. What a mockery.

It is high time that some of this attempt to fool the public concerning the real threats toward uncontrolled inflation be unmasked and the real facts disclosed.

Think of it, the farmers although constituting about one-fifth of the Nation's population receiving about one-tenth of the estimated entire income.

The threats of uncontrolled inflation are coming from the huge earnings of those getting the billion-dollar defense contracts and the huge salaries being paid. They, of course, are willing to pay the high prices, and the processors of food and fiber do not hesitate to let them do so.

It will be recalled by all who had any part in agricultural affairs during the First World War, that within a few days after President Wilson's memorable address and message to the Congress and the resultant declaration of war, there came the slogan "Food will win the war." This was heard everywhere, and the whole country was placarded with huge

billboards and other means of advertising, heralding to the world that food and fiber were our first line of defense; and it is interesting to remember that then, as well as now, the Allies, business, and labor, and consumer wanted a low price fixed for agricultural commodities. Today, as then, business and labor want increased prices for their goods and services—witness the strikes for high wages, and the tremendous increase in the cost of things which business and industry have to sell—and yet the farmer who must pay these increased prices for what he buys and for the labor that he must employ is told that he must not consider labor costs in the parity formula that is to be used as a yardstick in administering this bill.

Today, neither the press, the public, nor anyone else seems to be very much concerned about the farmer's place in this war program. As a matter of fact, the farmer and the farmer's son in being classified by the selective service in many sections of the country are being placed in classification 3–A, which is defined and described as being nonessential.

We are spending untold billions—and necessarily so—for battleships, tanks, airplanes, bombers, and all other instruments of modern warfare—yet no one seems to be much concerned about the place the farmer is to have in the program. I am afraid that much of this is due to the fact that because of the huge so-called surpluses of wheat, cotton, and some other commodities, everyone thinks America has an abundance of foodstuffs to feed the world indefinitely.

But we must not forget that starvation has always been considered the most effective weapon used in war, and right now, as has always been the case in every war in the past, it is again being used. Literally hundreds of millions of people are suffering gnawing pains of hunger and want. We hear a lot about mass production, and we believe it is necessary; but after all, there will be no mass production unless there is plenty to eat.

The Army must now, as always, march on its stomach, and our soldiers are fed even though citizens are in want.

I predict that if agriculture is not reckoned with and protected in this huge war program, more quickly than many of us now realize, there will be a rude awakening for those who think agriculture is not important in this program. While today we seemingly have an abundance of many things that the farmer produces, yet how quickly this condition may change. One bad crop would absorb all of our so-called surpluses.

The world will never forget how the American farmer came to its rescue during the closing years of the last World War. Food was the crying demand, and the farmer produced it. With less help and equipment, he increased his production and answered every call of a hungry world. He did not strike and refuse to plant or harvest; he did not hoard his products and say, "You must pay me unreasonable prices or I refuse to sell." He answered the appeal to patriotism, and he will do so again; but he is entitled to a square deal and fair treatment.

The CHAIRMAN. The gentleman from Iowa [Mr. JENSEN] is recognized.

Mr. JENSEN. Mr. Chairman, I rise in support of the Brown amendment for the reason that I believe in 100-percent parity for the farmer and because it will aid in our food-for-freedom program. In computing farm parities heretofore we have been calling 88-percent parity 100-percent parity, because the cost of farm labor and the farm family compensation amounting to 12 percent has not been taken into account. So in putting it in a little different way than the Brown amendment, I would say that we are not asking for 112 percent of parity for the farmer, but we are simply asking for 100 percent. If we use the present method of computing 100-percent parity for the farmer as only 88 percent, which in reality it is and nothing else, and then add the 12 percent to that for the cost of farm help and family compensation, we will correctly define 100 percent of parity, to which we all agree the farmer is entitled. For that reason I am going to support the Brown amendment.

The CHAIRMAN. The gentleman from Massachusetts [Mr. MCCORMACK] is recognized.

Mr. McCORMACK. Mr. Chairman, my Republican friends in the House yesterday adopted a 10-point declaration, of which point No. 5 reads as follows:

> Standing unreservedly for every effort to make this Nation strong, vigilant, and vigorous against all its enemies, both foreign and domestic, the Republican Party has given and will continue to give to the President loyal, whole-hearted, and patriotic support in the war. The gravity of the war situation requires the undivided effort of everyone.

It will be very interesting in a few minutes to note whether or not the statement of policy of the Republican Members of yesterday becomes the action of today.

Much has been said about the farmer and the problem of labor. I believe every one of us not only sympathizes with the farmer but is willing to do everything within his power to help him. Certainly the adoption of the Brown amendment is not going to solve that question. It may be that I am wrong, having no farmers in my district, but as in the past, in relation to farm legislation, trying to contribute as I have, the thought has entered my mind that the immediate problem confronting the farmer is the harvesting of his farm crops, whatever the crops may be. It seems to me that if those representing farm districts—and I join with them—would take up with the Government, with the President, or with some agency of the Government the question of having men assigned to the farms in this emergency to help the farmers, because it is a national problem, that much good would be done in meeting the situation that immediately confronts the farmer. Perhaps this observation is of no value, coming as it does from one who on farm matters is strictly a layman representing a city district; but it seems to me it is a question of manpower, that something might be done by giving deferment to young men on the farm who have not been called into the service through the Selective Service Act, or, if necessary, through the use of some of the men now in the Army, or by the utilization of civilian manpower through some Federal agency acting in coordination with other agencies. Without regard to what happens to the pending amendments, that question still exists. How it is going to be solved I do not know, but I make these suggestions, because every argument made on the floor based on the proposition that we should conserve the farm production is very true. More action must be had, but certainly the adoption of this amendment is not going to meet that problem.

It is unfortunate that debate on this bill has deteriorated into a question of the farmer; it is unfortunate that the only issue involved is the farmer. I think those who represent farm districts have done the farmer an injustice by making just one cry in this debate: The farmer. The farmer is a loyal American citizen and certainly, if this bill is altered in such manner that the President will have to veto it, it would be a sad reflection upon the whole farm population of this country. If the impression—the erroneous impression—went out that the farmers are profiteering class No. 1, I shall resent it and I shall challenge that statement, but if we pass a bill that includes the 90-percent loans with a 3-year carry-over and the Brown amendment, such an impression undoubtedly will exist in the minds of many people throughout the country.

I speak as an American citizen; I speak as one not necessarily a Member of Congress, just as if I were back in Boston and never had been a Member of Congress but just an humble American citizen practicing law. In wartime I would look to the President of the United States, no matter who that President might be, or whether he was of the same political party as I, when my country is in peril. When my country is in peril I have got to look to the President of the United States. Thank God, in every great crisis of our country's history our country has been given a great leader, a great President to lead our country to safety and steer the Ship of State to safety. There is the immortal Washington; without Washington it is fair to say there is doubt whether our country would have survived in its infant days, but his steadfast faith in the principles of representative government and his unswerving leadership set her firmly on the right path and in the right direction. In the War between the States we had the immortal Lincoln, who stood steadfast in all the trials of those dark days and withstood the criticism heaped upon him not from the South but from the North. I believe it is not too much to say that had we not had Lincoln to guide the Ship of State in those perilous times the War between the States might have resulted differently. Today we fortunately have another great leader, and we all thank God that we have. In every great crisis our country has been led by men of vision and courage. When war visits our country the President of the United States, whoever he is, must be a strong man. If we have a weak man our country faces danger from within when

our country is engaged in war. Every thinking American must give faith and credit to the President of the United States. The Republicans spoke yesterday in their meeting. I am wondering what their action will be today.

Certainly, it is fair to assume that the President will not sign a bill which raises parity to 112 percent when parity under existing law is 110 percent and he had recommended its repeal. Certainly, if the bill is so modified that the President must veto it, it will reflect no credit upon the Congress of the United States in wartime when we should have complete cooperation and coordination between the legislative and executive branches. This branch has cooperated to date. We do not want to put ourselves in the position of challenging the President. If the bill is passed with the Brown amendment and with the 90-percent loan with the 3-year carry-over, unquestionably the bill will be vetoed and the President, as Commander in Chief, will act, as he should, by Executive order.

I hope the Brown amendment will be defeated. I am personally going to vote for the substitute offered by the gentleman from Michigan [Mr. WOLCOTT].

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Missouri [Mr. WILLIAMS] is recognized.

Mr. WILLIAMS. Mr. Chairman, coming as I do from one of the great farm sections of this Nation, I am in deep sympathy with the problem confronting the farmer, and I believe I know what it is. Farm workers are leaving and are being taken from the farms. Farm labor is becoming scarce at a time when there is a demand for increased agricultural production. There is no question but what the situation is serious, but I am thoroughly convinced that the Brown amendment, if enacted and put into operation, would not keep or place a single additional man on the farms of this country. If I thought it would do so, I certainly would favor it.

Considerable has been said here about the message of the President and about the President's recommending that farm labor be included in the parity formula.

There is certainly a great misunderstanding about that. Here are his positive, definite words:

> In computing parity, we should continue to use the computations of the Bureau of Agricultural Economics made under the law as it stands today.

The present computations do not take into account the element contained in the amendment. The amendment is directly opposed to the recommendation of the President.

Mr. Chairman, we are trying to pass an anti-inflation bill. We are trying to check the rising cost of living. Two great committees, one of this House and one of the Senate, after hearings, have reported a bill which attempts to help in that effort. Still if we adopt the Brown amendment, we have raised the level at which the maximum prices may be placed instead of lowering it. We are asked to reduce the 110 percent parity in the present law to 100 percent on the one hand and on the other hand, if the Brown amendment is adopted, the parity is raised to 112 percent. That kind of action simply does not make any sense at all. If instead of lowering the price of living we make it possible to increase the cost of living, how can this be an anti-inflation bill?

Why are we here? What are we talking about? If we are going to enact legislation that will try to reduce the cost of living, why reduce this parity level from 110 percent where it is now and then immediately adopt an amendment to the bill raising it higher than it is now?

This bill places the responsibility upon the President. It is an administrative matter. We as the Congress can lay down only broad, general standards and that is what we have done in this bill. The bill simply gives him the authority in some measure to check the rising cost of living. I am for the Wolcott substitute because that substitute gives him the authority to change the parity formula and include farm-labor costs if it becomes necessary in order to increase production or to iron out inequities.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The question is on the substitute offered by the gentleman from Michigan [Mr. WOLCOTT], for the amendment offered by the gentleman from Georgia [Mr. BROWN].

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 111, noes 147.

Mr. WOLCOTT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. WOLCOTT and Mr. STEAGALL to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 128, noes 174.

So the substitute was rejected.

Mr. DIRKSEN. Mr. Chairman, I offer a substitute for the Brown amendment, which is on the Clerk's desk.

The Clerk read as follows:

> Substitute offered for the Brown amendment by Mr. DIRKSEN: Page 3, line 14, insert "*Provided further*, That for the purposes of this act parity price for basic crops and comparable prices for nonbasic crops shall be the parity price as now computed by the Bureau of Agricultural Economics under existing law, plus such amount as is necessary to compensate for the increase in the rates of hired agricultural labor over that of the base period used in computing parity prices."

Mr. DIRKSEN. Mr. Chairman, lengthy discussion of this matter is scarcely necessary. It has been pretty well demonstrated to the Committee this afternoon that there is a real shortage of farm labor, that farmers are having difficulty, that the price of farm labor is going up, and that somewhere along the line provision ought to be made in the interest of continued production. May I observe with respect to the remarks of our distinguished majority leader that I conceive it as a patriotic duty, I conceive it as a function, to uphold the hands of the President, to advise him whenever I can of conditions that prevail in the country whereby the production and distribution of food might fall short unless this Congress takes restraining or remedial action.

The difference between my substitute and the Brown amendment is this: The Brown amendment will include all farm labor, including family labor, and will bring the price up to 112 percent of parity. The substitute provides only for calculating the increases in hired agricultural labor and would bring the rise to about 104 percent plus of parity. I think that is acceptable. In three different sections of this bill you will find the phraseology "to adjust for gross inequity." It has been clearly demonstrated that the farm labor situation is an inequity today and rather than repose it in the discretion of the President, why not cure it now by making provision for the increased cost of hired labor? That is the issue as we vote on the substitute.

[Here the gavel fell.]

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 107, noes 158.

So the substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Georgia [Mr. BROWN].

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were—ayes 163, noes 105.

So the amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SPENCE: On page 3, strike out lines 1 to 4, inclusive, and insert in lieu thereof the following:
>
> "(2) The highest price received by the producers for such commodity from January 1, 1942, to September 15, 1942, inclusive (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use."

Mr. SPENCE. Mr. Chairman, I rise to support the amendment.

It is a fundamental principle of law that all who are similarly situated should be treated in substantially the same manner. Certainly there is no reason for placing ceilings upon the burley tobacco market for the year 1942 when other tobacco markets are exempt from similar ceilings. Because of conditions over which the farmer has no control but which are entirely natural and seasonal, the burley tobacco, which should bring and does ordinarily bring as high price as any other type of tobacco with exception of cigar wrapper, is marketed after other types of tobacco. There is no market for the burley 1942 crop between January 1, 1942, and September 1, 1942. It is true there was some burley sold in January and February 1942, but that was the 1941 crop. All we ask and all the pending amendment provides for is to have the 1942 burley placed upon the same basis as the other types of 1942 tobacco.

The President has been given power under the bill to correct gross inequities, gross inequities that might arise after the administration comes into the President's hands. We are asking Congress to correct a gross inequity that has arisen and come to our observation while we are considering the bill. Certainly, we should not rely upon any administrative body to correct an obvious gross inequity which has made itself apparent to the Congress.

Tobacco should be given peculiarly favorable consideration by the Congress because in peacetimes tobacco has been one of the great sources of revenue of our Government. The tax on tobacco has yielded over $700,000,000 per year. The Government has received in taxes many times as much as the farmer has received for his product. To give the burley farmer the opportunity to obtain upon the market what this year's crop will bring, even if a price commensurate with the price of other types of tobacco sold this year should raise the price to 40 cents, would not increase the cost to the consumer. One thousand cigarettes can be manufactured from 3 pounds of tobacco which would make 50 packages of cigarettes. The farmer, for these 3 pounds, would, at 30 cents a pound, receive 90 cents; or, at 40 cents a pound, $1.20. The Government would receive in taxes 6½ cents per package, or $3.25, but the consumer would pay, at standard prices, $7.50 for cigarettes manufactured from this tobacco. The spread from the producer to the consumer is large enough to absorb any increase in the price the producer may receive, and cigarettes would continue to sell as they have always sold through fluctuating markets at standard prices, and the tobacco manufacturer would still make very large profits.

I do not intend to appeal to your sympathy. I appeal alone to your sense of justice, but I cannot refrain from saying, no one more truly exemplifies the Biblical injunction that "in the sweat of thy brow thou shall earn thy daily bread," than the tobacco grower. His is a hard life. From sunup to sundown he performs his back-breaking labor in the heat of the summer sun. His work must be done by hand and no machinery has been invented to satisfactorily do it.

Tobacco is the sole cash crop of the farmers raising burley in Kentucky, North Carolina, Virginia, West Virginia, Tennessee, and southern Ohio. When the farmer obtains a fair price for his tobacco, there is prosperity and happiness, and when the price of tobacco is inadequate, there is depression and despair in the tobacco sections.

It has cost the burley tobacco grower 10 cents more per pound to raise tobacco this year than heretofore. A contingency will arise by the passage of this bill which he could not anticipate and against which he could not guard.

I appeal to your sense of fairness and justice to give the same kind of treatment to the burley tobacco grower and any other growers whose market for 1942 tobacco has not yet opened as the other growers of other types of tobacco have received for their 1942 crop. Surely, there is no legislative purpose to discriminate in favor of one class of growers against others. All we ask is equal justice under law.

A good many of the tobacco markets have closed. The burley tobacco market has not opened. The markets that have already closed have not been under the provisions of this law and there has not been a ceiling established for their product. All we ask is that the burley tobacco and similar types of tobacco whose market has not opened be given the same treatment as the other types of tobaccos of the 1942 crop have received this year. Some of the other types of tobacco have this year brought more than 40 cents a pound while burley tobacco if it should come under the provisions of this bill would be limited to about 30 cents.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. This will affect burley tobacco in Kentucky, Virginia, Tennessee, Ohio, and West Virginia, and also affects the Connecticut Valley tobacco, the Wisconsin tobacco, and the Missouri tobacco.

Mr. SPENCE. And the Pennsylvania tobacco. I understand some of the Pennsylvania markets have not opened.

A substantially identical amendment was adopted by the Senate yesterday unanimously.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Does it also include dark tobacco in the various States of the Union which will not have their market until next year?

Mr. SPENCE. It includes any 1942 tobacco the price for which has not been established by a market this year. It is general in its terms. It includes them all.

I wonder if the chairman would not accept this amendment.

Mr. STEAGALL. Mr. Chairman, the amendment offered by the gentleman from Kentucky was not considered by the Committee on Banking and Currency in our haste to report this bill, but it merely represents an oversight. The amendment which the gentleman has offered is designed to correct a certain situation, and it is an amendment which I am sure all members of the committee as well as Members of the House will gladly endorse. There is no objection to the amendment.

Mr. SPENCE. I thank the gentleman.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Tennessee.

Mr. GORE. Does not the necessity for this amendment arise out of the fact that the commodity which this amendment affects has had no market during this calendar year?

Mr. SPENCE. That is right. The amendment was not considered in the committee. If we had considered it, we certainly would have corrected a situation that results, in the language of the bill, in gross inequity.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The amendment was agreed to.

Mr. SASSCER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SASSCER: On page 3, line 2, section 3 of the printed bill, strike out the first numeral "1942" and insert in lieu thereof the numeral "1941."

Mr. SASSCER. Mr. Chairman, the purpose of this bill is to curb inflation, curb the rising cost of living, and at the same time protect producers of agricultural products by providing that no ceiling or maximum price may be established for any such product below the parity as set forth in the bill or below the highest price received by farmers between January 1 and September 15, 1942. Neither of these safeguards provides the slightest protection to the Maryland tobacco farmers.

A ceiling at the present parity price of 21.8 cents per pound would be destructive to Maryland tobacco growers. The much discussed amendment to take the cost of farm labor into consideration in determining parity would only increase parity on Maryland tobacco about 2 cents, or to 23.8 cents per pound. Even if this newly suggested parity formula should be used to determine the point below which the maximum prices could be fixed the maximum price would still be below the cost of production under the present circumstance on the farm in southern Maryland today and about 10 cents under the 1942 average of 33 cents. The Maryland tobacco farmer can therefore expect no relief from parity, whether the cost of labor is computed in it or not, and must look to the other safeguard of the bill—to wit, a maximum price "not less than the highest price received between January 1 and September 15, 1942." The base established by this alternative would be 4 or 5 cents below the average price for 1941. The Maryland tobacco is the only farm commodity that I know of that is selling for less this year than it did in 1941 before declaration of war and the incident rise of other farm commodities. The intention of this bill is certainly not to reduce a farm product below what it was before the rise. The amendment which I offer extends the highest price period back to 1941, so that our prices in 1941 may be taken as the basis of computation instead of limiting the base to the low level of 1942.

This is justified—yes, necessary—because practically all the able farm help in southern Maryland have left the farms for construction work on the Army and Navy war projects. A determined but weak effort is being made to carry on farm production by old men, boys, and women caring for the crops. Unless the income is such to keep some help on the farm, Maryland tobacco farmers face ruination and inability to produce.

I hope my amendment will prevail and the Maryland farmer will not be limited to the highest price of 1942 but may be permitted to use the highest price

of 1941 also. The average price of Maryland tobacco in 1941 was 33 cents per pound. In 1942 it is under 30 cents.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. SASSCER].

The amendment was rejected.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: On page 3, line 4, after the semicolon, insert *"Provided, however,* That notwithstanding any other provision in any law to the contrary, A. C. P. payments or soil-conservation benefits shall not be considered as part of the farmer's income in figuring parity income, but shall be considered separate, earned benefits."

Mr. WICKERSHAM. Mr. Chairman, this amendment provides that A. C. P. payments or soil-conservation benefits shall not be considered as a part of the farmer's income in figuring parity income, but shall be considered separate, earned benefits.

You will recall what has happened in the past when we ruined all of our soil and plowed it up during and after the other war. Now, if the farmer who earns these benefits cannot get them, he will not contour his land or terrace his soil or preserve it in the manner that he ought to in order to do his best during this wartime to increase production. If you really desire to increase production, this is nothing but fair.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman.

Mr. TARVER. There is no provision of law requiring that A. C. P. payments shall be considered in determining what is parity for farm products. The gentleman, evidently, has in mind the inclusion of A. C. P. payments in determining the amount of parity payments provided by law.

The gentleman's amendment here is entirely unnecessary, because there is no provision of the Agricultural Adjustment Act of 1938 or of any other legislation requiring that A. C. P. payments be considered in determining parity prices of farm products.

Mr. WICKERSHAM. At this time they should not be considered, but they are by virtue of a provision written into the last agricultural appropriation bill against my will and against your wishes, and the farmers are getting cheated out of the amount they have already earned. When parity payments are figured soil-conservation benefits are again deducted, even though the farmers have already earned same by conforming to certain soil-building practices.

I submit to you that this is nothing more than fair to those who earn these payments, and if we do not go ahead and continue the soil-conservation program, we will be sorry.

Mr. Chairman, I urge the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

Mr. HARRIS of Virginia. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HARRIS of Virginia: Page 3, line 4, after the colon, add the following: *"Provided, however,* That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a fair and reasonable margin shall be allowed for such processing."

Mr. HARRIS of Virginia. Mr. Chairman, this amendment is designed to obviate a repetition of a serious difficulty which developed a few weeks ago, and which I am sure still is fresh in the minds of most Members. This difficulty precipitated an acute shortage of meat products in this country. That shortage resulted from a series of events beginning with the fixing of maximum prices on pork and other meat products at a time when the ceiling schedule provided for a reasonable profit. Within a short time after ceilings were placed on these products, the prices of livestock advanced so greatly that margins of profit were wiped out and many of the packing houses, particularly the smaller ones in my part of the country, advised me that they were compelled to shut down.

The demand for livestock in the West fell off correspondingly, and livestock was not sold. The quantity of packers' products for the market, therefore, decreased until there was an actual and acute shortage all over the United States, and in many places this shortage continues today, although the original price schedule has been revised to a point where it should take care of the situation.

This amendment provides for an elasticity in the handling of the products of packers of livestock and livestock products, and it will make it possible for the meat packers to operate at a fair and reasonable margin, thus preventing a shut-down, and make sure a supply of meat, not only for the people of this country, but for the armed forces of our country and for lend-lease purposes.

I submit that where the proposal is only for a fair and reasonable margin, which would hereafter insure an adequate supply of meat products, there should be no objection to the amendment.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. HARRIS of Virginia. Yes, gladly.

Mr. BECKWORTH. I wish to say to the gentleman from Virginia that I have just received from the Wickham Packing Co., of Kilgore, Tex., which company is in the heart of the east Texas oil field, and which company supplies meat to many local workers and also assists our local farmers by purchasing some of their livestock, a telegram which precisely states what the gentlemen is saying—I am for your amendment and I trust the House will pass it for it is needed.

Mr. HARRIS of Virginia. I thank the gentleman. I think that condition exists all over the country where there are small meat packers in business. I earnestly urge the adoption of my amendment.

Mr. JENNINGS. Mr. Chairman, I rise in support of the amendment. I have on the Speaker's desk an identical amendment to that just offered by the gentleman from Virginia [Mr. HARRIS]. I think it is important, is vital, and it is necessary to adopt this amendment in order to take care of the producers and the raisers of livestock and the operators of small packing houses throughout the country. I have in mind a situation in my own city. There are two packing establishments in the city of Knoxville, and but for the existence and operation of those packing houses the livestock industry would not be profitable in that section of the country. By reason of the fact that they are there, the people who raise cattle and hogs and sheep have a market and do not have to take their livestock to Cincinnati or to some distant point. They have a cash market the year around; but due to the advance in the price of live animals and the ceiling put on pork and beef products, an acute shortage of meat products arose in that section, and I personally know, because I have been told by the operators of those plants and I know that they are responsible, honorable men, that on every hog they butchered and processed they lost from $1.50 to $2 per head, but they kept going. This amendment will remedy that evil and will enable these small packing houses, that afford a market to people in their vicinity for their livestock, to keep going.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. Yes; I yield to my friend from Nebraska.

Mr. CURTIS. I am very much in favor of the amendment. I think it will be beneficial not only to the packers, but to the farmer, but why is it that that has not been taken care of by regulation on the part of Mr. Henderson? It could have been done under the act that we now have.

Mr. JENNINGS. Of course, I cannot speak for Mr. Henderson. What he does or what he does not do is beyond my ken and behind my power to correct, except by the enactment of this amendment. If we have this amendment in the law, then we will not depend on the will of Mr. Henderson.

Mr. CURTIS. And one more question. Why is it that Mr. Henderson places a ceiling on products of the distributors of food which are lower than those people can buy those articles for? Was it an attempt to break down the distribution of food in this country, or was it a matter of inefficiency?

Mr. JENNINGS. I do not know. It is entirely possible that Mr. Henderson, not being a product of the soil, not being a farmer, not being a processor of livestock, just did not realize the importance of this sort of thing to the people who process meats and to the people who produce the livestock on the farms, but I do know this, that it is of supreme importance

that we keep in operation as going concerns these small packing establishments which throughout the year round provide a daily market to the men who produce cattle and sheep and hogs. It does not matter how hot the day is in August, the farmer can take his animal there, if it is right for market, and get a check for it when he takes it to the market.

Mr. CURTIS. Is this limited to livestock production?

Mr. JENNINGS. No, not alone the livestock, but it mentions livestock.

It says:

Provided, however, That in the fixing of maximum prices on products resulting from the processing of agricultural products, including livestock, a fair and reasonable margin shall be allowed for such processing.

It covers all agricultural products.

Mr. NELSON. Will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. NELSON. May I say you are touching on a very vital issue. The small packing plant means so much to the local communities and the farmers thereabout. I hope this amendment prevails.

Mr. JENNINGS. If they are put out of business, it means that the farmer who produces just a few head of livestock will likewise go out of business. Now is the time when we want to keep him in business and keep him producing beef and mutton and pork.

Mr. MUNDT. Will the gentleman yield?

Mr. JENNINGS. I yield to my friend from South Dakota.

Mr. MUNDT. Is it not true that these small packers, being located closer to the farmer, will pay him a better price than when he has to ship to the large fellows in the large cities?

Mr. JENNINGS. Oh, undoubtedly. He would lose the transportation cost on the animals that he sells when he ships them to the big centers.

Mr. COFFEE of Nebraska. Will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. COFFEE of Nebraska. I agree with the gentleman's views on this. The amendment should be adopted. I may state that the Senate has already adopted a similar amendment to the bill over there.

Mr. JENNINGS. That is another reason why it should be unanimously adopted.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. HARRIS].

The amendment was agreed to.

Mr. STEFAN. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. STEFAN: On page 3, line 4, after the semicolon insert a new paragraph as follows: "or (3) for less than the average cost of production plus a fair profit."

Mr. STEFAN. Mr. Chairman and members of the Committee, this is the amendment to which I referred in my previous remarks. It is the same amendment which I offered on this floor on November 28, 1941, when we had under consideration the first price control bill. This amendment merely adds a third formula to the two formulas in this bill, namely, that the farmer be given the average cost of production plus a fair profit.

I have listened to every word said on this bill since it came before us and I find many members are agreed that the farmer should be given the same opportunity that is given to labor and industry. Many of the speeches made here indicate that many here want the farmer to get at least the cost of production. We have just passed the Brown amendment, which includes taking in the cost of labor on the farm in computing parity. If we can figure parity we surely can figure the cost of production. I urge you to add this third formula to this bill in order that there will not be this continued dislocation between the farmer, labor, and industry.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. STEFAN].

The question was taken; and on a division (demanded by Mr. STEFAN) there were ayes 11 and noes 67.

So the amendment was rejected.

The Clerk read as follows:

SEC. 4. No action shall be taken under authority of this act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended; (2) which is inconsistent with any recommendation or order of any agency of the Federal Government affecting the wages or salaries of employees whose cases were pending before such agency on September 15, 1942, and were undetermined on the date of enactment of this act; or (3) with respect to wages or salaries which have not reached a 15 percent increased cost of living level above the wages or salaries paid on January 1, 1941; or (4) for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942: *Provided,* That the President may adjust wages or salaries to the extent that he finds necessary to correct gross inequities.

Mr. WADSWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: On page 3, line 16, after the word "salaries", strike out, beginning with the figure "1" in parentheses, down to and including the semicolon in line 18.

Mr. WADSWORTH. Mr. Chairman, the effect of this amendment, if adopted, will be to strike out that first subdivision of the sentence in section 4, which refers to the provisions of the Fair Labor Standards Act.

As indicated in a question which I put to the chairman of the committee, the gentleman from Alabama [Mr. STEAGALL], I have been unable to understand why that language should remain in the bill now that the language contained in the second portion of section 2 has been stricken from the bill. The language in the second portion of section 2 is the language which authorized the President of the United States to suspend the provisions of existing law relating to wages and salaries.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. SACKS. I will answer the gentleman. That was stricken from the bill and if you strike this out that means that the President of the United States could even go below the 40-hour rate, and that was put in there to at least put a floor under it for the low-paid labor.

Mr. WADSWORTH. Still I cannot see——

Mr. SACKS. Is the gentleman in favor of cutting out the provisions of the Fair Labor Standards Act?

Mr. WADSWORTH. Yes; for the duration.

Mr. SACKS. And let the President set it much lower if he sees fit?

Mr. WADSWORTH. There is no danger of that.

Mr. SACKS. There might not be a danger, but there was not to agriculture, either.

Mr. WADSWORTH. There is nothing in this bill that I can see that authorizes him to suspend the provisions of the law relating to the scale of wages and salaries; we have taken that out. It was in the second portion of section 2, but it is out. It has however been suggested to me that it might be possible for the President to manipulate in some way the wages and salaries under the language of section 1.

Mr. SACKS. Mr. Chairman, will the gentleman yield further?

Mr. WADSWORTH. No; I cannot yield. However that may be, may I impose upon the patience of this rather tired Committee at this late hour with a few observations concerning the practical operation of that provision of the Fair Labor Standards Act which by statute establishes a 40-hour week in industry and by statute established time-and-a-half for work on Saturday. On a previous occasion and in a public manner, especially in my home district, I have made an appeal to this effect: That in view of the menace confronting our institutions, the hard long drag of this war—and we have just commenced—industrial labor might of its own volition make a little sacrifice and agree not to demand a bonus for working on Saturday.

In my own observations I have noticed this in connection with the difficulty of obtaining and holding farm labor. I have noted that the man who works on the land cannot expect to work less than 60 hours a week, 6 days at 10 hours a day. The statutes of the United States do not pretend to prevent him from doing that. I assume the Congress has refrained from establishing a 40-hour week in farm labor in the knowledge that the sun is the master of the farmer who produces food. The farmer works from sunup to sundown; and, incidentally, when you put on daylight saving you made him get up an hour earlier, but you could not let him quit an hour earlier in the evening. When you did

that you made his fate the worse. A man working on the land 10 or 15 miles outside the city of Rochester, we will say, in the county of Monroe, or in my own home county of Livingston, beautiful farming country, sees men coming back from work on late Friday afternoon after earning a dollar an hour for 40 hours, going home and spending Saturday without working, or if he spends Saturday at work in the plants at Rochester, he comes back after earning $12 for that Saturday.

[Here the gavel fell.]

Mr. WADSWORTH. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WADSWORTH. It has the most demoralizing effect upon those who see that performance—men who are working on the land—that time and a half for Saturday. They cannot understand why the law should give one man a bonus for working on Saturday, but that no other class of men may get it. It is pretty hard to talk to them about that, to explain it; and yet it is the law of the United States enacted in time of peace several years ago, enacted concededly for the purpose largely of spreading labor when there was a high degree of unemployment. Now there is no high degree of unemployment; it is just the opposite, and yet there that law stands. One group of Americans is paid a bonus for working on Saturday; no other group enjoys it.

Mr. McKEOUGH. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. McKEOUGH. Is there any distinction in the mind of the gentleman between that which he has just described as a bonus paid to the man working 40 hours a week and the bonus paid to the farmer for not producing on his land?

Mr. WADSWORTH. The gentleman puts a very difficult question to me.

Mr. McKEOUGH. I just wondered if there was any inconsistency about that.

Mr. WADSWORTH. The gentleman from Illinois may remember—perhaps he does not—that I have been utterly opposed to that portion of the agricultural program which paid men for doing nothing. But the situation has changed.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. CASE of South Dakota. Is it not true that the law soon afterward was changed to require that the farmer to receive the benefit must do certain things in a positive way, not just cease to produce?

Mr. WADSWORTH. Yes; he must do certain things.

I know the amendment I have offered will have no effect upon the substantive law if it is adopted, none whatsoever. I have offered it for the purpose of making an appeal, an appeal to a portion of labor, the men who work in industry, loyal, straight Americans, to indicate their willingness to the President of the United States to make some little sacrifice during this war, that sacrifice being to work on Saturday, if it is necessary, at straight wages just as the man on the land has to work.

[Here the gavel fell.]

Mr. SACKS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is an attempt to suspend the wage-and-hour law. Congress enacted this act not because of unemployment alone but to set a policy and to set a standard for those who were employed at low wages and for those who were working in sweatshops.

We are at war. The gentleman from New York said there was a difference that should be reconciled between those working in the fields and those working in the plants producing the sinews of war. He said he could not understand why a man should want time and a half on Saturday in the production of those sinews when the farmer worked 60 hours a week or more on the farm producing crops just as necessary for the war. Let me say that the men working in those plants receive those benefits not as a temporary benefit but as the stated law of this land. Progress in liberal legislation toward labor was made by the Congress of the United States. I feel that this war effort is not being hampered by having such a law.

I want to recall to the gentleman from New York that the sons and the brothers of those men working in these plants are serving in the armies of the United States. They have been on Bataan and they are on the Solomons and every other place where an American army goes. The cost of living as a result of the increase in farm prices has made it at least partially equal in the wages that they receive. Today the committee adopted the Brown amendment, an amendment which will further increase the cost of living. If you start under the guise of a war measure to reduce the rates established for American citizens whom I think the gentleman will agree with me are patriotic, you are taking a step backward and you are saying to those men that we in the United States, although we are fighting for the things set forth in the Atlantic Charter, do not believe in them and we are going to start at home breaking down those bulwarks that we established for your protection.

I say you are doing two things today if you adopt the Brown amendment and if you adopt this amendment. You are saying that the increase in the price of living shall be the law and that the President cannot reduce or stabilize it and at the same time you are saying that the benefits of the wages-and-hours law that have raised the standards of the laborer and the poor employee, the unorganized men, you are saying that their standards and the amount to be received by them from their labor shall be reduced. I say to you today that if there is an incentive for the Brown amendment it is because people said that unless the amendment is agreed to the farmer would not produce as much. It would not be beneficial to him. I say to those same men, I believe the farmer is patriotic and wants to win this war and that he will produce as much whether we adopt the Brown amendment or not. I say that labor is doing its share and will do its share. It has already shown its willingness to carry on and help win the war by agreeing to the double-time feature. I am sure that if it were necessary they would agree to this, but I say to you that the Congress is today making a mistake if it agrees to this amendment.

[Here the gavel fell.]

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not see that this amendment makes any difference one way or the other since we struck out the language on page 2. The language on page 2 gave the President the power to suspend any provisions of the law and so forth, and that was stricken from the bill. I therefore do not see that it makes a bit of difference as a matter of law whether this section is in or out of the bill. It is a piece of redundant language, as I see it. May I ask the gentleman from New York whether or not that is true?

Mr. WADSWORTH. The gentleman from New York in opening his remarks stated that was not in effect his opinion. I wanted to know why that was left in there at all.

Mr. HINSHAW. I do not see that it makes a bit of difference whether that language is in there or not if the President has not the power to suspend existing law.

Mr. WADSWORTH. I confess to the gentleman from California that I offered this amendment not with the idea that its adoption will accomplish anything in the way of a change in this bill, but to bring to the attention of the committee a situation which I tried to describe in such inadequate fashion.

Mr. HINSHAW. Then it amounts, practically, to a pro forma amendment as far as any effect on the bill is concerned.

Mr. SACKS. Will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Pennsylvania.

Mr. SACKS. May I say to the gentleman that this was put in the bill as a safeguard. If we take it out we are repudiating the policy of Congress when we adopted the wage-hour bill. I say it is very effective in this bill and should not be stricken out.

Mr. HINSHAW. May I say that if the language had stayed in which gave the President the power to suspend any provision of law, then the gentleman would be absolutely correct, but that language has been stricken from the bill; therefore, I do not see any legal difference whether the language is in or out.

Mr. SACKS. We specifically say it is the policy of the Congress that the President shall not do it.

Mr. HINSHAW. We did that when we passed the act originally. It is hardly necessary to repeat it.

Mr. CRAWFORD. Will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Michigan.

Mr. CRAWFORD. It might be well to observe that the gentleman from Pennsylvania submitted his bill containing the language which has been stricken out

and which would have given the President full power to ride over these existing laws except as protected by this.

Mr. HINSHAW. That may be correct, but I do not see that it makes any difference at all, now that the language on page 2 has been stricken, whether this language remains in or not. Am I correct?

Mr. STEAGALL. That might be a matter of legal interpretation.

Mr. HINSHAW. What is the gentleman's opinion?

Mr. STEAGALL. I am inclined to agree with the views expressed by the gentleman from New York that the amendment would not be of any value in changing the existing law. It does seem to me, however, that an implication might be indulged in if we adopt the amendment striking it from the bill. For the reason that it is understood on all sides it is not expected the amendment will change existing law, it seems to me that the amendment should not prevail.

Mr. HINSHAW. Mr. Chairman, may I say here, parenthetically, that this bill seems to be an invitation for the completion of a general wage and price rise of 15 percent. No doubt disabled veterans and persons receiving other compensation, including old-age assistance, will feel that they are entitled to 15-percent increases in their compensations, and with a sense of justice in their demands. Then will follow all other persons until the completion of a new general stage of prices is achieved. It would appear inevitable, and is almost the inevitable result of failure of the administration and the Congress to adopt the Gore bill a year ago.

[Here the gavel fell.]

Mr. McKEOUGH. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am inclined, of course, to agree with the distinguished gentleman from New York, except that in the event his amendment is adopted, as the chairman of the House Committee on Banking and Currency has indicated, there is an implication, at least, carried with it that insofar as the Fair Labor Standards Act is concerned, striking it out from the language of the bill would have, in my judgment, some effect when the bill goes to conference with those who represent the body at the other end of the corridor. Under these circumstances, I think it would be a mistake for us to strike out by that amendment the particular verbiage that refers to the Fair Labor Standards Act.

I should like to direct myself for the moment to the distinction that was drawn by the able gentleman from New York with reference to the conduct of those who till the soil and those who produce the planes, the tanks, and the guns, and the coal, and other minerals from the mines of the earth.

I do not know that labor needs any defense of its patriotism at my hands today, but I am sure there is not a Member of this body more inclined to be fair in matters such as this than the able gentleman from New York who first proposed this amendment. I am sure he realizes, as most everybody else in America and the world does, that in speeding up war production the number of units of any particular type in the program has been greatly increased since industry finally went to work in that direction.

I yield to no one in this House in my interest in the care of those who are on the farms of this country. I have supported every farm bill since I came to Congress in 1935. I know as well as anybody that unless the farmer is prosperous the men in the factories, the mills, and the mines have no employment. But I submit that with the development of mechanized industry workers everywhere in America engaged in wartime production are willing and are working more than 40 hours per week to produce the weapons with which to defend our country, and are doing it patriotically.

I in no way condemn the farmer. I understand his problems, I think, and I am as sympathetic with caring for his problems as anybody in this Congress; but I submit on the other side, and anybody who is engaged in industry anywhere in America must know this to be the truth, that through the speed-up of industry by reason of mechanical innovations production per hour per capita in industry in America is so far beyond that of any other country of the world that there is no comparison to be offered.

Labor is as patriotic as any segment of our society. We have heard much about the boys leaving the farms, but there are many boys leaving the homes of those who toil in the industrial centers of America. They yield to none on the farm in their love of this country and its concept of government. To me, there is no division with relation to the patriotism of the farmer and that of the industrial worker, but I think it is time, in the light of the reference to the Fair Labor Standards Act today, that somebody take the floor and offer at least, in presenting the facts, that compliment to the patriotism of labor that labor has so well earned.

I hope the gentleman from New York will withdraw his amendment and let the bill go to conference ultimately without striking out the specific reference to the Fair Labor Standards Act that we enacted in 1938.

[Here the gavel fell.]

THE PRICE CONTROL ACT PROHIBITED CONTROL OF WAGES AND SALARIES

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in view of the turn this debate has taken, it seems appropriate to me that the record should show that if this bill results in an inflationary tendency in the country it will be because of the floors that are put under wages and salaries by section 4.

From the President's address to the Congress and the country, the average person would get the impression that if there is an inflationary tendency in the country it is due to an increase in farm prices.

The President said:

The Congress must realize that unless the existing control over farm prices is strengthened, we must abandon our efforts to stabilize wages and salaries and the cost of living. * * * The reason—

He said—

why price ceilings have not already been imposed on all food products is, as you know, that paragraph 3 of the Emergency Price Control Act prohibits such ceilings until farm prices as a whole have gone up beyond parity prices—far beyond.

Franklin Delano Roosevelt presented a one-sided picture. Nowhere did he make any reference to the fact that the Emergency Price Control Act carried an express and absolute prohibition against doing anything to control wages and salaries. He threw the responsibility for what he called "the unparalleled disaster of unchecked inflation" on a rise in farm prices, asked Congress to lower the ceiling on them, and as for wages and salaries, said that he would stabilize them. "This I will do," he said.

It was an unfair, one-sided picture which did the President no credit. It overlooked the magnificent job which the farmers of the country have done. We have had shortages in rubber and a lot of other things. We have not had a shortage in food; the farmer and the farmer's family have done their jobs well. And I cast no aspersion on the worker in factories when I say that. They, too, have done and are doing a big job well.

The facts are that the Emergency Price Control Act of 1942, approved last January 30, did put a ceiling on farm prices. It put the ceiling at 110 percent of parity, as the President stated. But that same act carried an absolute prohibition against doing anything about wages or salaries. I refer to that proviso buried in subsection (c) of the section of definitions which states:

Provided, That nothing in this act shall be construed to authorize the regulation of compensation paid by an employer to any of his employees.

There it is. That is the law, an express prohibition in the Price Control Act against doing anything about wages or salaries. The President said nothing about that.

Now, this section 4 of the new price-control bill under consideration, to which an amendment has been directed, places four specific floors under wages, and also a general floor, for section 4 states that—

No action shall be taken under authority of this act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended—

That is the first floor under immediate discussion—the 40-hour week with time and a half for overtime. The second floor is subsection 2, which forbids any action on wages and salaries—

(2) which is inconsistent with any recommendation or order of any agency of the Federal Government affecting the wages or salaries of employees whose cases were pending before such agency on September 15, 1942, and were undetermined on the date of enactment of this act.

Then comes the third floor, and this is the floor which is most definitely inflationary. It reads:

No action shall be taken * * * (3) with respect to wages or salaries which have

not reached a 15-percent increased cost-of-living level above the wages or salaries paid on January 1, 1941.

In other words, the Little Steel formula is here written into this bill and made to apply to all wages and salaries in the country, regardless of circumstances. Estimates made in general debate yesterday were that the cost of that to the country will be from $7,500,000,000 to $15,000,000,000.

Consider that in relation to farm prices. One must remember that the total farm income of the country runs between $9,000,000,000 and $13,000,000,000, and there has been a hue and cry here against figuring the cost of labor as part of the farmer's cost of production, lest it add 10 percent to that figure.

Yet you are putting one floor under wages here that will increase the wage and salary pay rolls of the country, adding to the cost of the war effort by more than 50 percent of the total farm income of the country. If the cost of living goes up, if our war bill goes sky high, where does the responsibility belong?

Then a fourth floor is subsection 4 which provides that no action shall be taken—

for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942 and September 15, 1942.

If these four floors do not do the job, it is finally provided—

that the President may adjust wages and salaries to the extent he finds it necessary to correct gross inequities.

This is what you do in this so-called price control bill. Set up a formula, yes. End the express prohibition against doing anything about wages and salaries, yes. But it is an inflationary formula and the responsibility for the really inflationary part of this bill rests upon section 4 and it does not rest upon the farmer or the sections pertaining to farm prices.

This is being done in the face of the situation that farm prices today are half what they were in World War No. 1, while industrial wages are more than doubled. I refer to tables from the Department of Agriculture and the Bureau of Labor Statistics which I put into the RECORD of July 16, and also a table which I placed in the RECORD on May 28, in which it was shown, definitely, that both by percentage and by dollars and cents farm prices in this war have been half of what they were in World War No. 1, while industrial wages and factory wages were doubled.

Those official tables showed that with 1910–14, as a base period for an index figure of 100, the hourly earnings of factory workers stood at 192.8 in 1918 and 348 in 1941 and 379.6 in February 1942. Against that, prices received by farmers were 202 in 1918, and only 122 in 1941 and 146 in February 1942.

Workers in the automobile industry averaged 57.1 cents an hour in 1918 but $1.16 in January, this year. Iron and steel workers received 74.8 cents in 1918; 92.6 cents last April. Union bricklayers got 80 cents in World War No. 1 but $1.73 per hour in the defense work of 1941. Against that, farmers who got $1.52 for their corn in 1918, averaged 64.3 cents last year and between 72 and 81 cents this year. Wheat farmers who averaged $2.05 for wheat in 1918 under the $2.20 ceiling, averaged 84 cents last year and around $1.04 this year.

Yet in the face of those figures, the President told the country that farm prices were threatening the country with "the unparalleled disaster of unchecked inflation" and made no mention of what has happened with respect to wages which enter into the cost of living. He said the greatest danger "is in dairy products" and predicted an increase in the price of milk in the cities. In my part of the country, the dairy farmers are going out of business because they cannot compete for help in the labor market. The President's remarks may have stirred those who buy milk but they had a hollow ring to the farmer who gets 4 cents for his milk that costs the consumer 14.

That is the record and it ought to be a part of our record in the consideration of this bill, supposedly a bill to get at the causes of inflation.

Now it may be that we ought not to take the action that is proposed by the pending amendment but if the enemy were in our streets as they are in Stalingrad today, certainly we would not be debating whether or not the President should have the power to set aside the Fair Labor Standards Act and ask people to work more than 40 hours a week.

[Here the gavel fell.]

Mr. HOOK. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, the last words of the preceding speaker, I think, should be given some very serious consideration when he said that if the enemy were in our streets, as they are now in Stalingrad, we would not be debating the question of whether or not we would be ready to take away the Fair Labor Standards Act. This may be correct. Mr. Chairman, if the enemy were in our streets today we would not be arguing whether or not we were ready to accept the Paul Brown amendment or whether we were ready to accept any floors on wages or anything else. We would be ready and willing to turn over to the Chief Executive of this Nation the right and the authority to do the job.

The people of the United States of America are not interested in your quibbling here today one way or the other. The people of the United States of America are interested in whether or not we are going to be able to pass in this House a bill that will properly and fairly stop inflation. Is the bill in its present form going to stop inflation? Mr. Chairman, you know and I know that it is not going to stop inflation and there is no use of trying to kid the public any longer.

I have listened with abhorrence sometimes to the commentators over the air when they have taken Congress to task. I say to you here today that if this bill passes in its present form, you will rightly and justly be subject to the criticism that is heaped upon you. I do not propose to have this mistake on my conscience. It is about time that you get down off of your high pedestal and get down to a working and a cooperative program with the President of the United States in order to stop the inflation that is coming if this bill goes into effect with the provisions that have been enacted here this afternoon.

I hope you men and women of this House will stop your quibbling over labor and stop your quibbling over the farmer. I feel satisfied that the average farmer of the United States is not in accord with the action taken here this afternoon. They themselves want to stop inflation just as well as the people as a whole want to stop inflation, and when you go back home to your farmer, go to the family-sized farmer, do not go to the head of your big organizations that represent the commercial farmer who has spoken here this afternoon. Go to your family-sized farmer, go to the man who actually toils and ask him how much he received from the benefits and the subsidies that have been voted by the billions, supposedly, in the interest of the farmer. How much of the billions that we voted as subsidies to the farmers went down to the farm laborer? I believe there was hardly a penny. If that money that we voted by the billions to the supposed-to-be farmers of the country went down to pay increased salary to the farm laborer, you probably would not have the shortage you have today. The farm laborer himself did not get the benefit of the billions that we voted in subsidies for him. Come off of your pedestal and get down to business.

The family-sized farmer who today is being forced to sell because he cannot pay up his mortgage, the farmer who is not the recipient of the big subsidies that were paid to the big, commercial farmer, is the one who is not going to be able to go under the present program to deliver to this Nation that which he would like to deliver. I feel that authority should be granted to the President, as I have said before, to properly take care of this program. The ordinary farmer gets very little for his products. The consumer pays an inflationary price. It is a question of rearranging our distribution system and to cut out the profits of the processors between the farmer and the consumer. Have you done that here today? No. The only way you will be able to do that is to delegate the authority to the President of the United States to do it. I know that there is an amendment offered to be known as the Harris amendment that will further increase the profits of those middlemen, processors, and not retailers, to such an extent that you will have another additional spiral in the inflation problem. The more you write into this law the more restrictions you put around those who are charged with the duty of administering this whole thing, and the less chance you have of curbing inflation. The people of this Nation will not stand much longer for the foolish bickering by those who are receiving their orders and their information from the group who represent the chambers of commerce and the commercial farmer whose spokesmen are the American Farm Bureau Federation and professional farm lobbyists.

I shall vote against this bill unless it delegates to the President sufficient authority to handle this problem. I shall vote against any conference report that does not delegate the necessary authority to the President to take care of this problem which, in my opinion, is the heart of the war program. If we are going to fight this war, let us do it as Americans, and Americans must sacrifice to win.

The CHAIRMAN. Without objection, the pro forma amendments will be withdrawn, and the question is on the amendment offered by the gentleman from New York [Mr. WADSWORTH].

The question was taken; the Chair having announced itself in doubt, the Committee divided; and there were—ayes 58, noes 166.

So the amendment was rejected.

Mr. CASE of South Dakota. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: Page 3, line 23, after the semicolon strike out the balance of line 23 and all of line 24 down to and including the semicolon on line 25.

Mr. CASE of South Dakota. Mr. Chairman, it will not be necessary for me to take the 5 minutes to explain this amendment. My amendment would strike out inflationary subsection 3, which provides a floor in the form of the so-called Little Steel formula, guaranteeing in effect, a general 15-percent rise in wages and salaries. In many places, such an increase is warranted. There are some industries and some activities in this country, however, where a 15-percent increase in wages and salaries is not called for; the evidence of that is the fact that the War Labor Board has declined in some instances to apply that formula.

Subsection 3, however, provides that no action may be taken to stabilize wages unless they have increased at least 15 percent since January 1, 1941. That is a direct invitation, indeed it is practically a mandate, to increase wages and salaries by 15 percent, whether the circumstances justify the increase or not. It has been stated on the floor by members of the committee that this will add from 7½ to 15 billion dollars to the salary bill of the country. That certainly is inflationary and will be reflected in new spirals of higher prices all along the line.

My amendment would strike that out of the bill so that it would be possible, if the President found it desirable not to apply that formula in certain instances, to decline to apply it. The amendment would not prevent increases but it would not make them mandatory. It still would leave in the bill the proviso on page 4 that the President may adjust wages and salaries to the extent that he finds it necessary to correct gross inequities. With that final proviso left in section 4 there is no need or justification for inflationary subsection 3. I yield back the remainder of my time.

Mr. LYNCH. Mr. Chairman, I rise in opposition to the amendment. The Committee started off with a bill that was intended to curtail inflation. By adopting the Brown amendment it has become a farm-relief bill, and if this amendment to strike out subdivision (3) of section 4 is agreed to, it might well be said that instead of an anti-inflation bill we have a combination of farm relief and antilabor legislation. By adopting the Brown amendment this afternoon, the House has done the equivalent of raising insofar as the people in the cities are concerned the cost of living approximately 10.7 percent.

Although in the past there have been wage rises for organized labor in some industries, there are still some thousands upon thousands of people throughout the country who are in the white collar class, or who are in some other class who have not received wage increases sufficient to meet the increased cost of living who are today receiving the same wage that they were receiving on January 1, 1941. This afternoon, in spite of the President's protest, with this increase that has been caused by the passage of the Brown amendment, these people will hereafter be obliged to pay this higher cost of living. The purpose in having this provision in the bill was to take care of a part of those who have not had the opportunity that others have had to obtain increases in wages. As I understand it, with the passage of the Brown amendment, pork chops that are now selling at 43 cents per pound would rise to 56 cents a pound, and leg of lamb which costs 38 cents a pound would cost 49 cents a pound; while round steak which can be purchased today for 44 cents a pound would rise to 57 cents per pound. If you strike out this provision of the bill, what are those people who have not received wage increases from January 1, 1941, going to do? We have heard a great deal this afternoon about the plight of the farmer, how they work and slave in the sun and in the rain, but I call upon you this afternoon to remember those who are in our industries in the cities who have not received a single cent of increase in wages since 1941 or before, and who, by reason of the adoption of the Brown amendment, are faced with a further rise of 10.7 percent in their cost of living.

I ask you to remember those who are in the civil service of this Government who have not received any increase in pay, particularly the mail carriers in the Post Office Department, who have not received 1 cent increase in pay, since 1925. The President has called upon the Congress for a bill to halt inflation. You are disregarding the request of the Commander in Chief and are giving him a farm-relief bill, which will let farm prices go higher, while holding wages to present levels.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield.

Mr. SACKS. I want to point out that the very people we ought to help, those who are unorganized and who did not receive any increase will be helped by this provision.

Mr. MOTT. Will the gentleman yield?

Mr. LYNCH. I yield.

Mr. MOTT. The gentleman stated a moment ago that if the Brown amendment were retained the price of pork chops and lamb chops would rise to a great extent. I suppose the gentleman is aware of the fact that the price of those commodities has already risen away above 110 percent of parity so how could the Brown amendment affect them?

Mr. LYNCH. I have no doubt that those prices have already risen, but they will rise even more as a result of the Brown amendment.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. CASE of South Dakota. Will the gentleman yield for a brief observation?

Mr. CRAWFORD. I yield.

Mr. CASE of South Dakota. I wish to point out that the adoption of this amendment would not prevent any rise to 15 percent, because there is no prohibition against it. The adoption of the amendment would take out the requirement that nothing would be done if one was asked for.

Mr. CRAWFORD. Mr. Chairman, in the closing hours of this debate we are getting down to the meat of this bill.

I hold in my hand a photostatic copy of the London Times of August 4, 1942. On the editorial page I find this interesting observation:

The controversy over wages and prices now playing a conspicuous part in American affairs has aroused sympathetic echoes here. In essentials it contains nothing unfamiliar to a British audience, and, indeed, it has served to bring attention to bear again upon a question of British policy which has been suspended rather than solved.

The editorial makes some interesting observations on the very question now before us in this proposed amendment.

As those who felt inclined to listen to my remarks of yesterday know, I directed them specifically against this provision of the bill—that is, subparagraph 3 of section 4. Since the adoption of the Brown amendment, there has been injected into this general relief inflationary bill what I would call an equalizing factor as between farm operators and industrial workers.

We have listened to the gentleman from New York [Mr. LYNCH], who so eloquently defended the interests of 5,037,000 Government employees, 6,606,000 transport and public utility employees, 3,484,000 finance and miscellaneous business employees on Wall Street and in other offices. He was a great supporter of this bill in its original form, and the gentleman from Connecticut [Mr. KOPPLEMANN], and the gentleman from Pennsylvania [Mr. SACKS], were great supporters of this bill because it was giving relief primarily to the people following vocations of those who reside in their congressional districts. Originally the bill was highly discriminatory against farm people. Well, I do not criticize them for that. I simply point it out as a fact. At the same time I make no apology for supporting an amendment which will somewhat equalize the burdens in this bill, and for the people who reside in my district as well as other parts of the country.

Mr. SACKS. Will the gentleman yield?

Mr. CRAWFORD. I decline to yield just now.

Mr. SACKS. The gentleman made a statement that I want to correct.

Mr. CRAWFORD. It seems to me, if we really wanted to prevent inflation, we might change this bill very materially; but I have long ago been convinced that the administration will not support the necessary program, so we have an inflationary bill. I have been seeking to get some equalizing factors in this bill. It is my firm opinion that our aim should be to relate the wage structure to the cost of living, and we should restrict independent upward movements of wages whose only result is to augment the production costs and drive prices up in that diminishing field of consumers' goods where prices are still relatively free to fluctuate.

Large and excessive wage increases cannot in war conditions represent a redistribution of the earnings of industry in favor of labor, and this because of the manner in which the excess-profits tax is to operate in the coming months. It will leave no margin for such a redistribution.

We have jockeyed ourselves into a position where wage increases are now achieved largely at the cost, not of the employer or the shareholder, but of the State. After reaching a certain point these increases can be made good only by a direct Treasury inflation of money. Unduly low wages and increased productivity are unfair. You cannot increase wages and not increase the cost of living. In other words, we should increase production first and then give an increase in wages, paying same out of increased production. Let us hope the Senate and conferees will give us a better bill.

[Here the gavel fell.]

Mr. KOPPLEMANN. Mr. Chairman, I rise in opposition to the amendment.

It was not my intention to enter into this debate, because I presumed that every Member, particularly the gentleman from Michigan, who is a member of our committee, knew my position on this bill and the bill that was passed some months ago. He knows that I objected to the inflationary features written into the original legislation last winter. These inflationary provisions compelled the new legislation introduced this week by our committee.

He knows, and every member of the committee and this House knows that I objected to the inflationary Brown amendment. I did not support the bill insofar as its inflationary part was concerned.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. KOPPLEMANN. If I have time after I finish my statement I shall be pleased to yield.

The Brown amendment of 1941 was plainly inflationary in every detail. The bill before us was recommended as a means of controlling the inflationary danger wrought by the first Brown amendment. Now this House has again supported Mr. BROWN, and has gone all out for the high cost of living, thereby contributing to the inflationary spiral.

Every Member who voted for the Brown amendment today will be unable to defend himself before his own conscience or before the country if he attempts to claim that he is in favor of controlling prices and stopping inflation. The Brown amendment is absolutely to the contrary. We now have a worse bill than the original one.

A moment ago the gentleman from New York [Mr. LYNCH] quoted some prices that will result if this new Brown amendment should prevail in the final bill. Let me add that the cost of food and clothing will rise under the Brown amendment by 10.7 percent. In dollars and cents this means that the people of America will pay a yearly increase of $3,700,000,000 in the cost of living. I cannot support that kind of legislation. You could not if you understood what it really means.

Increasing the cost of living $3,700,000,000 a year includes the farmer, since he must buy food and clothing for his family. Farmers in my district and from elsewhere in the Nation have appealed to me to help cut down the cost of feed for their cattle and poultry. Under the Brown amendment this is impossible. You cannot stabilize wages if the cost of living goes up.

If you up the cost of living, you must increase wages to meet it.

The vicious circle goes round and round, and where it stops nobody knows.

And it will continue if this amendment stands and the cost of living rockets upward, unless this Congress exercises its solemn responsibility to stop it. Your support of the Brown amendment defied the entire Nation. You are forcing the President to take matters into his own hands. And the Nation is back of the President.

And about the provision to stabilize wages, do not forget there are millions of families in America who are unable to purchase all the necessities of life. Millions of others have not benefited from the war prosperity. They cannot meet the present increases in the cost of living. Actually the wages of white-collar workers, of workers in mercantile establishments, in the professions, have gone down. In seeking to strike out the wage-stabilization provisions of this bill, you are attempting to destroy the only possible chance for the lowest-income people in America to earn enough money for decent living.

[Here the gavel fell.]

The CHAIRMAN. The gentlewoman from New Jersey [Mrs. NORTON] is recognized for 5 minutes.

Mrs. NORTON. Mr. Chairman, I did not intend to inject myself into this debate, but I have listened all afternoon and am simply amazed to find that this bill which was supposed to control prices, if the Brown amendment is adopted in the House, will do exactly the opposite thing.

I have been traveling around the country quite a bit; I have been addressing many women's gatherings. I should like you gentlemen to know that the thing in the minds of every woman in this country is: How are we going to win the war? and, How are we going to keep down prices? These are the two important things all women are considering today. This bill is not going to keep down prices. It is not going to help win the war.

I want to say right here and now that if the Brown amendment is not defeated in the House I am going to vote against the bill; at least I will be consistent.

May I also remind you that the women in the country are going to hold the balance of power in this election; there are going to be lots more women voters than men because of the great number of men called to the front. When the women go to the polls they will consider the candidate who by his vote made it impossible for them to feed their children properly. That is exactly what is going to be the attitude of the average woman in this country. She does not care whether the farmers are pleased or whether they are not; nor is she interested in the farm bloc; nor is she interested in the labor bloc. The thing she is primarily interested in is whether or not she is going to be able to feed her children on the small amount of money she will have to do it with, and every time you increase the price of food you are losing out on the women's vote.

I want to tell you also as a housewife and as somebody who has been paying the bills and knows what she is talking about, that the price of living has increased tremendously not only in the last year but just in the last few months.

It might be well to remember that what we do here today shall affect the welfare of millions of people throughout the country, particularly those in the low-income group. Adopting an inflation amendment will not contribute to our war effort. We are engaged in a titanic battle. Personal and political considerations should be out for the duration. If this bill is adopted with the Brown amendment you are going to hear from the women of the country. I protest such legislation and shall vote against it.

[Here the gavel fell.]

Mr. SACKS. Mr. Chairman, I move to strike out the last few words.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. SACKS. Mr. Chairman, I am not going to take the 5 minutes but I just want to point out something in this bill that will show the gentleman from Michigan whether or not we gentlemen who come from the cities are interested in getting a bill that is deflationary rather than inflationary. In the next paragraph of the bill we agreed in order to keep the price stable without the Brown amendment and in order to regulate wages, we agreed to the following language—and this will show you who was selfish, the farm bloc or those in the cities. In the next paragraph, section 5, we agreed to these words:

> No employer shall pay and no employee shall receive any further increase in wages or salaries unless approved by the President.

Mr. Chairman, we put a freezing order on wages. There is no freezing order in the language of this bill on agriculture. We wanted to really control this thing.

We did not want an inflationary bill, as the Brown amendment makes it. We did not selfishly hold out for labor.

I say to you today that if the Brown amendment stays in I am going to vote against the bill because I believe it is inflationary. May I say also that the President has challenged the Congress and if we pass this inflationary bill the President will tell the country that we are for inflation. You watch your newspapers tonight if you pass this Brown amendment, the very amendment that they talked about before our committee considered this bill. We should defeat the Brown amendment when we get back into the House and give the President a bill that will not be inflationary but a bill that will stabilize wages.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. SACKS. I yield to the gentleman from California.

Mr. THOMAS F. FORD. It was the Brown amendment that made this bill necessary today?

Mr. SACKS. Yes; it was the Brown amendment that made it necessary.

[Here the gavel fell.]

Mr. KEEFE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I agree with the gentlewoman from New Jersey that the women of America in the November election are going to voice their opinion at the polls. I do not know the groups to whom she has been talking throughout the country, but let me call the attention of the gentlewoman from New Jersey to the fact that the women on the farms of America are going to vote as well as the women in the clubs of the cities and the wives of those people on the farms who are compelled to work as never before are going to have something to say as to whether they shall have their day in America or shall be consigned as they are threatened to be consigned to a life of serfdom. So as one Representative who has not spoken on this matter before, I am not alarmed by the threat that has been given to Members of Congress by the gentlewoman from New Jersey.

May I ask a question in all fairness, having heard this whole discussion yesterday and today? This whole business is provoked by the President's message. He says:

> We are facing an acute and critical condition due to the advance in the cost of living.

He stated:

> The greatest danger is in dairy products, which are, as you know, most important items in the American diet.

Now let us look at that situation. You are condemning the farmer and you say he is responsible for this increase in the cost of living, not only in connection with dairy products but everything else. Is that, in fact, the truth, when you know that the farmers of Wisconsin who are sending milk into the city to be consumed by these people that the gentlewoman has perhaps talked to are getting 4 cents a quart for their product, while the people she talked to are compelled to pay from 14 cents to 17 cents a quart? Why do you blame the farmer? Why do you say that he is a profiteer? Why do you say that he is a racketeer, when you know that these people who stand between the farmer and the people who consume his products are the ones who are the racketeers, if anybody is to be designated as a racketeer; when you know that those who deliver his product to the housewife in the city are earning in the city of Chicago from eight to ten thousand dollars a year, people delivering milk, the cost of which must be taken out of the toil of the farmer who must be there every day, 365 days in a year, to milk those cows and produce that milk?

I say to those of you who are condemning the farmer that you are casting a false aspersion upon the most decent people in this country. Did you not listen to the gentleman from Washington [Mr. HILL] this morning when he told you of the farmers in his area receiving $17.50 a ton for tomatoes that were purchased by the consumer on the market at $140 a ton? Did you not listen to him when he spoke of farmers in his territory receiving $15 a ton for onions while the consumer pays $100 a ton? Who is the profiteer?

Mr. Chairman, I say that the President was poorly advised when he says that the farmers of America are responsible for the increase in the cost of living.

[Here the gavel fell.]

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin [Mr. KEEFE]?

Mr. McKEOUGH. Mr. Chairman, reserving the right to object, and I will not object, but I would like to ask the gentleman from Wisconsin to point out where the President of the United States accused the farmer as he said he did?

Mr. KEEFE. I will read it to you.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin [Mr. KEEFE]?

There was no objection.

Mr. KEEFE. Mr. Chairman, he discusses in his message on page 7 of the committee report the fact that uncontrolled agricultural commodities are responsible for the critical condition that faces the nation due to the increase in the cost of living.

Mr. McKEOUGH. Will the gentleman yield?

Mr. KEEFE. Not now. I know the gentleman is seeking to inject himself into this discussion.

Mr. McKEOUGH. I am not seeking to do that at all but the gentleman has injected the President into the proposition and he is misquoting him.

Mr. KEEFE. Mr. Chairman, I refuse to yield further.

The President said further:

> The greatest danger is in dairy products which are as you know most important items in the American diet. Butter, cheese, evaporated milk are exempt under the Price Control Act. The prices of these have been going up so fast that they constitute a serious threat to the adequate supply of fluid milk. Unless we are able to get control of butter, cheese, and other dairy products in the near future, the price of milk in the large cities is bound to go up.

What else did he say? I say to you a fact that everyone knows that when Mr. Wickard came out to Wisconsin and told the dairy farmers, "We need 260,000,000 pounds of cheese for lease-lend and we ask you to produce it," they went to work and produced it. He was fair.

He raised the price from 17 cents a pound to 24 cents a pound as an incentive to get them to do it, and when they produced it a surplus developed due to a lack of shipping and the Commodity Credit Corporation arbitrarily reduced the price to 21 cents. Who was to blame for the increase in the price of cheese from 17 cents to 24 cents? Let us be fair in our consideration of this problem.

[Here the gavel fell.]

Mr. THOMAS F. FORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened with a great deal of interest to the eloquent, effective, and very strong statement of the gentleman from Wisconsin. May I say in connection with that matter that I made a trip across the United States no more than 2 weeks ago. I made it both ways. I talked to farmers in the East, in the Middle West, and in the West. All my contact with farmers seemed to prove to me that all they wanted was parity for their products.

The distinguished gentleman from Wisconsin talks about why the price of cheese went up, but I want to tell him something. The people of the United States are not so hot about the price of cheese going up. If you people want to adopt this bill, well and good; I am going to vote against this bill if the Brown amendment is not taken out because it is an abomination before the Lord. It is absolutely not in keeping with what we are trying to do. The Brown amendment provides for the cost of production. The parity question does not involve the cost of production. Therefore, you are talking and voting for something that is not in this bill. You are voting for pure socialism.

The Brown amendment was the reason for the present amendment to the bill. If we had not adopted the Brown amendment, we would not have had this thing before us now. The Brown amendment is an abomination before the Lord, and I am going to vote against the bill if the Brown amendment is not taken out. If Congress wants to be placed in the ridiculous position of voting for unrestrained inflation, it is O. K. by me. But I am against it, and shall so vote.

Mr. McKEOUGH. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from Wisconsin, if I correctly heard him, stated that the President of the United States accused the farmers of being racketeers, in connection with the message that he sent to the Congress of the United States calling on the Congress to take some action with reference to the threatened spiral of inflation.

I asked the gentleman from Wisconsin to quote that language from the President's message, and I challenge him now on my time to quote from the President's message the language that he attributed to the President as having used. I give

him time to find it in the message if he can, to find the word "racketeer" when he speaks of the farmer.

Mr. KEEFE. Mr. Chairman, in answer to the distinguished gentleman from Illinois, may I state that I reserve the right, after having listened to all the testimony that has been adduced on this bill, and after reading the President's message and the implications that are to be drawn from that message, to interpret that message as meaning exactly what many men on the gentleman's side have said during the course of the debate he intended to say. He did not use the word "racketeer." It would be obvious, because everyone has read the message.

Mr. McKEOUGH. Mr. Chairman, I decline to yield further.

Mr. KEEFE. But I still say that I think that is what he intended to mean.

Mr. McKEOUGH. I merely want to say in conclusion that the gentleman from Wisconsin has qualified and explained away the charge that he made when he addressed the House, and satisfactorily explained it away, when he charged the President with having accused the farmer of being a racketeer. He now indicates that by reason of some statements made by Members of the House he wants to accept that the President of the United States implied that the farmers are racketeers. I know that the President of the United States needs no defense at my hands, and I challenge the gentleman from Wisconsin, or any other Member of this House or any citizen of the United States, to indicate where the President of the United States, from the moment that he first raised his hand heavenward on the 4th day of March 1933, has not proven to be, as President at least, the best friend the American farmer ever had.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. McKEOUGH. I am sorry, I have only 2 or 3 minutes more.

Mr. CASE of South Dakota. The gentleman made a challenge.

Mr. McKEOUGH. The gentleman can take his own time.

I wonder if the gentleman from South Dakota, who is now so excited, remembers that on the 4th day of March 1933 cotton was traded at 5 cents a pound, corn at the grain elevators of the country was selling at 10 cents a bushel and less, and wheat was traded on the Chicago Board of Trade and the other commodity exchanges of the world at lower prices than it has ever been traded since Queen Elizabeth's time. That is the record, on March 4, 1933, and that is what President Roosevelt inherited from Mr. Hoover's regime. The mirage that was offered to the farmer by the Republican spokesmen for 40 years—and that is all it was, a painted rainbow of happy days around the corner—never came to fruition. I challenge the Republicans, I challenge the critics of the President, I challenge those who presume to speak for the farmers of America to name me a better friend of the American farmer than Franklin Delano Roosevelt.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman——

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Missouri yield for a parliamentary inquiry?

Mr. CANNON of Missouri. I yield.

Mr. CASE of South Dakota. I was simply going to ask, in view of the fact that I opened this debate on my amendment and used only a part of my 5 minutes, whether I could ask for recognition again to use the balance of my 5 minutes.

The CHAIRMAN. The gentleman may rise in opposition to some amendment if he wants to, but his time was used at the time he was recognized.

Mr. CANNON of Missouri. Mr. Chairman, we have had a great many intemperate statements here this afternoon and it might be well for us to come down to a few facts and along with them a little of the milk of human kindness and the American spirit of fair play.

And by way of preliminary may I revert to the very interesting speech of my distinguished colleague, the gentlewoman from New Jersey, with whom it has been my honor and pleasure to work for many years. It has always been my good fortune to find myself in full accord with her legislative program and I am certain that on the fundamentals this occasion is no exception to the rule. We are both agreed today—as we always have been agreed—on the profound basic postulate that the laborer is worthy of his hire—whether he labored in the factory or on the farm. And that is the only question involved here: Is the farm laborer as worthy of his hire as any other laborer? Or is the farm laborer to be put off in a class by himself—to receive less while every other laborer receives more?

On all such questions it has been my pleasure and privilege to follow the high leadership of the gentlewoman from New Jersey in many a hard-fought battle in defense of the rights of labor on this floor. I have voted for every bill which she and the great committee over which she presides has reported to the House.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. And may I say to the gentleman that I have voted for every agricultural bill that has come before the Congress.

Mr. CANNON of Missouri. That is true and I am glad to have this opportunity to express my appreciation. I trust she will not grow weary of welldoing.

The gentlewoman deprecates the cost to the consumer which may result from the enactment of this bill—and with special reference to the cost of food to her constituency. I can well understand her position on a bill affecting the people of her district because I have been placed in precisely the same position by bills which she has reported out. Every bill passed by this House raising wages or otherwise benefiting labor has resulted in increased prices to the consumers of my district. Every time labor was given a well merited increase in pay the people of my district had to pay their part of the increase—just as the people of her district pay their part of any increase imposed by this bill. I have repeatedly voted to make my constituents pay the gentlewoman's constituents more money in higher wages. When this is taken into consideration I do not believe there will be any objection if, in return, the women and children of the lady's district pay a very small increase in the price of their food in order to provide a decent wage for the man who worked so hard to grow it.

But there is balm in Gilead. It will be comforting to those who are disturbed by recent increases in the price of food to know that the consumer is paying less today proportionately for food than at any time in recent years. The Department of Agriculture reports that notwithstanding the rise in food prices the consumer is paying a smaller percentage of his income for food than at any time in the last 30 years.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. Certainly.

Mrs. NORTON. I do not think the gentleman has done very much shopping lately or very much marketing or he would find out that what he says is absolutely not true.

Mr. CANNON of Missouri. Happily, the statement is not mine but is part of the report recently issued by the Bureau of Agricultural Economics, and corroborated by statistics from the Bureau of Labor Statistics. I shall be glad to submit the tables on which the statement is based.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Texas.

Mr. POAGE. The Secretary of Agriculture appeared before the Committee on Agriculture this morning and made that identical statement and said that labor was today paying the smallest percentage of its income for food and fiber that it had paid since the last World War.

Mr. CANNON of Missouri. I thank the gentleman. All authorities agree that the consumer is getting comparatively cheaper food today than ever before in this generation. The Nation has been getting its food at bargain-counter prices ever since the last war. And the farmer has been paying more for everything he bought from labor and industry.

But why this sudden concern for the consumer? We have passed dozens of bills here in the House increasing prices and wages and no one mentioned the consumer. But when we take up a bill providing a decent wage for the farmer our friends for whom we have been voting high wages and high prices all these years, grow suddenly solicitous of the consumer. It seems to make a great deal of difference whose bull is gored.

We passed the wage-and-hour bill increasing the cost of every item the farmer buys—and no one said a word about the consumer.

We passed the hot oil bill not long ago increasing the price of every gallon of oil and gas used in the farmer's tractor and no mention was made of the consumer.

We passed the transportation amendment under which the farmer's freight

rates were increased and no one considered the consumer.

We passed, at this session of Congress, the famous coal bill saddling additional costs on the farmer, and not a word in the debate about the consumer.

It is only when the farmer—the last man to present his bill—asks for a small part of the same treatment given everybody else—in order to make ends meet and supply the table of the Nation three times a day—that we hear these agonized cries about the consumer. And do not forget that the farmer is asking less and receiving less, whether measured by prices or by participation in the national income, than anyone else has asked or been given.

But here is the significant feature of the situation. Labor itself does not object to paying a fair price for what it eats and wears. I have just mentioned the enactment of the coal bill and here is a telegram which came in this morning:

HON. CLARENCE CANNON,
Washington, D. C.:

District 50 United Mine Workers of America presented the case in behalf of our farmers to the Congress through its respective committees urging the inclusion of all costs of production including the cost of labor in determining minimum farm prices. This is absolutely necessary to enable farmers to compete in the labor market for available labor to produce the food to win the war and write the peace. Parity prices not including cost of labor would force farmers to produce at wages from $3 to $6 per week in behalf of the farmers affiliated with District 50. We respectfully urge your support of proposed amendments to include the cost of all labor used in farm production in the calculation of parity prices. It seems to us that we as a nation can honorably do no less.

O. E. GASAWAY,
President, District 50, United Mine Workers of America.

Labor does not want to mooch its food. It is willing to live and let live. Every honest workingman wants to pay his bills. Not a workingman in the Nation wants to exploit the unrequited toil of the farmer who feeds him.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Now, what does the Brown amendment, which has stirred all this teapot tempest, propose to do? It is the simplest, fairest, squarest proposition in the world. It merely proposes for the farmer what is done by every other businessman on earth. It merely proposes to include the cost of labor along with his other costs of production. Every other producer in the Nation does that. Every businessman figures in the cost of labor in computing his cost of production. Do you know any man or any business—individual or corporate—anywhere which does not include labor in estimating costs. If you ever do find one, you will find him going into bankruptcy when he strikes his first balance sheet.

Now, if everybody else counts labor in its cost of production, why should not the farmer count labor in the cost of production? Is there anyone here who will rise and tell us why the farmer should not include the cost of labor when everybody else does? That is all there is to the Brown amendment. Why all this commotion over the farmer following the same rule everybody else follows?

Why, my good friend from California is so perturbed that he refers to it as the "damned bill."

Mr. THOMAS F. FORD. I said it was a damn bill. Will the gentleman yield?

Mr. CANNON of Missouri. In just a minute.

Why does the gentleman consider it a damned bill? It was all right up to the time this amendment was adopted. What has damned it forever in his eyes is that a majority of this House thought it ought to be amended. Is he unwilling to abide by the judgment of a majority of the House? Rule of the majority is not only democratic doctrine, it is American doctrine. It is the principle on which this Government is founded. The gentleman is in the minority—a decided minority—and yet because an overwhelming majority of the House amends the bill he terms it a damned bill. I love my friend from California. He is the finest fellow in the world. I appreciate his enthusiasm and enjoy his picturesque language and now having expressed himself forcibly and emphatically I am certain he will go along with the rest of the brethren in harmony and good fellowship.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to my friend from California.

Mr. THOMAS F. FORD. I just made a trip across the continent, both ways, and I have talked to farmers all the way across, and all they ever said to me that they wanted was parity. The gentleman wants something that is entirely beyond parity—10 to 12 to 15 percent. The farmers do not want that.

Mr. CANNON of Missouri. The gentleman is exactly right and his deductions are accurate. The farmer asks only parity, and he is the only producer today who voluntarily accepts parity. But parity when farm labor is a dollar a day is not parity when labor is $8 a day. The farmer has never asked more than actual parity. When ceilings were pegged at 110 percent it was to permit the usual market fluctuations between the statutory 85-percent loan floors and the 110-percent ceilings, which, on yearly averages, would have given approximately 100 percent of parity or a little less, and the farmer is asking for bare parity in this bill. He merely asks in the Brown amendment that the change in farm wages be taken into consideration. Farm prices which are at parity when wages are low are far below parity when wages are high. The gentleman from California and I are together on that. We ask only parity. But parity in 1940 is not necessarily parity in 1942, and peacetime parity and war-disjointed parity are two different things. The only way we can be certain of securing absolute parity at all times is through the Brown amendment.

And just a word on inflation. It is charged that the amendment is inflationary. Inflation is never mentioned without being charged to the farmer. How could farm prices bring about inflation when farm products constitute only 10 percent of the cost of living, whereas labor constitutes 70 percent. Which is in position to start the spiral of inflation, the 10 percent or the 70 percent or the remaining 20 percent?

Which is inflationary, the cost of cotton in a shirt or the cost of making and distributing the shirt? Which is inflationary, the cost of the wheat in a loaf of bread or the cost of producing and distributing the loaf? Which is inflationary, the cost of the hide in a pair of shoes or the cost of manufacturing and distributing those shoes? How absurd to say that the comparatively inconsequential cost of raw materials bring about inflation.

Mr. Chairman, with the Brown amendment, this bill will serve the dominant objective of the American people today. It will produce food and fiber to win the war. We cannot produce it for less. The farmer would produce for less if he could, but it is a physical and financial impossibility.

And let it never be forgotten that on the farm, loyalty and devotion to duty and pure Americanism flames brightest. There has never been a strike or a shut-out on the American farm. Production never stops, weekdays, Sundays, or holidays, as long as the price he receives keeps soul and body together. He is doing a grand job. This bill as amended will enable him to carry on. It will give him bare parity. And with that he is content.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. THOMAS F. FORD rose.

The CHAIRMAN. For what purpose does the gentleman from California, a member of the committee, rise?

Mr. THOMAS F. FORD. Mr. Chairman, I move to strike out the last word. I want to repeat what I said before. I have been across this continent both ways and I have talked to farmers and bankers and businessmen, all types of businessmen, and nobody wanted more than parity for farm products, and all this bluster about additional price is just political bunk on the part of the farm bloc.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. THOMAS F. FORD. No; I will not. When you talk about raising the cost of labor to the farmer you are talking about the cost of production, and you are talking about socialism and when you talk about parity you are talking about a situation that has been adopted by the Congress of the United States, and you boys who want parity for farmers do not know what the h— you are talking about. The Brown amendment is vicious and inflationary. If left in the bill I shall vote "no." The farmers will be the losers. The politicians who presume

to represent them are wrong now as they were when they voted for the original Brown amendment.

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent that the amendment may again be reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection and the Clerk again reported the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE].

The amendment was rejected.

The Clerk read as follows:

SEC. 5. No employer shall pay, and no employee shall receive, any further increase in wages or salaries unless approved by the President or such agency as he may designate. The President shall prescribe the extent to which any wage or salary payment made in contravention of this act shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation: *Provided*, That this section shall not apply to any employer who regularly employs less than eight persons nor to any employee of any employer who regularly employs less than eight persons.

Mr. RICH. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. RICH: On page 4, line 9, after the word "designate" strike out the period, insert a comma and the following language: "excepting regular annual disbursements of extra compensation as has been regularly paid to the employees by the employer."

Mr. RICH. Mr. Chairman, I offer this amendment for this reason: That many employers in this country have a written or implied agreement with their employees whereby at the end of the year, when they determine what their profits are going to be, they make a distribution of income to their employees. Under this amendment the employer would be permitted to continue that distribution. Certainly it should not raise the price of the commodities, because the year is ended and it is a distribution that would give to the employee extra compensation for the services performed during the year, after the company has determined exactly what their income is. They make this distribution of extra compensation to the employees. Heretofore you have tried to raise the price of labor and give to the employee that which he justly deserves. Under this amendment it would be permissible for the employer to do that. If you do not adopt this amendment, then the employer may not be permitted to do so. This will be a terrible injustice to employees, because the bill provides that—

no employer shall pay, and no employee shall receive, any further increase in wages or salaries unless approved by the President or such agency as he may designate.

I add to that the words—excepting regular annual disbursements of extra compensation as has been regularly paid to the employees by the employer.

This is nothing new. It is something that has been going on in many establishments for years, and they are making regular distributions; you certainly should commend employers who do it, not stop them from paying all that is right and just for the employees to receive.

I hope you will adopt this amendment. It is just. It is honest. It is worthy.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. RICH].

The question was taken; and on a division (demanded by Mr. RICH) there were ayes 47 and noes 82.

So the amendment was rejected.

Mr. DEWEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is with extreme disappointment that after having sat in consideration for 4 months on the Committee on Banking and Currency last summer, after having reconsidered the bill today during 7 hours, I feel I will have to vote against a bill which I have worked on and in which I have a great interest. A bill intended to stop inflation.

The administrative departments of this Government asked additional powers. The President may have been a little brusque in the manner of his asking, but nevertheless we are at war and inflation has almost as many dangerous elements as war.

The insertion of the Brown amendment, which will greatly increase farm prices, changed certain elements that were existent at the time this bill was reported to the House. We took two hitching posts, farm prices that had been stable according to their parity, for about 8 months, and wage levels and living costs that had also been stable. We tried to tie farm prices and wages to those two hitching posts and now by the addition of the Brown amendment this will be impossible as farm prices and living costs will be raised.

As I understand from data coming from the Office of Price Control the necessary food of the people, pork chops and lamb chops and round steaks and other food, will advance at least 10 percent. Is that the way to stop price rises? The way to stop price rises is to stop them.

I cannot help but believe that the President in his wisdom would have thought of other means to put men back on the farm than by competing with wages paid in war industries and get us the food that this country and our soldiers will need. I cannot help but think that there would have been means devised other than by changing the parity, which the President asked not to be changed, for properly paying wages to farm help. I want living costs stabilized because there are others besides wage earners and farmers who are affected. I am thinking of those who are tied to salaries and fixed incomes, of which there are 64,000,000 in our country. So I shall vote against the Brown amendment and vote against the bill, which might have been a bill to aid in checking inflation. In its present form, containing the Brown amendment, it will restart the price race between farm commodities and wages.

[Here the gavel fell.]

Mr. MICHENER. Mr. Chairman, I move to strike out the last two words.

On September 14, in a colloquy in debate with the gentleman from Alabama [Mr. STEAGALL], chairman of the Banking and Currency Committee, discussing this price-control legislation, I said:

I feel that the country expects action now. The country does not expect a long period of time to intervene. If the President's message means anything, it tells us that time is of the essence. We know that prices are getting out of hand. This is no time for hearings or debate. That day is past. I was hopeful that the Congress would pass a resolution directing the President to put into effect the formula which he says he has for the control of the cost of living, both in reference to agriculture and wages. If the President has already held his hearings, if he has studied this thing out, has his formulas ready, and has made up his mind, he should act now. I hope the gentleman's committee will ask the President to send those formulas to the committee so that the committee will have an opportunity to pass on what the President has promised the country he would do if the Congress does not act by October 1. If the President has the authority, has the formula, and knows the answer, there should be no delay. The Congress can modify the President's order before October 1 if it is not sufficient.

That was my position following the President's message and fireside chat and I have not changed it. The majority of the Banking and Currency Committee, however, was of a different mind and, as a result, we are about to vote on the committee bill (H. R. 7565) to amend the Price Control Act.

There will be no opportunity for me to vote for the kind of measure I proposed. In short, it is a question of voting for the committee bill, as amended, or voting against any price-control legislation at this time.

I voted for the original price-control bill, but only after I had voted for all amendments the purpose of which were to provide equality of control for agriculture, labor, and industry. I did not believe then that inflation could be materially prevented or that approximate equality could be guaranteed unless the control were all-inclusive. The administration took a different view then—January 1942. Time, however, has convinced all of us that piecemeal and privileged price control is not only unjust but ineffective so far as inflation is concerned.

The bill which is now before us, in section 4, writes a formula, the practical effect of which is to guarantee to labor a 15-percent increase in wages or salaries paid on January 1, 1941. It is not contemplated that any reduction is to be made by virtue of this law in wages now paid to labor.

No such guaranty is given to agriculture. The provisions of the bill, referring to agriculture, do not take the labor factor into consideration in the cost of production of the thing the farmer sells. In many instances, in these days, the labor factor is the principal cost of the commodity which the farmer has to sell, yet this bill would invoke a parity formula making it impossible to take into consideration the farmer's labor cost in

fixing a ceiling on these things he has to sell.

No industry in this country, at this hour, is having so much difficulty in getting help and labor as is the farmer. It is he who must produce the food for the country and for our allies. If Congress, by express legislation, makes it legally impossible for the farmer to in any way compete with the lowest-paid industry, in the matter of labor, then, of course, that farmer cannot produce the food and the fiber which this country and our Allies must have if we are to win this war.

Farmers are perfectly willing to go along on an all-inclusive program of "fix all prices or fix none," and this includes both the profits of industry and the wages of labor.

We have heard this parity matter discussed for 2 days, and it is still a most difficult word to accurately define. The farmer is not asking for 100 percent, 110 percent, 112 percent, or any other percent of parity as a ceiling level. He is just asking for a fair and equitable relationship between the cost of what he has to sell and the cost of the things he must buy.

Therefore, if this bill is to assure labor of a certain increase since 1941, then surely the farmer should at least be given the privilege of including the cost of the labor which he must hire in connection with the ceiling placed on his selling price. The committee bill without amendment prevents him from including this labor cost.

Again, I repeat, while this bill is not at all as I would have it, yet I shall vote for it as amended and send it to the Senate. The country will have an opportunity in the meantime to know exactly what the bill contains, and the Senate will have the privilege of rewriting the bill or presenting in its place an entirely new measure. Then, when the Senate bill is completed, the House bill and the Senate bill will go to conference. There the bill, which is to become law, will be written. That bill will be brought back to the House for further consideration, and the Members of the House will then be given an opportunity for a final vote on the final draft of this price-control bill. That is the vote that counts. The vote that we cast today simply sends the bill on its way for further consideration. The only other course is to recommit the bill to the Committee on Banking and Currency, in which case we have made no progress, and it would undoubtedly be days, if not months, before a new bill would be reported back to the House.

I believe that something should be done and done now. If the President does not see fit to exercise the power, which he says he now has, to deal with this whole subject, then I believe the Congress should at least immediately give him instructions to use that authority. I do not like to grant additional powers to the Executive, yet if such a course is necessary as an emergency and war measure, and is temporary only, I believe we should all cooperate to the fullest extent.

Mr. Chairman, for these reasons, I shall vote for this bill.

The pro forma amendments were withdrawn.

The Clerk read as follows:

SEC. 6. The foregoing provisions of this act, and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President, may prescribe.

SEC. 7. The act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes", approved July 1, 1941 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a–8), is amended by inserting at the end thereof the following new section:

"SEC. 5. The Secretary of Agriculture is authorized and directed to make loans and purchases and to carry on other operations with respect to nonbasic agricultural commodities for which he finds it necessary to encourage the expansion of production and with respect to basic agricultural commodities, harvested after December 31, 1941, and before the expiration of the three-year period beginning with the 1st day of January immediately following the date upon which the President proclaims the termination of hostilities in the present war, regardless of the purpose for which such commodities are produced or used, so as to support the price for the producers of such commodities at not less than 90 percent of the parity price therefor, or at not less than 90 percent of the comparable price therefor if a comparable price has been established under this act. In the case of agricultural commodities on which loans are made, such loans shall be made at 90 percent of the parity price therefor, or at 90 percent of the comparable price therefor if a comparable price has been established under this act."

SEC. 8. Any individual, corporation, partnership, or association willfully violating any provision of this act, or of any regulation promulgated thereunder, shall, upon conviction thereof, be subject to a fine of not more than $5,000, or to imprisonment for not more than 1 year, or to both such fine and imprisonment.

Mr. EBERHARTER. Mr. Chairman, after listening to the debate yesterday and the debate on all of the amendments today, I have arrived at the definite conclusion that the net result of this bill, if it becomes law, will have an inflationary tendency; that is, if the bill is passed with the so-called Brown amendment in it.

This bill places a floor under farm prices for a period of 3 years after the war. It places a ceiling, to a certain extent, on wages, but it also provides that no action can be taken to hold down wages until they have reached a certain point. The net result is that there will be an inflationary period of many months, perhaps indefinitely. I am under the impression, therefore, that the country would be much better off without a measure of this sort. I believe the President can and will act with better effect under the emergency powers he has already. I shall therefore vote against final passage if the bill contains the Brown amendment.

By unanimous consent, the pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 9. Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out "June 30, 1943" and substituting "June 30, 1944."

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: Strike out all after the enacting clause and insert the following:

"That notwithstanding the provisions of any law, the President is authorized and directed to establish by order within 10 days after the enactment of this act maximum prices on agricultural commodities and maximum salaries and wages. Such maximum prices and such maximum salaries and wages shall be the prices and the salaries and wages prevailing on September 23, 1942, and shall be in effect during the period beginning 10 days after the date of enactment of this act and ending 90 days after the date of enactment of this act.

"SEC. 2. (a) It shall be unlawful, regardless of any contract, agreement, or other obligation heretofore or hereafter entered into for any person knowingly—

"(1) To sell or deliver any commodity, or in the course of trade or business to buy or receive any commodity in violation of any order under section 1, or to attempt so to do.

"(2) To receive or pay, or enter into any contract, agreement, or other obligation under which he is entitled or required to receive or pay any salary or wages in violation of any order under section 1, or to attempt so to do.

"(b) Any individual, corporation, partnership, or association willfully violating any provision of subsection (a) of this section shall, upon conviction thereof, be subject to a fine of not more than $5,000, or to imprisonment for not more than 1 year, or to both such fine and imprisonment."

Mr. SMITH of Ohio. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The gentleman from Ohio is recognized for 3 minutes in support of his amendment.

Mr. SMITH of Ohio. Mr. Chairman, the House is not in a very good mood this afternoon and the tension is pretty high. However, I ask you to kindly give me your attention for a few minutes while I explain my amendment.

I am offering this amendment to avoid what can become a dangerous situation. Should the President veto this measure, which it appears he intends to do if it reaches his desk in its present form, and takes matters into his own hands as he told us he would if the Congress did not pass the act he demanded of it—that would be a national disaster.

This amendment which I am offering is simple and direct. It is interim legislation to last for a period of only 90 days. It proposes to stabilize all farm prices and all wages at their present levels.

If this amendment should pass it would effectuate three vitally important objectives.

First. It would give the President everything he could possibly have intended to include in his demand upon Congress for legislation to check the rising cost of living, and for halting inflation.

Second. It would preserve the constitutional prerogatives and powers of Congress. This is so vital that it should take precedence over nearly all other considerations.

Third. It would provide more time for the careful, thorough, and judicious

study of the questions involved, which is needed in the writing of permanent legislation dealing with the disturbing problems of inflation.

This interim legislation would be simple, direct, and specific. It would be free from vagaries and formulas and would require no lawyers to interpret its meaning. It would be safe for it would involve no risk of further complicating present conditions.

If adopted, it would be simple, easy, and comparatively inexpensive to administer. It would have the extraordinary merit of being as free from political and pressure-group influences as any anti-inflation legislation that could be written.

It would be as fair to agriculture and labor as any legislation we could possibly write under the strain and tension the Congress is now laboring, the heated factionalism that has developed over questions related to the stabilizing of farm prices and wages, and the almost total lack of available knowledge necessary to write a measure that would adequately satisfy the demand of the President.

It would do as much to check rising prices as could possibly be expected from any direct price-control legislation.

If this temporary legislation were enacted, it would show the people of this country that the Congress is willing to assume the responsibilities and duties the Constitution imposes upon it.

Of course, there would be uncertainties and inequities under such legislation as here suggested. But would these likely be as great as the ones that will almost certainly result from the legislation now before the House, which has had little or no consideration, and which is loaded with elements that are subject to all sorts of political influences and pressures? Such inequities and uncertainties as would appear could be corrected in the permanent legislation.

No one knows how near upon us uncontrollable inflation may be. The President thinks the threat of wild inflation is already present. He has so stated. This is a dangerous situation, one that requires strong action. Should this pernicious disease overtake our Nation, not only must every class and group suffer great hardships, lose their life savings, the value of their insurance policies, annuities, and so forth, but it will definitely imperil our war effort and can cause us to lose the war.

Mr. Chairman, the hour may be critical. The President has been given vast powers. Up to the present time he has received, certainly for the most part, through legislation enacted by the Congress the powers he holds. If the President should veto this bill and assume the power he has demanded Congress give him, it will be the first time that he or any other President arbitrarily assumed such extraordinary authority.

I am now providing by this amendment a fair, forthright, safe, and reasonable way to meet all the demands of the President, preserve the constitutional powers of the Congress, and avoid a possible national disaster.

I hope the amendment is adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 24, noes 132.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, pursuant to House Resolution 540, he reported the same back to the House with sundry amendments agreed to in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demand on any amendment?

Mr. SACKS. Mr. Speaker, I demand a separate vote on the Brown amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment upon which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Georgia: On page 3, at the end of line 14, add the following new paragraph:

"For the purposes of this act parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor."

Mr. SACKS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 205, nays 172, not voting 49, as follows:

[Roll No. 112]

YEAS—205

Allen, Ill.	Clark	Gilchrist
Allen, La.	Clevenger	Gillette
Andersen, H. Carl	Cluett	Gillie
Anderson, Calif.	Coffee, Nebr.	Gossett
Anderson, N. Mex.	Cole, N. Y.	Graham
Andresen, August H.	Colmer	Granger
Arends	Cooley	Grant, Ala.
Arnold	Copeland	Grant, Ind.
Barden	Cravens	Green
Barnes	Crawford	Guyer
Beckworth	Creal	Gwynne
Bell	Crowther	Haines
Bennett	Culkin	Hall,
Bishop	Cunningham	Edwin Arthur
Bland	Curtis	Halleck
Bonner	Day	Hancock
Boren	Dies	Hare
Boykin	Disney	Harness
Brooks	Domengeaux	Harris, Ark.
Brown, Ga.	Dondero	Harris, Va.
Brown, Ohio	Doughton	Hébert
Bryson	Durham	Heidinger
Burch	Dworshak	Hill, Colo.
Burgin	Elliott, Calif.	Hill, Wash.
Camp	Engel	Hobbs
Cannon, Fla.	Englebright	Hoffman
Cannon, Mo.	Fish	Hope
Carlson	Flannagan	Houston
Case, S. Dak.	Ford, Leland M.	Howell
Chapman	Ford, Miss.	Hull
Chenoweth	Fulmer	Jacobsen
Chiperfield	Gathings	Jarman
	Gearhart	Jenkins, Ohio
	Gibson	Jennings
		Jensen
Johns	Mundt	Short
Johnson, Ill.	Murray	Sikes
Johnson, Ind.	Nelson	Smith, Ohio
Johnson, Luther A.	Nichols	Smith, Wash.
	O'Brien, N. Y.	Smith, Wis.
Johnson, Lyndon B.	O'Connor	Sparkman
	O'Hara	Springer
Johnson, Okla.	Pace	Starnes, Ala.
Jones	Patman	Steagall
Jonkman	Patton	Stefan
Keefe	Pearson	Stevenson
Kerr	Peterson, Fla.	Stratton
Kilburn	Peterson, Ga.	Sumner, Ill.
Kinzer	Pierce	Sumners, Tex.
Kleberg	Pittenger	Sutphin
Knutson	Plauché	Sweeney
Lambertson	Plumley	Taber
Landis	Poage	Talle
Lanham	Rankin, Miss.	Tarver
Larrabee	Reece, Tenn.	Terry
Lea	Reed, Ill.	Vincent, Ky.
LeCompte	Reed, N. Y.	Vinson, Ga.
McGehee	Rees, Kans.	Wadsworth
McGregor	Richards	Wene
McIntyre	Rivers	Wheat
McLaughlin	Rizley	Whelchel
McMillan	Robertson, N. Dak.	Whitten
Mahon	Robsion, Ky.	Whittington
Manasco	Rockefeller	Wickersham
Mansfield	Rockwell	Wilson
Martin, Iowa	Rodgers, Pa.	Winter
Mason	Russell	Wolverton, N. J.
Michener	Schulte	Woodruff, Mich.
Miller	Scrugham	Worley
Mills, Ark.	Shafer, Mich.	Zimmerman
Mott		

NAYS—172

Andrews	Gregory	Pfeifer, Joseph L.
Angell	Hall, Leonard W.	Pheiffer, William T.
Baldwin	Hart	Ploeser
Barry	Harter	Priest
Bates, Ky.	Heffernan	Rabaut
Bates, Mass.	Hess	Ramsay
Beam	Hinshaw	Ramspeck
Beiter	Holbrock	Randolph
Bender	Holland	Rich
Bloom	Holmes	Robertson, Va.
Boehne	Hook	Robinson, Utah
Casey, Mass.	Hunter	Rogers, Mass.
Boggs	Imhoff	Rolph
Bolton	Izac	Sabath
Bradley, Pa.	Jackson	Sacks
Buckle, N. Y.	Jenks, N. H.	Sasscer
Bulwinkle	Johnson, W. Va.	Satterfield
Burdick	Kean	Scanlon
Butler	Kee	Schuetz
Byrne	Kefauver	Shanley
Canfield	Kelley, Pa.	Sheridan
Capozzoli	Kelly, Ill.	Simpson
Celler	Kennedy, Martin J.	Smith, Maine
Clason	Kennedy, Michael J.	Smith, Pa.
Claypool	Keogh	Smith, Va.
Coffee, Wash.	Kilday	Smith, W. Va.
Cole, Md.	Kirwan	Snyder
Cooper	Klein	Somers, N. Y.
Courtney	Koppiemann	Spence
D'Alesandro	Kunkel	Stearns, N. H.
Davis, Ohio	Lesinski	Sullivan
Davis, Tenn.	Lewis	Talbot
Dewey	Lynch	Tenerowicz
Dickstein	McCormack	Thill
Dingell	McGranery	Thom
Dirksen	McKeough	Thomas, N. J.
Ditter	McLean	Thomason
Downs	Maciejewski	Tibbott
Drewry	Maciora	Tinkham
Eaton	Magnuson	Tolan
Eberharter	Marcantonio	Treadway
Edmiston	Martin, Mass.	Van Zandt
Elston	May	Voorhis, Calif.
Fellows	Merritt	Vorys, Ohio
Fenton	Meyer, Md.	Vreeland
Fitzgerald	Mitchell	Walter
Fitzpatrick	Monroney	Wasielewski
Flaherty	Murdock	Weaver
Fogarty	Myers, Pa.	Weiss
Folger	Norton	Welch
Forand	O'Brien, Mich.	Wigglesworth
Ford, Thomas F.	O'Leary	Williams
Gale	O'Neal	Wolcott
Gamble	Osmers	Woodrum, Va.
Gavagan	O'Toole	Wright
Gerlach	Paddock	Young
Gifford		Youngdahl
Gore		

NOT VOTING—49

Blackney	Cochran	Douglas
Bradley, Mich.	Collins	Eliot, Mass.
Buckler, Minn.	Costello	Ellis
Byron	Cox	Faddis
Carter	Crosser	Gehrmann
Cartwright	Cullen	Hartley

Hendricks	O'Day	Shannon
Jarrett	Oliver	Sheppard
Johnson, Calif.	Patrick	South
Kocialkowski	Powers	Thomas, Tex.
Kramer	Rankin, Mont.	Traynor
Lane	Rogers, Okla.	Ward
Ludlow	Romjue	West
Maas	Sanders	White
Mills, La.	Sauthoff	Wolfenden, Pa.
Moser	Schaefer, Ill.	
Norrell	Scott	

So the amendment was agreed to.

The Clerk announced the following pairs:

Miss Rankin of Montana for, with Mr. Lane against.

General pairs:

Mr. Cullen with Mr. Blackney.
Mr. Hendricks with Mr. Douglas.
Mr. West with Mr. Hartley.
Mr. Crosser with Mr. Johnson of California.
Mr. Sanders with Mr. Powers.
Mr. Ward with Mr. Wolfenden of Pennsylvania.
Mr. Cochran with Mr. Gehrmann.
Mrs. O'Day with Mr. Scott.
Mr. Kocialkowski with Mr. Sauthoff.
Mr. Kramer with Mr. Bradley of Michigan.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. DINGELL. Mr. Speaker, I offer a motion to recommit the bill.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DINGELL. Yes.

Mr. SMITH of Ohio. Mr. Speaker, I have a motion to recommit and I am a member of the committee.

Mr. DINGELL. A point of order. The Chair recognized me.

The SPEAKER. The Chair has not recognized the gentleman to offer a motion to recommit if a member of the minority qualifies. Is the gentleman from Ohio [Mr. SMITH] opposed to the bill?

Mr. SMITH of Ohio. Mr. Speaker, I am opposed to the bill.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Amendment, offered by Mr. SMITH of Ohio, moves to recommit the bill to the Banking and Currency Committee with instructions to report the bill back to the House forthwith with the following amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That notwithstanding the provisions of any law, the President is authorized and directed to establish by order within 10 days after the enactment of this act maximum prices on agricultural commodities and maximum salaries and wages. Such maximum prices and such maximum salaries and wages shall be the prices and the salaries and wages prevailing on September 23, 1942, and shall be in effect during the period beginning 10 days after the date of enactment of this act and ending 90 days after the date of enactment of this act.

"SEC. 2. (a) It shall be unlawful, regardless of any contract, agreement, or other obligation heretofore or hereafter entered into for any person knowingly—

"(1) To sell or deliver any commodity, or in the course of trade or business to buy or receive any commodity in violation of any order under section 1, or to attempt so to do.

"(2) To receive or pay, or enter into any contract, agreement, or other obligation under which he is entitled or required to receive or pay any salary or wages in violation of any order under section 1, or to attempt so to do.

"(b) Any individual, corporation, partnership, or association willfully violating any provision of subsection (a) of this section shall, upon conviction thereof, be subject to a fine of not more than $_____, or to imprisonment for not more than _____ year, or to both such fine and imprisonment."

The SPEAKER. The question is on the motion to recommit.

Mr. SMITH of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. SMITH of Ohio), there were—yeas 65, noes 222.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. STEAGALL. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 284, nays 96, not voting 46, as follows:

[Roll No. 113]

YEAS—284

Allen, Ill.	Cunningham	Hill, Wash.
Allen, La.	Curtis	Hinshaw
Andersen, H. Carl	Davis, Ohio	Hobbs
Anderson, Calif.	Davis, Tenn.	Hoffman
Anderson, N. Mex.	Day	Holbrook
Andresen, August H.	Dies	Holmes
Andrews	Dirksen	Hope
Angell	Disney	Houston
Arends	Domengeaux	Howell
Arnold	Dondero	Hull
Barden	Doughton	Hunter
Barnes	Drewry	Imhoff
Bates, Ky.	Duncan	Izac
Bates, Mass.	Durham	Jackson
Beckworth	Dworshak	Jacobsen
Bell	Eaton	Jarman
Bender	Edmiston	Jenkins, Ohio
Bennett	Elliott, Calif.	Jenks, N. H.
Bishop	Elston	Jennings
Bland	Engel	Jensen
Boehne	Englebright	Johns
Boggs	Faddis	Johnson, Ill.
Bolton	Fellows	Johnson, Ind.
Bonner	Fish	Johnson, Luther A.
Boren	Folger	Johnson, Lyndon B.
Boykin	Ford, Leland M.	Johnson, W. Va.
Brooks	Ford, Miss.	Jones
Brown, Ga.	Fulmer	Jonkman
Brown, Ohio	Gathings	Kee
Bryson	Gearhart	Keefe
Bulwinkle	Gibson	Kerr
Burch	Gifford	Kilburn
Burdick	Gillette	Kilday
Burgin	Gillie	Kinzer
Camp	Gore	Kleberg
Cannon, Fla.	Gossett	Knutson
Cannon, Mo.	Graham	Lambertson
Carlson	Granger	Landis
Case, S. Dak.	Grant, Ala.	Lanham
Chapman	Grant, Ind.	Larrabee
Chiperfield	Green	Lea
Clark	Gregory	LeCompte
Clason	Guyer	Ludlow
Claypool	Gwynne	McCormack
Clevenger	Haines	McGehee
Cluett	Hall, Edwin Arthur	McGregor
Coffee, Wash.	Halleck	McIntyre
Cole, Md.	Hare	McLaughlin
Colmer	Harness	McMillan
Cooper	Harris, Ark.	Magnuson
Copeland	Harris, Va.	Mahon
Courtney	Harter	Mansfield
Cravens	Hébert	Martin, Iowa
Crawford	Heidinger	Martin, Mass.
Creal	Hess	Mason
Culkin	Hill, Colo.	May
		Meyer, Md.
Michener	Risley	Talle
Miller	Robertson, N. Dak.	Tarver
Mills, Ark.	Robertson, Va.	Tenerowicz
Monroney	Robinson, Utah	Terry
Moser	Robsion, Ky.	Thom
Mott	Rockefeller	Thomas, N. J.
Mundt	Rockwell	Thomason
Murdock	Rodgers, Pa.	Tibbott
Murray	Rogers, Mass.	Tinkham
Nelson	Rolph	Tolan
Nichols	Russell	Treadway
O'Brien, Mich.	Sasscer	Van Zandt
O'Brien, N. Y.	Satterfield	Vincent, Ky.
O'Connor	Schulte	Vinson, Ga.
O'Hara	Scrugham	Voorhis, Calif.
O'Neal	Shafer, Mich.	Vorys, Ohio
Pace	Short	Vreeland
Patman	Sikes	Wadsworth
Patton	Smith, Maine	Weaver
Peterson, Fla.	Smith, Va.	Welch
Peterson, Ga.	Smith, Wash.	Wene
Pierce	Smith, W. Va.	Wheat
Pittenger	Smith, Wis.	Wheichel
Plauché	Snyder	Whitten
Poage	Sparkman	Whittington
Powers	Spence	Wickersham
Priest	Springer	Wigglesworth
Ramsay	Stearns, N. H.	Williams
Ramspeck	Stefan	Wilson
Randolph	Stevenson	Winter
Reece, Tenn.	Stratton	Wolcott
Reed, Ill.	Sumner, Ill.	Wolverton, N. J.
Reed, N. Y.	Sumners, Tex.	Woodruff, Mich.
Rees, Kans.	Sutphin	Woodrum, Va.
Richards	Sweeney	Worley
Rivers	Talbot	Young
		Youngdahl
		Zimmerman

NAYS—96

Baldwin	Gamble	Mitchell
Barry	Gavagan	Myers, Pa.
Beam	Gerlach	Norton
Belter	Hall, Leonard W.	O'Leary
Bloom	Hancock	Osmers
Bradley, Pa.	Hart	O'Toole
Buckley, N. Y.	Heffernan	Paddock
Butler	Holland	Pearson
Byrne	Hook	Pfeifer, Joseph L.
Canfield	Kean	Pheiffer, William T.
Capozzoli	Kefauver	Rabaut
Casey, Mass.	Kelley, Pa.	Rankin, Miss.
Celler	Kelly, Ill.	Rich
Chenoweth	Kennedy, Martin J.	Sabath
Coffee, Nebr.	Kennedy, Michael J.	Sacks
Cole, N. Y.	Keogh	Scanlon
Cooley	Kirwan	Schuetz
Crowther	Klein	Shanley
D'Alesandro	Kopplemann	Sheridan
Delaney	Kunkel	Simpson
Dewey	Lesinski	Smith, Ohio
Dickstein	Lewis	Smith, Pa.
Ditter	Lynch	Somers, N. Y.
Downs	McGranery	Starnes, Ala.
Eberharter	McKeough	Sullivan
Fenton	McLean	Taber
Fitzgerald	Maciejewski	Thill
Fitzpatrick	Maciora	Walter
Flaherty	Mannasco	Wasielewski
Fogarty	Marcantonio	Weiss
Forand	Merritt	Wright
Ford, Thomas F.		
Gale		

NOT VOTING—46

Blackney	Hartley	Romjue
Bradley, Mich.	Hendricks	Sanders
Buckler, Minn.	Jarrett	Sauthoff
Byron	Johnson, Calif.	Schaefer, Ill.
Carter	Johnson, Okla.	Scott
Cartwright	Kocialkowski	Shannon
Cochran	Kramer	Sheppard
Collins	Lane	South
Costello	Maas	Thomas, Tex.
Cox	Mills, La.	Traynor
Crosser	Norrell	Ward
Cullen	O'Day	West
Douglas	Oliver	White
Eliot, Mass.	Patrick	Wolfenden, Pa.
Ellis	Rankin, Mont.	
Gehrmann	Rogers, Okla.	

So the bill was passed.

The Clerk announced the following pairs:

Miss Rankin of Montana for, with Mr. Lane against.

General pairs:

Mr. West with Mr. Hartley.
Mr. Hendricks with Mr. Douglas.
Mr. Ward with Mr. Wolfenden of Pennsylvania.

Mr. Cullen with Mr. Blackney.
Mrs. O'Day with Mr. Scott.
Mr. Crosser with Mr. Johnson of California.
Mr. Kramer with Mr. Bradley of Michigan.
Mr. Cochran with Mr. Gehrmann.
Mr. Kocialkowski with Mr. Sauthoff.
Mr. Sanders with Mr. Oliver.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their own remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein certain correspondence.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

(Mr. HARRIS of Arkansas and Mr. WASIELEWSKI asked and were given permission to extend their own remarks in the RECORD.)

Mr. FORAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a radio address by myself.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. MYERS of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a radio address delivered by myself over station WPEN on September 11, 1942.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLY of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein my own remarks made on August 16, 1937.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter and 12 telegrams.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from Mr. Thomas, of Winterset, Iowa, relating to parity and wages.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. O'HARA. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the price-control bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. DITTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the North Penn Reporter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement of policy adopted by the Republican Members of the House.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole this afternoon and include therein four telegrams.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. JOHNSON of Indiana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a part of the declaration of policies and principles adopted by the Republican conference last night.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEAVE OF ABSENCE

Mr. CANNON of Missouri. Mr. Speaker, I am glad to report a great improvement in the condition of my colleague the gentleman from Missouri [Mr. SHANNON] who has been detained on account of serious illness. He is still detained at home by order of his physician. I ask unanimous consent that he be granted leave of absence for the remainder of the session.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. MAGNUSON. Mr. Speaker, the gentleman from Maryland [Mr. COLE] was unavoidably detained today. I ask unanimous consent that he be permitted to extend his own remarks in the RECORD and include therein an address delivered by the Petroleum Coordinator for War and the Secretary of the Interior, the Honorable Harold L. Ickes, before the Baltimore Advertising Club on Wednesday last.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. OLIVER (at the request of Mr. BLAND), indefinitely, on account of official committee business.

To Mr. ROMJUE (at the request of Mr. NELSON), for an indefinite period, on account of illness.

ENROLLED BILLS SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 6921. An act to amend the Soil Conservation and Domestic Allotment Act to authorize payments in cases where farmers' crops are acquired, prior to harvest, in connection with the acquisition of their farms for use in the national war effort, and to provide for the division of such payments.

H. R. 7114. An act to amend the Library of Congress Trust Fund Board Act; and

H. R. 7273. An act to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931, as amended.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 6362. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929;

H. R. 6401. An act to amend section 7 of the act entitled "An act to incorporate the American War Mothers," approved February 24, 1925 (43 Stat. 966; title 36, sec. 97, U. S. C., 1940 ed.);

H. R. 7235. An act to amend the District of Columbia Emergency Rent Act;

H. R. 7399. An act to increase the penalty for indecent exposure in the District of Columbia;

H. J. Res. 271. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1942, General Pulaski's Memorial Day for the observance and commemoration of the death of General Casimir Pulaski; and

H. J. Res. 344. Joint resolution authorizing extensions of time for filing of return of capital stock tax in 1942.

ADJOURNMENT

Mr. SPENCE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 45 minutes p. m.) the House adjourned until tomorrow, Thursday, September 24, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will hold a public hearing on Wednesday, September 30, 1942, at 10:30 o'clock a. m., on H. R. 7548, to provide for the issuance of a device in recognition of the services of merchant sailors.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1916. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to amend the act approved July 24, 1941 (34 U. S. C., Supp. I, 350f), so as to adjust the pay status of enlisted personnel appointed to commissioned rank for temporary service,

and for other purposes; to the Committee on Naval Affairs.

1917. A letter from the Archivist of the United States, transmitting a list of papers recommended to him for disposal by certain agencies of the Federal Government; to the Committee on the Disposition of Executive Papers.

1918. A letter from the Secretary of War, transmitting a draft of a proposed bill to amend Article of War 52; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'LEARY: Committee on Expenditures in the Executive Departments. S. 2722. An act to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge; without amendment (Rept. No. 2478). Referred to the Committee of the Whole House on the state of the Union.

Mr. PACE: Committee on Agriculture. H. R. 7059. A bill to amend section 385 of the Agricultural Adjustment Act of 1938, as amended, so as to facilitate farmers in the service of the United States receiving the benefits of the farm program; with amendment (Rept. No. 2479). Referred to the Committee of the Whole House on the state of the Union.

Mr. McLAUGHLIN: Committee on the Judiciary. S. 2731. An act to suspend until June 30, 1945, the running of the statute of limitations applicable to violations of the antitrust laws; without amendment (Rept. No. 2480). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SUTPHIN:

H. R. 7589. A bill authorizing payment of a clothing allowance to members of the Fleet Reserve; to the Committee on Naval Affairs.

By Mr. TREADWAY:

H. R. 7590. A bill to repeal the Silver Purchase Act of 1934; to the Committee on Ways and Means.

By Mr. EDMISTON:

H. R. 7591. A bill to establish an Office of Technological Mobilization, and for other purposes; to the Committee on Military Affairs.

By Mr. CLASON:

H. R. 7592. A bill to provide for the settlement of certain claims arising out of the establishment, expansion, or operation of arsenals, navy yards, and other Government-operated plants; to the Committee on Military Affairs.

By Mr. CLEVENGER:

H. R. 7593. A bill to amend the Federal Insurance Contributions Act with respect to the rate of taxes thereunder for the year 1943; to the Committee on Ways and Means.

By Mr. O'TOOLE:

H. Res. 541. Resolution creating a special committee to investigate certain activities of the War Department; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Ohio:

H. R. 7594. A bill granting an increase of pension to Anna E. Rhoades; to the Committee on Invalid Pensions.

By Mr. CARTER:

H. R. 7595. A bill for the relief of Beatrice Oliver and Ruth Oliver; to the Committee on Claims.

By Mr. MARTIN of Iowa:

H. R. 7596. A bill to reinstate John B. Day, a captain, United States Army, retired, to the active list of the Regular Army; to the Committee on Military Affairs.

By Mr. SUTPHIN:

H. R. 7597. A bill for the relief of Edward W. Rapp; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XII, petitions and papers were laid on the Clerk's desk and referred as follows:

3326. By Mr. BULWINKLE: Petition of Maebell Calhoun and various citizens of Gaston County, requesting the passage of Senate bill 860 and House bill 4000; to the Committee on Military Affairs.

3327. Also, petition of Jesse Bialock, of Shelby, N. C., and members of Czar Baptist Church, petitioning for the passage of Senate bill 860 and House bill 4000; to the Committee on Military Affairs.

3328. Also, petition of Mrs. A. B. Clayton and various citizens of Gaston County, petitioning for the passage of Senate bill 860 and House bill 4000; to the Committee on Military Affairs.

3329. By Mr. LAMBERTSON: Petition of Mrs. J. A. Alexander, Topeka, Kans., and 123 others, appealing to Congress for legislation which will provide the largest possible protection for the men in our Army and Navy against the insidious influence of vice and intoxicating liquors, and requesting passage of the Sheppard bill at an early date; to the Committee on Military Affairs.

3330. Also, petition of the George W. Hood Unit, No. 91, American Legion Auxiliary of Washington, Kans., requesting legislation covering all prices (including wages) and thus protect our Nation against further ravages of wartime inflation; to the Committee on Banking and Currency.

3331. By Mr. LeCOMPTE: Petition of N. L. Veltman and other members of the Christian Reformed Church, Prairie City, Iowa, urging passage of the Sheppard bill, Senate bill 860, at an early date; to the Committee on Military Affairs.

3332. Also, petition of Rev. R. Vernon Pike and members and friends of the Pleasant View Methodist Church at Killdruff, Iowa, in the interest of the boys of their church and Sunday school who are in the armed forces as well as all others, respectfully urging the passage of such legislation as will provide the largest possible protection for the men and women in our Army and Navy and ordnance plants against the destructive influences of vice and intoxicating liquors including beer, and especially urging the passage of the Sheppard bill, S. 860, at an early date; to the Committee on Military Affairs.

3333. By Mr. MICHENER: Petition submitted by Mrs. Beryl B. Ashley, of Adrian, Mich., and signed by 143 other residents of the community, urging the enactment of Senate bill 860; to the Committee on Military Affairs.

3334. By Mr. ROLPH: Resolution of the San Francisco Board of Supervisors, adopted August 17, 1942, relative to proposed legislation seeking to relieve the financial burden on the Golden Gate Bridge by limiting the free-toll privilege extended to the Federal Government; to the Committee on Military Affairs.

3335. Also, resolution of the San Francisco Board of Supervisors, adopted August 17, 1942, relative to proposed legislation seeking to relieve the financial burden on the Golden Gate Bridge by limiting the free-toll privilege extended to the Federal Government; to the Committee on Military Affairs.

3336. Also, resolution of the California Cattlemen's Association, adopted September 10, 1942, that if Congress deems it advisable to enact legislation placing a ceiling on prices of agricultural products, that the ceiling prices be either the actual prices effective around September 1, 1942, or parity prices; that a floor be placed under such prices; that it is most necessary for the price-ceiling bill to include a provision placing a ceiling on all wages, using the wages in effect January 1, 1941, and adding any additional amounts justified by the increase in the cost of living since that time; to the Committee on Banking and Currency.

3337. By Mr. SHORT: Petition of sundry citizens of Aurora, Mo., petitioning consideration of their resolution with reference to Senate bill 860; to the Committee on Military Affairs.

3338. By Mr. WELCH: Resolution No. 2853, passed by the Board of Supervisors of the City and County of San Francisco, petitioning Congress to enact legislation to provide medical care, hospitalization, and compensation for civilian defense workers injured in line of duty; to the Committee on Military Affairs.

3339. Also, Resolution No. 2823, passed by the Board of Supervisors of the City and County of San Francisco, expressing opposition to proposal for taxation by the Federal Government of municipal bond obligations; to the Committee on Appropriations.

3340. By Mr. VINCENT of Kentucky: Resolution unanimously adopted by the Worsham Post, No. 40, the American Legion, of Kentucky, Henderson, Ky., in regular meeting on Monday night, September 14, 1942, favoring the stabilization of farm product prices at a fair price in comparison with wages, freezing of wages at their present levels, but with some exceptions for the lower brackets, favoring a national sales tax and a holding tax, and favoring an investigation to determine the number of men being removed from the farm through selective service system with a view of a sufficient number being left to insure an adequate food supply for our soldiers and for home consumption, etc.; to the Committee on Banking and Currency.

SENATE

THURSDAY, SEPTEMBER 24, 1942

(Legislative day of Monday, September 21, 1942)

The Senate met at 12 o'clock noon, on the expiration of the recess.

Rev. Walton L. MacMillan, A. B., pastor, Grace Baptist Church, Washington, D. C., offered the following prayer:

Our blessed God and Heavenly Father, the eternal destiny of nations is in Thy hands. We pray that in this Senate and in this place this morning every one of these men may look unto Thee for guidance. We thank Thee that through the Lord Jesus Christ we may come unto Thee, for He is the way, the truth, and the life. And, Father, we pray that the spirit of God may come afresh upon every individual of our Nation, that we may have the spiritual revival which is essential to the welfare of our people. In the name of the Lord Jesus Christ we ask it. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, September 23, 1942, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Overton
Andrews	Guffey	Pepper
Austin	Gurney	Radcliffe
Bailey	Hatch	Reed
Ball	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Russell
Bone	Holman	Schwartz
Brewster	Johnson, Calif.	Shipstead
Bridges	Johnson, Colo.	Smathers
Brooks	Kilgore	Smith
Brown	La Follette	Spencer
Bunker	Langer	Stewart
Burton	Lee	Taft
Butler	Lodge	Thomas, Idaho
Byrd	Lucas	Thomas, Okla.
Capper	McCarran	Thomas, Utah
Caraway	McFarland	Tobey
Chandler	McKellar	Truman
Chavez	McNary	Tunnell
Clark, Idaho	Maloney	Tydings
Clark, Mo.	Maybank	Vandenberg
Connally	Mead	Van Nuys
Danaher	Millikin	Wagner
Davis	Murdock	Wallgren
Downey	Murray	Walsh
Ellender	Norris	Wheeler
George	Nye	White
Gerry	O'Daniel	Wiley
Gillette	O'Mahoney	Willis

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] is absent from the Senate because of illness.

The Senator from Alabama [Mr. BANKHEAD], the Senator from South Dakota [Mr. BULOW], the Senator from Mississippi [Mr. DOXEY], and the Senator from Virginia [Mr. GLASS] are necessarily absent.

Mr. McNARY. The Senator from New Jersey [Mr. BARBOUR] is necessarily absent.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had passed a bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 6921. An act to amend the Soil Conservation and Domestic Allotment Act to authorize payments in cases where farmers' crops are acquired, prior to harvest, in connection with the acquisition of their farms for use in the national war effort, and to provide for the division of such payments;

H. R. 7114. An act to amend the Library of Congress Trust Fund Board Act; and

H. R. 7273. An act to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931, as amended.

PETITION

Mr. CAPPER presented a petition, numerously signed, of sundry citizens of Abilene, Kans., praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments, which was ordered to lie on the table.

PROHIBITION OF LIQUOR SALES AND SUPPRESSION OF VICE AROUND MILITARY CAMPS—LETTER OF PETITION

Mr. REYNOLDS. Mr. President, I hold in my hand and now present a letter signed by the pastors of six churches in Gastonia, N. C., in reference to Senate bill 860. I ask that the letter may be appropriately referred and printed at this point in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

MAIN STREET METHODIST CHURCH,
Gastonia, N. C.

Senator ROBERT R. REYNOLDS,
Washington, D. C.

DEAR SENATOR REYNOLDS: We are writing you not personally but officially as the chairman of the Senate Military Affairs Committee.

At a union service held at Main Street Methodist, Gastonia, N. C., on Sunday, August 30, the congregation assembled requested the pastors of the churches represented to write to you, stating that those present desire you to present to the Senate of the United States the action of the congregation, requesting prompt passage of Senate bill No. 860 or of protective legislation for our armed forces for the liquor and vice traffic similar to that which was enacted in 1918.

You were also requested to present this action to the Senate that it be incorporated in the CONGRESSIONAL RECORD.

Yours very truly,

CLAUDE MOSER,
Pastor, Main Street Methodist.
B. A. BOWERS,
Pastor, First Baptist Church
(for total prohibition).
THOS. H. MCDILL,
Pastor, First A. R. P. Church.
GEO. S. BOWDEN,
Pastor, Holy Trinity Lutheran.
I. M. ELLIS,
Pastor, First Presbyterian.
PHILLIP S. S. GILMAN,
Pastor, St. Mark's Episcopal.

TELEGRAM FROM SHAWNEE COUNTY (KANS.) FARM BUREAU—ANTI-INFLATION LEGISLATION

Mr. CAPPER. Mr. President, I ask unanimous consent to have appropriately referred and printed in the RECORD a telegram just received from the Shawnee County (Kans.) Farm Bureau urging the enactment of anti-inflation legislation, provided it can be founded upon an equitable basis in relation to all groups in the country. I am in accord with the appeal made by this group, and am supporting such legislation in connection with the so-called Thomas amendment.

There being no objection, the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

TOPEKA, KANS., *September 22, 1942.*

Hon. ARTHUR CAPPER,
The Senate, Washington, D. C.:

Majority of Shawnee County farmers favor anti-inflation legislation provided it can be founded upon an equitable basis in relation to other groups. We urge you to use your influence as our representative in seeing that this is accomplished.

L. H. SPEARS,
President, Shawnee County Farm Bureau.

PROPOSED INCREASE IN PAY OF POSTAL EMPLOYEES

Mr. LANGER. Mr. President, I submit a number of telegrams which I have received today urging support of Senate bill 2674, which I ask unanimous consent to have printed in the RECORD in full.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

BALTIMORE, MD., *September 23, 1942.*

Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

Six hundred members strongly urge support of S. 2674.

S. CAPLIS,
Chairman, Legislative Committee, Local 181, National Federation of Post Office Clerks, Baltimore, Md.

NEW YORK, N. Y., *September 24, 1942.*

Senator WILLIAM N. LANGER,
Senate Office Building,
Washington, D. C.:

Am a post-office clerk. My salary has not been increased in many years. Cost of everything rose. Help me.

M. F. DECKER, *Brooklyn.*

NEW YORK, N. Y., *September 24, 1942.*

Senator WILLIAM N. LANGER,
Senate Office Building,
Washington, D. C.:

Mead bill for pay increases duration war before your committee deserves favorable action. Employees' salary frozen many years.

J. EVANANG, *Brooklyn.*

NEW YORK, N. Y., *September 24, 1942.*

Senator WILLIAM N. LANGER,
Senate Office Building,
Washington, D. C.:

Your approval of Mead pay-bonus bill for employees of Government amply justified by tremendous rise in living cost.

HYMAN GOLDEN,
Brooklyn, N. Y.

NEW YORK, N. Y., *September 24, 1942.*

Senator WILLIAM N. LANGER,
Senate Office Building,
Washington, D. C.:

Postal employees expect your friendly consideration of Mead bill for pay increase. Pay stagnant since 1925. Prices way up.

HYMAN SOLOMON,
South Ozone Park.

NEW YORK, N. Y., *September 24, 1942.*

Senator WILLIAM N. LANGER,
Senate Office Building,
Washington, D. C.:

Gratitude of employees of Government will be earned by your favorably reporting Mead bill to increase pay for duration.

R. C. RUSSO, *Brooklyn.*

NEW YORK, N. Y., *September 24, 1942.*

Senator WILLIAM N. LANGER,
Senate Office Building,
Washington, D. C.:

Postal employees expect your friendly consideration of Mead bill for pay increase. Pay stagnant since 1925. Prices way up.

BENJ. PERLMAN, *Brooklyn.*

NEW YORK, N. Y., *September 24, 1942.*

Senator WILLIAM N. LANGER,
Senate Office Building,
Washington, D. C.:

Mead bill for pay increase duration war before your committee deserves favorable action. Employees' salary frozen many years.

J. HOOK,
Richmond Hill, N. Y.

NEW YORK, N. Y., *September 24, 1942.*
Senator WILLIAM N. LANGER,
Senate Office Building,
Washington, D. C.:

Please help postal employees to keep abreast of rapidly rising cost of living by reporting out Mead pay-increase bill.

W. SMITH,
Richmond Hill, N. Y.

NEW YORK, N. Y., *September 24, 1942.*
Senator WILLIAM N. LANGER,
Senate Office Building,
Washington, D. C.:

Federal employees look you for relief; distress caused by rise in living costs. Assist them by approving pay bonus.

ALFRED DE FATO,
Brooklyn, N. Y.

NEW YORK, N. Y., *September 24, 1942.*
Senator WILLIAM N. LANGER,
Senate Office Building,
Washington, D. C.:

Please vote favorably for war-bonus bill for postal employees. This will remedy difficulty of meeting increased cost of living.

SOL COOTBLATT, *Brooklyn.*

NEW YORK, N. Y., *September 24, 1942.*
Senator WILLIAM N. LANGER,
Senate Office Building,
Washington, D. C.:

Respectfully urge you to favorably report Mead pay-increase bill. Post-office clerks have had no increase in 17 years.

S. SPIEGLER, *Brooklyn.*

INVESTIGATION RELATIVE TO BAN ON RECORDINGS BY THE AMERICAN FEDERATION OF MUSICIANS

Mr. CLARK of Idaho, from the Committee on Interstate Commerce, to which was referred the resolution (S. Res. 286) authorizing an investigation of the action of the American Federation of Musicians in denying its members the right to play or contract for recordings or other forms of mechanical reproduction of music (submitted by him on August 27, 1942), reported it with an amendment, submitted a report (No. 1614) thereon; and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LUCAS. Mr. President, as chairman of the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without further amendment Senate Resolution 286, and ask for its immediate consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Interstate Commerce with an amendment, on page 5, line 12, after the word "exceed", to insert "$5,000", so as to make the resolution read:

Whereas the American Federation of Musicians, through its president, James C. Petrillo, on June 25, 1942, forbade musicians who are members of the American Federation of Musicians to play or contract for recordings, transcriptions, or any other form of mechanical reproduction of music; and

Whereas James C. Petrillo, in a letter written to the President of the United States, on December 27, 1941, recognized and acknowledged that "music always has been and is today one of the finest media for maintaining high public morale," and pledged the American Federation of Musicians "to do everything possible to aid in the fight for freedom"; and

Whereas on July 28, 1942, Elmer Davis, Director of the Office of War Information, requested James C. Petrillo, "on behalf of the people of the United States and on behalf of the War Department, the Navy Department, the Marine Corps, the Coast Guard, the Treasury Department, the Office of Civilian Defense, and the Office of War Information" to "consider it your patriotic duty to stand by your pledge of December 27, 1941, and withdraw your ultimatum of June 25, 1942," and said request was refused; and

Whereas the mechanical reproduction of music is universally used in coin-operated phonographs located in hotels, restaurants, and amusement centers which are widely patronized by the general public, including members of the armed forces of the United States, and affords the principal means of musical entertainment and recreation for millions of civilian listeners and the only regular musical entertainment, other than radio, available to members of the armed forces in their recreation centers; and

Whereas the radio broadcast stations which are adversely affected by the said prohibition are principally the smaller stations which are not financially able to afford station orchestras and which serve millions of American citizens, particularly in the smaller communities and in the rural areas; and

Whereas the actions of the American Federation of Musicians and its president, James C. Petrillo, will deprive millions of radio listeners from hearing musical recordings, jeopardize the national morale during a period of great emergency, and imperil the service and existence of hundreds of radio stations in the United States; and

Whereas the American Federation of Musicians virtually controls the freedom of action of the majority of all musicians in the United States; and

Whereas the American Federation of Musicians, through its president, James C. Petrillo, in July 1942, prevented the broadcasting by radio of the annual festival of high-school age student musicians from Interlochen, Mich., thus depriving American citizens of their freedom to make known their musical talents, and impeding the national musical educational program for young musicians; and

Whereas the Government of the United States, through its Department of Justice, has recognized that the actions of the American Federation of Musicians and its president, James C. Petrillo, hereinbefore set forth, are of such serious nature as to warrant suit in Federal court against the said American Federation of Musicians and James C. Petrillo, and its other officers, charging violation of the Sherman antitrust law; and

Whereas the free American system, with which the American people are vitally concerned and for the preservation of which they are now expending their lives and substance in a great war, demands the elimination of any such abuses and controls which are contrary to our national interests: Therefore be it

Resolved, That for the purpose of considering appropriate legislation of the subject matters hereof, the Committee on Interstate Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make, and to report to the Senate the results of a thorough and complete investigation of acts, practices, methods, and omissions to act, by persons, partnerships, associations, corporations, and other entities in interstate and foreign commerce, which may or do interfere with, or obstruct the national welfare, the public morale, or affect the public good originating from or as a result of the actions of the American Federation of Musicians and its president, James C. Petrillo, in denying members of the American Federation of Musicians the right to perform music for recordings and transcriptions destined to be played for reproductions by radio stations and coin-operated phonographs, including among other things:

(1) Restraints of trade by foreign or domestic persons, partnerships, associations, corporations, or other entities, whether through monopolies or otherwise affecting the manufacture and production of, or playing for, musical records and transcriptions, and the control of music and music production in the United States.

(2) Financial arrangements and demands therefor with respect to profits, salaries, bonuses, or other honorariums, which may have been arranged for, accepted, or demanded by individuals or organizations affecting the manufacture and production of or playing for, musical records and transcriptions and the control of music and music production in the United States.

The Committee on Interstate Commerce, or any duly authorized subcommittee thereof, is authorized and directed to obtain such facts as other Government agencies may have, and to secure the assistance of other Government agencies in the investigation hereby authorized.

For the purposes of this resolution the committee or any duly authorized subcommittee thereof is authorized to hold such hearings, to sit and act at such times and places, either in the District of Columbia or elsewhere, during the sessions, recesses, and adjourned periods of the Senate in the Seventy-seventh and subsequent Congresses, to employ such experts, and clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production and impounding of such books, papers, and documents, to administer such oaths, and to take such testimony and to make such expenditure as it deems advisable. The cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The amendment was agreed to.

The resolution, as amended, was agreed to.

The preamble was agreed to.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER:

S. 2799. A bill relating to loans and sales to producers of agricultural commodities which are destroyed or damaged; to the Committee on Agriculture and Forestry.

By Mr. GREEN:

S. 2800. A bill to provide for furnishing the adjutant general of each State with certain information concerning residents of such State who are serving in the armed forces; to the Committee on Military Affairs.

(Mr. JOHNSON of Colorado introduced Senate bill 2801, which was referred to the Committee on Finance, and appears under a separate heading.)

COMPENSATION AND PENSIONS TO VETERANS OF ALL WARS AND THEIR DEPENDENTS

Mr. JOHNSON of Colorado. Mr. President, I ask consent to introduce a bill that will provide for adjusting veterans' compensation in accordance with the basic cost of living during the first 6 months of 1940 and that it be printed.

There being no objection, the bill (S. 2801) to provide for increasing or decreasing the compensation or pension

payments, payable to veterans of all wars, campaigns, and expeditions, or of peacetime service, and to their dependents, under laws administered by the Veterans' Administration, by 10 percent for every 10 percent increase or decrease in the cost of living above the basic cost of living during the first 6 months of 1940, as computed each 6 months, provided that such compensation and pension payments shall not be reduced below the basic amounts provided for under such laws, and for other purposes, was read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That beginning on the first day of the third calendar month following the month in which this act is enacted, except as to private acts, the rates of payments of compensation or pension, in effect on the date of enactment of this act, under the laws administered by the Veterans' Administration, shall be increased by 10 percent if the index figure of the cost of living in the United States during the period of the six calendar months ending with the close of the calendar month preceding the month during which this act is enacted is 10 percent higher than the index figure of the cost of living in the United States during the first 6 months of the calendar year 1940 which shall be known as the base period, and rates of payments of compensation or pension, in effect on the date of enactment of this act, under such laws, shall be further increased by an additional 10 percent thereof effective the first day of the fourth calendar month following each subsequent period of 6 calendar months if the index figure of the cost of living for each subsequent period of 6 months is sufficiently in excess of the index figure for the base period to support each such additional increase: *Provided,* That where increased payments are in effect hereunder and the index figure of the cost of living for any subsequent period of 6 months in comparison with the index figure of the cost of living for the base period becomes inadequate to support such increased rates of payments of compensation or pension in effect hereunder, such rates of payments shall be reduced by 10 percent of the rates of compensation or pension in effect on the date of enactment of this act, such reduction to be effective on the first day of the fourth calendar month following such subsequent period of 6 months: *Provided further,* That any subsequent increase, or reduction, by 10 percent of the rates of compensation or pension in effect on the date of enactment of this act, or continuation of the current rates of payment, for another period of 6 months, shall be determined in the manner hereinbefore prescribed: *And provided further,* That in no event shall rates of payments of compensation or pension be reduced below the rates of payments of compensation or pension in effect on the date of enactment of this act.

SEC. 2. The Secretary of Labor is authorized and directed to report to the Administrator of Veterans' Affairs the index figure of the cost of living during the 6-month period ending June 30, 1940, and the index figure of the cost of living for the 6-month period ending with the close of the calendar month preceding the month during which this act is enacted, at least 1 month in advance of the first day of the third calendar month following the date of enactment of this act, and the index figure of the cost of living for the subsequent periods of 6 months, at least 1 month prior to the first day of the fourth calendar month following each subsequent period of 6 months, so as to insure prompt adjustments of rates of payments of compensation or pension as herein provided, and such reports shall also include the percentage of difference, if any, between the index figure of the cost of living for the first 6 months of the calendar year 1940 and the index figure of the cost of living for the period of 6 months being reported upon: *Provided,* That the Administrator of Veterans' Affairs is hereby authorized and directed to make adjustments in the rates of payments of compensation or pension and payments thereon based upon such reports and in accordance with the provisions of this act.

Mr. JOHNSON of Colorado. Under my bill all compensation and pension payments to veterans would go up or down by 10-percent jumps.

Sponsored by the Disabled American Veterans, this bill, according to its title, is designed—

To provide for increasing or decreasing the compensation or pension payments payable to veterans of all wars, campaigns, and expeditions, or of peacetime service, and to their dependents, under laws administered by the Veterans' Administration, by 10 percent for every 10 percent increase or decrease in the cost of living above the basic cost of living during the first 6 months of 1940, as computed each 6 months, provided that such compensation and pension payments shall not be reduced below the basic amounts provided for under such laws, and for other purposes.

It cannot be denied that the purchasing power of compensation and pension payments to our disabled defenders and their dependents have been decreasing proportionately with the gradual increase in the cost of living, whereas it should rightfully keep abreast of it.

I note that Price Administrator Leon Henderson has testified that the cost of living has already risen nearly 20 percent since the start of World War No. 2, and is now going upward at the rate of 1½ percent a month. Wages of employed persons have been going up more or less correspondingly. Why should this not also justly be the case as to disabled veterans who do not generally have the means by which to increase their incomes according to increases in the cost of living? The objective of this proposed legislation—constant purchasing power for America's disabled defenders, past, present, and future—should become a part of the permanent policy of the Government.

Millard W. Rice, the National Service Director of the Disabled American Veterans, has been quoted as saying:

This living cost method of determining the amounts of compensation and pension to be paid to America's disabled veterans, and their dependents, would provide them with a constant purchasing power—regardless of inflation or deflation—which is fair both to them and to the Federal Government.

This is not a new principle by any means. The National Labor Board has repeatedly utilized it and the War Labor Board has recognized it as the determining factor in wage disputes. In periods of violent economic instability such a formula as I have outlined is absolutely essential if we are to protect the welfare of the men who bared their breasts to enemy fire when the life of this Nation was threatened by enemies who would destroy it.

STABILIZATION OF THE COST OF LIVING—AMENDMENTS

Mr. DOWNEY submitted an amendment and Mr. BARKLEY (for Mr. O'MAHONEY, Mr. TYDINGS, and Mr. REED) also submitted an amendment intended to be proposed by them to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, which were ordered to lie on the table and to be printed.

REPORT ON CHANNEL FROM PAMLICO SOUND THROUGH CORE SOUND TO BEAUFORT HARBOR, N. C. (S. DOC. NO. 247)

Mr. BAILEY, from the Committee on Commerce, presented a letter from the Secretary of War, transmitting a report dated May 20, 1942, from the Chief of Engineers, United States Army, together with accompanying papers and an illustration, on a review of reports on a channel from Pamlico Sound through Core Sound to Beaufort Harbor, N. C., with a view to determining whether modification of the existing project is advisable to provide for improvement of a side channel and basin at Sealevel, N. C., which was ordered to be printed as a document, with an illustration.

A SEPARATE DEPARTMENT OF AVIATION

Mr. MALONEY. Mr. President, I am among the many persons who have for a long time past been disturbed by newspaper and magazine articles, and other publications and statements, dealing with alleged delays and deficiencies in our military aviation. Men of established reputation insist that we are not properly keeping pace with our enemies, and those of them who appear to be well informed and particularly qualified to speak on the subject constantly deplore our lack of progress in this field.

Members of the Senate know of proposals heretofore made that the Congress establish a department of aviation, and committees to deal with this tremendously important subject. I share the feeling of those who believe that we should have a separate air force, and I think it of paramount importance that such committees of the Congress should be created and assigned to deal exclusively with aviation. It is pretty generally admitted that in the conduct of this war aviation has played, and probably will continue to play, a part as important, if not more important, than any other method of warfare. Certainly, if that be true—and I believe it may be true—there should be no longer delay, and it is for that reason that I ask unanimous consent that there may be printed in connection with this statement an article by Maj. Alexander de Seversky, which appeared in the American Mercury for September, entitled "Aviation Ballyhoo Versus Aviation Facts."

While the Congress is not charged with the direction of the war, we cannot avoid the responsibility we have in connection with the conduct of the war, and I firmly believe, Mr. President, that we do not fully meet our responsibility if we do not give immediate attention to this tremendously important matter. It is my feeling that until we shall delegate to

special committees the direct and definite responsibility of getting the facts and making definite recommendations to the Congress, we shall not do our full part in the war effort.

I beg Members of the Senate to read the article by Major de Seversky. I do not know Major de Seversky, but his position and accomplishments in the field of aviation command attention and should have the careful consideration of Congress, and those officials of the Government, and the Army and Navy, who want to leave nothing undone in the prosecution of the war.

The VICE PRESIDENT. Is there objection to the request of the Senator from Connecticut?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the American Mercury of September 1942]

AVIATION BALLYHOO VERSUS AVIATION FACTS

(By Maj. Alexander P. de Seversky)

Whatever reverses we may suffer on the fields of battle, we continue to be magnificently victorious in our publicity, advertising, and after-dinner oratory. True, our fighter planes may be outclassed in combat by British, German, and even Jap fighters. But gleaming pursuits, doctored by commercial artists, zoom through picturesque skies to do superman feats in full-page newspaper ads and double-spreads in the magazines.

Before me is an all-out advertisement by an oil company. Streamlined drawings and typography tell the American people that "our pilots fly faster * * * fly higher * * * fly farther * * * than Axis planes * * * because of 100-octane aviation gasoline."

Now it happens that all major nations, including Germany, use 100-octane fuel. But skip that. More significant is the fact that our pilots don't fly faster; the best German and British pursuits thus far have outflown ours; only in the bomber class, where speed is not the paramount consideration, have we measured up. We don't fly higher; on the contrary, our main fighters, the P-40 (Kittyhawk and Tomahawk), and P-39 (Airacobra) are stymied by engine shortcomings above the critical altitude of 16,000 feet, though British and Axis planes function above 30,000 feet. And, finally, we don't fly farther; the best British bombers could easily outdistance American bombers with equal useful loads; Jap pursuits have utilized emergency ranges that left us sadly in the lurch.

It must be assumed that national advertising which makes such extreme claims for the most important weapon of the war has at least the tacit consent of our military authorities. Whom are we fooling with these silly and mischievous boasts? Such make-believe merely explodes in our faces in the only test that counts in wartime—the test of actual combat.

The glory of our gallant pilots is that they are doing superb work despite inferior equipment. The records of our Colin Kellys and "Butch" O'Hares and hundreds of others, living and dead, are doubly brilliant in the eyes of those Americans fully aware of the equipment handicaps with which they started. We do these heroes and the whole of our peerless aviation personnel a great injustice by blurring that fact, and, sentiment aside, we compromise our whole war effort by confusing the issue of technical quality in aerial warfare—by tolerating the ersatz superiority of commercial and political braggadocio in place of true superiority.

If the advertisement in question were exceptional, we could shrug it off as a case of misguided exuberance. Unfortunately, it is typical. A high-pressure campaign seems under way to reconcile American opinion to aviation equipment which, in many performance factors, is below the standards set by our allies and enemies—equipment which, in terms of the strategic tasks that face America, is still quite primitive. If our margin of backwardness were unavoidable and incurable, there might be some shadow of excuse for making the best of it without wincing. But America happens to have everything that it takes for true primacy in the aerial domain; the problem is merely to release our full air-power genius, and this cannot happen without a fully enlightened public opinion.

Take another exhibit. Here before me is a recent issue of the magazine Liberty. Its front cover is given over to a portrait of Brig. Gen. James H. Doolittle—the very personification of those qualities of audacity and skill which are typical of our air personnel. I venture to guess, however, that Jimmy Doolittle must have been deeply embarrassed by the display on the back cover—a General Motors advertisement for the Allison engine offers a picture of the P-40 pursuit, with this amazing claim:

"Quality superiority counts! From Africa, the Middle East, the South Pacific, Russia, the communiques report that nothing in the Axis air armada can match the sharp-nosed fleetness of this liquid-cooled engine. It's a matter of record that predates Pearl Harbor, how Allison-powered planes can dish it out."

On the basis of direct and extensive personal knowledge of the performance of British, German, and American engines, I am obliged to attest that this statement is an extraordinary exaggeration. If this were advertising to promote washing machines or other peacetime products, the customers would have ample cause for squawking to the proper legal authorities. The fact that in this instance the only customer is Uncle Sam, whose very survival is at stake, is even more reason why the public should look into the matter.

Ironically, the reader can turn to the inside pages of the same issue where an able aviation reporter, Frederick L. Collins, tells some unadorned truths that belie the ad. It was the enemy's knowledge of our aviation deficiencies, he shows, which emboldened Japan to start war on us, and adds:

"In pursuit and fighter planes, our very best products, primarily designed for speed on a moderate level, were no match for high-flying enemy models. * * * The terrifying fact remained that thousands of American boys who risked death and defeat in the battle of the air left the ground under the well-nigh insuperable handicap of aerial inferiority."

The handicapped aircraft to which he refers included the very model pictured on the back cover. The plane which he believes will ultimately prove a match for enemy fighters, the Republic (formerly Seversky) P-47, is not yet in full production. But he records that it is powered by a "2,000-horsepower Pratt & Whitney air-cooled engine," rather than the low-horsepower liquid-cooled engine ballyhooed in the advertising section.

Since it is based on my own design, I have some warrant for commenting on the Republic P-47, or Thunderbolt, now advanced as the white hope of American pursuit aviation. I cannot join in the hurrahs with a full heart. In the years since I projected the original design, the whole world has made immense strides in aeronautics. The fact that the P-47 now looks as good as anything the Axis has already exhibited in combat does not preclude the possibility that meanwhile the enemy has perfected superior planes. It is not enough to alibi and to "catch up." Our aim must be to surpass the enemy.

The tendency to overpraise existing or projected planes acts as a soporific. What we need, instead, is a strong stimulant. What we require from American public opinion is not easy applause but tough challenge. Maj. Al Williams, in a courageous and justified blast, recently stated the issue without beating around the bush:

"If Americans knew as much about our planes as the enemy does, the chances are they'd get something done. That's the trouble with censorship; it serves to cover up deficiencies. We have yet to place on the European front or on the Japanese front one single-seater fighter with performance superior to that of enemy fighters. * * * The only edge we have in fighting those rats is in our superb and unbeatable American airmen."

II

There is plenty of realistic facing of facts in the reports by working newspapermen and active pilots on the fighting fronts. It's not easy to kid yourself with verbal consolations when even a small margin of difference in climb or speed, armor or armament, may decide between victory and defeat, life and death. Here, for instance, is John Lardner, writing in Newsweek (June 29, 1942) on his return from Australia:

"You can believe almost anything you hear about the courage and the skill of our pursuit pilots. Their work, wherever I saw it, was magnificent in its boldness. But the wolf would never get within 40 yards of this correspondent's door if I had a nickel for every pilot who has said to me, in effect: 'With a better plane, we could chase 'em out of the air. Those guys are still on top of us.'"

"Those guys," he points out, "are the Japs flying Zero pursuits." He quotes one of our fine American pilots as saying, "When you fly a P-40 against a Zero, you can make one pass at him. Then, if you miss, you had better get the hell out of there."

This judgment has been repeatedly confirmed by General Chennault, commander of the matchless group of airmen popularly known as the Flying Tigers, whose exploits over Burma and elsewhere will be a thrilling saga of American history for all time. A recent article in Collier's, by William Clemmens, tells how Chennault prepared his men for the harsh reality that "Japanese planes could climb faster, turn quicker, bring more fire power to bear." He records that the first lesson Chennault taught his fliers was this: "Never attack alone. One P-40 against one Jap is outnumbered 3 to 1. * * *"

The whole point about the Flying Tigers is that they did their job against heavy odds. They made up in audacity and tactical resourcefulness for what they lacked in the performance of their planes. The shark's teeth painted on the nose of their planes—a piece of high-spirited playfulness which optimists at home treated as though it had some tactical value—were no substitute for performance deficiencies. Yet here before me is a two-page advertising spread calculated to tell the country that the very engine which, through inherent lack of horsepower, hampered Chennault and his men, deserves the credit for their gallant feats.

General Chennault sent a telegram praising the workers who built the engine. The praise is well deserved, since the workers are responsible for the craftsmanship and not for the design. He indicated that the craftsmanship is first-rate; there had been no "engine trouble." But that message is played up in the ad as though it were a testimonial to the engine's exceptional power in combat. Thus, a 3-to-1 handicap in action turns up amazingly as an unqualified boost for the engine and plane. Why in the world should Americans, at this late date, take space to

boast that an engine actually works? The boast only diverts attention from that engine's faults as a power plant for fighting aircraft.

Jack Turcott, an American correspondent in Australia, cabled on July 13 that United Nations airmen "despite the handicap of inferior numbers and inferior quality of their pursuit planes * * * continue to maintain aerial superiority by their flying and fighting ability." He defined that qualitative inferiority by referring to the new Jap Zero, "which is able to outmaneuver, outclimb, outdive and outfly the P-39 (Airacobra) and the P-40 (Kittyhawk)."

On June 3, a United Press dispatch by Ray Maley reported from the Southwest Pacific:

"The Japs are able to use fighter planes with 1,400 miles range while our fighters' range is about half that. * * * Many of our losses have been due to the fact that fighter pilots engaged in escort duty have had to fight longer than they desired and consequently were left with insufficient fuel to return home."

Last November, a young American pilot, John Ezzel, returning home after 5 months of fighter and convoy duty with the Royal Air Force, had this to say to reporters in Kansas City about the British Spitfires and Hurricanes:

"The British planes have a much higher ceiling, more speed, and better armament. We did our fighting at altitudes which would seem unbelievable over here. When you're up against a German fighter which is as good as yours, it is a matter of who climbs faster and higher."

I could multiply such statements endlessly. Anyone even slightly familiar with world-wide aviation facts is aware that we entered the war at the end of 1941—more than 2 years after its outbreak—with equipment which, especially in the fighter and pursuit class, was dismally below the British, the German, and, in some respects, the Japanese. That backwardness is the sorry heritage of long years of underestimation of the air weapon, and the illogical subservience of our airmen to infantry and naval leadership.

It is against that background that we must view the campaign to convince the American people that they now possess the best aviation equipment in the world. Those of us who have been fighting against such complacency are content to risk brickbats from official and unofficial quarters to tell the truth—because we are deeply convinced that in a democracy the situation cannot be completely remedied without an alert and informed public opinion.

III

Certainly, notable progress is being made in the quality of our aviation. American inventive and industrial genius is breaking through, despite muddle and bureaucratic restraints. Our flying fortresses belied their name at the outset because they lacked armor and armament; those defects have in the main been eliminated, making these planes formidable weapons. In many new fighter models being rushed for production, we have embodied longer range and other military enhancements—by the end of the year they will compare favorably with Axis fighters as of today.

But that's precisely where the hitch comes. Those of us who criticize our aviation picture have been accused by superficial amateurs of wanting to fight "today's war with tomorrow's weapons." They fail to understand that, in fact, we are fighting today's war with yesterday's weapons. Unless we have the intellectual boldness and the creative vision to reach out for tomorrow's weapons, we shall continue to fight with yesterday's weapons. They forget that it is a relentless race in which it is futile and self-defeating to strive modestly for "today's" implements and strategies.

Nothing in this article should be willfully distorted as a slight to the American aviation industry, its designers, or our air personnel. They are doing their utmost within the framework set by orthodox strategy and a traditional military system.

We should never for a moment forget that the Axis designers and strategists, too, are constantly raising the performance characteristics of their equipment. The blunder being made by too many of the facile optimists is to compare what we have on the production line with what the adversary already has in the air against us. We don't know what Germany and Japan have on their production lines. We cannot afford to encourage smug self-satisfaction and delusions of superiority.

I was present recently when an eminent publisher evoked wild applause from 1,500 luncheon guests in the Waldorf-Astoria ballroom with accounts of our tank and gun production. True marvels of mass output and speed-up technique, entitled to a big hand from any body of Americans. But it would have been better if the audience had also heard a word about the shortcomings of those tanks and guns. * * * A few weeks later came the disaster in Libya, in part because our guns were inferior to Rommel's tank artillery in caliber and muzzle velocity.

The same publisher presented a glowing—and wholly justified—tribute to a great new bomber plant. He failed to note, however, that the bombers on those mile-long assembly lines are just too short in range for direct attack on Japan proper. That fault is not of a technical or engineering nature. It reflects a failure in strategic thinking at the top, rather than in our aeronautical and engineering ability. To the enemy, as to all strategic-minded airmen, the inadequate range is as good as a tip-off that the outmoded island-by-island strategy is still dominant.

He also evoked applause when he talked about our P-40 fighters equipped with "the most powerful liquid-cooled engines in the world." As a layman, he was probably unaware of the British Napier Sabre, with more than 2,000 horsepower, and the new Daimler-Benz engine which powers Hitler's new fighter, with a speed well over 400 miles and supercharging that takes it as high as 40,000 feet with full military load. The British have reason to be uneasy about this new Nazi weapon, despite far-reaching improvements in their own fighters. Yet the well-meant American boast referred to an engine until recently of 1,150 horsepower and only now beginning to come off the line in a 1,325 horsepower version. (The new version, like the old, loses power above the critical level of 16,000 feet.)

That publisher, along with the whole American people, is simply a victim of what looks suspiciously like a deliberate effort to placate American public opinion. We are being given soothing sirups and sales talks instead of hard, cold facts. The master minds responsible for the situation cannot be naive enough to think they are fooling the Axis. Is the great idea, then, to fool the American people?

The most alarming part of it is that the biggest "selling" job is being done precisely on the least combat-worthy equipment. It is as though someone were trying to smooth over defects with fancy "public relations"; as if those responsible for backwardness hoped to cover up until they can catch up.

Consciously or unconsciously, the people and the groups which contributed to our aviation backwardness have tolerated, if not actually encouraged, consoling exaggeration of the quality of our planes. Among them, it is true, there are men who are blameless as individuals, being victims of the conjuncture of events and forces. Their patriotic duty in this national crisis, it seems to me, is to take the American people fully into their confidence, so that together we may face in a candid spirit the gigantic job of assuming world air leadership.

Thus far, however the spirit has been the opposite of candid. The arrival of the P-40's in Britain, early in the war, was made the occasion for fanfares of publicity. The fact that they could not be used in Britain on account of inferior performance was soft-pedaled. Indeed, "mock battles" were staged, intended to convey the idea that these planes were a match for Spitfires in action. There were photographs out of England, featured in the press here, with captions implying that these American planes were in active combat duty in England; in actuality, they were being used for air-ground cooperation training purposes.

The Bell Airacobra is a magnificent job of designing and construction. But, like the P-40, it has been sadly handicapped by its inadequate engine. Curiously, big sums are being spent on advertisements to glorify that very engine. One ad actually underscores the 1,150 horsepower, as if it were a special virtue. * * * Sometimes, of course, the fighting is at lower altitudes, where the handicapped planes give a first-rate account of themselves, but that doesn't alter the fact of deficient horsepower and inferiority at vital upper levels of combat. Our Allies, of course, are not in a position to look gift horses in the mouth and, naturally, they are grateful for anything they can get, in their desperate plight. There is no reason in common sense for exploiting their silence or their polite compliments to conceal glaring deficiencies.

Another ad before me as I write declaims in huge letters: "Power to Win!" The most important fact about the engine it praises happens to be its dismal lack of power. But what matter, when the average reader is not equipped to call the bluff? And here's a stirring layout headed "Somewhere Upstairs." It tells the crucial truth that "to stop the enemy we must rule the air—we must fight the final battle 'upstairs.'" But, alas, the plane thus advertised is condemned to fight downstairs, being unable to meet the enemy at higher levels.

The publicity is on a par with the advertising. Here's a story out of China acknowledging that our P-40's, in comparison with the Jap Zero, fall short in maneuverability and rate of climb, but arguing that these things don't really matter. Yet here is another, from Africa, which declares that Hitler's Messerschmitt 109-F, though superior in all other respects, can be handled by the P-40 because of the latter's superior maneuverability. Thus the same military characteristic is "reinterpreted" to make the plane seem effective against Zero opposition in one place, against Messerschmitt opposition in another. If only wars could be won by clever interpretations. I recall an instance where the challenge of cannon on enemy fighters was met neatly and economically on this side by rechristening machine guns as "cannon."

There are, of course, any number of exceptions. Where the information comes from straight reportorial sources, we are likely to get straight information. But official attitudes inevitably find a reflection in the publicity, so that every victory by an American plane is "blown up" and defeats are slurred over. The result is a fairly consistent pattern—a slew of stories about brilliant accomplishments, followed by a major disaster that cancels them.

Take Libya, for instance, where colorful yarns of the prowess of our tanks and pursuits were capped by the reality of Rommel's great advance. In the parliamentary debate after the fall of Tobruk, the American people were told at last what was no news to airmen—that the inferiority of our equipment was in part, at least, the explanation for the defeat.

I do not for a moment imply that the stories of brilliant exploits are false. On the contrary. But it is essential to differentiate between achievements despite qualitative handicaps and through "lucky breaks," and those

that can be honestly credited to our equipment. In order to hasten our inevitable victory it is important that laurels coming to our men should not be placed on the machines. More than that, the laurels should take the form of better and still better machines.

IV

Not long ago, I found myself on a radio program directed to young people. An Army spokesman was on the same program, transmitting, as he explained later, officially prepared information. I listened with consternation as he told the boys and girls all over the Nation that the P–38 and the P–47 are the only two airplanes in the world today which have a speed of 400 miles per hour with a full military load.

Now many boys who play with airplane models know that the Typhoon and Tornado, the Spitfire V with two-speed supercharger, and another type still secret but already in action, all do better than 400 miles; so do the new Messerschmitt 109–F modified and the new Focke-Wulf. The claim is so palpably absurd that one can only marvel at the types of mind that indulge in such publicity. But that wasn't all. The officer then proceeded to inform America's airminded youth that "even our older pursuit planes * * * are equal to—if not superior to—German craft." A kindergarten audience would hardly swallow that one.

What is the purpose of ladling out boastful misinformation to young and old alike, in advertising, articles, radio addresses, official statements, and official silences?

If the idea is to conceal past mistakes, it is missing fire. The facts are too obvious to be hidden. Those in charge would be far better advised to acknowledge past failures, and help uncover and remove the causes of such failures. Admittedly, that would take a high degree of courage, but the national danger calls for heroic honesty and all-out realism.

If the bright idea is to encourage faith in American weapons, at any cost, then it is one that boomerangs. What are people to think when planes extolled as the world's best, flown by the cream of our pilot crop, fail to bring home the bacon of victories? What is perhaps intended to build up faith ends by undermining it—such is the inexorable law of falsification, no matter what the motives may be.

American boys who are flocking to the air services are not going to lose their nerve because they are told the truth. On the contrary, they will be fired to greater deeds by the temporary handicap in equipment, provided only that they know they are being told the truth, that past mistakes are being remedied and that the causes of those mistakes are being eliminated. Nothing is gained by transparent stories and half-truths, which, in the long run, destroy faith in leadership and faith in the democratic way of life.

Moreover, every exaggeration does harm to our air power by distorting the truth about aviation as the main element in this war. "If we lose campaigns despite these well-advertised superior planes and these air victories," the average American reasons, "then apparently air power is not so important after all." A clear and realistic view of events is indispensable to the conduct of total war in a democracy like ours. To put the matter bluntly, the ballyhoo is so crude that it defeats itself.

Our advertising profession can be exonerated in this situation. It does not make policy or strategy. It is a wonderfully developed instrument, but what is done with it depends not on itself but on those who wield it. America's genius for advertising can be harnessed to help the war effort. It is, in fact, playing a great role in raising morale, making our people aware of their potential strength and stirring them to use it to the utmost.

But to harness that force to business as usual makes no sense in the supreme crisis of war. The techniques of supersalesmanship and public relations that have a legitimate place in ordinary times for ordinary products are wasted, and even dangerous, when thus applied to the weapons of survival in a time like this. They are, in sober fact, dangerous if they succeed in selling inferior equipment or engendering a false sense of safety. The sole result is that it shields incompetents or those for some other reason involved in responsibility for aviation inadequacies.

Some service men recently wrote me, in approving the fight for quality in aviation: "We are in a position to know in that we are flying the mistakes that you wrote about." It is in the spirit of these men, staking their lives for our beloved country, that I call for a new, honest and audacious approach to the air-power problem—and the air-power opportunity.

The airplane is the weapon that will decide the outcome of the war. We cannot afford to play politics with it, to lie to ourselves about it, or to accommodate ourselves to shortcomings in a muddling-through mood. We cannot afford double talk and illusions about the weapon that is destined to decide the issue. In the interests of victory, we have no alternative but to expose the conditions responsible for aerial backwardness—and to change them.

The purpose of this article is to help crack the hard crust of business-as-usual and bureaucratic habit and delusions of superiority. That is the only way to clear the road for real superiority in the air. Air power is the American weapon. We have the brains, the resources, the industrial leadership, the mechanical genius to take undisputed first place in the skies—a primacy that will spell doom for the Axis. Let's use those advantages. Let's drop all smugness and commercial shrewdness, cute publicity, and ambiguous advertising. The task that faces us is too important for such self-deception and false pride.

CONDITIONS IN PUERTO RICO

Mr. TRUMAN. Mr. President, I have some correspondence which I have received from the President of the Chamber of Commerce of Puerto Rico and several others who are interested in the welfare of that island possession. I should like very much to refer it to the chairman of the Committee on Territories and Insular Affairs, and ask him to appoint a subcommittee to make an investigation of the matters indicated in the correspondence to which I have referred.

Mr. TYDINGS. Mr. President, I know well that the conditions in Puerto Rico are very strained. The fact that there is very limited shipping between the mainland and the island has caused food and other shortages, and has likewise hampered the sale of Puerto Rican products on the mainland. That is a condition which has evolved out of the war.

Mr. TRUMAN. I understand that.

Mr. TYDINGS. To make a complete survey of the conditions in Puerto Rico and find a remedy would, in my humble judgment, entail the doing of one of two things: Either a subcommittee of the Special Committee to Investigate the National Defense Program, or a subcommittee of the Committee on Territories and Insular Affairs would have to visit Puerto Rico and spend at least 2 or 3 weeks there, if they were to make a comprehensive survey of the conditions, and provide a remedy which would go to the root of the trouble. I believe the Senator's committee, which already has money, and a staff of research experts and others in position to gather information, and which is already in being, and equipped for that purpose, should make the survey. The Committee on Territories and Insular Affairs would have to have special authorization to secure the money and the staff sufficient to do the work.

Inasmuch as that committee does not have the authority, money, or the staff, and the Senator's committee does have the facilities, I should not feel that he would be infringing upon the normal prerogatives of the committee of which I am chairman if he and his committee should undertake the survey.

Mr. TRUMAN. I thank the Senator very much, but I did not want to infringe on the prerogatives of any legislative committee.

Mr. CHAVEZ. Will the Senator yield?

Mr. TRUMAN. I yield.

Mr. CHAVEZ. I disagree with the chairman of the Committee on Territories and Insular Affairs concerning the investigation under discussion for the reason that I believe the functions of the Truman committee apply only to certain matters pertaining to the war effort, while the letters submitted by the Senator from Missouri [Mr. TRUMAN] have to do with the general economic and other conditions in Puerto Rico at this time. I realize the handicap which the chairman of the Committee on Territories and Insular Affairs would find himself under if he were to undertake this work. Nevertheless, if any committee should make an investigation of the conditions in Puerto Rico at this time it should be the Committee on Territories and Insular Affairs.

Mr. TYDINGS. I think under normal conditions the point of the Senator from New Mexico would be sound. If I may differ with him, I do so because of this outstanding fact: The need in Puerto Rico is for immediate action, and to get all the machinery necessary, to get the staff together, as well as the authority to do this work, would take an additional 2 or 3 weeks. We would have to get men who are now very difficult to find. It was with that thought in mind primarily that I felt that the committee headed by the Senator from Missouri would be better able to do the work than the Committee on Territories and Insular Affairs. If the Senator's committee were to do the work, 3 weeks to a month's time would be saved, and that time is vital to the people of Puerto Rico.

The VICE PRESIDENT. The correspondence referred to by the Senator from Missouri will be referred to the Committee on Territories and Insular Affairs.

ADDRESS BY SECRETARY KNOX BEFORE NATIONAL CONVENTION OF THE AMERICAN LEGION

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD the address delivered by Hon. Frank Knox, Secretary of the Navy, before the National Convention of the American Legion, at Kansas City, Mo., on September 19, 1942, which appears in the Appendix.]

THE STRUGGLE OF BALKAN PEOPLES FOR FREEDOM—ADDRESS BY DR. CONSTANTIN FOTITCH.

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an address by Dr. Constantin Fotitch, Minister from Yugoslavia to the United States, before the Institute on World Problems of the World Federation of Educational Associations, which appears in the Appendix.]

GENERAL BACKGROUND OF FAR EASTERN CULTURE—ADDRESS BY DR. PAUL MONROE

[Mr. GEORGE asked and obtained leave to have printed in the RECORD an address entitled "General Background of Far Eastern Culture," delivered by Dr. Paul Monroe to the Institute on World Problems of World Federation of Educational Associations, Washington, D. C., which appears in the Appendix.]

RUBBER FOR FARM OPERATIONS—ADDRESS BY E. T. TAYLOR

[Mr. THOMAS of Idaho asked and obtained leave to have printed in the RECORD an address entitled "Synthetic Rubber or We Perish," delivered by E. T. Taylor, master of the Idaho State Grange, at Pendleton, Oreg., September 4, 1942, which appears in the Appendix.]

EDUCATE FOR DEMOCRACY

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by Harry Daniels, entitled "Educate for Democracy," which appears in the Appendix.]

FOOD WILL WIN THE WAR—ARTICLE BY ROBERT A. HUDSON

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD an article by Robert A. Hudson, of Portland, Oreg., entitled "Food Will Win the War," which appears in the Appendix.]

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President.

S. 2686. An act to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin-American republics in military and naval matters";

S. 2698. An act to make transportation and storage facilities available for military use where military necessity exists, by authorizing the removal to other points of merchandise in customs custody; and

S. 2747. An act to authorize a reduction in the course of instruction at the United States Military Academy.

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

Mr. BROWN obtained the floor.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BILBO. I wish to present two telegrams, one from the best informed cotton man of the South, and one from some of the leading cotton raisers of Mississippi, which I ask to be read by the clerk.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The telegrams were read as follows:

MEMPHIS, TENN., *September 23, 1942.*

Hon. THEODORE G. BILBO,
Senate Office Building,
Washington, D. C.:

National Cotton Council just completed survey current cotton farm labor costs. September 1942 labor costs 251 percent of same costs 1940.

Bureau Agricultural Economics estimates cost production 1940 crop 9.6 cents per pound lint cotton. Using B. A. E. formula and applying increases in labor and other costs prevailing September 1942, cost production 1943 and subsequent crops will be increased to approximately 21.5 cents per pound lint cotton, based on preceding 10-year average yield, assuming pending legislation freezes all labor and other costs at current levels.

Cotton production cannot be maintained unless these facts are recognized. Strongly urge your support of amendment requiring inclusion farm labor costs in calculating parity price.

OSCAR JOHNSTON,
President National Cotton Council.

WEST POINT, MISS., *September 23, 1942.*

Senator THEODORE G. BILBO,
Washington, D. C.

DEAR SENATOR BILBO: Clay County farmers 100 percent for all-out war effort to last man and dollar. We support measures to control inflation that puts all groups on same level. We believe Congress should exercise prerogative in such matters and permit no dictatorial power by President. Administration has fiddled while wages have soared to outrageous levels beyond which public will not tolerate. In many instances present wage levels have been established by strikes at expense of our war effort. At same time prices on farm commodities have been pegged by loans. Farmers not willing to furnish all shock troops to control inflation. We ask that ceiling on wages be set at comparable level with farm prices. We further ask that ceiling on farm commodities not be fixed at less than parity prices adjusted to cover all labor costs and that loan rates be raised to 90 percent of parity instead of 85 percent and adjusted for all increased labor and production costs. Approved by directors Clay County Farm Bureau.

E. M. WILLIAMS,
President.

Mr. BILBO. Mr. President, I have had these two telegrams read, among the many I have received, because I believe they voice the sentiment of 99 percent of the farmers of Mississippi on the pending legislation, with special reference to the Thomas amendment.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. HATCH. This morning when I left the office I picked up only a few of numerous messages which I have received from citizens of my State concerning the pending amendment submitted by the Senator from Oklahoma [Mr. THOMAS]. Since I have arrived on the floor of the Senate I have examined the messages carefully, especially the names of those who signed them. I wish to say, before I ask to have the telegrams printed in the RECORD, that I know personally all those who signed them. There is not a single extremist or agitator in the whole group. They are solid, substantial citizens of my State who are face to face with the problems of production, of cost of labor, and those things which the man in an agricultural community has to face every day. I hope Senators will read these telegrams so they may know some of the conditions which exist in the agricultural sections.

I ask unanimous consent that the telegrams be printed in the RECORD at this point.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ROSWELL, N. MEX., *September 24, 1942.*

Senator CARL HATCH,
Washington, D. C.:

In case of a veto we urge you to do all you possibly can, not only by your vote but by your influence, to have present farm and ranch labor included in the impending bill dealing with parity. Farm and ranch labor is completely out of line here and regardless of what might be offered to a prospective employee he seems to have a better job and is certainly not interested in anything a farmer or rancher might offer. Farmers and ranchers in this locality critically short on labor and unless a miracle happens a continuation of this exodus will result in serious consequences to the rancher and a possible big abandonment of farm acreage by the farmer next year. Cotton-picking prices here over 100 percent of what they were 3 years and still very few pickers available and with these prices prevailing it will finish the job on the remaining farm labor still left on farms and ranches.

SOUTHEASTERN NEW MEXICO
GRAZING ASSOCIATION,
JOE J. LANE,
J. P. WHITE, Jr.,
JOHN TWEEDY,
HAL BOGLEY,
ARMSTRONG & ARMSTRONG,
W. E. BONDURANT.

DEMING, N. MEX., *September 23, 1942.*

Hon. CARL A. HATCH,
United States Senator,
Senate Office Building,
Washington, D. C.:

Support measure to provide definite ceiling on wages at level comparable to ceiling on farm prices and include farm-labor cost in computing parity level at which prices should be fixed, market should be supported at not less than 90 percent of parity.

G. D. HATFIELD,
President, New Mexico Farm and Livestock Bureau.

ALBUQUERQUE, N. MEX., *September 22, 1942.*

Senator CARL A. HATCH,
United States Senate,
Washington, D. C.:

We strongly approve and commend Hatch amendment to pending price-control measure providing for parity on agricultural commodities to include agricultural labor in the base. We are confident this amendment in keeping with a rounded-out and fair-price-control program; your complete support is urged and will be appreciated by livestock industry of your State.

TOM CLAYTON,
President, New Mexico Cattle Growers Association.

ALBUQUERQUE, N. MEX., *September 23, 1942.*

Hon. CARL A. HATCH,
United States Senate,
Washington, D. C.:

In addition to strong approval to Hatch amendment to pending price-control measure providing for a parity on agricultural commodities to include agricultural labor in the base, we also heartily recommend and urge a policy of price control which will require simultaneous control of salaries and industrial wages at the same time controls are placed

on agricultural commodities and at a point which will maintain an equable relationship between the two. We also recommend loan of 85 to 90 percent on basic and nonbasic agricultural commodities. Sincerely believe above recommendations to be best interests of general public welfare. Your support will be appreciated.

NEW MEXICO WOOL GROWERS ASSOCIATION,
FLOYD W. LEE, *President*.

Mr. GILLETTE. Mr. President, will the Senator yield to me?

Mr. BROWN. I yield.

Mr. GILLETTE. I hope before the Senator proceeds with his discourse that he will answer an inquiry which came to me by telephone within the last 15 minutes. The American Corn Millers Federation of Chicago are much concerned over the question as to whether under the mechanics set up in the pending measure they would be enabled to secure the supplies of white corn which they need for their processing. They produce corn meal, and particularly hominy grits and other varieties of hominy. They use white corn. In order to obtain supplies they are compelled to pay from 10 to 12 or 13 cents premium in the market. Their inquiry is whether under the mechanics of the joint resolution, as now drafted, a regulatory provision could be made which would enable them to pay the premium required to obtain their supplies.

Mr. BROWN. Mr. President, that is a subject matter upon which I should like to obtain further information from those who will probably be in charge of the administration of the measure, before making a final answer, and one which would be binding, insofar as legislative construction during the debate on a measure is binding, upon those in charge of its administration. I should think, however, that when a premium of 13 cents, or some such figure as that, is commonly paid on corn of that class, it is one of the factors which the Secretary of Agriculture would take into consideration under the provisions of subsection (2) on page 3 of the pending measure, which reads:

> The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials).

Mr. GILLETTE. Mr. President, will the Senator yield for an observation?

Mr. BROWN. Yes; I yield.

Mr. GILLETTE. I am glad the Senator has made that statement, because I fully agree with him that under the mechanics laid down that concession could be made. I so advised my interrogators, but I wanted the opinion of the Senator from Michigan, as he has expressed it.

Mr. BROWN. Mr. President, in my judgment the Congress of the United States and the President are headed toward a bitter conflict. I have in the drafting of this measure and in the negotiations I have carried on with Senators representing various interests involved in the proposed legislation, done my utmost to avoid a collision. That effort has not only been made with Senators, it has extended to the leadership on both sides of this question in the House of Representatives, and I have certainly tried, as I know the majority leader and the chairman of the Committee on Banking and Currency [Mr. WAGNER] in charge of this proposed legislation have tried, to persuade the executive authority—those who will be in charge of the administration of this measure, and the Chief Executive himself, to reach a solution which would be acceptable to the Congress, acceptable to the administration, and acceptable to the American people.

I do not believe we have succeeded, and at this time, when unity is the greatest need in the conduct of the affairs of government in America, I am fearful that we are going to have disunity, that we are going to have criticism, that we are going to have outstanding differences between the executive and legislative branches of the Government. God forbid that there should be such disunity, but it is within the realm of possibility. It is entirely possible that the dispute may have to be resolved by the third coordinate branch of the Government of the United States, and I have felt that it was my duty and the duty of all of us who have had anything to do with the pending legislation to exert to the utmost our efforts to avoid the impending crisis.

This is not simply a domestic question. It is not merely a dispute between the so-called agricultural interests on the one hand and the consuming interests of the country on the other hand. It is a dispute which affects us in all our relationships.

I was proud of the Republican minority in the House of Representatives and in the Senate when, a few days ago, they announced a policy with respect to this measure, which was to go along and give the Executive the authority for which he had asked. I wish that it might have been followed yesterday in the House. But the responsibility is not the responsibility primarily of the minority in either the Senate or the House. The responsibility is upon the majority party. The responsibility is mainly ours. We have received splendid help and cooperation from outstanding patriotic Senators on the other side of the aisle who have stifled any desire to take advantage and make political capital out of this situation. The same statement is applicable to outstanding leaders in the House of Representatives. But, Mr. President, if upon this great issue before the American people we shall by our action here force a head-on collision between the executive and legislative powers in the American Government, we shall have done a great disservice to the war effort. We shall have weakened America.

Who is charged with the leadership of this country today? I have the highest respect for the President of the American Farm Bureau Federation, the able, suave, and powerful Ed O'Neal; and I regard Mr. Goss, the head of the National Grange, as a gentleman of patriotic impulses. At one time in his discourse before the Banking and Currency Committee he endorsed the joint resolution in its essentials. I have not the pleasure of acquaintance with the head of the Farm Cooperatives. I do know Mr. Holman, the head of the Milk Producers' Association, whose ideal with regard to the question before the Senate is 140 percent of parity for agriculture, as expressed in the hearings last December.

But, Mr. President, we should not turn the leadership of the legislative branch of the Government of the United States over to those gentlemen. They are not hired by the American people. They are hired by the people whose interests they serve. The man at the head of this Nation, who is asking that the majority and the minority stand by him in this great contest, is not the representative of any special group. He is the representative of all the people of the United States; and I think we should pause before we reject the measure which he has asked us to pass.

Think of the situation. A message is sent to Congress which carries with it the hope which has been in the hearts and minds of the American people on the question of prices and wages ever since the debate over the original price-control bill. The President sends a message to Congress and asks that the restrictions which prevent him from holding down the prices of essential commodities be removed. Those commodities are essential to the service of the Army, essential to our lend-lease operations, and essential to the safety of the people of the United States. The President asks that we remove the restrictions which wither the hands of those in charge of the administration of price-control legislation.

What is the result? The result is that in the House of Representatives the measure is used, in some instances, as a vehicle to go beyond the limitations which the President asked us to strike down. We need not close our eyes to actualities. The result here is very likely to be the same, if Senators continue to follow the leadership of the farm leaders, who, at this moment, are listening to what I have to say.

Mr. President, it is a question of who is conducting the affairs of this country. Everyone knows that it is easy for a minority group to heat the wires, send us telegrams, call us by telephone, and fill our offices with mail asking that we resist a certain measure; but you and I know that we do not hear from the vast majority of the American people. We do not hear from the great consuming class, the most inarticulate group in America, who are interested in this great problem.

The only representative whom the American people, as a group, have is the President of the United States. I represent, in part, my State of Michigan; the Senator from New Mexico, his State of New Mexico; but the President represents all the people of the country, and is the only official who does.

There is no doubt in my mind, based upon the hearings before the Banking and Currency Committee and upon frequent conferences which I had with Senators from farm States before the joint resolution was introduced, that the vast majority of Senators agreed with the general principles laid down. What are those general principles? First, that we should strike down 110 percent of parity;

and, second, that we should control wages. Those are the two essential things in the joint resolution. Senators agreed with those principles. I circulated among as many as possible a little statement setting forth those simple principles. Practically every Senator agreed with that statement and that statement was the genesis of this joint resolution. I violate no confidence when I say that the joint resolution was laid before the administrative authorities who will be in charge of the administration of this measure, and before the Chief Executive himself, after it had been generally approved by Senators; and it met with approval.

Then, when the news of what was to be contained in the joint resolution went out, the trains coming into Washington were filled with representatives of the farm bloc. I did not fear that situation, Mr. President. I had sat for weeks in the Banking and Currency Committees last December and heard Senators and representatives of farm organizations say, "We want 110 percent of parity; but, if you will control wages, all we want is parity."

I thought they were now coming here to say to us, "Your joint resolution controls wages. We are satisfied with it; and so long as 100 percent of parity is a floor for farm produce, a limit beyond which the President may not go, it will be satisfactory."

But, Mr. President, that was not the result. They did not say, "You have done what we asked you to do. You have controlled wages." Notwithstanding the fact that labor had put itself in the harness; notwithstanding the fact that labor leaders have said they accept this proposition, the farm leaders were not satisfied. It was no easy task for the President of the United States to persuade labor leaders to accept this curb on their rights. I was amazed that he could do so, but he has done it.

Did that satisfy the gentlemen who are in charge of the opposition to this measure? It did not. They said, "We want you to control wages, but we will not give up our 110 percent. We want more, we insist on 112 percent." That, Mr. President, is a fair and reasonable statement of the situation. Instead of this measure being used to stabilize the cost of living and stop inflation, if the Thomas amendment should be adopted, it would be used to send the spiral onward and upward, to the certain ruin and destruction of our national economy.

Mr. President, I do not know whom Senators wish to accept as the leaders of the Democratic Party. I know that the Democratic Party attained its success because of the leadership of President Roosevelt. I know that upon two occasions, under unprecedented circumstances, the American people approved his two administrations.

Men who have repeatedly stood upon platforms and said "I am going down the line in support of the President of the United States" are today joining in giving him the greatest jolt that any President of the United States has ever received in a time of stress, turmoil, and trouble. Thank God, I am going to take no part in administering such a rebuke to the President of the United States.

Shortly after Pearl Harbor I spoke before the Detroit Economic Club. That great organization of more than a thousand business leaders, labor leaders, and farm leaders in Michigan does not represent any one particular group. I told them that on many occasions in the past I had listened to what was requested of me by some particular group, that in peacetime we might accede to the requests when the questions were economic, but I said, "From now on I will recognize only one guide in my consideration of legislation, and that is the job of winning the war." I then stated that I would be with the President, even at times when I thought he was wrong, because he is the Commander in Chief. With respect to our international relations, and with respect to such important matters as this, I will accept his leadership, even when it is against my own judgment, though in this instance I am in complete agreement with him.

In a large sense the issue, as I see it today, is this: Are we going to be commanded by various groups representing special interests, or are we going to follow the leadership of the man who not only is charged with responsibilities in Washington but who has responsibilities in connection with the mighty struggle going on on the banks of the Volga, whose time must be taken up with consideration of what is happening upon the plains of China, who must be concerned with the problems facing us on the stormy Atlantic, in the Solomon Islands, at Midway, and on all the far-flung battle fronts of our Army and our Navy. He has asked us to do this thing. It is beyond my comprehension why Members of the majority party, many of whom were willing that this should be done, have changed their minds after hearing from the men who represent special interests in this picture, but who do not represent the American people.

Mr. President, it is with great regret that I make these statements; but I do so because I am confident that unless the Thomas amendment be rejected we shall draw down upon us the imprecations of the great majority of the American people. I do not want Senators to think that there is no substance behind the claim that the President of the United States could not accept the measure with the Thomas amendment in it. In my judgment, he could not do so after writing to the chairman of the Senate Banking and Currency Committee the letter dated September 15, 1942, in which he said:

> I should like to make clear my unalterable opposition to any recomputation of parity at this time.

The President meant exactly what he said.

I know that with respect to the matter which I am about to discuss I shall collide with the views of my good friend the senior Senator from Ohio [Mr. TAFT] who has done yeoman service in assisting me and the chairman of the committee in bringing before the Senate a measure which would deal fairly with these great economic questions. I say I regret to do so because it is plain from the remarks made the other day on the floor of the Senate immediately after hearing the President's somewhat abrupt message that the senior Senator from Ohio heatedly dissented. I did not then make reply because I had not time to study the question. I do not place myself on a par with the great constitutional lawyers in this body, of whom I consider the senior Senator from Ohio to be one.

However, Mr. President, I have not the slightest doubt that the situation after a veto of the pending measure would be such that the American people would demand that the President take action. It is well known that his legal counsel has advised him that he has the power to do so. Otherwise he would not say so in his message. I lay aside for the moment his power as Commander in Chief of the Army and Navy, and I base it upon legislation sponsored by the able senior Senator from Wyoming [Mr. O'MAHONEY] and carried forward by the able chairman of the Committee on the Judiciary, the senior Senator from Indiana [Mr. VAN NUYS].

I shall paraphrase and shall use the applicable language of the Second War Powers Act. Remember that the Second War Powers Act was passed in March 1942, a little over a month after the price-control bill was passed, and therefore it supersedes the Price Control Act as to any matters with respect to which the two laws may conflict.

What does title 3, section 301, of the Second War Powers Act say in substance? I have composed in sentence form a paraphrase of the provisions of the act which apply to the present situation:

> That whenever the President is satisfied that the fulfillments of requirements for the defense of the United States will result in a shortage in the supply of any material—

At the present time there are very few materials which do not come within that category, for we are short of almost everything.

For what? First—

> for national defense—

The Army and Navy. Second—

> or for export—

That means the lend-lease operations, the support of Russia, of England, of China, and of our other Allies. Third—

> or for private account.

That is the exact language of the law. What does "private account" mean? It could mean nothing other than the use of the things that you and I wear and the things that you and I eat. That is the subject matter of title 3 of the Second War Powers Act.

Continuing with the paraphrase—

> he may allot such material—

How may he allot it? He may allot it—

> in such manner—

That means the manner of getting it to those who need it—

> upon such conditions—

What can that mean other than the conditions of the price, terms, and so

forth, by which the materials and supplies will reach the public for private account, will reach the Army, and will reach the lend-lease operations? He shall, when he finds it necessary for the defense of the United States, allot the supplies to those three great divisions of consumption—

in such manner, upon such conditions, and to such extent as he shall deem necessary in the public interest and to promote the national defense.

Mr. President, I can conceive of no language which could be written in general terms which would give the President of the United States greater power over the economic life, the service of supply, and the prices of the things we have to buy and sell, than would the language contained in the Second War Powers Act.

In my own mind I have not the slightest doubt that the President can handle the entire situation in that way. If the Thomas amendment be agreed to and if the joint resolution as thus amended be vetoed—and I doubt that even the proponents of the proposal feel that it could be passed over a veto—certainly, under the powers referred to, the President could do many things if he were minded so to do.

That brings me to this thought: What is it about the record of Franklin D. Roosevelt as a friend of the farmer that causes the senior Senator from Oklahoma [Mr. THOMAS], and the senior Senator from South Carolina [Mr. SMITH], and other Senators to assume that he will be unfair to agriculture? As the Senator from Illinois [Mr. LUCAS]—and I always like to say "the courageous Senator from Illinois"—pointed out yesterday, of all the Presidents in the history of our country, President Roosevelt has been the greatest friend of the American farmer. He is the man who caused the enactment of the first Agricultural Adjustment Act. He is the man who urged the enactment of the soil conservation program. He is the man who, through wise advice to Congress, has reduced by over 40 percent the rates of interest paid by farmers.

He is the man under whose administration the parity concept which the farmers long looked to as the ideal they wanted was put into the statute law of the United States. He is the man under whose administration farm income has stepped ahead of nonfarm income. The increase in per capita farm income in the last 3-year period has been 115 percent. The per capita nonfarm income has increased by only 49 percent. I ask why is this man who has been the farmers' best friend mistrusted by the very men he has helped?

Mr. President, when he asks a sacrifice it is my judgment, which is based upon substance and fact, that the American farmer is willing to make the sacrifice. The Gallup poll, which specifically mentioned the measure before the Senate, found that farmers were 71 percent in favor of and 7 percent opposed to the general principles of the pending joint resolution. Undoubtedly, after all the agitation, that result will be somewhat changed; but certainly they are willing to make the sacrifice.

Mr. President, all the farmers do not feel, nor do all the farm leaders feel, as do the four gentlemen who are in charge in Washington of this drive against the President. The organization which probably to a greater extent than any other represents the dirt farmers of the United States has this to say in a statement before the Banking and Currency Committee of the Senate:

Prominent farm leaders no longer ago than July were fighting the release of Government-owned grain for feeding and loans to more small farmers, using the argument that he already had ample production, now raise the threat of lowered farm production in attempting to secure further benefits for themselves. The hollering for 10 percent, 20 percent, 30 percent more than parity is the voice of the 10 percent of farmers operating big commercial farms who harvest more than 50 percent of the total agricultural income.

I quote further from the legislative chairman of the National Farmers' Union.

The marines on the Solomon Islands are not debating the fine points of parity. Farmers are entitled to parity and no more.

He says further—

We stood and stand for full parity for agriculture and no more. Let others try to explain any formula which asks for more at this time. We have no explaining to do.

Mr. President, that was a brave statement on the part of the legislative chairman of the National Farmers' Union.

I have not the slightest hesitancy in saying that it was known in the Banking and Currency Committee that the O'Mahoney compromise, prepared by the senior Senator from Wyoming [Mr. O'MAHONEY] and submitted to me and accepted by the committee, was satisfactory and it was so stated to us by Senators—not by the Senator from Wyoming, I will say, but by other Senators—to have been satisfactory to two of the four national farm leaders here in Washington. The other two, however, evidently had sufficient power to overcome the views of these more conservative men.

Mr. President, it is rather interesting to compare the provisions of the pending joint resolution with the measure introduced at the request of the organization that is generally conceded to hold the highest concepts and ideals of patriotism. I refer to the great organization of veterans, the American Legion. I read a statement filed by their legislative counsel in a letter written to me:

DEAR SENATOR: As you know for 22 years the American Legion has been requesting the Congress to enact universal service legislation so as to take the profit out of war and equalize the burdens of war. Therefore the American Legion is very much gratified—

He is talking about the Wagner-Brown bill—

that the Congress intends to give consideration to some control over the prices of farm products and wages.

In his official statement he said this:

The American Legion wishes to go on record as being wholeheartedly in favor of controlling all prices, including farm products and wages. * * * We believe that if the necessity exists to peg prices, the cost of labor and the price of materials should be covered in the same legislation.

Mr. President, what is the legislation the American Legion proposed? The bill was introduced by the chairman of the Military Affairs Committee of the Senate, the able Senator from North Carolina [Mr. REYNOLDS], and I should like to have the Senate note how closely we followed the principles of the American Legion bill. I read from that bill:

That whenever Congress shall declare war, the President is hereby authorized to determine and publicly proclaim it to be unlawful to buy, sell, or otherwise contract for any article, service, or thing enumerated in such proclamation, or proclamations, at a higher rate, rent, price, commission, compensation, or reward than was in effect at a date determined and set forth in such proclamation or proclamations.

That is identical, in principle, Mr. President, with the September 15 date for the stabilization of wages and prices in the pending joint resolution. Someone may say that was a "freezing"; but it was not a "freezing", as will be seen by section 2, which reads:

Whenever in the discretion of the President he shall determine that any maximum price, rent, rate, commission, compensation, or reward previously proclaimed shall be adjusted either upward or downward, he is authorized to make and publicly proclaim such adjustment, and such adjustment shall have the full force and effect under this statute of such price, rent, rate, commission, compensation, or reward before such adjustment.

That is identical, in principle, Mr. President, with the provisions in sections 3, 4, and 5 of the price-control bill whereby the President, if he finds gross inequities in the stabilization as of September 15, shall adjust it up or down, both ways, or either way in the interest of equity and justice. That is almost identical in terms with the measure which was not considered under the stress of war times but which the American Legion thought should be the law whenever our Nation declared war.

Now, I desire to speak briefly upon another angle. Suppose, Mr. President, that the Thomas amendment should be adopted. As I have said, there is no doubt of the result, for the majority leader of the House of Representatives, who can speak with greater authority than I can upon the subject, said that it woud mean we would have no legislation whatsoever.

Under the War Powers Act, the President has complete control over our economic life so far as prices, the conditions upon which goods shall be allotted, the manner in which they shall be distributed, and the conditions upon which they shall be paid for are concerned. So in the event there should be no legislation would the farm group have what it has been wanting all through these months since the passage of the Price Control Act? Certainly not. There is contained in that act no language I can find that would give the President power to control industrial wages. It is not there; it cannot be found. It is true he

has a general policy laid down for him at the present time in the Price Control Act; but the President cannot, as the senior Senator from Ohio [Mr. TAFT] and myself have many times told the Senate in debate upon this subject, exercise any control over wages in the field where capital and labor get together and agree upon their own scale of wages.

The only power in the War Labor Board lies when a dispute arises between capital and labor. When such a dispute arises, they may then exercise control over wages. As it is now the President has no right to do what the senior Senator from Texas wants to do. He would have no right to plug up the gap. When employer and employee get together and agree, there is no lawful authority which can abrogate their agreement, though the American people may be intensely concerned, in the interest of stabilization of prices and wages, in inquiring into the agreement. It could be done with respect to war contracts, but, of course, a vast part of our industry and our labor is engaged in the production of civilian supplies which have no direct connection with war contracts.

I say to those who are supporting the Thomas amendment, if they want wage control, now is their chance to get it, and it is my deliberate judgment that they will never again during this emergency have an opportunity of this kind.

Mr. President, I do not know how other Senators are affected by letters such as one I have received and have before me, excerpts from which I shall read to the Senate. It came to me with the insignia of the Air Force upon it. We all know that that is one of the most dangerous services in all the armed forces of the United States. I do not know whether or not the young man who wrote the letter is from my home State; he might be from Texas, he might be from New Mexico, he might be from Georgia; but just as the pending measure came up for consideration he wrote a letter which touched me very deeply. The letter was written the day after the President's Labor Day speech. It is from Chanute Field, Ill., one of the great air training centers in the Middle West. He said this:

> While in civilian life I never hesitated to speak my opinion on any public matter and feel that as a soldier I still retain that right That our Commander in Chief—for, to me, and I believe to the majority of the people, he is now that and not merely President—should have to take his time off from matters of war to ask Congress to do something they should have done long since is disheartening, to say the least. May I urge you to see prompt passage of a complete price and wage control bill?

I think this is worthy of long remembrance:

> May the soldiers on the Hill get in step. You will find that the whole army back home is behind you.

Mr. President, I close my general observations upon this situation with an appeal to the Members of the Senate, even if it takes us some time to do the job, to stop, look, and listen before we reveal to the world of our enemies this tremendous difference between the executive and the legislative branch of the Government, and that we endeavor to find some means, some way, of avoiding a situation which, throughout the world of our enemies, will be interpreted as evidence of disunity and dissension in the Government of the United States.

With that general appeal—and I am afraid this is going to be somewhat disappointing to some of my listeners—I shall now proceed to a technical discussion of the mechanics and the effects of the Thomas amendment upon the question before the Senate.

Mr. President, the concept of parity is one of a relationship between prices and is not based on costs of production. I do not like to make strong statements, but I affirm that from my study of the question, from my inquiry of those who know the subject matter, to adopt the Thomas amendment would be to bring into the calculation of parity a factor which has never heretofore been figured in the calculation of that subject matter.

According to the Thomas amendment, the President is directed to use the cost of farm labor—which means the labor of the farmer himself, of his wife, of his children, and of his hired men—in calculating parity. That, Mr. President, is a question of the cost of producing goods. As every economist knows, it has nothing to do directly with an exchange relationship between prices which are fixed upon the economic markets of the world. How can the Senator from Oklahoma say that increased farm labor costs are to be considered in the calculation of parity, and that we must forget and eliminate the increase in the cost of labor involved in the manufacture of the products which the farmer buys? His amendment does not provide that, if cotton textiles are subjected to a higher cost because of a larger percentage of cost of labor in the textile mill, or if farm machinery has a higher percentage of cost because of the increase of labor costs to the producer of farm machinery, we shall take those factors into consideration in determining the prices of the goods the farmer buys. Unless it does, the amendment is totally unfair and illogical. Indeed, parity, as calculated today, includes increased-wage costs in the things farmers buy. Parity is not based upon costs of production. It is an exchange relationship between the things the farmer buys and the goods he sells.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. DOWNEY. Does the Senator mean to imply by his remarks that when Mr. Henderson fixes the price of a shirt, a pair of shoes, or steel, he does not first of all, and certainly with consistency all the way through, consider the labor costs? Is that the implication to be drawn from the statement of the Senator from Michigan?

Mr. BROWN. Certainly not. The Senator is away off from the subject of parity. He is talking now about the prices of things. Mr. Henderson certainly goes into those elements in determining the prices of commodities, although the market place is still pretty largely the source of the main factors used in the determination of those prices. However, we are talking about parity.

Mr. DOWNEY. Will the Senator yield again?

Mr. BROWN. I yield.

Mr. DOWNEY. It seems that either the Senator misunderstands me, or, more likely, I misunderstand him. Let me, then, put the question directly to the Senator. If, in fixing the price of steel, Mr. Henderson considers the cost of the labor entering into the steel, why, in fixing the prices of oranges or prunes, should he not consider the cost of labor to the farmer when fixing the price which the farmer is to be allowed for his oranges or prunes?

Mr. BROWN. The Senator is not at all talking about the same thing I am discussing. I am talking about parity, which is the relationship between the things which the farmer buys and the things which he sells. He buys many things which are not used in production yet which go into the parity index. In the calculation of the price of beef, the price of wool, the price of hogs, of pork, Mr. Henderson unquestionably takes all those factors into consideration. However, parity is a limitation upon the power of the Administrator to act which refers to the relationship between the farmer's produce and what we might call, for want of a better term, the manufacturer's product during the period from 1909 to 1914. This is the critical point. Maximum prices are not fixed upon the basis of parity, but parity is a limitation on fixing maximum prices.

Mr. DOWNEY. Mr. President, will the Senator yield further?

Mr. BROWN. I yield.

Mr. DOWNEY. The distinguished Senator from Michigan uses the word "parity" as though it were a complete expression of the idea around which our discussion is revolving. It is not. "Parity price" is. When Mr. Henderson says that under the parity rule, as now existing, the California producer shall get $4 a case, or whatever it may be, for his oranges, he is saying identically a parallel thing to what he says when he says a steel manufacturer may get $20 a ton for his steel, or whatever the commodity may be.

Mr. BROWN. Mr. President, under the present price-control act, the provisions of which the Senator, I think, knows fairly well, Mr. Henderson is required to take all those things into consideration under section 2 (a), as I recall, of the present Price Control Act. But the Senator apparently does not get this conception at all. In fixing a maximum price the Price Administrator is bound by certain standards and guides in the Price Control Act. These standards and guides take account of increases in costs of production. But parity as it has been brought into this picture is a limitation, not a standard, and the revision of parity to include farm labor merely raises the limitation without changing the standard.

Mr. DOWNEY. Mr. President, will the Senator again yield to me?

Mr. BROWN. I yield.

Mr. DOWNEY. I must admit I am totally confused by what the Senator is saying. Apparently he is stating my position to be that, while we should consider the cost of labor in determining the price the farmer should justly pay, we should not consider the cost of labor in determining a fair price for other commodities.

Mr. President, I have not said that. I have said it is wholly illogical to consider the cost of labor in fixing the prices for commodities generally. If we say to the farmer, "Even though the cost of your labor doubles or trebles so that you cannot make any profit under parity, still you must sell at parity, and we will not compute the cost of your labor in reaching parity costs."

Mr. President, if I may add a further word at this time, in California thousands of acres of farm products are wasting away because the present price will not allow the farmer to pay out of the parity price what he has to pay for the cost of the farm work.

Mr. BROWN. Mr. President, the Senator from California, I regret to say, is in a complete fog as to what parity means, and as to what function parity serves in this legislation.

Mr. DOWNEY. Mr. President, will the Senator again yield?

Mr. BROWN. I yield.

Mr. DOWNEY. I started to say to the distinguished Senator that for many years I have thought that I knew what parity meant. I have discussed this question with most of the economists in Washington and have found them in agreement with me. I have a very high admiration for the distinguished Senator from Michigan. I think there is a misunderstanding and confusion between him and me.

Mr. BROWN. I was not talking about prices at all. I was talking about parity as a limitation.

Mr. DOWNEY. The Senator was talking about parity price, which is identically the same thing. The price that is fixed—the rule that is established—is parity, and that is the price presumably at which the farmer is to sell his products. The word "parity" should not be used alone. The expression is "parity price."

It happens, Mr. President, that since we established parity prices farm wages have remained reasonably stable, and it was not necessary to consider farm labor as a factor in arriving at a fair price for the farmer. But now we have arrived at a stage when farm labor is out of all proportion to what it was from 1910 to 1914 and during the past few years. I say to the distinguished Senator from Michigan, based on talks I have had with hundreds of farmers, that unless they are allowed a special computation above parity or parity price—term it what you will—because of the ever-increasing cost of farm labor, parity or parity price will not permit the farmers of California to produce food for the Nation.

Mr. President, I shall not further intrude upon the Senator from Michigan. I thank the Senator.

Mr. BROWN. I hope the Senator will do so. I always like to discuss these matters with him on the floor. Let me call his attention to a very significant figure. Farm wages per month, exclusive of board, have risen from $36.26 on July 1, 1939, to $56.97 on July 1, 1942, an increase in the last 3 years—and that is the war period—of 56 percent. With what does the farmer pay those wages? He pays them with his additional income. The average of all prices received by farmers, that is the prices of the goods they produce, rose in the same period by 73 percent. If those figures are accurate—and they are given to me by the Government authorities in charge—there is not any doubt that relatively the farmer is better off with respect to wages paid in comparison with prices of goods received than he was in 1939.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. HATCH. While the Senator is juggling with figures, which is always most interesting, I am going to give him some more with which to juggle. I hold in my hand a telegram from Mr. Oscar Johnston, president of the National Cotton Council.

Mr. BROWN. And he is quite a juggler, too, I suppose.

Mr. HATCH. He may be; anyway he is one of the best-informed men in the United States——

Mr. BROWN. On cotton.

Mr. HATCH. Yes.

Mr. BROWN. He frequently appears before the Finance Committee.

Mr. HATCH. Yes. He says in his telegram:

> National Cotton Council just completed survey current cotton farm labor costs. September 1942 labor costs 251 percent of same costs in 1940.

Mr. BROWN. I have no doubt that there has been a marked increase in farm labor costs, but does the Senator recall the figure of 356 percent rise in industrial wages, if I remember the figures correctly? If Mr. Johnston's farm labor costs have increased 250 percent for the production of cotton, and if the figure of labor cost furnished by Mr. McCormick of Chicago—I am not referring to the Chicago Tribune—if the labor cost on the part of the producer of farm machinery has increased 356 percent, I think Mr. Johnston is a little bit better off than the producer of agricultural machinery. That is the burden of the entire argument. If we are going to allow for a factor of increased wages on the farm we have got to allow for the increased wages on nonfarm goods which the farmer buys.

Mr. HATCH. Mr. President, will the Senator again yield?

Mr. BROWN. I yield.

Mr. HATCH. I think that is exactly what is done now.

Mr. BROWN. No; not by parity. Parity as we are discussing it here is a limitation on the fixing of maximum prices, not the basis on which prices will be fixed.

Mr. DOWNEY. Mr. President, will the distinguished Senator from Michigan again yield to me?

Mr. BROWN. Yes; I yield.

Mr. DOWNEY. I have such a deep sense of confidence in the leadership and the ability of the Senator from Michigan that I should like to appeal to him and try to make him see directly the problem of one of the California farmers whose farm I visited. I do not believe the distinguished Senator understands the farm situation in California.

Mr. BROWN. I do not.

Mr. DOWNEY. And I should like to indicate to him a specific case. A man planted a large acreage of tomatoes. He had been accustomed to pay 40 cents an hour to his workers. Under the increased price of tomatoes he could pay 55 cents or 60 cents an hour for the same work, but unfortunately he was unable to get labor even at 75 cents an hour or a dollar an hour. He lost a large part of his crop because he either lacked the money with which to pay the wage to have the work done or could not get the workers.

I now wish to say to the distinguished Senator—alas and alack—the problem is much more fundamental and difficult than the ipse dixit of the President of the United States or any farm leader can cure, because we do not have sufficient labor to perform the job that is ahead of us.

Mr. BROWN. Certainly that is true.

Mr. DOWNEY. We are contemplating in the next calendar year the production of $75,000,000,000 of war material. That is almost as much as the rest of the world combined produces. Germany's maximum production will be only $30,000,000,000. In the next calendar year we are going to try to produce 75 billion dollars' worth of material—two and a half times as much as Germany produces in a year. We are going to try within the next 12 or 14 months to build up our armed services, including the Navy, to at least 10,000,000 men, and we have tried to step up farm production 20 percent.

So I desire to say to the distinguished Senator that there is a more serious problem than the one we are wasting our time arguing about on the floor of the Senate, because even if we put the farmer in a position to compete with industry by permitting him to pay a wage more nearly equal to industrial wages, still there will be a shortage of labor which will manifest itself someplace.

Mr. President, as a representative of California, I cannot follow the President of the United States and Mr. Henderson, or the distinguished Senator from Michigan, in trying to prevent the farmer from having his labor costs computed so as at least to give him a chance to have enough money to secure labor in competition with the other demands for a labor supply which is very much limited.

Mr. BROWN. Mr. President, the statement from which I have read goes somewhat more fully into the question

of farm wages and parity than I have so far done. I ask unanimous consent that the statement be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SEPTEMBER 22, 1942.

INCLUSION OF FARM WAGES IN THE PARITY INDEX

(1) Farm wages per month, exclusive of board, have risen from $36.36 on July 1, 1939, to $56.97 on July 1, 1942—an increase of 56 percent. The average of all prices received by farmers rose in the same period by 73 percent. (The increase in farm prices from August 1938 to August 1942 was 85 percent.) The increase in farm wages, it is clear, has fallen very considerably short of the increase in prices received by farmers. There is no merit whatever in the contention that the increase in farm prices is not large enough to cover the increase in labor cost of production.

(2) The position of the farmer generally is clearly indicated by the fact that per capita farm income has increased 115.4 percent between 1939 and 1942. During the same period per capita nonfarm income increased by only 49 percent. Farmers have improved their position vastly as compared with nonfarmers. The income parity index, which stood at 94.3 in 1939 will reach 136 in 1942, which shows that farm income has increased in the period since 1910–14 by 36 percent more than has nonfarm income.

(3) The inclusion of all farm labor in the parity index, hired as well as family labor, would increase parity prices by 10 to 12 percent. Thus the change in the law replacing 110 percent parity, as presently provided, by 100 percent of parity, as the President has requested, would be completely offset by the redefinition of parity. On the basis of the redefinition of parity, we estimate that the value of farm marketings could increase by $4,000,000,000 with a resulting increase in the cost of food and clothing to consumers of $3,700,000,000. This would constitute an increase of 10.8 percent in the retail prices of food and clothing and an increase of 4.9 percent in the cost of living.

(4) The inclusion of hired labor only in the parity index would increase parity prices by 5 percent. This would permit an increase in the value of farm marketings of $2,700,000,000, which would increase the cost of food and clothing to consumers by $2,500,000,000. This constitutes an increase of 7.2 percent in the retail prices of food and clothing, and an increase of 3.3 percent in the cost of living.

SEPTEMBER 23, 1942.

THE COST OF AN INCREASE IN FARM PRICES TO PARITY AS CALCULATED ACCORDING TO THE THOMAS AMENDMENT

According to the Thomas amendment to the price-control bill now before Congress, parity would be redefined to include the wages of all farm labor. Under this method of determining parity the new parity prices would be about 113 percent of the present parity prices.

If farm prices were to rise by the full amount permissible under the Thomas amendment, the initial increase in the value of farm marketing would be about $925,000,000. If we assume that feeds rise by the percentage increase in the price of corn necessary to reach the new parity level, or by 31 percent, it will be necessary to permit the prices of meats, poultry, and dairy products to rise if the production of these commodities is to be maintained. Assuming that the same feed-meat ratios which existed during June 1942 are maintained, the farm value of meats, poultry, and dairy products will increase by about $2,600,000,000 as a result in the rise in feed prices. After allowing for the effect of the increase in prices paid by farmers on the level of parity prices, the total increase in the value of farm marketings, excluding feeds, is $4,000,000,000. Deducting one-third of this amount for Army and lease-lend purchases, we have an increase in the value of farm commodities for civilian consumption of $2,700,000,000. Assuming normal farm to retail price spreads, this would result in an increase in the cost of food and clothing of $3,700,000,000. This represents an increase of 10.7 percent in the cost of food and clothing, or a 4.9 percent increase in the cost of living index.

What would this increase in farm prices mean in terms of the retail prices of individual commodities? To cite three important examples, pork chops now selling at 43 cents per pound would rise to 56 cents per pound; a leg of lamb now costing 38 cents per pound would cost 49 cents per pound; and round steak which can be purchased today for 44 cents per pound would rise to 57 cents per pound.

It is obvious that in the face of a 10.7 percent increase in the cost of food and clothing and a nearly 5 percent increase in the cost of living index, wages could not be stabilized. If wages were adjusted to changes in the cost of living, prices paid by farmers, including wages, and hence parity prices, would rise still further. The result would be an endless spiral of farm prices, wages, and the cost of living.

Farm commodities whose prices are below 112 percent of parity as of Aug. 15, 1942

Commodity		Farm price Aug. 15, 1942	112 percent of parity price	Percentage by which Aug. 15, 1942, price must increase to reach 112 percent of parity
Buckwheat	bushel	$0.88	$1.24	41.0
Flaxseed	do	2.26	2.88	27.4
Soybeans	do	1.58	1.61	1.8
Cowpeas	do	1.87	2.65	41.7
Velvet beans	ton	[1] 15.32	16.18	5.6
Beans, dry edible	hundredweight	4.45	5.73	28.8
Peanuts, for nuts	pound	.06	.08	33.3
Peanuts, for oil	do	.04	.045	12.5
Cotton	do	.18	.21	16.7
Potatoes	bushel	1.15	1.21	5.2
Sweetpotatoes	do	1.37	1.50	9.5
Broomcorn	ton	[1] 118.82	133.23	12.1
Popcorn	hundredweight	[1] 2.11	3.60	70.6
Tobacco (cigar):				
Filler	pound	[2] .12	.15	25.0
Binder	do	[2] .17	.22	29.4
Wrapper	do	[2] .80	.90	12.5
Red-clover seed	bushel	9.85	16.91	71.7
Alsike-clover seed	do	9.70	13.72	41.4
Sweet-clover seed	do	3.54	5.88	66.1
Timothy seed	do	1.91	3.24	69.6
Oranges	box	2.07	2.67	29.0
Limes	do	[1] 2.65	3.93	48.3
Lemons	do	[1] 2.00	2.33	16.5
Apples	bushel	1.16	1.64	41.4
Strawberries	crate	2.58	4.13	60.1
Peaches	bushel	[2] .89	1.94	118.0
Pears	do	[2] .97	1.82	58.7
Plums, Michigan and California	ton	[3] 62.28	79.77	28.1
Prunes:				
Dried	do	[1] 70.82	145.04	104.8
Fresh	do	[3] 25.81	39.44	52.8
Cherries:				
Sweet	do	[3] 114.04	172.86	51.6
Sour	do	[3] 101.24	153.04	51.2
Grapes	do	[3] 25.70	40.61	58.0
Apricots, Calif.	do	[3] 56.40	68.98	22.3
Pecans, seedlings	pounds	[2] .085	.17	100.0
Pecans, improved	do	[2] .13	.43	230.8
Walnuts	tons	[3] 232.26	451.56	79.0
VEGETABLES FOR PROCESSING				
Beans, snap	tons	[3] 51.49	65.52	27.2
Corn	do	[3] 9.70	15.01	54.7
Cucumbers	bushels	[2] .69	1.05	52.2
Peas, green	tons	[1] 48.71	62.68	28.7
Spinach	do	[1] 21.35	22.69	6.3
Tomatoes	do	[3] 15.21	15.94	4.8

Farm commodities whose prices are below 112 percent of parity as of Aug. 15, 1942—Con.

Commodity		Farm price Aug. 15, 1942	112 percent of parity price	Percentage by which Aug. 15, 1942, price must increase to reach 112 percent of parity
VEGETABLES FOR MARKET				
Asparagus	crates	[3] $1.58	$2.65	67.7
Beans, green lima	bushels	[3] 1.66	2.15	29.3
Beans, snap	bushel	[3] 1.37	1.96	43.1
Beets	do	[2] .45	.66	46.7
Cabbage	ton	[3] 20.42	21.40	4.8
Cantaloup	crate	[3] 1.23	1.60	30.1
Carrots	bushel	[2] .64	.76	18.8
Cauliflower	crate	[2] .81	1.25	54.3
Celery	do	[3] 2.00	2.07	3.5
Corn, New Jersey	1,000 ears	[3] 15.00	20.17	34.5
Cucumbers	bushel	[3] 1.19	1.65	38.7
Eggplant	do	[2] .62	1.46	73.0
Kale, Virginia	do	[2] .23	.47	104.3
Lettuce	crate	[3] 1.67	1.76	5.4
Onions	sack	[3] 1.94	2.24	15.5
Peas	bushel	[3] 1.22	2.02	65.6
Peppers	do	[2] .94	1.48	57.4
Tomatoes	do	[3] 1.52	2.04	34.2
Watermelons	1,000	[3] 134.00	195.78	46.1
Sheep	hundredweight	5.62	7.72	37.4
Butter	pound	.36	.44	22.2
Wheat	bushel	.95	1.50	57.9
Corn	do	.83	1.09	31.3
Oats	do	.43	.68	58.1
Barley	do	.57	1.05	84.2
Rye	do	.49	1.22	149.0
Grain sorghums	100 pounds	1.15	2.06	79.1
Hay	ton	8.89	20.20	127.2

[1] 1941–42 season average.
[2] Mar. 15, 1942, price.
[3] Ceiling price, March 1942.

SEPTEMBER 22, 1942.

Subject: Cost to consumer of agricultural price limitations in pending price-control legislation.

The best estimate presently available is that an increase in farm prices to the minimum levels specified in the current legislation would result in an increase in retail value of $1,750,000,000. This does not include food and clothing going to lend-lease and represents a 5.1-percent increase in the cost of food and clothing to the consumer and a 2.8-percent rise in the cost of living.

The nature of the procedure followed and the assumptions involved are shown in the following table and footnotes:

(1) Increase in farm value, excluding feeds but including wheat marketed	$819,000,000
(2) Net increase in farm value of dairy and poultry products	446,000,000
(3) Farm value equivalent of required increase in beef and veal, pork and rice	664,000,000
Total increase in farm value	1,929,000,000
(4) Increase in farm value going into civilian consumption	1,286,000,000
(5) Increase in retail value	1,750,000,000

(1) This represents the difference between the value of 1942 marketings (excluding feeds except for wheat marketed) at August 1942 prices and the value of 1942 marketings at either the August 1942 parity price or the highest price between January 1 and August 15, 1942, in all cases where the value of marketings at August prices is lower. This is a minimum figure, however, since in the case of many fruits and vegetables, monthly prices are not reported and it was necessary to use

the parity price only. For many such items the actual price during 1942 was in excess of the parity price.

(2) It is assumed that an increase in all feed prices, except hay, to 90 percent of parity could not be absorbed by producers of dairy and poultry products without a proportionate increase in the price of these products. Accordingly the farm value of these products was increased by 11.3 percent, which is the average increase in feed prices after reaching 90 percent of parity.

(3) If rice prices were to reach the highest levels of 1942, the squeeze on distributors would amount to $8,000,000 of farm value. Similarly, if current prices of pork and beef and veal must be maintained, the squeeze on distributors would amount to $352,000,000 of farm value for pork and $304,000,000 of farm value for beef and veal. It is assumed that the current prices of pork and of beef and veal are sufficiently high relative to feed prices to be able to absorb an increase in feed prices to 90 percent of parity.

(4) This assumes that one-third of the total value of food and clothing will go to lend-lease. Accordingly two-thirds of the increase in the farm value was allocated to civilian use.

(5) The increase in retail value was obtained by using a factor of 1.361, developed from studies made by Mr. R. O. Been, in the United States Department of Agriculture Marketing Research Division.

Mr. BROWN. I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial from the Detroit News entitled "Congress Is on Trial."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Detroit News]

CONGRESS IS ON TRIAL

A Washington report suggests that success of the farm bloc effort to continue agriculture's position of special privilege would compel the President to veto the price control bill and proceed with price regulation by Executive order.

It is earnestly to be hoped this will not come to pass. Yet in the circumstances mentioned the President would have slight choice but to act in the manner described.

The farm bloc's new definition of parity now in the House bill would destroy, as the President has said, all possibility of stabilizing the cost of living. That is precisely the intent of it, so far as the cost of food is concerned, and it needs no economist to see that with food prices free to rise nothing can be stabilized.

If Congress should adopt that kind of one-way ticket to the inflation chute-the-chutes, the President certainly would use his veto. He probably also would go on to govern prices by decree, in direct defiance of the congressional mandate. He would have to. His responsibility as Commander in Chief would not let him honor the constitutional authority of Congress, where to do so would risk losing the war.

It hardly needs saying that such an outcome would lend small credit to democratic government. Congress is on trial in this matter, and not alone in this but in all matters where the political interests of members run counter to their wartime responsibilities to the Nation. We should hate to see Congress fail the people.

Mr. BROWN. Mr. President, I think that concludes the remarks which I desire to make on the subject of parity. I anticipate that following the further discussions this afternoon, after the Senator from Oklahoma [Mr. THOMAS] has made such further remarks as he may wish to make, and other Senators have concluded their remarks, I may desire to submit some further observations on the general subject of parity, which is the subject matter of the Thomas amendment.

With that, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HERRING in the chair). The Clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Overton
Andrews	Guffey	Pepper
Austin	Gurney	Radcliffe
Bailey	Hatch	Reed
Ball	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Russell
Bone	Holman	Schwartz
Brewster	Johnson, Calif.	Shipstead
Bridges	Johnson, Colo.	Smathers
Brooks	Kilgore	Smith
Brown	La Follette	Spencer
Bunker	Langer	Stewart
Burton	Lee	Taft
Butler	Lodge	Thomas, Idaho
Byrd	Lucas	Thomas, Okla.
Capper	McCarran	Thomas, Utah
Caraway	McFarland	Tobey
Chandler	McKellar	Truman
Chavez	McNary	Tunnell
Clark, Idaho	Maloney	Tydings
Clark, Mo.	Maybank	Vandenberg
Connally	Mead	Van Nuys
Danaher	Millikin	Wagner
Davis	Murdock	Wallgren
Downey	Murray	Walsh
Ellender	Norris	Wheeler
George	Nye	White
Gerry	O'Daniel	Wiley
Gillette	O'Mahoney	Willis

The PRESIDING OFFICER. Ninety Senators have answered to their names. A quorum is present.

AMENDMENT OF SOLDIERS' AND SAILORS' CIVIL RELIEF ACT—CONFERENCE REPORT

Mr. JOHNSON of Colorado submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7164) to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to extend the relief and benefits provided therein to certain persons, to include certain additional proceedings and transactions therein, to provide further relief for persons in military service, to change certain insurance provisions thereof, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"'SEC. 400. As used in this article—

"'(a) The term "policy" shall include any contract of life insurance or policy on a life, endowment, or term plan, including any benefit in the nature of life insurance arising out of membership in any fraternal or beneficial association, which does not provide for the payment of any sum less than the face value thereof or for the payment of an additional amount as premiums if the insured engages in the military service of the United States as defined in section 101 of article I of this Act or which does not contain any limitation or restriction upon coverage relating to engagement in or pursuit of certain types of activities which a person might be required to engage in by virtue of his being in such military service, and (1) which is in force on a premium-paying basis at the time of application for benefits hereunder, and (2) which was made and a premium paid thereon before the date of enactment of the Soldiers' and Sailors' Civil Relief Act Amendments of 1942 or not less than thirty days before the date the insured entered into the military service. The provisions of this Act shall not be applicable to policies or contracts of life insurance issued under the War Risk Insurance Act, as amended, the World War Veterans Act, as amended, or the National Service Life Insurance Act of 1940, as amended.

"'(b) The term "premium" shall include the amount specified in the policy as the stipend to be paid by the insured at regular intervals during the period therein stated.

"'(c) The term "insured" shall include any person in the military service of the United States as defined in section 101, article I, of this Act, whose life is insured under and who is the owner and holder of and has an interest in a policy as above defined.

"'(a) The term "insurer" shall include any firm, corporation, partnership, or association chartered or authorized to engage in the insurance business and to issue a policy as above defined by the laws of a State of the United States or the United States.

"'SEC. 401. The benefits and privileges of this article shall apply to any insured, when such insured, or a person designated by him, or, in case the insured is outside the continental United States (excluding Alaska and the Panama Canal Zone), a beneficiary, shall make written application for protection under this article, unless the Administrator of Veterans' Affairs in passing upon such application as provided in this article shall find that the policy is not entitled to protection hereunder. The Veterans' Administration shall give notice to the military and naval authorities of the provisions of this article, and shall include in such notice an explanation of such provisions for the information of those desiring to make application for the benefits thereof. The original of such application shall be sent by the insured to the insurer, and a copy thereof to the Veterans' Administration. The total amount of insurance on the life of one insured under policies protected by the provisions of this article shall not exceed $10,000. If an insured makes application for protection of policies on his life totaling insurance in excess of $10,000, the Administrator is authorized to have the amount of insurance divided into two or more policies so that the protection of this article may be extended to include policies for a total amount of insurance not to exceed $10,000, and a policy which affords the best security to the Government shall be given preference.

"'SEC. 402. Any writing signed by the insured and identifying the policy and the insurer, and agreeing that his rights under the policy are subject to and modified by the provisions of this article, shall be sufficient as an application for the benefits of this article, but the Veterans' Administration may require the insured and insurer to execute such other forms as may be deemed advisable. Upon receipt of the application of the insured the insurer shall furnish such report to the Veterans' Administration concerning the policy as shall be prescribed by regulations. The insured who has made application for protection under this article and the insurer shall be deemed to have agreed to such modification of the policy as may be required to give this article full force and effect with respect to such policy.

"'SEC. 403. The Administrator of Veterans' Affairs shall find whether the policy is entitled to protection under this article and shall notify the insured and the insurer of such finding. Any policy found by the Administrator of Veterans' Affairs to be entitled to protection under this article shall not, subsequent to date of application, and during the period of military service of the insured or during two years after the expira-

tion of such service, lapse or otherwise terminate or be forfeited for the nonpayment of a premium becoming due and payable, or the nonpayment of any indebtedness or interest.

"'SEC. 404. No dividend or other monetary benefit under a policy shall be paid to an insured or used to purchase dividend additions while a policy is protected by the provisions of this article except with the consent and approval of the Veterans' Administration. If such consent is not procured, such dividends or benefits shall be added to the value of the policy to be used as a credit when final settlement is made with the insurer. No cash value, loan value, or withdrawal of dividend accumulation, or unearned premium, or other value of similar character shall be available to the insured while the policy is protected under this article except upon approval by the Veterans' Administration. The insured's right to change a beneficiary designation or select an optional settlement for a beneficiary shall not be affected by the provisions of this article.

"'SEC. 405. In the event of maturity of a policy as a death claim or otherwise before the expiration of the period of protection under the provisions of this article, the insurer in making settlement will deduct from the amount of insurance the premiums guaranteed under this article, together with interest thereon at the rate fixed in the policy for policy loans. If no rate of interest is specifically fixed in the policy, the rate shall be the rate fixed for policy loans in other policies issued by the insurer at the time the policy brought under the Act was issued. The amount deducted by reason of the protection afforded by this article shall be reported by the insurer to the Administrator of Veterans' Affairs.

"'SEC. 406. Payment of premiums and interest thereon at the rate specified in section 405 hereof becoming due on a policy while protected under the provisions of this article is guaranteed by the United States, and if the amount so guaranteed is not paid to the insurer prior to the expiration of the period of insurance protection under this article, the amount then due shall be treated by the insurer as a policy loan on such policy, but if at the expiration of said period the cash surrender value is less than the amount then due, the policy shall then cease and terminate and the United States shall pay the insurer the difference between such amount and the cash surrender value. The amount paid by the United States to an insurer on account of applications approved under the provisions of this article, as amended, shall become a debt due to the United States by the insured on whose account payment was made and, notwithstanding any other Act, such amount may be collected either by deduction from any amount due said insured by the United States or as otherwise authorized by law.

"'SEC. 407. The Administrator of Veterans' Affairs is hereby authorized and directed to provide by regulations for such rules of procedure and forms as he may deem advisable in carrying out the provisions of this article. The findings of fact and conclusions of law made by the Administrator of Veterans' Affairs in administering the provisions of this article shall be final, and shall not be subject to review by any other official or agency of the Government. The Administrator of Veterans' Affairs shall report annually to the Congress on the administration of this article.

"'SEC. 408. (1) The provisions of this article in force immediately prior to the enactment of the Soldiers' and Sailors' Civil Relief Act Amendments of 1942 (hereinafter in this section called 'such provisions') shall remain in full force and effect with respect to all valid applications for protection executed prior to the date of enactment of the Soldiers' and Sailors' Civil Relief Act Amendments of 1942 and all policies to which such applications pertain shall continue to be entitled to the protection granted thereby.

"'(2) Any insurer under a policy accepted under such provisions shall, subject to the approval of the Administrator of Veterans' Affairs and upon complete surrender by it to the United States, within ninety days after the date of enactment of the Soldiers and Sailors' Civil Relief Act Amendments of 1942, of all certificates issued in accordance with such provisions together with all right to payment thereunder, be entitled to the guarantee of unpaid premiums and interest thereon and the mode of settlement for such policies as provided by this article, as amended. The privileges and benefits granted by the foregoing sentence shall be in lieu of the method of settlement, and the requirement for accounts and reports prescribed by such provisions. In the event any such insurer fails to surrender within the said ninety days all such certificates and rights to payment, the accounts, reports, and settlements required to be made by such insurer under such provisions shall continue to be made as required and shall be governed by such provisions.'"; and, on page 11 of the House engrossed bill, line 18 after the word "policy" insert ("except the insurer in connection with a policy loan)."

And the Senate agree to the same.

ROBERT R. REYNOLDS,
ELBERT D. THOMAS,
EDWIN C. JOHNSON,
WARREN R. AUSTIN,
CHAN GURNEY,
Managers on the part of the Senate.

A. J. MAY,
R. E. THOMASON,
JOHN SPARKMAN,
FOREST A. HARNESS,
CHARLES H. ELSTON,
Managers on the part of the House.

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent for the present consideration of the conference report.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the report submitted by the Senator from Colorado.

Mr. McKELLAR. Mr. President, will the Senator explain the conference report? I do not think we should agree to a conference report by unanimous consent without knowing what it is.

Mr. JOHNSON of Colorado. This is a conference report on the amendment to the Soldiers' and Sailors' Civil Relief Act.

Mr. McKELLAR. What does the bill seek to do?

Mr. JOHNSON of Colorado. It amends the act of 1940 in many particulars. It is a technical matter.

Mr. McKELLAR. I understand that; but what is the purpose of the bill?

Mr. JOHNSON of Colorado. The purpose of the bill is to protect the civil rights of the men in our armed forces. We already have such an act, and the bill is an amendment to that act, growing out of experience in the operation of the act. For example, it protects the men in the armed services in the matter of the private insurance which they carried before they went into the Army. It protects them in other rights with respect to their personal affairs at home while they are serving in the military forces.

Mr. TYDINGS. In connection with mortgages, debts, bills of sale, and all that sort of thing?

Mr. JOHNSON of Colorado. Yes.

Mr. McKELLAR. In what respect does the bill amend the present law?

Mr. JOHNSON of Colorado. The bill covers four or five pages, all of them technical in nature. We had such legislation in the last war, and the act of 1940 was predicated upon that legislation.

Mr. McKELLAR. Is it practically the same as the legislation we had in the last war?

Mr. JOHNSON of Colorado. Yes. Perhaps it is a little more generous in some particulars and a little more explicit and somewhat improved. We have taken up the matter with the War Department and the Veterans' Administration, and we have virtually a definite agreement. The bill was originally passed by the Senate, subsequently was passed by the House, and thereafter went to conference. We have had many days of conferences between the conferees of the two Houses, and upon all occasions representatives of the Veterans' Administration have been present and have discussed and considered the matter fully.

Mr. McKELLAR. Does the bill meet with the approval of the Veterans' Administration?

Mr. JOHNSON of Colorado. Yes; it meets with the general approval of the Veterans' Administration. Of course, on policy matters the determination has to be made by the Congress; but the Veterans' Administration realizes the necessity for the legislation, and has agreed to the bill. In fact, it helped draw most of its provisions.

Mr. McKELLAR. Was there any statement as to the probable cost?

Mr. JOHNSON of Colorado. No; and I do not know what the probable cost will be. The cost to the Treasury will not be very great. The bill provides more or less protection of the soldier in his private affairs. While of course there will be some cost to the Treasury, the load upon the Treasury will not be heavy.

Mr. President, I ask that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a letter addressed to me by Albert S. Goss, master of the National Grange, with reference to the pending legislation, which was sent to me this morning.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE NATIONAL GRANGE,
Washington, D. C., September 24, 1942.

Hon. BURTON K. WHEELER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WHEELER: The Grange believes that the issue on pending price legislation is whether or not farmers will be protected in a price level which will enable them

to produce food in the volume necessary without being forced under a subsidy program. We feel that three protective provisions are necessary.

First, is a parity formula which recognizes agriculture's chief cost—farm labor. The Thomas-Hatch amendment is the only provision under consideration which accomplishes this end, and while it does not give a completely satisfactory parity formula, it is a substantial step in meeting this problem.

Second, because of the failure to modernize parity, we need the limitation on ceilings of subsection 2, section 3.

Third, in order to avoid resorting to subsidies when production costs rise, we need the instructions to modify maximum prices substantially as contained in the last proviso of section 3.

We understand that an effort is being made to amend the last proviso of section 3 as a substitute for the Thomas-Hatch amendment. We have no objection to the amendment to this proviso, for it may strengthen its purpose. However, the amendment would in no sense serve as a substitute for the parity protection of the Thomas-Hatch amendment. The Thomas-Hatch amendment is just as necessary to make the parity protection effective, whether or not the proviso amendment is adopted. If parity is to be used at all, it should be based on sound principles, rather than leaving such a fundamental issue to the discretion of some administrator whom the President may appoint.

If production is to have a minimum of protection, we believe that these three protective provisions are necessary, and we deplore any effort to confuse the situation by amendments to the subsidy provisions in the name of giving parity protection for our rapidly increasing labor costs.

Yours sincerely,

A. S. Goss,
Master, the National Grange.

Mr. McKELLAR. Mr. President, I ask that there be printed in the body of the RECORD as a part of my remarks a letter received by me from Hon. C. C. Flanery, Commissioner of Agriculture of Tennessee, in reference to the pending measure, and also copies of telegrams attached thereto.

There being no objection, the letter and attached telegrams were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
STATE OF TENNESSEE,
Nashville, September 21, 1942.

Hon. KENNETH D. MCKELLAR,
United States Senate,
Washington, D. C.

DEAR SENATOR MCKELLAR: Knowing that one of the problems that is absorbing your interest at this time is farm labor, I attach hereto a compilation of a great many telegrams that I have received from prominent people of Tennessee who on account of their work are in position to know something about labor conditions and are endeavoring to solve it from their angles. I also received replies from a telegram sent to the commissioners of agriculture east of the Mississippi River, and they are included in the collection. I hope that you will take time to glance through these telegrams, as I believe they form a nucleus of a solution of this labor problem.

Tennessee in some way will wiggle through the labor difficulties this year, but unless something more tangible is worked out—something which will insure the farmer labor enough to produce and harvest the crops he has planned for 1943—he will of necessity reduce his acreage.

If you have anything relevant to the labor situation from time to time, I shall appreciate your advising me.

In a letter to the Governor today I am suggesting that a meeting of the State board of agriculture be called for the purpose of discussing this with the idea of solving it as nearly as we can here in our own State.

Assuring you of my best wishes, I am,

Yours very truly,

C. C. FLANERY,
Commissioner of Agriculture.

TELEGRAMS PERTAINING TO FARM LABOR SITUATION IN TENNESSEE

MARTIN, TENN., *September 1, 1942.*
C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Draft board, war industries, Army-Navy installations drawing heavily. Agricultural labor serious, not yet critical. Next year's production decrease cotton, vegetables, milk. See you tomorrow.

J. P. CHASE.

TRENTON, TENN., *September 1, 1942.*
C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Labor short 20 percent. Cotton pickers critical. Locate areas having surplus labor. Close schools during peak period. Teach Saturdays. Farmers swap labor as in haying.

T. R. WINGO.

CLEVELAND, TENN., *September 1, 1942.*
C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Labor situation is very bad. Only children, women, the aged, and incompetents are on the farm. Looks like we will not be able to get cotton pickers. Most people have money and sneer at wages we can offer. Higher prices would help a lot.

NEAL VARNALL.

CHATTANOOGA, TENN., *September 1, 1942.*
C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Farm labor is scarce. However, farmers are swapping work and with help of some women and children are able to meet present demand. Employment office and labor committee anticipate no major shortage this season.

BILL CARPENTER.

DOUGLAS, GA., *September 1, 1942.*
C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Demand for farm labor much larger than supply. Best way to improve condition extend labor working in industry from 40 hours to 56 hours per week.

CLYDE B. AUSTIN.

KNOXVILLE, TENN., *September 1, 1942.*
C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Labor situation critical, growing rapidly worse. Corn, hay, tobacco harvest delayed. If harvested at all, too late for seeding fall crops. Suggest farmers on draft boards to prevent stripping farms of men necessary to operate. Suggest allowing high-school students credit for farm work—at least, excuse absence for this purpose.

R. M. MURPHY,
County Agent.

COLUMBIA, TENN., *September 1, 1942.*
C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Replying to your wire, farm labor becoming scarce, due to high industrial wages and Army needs. Suggestions for improvement: Prices for agricultural products sufficient for farmers to compete with industrial wages; careful consideration of importance agricultural production by local draft boards; further use of boys and farm women; exercise of very best management.

J. F. PORTER.

MILAN, TENN., *September 1, 1942.*
C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Labor 60 percent normal. None listed with local employment office. Cotton and potatoes critical. Ask families of defense workers to assist. All others possibly urge all suggestions over radio with help.

DENTON FLY.

CHILHOWIE, VA., *September 1, 1942.*
C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Labor short. However, think will be able get products harvested provided Work Projects Administration and National Youth Administration labor made available.

J. B. BONHAM.

GREENFIELD, TENN., *September 1, 1942.*
C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Labor situation fair now. Will be very short when harvesting starts.

R. R. MCUMBER.

MOUNTAIN CITY, TENN., *September 1, 1942.*
C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Critical farm-labor shortage anticipated within few days when peak season reached. Efforts to recruit 250 additional colored farm workers from migratory camp unsuccessful to date. Labor camp of 400 thought adequate to meet problem.

Col. J. C. MUSE.

NEWPORT, TENN., *September 1, 1942.*
C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Re telegram 31st. William Stokely. Agricultural labor situation in this section very acute and due to large number being called to armed service. This condition will very probably become worse. Our company's farming operations for 1942 largely over, however, and with the completion of the Douglas Dam, which has greatly aggravated the situation locally as result of agriculture not being able to compete with wages paid by Tennessee Valley Authority, we hope for improvement in 1943. But unless situation improves all agricultural operations will be badly curtailed due to inadequate labor.

STOKELY BROS. & CO., INC.
L. S. MOORE.

KNOXVILLE, TENN., *September 1, 1942.*
C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Re telegram. Farm-labor situation. Very serious in this section. Farmers can't compete with Tennessee Valley Authority Aluminum Co. and Government agencies in wages

at the present price of their crops. Only even partial relief we see is State school superintendent permitting children to help harvest the heavy crops and plant the grain and lose credit in school. This may necessitate suspension of schools for a short time. Further, stop all Work Projects Administration work and utilize them on the farms.

DEAN BROTHERS.

DANDRIDGE, TENN., *September 1, 1942.*

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Re your wire farm-labor situation. Becoming critical here due primarily to draft and Tennessee Valley Authority construction, but anticipate crops will be gathered this fall without great loss. However, if present trend continues, expect very material reduction in next year's production. Many essential agricultural workers are being drafted. Suggest adding to State selective service board a man thoroughly familiar with and sympathetic to the needs of agriculture. Also suggest local board make use of county agriculture labor advisory committee, which are now practically ignored by many local boards. Also suggest elimination of every Tennessee Valley Authority construction project that is not directly tied to the war effort.

ALFRED A. SWANN.

KNOXVILLE, TENN., *September 1, 1942.*

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Retel. Labor situation growing tighter but not as acute as feared earlier in year. Suggest 6 weeks' closing of rural schools for harvesting and pooling of farm machinery.

S. T. MARSH.

GREENEVILLE, TENN., *September 1, 1942.*

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Farm labor situation for harvest is acute. Suggest some farm boys be deferred.

CHANCE.

CROSSVILLE, TENN., *September 2, 1942.*

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

The scarcity of farm labor is becoming very serious. Having a difficult time harvesting our 50,000-bushel crop of potatoes and other crops. Draft boards should exempt more essential farm labor. Everybody, including women and children, should be permitted to work and put in longer hours.

CUMBERLAND MOUNTAIN
POTATO CO. FARMS,
CARTER MYERS.

JACKSON, TENN., *September 2, 1942.*

C. C. FLANERY,
Commissioner of Agriculture
Nashville, Tenn.:

Farm-labor survey of July estimated 20-percent shortage cotton pickers. Report 30-percent shortage. Efficient use of machinery and other equipment as well as more labor from young people, women, and older men.

JUDD BROOKS.

SPRINGFIELD, TENN., *September 2, 1942.*

C. C. FLANERY,
Commissioner of Agriculture
Nashville, Tenn.:

Farm-labor situation extremely acute. Letter follows, giving my ideas of present emergency.

GRAYDON L. MORRIS.

BATON ROUGE, LA., *September 1, 1942.*

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Retel. Farm labor expected to be short when harvesting of rice, sugar, and cotton get under way. Rice section and parts of Cotton Belt rain is retarding harvesting. Good sugarcane crop in sight, with many young men in Army, high wages paid industrial workers, farm help will be short.

HARRY D. WILSON,
Commissioner.

MADISON, WIS., *September 1, 1942.*

C. C. FLANERY,
Commissioner of Agriculture
Nashville, Tenn.:

Farm-labor situation in Wisconsin growing worse. Many dairy herds will be dispersed for lack of labor. Board of agriculture holding conference September 11 to discuss problem.

RALPH E. AMMON,
Director,
Wisconsin Department of Agriculture.

JACKSON, MISS., *September 1, 1942.*

Hon. C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Agriculture labor 35 percent short. All efforts being made to secure surplus town labor. Delta cotton section securing Mexican labor as pickers. Early school opening, being closed at noon each day.

SI CORLEY.

FRANKFORT, KY., *September 1, 1942.*

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Horace Cleveland, Frankfort, Ky., is in charge of Federal Farm Placement Service, working with county farm bureaus and War Board. He has been successful in assembling and transporting labor from southeastern Kentucky to sections of the State where needed. Five hundred are now being assembled to harvest hemp crops. Wages paid by farmers $2.50 per day and board.

WILLIAM H. MAY.

RALEIGH, N. C., *September 1, 1942.*

Hon. C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Nothing has been done about labor situation, but there has been much discussion.

W. KERR SCOTT,
Commissioner of Agriculture.

BOSTON, MASS., *September 1, 1942.*

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

At least 6,000 high-school boys working on Massachusetts farms. Vegetable and fruit production and harvest labor apparently under control. Dairy labor situation critical, with some curtailment of herds and delivery routes. State employment service and department of education have placed thousands of boys as part-time workers. Many schools and colleges releasing boys afternoons.

LOUIS A. WEBSTER,
Commissioner of Agriculture.

COLUMBUS, OHIO, *September 1, 1942.*

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Critical situation confronting Ohio farmers with abundant crops of corn, soybeans, apples, potatoes, followed by wheat seeding. Attempting to connect farmers needing help with available high-school and college students wanting work.

JOHN T. BROWN,
Director, Ohio Department of Agriculture.

COLUMBIA, S. C., *September 1, 1942.*

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Labor shortage becoming more serious each day. No concentrated action taken to avert. Mailing you copy of publicity story.

J. ROY JONES,
Commissioner of Agriculture.

RICHMOND, VA., *September 1, 1942.*

Hon. C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Agricultural labor situation here most serious. I understand Federal Employment Service tried to get relief from southern Virginia for Tennessee beans without success. Lack of authority to require people to work, together with high wages paid defense industries, are our main problems. No relief from State prisons.

L. M. WALKER, JR.,
Commissioner of Agriculture.

ATLANTA, GA., *September 1, 1942.*

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Farm labor shortage serious in Georgia. Will call Commissioner Linders' attention to your wire on his return to the city.

EARL WINGO, *Chief Clerk.*

CHARLESTON, W. VA., *September 1, 1942.*

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Your wire. Farm labor situation spotty; serious some sections. Dairy farmers affected by loss experienced workers to selective service and war industries. Just completing intensive campaign enlist workers fruit and tomato harvests. Apparently successful. School one county delaying opening week to aid tomato growers, canners. Schools two other counties expect suspend during apple harvest. Regards.

J. B. MCLAUGHLIN,
Commissioner of Agriculture.

TALLAHASSEE, FLA., *September 1, 1942.*

Hon. C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Retel. Outlook on labor shortage this State appears serious due to service induction and voluntary work in defense projects at wage scale prohibitive to agricultural pursuits. Various large agricultural divisions such as citrus and truck farming are coordinating efforts to support request to National Government to temporarily suspend immigration laws to permit Bahama Island natives to enter Florida for agricultural purposes only. Florida's greatest need for agricultural workers is at harvest season beginning about November.

NATHAN MAYO,
Commissioner of Agriculture.

SPRINGFIELD, ILL., *September 1, 1942.*

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Labor situation for 42 fairly well taken care of except in isolated areas on special crops. These will be handled by local people using high-school boys for the next 2 or 3 weeks. This agricultural committee, State council of defense, the Illinois Agricultural

Association, the Agricultural College, the State department of agriculture, and the United States Farm Placement Service are cooperating on a survey and possible source of labor for 1943. Will cover more in detail with letter.

HOWARD LEONARD,
Director, Illinois Department of Agriculture.

HARTFORD, CONN., *September 2, 1942.*
C. C. FLANERY,
Commissioner of Agriculture, Nashville, Tenn.:

Farm labor problem serious, but production maintained. Expected to get progressively worse.

OLCOTT F. KING,
Commissioner of Agriculture.

AUGUSTA, MAINE, *September 2, 1942.*
Hon. C. C. FLANERY,
Commissioner of Agriculture, Nashville, Tenn.:

Agriculture labor situation very acute; growing progressively worse. Asking Federal aid to assist potato harvest. Schools cooperating fully. United States Employment Service helping all they can. No definite plan yet developed for 43.

CARL R. SMITH,
Commissioner of Agriculture.

INDIANAPOLIS, IND., *September 2, 1942.*
C. C. FLANERY,
Commissioner of Agriculture, Nashville, Tenn.:

Farm labor situation Indiana very acute. In midst tomato harvest now. Have recruited boys and girls for tomato picking through local school systems. Making provision for leaves of absence of students needed to harvest crops.

CHARLES W. DAWSON,
Commissioner of Agriculture.

AUSTIN, TEX., *September 2, 1942.*
Hon. C. C. FLANERY,
Commissioner of Agriculture, Nashville, Tenn.:

Retel. Texes experiencing acute farm labor shortage. Have thoroughly investigated importation labor from Mexico and consider such impracticable because of the many restrictions. Patriotism and high farm wages are attracting maximum amount of local labor and this is what we must depend on for harvesting. Regards.

J. E. MCDONALD,
Commissioner.

ROCHESTER, N. Y., *September 2, 1942.*
C. C. FLANERY,
Commissioner of Agriculture, Nashville, Tenn.:

Submitting report direct at Commissioner Noyes' request. Every recruiting method has been used. Supply of labor within State is exhausted. Increased acreage and high yields requires that at least 1,000 additional harvest workers be brought into western New York within 1 week if crops of tomatoes, beans, apples, and peaches are to be saved.

J. P. KING,
State Farm Placement Supervisor.

MONTGOMERY, ALA., *September 2, 1942.*
Hon. C. C. FLANERY,
Commissioner of Agriculture, Nashville, Tenn.:

Retel. Agricultural labor situation in Alabama very serious. State Defense Council plan organization of harvesting groups of young people to do the job. School authorities cooperating by recessing schools for necessary time.

HAYGOOD PATERSON.
Commissioner of Agriculture.

KNOXVILLE, TENN., *September 1, 1942.*
C. C. FLANERY,
Commissioner of Agriculture, Nashville, Tenn.:

Retel. Farm labor situation very serious in this section. Farmers can't compete with T. V. A., aluminum company, and Government agencies in wages at the present price of their crops. Only even partial relief we see is State school superintendent permitting children to help harvest the heavy crops and plant the grain and not lose credit in schools. This may necessitate suspension of schools for a short time. Further stop all W. P. A. work and utilize them on the farms.

DEAN BROS.

CONCORD, N. H., *September 3, 1942.*
C. S. FLANERY,
Commissioner of Agriculture, Nashville, Tenn.:

Present agricultural labor situation tough. Shortage comes from need of increased apple pickers. United States and State labor employment offices meeting supply probably 80 percent. Students from high school and college being listed will probably lift supply to 90 percent. Balance of 10 percent must be voluntary labor by women, girls, and older people who cannot climb trees for picking. State Department of Agriculture soliciting week-end labor of employees in State service. This labor will be utilized locally near homes of such employees. No outside camps established for itinerant or emergency labor.

ANDREW L. FELKER,
Commissioner of Agriculture.

Mr. MCKELLAR. Mr. President, I also ask permission to have printed in the body of the RECORD certain other telegrams on the same subject received from various individuals and organizations.

I believe that in the adjustment of parity for farm commodities, increased labor costs should be included by all means.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

FRANKLIN, TENN., *September 23, 1942.*
Hon. K. D. MCKELLAR,
Senator, Washington D. C.:

Farmers, this county, endorse ceiling prices farm products provided wages ceiled also.

H. C. MEACHAM,
President, Williamson County Farm Bureau.

DRESDEN, TENN., *September 23, 1942.*
Senator K. D. MCKELLAR,
Washington, D. C.:

In opinion of the Weakley County Farm Bureau the new price-control bill now before Congress should provide ceilings on wages in line with ceilings on farm price. Also ceilings on agriculture commodities should not be fixed less than parity prices, adjusted in line with advance labor cost. Increase labor cost would necessitate raising farm price floor 85 to 90 percent parity.

L. F. BURK,
President, Weakley County Farm Bureau.

UNION CITY, TENN., *September 23, 1942.*
Senator K. D. MCKELLAR,
Washington, D. C.:

We, the Farm Bureau of Obion County, Tenn., representing the farmers, do urge that you support a bill for floor of 90-percent parity of all farm commodities, price adjusted for all increase labor costs.

H. S. WOOD,
President, Obion County Farm Bureau.

MEMPHIS, TENN., *September 24, 1942.*
Hon. K. D. MCKELLAR,
United States Senator, Washington, D. C.:

Unless provision made in ceiling on farm commodities to take care of increased labor costs next season, crops will fall below requirements for feeding and clothing ourselves and Allies. Hope you will support such an amendment and ask the other Tennessee Congressmen to do likewise.

STOVALL JETER.

KENTON, TENN., *September 23, 1942.*
Senator K. D. MCKELLAR,
Washington, D. C.:

Gibson County farmers are disturbed as never before at the continuing rising cost of farm labor. Farmers in one accord are expecting you to consider this item as a tremendous increase in cost of production while arriving at a conclusion on price-control bills now before the Senate and House.

A. J. HARRIS,
President, Gibson County Farm Bureau.

SPRINGFIELD, TENN., *September 23, 1942.*
Hon. K. D. MCKELLAR,
United States Senator, Washington, D. C.:

We are asking that new price-control bill should include ceilings on wages in line with ceilings on farm prices. Ceiling on farm products not to be fixed less than parity prices adjusted to cover cost of production. Raising farm price floor from 85 to 90 percent parity price adjusted for all increase labor cost.

JOEL V. BELL,
President, Robertson County Farm Bureau.

PARIS, TENN., *September 23, 1942.*
Senator K. D. MCKELLAR,
Senate Office Building, Washington, D. C.:

Henry County farmers expect your support in seeing that new price-control bills before Senate and House provide ceiling on wages comparable with ceiling on farm prices.

ED MCCLURE,
President, Henry County Farm Bureau.

BOLIVAR, TENN., *September 22, 1942.*
K. D. MCKELLAR,
Senate Chamber, Washington, D. C.:

We heartily endorse the bill providing ceiling on wages comparable with ceiling on farm prices and that ceiling on agricultural commodities include increased labor cost raising farm prices floor from 85 cents to 90 percent of parity.

W. F. RICHARDSON,
HARDEMAN COUNTY FARM BUREAU.

CHARLESTON, TENN., *September 22, 1942.*
Senator K. D. MCKELLAR,
Washington, D. C.:

Will appreciate your support to the amendment price-ceiling resolution by Senator THOMAS of Oklahoma and HATCH, of New Mexico, which provides for including of all farm labor in parity determination for price ceiling purposes.

N. R. WILSON,
CHATTANOOGA AREA MILK PRODUCERS ASSOCIATION.

NASHVILLE, TENN., *September 22, 1942.*
Hon. KENNETH D. MCKELLAR,
United States Senate, Washington, D. C.:

Want to urge your support proposal pending House and Senate to amend party farm bill by including cost of farm labor. Am informed that all farm organizations with possibly one exception are in favor of such action.

C. C. FLANERY.

SMITHVILLE, TENN., *September 23, 1942.*
Senator K. D. MCKELLAR,
Washington, D. C.:

De Kalb County farmers favor ceiling on wages comparable ceilings on farm prices provided agricultural commodity prices not be fixed less than parity prices adjusted to cover increases and labor cost. Farmers feel that both wages and farm prices should be controlled but on an equitable basis.

DEKALB COUNTY FARM BUREAU,
GROVER EVANS, *President.*

FAYETTEVILLE, TENN., *September 24, 1942.*
Hon. K. D. MCKELLAR,
Washington, D. C.:

Please support anti-inflation farm-wage bill as passed by the House of Congress yesterday as farmers in many instances are having to pay as much as 300 percent increase for farm labor.

LINCOLN COUNTY FARM BUREAU,
JNO. C. HAMPTON.

MEMPHIS, TENN., *September 23, 1942.*
Hon. KENNETH MCKELLAR,
Senate Office Building,
Washington, D. C.:

National Cotton Council just completed survey current cotton farm labor costs. September 1942 labor costs 251 percent of same costs 1940.

Bureau Agricultural Economics estimates cost production 1940 crop 9.6 cents per pound lint cotton. Using Bae formula and applying increases in labor and other costs prevailing September 1942, cost production 1943 and subsequent crops will be increased to approximately 21.5 cents per pound lint cotton, based on preceding 10-year average yield, assuming pending legislation freezes all labor and other costs at current levels.

Cotton production cannot be maintained unless these facts are recognized. Strongly urge your support of amendment requiring inclusion farm labor costs in calculating parity price.

OSCAR JOHNSTON,
President, National Cotton Council.

Mr. SHIPSTEAD. Mr. President, I ask that the pending amendment be read by the clerk.

The PRESIDING OFFICER. The pending amendment offered by the Senator from Oklahoma [Mr. THOMAS] will be stated.

The CHIEF CLERK. On page 4, at the end of line 13, it is proposed to add the following new paragraph:

For the purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

Mr. SHIPSTEAD. Mr. President, the amendment just read being the subject before the Senate, I shall address myself to it and to its purpose, as well as to the necessity for agreeing to it, as I see it, in view of the way in which parity is now defined in the law.

The cost of labor to the farmer is not recognized or accounted for in the fixing of prices under the parity formula. The necessity for recognition of the cost of labor is the reason for the pending amendment. The amendment has the support of the Senate Committee on Agriculture and Forestry, the main farm organizations of the country, and other patriotic citizens who realize that there is an unbalance in the economy of our war program.

It is surprising that in these days of war profiteering and cost-plus contracts there should be any objection to giving the farmer the cost of his labor when fixing the prices of his products. The battle cry of American industry and industrial labor has been to provide a living wage and profits based on inclusion of the difference between the costs of production at home and abroad. With that battle cry, our industrial labor, trusts, and monopolies have succeeded in having passed protective legislation for the industrial employer and employee. A Federal Tariff Commission was created to investigate the difference between the costs of production, including wage scales at home and abroad, in order to obtain through the protective tariffs a living wage for industrial workers and the cost of production plus a profit for the industrial employers. That has been the fundamental theory of the so-called protective tariff system.

For more than 50 years the battle cry I have just mentioned has been the particular battle cry of the Republican Party, ably supported by the Senators and Representatives coming from the industrial centers of the country. Industry and labor must have, it was said, cost of production plus a profit, and labor must have a living wage at the same time that the industrialists receive all their costs plus a profit. When the industrialists receive all their costs they also receive in their prices the cost of labor.

The amendment now before the Senate providing for the inclusion of the cost of labor to the farmer in the determination of parity is now opposed by both Republican and Democratic Senators who have voted to give the cost of production plus a profit to industrialists, plus a living wage to the industrial workers. The cold-blooded fact is that in this day of war profiteering the farmer and his family are expected to produce food on the home front without having their own labor cost or the cost of their hired labor being added to the prices for their products. That is the theory advanced by the present administration.

That theory of economics is based upon the fraudulent claim that the country is in danger of financial and economic ruin by the farmers if the farmers are allowed compensation for their own labor as well as compensation for the hired labor on their farms. In his Labor Day speech the President indicated that such a calamity would result; and later in a letter which he wrote he said he would veto a bill providing for farm prices high enough to compensate the farmer for the costs of labor performed on the farm. He even said that if Congress did not repeal certain provisions of existing law in accordance with his wishes he would do so himself under powers he claimed to have, but whose source he did not divulge. It seems to me that the President, as the announced author and prophet of the four freedoms and as expounder of the democratic processes, should send us another message making known the source of the powers which he claims to have.

In the debate on the amendment various claims have been made relative to the increase of farm prices since the depression, and it has been intimated that the increases in farm prices have been at a higher percentage than have the increases in prices of industrial products and wages to labor. That assumption is not true; but if it were true it could be based only upon the fact that industrial labor as such did not sink to the low level of income that the farmers had during the depression. Although there was a great deal of unemployment during that period, the wages of those employed in industry did not sink to the level of the wages received by W. P. A. workers; but the income of farmers did.

So we must remember that when the war program commenced, and even before then, when prices and wages started to rise, the income of farmers started from a lower level than did the wages of industrial workers. Therefore, the farmers had further to go, and still have a long way to travel upward in income before their income can be on a basis of equality or parity with that of industrial labor, not to say that of industrial employers.

The Senator from Michigan [Mr. BROWN] made an eloquent defense of the President's position. I do not know of anyone who could have made a better defense. The Senator made the statement, if I understood him correctly, that unless wages were fixed and frozen now, it would never be done. The President could have done that a long time ago if he had wanted to have them fixed.

The President said he would handle the industrial wages and leave the bargaining power to employer and labor and to the War Labor Board, appointed by himself and under his direction. The farmer has no bargaining power. He cannot bargain with the miller or the packer or the butcher. He must take his product to the market and take what the buyer will give him. He buys in a protected market and sells in an unprotected market; he buys in an organized market and sells as an individual; and when a bill is advanced to control farm prices, we have the imperial edict, even from the White House, that the cost of labor must not be included in the price to the farmer, in order to save the country from inflation and economic collapse.

What is it that causes inflation, but for one thing, shortage of production of necessary goods, of which food is the most important, and, further, the psychological effect of an irredeemable debt—a debt so colossal that it cannot be paid by taxes, because taxes to pay it would weigh so heavily on production as to throttle it. There are other factors, but those I have named are, in my opinion, the most important.

The best antidote to inflation is increased production at sufficiently high prices to bring about such production as is necessary to cause a turn-over sufficiently large to raise the national income high enough to furnish taxes sufficient to pay the debt. A low price level cannot produce income sufficient to

pay a debt growing faster than production.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. DAVIS. Does the Senator believe that the adoption of the Thomas amendment would increase production on the farms of America?

Mr. SHIPSTEAD. If I did not think so, I would not favor the amendment. I think I shall make that plain to the Senator. A low price level cannot produce income sufficient to pay a debt which is growing faster than is production. It is said production will win the war. In my opinion that of itself is not sufficient, but it is possibly the most important factor. It is also said that production of food will win the war. What is the outlook for the production of food at the present time and under present prices? From all over the country, from the agricultural communities, we find increasing distress in the farm areas due to shortage of labor.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. WHEELER. I did not catch the answer the Senator made to the question asked by the Senator from Pennsylvania; but let me say that I have just come from among the farmers, and certainly one of two things must happen: Either the farmer has got to reduce his production because he cannot afford to pay the price for labor that is being paid in the defense industries or it will be necessary to raise the price of farm products so that he can afford to pay higher wages to farm labor. Either that has got to happen, or the price of labor has got to come down, or production will be stopped. I know the farmers of my State—and I think the same condition exists in every other State—are not going to be able to plant crops next year, and the cattlemen are going to have to sell their cattle, because they cannot get help and cannot pay the prices necessary to be paid in order to keep their sheep and hogs and cattle. So, in this situation, one of the things I have mentioned is bound to happen.

Mr. SHIPSTEAD. I thank the Senator for his contribution.

Because of low prices the farmer cannot compete for labor with industry having war contracts on a cost-plus basis, paid by the taxpayers of the country. There has been a drain of farm labor to the industries. Young men and experienced farm men have left their $60 and $75-a-month jobs on the farm to go to defense industries where they receive that much a week. The draft has taken possibly as many more. With this the farmer at present prices cannot compete. Consequently, we have farm sales all over the farming areas. I happen to know that it is true not only in Minnesota, Wisconsin, North and South Dakota, but it is universal, as letters and correspondence from farm communities will show. Farmers are selling their horses, cattle, machinery, pigs, and chickens on a flooding market, because the operator of the farm and his wife cannot continue to carry on without the necessary labor. Breeding herds are being dumped on the market. Do you realize, Mr. President, that it takes 3 years to restore a herd of breeding cattle? Yet they are now being sent to the market. The feed lots of the Corn Belt hold 20 to 30 percent less animals for finishing this year than last year.

Mr. WHEELER. Mr. President, will the Senator yield at that point?

Mr. SHIPSTEAD. I yield.

Mr. WHEELER. I have just received a letter from a constituent of mine in southeastern Montana. He has 1,800 head of sheep, 500 head of cattle, and several hundred head of hogs. He is about to be called by the draft, and, of course, he will have to sell all his sheep and all his cattle and all his hogs because there is nothing else he can do. He is one of the very substantial breeders in the State, but he is being taken into the draft notwithstanding the fact that he is the only man on that farm and has large herds of sheep, cattle, and hogs.

Mr. SHIPSTEAD. I expect to go into that subject in detail a little later.

Mr. WILEY. Mr. President, will the Senator yield at that point?

Mr. SHIPSTEAD. I yield.

Mr. WILEY. I have before me an excerpt from the Inter-Mountain Leader, a newspaper published in Frederic, Wis., showing that auction sales from September 10 to September 19—9 days—averaged about two and a half or more a day during that period; so that each day practically three farmers are selling all their machinery and cattle. I quote the following statement from the Inter-Mountain Leader.

> Labor cannot be kept on the farm unless the farmer can pay somewhere in line with industry. The proposed price ceiling will not permit it. It is leading to families sustaining farms where the owner must do all the work himself. Those unable to work are having sales.

Let me add that Frederic and its environs have about a thousand population. Think of it! Think of a community of that size having such a number of sales. As I stated on the floor of the Senate a couple of days ago, quoting the dean of the College of Agriculture of my State, tens of thousands of milk cows are being thrown upon the market. What will that mean next year when we want cheese and butter and milk?

Mr. President, with permission of the Senator from Minnesota, I ask unanimous consent that the statement to which I have referred be printed in the RECORD in full.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

> The following material has just been received from Allan Fahland, Clam Falls, Wis., relative to tendency of farmers to sell out their property, thereby reducing the future output of food products.
>
> The intercounty leader, Frederic, published the following auction sales for the Frederic area:
>
> Thursday, September 10, two auction sales.
> Friday, September 11, four auction sales.
> Saturday, September 12, two auction sales.
> Monday, September 14, three auction sales.
> Tuesday, September 15, three auction sales.
> Wednesday, September 16, three auction sales.
> Thursday, September 17, two auction sales.
> Friday, September 18, one auction sale.
> Saturday, September 19, three auction sales.
> (Above only for one small community.)
>
> In a recent letter, Mr. Fahland, who is director of the Land O' Lakes Creamery, himself a farmer operating a 200-acre dairy farm, said: "It is not so much a question relative to the proposed price ceilings on farm products hurting the farmer in his efforts of making a living as it is that the Nation will be in a desperate situation in a very short time for want of food and fibers. They (Government) must be warned before it is too late.
>
> "Labor cannot be kept on the farm unless the farmer can pay somewhere in line with industry. The proposed price ceiling will not permit it. It is leading to families sustaining farms where the owner must do all the work himself. Those unable to work are having sales. Others are having sales so as to go and work in defense plants."

Mr. SHIPSTEAD. Mr. President, I have letters from my State which advise that in various localities the auctioneers are billed for farm auctions every day until Christmas.

There is evidence all over of a greatly reduced production of agricultural products of all kinds for another year or two that may cut production from one-third to one-half. We know that production in foreign countries must be at a very low ebb. If we permit production of food to be reduced instead of producing to the limit, I fear we will bring on a calamity of such dire proportions as has never been imagined in our Nation's history.

There have been times when we have had surpluses for our own use, but now under lend-lease policy we are committed to feed the world. Our future commitments seem to be unlimited. With our present outlook for production of food and our present outlook for future necessities, both at home and abroad, not only for our own forces abroad, but for populations abroad, it is not beyond reason to anticipate not only a shortage in our own country, but extreme need and suffering.

The only way to get production in industry is to pay the price—cost of production plus a profit. Agriculture is an industry. Shall the farmer be deprived of relative equality because he is chained to his farm and his home by financial obligations, family ties, and the memories of a lifetime effort of struggle and privation where he has been able to hang on in spite of political and economic forces that have exploited him down through the ages? Is it planned that way because the farmer is inarticulate? Is he subject to the constant attack by newspapers because he is not an advertiser? Is he looked upon as legitimate prey by organized industry and capital, organized into great corporations, because the farmer is still an individual and a small capitalist?

The small businessman is a small capitalist, as is the farmer. It is a fundamental theory of communism that the first road to communism is to eliminate the petit bourgeoisie, the small capitalist. He is the foundation of representative and democratic form of government—constitutional government. He has his little property, his little farm, or

his home, and he wants to defend it. Eliminate him, and the few who have gathered the wealth at the top will be easy to take, as it is planned that way.

While fighting a world war on the seven seas to free exploited people from economic slavery abroad, are we going to increase our exploitation of the weak minorities at home? Talk about the rights of minorities—of course, the farmer is a minority, and the combination ganging up on him in politics and economics is overwhelming.

While fighting for the economic and political minorities abroad, how can we reconcile our economic pogroms on our agricultural minority at home?

On February 18, 1937, our Ambassador to Russia, Mr. Joseph E. Davies, wrote a letter to Senator Pat Harrison, of whom we were so fond, which I placed in the RECORD on July 6, 1942. In speaking of conditions in Russia, he said:

Bureaucracy has an ironclad tie-up with the industrial workers against the farmers.

In other words, the Government, its bureaucracy, and industrial workers, were ganging up against the farmers. Is it planned that way here? One would almost be led to believe so when one realizes that with industry having Government contracts on a cost-plus system, the contractor, to protect and increase his profits, can hire an extra thousand, 2,000, 3,000 men more than he needs, put them on higher wages than they ever received before, in order to increase his cost and so increase his profit; and do not forget that that is being done. No one denies that that is being done on a wholesale scale. I have protested to high authorities in the war production set-up and was asked to bring the proof. I replied, "I am not a detective. You have your inspectors. If they are honest, they can get the evidence." I have people writing me, confidentially, telling me what is going on. I have even had workers write and tell me that though being unskilled they were put on a high-skilled pay roll and told not to work too fast. Failure to remedy this waste, which is one of the great factors in the threat of inflation, will lead to the suspicion that it is all done with connivance of higher authorities.

At any rate, whoever is responsible, they are sabotaging not only the taxpayer but the war effort.

I quote now the statement of a man who has huge defense contracts, disclosing how these profits are accumulated. He states:

Inflation resulting from industry taking men from farms at $80 per month and putting them in industrial and construction jobs at $4,000 per year cannot be controlled until Renegotiation Law 528 is repealed or modified. Two contractors take contracts for identical material at identical contract prices, and the efficient contractor finishes his job in half the time and at half the cost of the inefficient contractor. Then renegotiation forces the efficient contractor to give back all the funds he has saved through efficient operation and then forces him to take new contracts at half price. The inefficient contractor takes twice as long to deliver, gets his full anticipated profit, is not renegotiated out of anything, and is called honest by congressional investigators. Because renegotiation bases profit on cost, the highly efficient contractor can double his profit by hiring a thousand unnecessary men or merely adopting a passive attitude which automatically slows up shipments, thereby increasing his cost and protecting himself against taking future contracts at reduced prices. Renegotiation and high taxes have stopped private expansion, so Government must provide additional manufacturing facilities to obtain urgently needed increased output. Private industry is all confused because of renegotiation and hesitates to take additional contract burden, forcing contracts into inefficient, high-cost, Government-operated plants, thereby forcing further building of Government-owned facilities and wasting material needed for ships and guns. This war will require a hundred times as much ordnance machinery as the last war, and there is absolutely no possible way for any law to control inflation resulting from waste when the only way a manufacturer can insure his existence is to increase his costs by hiring thousands of unnecessary employees so, when unforeseen contingencies arise, he can decrease his costs by eliminating the unnecessary employees. Remember, it takes 10 years' taxes from a worker to pay his wages for 1 year. Then add the cost of additional manufacturing facilities required for each worker and you have a staggering picture. Germany is highly efficient in machinery production, and we must win the war on the margin of profit which exceeds Axis output. Manufacturers are not opposed to high taxes or profit limitation based on sales instead of cost and imposed after paying Federal taxes. This plan encourages rapid turn-over because the contractor knows that efficient production will not boomerang and destroy him.

The farmer cannot negotiate any contracts for his own protection. It appears doubtful now that his Government will protect him. He is charged publicly by high officials to be public enemy No. 1, endangering the war effort and the national economy because of inability to continue production under the present and proposed price set-up. There is plenty of evidence of this statement to be found in practically every State in the Union.

I am going to vote for the amendment to include labor costs in the price to be received by the farmer, but, even with that included in the bill, I doubt that in consideration of all handicaps with which the farmer has to contend, that that will give him a price level making it possible for him to continue production to the necessary peak of anticipated requirements.

Parity in the present law is based on the income to farmers in the 5 years 1909–14, compared with that of the city dwellers in the same period. In those years the average individual income on the farm for each member of the family was $135, and in the city the average income of the individual was $487. That is the ratio of income attainable under the present parity law that we are trying to amend.

Can it be that the average per capita farm income of $135 is parity with the average nonfarm income of $487 for people in the city?

Farmers represent about 24 percent of our population and in 1939 received 7.6 percent of our national income. The newspapers do not carry these facts to the people.

The President says he wants to eliminate gross inequities. I call this gross inequity to his attention and to the attention of the Congress.

Mr. President, I have received and can produce hundreds of letters from representatives of farming communities stating what the conditions are, but I shall not produce them because they would clutter up the RECORD. I have some letters from farm organizations and a communication from the Cooperative Milk Producers of Minnesota. I have received letters from members of the National War Production Boards of various sections of Minnesota explaining the drafting of men away from the farms. I sent one of the letters to General Hershey, Director of the Selective Service System, and he sent me a very courteous answer.

I ask to have placed in the RECORD, following my remarks, a letter from Martin M. Olsen, chairman of the W. Otter Tail County, U. S. D. A. War Board.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See exhibit A.)

Mr. SHIPSTEAD. Mr. President, following that I should like to have printed in the RECORD the letter from General Hershey to me, explaining how the Selective Service System is handicapped, and offering a remedy.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit B.)

Mr. SHIPSTEAD. Mr. President, I am sure General Hershey is an honest man. However, I wish to point out how impossible it is under his formula to get any labor on the farm. I shall read from the letter, and then will make some remarks to show in what respects I think he is mistaken. I do not think he makes any intentional misstatements at all, but nevertheless I think he leaves the problem unsolved after he has made the suggestion for a remedy. In his letter he says:

It is not the desire of the Selective Service System to contribute toward the decrease of the productivity of the farms of this Nation. Our policy relative to the selection and induction of persons engaged in agriculture was formulated only after a thorough study of the farm situation was made and after several conferences with representatives of the Department of Agriculture.

Statistics indicate that a large percentage of persons who have left the farms have done so for the purpose of securing more lucrative positions in industry.

That, Mr. President, is, of course, true.

A large percentage of the persons who have left the farms to enter the armed forces have done so voluntarily—

Of course that is true.

I believe that the farmers of this Nation fully appreciate the fact that it will be necessary for them to furnish a proportionate share of the manpower for the armed forces.

Of course, the farmers understand that.

In our contacts throughout the Nation this has been generally ascertained to be true. Men will have to leave the farms, in some instances, to enter the armed forces, just as it has been necessary for employees in other essential industries to enter the armed forces. It is imperative that only "necessary men"

be deferred. "Necessary men" in agriculture are eligible for deferment, just as are "necessary men" in other industries. The farming industry, however, will have to do a certain amount of recruiting to secure replacements for the persons entering the armed forces.

Mr. President, there is where we are up against it. Let us take, for example, a county in which there are 2,000 men employed upon the farms. They are receiving two or three dollars a day. Along comes a defense plant and offers men $75 a week. One reason for offering such wages is to get men so as to bring about defense production. Another reason is that a contractor usually has a cost-plus contract, and the higher wages he pays the more he makes, and wages are to be based upon the level of the going wages of labor in the locality. Suppose the defense plant takes a thousand men out of the county; that leaves only 1,000 men to do the work on the farms. Then along comes the Army and takes 500 of those men. Then there are only 500 men left to do the work on the farms which 2,000 formerly did. It simply cannot be done.

General Hershey says that the farming community as a whole must recruit men and get them back on the farm. How are they to be recruited unless they are offered a wage which would induce them to come back to the farm? Unless the farmers receive a price for their production sufficient to enable them to offer wages which will bring about recruiting of farm labor we are not going to get the needed production in America.

Mr. President, it seems to me we are in a very tragic situation. I think that is due to faulty planning. If the present condition had been anticipated, if the whole program had been handled by men who understood the problem, who could foresee and anticipate the present situation, who could foresee what would happen to agriculture and the production of food by reason of the war, the present unfortunate condition could have been prevented. There was little thought, however, at the time the program was inaugurated, and the "thought" came too late. Too little in the beginning, and too late.

Mr. President, I do not think the pending amendment will solve the problem, but at least it is a beginning. The farmers are waking up to the condition they are in. I do not believe we can win the war with a lopsided economy of driving the farmers out of production and threatening the country with a shortage of food, food to feed those engaged in industry, as well as those in the armed forces, and to meet our commitments to foreign countries. I do not believe we can supply the food that is needed when farmers are being obliged to get rid of productive animals, breeding animals. The hired man on the farm may be taken in the draft. Perhaps one of the farmer's boys is taken. The farmer has perhaps 160 acres of land, and 10 or 20 or 30 cows. The only thing he can do is to sell everything, and trust to being able to live on a little garden, with a pig or two and a couple of cows, and do the best he can.

Mr. President, I hope the amendment now pending will be adopted following the action of the House on yesterday. The Members of the House come from every district of the United States; they are nearer to home than are Members of the Senate; they are nearer to home than are the advisers to the President. They are nearer to those who produce the Nation's food.

Friends of the President have said on the floor of the Senate that they have a great deal of confidence in the President, but that they do not have so much confidence in his advisers. The trouble is that the President has to depend upon advisers in whom we have very little confidence. I am sure the advisers who prepared the speech for the President which he delivered on Labor Day gave him very bad advice. I think those who are familiar with agricultural conditions throughout the country know that it was bad advice. The President's advisers said that if the country is to be saved from economic inflation agricultural prices must be reduced. They felt that such action must be taken in order to save the country from economic collapse. As a matter of fact, Mr. President, farm prices are now so low as to threaten a shortage of production of the food necessary to supply the population of the United States and our armed forces abroad. That is the first possible collapse we may have, unless some measure far more drastic than that now before us is adopted. The best I can say for the pending amendment is that I think it is a step in the right direction.

Mr. President, no one fears inflation more than I do. We know that inflation means ruin for our national economy. With our tremendous national debt, far outrunning our production, far outrunning our price level, how are we going to get the taxes with which to pay the bonds on the basis of the price level we now have? The only way they can be paid is by means of correspondingly high price levels. Unless the people are able to begin to pay taxes somewhat in proportion to the increase of the national debt, we shall have the psychological suspicion that we are not going to be able to pay at all, and then we shall have real inflation. The people cannot pay taxes in sufficient amount to hold down inflation unless the general price level is raised so the people will receive the money with which to pay the taxes.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. WHEELER. I hold in my hand a booklet entitled "Land Policy Review," published by the Bureau of Agricultural Economics, Department of Agriculture. It is stated that it is published by the Department of Agriculture with the approval of the Bureau of the Budget.

On page 3 of the booklet is an article written by Raymond C. Smith, in which he says:

> It seems quite likely that agriculture will lose more than one million additional workers before the end of 1943.

It is my understanding that 2,000,000 workers have been taken from agriculture thus far, and that another 1,000,000 will be taken.

I then call attention to an article on page 8 of the same booklet in which the following appears:

> Increased production called for in January, 1942—production goals—will require 143,000,000 more 10-hour days of work than were required by agriculture in 1941.

So, Mr. President, 143,000,000 more 10-hour days are going to be required next year than were required in 1941, and 1,000,000 more men are to be taken from the farms. I wish someone would explain to me how 143,000,000 more 10-hour days of labor are to be secured on the farms if the prices of farm products are to be kept down, and, in addition, a million more men are taken off the farms.

Mr. President, I agree with what the Senator from Minnesota has just said. I agree with the President of the United States that one of the most disastrous things that could happen to the United States would be a runaway inflation. I was in Germany and Austria in 1923, and saw the result of inflation in those countries. That inflation brought about the collapse of Germany, and probably was the reason for bringing Hitler finally into power. But how, Mr. President, can the farmers of the country furnish the food required by the civilian population as well as our armed forces when 3,000,000 workers are taken from the farms, and when farmers are losing help because of high wages paid in industry. Goodness knows, I have been in favor of high wages for workers, but the farmers cannot compete with industrial plants in that respect.

Mr. SHIPSTEAD. I thank the Senator. Mr. President, I yield the floor.

EXHIBIT A

UNITED STATES DEPARTMENT
OF AGRICULTURE,
U. S. D. A. DEFENSE BOARD,
Fergus Falls, Minn., September 1, 1942.

Hon. HENRIK SHIPSTEAD,
Washington, D. C.

DEAR SENATOR SHIPSTEAD: During the past weeks, there has been a continual stream of reports that a very large percentage of our farmers will hold auction sales this fall and quit farming. The reason given for the auction sales is the utter lack of the help needed to carry on our type of farming. There is adequate machinery to plant and harvest crops, but the feeding of livestock still needs a high percentage of manpower and better than average farm-hand training.

We feel that a review of the farm-labor situation will result in great help to secure the production of the foods that we will need.

There has been a double drain on manpower in the farming area. We know that the fighting forces need our men to help win the war. But in addition to the drafted men there has been a steady flow of labor to the high-pay area that has been granted defense contracts. Furthermore, it is not only the higher pay that attracts men, but there is also the feeling that men in defense industry are receiving special deferment privileges. The deferments granted act as a third drain of manpower in a strictly agricultural community.

We are just finishing a harvest of grain crops and have honestly tried to produce about 20 percent more food with 20 percent less help. Besides the transient help, women

and children have pitched and will continue pitching. But this work is of the type that can be done by transient help and we are now coming to the feeding. Livestock needs continuous attention and cannot be carried on by picking up a man today and going without tomorrow. If we are to satisfy the needs of our country in the way of meats, butter, cream, and eggs, it will be necessary to leave a portion of trained farm help in our area.

We believe that industry also should be asked to replace the young men fit for active service with older men and women wherever possible. The local draft boards should be asked to gradually cancel the deferments given migratory factory workers, thereby leaving a larger portion of trained men in livestock-farming sections. Next with ceilings on farm products and no curb to wages in industry, the farmer cannot compete for help.

There is perhaps no immediate danger as this year's production of meats is still to be put on the market. We are looking forward to the possible production 6 to 12 months in the future. The trend is here, but we feel that it can be turned in the right direction by the use of a little ordinary horse sense. We should have the ability to smooth out the dips and keep our people ever confident of the future. We can win by just a little harmonious planning.

Very truly yours,

MARTIN M. OLSON,
Chairman, West Otter Tail County, United States Department of Agriculture, War Board.

EXHIBIT B

NATIONAL HEADQUARTERS,
SELECTIVE SERVICE SYSTEM,
Washington, D. C., September 19, 1942.

The Honorable HENRIK SHIPSTEAD,
United States Senate.

Subject: Deferment of persons engaged in agriculture.

DEAR SENATOR SHIPSTEAD: Your letter dated September 4, 1942, together with enclosure relative to the above-mentioned subject, has been received in this headquarters.

It is not the desire of the Selective Service System to contribute toward the decrease of the productivity of the farms of this Nation. Our policy relative to the selection and induction of persons engaged in agriculture was formulated only after a thorough study of the farm situation was made and after several conferences with representatives of the Department of Agriculture. Our policy is expressed in Memorandum to All State Directors (I-375) and Local Board Release No. 115, copies of which are being enclosed for your information.

Statistics indicate that a large percentage of the persons who have left the farms have done so for the purpose of securing more lucrative positions in industry. A large percentage of the persons who have left the farms to enter the armed forces have done so voluntarily and have not been inducted through the Selective Service System. I believe that the farmers of this Nation fully appreciate the fact that it will be necessary for them to furnish a proportionate share of the manpower for the armed forces. In our contacts throughout the Nation this has been generally ascertained to be true. Men will have to leave the farms, in some instances, to enter the armed forces, just as it has been necessary for employees in other essential industries to enter the armed forces. It is imperative that only "necessary men" be deferred. "Necessary men" in agriculture are eligible for deferment, just as are "necessary men" in other industries. The farming industry, however, will have to do a certain amount of recruiting to secure replacements for the persons entering the armed forces. It is well appreciated that adjustments will have to be made, but similar adjustments are being made in every occupation.

I wish to assure you that this Headquarters fully understands and comprehends the importance of the farms at this time. I believe that the record crops that are being produced this year are records that this Nation should be proud of. The farmers have done and are doing a good job. However, as I have said above, a certain proportion of the manpower for the armed forces should come from the farms.

I have given your letter and Mr. Olson's letter careful consideration and appreciate the motive that compelled Mr. Olson to write to you. This headquarters welcomes criticism and suggestions. We believe that the Selective Service System has operated and is operating efficiently. We realize, however, that errors may be made in certain isolated cases. We desire to have those cases called to our attention.

I wish to assure you that we are continually observing and considering the problems that are confronting the farmers, and we will, from time to time, issue directives to the local boards as changing circumstances may warrant.

The enclosure that accompanied your letter is being returned.

Sincerely yours,

L. B. HERSHEY,
Director.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. O'MAHONEY obtained the floor.

Mr. SMATHERS. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. O'MAHONEY. I yield.

Mr. SMATHERS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Overton
Andrews	Guffey	Pepper
Austin	Gurney	Radcliffe
Bailey	Hatch	Reed
Ball	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Russell
Bone	Holman	Schwartz
Brewster	Johnson, Calif.	Shipstead
Bridges	Johnson, Colo.	Smathers
Brooks	Kilgore	Smith
Brown	La Follette	Spencer
Bunker	Langer	Stewart
Burton	Lee	Taft
Butler	Lodge	Thomas, Idaho
Byrd	Lucas	Thomas, Okla.
Capper	McCarran	Thomas, Utah
Caraway	McFarland	Tobey
Chandler	McKellar	Truman
Chavez	McNary	Tunnell
Clark, Idaho	Maloney	Tydings
Clark, Mo.	Maybank	Vandenberg
Connally	Mead	Van Nuys
Danaher	Millikin	Wagner
Davis	Murdock	Wallgren
Downey	Murray	Walsh
Ellender	Norris	Wheeler
George	Nye	White
Gerry	O'Daniel	Wiley
Gillette	O'Mahoney	Willis

The PRESIDING OFFICER. Ninety Senators have answered to their names. A quorum is present.

Mr. O'MAHONEY. Mr. President, the issue before the Senate today is one which, in my judgment, requires a great deal of plain speech. I hope that I shall be able to carry on this discussion without heat and without any artificial attempt to arouse emotion. I wish to indicate quite clearly that the impression which has been spread abroad in this country, that the farmers of America constitute a privileged class, is absolutely without basis. I wish to show—and I think I can show—that the only privilege which the farmer is being called upon to exercise today is the privilege of serving his country, and of doing it in a patriotic and restrained manner.

The letter which the distinguished sponsor of the pending joint resolution read, from a flyer about to be engaged in conflict upon the battle front, is an illustration of the perfectly outrageous misrepresentation of this issue which has been carried on day after day and month after month through the press and over the radio, by persons who have not troubled to acquaint themselves with the facts. I wish to lay the facts before the Senate, and I hope also before the country.

Let me say, Mr. President, that when I think of the letter which the Senator from Michigan read, my personal feeling is that the boy who wrote that letter, and millions of boys like him who are being called upon to carry the flag of the United States and the flags of the United Nations upon the battle front, are not asking for anybody at home to tell them whether or not they shall make the sacrifice. They are acting upon their own patriotic determination. They are not counting the cost, whether the cost be in votes or in blood. Though I rise today as an acknowledged and proud member of the farm bloc to say that I think it would be a mistake to adopt the amendment sponsored by my friends, the Senator from Oklahoma [Mr. THOMAS], and the Senator from New Mexico [Mr. HATCH], I am doing so in the knowledge and with the feeling that the great majority of the Members of this body and of the House are as ready to do their duty, as they see it, as are the boys who are going abroad to fight.

In the letter which the junior Senator from Michigan [Mr. BROWN] has read, the young man said—I made note of the words as the Senator from Michigan read them—that Congress is today being called upon to do something which it should have done long since.

Ah, Mr. President, that is the impression which was created throughout the country; that is the message which the editorial writers and the radio commentators have sent to the people of the country. However, the truth is that Congress would have done this job last January if it had not been for the fact that the administration said "No." When Mr. Henderson appeared before the Banking and Currency Committee in August 1941, he was asked whether wages should be brought under control in legislation undertaking to control inflation. He said "No." Mr. President, I say that plain speech is the order of the day.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BARKLEY. In all fairness I think it should be said that there was no visible sentiment in the Committee on Banking and Currency of either House which found its expression in any amendment giving to the Price Administrator the power to put ceilings on wages.

Mr. O'MAHONEY. I think the Senator is correct.

Mr. BARKLEY. Not only that, but the Senator has emphasized the fact that the administration said "No." That is not quite accurate.

Mr. O'MAHONEY. It did not say "No" publicly; that is correct.

Mr. BARKLEY. Mr. Henderson did state what the Senator has said. However, without regard to party, without regard to farm bloc, business bloc, or any other bloc, it was generally recognized at that time—the committees may have been mistaken and the Congress may have been mistaken—that there was no human being wise enough to put a ceiling upon all the wages earned by 50,000,000 wage earners in the United States. Before the committee came Mr. Herbert Hoover, former President of the United States, who could not be described as an enthusiast about labor; but as an administrator, both as President and as Food Administrator during the war, in giving the committee the benefit of his experience, he made the most emphatic statement and argument against the inclusion of wage ceilings, on the ground that it would be impracticable and unworkable, and that no human mind could work out such a provision.

So it was not altogether the administration as such which kept wage control out of the bill; and in fairness to everyone, I think that should be stated.

Mr. O'MAHONEY. Mr. President, I shall be glad to withdraw the word "administration," in order to be perfectly fair. I know that the members of the Committee on Banking and Currency were of the opinion that it would be practically impossible to control wages; but I know that Members of the Senate said on this floor when the bill was under consideration, "Unless you control wages, the bill will not work."

Mr. BARKLEY. It is undoubtedly true that Members of the Senate did take that position; and no doubt it is comforting to them to be able to say that they have been vindicated. I am perfectly willing to accord to those Senators such vindication. However, Congress as such did not see fit to include wages. As a matter of fact, I think that is water which has gone over the dam or under the dam, whichever way it went. [Laughter.] We are now faced with a condition, not a theory.

Mr. O'MAHONEY. The Senator is quite correct. I am ready to acknowledge that; and by the time I finish the explanation I think I shall make clear what I have in mind.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to my good friend the Senator from New Mexico.

Mr. HATCH. The very able Senator from Wyoming is making his argument, as he says, against the amendment which the Senator from Oklahoma [Mr. THOMAS] has offered. I desire to commend him for always being absolutely fair, and for the frank and emphatic way in which he points out conditions as they actually exist.

A moment ago he said that in the Congress there were Senators who said that unless wages were included in the price-control bill, along with farm commodities, in effect we would have no Price Control Act.

Mr. O'MAHONEY. Exactly.

Mr. HATCH. In the Congress in January of this year that sentiment did exist, to some extent at least. Is it not also true that throughout the entire Nation, from that time to this time, the prevailing sentiment has been that in order to have any effective price control, both those very essential elements must be included?

Mr. O'MAHONEY. There never has been any doubt at all about that in my mind. However, Mr. President, I do not want anyone to think that I do not comprehend the terrific task which the President of the United States has had to shoulder in handling the problem of wages.

The burden on the President is beyond imagination. It was his duty to bring all the people along with him. If it was his judgment that at that time he could not make organized labor understand that there should be a freezing of wages, I am not one who would question him or doubt his judgment. Nevertheless, this I do know, Mr. President, that when the bill was under consideration in committee, both in the House and, I think, also in the Senate—I am not a member of the committee—members of those committees propounded the question to Mr. Henderson, and always it was decided "We shall not deal with wages."

When the bill came to the floor, in what was perhaps an inadequate way, a way which may not have been wise, I endeavored to add to it an amendment which would tie together farm prices and industrial wages. I did that in the belief, which I expressed at that time, that if the amendment were agreed to it would be impossible for industrial wages to get out of line as they have since gotten out of line, and that we would have some kind of balance. I may have been wrong. I do not urge that point now.

Mr. ELLENDER. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I yield.

Mr. ELLENDER. In order to keep the record straight, let me ask whether it is not a fact that the Senate did agree to the amendment which was proposed by the distinguished Senator from Wyoming?

Mr. O'MAHONEY. By an overwhelming vote the amendment was agreed to by the Senate.

Mr. ELLENDER. But the amendment was rejected in conference, was it not?

Mr. O'MAHONEY. That is correct; it was rejected in conference.

Mr. President, at that time, and almost every day since then, the word has gone out through all the avenues of publicity that the responsibility for the failure to include wages lies upon the farm bloc, those Members of the House and of the Senate who insisted that, with no provision to control wages in the bill, no ceilings should be fixed upon agricultural products below certain levels—110 percent of parity; October 1, 1941; December 15, 1941; or the average prices in the period 1919 to 1929.

When the so-called "farm bloc," with the support of the entire Congress and the approval of the Executive, when his name was signed to the bill, fixed those levels, they were doing so for the purpose of preventing a continuing dislocation of agriculture and industry. They were doing so because they felt that if agricultural production were to be maintained it was necessary to make sure that prices which would bring the commodities into the market were maintained.

However, was that the story which went out to the country? Not at all, Mr. President. The story which went out to the country was that the farmers and their representatives, their organized representatives, their representatives on this floor, were guided merely by a petty, cheap, pilfering desire to obtain profit.

The Senator from Minnesota [Mr. SHIPSTEAD] a few moments ago demonstrated very clearly that during a generation the condition of agriculture has been consistently and constantly becoming worse. Now we have a debate as to whether the farmer should have some consideration for the labor which is paid upon the farm. O Mr. President, to my mind that argument is not debatable. Those who have urged that the costs of agriculture and labor be taken into consideration in fixing parity have right on their side; they have equity on their side; they have justice on their side, and no person can deny it. Least of all do I.

I think that only realistic considerations should be urged.

Mr. HATCH. Mr. President, will the Senator yield there?

Mr. O'MAHONEY. I yield.

Mr. HATCH. As one of those who has sponsored the amendment, let me say that if right and justice are not on our side I hope the amendment will be rejected.

Mr. O'MAHONEY. Mr. President, I know what animates the distinguished senior Senator from New Mexico. I know that in this country there is no person who can claim a more patriotic devotion to the interests and welfare of his country than can the senior Senator from New Mexico; and I, for one, resent with all the power I have the constant and continued affronts which have been offered to those who have seen fit to speak for agriculture, and the constant and continuous misrepresentation which has been of such a character, Mr. President, that it can be written on the wall and become apparent to all who care to read. I have the demonstration in my hand. Here [indicating] are the charts presented to the Banking and Currency Committee by the Bureau of Labor Statistics. I did not draw these charts, Mr. President, the National Grange did not draw them, the American National Livestock Association did not draw them, nor did the Farm Bureau Federation, nor did any farm organization prepare these charts; they were prepared by the Bureau of Labor Statistics. Here [indicating] is a chart which shows the retail cost of all foods for 51 large cities. This is a chart which was sent out to the

consumers of the country. Mr. President, night before last, as I listened on the radio, I heard a commentator talk about prices and discuss the "greedy farm bloc." I wrote down a sentence he used. "What this means," he said, in a hectic voice, "is higher prices for us." He was suggesting openly and blatantly to the consumers that the farm bloc was trying to increase the prices they have to pay for food.

Mr. President, let us see what the facts are with respect to the retail cost of all foods in the United States. The chart to which I now refer is on the basis of 1935 to 1939. In understanding these charts, prepared by the statisticians and economists, it is essential to remember that the all-important factor is the base which is selected. Choose the base, and you know how far you have got to run; put the base up or put the base down and a different result follows.

In determining the fluctuations of the retail prices of foods in the United States in 51 large cities the Bureau of Labor Statistics used the years 1935 to 1939 as the base, and that is line in black, labeled 100, which runs across the chart. All this graph means is that in 1918, 1919, and 1920, the retail cost of all foods in the 51 cities was about 183 as compared with 1935 to 1939. It means that in 1925 to 1929 the retail price was about 135 as compared with 1935 to 1939, and that today, in 1942, the retail price of foods on this basis is about 123. Observe the significance of the fluctuating on the chart. If, instead of 1935 to 1939, the statisticians who drew the chart had taken the level of 1925 to 1929, then, it is obvious that the retail cost of food today is below a hundred. What that means is simply that today the consumers in the United States are not paying as much for their food as they paid in the period from 1925 to 1929.

The Senator from Oklahoma [Mr. THOMAS] is absolutely correct when he says, "I do not see any inflation in a price that has not reached the levels of 1925 to 1929." Was anybody complaining about the high cost of food in those days? Not at all. Then why was the date 1935 to 1939 chosen as a base from which to make this computation? Because it was the low point in foods.

But the significant thing, Mr. President, is that in 1939 agricultural prices had taken another toboggan ride and had reached a level lower than at any time since 1932 or 1933. The farmer was suffering economic disaster again; a huge percentage of the farm population was living on less than $500 a year; and yet they choose 1939 as the basis on which to estimate the rise in the cost of living.

We are told that the cost of living has risen 12 percent since 1939. So be it. Though it has risen, let us say, 12 percent or 15 percent or 20 percent, it is still not so high as it was in the period from 1925 to 1929.

Someone may say, Mr. President, "That was the time when all prices were inflated; that was the period when we were moving wildly toward the destruction of 1929." Very well, Mr. President, if that suggestion is made, then I ask, How does it happen that the Bureau of Labor Statistics, in making its computation of factory pay rolls and employment, does not use the base of 1935 to 1939, but uses as a base the period 1923–25?

Mr. DOWNEY. Mr. President, before the able Senator passes from the chart he has been so ably demonstrating, and with such interest to us all, can he advise us as to what would be the effect upon that graph showing retail prices in 1940 if poultry products and meat which have been within the control of the Government were eliminated?

Mr. O'MAHONEY. Mr. President, I did not draw the graph; but this graph, of course, takes into consideration the prices of poultry and meat. I am glad the Senator from California asked the question, because it also leads me to point out a device of misrepresentation which has been used in describing this condition of the country. The statisticians took the controlled and uncontrolled prices. The country imagines that the uncontrolled prices are those upon which the farm bloc has prevented action and that uncontrolled prices are those exclusively upon which, because of the action of the farm organizations, the Office of Price Administration has had no power to fix prices. That, however, is not the case. In some instances, as in the instance of hogs and beef, the power was there but it was not exercised. It was not exercised because of inherent difficulties. I can understand why the Office of Price Administration did not exercise it because of the great difficulty of fixing a price upon live animals and providing and adhering to a standard; but, Mr. President, we cannot regulate this country by ukase; we must regulate it and this problem of economics by the cooperative action of all our people, by the united action of our people; and, more than anything else, by the free, untrammeled decision of Congress and the Executive with respect to these matters.

I point out upon the chart to which the Senator from California has just drawn my attention that if the base of 1925 to 1929 were used, as it is used in computing increased pay rolls, the 100 line would be at the point I now indicate; and not down at this point [indicating], and when the 100 line is at that point [indicating], it becomes clear that the prices of food to the consumer have not yet reached the level that was reached in those years before the date on which the graph is based.

What would be the case with respect to employment and pay rolls? Here I have a chart, not with 1939 regarded as the base, the period being 1923 to 1925, and the chart clearly shows that beginning in 1930, as we would expect, employment and pay rolls began to fall off, and took a terrible dip. Then, as a result of the legislation sponsored by the present administration, legislation in which—and I say this with pride—the Democratic Party in Congress and in the executive branch can take a great deal of pride, employment and pay rolls began to rise, and they continued to rise until 1937, when they took a dip, just as farm prices took a dip.

If we were to use as the standard of measurement of industrial pay rolls and employment the same one that is used to measure the standard of farm prices, we would find the line at the point I now indicate, almost 10 points below the line which is adopted, and that would mean that a chart which shows that industrial pay rolls have risen in July 1942 to 204.3, on the index of 1923 to 1925, would, if stated in the same standard that is used to crucify the farmer, be at least 219.3.

Mr. President, the Senator from Wisconsin [Mr. WILEY] asked me, in an aside, to indicate what the farm index is. In August 1942 it was about 123. If it were figured upon the basis of 1925 to 1929, as in the case of industrial wages and employment, it would now be about between 85 and 90, certainly not above 93.

Mr. President, the charts which have been submitted to us by the Bureau of Labor Statistics indicate to my mind one thing above all others—that up to date the consideration of price control has been weighed solely and exclusively by the standards of the consumers of the large cities, and no consideration whatever has been given to the farmer, to the farmer's needs, or to the country's need of production. Is that an idle matter?

Mr. President, a few days ago I sent word to the Secretary of Agriculture to learn from him what the Army ration is—what food we are giving to the boys in the Army and the Navy who are going to wage the fight for the United Nations. This is the weekly ration:

Six and a half pounds of meat; 3½ pounds of milk; 1½ pounds of evaporated milk; 1 pound of butter; 7 eggs; 5½ pounds of bread and cereals; 5 pounds of potatoes; 5 pounds of fresh vegetables; 4½ pounds of tomatoes and citrus fruits. There are other things on the diet list, of course, but I cite only these.

Assume the consumption of these products by an army of a million men. It means every week 6,500,000 pounds of meat; 3,500,000 pounds of milk; 1,500,000 pounds of evaporated milk; 1,000,000 pounds of butter; 5,500,000 pounds of bread and cereals; 5,000,000 pounds of potatoes; 5,000,000 pounds of fresh vegetables; and 4,500,000 pounds of tomatoes and citrus fruit.

Day before yesterday General Hershey, of the Selective Service, announced that we may expect an army of 10,000,000 men in 1943. Very well. Multiply the figures I have given by 10—6,500,000 pounds a week for 1,000,000 men means exactly 65,000,000 pounds a week for 10,000,000 men—or General Marshall and Secretary Stimson are going to cut the ration. Where are we to get the meat? Are we to get the meat upon the basis of consulting only what the consumer pays in the 51 large cities? Are we to be guided solely by what the real wages of the men and women in industry are, or are we to be guided by considerations of what must be done to feed the boys who carry the flag?

There is no question about what the answer is to be. Is it a dangerous step toward inflation to say that we will have a system which will recognize the cost of

production, not that it will be guided by it, but will recognize it? I do not think that follows at all.

Mr. President, if we are to be guided by the cost of production, we are merely making the effort to make it possible for the farmers and ranchers of America to produce. That is becoming a serious problem, because the men on the farms and on the ranches are going into industry and into the armed forces. More than 2,000,000 men have already been drawn from the farms and ranches of America. The farmer's son and the cowboy do not want to be deferred from the draft, although the production of meat and agricultural commodities in a total war is a part of the total war. So some of them volunteer, and others are drawn off by high wages.

A colonel in the Selective Service System, who recently made a survey of the conditions in the agricultural West, has reported to me his experience in California, for example, where he found that dairymen in that State have been compelled, when they could do so, to pay as much as $230 a month for dairy labor. Wealthy dairymen, who are capable of paying competitive wages by drawing upon their reserves, can do that, but the little dairyman who has no reserve is going out of business.

Last week, or the week before, I was at home in Cheyenne. Fort Warren, where thousands of soldiers are being trained, lies upon the southern boundary of that city. There is a shortage of milk in Cheyenne. The civilian population of the city is not able to get the milk which it has been accustomed to receive. There is no complaint, because the milk is being received by the boys at Fort Warren. What I point out is that production is an essential war industry.

I wish to refer to another matter which was mentioned this morning by the junior Senator from Michigan [Mr. BROWN], whose eminent fairness in this and in all other matters is recognized, I am sure, by every Senator upon this floor. Never have I heard a single criticism of the Senator with respect to his presentation of any matter, or with respect to his treatment of the facts as he saw them, and his recognition of the independent judgment of his colleagues.

Mr. BROWN. I thank the Senator.

Mr. O'MAHONEY. The Senator said this morning that the second war powers bill—which was passed by the Senate when, by the action of the Committee on the Judiciary, I happened to be in charge of the measure—gives the President of the United States the power to do this thing which we are now attempting to do by legislative enactment. Mr. President, I do not agree with that construction of the second war powers bill, and I feel that the record should be made perfectly clear as to why I do not agree with it.

Title III of the War Powers Act is entitled "Priorities Power." It undertook to amend the act of June 28, 1940, which was entitled "An act to expedite national defense, and for other purposes." It was an act which gave the Secretary of the Navy certain powers with respect to making contracts. It deals with the delivery of materials to which priority may be assigned, and so forth, and then at the conclusion of paragraph (2) of section 2 (a) this sentence appears:

> Whenever the President is satisfied with the fulfillment of requirements for any material or of any facility for defense, or for private account, or for export, the President may allocate such material or facility in such manner, upon such conditions, and to such extent, as he shall deem necessary or appropriate in the public interest and to promote national defense.

That is merely a delegation of the power to make allocations of raw material. It has nothing to do with fixing the levels of wages or prices or salaries. I think it would be a great mistake to regard that law as conferring authority for independent action by the Executive. But let me say, I have no doubt whatsoever that the country in time of war will grant the utmost latitude to the Chief Executive of the Nation. When the President finds it necessary to preserve the Nation's life he will act and he will be sustained in his action. Let it not be said, however, that this law gives such right. The right proceeds inherently from the fundamental law of human nature—the right of self-defense.

Mr. WILEY. Mr. President——

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Wyoming yield to the Senator from Wisconsin?

Mr. O'MAHONEY. I yield.

Mr. WILEY. I think the distinguished Senator has anticipated, possibly, the question and has made the answer. I understood the Senator from Michigan [Mr. BROWN] to argue that the language which the distinguished Senator just quoted gave the President power in relation to the fixation of prices of commodities, but did not give him the power in relation to wages. My question is: Does the distinguished Senator claim that the President in wartime, in a time of great emergency, has the constitutional power to regulate wages and fix prices?

Mr. O'MAHONEY. Mr. President, I will say in answer to the Senator that a very great and distinguished constitutional lawyer who graced this body for many years, the late Senator Borah, when discussing some of the problems relating to farm prices and social relief during the early days of this administration, said in answer to the argument which was made that certain action would not be constitutional, "You cannot eat the Constitution."

I say, Mr. President, you cannot fight a war with the Constitution. You cannot depend upon a technical argument to win a war. Action, not deliberation, is what is needed in time of war. And so a democratic people will rise in its might and congeal in one united whole to bring about the united organization which is necessary to win the war. That Mr. President, is precisely the reason I am on the floor today pleading that there shall not be in this hour of national peril a constitutional conflict between the Congress and the President.

I say to you, Senators of the United States, though justice and equity and right are upon the side of those who say the cost of farm labor must be taken into consideration, this is no time to stand upon that right. This is the time for statesmen to say, "We will make a concession in order that we may achieve unity."

Oh, we must not forget that from the radio in Berlin for months on end there came the declaration:

> Democracies cannot agree. Democracies will be torn asunder. Democracies will be guided by selfish considerations, and one group will fight another group; labor will fight agriculture and agriculture will fight labor. The Congress will say, "This is my prerogative." The President will say, "I will run the war."

And so Herr Hitler would rejoice if we should present the spectacle now of tearing ourselves asunder upon a matter upon which, of course, our feelings have been stirred. I know they have been stirred, because I know how I resent the charges which have been carried over the radio by some of the spokesmen of those who seek to misrepresent the farmer and the farm bloc—men without information, who take what is handed to them in a release and then disseminate it throughout the country and refer to "the greedy farm bloc." Night after night it goes on. Then they make their appeal: "This means increased cost to us." They try to make the country believe that that is patriotism.

Mr. President, I say we should not undertake to endanger the unity of the United States by a controversy over this matter, because, as I see it, it is a psychological controversy and not a factual one. There is little now left to this debate except the satisfaction of saying, "We compelled you to do it." Why do I say that?

I repeat what I said in the beginning; and I am talking now to the Senators who represent the farm States. When the price-control bill was here in January some of us said, "This will not work because wages are not controlled." All during the months which have passed since then, wages were not controlled. The condition was getting out of hand. Why? Because from the farms and the ranches, to shipyards, to defense plants, to camps, and one place or another, went hundreds and thousands of workers who were drawn away by wages which were paid under Government contract. The power which drew the contract could have held down the wages. But it was not done. I am not here to point out mistakes, Mr. President. That is not the point. I am here merely indulging in some plain talk to point out the facts as I see them, and to say why I believe we should not now risk a controversy between two great branches of the Government.

Now, for the first time we have a measure before us which does regulate wages. The very thing for which we have been contending is here. Are we going to risk that great gain, a great gain, which, Mr. President, I am convinced will be supported by organized labor, as well as by all the farmers of the country? I say to the Senate that the people of the United States, out in the quiet places, beyond the mountains and the rivers, who never

come to Washington, have only one object, and that is to win the war. They have no patience with technical debates between the executive and the legislative branch. They are not concerned about discussions of constitutional power or constitutional authority. They want to see the manpower of America welded into one great instrument to preserve fundamental human liberty, and that is what we are fighting for. Now, are we going to endanger that because we say that in this measure, which for the first time undertakes to stop inflationary rises of wages, a provision is not made for a modification of the parity formula?

Mr. President, I think it is unnecessary, unnecessary because of an amendment which was offered to the committee and accepted, and which is now on page 4 of the joint resolution. It is the amendment which begins in line 2. Let us read that amendment. It is a proviso at the end of section 3. Section 3, by the way, begins with this statement, and let us not overlook it:

> No maximum price shall be established or maintained for any agricultural commodity under authority of this joint resolution or otherwise below a price—

And then the language continues. Here is a directive to the President—to use the new word which has come into such universal usage among the bureaus—here is a directive to the President which says, "You shall not decrease the prices of agricultural commodities below these levels." It does not say, "You may not allow them to increase." They may be allowed to increase, and as conditions develop I am confident that if the necessity should arise increases would be permitted. Already that has happened. For example, the Office of Price Administration has permitted the price of hogs to rise beyond the ceiling which was fixed by Congress in the law. So the appearance here of minimum ceilings is no guaranty that the farmer may not receive a better price if that should become necessary. To make that positively sure, this amendment was drawn. Let us read it:

> *Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case in which it appears that such modification is necessary to increase the production of such commodity for war purposes, or in which it is satisfactorily shown that by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities.

When I used the phrase "will result in gross inequities" I used a phrase which had been used by the sponsors of the joint resolution. That phrase was merely intended to indicate that increases could be allowed when it appeared that the maximum prices established were not sufficient to enable the producers to meet the increased cost.

Mr. President, it seems perfectly clear to me that that provision meets every question which the farmer can ask. I know that the impression has gone forth, as a result of the constant barrage of the past 9 months, that the farmer is greedy, that he cannot be satisfied, that he is seeking special privilege, and all that.

It may be said that the defeat of the Thomas-Hatch amendment would be notice to the farmers of the country that the Congress and the President have no intention of recognizing the rising cost of labor. Mr. President, that is answered by the language of the amendment which I have read, because it is a mandatory amendment. It says that if it is necessary to meet the production required by the war, or if it is necessary to enable the farmer to produce, the maximum ceilings shall be raised.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Wisconsin?

Mr. O'MAHONEY. I yield.

Mr. WILEY. If that be the case, why does the Senator oppose the Thomas amendment, and why does the President oppose it?

Mr. O'MAHONEY. For this reason: The limits which are now placed in the joint resolution are parity, or the highest price which has been reached by September 15. When we wrote the joint resolution in January and asked for 110 percent of parity we did so for reasons which are well known—particularly well known to the Senator from Wisconsin. The situation with which we are now confronted is that for all agricultural commodities the general price level is now slightly above parity. In other words, we have attained practically the point which we sought when the Price Control Act was under consideration.

Mr. WILEY. The Senator does not mean that the prices of all agricultural products are above parity, does he?

Mr. O'MAHONEY. No; I said that we have practically attained that point. As I pointed out the other day, of 27 major agricultural products, the prices of 14 are still below parity.

I invite the Senator's attention to the chart at the back of the Chamber. That chart, prepared by the Bureau of Agricultural Economics, shows the wholesale prices of agricultural products and nonagricultural products from 1798 down to date. I had it brought up to the present time by the Bureau of Agricultural Economics for the purposes of this address.

The dotted line represents the variation of nonagricultural products, and the solid line represents the variation of agricultural products. Each of these "mountains" represents a war. There is one for the War of 1812, one for the War of 1861 to 1865, and one for the World War.

Observe that after every one of those wars the increase was followed by a sharp, perilous, and disastrous decline, a decline which in every instance brought in its wake disaster and suffering, and all the ills which the human mind can imagine.

Observe that in the early years there was a wide variation between agricultural prices and nonagricultural prices. This chart, like the charts of all economists, is based upon an arbitrary date. In this case the period from 1910 to 1914 is used as a base. So the line representing 100 merely represents the prices of agricultural commodities and nonagricultural commodities for that particular period, and the variations from the line indicate deviations and fluctuations. Those are all in terms of percentages.

After the World War came the terrible deflation period of 1920. The Senator from Oklahoma [Mr. THOMAS] has frequently called attention to the fact that Mr. Harding made his campaign for the Presidency that year upon a platform which called for courageous deflation of the currency. He got it. Prices for both agricultural commodities and nonagricultural commodities took a toboggan slide of almost 100 points; but that is beside the point.

In the period between 1925 and 1929 things were straightened out. That was the era of "Coolidge prosperity." Everybody was satisfied. Nobody was complaining about the cost of living. The farmers were getting along a little better than they had been. They had not yet been brought out of the bottom of the pit into which they had been thrown, but they were better satisfied.

Then came the crash of 1929, and agricultural prices went down from about 150 to below 75. Nonagricultural prices did not decline to such a great extent. The lowest point which they reached was somewhat above 100, because nonagricultural industry was so organized that it could protect itself better than could the farmer. So nonagricultural prices never reached as low a point as did agricultural prices.

Then came the Roosevelt administration. By legislation which was supported by both Republicans and Democrats we increased and improved the standard of agriculture and of labor. No Member of Congress who voted for those laws can fail now to look back with satisfaction and say, "I participated in that effort. We brought agriculture, industry, labor, and the professions out of the depths."

So prices rose until about 1937, when they had reached about 125. Was anybody saying then that agricultural prices were out of line? Was anybody complaining about wages? Not at all.

Observe what happened. I ask Senators to look carefully at the chart. Following 1937 and 1938 there came a sharp decline in the prices of agricultural commodities. They dropped from 125 to about 96. However, the prices of nonagricultural commodities dropped only about 2 points. In 1939 they were about 28 points above agricultural prices. As I pointed out at the beginning of this discussion, all our comparisons of the cost of living are based upon the low prices to which agricultural products fell, and not upon the high prices which were maintained for nonagricultural commodities.

Answering the question of the Senator from Wisconsin, I ask him to observe that as a result of this war prices again began to go up; and in 1941 agricultural prices, in relation to industrial prices, were almost back to equality. They are standing together upon the chart.

So I say, Mr. President, that when we look back upon the declivities which have followed the rises during the previous wars, we must realize that this is no time for us to debate a new formula for parity. When the present formula was drawn it was drawn by the best minds studying the agricultural problem. They said, "We shall measure what the farmer gets by the cost of the things which he must buy."

The pending joint resolution will control the prices of the things which the farmer must buy. I do not surrender for a moment my contention that the cost of labor on the farms should be taken into consideration in fixing parity; but in the realistic situation confronting us, and in the light of the amendment which has been accepted by the Committee on Banking and Currency, I think that those Senators who, like myself, feel that agriculture has been an industry which has not as yet received full benefits should be willing for the purpose of maintaining the unity of the Nation in this great hour of crisis to forego, until more time and attention can be given to it, any attempt to rewrite the formula of parity.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WILEY. I believe I have listened to every word of the Senator's argument. I think he devoted about half his speech to the one point, not parity, or lowering parity, or raising parity, but that the Nation needs, above everything else, an increased production of agricultural commodities. Everything said on this floor in the last 4 days has been to the point that the consumers of the country are in danger because the productivity of the country is decreasing tremendously, that beef cattle will not be available next year for beef, as the Senator himself has said, and that dairy cattle are being slaughtered by the tens of thousands.

It seems to me that that is the crux of the whole matter. If the Senator can demonstrate that acceptance of the joint resolution in the way he wants it accepted would give the country the production it needs, it seems to me he will have accomplished something. However, in his argument he has missed that point entirely, it seems to me. I should like to have him speak upon that point.

Mr. O'MAHONEY. I thank the Senator. I said that I feel that production will be taken care of because of the provision contained in the amendment which has been accepted:

> *Provided further,* That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case in which it appears that such modification is necessary to increase the production of such commodity for war purposes.

Mr. WILEY. Does the Senator agree that it is necessary?

Mr. O'MAHONEY. Oh, certainly it is necessary; and I say that the language just now read is a positive direction; and I feel that the Office of Price Administration realizes it to be so. The spokesmen for that Office have told me within the last few days that they do recognize the necessity of using prices as an instrument for promoting production.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. TYDINGS. Let us take a concrete case. Suppose that in the next 6 months or year the cost of labor on the farm were to rise to such a point that the parity formula previously in existence would be thrown out of scale, that the farmer would have the element of expense elongated, so to speak, beyond the original conception of parity, when agricultural wages were lower. If that were so and if it could be proven that a particular commodity, at the price fixed by the price ceiling, was selling so as not to give the farmer what might be called a reasonable profit or any profit at all, under the terms of the amendment it would become mandatory upon the Office of Price Administration to alter the ceiling so as to take into consideration the increased labor cost which occasioned that dislocation.

Mr. O'MAHONEY. Precisely. That was the exact purpose of the amendment.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. VANDENBERG. It seems to me that the Senator cannot overemphasize what he has just now asked, because a further misunderstanding, let us say, will reach the country if the Thomas amendment is rejected. Then the country would be misled to believe that the Senate had turned its back upon the theory that the farmer is entitled to recognition for his higher labor costs; whereas the language in the amendment which the Senator from Wyoming has just now read, and for the text of which he is responsible, specifically, consistently, and in a mandatory fashion requires that the farmer's increased cost of labor shall be recognized in the price controls.

So when I vote against the Thomas amendment, as I intend to do because I do not believe this is any time to rewrite the parity formula, I shall not be voting against a full recognition of the farmer's right to compensation for increased costs of labor; but, on the contrary, I shall be voting for a measure which already provides that he must be compensated.

I do not think the Senator can overemphasize that point.

Mr. O'MAHONEY. Mr. President, I am very glad the Senator from Michigan interrupted me in order to make that statement. He has done it eloquently, forcefully, and factually. What he says is exactly the case.

The pending measure takes care of the farmer. For the first time it contains a provision which makes it mandatory on the Office of Price Administration to modify agricultural commodity prices upward, if the necessity arises. Let there be no mistake about that.

Furthermore, Mr. President, in the face of this mandatory direction let us not forget that the responsibility for production will lie wholly upon those who will administer the act. The responsibility will not be upon the Congress. However, if we insist upon writing into the joint resolution a directive to rewrite the parity formula, without giving the specifications upon which it shall be rewritten, the responsibility for failure will be upon us. As I said in the beginning, since war is a matter of action, not of deliberation, let us not now by agreeing to the Thomas-Hatch amendment undertake to compel the Bureau of Agricultural Economics and the Department of Agriculture to begin to debate what the formula shall be, how much weight shall be given to labor, and what labor, and how. Let us act. The hour calls for the limitation of prices. The hour calls for the prevention by legislation, not by Executive action, of the continued upward rise of the cost of living.

Mr. President, I hope that the Congress of the United States will do that thing.

Mr. BARKLEY. Mr. President, I wish to propound a parliamentary inquiry. As I understand the parliamentary situation, it is this: The committee amendment now under consideration, to which the Thomas amendment is offered as an amendment, is regarded as an amendment in the first degree, and the Thomas amendment is an amendment in the second degree. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. BARKLEY. Therefore, as I understand the situation, no amendment to the Thomas amendment is in order at this time, and no substitute for the Thomas amendment would be in order at this time; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. BARKLEY. So that no other proposal, either as an amendment, as a substitute for the Thomas amendment, or as an amendment to the text of the committee amendment, would be in order until the Thomas amendment has been disposed of. Is that the parliamentary situation?

The PRESIDING OFFICER. That is correct.

Mr. BARKLEY. Then I shall make a request for unanimous consent; but before doing so I wish to state that an honest and sincere effort has been made to reach a fair understanding among all those interested in the question regarding language which would be reasonably satisfactory to all parties involved, without regard to party, without regard to membership on the committee, or otherwise. Looking to that end, while we realized we could not call into conference every Member of the Senate, we have held various conferences between members of the committee and other Senators interested in the pending legislation, including the Senator from Oklahoma [Mr. THOMAS], the Senator from New Mexico [Mr. HATCH], the Senator from Wyoming [Mr. O'MAHONEY], who proposed in effect, if not literally, the language now in the committee amendment; the Senator from New York [Mr. WAGNER], the Senator from Michigan [Mr. BROWN], the Senator from Kansas [Mr. REED], the Senator from Ohio [Mr. TAFT], the Senator from Oregon, the dis-

tinguished minority leader [Mr. McNARY], who is always cooperative and constructive, and whose assistance I always cherish and appreciate; and the Senator from Maryland [Mr. TYDINGS], who, along with the Senator from Kansas [Mr. REED], yesterday suggested language which would go a considerable distance in ironing out the situation.

In an effort to work out a provision that might be satisfactory, we have been in conference, and language has been drawn which I will not say is satisfactory to all or any or most of those who have been in the conference, but which is acceptable to many of them, including the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Michigan [Mr. BROWN], the Senator from Maryland [Mr. TYDINGS]. We have among us prepared a substitute for the committee amendment on page 4, beginning with line 2, and with that substitute as a basis, in order that the Senate may have an opportunity to vote upon it before it is required to vote on the Thomas amendment, I ask unanimous consent that the Thomas amendment be temporarily laid aside without prejudice, which means that the yea-and-nay vote which has already been ordered upon it would not be affected, in order that the Senator from Maryland [Mr. TYDINGS] and the Senator from Kansas [Mr. REED] may join in offering an amendment, by way of a substitute, to the committee amendment as it appears on page 4.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. THOMAS of Oklahoma. Mr. President, reserving the right to object, let me say that the amendment which is now before the Senate is here at the order of one of the standing committees of the Senate. The Committee on Agriculture and Forestry, by a vote of 14 to 1, ordered this amendment submitted. Other members of the committee, who were not present, would have increased that majority to at least 16 to 1.

Mr. President, this amendment is before the Senate at the request of the great farm organizations of this Nation. The Committee on Agriculture and Forestry, and these great farm organizations, represent 30,000,000 citizens of this Republic. These 30,000,000 embrace 22 percent of the total population of America. Twenty-two percent of our population is receiving less than 10 percent of the national income. That is not satisfactory.

Mr. President, the Congress has been in recess now, virtually, for about 6 weeks. The Members of the House of Representatives have been to their homes; many Senators have been to their homes; the Members of the House have just returned from their districts, and on yesterday in that body the amendment now pending before the Senate was approved by a most substantial majority. With that amendment added to the bill the bill itself, with the amendment, was approved by a vote of 3 to 1 of the membership of the House, embracing both political parties, and at a time when the voices and demands of their constituents were still ringing in their ears.

Mr. President, 22 percent of the people of America are entitled to have a vote upon this amendment. It is now in a position where a vote may be had, and most certainly, as a member of the Senate, I shall object to the request made by the Senator from Kentucky.

The PRESIDING OFFICER. Objection is heard.

Mr. BARKLEY. Mr. President, the Senator from Oklahoma is, of course, within his rights in objecting to the request for unanimous consent which I have submitted, though I cannot refrain from expressing my regret that he is unwilling that this proposal be voted upon in advance of a vote upon his amendment. I feel it my duty, however, to the Senate to say that, following a vote upon his amendment, regardless of the result of the vote, the Senator from Maryland and the Senator from Kansas will then offer as a substitute for the committee amendment, whether it is amended by the Thomas amendment or not, the amendment which I send to the desk and ask to have read for the information of the Senate and the country.

The PRESIDING OFFICER. The clerk will read as requested.

The CHIEF CLERK. On page 4, line 2, it is proposed to strike out all after the word "inequities" through the word "inequities" in line 13, as amended, and insert in lieu thereof the following: "*Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricutural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricutural commodity, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing."

Mr. HATCH. Mr. President, there is some language in the proposal that I have not heard before.

Mr. BARKLEY. That is an amendment already agreed to by the Senate yesterday on motion of the Senator from Tennessee [Mr. MCKELLAR], and must be included in any substitute for the committee amendment as amended.

I may say, in explanation, that the proposed substitute follows practically the language of the committee amendment down to the word "purposes", in line 9. The changes are made from there on, but it is necessary to have a clean page in which the substitute may be fully set out for the entire committee amendment. I shall not discuss it now but will at a later time.

Mr. CHAVEZ. Mr. President, I shall occupy the time of the Senate very briefly, but I desire to state my position in a few words.

It appears to me that the Senators who have discussed the pending measure have entirely missed the purpose of the original Price Control Act or what is intended to be accomplished by the pending measure. As I read the pending joint resolution, I find it provides—

> That in order to aid in the effective prosecution of the war, the President is authorized and directed—

to do certain things.

Under ordinary conditions and in normal times we could, with propriety, discuss new formulas of parity prices, but to do it at this time would be inconsistent with the purpose behind the pending joint resolution which, I repeat, is "to aid in the effective prosecution of the war." Times are not normal. We are at war, a war that can only be won by the sacrifice of all, by industry, by the farmer, by labor, and by every household and home and citizen in the country. We will not win this war if we proceed on the assumption that this war means profits to anyone. When we get over the idea of profits in connection with the war, this body will do something "to aid in the effective prosecution of the war."

I intend to vote against the Thomas-Hatch amendment and for the joint resolution as reported by the Senator from Michigan [Mr. BROWN].

Mr. SMITH. Mr. President, I have been amazed at the amount of talk in the opposition to the Thomas amendment. As I see it, the Thomas amendment simply provides that agricultural labor shall be considered in the price of agricultural products. It is said that the parity formula must not be changed. When that formula was first promulgated we were at peace and the difference in the relation between agricultural labor and industrial labor was not so emphasized as it is now. This amendment simply provides that—

> For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

It was stated here today by the Senator from Michigan that if we adopt the Thomas amendment it will inevitably lead to a conflict between the Congress and the President. If the Senator's statement is accurate, it is tantamount to telling us we might just as well go home, that if we do not by legislative act adopt the action suggested, the President will. The President said that himself, and the Senator proceeded to read statutes to back up his statement.

I resent the implication in the Senator's speech that we who are in favor of this very fair proposal have been seduced by the farm leaders. I would far rather follow some of them than some of those who call themselves leaders.

With every other Member of this body, I want to see the Allied Nations win the war, but I do not desire to have any group of men punished by an injustice and an inequity when they are endeavoring to produce the wherewith to prosecute the war. There is not a Senator on this floor who does not know that the Thomas amendment is fair and just and

equitable, an amendment providing that the farmer be allowed to calculate farm labor in his costs.

Mr. President, I resent the implication in the speech of the Senator from Michigan, wherein he set out to prove that we were nothing but a body acting at the will of the Chief Executive, that we legislate according to his dictation, or not legislate at all. Two hundred and eighty-four Members of the House of Representatives went on record as favoring the amendment. I know that the farmers are not considered a noticeable body in the eyes of the great powers that be. They are disorganized; they are individualists.

Among the speeches to which I have listened today was one by the Senator from Wyoming, which pleased me greatly, until he got to the end, when he kicked over everything he had said by stating that although so many inequities had been visited upon the farmer, he was in favor of visiting one more on him. I like to hear a logical speech, one which appeals to my sense of reason, but that speech was the greatest disappointment I have suffered so far during the debate; and I have suffered much.

I ask the Members of this body, What is back of the unalterable opposition of the President to this very simple amendment? No one can convince me that his opposition to the amendment is all that is inspiring the opposition to it here. If we fail to put the amendment on the joint resolution, we will find out what the cause of the opposition is, I have a suspicion.

To think that the President would say, "I am unalterably opposed to the inclusion of this amendment because it may raise the cost of living 12 percent." No one said anything about the cost of living in connection with other workers, but when it comes to the farmer a different situation prevails. I do not know the reason behind the opposition. I want to say for the record that we, as a legislative body, are not responsible for the inevitable conflict. We never said to the President, "No matter what you think about it, we are going to do as we please." It is our constitutional privilege to do as we please. I would rather take the opinion of 284 Members of the House of Representatives and a majority of this body than the opinion of gentlemen who have been laboring, I presume, to get the baptism of the Chief Executive as the election draws near. I have a suspicion that some of their zeal is inspired by their desire to warm the leather of the seats in the Senate Chamber and not to do justice to the people of the country. I have been a Member of the Senate for 33 years and 9 months, and I have never know this body to degenerate or descend to such levels as we have now witnessed. The amendment before us merely amounts to saying to the farmer, "You may include the cost of your labor in your prices." Who can object to that, and why should that result in an inevitable conflict between the power at the other end of the Avenue and the power here?

What is our duty? Our duty is to legislate as we think is right and proper, regardless of vetoes. The President has the constitutional right to veto any measure which is passed by the Congress. We have the constitutional right to legislate, and if we do not think the President's veto is proper we can pass a bill over his veto.

I am not awed by any of the gentlemen who issue certain orders.

There is the gas rationing. We are told there is a scarcity of gas; that there is just a little trickle. And rubber—they have picked out 17 States and said, "You must conserve gas in order to conserve rubber," but the other States can use all the gas they want or can get.

I do not care to go into the details of this subject matter and present charts concerning what was done in past wars. I am standing upon the equity and righteousness of giving to those upon whom we are dependent for food and for the raw materials out of which the major part of our clothing is made absolute justice in this hectic time—a square deal. Not a new deal. God help them if they get a new deal in opposition to a square deal or an honest deal. The people are getting fed up on being gerrymandered about at the will of certain appointees.

We are not any more than a mere speck—we are not even that—in the legislative economy of the country. We are scared to death of an Executive order, whether legal or otherwise. I think it is high time for Congress to assert itself. The House has shown a splendid spirit. It is high time for the Senate to express its opinion. What are we here for? To follow Executive orders? No; but to provide the bases for those orders.

I have never been able to understand why a great furor should be raised about saying to the farmers, "You are entitled to have incorporated into your prices the wages you pay."

Compromises have been offered, but the consent of the "miserable," "detestable," "greedy," "unpatriotic" farm bloc could not be obtained! Why, we ought to be kicked out of America. Farm bloc! Nothing has been said about a wage bloc. Nothing has been said about other lobbyists. However, we have witnessed the farm bloc, members of the great farm organizations, held up in the body of the Senate to ridicule and charged with being greedy and grasping when attempting to secure for the farmers prices which would include what they have been compelled to pay for labor. It is boiled down to that. That is all there is to the amendment under consideration. It may upset the parity price. The opponents of the amendment have said, "You asked for 110 percent." The suggestion of 110 percent did not come from the Senate or the House.

That was sent here by members of the administration, and anyone analyzing it will see that it is perfectly fair. Now they say, "If you include this amendment the farmers will have more than 110 percent, there will be an increase in the cost of living of 12 percent."

It makes no difference now, Mr. President, whether it is increased 200 percent. I am here to do my full duty to everyone, as I see it. Those who vote against this amendment vote against their innate sense of honesty and equity. But let us put in an amendment so that when it is administered the farmer will get a swift kick in his pants!

No man has said here that the Hatch-Thomas amendment is not fair, just, and equitable. It is said wages have risen. Farm wage earners have almost disappeared, and I wanted to say a few words in behalf of the farm organizations, who come direct from the farmers themselves. Many of us sit down in the Senate restaurant each day and fill ourselves with the products of the farm, and then come to the floor and "cuss" the source from which they came. If I felt about the farmers as some Senators do, I would not go into the Senate restaurant. I would eat what I produce, and be independent.

Mr. President, I hope the proponents of the Thomas amendment will stand out against any compromise. Since the yeas and nays have been ordered on it, let us vote on the Thomas amendment.

Mr. President, every one of us knows why the Senate has recessed from day to day. It has been to try to get recruits against the Thomas amendment. Let us know where we stand. Let us be men and not a lot of childish politicians running around trying to induce this Member and that Member and the other Member to vote a certain way.

Mr. President, I hope we shall have a vote on the Thomas amendment, and I hope those who are denouncing the farm bloc will meet each Member of it personally and tell him that he is an "unpatriotic dog."

Mr. HATCH. Mr. President, may I inquire of the majority leader, the Senator from Kentucky [Mr. BARKLEY], what his purpose is with respect to adjourning or recessing? I had wanted to speak on the amendment, but as a matter of fact I have a cold and am hoarse.

Mr. BARKLEY. Mr. President, it is obvious that we cannot vote this afternoon. If the Senator from New Mexico is next on the list to address the Senate——

Mr. HATCH. I do not know about the list. That is the reason I rose now to inquire. I was hopeful that after I had been recognized and obtained the floor I should have an understanding that I could proceed when the Senate reconvenes tomorrow.

Mr. BARKLEY. Mr. President, has the Senator from New Mexico been recognized?

The PRESIDING OFFICER. Yes; the Senator from New Mexico has been recognized.

Mr. HATCH. I now yield to the Senator from Kentucky.

Mr. BARKLEY. Because of his cold the Senator feels he would not like to proceed now?

Mr. HATCH. I should rather not proceed now.

Mr. BARKLEY. Then it will be entirely agreeable to me, under the circumstances, for the Senate to recess until tomorrow.

Mr. HATCH. That will be entirely agreeable to me, Mr. President, with the understanding that I shall be recognized tomorrow. I make that request.

Mr. BARKLEY. That is agreeable to me.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico? The Chair hears none, and it is so ordered.

EMERGENCY PRICE CONTROL AND PREVENTION OF INFLATION

The PRESIDING OFFICER laid before the Senate the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, which was read twice by its title.

Mr. BARKLEY. I move that the bill lie on the table.

The motion was agreed to.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Sundry officers for appointment and promotion for temporary service in the Navy.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

Mr. BARKLEY. I ask that the President be immediately notified of the nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 28 minutes p. m.) the Senate took a recess until tomorrow, Friday, September 25, 1942, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 24 (legislative day of September 21), 1942:

POSTMASTERS

ALABAMA

Lyman W. Ramsey, Grand Bay.
Lorenzo D. McCrary, Prattville.

CALIFORNIA

Anthony J. Foster, Hayward.
Phillip J. Dougherty, Monterey.
Maude Dawson Shea, Redondo Beach.
Grace E. Patterson, Samoa.
Leon L. Dwight, San Pedro.
Richard T. Ambrose, Santa Barbara.
Robert B. Montgomery, Sequoia National Park.
Harold B. Lull, South Gate.
Lloyd L. Long, Veterans Home.
Harry Bridgewater, Watsonville.
Charles A. Graf, Winters.

PENNSYLVANIA

Harry R. Tomlinson, Andalusia.
James P. Bryan, Beaver.
Francis P. Kelly, Carbondale.
Alice E. Shoemaker, Fayetteville.
Walter C. Blessing, Hellam.
Emery C. Mahaffey, Mahaffey.
Emily V. Homsher, North Hills.
Dora Cowen, Roscoe.
Joseph R. Ganly, Tower City.

RHODE ISLAND

Grace B. Almy, Little Compton.

HOUSE OF REPRESENTATIVES

THURSDAY, SEPTEMBER 24, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven, whose nature is to have mercy and forgive, we pray Thee to hear our humble prayer. Grant that we may seek Thy fellowship and the good will of all men. Give the reality of Thy blessing to all lonely people and to the infirm, to those far from home and among strangers that they may feel the helpful atmosphere of true brotherhood. We praise Thee that we are not in a finished world, that Thou wilt, through the stir of Thy inner might, make old things new, the little things big, and inspire the temple of the soul to arise without the sound of a hammer and fill it with the tides of Thy holy presence.

O eternal Light, shine in our hearts and if our understanding be darkened, deepen our faith and allow not suspicion nor criticism to quiver on any brow. Let every peril arouse in us a beckoning challenge to unity and to the determined performance of duty until our people shall not look back, but move forward in unbroken ranks; do Thou direct us in all our ways until all jarring discords are caught up into the symphony of a rhythmic flow of one patriotic purpose. The Lord God, bless our America forever and may the Master, whom the eternities adore, be our inspiration for all time and Thine shall be the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6196. An act to amend the Canal Zone Code in relation to the control of marihuana.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2655. An act to amend the Judicial Code to authorize the Chief Justice of the United States to assign circuit judges to temporary duty in circuits other than their own; and

S. 2725. An act to increase by $600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 5503) entitled "An act to authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. O'MAHONEY, and Mr. NORRIS to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2670. An act to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing State and Territorial military forces with such arms, ammunition, clothing, and equipment as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and for other purposes.

REGISTRATION OF TRADE-MARKS USED IN COMMERCE, TO CARRY OUT THE PROVISIONS OF CERTAIN INTERNATIONAL CONVENTIONS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 895) to provide for the registration of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the committee amendments.

The Clerk read the committee amendments, as follows:

Page 1, line 4, strike out "'Trade-marks", and insert "The owner of a trade-mark."

Page 1, line 4, after the word "may", strike out "be registered in the following manner:", and insert "register his trade-mark under this act on the principal register hereby established:".

Page 1, line 7, after "application," insert "in such form as may be prescribed by the Commissioner,".

Page 1, line 7, after "applicant," insert "or by a member of the firm or an officer of the corporation or association applying, specifying applicant's domicile and citizenship, the date of applicant's first use of the mark, the date of applicant's first use of the mark in commerce, the goods in connection with which the mark is used and the mode or manner in which the mark is used in connection with such goods, and."

Page 1, line 8, strike out "applicant" and insert "person making the verification."

Page 1, line 10, strike out "application" and insert "verification."

Page 2, line 1, strike out "trade-".

Page 2, line 1, after "registered," insert "that the mark is in use in commerce,".

Page 2, line 3, after "of", strike out "the applicant's", and insert "his."

Page 2, line 4, strike out "trade-"; also strike out "the United States" and insert "commerce."

Page 2, line 5, after "form" insert "thereof."

Page 2, line 6, after the word "deceive" insert a colon, strike out the remainder of line 6, and all of lines 7, 8, and 9, and insert "*Provided*, That in the case of every application claiming concurrent use the applicant shall state exceptions to his claim of exclusive use, in which he shall specify, to the extent of his knowledge, any concurrent use by others, the goods or services in connection with which and the areas in which each concurrent use exists, the periods of each use, and the goods and area for which the applicant desires registration."

Page 2, line 23, after "leaving", insert "with him or mailing to him."

Page 2, line 24, strike out "last" and insert after "address" "specified in the last designation."

Page 2, line 25, after "the", second occurrence, insert "last."

Page 3, line 4, after "No", insert "trade-."

Page 3, line 6, strike out "as a trade-mark" and insert in lieu "on the principal register."

Page 3, line 9, strike out "tends to" and insert in lieu "may"; after "disparage", insert "or falsely suggest a connection with."

Page 3, line 11, strike out "to"; strike out the semicolon at the end of the line, insert a comma and add "or disrepute."

Page 3, line 15, strike out the semicolon and insert a period.

Page 3, line 16, strike out "the" and insert in lieu "a."

Page 3, line 17, strike out "of a" and insert in lieu "identifying a particular"; strike out "unless" and insert in lieu "except"; strike out the semicolon, insert a comma, and add "or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow."

Page 3, line 19, strike out "previously"; after "registered", insert "in the Patent Office or a mark or trade name previously"; strike out "or"; after "used", insert "in the United States."

Page 3, line 22, strike out the semicolon and insert a colon; add the following: "*Provided*, That the Commissioner may register as concurrent registrations the same or similar marks to more than one registrant when they have become entitled to use such marks as a result of their concurrent lawful use thereof in commerce prior to any of the filing dates of the applications involved and the Commissioner or a court on appeal determines that confusion or mistake or deceit of purchasers is not likely to result from the continued use of said marks under conditions and limitations as to the mode or place of use of the goods in connection with which such registrations may be granted, which conditions and limitations shall be prescribed in the grant of the concurrent registrations thereof; and concurrent registrations may be similarly granted by the Commissioner with such conditions and limitations when a court has finally determined that more than one person is entitled to use the same or similar marks in commerce. The Commissioner shall give not less than 30 days' written notice to all applicants, registrants, and users specified by any of the parties concerned of any application for concurrent registration and of the time and place of the hearings thereon. When the Commissioner decides to grant a concurrent registration the proposed registration shall be published in the Official Gazette of the Patent Office and the application shall be subject to opposition as hereinafter provided for other applications to register marks. Concurrent registrations may be ordered by a court in an action under the provisions of section 4915, Revised Statutes, under such conditions and limitations as the court considers proper in accordance herewith."

Page 3, line 24, after "descriptive", insert "or deceptively misdescriptive"; after "them", insert "or."

Page 4, line 1, after "descriptive", insert "or deceptively misdescriptive."

Page 4, line 2, after "hereof", insert "or."

Page 4, line 6, strike out "any" and insert in lieu "a."

Page 4, line 7, strike out "as a trade-mark."

Page 4, line 8, strike out the sentence beginning with the word "Substantially" and continuing to the end of line 11; insert in lieu thereof: "The Commissioner may accept as prima facie evidence that the mark has become distinctive, as applied to the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the 5 years next preceding the date of the filing of the application for its registration."

Page 4, line 12, strike out "AND CERTIFICATION."

Page 4, line 13, strike out "same."

Page 4, line 14, strike out "may be" and insert in lieu "are."

Page 4, line 15, strike out "and certification."

Page 4, line 16, insert after "effect" and before the comma "as are trade-marks."

Page 4, line 18, strike out the period, insert a comma, and add "except when used so as to represent falsely that the owner thereof makes or sells the goods on which such mark is used."

Page 4, line 19, strike out "and certification."

Page 4, line 21, strike out "may" and insert in lieu "shall."

Page 4, line 23, strike out "ASSOCIATION" and insert in lieu "CERTIFICATION."

Page 4, line 25, strike out "may be" and insert in lieu "are."

Page 5, line 1, after "collective", insert "and certification"; after "origin", strike out the comma.

Page 5, strike out lines 2 to 8, inclusive, and insert in lieu "in commerce, shall be registrable under this Act, in the same manner and with the same effect as are trade-marks, by persons, and nations, States, municipalities, and the like, exercising legitimate control over the use of the marks sought to be registered, even though not possessing an industrial or commercial establishment, and when registered they shall be entitled to the protection provided herein in the case of trade-marks, except when used so as to represent falsely that the owner or a user thereof makes or sells the goods or performs the services on or in connection with which such mark is used. Applications and procedure under this section shall conform as nearly as practicable to those prescribed for the registration of trade-marks."

Page 5, line 10, strike out "the", both occurrences, and insert in lieu "a", both occurrences.

Page 5, line 11, strike out "subsidiary or."

Page 5, line 12, strike out "or by the members of an association."

Page 5, line 13, strike out the remainder of the line after "shall"; strike out lines 14 to 18, inclusive, and insert in lieu "inure to the benefit of the registrant or applicant for registration, and such use shall not affect the validity of such mark or of its registration, provided such mark is not used in such manner as to deceive the public."

Page 5, line 20, strike out "may" and insert in lieu "shall."

Page 5, line 25, strike out "right" and insert "rights."

Page 6, line 2, after "applicant's", insert "or owner's"; after "goods" and before the period, insert "or services."

Page 6, line 13, after "shall" insert "reproduce the drawing of the mark, contain the statement of the applicant and state that the mark is registered on the principal register under this act, the date of the first use of the mark, the date of the first use of the mark in commerce, the particular goods or services for which it is registered, the number and date of the registration, the term thereof"; strike out "State."

Page 6, line 14, strike out the period at the end of the sentence, insert a comma, and add "and any conditions and limitations that may be imposed in the grant of the registration."

Page 6, line 15, strike out "The" at the beginning of the sentence and insert in lieu "A."

Page 6, line 17, strike out "mark" and insert in lieu "registration, registrant's ownership of the mark."

Page 6, line 18, strike out "same" and insert in lieu "mark"; after "commerce" and before the period, insert "in connection with the goods or services specified in the certificate, subject to any conditions and limitations stated therein."

Page 6, line 19, strike out "Certificates" and insert in lieu "A certificate"; strike out "marks" and insert in lieu "a mark."

Page 6, line 20, strike out "assignees" and insert in lieu "assignee."

Page 6, line 21, after "of", strike out "succession or."

Page 6, line 22, after "shall,", insert "at the request of the owner and."

Page 6, line 23, after "showing", strike out "at the request of the owner or successor."

Page 6, line 24, after "and" strike out "upon."

Page 6, line 25, strike out "owner or successor" and insert in lieu "assignee."

Page 7, line 1, strike out "owner or successor" and insert in lieu "assignee."

Page 7, line 2, after "the" insert "unexpired part of the."

Page 7, line 3, strike out "The" and insert after "(d)" "At any time, upon application of the registrant and payment of the fee herein provided, the"; after "Commissioner" strike out "upon application of the registrant."

Page 7, line 4, strike out all after the word "registration" and lines 5, 6, 7, 8, and 9, excepting the word "the" at the end of the line and insert in lieu "in the Patent Office to be surrendered, canceled, or for good cause to be amended, and he may permit any registered mark to be disclaimed in whole or in part: *Provided*, That the registration when so amended shall still contain registrable matter and the mark as amended shall still be registrable as a whole, and that such amendment or disclaimer does not involve such changes in the registration as to alter materially the character of the mark."

Page 7, line 9, capitalize "the" and begin a new sentence.

Page 7, line 11, strike out the comma after "registration" and insert a comma after "or" on line 12.

Page 7, line 12, insert a comma after "destroyed."

Page 7, line 16, after "registration," insert "when."

Page 7, line 23, after "Whenever a" insert "material."

Page 8, line 2, strike out "may" and insert in lieu "shall."

Page 8, line 3, at the end of the line after "thereof" insert "shall be."

Page 8, line 4, strike out the comma after "registration" and insert "certificate."

Page 8, line 5, before "certificate", insert "corrected"; after "thereafter", strike out the remainder of the sentence down to the word "form." on line 9 and insert in lieu "have the same effect as if the same had been originally issued in such corrected form, or in the discretion of the Commissioner a new certificate of registration may be issued without charge."

Page 8, line 9, strike out "such."

Page 8, line 10, after "certificates", insert "of correction."

Page 8, line 16, strike out "certificate."

Page 8, line 19, after correction", insert "or, in his discretion, a new certificate"; strike out the comma after "fee" and insert a colon; capitalize "*provided*."

Page 8, line 20, strike out all of this line and "such as to necessitate" on line 21 and

insert in lieu "That the correction does not involve such changes in the registration as to require."

Page 8, line 23, after "SEC. 8.", insert "(a)."

Page 8, line 26, after "canceled", insert "by the Commissioner"; strike out "five" and insert "six."

Page 9, line 1, strike out "three months" and insert in lieu "one year."

Page 9, line 2, strike out "five" and insert in lieu "six."

Page 9, line 3, after "affidavit" strike out "in such form as may be prescribed by the Commissioner stating" and insert in lieu "showing."

Page 9, line 4, strike out the period after "use"; strike out "If however", and insert in lieu "or showing that its."

Page 9, line 5, after "circumstances" insert "which excuse such nonuse"; after "and" insert "is"; after "not" insert "due."

Page 9, line 6, after "intention", strike out "not to use or"; strike out "such" and insert in lieu "the"; strike out "the affidavit" and the remainder of the sentence down to "nonuse." on line 8.

Page 9, line 8, strike out "Forms" and insert in lieu "Special notice of the requirement"; strike out "affidavits" and insert in lieu "affidavit."

Page 9, line 9, after "registration", insert the following subsections:

"(b) Any registration published under the provisions of subsection (c) of section as of this act shall be canceled by the Commissioner at the end of 6 years after the date of such publication unless within 1 year next preceding the expiration of such 6 years the registrant shall file in the Patent Office an affidavit showing that said mark is still in use or showing that its nonuse is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark.

"(c) The Commissioner shall notify any registrant who files either of the above prescribed affidavits of his acceptance or refusal thereof and is a refusal, the reasons therefor."

Page 9, line 11, after "SEC. 9", strike out the remainder of the line and insert in lieu "Each."

Page 9, line 12, strike out "like."

Page 9, line 13, strike out "on" and insert "upon the filing of an application therefor accompanied by an affidavit by the registrant stating that the mark is still in use in commerce and the."

Page 9, line 14, strike out "fees" and insert in lieu "fee"; insert a semicolon after "act" and strike out "if the registered mark is still in use."

Page 9, line 18, before "may", insert "it."

Page 9, line 19, strike out "an" and insert in lieu "the"; strike out "as."

Page 9, line 20, strike out "If the" and insert in lieu "An"; strike out "is."

Page 9, line 21, after "United States", strike out the comma and the remainder of the sentence down to "act" on line 25 and insert in lieu "shall be subject to and comply with the provisions of section 1 (d) hereof."

Page 10, line 3, before "has", insert "to register"; strike out "upon such terms and conditions as the parties may agree." and insert in lieu "with the goodwill of the business in which the mark is used, or with that part of the goodwill of the business connected with the use of and symbolized by the mark, and in any such assignment it shall not be necessary to include the goodwill of the business connected with the use of and symbolized by any other mark used in the business or by the name or style under which the business is conducted: *Provided*, That any assigned registration may be canceled at any time if the registered mark is being used by, or with the permission of, the assignee so as to misrepresent the source of the goods or services in connection with which the mark is used."

Page 10, line 7, strike out "the" first occurrence and insert in lieu "an."

Page 10, line 11, strike out "from" and insert in lieu "after."

Page 10, line 13, after "a", insert "separate"; after "of" insert "such"; after "assignments" and before the period, insert "submitted to him for recording."

Page 10, line 14, strike out "If the" and insert in lieu "An"; strike out "is"; strike out the comma after "United States" and the remainder of the sentence down to "Act." on line 19 and insert in lieu "shall be subject to and comply with the provisions of section 1 (d) hereof."

Page 10, line 20, insert the heading above sec 11 "Acknowledgments and verifications"; strike out "Any acknowledgment or verification" and insert "Acknowledgments and verifications required hereunder may be made before any person within the United States authorized by law to administer oaths, or, when made in a foreign country, before any diplomatic or consular officer of the United States or before any official authorized to administer oaths in the foreign country concerned whose authority shall be proved by a certificate of a diplomatic or consular officer of the United States, and."

Page 10, line 21, strike out "it complies" and insert in lieu "they comply."

Page 10, line 22, strike out "it is."

Page 10, line 24, after "Sec. 12.", insert "(a)."

Page 10, line 25, strike out "fees" and insert in lieu "fee."

Page 11, line 1, before "shall", insert "shall refer the application to the examiner in charge of the registration of marks, who."

Page 11, line 4, strike out "at least once."

Page 11, after line 5, insert the following new subsections:

"(b) If the applicant is found not entitled to registration, the examiner shall advise the applicant thereof and of the reasons therefor. The applicant shall have a period of 6 months in which to reply or amend his application, which shall then be reexamined. This procedure may be repeated until (1) the examiner finally refuses registration of the mark or (2) the applicant fails for a period of 6 months to reply or amend or appeal, whereupon the application shall be deemed to have been abandoned, unless it can be shown to the satisfaction of the Commissioner that the delay in responding was unavoidable, whereupon such time may be extended.

"(c) A registrant of a mark registered under the provisions of the act of March 3, 1881, or the act of February 20, 1905, may, at any time prior to the expiration of the registration thereof, upon the payment of the prescribed fee file with the Commissioner an affidavit setting forth those goods stated in the registration on which said mark is in use in commerce and that the registrant claims the benefits of this act for said mark. The Commissioner shall publish notice thereof with a reproduction of said mark in the Official Gazette, and notify the registrant of such publication and of the requirement for the affidavit of use or nonuse as provided for in subsection (b) of section 8 of this act."

Page 11, line 7, after "who", insert "believes that he."

Page 11, line 8, after "mark", insert "upon the principal register."

Page 11, line 9, after "Patent Office", insert a comma.

Page 11, line 10, after "therefor", insert a comma.

Page 11, line 11, strike out "in the Official Gazette" and insert in lieu "under subsection (a) of section 12 of this act."

Page 11, line 13, strike out the period after "Commissioner", insert a comma, and add "who shall notify the applicant."

Page 11, line 19, strike out "Whenever any" and insert in lieu "any"; strike out "is" and insert "who believes that he is or will be."

Page 11, line 20, after "mark", strike out the remainder of the sentence down to "thereof." on line 22 and insert in lieu: "on the principal register established by this act, or under the act of March 3, 1881, or the act of February 20, 1905, may upon the payment of the prescribed fee apply to cancel said registration—

"(a) within 5 years from the date of the registration of the mark under this act; or

"(b) within 5 years from the date of the publication under section 12 (c) hereof of a mark registered under the act of March 3, 1881, or the act of February 20, 1905; or

"(c) at any time if the."

Page 11, line 22, strike out "If a."

Page 11, line 24, strike out "section 2."

Page 11, line 25, strike out "hereof", and the remainder of the sentence down to "act." on page 12, line 3, and insert in lieu of section 2 of this act for a registration hereunder, or contrary to similar prohibitory provisions of said prior acts for a registration thereunder, or if the registered mark has been assigned and is being used by, or with the permission of the assignee so as to misrepresent the source of the goods or services in connection with which the mark is used, or if the mark was registered under the act of March 3, 1881, or the act of February 20, 1905, and has not been published under the provisions of subsection (c) of section 12 of this act."

Page 12, line 4, after "Sec. 15.", strike out all of this section and insert in lieu: "Except on a ground for which application to cancel may be filed at any time under subsection (c) of section 14 of this act, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of the publication under this act of such registered mark, the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for 5 consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable, provided—

"(1) There has been no final decision adverse to registrant's claim of ownership of such mark for such goods or services, or to registrant's right to register the same or to keep the same on the register; and

"(2) There is no proceeding involving said rights pending in the Patent Office or in a court and not finally disposed of; and

"(3) That an affidavit is filed with the Commissioner within 1 year after the expiration of any such 5-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such 5 consecutive years and is still in use in commerce, and the other matters specified in subsections (1) and (2) hereof.

"Subject to the conditions above specified in this section, the incontestable right with reference to a mark registered under this act shall apply to a mark registered under the act of March 3, 1881, or the act of February 20, 1905, upon the filing of the required affidavit with the Commissioner within 1 year after the expiration of any period of 5 consecutive years after the date of publication of a mark under the provisions of subsection (c) of section 12 of this act.

"The Commissioner shall notify any registrant who files the above-prescribed affidavit of the filing thereof."

Page 12, line 10, strike out "in the opinion of the Commissioner."

Page 12, line 13, after "goods", insert "or when used in connection with the services."

Page 12, line 14, strike out the comma after "applicant."

Page 12, line 17, after "and", insert "the registration of"; after "to", insert "the."

Page 12, line 19, after "SEC. 17.", strike out all of the section and insert in lieu: "In every case of interference, opposition to registration, application to register as an honest concurrent user, or application to cancel the registration of a mark, the Commissioner shall give notice to all parties and shall direct the examiner in charge of interferences to determine and decide the respective rights of registration."

Page 14, line 5, after "SEC. 18." strike out all the section and insert in lieu "In such proceedings the examiner may refuse to register the opposed mark, may cancel or restrict the registration of a registered mark, or may refuse to register any or all of several interfering marks, or may register the mark or marks for the person or persons entitled thereto, as the rights of the parties hereunder may be established in the proceedings: *Provided*, That in the case of the registration of any mark based on concurrent use, the examiner shall determine and fix the conditions and limitations provided for in subsection (d) of section 2 of this act."

Page 14, line 11, after "SEC. 19." strike out all of this paragraph down to and including line 16.

Page 14, line 17, strike out "(a)"; strike out "the doctrine" and insert in lieu "equitable principles"; insert a comma after "laches" and add "estoppel."

Page 14, line 18, strike out "shall" and insert in lieu "may."

Page 14, line 20, strike out "cases" and insert in lieu "proceedings."

Page 14, line 21, strike out the comma after "determined" and insert in lieu a period; strike out the remainder of the sentence.

Page 14, line 23, strike out "Appeal" and insert "An appeal."

Page 14, line 24, strike out "the" first occurrence, and insert in lieu "any"; after "examiner" insert "in charge."

Page 15, line 1, after "interferences" and before the period insert "or of the registration of marks upon the payment of the prescribed fees"; strike out all of the sentence beginning with the word "Appeals" and ending on line 3.

Page 15, line 4, strike out "If an" and insert in lieu "Any."

Page 15, line 5, strike out "or a" at the beginning of the line; after "interference" insert "proceeding,"; strike out "as to a mark, or"; after "party" strike out "who has filed opposition to the registration of a mark," and insert in lieu "to an opposition proceeding,".

Page 15, line 6, strike out "or a."

Page 15, line 7, strike out "on."

Page 15, line 8, strike out "an application for the cancelation of the registration of a mark," and insert in lieu "a cancelation proceeding, or any registrant who has filed an affidavit as provided in section 8, who."

Page 15, line 10, strike out "of Patents, he."

Page 15, line 11, after "Patent Appeals" strike out the remainder of the section and insert in lieu "or may proceed under section 4915, Revised Statutes, as in the case of applicants for patents, under the same conditions, rules, and procedure as are prescribed in the case of patent appeals or proceedings so far as they are applicable: *Provided*, That any party who is satisfied with the decision of the Commissioner shall, upon the filing of an appeal to the Court of Customs and Patent Appeals by any dissatisfied party, have the right to elect to have all further proceedings under Revised Statutes, 4915, by election as provided in Revised Statutes, 4911."

Page 15, line 22, strike out "under" and insert in lieu "on the principal register provided by"; strike out "and" and insert in lieu "or under."

Page 15, line 23, strike out "Acts" and insert in lieu "Act"; after "1881" strike out the comma and insert "or the Act of"; strike out "and March 19, 1920, is."

Page 15, line 24, before "notice" insert "shall be constructive".

Page 16, line 10, after "marks", insert "capable of distinguishing applicant's goods or services and."

Page 16, line 13, strike out "bona fide" and insert in lieu "lawful"; strike out "for not less than one year."

Page 16, line 15, strike out "of such proprietor," and insert in lieu "or services for the year preceding the filing of the application."

Page 16, line 16, strike out "filing" and insert in lieu "prescribed."

Page 16, line 17, strike out "to the Commissioner of Patents"; strike out "such formalities as the said Commissioner may require:" and insert in lieu "the provisions of section 1 so far as they are applicable."

Page 16, line 18, strike out "*Provided*,"; strike out lines 19 to 25 inclusive and lines 1 to 6 inclusive on page 17; insert in lieu thereof the following paragraph:

"Upon the filing of an application for registration on the supplemental register and payment of the fee herein provided the Commissioner shall refer the application to the examiner in charge of the registration of marks, who shall cause an examination to be made and if on such examination it shall appear that the applicant is entitled to registration, the registration shall be granted. If the applicant is found not entitled to registration the provisions of subsection (b) of section 12 of this act shall apply."

Page 17, line 7, strike out "this register" and insert in lieu "registration on the supplemental register"; strike out "include a" and insert in lieu "consist of any."

Page 17, line 9, strike out "or"; insert after "phrase," "surname, geographical name, numeral, or device or any combination of any of the foregoing,".

Page 17, line 10, after "goods" and before the period, insert "or services."

Page 17, strike out lines 11 to 15 inclusive and line 16 down to and including the word "That"; strike out "upon" and insert in lieu "Upon."

Page 17, line 18, strike out "bona fide" and insert in lieu "lawful."

Page 17, strike out all of lines 22 to 25, inclusive.

Page 18, line 4, after "registration" and before the period, insert "in the Official Gazette of the Patent Office"; strike out "shall deem himself injured by the inclusion" and insert in lieu "believes that he is or will be damaged by a registration."

Page 18, line 6, after "Commissioner", strike out "of Patents."

Page 18, line 9, after "interference", strike out "who is empowered to hear and determine this question, and."

Page 18, line 11, strike out "appear" and insert in lieu "is found."

Page 18, line 12, strike out "date" and insert in lieu "time."

Page 18, line 14, after "abandoned", strike out the remainder of the sentence down to "registration." on line 16 and insert in lieu "the registration shall be canceled by the Commissioner."

Page 18, line 16, strike out the sentence beginning with the word "Appeal" down to "appealable." on line 19.

Page 18, line 20, strike out "duration and renewal."

Page 18, line 21, after "Sec. 25.", strike out all of this section down to and including line 9 on page 19 and insert in lieu "The certificates of registration for marks registered on the supplemental register shall be conspicuously different from certificates issued for marks registered on the principal register."

Page 19, line 11, after "provisions of", strike out the remainder of the line and lines 12, 13, and 14; insert in lieu thereof "this act shall govern so far as applicable applications for registration and registrations on the supplemental register as well as those on the principal register, but applications for and registrations on the supplemental register shall not be subject to or receive the advantages of sections 2 (e), 2 (f), 7 (b), 12 (a), 13 to 18, inclusive, 22, 33, and 42 of this act."

Page 19, line 15, after "Registration", insert "of a mark."

Page 19, line 16, strike out "or expiration under section 25 hereof."

Page 19, line 17, after "by", insert "the."

Page 19, strike out all of lines 22 to 25, inclusive.

Page 20, line 2, after "SEC. 29", strike out the remainder of line 2, all of lines 3 to 7, inclusive, and line 8 down to and including "(T.M.R.)"; insert in lieu thereof "Notwithstanding the provisions of section 22 hereof, a registrant of a mark registered under the act of March 3, 1881, or the act of February 20, 1905, or on the principal register established by this act, shall give notice that his mark is registered by displaying with the mark as used the word 'Registered in U. S. Patent Office' or 'Reg. U. S. Pat. Off.' or the letter R enclosed within a circle, thus (R)."

Page 20, line 9, after "by", insert "such"; strike out the comma after "mark" and insert "goods bearing the registered mark, or by a registrant under the act of March 19, 1920, or by the registrant of a mark on the supplemental register provided by this act."

Page 20, line 10, after "recovered", insert "under the provisions of this Act."

Page 20, line 11, after "notice" and before the colon insert "of the registration."

Page 20, line 12, after "respect to", insert "a registered mark used in connection with"; after "goods", insert "or services."

Page 20, line 13, after "the", strike out the remainder of the line, strike out lines 14, 15, and 16; insert in lieu thereof "mark as used is accompanied by the notice of registration used in the country of origin of the goods or services to denote registration there."

Page 20, line 18, strike out "may" and insert in lieu "shall."

Page 20, line 19, strike out "merchandise, services, and so forth," and insert in lieu "goods and services."

Page 20, line 22, after "goods", insert "or services."

Page 20, line 23, after "upon", insert "or in connection with"; strike out "has" and insert in lieu "is"; strike out "used" and insert in lieu "using."

Page 21, line 4, strike out "Fees payable to the Patent Office under this act shall be as follows:" and insert in lieu "The following fees shall be paid to the Patent Office under this act:"; then begin a new paragraph.

Page 21, line 6, after "mark", insert "in each class."

Page 21, line 8, after "renewal" and before the comma, insert "in each class"; after "renewal" second occurrence insert "in each class."

Page 21, line 9, after "$5;", insert "on filing notice of claim of benefits of this act for a mark to be published under section 12 (c) hereof, $5."

Page 21, line 11, strike out "the" and insert in lieu "an"; after "charge", insert "of the registration"; after "of" strike out "trade-."

Page 21, line 12, strike out "the" and insert in lieu "an."

Page 21, line 15, after "mark" and before the comma insert "or correction of a registrant's mistake."

Page 21, line 16, after "filing", insert "in each class."

Page 21, line 18, after "application", insert "in each class."

Page 22, line 3, strike out the comma after "additional."

Page 22, line 4, after "disclaimer", insert a comma and add "amendment, surrender, or cancelation."

Page 22, lines 15 and 17, strike out the comma each occurrence after the word "additional."

Page 22, line 18, strike out "copy" and insert in lieu "page."

Page 22, line 19, strike out the comma after "additional."

Page 22, line 21, after "assignment", strike out "power of attorney.".

Page 22, line 24, strike out "is authorized to" and insert in lieu "shall."

Page 23, line 2, after "SEC. 32.", insert "(1)"; after "commerce," insert "(a) use,".

Page 23, line 3, after "registrant", strike out the remainder of the line, all of lines 4, 5, and 6, and line 7 down to and including the word "thereof"; insert in lieu "any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use."

Page 23, line 8, strike out the comma after "purchasers" and the remainder of the line; strike out all of lines 9 to 17, inclusive, and insert in lieu "as to the source or origin of such goods or services; or (b) reproduce, counterfeit, copy, or colorably imitate any such mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale in commerce of such goods or services, shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided, except that under subsection (b) hereof the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such mark is intended to be used to cause confusion or mistake or to deceive purchasers.

"(2) Notwithstanding any other provision of this act, the remedies given to the owner of the right infringed shall be limited as follows: (a) where an infringer is engaged solely in the business of printing the mark for others and establishes that he was an innocent infringer the owner of the right infringed shall be entitled as against such infringer only to an injunction against future printing. (b) Where the infringement complained of is contained in or is part of paid advertising matter in a newspaper, magazine, or other similar periodical the remedies of the owner of the right infringed as against the publisher or distributor of such newspaper, magazine, or other similar periodical shall be confined to an injunction against the future public presentation of such advertising matter: *Provided*, That these limitations shall apply only to innocent infringers. (c) Injunction relief shall not be available to the owner of the right infringed in respect of an issue of a newspaper, magazine, or other similar periodical containing infringing matter after the commencement or preparation of the engraving or composition work for the issue containing such infringing matter.

"(3) If goods bearing a registered mark have been put on the market by or with the authority of the registrant of a registered mark or in any package or other container bearing said mark and a notice that the goods may be resold only unaltered or in the original package or container and said goods or any part thereof have, without the authority of the registrant, been transferred to another package or container or been in any way altered, any person who shall, in commerce, make any use of or reference to said registered mark upon or in connection with the sale or advertising of such transferred or altered goods shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided."

Page 23, strike out all of lines 18 to 25, inclusive.

Page 24, strike out the entire page.

Page 25, strike out all of lines 1 to 6, inclusive; insert the following new section 33:

"SEC. 33. (a) Any certificate of registration issued under the act of March 3, 1881, or the act of February 20, 1905, or of a mark registered on the principal register provided by this act and owned by the plaintiff shall be admissible in evidence and shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods or services specified in the certificate subject to any conditions or limitations stated therein, but shall not preclude the defendant from proving any legal or equitable defense which would have been available to him if the plaintiff's mark had not been registered.

"(b) If the right to use the registered mark has become incontestable under section 15 hereof, the certificate shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate subject to any conditions or limitations stated therein except when one of the following defenses is established:

"(1) That the registration or the incontestable right to use the mark was obtained fraudulently; or

"(2) That the mark has been abandoned by the registrant; or

"(3) That the registered mark has been assigned and is being used, by or with the permission of the assignee, so as to misrepresent the source of the goods or services in connection with which the mark is used; or

"(4) That the use by the defendant of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the defendant's individual name in his own business, or of the individual name of anyone in privity with the defendant, or of a term or device which is descriptive of and used fairly and in good faith only to describe to users the goods or services of the defendant or their geographic origin; or

"(5) That the mark whose use by the defendant is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by the defendant or those in privity with him from a date prior to the publication of the registered mark under subsection (a) or (c) of section 12 of this act: *Provided, however*, That this defense shall apply only for the area in which such continuous prior use is proved."

Page 25, line 7, strike out "33" and insert in lieu "34."

Page 25, line 12, strike out "under this act" and insert in lieu "in the Patent Office." Then insert the following: "Any such injunction may include a provision directing the defendant to file with the court and serve on the plaintiff within 30 days after the service on the defendant of such injunction, or such extended period as the court may direct, a report in writing under oath setting forth in detail the manner and form in which the defendant has complied with the injunction."

Page 25, line 14, strike out "or by a judge thereof."

Page 25, line 19, after "other" insert "United States"; strike out the comma after "court."

Page 25, strike out lines 20, 21 and "a judge thereof" on line 22; insert in lieu thereof "in whose jurisdiction the defendant may be found"; then begin a new paragraph.

Page 25, line 22, strike out ", or judges thereof."

Page 26, line 5, strike out "And it" and insert in lieu "It"; begin a new paragraph.

Page 26, line 9, strike out "of Patents."

Page 26, line 15, strike out "cross-bill."

Page 26, line 16, strike out "of Patents."

Page 26, line 17, insert a comma after "rendered" and add "appeal taken."

Page 26, line 18, strike out "of Patents."

Page 26, line 19, strike out "of Patents."

Page 26, line 23, after "said file" strike out "or file"; after "required" strike out "to be" and insert in lieu "and."

Page 26, line 24, strike out "of Patents."

Page 27, line 1, strike out "therewith" and insert in lieu "herewith."

Page 27, line 3, strike out "34" and insert in lieu "35."

Page 27, line 7, after "(3)" strike out "in the discretion of the court."

Page 27, line 11, insert a comma after "sales."

Page 27, line 13, after "may" strike out ", according to the circumstances of the case."

Page 27, line 14, after "judgment" insert a comma and add "according to the circumstances of the case."

Page 27, line 15, strike out the comma after "damages."

Page 27, line 16, change the comma after "amount" to a period and strike out "such sum to constitute compensation and not a penalty."; add the following sentences: "If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and not a penalty."

Page 27, line 18, strike out "35" and insert in lieu "36."

Page 27, line 21, strike out "or" and insert in lieu "and."

Page 28, line 1, strike out "or" and insert in lieu "and."

Page 28, line 3, strike out "36" and insert in lieu "37"; after "action" insert "involving a registered mark."

Page 28, line 6, after "register" and before the period insert "with respect to the registrations of any party to the action."

Page 28, line 10, strike out "37" and insert in lieu "38"; after "registration" insert "in the Patent Office."

Page 28, line 11, strike out "in the office of the Commissioner of Patents."

Page 28, line 16, strike out "38" and insert in lieu "39."

Page 28, line 17, strike out "and the District Court of the United States for the District of Columbia."

Page 28, line 18, strike out "and."

Page 28, line 20, strike out "for" and insert in lieu "of."

Page 28, line 21, strike out "civil."

Page 28, line 22, after "Act" strike out "respecting trade-marks registered in accordance with the provisions of this Act."

Page 29, line 1, strike out "39" and insert in lieu "40."

Page 29, line 5, strike out "40" and insert in lieu "41"; strike out "of Patents is authorized to" and insert in lieu "shall."

Page 29, strike out all of lines 8 to 19 inclusive.

Page 29, line 23, strike out "merchandise" and insert in lieu "goods"; strike out "its" and insert in lieu "their."

Page 29, line 24, after "any" strike out "registered mark or"; strike out line 25, lines 1 and 2 of page 30 down to and including "act,"; insert in lieu thereof "mark registered under the act of March 3, 1881, or the act of February 20, 1905, or on the principal register provided by this act, or any infringement of a mark so registered."

Page 30, line 9, after "such", strike out "merchandise shall be amenable" and insert in lieu "goods shall be subject."

Page 30, line 12, strike out "merchandise" and insert in lieu "goods."

Page 30, line 13, strike out "merchandise" and insert in lieu "goods."

Page 30, line 17, strike out "or owner"; after "of the" strike out "trade-"; after "shall" strike out "record the trade-mark" and insert in lieu "deposit."

Page 30, line 18, after "Treasury" and before the comma insert "a facsimile of the registration certificate."

Page 30, line 20, strike out "merchandise" and insert in lieu "goods"; strike out "its" and insert in lieu "their."

Page 30, line 21, after "bear the", insert "trade or commercial."

Page 30, line 22, strike out "manufacture or."

Page 31, line 7, after "person", strike out "selling, offering for sale, or dealing in such merchandise."

Page 31, line 8, after "from" strike out "dealing therein" and insert in lieu "selling, offering for sale, dealing in, or advertising such goods."

Page 31, line 9, strike out "merchandise" and insert in lieu "goods."

Page 31, line 10, strike out "merchandise" and insert in lieu "goods."

Page 31, line 14, after "shall", strike out "record his trade or commercial name" and insert in lieu "deposit."

Page 31, line 15, after "Treasury" and before the comma insert "a facsimile of his trade or commercial name."

Page 31, line 16, strike out "may" and insert in lieu "shall."

Page 31, line 18, strike out "merchandise" and insert in lieu "goods."

Page 31, line 19, strike out "paragraphs" and insert in lieu "paragraph."

Page 31, line 22, strike out "merchandise is" and insert in lieu "goods are."

Page 31, line 25, strike out "such."

Page 32, line 1, before "has been filed," insert "of a representative."

Page 32, line 4, strike out "merchandise" and insert in lieu "goods."

Page 32, line 5, strike out "names or marks which it bears" and insert in lieu "trade or commercial name or mark which they bear."

Page 32, line 8, strike out "merchandise is" and insert in lieu "goods are."

Page 32, line 9, strike out "merchandise" and insert in lieu "goods."

Page 32, line 15, strike out "designation" and insert in lieu "designations."

Page 32, line 18, strike out "article or articles of merchandise" and insert in lieu "goods or services."

Page 32, line 19, strike out "of the same" and insert in lieu "for goods."

Page 32, line 22, strike out "merchandise" and insert in lieu "goods or services."

Page 32, strike out all of lines 24 and 25, and "to be transported," on line 1 of page 33; insert in lieu thereof "with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used."

Page 33, line 1, strike out "at the suit of" and insert in lieu "by."

Page 33, line 4, strike out the remainder of the sentence beginning with the words "or of any association" and insert in lieu "or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation."

Page 33, line 8, strike out "article" and insert in lieu "goods."

Page 33, line 11, strike out "merchandise" and insert in lieu "goods."

Page 33, line 12, strike out "in" and insert in lieu "at."

Page 33, line 15, strike out "merchandise" and insert in lieu "goods."

Page 33, line 21, strike out "commercial and trade names" and insert in lieu "trade and commercial names."

Page 34, line 2, after "mark or", insert "trade or commercial"; after "name" second occurrence insert a comma; strike out "and residence" and insert in lieu "citizenship, and address."

Page 34, line 4, strike out "date" and insert in lieu "dates."

Page 34, line 5, after "was filed", insert "and granted."

Page 34, line 6, after "goods", insert "or services."

Page 34, line 11, after "Persons", insert "who are"; strike out "or" first occurrence; strike out "having" and insert in lieu "have."

Page 34, line 13, after "any", insert "foreign"; after "is", insert "a"; after "to", insert "(1)."

Page 34, line 14, strike out "concluded" and insert in lieu "signed."

Page 34, line 15, change the comma after "1883" to a semicolon; after "or", insert "(2)"; strike out "to any subsequent revision", strike out lines 16, 17, 18, 19, and line 20 to and including "1931"; insert in lieu thereof "the General Inter-American Convention for Trade-mark and Commercial Protection signed at Washington on February 20, 1929; or (3) any other convention or treaty relating to trade-marks, trade or commercial names, or the repression of unfair competition to which the United States is a party."

Page 34, line 21, after "act", insert "to the extent and under the conditions essential to give effect to any such conventions and treaties so long as the United States shall continue to be a party thereto."

Page 35, line 1, strike out "except."

Page 35, line 2, strike out "no such" and insert in lieu "the same."

Page 35, line 3, strike out "or" and insert in lieu "unless."

Page 35, line 10, strike out "section 1 or 23" and insert in lieu "sections 1, 2, 3, 4, or 23."

Page 35, strike out line 24.

Page 36, strike out lines 1 and 2.

Page 36, line 3, strike out "(4)" and insert in lieu "(3)."

Page 36, line 4, strike out "day" and insert in lieu "date"; after "of the" insert "filing of the."

Page 36, line 5, strike out "the" and insert in lieu "a."

Page 36, line 6, strike out "the" and insert in lieu "an"; strike out "under this paragraph; and" and insert in lieu "filed under this subsection (d);."

Page 36, line 7, strike out "(5)" and insert in lieu "(4)"; strike out "paragraph" and insert in lieu "subsection (d)."

Page 36, line 15, after "application" insert "therefor."

Page 36, line 16, after "copy of the", insert "application for or."

Page 36, line 21, after "duration", insert a comma.

Page 36, line 24, after "Trade names", insert "or commercial names."

Page 37, line 1, strike out "used in commerce"; strike out "in accordance with the provisions of this act" and insert in lieu "without the obligation of filing or registration whether or not they form parts of marks."

Page 37, line 6, strike out "business"; strike out "and in repressing acts of unfair competition,"; then insert "and."

Page 37, line 9, after "appropriate" and before the period insert "in repressing acts of unfair competition."

Page 37, after line 19, insert the following paragraph:

"The term 'principal register' refers to the register provided for by sections 1 to 22 hereof, and the term 'supplemental register' refers to the register provided for by sections 23 to 28 hereof."

Page 37, line 24, after "corporation", insert "union."

Page 38, line 1, strike out "similar" and insert in lieu "other."

Page 38, line 6, after "any", strike out the remainder of the paragraph down to and including "registrant." on line 12; insert in lieu thereof "person who is controlled by the registrant or applicant for registration in respect to the nature and quality of the goods or services in connection with which the mark is used."

Page 38, strike out lines 13 to 24, inclusive, and insert in lieu:

"The terms 'trade name' and 'commercial name' include individual names and surnames, firm names and trade names used by manufacturers, industrialists, merchants, agriculturists, and others to identify their businesses, vocations, or occupations; the names or titles lawfully adopted and used by persons, firms, associations, corporations, companies, unions, and any manufacturing industrial, commercial, agricultural, or other organizations engaged in trade or commerce and capable of suing and being sued in a court of law.

"The term 'trade-mark' includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.

"The term 'trade-mark' means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others and includes without limitation the marks, names, symbols, titles, designations, slogans, character names, and distinctive features of radio or other advertising used in commerce.

"The term 'collective mark' or 'certification mark' means a mark used to distinguish the products or services of two or more persons to certify or indicate regional or other origin, material, mode of manufacture, quality, accuracy or other characteristics of such goods or services or to indicate a membership in an association or other organization or that the work or labor on the goods or services was performed by members of a union or other organization.

"The term 'mark' includes any trade-mark, service mark, collective mark, or certification mark entitled to registration under this act whether registered or not."

Page 39, line 2, after "be", strike out the remainder of the line, and all of lines 3, 4, and 5; insert in lieu thereof "used in commerce (a) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto and the goods are sold or transported in commerce and (b) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce."

Page 39, line 9, after "two", insert "consecutive."

Page 39, line 11, after "When any", insert "course of"; after "registrant", insert a comma and "including acts of omission as well as commission."

Page 39, line 14, strike out "mark registered under this act" and insert in lieu "registered mark."

Page 39, after line 15, insert the following paragraphs:

"The term 'registered mark' means a mark registered in the United States Patent Office under this act or under the act of March 3, 1881, or the act of February 20, 1905, or the act of March 19, 1920. The phrase 'marks registered in the Patent Office' means registered marks.

"The term 'act of March 3, 1881', 'act of February 20, 1905', or 'act of March 19, 1920', means the respective act as amended."

Page 39, line 16, after "is a", insert "spurious."

Page 39, line 24, insert a comma after "State" and add "or Territorial."

Page 40, line 5, insert a comma after "trade-marks" and add "trade names."

Page 40, line 9, after "SEC. 46.", insert "(a)"; strike out "sixty days" and insert in lieu "one year."

Page 40, line 13, after "repealed" and before the comma, insert "effective one year from the enactment hereof."

Page 40, line 14, strike out ", namely" and insert in lieu "acts insofar as they are inconsistent herewith."

Page 41, line 2, strike out "March 3, 1911 (36 Stat. 1167)."

Page 41, line 15, strike out "except" and insert in lieu "provided."

Page 41, strike out lines 17 and 18, and insert in lieu "granted or applied for under any of said acts prior to the effective date of this act, or rights or remedies thereunder except as provided in sections 8, 12, 14, 15, and 47 of this act."

Page 41, line 19, before "Registrations", insert "(b)"; after "under the", insert "act of March 3, 1881, or the."

Page 41, line 21, strike out "term" and insert in lieu "terms."

Page 41, line 22, after "registrations", insert "and the renewals thereof."

Page 41, line 23, strike out "benefit" and insert in lieu "benefits."

Page 41, line 24, strike out "relating to marks registered on the principal register established by this act." and insert in lieu "to the same extent and with the same force and effect as though registered on the principal register established by this act except as limited in sections 8, 12, 14, and 15 of this act."

Page 42, line 6, strike out "trade-."

Page 42, line 8, after "expire" strike out "in 20 years from the date of registration and may not be renewed unless renewal is required to support foreign registrations. In that event renewal may be effected under the provisions of section 9 of this act" and insert in lieu "6 months after the effective date of this act, or 20 years from the dates of their registrations, whichever date is later."

Page 42, line 12, strike out "benefit" and insert in lieu "benefits."

Page 42, line 14, strike out the period after "act", insert a comma, and add "and may not be renewed unless renewal is required to support foreign registrations. In that event renewal may be effected on the supplemental register under the provisions of section 9 of this act."

Page 42, after line 16, insert the following section 47:

"SEC. 47. (a) All applications for registration pending in the office of the Commissioner at the effective date of this act may be amended, if practicable, to bring them under the provisions of this act. The prosecution of such applications so amended and the grant of registrations thereon shall be proceeded with in accordance with the provisions of this act. If such amendments are not made, the prosecution of said applications shall be proceeded with and registrations thereon granted in accordance with the acts under which said applications were filed, and said acts are hereby continued in force to this extent and for this purpose only, notwithstanding the foregoing general repeal thereof.

"(b) In any case in which an appeal is pending before the United States Court of Customs and Patent Appeals or any United States circuit court of appeals or the United States Court of Appeals for the District of Columbia or the United States Supreme Court at the effective date of this act, the court, if it be of the opinion that the provisions of this act are applicable to the subject matter of the appeal, may apply such provision or may remand the case to the Commissioner or to the district court for the taking of additional evidence or a new trial or for reconsideration of the decision on the record as made, as the appellate court may deem proper."

Page 42, line 17, strike out "47" and insert in lieu "48."

Page 42, after line 25, insert the following section 49:

"SEC. 49. Nothing herein shall adversely affect the rights or the enforcement of rights in marks acquired in good faith prior to the passage of this act."

Page 43, line 1, strike out "48" and insert in lieu "50."

Mr. LANHAM. Mr. Speaker, I submit the following additional committee amendments for the purpose of clarifying the bill and correcting certain typographical errors:

The Clerk read as follows:

Page 8, line 9, correct spelling of word "entitled."

Page 8, line 13, after "mark is used.", insert the following sentence: "The Commissioner may establish a separate register for such collective marks and certification marks."

Page 16, line 15, correct spelling of word "Acknowledgments."

Page 20, line 25, change the dash to a colon.

Page 23, line 23, strike out "an honest" and insert in lieu "a lawful."

Page 25, line 18, strike out "an honest" and insert in lieu "a lawful."

Page 35, lines 18, 20, and 22, let comma stand in each instance after the word "additional."

Page 35, line 21, insert a comma after the word "page."

Page 35, line 3, strike out "for each additional registration or application included, or involved in one writing where more than one is so included or involved, additional, 50 cents;"; insert this same language on page 36, line 2, changing the period after "$1" to a semicolon and replacing the semicolon after "50 cents" with a period.

Page 37, line 24, strike out the words "future public"; insert after the word "matter" at the end of the line and before the colon, "in future issues of such newspaper, magazine, or other similar periodical."

Page 38, line 11, after "unaltered", insert "or unrenovated."

Page 38, line 14, after "altered" and before the comma, insert "or renovated."

Page 38, line 17, after "altered", insert "or renovated."

Page 57, line 3, after "who", insert "controls or."

Page 58, strike out lines 13, 14, and 15 and rewrite them so as to read: "Each of the terms 'collective mark' or 'certification mark' means a mark used upon or in connection with the products or services of one or more persons other than the owner of the mark to certify or indicate regional or other origin."

Page 62, line 12, "(b)" should appear in italics as new matter rather than as old matter stricken.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. RICH. What do these amendments do and how will the amendments affect the present law?

Mr. LANHAM. I may say to the gentleman that the present laws with reference to trade-marks are scattered throughout forty-odd different places in the statutes. Some of them are rather obsolete or archaic. We have had hearings now for about 3 years trying to get them corrected. The House of Representatives in the last Congress passed a similar bill, but it did not receive action in the Senate. The Senate in this Congress has passed this similar bill and this pending measure is the Senate bill, with amendments that have been offered to it by reason of long committee hearings.

Mr. RICH. And it is similar to the one the House passed previously.

Mr. LANHAM. It is, but not identical.

Mr. McGREGOR. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman.

Mr. McGREGOR. Is this bill similar to the one we have had before our committee for consideration this year or is this a new bill?

Mr. LANHAM. Before the Committee on Patents?

Mr. McGREGOR. Yes.

Mr. LANHAM. Yes; it is.

Mr. McGREGOR. I wonder if the gentleman will explain the difference in the Senate amendments and the ones we had before us.

Mr. LANHAM. The bill, as passed by the Senate, is the identical bill we had introduced in the House. After the hearings, certain amendments were placed in the bill, and it is now reported from the Committee on Patents with those amendments.

The amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended.

GRANTING DOMICILIARY CARE AND MEDICAL AND HOSPITAL TREATMENT TO VETERANS OF WORLD WAR NO. 2 ON A PARITY WITH VETERANS OF OTHER WARS

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7311) to amend section 6 of Public Law No. 2, Seventy-third Congress, March 20, 1933, as amended.

The Clerk read the title of the bill.

Mr. RICH. Mr. Speaker, reserving the right to object, I want to know what this bill is for.

Mr. RANKIN of Mississippi. I will be glad to tell the gentleman from Pennsylvania what the bill is for. I will say in the beginning that this bill was unanimously reported by the Committee on World War Veterans' Legislation, and I have consulted the ranking minority member, the gentlewoman from Massachusetts [Mrs. ROGERS], who is now present. This bill provides for giving the veterans of this war the same hospital benefits that we give veterans of the World War and all other wars. Under the present situation many of these young men who are taken into the service ultimately break down. Instead of giving them a discharge showing that their disabilities are service-connected, they invariably attribute these disabilities to conditions that prevailed prior to the time they entered the service, and even though some of them had been in the service for 6 months or a year, or more, they throw them out without any place to go. They are filling our local hospitals, our insane hospitals, and our jails. This bill is to provide that they shall be taken care of in veterans' hospitals just the same as though they had been in the first World War.

Mr. RICH. Does the Veterans' Administration approve of this?

Mr. RANKIN of Mississippi. The Veterans' Administration did not approve of it, but said this in its final answer:

Should Congress, however, see fit to do so—

That is, to pass this bill—

additional requirements will be given full consideration in the constructive program for additional facilities.

We have gone over this measure very carefully, and while it was not directly recommended by the Veterans' Administration, we are getting protests from every State in the Union concerning cases of these boys who have been thrown out, disabled, who were evidently physically able when they went into the service, and who now have nowhere to go, except to jail or to some State or local institution.

Mr. RICH. But the Veterans' Administration claimed that the physical disqualifications were because of something that happened before they entered into the service.

Mr. RANKIN of Mississippi. The Veterans' Administration seems to think that they should be taken care of in the Army and Navy hospitals. They are not taken care of in Army and Navy hospitals, but are thrown out onto the world.

Mr. RICH. And the gentleman is seeking to force them into the veterans' hospitals where they have no room now to take care of veterans, under the legislation that the gentleman has asked for the past 5, 6, or 10 years. That is to take care of veterans who have gone through the service in the war of 1918–19, and you ought to take care of them, because legislation was passed for that particular purpose. I do not think the gentleman ought to come here and ask for this legislation for these men to get into these veterans' hospitals that we erected to take care of those veterans who received their injuries in the last World War.

Mr. RANKIN of Mississippi. Let me ask the gentleman from Pennsylvania what he would do with them.

Mr. RICH. We will have to do the best we can.

Mr. RANKIN of Mississippi. What is that?

Mr. RICH. I would not pass this legislation now, but we will do something to take care of them.

Mr. RANKIN of Mississippi. But these boys are dying in the jails, the very boys you helped to draft to fight this war. They are dying in the jails, because some medical officer has attributed their disability to a condition which he contends existed prior to their entrance into the service.

Mr. RICH. Does the gentleman not have any consideration for what the Army Medical Corps say about these cases?

Mr. RANKIN of Mississippi. That does not relieve the situation, and does not remove the fact that these boys are disabled and that they are dying in the jails of this country, and in the poorhouses, and are passing into the State insane institutions, and I say that they are entitled to the very care that this bill provides.

Mr. RICH. And I say to the gentleman from Mississippi that we want to take care of all the boys that are wounded or disabled because of war services, but I do not believe this legislation should be passed in this manner. I think it ought to be given more consideration, and I shall have to object to it.

The SPEAKER. Objection is heard.

Mr. RANKIN of Mississippi. I shall wait until I have an opportunity to move to suspend the rules, so that the gentleman cannot block it the next time.

The SPEAKER. That would be a matter in the discretion of the Chair.

PAYMENT TO CERTAIN INCOMPETENT BENEFICIARIES

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 7408) to amend the act of October 9, 1940, entitled "An act to restrict or regulate the delivery of checks drawn against funds of the United States, or any agency or instrumentality thereof, to addresses outside the United States, its Territories, and possessions, and for other purposes," which I send to the desk.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MICHENER. Mr. Speaker, I reserve the right to object. Of course, many of us did not know there was any idea of bringing up these bills at this time.

Mr. RANKIN of Mississippi. The ranking minority member of the committee knew it.

Mr. MICHENER. That may be true, but there are other Members of the House besides the ranking minority member of the committee.

Mr. RANKIN of Mississippi. I did not know that the gentleman from Michigan was particularly interested in it.

Mr. MICHENER. The gentleman from Michigan is particularly interested in any legislation, especially if it is controversial, that comes before the House.

Mr. RANKIN of Mississippi. I will have to call the roll next time on the gentleman's side of the House.

Mr. MICHENER. Mr. Speaker, further reserving the right to object, I do not want to be put in a position of objecting to meritorious bills.

Mr. RANKIN of Mississippi. But the gentleman from Michigan——

Mr. MICHENER. Just one moment. I have the floor.

Mr. RANKIN of Mississippi. The gentleman has not. I yielded to the gentleman.

Mr. MICHENER. But I reserved the right to object. Mr. Speaker, have I the floor or not?

The SPEAKER. The gentleman has the floor under a reservation of objection.

Mr. MICHENER. I simply want to state that no one in this House wants to object to meritorious bills if they are important and are emergency legislation, but some of us do feel that it is incumbent upon Members of Congress to object to bills when there is no opportunity to consider them. I do not know anything about this bill. Therefore, even though there may be someone in the House who has told the gentleman he favors this bill, I think I shall have to object for the time being.

The SPEAKER. Objection is heard.

Permit the Chair to make a statement. When Members come to the Chair and say they would like unanimous consent to call up a bill, the Chair has stated several times in the presence of Members that the better way to do it would be to consult with the ranking minority member and also the majority and minority leaders. I think that would expedite the matter.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I wish to say to the House that as far as any unanimous-consent requests are concerned, I naturally advise Members on this side seeking to bring up bills that they should consult with their minority Members and also with the leadership on the minority side. I say this not for the purpose of having it relate to anything that has happened, but so that the House will know as a policy, that as majority leader I have always followed, and always will follow, such procedure, and in that the Speaker concurs. The minority leadership also knows that that has been the policy and will be the policy.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. RANKIN of Mississippi. Let me say to the gentleman from Massachusetts that I notified the House a day or two ago that these bills were on the Consent Calendar and that I proposed to take them up as soon as possible. I said that in my opinion they were necessary and that they were unanimously reported by the committee. The gentleman from Massachusetts [Mr. McCORMACK] suggested in the presence of the membership of the House that I take this course. I consulted with the ranking minority member on the committee, who knows all about this legislation and who is favorable to it. So I simply followed the suggestion of the gentleman from Massachusetts and called these bills up under unanimous consent, and they were objected to on the other side.

Mr. McCORMACK. My remarks were made without relationship to what happened here today. I stated what the policy was, and no Member can tell me that I did not tell them that under a unanimous-consent request they would not have to consult the minority leadership in addition to the ranking minority members on the committee.

[Here the gavel fell.]

REMOVAL OF LIMITATIONS ON COST OF CONSTRUCTION OF ARMY AND NAVY LIVING QUARTERS

Mr. THOMASON. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 129, to remove certain limitations on the cost of construction of Army and Navy living quarters.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. RICH. Mr. Speaker, reserving the right to object, I objected to this resolution the other day and I would like to get some information about it. Will the gentleman explain the bill?

Mr. THOMASON. I will say for the information of the gentleman from Pennsylvania that this bill comes at the request of the War Department and particularly the Corps of Army Engineers, to correct a situation that they regard as an emergency.

The present law places a limitation of $7,500 upon these quarters for commissioned officers and warrant officers. When these contracts and vouchers went to the Comptroller General he turned them down because there was not sufficient authorization for electricity, gas, water, sewage disposal, roads, walks, grading, and drainage, which, of course, are necessary if the Army is to occupy the houses. This bill seeks to remove that limitation in order that the ordinary utilities and facilities may be brought to the buildings and placed in the houses.

Mr. RICH. What limitation are you going to have?

Mr. THOMASON. There is already a limitation of $7,500 on the house. Of course, it is to be assumed that the cost of these necessary utilities will be reasonable and along the ordinary lines of cost for such accommodations.

Mr. RICH. But what do you mean by "reasonable"? Have you any set figure for them?

Mr. THOMASON. No; because that would differ in various places and under different conditions. Certainly the Corps of Army Engineers is not going to put in facilities or utilities at more than the normal or necessary cost.

Mr. RICH. Well, I do not quite agree with the gentleman on that, because I think we are doing a lot of things right now in the Army and Navy that are exorbitant as far as cost to the Federal Government is concerned. If it is proposed to erect a building for an Army officer for $7,500 and you could build a number of them, we will say, in a particular locality, certainly there should be some reservation or restriction on the amount they are permitted to spend on those houses, so that they will not be allowed to spend a great deal of money and the cost become exorbitant.

Mr. THOMASON. I agree with the gentleman on the broad principle that he announces, but at the same time the wording of the present law is such that it did not, under the ruling of the Comptroller General, include the necessary utilities. That is all this bill provides.

Mr. POWERS. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. POWERS. The Navy has this identical provision, has it not?

Mr. THOMASON. It has.

Mr. POWERS. And in ordinary construction utilities are figured to within 5 feet of the house; is that not true?

Mr. THOMASON. That is right.

Mr. POWERS. All the Army desires is to have the same privilege that the Navy has and the same privilege that a private citizen or private industry has?

Mr. THOMASON. Yes. I may say there are contracts let for houses, and if they cannot get the utilities, the house is of no value.

Mr. RICH. Are they going to build these houses under the cost-plus plan?

Mr. THOMASON. Permit me to say to the gentleman the Corps of Army Engineers is letting contracts now almost exclusively by competitive bidding, and they are doing a fine job at the lowest possible cost to the taxpayers.

Mr. RICH. If they do something like that and stop this matter of building at cost-plus where the more they pay the more profit they get but the more the taxpayer is charged, it would be all right. I do not believe in these cost-plus contracts.

Mr. THOMASON. I believe the gentleman knows I have been fighting cost-plus-fixed-fee contracts for years.

Mr. RICH. I really believe there ought to be a limitation of some kind on the cost of these facilities.

Mr. THOMASON. There is a limitation on the house, but you cannot figure an exact limitation on a sewer line to a $7,500 house.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. MICHENER. This bill was reported favorably and unanimously by the Committee on Military Affairs?

Mr. THOMASON. It was, and it passed the Senate unanimously.

Mr. MICHENER. It was understood that the bill would be brought up today. The majority leader himself notified the minority leader the gentleman from Massachusetts [Mr. MARTIN]. The Republican members of the committee were contacted. The usual notice was given. I see no objection to the bill.

Mr. THOMASON. I may say to the gentleman from Michigan that the report from the House Committee on Military Affairs was unanimous. In addition to that there is an emergency situation existing right now with regard to some Army housing, and prompt action is necessary.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. McCORMACK. And also I contacted the acting majority leader.

Mr. MICHENER. Yes.

Mr. MASON. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded. The regular order is, Is there objection to the present consideration of the resolution?

There was no objection.

The Clerk read the resolution (S. J. Res. 129), as follows:

Resolved, etc., That limitations heretofore or hereafter placed upon the cost of construction of quarters for commissioned officers, commissioned warrant or warrant officers, and enlisted men of the Army and Navy shall not be construed to prohibit or exclude additional expenditures for equipment and work outside of such quarters, including, but not limited to, providing for the furnishing of electricity, gas, water, sewage disposal, and for roads, walks, grading, and drainage.

The resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE CONN-LOUIS FIGHT

Mr. HOLLAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOLLAND. Mr. Speaker, I was very much surprised that on the floor of this House yesterday the gentleman from New York [Mr. O'TOOLE] would even question or criticize in any way the Conn-Louis fight, for I do not know of any two men who will do more for Army relief. For all the relief exhibitions—whether in boxing, football, or Army shows being held—none will equal what the Army relief will get from this fight.

If the gross receipts are $1,000,000, the Army relief will receive approximately $700,000. The only expense the United States Army will have in this fight is paying Billy Conn his private's salary and Joe Louis his sergeant's pay.

In addition to this, the Government of the United States will receive in taxes $100,000, or enough to build two bombers, while the State of New York will get $50,000 in taxes.

Certainly, you cannot call it favoritism when two fine Americans, both married and one having a youngster, enlisted of their own free will in the United States Army when under our Selective Service Act they both would be exempt. They have given up a possible million-dollar income for a soldier's pay.

The gentleman from New York must have forgotten that in the Buddy Baer fight and in the Simon fight Joe Louis did not take anything, but donated his whole purse to the Army and Navy relief funds, respectively.

I know Billy Conn personally, and I have the greatest regard for him. He is a very clean-cut, clean-living boy. He has never let popularity go to his head. He signifies the true type of the American boy.

One cannot say too much for Joe Louis. His life has been an example for any champion to follow. He is a credit to the game and a credit to his race.

To say, as the gentleman from New York did, that this is making a mockery out of the Army and a mockery out of charity to permit these two upstanding Americans to engage in a boxing bout that will benefit their buddies in service is certainly hitting below the belt.

DAYEE JONES

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein two short reports to the Committee on Invalid Pensions from Hon. Frank T. Hines, Administrator of Veterans' Affairs, relative to the bill (H. R. 4018) for the relief of Dayee Jones.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. LESINSKI addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by making some observations on postal pay.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FEDERAL ANTHRACITE COAL COMMISSION

Mr. FENTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. FENTON addressed the House. His remarks appear in the Appendix.]

Mr. FENTON. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein certain quotations.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a radio speech delivered by me on the subject The Relationship of Peacetime Governmental Activities to Winning the War.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial from the Washington Evening Star of Friday, September 18, 1942, regarding Dr. Percival Hall, President of Gallaudet College, who, during the past 50 years, has contributed so greatly to the success of that institution.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

(Mr. CASEY of Massachusetts asked and was given permission to extend his own remarks in the RECORD.)

MEDICAL AND HOSPITAL CARE OF VETERANS OF WORLD WAR NO. 2

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RICH. Mr. Speaker, I should like to call the attention of the gentleman from Mississippi [Mr. RANKIN] to what I am going to say. It certainly is not my intention to block any legislation called up by unanimous consent merely because it is called up in that fashion. My objections are based on what I believe to be the best interests of the country. The Committee on Veterans' Affairs brings in legislation and asks that veterans be taken care of in hospitals of the Veterans' Administration at a time when the Veterans' Administration say they have not the facilities to do so. This being the situation, why should we permit legislation of that kind to go through unless the Veterans' Administration has something to say as to the feasibility of it?

When the gentleman from Mississippi casts a slur at any of us because he thinks he ought to railroad this legislation through I think he has gone far afield. He is accusing us of doing something that is not right, not honorable, or not just so far as the veterans are concerned in objecting to this bill. I want the best hospital facilities provided for these veterans that can be provided, and I resent the accusation.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. MOTT. Mr. Speaker, I ask unanimous consent to include in my remarks of yesterday on the anti-inflation bill a letter and some printed statistics.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PADDOCK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include an article from yesterday's Washington Star by Frank R. Kent, and I also ask unanimous consent to extend my own remarks in the RECORD and to include a letter from a constituent.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. PADDOCK]?

There was no objection.

(Mr. KEFAUVER asked and was given permission to extend his own remarks in the RECORD and to include a resolution adopted by the Paris (Tenn.) Post, American Legion, entitled "The Platform of the American People.")

Mr. TOLAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and I also ask unanimous consent to further extend my own remarks in the RECORD and to include a letter from former Congressman John O'Connor.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. TOLAN]?

There was no objection.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky [Mr. MAY] may have leave to extend his own remarks in the RECORD and to include a statement relative to the military situation.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. SPARKMAN]?

There was no objection.

RELIEF FOR CERTAIN PERSONS IN THE MILITARY SERVICE

Mr. SPARKMAN submitted a conference report and statement on the bill (H. R. 7164) to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to extend the relief and benefits provided therein to certain persons, to include certain additional proceedings and transactions therein, to provide further relief for persons in military service, to change certain insurance provisions thereof, and for other purposes.

EXTENSION OF REMARKS

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include tables from the Bureau of Agricultural Economics of the Department of Agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Oregon [Mr. PIERCE]?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two subjects and to include certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Oregon [Mr. ANGELL]?

There was no objection.

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a short editorial entitled "Dr. Hall's Fifty Years."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. GRAHAM]?

There was no objection.

Mr. O'HARA. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial from the Minneapolis Sunday Tribune and Star-Journal.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. O'HARA]?

There was no objection.

FILING OF REPORT

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a report on the bill H. R. 7522.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There was no objection.

EXTENSION OF REMARKS

Mr. EDMISTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of service activities of the D. A. V.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. EDMISTON]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that on Tuesday next I may have 20 minutes to address the House after disposition of business on the Speaker's table and at the conclusion of any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. DICKSTEIN]?

There was no objection.

EXTENSION OF REMARKS

Mr. OSMERS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial from the New York Journal and American of September 21, 1942, entitled "Dies Committee Endorsed."

The SPEAKER. Is there objection to the request of the gentleman from New Jersey [Mr. OSMERS]?

There was no objection.

Mr. BENDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. BENDER]?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. COFFEE]?

There was no objection.

VETERANS' LEGISLATION

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. RANKIN of Mississippi. Mr. Speaker, in reply to the gentleman from Michigan [Mr. MICHENER], who objected to the consideration of a veterans' bill awhile ago recommended by the Veterans' Administration, and also in reply to the gentleman from Pennsylvania [Mr. RICH], I wish to say that on last Monday, as you will find on page 7226, I took the proposition of this hospital bill up in the presence of the majority and minority leaders. I said then that I wanted to call it up right away. The majority leader said he would have no objection. I consulted the ranking minority Member this morning before I attempted to call it up. I want the RECORD to show that we have done our best. The bill has been reported unanimously.

These boys who are being turned out of the services are dying in the jails, if not in the streets, and in the poorhouses of this country for want of this legislation. From now on I shall refer these cases to the Members who represent the districts from which they come.

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have a feeling that there was a misunderstanding about the bill to provide hospital care for the veterans of this war. This is not an ordinary war, it is the worst war that has ever been fought in history. We will have the most abnormal conditions we have ever experienced.

I call the attention of the Members of the House, although I do not think it is really necessary to do so, to the fact that there is a tremendous shortage of hospital beds in civilian hospitals all over the country. It is well known it is difficult to secure priorities for building civilian hospitals. There are towns that have not a single vacant hospital bed; there are towns that have not a doctor. There is a great shortage of nurses. Many communities do not have a nurse left.

It seems to me this is one of the most humanitarian measures we could ever pass. It is also a practical one; with the shortage of manpower every man made well and strong is an asset. The American Legion voted to take the veterans of this war into their organization and have voted to have the veterans of this war secure all the benefits they have, and that includes hospitalization, of course. The country as a whole wants the men who are drafted to fight for us to have adequate care. This is one of the most necessary measures that has come before the Congress, and I feel very sure that it will pass—I believe unanimously—when it comes up for action again.

[Here the gavel fell.]

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, in reference to the bill whose consideration was sought to be obtained this morning but to which objection was raised, may I state that today I received a letter from a mother back in my home town, a mother whose son was drafted and went into the armed services. This young man unfortunately had a mental crackup. He tried to kill himself and went so far as to slash his throat. He has been in the hospital at El Paso, Tex.

This is the tragic part about this story. The mother wrote me because she had gotten a request from the Federal Government, the Government that took him and put him into the armed services, asking her to make affidavit that she could take care of him so that they could get him away from El Paso, asking her to take him back into her home and sever his connection with the Federal Government, taking away from him such insurance as he may have had.

It is a serious thing in this country when the Federal Government is trying to wish the boys who were taken like that back on the people at home who are not able to take care of them.

I do not say this in criticism of any objections that may have been made but I do say that on serious issues, and this measure is one that is seriously needed now, we should not let little personal animosities or things of that sort enter into delaying legislation that is very greatly needed. Whether or not the correct procedure has been followed I do not know, but I do say that now at least we should be very cautious about getting excited and perhaps disturbed by the conduct of some other Member and should not by our own conduct delay something that certainly should be done and done now.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. PAGÁN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a newspaper article.

The SPEAKER. Is there objection to the request of the Resident Commissioner from Puerto Rico?

There was no objection.

QUESTION OF PERSONAL PRIVILEGE

Mr. DIES. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state his question of privilege.

Mr. DIES. Mr. Speaker, in a pamphlet published and widely distributed by the National Federation for Constitutional Liberties the following charges were made:

For 4 years DIES and his committee have, through a vigorous campaign of diversion and suppression, obscured the activities of the Nazi network, the fifth column in the United States.

Their tactics have been the tactics of Goebbels.

Their tactics have been the tactics of many of the seditionists, long sheltered by DIES and his committee, indicted last month.

DIES and his committee have shielded agents of the Axis.

DIES and his committee jeopardize national unity.

DIES and his committee delay the day of victory.

The American people must learn the truth.

The activities of DIES and his committee in relation to the 28 seditionists indicted last month and other Axis agents must be investigated by a Federal grand jury.

The National Federation for Constitutional Liberties is therefore making public the documents compiled from official publications and the press and submitted by it on August 6, 1942, to the Department of Justice in support of a demand for a grand jury investigation of MARTIN DIES.

GEORGE MARSHALL,
Chairman, National Federation for Constitutional Liberties.

The SPEAKER. The Chair thinks the gentleman has proceeded far enough.

Mr. DIES. I want to read one more excerpt:

Federal Bureau of Investigation exposes DIES' attack on 1,119 as fake.

Mr. Speaker, I submit that both of those articles entitle me to the floor.

The SPEAKER. The gentleman is recognized.

Mr. DIES. Mr. Speaker, the newspapers of the country carried a story on September 3, 1942, to the effect that the F. B. I. had exonerated 1,100 Federal employees accused by the Committee on Un-American Activities of being linked to the Red movement in this country. I will read some of the headlines that appeared in some of the newspapers of the country.

From the New York Times:

Federal Bureau of Investigation exonerates Federal workers accused by DIES. Biddle tells Congress inquiry it ordered has brought only 36 employee dismissals.

In the New York Herald Tribune:

Biddle clears United States workers of disloyalty.

I will not take the time of the House to read the headlines that appeared throughout the country. My purpose in reading this is to point out the fact that the general impression was given that our committee had accused 1,124 employees of being Communists, that the Federal Bureau of Investigation had investigated the facts and had found that only 2 of them were Communists, and had been dismissed.

Now, Mr. Speaker, what are the facts? The facts are that, under an amendment offered by the gentleman from Ohio [Mr. JONES], the House instructed and directed the Federal Bureau of Investigation in the following language:

> For personal services in the District of Columbia, $8,750,000, of which at least $100,000 shall be available exclusively to investigate the employees of every department, agency, and independent establishment of the Federal Government who are members of subversive organizations or advocate the overthrow of the Federal Government, and report its findings to Congress.

The language of this amendment is very clear. What the Congress was telling the Federal Bureau of Investigation was to investigate the employees of the Federal Government, determine who were members of subversive organizations, and report the facts to the Congress. As a matter of course, that mandate implied the necessity of determining what organizations are subversive. It was, therefore, incumbent upon the Department of Justice to report the facts to this Congress with regard to the number of Federal employees who belonged to subversive organizations, and the names of the subversive organizations.

I shall show you this afternoon that the Department of Justice has made no attempt to report these facts. I do not attack the Federal Bureau of Investigation because I believe it is one of the most efficient agencies of this Government. I do maintain, however, that the Attorney General, by his regulations and instructions in the beginning of the investigation, made it impossible for the Federal Bureau of Investigation to carry out the mandate of Congress.

Now, what did the Attorney General do? I have the report here of the Federal Bureau of Investigation. When the investigation was ordered by the Congress the Attorney General issued instructions to govern the F. B. I. in the conduct of the investigation. In the instructions he told the F. B. I. to forward all complaints to the heads of the employing agencies and those agencies that wanted the employees investigated could then request investigations from the F. B. I. The F. B. I. would then, and only then, be authorized to conduct the investigations, and having done so it could report the facts without any recommendation. For 3 months, according to the F. B. I. report, the F. B. I. submitted 1,597 complaints to the heads of the employing agencies and received approximately 193 requests for investigation. This is important in order to understand the attitude of the employing agencies. In the first place, they were the men who employed these people in the first instance. They were, apparently, not anxious to have an investigation. However, they should have been, because during a critical moment in our history it had been demonstrated that the Nazis had worked through fifth columns, and was it not a matter of the greatest interest to the heads of agencies when they received 1,597 complaints from the F. B. I. to immediately request an investigation of every complaint? But according to the F. B. I.'s report they did not receive more than 193 requests. They therefore lacked jurisdiction to proceed in accordance with the mandate of Congress. The Attorney General was then compelled to modify his order to require an investigation in the first instance by the F. B. I., but under the limitations that had been made on the investigations, the only thing the F. B. I. could do was to submit to the heads of the employing agencies, some of whom belong to these very same organizations, the information and data collected by F. B. I. agents, without any recommendation or opinion, and trust to the men who hired these people in the first instance to discharge them upon receipt of the information from the F. B. I.

Now, let us understand the attitude of some of these employing agencies. In 1938, when our committee exposed the American League for Peace and Democracy, which had approximately 565 Government employees as members of the organization, some of the heads of the employing agencies denounced the committee in the press of the country and went so far as to say that they were proud of their membership in the American League. They defied the committee. They said they intended to continue their activities to recruit members for this organization. This was publicly announced at the time by some of the heads of these employing agencies.

In 1938 our committee had exposed beyond any question that the American League for Peace and Democracy was dominated and controlled by Communists, and our committee had also proved, by their own records, that the American League had gone on record in favor of securing positions for its members in defense industries so that in the event of war they could sabotage our war efforts.

Mr. Speaker, all that the Department of Justice has attempted to do in this report is to create a false impression throughout the country—the impression that our committee made some charges that were unfounded. I shall show you by the confidential memoranda of the Attorney General what he should have reported to this House. I have a photostatic copy of the confidential memoranda which was distributed by the Attorney General to the heads of the respective departments, in which he branded 12 organizations as Communist-controlled organizations. I shall further make the statement that according to the F. B. I.'s own report, they did not investigate 1,124 submitted by us to them, that they actually investigated 601 and that they received replies from 501; and I here and now on my own responsibility make the positive assertion that if the subcommittee of the Committee on Appropriations which originated this amendment will subpena the records of the F. B. I., they will find that the overwhelming majority of the 601 Government employees were members of these organizations.

Mr. Speaker, permit me to read what the Attorney General, in the confidential memoranda, said about these organizations that we were ridiculed throughout the country in 1938, 1939, and 1940 for calling Communists. Remember that Secretary Perkins and some of the Cabinet officers were publicly ridiculing us in the press of this country for suggesting that such organizations as the American League Against War and Fascism, the American League for Peace and Democracy, the American Youth Congress, the League of American Writers, and many others were Communist. When we made that statement in our reports, we were bitterly assailed as being Red baiters. I am going to read excerpts from the Attorney General's memoranda and ask unanimous consent that the entire document may be included in this RECORD for the benefit of any Member who has any doubt about these organizations, their nature, and their purpose.

The matter referred to follows:

[Strictly confidential]

THE AMERICAN LEAGUE AGAINST WAR AND FASCISM—THE AMERICAN LEAGUE FOR PEACE AND DEMOCRACY

(NOTE.—The following statement does not purport to be a complete report on the organization named. It is intended only to acquaint you, without undue burden of detail, with the nature of the evidence which has appeared to warrant an investigation or charges of participation.

It is assumed that each employee's case will be decided on all the facts presented in the report of the Federal Bureau of Investigation and elicited, where a hearing is ordered, by the board or committee before which the employee is given an opportunity to appear.

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AMERICAN LEAGUE AGAINST WAR AND FASCISM

The American League Against War and Fascism is the first of three organizations established in the United States in an effort to create public sentiment on behalf of a foreign policy adapted to the interests of the Soviet Union. Its successor, the American League for Peace and Democracy, was established in 1937 and it, in turn, gave way in 1940 to the American Peace Mobilization which, since the German invasion of Russia and the establishment of a prowar policy by Communists in the United States, has been known as American People's Mobilization.

A world congress, devoted to the foundation in each country of a League Against War and Fascism, was held in Amsterdam in 1932, under the aegis of the Communist International. It was at this time that Communists throughout the world were teaching that capitalist forces were about to make war upon the Soviet Union. The danger that Hitler might soon come into power in Germany accentuated this belief. The American delegation to the Congress was headed by H. W. L. Dana, an avowed Communist, who called his group a workers' delegation. In accordance with the resolutions of the Congress, organizations having as their stated aim opposition to war and fascism were founded in the countries in which the Communist International maintained sections.

The American League Against War and Fascism was formally organized at the first United States Congress Against War and Fascism held in New York City, September 29 to October 1, 1933. The manifesto of this congress called attention to the "black cloud of imperialist war" hanging over the world, and pointed to the National Recovery Administration, the Civilian Conservation Corps, and the other policies of the Roosevelt administration as indications of America's preparedness for war and fascism. Only in the Soviet Union, the manifesto continued, has the basic cause of war—monopolistic

capitalism—been removed; the Soviet Union alone among the governments of the world proposes total disarmament; only by arousing and organizing the masses within each country for active struggle against the war policies of their own imperialist governments can war be effectively combated. The program of the first congress called for the end of the Roosevelt policies of imperialism and for the support of the peace policies of the Soviet Union, for opposition to all attempts to weaken the Soviet Union, and for effective international support to all workers and anti-war fighters against their own imperialist governments. Subsequent congresses, in 1934 and 1936, reflected the same program.

The close affiliation of the American League Against War and Fascism with the Communist movement in the United States is manifest both in its program and in the statements about it by Communist leaders. Earl Browder, general secretary and leader of the Communist Party, United States of America, called the league a transmission belt of the Communist Party. He defined a transmission belt as a tactic by which the Communists attempt to reach the masses of the people. Further, he described it as an outstanding part of the united front effort of the Communist Party. The united front, according to Browder, is a question of fundamental strategy, a basic policy of struggle for class unity of workers against the bourgeoisie. Its program, he declared, is so clear and definite in facing the basic issues that to carry it out in fact entails clearly revolutionary consequences; it has never tried to avoid the issue of Communist Party participation in this broad united front. Browder has stated that when the party was forced to go underground on the west coast in 1934 it stood up well, for already on August 1 in San Francisco the party broke through the terror, holding an open public meeting under the auspices of the American League Against War and Fascism.

The first head of the league, J. B. Matthews, who later renounced communism, has often written and testified concerning the Communist participation in its establishment and program. Dr. Harry F. Ward, who succeeded Matthews as its chairman, declared its purpose to be to promote a wider understanding of the peace policies of the Soviet Union and to cooperate with other agencies to prevent an attack on the Soviet Union. Ward also stated that there was no way to organize peace constructively except by adopting throughout the world the basic organization on which the Soviet Union is founded. It was through Dr. Ward and the Methodist Federation for Social Action, of which he has long been a leader, that Earl Browder declared the league served the party as a contact with those church organizations which are for the destruction of capitalist society.

At its ninth annual convention in 1936 the Communist Party, United States of America, resolved that it would work untiringly to help widen the basis of the league, especially among the trade-unions and farm organizations. In this connection, Party Organizer, September 1935, the organ of the central committee of the Communist Party, United States of America, stated that our party did its utmost at the beginning to build the American League, which must become the main instrument * * * for the defense of the Soviet Union. * * * We must show them (the masses) that we are the real driving force of the movement, and in this way, by our example, create new enthusiasm, new impetus for the masses to march forward.

Communist affiliation with the American League was reflected in the membership and the leadership which installed Earl Browder as vice president and many Communist leaders on the executive board. Resolutions and manifestos of the league were printed in official Communist publications, and the Federal Bureau of Investigation reports from confidential sources that the league is among those organizations which received financial assistance from the Amtorg Trading Corporation.

Communist control of the peace movement outside of Russia was revealed in a report to the Seventh World Congress of the Communist International held in Moscow in 1935 in which it was stated that "we must penetrate among the pacifist masses and carry out the work of enlightenment among them, using forms of organization and action which are adapted to the level of consciousness of these masses and which give them the possibility of taking the first step in the effective struggle against war and capitalism. We must take two things into account. The first is that the organization of the pacifist masses cannot and must not be a Communist organization; the second is that in working in this organization Communists must never give up explaining with the greatest patience and insistence their own point of view on all the problems of the struggle against war."

AMERICAN LEAGUE FOR PEACE AND DEMOCRACY

In accordance with the final statement of this report to the Seventh World Congress—that the organization of the pacifist masses cannot and must not be a Communist organization—and in accordance with the so-called Trojan-horse policy, adopted at the same world congress, by which Communists seek to penetrate many organizations without revealing their identity, the American League Against War and Fascism at its fourth congress in 1937 became the American League for Peace and Democracy. It has been reported that the reason for the change in name may be found in the fact that the original organization had become widely identified in the popular mind as a Communist-controlled group.

The program of the new league reflected the change in tactics. References to the Soviet Union were omitted. The first items in the program referred to the rights of labor and called for the defeat of legislation attempting to compel incorporation of trade unions or the inspection of union finances. Guaranties to Negro people and the foreign-born and the demand for an antilynching law followed. The program called for the promotion of the people's boycott of Japanese goods and for the removal of restrictions on shipments to China and Spain. The same program was reflected at the fifth congress of the league, held in January 1939, with the addition of a demand for the abolition of the poll tax, the strengthening of the Wagner Act, and opposition to antisemitic propaganda. In all of these policies the league was following the Communist Party line.

The American League was composed of national and local organizations. The highest governing body was nominally the national congress operating through the national committee, representation on which was based on the membership in affiliated organizations. The national committee in turn was controlled by the executive board on which were several Communists. Funds were collected from members and affiliates and J. B. Matthews, former head of the American League Against War and Fascism, wrote that when the league could not secure sufficient funds in this way it would first call on someone like Corliss Lamont, the Communist "angel," and in the most extreme cases would call upon Earl Browder.

Communists boasted of their control of the American League Against War and Fascism. The Communist Party, the Young Communist League, most Communist front organizations, and Communist leaders were openly affiliated with it. The American League for Peace and Democracy, on the other hand, was designed to conceal Communist control, in accordance with the new tactics of the Communist International. The adoption of a new name and the broadening of the program to include measures and policies calculated to enlist a wider support in no way lessened the Communist control and direction of the league.

[Strictly confidential]

AMERICAN PEACE MOBILIZATION (NOW CALLED AMERICAN PEOPLE'S MOBILIZATION)

(NOTE.—The following statement does not purport to be a complete report on the organization named. It is intended only to acquaint you, without undue burden of detail, with the nature of the evidence which has appeared to warrant an investigation of charges of participation.

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American Peace Mobilization was formed in the summer of 1940 under the auspices of the Communist Party and the Young Communist League as a "front" organization designed to mold American opinion against participation in the war against Germany. Its existence terminated within a month after the German invasion of Russia when it became American People's Mobilization and adopted a program favoring complete assistance to Britain, Russia, and China. American Peace Mobilization attracted to its fold two types of members: The Communists and fellow travelers ever ready to promote party interest or follow the party line and those Americans devoted to the maintenance of peace who were for the most part unaware, at least before the German invasion of Russia, of the Communist control of American Peace Mobilization.

American Peace Mobilization had two predecessor organizations. The first, the American League Against War and Fascism, had its origin in 1932, when the Communist International, fearing a European war against the Soviet Union, directed its sections throughout the world to stimulate peace movements in their respective countries. Earl Browder, general secretary and chief officer, testified before the Dies committee that the Communist Party participated actively in forming the league. When Russia began making a military alliance with France in 1935, these movements gradually were allowed to lapse throughout the world, and in the United States the American League Against War and Fascism was succeeded by the American League for Peace and Democracy. Browder has characterized this second organization as a "transmission belt" of the Communist Party. He defined a "transmission belt" as a technical term referring to the tactics whereby the Communists established their relations with the masses of people. Both the League Against War and Fascism and the League for Peace and Democracy followed the customary Communist tactic of placing prominent non-Communists in titular positions, while Communists themselves took the controlling positions. In addition to the Communists who supported them as a matter of party policy, both organizations attracted to their membership many unsuspecting persons.

The American Peace Mobilization was by its own definition open to everyone. It was formally founded at a meeting in Chicago at the end of August 1940, known as the Emergency Peace Mobilization. Although the Communist Party as such did not only participate in the propagandizing for and organizing of this meeting, its workers' schools in collaboration with the American

Youth Congress and other Communist front organizations took a prominent part throughout this meeting. In addition, American Peace Mobilization sponsored the march on Washington, January 25–27, 1941, when the delegates attempted to picket the Capitol and to see congressional and administration leaders. Later, on April 4 and 5, 1941, it sponsored the so-called American People's meeting in New York City. These meetings were dominated by leaders of Communist front organizations and the programs and pamphlets issued in connection with these meetings contained advertisements and greetings of Communist-penetrated organizations.

During its existence of less than a year American Peace Mobilization was concerned with keeping America out of the imperialist war. It directed its attention chiefly to the Burke-Wadsworth bill for conscription and the lend-lease bill. Its aims were not limited to this legislation, but included a number calculated to enlist wider support. It called for the end of discrimination against Negroes, aliens, and Jews. It demanded a restitution of constitutional rights, the passage of anti-poll tax and social legislation, and it condemned legal proceedings then pending against Harry Bridges and Earl Browder. It attacked the Dies committee and its investigation of such genuinely democratic groups as International Labor Defense and the Transport Workers' Union. It sponsored meetings in collaboration with such Communist-penetrated organizations as the American Youth Congress, Workers Alliance, and the National Negro Congress, and it collaborated closely and sponsored meetings jointly with such an important Communist organization as the International Workers' Order. It continually attacked the Churchill government and the tory imperialism of Britain. Each of the foregoing positions conformed exactly to Communist Party line. American Peace Mobilization numbered among its officers and sponsors several leading Communists and the heads of several Communist-penetrated groups.

The most conspicuous activity of American Peace Mobilization was the picketing of the White House, which began in April 1941, in protest against lend-lease and the entire national defense program of the administration. On June 17, 1941, Frederick V. Field, national secretary, who had called for the picketing of the White House, stated the aims of the organization once more. He said that there was widely propagandized in America a myth of two alternatives: That of a Nazi-dominated world or a victory of British-United States imperialism. The American Peace Mobilization program afforded a third possibility: Keep America out of Europe's war, improve the standard of living, retain and defend our constitutional liberties, and work for a people's peace. It was Field who had called the Selective Service and Training Act of 1940 a spearhead of the attacks on our democracy, and the national defense program a part of the march toward fascism, and who a week after the German invasion of Russia stated that in view of the new world situation America should give full aid to Britain, Russia, and China.

Just 4 days after Field had redefined the aims of American Peace Mobilization, on the afternoon of June 21, 1941, he suddenly called off the picket line around the White House. Eight hours thereafter German armies had crossed the Russian frontier. Within 1 week American Peace Mobilization stated that the international situation had changed and that the national board of the organization had adopted a new program which called for aid to the Soviet Union against the forces of the Nazi military machine. Three weeks later American Peace Mobilization explained that to meet the needs created by the "new world situation"—a phrase which featured all official Communist literature of that time and since—American Peace Mobilization was changing its name to American People's Mobilization and henceforth was adopting the "V" slogan for "victory over fascism." At the same time, Field announced that arrangements were being made for an American tour by the Dean of Canterbury, one of the leading English sympathizers with the Soviet Union and author of The Soviet Power, which was widely distributed by the Communist Party.

Ever since 1918, and before, there have been in existence in the United States organizations devoted to peace and to the goal of keeping America out of war. Not one of these organizations, however, was formally represented as an organization in any way in American Peace Mobilization. These organizations devoted to anti-war activities have been continuously ignored in the columns of the Daily Worker and other Communist publications, whereas these same periodicals gave full support to American Peace Mobilization.

Membership in American Peace Mobilization cost only 50 cents, and for the unemployed, 10 cents. Through a Nation-wide newspaper campaign calling on Americans to contribute a dime and become "volunteers for peace," it has been estimated by the Federal Bureau of Investigation that American Peace Mobilization numbered as members or contributors about 14,000,000 persons, the bulk of whom were undoubtedly unaware of the Communist control of American Peace Mobilization.

[Strictly confidential]

AMERICAN YOUTH CONGRESS

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The American Youth Congress is defined by its 1940 constitution as a "nonprofit, educational association to serve as a cooperating center and a clearing house for all youth organizations, youth-serving agencies, local, State, and regional youth councils and assemblies, and organizations desiring to promote the welfare of youth." It originated in 1934 and since its inception has been controlled by Communists and manipulated by them to influence the thought of American youth. The process has been described by a high official of the Communist International, referring specifically to the congress, as "the radicalization of the youth." Under such leadership and in the guise of a youth program, the force of opinion of the youth of America, expressed in the proceedings and resolutions of the American Youth Congress, purporting to be representative of the American youth organizations which compose it, has been rallied to the support of every position taken by the Communist Party upon issues relating to the foreign and domestic affairs of the United States.

The concept of a nonpolitical "congress" of American youth organizations originated with one Viola Ilma and was inspired by a similar gathering which she had attended in Europe in 1933. The first American Youth Congress, held at New York in August 1934, was attended by delegates from a broad range of representative national organizations. Prior to the congress and at its opening session, however, the Young Communist League in collaboration with certain Socialist and pacifist groups set in motion a series of maneuvers which resulted in the ouster of Miss Ilma and the establishment of Communist control which never has been relinquished.

Corroboration of the conquest of the American Youth Congress by the Young Communist League is to be found in the admissions of innumerable Communist speeches and writings. In an address before the Seventh World Congress at Moscow in 1935, Otto Kuusinen, who is a member of the executive committee, its presidium, and secretariat of the Communist International, and one of the most powerful figures in the Communist world, said:

"Comrades, the Young Communist League of the United States, headed by Comrade Green, went to the American Youth Congress and achieved a great success. The congress was transformed into a great united front of radical youth, and when somewhat later a second general youth congress was held, our young comrades already enjoyed a position of authority in it. The Communists alone have been able to foster the radicalization of the youth in bourgeoisie organization."

The first American Youth Congress claimed to speak for 79 organizations having a total membership of 1,700,000. Although essentially dedicated to a program for youth, the congress promptly declared "We do not believe that the fundamental problems before us are special youth problems, amenable to solution by special youth demands alone. We declare that they are the general problems of the masses of the people * * *" and called for a "youth movement * * * to work for the building of a new social order, based upon production for use rather than for profits." It thereupon adopted a series of favoring resolutions substantially setting forth the Communist Party program of that day.

The congress likewise adopted a "resolution against war and fascism." Its preamble observes, in part:

"Today, on the twentieth anniversary of the last war, American youth again faces the danger of a new war. * * * Hitler and Japan are trying to forge a united front for war against the Soviet Union. * * * The events since the last war prove the futility of depending on statesmen and upon disarmament gatherings to end war. The only constructive proposal toward peace at these conferences have been offered by the Soviet Union. * * * The recent trend toward fascism has been looked on with terror by all right-thinking sections of the people. * * * The last year has witnessed a growing trend toward fascism and preparation for war in the United States. * * * Many strikes have been met with the use of militia. Poison gas and rifles are frequently used as weapons to smash labor's rights; lynchings have increased, as well as anti-Semitism. Vigilantes' raids on strikes in San Francisco and the brutality of New York police with labor pickets indicates that the weapon of Fascist tendencies exists from coast to coast."

The congress, therefore, pledged itself to work for the abolition of all forms of military training in high schools and colleges, the diversion of military funds for increased educational and relief expenditures and facilities, the abolition of the Citizens Military Training Corps, opposition to the use of the National Guard against labor organizations and activities, the freedom of all imprisoned in Fascist countries for their opposition to fascism and the defense of the democratic rights gained by the masses of the people, opposition to all forms of exploitation and hatred directed against national and racial minorities, especially Negroes, Mexicans, Japanese, Jews, etc., and the immediate withdrawal of all American armed forces from colonial countries such

as China and the Philippines, and for the support of the peace proposals of the Soviet Union for complete disarmament. The record of each succeeding congress reflects a similar conformity to Communist Party line.

The above resolutions are to be found in a pamphlet entitled "Program of American Youth Congress," published by its continuations committee and printed by Prompt Press, which prints the bulk of the literature issued by the Communist Party and its affiliates and is reliably known to be owned by the Communist Party.

As indicated by its 1934 resolution, the league opposed war and fascism. In common with all Communist organizations it subsequently opposed the imperialist war and attacked the lease-lend bill, the Burke-Wadsworth bill, which subsequently became the Selective Service and Training Act, and all legislation directed toward military preparation for defense. It participated in peace demonstrations and sponsored town meetings throughout the United States to oppose America's entry into the war. The chief of these town meetings was held at Washington, D. C., in February 1941. Subsequent to the Nazi invasion of Russia in June 1941, however, the congress reversed its position, and at its congress held at Philadelphia only 2 weeks thereafter passed a resolution pledging full support to the British and Russians in their fight against the Nazis. A second resolution adopted at that convention voiced opposition to any appeasement toward Japanese aggression against China, proposed an embargo on war materials for Japan, and at the same time asked that all restrictions be lifted on the purchase of war materials by the Chinese.

The organization grew in strength, probably reaching the peak of its influence in 1939 when it claimed to speak for over 500 national and local organizations. Due to its communistic leadership and policies, however, a number of organizations thereafter withdrew and at its 1940 convention only 177 organizations and 67 local and neighborhood councils were represented, many of which were merely paper organizations which, if not completely nonexistent, consisted of a local Young Communistic League member endeavoring to secure some sort of local sponsorship. Unquestionably, there were legitimate, non-Communist delegates at the conference, but there were equally as many representing little more than themselves. The report of the credentials committee of the 1940 congress claimed, notwithstanding, to represent 5,159,495 young people in America.

The report of the credentials committee of the 1941 congress, held at Philadelphia, as reflected by the Washington Post of July 7, 1941, claimed a representation of 1,110 youth councils, student, religious, labor, farm, social, and fraternal organizations having 5,463,760 members. Such statistics, however, are valueless because of the duplication of representation and the exaggerated tabulating methods used whereby the membership of each attending local branch of an organization is added to the total membership of the national organization which includes it; a representation chosen by a packed minority at an under-attended local meeting is presumed to speak for an unverified total membership.

The extent of Communist control is indicated by the following facts relative to the 1940 congress held at Lake Geneva, Wis. Representatives included 15 known Communist controlled or led organizations, 7 similarly controlled or led labor unions whose policies have followed every turn of the Communist Party line, and a number of "fellow traveler" organizations. Its credentials committee had a minimum Communist majority of 6 to 4; its constitution committee a majority of 7 to 3; its nominations committee a minimum of 8 to 7; its rules committee a majority of 4 to 1; and its resolutions committee a probable majority of 10 to 8. The congress cabinet was controlled by the Young Communist League by 18 to 15. The poor representation of the non-Communist majority operated to strengthen Communist control but at the same time rendered the congress less effective as a Communist vehicle because of its greater exposure as a Communist Party front organization. For this reason, Communists are struggling to retain nonparty support and to continue a sufficient number of non-Communists in office to preserve a nonpolitical appearance without sacrificing control.

Throughout its existence the officers of American Youth Congress unquestionably have included persons who were non-Communists. The majority of the officers, however, have always been identifiable with Communist Party or known party affiliates. The congress publishes a magazine entitled "Winner," the editor of which is Barry Wood, Communist Party name for Jeff Kimbre, well-known party leader of southern California. Officers of the congress individually have taken part in Communist Party functions regularly. This close association between the congress and the party and its affiliates has been notorious from the outset.

[Strictly confidential]

LEAGUE OF AMERICAN WRITERS

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The League of American Writers, founded under Communist auspices in 1935, for some years attracted to its fold many of the most prominent American writers, Communist and non-Communist. In 1939 the league began openly to follow the Communist Party line as dictated by the foreign policy of the Soviet Union, and at that time most of the non-Communists disaffiliated themselves from it and declared their opposition to its policy.

The League of American Writers was founded at a congress of American revolutionary writers held in New York City April 26–27, 1935. The call for the congress was signed by members of the John Reed Club, including such well-known Communists as Earl Browder, Isidor Schneider, John L. Spivak, and Michael Gold. The congress greeted Gold as the best loved American revolutionary writer and Gold in turn told the gathering that, "Our writers must learn that the working class which has created a great civilization in the Soviet Union is capable of creating a similar civilization in this country." The leading speakers at the congress were all prominently identified with the Communist movement in the United States and featured such men as M. J. Olgin, editor of the Communist Yiddish daily, Morning Freiheit, Alexander Trachtenberg, head of the party's publishing house, International Publishers, Inc., and Clarence Hathaway, editor of the Daily Worker whose masthead then proclaimed it the official organ of the Communist Party, United States of America, section of the Communist International. The league was created, among other things, to enlist writers in a national cultural organization for peace and democracy and against fascism and reaction, to support progressive trade-union organizations and the people's front in all countries, and to cooperate with the progressive forces.

Soon after the league was established, the Seventh World Congress of the Communist International in Moscow decided upon the Trojan horse policy for Communist parties everywhere. By this policy Communists sought to infiltrate existing organizations without revealing their identity. Accordingly, it became necessary to conceal the Communist influence in the League of American Writers. The revolutionary slogans and resolutions were discarded. In the years from 1936 to 1939 the league made an effort to secure as members the leaders of liberal thought among American writers. Although its Communist control was deliberately obscured, it sponsored a policy which accorded with the Communist Party line in those years, including condemnation of the Franco revolution in Spain and an interpretation of that revolution as presenting an issue of communism versus fascism. In its congresses held in these years the league condemned fascism and praised the "Soviet peace policy." It sought to make its program attractive by sponsoring the Federal arts project and attacking those who were opposed to any of the social legislation then being enacted in the United States.

At the time of the Russo-German pact in August 1939 the League of American Writers began once more to follow the Communist Party line openly and without much attempt at dissimulation. It was in this period that most of the prominent non-Communist writers resigned from the league. Thomas Mann stated that the league "thinks too much about politics and not enough about literature." In 1940 and up until June 22, 1941, the league devoted its efforts principally to keeping the United States out of the "imperialist war." Its activities were featured in the Daily Worker, and it in turn complimented the Daily Worker for the recognition it was giving to the league's antiwar program. Many leading Communists were openly active in the league at this time.

On June 6, 1941, the league held its Fourth Annual Writers' Congress in New York City. It condemned the "imperialist war," which it called a war for world markets. Speakers charged that the President was attempting to lead the country into war, and condemned the administration for its action in sending troops to quell the North American Aviation Co. strike and for its prosecution of Harry Bridges. The American Peace Mobilization and its picketing of the White House was endorsed. Less than a month later the league issued a call to all writers and writers' organizations for "all immediate and necessary steps in support of Great Britain and the Soviet Union."

Not only did the league follow the Communist Party line in regard to foreign affairs, but its program since 1940 has shown a close parallel to the leading domestic issues supported by the party, including a campaign in behalf of Negro rights, opposition to what is called political persecution in the United States, and praise of the Soviet Union and its leaders.

The League of American Writers maintains an annual writers' school in New York City, featuring courses in labor journalism and pamphlet writing taught by Communists. Once each week it sponsors a "work in progress" reading by some author. The Daily Worker, in its regular reports of these readings, indicates that the majority of invited readers are known Communists or fellow travelers.

The overt activities of the League of American Writers in the last 2 years leave little doubt of its Communist control. The resignations of many writers who had affiliated themselves with it in the era of the Trojan horse and their statements at the time of disassociating themselves from it largely remove all possible speculation as to the facts.

[Strictly confidential]

NATIONAL COMMITTEE FOR THE DEFENSE OF POLITICAL PRISONERS AND NATIONAL COMMITTEE FOR PEOPLE'S RIGHTS

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The National Committee for the Defense of Political Prisoners is an organization created ostensibly to support and defend civil liberties. In January 1938 its name was changed to the National Committee for People's Rights although so far as known, no substantial change was made in its set-up or functions. At the present time it is referred to interchangeably under both names.

Information regarding this organization is limited. It is not known when the National Committee for the Defense of Political Prisoners was formed but there is a record of its meeting as early as July 1921. At that time it appeared to follow an anarchistic trend and not to be connected with the Communist Party. In fact, a meeting held at New Orleans in 1925 was reported to have been broken up by Communists when a speaker attempted to address it regarding "Political Prisoners of Russia." Communist penetration appears to have begun about 1926 when Elizabeth Gurley Flynn, its then secretary, who was active in the International Workers of the World and the Peoples' Council, a radical organization, joined the Communist Party. She is presently a member of the party's national committee and one of its outstanding leaders.

Information secured from confidential informants, in a position to speak reliably, indicates that the National Committee for the Defense of Political Prisoners is substantially equivalent to International Labor Defense, legal arm of the Communist Party. Unlike International Labor Defense, however, which operates principally among the middle and lower classes, the subject organization caters to financially and socially prominent liberals to attract the influence of their patronage and their contributions in support of civil liberties cases selected for defense. Its membership, which in 1937 was stated under oath by a southern official to number approximately 150 persons, has never been sought to be increased substantially. It maintains a national office in New York City and from time to time has had branch offices at Boston, Philadelphia, Cleveland, and in northern and southern California. The organization works through local branch offices opened in the locality of an alleged "political persecution" selected for representation. Such local offices conduct publicity campaigns through press releases and solicit funds to defray the cost of defending the alleged victims and of supporting their dependents during and after trial.

Information of the confidential character referred to above is to the effect that for a number of years past the N. C. D. P. P. or N. C. P. R. has been infiltrated and controlled by the Communist Party. In one instance an informant reported that it received financial support from Amtorg Trading Co., the principal Soviet commercial agency in the United States, while another informant stated that funds of the N. C. D. P. P. had been diverted to Communist Party uses. These allegations are supported by substantial evidence.

For years persons prominently identified with communism in this country have been associated with it, including members of the national committee of the Communist Party, Communist State officers, a present coowner of the Daily Worker, and numerous fellow travelers who were also closely associated with various Communist-front organizations, contributors to Communist publications, and otherwise outstanding in Communist activities. A former national chairman of the N. C. D. P. P., a member of the Communist Party, United States of America, is confidentially reported to have toured the country with a German "political prisoner," lecturing on conditions in Germany and raising considerable funds, a portion of which were diverted to Communist Party uses. The organization has also collaborated with many other known Communist-front groups in their activities. According to another confidential source, plans for agitation and organization of the unemployed in the State of New York, leading eventually to the national hunger march of 1931, were partially formulated at its national office. It is significant that the cases selected for defense, so far as known, have, without exception, been those of Communists or cases publicized by the Communist Party.

The N. C. D. P. P. figured prominently in demonstrations on behalf of the Scottsboro boys; vigorously protested the prosecution of Angelo Herndon, presently a high Communist official; condemned the "persecution" of William Schneiderman, California State secretary of the Communist Party, and Earl Browder, general secretary of the Communist Party, United States of America; came to the fore in defense of individuals prosecuted for soliciting recruits for armies of Loyalist Spain; defended those prosecuted for procuring forged signatures to a Communist election petition in Pennsylvania; organized the Oklahoma Committee to Defend Political Prisoners; and solicited funds and sought to obtain as much Nation-wide publicity as possible on behalf of Robert Wood, Oklahoma State secretary of the Communist Party, and his Communist codefendants in the recent syndicalism trials in that State.

It also has followed the Communist Party line in numerous instances, condemning the Dies committee and the methods of the Federal Bureau of Investigation, the use of troops in connection with the North American Aviation Co. strike in California in June 1941, and protesting the administration's foreign policy prior to the Nazi attack on Russia. Subsequent to the invasion it sponsored a people's meeting.

The organization has also engaged in activities which are not strictly civil liberties in character. In April 1938, for example, it cooperated with the Congress of Industrial Organizations, the American Civil Liberties Union, International Labor Defense, American League for Peace and Democracy, and Workers Defense League in staging a New Jersey Congress of Industrial Organizations organizing rally. In addition, it conducted an investigation of mining conditions in the States of Kansas, Missouri, and Oklahoma with particular regard to the development of silicotic and tubercular conditions. In connection with this project a former Kansas Communist State official testified before the Dies committee that the extensive correspondence between himself and various governmental agencies on silicosis in those States, introduced into evidence, had been prepared by the Communist Party headquarters in New York City and dispatched by him on behalf of the N. C. P. R. Testimony before the Dies committee has characterized the N. C. D. P. P. or N. C. P. R. as a "transmission belt" or front for the Communist Party.

[Strictly confidential]

THE NATIONAL FEDERATION FOR CONSTITUTIONAL LIBERTIES

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The National Federation for Constitutional Liberties, with headquarters in Washington, D. C., and affiliates throughout the United States, is part of what Lenin called the solar system or organizations, ostensibly having no connection with the Communist Party, by which Communists attempt to create sympathizers and supporters of their program among those who would never affiliate themselves openly with the party. Membership in the National Federation or its affiliates likewise consists of those sympathetic to the stated aims of the organization, who may or may not be aware of its Communist control, as well as party members and fellow travelers.

The National Federation for Constitutional Liberties was established as a result of a conference on constitutional liberties held in Washington, D. C., June 7-9, 1940. Sixty-one organizations are said to have participated in this conference. In a pamphlet issued by the National Federation it is stated that it was organized to coordinate several existing organizations concerned "with the preservation and further realization of democratic rights" as guaranteed by the Constitution. It has affiliates or chapters in various parts of the country, such as the Oklahoma Federation for Constitutional Rights, the Michigan Civil Rights Federation, and the Washington Committee for Democratic Action. Its method of operation, like that of International Labor Defense, the legal aid arm of the Communist Party with which it is closely affiliated, is the creation of special committees for specific cases.

In one of its publications the federation states that it was founded because our constitutional guaranties are in danger; "as individuals we are powerless, but all together we are strong." The program of the federation seeks wider support by calling for the maintenance of the Bill of Rights, the preservation of the Wagner Act and of the guaranties to labor, the end of persecution of labor unions and aliens, and the repeal of poll-tax legislation. It demands the end of the "Gestapo activities" of the Federal Bureau of Investigation and the abolition of the Dies committee.

The program of the federation parallels closely the Communist Party line of 1940. This adherence to the party line is illustrated by the opposition, contained in much of the federation's pamphlet literature, to compulsory military training, which "would introduce dangerous major steps in the direction of Fascist control over the entire life of the community and especially over the labor movement." It was at this time that Communists were opposing conscription and the entire national defense program. One of the tactics which they used to attack the program was the emphasis on the threat to civil liberties and the rights of labor and of minority groups. Thus the National Federation for Constitutional Liberties served a useful function to Communists as it declared that "Ours is the task of true national defense."

The National Federation represents the principle of interlocking leadership common to Communist front and penetrated organizations. Owen A. Knox, the national chairman—resigned September 30, 1941—for example, is treasurer of the Michigan Civil Rights Federation and a member of the National Committee of International Labor Defense and of the Citizens Committee to Free Earl Browder. Most of the national sponsors and most of the national executive committee and many of the local heads of the federation are leaders of Communist organizations or are prominently identified with Communist activities.

The activities of the National Federation have been manifest chiefly in the various committees specially created for the defense of certain individuals. The defenses of Communist leaders such as Sam Darcy and Robert Wood, party secretaries for Pennsylvania and Oklahoma, have been major efforts of the federation. Through pamphlet literature and by appearances of members before legislative committees, the federation has also been active in behalf of or in opposition to legislation. It has led the recent fight against the continuance of the Dies committee, taken up by all Communist front organizations throughout the country. In both these aspects it has operated in close affiliation with the International Labor Defense. The latter has now become clearly identified as a Communist organization and has thus lost much of its usefulness in attracting adherents. The National Federation for Constitutional Liberties is one of the equivalent organizations set up to attract those who would not openly affiliate themselves with Communist groups if apprised of the facts.

[Strictly confidential]

NATIONAL NEGRO CONGRESS

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The National Negro Congress is a federated organization of affiliated National, State, local, and community bodies which, according to the preamble of its constitution, "seeks to unite the Negro people and all friends of Negro freedom for complete social justice and full citizenship for the Negro Americans." Its stated aims and purposes include the abolition of Negro discrimination and intolerance, promotion of trade-unionism, broader employment opportunities, education and housing for colored people, and the spread of "truth regarding their traditions and contributions to American democracy." Earl Browder testified before the Dies committee, however, that it functions as a "transmission belt" for the Communist Party, and it has been characterized by James W. Ford, Communist Party Negro leader, as "a broadening of the people's front in America."

The National Negro Congress was proposed in May 1935 by a "national sponsoring committee," ostensibly unidentified with any organization, which issued a call for a convention, or congress, to be held at Chicago in February 1936. At this first congress, A. Phillip Randolph, the president of the organization, in a keynote address, condemned the "hard, deceptive, and brutal capitalist order," and proclaimed that "the maneuvering and disposing of the forces of Negro peoples and their sympathetic allies against their enemies can only be effectively worked out through the tactics and strategy of the united front." He denied that the National Negro Congress was dominated by Communists or that he and John P. Davis, whom he described as "the moving spirit of the congress and secretary," were Communists although he was "willing to go down fighting for the rights of any Negro to exercise his constitutional right as a free man to join the Communist Party or any other party he may choose to join." Davis in fact was a prominent Communist Party "front" organization leader. Subsequently, however, at the Third National Negro Congress in April 1940, Randolph refused to be a candidate for the presidency of the organization on the ground that it was "deliberately packed with Communists and Congress of Industrial Organizations members who were either Communists or sympathizers with Communists.

Commencing with its formation in 1936, Communist Party functionaries and "fellow travelers" have figured prominently in the leadership and affairs of the congress. One of the principal speeches before the first congress in 1936 was delivered by James W. Ford, the perennial Communist Negro Vice-Presidential candidate, who previously, in 1935, had told the plenum of the central committee of the Communist Party that the National Negro Congress "promises to be one of the broadest movements ever organized among the Negroes of this country," which "the Communist Party endorses." Active at this congress also were Benjamin Davis, Jr., and Louise Thompson, both members of the central committee of the Communist Party, and Edward E. Strong, the chairman of the presiding committee of the youth section of the congress, a leader of the Young Communist League. The Second National Negro Congress, held in October 1937, was likewise addressed by leading Communists or fellow travelers, including James W. Ford, Clarence Hathaway, former editor of the Daily Worker, Dr. Harry F. Ward, chairman of the American League for Peace and Democracy, Louise Thompson and her husband, William E. Patterson, also a prominent Communist leader and vice president of International Labor Defense.

The National Negro Congress, throughout its existence, has closely followed the Communist Party lines, espousing causes and adopting issues sponsored by the party, and with regard thereto, has sought to affiliate itself and form united fronts with other organizations. It has characterized all legislation deemed a threat to the civil liberties of Communists or any alien or minority group as repressive and Fascist and has endorsed the defense of the Scottsboro boys, Angelo Herndon, and Tom Mooney. It is also actively engaged in the current campaigns to free Earl Browder and for the discontinuance of the Dies committee. In the field of American foreign policy it called for united action on the part of the democracies (including the Soviet Union) against fascism prior to the Russo-German pact of non-aggression, but after the signing of the pact assailed the imperialist conflict as having nothing to do with saving and extending democracy. When the Nazis attacked Russia, however, the leaders of the congress advocated all-out aid to the Soviet Union and urged immediate entrance of the United States into the war on the side of Britain and the Allies.

In the fields of activity normally attractive to Negro organizations, the National Negro Congress has been an agitational force against lynching and all forms of so-called Negro discrimination, lobbying for or against legislation on such questions through mass demonstrations, picket lines, telegrams, letters, and petitions. In the field of organized labor it has assisted the unions in their strikes and organizational work, and advocates union membership for all Negroes. Presently it is in the forefront of the struggle, along with numerous other penetrated or Communist led Negro organizations, for increased employment of colored persons in war industries, greater opportunities for the Negro in the Army and Navy, and for additional civil rights.

Throughout its existence, the congress has worked closely with other Communist front organizations all of which has been faithfully reported in the Communist press. Leaders of these groups are guests or speakers at functions of the congress or send their greetings and pledges of support, which, in turn, are reciprocated by officers of the Negro congress. It frequently joins such organizations in sponsoring meetings and demonstrations and is affiliated with some of them, such as the American Council on Soviet Relations. From time to time the National Negro Congress has received financial aid from International Workers Orders, one of the strongest Communist organizations, and according to A. Phillip Randolph, John P. Davis, secretary of the congress, has admitted that the Communist Party contributed $100 a month to its support.

From the record of its activities and the composition of its governing bodies, there can be little doubt that it has served as what James W. Ford, elected to the executive committee in 1937, predicted: "an important sector of the democratic front," sponsored and supported by the Communist Party.

[Strictly confidential]

WASHINGTON COOPERATIVE BOOK SHOP

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The Washington Cooperative Book Shop, under the name "The Book Shop Association," was incorporated in the District of Columbia in 1938 for the stated purposes of providing a meeting place for persons interested in literary and cultural activities, providing for the cooperative purchase and resale of literature and works of art for the profit of its members as consumers, maintaining a renting library and ticket service, and fostering other activities of a literary, educational, and cultural nature. The association is a nonstock corporation operated on the cooperative plan, with 9 trustees elected by the membership, which, according to its announcements, have numbered 1,000. It maintains a book shop and art gallery at 916 Seventeenth Street NW., Washington, D. C., where literature is sold and meetings and lectures are held.

Evidence of Communist penetration or control is reflected in the following: Among its stock the establishment has offered prominently for sale, books and literature identified with the Communist Party, and certain of its affiliates and front organizations, including works on the Communist Party of the Soviet Union, reports concerning American Youth Congress, literature of American Peace Mobilization, articles on the Young Communist

League, and Communist periodicals, such as New Masses. In this connection the Washington News of May 22, 1941, reported that the Washington delegates to the People's Convention of the American Peace Mobilization at New York City in that year were advised that only at the Washington Cooperative Book Shop could they buy literature approved by that organization. Information received from confidential sources indicates that certain of the officers and employees of the book shop, including its manager and executive secretary, have been in close contact with local officials of the Communist Party of the District of Columbia. One member of the association has reported that he received literature, unsolicited, from the Communist Party of the District of Columbia, a circumstance which he attributed only to his membership in the association. In May 1941, Joseph Starobin, one of the editors of New Masses and a teacher at the Communist Party Workers School in New York City, lectured at the book shop, reportedly following the Communist Party line of that day, stressing the invincibility of the Soviet Union, and criticizing the Roosevelt administration. A quantity of literature of the type above described was displayed near the entrance of the book shop on that occasion.

In May 1941, the book shop desired to promote a membership drive and solicited the cooperation of the Cooperative League of the District of Columbia. The league, having received reports that the book shop was Communist-controlled, requested it to provide certain information. The information was not furnished and the book shop resigned from the league, stating it was doing so as a result of unfavorable publicity attached to the incident. At about the same time the Washington press carried news items reporting seizure by representatives of the Dies committee of a membership list of the book shop allegedly initialed to indicate those members who were regarded as "Stalinists." A meeting of the members of the book shop denied Communist control, and thereafter adopted a resolution disclaiming Communist domination and affirming adherence to the foreign policy of the administration.

In view of the nature of the enterprise, investigations of charges of participation in the Washington Cooperative Book Shop have been restricted to exclude mere patrons or subscribers and to include only those fairly charged with participation in its administration.

[Strictly confidential]

WASHINGTON COMMITTEE FOR DEMOCRATIC ACTION

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Please note that the statement is marked "Strictly confidential" and is available only for use in administration of the mandate of Public, No. 135.)

The Washington Committee for Democratic Action is the affiliate in the District of Columbia of the National Federation for Constitutional Liberties.

The National Federation is part of what Lenin called "the solar system of organizations," ostensibly having no connection with the Communist Party but by which Communists attempt to create sympathizers and supporters of their program among those who would never affiliate themselves openly with the party. It was established at a conference of some 61 organizations held at Washington June 7–9, 1940, and it operates through affiliates or chapters in various parts of the country. In a pamphlet issued by the federation it is stated that it was organized to coordinate several existing organizations concerned "with the present and future realization of democratic rights" as guaranteed by the Constitution. Its method of operation, like that of the International Labor Defense, the legal aid arm of the Communist Party with which it is closely affiliated, is the creation of special committees for specific cases.

The program of the federation is made attractive by including the maintenance of the Bill of Rights and the preservation of the Wagner Act and of the guaranties to labor, the end of persecution of labor unions and aliens, and the repeal of poll tax legislation. It further demands the end of the "Gestapo activities" of the Federal Bureau of Investigation and the abolition of the Dies committee.

This announced program of the federation shows a close parallel to the Communist Party line of 1940. The adherence to the party line is convincingly illustrated by the opposition of the federation to compulsory military training at the time that Communists were opposing conscription and the entire national defense program. One of the Communist tactics was to attack the program by emphasizing the threat to civil liberties and the rights of labor and of minority groups. In this way the National Federation served a useful function to the Communists.

The national federation represents also the principle of interlocking leadership common to Communist-front and penetrated organizations. Most of the national sponsors and leaders and many of the local heads of the federation are prominent in Communist organizations or closely identified with Communist activities.

As a local chapter of the national federation, the Washington Committee for Democratic Action is reportedly an outgrowth of part of the membership of the American League for Peace and Democracy, which dissolved in the spring of 1940. The date of its formation thus probably coincides approximately with that of its parent organization. Many of its members were also active in the league's successor, the American Peace Mobilization.

The program of the Washington committee followed that of the national federation. National Communist leaders have addressed its meetings, and conferences sponsored by it have been attended by representatives of prominent Communist-front organizations. It has actively supported the right of Communists to meet whenever they please without police intervention and has otherwise followed the line of the national federation and of the Communist Party.

Just as membership in the national federation, or its affiliates, includes those sympathetic to the stated aims of the organization, who may or may not be aware of its Communist control, as well as Communist Party members and fellow travelers, so also some members of the Washington Committee for Democratic Action may be unaware of its Communist control. Ample opportunity to observe this affiliation and control has been present, however, throughout the committee's existence, and it is doubtful that many active members remain unsuspecting.

In discussing the American League Against War and Fascism, and then the American League for Peace and Democracy, the Attorney General, and the Interdepartmental Committee established by him, confirmed all of the findings of our committee and as a matter of fact in stronger language than we ever used, they branded them as Communist-controlled organizations. And remember, 376 of these employees were members of the American League, according to the membership records obtained from the headquarters of the organization in the city of Washington, and identified under oath by the chairman of the organization who himself was a Government official, as representing the bona fide membership list of the organization. The American peace mobilization which succeeded the American League for Peace and Democracy and which was 100 percent a Communist organization was also in equally strong language branded by the Department of Justice as a Communist-controlled organization. Then the National Federation of Constitutional Liberties, which is the organization that published and distributed the pamphlet, excerpts from which I read a moment ago, was disposed of by the Department of Justice in the following language:

The National Federation for Constitutional Liberties, with headquarters in Washington, D. C., and affiliates throughout the country, is part of what Lenin called the solar system of organizations, ostensibly having no connection with the Communist Party, by which Communists attempt to create sympathizers and supporters of their program among those who would not have affiliated themselves openly with the party. Membership in the National Federation or its affiliates likewise consists of those sympathetic to the stated aims of the organization, who may or may not be aware of its communist control, as well as party members and fellow travelers. The National Federation for Constitutional Liberties was established as a result of a conference on constitutional liberties held in Washington, June 7 to 9, 1940. In the pamphlet issued by the National Federation, it is stated it was organized to coordinate several existing organizations concerned with the preservation and further realization of democratic rights as guaranteed by the Constitution. It has affiliates or chapters in various parts of the country such as the Oklahoma Federation for Constitutional Rights, the Michigan Civil Rights Federation, and the Washington Committee for Democratic Action.

That is the organization that published this pamphlet, and the majority of the Washington, D. C., officials of that organization are employees of the Federal Government, as I shall prove from their own letterheads. Now, let us see what the Attorney General had to say about the Washington Committee for Democratic Action, which is the local branch of the National Federation for Constitutional Liberties:

Just as membership in the National Federation, or its affiliates, includes those sympathetic to the stated aims of the organization, who may or may not be aware of its Communist control, as well as Communist Party members and fellow-travelers, so also some members of the Washington Committee for Democratic Action may be unaware of its Communist control. Ample opportunity to observe this affiliation and control has been present, however, throughout the Committee's existence and it is doubtful that many active members remain unsuspecting.

In the statement the Attorney General dealt with the question of whether or not the members of that organization could be innocent, and he stated in effect that this organization had been closely

observed by the Government, that it was so openly communistic that he could not see how any active member could have any misgivings as to the control, nature, and purposes of the organization. I want to quote the exact language of the Department of Justice in order to hammer home the next point, which is that if the Attorney General, the Department and the Interdepartmental Committee found as a result of their painstaking and careful investigation that this organization was completely dominated by Communists, and that the Communist nature and purpose of it was so plain that few in it could mistake its purpose, then I want to address my inquiry to the Attorney General, whose representative is in the gallery, "Why is it that you exonerated 19 Government officials who are officers and sponsors of this organization?"

Under your own language, Mr. Attorney General, you have not only branded the organization as a Communist organization, but you have gone a step further and you have said that there could be little doubt about the nature of it, and yet when you come to report to the Members of Congress you did not report the discharge of 19 Government officials whose names and records I propose to read to Congress upon this occasion. You did not reprimand them, and as of September 15 of this year they are still on the Federal pay roll.

There are 78 leaders, officers, and sponsors of the National Federation for Constitutional Liberties. Of that number, 53 were also leaders and officers of the American Peace Mobilization. They were identified with every Communist movement that sprang into existence from the time of the American League for Peace and Democracy, succeeded by the American Peace Mobilization, and finally the National Federation for Constitutional Liberties.

Mr. Speaker, for the time being I will pass from the question of reading the names of these officers and sponsors, whose names appear on the letterheads of the organization, to a discussion of the American Peace Mobilization. As I said a moment ago, 53 of the officers and sponsors of the National Federation were also leaders of the American Peace Mobilization, the most completely Communist organization that was ever formed in the United States. This is the same organization that picketed the White House for 1,500 hours. It is the same organization that provided services and advice for those who wanted to evade the draft law of the country. It is the same organization that instigated strikes in the defense industries of our land.

For instance, I hold here a telegram sent by the Washington office of the American Peace Mobilization to the Congress of Industrial Organizations strike headquarters of the North American aircraft workers, in Inglewood, Calif.:

> The perpetual peace vigil of the American Peace Mobilization now in its 738th hour supports you in your strike for decent wages. Today we put a sign on our picket line in front of the White House, "The right of labor to organize and strike goes hand in hand with the right to work. Strike-breaking by the American Army is Hitlerism."

This was the plant which the President ordered taken over by the Army after the Communist leadership of the union had halted production.

Let me read from their own files what they have to say about their purposes and intentions. For instance, in this folder from the American Peace Mobilization:

> By now we know for sure that all aid short of war to England means war. Admitted in 1917 the flag follows the dollar and our stake in England is growing daily. But even if we do not approve of England's war, is not her side still preferable to Hitler's and isn't it better to fight to beat Hitler with England than without her? No. An English victory will result in the same sort of imperialism and antidemocratic peace as will a Nazi victory. The basic question is not which side of the war is preferable, but what will happen to democracy in this world if we go to war. Democracy has long gone from Germany, is being blacked out fast in England, and is being strongly attacked here in the United States. Spread the war to the United States and the blackout of democracy will be complete in all three countries, with only fascism, native and foreign, the victor.

In the program they recommend opposition to the Conscription Act. They held a meeting in New York at which thousands of delegates, including 600 from the District of Columbia attended. At that meeting they went on record denouncing the President of the United States as a tool of the warmongers of Wall Street. They issued pamphlets characterizing the President as a warmonger, determined to lead the American people to destruction.

In other words, this was the organization that, prior to Hitler's invasion of Russia, was engaged in a bold and deliberate attempt to sabotage our preparations for war and our defense measures. Notwithstanding that fact, here are these same Government employees who are now active in the National Federation for Constitutional Liberties, who were active in the American Peace Mobilization and in its predecessor, the American League for Peace and Democracy.

Permit me to read for you one song that they sang at the convention of the American Peace Mobilization in New York:

C for conscription and C for Capitol Hill.
C for conscription and C for Capitol Hill.
It's C for the Congress that passed that
God-damned bill.
This here New York City water tastes like
cherry wine.
This here New York City water tastes like
cherry wine.
They tell me Army water tastes like turpentine.
I'd rather be here at home and live in a
hollow log;
I'd rather be here at home and live in a
hollow log;
Than go to the Army, be treated like a dirty
dog.

Those excerpts will give you some idea of the true nature and purposes of this organization. I need not dwell upon the facts. I again mention it briefly that the leaders of the National Federation, this organization that has undertaken to indict the committee on un-American activities, has had the effrontery to write to the Attorney General and demand a grand jury investigation of our committee; this organization was permitted to picket for 1,500 hours at the White House, to do all within its power to sabotage our defense program. It was active in the strikes that were then going on in the defense industries of America. Not one time was the organization ever prosecuted in the United States.

The same leaders were also prominent in other organizations; they were active in the American Committee for the Protection of the Foreign-Born. Among the 78 individuals making up the leadership of the National Federation for Constitutional Liberties a majority have also been identified with the American Committee for the Protection of the Foreign-Born. Their leaders have also been active in the American Committee for Democracy and Intellectual Freedom. I need not go into further details, because, as I have said, the Attorney General himself and the Department of Justice have confirmed the findings of our committee in branding this organization as Communist-controlled.

Where, Mr. Speaker, does the National Federation for Constitutional Liberties receive its funds? We recently investigated the funds of a foundation known as the Robert Marshall Foundation. Robert Marshall was at one time an important official of the Government. He left a will under which he bequeathed $1,535,000 to be used for the education of the people of the United States of America to the necessity and desirability of developing an organization of unions of persons engaged in work or unemployed persons in the advancement of our American system in the United States based upon the theory of production for use and not for profit and other purposes. Among the trustees he named was Gardner Jackson, the same Gardner Jackson who confessed before our committee that he paid the money which purchased the forged letters that attempted to link me with William Dudley Pelley. Mr. Jackson was later rewarded by a promotion; he is now the principal economist in the Department of Agriculture. I hold in my hand his telephone bills showing his active participation in an effort by Communist organizations to spread their propaganda to defeat the Special Committee on Un-American Activities.

I also have the telegrams that were received from time to time by the National Federation for Constitutional Liberties.

I have the checks issued by the Robert Marshall Foundation to all of these organizations, and I now ask unanimous consent to place in the RECORD the list of checks totaling almost $100,000 that were contributed to organizations which our committee and the Department of Justice found to be Communist-controlled organizations.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

ROBERT MARSHALL FOUNDATION

For some years there has been an element of mystery in the ability of the Communist Party to finance its extensive network of front organizations. To a large extent our committee has now unraveled that mystery. The principal source of the funds by which these Communist front organizations are able

to operate today is the legacy of the late Robert Marshall, who until his death some 2 years ago was a high Federal Government official employed in the Department of the Interior.

Robert Marshall, the son of a rich man, left an estate which has been formally valued at $1,535,070.41. One-half of this estate was set aside in the will of the deceased for "the promotion and advancement of an economic system in the United States based upon the theory of production for use and not for profit."

This half of the estate of the late Robert Marshall has become the Robert Marshall Foundation. In his will Marshall named the following persons as trustees of this fund: Gardner Jackson, George Marshall, Heber Blankenhorn, Jerry J. O'Connell, and Raphael Zon.

It will be noted that one of the trustees of the Robert Marshall Foundation is now a high Government official, namely, Gardner Jackson, principal economist in the Department of Agriculture at a salary of $5,600. We shall show presently that the funds of the Robert Marshall Foundation are being used to finance a considerable number of the Communist Party's front organizations. It follows that if the Attorney General's investigation had resulted in the removal of Gardner Jackson from his Government post, the American people would have been spared the humiliation of having one of their officials functioning as one of the effective administrators of large funds now being used in the financing of the Communist movement in this country. Gardner Jackson was, of course, not one of the two whose removal followed the investigation of the Attorney General.

We list below the amounts and dates of checks which have been paid to numerous Communist front organizations out of the Robert Marshall Foundation, together with a very brief statement concerning each organization. In these brief statements we indicate only a single clue out of hundreds which could be cited to establish the Communist character of the organizations which have in the past 20 months been beneficiaries of the Robert Marshall Foundation.

It will be noted that this single clue is the organization's relationship with the American Peace Mobilization. We hardly need to be reminded that the American Peace Mobilization was the completely Communist-controlled organization which picketed the White House last year and which did everything within its power to sabotage the defense program of this country. The leaders of the American Peace Mobilization, of whom George Marshall was one, publicly declared that they had no preference for an English victory over a Nazi victory.

The following are the organizations and their records of checks from the Robert Marshall Foundation:

American Guardian

Jan. 7, 1941	$1,500
Apr. 17, 1941	750
Aug. 16, 1941	750
Total	3,000

The owner and editor of the American Guardian, a small newspaper published in Oklahoma, is one Oscar Ameringer. Ameringer was a member of the national council of the American Peace Mobilization.

American Youth Congress

Jan. 7, 1941	$2,000
Apr. 8, 1941	1,200
July 8, 1941	300
Aug. 1, 1941	800
Aug. 14, 1941	700
Dec. 22, 1941	1,750
Mar. 25, 1942	1,750
June 16, 1942	1,750
Total	10,250

Probably no one today will deny the Communist control of the American Youth Congress, unless it be a person who wishes deliberately to conceal the facts of the matter. Jack R. McMichael, national chairman of the American Youth Congress, was also national vice chairman of the American Peace Mobilization. Joseph Cadden, executive secretary of the American Youth Congress, was also a member of the national council of the American Peace Mobilization. Cadden was one of the most active pickets of the White House.

Farm research

Jan. 7, 1941	$500
Apr. 8, 1941	500
Jan. 12, 1942	500
Apr. 1, 1942	500
June 16, 1942	500
Total	2,500

The Director of Farm Research, Charles J. Coe, was one of the national leaders of the American Peace Mobilization. On January 27, 1941, Coe signed the "call" for the national gathering of the American Peace Mobilization which was held in New York in April 1941.

Farmers Educational and Cooperative Union of America

Jan. 12, 1942	$7,500
Apr. 1, 1942	7,500
June 26, 1942	7,500
Total	22,500

The following leaders of the Farmers Educational and Cooperative Union of America were also national leaders of the American Peace Mobilization: Gerald Harris, Alabama Farmers Union; Charles Egeley, Minnesota Farmers Union; Clinton Clark, Louisiana Farmers Union; E. H. Chrum, South Dakota Farmers Union; H. S. Bruce, Montana Farmers Union; H. R. Lenox, Ohio Farmers Union; Solon Phillips, Pennsylvania Farmers Union.

Federated Press

Jan. 7, 1941	$500
Aug. 16, 1941	1,000
Apr. 1, 1942	1,000
July 18, 1942	750
Total	3,250

The first manager of the Federated Press was Emil J. Costello, a Wisconsin Communist. Costello was one of the national leaders of the American Peace Mobilization. Harvey O'Connor has also been an active leader of the Federated Press as well as a member of the national council of the American Peace Mobilization.

Frontier Films

Aug. 14, 1941	$4,000
Aug. 28, 1941	2,000
Total	6,000

Frontier Films produced the Communist film Native Land, based on Richard Wright's Native Son. The picture featured the Negro actor, Paul Robeson. Both Richard Wright and Paul Robeson are prominent Communists and both were members of the national committee of the American Peace Mobilization.

Gerald Harris

Apr. 8, 1941	$500
July 8, 1941	300
Aug. 1, 1941	200
Total	1,000

Gerald Harris, Alabama Communist leader of the Farmers International and Cooperative Union of America, was a member of the national council of the American Peace Mobilization.

Highlander Folk School

Jan. 7, 1941	$400
Apr. 8, 1941	800
June 19, 1941	200
Jan. 12, 1942	$500
Apr. 1, 1942	500
June 16, 1942	500
Total	2,900

The Highlander Folk School, located in Tennessee, is headed by one James Dombrowski. Dombrowski was in close collaboration with the leaders of the American Peace Mobilization. Among many other things, he appeared as a speaker at one of their national gatherings held in Washington during the period of the Nazi-Soviet pact.

International Juridical Association

Jan. 7, 1941	$200
Apr. 17, 1941	200
Apr. 1, 1942	250
July 18, 1942	250
Total	900

Six of the leaders of the International Juridical Association, all members of its national committee, assisted in the formation of the American Peace Mobilization. They are the following: Edward Lamb, Maurice Sugar, Abraham J. Isserman, Pearl Hart, Aubrey Grossman, and Irvin Goodman. These six, while in attendance at the Chicago meeting where the American Peace Mobilization was formed, sent a telegram to the President in which they denounced the conscription bill.

Methodist Federation for Social Service

Jan. 12, 1942	$250
Mar. 25, 1942	250
Total	500

Harry F. Ward is the head of the Methodist Federation for Social Service. Ward was not only the national chairman of the American League for Peace and Democracy, but was also one of the national leaders of the American Peace Mobilization.

National Federation for Constitutional Liberties

Jan. 7, 1941	$2,500
Apr. 8, 1941	1,600
June 19, 1941	400
July 8, 1941	800
Aug. 14, 1941	700
Dec. 22, 1941	2,750
Mar. 25, 1942	2,750
June 16, 1942	2,750
Total	14,250

The former chairman of the National Federation for Constitutional Liberties, Owen A. Knox, and the present chairman, George Marshall, were both members of the national council of the American Peace Mobilization.

National Negro Congress

Jan. 7, 1941	$2,000
Apr. 8, 1941	1,200
June 14, 1941	300
July 8, 1941	500
Aug. 16, 1941	500
Dec. 22, 1941	1,250
Dec. 22, 1941 (Max Yergan)	625
Mar. 25, 1942	1,250
Mar. 25, 1942 (Max Yergan)	625
June 16, 1942	1,250
June 16, 1942 (Max Yergan)	625
Total	10,125

The chairman of the National Negro Congress, Max Yergan, and its executive secretary, John P. Davis, were both members of the national council of the American Peace Mobilization.

Southern Conference for Human Welfare

Jan. 7, 1941	$500
May 4, 1942	1,000
Total	1,500

The present chairman of the Southern Conference for Human Welfare, John B. Thompson, was formerly the national chairman of the American Peace Mobilization. The executive secretary of the Southern Conference for

Human Welfare, Howard Lee, was also a member of the national council of the American Peace Mobilization.

Southern Negro Youth Congress

July 18, 1942	$750

Herman Long represented the Southern Negro Youth Congress on the national council of the American Peace Mobilization.

Southern School for Workers

Jan. 7, 1941	$2500
Apr. 17, 1941	250
July 8, 1941	300
Aug. 1, 1941	200
Apr. 1, 1942	500
July 18, 1942	500
Total	2,000

The Southern School for Workers is headed by a group of radicals most of whom were active in the American Peace Mobilization.

U. S. Week

Aug. 16, 1941	$4,000
Oct. 2, 1941	2,000
Total	6,000

U. S. Week is an unimportant publication which has faithfully followed the line of the Communist Party. In the days of the American Peace Mobilization, it went along with that particular line of the party.

Without exception, the foregoing organizations and individuals who have been beneficiaries of the Robert Marshall Foundation have been distinctly Communist or pro-Communist in their affiliations and policies. In particular, they have records of affiliation with or support of the American Peace Mobilization.

For many years, the son of another rich man, Charles Garland, was the principal benefactor of the Communist movement in the United States. Garland's fund was known as the American Fund for Public Service. The Garland funds have been exhausted for some time now. The Robert Marshall Foundation is the true successor of the Garland fund in enabling the Communist Party to carry on the work of its extensive solar system of front organizations.

Mr. DIES. Furthermore, Mr. Speaker, when the gentleman from Virginia was a candidate for reelection, the National Federation for Constitutional Liberties called every radio and newspaper in his district 1 week before the election in behalf of his opponent. Here is an enormous fund of $1,535,000 being used by Gardner Jackson and Jerry O'Connell, who is one of the trustees of the will, being used for the deliberate purpose of spreading disunity and lies throughout the United States and undertaking to blacken the name of every Member of Congress who does not meet their qualifications of liberalism.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield.

Mr. O'CONNOR. Did the gentleman say "Jerry O'Connell" or "JERRY O'CONNOR"?

Mr. DIES. I referred to Jerry O'Connell, who served in the House as a Member from Montana.

Mr. O'CONNOR. Be sure that the name is straight, please.

Mr. DIES. I did not mean the gentleman now addressing me.

Mr. Speaker, if I can get the time I want to spread all these facts before the House. There can be no contradiction of them. Here are the telegrams; here are the photostatic copies of checks. My only difficulty, as I said, is that I have so many records I cannot use them quickly.

Mr. Speaker, I also ask unanimous consent to place in the RECORD the will of Robert Marshall and the order of the surrogate court admitting it to probate which contains information that will prove of great value to Members of Congress who may be the victims of these organizations in the coming elections.

The SPEAKER pro tempore. Without objection, the request is granted.

There was no objection.

R. MARSHALL—LAST WILL

1. Just bills, funeral, be paid.

2. I nominate and appoint my brother, James Marshall, to executor. In the event he dies before me or fails to qualify, or having qualified shall die, resign, or be otherwise unable before my estate shall have been fully administered, then I appoint my brother, George Marshall, as such executor. I direct that no person named as executor shall at any time be required to give bond or security of any kind in any jurisdiction for faithful performance of his duties.

3. I give unto Herbert Clark, of 7 West Saranac Lake, N. Y., sum, $3,000.

4. I direct all rest, residue, and remainder of my estate, of every nature, real and personal, to be divided by my executor into four parts, as nearly equal in value as practicable, and disposed as follows:

5. Two of said parts I give unto Gardner Jackson, 6 West Kirk Street, Chevy Chase, Md., my brother, George Marshall, Hebar Blankenborn, of Washington, D. C., Jerry O'Connell, of Butte, Mont., and Rapheal Zon, 2237 Doswell Avenue, St. Paul, Minn., and the survivors of them, and to invest, reinvest, and keep invested said parts and to apply the income derived therefrom and such parts of the principal as they may in their unlimited discretion deem necessary for the following objects and purposes:

The education of the people of the United States of America to the necessity and desirability of the development and organization of unions of persons engaged in work or of unemployment and unemployed persons and the promotion and advancement of an economic system in the United States based upon the theory of production for use and not for profit.

The objects and purpose herein set forth shall be carried out through lawful means and only through lawful means, and for the purpose of carrying out such objects and purposes I grant to the trustees named full power and authority to employ and pay organizers, lecturers, and writers, and such assistants as they deem necessary, for properly fulfilling the objects and purpose of the trust as set forth by me herein; and to print, publish, and distribute pamphlets, books, magazines, newspapers, and generally to use any and all lawful means toward the furtherance of such objects and purposes, and shall further have the authority to draft bills and accounts, and laws and other legislation, and use all lawful means to have the same enacted into the laws of the various States of the United States of America and by the Congress of the United States.

B. One of the said parts I give, devise and bequeath to my brother James Marshall, Edwin S. Smith of Washington, D. C., Roger Baldwin of New York City, John Finerty of New York City, Gardner Jackson of Maryland, and the survivors of the, and to the successors, in perpetuity, in trust, nevertheless, to invest, reinvest and keep invested said part and to apply the income derived therefrom and such part of the principal as they may, in their unlimited discretion, deem necessary for the following purposes:

The safeguarding and advancement of the cause of civil liberties in the United States of America and various States by all lawful means and activities, with full power and authority to the trustees to print, publish, and distribute pamphlets, books, magazines and newspapers and generally to use any and all lawful means to have them enacted into the law of the various States and by the Congress of the United States, and their Federal Constitution and by various States' constitutions be forever maintained, preserved and developed.

C. The remaining part I give, devise, and bequeath unto Robert S. Yard, 1840 Mintwood Place, Washington, D. C., George E. Marshall, William Zimmerman, Jr., Indian Office, Washington, D. C.; Irving Clark, Bellevue, Washington, D. C.; Olans Maurie Jackson, Wyo., and the survivors of them, and to their successors, in perpetuity, in trust nevertheless, to invest, keep invested said part and to apply the income derived and such part of the principal as they may deem necessary for the following objects and purposes.

The preservation of the wilderness conditions in outdoor America, including, but not limited to, the preservation of areas of primitive conditions, vegetation and fauna, and the trustees shall have full power to employ and pay lecturers, writers, and publish books, magazines, and to use all lawful means to increase the knowledge of the citizens of the United States of America as to the importance of maintaining wilderness conditions in outdoor America for the future, and said trustees shall be empowered to use all lawful means in opposing statutes or regulations which will or may affect the maintenance of wilderness conditions and trustees will have power to draft such bills and acts, and other legislation and use all lawful means to have same enacted in the United States of America—which will safeguard and preserve wilderness conditions in outdoor America.

(5) If any purpose of any of the trusts, (A), (B), or (C), specified in the preceding paragraph shall be held invalid by any court, then, in that event, I direct that the trustees of the trust, with respect to which invalidity shall have been determined, shall devote the principal and income of said trust created to the remaining purpose of said trust. If any trust created in any of the said subdivisions of the preceding paragraph shall be held invalid in its entirety by any court, then, and in that event, I direct that the principal and accrued income of said trust, so held invalid, shall be divided into two equal parts between the remaining trusts to the end that one-half of said trust and accrued income thereon shall be paid over and delivered to the trustees of each of the remaining trusts provided for in this will, which sum so paid over shall be administered by the trustees of each said trust for the uses and purposes set forth in this will.

(6) In making distribution of my residuary estate my executor is authorized and empowered in his sole discretion to make such distribution in kind, or partly in kind and partly in money, and for such purposes the judgment of my executor concerning the propriety thereof, and the relative value of the property and securities for the purpose of distribution, shall be binding and conclusive on all persons interested therein. My executor may also apportion to the aforesaid trusts such securities as I may hold at the time of my death, irrespective of the fact that they may be securities other than those of which the investment of trust funds is ordinarily limited, and I grant to said trustees named in paragraph "Fourth" of this will the power to hold and to continue any investment so received from my executor—even though they be of a character not conforming with the legal requirements as to the investment of trust funds. Any other investment or reinvestment by my trustees shall only be made

in such securities as constitute legal investments for trustees under the laws of the State of New York.

(7) If the trustees of the trusts created in subdivision (A), (B), (C) of paragraph Fourth hereof shall determine that the objects and purposes of the trusts of which they are trustees may be best carried out by a transfer and assignment of the whole or any part of the principal of the income constituting said trust fund to a membership or other nonprofit-making corporation, or corporation organized under the laws of the State of New York whose objects and purposes shall be in accord with or include the objects and purposes for which said trust is created, said trustees are hereby notified and empowered to transfer and assign the whole or any part of the principal or income constituting said trust fund to such corporation or corporations in such amounts and at such times as they in their unlimited judgment may deem proper. The purpose hereof being to have said trustees determine from time to time the method best adapted to accomplish the objects and purpose of the trusts which they are acting as trustees.

(8) If the trustees of any of the trusts specified in paragraph "fourth" hereof shall determine that the objects and purposes of the trust of which they are trustees may best be effected by corporate means, they are expressly empowered to incorporate or cause to be incorporated under the general laws of the State of New York or any special act of the Legislature of the State of New York a corporation which shall have authority among such other powers as may be conferred upon it, to take hold the property constituting the trust fund with respect to which such corporation shall have been organized and to administer, invest, and dispose of the same, and to devote the principal thereof and the income therefrom to the object and purposes specified in the said trust. In the event that the trustees shall cause to be incorporated any corporation with respect to any said trusts, I direct that the person named as trustee for said trust with respect to which corporation shall have been organized shall act as trustee or directors of said new corporation for least the first year of its existence and as long thereafter as they shall be elected and may be willing to serve.

(9) If any of the persons named as trustees shall decline to serve or for any reason be unable to do so, I authorize and empower the trustee who shall serve or the survivor of them to fill the vacancies created. The trustees of such corporations shall have power from time to time to fill all vacancies occurring in the board.

(9) In the event of any trustees named in any of the subdivisions of paragraph "fourth" hereof shall die before me or shall fail to qualify, or any such trustees shall be filled by a majority of the remaining trustees of the said trusts who shall have qualified by resolution and appointment in writing entered in books of record of their proceedings as trustees, and certification of such appointment executed by such remaining trustee shall be filed in the office of the manager of said trust fund and thereupon the trustees so designated shall upon the written acceptance of such appointment duly acknowledged and deposited with said fund manager become vested with all the powers, duties, and privileges of the trustees who shall have died before me, or shall not have qualified with the same force and effect as though originally named in this will as trustees of said trust. Any trustees named in any of the subdivisions of part fourth hereof may at any time resign his trust by a writing signed by him and delivered to the remaining trustees, accompanied by a proper transfer and release of his title to any interest in the property of the trust. In the event of the death or resignation of any of the trustees named in the vacancy thereby created shall be filled by a majority of the remaining trustees of said trust by resolution and appointment in writing entered in the book of records of their proceeding and certificate of appointment executed by remaining trustees shall be filed in the office of the manager of said trust fund and thereupon the trustees so designated shall upon the written acceptance of such appointment duly acknowledged and deposited with said fund manager become vested with all the powers, duties, and privileges of the trustees so resigning, with the same force and effect as though originally named in this will as trustees of said trust.

(10) The trustees of each of the said trusts created by this will shall not be liable to any error of judgment with respect to any of their acts hereunder nor shall they be liable for the acts or omissions of each other, nor shall they, unless appointed by the courts, be required to give any bond for due performance of the trust with respect for which they are appointed, nor shall they be entitled to receive compensation for their services; they shall respectively be responsible, each only for his own willful misconduct and not for any act, default or misconduct of any other trustee.

(11) Except as herein otherwise provided and as to acts ministerial in their nature, the concurrence of a majority of the trustees with respect to each trust shall be necessary for the purpose of giving legal effect to any act of the trustees but it shall not be necessary that full concurrence shall be given at a formal meeting of the trustees, but it may be evidenced by cable, telegraphic or written assent of the trustees.

(12) As to strangers of each of said trusts created by this will, the written assent of a majority of the trustees authorizing a particular act to be done shall be conclusive evidence that it is within the powers of the trustees and no purchases from them shall be bound to see to the application of the purchase money or any other consideration paid or delivered by or for such purchases to or for the trustees.

In witness whereof I hereunto set my hand 12th day of July, 1938.

ROBERT MARSHALL.

Witnesses:

Catherine Malthy Blaisdell, Washington, D. C.

Thomas C. Blaisdell, Lakeland, Fla.

James Marshall, petitioner, brother, 88 Central Park West, New York City.

George Marshall, brother, executor, 28 East Sixty-third Street.

Gardner Jackson, trustee in will, 6 North Kirk Street, Chevy Chase, Md.

Heban Blankenhorn, trustee in will, 805 Duke Street, Alexandria, Va.

Jerry O'Connell, trustee in will, Butte, Mont.

Raphael Zon, trustee in will, 2237 Doswell Avenue, St. Paul, Minn.

Edwin S. Smith, trustee in will, 282 West Eleventh Street.

John Finerty, named in will, 41 East Sixty-first Street, New York City.

William Zimmerman, Jr., named in will, 4713 North Rock Spring Road, Bellevue, Washington, D. C.

Olas Murie, named in will, Jackson, Wyo.

Lawyer for will, Marshall Bratter & Seligson, 150 Broadway, New York City.

Recorded, 1675 page 72.

Probated January 10, 1940.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield.

Mr. SMITH of Virginia. The gentleman referred to people having sent telegrams to the district of the gentleman from Virginia who was a candidate for reelection.

Mr. DIES. That is correct.

Mr. SMITH of Virginia. I am wondering to which Member from Virginia he referred.

Mr. DIES. I referred to the gentleman from Virginia [Mr. SMITH], who was opposed in the last primary. This is the way we got the information: The information was obtained from telephone conversations, from the statements of editors who were called up from Washington, D. C. Upon tracing the calls they were found to be charged to the National Federation of Constitutional Liberties.

Mr. SMITH of Virginia. I do not want to interrupt——

Mr. DIES. I shall be pleased to yield.

Mr. SMITH of Virginia. I just wondered if the gentleman could tell me, merely for my own information, what was the purport of the telephone calls?

Mr. DIES. The purpose of them was to oppose the gentleman. The purpose of them was that the National Federation was active in undertaking to defeat the gentleman in the last primary election.

Here are photostatic copies of the checks showing almost $100,000 expended from this fund by the principal economist of the Department of Agriculture. Let me break down these checks so you may see what they are. I may say also that information now in my possession will probably lead to the disclosure of further large funds that are now being used by organizations with immunity for the purpose of defeating Members of the House who are exercising their constitutional rights in representing the people of their districts.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield.

Mr. RANKIN of Mississippi. Will the gentleman insert in the RECORD at this point the names appearing on those checks and the amount of each one?

Mr. DIES. I am going to do that; I am going to put them in the RECORD.

Let us take the first check. It is to the American Youth Congress in the amount of $2,000 and is dated January 7, 1941. Here is a check for $1,200 dated April 8, 1941. There was a total of $10,250 contributed by Gardner Jackson to that organization which even the First Lady of the land now admits was controlled by Communists. Farm Research, $2,500; the Director of Farm Research, Charles J. Coe, was one of the national leaders of the American Peace Mobilization. On January 27, 1941, Coe signed the call for a national gathering of the American Peace Mobilization which was held in April 1941, in New York.

Here are checks totaling $3,250 to the Federated Press. The first manager of the Federated Press was Emil J. Costello, a Wisconsin Communist. Costello was one of the national leaders of the American Peace Mobilization.

Here is The Frontier Films, an out-and-out Communist organization, $6,000 donated by Mr. Gardner Jackson out of his $1,500,000.

Gerald Harris, $1,000 donated. Gerald Harris is Alabama Communist leader of the Farmers Educational and Cooperative Union of America and was a mem-

ber of the National Council of the American Peace Mobilization.

Highlander Folk School received $2,900.

The National Federation for Constitutional Liberties received $14,250. They mailed out of their offices here in Washington 25 sacks of pamphlets attacking our committee as agents of the Axis Powers, these same people who prior to the invasion of Russia by Adolf Hitler were picketing the White House, instigating strikes, advising young men how they could evade the draft and inspiring thousands of telegrams attempting to create pressure upon Congress to prevent us from doing what we did at that time to prepare the Nation for the emergency. Here is that same group who are now receiving from Gardner Jackson $14,250 in an attempt to spread malicious lies against a committee of this Congress and eventually in a well-formed program to defeat every Member of Congress who does not meet their qualifications of liberalism.

Mr. MAY. Will the gentleman yield?

Mr. DIES. I yield to the gentleman from Kentucky.

Mr. MAY. It may be of interest to the House to know that during the hearings on the Selective Training and Service Act two of these organizations at least got so persistent in their demand on the committee that I had to call the Capitol Police force for protection of the committee.

Mr. DIES. Every one of these organizations who received contributions from this fund are named, or their leaders are named in the call of the American Peace Mobilization for a gathering in New York. In other words, I have here the folder of the American Peace Mobilization signed by a number of officers and leaders of these organizations and here is the principal economist of the Agriculture Department giving $14,250 to an organization organized for sabotage purposes.

Mr. EBERHARTER. Will the gentleman yield?

Mr. DIES. I yield to the gentleman.

Mr. EBERHARTER. I would like to know whether any of these checks to which the gentleman is referring are dated after December 8, 1941?

Mr. DIES. These checks are recent checks. They come right along. I will read them. Here is one dated May 25, 1942; here is one July 18, 1942, July 18, 1942, July 18, 1942, July 18, 1942, June 16, 1942, June 16, 1942, June 7, 1941, and on down. Many of them are recent checks issued in the past few months.

Mr. RANKIN of Mississippi. Will the gentleman yield?

Mr. DIES. I yield to the gentleman from Mississippi.

Mr. RANKIN of Mississippi. As I understand the gentleman, some of those checks were issued before the Pearl Harbor incident and some of them after the Pearl Harbor incident?

Mr. DIES. Yes.

Mr. RANKIN of Mississippi. So it is an unbroken chain of circumstances?

Mr. DIES. Yes. Mr. Speaker, I ask unanimous consent that my time may be extended 30 minutes. I ordinarily do not trespass upon the time of the House, but this is important.

The SPEAKER pro tempore (Mr. COOPER). Is there objection to the request of the gentleman from Texas [Mr. DIES] that he may proceed for an additional 30 minutes?

There was no objection.

Mr. COFFEE of Nebraska. Will the gentleman yield?

Mr. DIES. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. Will the gentleman state whether the Union for Democratic Action was the recipient of some of that money also?

Mr. DIES. Here is a check to the National Negro Congress. The sum of $10,125 was contributed to that organization. Here is the Southern Conference for Human Welfare that received contributions totaling $1,500. Mind you, all these organizations formed the American Peace Mobilization. They were the ones that were guilty of obscenity in their public gatherings, they were guilty of denouncing the President of the United States in the most vicious and indecent terms, they were guilty of the most open and flagrant actions of sabotage that any organization was ever permitted in a republic, yet here they are receiving various sums of money.

Mr. ROBERTSON of Virginia. Will the gentleman yield?

Mr. DIES. I yield to the gentleman from Virginia.

Mr. ROBERTSON of Virginia. Before the gentleman leaves the subject of the disbursements of this foundation, I wish to call his attention to the fact that subsection 6 of section 101 of the Internal Revenue Code, under which religious, charitable, and other organizations claim exemption from taxation, lose that exemption if they engage in political activity. Will the gentleman bring to the attention of the Internal Revenue Bureau of the Treasury Department all evidence that he has of political activities upon the part of those who now enjoy tax-free exemption?

Mr. DIES. I thank the gentleman. Seven hundred and fifty dollars on July 18, 1942, was donated to the Southern Negro Youth Congress. The Southern School for Workers received $2,000. The Southern School for Workers is headed by a group, most of whom were active in the American Peace Mobilization movement.

The U. S. Week received $6,000. The U. S. Week is an unimportant publication that has faithfully followed the line of the Communist Party.

I now return to the question of the Government officials who belong to the Washington chapter of the Committee for Democratic Action. I address my remarks through you to the representative of the Department of Justice. I propose to have a show-down on this question. I know that if our committee were to subpena the records of the F. B. I., if we were to ask the Attorney General to bring the record of these 601 cases before us and to make public the confidential memorandum which I am inserting in the RECORD, he would assert that our committee is prejudiced, that it is not a fair and impartial forum before which to go.

I therefore invite him, and I invite the Subcommittee on Appropriations to ask the F. B. I. to bring all of the facts and the records before it, also to request of us all our facts about these Government employees, and behind closed doors sift the evidence and ask the Attorney General why, after having branded an organization as Communist-controlled, after having gone on record with the assertion that the organization had been closely observed by the Government and that its nature was so plain that few could be misled, why it is that having all those facts before him he failed to take any action against those employees.

Mr. THOMAS of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield to the gentleman from New Jersey.

Mr. THOMAS of New Jersey. May it not be true also that the Federal Bureau of Investigation submitted more than one report to the Attorney General? I mean by that, have we not heard that the first report submitted by the Federal Bureau of Investigation to the Attorney General was sent back with instructions that it be toned down?

Mr. DIES. That is a very interesting question that the subcommittee of the Appropriations Committee should ask of Director Hoover, who in my judgment is one of the most fearless, efficient, and capable law-enforcement officers in the United States.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield to the gentleman from New York.

Mr. FISH. There is one point I should like the gentleman to emphasize right at this juncture: This Mr. Gardner Jackson to whom the gentleman referred as sending this money out to Communist front organizations is now holding a Government job, as I understand the gentleman?

Mr. DIES. Principal economist.

Mr. FISH. In what department?

Mr. DIES. The Department of Agriculture.

Mr. FISH. What is his salary?

Mr. DIES. I think $5,600.

Mr. FISH. He has been holding that job all the time he has been sending this money out to the Communist organizations, to spread communism?

Mr. DIES. After he confessed before our committee that he paid the money to buy the letters that were widely circulated throughout the country, and particularly in my own district, attempting to link me with William Dudley Pelley, he received a promotion.

Mr. FISH. He is still holding the job today?

Mr. DIES. Yes; he is still holding the job.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield to the gentleman from Mississippi.

Mr. RANKIN of Mississippi. The gentleman referred a moment ago to some economist in the Department of Agriculture who has received some of these contributions.

Mr. DIES. No; the gentleman is mistaken. I was referring to the principal

economist, Mr. Gardner Jackson, who disbursed the funds.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield to the gentleman from Illinois.

Mr. MASON. This Gardner Jackson, who is now chief economist for the Department of Agriculture, is the man who is responsible quite largely for figuring the parity payments that we discussed so much yesterday.

Mr. DIES. Mr. Speaker, remember this, and this is another question that I want answered by the Attorney General when he appears before the subcommittee of the Appropriations Committee. "Why was it, Mr. Attorney General, that PM published your report 5 days before you gave it to Congress? You got your $100,000 from Congress, not from PM. Who is it in the Department of Justice that delivered the facts to this parlor edition of the Daily Worker 5 days before the Congress of the United States received the facts?" I note that Kenneth Crawford, a sponsor of the National Federation for Constitutional Liberties, wrote the story in PM.

We present here a tabulation of the Federal Government employees who have affiliated themselves with the National Federation for Constitutional Liberty, or its District of Columbia chapter, the Washington Committee for Democratic Action:

THE NATIONAL FEDERATION FOR CONSTITUTIONAL LIBERTIES—AN ORGANIZATION OF GOVERNMENT OFFICIALS

Bearing in mind that the Attorney General had branded the National Federation for Constitutional Liberties and the Washington Committee for Democratic Action as Communist front organizations, and further bearing in mind the Attorney General's statement on the sinister character of Communist-front organizations, we are prepared to face the seriousness of the fact that the National Federation for Constitutional Liberties as it is organized in the District of Columbia under the name of the Washington Committee for Democratic Action is essentially an organization of Government officials. An effective majority of all the officers of the Washington Committee for Democratic Action are on the pay roll of the Federal Government. In other words, the individuals who run the organization or at least have the power to run it are Federal Government officials. Furthermore, the Attorney General has stated in his memorandum on the Washington Committee for Democratic Action that "ample opportunity to observe this affiliation and control (referring to Communist affiliation and control) has been present throughout the committee's existence (meaning by committee the Washington Committee for Democratic Action)." (Parentheses inserted to make the Attorney General's statement clear.)

We are faced with the following established facts:

(1) The National Federation for Constitutional Liberties and its District of Columbia chapter, the Washington Committee for Democratic Action, are Communist-front organizations. The Attorney General has said so, and on the basis of overwhelming evidence we concur in the Attorney General's judgment.

(2) A Communist-front organization is "represented to the public for some legitimate reform objective, but actually used by the Communist Party to carry on its activities pending the time when the Communists believe they can seize power through revolution." The Attorney General has said so, and on the basis of overwhelming evidence we concur in the Attorney General's statement concerning Communist-front organizations.

(3) The National Federation for Constitutional Liberties as it is represented in the District of Columbia by the Washington Committee for Democratic Action is composed of an effective majority of Federal Government employees so far as its governing body is concerned.

(4) The Federal Government employees who constitute this effective majority of the officers of the Washington Committee for Democratic Action have had ample opportunity to observe the communist affiliation and control of their organization from the very beginning of its existence.

(5) The foregoing clearly established facts necessitate the conclusion that these Federal Government employees have assumed the responsibility involved in running a Communist front organization. They and they alone bear this responsibility of enabling "the Communist Party to carry on its activities pending the time when the Communists believe they can seize power through revolution."

(6) An investigation has revealed that these Federal Government employees who constitute a majority of the officials of this communist front organization were still on the Government rolls as of September 15, 1942. Not one of them has been removed by his superiors as a result of any investigations by the Department of Justice.

We present here a tabulation of the Federal Government employees who have affiliated themselves with the National Federation for Constitutional Liberties or its District of Columbia chapter, the Washington Committee for Democratic Action:

Hugh Miller, chairman of the Washington Committee for Democratic Action: Hugh Miller is senior attorney for the Bituminous Coal Commission of the Department of the Interior at a salary of $4,600.

Other Communist affiliation of Hugh B. Miller: Leader of the American Peace Mobilization.

Alice Barrows, vice-chairman of the Washington Committee for Democratic Action: Alice Barrows is educationalist, specialist in school buildings for the Office of Education at a salary of $4,800.

Other communist affiliations of Alice Barrows: Member of the national committee of the American League for Peace and Democracy; Chairman of the affairs committee of the Washington Branch of the American League for Peace and Democracy; member of the Washington Bookshop.

Harry C. Lamberton, counsel for the Washington Committee for Democratic Action: Harry C. Lamberton is head attorney of the Rural Electrification Administration at a salary of $6,500.

Other Communist affiliations of Harry C. Lamberton: Chairman of the Washington branch of the American League for Peace and Democracy; delegate of the Conference on Pan American Democracy; member of the Washington Bookshop.

Jay Deiss, member of the executive committee of the Washington Committee for Democratic Action: Jay Deiss is senior editor writer in the radio and information service of the Federal Security Agency at a salary of $4,600.

Other Communist affiliation of Jay Deiss: Member of the Washington Bookshop.

Milton V. Freeman, member of the executive committee of the Washington Committee for Democratic Action: Milton V. Freeman is assistant solicitor for the Securities and Exchange Commission at a salary of $6,500.

Eugene C. Holmes, member of the executive committee of the Washington Committee for Democratic Action: Eugene C. Holmes is consultant in the Office of War Information at a per diem salary of $10.

Other Communist affiliations of Eugene C. Holmes: Secretary of the Washington chapter of the League of American Writers; signer of call for the Third American Writers Congress; sent letter to the New Masses; member of the American League for Peace and Democracy.

Teresa Liss, member of the executive committee of the Washington Committee for Democratic Action. Teresa Liss is assistant economic statistician in the Office of Price Administration at a salary of $2,600.

Woodrow J. Sandler, member of the executive committee of the Washington Committee for Democratic Action. Woodrow J. Sandler is assistant attorney of the National Labor Relations Board at a salary of $3,200, on military leave since August 22, 1942.

Other Communist affiliation of Woodrow J. Sandler: member of the Washington Bookshop.

Helen Watman, member of the executive committee of the Washington Committee for Democratic Action. Helen Watman is law clerk for the Reconstruction Finance Corporation at a salary of $2,200.

Other Communist affiliations of Helen Watman: member of the Washington Bookshop; member of the American League for Peace and Democracy.

Merle Vincent, former president of the Washington Committee for Democratic Action: Merle Vincent is director of the hearings branch in the Department of Labor at a salary of $7,250.

Other Communist affiliations of Merle Vincent: Sent greetings to the International Labor Defense; sponsor of the Descendants of the American Revolution; speaker for Greater New York Conference on Inalienable Rights; contributor to Equality magazine; temporary chairman of the National Conference on Constitutional Liberties in America.

Gardner Jackson, sponsor of the Washington Committee for Democratic Action. Gardner Jackson is principal economist for the Department of Agriculture at a salary of $5,600.

Other Communist affiliations of Gardner Jackson: Chairman of Council for Pan American Democracy; signer of Call for American Youth Congress; speaker for Greater New York Emergency Conference on Inalienable Rights; signer of letter protesting ban on Communists in American Civil Liberties Union; speaker for Workers Alliance; member of committee of American League for Peace and Democracy; member of advisory board of Frontier Films; vice president of Films for Democracy; sponsor of Consumers Union.

Henry T. Hunt, sponsor of the Washington Committee for Democratic Action. Henry T. Hunt is special assistant to the general counsel of the Federal Works Agency at a salary of $5,600.

Other Communist affiliations of Henry T. Hunt: Signer of letter protesting ban on Communists in American Civil Liberties Union; member of the National Committee of the International Juridical Association; sponsor of National Emergency Conference; chairman of meeting for the Descendants of the American Revolution.

Mary McLeod Bethune, sponsor of the Washington Committee for Democratic Action. Mary McLeod Bethune is director of the Division of Negro Affairs in the National Youth Administration at a salary of $6,250.

Other Communist affiliations of Mary McLeod Bethune: National vice chairman of American League for Peace and Democracy; signer of Call for American Youth Congress; sponsor of American Committee for Protection of Foreign-Born; sent greetings to National Negro Congress; sponsor of Spanish Refugee Relief Campaign.

George Slaff, sponsor of the Washington Committee for Democratic Action: George Slaff is principal attorney for the Federal Power Commission at a salary of $6,000.

Other Communist affiliations of George Slaff: Member of the American League for Peace and Democracy, member of the Washington Book Shop, member of the Washington Committee to Aid China.

A. C. Shire, sponsor of the Washington Committee for Democratic Action: A. C. Shire is director of the technical division of the Federal Public Housing Authority at a salary of $7,500.

Other Communist affiliation of A. C. Shire: Member of the Washington Book Shop.

E. Franklin Frazier, sponsor of the Washington Committee for Democratic Action: E. Franklin Frazier is in the division of American Negro studies at a salary of $2,400.

Other Communist affiliations of E. Franklin Frazier: Contributor to New Masses, speaker for the Southern Negro Youth Conference, speaker for the American Youth Congress, signer of appeal for Negro People's Committee to Aid Spanish Democracy.

Robert Morss Lovett, signer of the manifesto of the National Federation for Constitutional Liberties: Robert Morss Lovett is secretary of the Virgin Islands at a salary of $5,800.

Other Communist affiliations of Robert Morss Lovett: Member of the American Committee for Struggle Against War, member of the arrangements committee of the United States Congress Against War, vice chairman of the American League for Peace and Democracy, contributor to New Masses, member of the advisory board of Champion (magazine of the Young Communist League), member of the advisory board of the American Student Union, member of the advisory board of the American Committee for Protection of Foreign Born, signer of the Open Letter to American Liberals in Defense of the Moscow Trials, signer of statements released to Secretary Hull under auspices of the United American Spanish Aid Committee, member of the national committee of the Student Congress Against War, member of the National Committee for Defense of Political Prisoners, signer of Call to the National Writers' Congress, signer of letter protesting ban on Communists in the American Civil Liberties Union, contributing editor of Soviet Russia Today, member of the national advisory board of the American Youth Congress, sponsor of the Emergency Peace Mobilization which launched the American Peace Mobilization, sponsor of the Mother Bloor birthday celebration, director of the American Fund for Public Service (better known as the Garland Fund), sponsor of the National Student League, member of the All America Anti-Imperialist League, member of the National Committee to Aid Striking Miners Fighting Starvation, member of the national committee of the Friends of the Soviet Union, member of the National Committee to Aid the Victims of German Fascism, sponsor of the Chicago Workers Theater, member of the National Mooney Council of Action, president of the Federated Press League.

William Pickens, signer of the manifesto of the National Federation for Constitutional Liberties on behalf of the Communist leader, Sam Darcy. William Pickens is principal securities promotion specialist for the Treasury Department at a salary of $5,600.

Other Communist affiliations of William Pickens: Vice chairman of the American League Against War and Fascism; contributor to New Masses; speaker for the Medical Bureau and North American Committee to Aid Spanish Democracy; speaker for the United American Spanish Aid Committee; sponsor of the Greater New York Emergency Conference on Inalienable Rights; sponsor of the American Committee for Protection of Foreign-Born; sponsor of the Spanish Refugee Relief Campaign; speaker for the United States Congress Against War; sponsor of the American Committee for Democracy and Intellectual Freedom.

Edward Scheunemann, member of the executive committee of the Washington Committee for Democratic Action: Edward Scheunemann is now assistant attorney in the Denver office of the Office of Price Administration at $3,800 per annum. He was an attorney for the National Labor Relations Board up until June 16, 1941. On that date he transferred to the United States Housing Authority and was employed there until February 26, 1942, at which time he moved over to the Office of Price Administration.

In the foregoing tabulation, we have listed only those who have publicly associated themselves with the National Federation for Constitutional Liberties or its District of Columbia chapter, the Washington Committee for Democratic Action. We have not gone into the question of the rank-and-file membership of the organization with a view to determining how many Federal Government employees are in the organization. We have reason to believe that the number of such rank-and-file members is large. Our committee obtained a membership list (not a mailing list) of the old American League for Peace and Democracy which revealed that 563 Federal Government employees were on the membership rolls of that Communist front organization. We know that a substantial number of these went over to the Washington Committee for Democratic Action when the American League for Peace and Democracy was dissolved. We know further that some 300 Federal Government employees were actively affiliated with the American Peace Mobilization during the early part of 1941, and we have reason to believe that most of the adherents to that Communist front organization later became active in the Washington Committee for Democratic Action when the American Peace Mobilization withdrew its picket line from the White House.

We assert positively on the basis of the evidence in our possession that there are now several hundred Federal Government employees affiliated with the Washington Committee for Democratic Action.

Despite the facts which we have presented on the subject of Federal Government employees who are prominently identified with the Washington Committee for Democratic Action as officers and sponsors, and despite the fact that we have sufficient evidence to lead us to the conclusion that at least several hundred Federal Government employees are now affiliated with the Washington Committee for Democratic Action, the Attorney General's recent report to the Congress failed utterly to transmit any information whatsoever concerning the extent to which this Communist front is operating among, and by the aid of, employees in the Federal Government.

We assert further that the Washington Committee for Democratic Action is the principal front of the Communist Party now operating in Washington. It is the successor to the American League for Peace and Democracy and the American Peace Mobilization within the District of Columbia, just as its parent organization, the National Federation for Constitutional Liberties is the successor to the American League for Peace and Democracy and the American Peace Mobilization on the national field, as the chart which we have presented at the conclusion of this report clearly shows. Nevertheless, the Attorney General's recent report to the Congress does not so much as mention the name of the Washington Committee for Democratic Action. It is inconceivable that any real report on the subversive affiliations of Federal Government employees could thus completely ignore the principal Communist front organization which is now operating in the District of Columbia.

It should be emphasized that the foregoing officers and sponsors of the Washington Committee for Democratic Action had ample notice of Communist connections with the organization. At the very first conference of the organization, held in Washington, D. C., in April 1940, Elizabeth Gurley Flynn was one of the principal speakers. Elizabeth Gurley Flynn was advertised on the organization's program as a member of the national committee of the Communist Party. Furthermore, these officers and sponsors of the Washington Committee for Democratic Action had as one of their cosponsors Sarah V. Montgomery, who was the leader of the picket line of the American Peace Mobilization in front of the White House.

Now, Mr. Speaker, this same group that distributed and is now distributing throughout the South and in the State of Texas thousands of these false and scurrilous attacks upon our committee, has as its counsel, Abraham Isserman, who was convicted of statutory rape in the State of New Jersey. Also Neil Brandt, who was arrested for defiling the flag, is on the executive board of the organization, and Theodore Dreiser, who was only a few days ago thrown out of Canada for his insulting remarks about the British. Men of that type who have so completely identified themselves in the past and throughout their careers with the Communist movement in the United States and throughout the world. Yet they have the affrontery to attack our committee.

I know, Mr. Speaker, that the Attorney General went to some length in his attempt to justify some of these people in belonging to these organizations. He dealt at considerable length with the fact that many of them were innocent of the Communist nature and purposes of the organization. In this connection permit me to point out that our committee, for 4 years, has made it plain that many loyal, patriotic people were innocently affiliated with organizations under the control of Communists. In a letter which we addressed to the Attorney General when he wrote to us and asked for any information bearing on the membership of any Government employee in subversive organizations, we sent such evidence and information which we had. He initiated it. We did not send him the list until he wrote to the committee as a matter of courtesy and requested us to send him any information we had that might bear on the question of membership of Government employees in subversive organizations.

The following is the Attorney General's letter:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., October 7, 1941.

Hon. MARTIN DIES,
Chairman, House Committee to Investigate Un-American Activities,
Washington, D. C.

MY DEAR MR. CONGRESSMAN: In the act making appropriations for the Department of Justice for the current fiscal year (Public, No. 135, 77th Cong., 1st sess; approved June 28, 1941) there is a provision that of the amount appropriated for the use of the Federal Bureau of Investigation "* * * at least $100,000 shall be available exclusively to investigate the employees of every department, agency, and independent establishment of

the Federal Government who are members of subversive organizations or advocates the overthrow of the Federal Government, and report its findings to Congress * * *."

The authority and duty of the Federal Bureau of Investigation under the act are clear. Naturally, it is my desire that nothing be overlooked in our endeavor to meet fully the responsibility which is thus placed upon this Department.

It is my understanding that in the course of its investigations and hearings the House Committee to Investigate Un-American Activities, of which you are chairman, has gathered information which may be extremely helpful to us in this connection. Accordingly, I should be pleased to receive from you any information in the possession of your committee or its investigators which bears upon the membership of any employee of the Federal Government in subversive organizations or such employee's advocacy of the overthrow of the Government of the United States.

I am confident that your cooperation can do much to insure the thoroughness with which we are seeking to carry out the will of Congress in this very important undertaking.

Sincerely yours,

FRANCIS BIDDLE,
Attorney General.

Then promptly we transmitted to him such evidence as had come into our possession in the course of our investigation. We did not say that they were members of the Communist Party. We were confronted with the same difficulty as the F. B. I. The F. B. I. states in its report that the members of the Communist Party are taught to perjure themselves to deny membership, that their records are not available, that they are either hidden beyond reach of the law, or they are no longer in existence. So there is no one who knows the complete membership of the 155,000 or the 165,000 members of this secret organization.

But, in connection with the question of innocence, I address this question to the Attorney General: Here are 367 names on this list, members of the American League for Peace and Democracy, who were members of that organization back in 1939, when we exposed the organization, and what would an innocent man have done? He would have immediately declared his innocence; he would have protested any desire to remain a member of any Communist-controlled organization. As a matter of fact the leaders of the organization defied the committee and the press and boldly and proudly said they would not disassociate themselves from the organization, but would continue their activities in behalf of the organization, and in connection with the question of innocence. I further address this inquiry to the Attorney General: How many organizations does a man have to belong to before he ceases to be innocent? Some of these people belong to three and four organizations, others to only one, but there are 288 who belong to two or more organizations, organizations that the Attorney General pointed out whose nature and purposes were so well known that it is difficult to believe a man could be innocent and continue his activities in the organization.

Furthermore, in reply to the statement of the Attorney General in which he castigated us throughout the country for occasioning so much inconvenience to the F. B. I. during this critical time when their attention was absorbed by more important questions, and he went to some length in his report for the benefit of newspaper consumption to emphasize that the results were so disappointing that it was only a waste of the people's money and a waste of the F. B. I. time.

If that be true, then how can we reconcile the language of the First Lady of the Land yesterday, when she said that she had the F. B. I. scour 4 States to find an Eleanor Club and that they had just reported they did not find one.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. RANKIN of Mississippi. In connection with what the gentleman from Texas has just said, the F. B. I. has discovered that the various Negro organizations we heard so much about were honeycombed with Japanese fifth columnists that are now attempting to stir up race trouble throughout the South, and I wonder if this Theodore Dreiser, whom it seems from the gentleman's statement was a Communist a few years ago, has now joined the Nazis and the Fascists, and went to Canada a few days ago and virtually attacked the United States and the British Empire.

Mr. DIES. Remember, all these people were saying prior to Hitler's attack on Russia, that a German victory was equally acceptable to an English victory. They made that public declaration and signed their names to it.

Mr. RANKIN of Mississippi. Was not that the import of Dreiser's statement in Canada a few days ago?

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. KNUTSON. The gentleman mentioned what I caught to be the Eleanor Club.

Mr. DIES. I said this, that the Attorney General in his report castigated the committee for taking up the time of the F. B. I. with fruitless investigation, and I ask him if they did not have time to investigate people affiliated with organizations that have been Communist controlled, how could they find time, according to the First Lady of the Land, to scour four States of the Union for the purpose of finding whether one Eleanor Club existed.

Mr. KNUTSON. And what are Eleanor Clubs?

Mr. DIES. Well, I do not know that. Mr. Speaker, I want now to place in the RECORD some telegrams because the evidence that I am submitting is not evidence that can be laughed off. They cannot escape the responsibility of this thing by saying that MARTIN DIES is indulging in conclusions, and I shall read to you from some telegrams, and ask you to place your own interpretation upon them. Immediately after the original pamphlet was issued on February 9, attacking our committee as friends of the Axis Powers—and I am going to deal with that if I may have your indulgence, in a few moments—here is a telegram which I wish to read and put in the RECORD:

NATIONAL FEDERATION FOR CONSTITUTIONAL LIBERTIES,
Washington, D. C.

Assuming you are addressing pamphlet envelopes to Congressmen and Government officers. Telegram received from Eleanor Roosevelt saying, "It is a very good pamphlet."

MORRIS.

That telegram, dated February 11, 1942, refers apparently to the pamphlet issued on February 9, 1942, by the National Federation for Constitutional Liberties, and entitled "Pro-Axis Leanings of the Dies Committee Hinder U. S. War Effort."

I read that, Mr. Speaker, to show the activities engaged in by the National Federation. Here are other telegrams, and I ask unanimous consent, Mr. Speaker, at this point to place in the RECORD a total of eight telegrams in connection with my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

NEW YORK, N. Y., *February 11, 1942.*
NATIONAL FEDERATION FOR CONSTITUTIONAL LIBERTIES,
1400 L St. NW., Washington, D. C.:

Assuming you are addressing pamphlet envelopes to Congressmen and Government offices. Telegram received from Eleanor Roosevelt saying, "It is a very good pamphlet."

MORRIS.

NEW YORK, N. Y., *December 26, 1941.*
President FRANKLIN DELANO ROOSEVELT,
Washington, D. C.:

Browder Christmas clemency urged as symbol American justice.

NEW YORK OFFICE, NATIONAL FEDERATION OF CONSTITUTIONAL LIBERTIES,
HOWARD MATSON, *Regional Director.*

NEW YORK, N. Y., *January 23, 1942.*
CHAIRMAN, TESTIMONIAL DINNER TO ANNA PENNYPACKER,
Rittenhouse Square Hotel,
Philadelphia, Pa.:

I deeply regret that illness has kept me away from your dinner tonight. I would be grateful if you would convey my sincere respect to Miss Pennypacker for the outstanding work she has done in the field of civil liberties.

HOWARD MATSON,
Regional Director, National Federation for Constitutional Liberties.

NEW YORK, N. Y., *October 28, 1941.*
GEORGE CROOM,
831 Northwest Eighth,
Oklahoma City, Okla.

Please inform by return wire collect whether you can file federation brief amicus on Monday, November 10. Important that we have exact date of filing so that publicity can be arranged.

LUCY STRUNSKY,
National Federation for Constitutional Liberties, 1123 Broadway, New York City.

NEW YORK, N. Y., *February 19, 1942.*
MILTON KEMNITZ,
National Federation for Constitutional Liberties, 1400 L St. NW., Washington, D. C.:

Can you, through Congress of Industrial Organizations sources, muster American Federation of Labor support against Dies resolu-

tion. Opinion here indicates it is essential in order to defeat resolution.

LUCY,
National Federation for Constitutional Liberties.

NEW YORK, N. Y., *August 25, 1941.*
MORTON WITKIN,
President, Board of County Commissioners, City Hall, Philadelphia, Pa.:
I implore you not to weaken the base of our democracy by denying the ballot to minority parties.

LUCY STRUNSKY,
New York Secretary, National Federation for Constitutional Liberties.

NEW YORK, N. Y., *August 27, 1941.*
NATIONAL FEDERATION FOR CONSTITUTIONAL LIBERTIES,
1410 H Street NW., Washington D. C.:
Rush special delivery 500 letterheads needed for mailing on Oklahoma.

LUCY.

NEW YORK, N. Y., *December 23, 1941.*
Senator FREDERICK VAN NUYS,
Chairman, Senate Judiciary Committee, Senate Office Building, Washington, D.C.:
Urge you strongly oppose Dies amendments to H. R. 6269 which would create disunity and destruction of morale necessary for our war effort. We agree with Chairman SUMNERS that passage of this legislation would constitute a bill of attainder, thus violating basic constitutional liberties.

NATIONAL FEDERATION FOR CONSTITUTIONAL LIBERTIES,
1123 Broadway, New York City.

Mr. DIES. Mr. Speaker, the charge has been made not once but many times that our committee has favored the Axis agents. From the very beginning of our investigation an attempt has been made by Communist elements in this country through the old strategy that Hitler employed so successfully, the strategy that if you tell a lie often enough, eventually it will create some belief in the lie, they have circulated pamphlets throughout this country all cleverly designed to create the impression that our committee has not vigorously exposed the Axis agents in the United States. There never was a more malicious lie than that. I am prepared to prove in the most detailed way the long activities of our committee against Axis agents, at a time when we were ridiculed by other agencies of the Government for our activities, when we exposed the German-American Bund. I invite you to compare our report on the bund with the report of the Department of Justice, which we received in confidence; but the Subcommittee on Appropriations can obtain both reports. Place them side by side and then pass upon the question as to which report dealt more completely with the German-American Bund.

But let me read you some excerpts, in order that you may have these facts clearly before you. Let us read for instance, from our report on the German-American Bund, issued 2 years ago. I read excerpts. After dealing at great length with the bund and pointing out that under the documents we had received the bund was clearly a sabotage and espionage agency of Hitler in America, after having written to the Attorney General and demanded that it be prosecuted, that vigorous steps be taken to apprehend the members and discover who they were and place them beyond any danger of hampering our country, we dealt with cooperating groups.

We exposed, 2 years ago, every leader of every Fascist and Nazi organization in the United States. In every report that we have issued, reports going back 3 and 4 years, we pointed out the activities and propaganda of every leading Fascist in this country. Not only did we report that but we investigated 93 anti-Semitic organizations in this country. We seized all of their records, all of their literature. We held executive hearings in this city, and after amassing all of the evidence we prepared a report which was never published because of the violent opposition that arose from some so-called liberals, headed by the gentleman from Massachusetts [Mr. ELIOT], who stood on the floor of this House and prayed that the Dies committee would never publish this report. Certain organizations were opposed to it on the theory that it would give wide circulation to some of the slanders that had been made against the Jewish people. Our committee met and considered it. We knew the grave danger of giving publicity to a great deal of the slanders that had been distributed throughout the country. We have not yet published that report, but we have made available to the Department of Justice and to every agency of this Government the testimony, documents of all kinds and character. We have more than 1,500 letters written by heads of employing agencies of this Government, asking for evidence, which we have submitted from time to time. There is not a day in which many Government investigators do not use the facilities of our office for the purpose of discovering the past records of people who have been engaged in un-American activities in the United States.

From the very beginning of this committee I made it plain that all my life I had opposed every form of racial, religious, and class intolerance. When the Ku Klux Klan was the dominating political power in my State I led the fight in opposition to it, not only in my own section of the State but throughout the State. When Alfred E. Smith was a candidate for the presidency, when my State went for Herbert Hoover, I was selected as leader for the Alfred E. Smith forces throughout southeast Texas. I have always been identified with every movement designed to preserve the constitutional basis of our country. It is therefore unfortunate when a deliberate propaganda program is being spread among the Jewish people of this country for the purpose of convincing them that our committee—that I and the members of that committee—are anti-Semitic, that they have something to fear from our activities and our disclosures. I say to them as I say to the Negro people, for whom I entertain a deep affection, "America is the home of all of us—Gentiles, Jews, Negroes. In order for us to survive it must be through cooperation and a spirit of tolerance and good will."

I deplore the fact that throughout the South today subversive elements are attempting to convince the Negro that he should be placed on social equality with the white people; that now is the time for him to assert his rights. I deplore the fact that any attempt is being made to spread hatred and misunderstandings between different races and religions in America. That is exactly what Adolf Hitler and the Axis Powers want to accomplish in this country. If they can disunite our people, if they can separate them into hostile camps, if they can convince some of them that the rest of us entertain ill feelings against them, then they have accomplished a great deal in the way of dictatorship. Throughout this country, through racial organizations, I have seen the work of subversive elements in their attempts to create that misunderstanding. In the minutes of many organizations, in their publications there are words to the effect that we of the South are their natural enemies, and that because I am a southerner and happen to be chairman of this committee I am necessarily prejudiced against those races and people. Yet throughout the 4 years of this committee's existence and in every speech I have made in the United States over the radio or from the platform not one word of intolerance can be attributed to me. Wherever I have been I have preached the fundamental doctrine of American tolerance.

Mr. Speaker, our main job today is to win this war, and, of equal importance, to preserve democracy. In order to preserve democracy we must expose those groups who do not believe in the United States. The Attorney General in his brief in the case of Harry Bridges has stated in very clear and correct terms that the Communist Party has been a revolutionary party from the beginning to the present moment and has been intent upon one thing, the destruction of our American form of government. The Attorney General clearly and correctly defined the purposes and the strategy of the front organizations. He defined them by saying that they had ostensibly laudable purposes but that their real purpose was to spread communism until the moment that the Communists could take control of the country. The Attorney General very courageously and correctly has classified all these organizations as under the control of the Communist Party.

All of us admire the heroism and valor of the Russian people; all of us fervently, deeply, and sincerely pray that Russia will be successful in resisting Nazi tyranny and in preserving their homes and their right to live. None of us at any time has ever suggested that we have a right to tell Russia what kind of government Russia shall have or what kind of political philosophy shall govern that land. By the same token we demand the right in our America to have our kind of government. We can have peaceful, harmonious relations with Russia without embracing communism and without permitting destructive elements in our midst to use vast sums of money for the purpose of blackening the names of honest and patriotic men. The Attorney General has a wide field of operation before him, a splendid opportunity to demonstrate whether or not he can forget

the approaching elections and deal under the Constitution fearlessly with all these groups and with all these elements. Now is no time for any kind of partisanship.

It is to be deplored that there has ever arisen any misunderstanding between our committee and the Attorney General. For months our committee has pursued the policy of refraining from public hearings. We have done so advisedly because we did not want to embarrass the F. B. I. in the prosecution and apprehension of saboteurs and spies. I have not attacked any of the Government officials, yet only a few weeks ago the Secretary of the Interior with the venom which is characteristic of his whole makeup in an article branded me in the most insulting terms that any man could use.

What was the occasion, Secretary Ickes, for you to brand me? I have supported the war effort. I have voted 100 percent for every measure designed to uphold the President in the conduct of the war and in his foreign policy. Even the Coordinating Committee on Democratic Action was compelled to write me a letter giving me a record of 100 percent on my foreign policy and preparedness votes. Why should you, Mr. Ickes, at a time when America is clamoring for unity, when we face a grave danger to our whole country, when our freedom is in jeopardy, when President Roosevelt needs us all—he needs MARTIN DIES, of Texas, and he needs every Member of this Congress, and he needs every man and every woman in all this broad land—why is it that you undertake to slander my name and to create impressions that are erroneous throughout the land? Certainly not to aid the war effort; certainly not because you are dispelased with how I voted, for I cast the vote when only by 1 vote the measure carried, the vote that enabled our Army to go on; and I cast, as the gentleman from Alabama has cast, 100 percent votes for the purpose of sustaining the dignity and honor of this country. I do not mean to imply that those who voted the other way were guilty of anything that was wrong; they followed their conscience and their conviction.

What I am trying to emphasize is that if we are going to have unity in this country then the executive department must meet us halfway; the executive department must cooperate with us, and it is certainly no cooperation when Secretary Ickes in a column brands me in the most vicious terms. It is certainly no attempt to attain unity when the Attorney General, Mr. Biddle, goes out of his way in order to attack our committee and try to investigate us so that Congress will not continue us. It is certainly no part of unity for the Attorney General absolutely to ignore the mandate of Congress, for all the Congress asked him to do was to give the names of the members of the subversive organizations, tell who the subversive organizations were. If he had lived up to the mandate it would have been embarrassing, perhaps, politically, because he would have had to say: "We have investigated 601 and found that 575 are members of subversive organizations, and here are the subversive organizations." Had he said that it would have confirmed what our committee said in 1938 and what they ridiculed in the press and through their speeches. That would have been the courageous and statesmanlike thing to do. Instead, here was a golden opportunity: "We will ask the committee to give us any information they have. If the committee shows a spirit of cooperation by submitting it to us then we will issue instructions that will limit the F. B. I. so they cannot give the facts to the American people and then we will come out and report on dismissals." Congress said nothing about dismissals in the first place.

Mr. Attorney General, do you think that a man who belongs to these organizations is a fit person to pass on the question of whether his comrades should be dismissed? Oh, in your report very generously and impartially—and I do not have time to read the exact language but you can verify my statement—the Attorney General said that since there were some of the employees who were themselves the employing agency he recognized it would not do for them to pass on their own cases, so in those cases the matter was submitted to the Attorney General. While the Attorney General relieved those men from the great embarrassment of passing on their own cases he did not relieve them from passing on the cases of men they solicited to join the organizations. That is a complete farce, a farce that no one can deny.

Think of it. We have been accused of pursuing undignified methods; we have been said to be a committee of politicians that did not conduct the investigation in a judicial manner; yet here is a representative of the judiciary, the law-enforcement body of our land, who makes a farce of an investigation that the Congress gave him $100,000 to conduct. For is it not a farce for a man to pass on whether or not someone is qualified to be in the Government when that man himself belonged to the organization and when, according to the testimony before us, in many instances the man himself solicited the membership?

I submit these facts to the House so that the Members may have them clearly and beyond any question. Mr. Speaker, there is a great deal more material I wish I had the opportunity to present to the House, but to do so would trespass too much upon your kindness and take advantage of your indulgence.

In conclusion, however, I wish to say that our committee—and I think I am authorized to speak for them—working in complete harmony with men of different political views, is seeking to do everything that we can to cooperate with this administration in the difficult task of protecting our internal security. We have issued no statements; none of us has made any speeches for a long time; every effort has been made by us to show a spirit of cooperation and helpfulness, and if the executive department of this Government will demonstrate the same attitude, together we can render a great service to this country. To the Members of this House who have stayed so loyally with our committee through its trials and tribulations, through the period in which we have been grossly misrepresented by a set of people whose design is to stop this committee so that they can have their foundations, so that they can blacken the Members of Congress, so that they can intimidate people, who want to have a free hand so they can organize innumerable organizations with high-sounding titles to stir up racial and religious hates, who want to have a free hand to commit slander and libel with impunity in the United States, may I say, Mr. Speaker, those people would like to see this committee discredited; they would like to see its life terminated, for they realize that as long as this committee is in existence with the power of subpena, the power to obtain the telegrams and to keep constantly in touch with the various shades, movements, and changes that are going on from time to time among all subversive elements, it is the one serious obstacle in their way.

America must win the war, but America must also preserve its freedom and its independence. If we fail in that, then what have we gained? That seems to me, Mr. Speaker, to be the attitude of every patriotic American.

[Here the gavel fell.]

Mr. DIES. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to place therein the material I referred to in my speech, including telephone calls.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas [Mr. DIES]?

There was no objection.

DEFENSE HOUSING

Mr. SABATH. Mr. Speaker, I call House Resolution 538, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7312) to increase by $600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Buildings and Grounds, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, I shall later on yield to the gentleman from New York [Mr. FISH].

Mr. Speaker, this rule makes in order the so-called housing bill, H. R. 7312, providing for an additional $600,000,000 for housing. May I say at the beginning that I am in favor of adopting the rule and I am also in favor of this bill, a similar bill having passed yesterday in the Senate.

Mr. Speaker, I am vitally interested in housing. I am interested in safe-

guarding the vast sums of money that we have already appropriated. Up to this time we have appropriated $1,020,000,000 for housing. An additional $600,000,000 is requested at this time.

It will be remembered that 2 years ago I criticized the various housing bureaus. An effort was made by the President to reorganize them, but, unfortunately, although a gentleman by the name of Palmer was appointed as coordinator, it did not succeed. When we had the last bill up for consideration about 9 months ago, involving $300,000,000, I again called attention to the fact that we still had a dozen or more of these housing organizations that should be merged and simplified so as to effect efficiency and economy. I was immensely pleased therefore when the President, by Executive order, brought about the last reorganization and appointed as head of the new national housing agency a man of ability, a man of splendid reputation, Mr. John B. Blandford. I am satisfied that he and the men under him are endeavoring to bring order out of chaos and to administer the law efficiently and intelligently.

What I object to and what I called attention to before was that, unfortunately, the War Department through its site committee, having the power to designate where plants shall be located, permitted itself to be influenced by very smart, sharp real estate operators in many instances and placed these plants from 15 to 30 miles from the populated sections where there was ample housing and ample labor available. By placing these new plants 20, 25, or 30 miles away certain difficulties were encountered, and I do not refer to such as plants that might be dangerous to the safety of the people of the localities. I mean manufacturing plants that could be located close to and in many instances within large industrial centers. Due to the fact that they have failed to use good judgment and permitted themselves to be misled, they have placed these plants away from the populated sections in the sticks void of facilities, and now an additional $600,000,000 is required for housing. If these plants had been properly located this housing would not now be necessary, and a great deal of that money could be saved.

I am satisfied that this new organization will do its utmost to avoid the building of many so-called towns that shortly will become ghost towns, where we have been obliged and will be obliged to expend large sums of money to provide ample housing facilities for war workers.

A few weeks ago in the city of Chicago a large conference sponsored by the committee on Defense Housing of the Office of Civilian Defense was held and attended by real estate men, builders, mortgage bankers, and many housing officials. I am told that more than 2,000 persons were present, and in their presence the Government representative announced that no new homes will be built in the Chicago area except for units now under construction or for which priorities have been granted. In other words, before any new construction can be planned the available supply of housing accommodations, consisting of about 6,000 family apartments and flats and quarters for about 100,000 single persons, must be exhausted. This edict will, of course, be enforced by refusal to grant priorities.

This shows that in Chicago alone we have plenty of housing facilities that can be used. We have many large plants that have not been used but that should have been used to advantage.

Millions upon millions of the taxpayers' money would have been saved had common sense and good judgment prevailed.

I am informed that in the city of New York—and I am not especially interested in the city of New York, which has very able Representatives—more than 500,000 workers are unemployed. The current press carries reports that Mr. Kaiser, who is to construct some of our ships, was obliged to go to New York to engage 25,000 to 50,000 workers for his Oregon shipyard. Perhaps these ships could not have been constructed on the Great Lakes, but surely they could have been built around New York and that would have made unnecessary the transporting of these workers across the country, the paying of their traveling expenses, and forcing the Government at tremendous expense to build quarters for them before their arrival in Oregon. I concede that the lumber used in the construction of these boats is most available in Oregon, but I am of the opinion that it would not have cost as much to haul it to New York as it costs to transport these workers to Oregon and to provide housing for them. Further, the effect of this arrangement is bringing about the separation of families and a double living expense which most can ill afford at this time. In this connection, what applies to the availability of labor in New York applies with the same force to Chicago.

Now, Mr. Speaker, having called attention to these conditions and, to say the least, to the poor judgment exercised by the site committees of the War Department in the locating of the plants, which is delaying the war-production program and, at the same time, unnecessarily costing the Government millions of dollars, I am going to call attention to the housing situation here in the District of Columbia.

I know that the President realizes the dire conditions and wants to remedy them. Unfortunately, he has been misinformed by some of those whom he had a right to believe would advise him properly; but many plants have been so located that they obviously create conditions that are detrimental to the large centers and cost the Government unnecessary millions of dollars. I hope at this time that the chairman of the Committee on Public Buildings and Grounds will again take the matter up with those in authority and also agree or admit that I have not overstated the existing conditions here or elsewhere throughout the Nation. I hope the House and the country may have his cooperation and assistance because his influence with these departments should be, and I believe is, great. Therefore, although no direct action has been taken on my resolution and although I have obtained some relief in the matter, I hope with his assistance and your assistance we will be able to effect additional relief so as to make the conditions in Washington tolerable.

You remember that nearly 3 years ago I called attention to the overcrowded conditions in the District of Columbia. At that time I urged that the deplorable conditions in this Capital be relieved, and I introduced a bill to do that very thing. Unfortunately, the Committee on Public Buildings and Grounds, to which the matter was referred, although it held hearings, did not act, and it became necessary for me to take the matter up with the President. After placing the matter before him, I am pleased to see him act favorably. He effected by Executive order the transfer of some of the bureaus and independent agencies from the District to other localities. That has relieved the pressing condition to some extent, but not adequately.

I again suggest that the President transfer additional bureaus from the District of Columbia to localities that have plenty of usable office space and housing facilities, in sections where people can live more conveniently and more economically than they can live here. I hope the President, in the interest of the people who are obliged to come here, and in the interest of the thousands of indefensible employees, will favorably act by ordering further transfers of nondefense bureaus and agencies.

I am informed that in many instances four or five persons are required to occupy one room, that the conditions under which they live are indeed more than deplorable. Something remedial should be done at once.

I do not wish to be selfish by talking about Chicago, but again I say we have in Chicago any number of splendid buildings that are nearly vacant. I have submitted this matter to the officials of departments and agencies. Some of the clubs that were built in the heyday of prosperity, during the "great" Hoover administration in the late twenties, and in 1930, 1931, and 1932, most of these clubs were forced to dissolve, and their splendid buildings, some of them 30 stories high, right in the heart of the city, can be used and are available to the Government at a reasonable price, even though some remodeling may be necessary.

As I have stated, we have room for about 6,000 families and 100,000 single persons. I believe it would be salutary, wise, and proper that some of the bureaus and agencies be transferred to Chicago. While I feel that we have available in Chicago more office buildings and living quarters at more reasonable rates, I am not going to insist that all of the nondefense bureaus and agencies be transferred there, though I know that room can be found for them, because there are other cities which can also alleviate the unfortunate conditions that exist in the District of Columbia. Undoubtedly, there are other cities besides Chicago and New York which have suffered tremendously because of the migration of thousands upon thousands of their mechanics and skilled workers to Detroit, California, to

the eastern seaboard, and to the temporary towns built by the Army elsewhere, which, as I have stated, has effected the separation of families and vacating of homes, flats, and apartments in these long-established cities, all at the expense of the property owners.

You and I know that it is impossible for people coming here even on legitimate business to obtain quarters in hotels.

Mr. Speaker, I fully appreciate that there are a large number of people who come to Washington and are here for no legitimate purpose. They may be generally recognized as high-powered salesmen and lobbyists who know how to get things done, and it is they who are unjustifiably filling up the hotels of the city.

I am called up day after day and importuned to secure accommodations for people who are obliged or requested to come here temporarily on Government business and are unable to obtain any quarters, and must go to Baltimore or stay at tourist camps overnight if required to spend more than 1 day here.

Mr. HAINES. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Yes; I yield to the gentleman.

Mr. HAINES. Mr. Speaker, the gentleman certainly shows a very magnanimous spirit and one that is in nowise selfish when he asks that all the departments moving out of Washington do not go to Chicago. Perhaps the gentleman would help to have some of these smaller departments or bureaus go to some of the smaller towns or cities. For example, Gettysburg. Gettysburg has been hurt quite a bit by reason of the rationing of gasoline. It is a tourist town and we have much housing available and office space as well. The gentleman will help us, will he not?

Mr. SABATH. I will do anything I can to help; I am favorably disposed toward Gettysburg or any other place where the war workers may be properly accommodated and where it will be in the interest of the Government and the helpless employees. The gentleman's statement relative to the rationing of gas reminds me that two years ago I called attention that that very thing would happen if the Government continued to load down New England and the eastern seaboard with contracts and other work the same as it did in 1917; they would be unable to obtain sufficient power, fuel, and oil to carry on their tremendous activities.

I then pleaded for the location of defense activities in the Middle West where we had the power, the space, and the other manufacturing facilities, and it was more than a year or a year and a half before some of these gentlemen in charge awakened and began to consider other sections of the country besides the eastern seaboard and New England.

Coming back to Washington is, of course, a hard thing to do nowadays. You and I know it is nearly impossible to get appropriate restaurant service here and their charges are unconscionably high. I observe people waiting in line for half an hour or an hour to obtain unpalatable meals. I feel sure that if some of these restaurants were properly inspected as to sanitary conditions, we would be horrified at what would be discovered, all due to overcrowding and lack of competent help.

Moreover, the outrageously high prices charged for quarters and rooms needs immediate, real attention. Consequently, I hope that something remedial will be done; yes, it must be done. This is not the first time I have called attention to these unsavory conditions. With this statement I conclude, reserve the remainder of my time, and yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I yield myself 10 minutes and ask unanimous consent to speak out of order.

The SPEAKER pro tempore (Mr. BARDEN). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, there is no opposition to the pending rule. It is a wide open rule and makes in order this defense housing bill which increases the amount authorized by $600,000,000. I am one of those Members of the House who, as a Member and as a citizen, has great faith in the Congress of the United States as a legislative body. I am sorry, however, when a bill of this magnitude, authorizing the expenditure of $600,000,000, is being discussed that there is far less than a quorum in the House. Not many years ago, before the war, when bills involving hundreds of millions of dollars were under consideration the whole membership would be here. Evidently, we have reached the point where a bill has to carry at least a billion dollars before there is a corporal's guard present. This is a justifiable criticism of the way we are legislating and the party in power is responsible for maintaining a quorum. Generally, I have no sympathy with attacks made upon the Congress and, particularly, on the power of the Congress to legislate. If I were the only Member of the House, I would resist any usurpation of our legislative powers by the Chief Executive, no matter what party he might belong to, and I regret that the President in his Labor Day speech inferred that he might rule by decree if the Congress did not legislate by October 1 on price control. This is a most revolutionary doctrine and if the President proceeded to rule by decree, contrary to an act of Congress, it would mean that we are on the march to fascism and dictatorship in America.

No member on either side of the House, Republican or Democrat, will permit the Chief Executive to usurp the legislative functions of the Congress. I am very glad that the gentleman from Ohio [Mr. SMITH], yesterday, at the conclusion of the debate offered an amendment to the price-control bill which I supported. I want the record to show that I supported it and also to give my reasons for it: To freeze wages and farm prices for a period up to 90 days, and give the Congress ample time to consider and to write constructive and adequate legislation dealing with wages and farm prices. It is the American way under the Constitution and it is the duty of Congress to prevent the evils of inflation by passing constructive legislation.

Mr. Speaker, I hold in my hand the October edition of the Reader's Digest, which includes an article by Mr. William Hard, an able writer. It is a rather bitter criticism of Congress, and he has this to say on page 18 in regard to the price-control bill. After criticizing the Congress for sins of omission and commission, he says:

> The most creative agricultural idea in the present Congress has been the scheme for tying the agricultural parity price level, in some degree, to the advancing industrial wage level. This is a groping toward a sound proposition that wages and prices shall be held in balance. It has had much support in the Congress. But it did not originate in the Congress, whose agricultural committees are supposed to give us our leadership in agricultural legislation. It was first advanced by the scholars of a lobby of farmers: The National Cooperative Milk Producers Federation.

I do not know whether that is a fact or not, but here is a well-known commentator, one of the ablest, criticizing the Congress, and then going on to say that what we did yesterday was the wisest thing that could be done. Mr. Speaker, I ask unanimous consent to include in my remarks an editorial from the New York World-Telegram, one of our largest New York newspapers, entitled "Temporary Freeze." It is an editorial in favor of the proposal made by Albert S. Goss, Master of the National Grange, and it supports the proposal made yesterday by the gentleman from Ohio [Mr. SMITH] for a 60- or 90-day freeze of farm prices and wages until Congress has had full and abundant time to write a constructive law, which would be satisfactory to all of the elements of our population.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

TEMPORARY FREEZE

Albert S. Goss, master of the National Grange, has made a suggestion to Congress which we think has much merit.

Instead of rushing to write long-range legislation on prices and wages before the President's October 1 deadline, Mr. Goss suggests, Congress would do well to pass a temporary law freezing all prices—including farm prices—and all wages for 60 to 90 days.

That would give Congress time to draft, consider carefully, and enact a detailed anti-inflation program of its own.

It may be suspected that farm leader Goss is not without guile. His plan would also give farm lobbyists more time to work on Congress. But 60 or 90 days hence the November elections will be history. By then, there is reason to hope, the Senators and Representatives will be in a frame of mind to act with more consideration for the welfare of the whole country and less for the demands of either farm or labor pressure blocs.

The usual pulling and hauling between these powerful groups is going on in the present deadline rush. The result may easily be something much worse than Senator BROWN's administration bill, which isn't too good itself. Organized labor's approval of that measure has made organized agriculture not unnaturally suspicious that, under it, the President might be tender when stabilizing wages and tough when stabilizing farm prices. So

the farm bloc is crying for a new definition of parity, taking farm labor costs into account and permitting farm prices to go still higher, and many Members of Congress are listening with sympathy.

President Roosevelt tried Thursday to make it clear that he doesn't want parity changed and didn't mean to suggest such a change in his Labor Day message. But the farm bloc may be able to put it over anyhow, or to defeat any bill that doesn't include it.

The chances for thoroughly good long-range legislation by October 1 are practically nil. The chances for thoroughly bad long-range legislation by that date are considerable. Yet, even if Mr. Roosevelt had never announced his deadline, the need would be just as great for quick and positive action by Congress to stop the menacing advance of price inflation.

A law freezing all prices and wages where they are for 2 or 3 months would be quick, positive, and effective. It couldn't seriously hurt either organized labor or organized agriculture. To be sure, it would provide no relief for manufacturers, wholesalers, and retailers who are being squeezed against their price ceilings by commodity and labor costs, but the Brown bill doesn't hold out much hope of relief for them either. And the temporary freeze would provide Congress with time to do the careful, thorough job which is its duty.

Mr. FISH. Mr. Speaker, the gentleman from Texas [Mr. DIES], in his able remarks this afternoon, referred to the Union for Democratic Action, a Communist front, and he called attention of the House to the fact that 20 out of 78 officials of that organization hold Government jobs. This Union for Democratic Action is the main Communist front attacking the Congress of the United States, both Democratic and Republican Members, and yet we are told today that 20 out of the 78 of its officials hold Government jobs. In other words, 20 of these officials are on the pay roll of the executive branch of the Government and are using this organization to attack the Congress. I have always voted for a continuation of the Dies committee, and I expect to continue to do so, and for one reason and for one reason alone. I believe that we should have some committee, some congressional committee, whether the Dies committee or another, it makes no difference to me, but a committee that will carry out the oath of office of every Member of Congress, to uphold and defend the Constitution and to preserve our institutions and form of government. The Attorney General of the United States, Mr. Francis Biddle, states that the Communists seek to destroy our Government and overthrow our republican form of government guaranteed by the Constitution. Therefore, I believe it is the duty of the Congress to have some committee to investigate the activities of Communists, Fascists, and Nazis who are seeking to destroy our form of government, which even the Attorney General of the United States says to be a fact in the case of the Communists, and it is so of all those who would destroy our constitutional form of government.

Mr. Speaker, I believe there is some little opposition to the pending bill under consideration in its present form. I believe some on the minority side are under the impression that the $600,000,000 is not needed at the present time, and that it should be cut in half. I am taking no part in that debate, because I have not given enough study to the proposal, and will be guided by the debate. In my district we have a serious housing situation, in the city of Newburgh. Recently the Stewart Airport was built within 5 miles of the city of Newburgh at a cost of upward of $20,000,000. There are also within 5 miles of the city of Newburgh four shipbuilding yards, which will soon employ several thousand men. There is a very serious shortage of rooms and houses in the city of Newburgh and far from sufficient to provide for the people who are working in these shipyards and at the big airport. I am told by Mr. John B. Blandford, Jr., able Administrator of the National Housing Agency, that some agreement has been made by his organization and the Army and the Navy, whereby the Army and the Navy guarantee to take care of their own and to house their own men and officers. That may be all right so far as a guaranty between the United States Housing Agency and the Army and Navy is concerned, but in the city of Newburgh the Army is not doing that, and hundreds of young Army officers, appointed to instruct cadets flying at Stewart Airfield, have been forced to find homes in Newburgh. All we are asking, and I want to know whether we are within our rights, is not for money under this bill or the previous defense housing bill, but that Newburgh, in my district, be made a defense area.

If any area is to be made a defense area it seems to me it should be Newburgh and vicinity in view of the huge Stewart Airport, auxiliary landing fields, and the new shipbuilding yards, not only to take care of those employed in the new shipyards, but to take care of several hundred young Army Air Forces officers. The Army has not done a thing about it, in spite of their promise, and there are no more houses or apartments available in the city of Newburgh. By having Newburgh turned into a defense area, the people there will be able to put up the money and rehabilitate the houses, make two-family houses where only one exists now, and then with their own money we could take care of this critical housing situation. We have enough critical material in Newburgh without asking any more to do this very thing. I want to know why we cannot do it.

Mr. HAINES. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. HAINES. I am glad the gentleman mentioned the situation in Newburgh, because I have a similar situation in my district, where an ammunition depot is being constructed in a community where there are about 12,000 people. They are bringing in about that many new people to the area. We have the money and private builders will construct the houses, but we are not able to get priorities to build the houses, even when we have the material on hand. Can you give us any relief on that?

Mr. FISH. That is what I am asking. I wanted to find out from the gentleman from Texas [Mr. LANHAM], or those in authority, what recourse we have. It is not a party matter. It is a matter directly connected with national defense and winning the war.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I will yield myself 2 additional minutes. I would like to ask what recourse we have. What recourse have I got to take care of this critical situation that has arisen almost overnight in Newburgh? Why can it not be made a defense area and why can we not build two-family houses and rehabilitate the old houses to help solve our housing problem and promote our war effort?

Mr. LANHAM. I will say to the gentleman from New York, of course, it is not within the province of this committee to determine what are or what are not defense areas, but it is within the purpose of this particular act to see that housing is provided for the workers working in these areas, to the extent that it is not already available and that private capital cannot furnish it. It is not our province, of course, as a committee, to decide that certain places are defense areas and others are not defense areas, but we are very much interested in seeing that the emergency need for defense housing is met and met in such way, principally by temporary construction, that it will not interfere with normal operations after the war, and in keeping with the city planning and traditions of the various communities of our country.

Mr. FISH. Would it not be helpful to what the gentleman is trying to do if we could have the city of Newburgh made a defense area? We have the money. Would it not be helpful and provide more money where the gentleman wants to spend it under the bill if Newburgh was made a defense area and permitted to solve its own housing problem?

Mr. LANHAM. Of course, it is absolutely impossible for the committee to earmark in the bill the various places where the money is to be expended, because those places change. The location of plants is determined by the War Department, the Navy Department, and the Maritime Commission. Sometimes a tentative decision in that regard is reversed and the plant placed somewhere else. Very naturally we could not earmark the funds.

Mr. FISH. The gentleman misunderstood me. We do not need any of that money in your bill. We do not need a cent of it. But if the Housing Authority does not give us this defense area and let us proceed, then we will have to have Government money. Would it not be better to give us this defense area and let us proceed with the money we have there and the materials we have there than to take the money from your bill?

Mr. LANHAM. The gentleman knows I am greatly interested in economy, and furthermore I do not want any construction under this act that private capital will undertake.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. HOLMES. I am very much interested in the statement of the gentleman from New York. As I understand

it, the city of Newburgh finds itself in a position where it has all the necessary strategic material to go ahead and construct and remodel houses. Because some board in Washington has not declared the city of Newburgh to be in a defense area, you are stymied?

Mr. FISH. That is it; exactly.

Mr. HOLMES. Now, if this bill is passed and the Government comes in there to build houses, according to the original Lanham Act, the private builder up there is entitled to have the same rights and the same priorities that the Government gets when it builds its own houses. With the establishment of an airport and shipbuilding plants, is there any reason why any group could not say to the people up there who have the money and who have the material, "Go ahead and build your houses, remodel your houses to take care of these families?"

Mr. FISH. That is what I am trying to find out. I cannot understand this one thing, what a defense area is if Newburgh is not a defense area. With four shipyards and an airport costing $20,000,000, and hundreds of Army officers as instructors, who are looking for apartments, if that is not a defense area I do not know what one is. The Army said they would take care of their own enlisted men and officers, but they have not done so. We can make two-family houses by remodeling old ones to take care of the situation ourselves, but the National Housing Agency must give us the right by making it a defense area. We cannot let it go along month after month until winter comes. The situation is too critical and has become so only recently. Business, organized labor, and all elements of the population in the Newburgh area are in favor of having it made a defense area.

Mrs. ROGERS of Massachusetts. I have an exactly similar situation at Lowell, Mass., where a number of the industries are engaged entirely on war work and where we have another large industry that will be in war production in October, yet the area has not been designated a defense area. We have houses there and they count them as being available but at the present time those houses cannot be used.

Mr. FISH. It is apparent to me that somebody is very dilatory and that the red tape must be cut. We are in the war and we are sending out a Macedonian cry of come over and help.

Mrs. ROGERS of Massachusetts. It would save the Government money to take this step.

Mr. FISH. It would save a lot of money and help our all-out war efforts.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. FISH. Mr. Speaker, I yield myself one additional minute.

I yield to the gentleman from Michigan.

Mr. MICHENER. The gentleman does not want to forget that should he succeed in having Newburgh declared a defense area, ceilings will be placed on rents and his troubles as a Member of Congress will be multiplied many times over what they are now.

Mr. FISH. I may say to the gentleman from Michigan that he knows perfectly well I am not worrying about my troubles in Congress or out of Congress.

Mr. MICHENER. But the gentleman will be if Newburgh is declared a defense area.

Mr. FISH. I am interested in my people. If it is necessary to place a ceiling on rents let us have a ceiling placed on rents. I do not want profiteering in my district or anywhere else. It makes no difference whether it causes me some extra trouble. It makes no difference to me if it causes me a little extra work. If I could stop profiteering by voting against it I would vote against it now.

Mr. MICHENER. I speak from personal knowledge. I have two college towns in my district. I know whereof I speak.

Mr. FISH. I am telling the gentleman it is just the same to me. I do not want any profiteering in rent in my district or another. I do want proper defense housing in Newburgh.

Mr. McGREGOR. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. McGREGOR. Will the gentleman state for the RECORD what department has refused to make Newburgh a defense area?

Mr. FISH. I am advised that its action may be changed and possibly very soon. I believe Mr. Blandford is cooperating. All we know is there have been delays, unnecessary delays, that is affecting the welfare of the people in our districts, Republicans and Democrats alike. I believe if Mr. Blandford is all we think he is we shall get speedy and favorable action but I hope it will be soon, before the winter sets in.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. GWYNNE] may extend his own remarks in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MICHENER. I also ask unanimous consent, Mr. Speaker, that the gentleman from Pennsylvania [Mr. DITTER] may extend his own remarks in the RECORD and include therein certain newspaper quotations.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SABATH. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. BECKWORTH] may revise and extend his own remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

DEFENSE HOUSING

Mr. FISH. Mr. Speaker, how much time have I remaining?

The SPEAKER pro tempore. The gentleman has 10 minutes remaining.

Mr. FISH. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Speaker, the bill H. R. 7312, before the House this afternoon, is of great importance to the Nation and vital to the progress of our war effort. It is of great importance to that part of the State of Michigan from which I come and in which a part of my congressional district is situated. In reading the hearings I noticed that 264,000 additional housing units are requested or believed necessary. Out of this 264,000 units, 41,000 are designated in Michigan; and out of the 41,000 located in Michigan, 33,000 have been allocated to the Detroit area. Of the 33,000 units needed there to take care of our war workers, 15,000 are to be permanent and 18,000 are to be temporary units.

In the metropolitan area of Detroit, where once was located the automobile capital of the world, there is now located one of the greatest centers for the production of war matériel in the entire Nation. Congestion has resulted because of the changing over of those great industrial empires that once produced automobiles to the production of munitions, materials, and instruments of war. One of the reasons assigned for the shortage of houses in the city of Detroit, where it is no longer easy or possible to rent a house, is the statement which I noticed in the hearings, that the business of renting homes is no longer attractive to the people of Detroit. I want to read for the RECORD what appears in the hearings, and if you have a copy of the hearings before you, I direct your attention to page 236. A witness before the Committee on Public Buildings and Grounds testified as follows:

> There exists in Detroit what is known as a seller's market. Private builders are not interested in renting homes since the advent of rent control.

That statement tells only half of the story. I want to call the attention of the House of Representatives and of the country to the fact that Detroit is the only city in the United States of its size that has April 1, 1941, as the rent-freezing date. There is no other section of the country where that date has been arbitrarily fixed for an area of a size comparable to Detroit. The reason nobody wants to rent a house is because the Government itself, by its own action, has discouraged the ownership of property in that area. In the testimony before the committee, this witness said that the Detroit News of June 10, 1942, contained 33 solid columns of houses for sale but only 3 columns of houses for rent. Nobody wants to rent a house. Why not? Because it is no longer possible to obtain a reasonable return on property or own a house to rent with the rent-freezing date fixed as of April 1, 1941. Everybody knows that since that date taxes have increased, labor has increased, materials have increased, everything that goes into the maintenance of property has risen in price, and people cannot afford to keep up their property and reduce their rent back to that date. Therefore, when a war worker wants to find a place to rent, there is none to be found.

You cannot blame the people of the metropolitan area of Detroit for that condition, because the Government itself is to blame, and I hope the time will soon

come when that will be adjusted and the date changed.

I had the case of a widow brought to my attention who spent all of her earnings to fix over her home in order to make it a two-family dwelling. She borrowed some money from the bank. She received $35 a month rent and along came the rent-freezing date which changed it to $25 a month when the man and woman living in the place were drawing $325 a month doing war work. That is but one of the gross injustices that has resulted from the rent-freezing date of April 1, 1941.

Mr. MICHENER. Will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Michigan.

Mr. MICHENER. I just want to call attention to the fact that the district which I represent joins on to the Detroit defense area and a part of it has been included within the Detroit area with April 1, 1941, as the date when the rent ceiling was fixed. There are innumerable cases in Ypsilanti, which is 3 miles from the big bomber plant up there, similar to the case to which the gentleman has referred. Certainly something ought to be done about the date, or at least provision made so that local capital can build some of these houses profitably. In Ypsilanti during the last year the local taxes have risen 41 percent because of Federal activities, extra police, and other things that were required.

Mr. DONDERO. I thank the gentleman for his contribution and I know the area to which he refers.

Mr. CRAWFORD. Will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman's description of conditions that prevail in Detroit seem to me to strike directly at the heart of that section of the Federal Housing Act which provides guaranteed loans for people who wish to take the money to rehabilitate old structures for the purpose of renting. We have had thousands of people do that very thing. Then rent-fixing comes along and takes effect as of the date given and the people who own those places cannot make ends meet and maintain payments on the loans that have been guaranteed by the Government of the United States.

Mr. DONDERO. That is correct, and that has brought about a shortage of houses in the metropolitan area.

Mr. Speaker, I am in favor of this bill and I am going to vote for it. I am not in a position to say that the amount is too large or too small, but I do want to call to the attention of the House the fact that while this bill calls for an authorization of $600,000,000 in addition to $600,000,000 heretofore appropriated, the total amount is only one-half of 1 percent of the amount we have appropriated for the conduct of this war.

Mr. McGREGOR. Will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Ohio.

Mr. McGREGOR. Does not the gentleman feel that owing to the fact of our rubber shortage and our gasoline shortage, migration will stop, which will necessitate the construction of these houses closer to industry?

Mr. DONDERO. It will compel the construction of housing units near these great industrial plants making war material, otherwise in the case of the shortage of gasoline, or tires or automobiles, the workers will not be able to get to and from their places of employment.

Mr. CRAWFORD. I wish somebody would explain to me the common sense there is, if there is any, and I doubt it seriously, in taking material and transportation and labor to build houses when if that same effort were used in the construction of plants in which to produce synthetic rubber we would have transportation for the people to and from these factories?

Mr. DONDERO. Undoubtedly the gentleman is correct.

Mr. Speaker, I hope this bill passes. I think it is needed. I yield back the balance of my time.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Speaker, I regret that the gentleman from New York [Mr. FISH] has left the floor, especially since his opening remarks constituted a slap at the membership of this House because there were only a few Members present. He referred to the number as a score of Members being present. At that time I counted 56 Members on the floor. At this time there are only 55 because the gentleman from New York himself has left the Chamber. I have no objection to the gentleman from New York painting a halo around his own head, but I do object to his daubing me in the eye with the brush when he gets through.

There are good reasons for the membership not being present at this time. In the first place the membership is thoroughly familiar with this bill, and are for it. It is a very short bill of about 10 lines and they understand it and if present the bill would probably go through by unanimous consent. In the second place, the membership of this House has been through a rather tough ordeal in the last few days. Speaking for myself, after a late session day before yesterday, it was after 9 o'clock before I left my office and practically the entire building was lighted up by other Members at work in their offices. Last night the House adjourned about 8 o'clock and with the increased work and burden on the Members each day they simply have to spend some time in their offices. I am not so sure that it was very appropriate for the gentleman from New York to take a crack at the membership of this body in the way he did.

Mr. DOUGHTON. Will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. The facts are not only as stated by the distinguished gentleman that the House had late sessions yesterday and the day before, but it will be recalled also that we met at 11 o'clock on those 2 days, not giving Members time to do work in their offices, answer correspondence, and converse with constituents who may have been here to see them on important business. They have had no time during the last 2 or 3 days to attend to the responsible and pressing duties of their office.

Mr. BARDEN. The gentleman is exactly right. I overlooked mentioning the fact that we met at 11 o'clock.

Then for the gentleman from New York [Mr. FISH] to hitch his wagon to a star and attempt to take a ride at the expense of the other Members and immediately run right off the floor himself is rather amusing to say the least—I do not mind his hitching his wagon to the star, but if he does not mind, he will get kicked in the teeth by the mule anyway.

Now may I say the housing situation is not working just exactly as I think Congress intended it to work.

This is very evident in my district. They are building some cantonments. They started them where no towns existed. After many months of correspondence and contact with the departments, and so forth, I thought we were getting somewhere. Just a few days ago I went down to meet with one of the housing officials, who presented to me a document signed by the Assistanct Secretary of War, the Assistant Secretary of the Navy, Mr. Forrestal, and the Administrator of National Housing Agency, Mr. Blandford, saying that they were constructing and would allocate housing only for the permanent defense workers.

There is a marine base occupied by probably 20,000 marines, sergeants, lieutenants, and other officers. Constructing that base right now are about 8,000 to 10,000 employees; in addition there are all the people who are necessary to service that camp. Remember that the camp was located at a village with a population of only 700, but now the housing representative tells me that they can build housing only for the permanent defense workers.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield the balance of my time to the gentleman from North Carolina.

Mr. BARDEN. Now, if I know anything about a defense worker, I think a soldier or a marine, a sergeant, a colonel, or a general, is engaged in defense work. And if those men want to see their families they must ride 30, 40, or 50 miles to the surrounding villages to see them.

The money for that construction may not come out of this particular fund, but I say to the Members of this House that I am not altogether in accord with Mr. Blandford, Mr. Forrestal, and Mr. Patterson getting together and saying that they have decided such and such a thing will be done after the Congress has passed a housing bill. The situation is desperate down there. This housing official said he had never in his life seen a situation where an exception to that order was so deserving. Yet the exception has not been made.

I sometimes think that while we are debating these bills—and I am for this bill—we might just as well let these folks down in the departments know that we are not altogether in sympathy with their

taking a bill, after it has been thoroughly debated by Congress, and we think we understand what we are doing, and then interpreting it and deciding what will be done regardless of what we may think, and sometimes regardless of what the language of the bill might be.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

COMMITTEE ON MILITARY AFFAIRS

Mr. PATTON. Mr. Speaker, I offer a resolution from the Committee on Accounts, and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 542), as follows:

Resolved, That the expenses of further conducting the studies and investigations authorized by House Resolution 162 of the present Congress, incurred by the Committee on Military Affairs not to exceed $15,000, including expenditures for the employment of clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee conducting such studies and investigations or any part thereof, signed by the chairman of the committee and approved by the Committee on Accounts.

SEC. 2. The official stenographers to committees may be used at all hearings held in the District of Columbia unless otherwise officially engaged.

The resolution was agreed to.

DEFENSE HOUSING

Mr. LANHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7312) to increase by $600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7312, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. LANHAM. Mr. Chairman, I wish to make a few brief observations in explanation of this measure.

On the 27th of May the President of the United States sent to the Congress a message recommending the authorization of $600,000,000 for additional defense housing. Based upon that message the Committee on Public Buildings and Grounds held extensive hearings. I hold a copy of the hearings in my hand. They constitute 335 printed pages. The committee did a very accurate and comprehensive job in hearing every phase of this particular question.

I was present throughout the hearings, and my familiarity with the situation as presented by the hearings, in correspondence that has come to me from all over the country, and from many conferences with many Members of the House of Representatives with reference to conditions in their respective districts, has convinced me that it is not only important but imperative that this bill be passed and passed promptly. I may say that in that connection that an identical measure was passed by the Senate of the United States on yesterday.

After the hearings, the Committee on Public Buildings and Grounds reported this measure favorably on July 20, and requested a rule for its consideration. Just at that time the informal recess came, and we have been delayed necessarily in getting the measure before this body for action.

The testimony, not only of the National Housing Agency through its representatives but the testimony of the representatives of the War Department, the Navy Department, and the Maritime Commission, advises us that at the time we were considering this in the committee this matter was most urgent and that our war effort was lagging because of a lack of housing for workers at many of these industrial plants. You know that almost without the turn of a hand we appropriated great sums of money for these various industrial plants connected with our war effort, shipbuilding plants, munition plants, airplane plants, and so forth. You will all recall that in one bill alone we appropriated $42,000,000,000, and the aggregate of all the bills carrying appropriations for the purposes of these plants would be very, very considerable. Now these plants are worthless without the workers to carry on the necessary labor in the production of those things that these plants produce. From all over the country urgent appeals are coming in and statements that our war effort is lagging because of the lack of such housing.

Let me reiterate what has been said many times. This particular act, which is not the only housing act, is purely an emergency measure. Ninety percent of the construction to be done under the funds herein authorized is to be temporary construction. It is not for purposes of slum clearance. It is simply for the purpose of supplying these workers in these war plants with some fairly reasonable living quarters to the extent that they cannot be furnished by private capital or by housing already available.

From the study I have made I am convinced that this money is urgently needed and that with delay in making the necessary provision for its expenditure we may not have the necessary housing for these workers. In my judgment, I repeat, it is not only important but imperative that we take immediate action upon it.

Of course, this is a colossal undertaking. Mistakes may have been made in some districts, but I think that under the efficient management of the gentlemen who are now in control of the supervision and direction the construction procedure is taking very much better form. They came into a complicated situation and in the short time in which they have been operating they have been showing a remarkable grasp of the situation. But regardless of what our quibbles may be as to whether things were done exactly right in any particular locality, the urgent need for these quarters for workers is very apparent.

We have a good law. The law does not need any modification or amendment. The authorities have promised to comply with the provisions of the law and, personally, I regret that we are thus late in getting the authorization for this necessary housing, because I feel that our war effort is lagging and has been lagging because of the fact that we have been somewhat necessarily delayed in the consideration of the measure in the House.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from New York.

Mr. HANCOCK. Does not the gentleman feel that the rent ceilings will have to be raised if private enterprise is going to contribute to this housing problem? Where I live private enterprise cannot afford to construct dwellings even for defense workers, because the rent ceilings are so low.

Mr. LANHAM. Of course, the rent ceilings insofar as the terms of the law are concerned are supposed to be fixed with reference to what is paid for similar accommodations where these houses are built. As indicated by one of the gentlemen who spoke today, in some places the local authorities have established rent ceilings and that may militate in some ways against entirely satisfactory operation, both from the standpoint of private and public construction in some instances.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman.

Mr. DONDERO. The rent ceilings in the city of Detroit were fixed by the Federal Government. In Chicago they were fixed as of April 1, 1942, and in Detroit as of April 1, 1941, with the result that the testimony before your committee shows that a survey made in May 1942, in Detroit, showed that hardly a single house was being constructed to rent, because people could not afford to build them to rent under the rent ceilings fixed by the Federal Government. Let me ask the gentleman this question: Is there any area in the United States where housing is more acute than it is in the Detroit metropolitan area?

Mr. LANHAM. I cannot say that definitely, but I can say this: It is acute in a great many places and the construction contemplated under this authorization is in 40 of the 48 States of the American Union.

Mr. DONDERO. But it is more acute in that area than any place in the whole country according to the hearings before the gentleman's committee.

Mr. LANHAM. I know that it is a situation of great magnitude.

Mr. DONDERO. And the rent ceiling fixed by our Government is actually calculated to make the conditions worse in Detroit because private enterprise cannot possibly enter the field to build the houses. I am for the bill wholeheartedly, but I want to point out that situation.

Mr. LANHAM. We hope, of course, the proper regulations will be made in that regard.

Of course by reason of varying conditions we cannot in legislation undertake to establish a certain rent ceiling in one locality and another rent ceiling in another locality, but I think it should be taken up with the administrative authority. I believe the gentleman will find they will try to arrange the matter satisfactorily.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. Yes.

Mr. TREADWAY. Is any provision made in the bill having to do with different types of construction according to the climatic conditions where the buildings are to be erected? I have in mind an area where the gentleman recently visited, Pittsfield, Mass. I have heard complaint that no provision is being made for cold weather occupancy, in view of the fact that they are putting the buildings on piles, with no cellars.

Mr. LANHAM. I may say that that matter has been discussed heretofore, and certainly the congressional intent has been that there should be a modification of construction depending upon the condition of the climate in the various localities. The gentleman will recall that his colleague [Mr. CLASON] brought that matter up in a previous debate and that is one reason that we have increased in former amendments of this act the maximum amount for the average cost of dwellings that can be constructed under the act. We realize that in some sections cellars are necessary, and in others they are not, and certainly it is the intent of those who have the legislation in charge that within those rigorous climates there should be necessary arrangements to enable the tenants to meet the conditions.

Mr. TREADWAY. Is that matter left to the local contractor or will it be regulated from Washington? Who is to judge of the weather conditions?

Mr. LANHAM. Just what specifications are made in that particular I am unable to tell the gentleman. Of course we look after the legislation rather than the administration, but our intent certainly has been definitely expressed on more than one occasion that we do want the houses constructed in such a way that they will be suitable for the kind of climate in which they are built.

Mr. TREADWAY. And the people having charge of the administrative features of this bill understand that thoroughly, do they not?

Mr. LANHAM. I feel sure they do, and I think if the gentleman will take this matter up with them, he will receive courteous and I trust sympathetic treatment.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. Yes.

Mr. DIRKSEN. I think it is worthy of observation that up to this time one-half of 1 percent of defense appropriations and authorizations have been devoted to housing, and if this amount is added it will amount to only three-fifths of 1 percent of the total amount, and that is a very small percentage.

Mr. LANHAM. I appreciate what the gentleman has said, and I tried to intimate as much in my brief remarks to the effect that we have appropriated those large sums of money for the construction of these plants, and a very small amount, in proportion to those colossal sums, for the housing of the workers in the plants.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. Yes.

Mr. McGREGOR. And is it not true that this bill is simply an increase of an authorization and that we do not change the rules, nor do we undertake to tell the Administrator what to do? It is simply a continued authorization in amount of $600,000,000.

Mr. LANHAM. The gentleman is correct. We have heretofore enacted the law that seems to be thoroughly applicable to this situation, and this bill merely increases the amount for operation under that law, in view of the fact that the funds heretofore appropriated have been expended.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. Yes.

Mr. IZAC. I would like the gentleman to explain for the benefit of the gentleman from Michigan [Mr. DONDERO] that this bill is mostly for Government housing, and not for private housing. At least in my section of the country we have found that there are plenty of funds privately held ready today to be put into housing but we cannot get priorities from the War Production Board to have private industry build those houses. That would help us tremendously and require much less sums out of the $600,000,000 that we are asking to be appropriated today.

Mr. DONDERO. I tried to make that clear to the chairman of the committee, that private enterprise has been so thwarted by Government regulation and priorities that they cannot enter the field of competition with the Government to build houses to take care of these workers which private enterprise would like to do.

Mr. SMITH of Ohio. Mr. Chairman, the situation seems to be different from what it is in our defense area. What is the rent situation where private capital is ready to go ahead?

Mr. IZAC. They cannot get the priorities.

Mr. SMITH of Ohio. What is the rent situation with respect to ceilings?

Mr. IZAC. The ceilings are lower than in any other part of the country. We have the earliest freezing date in the United States, January 1, 1941, and private capital is still able to compete if they can get the priorities, and I have been down to the Administration and seen Mr. Blandford and Mr. Emerick, and asked that that be part of their policy, that private builders be permitted to build these homes, which the stable population wants to have, for ownership as well as for rent, but we cannot get priorities from the War Production Board unless the National Housing Agency declares that San Diego needs 500 and Detroit 5,000, and so on, and once they have determined the number of houses or communities that are required, then they can get priorities from the War Production Board.

You will find there are large sums of capital ready to be invested if we can get the go-ahead signal from the administration to let private enterprise proceed.

Mr. LANHAM. May I say further, with reference to what the distinguished gentleman from California [Mr. IZAC] has said, that we had before our committee representatives from all of these various agencies and departments of government, and among them the representative of the War Production Board, who said that they would see to it that for the housing contemplated through this authorization the materials would be available on a par with the construction of the plants, so that when the plants were ready for the workers the houses would be ready for the living quarters for the workers. Furthermore, by reason of recent developments, very much less of critical material is being used in the construction of these houses today than heretofore. It is surprising the great percentage of reduction in the use of critical materials.

Mr. IZAC. Will the gentleman yield?

Mr. LANHAM. I yield.

Mr. IZAC. But the administration fails to take this point into consideration: When Government housing goes into a vacant area they have to lay down the water mains, the sewer mains, and have all facilities brought into that area. If they will permit private capital to take vacant lots and put up these houses there, you already have all of those facilities right at the front door. The city manager of San Diego has testified that the critical materials used will be less if we permit private industry to go ahead and build the houses.

Mr. SMITH of Ohio. Do I understand the gentleman from California to say that all you need is a survey?

Mr. IZAC. I have asked for a resurvey of our area, and I understand it is to be given us.

Mr. SMITH of Ohio. And that is all you need to go ahead with your housing?

Mr. IZAC. We have plenty of capital ready to go ahead with private housing.

Mr. LANHAM. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WRIGHT], and then I will reserve the remainder of my time.

Mr. WRIGHT. Mr. Chairman, some of the questions propounded on the floor today have bothered me considerably. I have tried my best to find their solution. I think the criticism of the gentleman from Michigan [Mr. DONDERO], in which he complains about the price ceilings affecting the market for privately owned real estate for rent, may be true in part, but from everything we could determine when members of the committee made more or less of a Nation-wide survey of housing conditions we find that private capital generally was loath to build for rent until very recently. I think there is a little more willingness on the part of private builders to build for rent at the present time. One of the reasons why

they were not willing to do it was that in a great many of these localities where they had defense plants they did not consider the man who had come in from the country districts and from other sections of the country to be there permanently. Consequently if they had invested a considerable sum of money in a house they did not know how long they were going to be able to get a tenant. The private builder was very willing to build for sale, but naturally no person is going into a business proposition in which he does not see his way clear to have his investment protected and to get a fair return on his investment in the meantime. That was one of the impelling reasons that led to the construction of federally financed houses in the beginning.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. HOLMES. I do not quite get the gentleman's point. As I understand it, when new buildings are built by private capital today, buildings which were not in existence when this rent-control legislation was passed or set up in a community, the rents charged for those individual houses have not been established. The owner, as I understand it, has a right to charge any fair rental that he can show or establish as a fair rental, under the cost of building that property.

Mr. WRIGHT. I think that is correct, but I was attempting to answer the gentleman from Michigan [Mr. DONDERO], who spoke of the rent ceilings as fixed by the Office of Price Administration as deterring private owners of real estate from renting this property to war workers. Naturally those regulations apply only to old properties. What the gentleman from Massachusetts is referring to now is new properties, and his statement is correct.

As to the question propounded by the gentleman from California [Mr. IZAC], I may say we have had considerable trouble in the city in which I reside about the very same problem. We have men who are willing to build houses there who have had a great amount of difficulty in starting the house, and in some cases completing it after having started it. I do not think there has been any deliberate effort on the part of the War Production Board—because they finally have the decision as to the priority of materials—I do not think there has been any deliberate effort to discriminate against the private builder in favor of the public builder, but I think that due to the fact that some materials are tied up for a considerable length of time, much longer than it was anticipated at the time the houses were commenced, and the private builder is not able to carry the load financially as well as the Federal Government, there has been considerable hardship worked upon the private builder.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. IZAC. Is it not also true that when an attempt is made to build houses by private capital it is necessary to live up to a certain proportion which is demanded by the War Production Board that a certain number shall be for sale and a certain number for rent, and a certain number for rent below a certain figure?

Mr. WRIGHT. I understand that is true. I understand there is a restriction as to the number of houses that may be built in any certain locality. We do not have any more during the duration of the war, we do not have free building enterprise in the fullest sense of the word; but once an area has been determined to be a defense area and once it has been found by a survey that houses are needed, if private capital is available to do the work my understanding—and we have the words both of the housing authorities here in Washington and the War Production Board, that there is absolutely no discrimination in the obtaining of priorities.

[Here the gavel fell.]

Mr. LANHAM. Mr. Chairman, I yield 3 additional minutes to the gentleman from Pennsylvania.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. McGREGOR. I do not want to disturb the gentleman's thought but I want to call the gentleman's attention to page 39 of the hearings where this colloquy took place:

Mr. HÉBERT. However, if private capital is able to meet the requirements and meet the rules they will be given preference?

Mr. BLANDFORD. Yes.

Mr. WRIGHT. Yes.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. DONDERO. May I make the observation that rent ceilings do not apply to new construction but only to old buildings?

Mr. WRIGHT. I believe that is correct. That is the rent ceiling opposed by the O. P. A. There are, however, rents fixed in these Federal housing projects and I do not want to confuse them.

Mr. DONDERO. The reason I bring this to the gentleman's attention is because I find this line in the hearings:

A survey dated May 22, 1942—

That is this year—

conducted by the Work Projects Administration shows that of the houses under construction which they checked none was being built for rent.

So it did have some effect upon the new construction as well as the old construction. No one felt he could build a house for rent and get a reasonable return on the money invested. I think that is what is causing all the difficulty in the Detroit area.

Mr. WRIGHT. The gentleman may be right; I do not care to quarrel with him about his own back yard, but we did find as much as a year and a year and a half ago that the private builder was unwilling to build to rent because he did not see where he could get his investment out.

In the city of Pittsburgh and in the steel section surrounding the city of Pittsburgh, due to increase in the necessary production of steel, there have been plant expansions, and due to the topography of Pittsburgh it has been necessary in order to expand several of these plants to tear down several thousand presently existing dwelling units. This not only destroys present housing but it also brings new workers to the vicinity of Pittsburgh in an area where there already is considerable congestion. In Pittsburgh there is inability on the part of workmen to obtain homes. We have complaints not only on the part of labor but also on the part of management of such plants of the size and type of the Dravo Construction Co., the Carnegie Illinois Steel Co., the Jones & Laughlin Steel Co., and other large plants. They are experiencing an abnormal turn-over in the labor they are employing in those plants. Various men in responsible positions in these industries have told me they blame the turn-over largely upon the shortage of housing. There has been one recent expansion in the Dravo Construction Co. and two plant expansions in the Carnegie Illinois Steel Co. The management of the plants have told me personally that they did not see how they were going to get the necessary supply of labor without competing against each other for labor in necessary war industries unless they get some housing.

I notice in the hearings that they list the need of the Pittsburgh district as 4,000 more houses, but we have been allocated, on the presumption that this bill would pass, only a fractional part of that number. I do not therefore see how we are going to be able to avoid the expenditure of this entire amount of money. I am, of course, taking it for granted that the Pittsburgh district, Allegheny County, is getting its fair proportion of this money. Witnesses representing labor, witnesses representing capital, witnesses representing the real-estate industry, witnesses representing the Federal Housing Authority—which has not always seen eye to eye with the Housing Authority on defense housing—have testified as to the necessity for the expenditure of this money. I therefore feel that its present expenditure is necessary in the aid of the war and I think the bill should be passed.

[Here the gavel fell.]

Mr. HOLMES. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I believe every Member is familiar with the Lanham Housing Act. There is one piece of legislation on which a committee has worked diligently where there has never been a trace of politics, favoritism, sectionalism, or other disturbing district interest. We have been quite generous in our recommendation of appropriations; not only that but the committee has taken it upon itself to view various housing projects under construction and confer with municipal authorities. We feel we are in position to know the job that has been done up to the present time. There is no member of the committee who does not feel there is need for additional housing; we are a unit on that score. Early in the summer, when we held hearings on this additional appropriation or on the President's message, many of us thought that, in view of the huge amounts of money that had been appropriated and in view of the generosity on the part of Congress previously

in appropriating over a billion twenty million dollars for defense housing, that the recommendation should be for $300,000,000 rather than $600,000,000 at this time, allowing those in authority to allocate to the extent of $300,000,000, and after that had been done to come back to the Congress and give the committee and the House the benefit of a further survey of the needs and requirements throughout the country in connection with housing defense workers at these defense plants. In the committee I offered an amendment to accomplish this purpose, but the committee voted it down and reported, as you have before you today, legislation authorizing an additional $600,000,000. I am going to support, if an amendment is offered, which I think there will be, a reduction to $300,000,000.

When you realize the importance today of the use of strategic materials when we are having all kinds of drives to collect scrap iron, scrap steel, scrap rubber, scrap copper, scrap everything; when we hear and read about the steel mills being shut down because of lack of raw materials to produce steel plates and other materials that go into our ships, our tanks, our guns, and almost every article that we need to fight this war, I believe we should be more cautious in authorizing appropriations for housing. After a comprehensive study, and from what has been brought out on the floor of the House today, I know that in many communities, and I refer to defense communities, private capital is ready to build houses. Private capital has been hammering at the doors of the Federal Housing Administration and the War Production Board to get priorities for materials which they already have and have had for a long, long time, frozen today because they are denied the right to use them in building homes in defense areas.

The criticism of those in authority is well deserved. I presume every Member of the House has had more or less experience in trying to get some bureau here to release some strategic material that may go into a house or some equipment for the remodeling of a building or the building of a new home. I have had that experience and my experience has not been too satisfactory when I know that the material is there frozen and will never be used, to my knowledge, by the War Production Board, because they are not going to take the material and throw it back into the furnace and remelt it.

Under the public housing program, if they go into a defense community and the War Production Board grants the Public Housing Authority a priority, certainly the private builder who has material should also be accorded the same right.

Mrs. BOLTON. Will the gentleman yield?

Mr. HOLMES. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. How do we know that there could be a release of priorities? We have no assurance to the effect that private builders are going to be able to build anything.

Mr. HOLMES. In reply to the gentlewoman, I can assure her that nobody knows and we have not been able to determine that, but, as I understand it, and we asked particularly the question if in a defense area private builders or private capital are in a position to build and finance it privately, and they have the material whether they would be given a priority, and we were assured "Yes," but as far as I know those priorities are not coming through.

Mrs. BOLTON. Exactly. We have today raised the limit on houses for officers. We need houses for workmen and the line men. If we have no assurance that we can get priorities for private buildings, are we going to deprive the workman of his home? He is not going to have tires to go any distance. He must live near his work. How is he going to do that unless we see to it that something is done, because we cannot get priorities for private building. We surely have a responsibility to see that the Government builds.

Mr. HOLMES. I thank the gentlewoman for her contribution. That is positively correct. We have been trying to get the War Production Board in communities that are defense communities to release priorities and let them utilize the equipment and build homes for workers near defense plants. If the Government goes into your district or my district or any other district in the United States and says, "We are going to put up a public housing project, build 400 or 1,000 individual homes or dormitories," it will get a priority. I say it is unfair to private enterprise and to private industry if they are in position to do this work without calling upon the Federal Government for any contribution to be denied that same priority that the Government itself will automatically get the minute it goes in and says it is going to build these public houses.

Mr. HANCOCK. Will the gentleman yield?

Mr. HOLMES. I yield to the gentleman from New York.

Mr. HANCOCK. In my community which I think is typical of defense areas, there are a great many contractors who wish to build houses and banks which wish to finance them. They are prevented from going ahead by two things which are not in the law but are conditions attached by the bureaucrats downtown, both of which have been pointed out by the gentleman from California. First, the private builders must offer a certain proportion of houses for rent. Now, no investor is going to spend money to build houses for rent in an area where the factories will close and the workers will move away in a few years, but there are a lot of people there who wish to buy homes. That is one condition that prevents private investors from going ahead. Then there is another condition in connection with the guaranteeing of these loans imposed by the F. H. A. The contractor is limited by rent ceilings which are too low for profits. Those are two instances in which the bureaucrats are thwarting the will of Congress. The law does not contain these restrictions. Does not the gentleman think we ought to amend the law so that the administration will not be able to thwart our intention or distort the law for its own purposes? Should we not take care of that situation by amendment to this act? And does not the gentleman think there is too much divided authority and too many conflicting interests between the several agencies concerned with the housing problem?

Mr. HOLMES. I do not think that we should do it by amendment to this act.

Mr. HANCOCK. I mean the National Housing Act.

Mr. HOLMES. I think that probably is a subject for the committee to take up at some future date. It is my hope that if we amend the bill today, reducing the amount to $300,000,000, then after this $300,000,000 is allocated, we could come back and review the picture as it is today or as they find it after spending the $300,000,000. I think it may change very materially. I know there is a demand. There may be a demand for the full $600,000,000. I know, too, that they can not go to work, allocate and spend that $600,000,000 within the next 3, 4, or 5 months. The House would be perfectly safe in saying that at the present time and under present conditions we will allow you $300,000,000, then you can come back to the committee, give the committee the benefit of what the future situation really is, then we may discuss also other phases of the law. I think the gentleman from New York [Mr. HANCOCK] has brought out a very good point—there is too much division of authority. Some one unit should have the power to say who should have priorities and who should not. I am familiar with the situation in San Diego. They are planning homes now far away from the center of the city, far away from the industrial plants. How they are ever going to get those workers living in the adjacent towns to the plants I do not know, in view of the shortage of gasoline and rubber. San Diego presents a big problem.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. I yield to the gentleman from California.

Mr. IZAC. While the debate has been going on this afternoon, a constituent of mine who has $3,000,000 with which he wants to put up 1,000 units within 1 mile of an aircraft factory has been turned down by the War Production Board. He is offering to put up these houses for rent under a ceiling that they will determine. He will use a minimum of critical materials. Still he cannot get the word to go ahead. That is the thing we should correct if it is possible for the gentleman's committee to correct it.

As long as private capital is willing to go in there and relieve the situation we should allow it to do so, because it is a situation that must be relieved. Our largest aircraft factory for 6 weeks has held at 45,000 employees although it wants to go 20,000 stronger, but there is no place to put these employees; in fact, they are sleeping in the theaters every night.

Mr. HOLMES. I thank the gentleman for his contribution. I am familiar with the situation in San Diego. We tried to correct that situation in the original law,

and we emphatically stated in the law that the authorities in Washington who had anything to do with housing should consult with the municipal officials and the local housing authorities and place these units at the most convenient and accessible points in order to eliminate the necessity for long transportation, confining the housing as closely as possible to the location of the plants in order to take advantage of the facilities already in the streets of the communities, instead of going way out into some area and then depending upon the transportation system to take care of the employees, when often there is no transportation system connecting the communities.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. I yield to the gentleman from Ohio.

Mr. McGREGOR. Does not the gentleman believe that a good many of the conditions that he and other members of the committee, on which it is my pleasure to serve, found on our previous trips are now being corrected by the present administration, and that they are really endeavoring to locate these houses in areas where they are absolutely needed?

Mr. HOLMES. I think that is quite generally true, although as a member of this committee I do receive calls from various Members of the House calling my attention to the conditions they find in their localities. It is not wholly cured. One of the worst offenses of that type, of ignoring communities, occurred back in the early stages in dealing with the cities of San Diego, Los Angeles, and many other communities, where the authorities absolutely and totally ignored the communities and said they were going to place these units any place they wanted to; and they did that in many cases. In the original law we tried to express our feeling that there should be closer cooperation between the authorities in Washington and in the municipalities scattered all over this Nation that need defense housing.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. The gentleman spoke a moment ago of the use of the facilities already established in the various towns, saying that it would be better to have the new housing projects use those facilities. Does the authorization in the pending bill include anything for facilities?

Mr. HOLMES. No; it does not.

Mrs. BOLTON. Then it would not correct the situation I have in my district of a large housing area having no facilities, so that all the facilities of the town are so overcharged that a very serious health problem has been created.

Mr. HOLMES. In reply to the gentlewoman's question regarding facilities, I may say that at the present time the construction of the facilities is handled by a different department altogether. As far as we understand, up to the present time they have all the money that is required. However, if we pass this bill carrying an additional $600,000,000 authorization, when they start to allocate this money to certain locations for the construction of new units the Federal Works Administration will be in here with a request for an additional appropriation to take care of the facilities needed in order to expand to these various locations.

Mrs. BOLTON. Instead of taking the opportunity that is given them by private industry to use the private facilities already established in San Diego, they build outside where there are no facilities?

Mr. HOLMES. As I understand the gentleman from California [Mr. IZAC], they have agreed to make a resurvey of the public housing situation as it is at the present time in San Diego.

Mr. IZAC. So that they may determine the quotas for the entire United States and then go to the War Production Board and get priorities for the number of units needed in each locality. I asked for a resurvey of the San Diego area. They said they would take it up with their area man in San Francisco, and I presume some day they will get around to it. In the meantime, however, as long as private industry is willing to go ahead and put up houses for rent, or for sale, for that matter, and as long as private industry has the money, all it lacks being the priorities and the permission from the War Production Board, I cannot see why the gentleman's committee cannot tell them down there that it is the wish of the committee and of the House of Representatives that we have a directive from the War Production Board to private industry to go ahead.

Mr. HOLMES. I can assure the gentleman from California that every member of our committee has in no uncertain terms told the authorities handling public housing that we are wholly in sympathy with allowing private capital to go as far and build as many of these houses as possible, and that only where private capital fails to meet the requirements should the Federal Government go in and build these houses.

Mr. DOWNS. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. I yield to the gentleman from Connecticut.

Mr. DOWNS. Is it not true that the committee, after investigating the situation on the Pacific coast, recommended to the Authority at that time that private capital be allowed to build houses for defense workers wherever possible?

Mr. HOLMES. That is right and I fully agree with what the gentleman has said.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I wonder if the gentleman's experience does not correspond with mine that Mr. Blandford, the present head of the Housing Administration, is sympathetic to private capital, but the snarl we have had is at the War Production Board where, necessarily, they have more or less focused their attention upon material for tanks, ships, and planes, and have neglected to consider housing for the workers who are going to produce these things.

Mr. HOLMES. In reply to that I will say that the War Production Board more or less depends upon the recommendation made by the Federal Housing Authority. In other words, if I or anyone else wanted to build a number of units or homes, we would have to go to the Federal Housing Authority and they would recommend to the War Production Board that priorities be granted and allocations made for my community or your community with respect to the number of units required, and then it is up to the War Production Board to grant that priority.

Mr. WRIGHT. But I am thinking particularly of the situation as to copper wire. I have not had any difficulty with the Housing Administration, but when I go to the War Production Board I find that private dwellings use copper wire and we are given an A-1J rating. When they go to their utility and the utility does not have that stock on hand and goes to the manufacturer, there are so many articles having a higher priority rating than A-1J that there is no chance of getting the wire for the private housing. In the meantime your contractor is held up and cannot close his loan with the F. H. A. and is suffering a loss which he cannot afford to carry. This has been the principal trouble in my district.

Mr. HOLMES. I think, perhaps, other communities have had the same experience the gentleman has had.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. I yield to the gentleman from Ohio.

Mr. McGREGOR. Further clarifying the question raised by the gentleman from California [Mr. IZAC], I would like to call his attention to the record of the hearings on page 39, at which point, as a member of the committee, I asked Mr. Blandford this question:

> Does any machinery exist to get the cooperation of the States and of the communities or of the industrial units in or near where you contemplate building houses?

Mr. Blandford replied:

> Our old policy and our new policy, as indicated, are clearly on the basis of doing this job out in the field, working with the State commissions, all the city departments, local housing authorities, and all local groups, in order to get a unit pattern that the community desires. That is definitely our intent and practice.

Mr. HOLMES. I recall Mr. Blandford making that statement.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. I yield.

Mr. JENSEN. In the event private enterprise proves they can furnish sufficient houses in the defense area, are they permitted to go ahead or does the Government still step in under this bill and build those houses?

Mr. HOLMES. Under the Lanham Act, of course, they could step in whether private capital is ready to do it or not, if they desired. There is nothing we can do to stop it.

Mr. JENSEN. If private capital or private contractors do indicate and prove that they can furnish the necessary houses, can they then get equal priority

rating with the Government or with F. H. A.?

Mr. HOLMES. We were assured by the War Production Board that any priority granted to a public housing unit, the same priority would be extended to the private contractor, but that has not been the fact.

Mr. JENSEN. What is the committee doing or what are we doing to remedy that situation, if anything?

Mr. HOLMES. We are not trying to amend the Lanham Act in any shape. As far as the Lanham Act is concerned, if they follow that act and the spirit of the committee and the Congress that passed it, there would be no trouble between private capital and the Government or between the municipal and Federal authorities. It is just a case of needing to use a little common, horse sense.

Mr. JENSEN. That is what I thought.

Mr. HOLMES. And also being human in their dealings with each other. That is all that is needed and that is what the law tries to express. We did not think it was necessary to amend the law, and we did have assurance from Mr. Blandford and the new housing authority that they would cooperate to the fullest extent with municipalities, with private contractors, with private capital, and with banks or any other unit that wanted to construct or build houses for defense workers. Our experience with this new organization has not been very long and we still believe that Mr. Blandford, when he told the committee that, was honest and meant what he said. We are hopeful he is going to do that.

Mr. JENSEN. I thank the gentleman.

Mr. CLASON. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. I yield to my colleague from Massachusetts.

Mr. CLASON. I understood from reading the report and the testimony of Mr. Blandford that in September of 1941 private contractors were given the right to build 200,000 family dwelling units. Then it was also stated in these hearings that in June of 1942 a quota of 200,000 additional dwelling units was set out. Was that also given out to private contractors?

Mr. HOLMES. I understand for individual homes there was an allocation made throughout the United States, so many for the city of Springfield, so many for the city of Worcester, and so many for many other defense areas.

Mr. CLASON. It also appears that that 200,000 quota has already been used up except for a very small reserve. Did that 200,000 go to private contractors?

Mr. HOLMES. I cannot tell the gentleman whether it goes to private contractors or not.

Mr. CLASON. Is there any likelihood for a new quota for private houses to be built, being set up in the near future in view of the statement here that they do not expect those to be started, or any large number until 1943?

Mr. HOLMES. I understand the procedure to be that even in the communities where the quotas have been fixed, that provision is made that if individuals or private contractors want to build 10 or 20 or 30 houses or even 50, they will have to go through the necessary application and get the quota for the community increased in order to allow them to do that, and that is being done universally throughout the United States.

Mr. CLASON. Then the quota is being increased at the present time?

Mr. HOLMES. Yes.

Mr. CLASON. And every house that is to be built now is to be for an in-migrant war worker, and no private individual will be able to build a house for himself if he is a local resident.

Mr. HOLMES. Oh, I do not think that is true. You have the right to go and build a house for yourself if you can get the priority.

Mr. CLASON. Do they still issue priorities for private individuals? Can you still secure priorities to build for private individuals?

Mr. HOLMES. I understand so; yes.

Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, this bill, H. R. 7312, provides for the authorization of additional funds for defense houses. I am assuming the amount requested is needed and therefore I shall support the bill. My home city, Marion, Ohio, has been designated a defense area. In this area there is now under construction a defense plant, the Scioto Ordnance Plant, which, when completed, will be operated by the United States Rubber Co.

Marion is already greatly overcrowded. This has resulted from the in-migration of a great number of workers who are employed in our normal manufacturing industries. These industries are now engaged in war work. In addition there has been an influx of workers who are now employed in the construction of the ordnance plant—some 5,000 or 6,000. The normal population of Marion is about 35,000.

It is anticipated by the officials of the United States Rubber Co. that between 11,000 and 20,000 persons will be employed in the plant when completed. It creates a situation where the housing shortage must become still more critical.

Provision is being made by the National Housing Agency for the construction of several hundred houses in Marion under the F. H. A. plan. This is wholly inadequate to meet the great need.

The indications are private capital cannot be depended on to construct more than the number of houses now being provided for under F. H. A. One thousand five hundred additional houses are needed immediately. Five hundred of these are now being provided for by the National Housing Agency under the Lanham plan. This leaves 1,000 additional houses that are needed.

It will be impossible for the United States Rubber Co., operators of the plant, to secure the proper personnel for the operation of this plant unless they have the necessary houses for those persons to live in.

The Scioto Ordnance Plant at Marion, Ohio, is costing upward of $40,000,000 to construct. It is important now that the necessary houses are provided in order to attract the people needed to put this plant in operation.

Mr. WILSON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. WILSON. It is not a question of money. If they can build the houses with money they can have the money. The question is the critical materials involved.

Mr. SMITH of Ohio. Let us consider this critical material situation for just a moment.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HOLMES. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. SMITH of Ohio. To be sure, there is a serious shortage of materials that go into the construction of these defense houses. But suppose funds are authorized, even appropriated, if no materials are available no funds will be spent. May I ask the chairman of the committee [Mr. LANHAM], if I am correct in asserting that the funds for the construction of these houses we have under consideration at the present time, are about exhausted? In fact, they are exhausted, and some of the funds are being reallocated; is that not correct?

Mr. LANHAM. The funds have been exhausted. That is correct.

Mr. WILSON. Does the gentleman realize that the bureaucrats in Washington will use those funds whether they are put into the houses or not?

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr MICHENER. As a matter of fact, this is an authorization bill, and as explained to the Rules Committee, there is an understanding between the Committee on Public Buildings and Grounds and the Appropriations Committee that a subcommittee from the Committee on Public Buildings and Grounds is to sit with the Appropriations Committee when this money is allocated. So as a matter of fact I can see no reason why anyone who believes in adequate national defense housing should oppose this authorization.

Mr. LANHAM. Mr. Chairman, there are no further requests for time. The Clerk may read.

The Clerk read as follows:

Be it enacted, etc., That section 3, as amended, of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, is amended by striking out "$600,000,000" and inserting in lieu thereof "$1,200,000,000."

Mr. WILSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILSON: On page 1, line 7, strike out "$1,200,000,000" and insert in lieu thereof "$900,000,000."

Mr. WILSON. Mr. Chairman, my prime interest, as is the interest of every other Member of this House, is the winning of this war. We must win the war! I wonder how much critical material the

Axis Powers are diverting from guns, planes, tanks, and ships to build houses for their workers. Our distinguished Chairman stated that our defense effort was lagging because of lack of adequate housing for our war workers, but he did not state that our defense effort was operating at about 60 percent capacity or less because of the shortage of critical materials. But he would divert this critical material, 2,500 pounds that goes into each house, from the guns and planes and tanks and ships to build houses for war workers, which we have so far been able to get along without.

Now, I am not offering the amendment to cut this appropriation out entirely. I only offer the amendment to cut it down to $300,000,000 instead of $600,000,000. The $600,000,000 offered in this bill is equivalent to the entire amount that has been appropriated to date for this purpose. There is nothing in the world to keep us from meeting again at a later date to authorize another appropriation for $300,000,000 if this first $300,000,000 is properly used, but I say that these funds in the past have not been properly used.

In my own district in Indiana we have built 100 houses, nice houses, the best that have been built under this program. These houses have been finished from 6 months to 9 months and 42 of them are still standing vacant.

There they stand empty, 42 monuments to the short-sightedness and improper planning of those charged with the spending of this money in the building of houses for the defense workers of America. I do not know why these houses were located there; I did not have anything to do with it and the committee did not listen to me when I told them before they were built that they never would be occupied. That is why I am against this authorization.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. WILSON. No; I am sorry; I do not have time.

My friend from Michigan said this did not mean anything; that it was just an authorization, but in my experience an authorization by this House is tantamount to an appropriation. Perhaps the last chance I shall have to stop this will be on the floor of the House today and I am going to use this chance. I represent several thousand people. This will cost each person in my district about $4. It means something to us. Why do we not have rubber? There are a lot of farmers in my district. Why do we not utilize their farm products to manufacture rubber? Then we should not have to build these houses.

Ten months of political piddling and all that we have gotten out of it is a committee. We could have had rubber long ago if we had made rubber from farm products and we should have saved critical materials because that was the only process by which we could get rubber quickly and utilize the least amount of critical materials. These are the reasons why I am opposed to this authorization. Critical materials are the things involved, not the money. I have money allocated to my district, to my own home town of Bedford, $86,000 to build a hospital. It was a much-needed hospital. Every bed in that hospital was full. The Government came along and put up a powder depot in the area. We had some accidents, lost some lives. They allocated money to build that hospital but when we found we could not have the critical materials we needed we refused to accept the money and turned it back to the Government. I am going to leave the problem of allocation of critical materials to the War Production Board, for I feel that the War Production Board knows where the critical material should go. So my city, my home county, refused to accept that money. If we take this critical material away from the production of ships, planes, tanks, and so forth, we do not need to put up houses, for we shall not need the workers because they will not have the critical materials with which to work.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. WILSON. I am sorry; my time has expired.

[Here the gavel fell.]

Mr. DOWNS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not intend to go into the rubber situation; I will stay on defense housing.

Mr. Chairman, this request for $600,000,000 was made after a very careful survey. The committee also went into the matter thoroughly. The committee is convinced that the entire $600,000,000 is needed to build these houses. Many of the large industrial centers today are in dire need of houses for defense workers.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield at that point?

Mr. DOWNS. I yield.

Mr. McCORMACK. In reading yesterday's RECORD I noticed that the Senate passed a bill authorizing $600,000,000 for defense housing and I found that the author of the bill was none other than the distinguished Senator from Ohio [Mr. TAFT].

Mr. DOWNS. That is correct.

Mr. Chairman, I received a letter today from the works manager of a large industrial plant in my city. It reads as follows:

UNDERWOOD ELLIOTT FISHER CO.,
Bridgeport, Conn., September 22, 1942.

Congressman LE ROY D. DOWNS,
House Office Building,
Washington, D. C.

DEAR MR. DOWNS: We keep reviewing the housing situation as it stands today in the Bridgeport area and get almost nervous prostration, wondering how the devil we are going to fit thousands of additional industrial workers, which seem to be indicated by both industrial plant surveys and reports from the local employment service.

With the handicaps faced by private builders and the lack of speed on the part of public housing projects, the solution seems to be getting further and further away.

I believe that anything that can be done to speed up activity along this line would at least ease one of the real headaches that faces the industrialist in this area now.

Our manufacturers association committee sat in with Mr. Clifford's committee of the chamber of commerce, all of which you are familiar with, and I think that we can concur in his conclusion on the situation. It looks as though our solution were pretty much in the hands of Washington.

I know what real problems you have on your hands today, but this one is definitely related to war production effort and needs your continuing support.

Sincerely yours,

DON SAMMIS,
Works Manager.

This same condition exists in Hartford, in Stamford, in New London, in Norwalk, and in all the industrial centers of the State in which I reside. What is true in Connecticut is true throughout the country.

We were told at the hearings that these funds would be allocated over some 40 States covering the various large industrial centers. There is not any question in my mind but what this appropriation is needed. If this authorization is not provided, it is going to bog down the war effort.

My friend brought up the matter of critical materials. Mr. Blandford stated at the hearings that at the present time only 50 percent of the critical materials are used in building defense houses that were used in the beginning of the project period.

Mr. WILSON. Mr. Chairman, will the gentleman yield?

Mr. DOWNS. I yield.

Mr. WILSON. Is it not true there are defense housing projects that cannot be occupied by defense workers because of the lack of certain critical materials? That they have lain idle for several months?

Mr. DOWNS. Not to my knowledge; I do not know about that.

Mr. WILSON. I think that is true in the Norfolk area.

Mr. DOWNS. I hope this bill will be approved for the $600,000,000 so we can go on with our defense housing program in the country. I urge that the amendment be voted down.

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I feel this defense housing is needed very much. I should like to bring to the attention of the House a matter I have brought before the House previously; that is the miles upon miles of steel rails lying idle in the streets of the cities, and towns, and communities of the country. We have an acute steel shortage today. Here is one source of a considerable quantity of this critical material which can be gotten quickly. In my own city of Lowell, the steel rails are being taken up immediately. If that were done in other cities I believe you would have all the steel you want.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. WILSON].

The amendment was rejected.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 7312) to increase by $600,-

000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended, pursuant to House Resolution 538, reported the same back to the House without amendment.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

Mr. LANHAM. Mr. Speaker, in view of the fact that on yesterday the Senate passed an identical bill to that just passed by the House (S. 2725), and in view of the action just taken by the House, I ask unanimous consent for the immediate consideration of the bill S. 2725, to increase by $600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. LANHAM]?

There being no objection, the Clerk read the Senate bill as follows:

Be it enacted, etc., That section 3, as amended, of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, is amended by striking out "$600,000,000" and inserting in lieu thereof "$1,200,000,000".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. LANHAM. Mr. Speaker, I ask unanimous consent that the action by which the House just passed H. R. 7312 be vacated.

The SPEAKER. Is there objection to the request of the gentleman from Texas, [Mr. LANHAM]?

There was no objection.

AUTHORIZING SPEAKER TO SIGN ENROLLED BILL

Mr. LANHAM. Mr. Speaker, I ask unanimous consent that, despite the fact the House may not be in session, the Speaker may be authorized to sign the enrolled bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. LANHAM]?

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. MICHENER. Mr. Speaker, reserving the right to object, will the majority leader advise the House as to the program next week?

Mr. McCORMACK. Mr. Speaker, Monday is District Day, and I understand it is the intention of the chairman of the District Committee to call up four bills, three of them Senate bills, namely, S. 2733, relating to the registration of births; S. 2689, relating to the incorporation of St. Ann's Infant Asylum; S. 2503, relating to the retirement pay for judges; and H. R. 7522, relating to nursery schools in the District of Columbia. Those are schools which take care of children while mothers are engaged in defense work. In any event, that bill relates to the nursery schools of the District. I have been informed by the gentleman from West Virginia [Mr. RANDOLPH] that those four bills will be called up, and he also states that he believes they are noncontroversial. I cannot say definitely that they are or are not controversial, but I assume if any controversy arises, and in view of the fact the chairman of the Committee on the District of Columbia believes they are noncontroversial, the bill over which any controversy might arise will not be pressed. That is my own personal observation and hope.

I know of nothing after Monday with the exception of the Senate action on the price stabilization, which is expected tomorrow if the Senate does not act today. Of course, that bill will go to conference; and if it goes to conference, any conference report will be brought up as quickly as possible after the conference report is filed. What day that may be I am unable to say.

Mr. MICHENER. I assume again it is the gentleman's hope it will be brought up on Tuesday?

Mr. McCORMACK. That is my hope, and it is my hope it will be a very satisfactory bill. It is my hope further that the vote of yesterday will serve notice on those able and constructive leaders of the farm group that it is probably well to arrive at something that is satisfactory.

Mr. MICHENER. That is very assuring. Can the gentleman give us any hope as to the tax bill?

Mr. McCORMACK. No. I wish I could, but I cannot. It will not be next week, however.

Mr. CLASON. Mr. Speaker, reserving the right to object, may I ask whether or not any bill is likely to come up in regard to civilian Government employees?

Mr. McCORMACK. In reference to overtime?

Mr. CLASON. Yes.

Mr. McCORMACK. I am glad the gentleman from Massachusetts asked that question. The 90-day extension covering overtime expires on September 30. We passed that bill about three months ago. It seems to me that the matter will have to be taken care of promptly. If the gentleman from Georgia [Mr. RAMSPECK], is on the floor I am sure he can make a contribution in reference to that matter.

Mr. RAMSPECK. I may say that I am drawing up a resolution to continue the present overtime legislation for another 60 days which I hope to call up on Monday by unanimous consent.

Mr. CLASON. May we expect to have legislation before the House in the near future which will provide for better pay for civilian Government employees than under the present system?

Mr. RAMSPECK. I may say to the gentleman from Massachusetts that the House Committee on the Civil Service held hearings on that subject and had hoped to work out a satisfactory solution, but we have not yet been able to do it. The Senate Committee on the Civil Service has had hearings this week and some progress has been made toward a satisfactory solution, but I do not think it will be possible to pass any such legislation by September 30.

Mr. McCORMACK. The other resolution is necessary in order to extend the overtime pay legislation that now exists?

Mr. RAMSPECK. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. FORAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein two statements by the Secretary of the Treasury on the subject of silver.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. VINSON of Georgia, for 15 days, on account of official business.

To Mr. THOMAS of Texas (at the request of Mr. THOMASON), for September 23 and 24, on account of important business.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2655. An act to amend the Judicial Code to authorize the Chief Justice of the United States to assign circuit judges to temporary duty in circuits other than their own; to the Committee on the Judiciary.

ENROLLED BILL SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 6196. An act to amend the Canal Zone Code in relation to the control of marihuana.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2670. An act to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing State and Territorial military forces with such arms, ammunition, clothing, and equipment

as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and for other purposes;

S. 2626. An act to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin-American republics in military and naval matters";

S. 2698. An act to make transportation and storage facilities available for military use where military necessity exists, by authorizing the removal to other points of merchandise in customs custody; and

S. 2747. An act to authorize a reduction in the course of instruction at the United States Military Academy.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 44 minutes p. m.), under its previous order, the House adjourned until Monday, September 28, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will hold a public hearing on Wednesday, September 30, 1942, at 10: 30 o'clock a. m., on H. R. 7548, to provide for the issuance of a device in recognition of the services of merchant sailors.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet on Wednesday, September 30, 1942, at 10:30 a. m., to begin hearings on House Joint Resolution 297, to permit the diversion of waters from Lake Michigan to safeguard the public health.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1919. A letter from the Comptroller General of the United States, transmitting his report and recommendation to the Congress concerning the claims of the Young Men's Christian Association, the Young Women's Christian Association, the Richland County Post, No. 6, of the American Legion, and C. J. Nairn, against the United States; to the Committee on Claims.

1920. A letter from the Administrator, Federal Security Agency, a report of the Superintendent of St. Elizabeths Hospital; to the Committee on Expenditures in the Executive Departments.

1921. A letter from the Archivist of the United States, transmitting a list of papers for disposition by him by certain agencies of the Federal Government; to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PATTON: Committee on Accounts. House Resolution 542. Resolution providing for the expenses of further conducting the studies and investigation authorized by the resolution (H. Res. 162) authorizing the Committee on Military Affairs to conduct studies and investigation of the progress of the national defense program; without amendment (Rept. No. 2482). Referred to the House Calendar.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 7522. A bill to amend the District of Columbia Appropriation Act, 1943, so as to authorize the use of public-school buildings in the District of Columbia as and for day nurseries and nursery schools, and for other purposes; without amendment (Rept. No. 2483). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLE of New York: Committee on Naval Affairs. S. 2627. An act to amend the act approved August 27, 1940 (54 Stat. 864), entitled "An act increasing the number of naval aviators in the line of the Regular Navy and Marine Corps, and for other purposes"; without amendment (Rept. No. 2484). Referred to the Committee of the Whole House on the state of the Union.

Mr. JACOBSEN: Committee on Naval Affairs. S. 2677. An act to authorize an exchange of land at Mechanicsburg, Pa., between Edgar Eberly and the United States; without amendment (Rept. No. 2485). Referred to the Committee of the Whole House on the state of the Union.

Mr. DREWRY: Committee on Naval Affairs. S. 2679. An act to authorize the transportation of dependents and household effects of personnel of the Navy, Marine Corps, Coast Guard, and Coast and Geodetic Survey, incident to secret or confidential orders, and for other purposes; with amendment (Rept. No. 2486). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAGNUSON: Committee on Naval Affairs. H. R. 7576. A bill to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired to the rank of vice admiral; without amendment (Rept. No. 2487). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on Naval Affairs. H. R. 7577. A bill to amend the act approved July 24, 1941 (34 U. S. C., Supp. I, 350f), so as to adjust the pay status of enlisted personnel appointed to commissioned rank for temporary service, and for other purposes; without amendment (Rept. No. 2488). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GREEN:

H. R. 7598. A bill to make available any unobligated balances of existing appropriations heretofore made under the War Department Civil Appropriations Act of 1943 for the prosecution of improvement of the Gulf Intracoastal Waterway and the barge canal across Florida, authorized by the act approved July 23, 1942; to the Committee on Appropriations.

By Mr. RANKIN of Mississippi (by request):

H. R. 7599. A bill to amend section 305 of the World War Veterans' Act, 1924, as amended; to the Committee on World War Veterans' Legislation.

By Mr. STEFAN:

H. R. 7600. A bill relating to loans and sales to producers of agricultural commodities which are destroyed or damaged; to the Committee on Agriculture.

By Mr. WENE:

H. R. 7601. A bill to provide for the construction and operation by the Federal Government of a system of new military superhighways for national defense in time of war, or insurrection, and for Government and commercial use by automobiles in time of peace; to provide for the financing of same; to provide for the relief of unemployment after the present World War ends; to promote public safety; to stimulate general business throughout the Nation; to earn revenue for the Federal Government; and for other purposes; to the Committee on Ways and Means.

By Mr. DITTER:

H. R. 7602. A bill to terminate certain monetary powers of the President and the Secretary of the Treasury; to the Committee on Banking and Currency.

H. R. 7603. A bill to repeal certain silver purchase legislation and terminate the authority of the President and the Secretary of the Treasury with respect to fixing the weight of the silver dollar and providing for unlimited coinage of silver; to the Committee on Ways and Means.

By Mr. MAY:

H. R. 7604. A bill to amend Article of War 52; to the Committee on Military Affairs.

By Mr. CELLER:

H. J. Res. 345. Joint resolution to assist Jewish refugees from France; to the Committee on Immigration and Naturalization.

SENATE

FRIDAY, SEPTEMBER 25, 1942

(Legislative day of Monday, September 21, 1942)

The Senate met at 12 o'clock noon, on the expiration of the recess.

The Reverend Edward Hughes Pruden, Ph. D., D. D., pastor, First Baptist Church, Washington, D. C., offered the following prayer:

O gracious Father and our God, we thank Thee that in our moments of deepest need we discover more of Thy greatness and power than in all our days of comparative peace and security. In this dark hour of international chaos and confusion deepen our faith and conviction that Thou art the Preserver and the Sustainer of all truth and righteousness and justice. May we know that, though the things which we hold dear are now threatened and challenged, ultimately they must prevail.

Give to these men deep wisdom and understanding, as they face their significant obligations and responsibilities, and may all their deliberations and actions be acceptable in Thy sight. Through Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, September 24, 1942, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed, without amendment, the following bill and joint resolution of the Senate:

S. 2725. An act to increase by $600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended; and

S. J. Res. 129. Joint resolution to remove certain limitations on the cost of construction of Army and Navy living quarters.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2670. An act to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing State and Territorial military forces with such arms, ammunition, clothing, and equipment as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and for other purposes; and

H. R. 6196. An act to amend the Canal Zone Code in relation to the control of marihuana.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Overton
Andrews	Guffey	Pepper
Austin	Gurney	Radcliffe
Bailey	Hatch	Reed
Ball	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Russell
Bone	Holman	Schwartz
Brewster	Johnson, Calif.	Shipstead
Bridges	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Truman
Chandler	McKellar	Tunnell
Chavez	McNary	Tydings
Clark, Idaho	Maloney	Vandenberg
Clark, Mo.	Maybank	Van Nuys
Connally	Mead	Wagner
Danaher	Millikin	Wallgren
Davis	Murdock	Walsh
Downey	Murray	Wheeler
Ellender	Norris	White
George	Nye	Wiley
Gerry	O'Daniel	Willis
Gillette	O'Mahoney	

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] is absent from the Senate because of illness.

The Senator from Alabama [Mr. BANKHEAD], the Senator from South Dakota [Mr. BULOW], the Senator from Mississippi [Mr. DOXEY], the Senator from Virginia [Mr. GLASS], and the Senator from New Jersey [Mr. SMATHERS] are necessarily absent.

Mr. McNARY. The Senator from New Jersey [Mr. BARBOUR] is necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT OF AGRICULTURAL EXPERIMENT STATIONS

A letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, a report for the fiscal year ended June 30, 1941, covering the receipts, expenditures, and work of the agricultural experiment stations in the various States, Hawaii, Alaska, and Puerto Rico (with an accompanying report); to the Committee on Agriculture and Forestry.

RECEIPTS AND EXPENDITURES, ST. ELIZABETHS HOSPITAL

A letter from the Administrator of the Federal Security Agency, transmitting, pursuant to law, a report of the Superintendent of St. Elizabeths Hospital, listing the detailed receipts and expenditures of that institution for the fiscal year 1942 (with an accompanying statement); to the Committee on the District of Columbia.

CLAIMS OF THE YOUNG MEN'S CHRISTIAN ASSOCIATION, YOUNG WOMEN'S CHRISTIAN ASSOCIATION, RICHLAND COUNTY POST, NO. 6, AMERICAN LEGION, AND C. J. NAIRN

A letter from the Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claims of the Young Men's Christian Association, Young Women's Christian Association, Richland County Post, No. 6, of the American Legion, and C. J. Nairn against the United States (with an accompanying report); to the Committee on Claims.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Departments of the Treasury, War (2), Interior, and Agriculture (2); War Production Board; The National Archives; and Board of Governors of the Federal Reserve System, which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking toward their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A telegram in the nature of a petition from the Executive Committee Citizens for Victory, New York, N. Y., praying that the Congress refuse to give attention to the alleged pressure of farm-bloc lobbyists in the consideration and enactment of pending legislation to stabilize the cost of living; ordered to lie on the table.

A letter in the nature of a petition from the executive board of Securities and Exchange Commission Local No. 5, United Federal Workers of America, Philadelphia, Pa., praying for the adoption by Congress of the President's anti-inflationary program, particularly the points outlined in his recent message to the Congress; ordered to lie on the table.

By Mr. CAPPER:

A petition, numerously signed, of sundry citizens of Abilene, Kans., praying for the prompt enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

INVESTIGATION OF CAUSES OF CERTAIN AIRPLANE ACCIDENTS—PETITION, LETTERS, ETC.

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a petition to the United States Senate and letters concerning the petition as well as a Senate resolution submitted by the able Senator from West Virginia [Mr. KILGORE].

There being no objection, the above-mentioned matters were referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C.,
September 15, 1942.

A PETITION TO THE UNITED STATES SENATE

On Tuesday, February 3, 1942, I brought to the attention of the chairman of the Senate Military Affairs Committee the great number of military accidents that have been taking place throughout the Nation during our war preparation program.

Many of the finest youths have responded to the call to arms and are willing to make any sacrifice to preserve the ideals this Republic embodies. But they should not be killed in airplane crashes caused by mechanical deficiencies, carelessness, and poor equipment. Worst of all they should be protected against sabotage.

Generally these accidents happen to men who are already commissioned pilots and are extremely valuable. Physically speaking they cannot be replaced in less than a year nor at a cost of less than $10,000. More than this their lives can never be replaced in the hearts of America.

The Senate can render valuable service to the peace of mind of millions of Americans by focusing attention on this state of affairs and making this Nation conscious of this situation and finally to arouse the need of a 24-hour-per-day surveillance in our plane factories and in the hangars of the armed forces against sabotage. Will the Senate act on Senate Resolution 234?

JOSEPH LEIB.

UNITED STATES SENATE,
COMMITTEE ON MILITARY AFFAIRS,
February 7, 1942.

Mr. JOE LEIB,
National Press Building,
Washington, D. C.

MY DEAR MR. LEIB: Enclosed herewith you will find copy of hearings before the Committee on Military Affairs in reference to aviation losses, a very interesting subject which you so kindly brought to my attention, and concerning which I appointed a subcommittee of one for attention. The subcommittee consists of Senator KILGORE, and I might suggest that you call upon the Senator in pursuance to this very interesting subject pertaining to aviation losses.

With assurances of my esteem, and thanks for your fine patriotic cooperation, I beg to remain,

Very sincerely yours,
ROBERT R. REYNOLDS.

[From New York PM of February 15, 1942]

SERVICE AIR CRASHES TO BE INVESTIGATED

WASHINGTON, D. C., February 14.—The Senate Military Affairs Committee has ordered an investigation of reports of an alarming increase in the number of military plane crashes.

Chairman ROBERT REYNOLDS (Democrat, of North Carolina) appointed Senator HARLEY M. KILGORE (Democrat, of West Virginia) to make the investigation after the committee's attention had been called to scattered press reports on individual crashes indicating more than 100 planes and 300 lives were lost between September 9 and January 25.

The compilation of press reports was submitted to the committee by Joseph Leib, an independent Washington researcher, who told the committee that "there is a strong belief that sabotage is the cause of many of these crashes."

Leib's compilation, which he emphasized was not complete, included crashes of all types of planes—trainers, pursuit planes, and

bombers. Most of the crashes apparently involved big ships. Types of planes were not given in every case, but 49 were listed as bombers.

Leib also called the committee's attention to testimony by Rear Admiral John H. Towers before the House Appropriations Committee that the Navy lost an average of 25 planes a month in crashes during 1941.

FEDERAL BUREAU OF INVESTIGATION,
UNITED STATES DEPARTMENT OF JUSTICE,
Washington, D. C., September 16, 1942.

Mr. JOSEPH LEIB,
National Press Building,
Washington, D. C.

DEAR MR. LEIB: I wish to acknowledge receipt of your letter of September 5, 1942.

Please be advised that under existing agreements between the Army, Navy, and the Federal Bureau of Investigation, sabotage investigations involving Army and Navy personnel, equipment, or facilities are not conducted by this Bureau. Such investigations come within the investigative jurisdiction of the Army and the Navy. In view of this agreement, I regret that I cannot give you any advice concerning sabotage investigations involving military airplanes or other Army or Navy equipment.

Forwarded herewith are the three enclosures sent with your letter which you requested to be returned to you.

Sincerely yours,

JOHN EDGAR HOOVER,
Director.

Resolved, That the Committee on Military Affairs, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation of all crashes of United States Army airplanes which have occurred within the continental United States since September 8, 1939, or which may hereafter occur therein during the present war, with a particular view to determining the causes of such crashes and whether any of them was attributable to the activities of enemy agents or fifth columnists in an effort to impede the prosecution of the war. The committee shall report to the Senate from time to time the results of its investigation, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-seventh and succeeding Congresses, to employ such clerical and other assistants, to require by subpena, or otherwise, the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THOMAS of Utah, from the Committee on Foreign Relations:

S. 2528. A bill to provide for the settlement of claims of the Government of the United States on behalf of American nationals against the Government of Mexico comprehended within the terms of agreements concluded by the United States and Mexico; with amendments (Rept. No. 1615).

By Mr. MALONEY, from the Committee on Immigration:

H. R. 7152. A bill to amend the Nationality Act of 1940 to preserve the nationality of citizens residing abroad; without amendment (Rept. No. 1616).

GASOLINE AND FUEL-OIL SHORTAGES—ADDITIONAL REPORT OF SPECIAL COMMITTEE (PT. 3 OF REPT. NO. 676)

Mr. MALONEY, from the Special Committee to Investigate Shortages of Gasoline, Fuel Oil, and Petroleum Products, submitted (pursuant to S. Res. 156, 77th Cong.) an additional report relating to the transportation of petroleum by railway, which was ordered to be printed, with an illustration.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on September 24, 1942, that committee presented to the President of the United States the following enrolled bills:

S. 2686. An act to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin-American republics in military and naval matters";

S. 2698. An act to make transportation and storage facilities available for military use where military necessity exists, by authorizing the removal to other points of merchandise in customs custody; and

S. 2747. An act to authorize a reduction in the course of instruction at the United States Military Academy.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MURRAY:

S. 2802. A bill to provide for suspending the enforcement of certain obligations against the operators of gold and silver mines who are forced to cease operations because of the war; to the Committee on Banking and Currency.

By Mr. LANGER:

S. 2803. A bill for the relief of W. R. Jordan and Mabel Jordan; to the Committee on Claims.

By Mr. McCARRAN:

S. 2804. A bill to define the real property exempt from taxation in the District of Columbia; to the Committee on the District of Columbia.

(Mr. AUSTIN introduced Senate bill 2805, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

EXTENSION OF LIABILITY FOR SERVICE IN TIME OF WAR

Mr. AUSTIN. Mr. President, I take the floor in order to propound a unanimous-consent request to introduce a bill out of order. Of course, I do not expect to have any action taken on it, except that I request to have the bill printed in the RECORD.

The VICE PRESIDENT. Is there objection to the request? The Chair hears none.

Mr. AUSTIN. In order to identify the bill, Mr. President, let me say that it has to do with the objective of the pending measure, namely, the prevention of inflation, but it approaches the subject from an entirely different viewpoint; that is, from the point of view of manpower. It is a bill to amend the Selective Training and Service Act of 1940 by providing for the extension of liability for service to aid in the prosecution of the war.

Briefly stated, if I have conceived it properly, the bill would help to establish and maintain a balance between fighting men and producing men, and in the group of producing men it would help to maintain the balance between the men employed in agriculture and the men employed in other pursuits. It is all tied in with the total war effort of the country, and it is based upon the theory that all men between the ages of 18 and 65 owe the duty, and are willing to perform it, of either fighting or working in the effective prosecution of the war. So I send the bill to the desk and should like to have it referred to the Committee on Military Affairs.

The VICE PRESIDENT. Without objection, the bill will be received, referred to the Committee on Military Affairs, and printed in the RECORD.

The bill (S. 2805) to amend the Selective Training and Service Act of 1940 by providing for the extension of liability for service to aid in the prosecution of the war was read twice by its title, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That so much of the first sentence of section 3 (a) of the Selective Training and Service Act of 1940, as amended, as precedes the first proviso is hereby amended to read as follows:

"SEC. 3. (a) Except as otherwise provided in this act, every male citizen of the United States, and every other male person residing in the United States, who is between the ages of 18 and 45 at the time fixed for his registration, shall be liable for training and service in the land or naval forces of the United States."

SEC. 2. Section 3 of such act, as amended, is hereby amended by adding at the end thereof the following new subsections:

"(g) In order to provide for an adequate supply of production workers in war industries and agriculture, and in other occupations, activities, and employments which the President shall from time to time determine to be essential to the effective prosecution of the war, and in order to maintain a proper balance between such workers and persons in the land and naval forces of the United States and among such production workers themselves, each registrant between the ages of 18 and 45 at the time fixed for his registration who is deferred from training and service under this act after classification, and each registrant under this act between the ages of 45 and 65 at the time fixed for his registration, shall be liable for service as such a production worker; and shall perform any such service required of him at such times and places, and in such manner, as his selective service local board shall determine, subject to appeal to the appropriate appeal board or agency of appeal established under section 10 (a) (2). The President is authorized from time to time to select and assign for service as production workers, in the manner hereinafter provided, such number of men who are liable for such service as in his judgment is required for such service in order to aid in the effective prosecution of the war: *Provided,* That the President is authorized, under such rules and regulations as he may prescribe, to provide for the deferment from such service as production workers of those men whose continued service in any office

under the United States or any State, Territory, or the District of Columbia, or whose continued employment in any occupation or activity is found by the selective service local boards, subject to appeal to the appeal boards and agencies of appeal established under section 10 (a) (2), to be necessary to the maintenance of the national health, safety, or interest: *Provided further*, That the provisions of this section shall not apply to any of the following: (1) Commissioned officers, warrant officers, pay clerks, and enlisted men of the Army of the United States; (2) persons relieved or exempted from liability for training and service under this act pursuant to section 5 (a); and (3) persons deferred from such training and service while holding any office described in section 5 (c) (1).

"(h) The selection of such registrants for service as such production workers, and the assignment of persons liable under this act for service as production workers, shall be made in an impartial manner by the selective service local boards, subject to appeal to the appeal boards and agencies of appeal established under section 10 (a) (2).

"(i) Each person who is liable under this section for service as a production worker shall be required to notify his selective service local board, in accordance with rules and regulations to be prescribed by the Director of Selective Service, if at any time he proposes to change from one occupation or activity to another, or, if unemployed or not engaged in any activity, he intends to engage in any occupation or activity. After such notice the local board shall determine whether such person can best serve the war effort by making such change or engaging in such occupation or activity, or by engaging in some other occupation or activity in furtherance of the war effort. It shall be the duty of all such persons to comply with the determinations so made by such local boards, subject to appeal to the appeals boards and agencies of appeal established under section 10 (a) (2). For the purposes of this subsection, the terms 'occupation' and 'activity' shall be defined by the Director of Selective Service.

"(j) After the date this subsection takes effect, no person who is liable under this act for service as a production worker shall be permitted to enlist voluntarily in, or to volunteer for induction into, the land or naval forces of the United States, including the reserve components thereof, and no such person while a civilian shall be commissioned as an officer in the land or naval forces of the United States, including the reserve components thereof, without the approval of his selective service local board.

"(k) The provisions of this section shall be administered by the President through the Director of Selective Service and the Selective Service System.

"(l) The Director of the Selective Service System shall from time to time furnish the selective service local boards with such information with respect to the needs for production workers as he deems necessary to aid such boards in performing their functions under this act."

SEC. 3. Section 14 (c) of such act, as amended, is hereby amended by inserting after the word "act" the following: "(except section 3 (j))".

SEC. 4. Section 15 (a) of such act, as amended, is hereby amended to read as follows:

"(a) The term 'between the ages of 18 and 45' shall refer to men who have attained the eighteenth anniversary of the day of their birth and who have not attained the forty-fifth anniversary of the day of their birth; and other terms designating different age groups shall be construed in a similar manner."

UNITY AND COOPERATION BETWEEN THE LEGISLATIVE AND EXECUTIVE BRANCHES

Mr. DOWNEY submitted the following resolution (S. Res. 293), which was referred to the Committee on Military Affairs:

Resolved, That the Committee on Military Affairs, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation and study with a view to determining the best and most effective means of creating greater unity and cooperation between the Congress and the executive branch of the Government in order to aid in the prosecution of the war. The committee shall report to the Senate as soon as practicable the results of such investigation and study, together with its recommendations for necessary legislation.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-seventh and succeeding Congresses; to employ such clerical and other assistants; to require, by subpena or otherwise, the attendance of such witnesses and the production of such correspondence, books, papers, and documents; to administer such oaths; to take such testimony; and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $——, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

PAY FOR OVERTIME—POSTAL EMPLOYEES

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point three telegrams in behalf of Senate bill 2674, and a letter from the National League of District Postmasters, together with one from Affiliated National Postal groups.

There being no objection, the telegrams and letter were ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *September 25, 1942.*

Senator LANGER:

Employees of Morgan Annex post office urge your support of S. 2674, also equitable adjustment of overtime rate to 260-day basis.

R. ROSENBAUM,
Delegate, National Federation of Post Office Clerks.

BALTIMORE, MD., *September 24, 1942.*

WILLIAM LANGER,
Care of Senate Office Building,
Washington, D. C.:

The members of Local 2145, National Federation of Post Office Clerks, strongly urge the passage of S. 2674.

JAMES G. DIGGS,
President, Local 2145.

NEW YORK, N. Y., *September 25, 1942.*

Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

For strengthened morale and greater production urge quick passage S. 2674 with amendments as follow for genuine overtime pay-change base to 260 yearly salary. Clarify workweek to mean all work over 40 hours. Raise ceiling to $3,200 to include nonsupervisory technical men now receiving overtime pay.

ELECTRICAL MATERIAL
SECTION EMPLOYEES, NAVY YARD,
New York.

NATIONAL LEAGUE OF DISTRICT
POSTMASTERS OF THE UNITED STATES,
Washington, D. C., September 24, 1942.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: In my statement representing postmasters and clerks in third- and fourth-class post offices at the hearing before the Senate Civil Service Committee, we proposed an amendment to section 4 of S. 2666 and S. 2674 to include the following: "and clerks in third-class post offices paid by clerk allowances."

We consider this amendment necessary if these clerks are to be included in the benefits proposed for relief of Government employees. The clerks in third-class post offices are paid from allowances granted for clerical purposes and have the protection of retirement benefits, yet they are considered employees of the postmaster. Therefore, unless they are specifically provided for in the measure, it is quite possible that they will be denied such relief.

Hundreds of these clerks are leaving the Postal Service for other positions with more favorable rate of pay, and this condition, if permitted to continue, will seriously impair the efficiency of the Postal Service in these offices. The increase provided in the measures before your committee will do much to offset this condition, and we urge favorable and prompt approval with the proposed amendment included therein.

Sincerely yours,

E. A. MEEKS,
National Secretary.

AFFILIATED NATIONAL POSTAL GROUPS,
Washington, D. C., September 24, 1942.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LANGER: The Senate Committee on Civil Service has just concluded hearings on two bills (S. 2666 and S. 2674) providing for compensation for overtime services of Government employees and for a temporary increase in basic compensation for some groups of employees who would not be benefited materially by the provisions for overtime pay.

Enclosed is the draft of a bill to be substituted for either S. 2666 or S. 2674 proposed by the representatives of the organizations of postal employees listed hereon.

In behalf of the more than 200,000 postal employees we represent, we beseech your careful consideration of this proposed legislation and urge its adoption in lieu of the present language of either S. 2666 or S. 2674. Briefly the proposed amendment provides that postal employees in the field service of the Post Office Department shall be exempted from the provision for a minimum 44-hour week, but shall be compensated at a rate 10 percent in excess of their basic compensation for the duration of the war and for 6 months thereafter.

It is not necessary to repeat here all of the testimony presented to the committee evidencing the increase in the cost of living (over 17 percent, according to Department of Labor statistics) that has taken place since 1935–39, nor to reassert the justification for a like increase in the compensation of postal employees whose salaries were fixed January 1, 1925, over 17½ years ago. The War Labor Board, another Government agency, has established the formula for increasing wages

and salaries in private employment at 15 percent in excess of that received in January 1941. Upon that basis alone, the increase provided in this proposed amendment is a modest one and should receive immediate endorsement.

Postal employees in the field service are employed in the post offices throughout the United States and insular possessions and upon the mail trains. Each post office presents an employment problem of its own determined by conditions in its respective community. There is no present need for the establishment of a 44-hour week in the Postal Service and there will not be in many post offices. The establishment of a minimum 44-hour week would result in the reduction of earnings of substitute postal employees and the separation of many of them from the Postal Service, as well as the relegation of regular employees to substitute rolls. These employees, most of them with many years' service, together with their experience and skill, would be lost to the Postal Service. The alternative would be an unwarranted waste through the payment for overtime where additional service is not required. When and if the present force of employees becomes insufficient to cope with the volume of work, under the terms of the proposed amendment, overtime may be employed to the extent, and only to the extent, necessary to maintain efficient service.

When and if overtime is necessary in the Postal Service, employees would be compensated for such overtime service at one and one-half times their regular rate of pay, which is in accord with the universal practice in private employment as required by Federal law and enforced by the Wage and Hour Administration and the War Labor Board.

This different treatment of employment conditions in the field service of the Post Office Department cannot rightly be termed discrimination in favor of those employees, but rather a logical and practicable approach to solution of the problem of relief for the postal employees and in the best interest of the administration of the Post Office Department.

It is the hope of the undersigned that you will give your support to this amendment and that you will use your endeavors to insure an early favorable report of the bill and its early enactment into law.

Sincerely yours,

WILLIAM C. DOHERTY,
President, National Association of Letter Carriers.

C. M. HARVEY,
President, Railway Mail Association.

PAUL M. CASTIGLIONI,
President, National Federation of Post Office Motor Vehicle Employees.

LEO E. GEORGE,
President, National Federation of Post Office Clerks.

HAROLD MCAVOY,
President, National Association of Post Office and Railway Mail Service Laborers.

GEORGE L. WARFEL,
Secretary-Treasurer, National Association of Special Delivery Messengers.

LT. LUIDMILA PAVLICHENKO—ADDRESS BY SENATOR MCKELLAR

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD an address delivered by Senator MCKELLAR at a reception at the home of Mr. and Mrs. Joseph E. Davies in honor of Lt. Luidmila Pavlichenko, which appears in the Appendix.]

LT. LUIDMILA PAVLICHENKO—ADDRESS BY SENATOR CONNALLY

[Mr. MCKELLAR asked and obtained leave to have printed in the RECORD an address delivered by Senator CONNALLY at a reception at the home of Mr. Joseph E. Davies on September 24, 1942, in honor of Lt. Luidmila Pavlichenko, which appears in the Appendix.]

RELATION BETWEEN BUSINESS AND THE GOVERNMENT IN THE PRESENT WAR

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address delivered by Senator TRUMAN before the National Industrial Conference Council September 24, 1942, which appears in the Appendix.]

INAUGURATION OF EVERETT CASE AS PRESIDENT OF COLGATE UNIVERSITY—LETTER FROM PRESIDENT ROOSEVELT

[Mr. MEAD asked and obtained leave to have printed in the RECORD a letter from the President to Everett Case upon the occasion of his inauguration as president of Colgate University, which appears in the Appendix.]

THE CHALLENGE FOR SERVICE IN THE NAVY—ADDRESS BY SENATOR CHAVEZ

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD a radio address delivered by him on September 25, 1942, entitled "The Challenge for Service in the Navy," which appears in the Appendix.]

THE TREND TOWARD DICTATORSHIP—EXCERPT FROM LETTER WRITTEN BY SENATOR HOLMAN

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD an excerpt from a letter addressed by him to a constituent, which appears in the Appendix.]

RUBBER ECONOMY—ARTICLE BY HON. JOSEPH A. CONRY

[Mr. WALSH asked and obtained leave to have printed in the RECORD an article on the subject Rubber Economy, written by Hon. Joseph A. Conry, which appears in the Appendix.]

THE FUTURE OF THE REPUBLICAN PARTY

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an article entitled "The Future of the Republican Party," written by Dwight Griswold, Governor of Nebraska, and published in a recent issue of the Nebraska State Journal, of Lincoln, Nebr., which appears in the Appendix.]

FORM OF GOVERNMENT IN THE DISTRICT OF COLUMBIA—STATEMENT BY NATIONAL LEAGUE OF WOMEN VOTERS

[Mr. BURTON asked and obtained leave to have printed in the RECORD a statement by the National League of Women Voters to arouse interest in improving the form of government in the District of Columbia, which appears in the Appendix.]

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

The VICE PRESIDENT. The question is on the amendment of the Senator from Oklahoma [Mr. THOMAS].

Mr. HATCH. Mr. President, throughout the course of this debate, which has extended for perhaps too long already, I have refrained from saying many things which I really wanted to say.

I have greatly deplored some of the things which have been said on the floor of the Senate and some of the charges which have been made not only against the so-called farm leaders, representatives of large and great farm organizations, but even charges hurled against the Senate itself. I believe that I want unity as much as does any other Member of the Senate. I want unity among all our people in this time of war. I realize that if the war is to be won, we must unite and stand solidly behind our country in her hour of peril.

I do not desire to refer to my own record in support of what I have conceived to be for the defense of the country, and what was best for her, but I do wish to say that long before Pearl Harbor, long before it was apparent that our Nation would be plunged into the horrors of war I supported, without exception, every measure which tended in the slightest degree to contribute to what I conceived to be the defense of my country.

When the measure now under consideration was introduced, Mr. President, I immediately announced my support of it. In fact, I had announced my position on the stabilization of wages and prices of farm commodities long before this proposal was introduced. However, it happened that I believed in a simple addition to the parity formula. I did not want to reenact the entire parity schedule, although the writing of a complete new definition of parity was discussed with me and others. I objected to that. I did not think that the pending measure was the proper vehicle to which to attach an entire new formula of parity, although I firmly believe that a new formula will have to be written before full justice is done to the farmers of the country. However, I would not undertake that task now, and I certainly believe it would be wrong to do so.

When it was suggested that there be added to the parity formula a simple clause, including farm labor as an element of parity, I saw no reason under the sun why it should not be included.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

Mr. HATCH. I yield.

Mr. TYDINGS. I take it that if there had been no increase in the cost of farm labor, the Senator would have been satisfied with the parity equation.

Mr. HATCH. I certainly would have been.

Mr. TYDINGS. I think that is sound. The second point is that there has been an increase in the cost of farm labor. Does not the Senator feel that under the committee amendment, as clarified by the so-called compromise, which I think is nothing more than a clarification of the committee language, any increased cost in labor would become a part of the new equation when equity shows it should be considered?

Mr. HATCH. I know that to be the intention of the Senator from New Mexico.

Mr. TYDINGS. My reason for asking the Senator the question is that it seems to me the line of difference between the two sides of this question is more imaginary than real. One group asserts that the increased cost of labor should be a part of the parity equation. The other group says that when the increased cost of labor affects parity to the extent of causing inequity, it shall be considered, and I believe that is what the Senator from New Mexico and the farm interests

are asking for. I also believe that in the sense the committee has stated it, they are entitled to have it considered. However, I think the trouble is that, as the Thomas amendment reads, it requires the consideration of farm labor even when there is no increase in the cost of the labor. It seems to me that where the Senator makes out a case for its consideration—and I know that he does make out a good case in many instances and that there has been an increase in the cost of larm labor—the machinery to deal with that situation is in the committee amendment.

Mr. McNARY. Mr. President, there is so much disorder in the Chamber that I cannot understand the debate. It is the duty of the Presiding Officer to preserve order.

The PRESIDING OFFICER (Mr. MEAD in the chair). The Senate will be in order.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BILBO. I am sure the Senator from New Mexico does not mean to yield to the seductive argument of my distinguished friend, the eloquent Senator from Maryland, by committing himself to the proposition advanced.

Mr. HATCH. I have not done so.

Mr. BILBO. I did not want the Senator to commit himself by saying that he was objecting to the inclusion of all costs of labor in the production of farm products. It may be of interest to the Senator from Maryland to know that the head of the Bureau of Agricultural Economics admitted, even as long ago as the last session, that it was a mistake to leave out the actual cost of production in the computation of parity prices.

Mr. TYDINGS. That may be.

Mr. BILBO. The labor of the farmer, his wife, and his children. As I understand, the Senator from New Mexico went only to this extent, that at this time he would not commit himself to the inclusion of all costs, whereas all who know anything about it know that all costs should be computed. I doubt whether one-third of the Congress knew that the cost of production had been left out in the computation of parity.

Mr. TYDINGS. Let me ask the Senator a direct question, which probably will clarify the matter.

Mr. McNARY. Mr. President, the rule of the Senate requires that the Presiding Officer maintain order.

The PRESIDING OFFICER. The point made by the distinguished Senator from Oregon is sustained, and the Senate will be in order.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Maryland?

Mr. HATCH. I yield.

Mr. TYDINGS. As I understand the committee amendment as modified by the so-called compromise amendment, in case the increased cost of labor reaches such a point that it upsets the parity between agricultural and industrial commodities, the O. P. A. is commanded to take that factor into consideration if inequities to agriculture are thereby created. I am asking the Senator whether, if we provide that whenever the increased cost of labor does work an unfair hardship on agriculture that shall be taken into consideration; we have not then done what the Thomas amendment in its broader sense purports to do, but which would include labor which does not upset the parity equation as it has heretofore existed?

Mr. HATCH. I do not think the revised or modified committee amendment would accomplish what the Thomas amendment would accomplish. I think it would fall short of it. It includes only increased labor costs. The Thomas amendment, according to my construction of it, would include all labor on the farm.

Mr. TYDINGS. I think the Senator is perfectly candid and fair, and I think he has drawn the issue, which is, briefly, as follows, that those who favor the Thomas amendment want to rewrite the whole parity formula, while those who favor the committee amendment merely want to change the parity formula insofar as increased labor costs show that it is warranted by the creation of inequities to agriculture.

Mr. HATCH. The Senator from Maryland is in error, in my judgment, when he says that the Thomas amendment would rewrite the whole parity formula. It refers only to labor. It includes all the labor on the farm—hired labor and other labor—but it adds only that one factor to the present parity formula, that is all.

Mr. TYDINGS. Will the Senator yield further?

Mr. HATCH. I yield.

Mr. TYDINGS. I admit that, but, of course, when we add that one factor to the parity formula, we change the formula.

Mr. HATCH. We change the formula.

Mr. TYDINGS. It is as if we have four apples on the table and put down an extra one; then we have five. What I am contending is that in effect the Senator is proposing to change the formula basically, and is not merely dealing with an emergency condition which has arisen because of the increased labor costs on the farm.

Mr. HATCH. The Senator's amendment would also change the formula, of course.

Mr. TYDINGS. Yes; it would.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. AIKEN. I wish to ask the Senator from New Mexico a question to clear up one matter which has been widely misrepresented since the debate started. As I understand, the Thomas-Hatch amendment would provide that labor should be considered as a factor in determining parity only for the purpose of fixing a price ceiling. It would not in any way affect the general parity formula so far as the making of loans is concerned. It would not prevent the Federal Government from selling the C. C. C. wheat at the same price at which it is now selling. The proposed amendment merely applies to the parity formula when used for the purpose of fixing a ceiling.

The report has been sent out by persons who ought to have known better that the adoption of the amendment would result in requiring the Commodity Credit Corporation to raise the price of the wheat which it is now permitted to sell for 85 percent of the parity price of corn. That, as I understand, is not the intent or purpose of the amendment at all. I think that for the purpose of the RECORD the Senators from New Mexico and Oklahoma should make that point clear.

The story has also been sent around that the Federal Government would be required to pay greater parity payments in order to make up the difference between parity, as figured under the regular formula, which will still be the law, and parity, as it would be determined by including all labor costs.

Mr. HATCH. Mr. President, I thank the Senator from Vermont. I know of nothing I can add to what he has so ably said. He has stated the situation exactly as I understand it to be, and I am sure the Senator from Oklahoma [Mr. THOMAS] agrees; in fact, I know he does.

Mr. President, a moment ago, before I was interrupted, I started to mention some of the erroneous statements which have been made, some of the false statements which have been scattered throughout the country as to the effect of the pending amendment. I deplore those statements, because I think they are unfair and unjust—not to me particularly, nor to the Senator from Oklahoma, but I think they are unfair and unjust to the farmers of America. I do not think the farmers of America ought to be placed in the light they have been placed in throughout the course of the debate not only on the floor of the Senate but by the press of the Nation. On the front page of one of this morning's newspapers we see nothing except reference to "the greedy farm bloc"—"Will the greedy farm bloc or the President control?"

Mr. AIKEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Vermont?

Mr. HATCH. I yield.

Mr. AIKEN. I presume that in the same newspaper the Senator from New Mexico and others may have seen a full-page advertisement headed—

Inflation—By Congressional Command!

Then follows a lot of misleading—oh, I do not know what to call it—tripe. The advertisement is signed—

AS A PUBLIC SERVICE

We are calling attention to the peril of inflation—a wrecked American dollar.

INTERNATIONAL LATEX CORPORATION,
Playtex Park, Dover, Del.

After reading that advertisement, I communicated with the Library of Congress, and they have no record whatsoever of the existence of any corporation with such a name as the name signed at the bottom of this full-page advertisement. The Senator from New Mexico may have this advertisement, if he would like to look at it. It is simply a fake, a false front, so far as I can

ascertain. Certainly the Library of Congress should know whether or not this corporation is in existence. If this is a fictitious corporation, or if it is one which has been organized within a month, it simply has been organized for the purpose of deceiving and imposing upon the American people. I do not propose to succumb to that kind of pressure. I hope the Senator from New Mexico and every other Senator here will show his resentment of that kind of propaganda, which is put not only before the Congress but before the people of the United States. If those who are doing so think they are fooling the farmers, they are absolutely wrong.

Mr. HATCH. Mr. President, I am very glad to have had the interruption.

Mr. REED. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. REED. I was interested in what the junior Senator from Vermont [Mr. AIKEN] said following the comment of the Senator from New Mexico. I had expected to deal with that question in my own time on the floor. The matter having come up, as one of the Senators who have been active in seeking some adjustment of the matter—which would appeal to the reasonable man, I wish to say to the Senator from New Mexico and to the Senator from Vermont that I share their resentment against this sort of stuff in the newspapers. I read that full-page advertisement this morning, and I think it is an outrage. It is misleading, it is false, it is not fair. I read in the New York Times this morning—a newspaper noted for its fairness—a short editorial, which I must say is not fair, and which prejudices the farm bloc's case.

Mr. President, I am one of those who belong to the farm bloc, and shall continue my membership in the farm bloc. No one can take me out of the farm bloc except the people of Kansas. But I say, as a Senator who is giving his best effort to compose the differences, that we are not being aided in the slightest degree by these things which prejudice and inflame the individual Members of Congress in both Houses.

Mr. GILLETTE. Mr. President, will the Senator yield to me for a moment?

Mr. HATCH. I yield.

Mr. GILLETTE. Along the line which has just been the subject matter of this colloquy, it is interesting to note that the pending measure provides that the President may suspend provisions of section 3 (a) and 3 (c) of the Price Control Act, which, of course, are the agricultural-commodity provisions, but he may not under authority of the joint resolution suspend any other law or parts thereof.

Then, I call attention to the provisions of the Price Control Act which may not be suspended. I read from page 15 of the published text of the present Price Control Act:

> Nothing in this act shall be construed to authorize the regulation of (1) compensation paid by an employer to any of his employees, or (2) rates charged by any common carrier or other public utility, or (3) rates charged by any person engaged in the business of selling or underwriting insurance, or (4)—

Now, listen—

> rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio broadcasting station, a motion-picture or other theater enterprise.

The type of attack which is being referred to is made by institutions which come under an act which prohibits the regulation of newspaper advertising, newspaper rates, or expenses in connection therewith, or broadcasting, and the pending measure prohibits the suspension of that section of the law.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. TAFT. Referring to the remarks made by the Senator from Iowa, I wish to say that I think as a matter of fact it is not true that this measure exempts various newspaper rates and other matters which are exempted in the Price Control Act. All that the proviso in the Price Control Act does is to say that nothing in the Price Control Act shall authorize such regulations.

But in the pending measure we provide a brand new authority, which is entirely outside the Price Control Act, to regulate all prices, wages, and salaries, so that anything falling within the term "price," in my opinion, is covered by the new measure. It is wholly unnecessary to set aside the provisions of the Price Control Act, because they create an exception only to the regulation provided by the Price Control Act, and not an exception to the regulation under the pending joint resolution.

Mr. GILLETTE. Mr. President, if the Senator from New Mexico will be courteous enough to yield again?

Mr. HATCH. I yield.

Mr. GILLETTE. The logic of the statement just made by the able Senator from Ohio [Mr. TAFT] would be more convincing if the pending measure did not contain the specific provision that the President—and I am reading—

> The President may suspend the provisions of sections 3 (a) and 3 (c) of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this joint resolution, but he may not under the authority of this joint resolution suspend any other law or part thereof.

Mr. TAFT. That is because section 3 (a) and section 3 (c) are amended by the pending joint resolution by providing new standards. But it is not necessary to suspend the Price Control Act or the definitions of the Price Control Act in order to exercise wider control under this joint resolution.

That has nothing to do with the joint resolution. The joint resolution includes prices of all things, including prices of newspapers. It is not necessary to suspend the Price Control Act, or the definition of "commodities" in the Price Control Act, because that in no way governs the definition of wages, prices, and salaries in section 1 of the joint resolution.

Mr. HATCH. Mr. President, while this discussion is very interesting, I must proceed.

I believe that when I was interrupted I was discussing some of the criticisms which have been heaped upon the farm organizations and those who represent the farm organizations in Washington. Names were called on the floor of the Senate. Mr. O'Neal was singled out. I have known Mr. O'Neal for a number of years. I know of no reason why he should not have the right to come before a committee of the Senate or of the House of Representatives. Whether he be right or wrong, he has a right to advocate his views not only as a representative of an organization, but as an individual. He has the same right which every other American citizen has to state his views.

The same thing is true of Mr. Goss, who has been held up to ridicule and condemnation. Why? Because he dared to appear before a committee of the Senate and state the views of the National Grange, of which he is the head.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. WHEELER. It should be recalled by Democrats that Mr. O'Neal is one of the farm leaders who has always stood by the Democratic Party. On many occasions he has appeared before the resolutions committee to help write the Democratic platform. He was most welcome before the committee, and his help was most welcome in the campaign. I happen to know whereof I speak. He was active in the 1932 campaign and other campaigns.

Mr. HATCH. The Senator from Montana is entirely correct. For years Mr. Goss was head of the Farm Credit Administration, working actively with the present administration. It is suggested that he was a very able head. I agree with that statement.

He dared to appear before a committee of the Senate and suggest that perhaps it was not fair to exclude the cost of labor from the cost of the things which the farmer produces. Because he did so he and his associates are pilloried over the Nation as trying to interfere with the war effort and to sabotage our whole national program. I do not think that is fair, Mr. President. I do not think it is conducive to unity in any degree whatever.

Unity does not mean unity only on one side. Unity requires all of us to work together. Name-calling will not help any of us. I shall not indulge in it, and I have not done so. I wished to express my views in defense of the men who represent the millions of farmers of America. They are the only representatives the farmers have. I do not like to use the term "big business," but I use it for want of a better term. Has anyone ever suggested a law affecting big business when lobbyists were active in Washington in behalf of big business, some of them not appearing before committees, but at parties and social affairs?

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. TOBEY. Speaking of lobbyists, I should like to point out to the Senator

that they come not only from farm organizations, but from other sources as well. As a Member of the House for 6 years prior to coming to this body, I distinctly recall when a certain "lame duck" Representative from Ohio was appointed by the Executive at $10,000 a year. His chief function was to cajole, importune, and threaten Members of the House to "come across" and meet the demands of the administration. As compared to the methods used then, the methods of farm leaders pale into insignificance.

Mr. HATCH. I recall quite well being on a conference committee several years ago with the Senator from Nebraska [Mr. NORRIS] and the then Senator from Alabama, Mr. Black. We were trying to devise antilobby legislation. We did the best we could, but it was killed. I do not understand why farm leaders are held up before the country in a false light. I do not think it contributes in any degree whatever to national unity.

Yesterday the Senator from Michigan [Mr. BROWN] read a letter from a boy in the Air Corps criticizing Congress. Apparently the effect of the Senator's remarks was that the unpatriotic farmers, by insisting on this amendment, are unwilling to serve their country as fully as do other groups of citizens. This morning there came to my attention a letter from a boy in the Air Corps. He comes from my home town. It was not a private letter. It appeared in the Clovis News-Journal, a newspaper published in the town in which I live. On the front page is a picture of the lad. His name is J. D. Lindley. He went to high school in Clovis, N. Mex. He is in the Air Corps. He had just shot down a Japanese flier and crippled another one. The story concerned that exploit. I know the boy well. I know his family. Lindley, the son of Mr. and Mrs. Joe Lindley, the former now dead, lived on a farm southeast of Clovis, N. Mex.

Mr. President, do you think that the sons of the farmers of this country are not fighting and dying today? Do you think that their fathers and mothers are going to imperil their lives for parity or any other formula? If you do, you do not know the farmers of America as I know them. They will give up the parity formula; they will give up their wheat, their cotton, their farms, or anything else in order to win this war. It comes with very poor grace for the Congress of the United States or the press of the Nation to place them in the category of disloyal and unpatriotic Americans. I must pay that tribute to the farmers of America, because their sons are also in the Air Corps, they are in the Navy, they are in the Army, they are in the marines.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. WILEY. Some mention has been made of letters which Senators have received. I should like to call attention to two which I received this morning, because they explain what I think is the very crux of the situation. One is from a farmer, and is substantially as follows:

I am 72 years of age. One of my sons is in the Army. They have now taken the other son, who is 42, and put him into the Army. I am obliged to sell out my livestock. How do Congress and the Nation expect to be fed?

Another letter came this morning from a former editor in my home town. He is 65 years of age. He says:

I am out in the field working for a farmer 7 miles from town to help him get his crops in. It is too late now for Congress to take the steps it should have taken.

He blames Congress, Mr. President, when the blame should be on the administrative branch of government. The crux of the whole problem is production. Yesterday I asked the Senator from Wyoming [Mr. O'MAHONEY] whether his amendment would result in production. I refer to the RECORD for his answer.

We may discuss the question pro and con for a long time; but unless we do the thing which is imperatively necessary to get production, the consumers of America, in which class we all belong, will suffer.

I agree with everything that has been said about the malignant influence of some columnists and some radio commentators. Who do they think they are? Do they think they are the "whip" of somebody? Who is paying them? We had better have an investigation to find out. We had better see what influence is abroad in this land which seeks to create schisms and class hatreds, and especially, delights in sabotaging the farmers and the Congress of the United States.

I come back to the original proposition. We must get labor onto the farms, whether it be the labor of city folks, white-collar folks, or whoever they may be, or next year we and our Allies and our boys will starve.

To me that is the imperative challenge in this debate.

Mr. HATCH. Mr. President, at this point in my remarks, in connection with what I said about the leaders of farm organizations, I wish to read a list of the organizations which favor the Thomas amendment:

1. The American Farm Bureau Federation.
2. The National Grange.
3. National Council of Farmer Cooperatives.
4. National Cooperative Milk Producers Federation.
5. American National Livestock Association.
6. National Cooperative Livestock Marketing Association.
7. National Wool Growers Association.
8. United States Livestock Association.
9. Missouri Farmers Association.
10. National Livestock Advisory Council.
11. Cooperative Fruit and Vegetable Association.
12. National Peach Council.
13. National Cotton Council.
14. American Cotton Cooperative Association.
15. National Association of Secretaries and Commissioners of Agriculture in the various States, some 15 in number.

The foregoing organizations represent in their membership the majority of farmers who are producing the bulk of food and fiber supplies of the Nation. They represent in their membership every type of farmer—operators of small farms, large farms, and moderate-sized farms, tenants, sharecroppers, and landowners, who are producing all-important agricultural commodities. Their combined membership reaches into all of the 48 States. This is not by any means a complete list of the farm organizations supporting this amendment.

Mr. SMITH. Mr. President, at this point will the Senator yield to me so that I may read for the record a letter which I received this morning from a constituent?

Mr. HATCH. I yield.

Mr. SMITH. The letter, which is addressed to me, reads as follows:

CLIO, S. C., *September 24, 1942.*

Senator E. D. SMITH.

DEAR SIR: Please ask the Senate and Congress to come down and pick cotton for us 1 day, bring their women and children; to be here by sunup and pick until sundown, they may expect to be wet to the skin with dew early, but by 10 o'clock they should be about dry, but by then it will be getting hot enough to be perspiring, and with the dew and perspiration they should stay moist all day. If they will pick as much as the average grown person they should make $1.50 per day at $1 per hundred pounds; children from 50 cents up. They may expect to have some colds but this goes with it, they can pay their own doctor bills. Tell them to bring as many labor leaders as they can and organize the farm labor so that labor will turn back to the farm, and when they get a better price for their work the farmers can get more for their crops and can pay better wages. Quite a good many landowners have given up their farms to cross over to the other side. I know one man who worked a one-third crop some years ago, the weevils were bad and he sold his part for $37, that was for his year's work for himself and family. His son went to the cotton mill and gets more than this in 2 weeks.

Yours truly,

____ ____.

P. S.—Wire how many are coming.

Mr. HATCH. Mr. President, in line with what the Senator from Wisconsin [Mr. WILEY] has just said, I desire to make the following comment: I think that what he pointed out is the tragedy which is ignored by those who are so bitterly assailing not only the particular amendment now pending but the entire farm group. Evidently they have no comprehension whatever of the entire farm problem.

What the Senator from Wisconsin has said is exactly true. I cannot say that the figures I shall now mention are correct, but I have reason to believe them to be. I have been told that already this year thousands of farmers have literally been forced out of production because they cannot get the necessary labor; also, that more than 2,000,000 laborers have left the farms, either going into the Army, by the draft or otherwise, or into defense plants in order to secure higher wages, and that the Department of Agriculture estimates that another million will be taken this year. I do not know who will raise the food for the people of the country. I am not saying that the farmers will go on strike. They will not do that. They will farm to the best of their ability, and will raise all the food they can raise; but if they cannot get labor, how are they to produce food? I do not think such opposition as that which we have had here helps the situation in any degree whatsoever.

Let me make a further statement: I shall hurry along and conclude my remarks; I do not want to delay the debate, even though there are many things which I should like to say. When it comes to criticizing and condemning the farmer for seeking only to add labor as a part of the parity formula, I wonder what is thought by those who look at the vast contracts of every kind being let to industries all over the country. Those contracts include labor as a part of the formula which is the basis of payment. Every conceivable cost is charged, and then the contractors are given fees based on cost plus. That may be right. It may be the only way we can proceed with the vast expansion which we must have in order to carry on our war effort. I wonder, however, how the farmers of America would feel if they were given contracts to produce food on a cost-plus basis. Has any Senator ever seen a cost-plus contract? How much is allowed for management? What would the manager of a farm think if he were allowed a salary for his management and his ability to produce the sinews of war in the way of food and cloth which are every bit as essential to winning the war as are guns, airplanes, or anything else.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from New Mexico yield to the Senator from Montana?

Mr. HATCH. I yield.

Mr. WHEELER. The Senator referred to the cost-plus basis of fixing the fees in war-production contracts. Just before I left Montana for Washington I talked with a newspaperman in Billings who told me of an incident which occurred at a place called Little Tokyo in Wyoming. He said that several boys from Red Lodge went to Little Tokyo to work. They were boys 16, 17, and 18 years of age, and they were being paid very fine wages. They lay around for several days, and did not actually do any work, because the lumber which they were to use did not arrive. Finally, when the lumber came, the boss or the man in charge was not on the ground. So the boys broke the seals or opened some of the cars which supposedly contained lumber. My recollection is that the newspaperman said that, of the cars supposedly containing lumber, four did not have a stick of lumber in them, notwithstanding the fact that they had been sealed.

Four other cars came in, but only two of them contained lumber, although all the cars were sealed. The boys were reprimanded because they had broken the seals so that they could unload the lumber and do the work more quickly. The man who spoke to me said he had written to the Department of Justice about the matter; but up to the time when I left Billings he had received no reply.

There are innumerable instances of that kind—extravagance, causing waste and inflation. I can cite as an illustration the instance of a man who bought a second-hand truck which had been run 40,000 miles, but even in that condition the truck cost $875, as I recall. I was told that at the foot of Lake McDonald, in Glacier National Park, there were 35 trucks formerly belonging to C. C. C. camps, and that nothing was being done with them. I could not believe that, so I went there and counted the trucks and took pictures of them. Yet the Army was sending a man from California to pay more than $800 for a truck.

If the various departments would take some cognizance of the waste—and I use the word advisedly—and the extravagance which are occurring, and of the way that money is being thrown down the rat hole, they would stop some of the inflation that is occurring.

Innumerable instances of waste and extravagance all through the West were called to my attention. What is the effect of it? The effect of it is that people are saying, "Why should I buy bonds if this is the way the Government is wasting the people's money?" Farmers are saying it; laboring people themselves are saying it.

The cost-plus contracts have been called to my attention. Let me mention an incident which was called to my attention. A man handling such a contract said, "I will complete the job 20 days sooner than I expected to complete it." So he was told, "Then give the boys overtime pay." He replied, "Do you want my resignation?" Of course, the reply was, "No." He said, "Very well, accept my resignation or go on home, because I am not going to be a party to piling up costs on this contract." That incident is typical.

Another instance which was called to my attention involved the payment of $800 a month for a truck with only a water tank on it—no gasoline, no men on it, but merely for the truck with the water tank. It was finally thought that the price was too high, and then the price was cut to $400 or $480 a month. All that the man who came on the shift did was to start the engine of the truck to see whether it would run. The man on the other shift did the same thing.

I do not know who is to blame for all the waste and extravagance or who is responsible for it, whether it is because of the lack of a sufficient number of inspectors or whether there is something rotten or crooked somewhere. I do not know; but certainly from one end of the country to the other we hear tales of waste and extravagance. Such tales are doing more to break down the morale of the American people than could anything else which could possibly happen. Something must be done to stop the waste. If we stop it we shall have stopped much of the inflation which is occurring, about which we hear so much, and for which all the blame is placed upon the farmer.

Mr. President, I did not intend to speak, but I think what is going on is outrageous. I listened to one of the radio commentators last night who referred to a statement I made, and he said that one of his colleagues turned to him and said he paid a high price for pork chops.

Of course, that is so, but the commentators do not stop to realize that freight rates have gone up for the farmer, truck rates have gone up, railroad rates have gone up, everything the farmer has to buy has gone up, and even his labor is being taken away. A farmer who was paying a man $85 a month might offer him $100 a month, but he would not stay because he could go into the mines and earn $7 a day.

I am merely saying that if this situation continues in the United States those in New York and in Washington who are complaining because of the high cost of pork chops will not have any pork chops next year, and unless the present situation is remedied they will not get many other things next year. We have got to do either one of two things, and we might just as well face it. I have been one of those who have been in favor of high wages, and I am still in favor of high wages, but we cannot continue to pyramid wages and at the same time, because of the tremendous voting power that blocs of labor have in industrial centers, keep the price of farm products down. That should not and cannot be done. It is not economically sound; it is not going to help win the war to do it, notwithstanding the fact that every industry in the country takes the opposite view, notwithstanding the fact that every business organization in the East takes the opposite view, and notwithstanding the fact that every great newspaper in the East takes a similar position. What is involved is merely ordinary common sense; 2 and 2 still make 4, and unless we do one or the other, unless we either bring labor costs down or put the price of farm products up, we are not going to get the food which is necessary to feed our armed forces in this war.

Mr. HATCH. Mr. President, I am sure that what the Senator from Montana says is only too true. It is a serious situation that confronts this country, and it will not be helped at all by the sort of attacks he has described which are being made in the press and on the radio.

Mr. President, at this point in my remarks I request unanimous consent to insert a short memorandum on the general subject of parity and the inclusion of farm labor in the parity formula. Accompanying the memorandum there is a table—perhaps it has already been printed—entitled "Comparison of Actual Prices, Official Parity Prices, Price Ceiling Parity Prices (1) and Highest Prices January–August 15, 1942, of Farm Products." I also ask that the table be printed in the RECORD, as follows:

There being no objection, the memorandum and table were ordered to be printed in the RECORD, as follows:

MEMORANDUM ON THE PROPOSED AMENDMENT TO SECTION 3 OF SENATE JOINT RESOLUTION 161

On page 4, at the end of line 13, add the following new paragraph:

"For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor."

The above amendment to section 3 provides for the inclusion of all farm labor in the

parity formula, but for the determination of maximum (ceiling) prices only.

The present formula does not, of course, include any farm labor, but is based entirely on articles farmers buy, interest, and taxes. This amendment simply reflects in any maximum price established by the President this other important element of production costs.

On the basis of the amendment farm labor would have a weight of 38.2 percent; articles farmers buy, 53.1 percent; interest, 4.5 percent; and taxes, 4.2 percent. The foregoing is on the assumption that all farm labor is included.

In the present official parity calculations the index of prices of articles farmers buy, including interest and taxes, was 152 on August 15 (1910–14=100). Under this proposed amendment the index of prices of articles farmers buy, interest, taxes, and farm wages was 171 on August 15. The effect of the amendment, then, is to reflect the higher farm labor costs.

An example of the effect of the amendment on the price of an individual product may be shown as follows: The published parity price of cotton on August 15 was 18.85 cents per pound (12.4 × 1.52=18.85), while the new parity price, as provided by this amendment, was 21.20 cents (12.4 × 1.71=21.20).

That is, the effect of the provision on any individual product is not to raise the actual price but to raise by about 12 percent the ceiling below which the price cannot be fixed. Computations for several farm products are shown in the accompanying table:

EFFECT OF PROVISO IN SECTION 3 RELATING TO FARM LABOR CONTRASTED

Under section 3 of Senate Joint Resolution 161 the President is authorized to adjust maximum prices established by him for agricultural commodities or commodities processed or manufactured in whole or substantial part from agricultural commodities, above or below, the highest price received by producers between January 1 and September 15, 1942. He may do so in order to correct gross inequities.

Additional authority appearing on page 4, lines 2 to 13 inclusive of said resolution, permits the President to make such adjustments in maximum prices in any case (1) in which it appears necessary to increase production, and (2) where it is satisfactorily shown that increased labor or other costs to the producer will result in gross inequities.

This Presidential authority is entirely discretionary and no standard is provided for guiding the President in any modification of maximum prices he may choose to make except that he may take action to modify maximum prices to the extent he finds necessary to correct gross inequities. Hence, whatever consideration is given to increased labor or other costs is still purely discretionary with the President.

In effect all the language does is to invest the President with power to grant relief but there is no compulsion upon him to do so. In other words there is no requirement contained in this proviso that farm labor be reflected in parity determinations for purposes of maximum (ceiling) prices on agricultural commodities.

Comparison of actual prices, official parity prices, price ceiling parity prices,[1] and highest prices, January to August 15, 1942, of farm products

Farm product and amount	Actual price, Aug. 15	Official parity, Aug. 15	Price ceiling parity, Aug. 15	Highest price, Jan 1–Aug. 15	
				Month	Price
Apples, dollars per bushel	1.16	1.46	1.64	June	1.66
Barley, cents per bushel	58.7	94.1	105.8	February	62.8
Beans, dried, dollars per bushel	4.45	5.12	5.76	January	4.92
Beef cattle, dollars per hundredweight	11.30	8.24	9.27	August	11.30
Butterfat, cents per pound	40.6	38.0	[2] 42.8	do	40.6
Chickens, cents per pound	19.6	17.3	19.5	do	19.6
Corn, cents per bushel	83.4	97.6	109.8	do	83.4
Cotton, cents per pound	18.03	18.85	21.2	May	19.2
Cottonseed, dollars per ton	44.04	34.28	38.56	February	45.04
Eggs, cents per dozen	32.2	31.7	[2] 35.7	August	32.2
Flaxseed, dollars per bushel	2.26	2.57	2.89	May	2.43
Hay, all, dollars per ton	8.89	18.04	20.30	April	11.13
Hogs, dollars per hundredweight	14.13	11.05	12.43	August	14.13
Lambs, dollars per hundredweight	12.07	8.94	10.05	do	12.07
Milk, wholesale, dollars per hundredweight	2.52	2.38	[2] 2.69	January	2.64
Oats, cents per bushel	42.6	60.6	68.2	February	52.0
Oranges, dollars per box	2.07	2.39	2.44	August	2.09
Potatoes, dollars per bushel	1.15	1.08	1.10	July	1.26
Peanuts, cents per pound	5.99	7.30	8.2	May	6.30
Rice, cents per bushel	162.9	123.6	139.0	April	178.1
Soybeans, dollars per bushel	1.58	1.44	1.62	March	1.79
Sweetpotatoes, cents per bushel	137.3	133.5	150.1	August	137.3
Tobacco, burly, cents per pound		27.1	30.9		
Tobacco, flue cured, cents per pound	23.1	27.9	31.9		
Turkeys, cents per pound	19.9	21.9	24.6	January	20.5
Veal calves, dollars per hundredweight	12.91	10.26	11.54	August	12.91
Wheat, cents per bushel	95.4	134.4	151.2	January	106.0
Wool, cents per pound	39.4	27.8	31.3	May	40.2

[1] As computed on basis of ceiling price standard contained in proposed amendment to sec. 3 of S. J. Res. 161.
[2] Adjusted for seasonal variation.

Source: Price Reports of Bureau of Agricultural Economics and Computations by National Cooperative Milk Producers Federation staff.

Mr. HATCH. Mr. President, I shall not retain the floor longer except to advert to what I thought was a most unfortunate and unnecessary argument made yesterday and reiterated over and over again. I am sorry the Senator from Michigan [Mr. BROWN] is not present at the moment, because he was the Senator who made the argument, and, to my mind, it was practically the sole argument which was made against the pending amendment. It seemed to me that all the weight and stress of the argument were directed to one point, namely, that if Senators voted for the amendment of the Senator from Oklahoma they would collide with the President of the United States.

I repeat, Mr. President, I am sorry that argument was made. It is not pleasant to "collide with the President of the United States." I doubt whether there has been a more ardent supporter of the President in this body than I have been. I have been compelled at times to disagree with him, but I took no pleasure in doing so, and when I have disagreed with the President of the United States, it has been because I thought my duty lay along some other line. Today I think my duty lies along the line of supporting the pending amendment; that is my best judgment; and, in advocating the amendment, I am not "colliding with the President of the United States," but am trying to perform my duty as a Senator of the United States. If the time has come when a Senator cannot speak and vote as he honestly believes to be correct, without threat of collision with the President of the United States, perhaps we had all better go home.

Mr. CAPPER. Mr. President, I desire to read to the Senate the following letter, just received by me, because I think it explains in a few words a condition which we are trying to face realistically by including the Thomas-Hatch amendment in the pending price-control legislation. The letter is from Mr. J. W. Hiebert, of Coffeyville, Kans., engaged in the farm loan and insurance business. Mr. Hiebert deals with farms and farmers daily, but on a long-range basis, so he is really acquainted first hand with the subject about which he writes. I read Mr. Hiebert's letter:

COFFEYVILLE, KANS., *September 21, 1942.*

Hon. ARTHUR CAPPER,
United States Senate,
Washington, D. C.

DEAR MR. CAPPER: No doubt your recent visit back home acquainted you with the farm situation here. Nevertheless, we wish to go on record protesting the attitude of our administration on the farm question. We find that in our small section of the great State of Kansas many farmers are quitting business. Our local newspaper carries from two to four sale advertisements almost daily of farmers leaving the farm. The reason is obvious. The farmers cannot compete with the high wages paid by the Government in war industry, and such men as would stay on the farm are being taken in the armed services until Mr. Farmer now finds himself unable to do the work. Not only is he unable to get his farm work done, but the cost of producing his product is mounting and the administration seems determined to prevent his receiving an additional income to offset this increase in cost. He is being caught in the squeeze between a low ceiling price and an ever-mounting cost.

As I see it, there is only one answer—we must either make farming lucrative and possible for the farmer, or we in the United States will be confronted with an empty bread basket in a year or two. The situation is real alarming, and we would appreciate you using your best efforts to do something for the farmer.

Yours very truly,

J. W. HIEBERT.

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, copy of an editorial entitled "Farm Matters as I See Them," which I have written for the Kansas Farmer, published in Topeka, Kans. I believe the editorial may prove of interest to my colleagues and other readers of the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

I don't like the attitude taken by big city newspapers—and to a considerable extent by the administration itself—in the recent controversy over controlling farm prices and

wages and salaries. There seems to have been two main themes running through much of the exhortations put out recently in a determined and well-organized campaign to compel Congress to give the President all-out control of farm prices, while leaving the question of industrial wages to negotiations by representatives of organized labor.

One of these themes was that no matter what happens to farmers—and to farm production—the Nation must have cheap foods. The other theme was that the "greedy farmers" and the "unpatriotic farm bloc" in Congress are trying to hold up the country to enrich the farmers and increase the power of the farm bloc in Congress.

One could easily conclude from this campaign through the big daily newspapers and over the radio—and I am sorry to say that the President's message to Congress and fireside chat of Labor Day carried somewhat similar implications—that farm prices are almost the only cause of inflation. The President prefers to call it cost of living, but any student of economics, and I think almost every person who has read any history, knows that what we are getting is inflation. But if it is called cost of living, then a lot of people, particularly housewives, will associate it largely with prices paid for groceries and meats—and fix the blame on the farmer.

Now inflation, evidenced by inflationary rising prices, is caused by more dollars to spend and fewer numbers and smaller volume of things for which the dollars can be spent. Government expenditures are on the way from fifteen billion or so dollars a year to $100,000,000,000 a year. That means more dollars to spend. At the same time, the amount and volume of goods in the market is sharply decreased, cut almost in two. There is the basis of inflation. It is unfair to lay all that onto farm prices.

The August issue of the Marketing and Transportation Situation, published by the Department of Agriculture, shows that in the period 1935 to 1939 the cost of the basket of all foods to the American consumer was 27 percent of his income, while in May, June, and July of this year the cost was only 22 percent. Food costs have gone up—but the income of the industrial worker has gone up much faster and further. As this report states:

"Cost of food as percentage of family income is thus smaller at present than before the war, since incomes have risen more than prices."

I might say this would not apply to families with fixed incomes—their food costs have risen while their incomes have not. But the real income of industrial workers actually is the highest in the history of this country today.

I maintain there is no inequity in the farm proposal to consider wage costs in placing ceilings on the prices of farm products. You cannot have such an increase in Government spending without having rising prices, unless the Government taxes away the increases in workers' pay rolls as well as excess profits—and that is not being done. On the other hand, the higher wage levels in war industries, accompanied by hours so much shorter than on the farm, have taken away hundreds of thousands of farm laborers and farmers themselves from the farms. This has been accompanied by heavy drafts of young farmers and farm help into the Army.

One has only to look at the dairy herds, other livestock and equipment being sold at public sale as farms cease operations today, to realize that wages are more inflationary than farm prices—otherwise the flow would be to the farms, not away from the farms.

And that brings up another point. Unless farmers get enough manpower on the farms to keep up production—and increase production—our armed forces, and our allies, and our civilian populations are going to be short of food by the end of 1943, and badly short in 1944. Farmers' costs of production are going up by leaps and bounds, and farmers can only pay those increased production costs—wages included—by getting high enough prices to pay the higher production costs, including wages.

Congress, when it insists upon equitable prices for farm products is not just protecting the farmer from ruin—Congress also is trying to protect the Nation—and our Allies—from a shortage in foodstuffs that might of itself prevent our winning this war. And we must win this war.

Mr. TYDINGS. Mr. President, I shall not speak very long, but I think what I shall say may contribute somewhat to the facts which should be considered in voting on the pending proposal.

Mr. VAN NUYS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Indiana?

Mr. TYDINGS. I yield.

Mr. VAN NUYS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Overton
Andrews	Guffey	Pepper
Austin	Gurney	Radcliffe
Bailey	Hatch	Reed
Ball	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Russell
Bone	Holman	Schwartz
Brewster	Johnson, Calif.	Shipstead
Bridges	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Truman
Chandler	McKellar	Tunnell
Chavez	McNary	Tydings
Clark, Idaho	Maloney	Vandenberg
Clark, Mo.	Maybank	Van Nuys
Connally	Mead	Wagner
Danaher	Millikin	Waligren
Davis	Murdock	Walsh
Downey	Murray	Wheeler
Ellender	Norris	White
George	Nye	Wiley
Gerry	O'Daniel	Willis
Gillette	O'Mahoney	

The PRESIDING OFFICER (Mr. VAN NUYS in the chair). Eighty-nine Senators having answered to their names, a quorum is present.

Mr. TYDINGS. Mr. President, I wish to start what I have to say about the pending question by conceding that, of course, everything that has been said in the debate is true. I do not concede that the remedies suggested to cure the ills pointed out are always sound, but what has been said about the farmer's part in the war, about his patriotism, about his achievements, and about the necessity of having food for ourselves and our Allies, and all the other things which have been said, are, of course, abundantly true.

It is also true that farm labor is about as poorly paid as any I know of in this country; in fact, one of the things which may come out of the debate is that a great, inarticulate, poorly organized group of Americans, who have been to a large extent left out of economic consideration in the last 10 or 12 years, may become the subject of congressional notice and administration notice and national notice, and, indeed, may secure some measure of parity for themselves, which is not altogether unjustifiable in the present circumstances.

In conceding that a good case is made out for a consideration of farm labor costs, let me read some figures I have today received from the Department of Agriculture, Bureau of Agricultural Economics.

The average of farm wages in the United States, without board, as of July 1, 1942, was $2.45 a day. A year ago the average was $1.98 a day for the entire country.

Let me read the statistics showing the difference between the two dates:

State	Farm wages on July 1, 1942	Farm wages a year ago
South Carolina	$1.15	$0.95
Virginia	2.10	1.70
Maryland	2.90	2.35
Delaware	2.95	2.40
Pennsylvania	3.20	2.75
Indiana	3.00	2.65
Iowa	3.70	3.00
Kansas	3.75	3.05
Oregon	4.25	3.10
Washington	4.85	3.45
California	4.50	3.35

The average for the whole country on July 1, 1942, was $2.45, as I have stated, as against $1.98 in July a year ago.

We therefore start by saying that not only are farm wages lower than the wages which generally prevail in other lines of endeavor, but they vary quite widely, as much as three or four hundred percent as between various sections of the country.

It is quite obvious, therefore, that, so far as labor is concerned, the cost of producing something that is raised primarily in the far West is more affected by the increased cost of farm labor than would be the case in the East, where farm wages are generally lower than in the West. So we can concede that the farm labor content in the farmer's production costs is a considerable item and one which has increased.

What is there in dispute in the whole controversy? Does anyone on either side assert for a single instant that the cost of the labor content should not be considered by the Office of Price Administration in fixing the prices of agricultural commodities? No; the committee amendment and the amendment of the committee, as modified, on the one hand, and the Thomas-Hatch amendment on the other, take into consideration the cost of labor content in fixing the prices of agricultural commodities.

The difference is that under the committee amendment, as modified, the Office of Price Administration is commanded to make adjustments in the price ceiling when the increased cost of labor warrants such adjustments in the prices fixed by the Price Administrator. Under the Thomas-Hatch amendment, it does not make any difference whether wages theoretically have increased or decreased, the O. P. A. is commanded to add any increase to the old parity equation which existed before the war started. That, briefly, is what is in dispute, if anything is in dispute.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. AIKEN. I should like to ask the Senator from Maryland for an explanation of the clause in the amendment—

Where by reason of increased labor or other costs to the producers of such agricultural commodity—

And so forth. Does that mean increased labor and other costs from now on, or from what point shall we calculate the increased costs?

Mr. BARKLEY. Mr. President, will the Senator from Maryland permit me to make a suggestion?

Mr. TYDINGS. Certainly, because I did not clearly understand the question.

Mr. BARKLEY. The language to which the Senator from Vermont has referred is without time; it has no limitation upon it. It could be taken into consideration with regard to any maximum price which might be fixed hereafter, or which has already been fixed, or which would be fixed under the parity formula. So that even if a ceiling, as we call it, or a maximum price, has been put on an agricultural product, based upon the parity formula in the Agricultural Adjustment Act, if it does not reflect the congressional intent set forth in the substitute, if it should be adopted, the O. P. A., or the Secretary of Agriculture, or whomever the President may designate as the administrator of the amended act, which in effect amends the Price Control Act, will have the right to consider, not simply future wages, but wages which have gone into the cost of the product and of articles.

Mr. AIKEN. But how far back could the Administrator go—to the base period?

Mr. BARKLEY. It is without limit; he might go back to any particular time.

Mr. TYDINGS. Mr. President, I must decline to yield for the purpose of arguing that point, because I am not directly concerned for the moment with how far back or when the calculation with regard to increased costs shall apply. I am trying to establish that, under the committee amendment as proposed to be amended, whenever increased labor costs affect the farmer's position from the standpoint of a parity formula equation, the increased labor content must be taken into consideration by the Office of Price Administration. I do not believe that anyone, whether he favors the modified committee amendment or the Thomas-Hatch amendment, will take issue with that statement.

Mr. REED rose.

Mr. TYDINGS. I yield to the Senator from Kansas, if he wishes to ask me something pertinent to what I am saying.

Mr. REED. I desire to call the attention of the Senator from Maryland to the fact that in the amendment to the committee amendment there is a requirement that not only shall labor costs but every other kind of increased cost be considered, and in that respect the amendment offered by the distinguished Senator from Maryland and myself goes further and is more favorable to the farmer than the Thomas-Hatch amendment.

Mr. TYDINGS. What the Senator's amendment, of which I share joint authorship, contemplates is that unusual conditions have arisen on the farm, that farm wages are on the increase, that farm labor is hard to hold, and that farmers must pay more than was anticipated when the original act was passed last January. The amendment provides that the Office of Price Administration not "may" but "shall" make such adjustments in the prices of agricultural commodities as the increase, all things considered, warrants from the standpoint of equity. That is all there is to the proposal.

Mr. REED. The Senator from Maryland has stated the situation correctly. What he has said is entirely correct.

Mr. TYDINGS. I do not want to be in the position of saying that the farmer's problem is no different from what it was 2 years ago. That would be silly. I do not want to be in the position of saying that the full labor content should be put in or left out of the cost of producing an agricultural commodity as fixed by the O. P. A. I want to be sure that in the general law dealing with the subject sufficient latitude is afforded so that if the ceiling fixed for agriculture is unfair, and it can be shown to be unfair, it can be raised, so that the farmer may receive the same fair treatment that everyone else receives.

I desire to go afield for a moment in a purely collateral matter, merely because I am supporting in essence pretty much the committee's position as amended. I do not want to be understood as completely agreeing with the Senator from Michigan [Mr. BROWN]. I do not believe the President has the right, notwithstanding the ruling issued by the Attorney General, or even the chance of it being upheld by the Supreme Court, to legislate for this Nation on purely domestic affairs under our constitutional form of government.

There are those who hold to that view. I may be wrong about that, but I do not believe I am. I believe sincerely that no man can issue edicts, or directives, or decrees, or perform the functions safeguarded to the Congress in the Constitution of the United States unless exception is made therein.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHEELER. Of course, if the President was correct in his statement that the Attorney General or someone had advised him that he could set aside this law, or part of it, then under that interpretation he could set aside any law upon the statute books of the United States.

Mr. TYDINGS. Of course.

Mr. WHEELER. And then constitutional government in this country would be gone.

Mr. TYDINGS. Yes.

Mr. WHEELER. Would we not be in a strange position, then, to be talking about fighting for democracy the world over if we have lost democracy in the United States of America?

Mr. TYDINGS. Of course.

Mr. WHEELER. It is often said that the people can take government back into their own hands after having given it up, but those of us who have been in Congress and have had experience here know, and history teaches us, that once the executive branch of the Government gets control of the legislative powers it is almost impossible ever to get them back. In most countries where that has occurred the only way the people have regained the powers which they have lost or given away has been by some form of coup d'état or revolution.

Mr. TYDINGS. I agree thoroughly with the Senator, and I do not doubt for a minute that the need for action is great, and that the President feels great concern. I share to a large degree in the concern which he feels that the cost of living may get out of hand, and I am not speaking, as it may be interpreted, in a spirit of personal attack on the President, or in a spirit of personal criticism of the President, for I sincerely believe what he has said on that score. I do not believe that the position taken by the President with respect to taking over legislative functions in wartime is sound or correct. It would not make any difference what man occupied the White House and made the statement, whether it was George Washington, or Thomas Jefferson, or Abraham Lincoln, or anyone else. I do not believe that the President of the United States can constitutionally take over the functions of the legislature even in time of war.

Mr. REED. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. REED. Again taking advantage of my immediate relation to the distinguished and able Senator from Maryland, I want to say, as a cooperator with him in working out this amendment and as the other end of the authorship of the amendment, that I agree entirely with the statement made by the Senator from Maryland as to the powers of the President.

Mr. TYDINGS. I thank the Senator from Kansas. I am glad that in the main I am in agreement with the President. As a matter of fact, so far as I can, I am trying to go along with the philosophy set forth in his speech. I may say that as far back as November 7, 1941, at the time of the final repeal of the Neutrality Act, I did not support that part of the act which permitted our ships carrying the American flag to carry cargoes into the ports of Great Britain, for, in my judgment, had one then done so and been sunk by a submarine, it would have resulted in war. I did not support that provision, and I said in a speech on the Senate floor that if we were going to get into the war formally, which we did very shortly thereafter, there would have to be complete control of wages, rents, agricultural prices, and industrial prices.

When the able Senator from Michigan [Mr. BROWN] last January sponsored the price-control bill on the floor of the Senate, I interrogated him on several occasions, and said that, in my opinion, the measure would not work because wages had been left out of the equation; that

a regulation of the price of farm products was a regulation of the farmer's income and the farmer's wages, and it was not just or equitable to include one without including the other. The record of the debate will so show. At that time the Senator from Michigan said that the administration was in such a position that it felt it could deal with the subject of wages, and therefore we provided that the powers granted by the bill should be administered by the O. P. A., as the President already had the War Labor Board as an agency of the executive branch, so that between the two he could regulate the whole thing in the interest of both agriculture and industry. I did not like that arrangement, but I voted for the bill sponsored by the Senator from Michigan. I voted for the position the President then took, over, so to speak, my own protest, because there was nothing else we could do.

But I do not believe we ought, without providing any top or bottom, to have left one thing in the discretion of an individual, no matter how fine that individual might be, and put a top or bottom on all other things, as we did with farm and industrial prices. I am glad that in the pending measure at least an approach has been made toward treating all elements of America's workday with equal justice and equal consideration.

Mr. HATCH. Mr. President, will the Senator yield? The Senator occupied a good deal of my time.

Mr. TYDINGS. I am delighted to yield to the Senator from New Mexico.

Mr. HATCH. The Senator said he voted for the original price control measure.

Mr. TYDINGS. I did.

Mr. HATCH. I had intended in my speech to say that I intend to vote for the pending measure, whether the amendment offered by the Senator from Oklahoma is agreed to or whether the amendment which the Senator from Maryland proposes to offer is agreed to, because the measure is at least a start in the right direction.

Mr. TYDINGS. The Senator from New Mexico has stated the matter well. Often here on the floor of the Senate we get 60 percent of what we want and 40 percent of what we do not want. We have to decide whether we shall let the good outweigh the bad and vote accordingly. In most cases we are criticized because there is something bad for our people in a good bill or something good for them in a bad bill. We have to do the best we can considering the larger aspects, and I know the Senator from New Mexico will vote for a price-control measure in any one of the present contingencies which now are being debated.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. THOMAS of Utah. The Senator does not wish to imply that the War Labor Board was set up on November 7, 1941, does he?

Mr. TYDINGS. Oh, no.

Mr. THOMAS of Utah. If the Senator will excuse me, that is what he said.

Mr. TYDINGS. No, that Board was already in existence. The machinery was in existence for the settlement of disputes. The President felt that he could regulate wages, and he asked the Congress to give him the authority, under certain limitations, to regulate industrial and agricultural prices. What I attempted to say was that when we went into the field of regulating agricultural prices we went into the field of regulating agricultural wages, because the price the farmer derives from the sale of his goods determines what his compensation shall be, and what the compensation of those who work for him shall be; and that it was not fair to put the farmer into that sort of a strait jacket without making the other elements of America's workday likewise come into the same arrangement.

Mr. President, I now wish to say—I hope not in a demagogic way, for I am not here today particularly to curry favor with labor or agriculture, or to play up one side against the other—that I believe that in many respects the farmer's position as of the present has been misrepresented to the people of the country. I asked the Department of Agriculture, Bureau of Agricultural Economics, to inform me as to the prices which prevailed for farm products in August 1917, and the prices which prevailed in August 1942.

August 1917 was 4 months after we had declared war on the Central Powers. August 1942 was about 8 or 9 months after we had declared war on pretty much the same countries. I shall state the prices. Some prices are a little higher today than they were in 1917, but on the whole most of the prices are lower, even though the latter date is further from the time of the declaration of war than the former.

Beef cattle, 1917, $8.54 a hundredweight. Today, $11.30.

Hogs in 1917, $15.21 a hundredweight. Today, $14.13—more than a dollar lower.

Cotton, 23.9 cents a pound in 1917. Today, 18 cents a pound; about 30 percent less today than in 1917.

Wheat in 1917, $2.19 a bushel. Today 96 cents a bushel, or about 40 percent, in round figures, of what it was in 1917.

Eggs, 30 cents a dozen in 1917, and today, 32 cents a dozen. About the same price.

Milk in 1917, $2.42 a hundredweight. Today, $2.52 a hundredweight, showing not much difference.

Corn a bushel in 1917, $1.86. Today, 83 cents a bushel. About 40 percent of its 1917 price.

Mr. LUCAS. Mr. President, will the Senator yield on that point?

Mr. TYDINGS. I yield.

Mr. LUCAS. Does the Senator believe that the price of corn today should be the same as it was in 1917? I ask that question though I come from a corn State.

Mr. TYDINGS. I am not arguing that point at all. I am simply saying, as I attempted to say when I began to read the table, that the farmer has been pictured as a profiteer, as a man who is making a fortune, and I am attempting to show that many of the prices today are a fraction of what they were in 1917, although everything else has increased in price.

Mr. LUCAS. Of course, the radio commentator, or the editor, or anyone else who pictures the farmer as a profiteer simply does not know what he is talking about.

Mr. TYDINGS. That is what I am trying to show in some of these instances, supported by pretty good facts, I think.

Mr. LUCAS. It is true that the facts do support what the Senator is saying, but what we are attempting to do, and I know the Senator will agree with me, is to control inflation.

Mr. TYDINGS. I am coming to that, if the Senator will bear with me.

Mr. LUCAS. The prices which the Senator is quoting are what destroyed the farmer in my section of the country following the last war.

Mr. TYDINGS. That is correct.

Let us come down to butterfat. In 1917 the price was 37 cents a pound; today it is 40 cents a pound. The price of cottonseed by the ton in 1917 was $57.98; today it is $44.04. Chickens sold for 16 cents a pound in 1917; they are 19 cents a pound today. Potatoes sold for $1.55 a bushel in 1917. In 1942, they are $1.15 a bushel. Lamb was 12.24 cents a pound in 1917. Today it is 12.07 cents a pound. Apples were $1.01 a bushel in 1917. They are $1.15 a bushel today. Oats were 67 cents a bushel in 1917; they are 42 cents a bushel today, about two-thirds of what they were worth in 1917. The price of barley in 1917 was $1.12 a bushel. Today it is 56 cents a bushel, half of what it sold for in 1917. In 1917 rice was $1.80 a bushel. Today it is $1.60 a bushel. In 1917 dry edible beans were $12.94 a hundred. Today they are $4.45 a hundred.

In 1917 flaxseed was $2.87 a bushel. Today it is $2.28 a bushel. In 1917 wool was 54 cents a pound. Today it is 39.4 cents a pound, about two-thirds of its then value. In 1917 sweetpotatoes were $1.25 a bushel. In August 1942 they were $1.37.

Mr. President, if I were to read the industrial wage rates after reading that table, they would show that a great deal of criticism has been visited upon the agricultural interests of this country which the facts do not justify. Industrial wages have soared, whereas, in comparison with 1917, the cost of living is decidedly lower, on the whole, if we use the same comparison.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. TYDINGS. I shall be glad to yield in a moment.

In order to prove that point I asked the Department of Agriculture for some figures on the subject, believing that facts are the things on which we should predicate argument and decision.

In 1917 the family income in the United States was about $1,331, and food costs were $477. The percentage of income spent for food was about 36 percent.

In 1919, at the end of the war, the family income had risen about $300, to $1,617 per family, and food costs had risen to $611 per family. The percent-

age of income spent for food in 1919 was 38 percent.

Let us look at the picture today. The first 4 months of 1942 show an appreciable drop in percentage of income spent for food. The figures are as follows:

In January the family income was $2,095, and food costs were $474. The percentage of income spent for food was 23 percent. The figures for the months from January to April show very little change. I shall read the latest figures I have, which are for April 1942. The family income was $2,165. Food costs were $487. The percentage of income spent for food was 22 percent. So, whereas the family paid 36 or 38 percent for food in 1917 and 1919, in 1942 it is paying only 22 or 23 percent for food, which I think is pretty conclusive evidence that as of today the farmer is not in the same position in which he was in 1917 and 1919.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. TYDINGS. I shall yield in a moment.

It may be argued that the farmer should not be in such a good position, or that the facts do not warrant putting him in the position which he occupied in 1917 or 1919. The point I am making is that, based upon facts and not supposition, when we contrast the figures of today with those of 1917 and 1919, there is not nearly so much probability of a run-away inflation of the cost of living today as there was in 1917. For that I am grateful.

I now yield, first to the Senator from Indiana and then to the Senator from New Mexico.

Mr. WILLIS. Mr. President, I wonder if the Senator has available the table of industrial wages?

Mr. TYDINGS. I have.

Mr. WILLIS. Could the figures be inserted in the RECORD at this point?

Mr. TYDINGS. I do not have the figures before me at this moment.

Mr. WILLIS. Can they be inserted in the RECORD at this point?

Mr. TYDINGS. If I do not find them, I hope the Senator will get them. I shall be glad to have them inserted in the RECORD.

Let us see where the farmer stands——

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHEELER. The farmer has been accused of causing inflation. As the Senator has pointed out, the facts offer no foundation for such a charge. Take wheat, which is one of the staple crops——

Mr. TYDINGS. I had intended to use wheat as a specific illustration later. I shall do so now.

Let us suppose that a farmer has a farm of 100 acres, which is a pretty good farm. By 100 acres I mean 100 acres of good, tillable soil. He may have 50 acres of woodland or marsh.

Mr. GILLETTE. The Senator is referring to Iowa soil?

Mr. TYDINGS. Yes; Iowa soil. I do not have before me the figure of average production an acre of wheat on farms of the United States, but my recollection is that it is considerably less than 20 bushels to the acre. I think it is about 13 or 14 for the whole Nation. However, I shall use 20 bushels to the acre for illustration.

The farmer plants 100 acres of wheat in the fall of 1941, after plowing the land and preparing it. He puts fertilizer on the land, and perhaps lime, if he can afford it. He hitches a team of horses to his wheat drill and starts down the field. Finally it is all planted. The task requires a good deal more than a week. It requires the services of more than one man to plow, break up, and prepare the seed bed, put in the fertilizer and lime, and go over it for the fourth or fifth or sixth time, finally planting the seed in the ground.

There it rests. Next June or July, depending upon the section of the country in which it is planted, the wheat matures and is cut down and shocked. If the farmer cuts the wheat with an old-fashioned combine he loses all the straw. The old-fashioned combine cuts the wheat near the top of the head. If he has a new combine, he saves the straw, which is thrown out behind the combine for the rake to gather.

In any case, the wheat must be threshed, at a cost of 5 or 6 cents a bushel. Then trucks must be sent into the field to haul the wheat from the field, and trucks or railroad trains must be employed to haul it to the place where it is sold.

When the farmer gets the wheat to market, what does he receive for it? The price of wheat is high in my State just now. I think it is about $1.30 a bushel at the elevator. However, I believe that the figure for the whole country is considerably less than that. For the moment I shall assume that it is $1. I think that is about 5 cents too high.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHEELER. The price of wheat at the elevators in western Montana is 85 cents a bushel.

Mr. TYDINGS. Very well. Let us take a Montana farm for the sake of argument. From 100 acres, with a yield of 20 bushels to the acre, the farmer gets 2,000 bushels. At 85 cents a bushel at the elevator or point of shipment, the 2,000 bushels of wheat bring $1,700.

Out of the $1,700 must come the wages of the farm labor which went into plowing and cultivating the field, the cost of the seed, which had to be treated against disease, the cost of fertilizer, and finally the cost of harvesting; and if the farmer has a very large income left out of the $1,700 from 100 acres, he is an exceptional farmer, indeed.

The argument may be made that from the time the farmer planted his wheat in the fall until he reaped it he had nothing to do; he planted his wheat and then sat back beside the stove and listened to the radio, saying, "I wonder what those fellows in Washington are doing. They get me so mixed up with these broadcasts that I cannot follow them at all."

The farmer has wood to cut for himself and his tenants. He must maintain his roads. His fences require repairs. He must milk his cows and clean out his barn. He has plenty to do. I do not say that my illustration is an apt one, because no farmer in his right mind in my section of the country would plant his whole farm to wheat. The situation may be different in other places. I have used that assumption only for purposes of illustration. In my section of the country a farmer would diversify his planting so that his employment in agricultural processes would be more constant, and not so sporadic as in the illustration which I have pictured. However, it serves the purpose of proving that there is no fortune in raising 100 acres of wheat at 20 bushels to the acre.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. AIKEN. If the farmer should plant 100 acres to carrots, he would not have any time at all to criticize Congress.

Mr. TYDINGS. If he planted it with a number of things which I might suggest, the labor operation would be greater than that in connection with wheat; and, in fairness, I think it should be said that in most cases the return would be larger. Of course, most of the farmers in my section of the country plant wheat not so much for the wheat itself as to obtain straw; because usually they have dairy farms, and need the straw for dairy-farm purposes and things of that sort. There are some farmers who go in heavily for wheat.

However, all this leads me back to the first table I read about farm wages. In my little State, which is an exceptional State in many ways, but particularly in the present war situation, we have a tremendous number of war plants. The Bethlehem Steel Co. employs probably 30,000 or 35,000 men. The Martin airplane plant employs probably 15,000 men. The Fairfield shipbuilding plant employs probably another 30,000 or 35,000 men. The Fairchild Aircraft Co. employs many thousand more men; and so I might go on enumerating the various industrial plants and their employees all over the State. In addition, because of the natural advantages and the particular situation which my State, although small, I am proud to say enjoys, we have a great many war activities, such as proving grounds, arsenals, and naval training stations.

All those things superimposed upon the farm picture have milked the labor off the farms. We cannot get away from that fact. I do not blame the men for going. They may make more money. The work is only for 8 hours a day. There are amusements when they get off from work. There are lures of all kinds. Someone may argue that the men are better off when they are on the farms. Perhaps they are.

In one of the counties of my State, Queen Anne County, the population is approximately 18,000 souls. It is a small county, but very rich agriculturally. I have on my desk in my office a page of a county newspaper containing advertisements by 12 farmers who are holding sales and going out of business because in most instances—in fact, I think in nearly all—they do not have the help required to continue farming operations.

What does all that add up to? I am not here to demagogue on agriculture, or to say that the farmer is the salt of the earth and that everyone else is a scoundrel, or vice versa; but my purpose in making these remarks is to point out that it does not take a man with great vision to see that if the condition I have mentioned goes uncorrected there will be a tremendous food shortage in this country. Then, in my humble judgment, all the laws of God or man will not encompass the food situation from the price standpoint.

I am trying to find out how we can meet that particular situation, which I hope I have described fairly accurately, although briefly, without having some dire disaster come to our people at home or to our men who are out on the firing lines and who are doing so much to uphold the standards of our Nation during these trying times.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. GILLETTE. In a few minutes it will be my misfortune to be called from the Chamber, and I shall miss the remainder of the very able speech of the Senator from Maryland. Before leaving the Chamber I should like to comment on one part of the Senator's remarks. A few minutes ago he was talking about the production of a crop of wheat on a 100-acre farm, and he spoke of the yield as being approximately 2,000 bushels.

Mr. TYDINGS. Yes; a little more than 20 bushels an acre.

Mr. GILLETTE. I desire to remind the Senator that if the farmer had taken the 2,000 bushels to a grain elevator this morning he would have been notified by the proprietor of the elevator that yesterday the price of wheat broke 3 cents on the grain exchange because of the debate on the floor of the Senate. So he would be out $60 because of the manipulation of the market, something over which he had no control. Sixty dollars would be taken out of his pocket from the return for a year's work.

Mr. TYDINGS. I thank the Senator; and I regret to lose him, not only as one Member of a very fine audience, but because his presence, both from the standpoint of pulchritude and mentality, adds to any audience. [Laughter.]

Mr. President, what is the farmer's trouble? He would like to have a higher price for his crops, of course. Everyone who works in a war plant would like to have higher wages, of course. Those who practice medicine or those who practice law would like to have higher wages, of course; and even Congress on occasion is not adverse to granting higher wages to itself. That is natural, and cannot be allayed. When the acquisitive instinct in the hearts of men is killed there will not be any men; they will all be wearing dresses, and their hair will reach farther than their heels. [Laughter.]

What is the cause of the farmer's trouble? It may be the price of a particular product, if he concentrates too much on a single commodity; but I think that generally the movement of farm commodity prices is toward the ceilings already set, and I do not believe that at the moment the farmer is so very much concerned about losing money on what he produces. His problem is to get the help needed to produce the crop. In the pending measure there is not one provision which will cure that situation, except by a long-range process. We are moving to the point where we shall have to recognize that it is just as important to have men working on the farms as it is to have men working in shipyards, airplane factories, coal mines, arsenals, or even on the firing lines—because a man cannot go forward into the jaws of hell on an empty stomach. We must give him the best food in the world. His task is already difficult, without having to stagger forth in a weakened condition. He is hardened. He needs plenty of good food. Consequently, the United States will require more food next year than it ever required in all its history.

It will require food for an Army and Navy of 8,000,000 or 10,000,000 men before the next year is over—and let no one think I am exaggerating the figures. Those 8,000,000 or 10,000,000 men will not be producing a thing. They will be soldiers, sailors, marines, and airmen. They will not be planting a grain of wheat. They will not be making an automobile or a farm tractor or anything else that goes into our lives. Those men will be destroying because we in the Congress have willed that they shall be sent out to destroy our enemies, those who would attack us and destroy us. Therefore we must feed those 10,000,000 men. We must produce enough food for them—food which in normal times, in less arduous undertakings, would feed 15,000,000 men; because the men in the armed forces eat more than men in civilian life eat. The young men being hardened and strengthened in the armed services will eat more than they would have eaten if they had remained home. So there alone will be a tremendous source of consumption of the food we shall produce. Then the men working in this country will have to work harder, and more people will go to work—including women. By the end of 1943, millions of women who are not now employed will have gone to work in the factories of the Nation, and they will require more food than they previously required. Furthermore, we shall have to feed England, a part of Africa, and perhaps a part of Australia, although I doubt whether much food will be needed by Australia. At any rate, our Allies must be fed. Who will do it? Theoretically, we shall have to produce twice as much food. It may not amount to exactly that figure; it may be one and a half times as much or one and three-fourths times as much; but we shall have to produce much more food with much fewer men.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WILEY. I think a question was asked sometime ago by a Member of the Senate who wanted to know what were the average hourly earnings of factory workers in 1917. In 1917 they were 31.8 cents. In 1942 they are 84.6 cents. What I desire to say to the distinguished senior Senator from Maryland is that, while he is saying that we must have more workers on the farms, I wonder if he fully appreciates that the average wage of the worker on the farm today—and by that I mean the owner of the farm—is approximately 28 cents an hour for his 80 hours a week; when in the same township with him the Government is competing by means of factories where labor is paid $1 or $1.50 an hour. As a result, that influence is in the picture; and it means that besides having old men who have to give up their farms because they cannot get help, there is the interest—natural and human—for men to try to better themselves. If a Member of the Senate were working on a farm, and if men in a nearby plant were working 40 hours a week at $1.50 an hour, what would he do? Would he still stay on the farm and take 28 cents an hour for 80 hours a week?

Mr. TYDINGS. Mr. President, I thank the Senator for the suggestion; but I must be fair to myself. I believe that what the Senator says is usually correct; but I think the body in which we sit is largely responsible for the condition he describes. Have we not been raising ourselves or attempting to raise ourselves with our own petard? What difference does it make whether wages go up to $100 a day if they will not buy any more than what could be bought when wages were $2 a day?

What difference does it make if after industrial wages have been raised so high agricultural wages should now be raised, and thus all the advances to labor be leveled off again? That is the process—the political, not the economic, process. It is to cater to one large group of voters and make the other group feel that it is going to get the indirect benefit of the increased purchasing power of the first group. When wages were increased, were we not told that the farmer would get the benefit because the worker would be better able to buy the farmer's milk and bread and other commodities? Certainly—and there is a degree of truth in the statement; but now we find that that has gone on to such a point that the farmer is not only not getting the share he thought he was going to get but his labor is going over to the place Congress fixed for it long ago when it sold out for a political mess of pottage. I do not mean that in a personal way; neither do I mean to cast aspersion on this institution of which I am a Member, but the truth is that we are all human and it does not hurt to tell the truth when men are ready to die for it.

So now we are going to take up the other side of the seesaw. The farmer has seen this increase and that increase, some of them occurring while this very measure is being debated. They may be just increases, for aught I know, but he does not know that. He merely sees by the newspapers that wages are going up every day, and finally he says, "Look here, am I not a part of this country, too?" That is the reason this measure is here. We are not going to cure that situation overnight; we are not going to give him the increases he thinks he is going to get

by this measure because he is unorganized and he is not going to strike.

He cannot go forth and say, "If you do not make the price of wheat $2 a bushel, I will not plant any wheat"; he cannot go forth and say, "If you do not make the price of cotton 25 cents a pound, I am not going to plant any cotton and you will not have any clothes next year." He cannot do that because he has to plant his crop from a year to several months ahead of the time when he reaps it, and, as he does not possess the weapon of strike and the picket line, he has "two strikes" on him in a very hard baseball game in any league.

Therefore, if we really want to help the farmer and go to the root of his trouble, which is an adequate supply of labor in order to produce the superabundance of food which is necessary, we have got to call Mr. McNutt here and say to him, "Hereafter when you draft the farmer's son or take his help, you have got to weigh his value in this equation as to whether or not in taking him you will not do more harm to the ultimate war effort than you would do if you would let him stay on the farm and help the farmer." If we will guarantee the farmer an adequate supply of labor, he will, unless I am mistaken, produce the food; he has always produced it heretofore, and he will get his price, too, because a wage increase is inevitable to farm labor. We can pass all the laws in Christendom, but we cannot any more keep people on the farm, with the contrast between industrial and farm wages, than I can walk to the moon. It cannot be done.

In the last couple of months I have talked to many farmers and I have made it a business to try to find out what they are thinking about. Their ultimate and universal complaint is that they cannot hold their labor. They are selling their cows; they are going out of business.

As I said, in little Queen Anne County of 18,000 people, one whole page of a local newspaper was taken up with advertisements of 12 sales by 12 representative farmers who were selling out because they could not get the help to run the farms which they have been operating. We have got to see that they get the help they need; we have got to see that, just as men in the Army are allocated to the Air Force or the tank squad or as men are allocated to shipyards and exempted from the draft because they are indispensable, so the farmer, when he makes out a good case, shall get the help to which he is entitled to do a job without the doing of which all other jobs will fail. When such a bill comes before the Senate—and I understand work is now being done on it—and when we enact it into law, as I feel we shall, we will have gone further toward solving the farmer's difficulties by providing him with labor and safeguarding his labor supply than we will ever do by the pending measure.

Now to conclude. I shall vote for the committee amendment as modified because, in the last analysis, I believe it is more equitable than the amendment offered by my good friend from Oklahoma [Mr. THOMAS], who is certainly an advocate on all occasions of the agricultural interests, and his colleague the Senator from New Mexico [Mr. HATCH]. Why do I think it is more equitable? Because the economic system for some time past has been based in part upon parity. I do not say that the definition of parity denotes absolute equity; I do not say that in every case under it the farmer gets a square deal. Neither do I say that in every case under it the industrial worker gets a square deal; but it was the rough measurement by which this body sought to establish as best it could, in the conflicting facts and circumstances, a degree of equity between these two economic enemies but national friends, the industrial worker and the agricultural worker—the farmer, if you please, and the industrial worker.

We do not complain that perhaps the industrial worker has been getting a little bit the best of it, and that astute labor leaders, by the mechanism provided for their use, have gotten many increases in wages, better working conditions, and many of the things for which labor has been striving for years. In our hearts we are glad to note this advance of the industrial workers of the Nation, but now we are reaching such a point that we believe the old equation has gotten out of kilter, that it is not balanced as neatly as it used to be balanced, and we see that the reason for that is that, due to conditions I have described at some length, farm labor costs have risen precipitously. I have shown that they have risen, I should say, in round figures, from 25 to 50 percent by States during the last 12 months. Very well; what does the Congress say? It says, "Mr. Leon Henderson, when you come to fix prices of agricultural products, go ahead and fix them according to the parity arrangement we have been working under all these years; but keep this in mind, Mr. Henderson, if you find that, because of increased labor costs or other costs, the farmer or the agricultural group is subject to uneconomic inequity, take that into consideration and make adjustment accordingly."

I think the farmer is entitled to that, and that is what the joint resolution, as amended, will give him. What more is he entitled to? Are we going to play politics by trying to favor one group as against another? I do not believe we are. I think we have reached a serious point in this Nation's destiny, that the best we can do is none too good, and that equity between economic forces is what we should continually strive for.

I agree with everything the Senator from New Mexico [Mr. HATCH] said about the farm problem. I disagree with his solution. He wants to change the whole equation right now in the middle of a war. We have not the time to debate it. Merely to examine into its ramifications would take months; it would require the assembling of a tremendous amount of data, a thorough study of it, and a thorough comprehension not only of the agricultural side but of the industrial side as well.

So, what have we done? Being unable to deal with that, this new factor of the increase in the cost of agricultural labor and the increase in other costs, we have ordered—for the word used is "shall"—the Office of Price Administration to make adjustments whenever in any case it appears adjustment is essential.

So I shall vote for the committee joint resolution as amended by the amendment of my good friend, the junior Senator from Kansas [Mr. REED], who is certainly no enemy to the agricultural interests, and I shall vote against the amendment of the Senator from Oklahoma and the Senator from New Mexico not because I am out of sympathy with its general intent, but because I do not believe it is as equitable to industry as well as to agriculture as is the alternate proposal of the Senator from Kansas. Finally, the day when we make certain that the farmer's labor supply is safeguarded so that he can produce a crop, that day will we have promoted the war effort to a very great degree, and, in my humble judgment, we will have brought him a larger measure of relief than the pending amendment, good as it is intended to be, would bring him.

Mr. GEORGE. Before the Senator takes his seat, I desire to ask him a question.

Mr. TYDINGS. I yield.

Mr. GEORGE. Is the Senator referring to the amendment submitted by the Senator from Kentucky [Mr. BARKLEY]?

Mr. TYDINGS. The amendment was printed last night in the RECORD. I understand from the Democratic leader that in reprinting it there was one reprint which was in error. Three or four lines of the amendment were omitted. The amendment which was read at the desk this morning, and which was printed in the RECORD, as well as in the newspapers today, I believe is a correct copy of the amendment.

Mr. GEORGE. I shall ask the Senator about the amendment. I am much interested in it.

Mr. TYDINGS. I shall be glad to answer, so far as I can, any question the Senator cares to ask.

Mr. GEORGE. If this is the amendment, and I presume it is, I wish to call the Senator's attention to one fact. It is provided that "Modifications shall be made"——

Mr. TYDINGS. That is correct.

Mr. GEORGE. That is mandatory—"on maximum prices established for any agricultural commodity," and so forth, "in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will not reflect such increased costs."

I wish to call to the Senator's attention that I have no doubt that the construction placed upon that language will mean future increases in the cost of agricultural labor, leaving out of consideration all the increases which have thus far occurred.

Mr. TYDINGS. It is not my intention, so far as I have given it any thought, to fix any time when the amendment shall be given velocity. The amendment is proposed so that whenever a case of

inequity can be clearly established, based on the reasons set forth in the amendment, it shall become a proper subject for consideration by the O. P. A., and upon being convinced that the inequity exists, it shall then move to eliminate it.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. THOMAS of Utah. Let me add that the Senator from Kentucky [Mr. BARKLEY], in explaining the amendment, said that it did not refer to any definite time, past, present, or future, that in a sense it was timeless. That is the understanding which the Senator from Utah has of it, and it is with that understanding that the amendment is acceptable to him.

Mr. GEORGE. I am satisfied it would be construed as being applicable only to increased wages, increased costs of labor, after the fixing of the maximum price.

Mr. TYDINGS. I would say to the Senator from Georgia that I do not share that view, but he may be correct, and it would not be a bad idea if he would confer with the Democratic leader, and I feel sure that if that is done, any ambiguity which might exist on that point can be eliminated.

Mr. REED. Will the Senator yield?

Mr. TYDINGS. I yield.

Mr. REED. Let me say to the Senator from Georgia that there is now present in the Senate Dr. O. C. Stine, of the Bureau of Agricultural Economics, one of the foremost authorities upon legislation affecting parity, if not the foremost. Dr. Stine told me yesterday that the formula proposed is entirely workable, and that the Bureau of Agricultural Economics, which is the governmental agency which will be called upon to furnish the detailed information required for administration, could furnish it. I asked him just now whether the proposal could be administered satisfactorily as it is written. He thinks it would be a little better and a little more definite if some date were written into it. I expect to confer with Dr. Stine later. I telephoned the Secretary of Agriculture yesterday and asked that some authority upon these matters be loaned to us for the purpose of furnishing us information during the debate. Immediately thereafter I was told that Dr. Stine would be so assigned.

This is a matter to which I think we ought to give consideration. I am very happy that the Senator from Georgia raised the question. The junior Senator from Vermont [Mr. AIKEN] mentioned it to me on the floor a while ago, and, as one of those responsible for the amendment, I do not want to close the door upon any improvement which can be made, because neither the Senator from Maryland nor I has ever made any suggestion that it was a perfect document as it stood.

Mr. GEORGE. If it is to be adopted, it certainly should specifically provide that increases in farm wages after the beginning of the European war should be taken into consideration.

Mr. TYDINGS. Without any consideration beyond the little I have heretofore given it, and what the Senator's remarks have evoked, I certainly believe it would be no more than just that the equation should start to run from the time the circumstances which occasioned the equation started.

Mr. GEORGE. It certainly should begin to run from the time of the genesis of the tremendous rise in industrial wages in this country.

Mr. TYDINGS. As I said before, and I hope I may repeat it with finality, I have only one desire; I do not want to take from the industrial worker or the agricultural worker a thing to which either is entitled, but, by the same token, I do not want to give to either one of them any advantage at the expense of the other. So far as I am able, and so far as my conscience and ability will permit, my part in this amendment is solely to bring equity to both sides where inequity may exist.

Mr. GEORGE. I thank the Senator.

Mr. WILEY. Mr. President, the No. 1 job of America is winning this war for production, to maintain the fighting strength of our armed forces, and to keep up the morale of our civilians. That means food, clothing, and shelter. Of these three essentials, a guaranty of food is our greatest problem. In many instances the provision of shelter is provided or can be postponed or adjusted. Clothing can be worn longer patched or reused. Food, however, is consumed every day of the year, three times a day.

Because of what we now know in the light of scientific information, protective foods such as dairy, meat, and poultry products, fruits, and vegetables, are vital essentials in maintaining national strength, personal alertness, individual vision, and the general building of resistance to disease.

Such food must be provided in adequate quantities for our armed forces, our civilians, and our allies. I cannot impress upon the Senate too strongly that any blind public policy which in any way tends to curtail these essential protective foods or which results in conditions which indirectly upset their production spells doom and national calamity.

Let us look at some facts. We have in America about 6,000,000 farm units. In my State alone we have 186,000 farm families producing dairy, poultry, and meat products, fruits and vegetables, and even hemp and tobacco. On these 186,000 family farms we are producing more than one-half of the Nation's cheese. We are producing more than one-tenth of the entire dairy output of America. Our dried-egg output, our hemp production, and our packing of canned peas lead the Nation. What I am saying for Wisconsin could be recited for other farm States with respect to production of other farm products essential to national well-being and safety.

Today in the matter of production we have cause for concern. The fact is that something is beginning to happen, something which if not forestalled now will spell national defeat later; and, Mr. President, that something which is now on the way to happen is inextricably tied up in national policy now hinging on the decision of this Congress and the President.

Do we want production of the protective foods? Do those in positions of authority want longer to muddle around in the dark listening to false propaganda? How much longer are we going to sit back in complacency viewing with pride and satisfaction only the agricultural production of 1942 in terms of crop output?

We cannot shut our eyes to the fact that the work of converting 1942's bumper crop of wheat, corn, hay, and grains into the protective foods I have described still largely remains to be done. Are those in authority so devoid of complete understanding of the critical food problem in America that they fail to realize that unless converted into milk, butter, and cheese, beef and lamb and pork, poultry and eggs those farm bumper crops are almost useless to the Nation in this hour of peril?

That, Mr. President, is the crux of the great food problem facing America, her armed forces, and her Allies. The great job of agricultural product conversion is not done by machinery alone. It is yet to be done by human beings on all the farms of this country. It has been done by careful, efficient feeding, breeding, housing, cleaning, and processing. It is being done by human beings, by farm people. I mean farm children and farm women who, in my opinion, are the greatest heroes—so far unsung, unpraised, unheard, and unwritten—that we have in America's line of production today.

They are not working 40 hours a week and looking for time-and-a-half for overtime. In my State they are working from 75 to 83 hours a week on an average, according to a work survey. They are trying to do what their sons now in the Army, Marine Corps, and Navy are doing. They are stretching their energy to the breaking point making up for the hired help which has gone to the defense plants at much higher pay. They are reaching the limit of human endurance. In fact, they are plainly wearing out.

Meanwhile, their costs of production are rising and their income has not kept pace over the past years with the income of other groups. Worst of all, today, in the face of all this, they see themselves misunderstood, yes, even maligned, in a wave of antifarm propaganda—a campaign which is misguiding American public opinion, and in my opinion is designed to cover the tracks of economic mistakes and erroneous Government planning.

We now hear that to include all farm labor costs would be inflationary. We hear that it spells 112 percent of parity. The President implied in his September 7 speech that parity was a fair relationship. Let us see. Did he ever tell the public that that version of relationship between labor and industry and farmer never took into consideration the fact that such direct farm production costs as hired labor were never included? Did he ever tell the public that it gave no consideration whatsoever to the long hours of labor and management by the farmer himself, his wife, and his children? No; he never told the public that. Those who advise him, those who now

raise the scare of farmers raising inflation, never told the public that, either.

I am supporting this amendment in the anti-inflation measure because I believe that it is only justice to the farmer and because I believe every fair, sound-thinking American who is given the facts rather than antifarm propaganda will agree that all farm-labor costs rightly must be considered if we are to come anywhere near giving the American farmer a semblance of parity with his fellow man.

The President in his fireside chat of September 7 and in his present so-called anti-inflation program suggests a rather definite price limitation schedule for the farmer. Did he so specifically limit labor? No. He predicated his promises to stabilize wage rates, first of all, on definitely curbing agricultural prices. He said, "I will stabilize wages," but what is his definition of stabilization of wages? Did he give any assurance as to how he would do it? The answer is, "No."

What does wage stabilization mean in the hands of the President at this time? Can anyone tell? He has said that he would see to it in some way that the farmers would be given higher prices so as to encourage production, but can anyone tell, judging by his past performances and his labor-controlled mind, just what he will do for the farmer, or how he will stabilize wages?

If wages are stabilized at present levels he will place a burden on everyone else. Why did he not stabilize wages a year ago when the farmers asked for complete price ceilings on farm products and wages—in fact "clear across the board" on everything? Why did he not stabilize wages before labor rates went up 27 percent between the 1st of January, 1942, and the present? Even if everything were to be frozen at present levels, it would still mean a 40-hour week for one group as against an 80-hour week for another. It would mean a limitation on the man who works 80 hours, and would still define no definite limits for the man who works 40 hours, any more than to say that he will get still time and a half and double time beyond the 40-hour week.

Let us have some more facts. Agricultural product prices contribute little more than 40 percent to the ultimate cost of living. Apparently the President forgot the other 58 percent of the cost of living. Cost of living today takes only about 22 percent of the total income of workers. How, then, can anyone dare to claim that the prices which the farmer receives, or any slight increase he may obtain as a result of permitting him to include farm labor costs in parity, would result in such widespread inflation and rising cost of living as the scare headlines would lead us to believe?

Still there are those who stubbornly fight against giving the farmer who feeds the Nation a fair break. They stubbornly refuse to mention or admit that the high rates of labor have a far greater effect on living costs, as well as on the cost of capital goods, and the cost of defense materials, which are interrelated and react one upon the other.

Mr. President, we cannot block inflation by a policy which would inevitably cut production. We cannot stop inflation by attacking one small part of the cost of living. We cannot stop inflation by refusing to attack the real problems and issues. We cannot stop inflation by refusing to recognize the fairness of including all labor costs in a version of parity which, in my opinion, goes no further than giving the American farmer what is justly his.

Mr. O'DANIEL. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point some telegrams I have received from residents of Texas who are vitally interested in the subject under discussion.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WACO, TEX., *September 25, 1942.*
Hon. W. LEE O'DANIEL:
Board of directors of Texas Farm Bureau Federation in session at Waco unanimously endorse your courageous and forthright stand for parity and justice for American farmers.
J. WALTER HAMMOND,
President, Texas Farm Bureau Federation.

FLOYDADA, TEX., *September 18, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:
This association requests your support in having the Brown-Wagner Resolution 161 amended to conform to Steagall bill.
CONSUMERS FUEL ASSOCIATION,
By M. L. PROBACO, *President.*

EDINBURG, TEX., *September 22, 1942.*
Hon. W. LEE O'DANIEL,
Washington, D. C.:
Please support Hatch-Thomas amendment to Senate Resolution No. 161 which included farm labor in parity price.
EDINBURG CITRUS ASSOCIATION,
By W. G. KILLOUGH, *Manager.*

ELSA, TEX., *September 22, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:
Please support Hatch-Thomas amendment to Senate Resolution No. 161 which includes farm labor in parity prices.
ENGELMAN GARDENS ASSOCIATION,
By E. C. THOMAS, *General Manager.*

ELSA, TEX., *September 22, 1942.*
Hon. W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:
We respectfully urge your support to Hatch-Thomas amendment, Senate Resolution 161. Feel its passage necessary to all agricultural interest of valley.
ENGELMAN PRODUCTS CO.,
A. L. CRAMER.

MISSION, TEX., *September 22, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:
Please support Hatch-Thomas amendment to Senate Resolution 161 which includes farm labor in parity prices.
MISSION CITRUS GROWERS UNION,
O. J. ANDERSON, *Manager.*

HOUSTON, TEX., *September 17, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:
By air mail today you will receive a letter signed by Lamar Flemming, Jr., the contents of which we discussed with many other interested parties. This is the time for each southern Senator to rally to the defense of the people they represent. If the present scale of wages being paid in defense plants were paid to farm labor cotton would be cheap at 35 cents per pound. We must have defense workers, also farm workers, and it's up to Congress to play no favorites.
ROBERT W. HENDERSON.

LAMPASAS, TEX., *September 25, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:
Fight for Uncle Sam first, but remember farmers, too.
Dr. M. M. LANDRUM.

TULIA, TEX., *September 25, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:
Any lower price on farm products is going to depress our food-for-victory program. Laborers and farmers are leaving the farm for high-paying defense jobs. We urge that you support the issue to use labor cost in arriving at parity price on farm products.
W. T. BAGLEY,
Swisher County A. A. A.

TULIA, TEX., *September 25, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:
We urge you to support the issue allowing labor cost to be used to arrive at parity price on farm products. Defense plants and selective service are exhausting the farm labor supply. Farmers cannot compete with defense and other organizations on labor cost at the present parity price.
R. T. O'DANIEL,
Swisher County Farm Bureau.

PEARSALL, TEX., *September 24, 1942.*
Hon. W. LEE O'DANIEL:
We urgently request your assistance in having labor costs included in the parity formula, otherwise farmers and ranchmen will be seriously handicapped and penalized. Labor costs have doubled in the past year, a fact you must know. Farmers and ranchmen want nothing unjust, only to be treated as fairly as labor and other interests.
G. R. SANDERS,
Frio County Farm Bureau.

VICTORIA, TEX., *September 23, 1942.*
Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:
Rising farm labor costs becoming large factor in agricultural production, therefore urge support of amendment to include farm labor costs in parity formula. New price-control law will be administered by some agency and past experience leads us to urge that Congress fix definite limitations on power to fix farm prices.
CLAUDE MCCAN,
President, Texas and Southwestern,
Cattle Raisers Association.

GALVESTON, TEX., *September 23, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:
Kindly use your efforts to have all farm labor cost recognized in computing parity price levels, as the farmer is justly entitled to this consideration.
P. G. PAULS.

ROBSTOWN, TEX., *September 22, 1942.*
Senator LEE O'DANIEL,
Washington, D. C.:
A representative group of Nueces County farmers assembled today unanimously went on record as to their loyalty to the President and their first primary objective was to win the war, but in order to achieve this end, they must have full parity for their commodities. At the same time, the increased cost of producing these commodities must be taken into

consideration in figuring parity. We feel sure that you are doing everything in your power to see that our interests are protected.

Unless this cost of production is added to the parity figure, we feel that we might lose the war by the inability of the farmers to produce the necessary food and fiber.

B. T. PAER,
Chairman, Nueces County
Farm Bureau Federation.

NEW YORK, N. Y., *September 22, 1942.*
Senator LEE O'DANIEL,
United States Senate,
Washington, D. C.:

In the interest of not only the American farmer but especially our country I hope you will support agricultural leaders in the Senate in their efforts to have the formula in the price-control bill include equitable cost of farm labor. Believe you will agree this is not only simple justice but, what is more important, is essential for full and adequate agricultural production that is vital to our national defense and war program. Also as we know adequate agricultural production is the best protection against runaway inflation. Best wishes.

ROBERT HARRISS.

SONORA, TEX., *September 22, 1942.*
Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:

We understand Senate Joint Resolution 161 provides for inclusion of cost of farm labor in calculating parity on farm prices. We strongly urge the inclusion of such a provision. It is practically impossible to secure ranch labor at any price.

TEXAS SHEEP AND GOAT
RAISERS ASSOCIATION,
FRED T. EARWOOD, *President.*

AUSTIN, TEX., *September 22, 1942.*
Senator W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:

In behalf of Texas farmers I urge you give pronounced support to bills pending in Senate and House which provide that increased cost of farm labor and increased cost of industrial things farmers must buy be considered and tabulated in new parity price formula. Unless farmers receive prices which will enable them to pay wages that will attract labor to the farms, agricultural production will decline to a point which will jeopardize our national defense program. Passage of the amendment vitally important to welfare of our Nation. Farmers are patriotic and must have congressional action giving definite insurance that parity price formula will enable them to secure labor vitally necessary for adequate production. Regards.

J. E. MCDONALD,
Commissioner of Agriculture,
State of Texas.

WASHINGTON, D. C., *September 23, 1942.*
Hon. W. LEE O'DANIEL,
Washington, D. C.:

United Dairy Farmers, Division District 50, United Mine Workers of America, presented the case in behalf of our farmers to the Congress through its respective committees urging the inclusion of all costs of production, including the cost of labor in determining minimum farm prices. This is absolutely necessary to enable farmers to compete in the labor market for available labor to produce the food to win the war and write the peace. Parity prices, not including cost of labor, would force farmers to produce at wages from $3 to $6 per week. In behalf of the farmers affiliated with district 50 we respectfully urge your support of proposed amendments to include the cost of all labor used in farm production in the calculation of parity prices. It seems to us that we as a nation can honorably do no less.

O. E. GASAWAY,
President, District 50,
United Mine Workers of America.

DALLAS, TEX., *September 24, 1942.*
Senator W. LEE O'DANIEL:

Anyone familiar with the factors making up parity for the producer and anyone familiar with the pay checks of labor in industry today cannot but be disgusted with the antics of both Houses and the price and wage legislation bills now being considered. Indicated action by your branch of Congress is revolting to a large percentage of your constituents, and while I do not know your position, I want to urge you of the legislative branches of the Government to exert your maximum influence not only to stop these grabs but to assert yourselves in an effort to influence ironclad bills governing both prices and wages with no leeway left to anyone.

JACK P. BURRUS.

GARLAND, TEX., *September 23, 1942.*
Senator LEE O'DANIEL,
Washington, D. C.:

I have farms in Dallas and Collin Counties and a gin in Collin County and respectfully request that present labor and material cost be considered in fixing farm-products prices.

G. E. DREWERY.

MEMPHIS, TEX., *September 22, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:

Strongly urge you use your influence have included equitable cost of farm labor in parity formula in price-control bill. Fear many farms this territory must lie uncultivated and present crops unharvested because of scarcity of farm labor brought about by inability farmers to compete with high Government and industrial wages now being paid labor.

J. H. MORRIS.
J. A. WHALEY.
J. D. SHANKLE.
CLYDE FOWLER.
E. N. HUDGINS.
H. E. TARVER.

ROBSTOWN, TEX., *September 23, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:

Attitude of administration toward increased farm-labor cost seriously endangering agriculture and war efforts. Attitude of labor due to scarcity lowering quality of agricultural products, thereby lowering price farmer receives 25 to 40 percent under present parity. Please write into law mandatory provisions of equal protection to all.

W. C. NEWELL.
D. H. HARPER.
J. B. KNIGHT.
HAYDEN PERRY.
ROY DENNIS.

MEMPHIS, TEX., *September 23, 1942.*
Hon. W. LEE O'DANIEL,
Senate, Washington, D. C.:

Understand farm-parity bill will be voted on soon. Urge you do everything in your power to have included equitable cost of farm labor. It is almost impossible to hire farm labor here at twice last year's levels. We averaged about 13 cents per pound for our United States cotton here last season, and at present levels we will average 16 cents, provided we can get pickers enough. Should we have to sled our cotton, we won't average over 12 cents per pound.

M. C. ALLEN.

DEVERS, TEX., *September 22, 1942.*
Hon. W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:

We urge you to support amendment to price-control bill, which would include cost of farm labor in parity formula.

AMERICAN RICE GROWERS
COOPERATIVE ASSOCIATION.

DALLAS, TEX., *September 22, 1942.*
Hon. W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:

Am of opinion parity formula should be amended to include cost farm labor and further there should be no law fixing maximum price farm products without similar law applying wages. Sincerely hope you agree. Regards.

MARC ANTHONY.

BEAUMONT, TEX., *September 22, 1942.*
Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.:

We urge you to support amendment to farm bill with parity including farm labor.

AMERICAN RICE GROWERS
COOPERATIVE ASSOCIATION,
A. H. BOYT, *President.*

WESLACO, TEX., *September 22, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:

Weslaco Farm Bureau requests that you support measures designed to include labor costs in any plan to stabilize prices farm products. Labor most important item producing fruits and vegetables. Unsettled condition regard to labor outlook causing abandonment thousands of acres of irrigated valley land and sale of many dairy herds.

M. C. MARSHALL, *Secretary.*

ATHENS, TEX., *September 23, 1942.*
Senator W. LEE O'DANIEL:

Request support inclusion farm labor in arriving parity farm prices. Favor ceilings on all labor and farm prices.

RAYMOND ROBBINS.

HILLSBORO, TEX., *September 23, 1942.*
W. LEE O'DANIEL:

I urge your support new farm parity including cost of farm labor.

H. E. CHILES.

EAGLE LAKE, TEX., *September 22, 1942.*
Hon. W. LEE O'DANIEL,
The United States Senate,
Washington, D. C.:

Our labor cost doubled over last year, urge you to support amendment to price-control bill including the cost of farm labor figuring parity formula.

DAVID WINTERMANN.

MCALLEN, TEX., *September 22, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:

Will appreciate your support Hatch-Thomas amendment, Senate Resolution 161, including farm labor in parity price.

E. W. LEONARD, *Manager.*
MCALLEN CITRUS ASSOCIATION.

EDCOUCH, TEX., *September 22, 1942.*
Hon. W. LEE O'DANIEL,
Washington, D. C.:

We solicit your support on Hatch-Thomas amendment, Senate Resolution 161. Believe this amendment necessary to the best interest of this section.

TEXAS INDEPENDENT CITRUS
SHIPPERS ASSOCIATION.

MISSION, TEX., *September 22, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:
We urgently request that you support Thomas amendment to Senate Resolution 161.
TEXAS CITRUS FRUIT GROWERS EXCHANGE.

WESLACO, TEX., *September 22, 1942.*
Senator W. LEE O'DANIEL:
Please support Hatch-Thomas amendment to Senate Resolution 161 which includes farm labor in parity price.
E. L. PIKE,
RIO GRANDE VALLEY CITRUS EXCHANGE.

WESLACO, TEX., *September 22, 1942.*
Senator W. LEE O'DANIEL:
Please support Hatch-Thomas amendment to Senate Resolution 161, which includes farm labor in parity price.
WESLACO CITRUS ASSOCIATION,
CLELL SOLETHER, *Manager.*

HARLINGEN, TEX., *September 22, 1942.*
Senator O'DANIEL:
Please support Hatch-Thomas amendment to Senate Resolution 161, which includes farm labor and parity price.
KONRAD KELLEY,
Manager, Stuart Place Citrus Association.

HARLINGEN, TEX., *September 22, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:
Please support Hatch-Thomas amendment to Senate Resolution 161, which includes farm labor in parity price.
H. W. GUDMANSON,
BAYVIEW CITRUS ASSOCIATION.

FORT WORTH, TEX., *September 22, 1942.*
Hon. W. LEE O'DANIEL,
Congress of the United States:
To aid necessary production of agricultural products urge the support of amendment to Joint Resolution 161, which provides inclusion of all farm labor costs as one factor in figuring parity.
A. A. WRIGHT,
NATIONAL FINANCE CREDIT CORPORATION OF TEXAS.

FORT WORTH, TEX., *September 22, 1942.*
Hon. W. LEE O'DANIEL,
United States Senate:
Many livestock producers favor the inclusion of labor costs as a factor in figuring parity. Urge your support Senate Joint Resolution 161.
A. K. MACKEY.

DONNA, TEX., *September 22, 1942.*
Senator W. LEE O'DANIEL:
Please support Hatch-Thomas amendment to Senate Resolution 161, which includes farm labor in parity price.
DONNA CITRUS ASSOCIATION,
C. O. PETERS, *Manager.*

DALLAS, TEX., *September 24, 1942.*
Hon. W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:
Dallas County Farm Bureau urges you to use your power and influence to have included in price-control bills now before Senate and House definite ceilings on wages at comparable levels with ceilings on farm prices and insist that price ceilings on agricultural commodities must not be placed at less than parity prices, such prices to be adjusted to cover all increased labor costs. We favor raising farm price support from 85 percent to 90 percent of parity.
DALLAS COUNTY FARM BUREAU FEDERATION,
L. R. VAUGHAN, *President.*
JOE BROWN,
Executive Secretary.
H. R. DANIEL, *Vice President.*
MARY P. CAMP,
Secretary Treasurer.

MEMPHIS, TENN, *September 23, 1942.*
Hon. W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:
National Cotton Council just completed survey current cotton farm-labor costs. September 1942 labor costs 251 percent of same costs 1940.
Bureau of Agricultural Economics estimates cost production 1940 crop 9.6 cents per pound lint cotton. Using Bureau of Agricultural Economics formula and applying increases in labor and other costs prevailing September 1942, cost production 1943 and subsequent crops will be increased to approximately 21.5 cents per pound lint cotton, based on preceding 10-year average yield, assuming pending legislation freezes all labor and other costs at current levels.
Cotton production cannot be maintained unless these facts are recognized. Strongly urge your support of amendment requiring inclusion farm-labor costs in calculating parity price.
OSCAR JOHNSTON,
President, National Cotton Council.

JACKSONVILLE, TEX., *September 23, 1942.*
Hon. W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:
The farms of Cherokee County ask you to consider wages in setting price levels on farm products. Production will be low otherwise. Labor leaving farms for higher wages.
J. P. DUNNAM,
Secretary, Cherokee County Farm Bureau.

TAFT, TEX., *September 23, 1942.*
W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:
The San Patricio County Agricultural Association with a paid-up membership of 509 members respectfully urge you to support amendments to the pending farm bill seeking to include farm-labor costs in arriving at parity prices for agricultural products and increasing the commodity loan value from 85 to 90 percent. We also urge that simultaneously with the placing of ceilings on farm prices that a ceiling also be placed on labor.
MILLER HARWOOD, *President.*

HOUSTON, TEX., *September 21, 1942.*
Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:
Strongly urge that the anti-inflation bill should definitely instruct the President to make adjustments in the present parity prices for increases in farm-labor costs. Cotton production will be seriously curtailed if farmers' labor costs are limited through price ceilings to 1939 labor costs of 11 cents an hour and 75 cents a hundredweight for picking, as compared to 30 cents and $2, respectively.
J. M. LOCKE.

WACO, TEX., *September 19, 1942.*
Hon. LEE O'DANIEL,
Senator from Texas,
Senate Office Building:
Cotton price parity calculations generally overlook the materially advanced cost of production. Even the inclusion of the advanced cost of hourly wages does not adequately compensate for the increased cost to the grower. Practically all comparative products have been immensely cheapened in their production cost by the far-reaching use of labor-saving devices. Cotton cultivation, on the other hand, with exception of plowing, does not lend itself to the use of mechanical implements. Chopping and picking are still out-and-out manual performances. Picking alone consumes today about one-third of the price paid to the farmer for the lint. Correct evaluation of these changes calls for a price structure fully 40 to 50 percent above present price levels. Prices lower than this do not yield to the farmer anything like a true parity income. Office of Price Administration is misinformed when they point to the present large crop with the assertion that cotton prices constitute ample remuneration for the producer. Office of Price Administration overlooks completely that farmers are a conservative lot who make changes slowly. But there is no doubt that hired labor and even landowners are now deserting farms in countless numbers. Many fields will not be worked or at best poorly worked next season and thereafter. I am convinced the 1945 food and lint supply will be insufficient for Army and civilian need—a condition the Government will not be able to correct for years thereafter, even with a generous about face from their inadequate present farm policy. I am also wiring Senator CONNALLY and Congressman POAGE. Kindest regards.
G. H. PAPE.

AUSTIN, TEX., *September 23, 1942.*
Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:
We urge that price-control regulations in Joint Resolution 161 be confined to Interstate Commerce Act and Commission, and if further regulations are necessary under present national policy that administration thereof be assigned to Interstate Commerce Commission to prevent confusion resulting from supervision by more than one body.
LYNN B. SHAW,
Manager, Texas Motor Transportation Association.

KILGORE, TEX., *September 22, 1942.*
Hon. W. LEE O'DANIEL,
Senate Chamber, Washington, D. C.:
We should like to have the following paragraph included into the pending emergency legislation giving the President broader powers over price fixing: *"Provided, however,* That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a fair and reasonable margin shall be allowed for such processing."
WICKHAM PACKING CO.

MARSHALL, TEX., *September 22, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:
Draft regulations must be relaxed or the Nation's poultry and egg requirement will fall far below production expected of us. Our farm income represents gross income not net as in labor. This should be considered in establishing ceilings.
J. W. TALLENT HILLBILLY HATCHERY.

WAXAHACHIE, TEX., *September 22, 1942.*
Senator W. LEE O'DANIEL:
This community proud of your speech of yesterday. Cotton pickers getting as high as one fifty for picking and average price of cotton 17 cents. Young farmers leaving farms and going to defense jobs. The going may get rougher but we know you will fight for us.
W. D. ANDERSON.

EL PASO, TEX., *September 23, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:
I express sentiment of many constituents in saying amen to your recent speech in Congress. Stay on the firing line. We are counting on you.
JAY T. KENNEDY,
Route 2, Box 243K, El Paso, Tex.

FORT WORTH, TEX., *September 22, 1942.*
Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:

Approve your stand that Congress should fix prices and not delegate the authority to the bureaucrats. The only decent hearing we oil producers ever got on prices was before Senators O'MAHONEY and HATCH's committee at Midland, Tex., August 28. We are also against gasoline rationing in Texas.

P. C. DEAN.

HOUSTON, TEX., *September 23, 1942.*
The Honorable W. LEE O'DANIEL, *Senator:*

I have endeavored to convince myself that our war efforts have been progressing satisfactorily but unfortunately I can no longer hold to this opinion. To insure victory and maintain our American system of government I am fully convinced that our legislative bodies must reassert their legislative powers and fix wages, salaries, and farm prices, thus forcing the administrative branch of our Government to perform the duties originally provided for in our Constitution and removing from this office all politics. Congress itself must accept the political consequences of all its acts as originally contemplated in our American system of government. To further implement these acts it must take complete control of all manpower for no battle could be won if each soldier could negotiate the terms or the position under which he would agree to fight a battle.

E. E. DILLMAN.

WAXAHACHIE, TEX., *September 23, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:

We sincerely feel that Congress should freeze farm prices at parity and wages at a comparable level. Urge immediate action on both in same bill.

T. W. BURLESON & SON,
Waxahachie, Tex.

HOUSTON, TEX., *September 23, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:

We earnestly urge that you support the amendment to price-control bills which would include costs of farm labor in parity formula. We are faced with a shortage of labor and an increase in wages. We have about 10 percent enough laborers and an increase of wages from 1.50, which we have paid over a long period of time, to 4.50 now. It would be ruinous to us if these conditions continue to prevail.

AMERICAN RICE GROWERS COOPERATIVE ASSOCIATION (HOUSTON DIVISION),
L. C. TROUSDALE, *President.*

JACKSONVILLE, TEX., *September 23, 1942.*
W. LEE O'DANIEL,
Member of Congress, Washington, D. C.:

Unless wages be taken in account in setting price ceiling of farm products there will be great acreage idle in Cherokee County next year.

WILL A. LEWIS,
Chairman, Land Use Planning.

WINNSBORO, TEX., *September 23, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:

Farmers in this section want the cost of farm labor included in the calculation of parity.

O. M. THOMAS.

BERTRAM, TEX., *September 24, 1942.*
Hon. W. LEE O'DANIEL,
United States Senator, Washington, D. C.:

The Burnet County-Farm Bureau Federation request that you support the parity price bill, also farm labor.

E. BABE SMITH,
President, Burnet County Farm Bureau Federation.
W. JONES,
Secretary and Treasurer.

DALLAS, TEX., *September 24, 1942.*
Hon. W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:

Your constituency expects you to cooperate fully in the efforts of the administration to control living costs and curb inflation, and it expects you to resist every effort of all selfish pressure groups seeking to defeat such control. Action of the House is reprehensible and alarming.

C. W. BOLLER.
LELAND BRECKENRIDGE.

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Northestern Poultryman for March 15, 1942, entitled "It's a Poor Rule."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Northeastern Poultryman of March 15, 1942]

IT'S A POOR RULE—

The theory of parity is justice. Yet in its application it doesn't always work out that way.

Let's illustrate with a parable. My father used to tell a story of a roadside merchant who prospered selling an "economy combination specialty." It was a horse and rabbit dish which he advertised 50–50 horse and rabbit. But when someone checked up he was honest enough to explain the economics by saying, "One horse, one rabbit; isn't that 50–50?" And it was. He was working on one theory of parity.

Now the poultry industry today is facing just such a ridiculous situation. We have an arbitrary parity based on a theoretical series of costs. We have developed from this a theoretical support point of 85 percent of this parity. From the practical point of view this is plain bunk, for it just doesn't work. In order to keep our poultrymen in business the United States Department of Agriculture officials already have to put their hands over their eyes and support prices up to 99 percent of parity.

Here's what I find out when I look behind this particular "horse and rabbit" counter. First, it professes a recipe which guarantees a parity figure for poultry. That's fine, but let's peek at what goes into the kettle. We all know that on the farm about one-half the total cash called for in producing poultry and eggs is feed. We also know that now all the feed growers have a parity ambition of their own, and are well enough organized politically to keep it as high as possible. This should mean that the upward price movement of feedstuffs would automatically advance the parity prices of poultry products. Poultrymen are concerned over this because, as I have already noted, feed accounts for about one-half the poultryman's cost of production. But, where does all this fit in the parity cookbook?

In this cookbook lies a dangerous joker that should get the prompt attention of every organization of commercial poultrymen. If it is not corrected, it spells ruin, for in this parity formula the industry faces a profit-eating progression that cannot be stopped or avoided except by a basic change. It is as mathematically fixed, and as deadly as compound interest in reverse. We all know how a $10-a-ton advance in feed prices affects poultry profits. Unless the producer can similarly advance his prices enough to equal this advance in one-half of his cash costs, he is licked. Washington seems to forget the poultryman is a farmer, too, and to him feed is just another of the items he buys. The poultry parity formula is supposed to protect him against new burdensome advances in the careful selection of items that go into their parity index and the relative values that they give these different items. On this theory I have no kick.

But does this happen? No. I feel that the importance (which economists call "the weight") given to changes in the price of feed should equal 50 percent of the total values (or weights) used in setting up the parity for poultry. This is because feed equals 50 percent of the poultryman's total costs. But the Government pencil sharpeners didn't figure it that way. They give feed price changes an importance of less than 20 percent of what the poultryman buys. This is where the horse-and-rabbit idea comes in. It means that in spite of a 50–50 cost value, as set by the voice of experience, the parity boys really set poultry prices on worse than an 80–20 basis. Since 50 percent (which is what the value should be) is more than two and a half times the figure used by the Government, this means, further, that only about 40 percent of any advance in feed prices can be used to correct poultry parity prices. In other words, for each time feed prices advance $25 a ton less than $10 of that advance can be used to move up our protective poultry parity.

What's the answer? I know it is a difficult subject to explain in simple language, but it is one that demands your own immediate study. Of course, you can coast along until spiraling feed prices gradually close out the commercial poultry flocks of the Northeast. That's one answer. Perhaps a better one would be to get your organization on the job and by supporting NEPPCO start at once to get a special poultry formula for poultry. It can be done. I don't think the U. S. D. A. willfully intends to injure us any more than I believe poultrymen willfully intend to appear stupid. This is just a case of do something now or deny that Pearl Harbor taught a lesson. It's all right to eat horse meat if you wish to; but if you think you're still getting rabbit, it's time you checked up and found out. Otherwise the local sheriff may some day tell you.

Mr. LEE. I suggest the absence of a quorum.

Mr. REED. Mr. President, will the Senator from Oklahoma withhold the suggestion for a moment?

Mr. LEE. Does the Senator desire to put something in the RECORD?

Mr. REED. I wish to refer to the colloquy I had with the Senator from Georgia.

Mr. LEE. I intended to ask for a quorum.

Mr. REED. Let me make my statement; it will take but half a minute.

In the colloquy with the Senator from Georgia I did not wish to fix the date, as one of the authors of the amendment, because it has been the subject of conference and consultation. I do not object to the fixing of a date; I am inclined to think it would be advisable to do so, but that is not a matter which any one man can settle today. It is a question for conference and discussion and agreement.

Mr. LANGER. Mr. President, I wish to read into the RECORD at this point two telegrams sent to me urging my support of the pending amendment to the joint resolution. The telegrams are as follows:

BISMARCK, N. DAK., *September 23, 1942.*
Hon. WILLIAM LANGER:

As official representative of all the farmers of North Dakota, I urge you to support proposal to amend parity formula in price-control bill, including cost of farm labor. Agriculture needs and is entitled to this protection to be on par with other industries. Have message read in RECORD.

MATH DAHL,
Commissioner, Agriculture and Labor.

MINOT, N. DAK., *September 23, 1942.*
Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.:

We strongly urge you to support the Hatch amendment to present pending price-control bill. We believe that in order to establish a just parity on agricultural commodities it is absolutely necessary to include agricultural labor in the base.

NORTH DAKOTA STOCKMENS ASSOCIATION,
L. E. ARNDT, *Secretary.*

Mr. LEE. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Overton
Andrews	Guffey	Pepper
Austin	Gurney	Radcliffe
Bailey	Hatch	Reed
Ball	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Russell
Bone	Holman	Schwartz
Brewster	Johnson, Calif.	Shipstead
Bridges	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Truman
Chandler	McKellar	Tunnell
Chavez	McNary	Tydings
Clark, Idaho	Maloney	Vandenberg
Clark, Mo.	Maybank	Van Nuys
Connally	Mead	Wagner
Danaher	Millikin	Wallgren
Davis	Murdock	Walsh
Downey	Murray	Wheeler
Ellender	Norris	White
George	Nye	Wiley
Gerry	O'Daniel	Willis
Gillette	O'Mahoney	

The PRESIDING OFFICER. Eighty-nine Senators having answered to their names, a quorum is present.

Mr. BILBO. Mr. President, I send to the desk a telegram sent to me by the board of directors of the Mississippi Farm Bureau, urging support of the pending Thomas amendment, and I ask that the telegram be read.

The PRESIDING OFFICER. The clerk will read.

The Chief Clerk read as follows:

JACKSON, MISS., *September 24, 1942.*
Hon. THEODORE G. BILBO,
United States Senator,
Washington, D. C.:

In order to prevent a serious food shortage resulting from the exodus of labor from farms and the movement of farm owners from their land, we urge you insist price-control legislation require that price ceilings on agricultural commodities must not be fixed at less than parity prices adjusted to cover all increased labor costs. We also urge a definite ceiling for wages at comparable levels with the farm-price ceiling and that the loan rate be increased from 85 to 90 percent of parity price adjusted for all increased labor costs.

BOARD OF DIRECTORS,
MISSISSIPPI FARM BUREAU FEDERATION,
RANSON E. ALDRICH, *President.*

Mr. PEPPER. Mr. President, you will recall that one day in speaking to his disciples, there fell from the lips of the Master these words: "For whosoever will save his life shall lose it: but whosoever will lose his life for My sake, the same shall save it." That certainly must have seemed a paradoxical utterance to those who emphasized the natural principle that self-preservation is the first law of life. All of us are affected most by those things which most intimately touch us; so it is a perfectly natural obligation for one to think duly and justly and fairly of one's own interests.

Yet I think if there ever were a time when it is appropriate to recall the assurance that in sacrifice there may come great reward, that time is now. In fact, this whole tragic dilemma, this conflagration which threatens to engulf the whole earth, may fairly be attributed to the violation of that principle of unselfishness to which I have referred.

It was neither the eyes nor the ears of the peoples of the earth, the citizenry of the democracies, which were incapable of perceiving the approach of this menace. It was not physical blindness, Mr. President; it was spiritual selfishness which has thrust upon us this monster which today gnaws at our vitals.

This colossal Hitler was not so mighty in the spring and summer of 1933. He was no giant in 1934. He had become no world conquerer in 1935. He was no irresistible danger in 1936. He was not dominant in 1937. Even in 1938 his pride and vanity were pricked by the resistance which was offered by Czechoslovakia—not a great nation in numbers. During all those times of his expanding power he was constantly surrounded by superior strength in people and the things with which war is made.

However, the difference between him and those around him was very material, for his was an irresistible determination to conquer, and the spirit of those who were around him, who were already earmarked as his victims, was one of selfish shortsightedness. Each Nation knew that the day of war with Hitler would come, for no free people could live in the world where his ideology should prevail, but every country, softened by selfishness, preferred to let some other gallant soldiery fight its war. Nearly all of these governments were willing—yes; anxious—to see Hitler stopped, but they did not want to stop him with their blood and treasure. It was a great deal easier to let somebody else do it while they preserved their goods and their men and thought they were preserving their old—often indolent—ways of life.

So, Mr. President, one after another the selfish nations who would have saved their lives without sacrifice lost them, and we have run a great risk ourselves, not yet passed, for the same reason. Great nation after great nation fell in the dust, nationally decapitated, under this cruel, conquering sword, because they followed the policy of selfishness and not the policy of daring unselfishness.

In private life we have seen the same thing occur. Many men who would vault to power upon the broken economic bodies of their fellowmen have at last, as the result of a policy of selfishness, found themselves the victims of mighty forces which they had unleashed and were unable to control. The mighty movement of which we in this Nation have been a part in the past few years is but the reconstructed wreckage of an economic system which the selfish of our number brought about. It is rather remarkable, Mr. President, that a man was great enough, in the person of President Franklin D. Roosevelt, to hold from the throats of the many culprits the avenging fingers of a population whose indignation might have taken all that they had.

After all, we are learning in these hectic trying days that the One who walked humbly around the shores of Galilee and over the Palestinian hills may have spoken wiser than we often thought or dared to recognize. We are constantly presented with that challenge—constantly taxed by the difficulty of embracing the larger point of view and gaining the reward which we are told upon that authority comes from spending one's self unselfishly.

Mr. President, at last we are engaged in the most gigantic, colossal, and horrible contest to which man has ever been a party. It has no limitations geographically or in spiritual and physical scope. It is man's first world war; and compared to this, that which is called the First World War was like Indian fighting compared to the holocaust of the Civil War in our land. In every area of the earth, in every theater where men may penetrate, in every land, clime, and country, men are fighting; men, women, and children are sacrificing; futures are being destroyed; and the scythe of death is taking its daily terrible toll.

Yesterday afternoon I was permitted, with others, to behold one of the strange paradoxes which this war has thrust up. A young woman about 25 years of age, well educated, cultured, having looked forward to a creative and useful life in a growing civilization, in what she had reason to believe would be a better world, has now been officially recognized as having, with her own sharp eyes, her own delicate and sure fingers, and her own steady courage, taken the lives of more than 300 men of an enemy army—a woman, Mr. President, turning from the refinement which is associated with the delicacy of woman's life to be a heroine in death upon the battlefield. This is indicative of how man's world has been overturned, his good lands drenched with blood, and the fragile flowers of his civilization tainted with the touch of odious things.

Mr. President, I was pleased to see in the morning newspaper a word of admonition from one of the Assistant Secretaries of the Navy. He said:

We are still losing this war.

He who cannot see it is blind.

Mr. President, I think Hitler can today look upon the earth and its probable conquest with more satisfaction than ever before in all his arduous struggle to the pinnacle of power. If we substitute facts for wishful thinking in a critical examination of the war, every man, woman, and child will sense shuddering in his heart; for today, with a reservoir which includes not only the people with whom he fought 4 years of world war, and their territory, but all of Europe and a part of other lands, with 200,000,000 or

more enslaved people, with all their industries, their farms, their technique, and, I regret to say, in too many cases their willing toil, and with the genius with which the devil has blessed him, he turns upon the earth the greatest danger it has ever experienced or confronted. Today he hovers over the ancient land of the gallant Russians, ready, like a great vulture, to tear it to pieces, without thought of sacrifice or cost.

The winter which destroyed the great Napoleon seems but to have given succor and renewed strength to this devil. We see no Hitler fleeing from the steppes of frigid Russia with his tattered army of 10,000 out of a grand army; no conqueror reduced to the stature of a fugitive. Not Hitler. He is not fleeing from the soil he has devastated and the people he has murdered, but reaching out his sinister arms to grasp yet greater booty for his insatiable lust.

We know from daily dispatches that he has severed the rail lines of communication between the Caucasus and the northern part of Russia. We know that he stands veritably astride the Volga. We know that he has deprived the Russian forces of the various minerals and metals in the Caucasus, the principal one of which, according to Mr. Leonard Replogle, chief of steel in the War Industries Board in the World War, has been manganese. We know that he has cut off Russia from its Caucasian oil reserves. We have reason to doubt whether Russia has been able to supplant them by other production or whether she has been able to get the critical materials which might have made possible the exploitation of the oil reservoirs which she has. With the Ukraine gone, we know how serious is the doubt as to whether Russia may be fed from its own soil. We know that as the armies of Hitler have penetrated into Russia the Russian population has steadily and inevitably diminished, and that Russia is no longer Russia. Russia is an emasculated land, a partitioned territory. Behind the Urals there may not be more than thirty or forty million people.

With their oil reserves cut off, with their transportation system to those rich areas destroyed, with even their rivers blocked by the enemy, with their agricultural lands taken away, with the nation half its former self, how long will even gallant, heroic, sacrificial Russia, whose epic is not surpassed in grandeur by any in human history, be able to stand with what aid is now apparent for her assistance?

So, Mr. President, it is conceivable that the mighty force of Hitler will slash across the Caucasus and into the Near East, and finally will pinch off and make a Hitler sea of the Mediterranean; that he may finally add to his areas the rich Valley of the Nile, and then gain the oil resources of the Near East. Then we can imagine his force divided into two prongs. One would penetrate to the West Coast of Africa, where his submarine bases will be established in greater number than probably they are now, and where will be based his bombing planes to blast the narrow South Atlantic, at that point 1,800 miles wide. We can envision his purpose to lay a great network of bombardment and destruction which would make those waters perilous or unusable by the ships of the United Nations.

Furthermore, we can imagine his always offensive strategy reaching across that narrow body of water, bringing the war to us in South America, his agitation first preparing the way for the coming of his regular forces. Then we should be fighting not a great deal nearer home than would he from his principal bases.

Mr. President, I am sure that no one who senses the historical aspiration which dominates a Hitler, a Napoleon, or an Alexander can fail to perceive that it is his inevitable purpose, which means much to him, to go along the route which conquerors have trod for ages past, until one day his green-clad legions shall march across the parched plains of old India, and he shall be able to say, as did Alexander, that he had marched from Macedonia and Libya to India and sat astride that oriental luxury which has been a challenge to every conqueror's eye and heart. Can anyone imagine Hitler stopping short of the grand, romantic East? Not particularly, in view of the fact that no doubt Genghis Khan has had more influence upon Hitler's career than has perhaps any other historical character.

Mr. President, therefore we face the real prospect that by Christmas, Hitler will be across the Caspian and on the way to India. I do not know whether it is true, but I have heard it said in Washington, by people who may know, that Hitler requested the Japs not to enter India from their side until he was ready to penetrate from his. That is not an improbable story. I can imagine how lurid an attraction to both are the riches of India.

Mr. President, if Hitler should achieve such reasonably possible aspirations with his ruthless friends, could anyone calculate the power he would possess? If he got all of those three continents—the world islands of Europe, Asia, and Africa—he would have seven-eighths of the people of the earth, he would have twice as much land area as there is in all the other land portions of the earth put together, and he would have a volume of critical and strategic materials the like of which is not in the other parts of the earth.

Mr. President, we should see him sitting there upon his bastion, behind his fortresses, his planes reaching out over every sea like hungry vultures, and his serpentine submarines squirming, piercing, roving into every part of the waters of all the seas, and with his giant guns menacingly pointed toward every possible access. With all those resources marshaled by Hitler—German organizing skill and German thoroughness the base, and Hitler's genius the apex of that colossal, miraculous pyramid of power—imagine the poor conquered peoples, weaponless, even without the means of making weapons, driven like moles into the earth to their rendezvous of temporary safety, scourged to their dungeons and their infested cots.

Mr. President, a starved, broken-hearted, broken-spirited, enslaved, subjugated Europe, Asia, and Africa could not stand against the power of a Hitler. So where is hope? Only from beyond the seas. For the one power which might possibly penetrate his vast fortresses, which might grasp him in his own domain, is the power of our country—our people, our power. If by that time, Mr. President, the British Empire should have shrunken to a group of nations with a total population of less than 100,000,000, and it stretched around the earth, one part separated from another, only Canada and South Africa, if it lasted, and New Zealand and Australia, we can understand what would lie ahead of us. If these horrible events should come to pass, then, Mr. President, would we see the magnitude of our task, the treasure it would take, the rivers of blood which would flow, the power which would have to be exercised over the minutiae of the life—social, political, and economic—of every man, woman, and child.

Mr. President, I am not reading from the Arabian Nights. I am not repeating some fancied story to frighten a child to go to sleep or to be good. I am simply pointing to a flame on the horizon. I am speaking of a conflagration approaching dangerously near. That is the kind of world in which we are living.

Mr. President, I wish I had some magic power to describe what some of our people have already sacrificed. Down in Florida a little while ago, while I was home, I went to Madison, a little town of approximately 2,700 or 2,800 persons in a quiet, old, aristocratic agricultural atmosphere. The occasion of the visit, Mr. President, of the coming together of those people who came from their little stores and farms or from their plantations was to pay homage to a Madison boy who died in a bomber half the way around the earth from that mother and father who sat upon the pedestal of honor that day. I think you may have heard his name, Mr. President. It was Colin Kelly.

The next afternoon I attended another ceremony, this time in my home town of Tallahassee. I saw stoic figures slowly marching behind a hearse. I heard the roll of drums and I saw the flash of stirring flags. Many did not appreciate the thoughts which passed behind the expressionless countenances of the mourners, Mr. President, for they were Chinese comrades of a Chinese boy who a day or so before had fallen in the flaming wreckage of a fast pursuit plane in which he was training at that base. I thought of it, Mr. President: A Florida boy dies in the Philippines, and a Chinese boy, training to fight our common enemy, dies in Florida. I thought I could see hands clasped around the earth, and that they had been sealed by the blood of Occidental and Oriental to a common cause and a common destiny.

Mr. President, perhaps some epic pen shall arise which can describe such experiences and sagas as the one of a boy of whom we read a few days ago, who wandered through the jungle in the Solomons killing four Japs, pursued from

one place to another, having the sensation he spoke of, feeling the crushing of the skull of his enemy at whom he struck with desperate force when he was alone in the jungle, and how eventually he subsisted upon snails and insects and ants, and eventually returned again to his fellow marines.

That is not a story arising from some ghastly, distorted imagination; this is not an Edgar Allan Poe horror tale. Those are American boys who are fighting this war somewhere for this people. Mr. President, we have not yet begun to fight, and already we have had nearly as many casualties as we suffered in the so-called first World War. A lieutenant general tells the people we may expect 5,000,000 casualties. If there are 5 people to a home, how many homes, Mr. President, will have crepe upon the door and a star to indicate the presence of a gold star mother in the window? How many sad hearthstones, Mr. President, will feel the touch of the warm tears of those who kneel to pray in memory of a departed son? It is not confined alone to the boys, because nothing could be nobler than the careers of the women, the nurses at Bataan; no courage could be superior to theirs. As the Vice President intimated yesterday afternoon in his remarks in recognition of the exploits of the noble Russian heroine, the women of America are as brave as any. There was a time when they, too, shouldered guns to hold back the savage, and they will do it again if sad necessity demands.

So, Mr. President, we are not meeting here today in the Senate, with its memory of great figures and its traditions, to debate upon a world series which is going on; no world championship prize fight is the spectacle upon which we look now. This is no gladiatorial contest, no bull fight, Mr. President, where gaily adorned ladies and spirited men watch a contest of force and skill. No, Mr. President; this is not a movie scene or a melodrama upon the stage. This is life and death, real life and real death, which is moving kaleidoscopically before the eyes of the world. It is life and death about which we debate, let us remember.

We sent those boys forth, Mr. President. It was the "aye" of Senators in this Chamber, from these old, honored desks, that sent forth the command to war and to death or to mangled bodies.

I wish I had not on one occasion seen the faces, or what might, perhaps, better be called the remainder of the faces of men who had been mutilated in a ghastly way in the World War. If you ever saw one, Mr. President, you would never forget it. Some of these fine, outstanding, blue-eyed, bright-countenanced boys will be slinking around every corner, Mr. President, averting the eyes even of their most beloved, for they dare not frighten them with their sorrow. It was my "aye" and your "aye" and the "ayes" of other Senators which placed the curse of war upon him and ordered him in the way of the enemy shell and the submarine.

Mr. President, that is not a light responsibility. We are dealing with death, and we are its messengers and masters, for others, too, are to die by the same command.

I think that, perhaps, we will all agree that in our private lives one of the most difficult of all tasks is to be able to see things in perspective, to see the forests above the trees. We here in Washington sometimes get the impression that Washington is real life, that this is America, a segment of which we dwell upon. Mr. President, this is a goldfish bowl here in Washington. Washington is as much the stage upon which the actors play as is this floor where we are observed by those who frequent the galleries. We are in the amphitheater, the gladiators in verbal and spiritual and intellectual combat.

This is not America here between these walls and that beneath that star-lit roof. This is an artificial atmosphere, a creation out of the land for a purpose, and by the Constitution. That, naturally, leads to the fallacy of deducing that the things we think here in Washington are the things America thinks. The people we see we think are typical Americans. In these galleries are more typical Americans than most of the people we see. We see one another, we eat together, we often dine pleasurably together, we talk together about common problems, and we live in the atmosphere of Senators of the United States. Only 1 percent of the families in the population of this country has the same income we have. Only a few have the other opportunities which are ours. But, Mr. President, coming, as Woodrow Wilson once said, out of the factories and the mines, from the farms and the market places is a loud murmur which often we can hear clearer when we come here than we can hear later—that is America; those are our people; it is they who are real and not we here.

So it is easy for one to become wrought up, excited, and disturbed that we are a party to injustice, that we do not fulfill our obligations to give adequate, fair representation to someone at home to whom we owe the obligation of responsible service.

We are inclined to believe that the few friends who come to call upon us, to tell us about a segment of our economy, an honored segment, are the people of our States. It is so easy to put a dime in front of the eye and obliterate the sun, and it is a most natural thing after receiving a sheaf of telegrams that high [indicating] to say, "My, I had no idea that public opinion in my State was so strong," and to assume that that little stack of telegrams represents the homes from which the heroes come and out of which are the heroines of the past and of the future.

No, Mr. President; the little clerk in the store, the man in the barber shop, the drayman, the common laborer, the hired hand, the cook in the kitchen, the nurse, even most professional men do not rush to the telegraph office to send us telegrams. Few of them even write a letter. To most of them writing a letter is something comparable to receiving one—it is an event. All of them cannot even write. So they have not been heard from.

Mr. President, it is also natural to assume that because an injustice may have been done by somebody else to someone in whom we are interested, or an excessive favor may have been bestowed upon another class by some agency, that we should commit a second wrong in an effort to produce right.

I wonder if this matter would not be clearer and simpler if we could imagine that we were looking back upon it from a distance of 6 or 12 months hence. I remember when the very able and great senior Senator from the State of Georgia, if he will not object to my quoting him, told me in conversation here at one time that in the early days of his distinguished tenure here he had often thought that perhaps every vote meant political destruction at the next election.

The lines would be so tightly and tautly drawn, the contest so strenuous and bitter, the animosity so high and keen he thought that surely they could never subside. Yet I was pleased to hear him say, with that wisdom for which he is distinguished, that it seldom materialized that way; that in the march of events those lesser incidents were wiped out; that these deep strokes upon the sand had been obliterated by the sweeping tides of the passing days. So I wonder, Mr. President, if we could imagine that we were casting these votes 6 months or 12 months from now, when Hitler is on the West Coast of Africa, perhaps, or the battle is drawn to a narrow area in the Near East; maybe when his legions are marching across the sands where the Arabs have been, if we could look back then at the vote today or tomorrow or Monday, when the issue was whether we would write into a law a mandatory requirement affecting one single item in the cost of a commodity or class of commodities, as compared with a public declaration of lack of confidence in the Commander in Chief of our Army, if the choice would not be easier than it will be when these hot breaths or sometimes hot words are upon our cheeks and in our ears.

After all, Mr. President, is anyone about to be done an injustice? I do not think we are faced here, in deciding the question before us, with the decision of whether we want to see the farmers of this country get a square deal or not. If we discharge our duty in such a way as to indicate that sentiment then we already convict our Government of discriminating against a class of our people intentionally and with irrevocable determination.

Mr. President, I speak for what is essentially an agricultural State, its citrus products, its potatoes and vegetables, its livestock, all the things which come out of the fallow ground of Florida. If I were to vote according to the number of telegrams I have received, and according to the letters which have come to me, some of indignation, or the telephone calls which have reached me, or the visitors to my office, it would not be a matter of conscience or judgment which would determine my course; it would be a mere matter of arithmetic, and the decision would be for the amendment of my honored friends from Oklahoma and New Mexico. I am not oblivious to the interests of the people of my fair State. They

vote upon my destiny and future. I determine my duty alone.

Nor am I a stranger to experience on the farm. It might not be an impropriety for me to say that I was born upon a 129-acre farm in east Alabama. My father bought that little place with 4-cent cotton, 3 bales of which were drawn at a time by 3 arduously laboring mules over a muddy road 12 miles to a small market, where my father went from corner to corner with his sample in his hand taking what the market gave for his labor and his toil and that of his family.

Mr. President, the rude one-room school, the rough-hewn bench, and all that went with that life, are not strangers either to my imagination or to my memory. At 10 years of age I drove the family milk cow 10 miles to the little town to which our family moved so that the boy could go to a better school. I have seen the wagons going around to take up the few furnishings which the community might give to a distressed family. I recall the services at the country church on Saturdays and Sundays and the gathering of the people at their festivals. That was America, Mr. President, and the memory of it is one of the sweetest and purest of all my life. So I come not from hard streets which have never heard the heavy, dull thud of the farmer's boots or brogans.

Moreover, Mr. President, I know something about those people. Raise a moral issue, and I defy America to respond more heartily than they. Challenge their country, and every door will close upon a patriot departing for the battle front. Uncomplainingly they live and uncomplainingly they die. The little headstones that mark their humble resting places are the adornments and recognitions of heroes.

You cannot tell me, Mr. President, that one of the members of that household, that father and mother who one day bade good-bye to a boy who looked like their hope and their promise, would, upon reflection, want their Senator to declare to their country and the Axis that they do not trust their President even to fix the prices of their commodities. He is the President who determines the size of their Army and the taking of their son. It is the President who could cut them off from every priority. It is the President who could determine the minutia of their lives with the control which he possesses over the Nation, even to the extent of what they eat. It is the President who could determine the value of the dollar they have in their pockets, and everything that means life to them. They have been trusting their President. They trust him now and expect us to trust him too.

Just one little question is presented by this fiercely debated issue. In perspective, how relatively unimportant it is. But, Mr. President, I am unaware of any injustice which has to be corrected imperatively by the amendment which is proposed. I have some figures here which, dull as they are, and as liable to error as they may be, although they come from the Office of Price Administration, and are based upon the fundamental data of the Department of Agriculture, to me are persuasive that as a whole the farmers have not been done an injustice as compared to the nonfarm population by this administration and President Roosevelt.

For example, it might be well, since it was something that had to be laboriously learned by me, to reflect somewhat upon the history of that vague and often misunderstood and misleading term "farm parity." We all know, and it has been recognized by the administration and the President, that the history of the country shows that farm prices fluctuate in periods of prosperity and depression more violently than do other economic factors. Therefore, the doctrine of laissez faire was an injustice to agriculture. The present administration, our President, set out to correct it, and I do not suppose that the best friend of the farmer would pretend that it was not under the leadership and by the will and intelligence and final approval of Franklin D. Roosevelt that the correction was written into law as the philosophy of America.

Mr. President, in order to avoid those sharp fluctuations, a gamble which agriculture could not afford, a choice was given of choosing between two principles upon which prices could be fixed. One of them was: Price equals profit plus cost. That standard well might have been chosen. For some reason, known and better understood by those who were then here, it was not adopted. They preferred, on the contrary, to relate the price of the farm commodity to the things the farmer bought, so as to give him a stable standing in the market places where goods of life were bought and sold. At that time so-called parity, or this exchange figure, did not include interest on money. It did not include taxes. It did not include certain other elements of cost. They were added in 1937. Practically all the ingredients of the cost figure are tied to the parity principle.

Mr. President, it might be appropriate to remember that during the World War farm prices rose a fraction over 100 percent. Since August 1939 they have risen 85 percent.

Mr. President, labor costs in agriculture, since August 1939, have increased 56 percent.

Thus we have prices in agriculture increasing 85 percent and agricultural wages increasing 56 percent since August 1939. So that if the ratio of prices in relation to wages in agriculture was all right in August 1939, it is still more than all right, because the disparity now is in favor of the farmer-proprietor.

But there is something else which we should properly note, and that is that the output per farm worker has increased 24 percent in the same period. Therefore the net labor cost increase per unit produced is only 25 percent.

Mr. President, I do not know why farm labor is turning out more than it did formerly. I only know that the figures I have so show. They are open to controversy by anyone. Either by reason of increased efficiency in the performance of their tasks, or better machinery with which to work, or because their soil has been improved, or because they have used more fertilizer—I can imagine it even attributable to the soil-conservation policies of the country under this same President—the output per worker has increased.

Anyway, farm prices have increased, so my figures disclose, since August 1939, 1 month before the beginning of the war, 85 percent. The gross labor costs have increased only 56 percent, and the net labor costs only 25 percent. So then it is not unfair to say, if those figures are correct, that since mid-1939 farm prices have increased 85 percent and farm labor has increased in cost 25 percent.

It would seem, therefore, that taking the country as a whole there is nothing to complain about. If it were not necessary to put wages as a factor in the parity principle in its inception nothing has occurred since then, at least since 1939, to make it proper or necessary.

But now, Mr. President, here is something else which I think is worth considering. What has happened to the average farmer in regard to his per capita income since August 1939? It has increased 115.4 percent, while the average per capita nonfarm income since 1939 has increased only 49.4 percent. That includes the millionaire, the machinist, the store clerk, and it also includes all the farm people, the proprietor as well as the hired hand.

Another thing. Since the base period of 1910 to 1914 which we accept as parity the cash per capita farm income has increased 174 percent. For the same period the per capita income in the nonfarm group has increased 101 percent. I am speaking now of what has happened since the era of parity—the period from 1909 to 1914. Therefore the income parity index is 136, which is just another way of saying that the per capita farm income since the base period of 1909 to 1914 has increased to the index of 136, whereas the per capita income of the nonfarm worker in the same period has increased to the index figure of 100.

That goes to show that however tragic may have been the plight—and it was tragic—of the farm worker in the prestandard period, nevertheless in the interim between 1914 and 1942 the farm worker on the average per capita has profited above the nonfarm worker in the ratio of 136 to 100 according to the evidence I have.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. PEPPER. I am glad to yield.

Mr. GEORGE. The Senator, of course, does not mean to say that the farmer has actually in dollars increase profited as much as other people. He means that on the percentage basis, starting from so low a figure, the increase has been so great. I understood the Senator was dealing in percentages.

Mr. PEPPER. That is correct. I will say to my distinguished friend the Senator from Georgia that I am dealing only in per capita increases.

Mr. GEORGE. On a percentage basis.

Mr. PEPPER. That is correct. Percentage increase.

Mr. GEORGE. I know the Senator would not want it understood that he was deploring the fact that the farmer had gotten that percentage increase.

Mr. PEPPER. On the contrary.

Mr. GEORGE. The actual increase is not markedly great in many instances.

Mr. PEPPER. Mr. President, I share the regret of the able senior Senator from Georgia that it has not been vastly more, that the farmer's standard of living has not been lifted to what the lowest is entitled to enjoy. But I am simply quoting history now as to how the farm class and the nonfarm class have fared with respect to their status as it existed in the base period 1909 to 1914 in relation to each other.

Mr. GEORGE. The Senator is quite right when speaking in percentages. The farmer started from such a low level; therefore naturally the percentage of increase is necessarily high.

Mr. PEPPER. I regret very much, with the Senator from Georgia, that the farmer's status was so low, and as I said, I am anxious to increase it, but I am speaking of what has happened, percentagewise, in the period from 1910–14 to 1942.

Mr. President, I think it is not improper for us to recall some things which should be the basis for offering a word of caution even to those of us who are honest advocates of our farmers' cause. It is also history, very sad history, to a large portion of our people, that during the last war the farmers of this country had about 4 years of good times and thereafter 15 years of terrible times.

Mr. President, I do not think it irrelevant for us to consider what happened then in respect to the bearing that it may have upon what is considered now, for this reason. We all know that farm prices in that period exceeded in relative gain, during the height of the war era, industrial wage increases. We remember that cotton was selling at 30 to 40 cents a pound, and that sugar, for example, went to 5 pounds to a dollar, and other commodities went to tremendous heights in price and cost. Then we remember the deflation, the decline. Over the precipice went agriculture and carried with it a large part of the economy of America and immeasurable, incalculable tragedy and heartache and sacrifice.

Mr. President, we all know that we have been subsidizing agriculture ever since 1933 and maintaining what has been relatively an artificial price level in the major crops of this country. We all know that now we are living in a world where other nations are not in a position to produce for the world market, while we are. If we continue to increase agricultural prices, it will sometime be but a mirage which we hold before the anxious farmer. One day he will clutch at something which he thinks will cool his parched lips, only to find the hot sands that drive him to greater discomfort and disaster.

So we cannot lift ourselves by our bootstraps continually and unceasingly. That raises the question: Is it not better to find some appropriate and fair equilibrium among all classes of our people—an equation in which each factor may have its right place and each shall move with the other in proper and just relationship with fairness for all?

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HATCH. The Senator did not give the source of the figures and computations which he used. Does he mind doing so?

Mr. PEPPER. I am glad to have the inquiry. I stated—perhaps while the Senator was absent from the Chamber—that the figures were given to me by the Office of Price Administration. It was stated that they were based upon the fundamental data available in the Department of Agriculture. If it is desired, I shall be very glad to name the person who gave them to me.

Mr. BUTLER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Florida yield to the Senator from Nebraska?

Mr. PEPPER. I yield.

Mr. BUTLER. Am I correct in the impression I have gained from the Senator's remarks, that it is better to endeavor to reach a reasonable level for commodity prices and maintain them there than to allow them to become greatly inflated, and that such a policy would be for the benefit of all?

Mr. PEPPER. That is correct.

Mr. BUTLER. Even now, commodity prices are far below what they were during the first World War.

Mr. PEPPER. That is correct.

Mr. BUTLER. How about wages?

Mr. PEPPER. I was about to give some figures. Agricultural prices are lower than they were during the first World War, and wages are generally said to be higher.

Mr. BUTLER. Would the same rule which the Senator advocates with respect to maintaining reasonable prices for commodities apply to wage scales?

Mr. PEPPER. It would. Both are subject to the same principle. What we are striving for is to find a principle which will subject all factors to the same discipline of fairness, as it were.

Mr. President, I venture to offer some further figures. The increase in cash farm income for 1942 as compared to 1939 is 73 percent. I am speaking now of farm income, and the percentage of increase in 1942 as compared with 1939. The latest available figure is 73 percent. That is for all farm income.

The percentage of increase for nonfarm income, that is to say, total wages and salaries, including overtime, double time, and other wages and salaries in the highly skilled as well as the unskilled industries, in the war industries, and in the nonwar industries since 1939 is 75 percent. Bear in mind those figures. They are not disputed. The total increase from 1939 to 1942 for all farm income is 73 percent. The total increase from 1939 to 1942 for nonfarm income is 75 percent. Does that represent an enormous disparity?

Mr. LANGER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LANGER. Does the Senator have the figures showing the increase in nonskilled labor alone?

Mr. PEPPER. I have.

Mr. LANGER. Will the Senator give those?

Mr. PEPPER. I have some interesting figures which account for much of the emotionalism which rather naturally has been aroused over this issue.

When we think of the farmer we think of the small farmer, the tenant farmer, or the hired hand. As opposed to him, we think of the skilled worker in the airplane factory or the shipyard, who is making an average of $50 a week, even though he may be little more than a high-school boy. His cheeks may still be ruddy, and his voice may not yet have become heavy. It is that situation, Mr. President, which causes us to feel that something ought to be done. We say that it is not fair to allow a farmer's cotton price to be increased a little, or his corn price to be increased a fraction, or his wheat price increased a trifle, while at the same time enormous wage subsidies are allowed by an overzealous War Labor Board. It may justly be said that such action is erroneously countenanced by the President. He is considerably at fault. I think there has been error in some of the wage policies. I do not think they have been tied closely enough to other economic factors. The War Labor Board, without having the power and duty to adjust other factors, has been committed to a field which is special, and has therefore naturally produced a lack of equilibrium in the economic structure.

However, Mr. President, if we should adopt the principle which has been advocated by able and distinguished Senators, we should be attempting to make one right out of two wrongs.

It is an error to believe that the instances in which that condition may have applied are characteristic and universal in nonfarm groups. They are not. Let me give some figures which came from the same sources as those to which I have already referred.

The first category is general. From 1939 to 1942, in all nonagricultural establishments, in which 41,000,000 persons were employed, the average weekly earnings have increased 28 percent; average hourly earnings 17.8 percent; real average weekly earnings—which means earnings adjusted for the 19-percent increase in the cost of living—have increased 8.8 percent; real average hourly earnings, with the same adjustment for the cost of living, have increased 0.1 percent. The average number of hours worked has increased 6.5 percent; and the number of man-hours worked has increased 26.1 percent. The volume of employment has increased 18.3 percent. That is a generalization of the several specialized groups to which I am about to refer.

In all manufacturing industries, which include 11,000,000 workers, the average weekly earnings have increased 52.7 percent since 1939; the average hourly earnings during the same period have increased 31.1 percent; the real average weekly earnings have increased 29.8 percent; the real average hourly earnings have increased 11.4 percent; the average number of hours worked have increased 12.1 percent; the number of man-hours

worked, 54.5 percent; and the volume of employment, 37.8 percent.

It will be seen that weekly earnings in manufacturing industries, in which only 11,000,000 workers are employed, have had a gross increase of 52.7 percent.

Take the mining industry: In the mining industry the average weekly earnings have increased 35.5 percent; the average hourly earnings, 18.6 percent; the real average weekly earnings, adjusted for cost of living, have increased 15.2 percent.

In the construction industry, which has about one and a half million workers, the average weekly earnings have increased 37 percent; the average hourly earnings, 17.5 percent; the real average weekly earnings have increased 16.5 percent; the real average hourly earnings, 0.2 percent, or less than 1 percent.

In transportation and public utilities the gross weekly earnings have increased only 19 percent. The real average weekly earnings have increased only 1.1 percent since 1939. The average hourly earnings have increased 12.9 percent, and the real hourly earnings have decreased 4.1 percent.

In trades and related establishments, which category includes all the merchant class, the shop girls, the clerks, and storekeepers, the gross increase in percentage of weekly earnings has been 11.1 percent; the real average weekly earnings are represented by a figure of minus 5.6 percent. In other words, in that classification the wages have been reduced 1½ percent plus. There has been no increase since 1939. The increase in average hourly earnings since 1939 has been 13 percent; the figure for real average hourly earnings is minus 4.1 percent. In that category the workers are receiving less money per week and per hour. They can buy less since 1939.

What about government workers? I do not mean only those who work for the United States Government. I mean workers of all governments, including local deputy sheriffs, local police and firemen, clerks in municipal offices, and all those who are employed by public bodies, local, State, or National.

Since 1939 their average weekly earnings have increased 16.1 percent. However, in terms of weekly earnings their real situation shows a decrease of 1.3 percent. Their salaries and wages have been cut since 1939. It is they whom we ask to pay more for what they buy, when already they are receiving less than they once received. Their average hourly earnings increased 4.3 percent, but their real average hourly earnings decreased 11.5 percent. Since August 1939, up to the summer of 1942, their wages and their salaries have diminished by more than one-tenth. Mr. President, the burdened municipalities, counties, and States would be called upon for further exertions to raise salaries and wages if they were to be raised at all. The few wages that we propose to raise by Federal Treasury subsidy are a great deal less than the whole number.

Let me say in passing that, of course, the figures I have given relate to the period from the last month before the war, namely, August 1939, as related to the last available figures in 1942, the last month for which data are available.

Let me give one other set of figures, Mr. President. During the same period the financial services—the runners for the banking houses or the clerks in the banks or countinghouses or little financial institutions of some sort, as well as the employees of banks, have averaged an increase in wages of 9.6 percent. In terms of weekly earnings the real situation is a loss of 5.8 percent. For the same period hourly earnings increased 9.7 percent; but the real situation is a decrease of 6.8 percent, in terms of hourly earnings for the same period.

So, Mr. President, the few people in the war industries whom we observe receiving great wage increases under the impulse, often mistaken, of the War Labor Board constitute a relatively small part of the whole picture. We must not confuse the whole economy with the exaggerated part upon which the spotlight of criticism—sometimes of just criticism—has been turned. We are not a war labor board passing upon a case.

We are legislating for the country, Mr. President. We are fixing farm prices for all purchasers, not just those who work in the airplane factories, the shipyards, and the ordnance plants of the Federal Government. So we must remember that when the farmer who has had a price increase of 85 percent since 1939 is heard we should also think of the people who have had salary diminutions during the same period, and who today are receiving less in terms of purchasing power than they were then. Suppose they, too, were to ask for parity. Then who would vote the subsidy to increase their salaries and their incomes?

Mr. TYDINGS. Parity begins at home.

Mr. PEPPER. Yes, Mr. President; all of us want parity—but parity for whom? Not for just a few, Mr. President. It is not fair to provide parity for just a small portion of the people, and thus inflict injustice upon a far greater number. I venture to say that ofttimes we have confused the issue. Because big wages, high salaries, and large bonuses are paid to a few, we think that everyone in America is profiting from the war. That is not true. Many a man is getting less, many a girl has already had to reduce her standard of living.

I venture to say that in Washington there are girls who do not get enough to eat and who cannot live decently on the small salaries that even now they are being paid—incomes of $1,000 or $1,400 a year for clerks and girls working in stores throughout the country. How would any Senator like to face the prospect of his daughter living on a salary as small as that of a girl working in a 5-and-10-cent store, who has to buy clothes, medicine, and to seek wholesome recreation?

Therefore, Mr. President, that leads me to the conclusion that, if those facts are correct, there has not been a disparity against all farmers as compared to all nonfarm workers. Taking all the farm population and all the nonfarm population, ignoring the special few who are a conspicuous exception, each class has fared about alike—the farm group has had an increase of 73 percent while the nonfarm group has had an increase of 75 percent. The difference is not sufficient to make any particular disparity to challenge us not to respect the need in time of war for a vote of confidence in the President of the United States. Is not the confidence of the people of the country in their President worth 2 percent, Mr. President?

Now let me speak briefly regarding what has happened with respect to another matter. That is the statistics regarding the cost of living. It is stated that since August 1939 the total increase in the cost of living has been 19 percent. Therefore, in deciding these matters we must remember not only the conspicuous few persons who receive high wages in specialized war industries, but we must remember the seven and a half million Americans—men and women, boys and girls—who still receive less than the minimum fixed by the wages-and-hours law, the Fair Labor Standards Act of 1938—seven and one-half million persons receiving less than 40 cents an hour in America today. Raise the cost of living for them another 12 percent, and would not they have a right to ask for parity? Then should not we write into the law a provision—

Provided, however, That the prices fixed by wages in this country shall not give to the worker in the humble group less than a parity wage in respect to agricultural and other labor.

Mr. President, I think I should say that all of us know that the seven and a half million persons receiving less than 40 cents an hour have been shown to spend 45 percent of their income upon food alone. So half their total income goes to nourish their bodies. Mr. President, the wages they are known to receive are just enough to provide for necessities, nothing for luxuries. It is from their homes that are coming many of the men who today are being rejected by the draft boards; and, Mr. President, it is their economic condition which is forcing America to lose the services of what should be gallant and heroic soldiers.

Mr. President, at this point I shall pause to say something which politically I should not say; it will cost me votes in my State: Mr. Ed. O'Neal, the head of one great farm organization—fine gentleman that he is—has, as it appears to me, been a great deal more concerned about the better class farmer than he has about the poor devil at the bottom of the ladder. I have stood on this floor with other Senators who now hear my voice and have fought for farm security appropriations for the poorest farmers combated by a bitter lobby from Mr. O'Neal. Mr. President, I say that politically I should not say that. That will lose votes; because they are organizing in my State—and I am glad to see them organize; I wish all farmers were organized as well as the labor unions.

However, Mr. President, I am talking about history, not about politics. I remember that in 1933 or 1934 those gentlemen came clamoring to their Congress and their President. They ap-

pealed for his succor, and they deserved it. It is significant, Mr. President, that they received it. They got soil-conservation payments, they got crop allocation, they got the improvement of their soil, they got a splendid agricultural policy—I challenge history to show a better one.

But, Mr. President—and likewise I should not say this—I think that, somehow or another, if I do not squelch it, I hear coming up into my consciousness the moving words of the greatest of analysts, who understood so much about the frailties of humanity:

But 'tis a common proof,
That lowliness is young ambition's ladder,
Whereto the climber upward turns his face;
But when he once attains the upmost round,
He then unto the ladder turns his back,
Looks in the clouds, scorning the base degrees
By which he did ascend.

Those gentlemen have often come to their Congress expecting and receiving help. I have always voted for their assistance, and I always shall; but, Mr. President, it cuts me to the heart to have them turn the finger of scorn upon the poor devil who is the poorest farmer, the tenant or the hired hand, as I have been, but in whose heart is aspiration as keen and as lofty as can beat in the human breast.

So, Mr. President, when we speak about democracy and about justice it is all a question of for whom we are speaking. I mean by "democracy" the whole people not only of America but of the world. I do not deny liberty to any man, nor would I stifle his aspiration for personal justice; and that applies to nations as well as to individuals.

Perhaps I should not have said so much, Mr. President, but I ought at least to emphasize that there are only 100,000 more than 4,000,000 persons altogether employed in war production. All of them added together in all the war industries, I am told, equal only 4,100,000, and only a million and a half are engaged in all construction work, war and other work.

I know how galled we have been in our communities where perhaps camps have been constructed and a man who hardly knows a hammer from a saw or a square marches down and qualifies for a job under the agency of a labor union, which gets a fee for his employment, and who receives a wage of $10 or $15 a day as a carpenter. In my State sometimes the workman pays as much as $50—I know of witnesses who told me of $50 fees—to the representative of a labor union for getting the job. My fidelity to organized labor—and my record shows my fidelity—does not compel me to defend or approve that kind of vicious practice, I do not care who indulges in it or where it is indulged. Naturally, the farmer in such a community who sees his workers snatched away from him resents it, as he should do.

Mr. President, I should like to refer to another point. It is argued by our able friends that just such a situation as that prevails all over America; if it is not a camp that attracts farm labor it is a shipyard or a munitions factory or some other work related to the war, and, therefore, there will not be any labor upon the farm unless we adopt the pending amendment.

Mr. President, we ought to remember the words of that eloquent Virginian who spoke of the lamp of the past being the only dependable guide for his feet. I have before me the record of the hearings in the House of Representatives on the joint resolution, and particularly page 211. On that page there are two charts. The bottom chart purports to show that during the World War agricultural prices went up from 100 to over 200, and that the volume of agricultural production did not perceptibly increase. That leads me to deduce, although another Senator might make a different inference, that the answer to the question of adequate supplies of farm labor is not in adopting this amendment. That depends, Mr. President, upon two factors. The first is that production relates fairly to profit from production, not to the price the farmer gets for his commodity. If, therefore, we want to make it possible for the farmer to compete with the factory we have got to make it possible for him to meet that competition in terms of profit and not price. The farmer never will be able, I venture to say, to pay as much for a worker upon the farm, hoeing or plowing or even running a machine or milking the cows or tending the animals, as an airplane factory will be able to pay a mechanic, and, if that is what we are thinking of, we had just as well abandon it or admit inevitable chaos for all in this country.

No, Mr. President. As I say, there are only two ways to put workers upon the farm. The first is to assure the profit of the farmer, and the second is an adequate, efficient, and just control of the manpower of the country. I, at least, do not know of any other way than those two.

I mean, Mr. President, that the farmers, of course, have got to be considered in respect to the price of labor. I mean, of course, that a man cannot be a free agent in a controlled economy in time of war, whether he be a civilian or a soldier. We have not been able to go home always when we wanted to; we have not ourselves been free agents; neither are soldiers or most civilians. Universal service according to a man's ability is a man's duty in war. If he is young and strong and able and courageous, from the beginning of time he has been at the front. If he is old and time has pressed heavily upon his weakened shoulders, if it has kissed his brow with frost and dimmed his eyes, then, Mr. President, he was a proud member of the home guard, and glad that he was able to fill some part in the struggle.

This is a new kind of war. If we had every man at the front we would lose the war in a day, because the men at the front could not be maintained. I was told by an employee in the War Production Board that they were a thousand men short in the production of an essential mineral without which our war industry could not go forward, not a gun could be shot. We cannot take all the men and put them at the front and put nobody in the mines or on the farm. Therefore, that was responsible, if I may be permitted to say so, for my offering a resolution here a few days ago requesting that a committee of Senators be appointed by the Vice President to study the whole question of manpower in relation to agriculture and war industries and other activities that have to do with our inevitable victory.

So I venture to say that those who fear for agricultural production have not offered an answer in the amendment which able Senators so strongly present.

Mr. President, I have already indicated that I thought that there was a grievous ground for question as to the policy of the War Labor Board in taking as a base for their determination of wage increases the period of January 1941, instead of going back to a base period such as August 1939.

Mr. President, I should like to sum up by saying that I venture to believe, first, that the position of the farmer today is not one that entitles him to so violent a remedy as a public vote of lack of confidence in the President of the United States. Second, his increase in income per capita has been 73 percent and wage earners' increase has been 75 percent since 1939.

Third. The increase in farm prices will not increase farm production, as is evidenced by the table to which I have referred, showing our experience during World War No. 1.

Fourth. Inflation will enormously increase the war cost. During the last war there was a cost of $31,000,000,000 to the country. It has been estimated that inflation alone cost 13.5 of those billions.

Fifth. We are told that already we have appropriated $225,000,000,000 for this war and that at least $75,000,000,000 of that can be attributed to the inflation we have already allowed.

Sixth. We face a period when, if the inflationary spiral is not stopped, it will mean a sapping and emasculation of the whole war effort. I should say that inflation is the fourth member of the Axis. Inflation can do inside America just what Hitler would strive to do with his saboteurs and his fifth columnists, but do it more dangerously and more effectively. All the saboteurs he might land on all our coasts could not approximate the danger to the stability and the strength of America which would be caused by an inflationary spiral which would mean that every one would have achieved a pyrrhic victory.

What is the remedy, therefore? The only fair principle of which I know is the vesting in some agency not only of the authority but the duty to do justice by all segments of our people. I believe the President is sensitive of the need of justice to every class of America. I know he has access to the facts. I know he wants to know the facts, and will know them. I know he means it when he says, "I will stabilize wages."

If I believed that the President would put a ceiling on agricultural commodities and let wages go out of fair proportions I would distrust that President, and justly condemn him. But I do not belive that he would do that. I believe it

is the President's purpose, in the enactment of the pending measure, for the first time to get his hands on the reins of all these many horses, and keep them together, pulling in harness and pulling the machinery of American victory. I believe it is not only our duty to trust him, but that of necessity we must. There is no way around it as a practical matter.

We could not determine by the language of the law itself what should be the rule about priorities. We would not be able to fix, in the selective-service law, the principles of agricultural and industrial deferment. We could not determine how many soldiers the military might need or how many airmen or sailors we must have.

We had no way of writing into the statute the provision as to where a man must serve in the Army or in the economy of the country. All those things had to be left to the discretion and the wisdom and upon the conscience of the President of the United States of America. The compromise upon which we are to vote after voting upon the pending amendment specifically makes it the duty of the President to fix prices of agricultural commodities so there will be all necessary production and so increased cost in farm labor will be fully reflected. That is full. That is fair.

So Mr. President, I do not think I am abandoning the interest of those many farmers in Florida for whom I am solicitous when I trust the President to do his duty which we will define. No one has tried harder to serve them justly than I. But I know that the only way the whole public interest can be served is by prescribing the general principles for his guidance, and then by laying it at the feet of the President and saying, "Mr. President, we challenge you to save America from inflation; to do justice by all our people before man and God."

I know that there are none more anxious to do their part in the war than the farmers, who are the bone and sinew of America, its heart, and its blood. As they have been the first to defend it, they will be the last to let it down. They will do their part like loyal soldiers, following and trusting their Commander in Chief. They will not at home tell their sons at the front that their Commander in Chief is a betrayer; that they will not believe in him under whom their sons offer themselves a sacrifice.

And farmers and all who trust that great man in the people's White House will find that in their unselfishness they have found their just reward; that, as was assured by the Lowly Nazarene, to them who sacrifice will come the final triumph and victory.

Mr. CLARK of Missouri. Mr. President, Wednesday I sent forward and had printed an amendment in the nature of a substitute for the pending joint resolution. It is my purpose to offer the substitute at the conclusion of the consideration of the various amendments. In the meantime I ask that, for the information of the Senate, the proposed substitute be printed in the body of the RECORD.

The PRESIDING OFFICER (Mr. HILL in the chair). Is there objection?

There being no objection, the amendment intended to be proposed by Mr. CLARK of Missouri, was ordered to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That in order to aid in the effective prosecution of the war, the President is authorized and directed on or before November 1, 1942, notwithstanding the provisions of any other act, to issue a general order stabilizing prices, wages, and salaries affecting the cost of living, and such stabilization shall be on the highest levels which existed between January 1, 1942, and September 15, 1942.

"SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this joint resolution, and may exercise any power or authority conferred upon him by this joint resolution through such department, agency, or officer as he shall direct.

"SEC. 3. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

"(b) Any person who willfully violates any regulation promulgated by the President under this joint resolution relating to wages or salaries shall, upon conviction thereof, be fined not more than $1,000.

"SEC. 4. The provisions of this joint resolution, and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe."

Mr. THOMAS of Oklahoma. Mr. President, yesterday a Member of the Senate made a rather caustic attack on some citizens of the United States. Those citizens have addressed a communication to the Senator from New Mexico [Mr. HATCH] and me. I think they are entitled to have their position stated in the CONGRESSIONAL RECORD, and I ask unanimous consent that the letter be read at the desk.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will read.

The legislative clerk read as follows:

SEPTEMBER 25, 1942.

Hon. ELMER THOMAS,
Hon. CARL A. HATCH.

MY DEAR SENATORS: A Member of the United States Senate took occasion on the floor of the Senate yesterday to attack in the most extreme manner farmers and farm organizations because they exercised their constitutional right to petition Congress and to present their recommendations to Congress in order to meet the critical food situation. This issue will not be solved by name calling, but by a careful consideration of the facts.

The farm leaders who were singled out for attack on the floor of the Senate yesterday are elected by the farmer members of their organizations. They are expressing the convictions and recommendations of these millions of farmers who produce the great bulk of the food and fiber of the Nation. All of the national farm organizations, except one with a very small membership, are in agreement on the necessity for the Thomas-Hatch amendment.

Farmers cannot understand why they and their organizations should be subjected to abuse and vilification, and even be accused of "a crime against the President of the United States," merely because they ask that farmers' increased wage costs be included in maximum-price ceilings on agricultural commodities. They cannot understand the attitude of those who give their approval to cost plus for industry and industrial labor, but demand cost minus for farmers.

Farmers are straining every effort to produce the greatest supply of food in the history of the country, working from 70 hours to as high as 100 hours per week yet receiving the lowest pay of any group in the Nation. At the same time, factory workers on the average are working only 42 hours a week with time and a half and double time for overtime, in addition to the highest wages in the history of the Nation.

We feel it is most unfortunate that this whole matter is being portrayed before the Nation by administration spokesmen and much of the metropolitan press as a contest between the President and the Congress, instead of facing the desperate realities that lie ahead of us. Neither the Congress nor the farm organizations initiated any such contest. Congress is rightly carrying out its constitutional responsibility to enact the laws by which our Nation is governed. The thing of vital concern to farmers and to the Nation is not which side is going to win on Capitol Hill, but whether we are to preserve constitutional government in this country and enable farmers to produce the maximum food and fiber needed to win the war.

It is appalling that there is so little understanding of the gravity of the food situation. Unless farmers are enabled to meet their rapidly rising wage costs, it is our considered judgment that the Nation is headed for a major catastrophe in its food supply next year—particularly in the production of poultry, dairy products, livestock, sugar, and certain fruits and vegetables, in which labor is such a major cost factor. Two million workers have already left the farm, and the Department of Agriculture estimates that at least a million more workers may leave the farm next year. The situation has already become so acute that plans are now under consideration for rationing meat and probably dairy products. We are seeking to give to Congress our best judgment and to recommend a policy which we believe is essential in order to secure the maximum production of food and fiber so vitally needed for the winning of the war.

With these objectives in mind, we cannot give our approval to the so-called compromise which leaves entirely to administrative discretion the adjustments of price ceilings to take account of increased farm wage costs. The record of administration of the Price Control Act to date does not justify leaving this fundamental policy entirely to administrative discretion.

We are solidly behind the Thomas-Hatch farm labor amendment, and leave to those who would defeat it the responsibility of feeding the Nation.

Sincerely yours,

A. S. GOSS,
Master, National Grange.
C. C. TEAGUE,
President, National Council of Farmer Cooperatives.
H. E. BABCOCK,
First Vice President, National Council of Farmer Cooperatives.
CHARLES W. HOLMAN,
Secretary, National Cooperative Milk Producers Federation.
EDWARD A. O'NEAL,
President, American Farm Bureau Federation.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

By Mr. CONNALLY, from the Committee on Foreign Relations:

W. Garland Richardson, of Virginia, now a Foreign Service officer of class 7 and a secretary in the Diplomatic Service, to be also a consul;

Thomas L. Hughes, of the District of Columbia, now a Foreign Service officer of class 1 and a secretary in the Diplomatic Service, to be also a consul general;

Anthony J. Drexel Biddle, Jr., of Pennsylvania, now Ambassador Extraordinary and Plenipotentiary to Poland, serving concurrently as Envoy Extraordinary and Minister Plenipotentiary near the Government of Yugoslavia, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary near the Government of Yugoslavia now established in London; and

Anthony J. Drexel Biddle, Jr., of Pennsylvania, now Ambassador Extraordinary and Plenipotentiary to Poland, serving concurrently as Envoy Extraordinary and Minister Plenipotentiary near the Government of Greece, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary near the Government of Greece now established in London.

The PRESIDING OFFICER (Mr. HILL in the chair). If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. BARKLEY. I ask that the nominations in the Navy be confirmed en bloc.

The PRESDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the Executive Calendar.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the President be immediately notified of the nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS TO MONDAY

Mr. BARKLEY. Mr. President, it is my purpose to move a recess until Monday at 12 o'clock noon. I hope at that hour to obtain the floor to address the Senate upon the amendment now pending. I therefore move, as in legislative session, that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 24 minutes p. m.) the Senate took a recess until Monday, September 28, 1942, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 25 (legislative day of September 21), 1942:

IN THE NAVY

TEMPORARY SERVICE

To be rear admirals

Harry W. Hill	James M. Irish
Claud A. Jones	Harold T. Smith
Alexander M. Charlton	Thomas B. Richey
Joseph J. Broshek	Charles L. Brand
Sydney M. Kraus	Ernest M. Pace, Jr.

To be medical directors

William Chambers
Kent C. Melhorn

To be pay directors

John F. Hatch
Emory D. Stanley
Fred E. McMillen

To be civil engineers

Henry G. Taylor
Gaylord Church

POSTMASTERS

FLORIDA

Morton O. Brawner, Pensacola.
Dwight W. Shower, Safety Harbor.
Jerald W. Farr, Wauchula.

MINNESOTA

Elizabeth E. Trench, Dennison.
Aloysius I. Donahue, Elk River.
Dean M. Alderman, Grey Eagle.
Lee L. Champlin, Mankato.
Chester J. Gay, Moose Lake.
Elmer Backer, New Ulm.
Andrew Reid, South St. Paul.
Paul J. Arndt, Stillwater.
Daniel M. Coughlin, Waseca.

MISSOURI

Charles C. Oliver, Bloomfield.
Otis D. Kirkman, Cabool.
Harrison R. Porter, Conway.
Richard W. Marsden, De Soto.
Sadie G. Morehead, Milan.
Walter E. Duncan, Newburg.

NEBRASKA

Margarete C. Phelps, Valentine.

NEW HAMPSHIRE

Joseph A. Gorman, Durham.
Willis E. Herbert, Franconia.
Richard U. Cogswell, Warner.

NORTH CAROLINA

William R. Young, Badin.
Berta B. White, Ellerbe.
Stephen C. Clark, High Point.
Robert T. Teague, Newland.

WISCONSIN

Arthur C. Finder, Ableman.
Perlee W. Dickey, Black River Falls.
Charles L. Haessly, Ellsworth.
John T. Tovey, Fremont.
Frank Heppe, Kewaskum.
May K. Powers, Lake Geneva.
Hildegarde Thering, Plain.
Joseph P. Kelly, Richland Center.
Adelbert O. Randall, Rosendale.
Alfred H. Hadler, Thiensville.

SENATE

MONDAY, SEPTEMBER 28, 1942

(Legislative day of Monday, September 21, 1942)

The Senate met at 12 o'clock noon, on the expiration of the recess.

The Reverend Edwin J. Lee, A. M., pastor, St. Thomas More Church, Arlington, Va., offered the following prayer:

Let us pray: O Lord, who hast brought us through such vicissitudes of conflict and adversity, be pleased to hear our prayer. Grant to these Senators of these United States the gift of wisdom, understanding, counsel, knowledge, piety, and fear of the Lord, that upon their hearts and their minds and even on their lips there may be emblazoned the slogan of the Crusaders of old, God wills it. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, September 25, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

SENATOR NORRIS, OF NEBRASKA

Mr. HILL. Mr. President, the people of Nebraska are to be congratulated. They have again demonstrated their wisdom and their patriotism. The press tells us that they have filed petitions qualifying the senior Senator from their State, Senator GEORGE W. NORRIS, to run for reelection in the November elections and calling on him to run.

The action of the people of Nebraska will be heartening to the people of the entire Nation. We in the Senate, of course, do not always agree with the Senator from Nebraska on all matters, but the action of the people of Nebraska is indeed heartening to us here.

A few weeks ago one of the leading publications in the country well spoke of Senator NORRIS as the conscience of the Senate. Through all the stress and storm of the years in which he has served in the Senate, his integrity has stood forth as the shadow of a great rock in a weary land.

In this critical hour in the history of our country we need Senator NORRIS' services in the Senate more than ever. The very compulsion of the hour demands that he remain in the Senate. We need the example of his character and his courage; we need the wisdom of his counsel; we need the guidance of his leadership. I believe that I speak the sentiments of every Member of the Senate when I express the wish and the hope that Senator NORRIS may answer the urgent demand of the hour, that, like a soldier, he may respond to his country's call and continue his great service in the Senate.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names.

Aiken	Bone	Capper
Andrews	Brewster	Caraway
Austin	Bridges	Chandler
Bailey	Brooks	Chavez
Ball	Brown	Clark, Idaho
Bankhead	Bunker	Clark, Mo.
Barbour	Burton	Connally
Barkley	Butler	Danaher
Bilbo	Byrd	Davis

Downey	McCarran	Shipstead
Doxey	McFarland	Smathers
Ellender	McKellar	Smith
George	McNary	Spencer
Gerry	Maloney	Stewart
Gillette	Maybank	Taft
Green	Mead	Thomas, Idaho
Guffey	Millikin	Thomas, Okla.
Gurney	Murdock	Thomas, Utah
Hatch	Murray	Tobey
Hayden	Norris	Tunnell
Herring	Nye	Tydings
Hill	O'Daniel	Vandenberg
Holman	O'Mahoney	Van Nuys
Johnson, Calif.	Overton	Wagner
Johnson, Colo.	Pepper	Wallgren
Kilgore	Radcliffe	Walsh
La Follette	Reed	Wheeler
Langer	Reynolds	White
Lee	Rosier	Wiley
Lodge	Russell	Willis
Lucas	Schwartz	

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] is absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] and the Senator from Virginia [Mr. GLASS] are necessarily absent.

The Senator from Missouri [Mr. TRUMAN] has been called to his State on important public business, and is therefore necessarily absent.

The VICE PRESIDENT. Ninety-two Senators have answered to their names. A quorum is present.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PROPOSAL TO PLACE OFFICE OF SECRETARY OF THE TERRITORY OF ALASKA UNDER CLASSIFIED CIVIL SERVICE

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to place the Office of the Secretary of the Territory of Alaska under the classified civil service (with an accompanying paper); to the Committee on Territories and Insular Affairs.

PERSONNEL TRANSFERS BETWEEN DEPARTMENTS AND AGENCIES

A letter from the United States Civil Service Commission, transmitting, pursuant to section 204 of the act of July 25, 1942, a report on personnel transfers between the executive departments and agencies (with an accompanying report); to the Committee on Appropriations.

REPORT OF BOARD OF ACTUARIES OF THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND (S. Doc. No. 248)

A letter from the United States Civil Service Commission, transmitting, pursuant to law, the Twenty-first Annual Report of the Board of Actuaries of the Civil Service Retirement and Disability Fund for the fiscal year ended June 30, 1941 (with an accompanying report); to the Committee on Civil Service, and ordered to be printed.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

Petitions bearing the signatures of 37 citizens of the State of New York, 54 citizens of the State of Oregon, 28 citizens of the State of Rhode Island, and 314 citizens of the State of Washington, praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. CAPPER:

A resolution adopted by the Butler County (Kans.) Bankers Association, protesting against certain activities of production credit associations and the competition of such associations with the banks; to the Committee on Banking and Currency.

A petition, numerously signed, of sundry citizens of Concordia, Kans., praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

PROHIBITION OF LIQUOR SALES AND SUPPRESSION OF VICE AROUND MILITARY CAMPS—PETITIONS

Mr. BONE. Mr. President, I ask consent to present for appropriate reference three separate petitions from citizens of my State praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments.

I wish to make a brief statement so as to have reference appear in the body of the RECORD as to the presentation of these petitions.

The first petition is from members and friends of the Seventh-day Adventists Church of Walla Walla, Wash. The second is from a group of citizens in Everett, Wash. The third petition is from a group of citizens of my State residing in and about Elma, Wash.

The VICE PRESIDENT. Without objection, the petitions presented by the Senator from Washington will be received and lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CLARK of Idaho, from the Committee on Interstate Commerce:

H. R. 7121. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; with an amendment (Rept. No. 1617).

By Mr. HATCH, from the Committee on Public Lands and Surveys:

S. 2398. A bill authorizing the sale of certain parcels of land reserved for public purposes in the patent issued with respect to the town site of Fletcher, Okla.; with amendments (Rept. No. 1618);

S. 2635. A bill to provide for granting to the State of New Mexico the right, title, and interest of the United States in and to certain lands in New Mexico; without amendment (Rept. No. 1619);

S. 2691. A bill to facilitate and simplify collection procedure in the Department of the Interior; with an amendment (Rept. No. 1620);

H. R. 5719. A bill to abolish the Guilford Courthouse National Military Park Commission, and for other purposes; without amendment (Rept. No. 1621);

H. R. 6601. A bill to reorganize the system of land offices and land districts in Alaska; without amendment (Rept. No. 1622); and

H. R. 6657. A bill to authorize the acceptance of donations of land for the construction of a scenic parkway to provide an appropriate view of the Great Smoky Mountains National Park from the Tennessee side of the park, and for other purposes; without amendment (Rept. No. 1623).

By Mr. JOHNSON of Colorado, from the Committee on Military Affairs:

S. 2723. A bill to amend the Pay Readjustment Act of 1942; with an amendment (Rept. No. 1624).

By Mr. SCHWARTZ, from the Committee on Military Affairs:

S. 2798. A bill amending the first sentence of Article of War 52, relative to execution of court-martial sentences; without amendment (Rept. No. 1625).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BONE:

S. 2806. A bill to amend the National Service Life Insurance Act of 1940, as amended, so as to make insurance under such Act available to merchant seamen; to the Committee on Finance.

S. 2807. A bill to extend to certain persons the benefits of the Soldiers' and Sailors' Civil Relief Act of 1940; to the Committee on Military Affairs.

By Mr. BALL:

S. 2808. A bill to permit the prepayment of the purchase price of certain housing sold to individuals by the Farm Security Administration, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. BROWN:

S. 2809. A bill authorizing the Comptroller General of the United States to settle and adjust the claim of J. C. Munn; to the Committee on Claims.

STABILIZATION OF THE COST OF LIVING—AMENDMENTS

Mr. GILLETTE submitted two amendments intended to be proposed by him to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, which were ordered to lie on the table and to be printed.

RUBBER SUPPLIES AND PRODUCTION

Mr. WILLIS. Mr. President, I shall divert the Senate but for a few moments to a subject which is equally vital to the Nation and to the Senate as is the pending question.

On March 5, 1942, the Senate adopted a resolution authorizing the Senate Committee on Agriculture and Forestry to set up a subcommittee for the purpose of making investigation into the general field of production, the means of production, and plans for production of industrial alcohol, synthetic alcohol, synthetic rubber, and particularly the utilization of some of our natural materials for those purposes.

The resolution was inspired by a feeling of the deepest concern on the part of the American people, and by a sense of the deepest responsibility resting upon Members of Congress, resulting from the interruption of our raw-rubber imports by disastrous military events in the western Pacific, and from a knowledge of the inadequacy of our supplies of natural and synthetic rubber.

The subcommittee conducted a searching investigation into the rubber situation. As the investigation progressed the subcommittee became aware that confusion was attending the too-slow progress being made by the War Production Board in utilizing new sources of rubber supply. It was progressively and increasingly astonished that some of the most promising sources of rubber, and some of the processes long used with success in other countries, were being entirely ignored by the various Federal agencies charged with alleviation of the rubber problem.

No committee ever labored more diligently, with more impartiality and honesty of purpose, or with more determination to render a real service to the country, than did this subcommittee composed

of the senior Senator from Iowa [Mr. GILLETTE], the senior Senator from Montana [Mr. WHEELER], the senior Senator from Oklahoma [Mr. THOMAS], the senior Senator from Nebraska [Mr. NORRIS], and the senior Senator from Oregon [Mr. MCNARY]—all men of time proven character and ability.

In the course of their investigation, they concluded that it was their duty to introduce and to sponsor in Congress a bill providing for the appointment of an administrator who would supervise production of the elements of synthetic rubber from agricultural and forest products, a process promising the most certain results in the shortest period of time and with the smallest consumption of money and critical materials. After careful consideration, and practically without opposition, the bill was passed by the Senate on July 22, and by the House of Representatives on July 24, of this year.

The President vetoed the measure on August 6, and at the same time announced the appointment of a committee consisting of Bernard M. Baruch, chairman, Dr. James B. Conant, and Dr. Karl T. Compton, to conduct a reinvestigation into the whole rubber situation, and to make recommendations of its own.

The Baruch committee submitted to the President on September 10 a report substantiating all findings of the Senate subcommittee headed by the Senator from Iowa [Mr. GILLETTE] as to errors, lack of understanding, and delays on the part of Federal agencies charged with the responsibility of solving the rubber problem. The Baruch committee also supported the Senate subcommittee's contentions that the Nation's rubber problem had been almost incredibly aggravated by the failure and refusal of Federal agencies to make use of proven processes for deriving rubber from agricultural and forest products. The Baruch committee recommended the appointment of an administrator to assume the responsibility of securing production of a rubber supply adequate for military and civilian needs.

The President thereupon authorized the appointment of Mr. William M. Jeffers, of Omaha, Nebr., president of the Union Pacific Railroad, as Rubber Administrator.

I have every hope that Mr. Jeffers will attempt to reach the goal cited in the Baruch committee's recommendations.

Whether the future program will include attainment of the purpose of the bill sponsored by the Senate subcommittee and passed by both Houses of Congress, that is, to produce rubber from agricultural and forest products, is yet to be developed.

In the meantime, action on the President's veto of the congressional measure is being held in abeyance.

I do not believe that Members of the Senate are of the opinion that the mere appointment of a rubber administrator relieves Congress of its responsibility to do everything within its power to attain an adequate rate of rubber production. We have every hope that efforts to solve this problem, foremost of all our problems, will be attended by the fullest measure of success. But our responsibility as legislators will not have come to an end until that measure of success has been completely demonstrated in material achievement.

The American people are anxious to make whatever sacrifice may be required by the conditions of victory. They are determined to accept any restriction necessary to assure an adequate supply of rubber. They are therefore entitled to every assistance from the Congress and the executive departments which will fortify their faith in the wisdom of that determination.

Therefore, in order that we as Members of the Senate shall be enabled to determine when and if our responsibility shall have come to an end, I submit the resolution which I send forward and I ask that it be read by the clerk and referred to the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Without objection, the clerk will read the resolution, and it will be referred as requested by the Senator from Indiana.

The resolution (S. Res. 294) was read and referred to the Committee on Agriculture and Forestry, as follows:

Resolved, That the Federal Rubber Administrator is hereby requested to submit to the Senate at the earliest reasonable date within 30 days of passage of this resolution, and at 30-day intervals thereafter, a report of the status of rubber supplies and of the progress of rubber production within the United States, including a statement of—

(1) The total national supply of natural crude rubber, synthetic rubber, and rubber substitutes available to the Nation's armed services and civilian population.

(2) The total amount of natural crude rubber, synthetic rubber, and rubber substitutes under contract for future delivery to the United States from abroad.

(3) The number, capacities, and estimated costs of all plants designed to produce synthetic rubber and all elements of its composition; and the raw materials from which such rubber and its elements are to be made.

(4) The number, capacities, actual costs to date, and estimated costs of such plants construction of which has been started; the raw materials from which the elements of the finished products are to be derived; the dates upon which contracts were let, the dates upon which construction was started, and the estimated dates upon which construction will be completed; and the amounts of critical construction materials already consumed and estimated to be consumed in completion of such plants.

(5) The number, capacities, and estimated costs of such plants construction of which has not yet been started; the raw materials from which the elements of the finished products are to be derived; the dates upon which contracts were let and estimated dates of beginning and completing construction; and the estimated amounts of critical construction materials to be consumed.

Mr. GILLETTE. Mr. President, on behalf of the eminent Senators with whom I have the privilege of being associated in the so-called rubber inquiry, I wish to sincerely thank the Senator from Indiana for his very kind reference to the work of the members of the subcommittee.

I also wish to say that the Senator is to be congratulated for his grasp of the situation, and for pointing out, by the presentation of the resolution, the crisis which exists.

Those of us who have been rather active in connection with the rubber problem have been very much pleased with the selection of Mr. Jeffers. I may say, for the information of the Senate, that we have been in conference with Mr. Jeffers, and we are convinced that there will be no difficulty in working out the best solution possible for the interest of the country and all industries concerned.

I venture to assure the Senator that when the Senate Committee on Agriculture and Forestry acts on the resolution which has just been offered, the statement of the committee will express appreciation of the interest he has evinced, and I am quite sure that within a very short time they will have a rather full statement to make on the floor of the Senate in connection with the subject matter.

Mr. WILLIS. I thank the Senator.

COMMODITY PRICES IN THE DISTRICT OF COLUMBIA

Mr. NYE. Mr. President, I submit a resolution, which I ask to have read and referred to the Committee on Agriculture and Forestry.

There being no objection, the resolution (S. Res. 295) was read and referred to the Committee on Agriculture and Forestry, as follows:

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation of commodity prices prevailing in the District of Columbia, with a particular view toward determining how prices paid by consumers for agricultural commodities, or for commodities processed or manufactured in whole or substantial part from agricultural commodities, compare with the prices received by farmers for such agricultural commodities. The committee shall report to the Senate at the earliest practicable date the results of such investigation, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-seventh and Seventy-eighth Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $3,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

THE PRESIDENT'S FARM PRICE PROGRAM—ADDRESS BY SENATOR BANKHEAD

[Mr. HILL asked and obtained leave to have printed in the RECORD a radio address

on the subject Shall the President's Farm Price Program Be Adopted? delivered by Senator BANKHEAD in the Town Hall program, at Birmingham, Ala., on September 24, 1942, which appears in the Appendix.]

ADDRESS BY SENATOR PEPPER TO GOLD STAR MOTHERS

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a radio address to the Gold Star Mothers, delivered by him on September 27, 1942, which appears in the Appendix.]

ADDRESS BY THE ARCHBISHOP OF CANTERBURY

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an address delivered in London on September 26, 1942, by the Archbishop of Canterbury, which appears in the Appendix.]

MEAT AND MILK SHORTAGES—ARTICLE BY A. S. GOSS

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an article entitled "Swivel Chair Meddling," written by A. S. Goss, master of the National Grange, printed in the National Grange Monthly for October 1942, which appears in the Appendix.]

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

The VICE PRESIDENT. The clerk will state the amendment which is the pending question before the Senate.

The CHIEF CLERK. In the committee amendment, on page 4, at the end of line 13, it is proposed to add the following:

For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

Mr. REED. Mr. President, I rise this morning to begin what probably will be the last day of debate upon an amendment to a very important measure. So much has been said during the last several days as to this amendment, and there has been so much misunderstanding, that I wish to take a minute or two to describe the genesis of the so-called Tydings-Reed-O'Mahoney amendment which was offered last Wednesday. It is neither New Deal nor anti-New Deal; it is neither administration nor anti-administration; it is certainly not anti-farm bloc. As I have previously stated, I am a member of the farm bloc, an active and a vocal member, I hope, and shall continue to be so as long as I am in the Senate of the United States. No one but the people of Kansas, whose commission I hold, can deprive me of my membership in the farm bloc.

Before I proceed too far into my remarks I wish to say that I am absolutely in agreement with the distinguished senior Senator from Oklahoma [Mr. THOMAS] in his statement that there is no inflation at this time. The general price level is now a little bit lower, a fraction of 1 percent lower, than it was in 1926, and it is the price level which determines the degree of inflation. If the present price level has exceeded that of 1926 at all in recent days, it has been by a very small fraction of 1 percent.

I wish to say further to the senior Senator from Oklahoma, whom I not only like, but for whose honesty, ability, and integrity I have a profound respect—and let me join with him the senior Senator from Alabama [Mr. BANKHEAD], the senior Senator from Iowa [Mr. GILLETTE], and the junior Senator from Georgia [Mr. RUSSELL], with whom I have discussed this question—that I share their desire to rewrite the parity formula now in the law. But for special reasons that is not now practicable.

When the Senator from Maryland [Mr. TYDINGS] came to my desk last Wednesday and asked me what I was engaged in doing, I told him I was trying to write an amendment to the pending joint resolution which would recognize the increased cost of production to the farmer. I told him that I also was desirous of keeping the joint resolution in substantially its present form, for the reason that for the first time it contained a direction to stabilize wages.

Many of us, beginning with the passage of the Price Control Act last year, and continuing to the enactment of the Price Control Act of 1942 last winter, desired that wages be included. They were not included only because of pressure from the administration. They are covered in the pending joint resolution. It is true that administrative discretion is left with the President and the Price Administrator, but I do not see how that can be avoided.

I wanted to have passed a measure which would be satisfactory to the President—at least sufficiently satisfactory so that it would be signed and would not precipitate a crisis at this time between the Congress and the White House. I can make that statement, as can the Senator from Maryland also, because I do not think anyone has listed among our many unlovely characteristics the charge that we are "rubber stamps" for anyone, not even the President of the United States.

Mr. President, I was elected to the Senate in 1938. In every speech I made to the people of Kansas in the campaign I said, "If you elect me to the Senate of the United States, I shall consult with my constituents, of course, and I shall be glad to have their advice, but in the last analysis I shall cast every vote upon my own conscience and my own judgment. I will not be a "rubber stamp" for anyone, not even the President of the United States—not even if the President of the United States should be of my own party." I stand now on that declaration.

I desire to say earnestly to the Senator from Oklahoma—and to others who hold the same views he has expressed and I have expressed—that I should be very happy to join with them, for whatever it may be worth, either in this Congress or in the next Congress, to write a new parity formula for agriculture. So much for that.

There has been a vast amount of misrepresentation. I am a newspaperman, and have pride in my business—or call it a profession, if you wish. I think it is most unfortunate, Mr. President, that the great metropolitan newspapers of the East are unable or unwilling to do justice to the farmer. They talk about the farmer and write about him as though he were a greedy individual seeking some undue advantage. We are apparently unable to get the facts into the metropolitan newspapers of the East. I adopt the language of the junior Senator from Indiana [Mr. WILLIS], who recently said:

Recent attacks upon the American farmer, wafted to us in voices of the night from on high, obviously have not been harvested in the fields of fact. Nor have those fields of fact been within the ascertainable range of vision of the occupants of scores of metropolitan editorial chairs. History, past and current, reveals the American farmer in a more patriotic light than that which surrounds a group of critics whose possible charity of motive is ill-matched by their ignorance of fact, oversight of fact, or prostitution of fact.

The great metropolitan newspapers would be rendering their country greater service if they would find the space and have the inclination to publish the facts as they appear and as they exist.

Mr. President, there has been much said about increases in farm prices and in the cost of living as compared with increases in wages, and there has also been a discussion of the relative increase of wages and costs on the farm, as well as the increase in wages of the factory worker.

I hold in my hand a chart which was prepared for me by the Division of Statistical and Historical Research of the Bureau of Agricultural Economics since the Senate recessed last Friday. In graphic form the chart shows a great disparity between the increases of wages in the factory and the increases of wages on the farm. I should like to have the chart printed in the RECORD at this point; but I am informed that cannot be done without an order from the Joint Committee on Printing, which I have not had opportunity to obtain.

By the same source the chart was reduced to figures, in the form of a table, which supports the chart. I call attention to the salient figures of the table. Back in 1910 the average factory worker's wage was 20 cents an hour. In July 1942 it was 85 cents. That is an increase to 401.7 percent of the 1910–14 index. For the same period the average farm wage rate per day, without board, began in 1910 at $1.39. It has increased to $2.45, and in July of this year the index of farm wages was 196 percent of what it was in 1910. The factory worker had an index of 401.7 percent of his 1910 hourly rate.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. WHEELER. I have read the amendment which the Senator from Kansas has proposed jointly with the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Maryland [Mr. TYDINGS]. I notice that the Senator from Kansas has stated the amend-

ment in the negative. I am wondering if the Senator would agree that in fixing ceiling prices for agriculture the farmer should receive the cost of production, and that it should be mandatory upon Mr. Henderson, or the Price Administration, to take into consideration the price of labor. Can the Senator see any objection to such a provision?

Mr. REED. I shall return to a discussion of the parity formula a little later.

Mr. WHEELER. I am not discussing at present the parity formula. I am merely asking the Senator if he does not believe that if ceiling prices are fixed on farm products, it should be mandatory upon Mr. Henderson, or upon the price-fixing authority, to give the farmer the cost of production, and include in it the increased cost in labor, plus a reasonable profit.

Mr. REED. That is required by the amendment at the present time, and I shall return to that point a little later, if the Senator from Montana will permit.

Mr. WHEELER. Let me say to the Senator that I cannot agree with him that that would be the result of his amendment, because it does not make it mandatory.

What I am seeking to know is whether the Senator from Kansas does not think the proposal should be stated affirmatively rather than negatively.

Mr. REED. Mr. President, the Senator from Montana has not correctly stated the situation. The amendment which was originally prepared by the Senator from Maryland [Mr. TYDINGS] and myself and offered as an amendment to the amendment prepared by the Senator from Wyoming [Mr. O'MAHONEY], which had been accepted by the Committee on Banking and Currency and was incorporated in the joint resolution, is as follows:

That modifications shall be made—

Not may be made—

That modifications shall be made in maximum prices established for any agricultural commodity—

I am omitting language which is not germane to the discussion—

in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will not reflect such increased costs.

That is to say, where the ceiling price does not reflect those increased costs there shall be a modification which will do so. That is not stated in the negative.

Mr. WHEELER. Mr. President, if that is the interpretation which the Senator from Kansas puts upon his amendment, there could be no excuse for not stating it or any reason why it should not be stated in simple language that in fixing ceiling prices for agricultural products the cost of production should be taken into consideration, including the increased labor costs, whatever they may be.

Mr. REED. The Senator from Montana keeps bringing into the discussion the parity formula.

Mr. WHEELER. No; I am not speaking of the parity formula at all. I am not mentioning the parity formula. I am simply saying that if ceiling prices are fixed on agricultural products, the Price Administrator in fixing ceiling prices should, regardless of parity at all—let us eliminate parity entirely—take into consideration the cost of production of the commodity and should take into consideration the labor cost as well. Is there anything about parity in that suggestion?

Mr. REED. In the amendment which the Senator from Montana is supporting, or is reported to be supporting, there is a direction that the cost of labor be included in the parity price.

Mr. WHEELER. Oh, no.

Mr. REED. I beg the Senator's pardon. I yielded to the Senator, and I wish to be courteous to him——

Mr. WHEELER. I do not want the Senator from Kansas to put something in my mouth which is not correct, that is all. The Senator is mistaken in his interpretation. I am not talking about any proposed amendment. I am asking the Senator a direct question, regardless of any amendment that may be pending.

Mr. REED. The parity formula has never been a cost-of-production formula.

Mr. WHEELER. That is correct.

Mr. REED. Later I shall discuss the parity formula, because I want it revised, but I want it revised at a time and under circumstances when we may consider all the factors which go into this all-important question. It is not now a cost-of-production requirement. It would not be under the Thomas-Hatch amendment. In that amendment it is undertaken to make labor costs a part of the parity formula and go further in that direction. I believe the farmer should have full recognition for his labor and other increased costs of production. That is what we are trying to get for him, without bringing about a collision with the President of the United States, which might result seriously.

Mr. WHEELER. No one wants to have a collision with the President of the United States. The Senator still has not answered my question. I say nothing about parity, for, to be candid, I feel that the parity price under the present formula is entirely unfair to the farmer in most circumstances. We should not stand upon parity which does not take labor costs into consideration. I am simply asking the Senator if, in this period when labor costs are higher, he does not think it proper when fixing ceiling prices to provide in simple concise language——

Mr. REED. I agree that the labor costs should be given consideration, and we have written into the proposed amendment a mandatory direction to whomever administers and prescribes the price ceilings, to do that very thing.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. OVERTON. One or two objections occur to me with respect to the amendment suggested by the Senator from Kansas [Mr. REED], by the Senator from Kentucky [Mr. BARKLEY], and the Senator from Maryland [Mr. TYDINGS]. The joint resolution as reported fixes the maximum price, which would be either the parity price or the highest price between January 1 and September 15.

Mr. REED. That is correct.

Mr. OVERTON. The Senator's amendment does not touch the provision at all.

Mr. REED. That is correct.

Mr. OVERTON. Under the joint resolution, if the Senator's amendment is adopted, this maximum price will be fixed on either one of those two bases. The Senator's amendment refers only to the modifications which may thereafter be made in respect to the price of agricultural products. In the modifications which may thereafter be made, whoever has in charge the administration of this measure, will take into consideration the increased cost of labor.

Mr. REED. And other costs.

Mr. OVERTON. And other costs, yes. But, as pointed out, I think by the Senator from Montana [Mr. WHEELER], the Senator from Kansas in his amendment does not undertake at all to deal with the maximum price. The cost of labor is not included in the maximum price at all. The maximum price is fixed regardless of the cost of farm labor. It is only after the maximum price is fixed that the amendment suggests that modifications in the future shall take into consideration increased cost of farm labor.

Mr. REED. And other costs.

Mr. OVERTON. And other costs. There is another objection——

Mr. BARKLEY. Mr. President, let me inject a statement on the very point to which the Senator is adverting. Every maximum price fixed is a new maximum price, regardless of whether a maximum price has been previously fixed on a given commodity. If that maximum price is modified or changed then it becomes a new maximum. Even though it were a new maximum that were placed on a farm commodity, upon which a maximum has been heretofore fixed, in the fixing of the new maximum the increased cost of labor and other costs would be—not simply would be, but must be—taken into consideration.

Mr. OVERTON. That is correct, Mr. President. The point I am making is that under the amendment proposed by the Senator from Kansas and other Senators, the original maximum price has nothing whatsoever to do with the increase in cost.

Mr. BARKLEY. The maximum price fixed under the formula which is in the law, and which we do not disturb, may or may not, or might or might not, take into consideration increased cost of labor in the production of a given crop or a given commodity.

Mr. OVERTON. That is correct.

Mr. BARKLEY. So that so long as any crop is in the hands of the farmer upon

which a maximum price may be fixed, such maximum price, after it has been fixed, according to the rigid formula of parity, is to be modified to take care of any increase in the cost of labor producing the crop, whether it is in the future or in the past.

Mr. OVERTON. Let me ask the Senator from Kentucky [Mr. BARKLEY] as one of the coauthors of the amendment if there would be any objection to stating, not merely the modification, but that the maximum price and modification thereafter made shall take into consideration increase in costs?

Mr. BARKLEY. I cannot answer the question on the spur of the moment.

Mr. OVERTON. What I want to do is to have the increased cost considered in first establishing the maximum price.

Mr. BARKLEY. Of course, that would change the parity formula.

Mr. OVERTON. No; it has no reference whatsoever to parity. We leave the parity undisturbed, but for the purpose of this joint resolution——

Mr. BARKLEY. I understand the Senator's point. The maximum price under that proposal would be the parity as fixed by the formula, plus any addition that might be allowed because of increased cost of labor.

Mr. OVERTON. That is true.

Mr. REED. Does the Senator from Louisiana still desire to ask a question?

Mr. OVERTON. If the Senator please.

Mr. REED. Has the Senator asked his question?

Mr. OVERTON. I have asked one, I think.

Mr. REED. At the present time the joint resolution, as it is before the Senate, authorizes the imposition of a maximum price, a ceiling, but not lower than parity or recent prices, whichever is higher. When that ceiling price is established our amendment requires—

> That modifications shall be made in maximum prices established for any agricultural commodity * * * in any case * * * where by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established—

That is, prices already established—

> will not reflect such increased costs.

If that is not a mandatory direction to recognize the increased labor costs, or the labor costs, then I do not know how to write one.

Mr. OVERTON. Mr. President, the able Senator from Kansas perhaps does not understand me, because I perhaps did not make clear the point I am undertaking to make. The amendment does not provide that the maximum price, when fixed, shall take into consideration the increased cost. The amendment starts with the parity formula, or with the highest price formula, and the amendment disregards the increased cost. Then, hereafter in the future, modifications which may be made, will take into consideration increased costs.

Mr. REED. Mr. President, I think a complete answer to what the Senator from Louisiana says is that the parity formula has never been regarded heretofore as a cost-of-production formula. I do not want to wander too far off into a discussion of the parity formula.

Mr. OVERTON. I am not asking that the Senator do so.

Mr. REED. Just a moment, if I may finish. It might be constructed upon any one of three or four different premises or bases. Heretofore the parity formula has never been constructed on a cost-of-production basis. We have before us now a joint resolution which continues the present law, so far as parity is concerned. It does order the ceiling price to be either parity or the recent price, whichever is higher. In addition to that, however, the President is directed by the use of the word "shall" to include—and let me read it again—

> That modifications shall be made in maximum prices established for any agricultural commodity * * * in any case * * * where by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will not reflect such increased costs.

Mr. OVERTON. That is also clear, and the amendment suggested by the Senator does not disturb the parity formula.

Mr. REED. That is correct.

Mr. OVERTON. Neither does the modification of his amendment suggested by me. The only difference between us on this particular point is that I suggest that the maximum price, when originally established under the joint resolution, shall take into consideration existing increased costs of farm labor.

Mr. HATCH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Kansas yield to the Senator from New Mexico?

Mr. REED. I yield.

Mr. HATCH. The Senator from Louisiana has exactly stated the correct position. The Senator from Kansas states a negative proposition. Why can he not state it in the affirmative?

Mr. REED. I am afraid I should be wholly unable to furnish the distinguished Senator from New Mexico with a satisfactory reason why his amendment should not be adopted.

Mr. HATCH. I understand that; but I am really trying to get results. I am not interested in words or language. In fact, I am lost in the maze of words which appear in these amendments. I have tried to state a simple proposition reasonably and simply.

Mr. REED. The Senator from Maryland [Mr. TYDINGS] and I took the language of the senior Senator from Wyoming [Mr. O'MAHONEY], already accepted by the committee and incorporated in the joint resolution; and we have tried to protect the farmer in respect to his increased labor and other costs. We are very certain that we have succeeded. Far be it from me to say that the proposition could not be stated in some other way. It is stated in this way. I insist that under the language of this amendment the farmer would be protected in any ceiling price which might be fixed, in his parity price, or his higher price, with respect to any increased cost of labor or other costs.

Mr. HATCH. Mr. President, will the Senator further yield?

Mr. REED. I yield.

Mr. HATCH. I should like to have the Senator come back 6 months from now and tell us whether he is satisfied with the present formula.

Mr. REED. I do not like the present formula. I have already stated that at any time in the future, in this session of Congress or in the first session of the Seventy-eighth Congress, I shall be glad to join in revising the formula.

I am sure that the senior Senator from Iowa [Mr. GILLETTE], the senior Senator from Alabama [Mr. BANKHEAD], the senior Senator from Oklahoma [Mr. THOMAS], the junior Senator from Georgia [Mr. RUSSELL], and the Senator from New Mexico will be back here. Not having to come up for reelection, I shall be here.

Mr. HATCH. Mr. President, will the Senator further yield?

Mr. REED. I yield.

Mr. HATCH. Over the week end I worked as hard as I know how to work to try to find some reasonable solution to this problem. In substance I said that the farmer should be entitled to receive the production cost of the articles which he produces. Is there any objection to that?

Mr. REED. I shall be glad to discuss that question later. If I may proceed, I intend to recur later to the question of the formula.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. REED. I am glad to yield to my friend the Senator from Iowa.

Mr. GILLETTE. I know how sincerely and honestly the Senator from Kansas has approached this problem, and the purpose and motive behind the presentation of the amendment to which he has been addressing his discussion; but I should like to ask him, as a practical matter, how it could be worked. I preface my question with the statement that under the provisions of the joint resolution now pending the President may exercise any power or authority conferred upon him by the joint resolution through such department, agency, or officer as he shall direct.

Referring to the amendment presented by the able Senator and his cosponsors, I read:

> That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will not reflect such increased costs.

Who is to determine the question, when is it to be determined, how is it to be determined, and what weight is to be given to the various factors? What agency is to administer the authority?

Under the Thomas amendment there is a definite fixation of authority which is to take into consideration the factor of labor costs. Under the amendment of the esteemed Senator and his collaborators, I ask him what agency is to do it, how is it to do it, when is it to do it, and what weight is to be given?

Mr. REED. I am glad to answer the Senator from Iowa. All through the joint resolution, as in the previous price-control measures, there has been a large delegation of authority. There is no greater delegation of authority in this joint resolution than appears in the two previous so-called price-control measures. The Bureau of Agricultural Economics keeps a constant check on prices and costs and reports them every month, so that information is always available. That is an executive department, directly under the control of the President. The President may be sure that if he or his Price Administrator does not reflect increased costs from month to month, or at such times as readjustments may be advisable, when the Bureau of Agricultural Economics shows the costs, the Senator from Iowa, the Senator from Oklahoma, the Senator from Montana, the Senator from New Mexico, the Senator from Alabama, or the Senator from Kansas will rise on this floor and ask, "How do you get that way?" Here is a plain direction to the President, written into the joint resolution, to do these things and to take into consideration labor and other costs.

Mr. GILLETTE. Mr. President, will the Senator be courteous enough to yield to me once more?

Mr. REED. Certainly.

Mr. GILLETTE. Is it not conceivable that before these facts are apparent and before the machinery to which the Senator has just referred is placed in motion and revolves sufficiently to bring results to the farmer or producer who has his crop ready to market, the marketing period will have passed?

Mr. REED. I am sure that the Senator from Iowa is so familiar with these things that he shares my feeling and belief—perhaps I might use the word, say, "hope"—that the President or his Price Administrator will move promptly. Certainly, if they do not do so, I shall be the first Senator to join any other Senator or group of Senators in ascertaining the reason for delay.

Mr. GILLETTE. Of course, I share that hope; and, of course, I am convinced that the executive department will be prompt; but the fact remains that under the Thomas amendment there is the placing of a definite authority under which action could be taken before the crisis arises. In the case envisioned by the amendment presented by the able Senator, it all depends on action taken in the future, if and when taken.

Mr. REED. Let me say to the Senator from Iowa that there is no need for a lag greater than 30 days. The Bureau of Agricultural Economics in the Department of Agriculture states these facts every 30 days. Let me say to the Senator from Iowa that if the Senator from Oklahoma were willing to allow us to vote upon this amendment first, if this amendment should fail, I am so much interested in obtaining justice for the farmer that I should vote for the amendment of the Senator from Oklahoma and the Senator from New Mexico. I think this is the best way to obtain it. If the Senate does not agree with me, and if upon a vote on this amendment preceding a vote upon the amendment of the Senator from Oklahoma this amendment should fail, I would vote for the amendment of the Senator from Oklahoma and ask every Senator who attaches any importance whatever to my opinion on these matters to join me in that vote. This is a practical solution to the problem. I shall come back to that question a little later.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a statement showing the average hourly earnings of factory workers and the average farm wage rate per diem in the United States from 1910 to date; also a table showing farm wage rates and hourly earnings of factory workers in the United States, by quarters, from January 1935 to date.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Average hourly earnings of factory workers and farm-wage rate per day without board, United States, by years, 1910 to date

Year	Average hourly earnings of factory workers [1]	Average farm wage rate per day without board	Index of farm wage rates [2]	Index of hourly earnings of factory workers
	Dollars	*Dollars*	(1910–14=100)	
1910	0.200	1.39	97	94.5
1911	.203	1.39	98	96.0
1912	.212	1.43	101	100.3
1913	.221	1.46	103	104.3
1914	.223	1.43	101	105.5
1915	.229	1.44	103	108.3
1916	.261	1.58	113	123.3
1917	.311	1.98	141	147.1
1918	.408	2.54	177	192.3
1919	.477	3.03	207	225.6
1920	.578	3.46	242	273.3
1921	.506	2.12	155	239.1
1922	.464	2.07	151	219.3
1923	.520	2.25	169	245.7
1924	.545	2.29	173	257.5
1925	.544	2.29	176	257.2
1926	.548	2.31	179	258.9
1927	.552	2.28	179	260.9
1928	.560	2.27	179	264.7
1929	.566	2.25	180	267.5
1930	.552	2.08	167	260.9
1931	.517	1.62	130	244.3
1932	.458	1.20	96	216.4
1933	.455	1.11	85	214.9
1934	.541	1.26	95	255.7
1935	.559	1.33	103	264.1
1936	.564	1.42	111	266.7
1937	.634	1.61	126	299.7
1938	.639	1.58	125	302.0
1939	.644	1.56	123	304.3
1940	.670	1.59	126	316.7
1941	.736	1.93	154	348.0
1942, July	.850	2.45	196	401.7

[1] Reported by Bureau of Labor Statistics from 1932 to date; prior to 1932 converted to dollar figure from index.

[2] Based on farm wage rates per month with and without board and farm wages per day with and without board converted to a monthly basis. From these 4 wage rates a composite wage rate is secured by averaging the 4 rates together with regional weights based on the percentage of farm workers who are paid by the month with board and without board and by the day with and without board.

Division of Statistical and Historical Research, Bureau of Agricultural Economics.

Farm-wage rates and hourly earnings of factory workers, United States, by quarters, January 1935 to date

[Index numbers (1910–14=100)]

Year and month	Farm wage rates		Hourly earnings of factory workers	
	Unadjusted	Adjusted for seasonal variation		
1935:				*Cents*
January	93	97	263.2	55.7
April	100	102	265.5	56.2
July	106	103	264.1	55.9
October	108	105	262.4	55.5
1936:				
January	100	104	266.1	56.3
April	106	108	266.1	56.3
July	114	111	265.5	56.2
October	116	113	265.5	56.2
1937:				
January	110	115	277.3	58.7
April	120	122	297.4	62.9
July	131	127	306.3	64.8
October	134	130	309.5	65.5
1938:				
January	118	123	308.0	65.2
April	121	123	303.4	64.2
July	129	125	298.3	63.1
October	126	122	299.7	63.4
1939:				
January	117	122	304.3	64.4
April	121	123	303.4	64.2
July	126	122	301.1	63.7
October	126	122	305.5	64.6
1940:				
January	119	124	313.2	66.3
April	124	127	314.4	66.5
July	129	125	316.2	66.7
October	129	125	318.1	67.3
1941:				
January	124	129	325.6	68.9
April	138	141	334.5	70.8
July	160	155	351.7	74.4
October	165	160	363.8	77.0
1942:				
January	166	173	378.4	80.1
April	177	181	387.1	81.9
July	202	196	401.7	85.0

Division of Statistical and Historical Research, Bureau of Agricultural Economics.

Hourly earnings of factory workers compiled from reports of Bureau of Labor Statistics.

Mr. REED. Mr. President, before I overlook it, I wish to say that, as one of the coauthors of this amendment, I am perfectly willing to accept a definite date in the amendment from which the increased costs shall be computed. I cannot give a final answer committing my associates, including the majority leader. This idea was conceived by me and worked out by the Senator from Maryland [Mr. TYDINGS] and myself. We conferred at that time with the Senator from Oklahoma [Mr. THOMAS], the Senator from Kentucky [Mr. BARKLEY], the Senator from Oregon [Mr. MCNARY], the Senator from Iowa [Mr. GILLETTE], the Senator from Alabama [Mr. BANKHEAD], and other Senators. I am willing to put in a date from which the increased costs shall be computed.

The other day the senior Senator from Georgia called attention to that omission; I stated then that I was willing to have such a date put in. I repeat the statement today. I think it advisable before final action on the amendment be taken, that we include a date from which the increased costs shall be computed.

Mr. President, I have in my hand an index of wholesale prices of all commodities and the cost of living, by years,

from 1910 to 1942. I shall not take much time on this matter, but I desire to call attention to the unnecessary fear which has been instilled in the minds of the people of the country and, to me, the needless alarm which has been created by the language used by the President of the United States in his message on Labor Day. The facts, as I discussed them in the Senate last week, do not justify such fear or alarm. The table which I shall ask to have inserted in the RECORD shows how needless such fear or alarm is when the data are brought down to the nearest date—August of this year—for which we can have statistics. From January of this year to August of this year wholesale prices of all commodities rose from an index of 140.1 percent, in January, to 144.8 percent—an increase of 4.7 points in the index of wholesale prices.

As is known by those familiar with these matters, the cost of living rises more slowly and falls more slowly than does the index of wholesale prices; wholesale prices move faster than does the cost of living. In January of this year the cost of living was 162.3, and in August it was 170.1. In the interval from January to August the cost of living increased only 5 percent. There is a difference of 8 points between the index figures, but those 8 points are to be applied to a base of 162. That is one-twentieth, and the cost of living has actually increased only 5 percent. The table to which I refer was prepared for me by the Bureau of Agricultural Economics since the recess of the Senate last Friday and was handed to me this morning. I ask unanimous consent that the table be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Indexes of wholesale prices of all commodities and cost of living, by years, 1910–42

[1910–14=100]

	Wholesale prices of all commodities	Cost of living
1910	102.8	95.5
1911	94.7	98.6
1912	100.9	99.7
1913	101.9	102.5
1914	99.4	104.1
1915	101.5	105.1
1916	124.8	112.9
1917	171.5	132.8
1918	191.7	155.8
1919	202.3	179.4
1920	225.4	207.2
1921	142.5	185.1
1922	141.2	173.5
1923	146.9	176.7
1924	143.2	177.1
1925	151.1	181.7
1926	146.0	183.2
1927	139.3	179.7
1928	141.2	177.7
1929	139.1	177.5
1930	126.1	173.0
1931	106.6	157.5
1932	94.6	141.4
1933	96.2	133.9
1934	109.3	138.7
1935	116.8	142.2
1936	118.0	143.6
1937	126.0	148.8
1938	114.7	146.1
1939	112.6	144.1
1940	114.7	145.2
1941	127.4	152.5

Indexes of wholesale prices of all commodities and cost of living, by years, 1910–42—Con.

[1910–14=100]

	Wholesale prices of all commodities	Cost of living
1942:		
January	140.1	162.3
February	141.2	163.6
March	142.5	165.7
April	144.1	166.8
May	144.2	168.1
June	143.9	168.7
July	144.1	169.4
August	144.8	170.1

Bureau of Agricultural Economics, U. S. Department of Agriculture, Division of Statistical and Historical Research.

Mr. VANDENBERG. Mr. President, let me ask the Senator the meaning of the 5 percent to which he has referred.

Mr. REED. The 5 percent figure applies to the increase in the cost of living between January 1942 and August 1942. In January the base index figure was 162.3. By August it had risen to 170.1—an increase of 5 percent. The increase is 8 points, but that is 5 percent of the base.

Mr. President, I have about concluded. I have come to what I want to say finally. There are three things which the Senator from Maryland [Mr. TYDINGS] and I discussed at my desk when we prepared the amendment last Wednesday. First, we wanted to give the farmer protection against his increasing costs of production, whether they be labor costs or other costs. I think we have done that. We have done it as well as earnest men can do a job.

Secondly, we preferred this method because we are told on fair authority, I think, that this method included in the joint resolution would be acceptable to the President of the United States. We prefer it that way because for the first time the joint resolution contains a direction to the President to take notice of wages and to stabilize them. That is what we have been asking for all this time. For more than a year Senators on this floor, including myself, have pointed out the futility of trying to control prices without controlling wages, which constitute the largest factor relating to all costs.

Thirdly, Mr. President, this is no time to bring on a needless conflict with the President of the United States. This is no time, if it can be avoided, to bring about a controversy over perhaps some constitutional power. If we can secure protection of the farmer without such unnecessary conflict, why not do so? We can do so, so I am told. The amendment, as drawn, even including a date, which I am willing to put in, is still not unacceptable to the President. He has said that the other form would be unacceptable. I am no rubber stamp for the President; God knows, everyone should know that. However, I want to use common sense; I do not want to invite unnecessary controversy.

We are about to do an important thing here today. We are in the midst of a world war, and here is a crisis. If we were to bring on an unnecessary conflict between the President and Congress, we should be doing something unnecessary and, to me, unwise. I appeal to the Senate not to do so.

A thousand years ago a learned Persian wrote the following lines, lines which have truth today as well as then:

The Moving Finger writes; and, having writ,
Moves on; nor all your Piety nor Wit
Shall lure it back to cancel half a Line,
Nor all your Tears wash out a Word of it.

Mr. President, whenever the question comes to a vote I hope there will be no action which will call for cancellation, and no word used which will need tears to wash it out.

Mr. VANDENBERG. Mr. President, I should like to ask the Senator from Kansas a question before he takes his seat.

Mr. REED. Certainly.

Mr. VANDENBERG. If the Senator's substitute would accomplish the result he describes, what is the difference between that result and the result which would be accomplished by the Thomas amendment?

Mr. REED. Let me say to the Senator from Michigan that, practically, the difference between them is the difference between tweedle-dum and tweedle-dee.

Mr. VANDENBERG. That is what I thought.

Mr. REED. A great face-saving race is now going on. The farm organization leaders, who have gotten rather far out on a limb, want to save their faces. Not being an administration confidant, I say from my own knowledge that the administration wants to save its face. I am willing to have both of them save their own faces.

Mr. BUTLER. Mr. President, I desire to speak only briefly about the problem which has been under consideration on the floor of the Senate for some time, and which is of the greatest importance, not merely to one section or to one class of this country but to every man, woman, and child. That problem is the question of our national food supply.

I shall not talk about the rights and interests of the farmers. Heretofore I have spoken for the farmers often enough, and they know that my sympathies still lie with them, without being told again. Neither shall I discuss the equities of the President's proposals on price fixing. The able senior Senator from Wyoming [Mr. O'MAHONEY] and many other Senators have shown clearly how unjust are the present price and wage relationships which the administration proposes to freeze. Surely no fair-minded person can believe any longer that farmers are profiteering from the war effort. Surely no one can doubt now that under the present economic set-up the farmers still have the short end of the deal.

However, that is not what I wish to emphasize today. Those problems—problems of price relationships and of differences in living standards—are important, but they are no longer our major problems. If nothing else were at stake in this controversy than the rights of the farmers, I should be in-

clined to go along with the wishes of the administration; but what is at stake—the question of our national food supply—is vastly more important.

The blunt fact is that at the present time our farm workers—seasonal labor, hired men, farm boys and girls, and even farm operators—are being drained off the farms by the Army and by the unreasonably high wages of war industries and other manufacturing plants. Nothing we have been able to do to date has stopped or even halted that trend.

That fact, I believe, has been recognized by every responsible official of the Government. Only a few days ago, Secretary Wickard made a special appearance before a House committee to deal with that subject. At that time he stated:

> Assuming an Army of 8,000,000, it is estimated that agriculture will lose 1,000,000 persons from its working force before July 1, 1943. By the end of the 1943 harvest season, the total drain upon agriculture will, of course, increase proportionately.

Those estimates, says Secretary Wickard, are altogether conservative.

Mr. Fred Wallace, Triple A Administrator, is not conservative. In a recent magazine article, he speaks of two and a quarter million men from the farms for an Army of 10,000,000; and that does not include those who will go into industry. In Nebraska it is estimated that for each man entering the armed services, two more go into defense work.

I could give many examples which would bring the situation vividly and dramatically before the Senate. Every day I receive letters from persons in my State, many of whom are not farmers themselves, but who write merely as public-spirited citizens, calling attention to the danger to our food supply. One friend, a former Governor of Nebraska, has given me a list of the operators of the 20 ranches located within a 7-mile radius of his own. In nearly every case the ranches are operated by or with the help of men of draft age. Labor is almost impossible to hire at rates which the operators can afford to pay. Six of them operate on their own, and have no children. When they are called, their ranching operations will be discontinued. Six more, having children, are so essential in the work they are doing that when they are called, the herds will be dispersed or greatly reduced. The approximate number of cows carried on these ranches is 4,350. I estimate that when the married men of draft age referred to are called, the number of cows continuing to be run will be reduced to not over 2,300. My friend concludes his summary by stating "the facts recited have no exceptional application to the community mentioned. They exist throughout the entire range country."

Mr. NORRIS. Mr. President, will my colleague yield at that point?

Mr. BUTLER. I am glad to yield.

Mr. NORRIS. I should like to ask my colleague if the condition which he has so well described—and I think the description is accurate—will be affected in any way by the particular legislation now pending. If we adopt either one of the pending contested amendments, what effect will it have upon the drafting service when they are taking into the Army men they ought to leave on the farm?

Mr. BUTLER. My object in bringing attention to the situation is merely to emphasize the importance of the food supply which the farmers of the Nation are providing.

Mr. NORRIS. I agree with my colleague that it is a condition which must be remedied; I agree with every word he has said about the danger of a food shortage; but I cannot see how either one of the pending amendments will affect the situation. If there are taken from the farm and placed in the Army men who ought to be on the farm in order to produce the food which is necessary, the food will not be produced; the land will lie idle, and farm operations, to a very great extent, will have to cease.

Mr. BUTLER. In the illustration I am using, the connection is that if the food supply is to be provided, as it must be, or else we lose the war, farm workers cannot be obtained without paying wages which are comparable to the wages being paid in industry.

Mr. NORRIS. If all the men are taken by the Army, what difference will it make how much wages are paid if the men are not there?

Mr. BUTLER. With my colleague, I think that it would make a great deal of difference.

Mr. President, no such mass migration from the farms can occur without causing a food shortage. That should be obvious to everyone. I do not think consumers realize how extremely fortunate they have been because of the favorable weather which has prevailed this year. Good pastures and good crops have helped provide record yields and have prevented really serious shortages from developing, but we would be fools to count on such favorable weather again. Remember that it is the food supply for the East and the great industrial centers about which I am talking. It is only the surplus from the farming regions that goes to the consuming centers. The farmers will still be growing enough for themselves and their families long after city consumers have gone on short rations.

So the problem of keeping the laborer on the farm is a national problem, not a farm problem. I do not know how it can be done, other than by paying him as much as he could earn elsewhere; and I do not know how the farmer can do that unless the price he receives covers his costs. I suppose the Government could freeze labor on the farms, if it had the conscience to force a man to labor for 30 cents an hour producing cheap food for his brother in the city, who makes 75 cents to a dollar or more an hour. We could probably pass such a law, if we are willing to consider anything so radically unfair, but I do not know that the labor we would get in that way would be worth anything.

Personally, at this time of crisis I do not like to have to stand here and talk about the interests of the farmer or any other particular class. I would rather not support a measure sponsored by some one economic group, no matter how thoroughly justified their request, against the wishes of our Commander in Chief. But the responsibility of the farmers of this country for feeding this Nation and our Allies is tremendous. I wish the cities could grow their own food, so that our farmers could be free to do the fighting. But we cannot dodge our responsibility. The farmers must have competent labor to help them; and I do not know how they can get it unless they can find the money with which to pay farm labor what it can earn somewhere else.

If the administration could give some assurance that adequate steps would be taken, without raiding the Federal Treasury, to make the necessary labor supply available, I should be content to go along with the administration's program. But no such assurance has been given, and I am afraid it cannot be given. Secretary Wickard, in his testimony before the House Committee on Agriculture the other day, made a number of excellent suggestions in outlining the Department of Agriculture's program. It is clear that many officials of the Department have given a great deal of study to the problem. But after he had concluded, it was still clear that there was no reason to expect that the steady drain of farm workers into industry and into the Army would be stopped.

Too many of the suggestions with respect to this problem are either the product of wishful thinking or relate to makeshift arrangements which cannot possibly fill the gap. Secretary Wickard suggested, for example, that war industries should recruit more of their workers from the cities instead of from the farms. That is a splendid idea, but how is it to be done? What can keep a man on the farm if he knows he can make five times as much in a munitions factory? The Secretary of Agriculture also urged deferment of as many experienced farm managers as possible. That would be excellent, but many of us have been urging that for a year or more, and nothing has come of our urgings to date. Then he fell back on the makeshifts. If experienced, able-bodied men are moving to the cities, inexperienced city men, women, and children must be trained and sent to the farm, according to the plans of the Department of Agriculture.

It must be obvious that none of these approaches faces the problem frankly. We might as well be clear-headed about it. It is idle merely to hope that things will turn out all right. Farm work demands the strength of an able-bodied man. It requires the experience and skill of a trained worker, born and bred on the farm. It cannot be learned in a few minutes or a few weeks, and most of it must be done without direct supervision. On the other hand, many industrial operations are routine, can be quickly learned, do not require physical strength, and are carried on directly under the eye of a foreman. Such jobs in manufacturing and distribution are the ones that can be filled by city men, women, and children, but experienced and essential men must be left on the farms if our people are to have enough to eat.

Mr. President, I know we must expect shortages of many things. It is not possible to raise an army of the size we are contemplating and equip it with the modern machines of war without draining labor and materials and everything else from civilian industries. But should labor for the war effort be drawn from the farms first? We can get along for a long time on last year's house, last year's furniture, and last year's bric-a-brac, but we cannot even do one good day's work on yesterday's food. The farm is, in fact, the one place where we dare not risk a shortage of labor. Yet agriculture's requirements for labor seem to be the last to be considered, and it is only agriculture that is required to make out with stop-gaps and makeshifts.

Practically speaking, I think we shall all soon realize that the question is not, Shall we keep men on the farms? The declining stream of food to the cities will answer that question for us. I strongly suspect that it will be the cities where the pinch will be felt first and that the cities will demand most earnestly that experienced farmers be sent back to the farms to produce what the cities most need. When that day comes, we shall stop worrying about parity or the price of this or that, and try to answer the more fundamental question, How is the farm-labor force to be maintained? Shall we force farm workers to go back and work at one-third the wages they could make in industry? Or shall we, make up the difference in Federal subsidies? Or shall we expect the consumer to pay the farmer at least what it costs to produce the food?

I do not think we shall try to force any man to work at less than a fair wage, by freezing him on the farm or by any other means. No person denies the fact that farm wages are far below those of industry. As a practical matter, I think we shall have to choose between (1) letting the Government pay the difference through subsidy, or (2) requiring the consumer to pay the cost of production. The plain fact is that the consumer at the present time is in a far better position to pay than the Government which may have already assumed more burdens than it can bear. My vote for the Thomas amendment, therefore, is a vote against the new Government subsidies which will have to be provided if returns to the farmer are to cover costs. Farmers are pretty tired of Government subsidies and pretty tired of being accused of raiding the Treasury. All they ask is a price to cover their costs and to give them a subsistence income for the duration of this war. That is all the pending amendment provides. For that reason, I shall support the Thomas-Hatch amendment.

Mr. O'DANIEL. Mr. President, I ask unanimous consent to have printed in the RECORD an address I broadcast over the radio last night touching on the subject matter of pending joint resolution, as well as a number of telegrams I have received in relation to the same subject.

There being no objection, the address and telegrams were ordered to be printed in the RECORD, as follows:

How do you do, ladies and gentlemen, and hello there, boys and girls. This is Senator W. LEE O'DANIEL, of Texas, speaking direct from your Nation's Capital, Washington, D. C. I am glad to have this opportunity to discuss with you a matter of vital importance to our Nation. It is Senate Joint Resolution No. 161, referred to sometimes as the second price control bill, or an antiinflation bill. This is part of the legislation that our Chief Executive told us we must enact before October 1, or he would act himself. That statement by our President has aroused much comment.

Now it may be that I do not have in my possession a late, revised copy of the Constitution of the United States, but according to the copy which I do have, the authority to make laws still rests in the hands of the legislative department of government and not in the executive department of government, and I want to state plainly that it is my opinion that any basic change in our form of government should be accomplished by the action of the majority of our citizens, and until such action by the people has been taken, I intend to continue to discharge my duties as a United States Senator in strict accordance with our Constitution. Some people who believe in using the war emergency to put over social reforms and class legislation may try to make us believe that this pending legislation is a war measure. I cannot classify it as a war measure because I know that we could fight a foreign enemy whether we enacted this piece of legislation or not. As proof of this contention, I point to the fact that we have fought several wars before without having such legislation—and incidentally, we won those wars.

I am not adverse to giving post-war conditions and possibilities some consideration now, but I believe it would be wise for the Congress to be more deliberative in considering such important measures and not try to rush them through under the guise of war measures. While, in my opinion, this price-control bill is not a war measure, yet I realize of course that almost every piece of legislation enacted now, and almost everything we do may have some effect on the war. The main issue in this bill now pending is whether we will deal as fairly with our great agricultural classes of our population as we have dealt with other classes. I objected to price control when it was originally presented several months ago because I was of the opinion that to inaugurate a system of controlling prices through orders issued by some Government bureau would result in building one of the largest departments the Government had ever had and that this department would absolutely hold the power of life and death over all American business. Incidentally, it also has its political implications and dangers. I expressed the opinion that if, instead of attempting to control prices by bureaucratic board orders, we would proceed to pass an adequate tax bill and allow the Government to recapture all excess earnings of corporations and all excess earnings of individuals, we need not have any grave fears, at least for the immediate future, insofar as inflation was concerned. I also objected to the original price-control bill because I considered it very unfair to our great agricultural population, and I voted for the final enactment of that legislation only after working with some of the Senators and getting some protective amendments included which were more favorable to the farmers and ranchers of our Nation. We are now told that the original Price Control Act which we passed is inadequate. We are told that our agricultural population must be further penalized by reducing the maximum price limits on agricultural products. It seems to me, however, simple justice requires that in any effort to stabilize prices, the farmers, the cattle raisers, the sheep and goat raisers, the dairymen, poultry raisers, and those who produce fruits and vegetables should be given a fair deal. The main controversy in the pending measure is whether the maximum prices of farm products shall be restricted to 100 percent of so-called parity or permitted to sell high enough to return to the producer the cost of farm labor necessary to produce such farm products. It is certainly my opinion that it is only honest and fair for those prices to include the cost of labor employed in producing such products.

Our Government makes contracts with industrialists for the production of buildings and war weapons on a cost-plus basis, which means that the Government pays the cost of everything entering into the manufacture of the finished product, including the cost of all labor, and then on top of that pays the producers a profit. Our farmers are not asking for a cost-plus contract to produce the food and clothing needed for our armies, our civilian population, and for our Allies. They are willing to produce the food and clothing at cost, but the proponents of this price-control bill want to use "parity prices," and the present formula for determining "parity prices" does not include the cost of farm labor. It sounds preposterous that a formula for figuring farm-product prices would be established that left out of the computation the cost of such an important factor of cost as farm labor, yet that is the fact. As proof of that statement, I refer you to the exact words of one of our best informed Senators made on the floor of the Senate as follows: "The present parity formula is only a principle. There is no law vitalizing that principle. The parity principle is stated in the broadest language. It merely includes interest, taxes, and freight rates. It does not include labor."

Now I ask all of you businessmen who are familiar with figuring costs to visualize a cost system to determine the price of wheat, oats, corn, beef cattle, cotton, and other farm products that employs a principle that merely includes interest, taxes, and freight rates, and does not include the cost of labor. The big controversy in the Senate is therefore over the adoption of what is known as the Thomas-Hatch amendment, and in order that you may be sure to understand exactly what this Thomas-Hatch amendment is, I will read it to you. Here it is: "For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law, but shall also include all farm labor." Now, friends, I am in favor of that Thomas-Hatch amendment because I think it is only fair that the cost of farm labor should be included in the cost of farm products. I am also in favor of it because if the cost of farm labor is not included, our farmers simply cannot continue to operate the farms and produce the food and clothing, and the time may come when we will have a serious shortage of something to eat, and something to wear.

I would like to take time here to give you some facts and figures which prove that the farmers of this Nation are not financially able to hire labor to raise food and stand the loss themselves. The figures are really astonishing, but they are authentic as published by the United States Government. In the year 1910, 35.1 percent of our population lived on farms. Today only 22.5 percent live on farms—the lowest percentage in our history. Since 1910 our population has increased from 91,000,000 to 132,000,000. Today our lowest percentage of farm population in his-

tory is expected to feed and clothe the largest population in the history of our Nation, and in addition to that, these few farmers are expected to provide food and clothes for many of our allies in this war. This migration from the farms of this Nation was caused simply because those farmers could not make a living on the farms, and they had to go elsewhere to make a living. Our farm population is also in the lowest income brackets. It is indeed shocking to look at the statistics. The per capita income of our farm population for the 23 years from 1910 to 1932, inclusive, totaled only $4,191, while the per capita income of our nonfarm population for the same period of time was $15,494. This gave the farmer only 21.2 percent and the nonfarmer 78.8 percent. That starvation income, friends, was so low and so ridiculous that our Federal Government in 1933 set up a system of parity prices and parity payments to farmers intended to benefit our farm population and although our Federal Government has paid out on this farm program $3,358,000,000 during these 9 years, the percentage of the per capita income of our farm population for these years of 1933 to 1941, inclusive, has remained at exactly the same low figure of 21.2 percent as it was in the previous period of 1910 to 1932, inclusive. And on top of this deplorable low income for farmers, during the last 20 years, the farmers of America have lost more than one-half of their capital, or equity, in their farms and equipment. Their equity has decreased during the last 20 years from $68,000,000,000 to $33,000,000,000.

Our American farmers and ranchers are in a most deplorable financial condition, and right at the time when we need them most they are more impoverished than ever before in the history of our Nation. Texas is the largest agricultural State in the Nation, yet in the last 10 years 95,978 tenant farmers have left the farms to take up other lines of work where they could make a living, and that is about one-third of the tenant farmers we had in Texas in 1930. The exact number of tenant farmers in Texas in 1930, according to the census statistics, was 292,063, and in 1940 it was 196,085. Tenant farmers are farmers who actually till the soil but do not own the farms. The owners of the farms, deserted by the tenants, must either hire farm labor to operate them or let them lay out of production. In order to hire farm labor, the farm owner must pay wages in competition with factory wages, because there is now a shortage of labor, and factory wages have advanced from 20 cents per hour in 1910 to 73.6 cents per hour in 1941. It is this shortage of labor and increased industrial wages that have changed our whole farm problem, and this grave and dangerous farm problem is staring us in the face right now. We have another class of farms. It is the farmer-owned and farmer-operated farms. These farms are generally operated by the whole family. Most of the young men on these farms have gone into the armed forces of our Nation, and many of the young women have gone into the airplane factories and other factories and offices to help carry on the war effort. This leaves only the old folks at home on their farms. They are unable to operate the farms alone and must pay competitive wages to get help. Factory wages are high, and farming is unprofitable; hence thousands of our good farmers are selling their dairy herds for slaughtering purposes, and, for the same reasons, poultry raisers are selling off their flocks. This situation at present is indeed dangerous and alarming. Our citizens who are left on the farms are the salt of the earth—they are truly patriotic. They are not threatening to strike—that thought has not entered their minds. They want to produce to the limit of their ability. But, regardless of their patriotism and their desire to keep up farm production, they simply cannot plow and sow and reap unless they can hire farm labor; and if they hire farm labor, they must pay current labor wages; and if they hire labor, they must get a price for their farm products that will include the cost of all labor. One-hundred-percent-parity prices does not include farm labor. The Thomas-Hatch amendment directs that farm labor be included. The House of Representatives has passed the measure, including the same amendment, by an overwhelming vote of 284 to 96. It is predicted that the Senate will defeat the Thomas-Hatch amendment tomorrow. In my opinion, the defeat of that amendment will be a severe blow to agriculture, and, as I said before, it may mean a shortage of food. It seems to me that we are having enough shortages of essential materials and products in this country at this time. I feel sure that most Senators appreciate hearing from their constituents back home on important matters like this, and I trust that all of you folks will give the problem your serious consideration; and, if you think advisable, wire your Senators today your views on the subject.

This is Senator W. LEE O'DANIEL, of Texas, speaking from Washington and wishing you all a most pleasant good afternoon.

BRYAN, TEX., *September 28, 1942.*
SENATOR W. LEE O'DANIEL,
Senate Office Building:

Members of this association numbering over 8,000 are looking to our Senators for help and protection in this time of dire need. We do not advise you as to your position on this bill, but we feel that you will act wisely in protecting the interest of the cotton farmer.

TOM FIELD,
Brazos Valley Cotton Growers' Association.

HENDERSON, TEX., *September 28, 1942.*
HON. W. LEE O'DANIEL,
Washington, D. C.:

Suggest you support Thomas amendment to price stabilization bill.

RUSK COUNTY FARM BUREAU FEDERATION,
C. L. CRIM, *President.*
BURRIS E. DORSEY, *Secretary.*

ODEM, TEX., *September 28, 1942.*
HON. W. LEE O'DANIEL,
Senate Building, Washington, D. C.:

Stand pat or go hungry.

E. C. CALDWELL.

MOSCOW, IDAHO, *September 27, 1942.*
SENATOR W. LEE O'DANIEL,
Washington, D. C.:

As president of the News Review Publishing Co. which publishes the largest circulating afternoon newspaper in North Idaho, may I thank you for your speech. The farmers of this locality are seeing their crops lying on the ground, unable to harvest them for lack of help, while at Bayview, a few miles away, the Government is paying $11 a day for laborers grubbing stumps, $15 a day for dishwashers, and $20 a day for carpenters, and so on. It is this exorbitant wage scale that is causing what inflation there may be, and if it is not controlled, Americans are very apt to go hungry in 1943. The farmers of this county are getting a bit tired of the fantastic political moves of the New Deal, and will welcome a change. May I suggest that you show this wire or make copies of it and give one to every Senator in Washington. A return to the simple fundamentals of the Constitution is the only thing that will save our beloved America in this hour of its greatest crisis. The farmers of North Idaho are behind you.

DR. FRANK B. ROBINSON.

PADUCAH, TEX., *September 28, 1942.*
SENATOR W. LEE O'DANIEL,
Washington, D. C.:

Cottley County Farm Bureau thinks labor cost should be included in arriving at parity for farm prices.

G. A. MAYES, *President.*
HOMER NICHOLS, *Secretary.*

NEW YORK, N. Y., *September 27, 1942.*
HON. W. LEE O'DANIEL,
Senate, Washington, D. C.

Commending you on your speech on the farm prices.

RAYFORD.

HASKELL, TEX., *September 28, 1942.*
HON. LEE O'DANIEL,
Member, United States Senate,
Washington, D. C.:

We sincerely ask you to fight for 100 parity, including labor cost to farmers.

WEINERT FARM BUREAU FEDERATION,
FRANK OMAN, *Chairman, Weinert, Tex.*

GEORGETOWN, TEX., *September 28, 1942.*
HON. LEE O'DANIEL,
United States Senator,
Washington, D. C.:

Am mailing you tomorrow a petition with 145 signatures protesting the reduction of ceiling prices on farm products below 110 percent of parity.

R. A. JAEGER, *Jarrell, Tex.*

PLANO, TEX., *September 28, 1942.*
Senator W. LEE O'DANIEL,
Senator, Washington, D. C.:

Farmers of this community urge you to fight for Thomas-Hatch amendment to Price Control Act. Farm labor costs have risen 100 percent. This must be taken into parity formula if we are to have maximum production in 1943.

PLANO FARM BUREAU,
JOHN D. WELLS.

WAXAHATCHIE, TEX., *September 26, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:

The farmers of Texas will make as great a sacrifice toward winning the war as any group, but with limited finance, and when the price of products will not pay living costs and rising labor costs, how can they continue to produce? We only ask for an equal opportunity.

ELLIS COUNTY AGRICULTURAL ASSOCIATION,
C. H. PIGG, *President.*

ORANGE, TEX., *September 26, 1942.*
Senator W. LEE O'DANIEL,
United States Senate,
Washington, D. C.:

We urge you to support the Hatch-Thomas amendment to price-control bill, which would include cost of farm labor in parity formula.

AMERICAN RICE GROWERS
COOPERATIVE ASSOCIATION.

ORANGE, TEX., *September 26, 1942.*
Senator W. LEE O'DANIEL,
United States Senate,
Washington, D. C.:

We urge you to support the Hatch-Thomas amendment to price-control bill, which would include cost of farm labor in parity formula.

JOE HARMON.

ORANGE, TEX., *September 26, 1942.*
Senator W. LEE O'DANIEL,
United States Senate,
Washington, D. C.:

We urge you to support the Hatch-Thomas amendment to price-control bill, which would include cost of farm labor in parity formula.

ELROY CROOK.

CORSICANA, TEX., *September 26, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:

The past 10 years Congress has given the President every piece damnable destructive legislation requested to create laziness, thriftlessness, indifference to our American way of life. Now, when feeble attempt at legislation is made, Congress twiddles thumbs, saying to whom are you demanding, while our boys die and prices soar.

E. W. HABLE.

WICHITA FALLS, TEX., *September 27, 1942.*
W. LEE O'DANIEL,
United States Senator,
Washington, D. C.:

Utmost importance to consider labor in deriving parity for farm commodities. Food shortage certain if labor not maintained on farm. Farm operators selling daily, due to shortage of labor in this district.

LOYS D. BARBOUR,
Director, Texas Farm Bureau Federation, Iowa Park, Tex.

JAYTON, TEX., *September 26, 1942.*
Hon. W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:

Vote for 100-percent parity plus cost.

W. C. LONG,
Girard, Tex.

ASPERMONT, TEX., *September 26, 1942.*
Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.:

Respectfully urge you support 100-percent parity plus cost of labor for farm prices. Labor costs have soared from 100 to 200 percent in past 12 months, caused partly from administration's attitude on union labor situation. Farmer will have to meet competition on labor in order to produce food requirements.

ROY G. ANDERSON, *County Judge.*
R. L. SPRINGER, *Mayor.*

ASPERMONT, TEX., *September 26, 1942.*
Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.:

Stonewall County Farm Bureau urges your support of full parity prices to agriculture including farm labor in arriving at parity. This is necessary to maintain adequate agricultural production.

STONEWALL COUNTY FARM BUREAU,
T. E. HART, *President,*
EVIN G. HOLSTON, *Vice President,*
E. G. ALLWAY, *Secretary.*

SPUR, TEX., *September 26, 1942.*
Senator W. LEE O'DANIEL,
Washington, D. C.:

Would like to include labor in bill coming up in next few days. Farmers in this area are behind you.

TEXAS FARM BUREAU OF KENT COUNTY,
L. R. REID, *Member.*

JAYTON, TEX., *September 26, 1942.*
Hon. W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:

Vote for 100-percent parity plus cost.

JOE HUNNICUTT,
Girard, Tex.

JAYTON, TEX., *September 26, 1942.*
W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:

Vote for 100-percent parity plus cost.

S. E. SHERER,
Girard, Tex.

JAYTON, TEX., *September 26, 1942.*
W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:

Vote for 100-percent parity plus cost.

GEORGE SPRADLING,
Girard, Tex.

JAYTON, TEX., *September 26, 1942.*
W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:

Vote for 100-percent parity plus cost.

A. G. DYER,
Girard, Tex.

JAYTON, TEX., *September 26, 1942.*
W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:

Vote for 100-percent parity plus cost.

G. L. HAMILTON,
Girard, Tex.

ORANGE, TEX., *September 26, 1942.*
Senator W. LEE O'DANIEL,
United States Senate,
Washington, D. C.:

We urge you to support the Hatch-Thomas amendment to price-control bill which would include cost of farm labor in priority formula.

ED SHANNON.

ORANGE, TEX., *September 26, 1942.*
Senator W. LEE O'DANIEL,
United States Senate,
Washington, D. C.:

We urge you to support the Hatch-Thomas amendment to price-control bill which would include cost of farm labor in priority formula.

A. W. PEVETO.

ORANGE, TEX., *September 26, 1942.*
Senator W. LEE O'DANIEL,
United States Senate,
Washington, D. C.:

We urge you to support the Hatch-Thomas amendment to price-control bill which would include cost of farm labor in priority formula.

LAWRENCE BROUSSARD.

JAYTON, TEX., *September 26, 1942.*
Hon. W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:

Vote for 100-percent parity plus cost.

C. M. STINNETT,
Girard, Tex.

ITHACA, N. Y., *September 28, 1942.*
Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:

Have just listened to your broadcast on price-control bill and need of including cost of farm labor in parity formula. You are absolutely correct. Based on cost of living, New York factory workers now have a parity of 195 percent compared to farm parity of 100, which does not include cost of farm labor. New York farm prices now 50 percent above 1910 to 1914, but farm wages are over 100 percent higher and weekly earnings of factory workers 217 percent higher than base period. Food production will decline, for farmers cannot compete with cost-plus industry in employing labor. Our organization, representing more than 100,000 New York State farmers, strongly urges you continue fight for inclusion farm wages in parity formula.

NEW YORK STATE CONFERENCE
BOARD OF FARM ORGANIZATIONS,
E. S. FOSTER, *Secretary.*

DUMAS, TEX., *September 26, 1942.*
Hon. W. LEE O'DANIEL:

We urge you to support and use your influence to secure passage of bill that includes farm-labor cost and the parity formula, that definite ceilings be provided on wages at a comparable level with ceiling on farm prices.

MOORE COUNTY FARM BUREAU,
H. E. HELTON, *Secretary.*

SPUR, TEX., *September 25, 1942.*
Senator W. LEE O'DANIEL,
Washington, D.C.:

This is to remind you that a majority of farmers in this area endorse the policy of our farm leaders in Washington, and do not believe that their demands are against the best interests of the country as a whole.

DICKENS COUNTY FARM BUREAU,
BOB HAHN, *President.*

DALLAS, TEX., *September 25, 1942.*
Hon. W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:

Re Joint Resolution 161: We believe rate control for motor carriers should be assigned to Interstate Commerce Commission. We favor freezing of wages if farm prices are frozen at parity without consideration of labor costs. Farm-labor manpower critical, with 100-percent increase in cost over last year. We respectfully request your earnest consideration of these matters.

GILLETTE MOTOR TRANSPORT, INC.,
FRED GILLETTE, *President.*

THREE RIVERS, TEX., *September 25, 1942.*
Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.:

Stay in the fight. All we want is justice. Make them figure what real parity is with today's industrial prices would mean in food costs. The way to block inflation is to bring labor cost down to parity with farm earnings.

Mr. and Mrs. B. C. Claunch and Messrs. Koonce K. Matula, E. Matula, R. Matula, Edge Chandler, L. Claunch, Dun Stalcup, P. Wheeler, T. Wheeler, H. Mills, Reagan O. Woodward, G. Woodward, H. Richter, B. Richter, C. White, M. White, F. Machart, F. Mills, Foster, Verana, J. Mills, Stuart Schwartz, D. Calliham, H. Calliham, Mmes. Chandler Claunch, Dunn Stalcup, Wheeler, Mills.

DALLAS, TEX., *September 25, 1942.*
Senator W. LEE O'DANIEL,
Washington, D.C.:

Please make every effort to save our farms. Within the last 5 days we have had 1,000 acres of black-land farms released, and we have no prospects for 1943 tenants. They are leaving the farms for more compensation. It seems to us who are primarily interested in producing food for the armies and the people of this country that this job is up to the Senate and Congress, who should in some way provide a sufficient income to the farmers so they would be able to employ sufficient help at living wage to carry on this industry. This condition is not us alone but with hundreds of other landowners. We own and operate over 50 farms.

G. D. GAY & SON.

ARLINGTON, TEX., *September 25, 1942.*
W. LEE O'DANIEL,
Washington, D. C.:

We suggest you give consideration to the possibility of the entire country facing an acute shortage of farm commodities unless some provision is made to place farmers in position to secure farm labor at rates in proper ratio to prices of farm products. We estimate that there is a probability of 45 percent of the farms in our trade territory being idle under present conditions.

ARLINGTON CHAMBER OF COMMERCE,
R. H. HOUSTON, *Secretary.*

FLOYDADA, TEX., *September 25, 1942.*
Hon. W. LEE O'DANIEL,
Senator, Washington, D. C.:
We are in favor of the amendment including farm labor in arriving at parity for farm commodities.

FARMERS GR. CO.

AUSTIN, TEX., *September 26, 1942.*
Hon. W. LEE O'DANIEL,
United States Senate,
Washington, D. C.:
Although we are paying farm labor in central Texas two and a half times as much as last year, labor and renters are quitting farming. It is imperative that increasing labor costs be considered in price ceilings to enable farmers to continue producing. Hope you will aid fight.

J. TALBOT LAPRELLE.

FORT WORTH, TEX., *September 15, 1942.*
Hon. W. LEE O'DANIEL,
Senate Office Building:
Hope you will not consider for 1 minute any legislation that contemplates a ceiling on either farm products or manufactured articles that does not carry a correspondingly rigid control over the wages which determine the cost of such commodities. It may seem silly for me to ask you to do a thing that is so obviously necessary but it seems that there are those in Washington who advocate something different and we hope your voice will be heard. Any other course is certainly going to bankrupt this country.

J. E. FENDER,
President, Acme Brick Co.

Mr. DAVIS. Mr. President, the broad objectives of national need must not be obscured in order to justify the acceptance of any one single formula of price control, irrespective of what it may be. One objective we must ever keep in mind is the absolute necessity of producing vast supplies of food for war purposes. Food is as necessary for victory as are planes, and if we are to have adequate food supplies, we must protect the producers—those whose lives and labors make possible the corn, the cotton, the wheat, the livestock, and the dairy products which we now require in large quantities.

I believe that the pressure of idle money on short supplies in the food market will make for inflation. I believe that inflation is a robber that takes from both the producer and the consumer. I believe that plentiful production is our surest defense against inflation. It must be obvious that we shall not lack for production because of any inherent shortage in our agricultural goods. Production costs and prices largely determine the amount of production.

There seems to be no shortage of cash with which to buy agricultural products. A volume production based on volume mass purchasing should in itself tend to hold down prices of many agricultural commodities within the reach of the average pocketbook. It will not work that way in all cases, and therefore fixed ceiling prices will continue to be necessary.

Mr. President, if prices operate in such a way as to impose their burden chiefly on the producers, there is certain to be a curtailment of production, and that is the very thing we do not want. We should work toward methods of operation and prices which will increase production, and make what is produced available as never before in the interest of higher standards of national nutrition, and for supplies needed at the front by our boys. There is no reason to believe that American farmers will be governed in their production by theories, fanciful or otherwise, which may be urged in Congress. Farmers will be governed by the hard economic facts which face them day by day. At the present time those facts have not called forth the maximum production of which our farm population is capable, and in our discussion of the measure now before us we must face the same facts.

What are these facts? Among them are a few that are particularly important at the present time. Farm labor is scarce. Wages for farm labor constitute a large part of what farmers must include in their index of production costs. Old formulas of farm prices based on conditions existing at the beginning of this century will not meet the present need. All the factors which make for the present problems of production must be considered in the way they now affect agricultural production.

Mr. President, I do not pose as a farm expert. Nevertheless, I have a well-defined interest in agricultural production. I believe I recognize its significance in the present emergency, and it seems better to me that we have national unity and full production than an unnecessary spirit of grievance and a lag in production. All of us are in this war and all of us must pay for its costs.

Mr. President, during almost a quarter of a century I have had much to do with the operation of a 1,200-acre farm. It has one of the finest dairy herds in that section of the country. It has also one of the largest general and vegetable gardens in that territory. I know what it means to have top farm prices and low farm prices.

I am convinced that no action which we may take that induces or encourages the spiral of inflation will bring any lasting benefit to the farmers or to the Nation. Therefore, I am prepared to vote against the pending amendment, and shall favor the substitute proposal, hoping in this way to record my desire to avoid the dangers of inflation, to encourage fair farm prices and, particularly, to encourage national unity.

Mr. ELLENDER obtained the floor.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield to me so that I may suggest the absence of a quorum?

Mr. ELLENDER. I yield for that purpose.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Reed
Andrews	Holman	Reynolds
Bunker	Johnson, Calif.	Rosier
Burton	Johnson, Colo.	Russell
Butler	Kilgore	Schwartz
Byrd	La Follette	Shipstead
Capper	Langer	Smathers
Caraway	Lee	Smith
Chandler	Lodge	Spencer
Chavez	Lucas	Stewart
Clark, Idaho	McCarran	Taft
Clark, Mo.	McFarland	Thomas, Idaho
Connally	McKellar	Thomas, Okla.
Danaher	McNary	Thomas, Utah
Davis	Maloney	Tobey
Downey	Maybank	Tunnell
Doxey	Mead	Tydings
Ellender	Millikin	Vandenberg
George	Murdock	Van Nuys
Gerry	Murray	Wagner
Gillette	Norris	Wallgren
Green	Nye	Walsh
Guffey	O'Daniel	Wheeler
Gurney	O'Mahoney	White
Hatch	Overton	Wiley
Hayden	Pepper	Willis
Herring	Radcliffe	
Brooks	Ball	Bilbo
Brown	Bankhead	Bone
Burton	Barbour	Brewster
Bailey	Barkley	Bridges

The PRESIDING OFFICER. Ninety-two Senators having answered to their names, a quorum is present.

Mr. ELLENDER. Mr. President, I dislike to impose a speech on the Senate at this time, especially after the joint resolution has been pending in the Senate and been debated here for over a week. Much has been said on the subject, and probably what will be added by me will be somewhat cumulative. But I wonder why it is necessary for us to consider the pending legislation in the light of the President's message to Congress of September 7, 1942, in which he said, in part:

> Therefore, I ask the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities. The purpose should be to hold farm prices at parity, or at levels of a recent date, whichever is higher.
>
> I ask the Congress to take this action by the 1st of October. Inaction on your part by that date will leave me with an inescapable responsibility to the people of this country to see to it that the war effort is no longer imperiled by threat of economic chaos. In the event that the Congress should fail to act, and act adequately, I shall accept the responsibility, and I will act.

That challenge to Congress, Mr. President, should not take away the right of any Senator to express his views; not in opposition to the President, or with an idea of causing disunity, but because of a solemn right granted under our Constitution to any Member of this body to follow such a course as in his wisdom is deemed best to meet the situation confronting us. If the President has the power to act, let him assume the responsibility and go full speed ahead. On the other hand if he is not sufficiently clothed with such power and he seeks it from Congress then let us proceed in the regular way and try to make democracy work.

In his message of September 7, the President said in part:

> After all, parity is, by its very definition, a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production, including the cost of labor.

I challenge any Senator to show wherein the Thomas amendment does not

carry out this directive. All that the proponents of this measure are asking is that in figuring out parity that all labor costs shall be included—not may, but shall be included—in the formula.

Mr. President, many Senators are of the opinion that we should not disturb the parity formula during the war. They feel we should be content with the mere addition of the cost of all labor to other costs before a maximum price is established on any agricultural commodity. I am in agreement with that proposition, if the original Thomas-Hatch amendment is defeated. I have prepared two amendments that I propose to offer should the Thomas-Hatch amendment fail. The main purpose of my amendments is not to disturb the parity formula.

The first amendment would incorporate all the language which is now in the joint resolution beginning on page 4—that is, the so-called O'Mahoney amendment—down to the comma in line 9, after the word "purposes", strike out the comma, insert a period, and add the following language:

In determining maximum prices for agricultural commodities all farm labor, among other costs, shall be included as an integral part of the production cost of such commodity and shall be taken into consideration in determining such maximum prices.

In my humble judgment that language is on all fours with the very language which the President uttered in his message to Congress of September 7 and which I had occasion to quote a few minutes ago.

If that amendment should fail, since there are some Senators who believe that the cost of the farmer's own labor and that of his wife and children should not be included in fixing maximum prices, I shall propose an amendment to this effect: Take the O'Mahoney amendment as written, and in line 9 on page 4, after the word "purposes", strike out the comma, insert a period, and add this language:

In determining maximum prices for agricultural commodities all hired farm labor, among other costs, shall be included as an integral part of the production cost of such commodities and shall be taken into consideration in determining such maximum prices.

My reason in supporting the Thomas-Hatch amendment, and should that fail, to then propose the above amendment is to have a positive directive to include labor, because I feel confident that if we do not follow that course the farmers of our Nation will not be able to produce at a profit. They have been patient, but they feel that unless it is made obligatory on the part of the administrator of the law to include labor as costs of production, that it will not be done.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CONNALLY. Let me call the Senator's attention to this aspect of the matter, which it seems to me has been either misunderstood or wholly misrepresented; Under the pending amendment the farmer would not necessarily get the price which is intended. It is not a guaranty that the farmer would receive such a price. Unless by the natural laws of economics his price should rise to the maximum, he would not necessarily get it.

Mr. ELLENDER. The Senator is eminently correct.

Mr. CONNALLY. Ought we to fix a prohibition, and say that he shall not receive less than what it actually costs him to produce the commodity? If we are to fix a ceiling or limitation beyond which he may not go, ought not that to be high enough to reimburse him for the increased amount which he must pay out for labor, over and above what he formerly had to pay?

Mr. ELLENDER. Yes, I desire to say to the Senator in order to meet the last suggestion made by him one of the amendments proposed by me would take care of the situation. As a last resort, I would be partly satisfied if only the increased cost of labor to produce the commodities were added as cost, before fixing maximum prices.

Mr. CONNALLY. Mr. President, will the Senator further yield?

Mr. ELLENDER. I yield.

Mr. CONNALLY. There is one other aspect of the question which it seems to me ought to be noticed, and that is that we all admit that increased costs in other industries, resulting from higher wages and other industrial costs, should be recognized. We admit that industry is entitled to a higher return in wartime than in peacetime. Why? Because of the war. Does it not follow inexorably that if the farmer's costs have been increased by the war condition, he should have the same consideration as other industries receive?

Mr. ELLENDER. There should be no argument on that proposition. I had expected to touch upon that aspect of the problem during the course of my speech. Since the question is raised at the moment, however, let me point out to the Senator from Texas these figures: In 1910 factory wages per employed worker were at the level of 99.6. Last July, 2 months ago, they were at the level of 327, an increase of almost three and one-half times to what they were during the so-called comparable times of 1909–14; but not much has been said about that phase of the problem. I intend to cover that point in detail, to show the vast difference between the incomes of factory workers and other nonfarm labor, in contrast to what farm income actually is today.

I read some of the hearings before the Banking and Currency Committee. We can paint a beautiful picture of contrasts if we use only a set of figures which work against the farmer. For example, I recall the speech made last week by the distinguished Senator from Florida [Mr. PEPPER] wherein he took the farm income of 1939, which was at the lowest level since 1932, and compared the rapid rise in farm prices from that time to the present and contrasted those figures with the rise of nonfarm income, which, by the way, was already at a fairly high level. He used that comparison to show the great increase in income which the farmers of the Nation have been receiving because of the war. However, if we make a comparison between 1910 and 1942, we see that the farmer's increase in income today is far below that received by nonfarm labor, and below nonfarm income. I propose to submit that in more detail in the course of my remarks. I have many authentic tables to present which will give the picture as it really is and no further arguments will be necessary to convince the most skeptical.

Mr. CONNALLY. When the Senator reaches that point in his address, will he compare the percentage of increase in farm prices with the increased wages received by industrial labor, and particularly war-plant labor, since the war started?

Mr. ELLENDER. I have some figures which to my way of thinking ought to astound the Senate.

Mr. CONNALLY. I cannot offer any hope on that basis. I have already been astounded so many times that I cannot stand any more. [Laughter.]

Mr. ELLENDER. Then I shall present the facts to the Nation, and call the Nation's attention to the large discrepancy which exists between farm and nonfarm groups, and how wages have increased in nonfarming activities, as contrasted with what the farming group receives.

Mr. President, no one within the hearing of my voice will question the fact that our great President has done more for agriculture than has any other man who ever occupied the White House. Nobody doubts that. He proposed many measures which are now law. What I am about to say is not in criticism of the President, but I voice my convictions in order to show what the so-called unprincipled, ruthless, reckless farm bloc has done to balance the scales. I contend that if it had not been for the work of this belittled farm bloc that the farmers might be hopelessly further from parity than they now are.

It was all well and good to put the parity concept in the Farm Act of 1937 and later revise it so as to improve the formula. Such revision did some good but the farmer was far short of parity. Everybody remembers that when the prices of farm commodities began to rise in 1937 the administration, acting through Mr. Eccles and some of the administrators in the Department of Agriculture, said, in effect, "Prices are too high, they must come down." As a result of such action the returns received by the farmer dropped from a high of 121 in 1937 to a low of 93 in 1939, all of which can be seen by reference to a chart that I propose to incorporate in the RECORD in the course of my speech.

Who was responsible for raising the parity payments to the farmers? The President? No. It was the farm bloc. In 1938, when we proposed an increase in farm prices, the President said, "Unless

you find the money I will veto the item." In effect that is what he stated. That can be found in his state papers, volume 8, page 378:

> The Price Adjustment Act of June 21, 1938 (52 Stat. 809, 819), appropriated $212,000,000 for these parity payments for the fiscal year ending June 30, 1939, but no revenue had been provided by the Congress for these payments. During the debates in 1938 it was indicated that after January 1, 1939, the question of additional revenue would be taken up, at a time when the Congress would have better information on which to proceed.
>
> On January 3, 1939, I sent to the Congress my Budget message for the fiscal year ending June 30, 1940 (see item 3, this volume). In that message I pointed out that the Congress had adopted this program for "parity" payments to farmers, but had so far provided no sources of revenue for these payments.
>
> While the Department of Agriculture appropriation bill for the next fiscal year ending June 30, 1940, was under consideration, the Secretary of Agriculture reminded the committee that they had not yet provided the funds for the $212,000,000 of parity payments which had been appropriated by the Congress for the year previous, and that, therefore, the bill for the next year did not contain any provision for an appropriation for parity payments.

What tactics did the farm bloc have to resort to in order to make it possible to appropriate $212,000,000 to be utilized toward paying parity? We had to add a title—title V, as I recall—to the W. P. A. appropriation bill and incorporate in it the $212,000,000. It was felt that the President would not veto the appropriation bill, since it was necessary to have money to take care of the W. P. A. workers.

Let me say in passing that, although I may be wrong about it, I do not know of any appropriation ever proposed before the Senate in which the executive department has tried to get the Congress to first obtain funds before the appropriation was made.

I say to the Members of the Senate that we have almost had to corkscrew out of the administration some of the gains made by the farmers on parity and other items. Senators will recall what happened last year when we attempted to raise parity payments by appropriating more funds. We had in the Department of Agriculture appropriation bill an item for four-hundred-and-seventy-odd-million dollars, as I recall, for that purpose. That was to bring up parity prices to almost 100 percent. What happened to it? The bill was before Congress for quite some time. The Department of Agriculture and the President were opposed to the larger appropriation. In the meantime the Congress passed a bill making it possible for farmers to borrow as much as 85 percent of parity on some of their commodities. I am informed that the Chief Executive agreed to sign the bill calling for 85 percent of parity loans, provided that the appropriation for parity was reduced from four-hundred-and-seventy-odd-million dollars to $212,000,000. That of course was acceptable because all that the farm bloc desired was to assure parity prices to the farmer. I cite this instance merely to show that the farm bloc has had to fight and fight always to obtain a few crumbs for the farmers.

The Senator from Michigan [Mr. BROWN] cited another incident enacted in aid of the farmer. He gave credit to the executive branch for what was done in their behalf. Let me give the history of that proposal—not in an attempt to criticize the President, but in order to show that it was the farm bloc in the Senate and the farm bloc in the House which actually paved the way for the reduced interest rates which the distinguished Senator from Michigan credited in his address last week to the account of the executive department.

I am sure that all Senators will remember the history of the legislation. It will be recalled that in the Seventy-fifth Congress, of January 1937, both the House of Representatives and the Senate passed the bill to reduce the interest rates paid by farmers to Federal agencies. What happened to the bill? As the senior Senator from South Carolina will recall, both Houses of Congress passed it by overwhelming majorities. It went to the White House and was vetoed.

I do not know why the President vetoed it. He acted within his rights, but it remained to the Senate and the House to override the President's veto so as to give to the farmers the reduced interest rates which the Senator from Michigan [Mr. BROWN] implied was granted by Executive approval.

The next year a measure was introduced in the House of Representatives for the purpose of extending the provisions of the bill which was enacted during the Seventy-fifth Congress. Again the measure passed this body and passed the House of Representatives by tremendous majorities. It went to the White House and was vetoed. It came back to Congress, and again we passed it by overwhelming majorities. The last time that such proposed legislation was placed before this body, for further enactment, was during the Seventy-sixth Congress. Both Houses passed the bill, and the President signed it.

Mr. President, again I say, I am not citing these cases in criticism of the President, but I am calling attention to them simply to show that unless the so-called farm bloc had responded or come to the aid of the farmers of the Nation the farmers would be in a worse state than they now are. We have been their guardians and protectors and I for one will dedicate much of my time in order to further help them.

Mr. President, as I stated a while ago, the language which we are trying to incorporate into the pending measure is simply language to make it mandatory that in fixing parity prices all farm labor shall be included. I shall point out to the Senate what items constitute the farmers' income, when it is said that they received 15 percent for one year, 10 percent for another year and so on of the national income. Such farmers' income is not net income or anything like it, but it takes into consideration and includes everything the farmers grow on their farms for their own requirements. It includes all cattle, hogs, chickens, and everything else that they raise for their own maintenance. It includes the rental value of farm dwellings, also hired labor, and the increase in the value of farm property.

I shall show in just a few minutes that the amount of actual cash which finds its way into the pockets of the farmers of this Nation is less than the gross income of four or five of the large corporations of our country. Imagine, Senators, that in some years over one-third of the people of the Nation—the farmers, who produce the commodities necessary to feed and clothe us, to feed and clothe our armed forces, and to feed and clothe those who produce for the armed forces—have received in actual cash less than 3 percent of the total income of the Nation.

I shall place these figures in the RECORD. I do not want to burden the Members of the Senate with further explanation, but in all sincerity and in all seriousness I ask that Senators consider and study them. If they do so, it may be that the Members of the Senate will see the pending amendment in its true light and will vote to help the farmers of the Nation.

Mr. BONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MCFARLAND in the chair). Does the Senator from Louisiana yield to the Senator from Washington?

Mr. ELLENDER. I yield.

Mr. BONE. A few minutes ago the Senator from Louisiana referred to a statement contained in the President's speech or in his message to Congress. I am not aware which one the quotation was taken from.

Mr. ELLENDER. The President's message to Congress of September 7.

Mr. BONE. On that date the President sent a message to Congress and also delivered a radio address. Let me ask the Senator in which of the two documents we shall find the quotation employed by the Senator. I am sorry to trouble the Senator about the matter.

Mr. ELLENDER. That is quite all right; I am glad to be able to oblige the Senator. The document from which I quoted is Document No. 834, a message from the President of the United States to the Congress. The quotation appears on page 5, near the bottom of the page.

Let me say to the Senator from Washington that what I am saying today should not be interpreted as a criticism of the President or of the position of any Senator. If the President desires to put a proposition before the Senate, I believe that he should expect us to express our views regarding it. In this light, whatever I say is not a criticism of his judgment, nor by any means is it a criticism of the war effort.

Mr. President, what I fear is that if we do not in some way take care of the increased cost of labor to the farmers of our Nation there will be reduced production. That is what will happen. I am

experienced in the farming business, and I can speak with authority. I am convinced that farmers cannot remain in business unless added costs of labor are given consideration in fixing maximum prices.

Mr. President, it is not that we do not have faith in the President's judgment. I bow to no Senator on this floor when it comes to having supported the President since I have been a Member of the Senate. I have worked loyally with him, and I expect to continue cooperating with him in our war effort. We owe it to the Nation; we owe it to the President, as our great leader.

I sincerely believe that the President has been misadvised as to this problem; and, so far as I am concerned, I do not have much faith in the judgment of some of his advisers, especially some of those who have to do with the farm problem and the Office of the Price Administrator. I may put it in this way—that I have lost faith in some of the advisers to the advisers of the President. Some of the advisers to the advisers of the President do not know any more about the problem that is confronting them and is in their hands for consideration than a rooster knows when Sunday comes around. [Laughter.]

In order to prove the idea, let me say that 2 or 3 months ago an effort was made by someone in the Office of Price Administrator to place a ceiling on fur coats. What month do you think was selected as a basis for the ceiling? The month of March, when the the price of fur coats is usually from 30 to 40 percent less than their retail price in the wintertime. Who would have suffered if such an order had been issued? Not the manufacturer, not the retailer, but the poor trapper in my State and the trappers from every other State who furnish fur, who break the ice every winter morning to trap the animals which supply the fur from which the coats are made. They would be the sufferers.

Mr. President, who do you think was the administrator of the regulations with respect to fur coats? He was a little shavetail who, by the way, I may say to the Senator from North Carolina [Mr. REYNOLDS], was from North Carolina. He had been a tobacco grader, I understand, and did not know much about fur. I took the matter up with him and discussed it, and after 2 or 3 weeks the order was finally written to follow the formula which I suggested. The manufacturers of furs usually buy their fur in July and August, and depending upon what they have to pay for the raw fur in July and August determines the price of the coat sold to the retailer and the price the retailer quotes to the ultimate consumer. In other words, what the order finally did, in accordance with the suggestion made by me was to fix the cost to the manufacturer at the time he purchased the fur and made the coats and the cost to the retailer at the time he normally sells coats. So I think the ceiling for fur coats has been so fixed that the man who ensnares or traps the animal will get a fair percentage.

Mr. President, everyone knows that when we discussed the price-control bill in the Senate last January there were four formulas written into the bill providing for methods by which farm prices were to be measured, and whichever was the highest the farmer would receive. Nobody doubted that; nobody took issue with it except myself, only, however, by way of emphasis. The Senator from Michigan [Mr. BROWN], who handled the price-control bill, placed in the RECORD, at pages 718–719, a table indicating the price floors for selected agricultural commodities under the House price-control bill. The table was placed in the RECORD so that every Senator could look at it and ascertain how certain commodities would be affected by the price-control bill. On one item, sugarcane for sugar, per ton, the highest price reached was the average price between July 1919 and June 1929, of $5.93. For sugar beets the highest per-ton price was not the average price between July 1919 and June 1929, but the 110-parity formula, which gave the beet producers $8.71 for their commodity.

When the debate was about to be concluded, I interrogated the Senator from Michigan on that point in order to make it plain and clear so that there would not be any ifs and ands about the matter. This is the colloquy that ensued as found on page 718 of the RECORD:

> Mr. President, I should like to have the attention of the Senator from Michigan [Mr. BROWN]. As I understand the bill as agreed to in conference, the possible price ceilings of farm commodities are determined by one of four methods, whichever is the higher, to wit: First, 110 percent of parity; second, the estimated October 1, 1941, farm price; third, the average price from 1919 to 1929; and, fourth, the December 15, 1941, farm price. Am I correct?
>
> Mr. BROWN. Yes.

Mr. ELLENDER. Then, I proceeded to ask further questions, which I shall not read but which I ask to have incorporated in the RECORD as a part of my remarks, at this point. They show that the Senator from Michigan while handling the price-control bill interpreted the measure in accordance with the formula to which I have just referred and the table on page 695, to which I have adverted.

The PRESIDING OFFICER. Without objection, the matter referred to by the Senator from Louisiana will be printed in the RECORD.

The matter referred to is as follows:

> Mr. ELLENDER. The Senator has placed in the RECORD in connection with his remarks a table which deals with the parity price of sugar beets and sugarcane per ton. I notice that according to this table the average price for sugar beets and sugarcane from 1909–14 was $5.50 and $3.73, respectively, and that 110 percent of parity, as of December 15, 1941, would make the price for sugar beets at $8.71 and $5.91 for sugarcane, per ton. The 10-year average price for sugar beets is $8.34 per ton, and for sugarcane, $5.93.
>
> Now, at the bottom of the table appears this notation:
>
> "The anticipated 1942 crop returns to growers will be as follows: For sugar beets, $8.65 per ton, and sugarcane, $5.25."
>
> How does the Senator reconcile those figures with the ones I have just indicated? In other words, the highest price for sugarcane is to be found in the 10-year average method, which is $5.93 per ton, and for sugar beets the highest price is found, according to the 110 percent of parity formula, which is $8.71 per ton, whereas the notation to which I have referred would make it $8.65 for sugar beets and $5.35 for sugarcane.
>
> Mr. BROWN. I am unable fully to comprehend that rather fine-spun distinction, and I should not want to change the general statement I made at the time I discussed the bill. Generally speaking, I understand that the proposed law is very clear, that whichever minimum for any agricultural product is the highest, whichever ceiling is the highest, is the one which will be chosen.
>
> Mr. ELLENDER. In other words, if the 10-year average price of sugarcane is the greater, then that will be the ceiling for that commodity, and likewise, if the 110-percent parity price for sugar beets is the greater, that will be the price ceiling for that commodity.
>
> Mr. BROWN. That is my assumption.
>
> Mr. ELLENDER. I thank the Senator and I feel certain that is the understanding of every Senator here present. Mr. President, I ask leave to have printed in the RECORD at this point in connection with my remarks a letter addressed to me by F. L. Thomsen, acting head of the Division of Statistical and Historical Research, Department of Agriculture, dated January 23, 1942, together with an attached table.
>
> There being no objection, the letter referred to was ordered to be printed in the RECORD, as follows:
>
> JANUARY 23, 1942.
>
> Hon. ALLEN J. ELLENDER,
> *United States Senate.*
>
> DEAR SENATOR ELLENDER: This will confirm the prices given you over the telephone today by Mr. Randall:
>
> Cottonseed: Crude, f. o. b. southeastern mills: October 1, 12.62 cents per pound; December 12, 12.50 cents per pound; January 22, 12.62 cents per pound.
>
> Cotton: Parity December 15 on the basis of United States average price received by farmers for all types and grades of cotton sold, 17.83 cents per pound.
>
> Cotton: Average price of fifteen-sixteenths inch Middling at the 10 spot markets, October 1, 17.11 cents per pound; December 15, 17.19 cents per pound; January 22, 19.43 cents per pound.
>
> Rice, rough: Parity December 15 on the basis of United States average price received by farmers, $1.171 per bushel, which is the equivalent of $4.21 for a barrel of 162 pounds.
>
> Rice: Fancy Blue Rose at New Orleans: September 29, $4.15 per hundred pounds; December 15, $6.15 per hundred pounds; January 19, $6.65 per hundred pounds.
>
> I am also enclosing the table I mentioned. You will note that the October 1 and December 15 prices in the table are farm prices. According to the CONGRESSIONAL RECORD, the conference report specifies market prices on October 1 and December 15. Since there are such a large number of market prices for the various commodities, we have included the farm price on the assumption that if ceilings were placed on the market prices at the levels of October 1 or December 15, prices to farmers would be equal to those indicated in the table, providing there was no change in the margin between the farm prices and the market prices for the various grades and markets.
>
> Yours very truly,
>
> F. L. THOMSEN,
> *Acting Head, Division of Statistical and Historical Research.*

Possible price ceilings

Commodity	Unit	110 percent of Dec. 15, 1941, parity price	Estimated Oct. 1, 1941, farm price [1]	Average farm price, 1919–29 [2]	Dec. 15, 1941, farm price
		Dollars	*Dollars*	*Dollars*	*Dollars*
Cotton	Pound	0.1965	0.1704	*0.2147*	0.1623
Cottonseed	Ton	35.72	*50.36*	37.20	44.65[4]
Wheat	Bushel	*1.400*	.934	1.325	1.022
Corn	Bushel	*1.016*	.678	.889	.669
Oats	Bushel	.632	.394	.474	.452
Barley	Bushel	.980	.504	.693	.561
Rye	Bushel	*1.141*	.543	.947	.578
Rice (rough)	Bushel	1.288	.929	1.270	*1.439*
Flaxseed	Bushel	*2.67*	1.74	2.34	1.78
Beans, dry edible	Hundredweight	5.34	4.31	*6.77*	4.93
Potatoes	Bushel	1.114	0.658	*1.245*	[3]0.827
Sweetpotatoes	Bushel	*1.890*	.902	1.344	.866
Hay, all	Ton	*18.80*	9.14	13.53	9.43
Peanuts	Pound	*.0759*	.0440	.0580	.0479
Apples	Bushel	*1.82*	.86	1.46	1.09
Hogs	Hundredweight	*11.44*	10.59	9.77	10.21
Beef cattle	Hundredweight	8.25	9.27	7.18	*9.38*
Veal calves	Hundredweight	10.69	11.20	9.65	*11.22*
Lambs	Hundredweight	9.30	9.75	*11.12*	9.86
Butter	Pound	.404	.330	.428	.339
Butterfat	Pound	[3].455	.370	.440	.360
Milk, wholesale	Hundredweight	[4]2.53	2.48	[4]2.53	*2.66*
Milk, retail	Quart	.108	.111	.113	*.114*
Chickens, live	Pound	.180	.162	*.211*	.158
Turkeys, live	Pound	.228	.182	.268	.209
Eggs	Dozen	[3].422	.310	.332	.341
Wool	Pound	.290	.363	.341	*.371*

[1] Average of prices received by farmers on Sept. 15 and Oct. 15.
[2] Average of monthly prices received by farmers, July 1919 to June 1929.
[3] Adjusted for seasonal variation.
[4] 110 percent of parity and average farm price 1919–29 are equal.

Mr. ELLENDER. Mr. President, what did the administrators of the law do? Did they follow the law as it was written by the Congress? I should say not. They allowed the beet-sugar producers—and I am not complaining about that—a price equal to 110 percent of parity, but, when it came to the sugarcane producers, instead of allowing them to receive $5.93, which they were supposed to obtain, they were allowed a price of only $5.35. Why do you think that was, Mr. President? The administrators concluded—where they got the idea I do not know—that because more people were engaged in the production of beet sugar than were engaged in the production of cane sugar, the formula should be 110 percent of parity for beet producers and not 110 percent of parity but less than parity for the sugarcane producers. That kind of judgment makes me almost lose faith in some of the advisers to the President. But that is not all. I am citing merely a few instances with which I am familiar. I do not intend to discuss all cases.

In March and April of this year, when the Japanese were grasping the islands in the Pacific, invading Burma, and other places where much rice is produced, the Department of Agriculture of the United States, and the O. P. A. Administrator sent their agents into Louisiana, Texas, Arkansas, California and asked the people to raise more rice in order to replenish the loss. In a circular the Department said:

> Ceilings on milled rice, as reflected on rough-rice prices, also are considered attractive to stimulate 1942 crop plantings. Present Department of Agriculture plans call for a substantial acreage increase.

Those ceilings were established in May. That was a bait—I call it a bait—given to the rice growers of my State of California, and of other rice producing States. The statement I just read was issued on May 22, and at that time the O. P. A. had fixed ceilings on milled rice. Rexoro was $9.75 a hundred pounds, Nira was $9.75, and so on down to Early Prolific, $6.65. I shall put the whole table in the RECORD.

These prices would have given the farmer a fair return on his labor; but what happened? Last August, after the farmers had planted their crop, after they had plowed and planted more land than ever before, in order to comply with the request of the O. P. A. and the Department of Agriculture, the ceilings were changed. The change was made not for the benefit of the farmers, not to satisfy them, by any means, but because the margin of profit between the milled rice and what the consumer paid did not give a sufficient profit to the "in-betweens." A large number of manufacturers, rice brokers, and others similarly interested applied for relief, and let us see what happened. Did the Department cut the margin of profit so that the consumer could get the rice at a lower price? No; they took it off the hides of the farmers by reducing the ceilings which had been established in May by 10 percent. They reduced the ceilings on milled rice on August 19, on Rexoro, for instance, from $9.75 to $8.25, on Edith from $8 to $7, on Pearl from $7 to $6.50, on Early Prolific from $6.65 to $6.20, and so on.

Did the consumers' prices change? Did they benefit? I should say they did not. The retail rice prices which I am about to cite were not handed to me by anyone, but I myself spent some time in the stores in the city of Washington in order to find out the truth about the matter.

Before I proceed, I might say that I made the same investigation as to sugar, and I will cite the results in both instances. In Louisiana the farmer is now paid on a basis of $3.74 a hundred pounds for raw sugar. That ceiling was established last January after all the farmers had sold their crops. They did not benefit from the rise which took place last January. My distinguished colleague will remember that last October he and I called upon Mr. Henderson and requested—begged—that if any changes were to be made in the price of raw sugar, which was then fixed at $3.50, that the change be made before October 15, so that the farmers could receive the benefit of any upward change. But he did not listen to our pleas. In January, after all the sugar was gone, the price was changed from 3.50 cents per pound to 3.74 cents per pound. In December 1941 the ceiling price of refined sugar was fixed at $5.45 a hundred pounds for Baltimore and New Orleans.

Bear in mind that today the ceiling is placed on rice from the mill, not from the farmer, because the farmer does not figure in it; it is milled rice. The millers receive an average of say, $6.75 a hundred pounds for all rices, and the farmer receives about 75 cents less, which would mean, in round figures, about 6 cents a pound on an average.

What do you think the consumers are paying in the city of Washington? I did not rely for my information upon hearsay. I went and bought the sugar and the rice as I have just indicated in order to find out for myself. A 12-ounce package of rice sold for 1 cent an ounce, or 16 cents a pound. The ceiling for sugar was $5.45 in Baltimore and New Orleans. In Washington the retail price is 8 cents a pound. In a few instances it sells for 7 cents per pound. Senators, that is really where the trouble lies. It is not with the farmer. Let us not blame the farmer for these skyrocketing prices. The blame should be placed on the in-betweens—the leeches, the bloodsuckers—who take advantage of the situation. The least rise that occurs in favor of the farmer is taken advantage of by them to fix the price to the consumer much higher or, I will say, in a greater proportion than it should be. All will agree, I am certain, it should not cost almost twice what a farmer receives to market rice. Nor should it cost almost 2½ cents per pound to retail sugar.

Those are only a few instances of price increases. Many more could be cited. The distinguished Senator from Iowa [Mr. GILLETTE] cited some startling examples when he spoke before the Senate last week. After all, Senators, I firmly believe that most of the trouble lies in the high cost of distribution and not because of the price received by the farmers. If the situation were thoroughly investigated, if it were possible, as I know it is, for the O. P. A. to investigate prices asked in the city of Washington, for example, and ascertain the enormous profits that are being made by some of the retailers and wholesalers, something could be done which would relieve the situation. It is a grave injustice to the farmers of the Nation to point the finger of scorn in their direction.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SMITH. In speaking of the middleman getting the profit, let me say there is now a great demand for sweetpotatoes throughout the South. A tenant on my place planted quite an acreage of sweetpotatoes, and I thought he was receiving an astoundingly good price. He was paid $1.50 a hamper. A hamper holds 1 bushel. My daughter went to a store the other day to buy some sweetpotatoes, and she paid 10 cents a pound. She paid about 30 cents for two and a half sweetpotatoes. I can take one "jumbo," as it is called, grown on my farm, and at that price I would receive 60 cents a potato. If that ceiling is put upon potatoes as they come from the farm, I will not plant anything but sweetpotatoes.

Mr. ELLENDER. Mr. President, I realize that Mr. Henderson has a very difficult job, and I desire to give him credit for having worked hard toward accomplishing the purpose sought for in the Price Control Act. But I do believe that instead of arm-chair farmers he should have practical men advising him, men who know something about the situation, who go into the field and really gather information and ascertain the margin of profit represented by the difference between the price paid the producer of the commodity and the amount paid by the consumer. If we can bridge that gap, in other words, draw the consumer nearer to the producer, I believe we can accomplish something worthwhile.

Before the war some stores would have leads on tomatoes, others on sugar, others on this and others on that. There was a great deal of competition. The average family got at retail a pretty fair return for its money. But there is no longer any question of competition. From what I can understand, most canned goods will be rationed in the same way that sugar and other commodities are, so that a storekeeper, whether he be one who handles a million dollars worth of commodities a year, or $5,000 worth of commodities a month, is going to pay the same price for each commodity that everyone else will pay, because there will be a ceiling on it. That is as it should be. Since there is no way for competition to exist to the same extent as in years past, it strikes me that a better solution of the problem could be attained than by selecting March, let us say, and the price for which one of the storekeepers in this city sold a commodity during that month, and announce that the highest price for which he sold it would be the price charged.

Today in Washington a can of tomatoes can be bought for so much at one store and at another store the price will be 2 cents more. It is the same with sugar and the same with everything else. It strikes me that a better formula to regulate prices could be worked out, and that in working out that formula we could give to the producer of the commodity a fair margin, a margin which would reflect at least the cost of labor we are now attempting to provide for in the way of additional costs. That is all we ask.

Mr. President, as I indicated a while ago, I have many figures which I could submit to the Senate to show that the so-called farm income is a mere pittance when compared with what it ought to be. On November 30, 1937, I placed in the CONGRESSIONAL RECORD, at page 530, volume 82, part 1, Seventy-fifth Congress, second session, a table entitled "National Income: Agriculture's Contribution to National Income, Nonagricultural Income, Percent Agricultural Is of National Income, Percent Nonagricultural Is of National Income, and Tariff Acts in Effect."

That table showed that in 1850 the farmer received for his commodities 33.6 percent of the national income, whereas the nonagricultural income was 66.4 percent of the national income.

In 1860, just before the Civil War, the farmer received 37 percent of the national income, whereas nonagricultural income was 63 percent. I have given corresponding figures down to and including the year 1936, the last year for which such figures were at that time available. At the right of the table was a column in which were placed the various tariff acts which were passed during the years 1850 to 1930. That column shows that there was a general increase in tariff rates, and as the tariff rates increased the percentage of nonfarm income in the United States increased, whereas the income of the farmer decreased, until it reached the low of 5.8 percent of the national income in 1933.

Mr. President, I direct the attention of the Senate particularly to how these figures of percentage of national income is calculated insofar as the farmer is concerned. For instance, according to the table which I hold in my hand, in 1940, from a total income for the Nation of $76,000,000,000 in round figures, the farmer received 7.19 percent. But when we deduct from what is termed "income" the rent for his home, the value of agricultural crops produced and consumed on the farm, the value of livestock produced and consumed on the farm, taxes, interest, and hired labor, we find that that income is cut almost in half.

Let us consider the figures for the year 1910. The actual net to the farmers that year was $2,118,000,000. The reported net, however, was $4,474,000,000. The difference between the two figures is accounted for as follows: Crops produced and consumed on the farm, as I have just indicated, amounted to $340,000,000. Livestock produced and consumed on the farm, $837,000,000. Rental value of the farm houses in which the farmers live, $382,000,000. Farm wages paid to hired labor—not wages paid to the wives, not wages paid to the children who work on the farm, not wages paid to the one operating the farm, but hired labor, $546,000,000. Change in value of inventory on the farm—and, Mr. President, what does that mean? If the value of the farm goes up and the inventory is greater, that increase is considered as income, whether the farm is sold or not, and that increase amounted in 1910 to $151,000,000. So, Senators, if we deduct from the total amount credited to the farmers of the Nation the items just referred to, it will be found that instead of receiving for the year 1910 13.58 percent of the national income, as a matter of fact, the farmers actually received 6.71 percent of the national income.

Mr. President, what are we trying to do to alter this condition? We are trying to incorporate in the formula of actual costs to the farmer his labor costs, not only for himself but for his children—all the labor necessary in order to produce a crop. I ask, why is that not fair?

Further reverting to the table I have just referred to, for the year 1940, out of a total of $76,000,000,000 national income the farmers of the Nation received 2.98 percent—not 3 percent, I call to the attention of the Senator from Wisconsin [Mr. LA FOLLETTE]. Why, Mr. President, I should say that but a handful of large corporations received more than that amount of the national income.

Mr. President, as I pointed out a while ago, although they represent one-third of the Nation engaged in the necessary occupation of keeping the Nation fed, the farmers received in cash in 1940 only 2.98 percent of the national income.

Mr. President, when the Department of Agriculture states that the farmers of the Nation will receive this year out of the national income as much as $15,000,000,000, I contend that they will not receive half that amount. They will receive less than 50 percent of that amount, because when we consider and place against the farmer's income the high price of pork which is consumed on the farm, when we figure the high price of butter, the additional cost of labor, and then make all these other deductions to which I have referred, we shall, I am sure, find that instead of the farmer receiving one-half the estimated amount of $15,000,000,000, that is instead of $7,500,000,000 in cash going to the farmer, and $7,500,000,000 going for the labor on the farm and for things he consumes in the way of livestock and so forth—instead of it being 50–50, it will be 60 percent for labor and for what he consumes and only 40 percent net for the farmers. Think of it, Senators, from an estimated national income of $115,000,000,000 the farmers, who clothe and feed us, will receive in cash about $6,000,000,000. It is a shameful condition and should be rectified at once.

Mr. President, I cannot see why the Department of Agriculture cannot take into consideration the figures I have just referred to, and why they cannot be brought to the attention of the President of the United States, so he can see the picture in its true light, so he can see the vast discrepancy between what the farmer receives for what he produces and what the consumer has to pay for it.

I believe that in a true recognition of that picture lies the remedy.

Mr. President, at this point I ask that the table which I previously placed in the CONGRESSIONAL RECORD, at page 530, on November 30, 1937, be incorporated in the RECORD at this point, as part of my remarks.

The PRESIDING OFFICER (Mr. SPENCER in the chair). Without objection, it is so ordered.

The table is as follows:

National income—Agriculture's contribution to national income, nonagricultural income, percent agricultural is of national income, percent nonagricultural is of national income, and tariff acts in effect

Year	National income [1]	Agriculture's contribution to national income [1]	Nonagricultural income [1] [2]	Percent agricultural is of national income [3]	Percent nonagricultural is of national income	Tariff acts [4]
	Million dollars	*Million dollars*	*Million dollars*	*Percent*	*Percent*	
1850	1,579	530	1,049	33.6	66.4	Act of 1846: Moderation of protection.
1860	2,707	1,002	1,705	37.0	63.0	Act of 1857: Further reductions. 1861: Increase began. 1862: Great increase. 1864: Extreme increase.
1870	5,424	1,534	3,890	28.3	71.7	1870: Slight increase. 1872: 10-percent reduction, which was repealed in 1875.
1880	6,434	1,786	4,648	27.8	72.2	1882: Increase. 1883: Decrease because of too full Treasury.
1890	10,504	2,294	8,210	21.8	78.2	1890: McKinley. Further extension of protective system. 1894: Wilson Act; decrease in duties. 1897: Dingley; favored protection.
1900	15,522	2,815	12,707	18.1	81.9	
1909	26,430	4,988	21,442	18.9	81.1	1909: Payne-Aldrich. Revision downward.
1910	28,024	5,218	22,806	18.06	81.4	
1911	28,376	4,815	23,561	17.0	83.0	
1912	30,358	5,294	25,064	17.4	82.6	
1913	31,909	5,133	26,776	16.1	83.9	1913: Underwood. Drastic reduction.
1914	31,669	5,081	26,588	16.0	84.0	
1915	33,083	5,488	27,595	16.6	83.4	
1916	38,884	6,631	32,253	17.1	82.9	
1917	46,575	9,188	37,387	19.7	80.3	
1918	54,784	11,205	43,579	20.5	79.5	
1919	59,550	12,182	47,368	20.5	79.5	
1920	65,928	11,057	54,871	16.8	83.2	
1921	55,430	6,967	48,463	12.6	87.4	1921: Emergency, increase.
1922	57,926	7,300	50,626	12.6	87.4	1922: Fordney-McCumber. Further increase.
1923	65,949	8,026	57,923	12.2	87.8	
1924	67,946	7,810	60,136	11.5	88.5	
1925	72,203	8,315	63,978	11.5	88.5	
1926	74,586	7,846	66,740	10.5	89.5	
1927	75,479	7,843	67,636	10.4	89.6	
1928	77,123	7,941	69,182	10.3	89.7	
1929	79,350	8,206	71,144	10.3	89.7	
1930	73,088	6,338	66,750	8.7	91.3	1930: Smoot-Hawley.
1931	60,971	4,135	56,836	6.8	93.2	
1932	47,674	2,756	44,918	5.8	94.2	
1933	45,662	3,761	41,901	8.2	91.8	
1934	52,801	5,017	47,784	9.5	90.5	
1935	56,856	5,705	51,151	10.0	90.0	
1936	64,598	6,783	57,815	10.5	89.5	

[1] 1850–1923 from Agriculture's Share in the National Income, October 1935, Division of Information, Agricultural Adjustment Administration, U. S. Department of Agriculture. 1924–36 from Monthly Indexes of Nonagricultural and National Income, August 1937, Program Planning Division, Agricultural Adjustment Administration, U. S. Department of Agriculture.

[2] 1850–1923 calculated by Southern Division. Total national income minus agriculture's contribution to national income.

[3] 1850–1923, see footnote 1. 1924–36 calculated by Southern Division.

[4] Taussig. Tariff History of the United States, G. P. Putnam, 1931.

Mr. ELLENDER. Mr. President, I also ask that a statement made by me on January 22, 1942, together with accompanying tables, be incorporated in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. In connection with the total revenues of farmers, I invite the attention of the distinguished Senator from Oklahoma to an exhibit which was incorporated in the Appendix of the RECORD by me, at page A5099, showing the distribution of the so-called cash income to the farmer. It has often been pointed out that the farmers of the Nation received a stated percentage of the national income each year. Beginning in 1910, they received from the total national income 13.53 percent, in 1911, 12.13 percent, and so on, down to 1940, when they obtained 7.19 percent thereof.

When we analyze those figures—and by the way those figures may be obtained by any of you from the Bureau of Agricultural Economics—we find that we must deduct from the so-called total income the value of the crops produced and consumed on the farm, the livestock produced and consumed on the farm, the rental value of farm dwellings, and farm wages paid to hired labor, in order to obtain the actual cash received. When that is done, gentlemen, the farmers of the Nation receive but a pittance for their labor.

Let us take, for example, the year 1940, when it is said that the farmers received 7.19 percent of the total national income. As a matter of fact, after deducting the items which are consumed on the farm, farm wages to hired labor, and rental value of farm dwellings, they received, in actual cash, only 2.98 percent of the total income. In other words, out of a total national income of $76,470,000,000, the farmers of the Nation received $2,277,000,000 in cash for their labor, out of which they must pay taxes and other expenses. By using the same method of calculation for the years 1936–40, I desire to point out for the RECORD the figures to show the actual cash which the farmers of the Nation received for those years. I will give the percentages of net farm cash income as related to the total amount of income for the entire Nation.

In 1936 the total national income was $65,734,000,000. Of that amount, the farmer received in cash $2,940,000,000, or 4.47 percent of the total national income. In other words, the farmers, who constitute about 25 percent of the people of our Nation, who feed and clothe us, received but 4.47 percent of the entire income of the Nation for that year.

For 1937 the total income of the Nation was $71,655,000,000. The farmers received $2,968,000,000, or 4.14 percent of the entire income.

For 1938 the entire income was $66,446,000,000, and the farmers received $2,169,000,000, or 3.26 percent of the entire income. It sounds fantastic and unbelievable.

In 1939 the national income was $71,134,000,000. The farmers received $1,983,000,000, or 2.79 percent of the income of the entire Nation. I think it is shameful.

In 1940 the entire national income was $76,470,000,000, of which the farmers received the paltry sum of $2,277,000,000, or 2.98 percent of the entire national income. Compare that measly, insignificant sum with the huge net corporate profits for the same year of $11,500,000,000. I repeat, it is a disgrace, and I wonder why the farmers of our country have tolerated such conditions for so long a time. And yet, Mr. President, with such inequities, columnists and others who do not seek the truth are saying that the farmers are receiving too much. As a matter of fact, when we boil it down, it is the in-betweens—that is, the brokers, merchants, retailers, the railroads, and so forth—who make the profits, and the farmer usually gets barely enough to provide clothing and shelter for his family and money to pay taxes.

I invite the columnists and editorial writers of the country to analyze the actual returns received by farmers and then I challenge them to write the truth on the subject.

Mr. President, I ask consent to print in the RECORD at this point tables A, B, and C, to which I have been referring.

The VICE PRESIDENT. Without objection, it is so ordered.

TABLE A.—*Showing farm income, cost of production, and actual net cash received by farmers for years shown*

Year	Total cash farm income from sale of all crops and livestock, etc. (1)	Total cost of production, including wages (2)	Actual net cash to farmers (column 1 less column 2) (3)
	Millions of dollars	*Millions of dollars*	*Millions of dollars*
1910	5,793	3,575	2,218
1911	5,596	3,620	1,976
1912	6,017	3,863	2,154
1913	6,248	3,999	2,249
1914	6,050	4,091	1,959
1915	6,403	4,189	2,214
1916	7,750	4,805	1,945
1917	10,746	6,082	4,664
1918	13,461	7,520	5,941
1919	14,602	8,400	6,202
1920	12,608	9,079	3,529
1921	8,150	6,854	1,296
1922	8,594	6,797	1,797
1923	9,563	7,088	2,475
1924	10,221	7,449	2,772
1925	10,995	7,415	3,580
1926	10,564	7,475	3,089
1927	10,756	7,501	3,255
1928	11,072	7,814	3,258
1929	11,296	7,748	3,548
1930	9,021	6,997	2,024
1931	6,371	5,598	773
1932	4,743	4,543	200
1933	5,314	4,359	955
1934	6,317	4,663	1,654
1935	7,042	5,010	2,032
1936	8,284	5,344	2,940
1937	8,809	5,841	2,968
1938	7,648	5,479	2,169
1939	7,851	5,868	1,983
1940	8,354	6,077	2,277

TABLE B.—*Showing actual net income to farmers and items added to actual net income by Bureau of Economics in order to arrive at Government figures of net income*

Year	Actual net cash to farmers (million dollars) (1)	Government benefit payments (million dollars) (2)	Crops produced and consumed on farm (million dollars) (3)	Livestock produced and consumed on farm (million dollars) (4)	Rental value of farm dwellings (million dollars) (5)	Farm wages to hired labor on farm (million dollars) (6)	Change in value of inventory on farm (7)	Government figures of net farm income (sum of columns 1 to 7) (million dollars) (8)	Percent of national income received by farmers according to Government figures on net farm income (million dollars) (9)
1910	2,218	----	340	837	382	546	+151	4,474	13.53
1911	1,976	----	362	730	393	547	−67	3,941	12.13
1912	2,154	----	370	770	404	568	+96	4,362	12.66
1913	2,249	----	338	815	420	575	+26	4,423	11.71
1914	1,959	----	346	815	427	572	+426	4,545	12.50
1915	2,214	----	337	794	434	577	+73	4,429	11.58
1916	1,945	----	423	886	473	634	−266	4,095	9.12
1917	4,664	----	617	1,244	540	797	+321	8,183	15.34
1918	5,941	----	622	1,531	618	747	+39	9,498	16.34
1919	6,202	----	727	1,668	713	1,078	−450	9,938	15.03
1920	3,529	----	848	1,558	894	1,242	+348	8,419	11.47
1921	1,296	----	506	1,062	760	805	−613	3,816	6.54
1922	1,797	----	548	1,007	734	775	+18	4,879	8.06
1923	2,475	----	581	1,042	781	841	−75	5,645	7.99
1924	2,772	----	547	1,075	780	844	−412	5,606	7.94
1925	3,580	----	590	1,191	791	856	−93	6,915	9.20
1926	3,089	----	615	1,222	803	893	+25	6,647	8.27
1927	3,255	----	552	1,143	800	867	−259	6,358	8.10
1928	3,255	----	545	1,122	811	856	+136	6,728	8.30
1929	3,548	----	565	1,134	829	863	−166	6,773	7.88
1930	2,024	----	530	1,007	830	774	+12	5,177	6.87

TABLE B—Continued

Year	Actual net cash to farmers (million dollars) (1)	Government benefit payments (million dollars) (2)	Crops produced and consumed on farm (million dollars) (3)	Livestock produced and consumed on farm (million dollars) (4)	Rental value of farm dwellings (million dollars) (5)	Farm wages to hired labor on farm (million dollars) (6)	Change in value of inventory on farm (7)	Government figures of net farm income (sum of columns 1 to 7) (million dollars) (8)	Percent of national income received by farmers according to Government figures on net farm income (million dollars) (9)
1931	773	----	442	811	754	588	+250	3,518	5.88
1932	200	----	381	627	655	313	+39	2,315	5.31
1933	955	131	416	607	587	317	−36	3,010	7.17
1934	1,654	446	399	701	616	404	−664	3,556	7.20
1935	2,032	573	444	893	616	456	+63	5,077	5.46
1936	2,940	287	436	969	615	490	−297	5,440	8.28
1937	2,968	367	471	981	648	557	+230	6,222	8.68
1938	2,169	482	408	875	632	528	+4	5,068	7.67
1939	1,983	807	425	806	636	515	+208	5,372	7.55
1940	2,277	706	430	799	665	525	+38	5,500	7.19

TABLE C.—*Statement showing national income compared with actual net cash farm income, also percent of national income actually received by farmers*

Year	National income (1)	Actual net cash farm income (2)	Percent of national income actually received by farmers (3)
	Millions of dollars	*Millions of dollars*	
1910	33,064	2,218	6.71
1911	32,490	1,976	6.08
1912	34,356	2,154	5.25
1913	37,762	2,249	5.96
1914	36,367	1,959	5.39
1915	38,254	2,214	5.79
1916	44,913	1,945	4.33
1917	53,360	4,664	8.74
1918	58,121	1,941	3.34
1919	66,136	6,202	9.38
1920	73,393	3,529	4.81
1921	58,333	1,296	2.22
1922	60,517	1,797	2.97
1923	70,675	2,475	3.50
1924	70,634	2,772	3.92
1925	75,187	3,580	4.76
1926	80,396	3,089	3.84
1927	78,502	3,255	4.15
1928	81,044	3,255	4.01
1929	85,954	3,548	4.13
1930	75,385	2,024	2.68
1931	59,867	773	1.29
1932	43,620	200	.46
1933	42,006	955	2.27
1934	49,416	1,654	3.35
1935	56,366	2,032	3.61
1936	65,734	2,940	4.47
1937	71,655	2,968	4.14
1938	66,446	2,169	3.26
1939	71,134	1,983	2.79
1940	76,470	2,277	2.98

Source: Bureau of Agricultural Economics, U. S. Department of Agriculture. Statement showing farm income and expenditures released July 25, 1941.

Mr. ELLENDER. Mr. President, I have before me another set of figures. I am sorry the distinguished Senator from Texas [Mr. CONNALLY] is not present. Awhile ago he asked a few questions about the figures to which I shall now refer. The figures are very illuminating. The figures represent an index, taking into consideration the parity formula of 1910–14 as 100 percent. Prices received by farmers in 1910 were 102, that is 2 points over the parity figure of 100 which is used as a guide in this table. During the World War the figure rose from 100 to 202. The prices paid by farmers, including interest and taxes, rose to the figure of 174. Let us keep those figures in mind. During the World War the figure representing prices received by farmers for their products rose to 202, whereas prices paid by farmers rose to the figure 174. That figure represents the prices the farmer paid for the things he bought in order to produce crops on his farm. After the World War the index figure of the prices received by the farmer rose to 211 in 1920, but by 1933 had fallen to 70, in other words, 30 points under the 100-percent formula of 1910–14. That figure gradually increased, until in January of this year it reached 149. Last August it rose to 163.

Prices paid by farmers, including interest and taxes, remained almost constant. There was practically no increase.

The distinguished Senator from Texas asked a question about factory wages. In 1910 the figure for factory wages per employed worker was 99.6, or four-tenths of 1 percent below parity of 100. During the World War, in 1919, the figure rose to 183. In July of this year, the last month for which figures are available, it rose to 327. Think of it! Prices paid by farmers, including interest and taxes, have remained constant at 152.

I wish to show the rise in farm wages, or the prices which farmers must pay for their labor. I pointed out that the factory wage increase was from 99.6 to 327, more than three and a quarter times. Bear in mind that the parity formula is not based on the wages which the farmer pays for hired labor. They are not included at all. The only thing taken into consideration is the price paid by him, including interest, for what he buys, and that is figured on the basis of the prices received by him for his commodities. The farm wage is out entirely.

In 1910, the beginning of the period on which the parity formula was based, we started at a level of 100 for farm wages. What is it today? It is 196. In other words, last July the farmer had to pay almost twice as much for his labor as he paid in the period from 1910 to 1914, the period on which the parity formula was based. The increase in prices of farm commodities has not been commensurate with the increase in the cost of labor. I contend that unless we put into the law some language which will force the authorities to include farm labor, we shall not have production at the rate necessary to feed our Army and our population. That goes without saying. That is all we are asking for in this formula.

Mr. President, as I pointed out a while ago, it is an easy matter for any Senator to take a set of figures, as did the distinguished Senator from Florida [Mr. PEPPER] the other day, and show an increase in farm prices of 72 percent, and an increase in wages of labor of 75 percent. It depends upon where we start. In 1939

the figure representing the prices of farm commodities was at the lowest point which it had reached prior to 1933, during the Hoover term. On the other hand the index for factory wages was 208.2, and it continued near that figure. There was not as much change in the index figure representing farm wages as there was in prices received by farmers. Wages were more constant; and the fluctuations were less than they were in the column showing the fluctuation in farm prices.

As I say, it is an easy matter to take the low figure for 1939 and bring it up to January 1942, showing a rise to 149, and contrast it with the increase in labor wages, which was from 262 to 300. The percentages are almost the same, but the bases are different. It is possible to prove almost anything with figures.

Mr. President, at this point I ask that the table to which I have just referred be printed in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Index numbers of prices received and paid by farmers, the ratio of prices received to paid, farm wage rates, factory wages, and food-marketing margin; also the farmers' share of the consumer food dollar, United States, 1910–42

Year and month	Prices received by farmers 1910–14=100	Prices paid by farmers, including interest and taxes 1910–14=100	Ratio of prices received to prices paid, including interest and taxes 1910–14=100	Farm wage rates [1] 1910–14=100	Factory wages per employed worker [2] 1910–14=100	Marketing margin (58 foods) 1913=100	Farmers' share of consumers' food dollar (58 foods)
1910	102	97	105	97	99.6		
1911	95	100	95	98	96.0		
1912	100	100	100	101	97.8		
1913	101	102	99	103	103.2	100	53
1914	101	101	100	101	103.4	102	53
1915	98	107	92	103	106.8	104	52
1916	118	124	95	113	121.2	109	54
1917	175	148	118	141	143.3	124	60
1918	202	174	116	177	183.0	151	58
1919	213	201	106	207	207.4	171	57
1920	211	205	103	242	247.1	204	53
1921	125	164	76	155	208.2	189	44
1922	132	162	81	151	202.0	171	45
1923	142	165	86	169	223.8	178	45
1924	143	165	87	173	224.8	178	45
1925	156	170	92	176	228.7	178	48
1926	145	168	86	179	231.3	182	48
1927	139	166	84	179	232.1	182	47
1928	149	168	89	179	234.3	180	48
1929	146	166	88	180	235.1	186	47
1930	126	158	80	167	218.4	186	44
1931	87	138	63	130	196.0	169	38
1932	65	120	54	96	158.9	153	33
1933	70	118	59	85	154.3	146	35
1934	90	128	70	95	169.9	158	37
1935	108	130	83	103	183.0	162	42
1936	114	129	88	111	195.6	160	44
1937	121	134	90	126	213.0	162	45
1938	95	127	75	125	194.8	160	40
1939	93	127	73	123	208.2	156	41
1940	98	128	77	126	221.2	153	42
1941	122	134	91	154	262.9	149	48
1942—Jan.	149	146	102	173	300.4	156	51
Feb.	145	147	99	.....	297.2	158	51
Mar.	146	150	97	173	296.6	158	51
Apr.	150	151	99	181	305.3	157	52
May	152	152	100	.....	312.7	161	52
June	151	152	99	181	317.6	165	51
July	154	152	101	196	327.0	163	52
Aug.	163	152	107	.....	.....	158	54

[1] The monthly index numbers are corrected for seasonal variation.

[2] Based on Bureau of Labor Statistics Factory Employment and Pay Roll Data except for the years 1910–1913 and 1915 which were estimated from other data.

Division of Statistical and Historical Research, Bureau of Agricultural Economics.

Mr. ELLENDER. Mr. President, I have another interesting table. I shall not discuss it in detail. It shows the average net income per person engaged in agriculture and the wage income per employed industrial worker. In 1910 the average net income per person engaged in agriculture was $371. The wage income per employed industrial worker was $573. In 1942, with all the high prices we hear about, the average net income per person engaged in agriculture is $1,032, whereas the wage income per employed industrial worker is $1,766.

I ask unanimous consent that this table be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Average income per worker

Year	Average net income per person engaged in agriculture	Wage income per employed industrial worker	Index numbers (1910–14=100)	
			Average net farm income per person employed	Wage income per employed industrial worker
	Dollars	*Dollars*	*Percent*	*Percent*
1910	371	573	101.4	98.6
1911	348	562	95.1	96.4
1912	371	575	101.4	98.6
1913	382	600	104.4	103.0
1914	360	603	98.4	103.6
1915	381	622	104.1	106.7
1916	465	694	127.0	119.1
1917	690	818	188.5	140.2
1918	882	1,064	241.0	182.4
1919	969	1,188	264.8	203.7
1920	753	1,411	205.7	242.0
1921	417	1,234	113.9	211.4
1922	453	1,182	123.8	202.6
1923	532	1,274	145.4	218.3
1924	559	1,273	152.7	218.1
1925	642	1,293	175.4	221.9
1926	609	1,318	166.4	226.2
1927	621	1,311	169.7	224.9
1928	616	1,323	168.3	226.8
1929	649	1,334	177.3	228.8
1930	489	1,249	133.6	214.2
1931	322	1,129	88.0	193.5
1932	218	929	59.6	159.2
1933	289	900	79.0	154.2
1934	400	983	109.3	168.6
1935	468	1,057	127.9	181.3
1936	536	1,129	146.4	193.5
1937	565	1,217	154.4	206.9
1938	489	1,131	133.6	194.1
1939	498	1,203	136.1	206.3
1940	527	1,268	144.0	217.6
1941	742	1,484	202.7	254.4
1942 [1]	1,052	1,766	287.4	303.1

[1] Estimated.

Source: Division of Statistical and Historical Research, Bureau of Agricultural Economics.

Volume of agricultural production, farm employment, and volume of agricultural production per farm worker, United States, 1910–42

[Index numbers 1910–14=100]

Year	Volume of agricultural production	Farm employment	Volume of agricultural production per farm worker
1910	95.5	101	95
1911	99.8	100	100
1912	102.5	100	103
1913	98.3	100	98
1914	104.1	100	104
1915	104.3	99	105
1916	100.1	100	100
1917	103.3	98	105
1918	109.3	94	116
1919	109.5	92	119
1920	111.0	94	118
1921	100.7	95	106
1922	109.9	95	116
1923	114.1	94	121

Volume of agricultural production, etc.—Con.

Year	Volume of agricultural production	Farm employment	Volume of agricultural production per farm worker
1924	117.8	94	125
1925	117.3	95	123
1926	120.9	96	126
1927	117.8	93	127
1928	123.1	94	131
1929	119.1	94	127
1930	118.1	93	127
1931	123.1	93	132
1932	116.5	92	127
1933	115.8	91	127
1934	112.6	90	125
1935	110.5	92	120
1936	113.0	92	123
1937	127.5	90	142
1938	124.0	90	138
1939	128.7	89	145
1940	132.7	88	151
1941	136.2	86	158
1942	152.2	86	177

Source: Division of Statistical and Historical Research, Bureau of Agricultural Economics.

Mr. ELLENDER. Let us compare the income per person on the farm with the income per person not on the farm. Listen to these figures:

In 1910 the net income from agriculture per person on the farm was $139. The income per person not on the farm was $482, almost two-and-a-half times as much.

In 1941 the income per person on the farm was $237, and the income per person not on the farm was $825.

I ask unanimous consent that this table be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Income per farm, and income per person on farms and not on farms, United States, 1910–42

EXCLUDING GOVERNMENT PAYMENTS

Year	Net income from agriculture per farm	Net income from agriculture per person on farms	Income per person not on farms	Index of income per capita		Ratio per capita farm to per capita nonfarm (1910–14=100)
				Farm (1910–14=100)	Nonfarm (1910–14=100)	
	(1)	(2)	(3)	(4)	(5)	(6)
	Dol.	*Dol.*	*Dol.*	*Pct.*	*Pct.*	*Pct.*
1910	699	139	482	103.4	98.8	104.7
1911	613	122	468	90.8	95.9	94.7
1912	675	135	484	100.4	99.2	101.2
1913	680	136	522	101.2	107.0	94.6
1914	697	140	483	104.2	99.0	105.3
1915	674	135	502	100.4	102.9	97.6
1916	771	155	580	115.3	118.9	97.0
1917	1,274	258	639	192.0	131.0	146.6
1918	1,482	304	670	226.2	137.4	164.6
1919	1,527	319	763	237.4	156.4	151.8
1920	1,298	265	876	197.2	179.6	109.8
1921	584	119	718	88.5	147.2	60.1
1922	745	153	716	113.8	146.8	77.5
1923	876	180	812	133.9	166.5	80.4
1924	876	180	788	133.9	161.5	82.9
1925	1,078	223	810	165.9	166.1	99.9
1926	1,044	216	856	160.7	175.5	91.6
1927	1,009	209	818	155.5	167.7	92.7
1928	1,067	222	829	165.2	169.9	97.2
1929	1,072	223	870	165.9	178.4	93.0
1930	813	170	761	126.5	156.0	81.1
1931	545	114	605	84.8	124.0	68.4
1932	350	74	442	55.1	90.6	60.8
1933	427	91	417	67.7	85.5	79.2
1934	461	98	487	72.9	99.8	73.0
1935	666	143	539	106.4	110.5	96.3
1936	767	162	626	120.5	128.3	93.9
1937	892	187	670	139.1	137.4	101.2
1938	725	150	621	111.6	127.3	87.7

Income per farm, etc.—Continued

EXCLUDING GOVERNMENT PAYMENTS

Year	Net income from agriculture per farm (1)	Net income from agriculture per person on farms (2)	Income per person not on farms (3)	Index of income per capita: Farm (1910–14=100) (4)	Index of income per capita: Nonfarm (1910–14=100) (5)	Ratio per capita farm to per capita nonfarm (1910–14=100) (6)
	Dol.	*Dol.*	*Dol.*	*Pct.*	*Pct.*	*Pct.*
1939	720	147	657	109.4	134.7	81.2
1940	773	157	716	116.8	146.8	79.6
1941	1,161	237	825	176.3	169.1	104.3
1942	------	350	980	260.4	200.9	129.6
1943	------	------	------	------	------	------
1944	------	------	------	------	------	------

INCLUDING GOVERNMENT PAYMENTS

1933	444	94	417	69.9	85.5	81.8
1934	519	111	487	82.6	99.8	82.8
1935	739	158	540	117.6	110.7	106.2
1936	804	170	626	126.5	128.3	98.6
1937	940	197	671	146.6	137.6	106.5
1938	791	164	621	122.0	127.3	95.8
1939	833	171	658	127.2	134.9	94.3
1940	883	179	717	133.2	147.0	90.6
1941	1,245	254	826	189.0	169.3	111.6
1942	------	368	981	273.8	201.1	136.2
1943	------	------	------	------	------	------
1944	------	------	------	------	------	------

Bureau of Agricultural Economics, U. S. Department of Agriculture.

Column (1): Net income from agriculture per farm is column (5), table 2 divided by number of farms, column (3), table 3. This includes the net income to farm operators and to laborers living on farms.

Column (2): Income from agriculture per person on farms is net income, column (5), table 2, divided by number of persons on farms, column (1), table 3. Persons on farms include farm operators and their families, farm laborers and their families, and also some other persons living on farms. The total income per person living on farms is considerably larger than that from agriculture, as many receive income from nonfarm sources.

Column (3): Income per person not on farms includes nonagricultural income and the income from agriculture received by persons not on farms, as indicated in column (3), table 2, divided by nonfarm population, column (2), table 3. The indicated income per person not on farms is slightly too large on account of the fact that some nonagricultural income is really paid to persons on farms.

Column (4): Averaging the net income from agriculture per person on farms (2) for the years 1910–14, and relating the income for each year to this average, provides a series of index numbers for use in comparison with income per person not on farms.

Column (5): Averaging the income per person not on farms (3) for the years 1910–14, and relating the income for each year to this average, provides a series of index numbers for use in comparison with income per person on farms.

Column (6): This provides the parity measure of the relation of the net income of individuals on farms from farm operations to the income of individuals not on farms as specified in the Agricultural Adjustment Act of 1938.

Mr. ELLENDER. Mr. President, I ask the indulgence of the Senate for only a few more minutes. I should like to go more into detail with respect to the tables which I have offered, because I think they are very significant. They give us a picture which should be scrutinized by our critics in order to show the pittance which the farmers of our Nation are receiving, in contrast to nonfarm labor.

Another very interesting table shows the nonfarm income and the cost of family food purchases. It will be recalled that the reason wages had to be increased was the enormous advance in food prices. I have some figures to show the retail cost of 58 foods, compared with family income. These figures are taken from a survey which was made in 1918. The figures are based on a family of 4.9 persons.

In 1913 the family received $1,046. That was the amount of cash that the nonfarm family received. The retail cost of all foods for that family was $326. The retail cost of the 58 foods grown on the farms which were consumed by the nonfarm family was $252. The percentage of food cost to income, for all foods, was 31 percent; and for 58 selected foods, 24 percent.

In 1941, the last year for which the figures are available, the per-family income has increased, from 1913, when it was $1,046, to $1,956, in 1941; and for all foods the percentage of food cost has decreased from 31 percent in 1913 to 22 percent in 1941. For the 58 selected foods the percentage of cost has decreased from 24 percent to 17 percent.

From 1913 to August 1942 the income of the average nonfarm family increased from $1,046 to $2,366. Today the cost of food for that family is $514, or 22 percent of the family income. As I have just now pointed out, the cost of food has decreased from 31 percent to 22 percent, when we consider the added income.

Why some wages were permitted to go sky high, as it were, without attempting to stop them or curb them is beyond me. Certainly it was not because of any excessive rise in food costs. The reason for raising factory wages to the extent that they have been raised was not due to the rise in the cost of food.

Employment and earnings of industrial workers and other nonagricultural workers, United States, 1929–42

Year	Wage income of industrial workers	Labor income of other nonagricultural workers	Employment of industrial workers	Employment of other nonagricultural workers	Wage income per industrial worker	Labor income per other nonagricultural worker
	Million dollars	*Million dollars*	*Thousands*	*Thousands*	*Dollars*	*Dollars*
1929	14,454	37,358	10,836	25,638	1,334	1,457
1930	11,856	35,188	9,524	24,637	1,249	1,428
1931	9,115	30,693	8,072	23,143	1,129	1,326
1932	6,315	24,819	6,799	21,201	929	1,171
1933	6,570	22,810	7,301	20,933	900	1,090
1934	8,243	25,751	8,385	22,291	983	1,155
1935	9,327	27,621	8,822	23,125	1,057	1,194
1936	10,767	31,312	9,540	24,449	1,129	1,281
1937	12,608	33,534	10,361	25,412	1,217	1,320
1938	9,831	33,494	8,690	24,905	1,131	1,345
1939	11,323	35,053	9,416	25,600	1,203	1,369
1940	12,805	38,079	10,100	26,128	1,268	1,457
1941 [1]	17,528	44,737	11,810	27,562	1,484	1,623
1942 [2]	22,825	54,465	12,922	28,578	1,766	1,906

[1] Preliminary.
[2] Tentative estimate, July 1942.
Source: Division of Statistical and Historical Research, Bureau of Agricultural Economics.

Mr. President, I ask to have printed at this point in the RECORD, as a part of my remarks, the table to which I have just now referred.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Nonfarm family income and cost of family food purchases, 1913–42

Year and month	Family income	Retail cost of all foods	Retail cost of 58 foods	Food cost as percentage of income: All foods	Food cost as percentage of income: 58 foods
				Pct.	*Pct.*
1913	1,046	326	252	31	24
1914	1,013	334	268	33	25
1915	1,029	330	268	32	26
1916	1,176	370	285	31	24
1917	1,329	477	370	36	28
1918	1,513	548	424	36	28
1919	1,624	611	470	38	29
1920	1,857	688	514	37	28
1921	1,599	523	404	33	25
1922	1,629	489	374	30	23
1923	1,810	506	384	28	21
1924	1,829	501	361	27	21
1925	1,905	542	410	28	22
1926	1,944	560	418	29	22
1927	1,927	539	406	28	21
1928	1,942	533	407	27	21
1929	1,979	540	415	27	21
1930	1,762	514	391	29	22
1931	1,505	424	322	28	21
1932	1,159	353	270	30	23
1933	1,105	343	264	31	24
1934	1,251	382	295	31	24
1935	1,338	409	331	31	25
1936	1,548	413	342	27	22
1937	1,614	429	353	27	22
1938	1,471	399	321	27	22
1939	1,558	388	311	25	20
1940	1,671	394	314	24	19
1941	1,956	430	342	22	17
1935–39 average	1,506	408	332	27	22
1942:					
January	2,152	474	378	22	18
February	2,173	476	381	22	18
March	2,200	484	384	22	17
April	2,233	488	386	22	17
May	2,259	496	392	22	17
June	2,313	502	398	22	17
July	2,342	508	401	22	17
August	2,366	514	402	22	17

NOTE.—Comparisons in this table are very rough estimates which refer to the typical workingman's family of 4.9 persons representing the average obtained in the 1918–19 Cost of Living Survey of the U. S. Bureau of Labor Statistics. The survey averages were $1,513 for family income and $548 for total food expenditure and it was assumed that these represented the calendar year 1918.

The series of family income estimates was obtained by applying to the $1,513 in 1918 the changes in per capita nonagricultural income payments to individuals. The series of family cost of all goods was obtained by applying to the $548 cost in 1918 the changes in the index of retail food prices as computed by the U. S. Bureau of Labor Statistics. The cost of 58 foods is from table I of this report. These series should be interpreted with care. Both the cost of all foods and the cost of 58 foods refer to fixed quantities of each food as purchased in 1918. Under circumstances of changing income and changing food prices a typical family would alter quantities purchased and alter the food outlay.

The comparisons do show the costs at which a family could purchase identical quantities of foods and what share of income this would require in each year.

Mr. ELLENDER. Mr. President, as I pointed out a while ago, should the Thomas amendment be rejected, I shall propose to the Senate two amendments. If the first of them be agreed to, of course the second will not be offered. My only object is to try to put into the measure language which would make it not permissive but obligatory upon the part of the O. P. A. or whoever administers the measure to include farm labor as an item in figuring parity prices or maximum prices on farm commodities.

I say to the Members of the Senate that when parity is figured without re-

gard to labor costs—labor costs considered as 100 percent when the parity basis was established in 1914, but which as of today have doubled—it does not take much calculation to ascertain where the farmer will be if he has to farm under such conditions. I plead with the Senate to incorporate in the pending measure language which will make it mandatory upon the agency administering it to include farm labor costs in calculating maximum prices of farm commodities so as to assure the production of the food needed by our armed forces and by our Nation.

Let us not forget that the farmers of our Nation are fighting a real battle to win the war. They are not profiteers. All they ask is a fair return so that they can keep going. I contend that the farmers constitute one of the most patriotic segments of our Nation and we should by all means keep them going so that we can win our battle of production which is so essential and necessary for the winning of the war.

Mr. ELLENDER subsequently said: Mr. President, during the course of my remarks this afternoon I said that in the event the Thomas amendment was defeated I would propose two amendments. I now ask out of order that these proposed amendments be printed in the RECORD and lie on the table.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). Without objection, it is so ordered.

The amendments intended to be proposed by Mr. ELLENDER are as follows:

Amendment intended to be proposed by Mr. ELLENDER to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, viz: On page 4, line 2, strike out all after the word "inequities" through the word "inequities" in line 13, as amended, and insert in lieu thereof the following: ": *Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes. In determining maximum prices for agricultural commodities all farm labor, among other costs, shall be included as an integral part of the production cost of such commodity and shall be taken into consideration in determining such maximum prices: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing."

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MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 895) to provide for the registration of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution and they were signed by the Vice President:

S. 2725. An act to increase by $600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended; and

S. J. Res. 129. Joint resolution to remove certain limitations on the cost of construction of Army and Navy living quarters.

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS].

Mr. LANGER obtained the floor.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BURTON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	O'Mahoney
Andrews	Gillette	Overton
Austin	Green	Pepper
Bailey	Guffey	Radcliffe
Ball	Gurney	Reed
Bankhead	Hatch	Reynolds
Barbour	Hayden	Rosier
Barkley	Herring	Russell
Bilbo	Hill	Schwartz
Bone	Holman	Shipstead
Brewster	Johnson, Calif.	Smathers
Bridges	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Tunnell
Chandler	McKellar	Tydings
Chavez	McNary	Vandenberg
Clark, Idaho	Maloney	Van Nuys
Clark, Mo.	Maybank	Wagner
Connally	Mead	Wallgren
Danaher	Millikin	Walsh
Davis	Murdock	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	

The PRESIDING OFFICER. Ninety-two Senators having answered to their names, a quorum is present.

Mr. DANAHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Connecticut?

Mr. LANGER. I yield.

Mr. DANAHER. I thank the Senator.

Mr. President, I send to the desk and ask to have printed, printed in the RECORD, and lie on the table a proposed substitute for the pending joint resolution (S. J. Res. 161).

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Connecticut will be printed, printed in the RECORD, and lie on the table.

The amendment submitted by Mr. DANAHER is as follows:

Amendment intended to be proposed by Mr. DANAHER to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, viz: Strike out all after the resolving clause and insert in lieu thereof the following:

"That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this joint resolution, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities and to the extent that he finds necessary to aid in the effective prosecution of the war.

"SEC. 2. Section 2 (f) and section 3 of the Emergency Price Control Act of 1942 are hereby repealed.

"SEC. 3. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this joint resolution; and may exercise any power or authority conferred upon him by this joint resolution through such department, agency, or officer as he shall direct. The President may not under the authority of this joint resolution suspend any law or part thereof.

"SEC. 4. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out 'June 30, 1943' and substituting 'June 30, 1944.'

"(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such act shall, insofar as they are not inconsistent with the provisions of this joint resolution, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this joint resolution.

"(c) Nothing in this joint resolution shall be construed to invalidate any provision of the Emergency Price Control Act of 1942, or to invalidate any regulation, price schedule, or order issued or effective under such act.

"SEC. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

"(b) Any person who wilfully violates any regulation promulgated by the President under this joint resolution relating to wages or salaries, shall, upon conviction thereof, be fined not more than $1,000.

"SEC. 6. The provisions of this joint resolution and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe."

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from North Dakota yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Oklahoma?

Mr. LANGER. I yield.

Mr. THOMAS of Oklahoma. Mr. President, I desire to make a very brief statement, and then I shall ask unanimous consent to offer an amendment.

The amendment pending before the Senate was offered by the Senator from New Mexico and myself jointly. The purpose of that amendment was to call the attention of the Congress and the country to the existing labor shortage on the farm and the trend toward food shortages. The amendment has already largely served its purpose, Mr. President, as indicated by telegrams which I have on my desk from all sections of the country, attesting to the fact that there is an existing labor shortage on the farms, and there is now a threatened shortage of food products throughout the United States. Already the Department of Agriculture has served notice that there will be rationing of meat products, especially beef products, in October, and I have before me a newspaper article, printed in this city, to the effect that next year, in all probability, there will be general food rationing throughout the entire country. So I think that our purpose in offering the amendment has been largely served.

To the end that we might have some agreement, and bring this debate to a close, this morning at 11 o'clock a number of Members of the Senate, mainly from the Committee on Agriculture and Forestry, met. At that meeting a subcommittee, consisting of the Senator from Georgia [Mr. GEORGE], the Senator from New Mexico [Mr. HATCH], and the Senator from Vermont [Mr. AIKEN], was appointed to prepare what might be a compromise or the text of an amendment which we hoped might be acceptable to the so-called majority.

The committee worked on such an amendment and prepared and submitted it. It is in the nature of a substitute, and follows very closely the lines of the substitute which we understand may be offered, no matter what may happen on the vote on the pending amendment. The first few lines and the last few lines are the same as the suggested substitute.

The pending amendment provides that the basic parity formula shall be changed by the addition of labor costs. That is mandatory. The pending amendment further provides that all labor costs on the farm shall be considered, which means the labor that is hired, the labor of the farmer himself, and the labor of his wife and children, if they perform labor. We propose as a substitute that the existing formula by which the parity prices are arrived at shall not be disturbed but that this limitation shall apply only for the duration of the war. That is change No. 1.

Change No. 2 is that, in place of directing the administrator of the act to consider all labor costs, which would include, as I have said, the labor to be hired, the labor of the farmer himself, and the labor of his wife and children, we simply say, "including farm labor," and leave it to the administrator to determine whether or not all labor shall be considered or whether merely hired labor shall be considered, or whether hired labor and the farmer's labor shall be considered. It leaves it flexible. We thought that by making these concessions we might secure an agreement, but apparently no agreement is forthcoming.

I want the RECORD to show that on last Wednesday I asked for a vote on the pending amendment, and I requested the Chair to announce the decision. After a show of hands, the Chair announced that a sufficient number had seconded the demand to make mandatory a yea-and-nay vote, and so the yeas and nays are now ordered on the pending amendment.

I also want the RECORD to show that the proponents of the amendment are not responsible and have not been responsible for any delay which may have ensued. We were ready to vote then; we were ready to vote on Thursday, Friday, and Saturday. Today is Monday, and we are ready to vote now. So, in order that we may have this compromised suggestion on the desk of the Presiding Officer, I offer the amendment, and ask that it be printed in the RECORD, that it be printed in the usual form, and that the amendment, as printed, lie on the table.

I thank the Senator from North Dakota for yielding to me.

The PRESIDING OFFICER. The amendment will be received, printed in the RECORD, printed in the usual form, and lie on the table.

The amendment intended to be proposed by Mr. THOMAS of Oklahoma is as follows:

On page 4, line 2, strike out all after the word "inequities" through the word "inequities" in line 13, as amended, and insert in lieu thereof the following:

"*Provided further*, That (1) in fixing maximum prices for any agricultural commodity or for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, all productive costs of such agricultural commodity, including labor, shall be reflected in any such maximum prices so established or fixed by virtue of any authority contained in this joint resolution; (2) in fixing maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing, and (3) modifications shall be made in maximum prices established for any agricultural commodity or commodities processed or manufactured in whole or substantial part from any agricultural commodity, in any case where it appears that such modification is necessary to increase or maintain the production of such commodity for war purposes."

Mr. BARKLEY. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Inasmuch as the Senator from Oklahoma has modified his own amendment——

Mr. THOMAS of Oklahoma. Mr. President, a point of order. I have not offered to modify my amendment.

Mr. BARKLEY. What is it the Senator offers to do?

Mr. HATCH. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. May I offer the proposal sent to the desk by the Senator from Oklahoma as a modification of his amendment?

Mr. BARKLEY. That would not be in order. The amendment of the Senator from Oklahoma is already an amendment in the second degree, and all that can happen about it is that he might modify his own amendment, but neither the Senator from New Mexico, nor I, nor any other Senator can offer an amendment to that amendment or a substitute for it and have it pending as a substitute or as an amendment. I was trying to ascertain what the Senator from Oklahoma really did. He has not offered the proposal as a modification of his own amendment. What has he done to it?

Mr. THOMAS of Oklahoma. Mr. President, I simply offered an amendment and asked that it be printed in the RECORD, printed in the usual form, and lie on the table.

Mr. BARKLEY. Then it is an amendment to the bill, and not an amendment or a substitute for or modification of the Senator's amendment.

Mr. THOMAS of Oklahoma. I made no reference to it as a modification of the amendment pending before the Senate.

Mr. BARKLEY. It would not have any effect unless the Senator offers it, as he has a right to do, as a modification of his own amendment. I am trying to be clear about what the Senator has done. He has not done anything to his amendment as it is now pending, but he offers an amendment to the bill which he wants to have printed and lie on the table.

Mr. THOMAS of Oklahoma. If we could get an agreement, and this matter could be brought to a vote, I should be glad, under the rules, to modify my amendment as I have offered it, but I have not asked for that and have not done it, and unless we can reach an agreement I shall not ask for a modification of the amendment.

Mr. BARKLEY. The Senator cannot even modify his own amendment, unless by unanimous consent, now that the yeas and nays have been ordered on his amendment. So, I suppose that the status is that the amendment of the Senator from Oklahoma, as originally offered, is still the pending question upon which the yeas and nays have been ordered; and that any amendment, suggestion, modification, substitute, or any-

thing else along that line which may be offered now, is only for the information of the Senate and may be printed and lie on the table as an independent amendment to the bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. BARKLEY. So we understand the situation. That still leaves the Thomas amendment as it is now before the Senate as an amendment upon which the Senate must vote before other amendments may be considered.

The PRESIDING OFFICER. The Senator from Kentucky is correct.

Mr. LANGER. Mr. President, because of the very able manner in which the Thomas-Hatch amendment has been presented to the Senate, I had not intended to speak, but after reading the editorial in the Washington Post Thursday morning, I felt that my duty to my constituents demanded that, with all the eloquence at my command, I resent in their behalf this wholly unwarranted and entirely contemptible attack upon certain Members of the House and Senate.

The editorial, in part, says:

> If today the Senate follows the shameful lead of the House and also submits to the wishes of the farm lobby, it will constitute, on the part of Congress, an abdication of its legislative function that will be deserving of the strongest possible censure.
>
> Let there be no mistake about it. Congress is on trial. It cannot bow to the will of selfish interests, whether farm groups or labor groups, without arousing the scorn of all decent patriotic Americans. And by failing to take adequate measures to halt inflation it will leave the President with no choice but to use his war powers to do that job.

Mr. President, this attack upon the farmers by one of the millionaire newspapers is typical of what has rightly come to be known as the kept press. Among the 284 House Members who dared to vote their convictions there are outstanding citizens, both Democrats and Republicans, whose patriotism and whose honesty I will match with that of any member of the staff of the Washington Post, from the publisher down to the janitor. Those 284 Representatives voted in favor of what is contained in the Thomas amendment. All of them, I believe, are interested patriotically and honestly in the welfare of the United States.

Mr. President, I ask that before any Member of this body vote against the Thomas-Hatch amendment he read, not what may be contained in any radical newspaper, or some paper which may be considered radical, but that he consider a report made by a department of his own Government, from which I read the following:

> A recent study by the National Resources Committee indicated that in 1936 approximately 1,700,000 farm families throughout the Nation had an average income of less than $500 a year. Nearly half of these families had incomes of less than $250 per year. In other words, about 4,000,000 farm people were trying to live on an average income of about $1 per week. This low income does not represent net income to these families, but it includes all feed and foodstuffs raised for home consumption, and represents gross income from which rent and all farm operating expenses must be paid.

I ask any Senator in this body whether he himself would want to live upon an income of that size or have any of his relatives live upon it.

In a recent statement, Harriet Elliott, consumer commissioner on the National Defense Advisory Committee, warned that 45,000,000 people in this country are "living below the safety line right now," and called for action to wipe out undernourishment and malnutrition.

A survey of 100 needy farm families in two Georgia counties was made recently under the direction of the State medical school and the Farm Security Administration. This survey disclosed more than 1,300 health handicaps among these 100 families. Five hundred and seventy-five people in these families had 132 cases of rickets, 31 cases of suspected tuberculosis, 14 cases of pellagra, 288 cases of diseased tonsils, and a large percentage of hookworm. In addition, 360 of these people had defective teeth, and 124 had defective eyesight. That is more than one to a family.

Out of 109 women, 79 were suffering from tears resulting from neglect at childbirth, most of which could have been avoided by proper medical attention, and these 109 women also had 21 cases of suspected cancer. It is hardly surprising that these families had been failures and, in many cases, a burden on local relief rolls. A large number of the physical afflictions and diseases found among these people were the direct result of malnutrition. Many of these families did not know that they were sick. The communities in which they lived had thought them to be shiftless. The amazing thing is that these families were able to keep going at all as family groups, and not that many of them finally found their way to relief rolls.

During the past days I have viewed with apprehension the reaction of some of the majority leaders to the recent command for emergency legislation relative to inflation and prices and wages.

When we recall the famous quarantine speech the President made in Chicago, and think of all the mixed signals and fumbling on the part of the quarterback, it seems to me that this is the appropriate time for Congress to call time out and to go into a huddle and decide from now on a little more definitely what future plays are to be called, before we dilly dally and shilly shally around all over the field and lose the game.

The American people realize that this is no game of politics or sport, but rather a terrible game of war and blood, of the giving of life, and of the maintenance of our very existence as a nation.

I expected to call up later an amendment which would enable the Senate, in cooperation with the President, to deal fairly with agriculture, labor, and industry. The amendment simply asked the President to send the Senate the plan showing in detail the action he proposed to take on or after October 1. However, the distinguished majority leader has since told us that the administrative officers had shown the President Senate Joint Resolution 161, and that he approved it. So, in view of that statement, it is unnecessary to call up the proposed amendment.

Mr. President, of course Congress is just as mindful of the dangers of inflation as is the Chief Executive. Inflation is one thing, and the delegation of unrestricted and unlimited authority to control inflation is something entirely different.

Congress has in the past delegated free and full power to the President to regulate and control other things, and in all too many instances the people have suffered from the indecision, the muddling, the wrangling among the multitude of bureaus and bureaucrats. The overstaffed and overlapping administrative agencies, by issuing hundreds of flimsy, irresponsible, contradictory, Executive orders, which have the force and effect of law, have kept the people of this country in a turmoil.

Mr. President, let there be no mistake about the fact that after the last World War the farmer emerged as "the goat."

The compelling cry in the last World War to the farmers was, "Raise wheat." Literally, millions of circulars and newspaper articles pleaded with the farmer to plow up every available acre and raise wheat for the military forces. "Wheat will win the war" was the cry. Hundreds of thousands of acres were plowed up in my State alone by honest patriotic farmers to meet the Government's wishes and commands. No one knows this better than does the senior Senator from Ohio [Mr. TAFT], who was intimately connected with the administration of the Food Control law administered by former President Herbert Hoover.

As was so eloquently stated a few months ago upon the floor of the Senate by the senior Senator from Minnesota [Mr. SHIPSTEAD], during the last World War everything the farmer had to buy went up—harnesses, farm machinery, twine, fuel, and everything else. We all remember that the price of wheat went to approximately $3.50 a bushel, and that the Food Administrator, Mr. Hoover, called in all the secretaries of agriculture from every State in the Union, and made a recommendation to President Wilson of $2.26 a bushel for wheat at Minneapolis, which recommendation was adopted, and which left the farmer in North Dakota a trifle over $2 a bushel.

Let me emphatically repeat, Mr. President, the price of almost nothing that the farmer bought was fixed by the Government, but the price of the wheat he had to sell was fixed.

I ask, where was the "kept press" then? Was there any protest on their part? Of course, with the farmer having to pay the prices which were demanded, with labor at that time going up to $10 a day, there could be only one answer and that was bankruptcy on the part of the farmer. If I had the time today, Mr. President, I could call the roll of hundreds of farmers in the Northwest, yes, thousands of them, who, when the last

World War started, were well fixed, some of whom could even have been called wealthy but who, a short time later, were broke. Many of them died of broken hearts and their families were destitute for years. That was a part of the price paid by the farmers while 70,000 new millionaires were created in industry.

At that time, before the price of wheat was fixed, the Congress was told that those in authority would protect the farmer; they would see that he got a square deal. It was said that farming, with the millions of farmers dependent upon agriculture, of course, would be taken care of; it was said the farmers had to win the war.

When we look over the CONGRESSIONAL RECORD of that time we find that the arguments made are startlingly similar to the arguments I have recently heard upon this floor, particularly the one by the junior Senator from Minnesota [Mr. BALL], when he said, on page 7320 of the CONGRESSIONAL RECORD:

> Knowing the depressed condition from which farm prices began their rise and the struggle farmers have had for 20 years, I believe there is no question that if equity were all that we had to consider here, the farmer is entitled to still further increases in prices and income. Unfortunately, the equities of the situation are not all we must consider. The danger of inflation is a dynamic force which threatens not any one group, but our whole Nation. The welfare of the Nation must and should outweigh the interests or demands of any or all groups as we draft legislation to meet this danger.

That is what the opponents of the farmers said in the last World War, and it is significant that the "kept press" has approvingly quoted the junior Senator from Minnesota. However, the Commissioners of Agriculture of North Dakota and of Minnesota, both elected by the people of great farming States, do not agree with the junior Senator from Minnesota.

Four days ago I read into the RECORD the splendid letter written by the Commissioner of Agriculture of the State of Minnesota. I may also say that I read into the RECORD at the same time a telegram from the Commissioner of Agriculture and Labor in North Dakota, the Honorable Math Dahl.

Fortunately for the farmers of America we have a record showing the conditions of the farmers before the last World War, during that war, and since that time—a record prepared by the Bureau of Agricultural Economics of the United States Department of Agriculture.

I hold that document in my hand. It is entitled "Index Numbers of Prices Paid by Farmers for Farm Machinery, Prices Received by Farmers for all Commodities and for Grains, 1910–42, Inclusive."

Mr. President, I ask unanimous consent to have the table printed in the RECORD at this point as part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The table is as follows:

Index numbers of prices paid by farmers for farm machinery, prices received by farmers for all commodities and for grains, United States, 1910–42

[1910–14=100]

Year	Prices paid by farmers for farm machinery [1]	Prices received by farmers for—	
		All commodities	Grains
1910	102	102	104
1911	101	95	96
1912	102	100	106
1913	98	101	92
1914	96	101	102
1915	100	98	120
1916	107	118	126
1917	126	175	217
1918	155	202	227
1919	161	213	233
1920	167	211	232
1921	156	125	112
1922	142	132	106
1923	146	142	113
1924	152	143	129
1925	153	156	157
1926	154	145	131
1927	154	139	128
1928	154	149	130
1929	153	146	120
1930	152	126	100
1931	150	87	63
1932	141	65	44
1933	137	70	62
1934	144	90	93
1935	148	108	103
1936	149	114	108
1937	154	121	126
1938	160	95	74
1939	157	92	72
1940	158	98	85
1941	161	122	96
1942—June	164		
August		163	115

[1] Excluding tractors.

Bureau of Agricultural Economics.

Mr. LANGER. Mr. President, the first column is "Prices paid by farmers for farm machinery, exclusive of tractors"; the second column is "Prices received by farmers for all commodities"; and the third column is headed "Prices received by farmers for grains."

In 1910, which was, of course, before the World War, note that the index number of prices paid by farmers for farm machinery was 102, and the prices received by farmers for all commodities was 102, and for grains 104. Note these figures well because the farmer then was getting an even break.

In 1918 the index number shows that the price for farm machinery had arisen to 155, that the prices received for all commodities was 202, and for grains had arisen to 227. In other words, the price on farm machinery had gone up a little over half, while the price received by the farmer during the war had doubled. The farmer had to pay a little more than one-half more for every piece of farm machinery he purchased during those years.

But what happened during the years after the war was over? Farm machinery stayed up where it was, while the prices received by the farmers went rapidly down, so that by 1941, last year, we find that the farmer was paying more for farm machinery than he paid at the end of the first World War, because the index number is 161, but for prices received by farmers for all commodities we find that instead of the index number being 202 it is 122, a drop of nearly a half, while the price received by the farmer for grains dropped from 227 to 96. Think of it—from 227 to 96—the farmer getting far less than half of what he got in 1918. Even more significant is the fact that the table shows that during the worst depression years, for example, 1932, farm machinery and other things the farmer had to buy did not go down. In 1932 the index number for farm machinery was 141, a drop only from 155 to 141, while the price received by farmers for commodities dropped from 202 to 65, and the price received for grains dropped from 227 to 44.

Is it any wonder that, aside from the drought, the rust and the hailstorms, the chinch bugs and grasshoppers, and the scores of other things the farmer has to contend with, thousands upon thousands of farmers went broke and lost their homes? Yet during all this time the price of farm machinery and the things the farmer had to buy stayed substantially where they were during the First World War.

Mr. President, I wish to make clear that by no vote of mine will anyone ever again single out the farmer for punishment, and that is what is sought to be done now. I am proud of the fact that as Governor of my State during 1933 and 1934, by Executive decree by the proclamation of a moratorium, I saved thousands upon thousands of farmers their homes in North Dakota.

Already the attitude of the administration in attacking farmers is showing results. Already the farmers are getting out of the farm business as fast as they can get out.

I hold in my hand a copy of the issue of Thursday, September 17, of the splendid weekly newspaper operated by the farmers of Mountrail County, known as the Stanley Sun. I call the attention of the Senate to the notice of the public sales, and will give three instances of them in chronological order.

The sale Wednesday, September 23, is on the Martin Grove farm, on the northwest quarter of section 9, township 157, range 92. The sale on the 24th is on the John Trovatten farm, 4 miles south of Palermo, and the wording of that public sale is significant. I will read it:

> Having to quit farming, I will sell at auction on the John Trovatten farm, 4 miles south of Palermo, on Thursday, September 24, 42 head of cattle—16 milk cows, 7 steers, 1 and 2 years, 4 heifers, 2 years old, 9 short yearlings, 6 calves; 3 work horses, 2 colts, 18 hogs, 100 pounds and up. Full set of machinery, feed, oats, and hay.

The sale on Saturday the 25th is on the Stomley farm, section 20, township 158, range 91. I will read the list of property which was sold there:

> Twenty head Holstein cattle—9 young milk cows, 2 heifers, 1 year, 1 steer, 1 year, 8 spring calves, 3 head horses—1 gelding, 9 years old, 1 gelding, 8 years old, 1 3-year-old gelding; 100 chickens, 2 pigs, farm machinery.

Need I say more about sales when it is conceded that thousands of farmers are quitting?

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. SHIPSTEAD. Last week Minnesota newspapers carried a news item quoting Mr. Jones, Secretary of the Minnesota Farm Bureau Federation, to the effect that after a survey of farm conditions in Minnesota it was learned that there have been more than 10,000 farm sales in the State of Minnesota.

Mr. LANGER. I thank the Senator.

Mr. President, during my illness last month I spent several weeks on a farm. Farm wages have gone up and up and up; and yet if we are to follow the opponents of the Thomas amendment the young boys and girls who work on these farms, any one of whom could be hired by a neighbor and receive good pay, ought to receive nothing for their work. The housewife, who gets up at 4 or 5 o'clock in the morning and slaves as only a woman on a farm must slave to keep body and soul together, is not to be considered. The owner of the farm who becomes prematurely old is to be left to die in the poorhouse. The terrific increase in wages of hired help is not to be considered either. Of course not. Such costs have not been considered in the past. Why should they be considered now?

Mr. President, history will record that the action taken in the House by both Democrats and Republicans rendered a tremendous service to the farmers of the country. Those men resisted the efforts of big business interests again to rob, wreck, and ruin the farmers. I cannot too highly commend the distinguished senior Senator from Oklahoma [Mr. THOMAS] for his foresightedness, his patriotism, and his unfailing tenacity in seeing that the farmers get the square deal to which they are entitled. As for myself, I shall stand behind him and hold up his hands.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WHEELER. I have received a letter, written in longhand, from a farmer in Montana. The letter is from Mr. Alexander Truchot. He says in part:

> I am writing you this letter in the hope that you will be able to save the livestock industry.
>
> The President says that livestock prices are too high. You must remind him that the cost of raising livestock has gone up to so high a figure as to force many growers out of business. In this vicinity we have to pay from $7 to $10 a day for help when we used to be able to get it for $2 or $3.

I have received many similar letters, absolutely proving what the Senator says. The farmers are being forced out of business because of the tremendous increase in farm wages which they must pay at the present time. Farm labor costs from $7 to $10 a day, whereas it used to cost $2 or $3. It is simply impossible to pay such wages.

The other day I received a letter from a gentleman in New York criticizing my stand with reference to the Thomas amendment, and telling me how the people of New York could not afford to pay the prices they were having to pay for pork chops and beefsteak. Unless the people in New York who are now complaining about high prices recognize the fact that the farmer must receive higher prices for his products in order to produce them, they will wake up some morning and find that they have no farm products to eat. They will have no pork, beef, or mutton to eat unless the farmer can afford to raise it.

Only the other day about 52 carloads of breeding sheep were shipped out of the State of Montana to the slaughterhouse, because the owners could not afford to keep men on the farms to take care of them.

Mr. LANGER. I thank the Senator from Montana for his statement. The Senator from Montana is known all over the Northwest as one of the real champions of the farmer and the laboring man.

Mr. President, I have only the best of personal good feeling toward the distinguished junior Senator from the State of Michigan [Mr. BROWN]. I really like him; but in his enthusiasm for his cause he said certain things in his speech which I am certain he would not have said in a calmer moment.

From that speech I quote:

> Then when the news of what was to be contained in the joint resolution went out, the trains coming into Washington were filled with representatives of the farm bloc. * * * Mr. President, it is a question of who is conducting the affairs of this country. Everyone knows that it is easy for a minority group to heat the wires, send us telegrams, call us by telephone, and fill our offices with mail asking that we resist a certain measure; but you and I know that we do not hear from the vast majority of the American people.

My telephone has not been ringing; my mail has not been flooded with inspired letters or telegrams, and although I have not been flooded with inspired letters or telegrams, and although I have not been standing around in the Union Station, I am entirely satisfied that the trains were not jammed with farmers coming down here to lobby. Farmers in my State, at least, would have neither the money nor the time to come to Washington. They are too busy trying to win the war, too busy trying to get the grain threshed, the potatoes dug, and the corn shocked.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. THOMAS of Oklahoma. I should like to read one paragraph from a newspaper printed in the far Northwest. This item is from the Capital Press of Salem, Oreg. The headline is:

> Auction sales are warning. Farmers' trek to factories sounds dairy's death knell.

The article tells of the great number of sales being held in that section of the country. This is one paragraph from the news article:

> Many of the auctions are being held on Sundays as the owners are already employed elsewhere and this is their only day off.

The point is that farmers do not have the time to have sales on weekdays. They must have them on Sundays so as to attract other farmers to their sales as possible buyers.

Mr. LANGER. I thank the Senator.

I wish the distinguished junior Senator from Michigan to know just exactly who has been telegraphing and writing me. A telegram from the North Dakota Stockmen's Association reads as follows:

> We strongly urge you to support the Hatch amendment to present pending price-control bill. We believe that in order to establish a just parity on agricultural commodities it is absolutely necessary to include agricultural labor in the base.

This association is made up of farmers and ranchers who raise cattle so that the American soldiers may have beef. I ask the distinguished Senator, have they not a right to telegraph their Senator?

The next telegram I received was from Hon. Math Dahl, commissioner of agriculture and labor in our State, a man whose business it is to be thoroughly acquainted with the situation of the farmers, a man who several times has been called to Washington to render service to his Government, a fine, substantial, patriotic citizen, an actual dirt farmer who has more than 100 head of cattle on his ranch in Emmons County, and a man of such ability that he has been made a director of the National Association of Commissioners, Secretaries, and Directors of Agriculture. His telegram is as follows:

> As official representative of all the farmers of North Dakota I urge you to support proposal to amend parity formula in price-control bill including cost of farm labor. Agriculture needs and is entitled to this protection to be on par with other industries.

I also received a telegram strongly supporting the amendment from O. E. Erickson, State commissioner of insurance, another loyal, honest, hard-working dirt farmer who has been a leader in the long fight for justice for the farmer.

I received a telegram from N. C. Norgaard, of Portland, N. Dak., which I hold in my hand, and which reads in part as follows:

> Farmers getting 35 cents per bushel for potatoes, paying 8 cents for picking, 3 cents for trucking, which leaves 24 cents. Does this cause inflation?

Further on in the telegram he says:

> Why take everything out of the northwestern farmers who are selling their grain at prewar prices but paying wartime prices for equipment, repairs, and wages.

A letter dated September 23 came from Hon. J. A. Coffey, of Jamestown, N. Dak., who was a district judge of our State for 18 years, a man of the highest reputation and unquestioned patriotism. His letter corroborates what the other messages have stated.

Another letter came from Hon. R. F. Gunkelman, of Fargo, N. Dak. Few men in our State know more about farming conditions than he does. He is an expert because of his experiences with elevators, dirt farming, and the grain situation. Two hundred farmers met in North Dakota last week and appointed Mr. Gunkelman to write this letter, which is three pages long.

I ask unanimous consent to have it printed in full in the RECORD so that Senators may read it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERSTATE SEED & GRAIN CO.,
Fargo, N. Dak., September 23, 1942.

Hon. WILLIAM LANGER,
United States Senate, Washington, D. C.

DEAR SENATOR: All of us living in the agricultural areas of the West naturally have been very much interested in the debate going on in Congress with reference to farm prices. We have watched the fight put up by the so-called farm bloc. We believe, however, that there is one phase of the situation that escaped the President's attention. It perhaps has not had the consideration from the Senate that should be given to this angle of the situation.

In the first place let me say that farmers are just as much concerned about winning this war and are doing all they can to bring about victory as well as any other class of citizens or perhaps even more so. But they are facing a situation which is really critical.

Last evening it was my privilege to attend a community meeting at Grandin, N. Dak., a typical agricultural village in the Red River Valley. At this meeting some 200 farmers were in attendance, discussing the situation with which they are now confronted. They delegated me to write this letter to you, setting forth the consensus of opinion brought out by this meeting.

You, of course, are familiar with that part of the Red River Valley. Grandin is a small town in the heart of one of the best agricultural areas in the Red River Valley. The community has consistently shipped close to a million bushels of grain annually besides shipping large numbers of livestock, potatoes, sugar beets, and other agricultural products. The average farm tributary to Grandin is just a little under a full section of land. Naturally farms of that size are confronted with quite a labor problem.

At this meeting last evening, the fact was brought forth that there would be 11 farm sales in that neighborhood this fall. I am going to give you specific instances of why these farmers are selling out and quitting the farm. These instances will demonstrate the point that these farmers wish to emphasize.

Hovachek brothers operate an 800-acre farm, growing grain, some potatoes, and feeding a considerable amount of livestock each year. These men are in their late thirties. About 18 years ago they left North Dakota and went into the lumber industry on the Pacific coast. They became proficient in handling crews in the lumber woods. Four years ago their father died and they came back to operate the farm for their mother. This year they had in over 500 acres of grain of all kinds. They had an exceptionally good crop. Weather conditions have been very bad this fall and labor conditions still more serious.

In talking with them they pointed out that on account of damaged grain they cannot get loans on their grain. Their wheat is netting them from 93 to 94 cents per bushel. Their barley about 44 to 45 cents per bushel. Recently they received an offer from their former employers of $600 per month to act as foremen in the lumber camps of the West. These men feel that they cannot pass up that kind of pay. They are having a sale and this large farm will lay fallow until the end of the war as they cannot get renters.

Another instance: You will recall the Brown farm which the writer and Mr. Thompson farmed for quite a few years until Mr. Thompson was killed in an auto accident. This farm has been rented to Jens Letness. Mr. Letness not only is an excellent grain farmer, having in over 600 acres of flax this year, but also a big potato grower, growing certified seed. Two of Mr. Letness' sons have been called into the Army and he cannot get labor. He is well along in the sixties, so is having a sale and discontinuing farming all but a half section at Hillsboro.

August Grothman, with whom I think you are acquainted, has been farming 1,480 acres, is being forced to reduce to 440 acres. The rest of the land that he has been farming will lay fallow.

Hans Anderson, a fairly young man, who has had considerable flying experience, has been farming a section and a half of land, is having a sale and quitting the farm and has a job ferrying planes across country.

I could go on and cite instance after instance, not only in that neighborhood but in every community in the Red River Valley. The point that we are trying to bring out is this: A farmer is not so much concerned about the price that he gets for his product, although damaged wheat bringing from 85 to 93 cents and on which the farmer cannot get a loan does not pay big returns when the farmer has to pay $6 a day for labor when he can get that labor.

War industries paying extremely high wages are attracting the farm labor from this section as well as other sections of the West, leaving the farmers stranded for help. All of these farmers tell us that if they could get higher prices for their products they, of course, could pay higher wages and perhaps compete and hold some of this labor to the farms. But under present farm prices it is impossible for the farmer to pay high enough wages to keep labor on the farm.

What labor they do get is mostly old men that cannot give a full day's work or who are not competent workmen. Most of the farms are highly mechanized and it really takes good mechanics to operate this machinery. Thousands of the young men who were operating this machinery have gone into the Army and in most instances leaving the older men on the farms.

We are all interested in winning this war. I believe, however, food is highly essential to the war effort. It is true that just for the present we have large surpluses of wheat, but with the reduction in acreage that we can visualize, this surplus will disappear very rapidly. We need to produce large quantities of flaxseed, but this acreage will naturally have to be reduced. We need to feed and fatten large numbers of cattle, hogs, and sheep. But with the shortage of labor a very small percentage of the usual numbers of cattle, sheep, and hogs are being fed on Cass County farms this year. A year ago at this time there were hundreds of thousands of sheep in feed lots here in the Red River Valley. So far, but very few sheep have been brought in. Farmers are too short of labor to attempt a feeding program.

Some of your old Casselton friends, who have been feeding large numbers of cattle for many years past, have not a single head in the feed lot at the present time. Such men as Joe Runck, Senner brothers, Ralph Gromesh, and the Roden boys, with whom you are acquainted, have not put any cattle in the feed lot to date.

Either wages must be frozen at a level that will allow agriculture to compete or agricultural products will have to be put on a level that will allow the farmer to pay the wages that industry is paying. There is no other way out. I hope that I have made myself clear as I was delegated to bring this picture to you, so that you, in turn, can bring it to the Senate committee that is considering this whole matter.

We in North Dakota are just as patriotic as any citizens of the United States. The very fact that we have furnished more men per capita for the armed forces than most States bears out this statement. But we are simply trying to put some cold facts before you so that some of these matters that are vital to agriculture may have due consideration.

We trust, Senator, that you will see that this information goes to the right people. I am sending a copy of this letter to Secretary Wickard so that he may have some idea how farmers in this area feel and also have some idea as to the problems they are facing.

Very sincerely yours,

R. F. GUNKELMAN.

Mr. LANGER. Mr. President, let there be no mistake about this matter. As I view it, every Senator voting either for or against the Thomas-Hatch amendment will be voting—consciously or unconsciously—either for or against the general welfare of the farmers of the United States.

To get back to the speech of the Senator from Michigan [Mr. BROWN], to my amazement I heard him say—and it is reported on page 7409 of the CONGRESSIONAL RECORD:

> I then stated that I would be with the President, even at times when I thought he was wrong, because he is the Commander in Chief.

Mr. President, is that the kind of support that Franklin D. Roosevelt is entitled to receive at the hands of any Senator? Does not the distinguished junior Senator from Michigan really feel in that great big heart of his that in this matter the Senator from Oklahoma [Mr. THOMAS] and the Senator from New Mexico [Mr. HATCH] are right and that the President is wrong, that the Committee on Agriculture and Forestry, which voted 14 to 1 in favor of the Thomas amendment, is right and that the President is wrong, and that the House of Representatives, which voted 284 to 96, is right and that the President is wrong? Did the junior Senator from Michigan mean what he said when he stated in his speech—

> I then stated that I would be with the President, even at times when I thought he was wrong, because he is the Commander in Chief.

Yet, upon reading the appeal of the Senator from Michigan to his colleagues, one is constrained to feel that loyalty to the President is superior to, and held above, his loyalty to the American people and his own conviction as to what is right and what is wrong.

Mr. President, in another part of the speech of the distinguished junior Senator from Michigan, he had much to say about the assistance given to the farmer by the present administration. It is easy to make such claims as that. I have heard similar statements made ever since I was a little boy. Every time a Senator, a Representative, or someone else goes looking for farmers' votes he tells the farmer what a great man the farmer is. The politician will go out and help milk the farmer's cows and will sit down at the farmer's table at meal time and will tell the farmer's wife what a splendid cook she is.

Mr. President, the farmer is a great man at the time when the politician is looking for his vote. How the politician loves the farmer at that time. And how

promptly, as the record shows, the politician forgets him once he is safely in office. So let us see what the record is.

Speaking as a North Dakota farmer actually operating a farm, I well remember when 5,000,000 little pigs were put to death. I remember when the Government agents took cows I had paid $60 each for, drove them to a sand pit near Menoken, and shot them, and paid $20 apiece for them.

How well we could use that pork and that beef now. But we were to have a new doctrine—not the doctrine so clearly enunciated by Joseph in the Bible, but the doctrine of getting rich by killing off our livestock; we were to have the doctrine of scarcity.

Next, our wheat acreage was reduced. Today a farmer in Cass County who has 640 acres of fine, fertile land is allowed to raise approximately 141 acres of wheat.

We had too much wheat in North Dakota—far too much wheat; and we were told that we should let our fine black soil lie idle. But at the very time when the Government was paying our farmers not to raise wheat in North Dakota, its agents went to barren places in other States and put in great irrigation projects costing millions of dollars. For what purpose? To raise wheat.

Strange as it may seem to us, at the very time when farmers were told not to raise wheat or cattle, hundreds of thousands of bushels of wheat were imported from Canada, and trainloads of cattle purchased from Canadian farmers were imported into our country. That was to the north of us. It was said that the farmers would have to take care of our neighbor to the north.

Mr. President, most of us are only too familiar with the good-neighbor policy applied to countries to the south of us. We all know about Argentine beef—Argentine beef that in 1933, 1934, and 1935 was imported and sold by the packers all over the United States, while our Government was shooting our $60 cattle and giving us $20 a head for the carcasses.

Mr. President, what is the situation today in the Northwest? During the last World War the price of wheat in North Dakota was not only put down to $2 a bushel but under a regulation which was promulgated if the wheat contained a certain amount of foul weeds or had a certain moisture content it went into a lower grade. Of course, all of us agree that to a certain point that is all right, but in the last World War the Secretary of Agriculture established, as I remember, 56 different grades of wheat. The regulation provided that the different grades had to be kept in different bins, so that the average elevator operator who purchased grain in North Dakota, and whose elevator had only 11 bins, had the farmer at his mercy. The elevator operator could pay what he chose to pay. When the farmer brought the grain to the elevator the operator would say, "I am sorry; I cannot take it. I have only 11 bins, and your wheat is not the kind of grain that can go into any one of those, because I already have 11 grades in the bins." The situation became so bad that, as attorney general of the State, I appealed to Herbert Hoover, Food Commissioner, for relief. He said he would send someone out to look into the matter. At about that time another regulation was issued, providing that if the farmer did not sell his wheat within 30 days after threshing it the Government could step in and take it over at whatever price it thought best. I mention those regulations, Mr. President, because by the substitute measure which is being brought up an attempt is being made to do exactly what was done in the last World War: to have someone not elected by the people—some board—make the rules.

So in the town of Baldwin, N. Dak., a local food administrator named O. W. Roberts grabbed 2,000 bushels of wheat which a farmer held 2 or 3 days longer than the regulation prescribed, and—believe it or not—that wheat was sold for $1 a bushel, although at Minneapolis it would have sold for $2.26 a bushel.

I promptly arrested the elevator manager who bought it, the elevator man who sold it, and the county food administrator. After those arrests were made, I received a telegram from Herbert Hoover saying that North Dakota was dominated by "Reds and radicals," and that he "was sending Hon. ROBERT A. TAFT, son of President Taft, his assistant, to appear in court for the elevator men and the county food administrator."

Sure enough, a few days later the present distinguished senior Senator from Ohio appeared upon the scene in North Dakota.

The senior Senator from Ohio is a reasonable man; and when he made his investigation he not only helped see to it that the farmer who had been robbed got $2.26 a bushel for his wheat, but for 3 days he and I drove all over the prairies in North Dakota investigating the wheat situation, and between us we finally secured a complete revision of the entire grading system. Instead of having 56 grades, as I recall the number, they were reduced to 10. However, in the meantime the farmers had been mulcted, just as they are being robbed today under the present administration.

Today there is no real grain regulation in the Northwest. Elevator operators can pay what they please. The State commissions have no authority because, owing to the war, the Federal Government has taken charge.

To show exactly what is taking place, I hold in my hand two elevator slips.

This grain was hauled in by A. F. Teigen, a farmer of Moorhead, Minn., who owns some land in North Dakota. He hauled in this barley on the first slip, and it amounted to 164 bushels and 28 pounds, and the elevator man docked him—how much do you suppose, Mr. President—15 bushels, or about 9 percent of his crop. When Mr. Teigen protested he was informed, "We can pay what we please; we are not regulated by anybody." Then Mr. Teigen took the next load, out of the same field, threshed at the same time, to an elevator at Harwood, N. Dak., and although he had 171 bushels and 42 pounds in that load he was docked only 3 bushels and 16 pounds. In other words, this farmer was robbed of 12 bushels of barley on the first load.

Mr. President, all the elevator men in North Dakota are not crooks. The overwhelming majority of them are honest. But I want the Senate to know how the administration is bungling its job in behalf of the farmers of the Northwest; how grain bins, which it was known away back last April would be needed in North Dakota to store grain, even now have not been furnished; how millions of bushels of wheat are piled upon the ground; and how, even when grain bins were furnished, the farmers were mulcted and made to pay $265 apiece for certain grain bins, while private individuals built better bins, holding the same amount of bushels, for $215.

I call the attention of the distinguished junior Senator from Michigan to the great surplus of wheat about which we have been hearing so much. The farmer could not get a decent price, they said, a few years ago because of the tremendous surplus of grain. We were told in the Northwest to feed the grain to the hogs and the cattle.

At the same time a report had already been made by the Department of Agriculture stating that synthetic rubber could be produced from this grain. Why was it not done? Our wheat at that time was being sold for 24 cents a bushel, our rye for 11 cents, our oats for 7 cents, and potatoes could not be given away for the digging. Why were not these products of the farmers used to manufacture rubber as the report of the United States Department of Agriculture, dated in 1938, said could be done? We know the answer. We know that from 1930 to date many foreign countries, according to the report of the United States Government itself, were making rubber from grains. I have the document before me. Away back in 1930 a number of foreign countries were making rubber from alcohol derived from grain. On page 112 the document tells about Germany doing it, and also France, Italy, Austria, England and Ireland, Spain, Sweden, Switzerland, Czechoslovakia, Bulgaria, Lithuania, Hungary, Yugoslavia, Poland, Australia, Japan, the Philippine Islands, Cuba, Chile, Panama, Peru, Brazil, Angola and Mozambique, the Union of South Africa. That was away back years ago. The document to which I have referred was published by the United States Department of Agriculture. It is miscellaneous publication No. 327, entitled "Motor Fuels From Farm Products." The matter to which I have referred is found on pages 112 to 117, and the date of publication was December 1938.

Mr. President, during the course of the debate on this amendment there have been whisperings in the cloakrooms and on the floor about communism, stimulated no doubt by the report Representative DIES made to the House of Representatives the day after the House had voted so overwhelmingly in favor of this amendment. In his report Mr. DIES had much to say about communism and by indirection tried to smear the Farmers' Educational and Cooperative Union of America with the tinge of communism

because they had received the sum of $22,500 from the Robert Marshall Foundation. Of course, Mr. Marshall was not a Communist; nor was any member of his family a Communist.

On the board of trustees of the Robert Marshall Foundation is Mr. Gardner Jackson, whom Mr. DIES accuses of being a Communist. So by accusing Mr. Jackson of being a Communist, Mr. DIES assumes that any organization benefiting from the Robert Marshall Foundation is a priori communistic. That is as close as Mr. DIES gets to involving that splendid farm organization with communism.

Mr. President, I do not know the Honorable James Patton, national president of the Farmers' Educational and Cooperative Union of America, but it will be remembered that the distinguished Senator from Michigan read into the record a letter from Mr. Patton opposing the Thomas amendment which I am supporting. That simply means that, so far as this one particular measure is concerned, Mr. Patton and I do not agree. However, I am certain that every Senator will agree that Mr. Patton has just as much right to express his views upon this amendment as has Mr. O'Neal, Mr. Goss, Mr. Holman, or anyone else. Furthermore, because Mr. Patton does not happen to agree with the other three high-ranking farm officials on this does not in the slightest measure mitigate against him. I am told he is a gentleman of the highest caliber. As I said before, I have never met him, but I resent, with all the power at my command, what the junior Senator from Michigan said about all these gentlemen. I resent the statement intimating that they were not real farmers. Every Senator upon this floor knows that the leader of every one of these farm organizations, Mr. O'Neal, Mr. Goss, Mr. Holman, and Mr. Patton all have come up in the democratic way and that everyone has been a dirt farmer.

Surely if there were the faintest tinge of communism in the Farmers Educational and Cooperative Union it would manifest itself in one of its component parts, of which the North Dakota Farmers Union is one. I believe I know considerable about the Farmers Union in North Dakota. I am personally well acquainted with every one of its officials; I know its employees and I believe I know the overwhelming majority of the 25 or 30 thousand families who are members of the North Dakota Farmers Union.

The farmers of North Dakota are proud of their membership in the Farmers Union, and I can assure the Senate that the farmers of North Dakota are not only intensely patriotic American citizens, but are naturally inclined to be capitalists rather than serfs or slaves.

Furthermore, the majority of the members of the Farmers Union belong to a nonpolitical organization known as the Nonpartisan League, an organization of farmers and laborers and small businessmen who meet every 2 years to endorse candidates on the Republican, Democratic, or independent ticket. Because of the underhanded attempt to make it appear that the Farmers Union has some indirect connection with the Communists, I call the attention of the Senate to the fact that in 1936 the Non-Partisan League, in open meeting, expelled from its convention in Bismarck, one of the delegates because he admitted he was a Communist.

Far more significant is the direct action taken by the people of North Dakota in regard to communism. Owing to the high-handed policies of the reactionaries, so well illustrated in this city by the Washington Post in its editorial last Thursday, the farmers, laborers, and small businessmen of North Dakota were subjected, during the depression, to the most merciless and cruel foreclosures, not only at the hands of the North Dakota bankers, but even the Federal Land Bank of St. Paul, a department of our own Federal Government, joined. Of course, big insurance companies from the East, and rich mortgage holders from everywhere, also joined in the nefarious practice of taking the land and the chattels from the poor farmers and working men. For example, in one small town alone there were 34 orders of eviction brought against laborers because they could not pay their rent, and the families were thrown out on the street. Of course, treating people in that way brought about communistic attitudes there, as it would and will anywhere else. So, in the 1932 election, following several years of that kind of treatment, 5,000 farmers and laborers voted the Communist ticket in North Dakota, and one of the men whom I opposed for the governorship received approximately 5,000 votes in November 1932, running on the Communist ticket.

In North Dakota we did not do as some other States have done, namely, pass a law prohibiting a Communist column on the ballot. On the contrary, we had an investigation made to find out why a man or woman would vote the Communist ticket, and it did not take us long to discover the reasons. We found the chief reasons were hunger, want, and suffering—reasons enough to make people vote almost any kind of a ticket.

In 1933 a hunger march was organized to march upon the capitol in Bismarck. It was headed by a man known as "Red Flag" Taylor, from Plentywood, Mont. If North Dakota had had a reactionary party in control, those hungry marchers might have been treated the way the soldiers were when they marched on Washington demanding the soldiers' bonus. Instead of that, we met the marchers about 25 miles from Bismarck; we provided food and beds for roughly 1,000 people and then we gave them a chance to talk. As Governor, I called a joint session of the legislature and requested that these people be permitted to take as long to air their grievances as they felt necessary.

At the end of 36 hours they had told us what was wrong with the State government, and we promptly proceeded to do something about it. The result was that 2 years later, there were not 5,000 votes for the Communist Party, but only 1,100, and 2 years after that, the same man running for Governor on the Communist ticket polled slightly over 300 votes. Since this was not half enough votes to give the party legal status in North Dakota, the party disappeared from the ballot.

Mr. President, I have always felt that President Roosevelt has sensed injustice to poverty-stricken people in a most unusual degree. I have always felt, and I feel now, that the President has done much for the underprivileged third of our population.

Mr. President, I want to make a statement now which to certain of the conservative Members of the Senate may sound radical, and perhaps even unwarranted. First, let us think back to the Republican National Convention, at which Gov. Robert M. La Follette dared to present his great Progressive platform, knowing full well that he would be called a socialist, a radical, a rabble-rouser, and an anarchist. It is interesting to note that the one Republican delegate to support Governor La Follette's platform at that convention was a delegate from North Dakota, the late United States Senator A. J. Gronna. We can all see now that if the Republican Party had adopted the La Follette platform at that time, there is every reason to believe there would have been no New Deal. It is also interesting to note that before Governor La Follette died he had the satisfaction of seeing 32 of the planks of that platform written into the law of the land.

Because of my deep faith in progress and in the ultimate effectiveness of democracy, and because of my certainty that the American people will always rise to protect themselves when they finally realize that special interests are grinding them down to abject slavery, I venture to suggest in the midst of this campaign by the "kept press" and the big interests and all that they represent to make the farmer look unpatriotic, selfish, greedy, and self-seeking, that it would be well for the Congress to remind themselves of what took place at the close of the last World War, and to realize that unless justice is given to the farmer, the laborer, and the small businessman right now, an economic and social catastrophe of much greater proportions will overwhelm us when this war is over. I desire to repeat that unless the problems facing the farmer are given effective attention, we are headed for an even greater collision than that prophesied by the junior Senator from Michigan.

Senators will recall what followed the last World War, when thousands upon thousands of farmers, workers, and small businessmen lost everything they had—property, jobs, health, morale, faith in the future—their all. As I have repeatedly said, neither the North Dakota farmer, nor anyone else, can exist unless he gets the cost of production plus a reasonable leeway. Unregulated exploitation of the many by the few must stop.

Because the farmers of North Dakota were courageously awake to the problems of the day many serious situations have been averted. For example, North Dakota had no soldiers' bonus march. Instead, we were the first State in the Union to

pass a soldiers' bonus law, and the North Dakota soldier boy received more money in cash than the soldier of any other State.

During the debate last Friday one of the Senators commented that the farmers were not organized. Mr. President, the farmers may be unorganized in other States but that is not true in North Dakota, thank God, and through being organized the farmers there have already accomplished what the farmers will ultimately accomplish in every State in the Union.

Do not think it was an easy fight in North Dakota or will be an easy fight in any other State. When the farmers took control of their own government in our State the kept press insultingly said that they were so ignorant that straw ought to be put on the legislative floors at the State capitol so as to make the farmers feel at home. They were ridiculed and sneered at then just as the radio, the kept press, and the big interests are ridiculing them, sneering at them now. Having won the right to work out their own problems in a free and open election, the farmers immediately found themselves in a head-on collision not with the President of the United States but with the big vested interests, the interests so well described by the Senator from Iowa [Mr. GILLETTE] last Friday—the same interests which today tell the consumer so glibly that the reason why food prices are higher is that the farmer is profiteering, when, as a matter of fact, the farmer actually gets a very small part of the consumers' dollar.

In order to fortify themselves for the great fight ahead, the North Dakota farmers created the State Industrial Commission in 1916, consisting of the Governor, the attorney general, and the commissioner of agriculture and labor, to take charge of certain industries within the State. Incidentally, I had the honor, although still in my early twenties, to be elected attorney general that year, and so was the first attorney general to serve on that commission. I mention that only to indicate my personal familiarity with the program, and to pay tribute to that splendid group of American citizens who dared to see and to do.

At that time interest rates on first mortgages on farms were 10 and 12 percent. I have in my office an abstract showing that I paid 12 percent on a first mortgage on a piece of land in Morton County, N. Dak. The North Dakota farmers met that issue by creating the Bank of North Dakota, with a $2,000,000 capital. When the law creating the Bank of North Dakota was referred to the people at a general election by the bankers and the kept press it was overwhelmingly adopted by the people themselves. Since its organization 24 years ago, the Bank of North Dakota, owned and operated and controlled by the State, not by the big vested interests, has been so successful that today it is one of the strongest financial institutions between Chicago, Ill., and Seattle, Wash., and has made a profit for the taxpayers of approximately half a million dollars each year.

I call the attention of the distinguished senior Senator from Iowa to the fact that the North Dakota consumer pays a dollar less a barrel for his flour than is paid elsewhere. This is possible because North Dakota farmers organized their own State mill and elevator, and have been so successful that in 1939 in the handling of light-weight wheat alone they saved the farmers of our State $12,000,000.

I call the attention of the Senators especially interested in insurance legislation to the fact that once aroused, the farmers of North Dakota did not stop with the organization of the Bank of North Dakota and the erection of the State mill and elevator, but they also went into the insurance business a long time before there was any Federal insurance. North Dakota insured the farmers against hail with the result that since the passage of that act the farmers of the State have been saved over $40,000,000. Every public building and every school house is insured, not by some outside fire insurance company but by the State of North Dakota. So successful were we that the rates were cut more than half, and we have a surplus fund, as I now recall, of approximately $2,000,000, all of it without one single dollar of taxation to the people.

In the same way the State insured against tornadoes and cyclones and in this they have been just as successful.

Likewise, Mr. President, every elected public official, whether local, county, or State who must furnish bonds, obtains the bonds from the State bonding department. We have been so successful in this that some municipalities have not had to pay a premium for years. A fund of hundreds of thousands of dollars lies in the Bank of North Dakota to be used if needed.

For 23 years these institutions have been a success and the United States Government has adopted a great many of the ideas originated by these farmers. The fact is we feel that the Democratic Party is greatly indebted to North Dakota since the laboratory work for the New Deal was being carried on there long before Franklin D. Roosevelt was even Governor of New York. Mr. President, what North Dakota has done is no more revolutionary than was the offering of that progressive platform to the Chicago Republican convention by Governor La Follette, of Wisconsin, 40 years ago.

I have ventured into this discussion today because I believe that from now on the common people are going to rule the United States of America. I believe they will follow a man whom they trust into any party and also that they will promptly leave him when they no longer find him worthy. I believe the time has come in America when the common people are no longer going to be frightened by the kept press or by smooth voices over the radio. I believe the time is here when the common people will no longer tolerate having their families deprived of the common decencies of life. I believe more and more farmers and laboring men will demand and obtain equal educational opportunities for their children.

As I now view the situation, unless the farmer of the Northwest receives adequate attention, the result after this war is ended is going to be just what it was after the last World War, when thousands upon thousands of farmers lost their homes. As I have already demonstrated in the early part of my remarks, the North Dakota farmer cannot exist unless he gets the cost of production plus a reasonable profit.

During the last World War North Dakota led every other State in voluntary enlistments in the Army and the Navy, and, per capita, more North Dakota boys lie buried in France as a result of the First World War than boys from any other State in the Union.

Mr. President, I wish to conclude my remarks by reading a letter which I received today, written by a North Dakota farmer, a man whom I do not have the honor of knowing personally. The letter is short, and, in my judgment, shows that this farmer there upon the prairies senses exactly the problem we are face to face with here in the Senate. It is from Underwood, N. Dak., dated September 23, 1942, as follows:

Senator WILLIAM LANGER,
Washington, D. C.

DEAR SIR: I am very much surprised to hear that the President wants to freeze prices on farm produce. I think farm produce is not too high. It is not high enough. For 6 or 7 years we farmers have had very poor crops, and prices were low enough, too. We got into debt and had unpaid taxes. And now that we are getting on our feet a little again to pay up our debts and repair and reshingle old buildings, and so forth, we are, as it seems, told we are making too much money. And prices for farm produce have to be checked. How foolish this is. We shall produce more meat and eggs and dairy produce and flax, and so forth. Now, isn't it a better way to let increased production control prices? And increased production will surely keep prices down. We farmers cannot raise these things at the present cost of repairs, machinery, and labor help. In 1918 wheat was $2 to $2.50 per bushel. Harvest help was no higher than now—$5 per day. And binders could be bought for $250 that are now $325 to $350, and repairs high. I think where the most cost of high living comes in, of which some consumers complain, is after the foods are processed and sold by retailers. A pound of wheat sold by the farmer brings barely 2 cents. Turned into breakfast food it costs from 18 to 25 cents a pound. Likewise many other articles—vegetables, meats, and so forth, too much canned stuff bought. Why complain about farmers getting rich? Wheat, oats, rye, barley, and so forth, are still very low in price, and meat and poultry is not too high. In 1918 cream was 60 to 65 cents per pound. Now we get only 40 cents. Now, I hope you, as our Senator, will vote and talk against this unjust piece of legislation to be enacted against us farmers. We do not want to make money out of this war, but want to have laws for us to make a somewhat decent living out of our labor. I have lived in North Dakota over 40 years and farmed on a 320-acre farm, and know the income and expenses of farmers.

Yours truly,

R. E. BUSCH.

Mr. President, I do not know that I have heard any Senator upon the floor of the Senate who more clearly or more concisely has told exactly what the farmer of the Northwest is up against, than this farmer who lives on a half section of land at Underwood, N. Dak.

I say I would be untrue to the farmers of the Northwest, I would be untrue to the farmers, the laboring men, and the small businessmen who sent me to the Senate in Washington to champion their cause, if I did not rise on the floor of the Senate and, with all the energy, all the eloquence, and all the ability at my command, bring to the attention of the Senate of the United States the gross inequalities under which the farmers of the Northwest are now existing.

Mr. BARKLEY obtained the floor.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Kentucky if there is any hope of getting a vote on some of the pending questions before inflation entirely overtakes us.

Mr. BARKLEY. That is a categorical question to which I cannot give a categorical answer.

Mr. VANDENBERG. Could the Senator express a hope?

Mr. BARKLEY. I had hoped that we might not only dispose of the pending amendment, but of the joint resolution as well, today. It has been necessary to rearrange the prospect because of conditions prevailing within the body of the Senate itself. The debate has gone on now until it is 25 minutes to 5. While I do not think we should recess now, in view of the number of Senators who wish to speak, the difficulty is that I have no derrick by which I can jack Senators up on their feet after 4:30 and induce them to speak.

Does the Senator from North Dakota [Mr. NYE] wish to speak now?

Mr. NYE. I should much prefer not to go ahead at this hour.

Mr. BARKLEY. That is what I thought. That is not an unreasonable suggestion, but of course if we continue each day to recess at 4:30 because no Senators are willing to speak after that hour, either on the theory that there are not many Senators present to listen or that so many speeches have preceded theirs that they do not get the headlines in the morning newspapers, we would not get ahead to a vote.

I am not making that suggestion with reference to the distinguished Senator from North Dakota; but frequently that is the motive which actuates us in determining whether we will speak at 4:30 or some other late hour in the afternoon.

Mr. President, it is obvious that we cannot obtain a vote today. I hope we can have a vote tomorrow. Last Friday I announced that I wished to speak briefly at the session today as soon as the Senate convened. For reasons which were to me satisfactory, I yielded that position. I do not wish to speak at this time; but I wish to advise the Senate that I expect to seek the floor tomorrow as soon as the Senate convenes to say what I have to say on this subject.

Mr. NYE. Mr. President, I rise to suggest that I shall be quite happy to forego in favor of the Senator from Kentucky any privilege which might be mine, if a privilege accrues from having been scheduled to speak at this hour. I shall be glad to have him proceed when the Senate convenes tomorrow, and I am perfectly willing to follow him whenever he shall conclude his remarks.

Mr. BARKLEY. That is very generous of the Senator.

Mr. President, I would not undertake at this time to obtain an agreement as to when we shall vote tomorrow or to limit debate. However, I hope that tomorrow we can dispose not only of this amendment but the entire joint resolution. I take occasion to say that I have a feeling that the country is growing impatient that Congress does not act. The longer we delay a vote on this matter the more impatient the country will become.

When I speak on this measure I wish to discuss the question which was involved in the President's message, revolving around the fixing of October 1 as a date on which or before which he hoped that legislation might be passed.

Therefore, under the circumstances, I suppose we shall have to take a recess. I wonder if it would be possible to agree to meet an hour earlier tomorrow. Would that be satisfactory to the Senator from Oregon?

Mr. McNARY. Mr. President, it had occurred to me earlier in the day that that might be the solution of the problem. There will be no committees in session tomorrow. Personally—I can speak only for myself—I should prefer to have the Senate meet at 11 o'clock.

Mr. BARKLEY. I always like to have the cooperation and approval of the Senator from Oregon. With that suggestion on his part, when the Senate finishes its business today I shall move that it take a recess until 11 o'clock a. m. tomorrow.

Mr. McNARY. That is quite agreeable to me.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MURDOCK in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations and a convention, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

By Mr. HATCH, from the Committee on Public Lands and Surveys:

William F. Jackson, of Oregon, to be register of the land office at The Dalles, Oreg. (reappointment); and

Paul B. Witmer, of California, to be register of the land office at Los Angeles, Calif. (reappointment).

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Anthony J. Drexel Biddle, Jr., of Pennsylvania, now Ambassador Extraordinary and Plenipotentiary to Poland, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America near the Government of Yugoslavia now established in London.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Anthony J. Drexel Biddle, Jr., of Pennsylvania, now Ambassador Extraordinary and Plenipotentiary to Poland, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America near the Government of Greece, now established in London.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Thomas L. Hughes to be consul general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of W. Garland Richardson to be consul.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

Mr. BARKLEY. I ask that the President be notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

That completes the calendar.

CONSULAR CONVENTION WITH MEXICO MADE PUBLIC

On motion of Mr. CONNALLY, and by unanimous consent, the injunction of secrecy was removed therefrom and the following convention was made public:

Executive D, Seventy-seventh Congress, second session, a convention between the United States of America and Mexico defining the duties, rights, privileges, exemptions, and immunities of consular officers of each country in the territory of the other country, signed at Mexico City on August 12, 1942:

CONSULAR CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE UNITED MEXICAN STATES

The President of the United States of America and the President of the United Mexican States, being desirous of defining the duties, rights, privileges, exemptions and immunities of consular officers of each country in the territory of the other country, have decided to conclude a convention for that purpose and have appointed as their plenipotentiaries:

The President of the United States of America:

George S. Messersmith, Ambassador Extraordinary and Plenipotentiary of the United States of America in Mexico, and

The President of the United Mexican States:

Ezequiel Padilla, Secretary of Foreign Relations;

Who, having communicated to each other their respective full powers, which were

found to be in good and due form, have agreed upon the following Articles:

ARTICLE I

1. Each High Contracting Party agrees to receive from the other High Contracting Party, consular officers in those of its ports, places, and cities, where it may be convenient and which are open to consular representatives of any foreign States.

2. Consular officers of each High Contracting Party shall, after entering upon their duties, enjoy reciprocally in the territories of the other High Contracting Party all the rights, privileges, exemptions and immunities which are enjoyed by consular officers of the same grade of the most favored nation, there being understood by consular officers Consuls General as well as Consuls and Vice Consuls who are not honorary. As official agents, such officers shall be entitled to the high consideration of all officials, national or local, with whom they have official intercourse in the State which receives them.

3. The Government of each High Contracting Party shall furnish free of charge the necessary exequatur of such consular officers of the other High Contracting Party as present a regular commission signed by the chief executive of the appointing State and under its great seal; and shall issue to a subordinate or substitute consular officer duly appointed by an accepted superior consular officer with the approbation of his Government, or by any other competent officer of his Government, such documents as according to the laws of the respective States shall be requisite for the exercise by the appointee of the consular function; provided in either case that the person applying for an exequatur or other document is found acceptable. On the exhibition of an exequatur, or other document in lieu thereof issued to a subordinate or substitute consular officer, such consular officer or such subordinate or substitute consular officer, as the case may be, shall be permitted to perform his duties and to enjoy the rights, privileges, exemptions and immunities granted by this Convention.

4. Upon the death, incapacity, or absence of a consular officer having no subordinate consular officer at his post, secretaries or chancellors, whose official character may previously have been made known to the Government of the State in the territory of which the consular function was exercised, may temporarily exercise the consular functions of the deceased or incapacitated or absent consular officer; and while so acting shall enjoy all the rights, privileges, exemptions and immunities that were granted to the consular officer.

5. A consular officer or a diplomatic officer of either High Contracting Party, a national of the State by which he is appointed and duly commissioned or accredited by such State, may, in the capital of the other State, have the rank also of a diplomatic officer or of a consular officer, as the case may be, provided that and for so long as permission for him to exercise such dual functions has been duly granted by the Government of the State in the territory of which he exercises his functions as a consular officer and to which he is accredited as a diplomatic officer, and provided further that in any such case the rank as a diplomatic officer shall be understood as being superior to and independent of the rank as a consular officer.

ARTICLE II

1. Consular officers, nationals of the State by which they are appointed, and not engaged in any private occupation for gain within the territory of the State in which they exercise their functions, shall be exempt from arrest in such territory except when charged with the commission of an act designated by local legislation as crime other than misdemeanor and subjecting the individual guilty thereof to punishment by imprisonment. Such officers shall be exempt from military billetings, and from service of any military or naval, administrative or police character whatsoever.

2. In criminal cases the attendance at court by a consular officer as a witness may be demanded by the plaintiff, the defendant, or the judge. The demand shall be made with all possible regard for the consular dignity and the duties of the office; and there shall be compliance on the part of the consular officer.

3. In civil, contentious-administrative and labor cases, consular officers shall be subject to the jurisdiction of the courts of the State which receives them. When the testimony of a consular officer who is a national of the State which appoints him and who is not engaged in any private occupation for gain is taken in civil cases, it shall be taken orally or in writing at his residence or office and with due regard for his convenience. The officer should, however, voluntarily give his testimony at the opportune moment of the trial whenever it is possible to do so without serious interference with his official duties.

4. A consular officer shall not be required to testify in criminal, contentious-administrative, labor or civil cases, regarding acts performed by him in his official capacity.

ARTICLE III

1. Consular officers and employees in a consulate, nationals of the State by which they are appointed, and not engaged in any private occupation for gain within the territory of the State in which they exercise their functions, shall be exempt from all taxes, national, State, Provincial, and Municipal, including taxes on fees, wages or salaries received specifically in compensation for consular services, and they shall be exempt from all kinds of charges incident to the licensing, registration, use or circulation of vehicles. However, they shall not be exempt from taxes levied on account of the possession or ownership of immovable property situated within the territory of the State in which they exercise their functions or taxes levied against income derived from property of any kind situated within such territory or belonging thereto.

2. The exemptions provided in paragraph 1 of this Article shall apply equally to other officials who are duly appointed by one of the High Contracting Parties to exercise official functions in the territory of the other High Contracting Party, provided that such officials shall be nationals of the State appointing them and shall not be engaged in any private occupation for gain within the territory of the State in which they exercise their functions; and provided further that permission for them to exericse such official functions has been duly granted by the Government of the receiving State. The Government of the State appointing such officials shall communicate to the Government of the receiving State satisfactory evidence of the appointment and shall indicate the character of the services which will be performed by the officials to whom the exemptions are intended to apply.

ARTICLE IV

1. Each High Contracting Party agrees to permit the entry free of all duty of all furniture, equipment and supplies intended for official use in the consular offices of the other High Contracting Party, and to extend to such consular officers of the other High Contracting Party as are its nationals and to such members of their families and suites as are its nationals, the privilege of entry free of duty of their baggage and all other personal property whether accompanying the officer or his family or suite to his post or imported at any time during his incumbency thereof; provided, nevertheless, that there shall not be brought into the territories of either High Contracting Party any article, the importation of which is prohibited by the law of such High Contracting Party, until requirements in accordance with the appropriate law have been duly met.

2. The exemptions provided in paragraph 1 of this Article shall apply equally to other officials who are duly appointed by one of the High Contracting Parties to exercise official functions in the territory of the other High Contracting Party, provided that such officials shall be nationals of the State appointing them. The Government of the State appointing such officials shall communicate to the Government of the receiving State satisfactory evidence of the appointment and shall indicate the character of the services which are to be performed by the officials to whom the exemptions are intended to apply.

3. It is understood, however, that the exemptions provided in this Article shall not be extended to consular officers or other officials who are engaged in any private occupation for gain within the territory of the State to which they have been appointed or in which they exercise their functions, save with respect to Governmental supplies.

ARTICLE V

1. Consular officers may place over the outer door of their respective offices the arms of their State with an appropriate inscription designating the nature of the office, and they may place the coat of arms and fly the flag of their State on automobiles employed by them in the exercise of their consular functions. Such officers may also fly the flag of their State on their offices, including those situated in the capitals of the respective countries. They may likewise fly such flag over any boat or vessel employed in the exercise of the consular functions.

2. The quarters where consular business is conducted, correspondence to which the official seal of the consulates is affixed, and the archives of the consulates shall at all times be inviolable, and under no pretext shall any authorities of any character of the State in which such quarters or archives are located make any examination or seizure of papers or other property in such quarters or archives or to which the official seal is affixed. When consular officers are engaged in business within the territory of the State in which they exercise their functions, the files and documents of the consulate shall be kept in a place entirely separate from the place where private or business papers are kept. Consular offices shall not be used as places of asylum. No consular officers shall be required to produce official archives in court or to testify as to their contents.

ARTICLE VI

1. Consular officers of either High Contracting Party may, within their respective consular districts, address the authorities, National, State, Provincial or Municipal, for the purpose of protecting the nationals of the State by which they were appointed in the enjoyment of rights accruing by treaty or otherwise. Complaint may be made for the infraction of those rights. Failure upon the part of the proper authorities to grant redress or to accord protection may justify interposition through the diplomatic channel, and in the absence of a diplomatic representative, a consul general, or the consular officer stationed at the capital may apply directly to the Government of the country.

2. Consular officers shall, within their respective consular districts, have the right:

(a) to interview and communicate with the nationals of the State which appointed them;

(b) to inquire into any incidents which have occurred affecting the interests of the nationals of the State which appointed them;

(c) upon notification to the appropriate authority, to visit any of the nationals of the State which appointed them who are imprisoned or detained by authorities of the State; and

(d) to assist the nationals of the State which appointed them in proceedings before or relations with authorities of the State.

3. Nationals of either High Contracting Party shall have the right at all times to communicate with the consular officers of their country.

ARTICLE VII

1. Consular officers, in pursuance of the laws of their respective countries, may, within their respective districts:

(a) take and attest the depositions of any person whose identity they have duly established;

(b) authenticate signatures;

(c) draw up, attest, certify and authenticate unilateral acts, translations, testamentary dispositions, and transcripts of civil registry of the nationals of the State which has appointed the consular officer; and

(d) draw up, attest, certify and authenticate deeds, contracts, documents and written instruments of any kind, provided that such deeds, contracts, documents and written instruments shall have application, execution, and legal effect primarily in the territory of the State which shall have appointed the consular officer.

2. Instruments and documents thus executed and copies and translations thereof, when duly authenticated by the consular officer, under his official seal, shall be received as evidence in the territories of either State, as original documents or authenticated copies, as the case may be, and shall have the same force and effect as if drawn up or executed before a notary or other public officer duly authorized in the State by which the consular officer was appointed; provided, always, that such documents shall have been drawn and executed in conformity to the laws and regulations of the State where they are designed to take effect.

ARTICLE VIII

1. In case of the death of a national of either High Contracting Party in the territory of the other High Contracting Party, without having in the locality of his decease any known heirs or testamentary executors by him appointed, the competent local authorities shall at once inform the nearest consular officer of the State of which the deceased was a national of the fact of his death, in order that necessary information may be forwarded to the persons interested.

2. In case of the death of a national of either High Contracting Party in the territory of the other High Contracting Party, without will or testament whereby he has appointed testamentary executors, the consular officer of the State of which the deceased was a national and within whose district the deceased made his home at the time of death, shall, so far as the laws of the country permit and pending the appointment of an administrator and until letters of administration have been granted, be deemed qualified to take charge of the property left by the decedent for the preservation and protection of such property. Such consular officer shall have the right to be appointed as administrator within the discretion of a court or other agency controlling the administration of estates, provided the laws of the place where the estate is administered so permit.

3. Whenever a consular officer accepts the office of administrator of the estate of a deceased countryman, he subjects himself in that capacity to the jurisdiction of the court or other agency making the appointment for all necessary purposes to the same extent as if he were a national of the State by which he has been received.

ARTICLE IX

1. A consular officer of either High Contracting Party shall within his district have the right to appear personally or by authorized representatives in all matters concerning the administration and distribution of the estate of a deceased person under the jurisdiction of the local authorities, for all such heirs or legatees in the estate, either minors or adults, as may be nonresidents of the country and nationals of the State by which the consular officer was appointed, unless by such heirs or legatees have appeared, either in person or by authorized representatives.

2. A consular officer of either High Contracting Party may on behalf of his nonresident countrymen collect and receipt for their distributive shares derived from estates in process of probate or accruing under the provisions of so-called Workmen's Compensation Laws or other like statutes, for transmission through channels prescribed by his Government to the proper distributees, provided that the court or other agency making distribution through him may require him to furnish reasonable evidence of the remission of the funds to the distributees.

ARTICLE X

1. A consular officer shall have exclusive jurisdiction over controversies arising out of the internal order of private vessels of his country, and shall alone exercise jurisdiction in situations, wherever arising, between officers and crews, pertaining to the enforcement of discipline on board, provided the vessel and the persons charged with wrongdoing shall have entered territorial waters or a port within his consular district. Consular officers shall also have jurisdiction over issues concerning the adjustment of wages and the execution of labor contracts of the crews; provided that their intervention will have a conciliatory character, without authority to settle disputes which may arise. This jurisdiction shall not exclude the jurisdiction conferred on the respective local authorities under existing or future laws of the place.

2. When an act committed on board a private vessel under the flag of the State by which the consular officer has been appointed and within the territory or the territorial waters of the state by which he has been received constitutes a crime according to the laws of the receiving state, subjecting the person guilty thereof to punishment as a criminal, the consular officer shall not exercise jurisdiction except insofar as he is permitted to do so by the local law.

3. A consular officer may freely invoke the assistance of the local police authorities in any matter pertaining to the maintenance of internal order on board a vessel under the flag of his country within the territory or the territorial waters of the State by which he has been received, and upon such request the requisite assistance shall be given.

4. A consular officer may appear with the officers and crews of vessels under the flag of his country before the judicial authorities of the State by which he has been received for the purpose of observing proceedings or of rendering assistance as an interpreter or agent.

ARTICLE XI

1. A consular officer of either High Contracting Party shall have the right to inspect within the ports of the other High Contracting Party within his consular district, the private vessels of any flag destined to and about to clear for ports of his country, for the sole purpose of observing the sanitary conditions and measures taken on board such vessels, in order that he may be enabled thereby to execute intelligently bills of health and other documents required by the laws of his country and to inform his Government concerning the extent to which its sanitary regulations have been observed at ports of departure by vessels destined to one of its ports, with a view to facilitating entry of such vessels, provided that the captain of the vessel shall have requested of the consular officer the issuance or vise of the appropriate bill of health.

2. In exercising the right conferred upon them by this Article, consular officers shall act with all possible despatch and without unnecessary delay.

ARTICLE XII

1. All proceedings relative to the salvage of vessels of either High Contracting Party wrecked upon the coasts of the other High Contracting Party shall be directed by the consular officer of the country to which the vessel belongs and within whose district the wreck may have occurred, or by some other person authorized for such purpose by the law of such country and whose identity shall be made known to the local authorities by the consular officer.

2. The local authorities of the receiving State shall immediately inform the consular officer, or the other authorized person to whom reference is made in the foregoing paragraph, of the occurrence, and shall in the meantime take all necessary measures for the protection of persons and the preservation of the wrecked property. Such authorities shall intervene only to maintain order, to protect the interests of the salvors, if the salvors do not belong to the crew of the wrecked vessel, and to ensure the execution of the arrangements which shall be made for the entry and exportation of the salvaged merchandise, such merchandise not to be subjected to any customs charges unless intended for subsequent consumption in the country where the wreck has occurred.

3. When the wreck occurs within a port, there shall be observed also those arrangements which may be ordered by the local authorities with a view to avoiding any damage that might otherwise be caused thereby to the port and to other ships.

4. The intervention of the local authorities shall occasion no expense of any kind to the owners or operators of the vessels, except such expenses as may be caused by the operations of salvage and the preservation of the goods saved, together with expenses that would be incurred under similar circumstances by vessels of the country.

ARTICLE XIII

Honorary Consuls or Vice Consuls, as the case may be, shall enjoy, in addition to all the rights, privileges, exemptions, immunities and obligations enjoyed by honorary consular officers of the same rank of the most favored nation, those rights, privileges, exemptions, immunities and obligations provided for in paragraph 3 of Article I and in Articles V, VI, VII, VIII, IX, X, XI and XII of the present Convention, for which they have received authority in conformity to the laws of the State by which they are appointed.

ARTICLE XIV

1. This Convention shall be ratified and the ratifications thereof shall be exchanged in the City of Mexico.

The Convention shall take effect in all its provisions the thirtieth day after the day of the exchange of ratifications and shall continue in force for the term of five years.

2. If, six months before the expiration of the aforesaid period of five years, the Government of neither High Contracting Party shall have given notice to the Government of the other High Contracting Party of an intention of modifying by change or omission any of the provisions of any of the Articles of this Convention or of terminating the Convention upon the expiration of the aforesaid period of five years the Convention shall continue in effect after the aforesaid period and until six months from the date on which the Government of either High Contracting Party shall have notified to the Government of the other High Contracting Party an intention of modifying or terminating the Convention.

In witness whereof the respective Plenipotentiaries have signed this Convention and have hereunto affixed their seals.

Done in duplicate in the English and Spanish languages, in the City of Mexico, on this 12th day of the month of August, 1942.

G. S. MESSERSMITH [SEAL]
E. PADILLA [SEAL]

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, September 29, 1942, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate September 28 (legislative day of September 21), 1942:

UNITED STATES PUBLIC HEALTH SERVICE

The following-named passed assistant sanitary engineer to be a sanitary engineer in the United States Public Health Service, to be effective from the date set opposite his name:

Omar C. Hopkins, September 5, 1942.

The following-named senior sanitary engineers to be sanitary engineer directors in the United States Public Health Service, to be effective from the date set opposite their names:

John K. Hoskins, September 5, 1942.
Harold W. Streeter, September 5, 1942.
Harry R. Crohurst, September 5, 1942.
Harry B. Hommon, September 5, 1942.
Abraham W. Fuchs, October 9, 1942.

APPOINTMENTS IN THE ARMY SPECIALIST CORPS

James Anderson, principal personnel procurement officer, Field Service, Eighth Service Command, Army Specialist Corps, $5,600.

Myron Samuel Falk, assistant to Chief of Ammunition Division, Ordnance Department, Services of Supply, $6,500.

William Chester McDuffie, Director, Service Command, Field Service, Ninth Service Command, Army Specialist Corps, $6,500.

Walter Alan Richards, Director, Fourth Service Command, Field Service, Army Specialist Corps, $6,500.

Richard Pearson Strong, senior instructor in tropical medicine, Office of the Surgeon General, Services of Supply, $6,500.

Percival Edward Foerderer, principal personnel procurement officer, Field Service, Third Service Command, Army Specialist Corps, $5,600.

Edward Magill Gillespie, technical expert, Transportation Service, Services of Supply, $5,600.

Charles Hartwell Maltby, assistant to district engineer, Engineer Corps, Services of Supply, $5,600.

Henry Robert Norman, principal engineering consultant and executive assistant, Engineer Corps, Services of Supply, $5,600.

APPOINTMENTS IN THE REGULAR ARMY

TO BE SECOND LIEUTENANTS WITH RANK FROM DATE OF APPOINTMENT

Infantry

Athel Bangert
George Samuel Beatty, Jr.
John Thomas Berry
Frank Foster Boyle
Paul Collins Broun
Fred Hilton Cantrell
James Harry Cook, Jr.
Clayton Charles Craig
George Benedict Cullison
Lewellyn Clifford Daigle
Paul Edward Doherty
John Edmund Dwan 2d
Donald Calvin Foster
John Chambers Good
Harold Elmer Gould
Wayne Knight Harvey
Edward Norton Hathaway
John Hancock Hay, Jr.
Richard Wyman Healy
Roland Leo Kolb
Lewis William Leeney
Hollis Clinton Lewis
Haakon Lindjord
Cleveland Charles MacLane, Jr.
George William McCaffrey
Robert Simeon Moore
Willard Webster Morris
Edwin Allison Nichols
Lee J. Nielsen, Jr.
Donn Royce Pepke
George Edwin Pinard
Lloyd Joseph Ptak
Sam Jones Rich
Patrick Williams Riddleberger
Frank Jenkins Ryder, Jr.
Robert H. Schulz
Tom Crampton Smith, Jr.
Marshall Wolcott Stark
John Paul Stopka
Arthur Lorenzo West, Jr.
Joseph William Albert Whitehorne 3d
Richard Casper Wittmann

Cavalry

Boyd Lee Branson
James Alexander Caldwell
Duane Seaman Cason
Gerald Michael Dailey
Melvin Armand Goers
John Lafayette King
James Ray Spurrier
John William Summers
George Brent Vivian

Field Artillery

Edward Sterling Abdo
Grant William Allison
James Potvin Barry
William FitzGerald Brand, Jr.
Kenneth Paul Burns
Robert Edmondston Coffin
Gordon Omar Fraser
Eugene Pierce Gillespie
Floyd Lester Johnson
John Barton Lamond
Gordon Ames Moon 2d
John Scott Pollard, Jr.
Andy Walter Pribnow
Robert Clinton Taber
Ralph Emerson Vandervort, Jr.

Coast Artillery Corps

David Leonard Anderson
Francis Travers Burgess
Roland George Daudelin
George Howell Garnhart
Frederick Lorimer Graham
Harold Harley Haaland
James Paul Hamill
Adellon Franck Hanson
Ralph M. Johnson, Jr.
Alexander Hume Lucas, Jr.
William Yates McCachern
Clarence Arthur Powers
John Lawrence Sullivan, Jr.
Martin Fannon Sullivan
Herbert Alfred Waterman
Charles Goodwin Whitmire
Carlyle Philip Woelfer

Air Corps

Jack Holt Alston
Frederick Thomas Anutta
Russell Allen Berg
Fred Howard Bounds
Hubert Arthur Brandon
James Kay Briggs
Allison Cochran Brooks
Edward Longfellow Burge
Charles Dean Chitty, Jr.
Winton Ralph Close
William Slater Cowart, Jr.
Morris Charles Crossen
Jack Edward Cunningham
Thompson Faxon Dow, Jr.
Charles White Dunning
Howard Stanley Ellmore
John Scrimgeour Evans
John Lloyd Felts
Donald Millard Gordon
Donald William Graham
Byron Eugene Hall
Thrashley Moncrief Hardy, Jr.
William Donn Hayes, Jr.
Edward Herbes
Lawson Clifton Horner, Jr.
William Astor Hoy Jr.
Stanley George Huey
Charles Frank Jenkins, Jr.
Frederick Perry Jenks
Simon Howard Johnson, Jr.
Charles William Johnstone
Benjamin Anthony Karsokas
John Herbert Lackey, Jr.
William Archibald Lanford
Maurice Kurt Langberg
John Daniel Lavelle
Ernest Nils Ljunggren
Grant Mahony
George Max Manning
Jack Franklin Marr
Wheeler Martin
Stanley Eldred Matthews
James Thomas McKee
Melvin Almon McKenzie
Joseph Francis Mooney
Malcolm Arnot Moore
Frank Lee O'Brien, Jr.
Ralph Lorimer Oliver
Rudolph King Ort
Thomas Fleet Osborne
William Wolfe Ottinger
Harl Pease, Jr.
Paul Manning Person
Russell Arthur Porter
Robert Stephens Puckett
Clyde Asa Ray
Ray Edgar Soper
Robert Wayne Springer
Robert Bernard Sullivan
Earl Raymond Tash
Henry Sidney Taylor
Frank Purvis Thornquest
Clarence Spottswood Towles, Jr.
James Ernest Tucker
Henry Samuel Tyler, Jr.
Louis David VanMullen
Harry Lee Waesche
Peter Saville Walker
Alan White Wilder
William Allen Williams
James Hobson Williford
Earl Wilson Worley
Donald McLarty Wright

Corps of Engineers

Jack William Blair
Charles William Carr
Robert William Dalrymple
Harold Bernard Ellis
Ernest Thornton George, Jr.
Charles Douglas Yelverton Ostrom, Jr.
Thomas Jeffries Riggs, Jr.
Adrian L. Roberson
Allen Wightman Sanders, Jr.
Harold Jack St. Clair
Walton Orville Threadgill
Henry Dale Weston

Signal Corps

Charles Allen Carroll
Paul Clendenen Davis
Otto John Glasser
Earl Jay Holliman
Henry Benjamin Holmes, 3d
Vernon Cline Irby
Hale Mason, Jr.
Richard Anthony Wetzel
Robert Erskine Williams, Jr.

Quartermaster Corps

William Condy
Jack Bansley Falks
Robert William Foster, Jr.
A. H. Hamner, Jr.
Edwin Freeland Harlan
Herbert Henry Heumann
Clarence Edwin Jeffress

Finance Department

Jerome Bailey York

Ordnance Department

Kenneth Eufrey Berryhill
John Sherman Chambers, Jr.
Donald Wright MacFeeters
Paul Arthur Nilsson
Don Winton Ryker
Paul Alexander Simpson
Stanley Michael Smolensky

Chemical Warfare Service

Herbert Frederick Crecelius
James Joseph Gibbons, Jr.
Floyd Bayless Mitman, Jr.
Charles Richard Pettigrew
John Henry Ritter
Samuel Adams Steere, Jr.
Lowell Edgar Thompson

APPOINTMENTS IN THE REGULAR ARMY

The following-named officers of the Army of the United States (honor graduates), for appointment in the Regular Army:

TO BE SECOND LIEUTENANTS WITH RANK FROM DATE OF APPOINTMENT

Infantry

Charles John Anderson
Thomas Walter Anderson
Charles Junker Fite
Alpha Alsbury Fowler, Jr.
Lionel Raymond Fuller
William Bennison Fulton
Robert John Giesen
Joseph Hamilton Grant, Jr.
David Simuel Henderson
James Wilson Kerr, 3d
Kenneth Theodore Kofmehl
Turney White Leonard
Richard Theodore Lunger
Robert James Lynch
John Walter MacIndoe
Lawrence Glenn Mathews
Alfred William Owens, Jr.
Samuel Cochran Phillips
William John Regner
Raymond R. Rokey
George Reece Sedberry, Jr.
George Marion Seignious
Charles Benjamin Thomas
Louis Scott Torgeson
Albert Sidney Williams, Jr.

Cavalry

James Wilbur Gilman
Hughes Seewald

Field Artillery

James Marshall Cake, Jr.
William Ardery Campbell
Harry William Hale
John Benjamin Hancock
Donald Leroy Harrison
James Griffith Hays, Jr.
Lloyd Edmonstone Jones, Jr.
Lloyd Lorenzo Leech, Jr.
Max Adams Morris
Edward Clark Rose, Jr.
Alphonso Axel Topp, Jr.

Coast Artillery Corps

William Treloar Russell
Anthony Joseph Touart, Jr.
Molloy Clark Vaughn, Jr.

Corps of Engineers

George Arthur Austin, Jr.
Edward Cooper Bruce
Gerald William Homann
Frank Dixon McElwee
Hal Leroy Schroeder
Edward Lee Waddell, Jr.
Victor Owen Wilson

Quartermaster Corps

Howard Ellsworth Sommer

Ordnance Department

Lawrence Shores Woolsey

APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES

The following-named honor graduate of a senior division of the Reserve Officers' Training Corps for appointment in the Regular Army of the United States:

TO BE SECOND LIEUTENANT OF INFANTRY WITH RANK FROM DATE OF APPOINTMENT

John David Hill

APPOINTMENT IN THE REGULAR ARMY

TO BE FIRST LIEUTENANT, MEDICAL CORPS, WITH RANK FROM DATE OF APPOINTMENT

Louis Axelrod, Medical Corps Reserve.

PROMOTIONS AND APPOINTMENTS IN THE MARINE CORPS

The following-named brigadier generals to be major generals in the Marine Corps, for temporary service, from the 26th day of August 1942:

Julian C. Smith
Charles D. Barrett

The following-named citizens to be second lieutenants in the Marine Corps from the 15th day of May 1942:

Robert A. Downing, a citizen of Tennessee.
John S. Hudson, a citizen of the District of Columbia.

The following-named citizens to be second lieutenants in the Marine Corps from the 13th day of June 1942:

Robert L. Gillis, a citizen of Michigan.
Delmar M. Persinger, a citizen of Indiana.
Irving B. Hayes, a citizen of New York.

The following-named citizens to be second lieutenants in the Marine Corps from the 15th day of July 1942:

Richard W. Mirick, a citizen of Massachusetts.
William J. Howatt, a citizen of California.
William G. Shoop, a citizen of Pennsylvania.
David S. Randall, a citizen of Kansas.
Norman C. Bayley, a citizen of California.
James W. Sperry, a citizen of Ohio.
Clayton S. Rockmore, a citizen of New York.
John L. Gifford, a citizen of New York.
Fred C. Eberhardt, a citizen of Kansas.
Henry V. Joslin, a citizen of Rhode Island.
Lyle K. London, a citizen of Texas.
Robert H. Daley, a citizen of Wisconsin.
Harry A. Hadd, a citizen of Minnesota.
Floyd M. Johnson, Jr., a citizen of Texas.
Paul O. Engelder, a citizen of Arizona, to be a second lieutenant in the Marine Corps from the 6th day of August 1942.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 28 (legislative day of September 21), 1942:

DIPLOMATIC AND FOREIGN SERVICE

Anthony J. Drexel Biddle, Jr., of Pennsylvania, now Ambassador Extraordinary and Plenipotentiary to Poland, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America near the Government of Yugoslavia now established in London.

Anthony J. Drexel Biddle, Jr., of Pennsylvania, now Ambassador Extraordinary and Plenipotentiary to Poland, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America near the Government of Greece now established in London.

TO BE CONSUL GENERAL OF THE UNITED STATES OF AMERICA

Thomas L. Hughes

TO BE CONSUL OF THE UNITED STATES OF AMERICA

W. Garland Richardson

POSTMASTERS

ARKANSAS

Lucy F. Harris, Earl.

COLORADO

Roy Staley, Arvada.
Walter E. Rogers, Berthoud.
George M. Griffin, Brighton.
Patrick H. Kastler, Brush.
James E. Adams, Englewood.
Agnes M. Padan, Fort Logan.
Carl E. Wagner, Fort Morgan.
Tom C. Crist, Haxtun.
Angeline B. Adkisson, Longmont.
Elmer M. Ivers, Loveland.
Grover C. Huffnagle, Ridgway.
Alta M. Cassietto, Telluride.

ILLINOIS

Joseph F. Speelman, Arcola.
Louise Rump, Beecher.
Luella C. Mosley, Blandinsville.
Carl J. Markel, Carpentersville.
Gilbert Jeptha Armstrong, Chandlerville.
Walter T. McCanna, Chillicothe.
Martin M. Dalrymple, Chrisman.
Dwight C. Bacon, Christopher.
John R. Reynolds, Colchester.
Vera E. Burrell, Cuba.
Philip G. Barron, Du Quoin.
Grover C. Norris, Effingham.
Charles R. Bowers, Elmwood.
Owen Kelly, Farmington.
Edward P. Malone, Gilman.
William Raymond Grigg, Mount Vernon.
Warren S. Smith, Norris City.
Floyd J Tilton, Rochelle.
Joseph M. Ward, Sterling.
Samuel T. Duncan, Tamaroa.

MISSOURI

Birdie W. Brown, Forest City.

NORTH DAKOTA

Charles K. Otto, Valley City.

WASHINGTON

George D. Magee, Aberdeen.
Arthur H. Gerl, Wilbur.

HOUSE OF REPRESENTATIVES

MONDAY, SEPTEMBER 28, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, we bless Thee for the joys and experiences which have come to us and for the interpretation of human destiny which Thou hast vouchsafed unto us. As the earth needs the night as well as the day and darkness as much as light, so we would thank Thee for affliction and discover richer meaning in the ministry of Him whose majesty moves the sun in the heavens and the stars in the skies. In this tragedy of international agony, He will arise over the charred ruins and unmarked graves, over the blackest barbarism of all times, and will bring healing in His wings.

We pray that each day we may be drawn by love and not driven by fear, looking not upon the truth with wandering eyes, but seeking to embody it in our daily conduct, giving action to irresistible resolution, conforming ourselves to the standards of Christian manhood, drinking the sacrificial cup for the sake of others. In this mortal life so confusing, we beseech Thee, dear Lord, to strengthen our courage and lift us to a plane of service where the tyranny of strife ceases and shall be overpast and where the lofty utterance of our pleading spirits is never silenced. To the glory and honor of our Saviour. Amen.

The Journal of the proceedings of the House of Thursday, September 24, 1942, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7164) entitled "An act to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to extend the relief and benefits provided therein to certain persons, to include certain additional proceedings and transactions therein, to provide further relief for persons in military service, to change certain insurance provisions thereof, and for other purposes."

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government" for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of the Interior.
3. Department of the Treasury.
4. Department of War.
5. Board of Governors of the Federal Reserve System.
6. The National Archives.
7. War Production Board.

THE COMMITTEE ON THE LIBRARY

Mr. DOUGHTON. Mr. Speaker, I offer a resolution (H. Res. 543), which I send to the Clerk's desk.

The Clerk read as follows:

Resolved, That GRAHAM A. BARDEN, of North Carolina, be, and he is hereby, elected chairman of the Library Committee of the House of Representatives.

The resolution was agreed to.

THE LATE HONORABLE JOHN KELLER GRIFFITH

Mr. PLAUCHÉ. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PLAUCHÉ. Mr. Speaker, on last Friday I received the following telegram from my colleague, J. Y. SANDERS, Jr., of the Sixth District of Louisiana, which was not read before because the House has not been in session:

It is with profound sorrow that I request you to announce to the House for me the passing of my distinguished predecessor the Honorable John K. Griffith who died this morning after a brief illness. Louisiana has lost one of its most valued and illustrious citizens.

While I never have had the privilege of knowing Dr. Griffith personally, his name throughout the State of Louisiana is synonymous with devotion to duty. He was recognized by all as an able, conscientious, patriotic public servant. I join with my colleague in saying that Louisiana has lost one of its most valued and illustrious citizens.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to be recognized for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS. Mr. Speaker, Dr. John Keller Griffith was born at Port Hudson in East Baton Rouge Parish, La., on October 16, 1882, and spent a full life of service in his native State and among his own people. As he grew to manhood, he studied 4 years in premedical work at the Louisiana State University; and following this, he attended the Tulane University where he graduated in medicine in 1907. He served his interneship in the hospitals of the city of New Orleans, La., and later opened his office in Slidell, La., where he practiced medicine for many years.

When the first World War came on, Dr. Griffith volunteered and served his Nation in the armed forces as a medical officer. Upon being discharged, at the end of the war, he resumed his practice of medicine among his people.

The day of the country doctor who visits his patients at all hours of the day and night is now rapidly passing from the scene of American life. It marks a chapter in our development which we close with much regret. Dr. John K. Griffith was of the old school. Never was the weather too bad, never the distance too long or his fatigue too great for him to respond to the call of mercy. In the mansions of the rich and in the humble homes of the poor, Dr. Griffith moved with patience, kindness, and tenderness. The fact that one was without a fee to pay him for his services did not enter into the mind of this disciple of humanity. On ministrations of mercy, he radiated confidence and sympathy; and thousands of his fellow men who felt the kindly touch of his radiant personality drew new strength and courage with which to meet the heavy problems of life.

Even while practicing medicine Dr. Griffith had time to exhibit a keen interest in civic and political affairs which were important to his people. He was ever watchful of the needs of that great and rapidly expanding part of the State of Louisiana known as the Florida parishes, and in the development of this area he was recognized leader, and especially in its fight for good roads a number of years ago. As an active member of the American Legion, he set an outstanding example of patriotism and devotion to country which is so important to our Nation during these trying days.

Dr. Griffith was elected to the House of Representatives in 1936 and served in the Seventy-fifth and Seventy-sixth Congresses. During the last 2 years of his life he has been with the Department of Agriculture in the milk-marketing service.

Congressman Griffith's career was marked by active, conscientious, and aggressive service to his people and to the Nation. He attended the details of his office with surpassing thoroughness and yet was active on the floor of the House of Representatives. A sincere and honest man at heart, he did not know the meaning of guile, cunning, or deceit. His actions and his words were always direct and forceful, even when he knew his best interests might be served by design and diplomacy. He considered his service here as a public trust and as giving him the opportunity of developing on a broader scale the fundamental principles which formed the basis of his life's work.

In his passing Louisiana has lost a most capable and forceful public servant, the Nation a most conscientious and loyal leader, his family a devoted husband and father, and thousands of his people in the Florida parishes of Louisiana who knew and loved him for his humanity, charity, and kindness a friend whose life stands on the precepts of the lowly Nazarene, and whom they will not soon forget.

Our sympathies go out to the widow and his two children who survive him.

The poet has cried out, "Where, oh, where are the snows of yesteryear?" They are in the streams, the rivers, and the seas. They are in the plants that grow and the flowers that bloom and life that moves. So, too, the life of a great man continues after him. Into the future moves his spirit, his life, and his work and the genius of his personality.

John Keller Griffith is dead—but he lives with us still.

Mr. ALLEN of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. ALLEN of Louisiana. Mr. Speaker, the news of the death of Dr. John K. Griffith has brought great sadness to me. Dr. Griffith was a Member of this House for 2 terms, 1936 to 1940. During those years I was very closely associated with him. I was with him almost every day during that time. I do not think I had a better friend anywhere in the country than Dr. Griffith. Ours was a deep abiding friendship. From the start, I was impressed with his great sincerity. He was absolutely frank and open in all that he did. I have never known a man who was more loyal to his friends than Dr. Griffith. He was ruggedly honest in all that he did. His word could be relied on every time. He kept every promise.

I knew the home life of Dr. Griffith. I have been in his home. I have known his family. He was a devoted husband and father, and was always deeply concerned about the welfare of his wife and children. Dr. Griffith's whole life has been one of service to humanity. He practiced medicine in his home community most of his life, and thousands of people today throughout that country hold his name in grateful memory. They remember the times upon times, through days and nights, through summers and winters, when he visited them in their afflictions, administering to their needs. Truly his was a hand of mercy. Mr. Speaker, Dr. Griffith, the servant of man, the humanitarian, the public servant, the friend and advisor, will be greatly missed. His place cannot be filled. As his devoted friend, I shall miss him. I mourn his passing. I loved him in life; I love him in death.

To the bereaved wife and two fine children, I extend my deepest sympathy, and pray that the Divine Creator will deal gently with them in these tragic hours.

Mr. BOGGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS. Mr. Speaker, although I did not have the honor of serving in the House with Dr. Griffith, I knew him well and intimately. He lived in a small community near New Orleans where he ministered to the sick for many years, and where he soon earned the respect and friendship of citizens in all walks of life. Dr. Griffith was known and loved throughout the State of Louisiana. He was an honored graduate of the great Tulane University School of Medicine, which is located in my Congressional district. The State mourns his passing; all of us who knew him know that we have lost a fine friend. I join my colleagues in extending deepest sympathy to his wife and children and to the citizens of Slidell, La., who knew and loved him so well.

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN of Mississippi. Mr. Speaker, the news of the passing of Dr. Griffith, of Louisiana, came as a distinct shock to me. He served on the Committee on World War Veterans' Legislation, of which I am chairman, and was one of the most conscientious and faithful members I have ever known. His death will be mourned by countless thousands of World War veterans who are grateful for the services he rendered them during the time he was a Member of this House.

The gentleman from Louisiana [Mr. PLAUCHÉ] said a moment ago that the country doctors are now passing away. Unfortunately, in that respect the medical profession is in a bad way in this country. We are losing our country physicians. History will record that the first real closed shop in this country was created by the American Medical Association, which has about succeeded in destroying the country doctor and making it practically impossible for the average well-educated boy to study medicine and follow that profession.

Dr. Griffith was a man who came up the hard way. He weeded his own row. He was a worthy Representative of the State of Louisiana, an able physician, and a conscientious public servant.

Someone has said:

One ship drives east, another drives west,
While the selfsame breezes blow.
'Tis the set of the sail and not the gale
That bids them where to go.

Like the winds of the sea are the waves of fate
As we journey along through life,
'Tis the set of the soul that decides the goal
And not the calm or the strife.

It was the conscientious, impelling force of his character that carried Dr. Griffith from one success to another. We join the Representatives from Louisiana in mourning the untimely passing of one of that State's most illustrious sons.

THE LATE HONORABLE JOHN D. BELLAMY

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BULWINKLE. Mr. Speaker, on Friday, September 25, the Honorable John D. Bellamy died in his native city of Wilmington, N. C. Mr. Bellamy represented the Sixth District of North Carolina in the Fifty-sixth and Fifty-seventh Congresses. He was born on March 24, 1854, making him over 88 years of age at the time of his death. He held many public offices in North Carolina.

Mr. Bellamy was a friend of Woodrow Wilson when Mr. Wilson as a boy lived in Wilmington, N. C. I have known Mr. Bellamy since 1904. I admired him greatly. He was a southern gentleman in every sense of the word, and I feel today that it is not amiss for me to briefly call to the attention of the House of Representatives this great North Carolinian because the Sixth Congressional District of North Carolina in the Fifty-sixth and Fifty-seventh Congresses was composed of Anson, Brunswick, Columbus, Mecklenburg, New Hanover, Pender, Richmond, Robeson, Scotland, and Union Counties. Mecklenburg is now in the Tenth Congressional District, which I represent.

In addition to his public services, Mr. Bellamy was an outstanding lawyer and practiced his profession for many years in North Carolina. He was also a writer, having written life stories of many colonial statesmen and soldiers.

As I have said, I was very fond of him, and it was my privilege last year to introduce Mr. Bellamy to you, Mr. Speaker, as you were presiding over the House. North Carolina has lost one of its noblest citizens.

LEAVE TO ADDRESS THE HOUSE

Mr. ENGEL. Mr. Speaker, on Thursday, after business on the Speaker's table and other matters have been disposed of, I ask unanimous consent to address the House for 40 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include an editorial from the Afton (Iowa) Star-Enterprise.

The SPEAKER. Is there objection?

There was no objection.

SPEED OF AUTOMOBILES

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I have just observed the announcement of the Office of Defense Transportation and other Government agencies that they are going to "crack down" on high-speed driving of automobiles and trucks, and the limit will be 35 miles per hour. It is done to save and conserve rubber that is so much needed.

Certainly, high speed and careless driving should be stopped. There is no excuse for it. But, Mr. Speaker, a good place to start "cracking down" is right here in the city of Washington. We have more high-speed and careless and drunken driving right here in the Nation's Capital than almost anywhere in the country.

Mr. Speaker, I call your attention to a report in this morning's Washington paper. It states there have been 77 traffic deaths right here in the District thus far this year. It is an average of two people killed each week, mostly because of careless or high-speed driving. This number is 22 percent more than during the same period last year. Why not start the reform right here at home and save human lives as well as rubber.

While we are on the subject of saving rubber, and goodness knows we must save every bit we can, it would be interesting to know how many Government owned passenger automobiles, not absolutely necessary for the prosecution of the war, have been taken off the streets and highways. A few months ago figures were compiled showing the Government had 19,000 passenger automobiles in operation for its various agencies, outside the War and Navy departments. Here is another place where a little rubber might be saved.

OVERTIME PAY FOR GOVERNMENT EMPLOYEES

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent for the present consideration of Joint Resolution 346, which I send to the desk and ask to have read.

The Clerk read as follows:

Extending for 6 months the period for which overtime rates of compensation may be paid under the acts of June 28, 1940 (54 Stat. 676), October 21, 1940 (54 Stat. 1205), and June 3, 1941 (55 Stat. 241)

Resolved, etc., That the joint resolution entitled "Joint resolution extending the period for which overtime rates of compensation may be paid under certain acts," approved July 3, 1942, is amended by striking out "September 30, 1942" and inserting "November 30, 1942."

The SPEAKER. Is there objection?

Mr. MICHENER. Mr. Speaker, I reserve the right to object and ask the gentleman to explain the joint resolution.

Mr. RAMSPECK. Mr. Speaker, the situation about the matter is simply this. In the past Congress enacted legislation giving overtime pay to employees in the War and Navy Departments, which had a limitation date in it. That expired June 30, 1942. On July 3 another act was approved which extended that time for 60 days. This joint resolution simply gives another 60 days' extension while Congress is considering a permanent policy in relation to overtime pay. Hearings were held in the Senate last week, and the House committee has already had

hearings, but we do not think that we can bring up any legislation before September 30.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mrs. ROGERS of Massachusetts. It seems to be only a matter of justice to do this.

Mr. RAMSPECK. I think so, and I think it would greatly disarrange our war program, if we stop the overtime pay.

Mrs. ROGERS of Massachusetts. And it would be an injustice, also.

Mr. RAMSPECK. Yes.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield to me?

Mr. RAMSPECK. Yes.

Mr. REES of Kansas. Will the gentleman explain to the House about how many employees are involved under the terms of this joint resolution?

Mr. RAMSPECK. About 60 percent of the employees of the Government get overtime pay. There are more than 2,000,000 employees now. This particular legislation I would say affects probably some 800,000 employees.

Mr. REES of Kansas. About what is the average number of hours of employment per week for the Federal employees involved under this bill?

Mr. RAMSPECK. I think those who get overtime pay all work a 48-hour week.

Mr. REES of Kansas. And that means that the remainder—800,000 from 2,000,000—work for a less number of hours per week?

Mr. RAMSPECK. Some of them work just as much, but get no pay for overtime. Others are not working 48 hours, but the great majority of Federal employees, now, outside of the Postal Service, are working at least 44 hours, and some 48 hours, and some even more than 48 hours.

Mr. REES of Kansas. Is it not a fair estimate to say that about half of the 2,000,000 work 44 hours per week?

Mr. RAMSPECK. I have no definite figures, but I imagine what the gentleman says is correct.

Mr. REES of Kansas. And the gentleman would agree with me that it might be well to extend it to 48 hours for all workers?

Mr. RAMSPECK. I think they are all going to have to go to a 48-hour week.

Mr. REES of Kansas. As a matter of fairness to the Government and to the people, and because of the shortage of labor.

Mr. RAMSPECK. I think so; yes.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. RICH. When this act was originally passed, it was at a time when we had so much labor that we did not know what to do with it, and the purpose was to have a 40-hour week in order to be able to give more people jobs. Is not that the fact?

Mr. RAMSPECK. I think the gentleman from Pennsylvania is talking about the wage-and-hour law now.

Mr. RICH. I am.

Mr. RAMSPECK. That does not apply to this situation or to any Federal employee.

Mr. RICH. I appreciate that, but the purpose of that act was to try to give jobs to everybody. The same thing ought to be applicable to the Federal workers, does not the gentleman think, and where they work 40 hours we ought to extend it now, because we have a scarcity of labor. Does not the gentleman think we ought to have a 48-hour week at the present time?

Mr. RAMSPECK. The hours have been extended for a great many in view of the war conditions. I think it will have to be extended for all of them.

Mr. RICH. You think that, but in the bill that you are going to prepare, are you figuring on doing that?

Mr. RAMSPECK. We have in the proposed compromise bill which I put in the RECORD last June a minimum 44-hour week for Federal employees. I think that eventually they will all have to go to 48 hours.

Mr. RICH. With reference to the overtime pay, what do they get? Do they get time and a half or double time?

Mr. RAMSPECK. Time and a half beyond 40 hours.

Mr. RICH. They do not get double time?

Mr. RAMSPECK. No.

Mr. RICH. Are they compelled to work 7 days a week?

Mr. RAMSPECK. I think some of the employees in the Government work in the navy yards and arsenals on a 7-day schedule. I do not think the individual employee works 7 days a week, however.

Mr. RICH. This resolution is just a 60-day extension, and by that time do you expect to have the bill that you are figuring on bringing in here to make it permanent legislation?

Mr. RAMSPECK. That is correct.

Mr. RICH. How long before you bring that bill in will we have it in order to study it before it is brought to the floor of the House?

Mr. RAMSPECK. I think it will be some time before the expiration date named in this resolution. I hope it will be ready at an early date.

Mr. RICH. It would not be brought up until the membership have at least a week to study it?

Mr. RAMSPECK. I could not commit myself definitely to that. As far as I am concerned, I want the membership to know all about it and have plenty of opportunity to study it.

Mr. RICH. We do not want any more surprises in a lot of this legislation.

Mr. FADDIS. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Pennsylvania.

Mr. FADDIS. The gentleman has stated that he contemplates permanent legislation along this line?

Mr. RAMSPECK. That is correct.

Mr. FADDIS. Would there be any objection to including among those who will get the benefit of this scramble for overtime pay, the pay of the soldiers as well as some of the other Government employees?

Mr. RAMSPECK. Of course, the gentleman knows that his committee deals with that question. My committee does not.

Mr. FADDIS. It might be possible to put the soldiers under civil service and let them participate in this scramble for overtime pay.

Mr. RAMSPECK. The gentleman is a member of the committee that started this overtime business that we are now extending. Some of these bills came out of the gentleman's own committee.

Mr. FADDIS. The gentleman from Pennsylvania has never endeavored to work for any overtime pay of this kind.

Mr. SHAFER of Michigan. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. SHAFER of Michigan. This legislation is designed to correct a number of injustices to certain groups in the Government employ, in the War and Navy Departments, that are now not receiving overtime?

Mr. RAMSPECK. This resolution will not do that, but the permanent legislation is designed to do that.

Mr. SHAFER of Michigan. I am referring to the permanent legislation.

Mr. RAMSPECK. That is correct.

Mr. SHAFER of Michigan. Would it not be possible to cut this down to about 30 days instead of 60 days? You have had extensive hearings on it already, have you not?

Mr. RAMSPECK. I hope we may be able to consider permanent legislation within 30 days or less, but I think it is wise to give us the 60 days, so that we will not have to bring in another resolution if it is not completed.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. SABATH. This applies mostly to the lower paid employees—those who receive about $1,200 or $1,300 or $1,400, with a few exceptions?

Mr. RAMSPECK. That is generally true, but it does include some higher paid people.

Mr. RUSSELL. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Texas.

Mr. RUSSELL. With reference to your statement a moment ago that double time on Sundays and holidays was not applicable to Federal workers, in order to correct the gentleman, that is not correct, is it? The navy yard pays double time for Sundays and holidays.

Mr. RAMSPECK. If that is true, I did not know it.

Mr. RUSSELL. That is true. Now, what effect will this bill have on inflation?

Mr. RAMSPECK. This particular resolution has no effect, because it is simply continuing a policy that has been in effect for 2 years or more.

Mr. RUSSELL. Do you know what the average base pay is of the Federal worker?

Mr. RAMSPECK. About $1,800 a year.

Mr. RUSSELL. How much per hour?

Mr. RAMSPECK. Well, the gentleman can figure that out as quickly as I can. I do not know how much per hour that would figure.

Mr. RUSSELL. That would be around 60 or 70 cents an hour, would it not?

Mr. RAMSPECK. If the gentleman says so, probably that is true.

Mr. RUSSELL. Does the gentleman know that the farmer gets from 18 to 26 cents an hour for his labor?

Mr. RAMSPECK. I know that the farmer does not get enough, I agree with the gentleman; but I do not know whether anybody knows just what he does get. They do not keep books or anything.

Mr. RUSSELL. But you know that he does not get as much as the workers for whom you are trying to extend the overtime pay?

Mr. RAMSPECK. I think that is unquestionably true.

Mr. RUSSELL. Yet the gentleman admits he is a part of the cause of the inflationary period, if any, that is existing now.

Mr. RAMSPECK. No, I do not make any such admission as that.

Mr. RICH. Will the gentleman yield for one other question?

Mr. RAMSPECK. Yes; I yield.

Mr. RICH. Since we have put on the Federal pay roll over 2,000,000 employees, that is more than 1,100,000 more than we had in the World War of 1918, and since we have gone in the red to the tune of $11,410,063,404.53 between July 1 and September 23, I wonder where you are going to get the money? Has the gentleman made any arrangement for that?

Mr. RAMSPECK. The gentleman knows as much about that as does the gentleman from Georgia.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO PREVENT PERNICIOUS POLITICAL ACTIVITIES

Mr. SABATH from the Committee on Rules submitted the following report on the bill (S. 2471), to amend the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, with respect to its application to officers and employees of educational, religious, eleemosynary, philanthropic, and cultural institutions, establishments, and agencies, commonly known as the Hatch Act (Report No. 2489) which was read, referred to the House Calendar, and ordered printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2471) to amend the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, with respect to its application to officers and employees of education, religious, eleemosynary, philanthropic, and cultural institutions, establishments, and agencies, commonly known as the Hatch Act. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

DISTRICT OF COLUMBIA

The SPEAKER. The Chair at this time in order to accommodate the gentleman from West Virginia desires to recognize him to call up District bills. Following disposition of the District of Columbia calendar the Chair will continue to recognize Members to submit unanimous-consent requests.

The gentleman from West Virginia is recognized.

AMENDMENT OF TRAFFIC ACT

Mr. RANDOLPH. Mr. Speaker, I call up the bill (S. 2122), to amend the District of Columbia Traffic Act of 1925.

The Clerk read the title of the bill.

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. RANDOLPH. I shall be pleased to explain the bill, and I may say to the gentleman from Pennsylvania that it will be my purpose to explain all bills I call up from the District Committee today.

This legislation—and I think it is of extreme importance to the membership of the House—seeks to amend the District of Columbia Traffic Act of 1925. I wish to call the attention of the gentleman from Kansas at this time to my remarks and to say that I appreciate his observation on the floor a few minutes ago on the subject of reckless driving in the District of Columbia. I believe the passage of this bill will have at least the partial result about which the gentleman has spoken.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. REES of Kansas. I want to commend the gentleman from West Virginia for submitting this legislation and trust the House will not only put it through but that those charged with the enforcement of the act will see that it is carried out. Mr. Speaker, I want to further commend the gentleman from West Virginia [Mr. RANDOLPH] for the diligent manner in which he has served this Congress on behalf of the District of Columbia.

Mr. RANDOLPH. I thank the gentleman from Kansas, and I would like in explanation of the measure at this time to say that this bill amends the Traffic Act in two respects: First, the matter of a permit for driving a car. If a driver is charged with operating without a permit for his motor vehicle he goes into court and deposits a small collateral. When the case comes to trial a plea of guilty is entered, and the court has rarely imposed a penalty of more than $20. In the space between the time he has asked for a jury trial and the actual trial he has already secured his permit so that he is not operating a car in the District of Columbia without a permit.

The other particular in which we amend the act and one which I desire particularly to bring to the attention of the House is to place a stiffer penalty on those who are speeding in the District of Columbia, who really fall in the category of indulging in reckless driving. Last week, to be exact, on the night of September 25, two pedestrians walking on a sidewalk in the District of Columbia were reported to have been run down by the driver of a car. Their bodies were dragged, it is said, approximately 95 feet. The driver of the car has, I understand, been charged with manslaughter. That, of course, is an indication of the problems of reckless driving in the District. Within the last 2 weeks an employee of the Potomac Electric Power Co., working in connection with his duties on the city streets behind a barricade, was reported run down by a speeding driver and that workman is now either in the hospital or has been and he is seriously injured. We believe that the strengthening of the traffic act by this amendment will at least partially correct this condition.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. RICH. I think the gentleman should take into consideration not only the penalties we are going to impose on the speeders in the District but also penalties that should be imposed for drunken driving. There are a lot of people in this District who ought to be put behind bars for driving cars when drunk. No person has the right to drive a car on the streets of the District or any other place when he is under the influence of liquor, for not only do they endanger their own lives and the lives of those riding with them, but also the lives of people in other cars. I think a stiffer penalty should be imposed for drunken driving in the District. I hope if the gentleman has not made provision for that in the bill he will see that such a provision is put into it.

Mr. RANDOLPH. I thank the gentleman for his observation.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. BULWINKLE. What I am going to say does not have any particular application to the bill now under consideration; but there has been called to my attention the case of ladies coming up here with children, asked to come up here and take employment with the Government. When they get here and start looking for a place to live they are met with the statement: "We cannot take you into the apartment house because you have a child." One case that came to my attention last week was that of a woman with a 14-year-old girl: "We cannot give you a place to stay in the District of Columbia."

Mr. JOHNSON of Oklahoma. Yet, if the gentleman will yield, it is all right for them to have a lap dog.

Mr. RANDOLPH. The gentleman from North Carolina raises an important point and one which I believe the District Committee could well give further consideration in connection with the rent

bill for the District. We have amended the District of Columbia Rent Act in one particular already. I think probably we should perhaps also amend it to deal with the excessive rentals that are being charged to those occupying business properties. In one instance I have heard of rent being increased 100 percent on a business tenant. This tenant operates printing presses and cannot move them quickly to other property. It seems to me the problem raised just now should also be given consideration by the committee.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. SABATH. I ask the chairman of the District Committee whether he does not believe the wisest thing to do is to remove the cause which brings about reckless driving and overcrowded conditions? Hundreds and hundreds of people come here with their cars and are obliged to ride around from one hotel to another trying to find rooms, or from one apartment house to another, but are unable to get rooms.

I think something should be done to remove and eliminate the overcrowded conditions that we have. When I first started, the gentleman from West Virginia, the chairman of the committee, thought that was all merely a dream on my part when I called attention to the overcrowded conditions and maintained that some of the departments should be moved out of here which have nothing to do with the war activities. We still have many of these bureaus or departments that could be advantageously moved out of here to make room and eliminate the overcrowded conditions and give those who must be here a chance to find some place to live and also a place where they can get a meal without waiting for a half hour or an hour before they can be served and obtain something to eat.

Mr. RANDOLPH. In reply to the gentleman from Illinois, for whom I have a very high personal regard, I think he must have misunderstood in the past my feeling toward his proposition to decentralize agencies of government. I appeared twice before two special House committees urging exactly what the gentleman contended. Perhaps he has felt that because I took certain old-line departments into consideration in opposing the taking of men and women who had established themselves here for 40 or 50 years in the Patent Bureau and other agencies of that type, that I was in disagreement with him, when in fact I do believe that certain intelligent decentralization of the Government is desirable. West Virginia offers a splendid site for these agencies to move to if transfers are made.

Mr. SABATH. I hope something will be done because the conditions are getting worse and worse from time to time. They are deplorable.

Mr. RICH. Would it not be better if we discontinued a lot of worthless projects in the District?

Mr. EBERHARTER. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I am not thoroughly convinced that the many accidents in the District of Columbia and the prevalence of reckless driving is because of inadequacy of the law. It is my opinion that the cause of it is rather lack of enforcement of laws that we already have on the books. I would like to know specifically just what this bill proposes to do with respect to the present acts in force now. We all realize that there are many needless accidents and we want to correct them but we do not want to pass any drastic legislation which will not cure the defect. I believe enforcement is the thing we need more than any stringent or drastic legislation and I would like to know exactly what this act does.

Mr. RANDOLPH. I meant to refer to the second part of the amendment. I did refer to the forfeiture in connection with the securing of a permit for the operation of a motor vehicle.

Mr. EBERHARTER. I would like to ask specifically with reference to that provision, will this bill provide in that section that if a man is charged with reckless driving or anything of that sort that from that moment on he does not have a permit to drive a car until his case is decided by a court?

Mr. RANDOLPH. We did not attempt to amend that section. Under the present penalty for operating a motor vehicle without first having obtained an operator's permit, a defendant may obtain a jury trial. Most defendants have demanded a jury trial which delays the day of reckoning, of course. In the interim they have secured a permit. I know the gentleman from Pennsylvania would not believe this could be done, but it has been done. When the case comes to trial a plea of guilty is entered and the court has rarely, and this comes to the gentleman's point of view, imposed a fine in excess of $20. The amendment in this measure will remove the right of the defendant to a jury trial and will in part reduce the number of jury cases.

Mr. EBERHARTER. I do not altogether agree with the gentleman that simply because a police officer accuses a driver of reckless driving or some other crime that from that moment he should be deprived of the privilege of driving an automobile.

Mr. RANDOLPH. In this instance the man has not a permit.

Mr. EBERHARTER. I believe a person should have the right to go to court and have his case decided. If he puts up a bond, he should not be denied any privilege until his case is decided in court. Just because a man is accused of violating a law by some police officer is no reason why he should be denied the privilege of operating an automobile. I am afraid that is what this amendment does. I doubt if it is constitutional. In other words, the police officer's charge would in effect find a man guilty and deprive him of a privilege; and if that is the purpose of the bill, I do not think it is right.

Mr. RANDOLPH. The man in question is operating a motor vehicle now without a permit. The gentleman would not want that to take place?

Mr. EBERHARTER. If he can go to the proper authorities and they are willing to issue him a permit on proper cause shown, I do not see why we should legislate to deny that person a permit because he might absolutely need the privilege of driving a car. I do not believe in denying persons privileges because they have been accused of some violation. I cannot agree with the gentleman that this legislation should pass. They were going to do something like that in Pennsylvania. When a man was charged twice with reckless driving by a police officer, why, automatically they wanted to take away his privilege of driving. Of course, the court held that a police officer has no right to judge anybody guilty, and they could not deny a man a privilege simply because he had been charged with something. We want to do things legally and right. Everyone knows there are lots of accidents, but we certainly do not want to go overboard here and deny persons certain privileges, because I can see in many places where there would be a tremendous hardship placed upon an innocent person who had an accident that may not have been his fault at all. Many times an accident occurs and the police in the course of their duties charge both persons involved in the accident with reckless driving. In such cases, one of the persons may be perfectly innocent, yet he is placed under a charge of reckless driving. I am afraid this measure will deny an innocent person rights to which he is justly entitled.

Mr. RICH. If the gentleman will yield, may I ask the gentleman from Pennsylvania what we are going to do here in the District about the frequent accidents that cause death, many of them being caused by drunkenness? What are we going to do to stop such accidents? Does not the gentleman believe persons should be prohibited from driving a car when they are once found to be guilty of driving while drunk?

Mr. EBERHARTER. I may say to the gentleman that I believe in enforcing the law strictly. I believe that when a person is found guilty by a proper tribunal he should be punished. I further believe, however, that the cause of most accidents is that there is not proper enforcement by the police officers of the District of Columbia. I do not believe in trying to correct by legislation a situation which can be corrected by proper enforcement and by meting out a proper sentence when a person is found guilty. As has been said by the gentleman from West Virginia, all the judge often does is fine the defendant $20. That is not the fault of the Congress. That does not mean that we should pass more legislation to deny a man the privilege of driving.

Mr. RICH. How are you going to stop these drunken drivers? After they have once had an accident, how are you going to stop them from driving a car again?

Mr. EBERHARTER. That is up to the judge, who has plenty of authority, according to the statutes already on the books.

Mr. RANDOLPH. Mr. Speaker, I should like to read to the gentleman from Pennsylvania [Mr. EBERHARTER], a former member of the Committee on the District of Columbia, a statement by Chairman John Russell Young, of the Board of Commissioners:

The purpose of the first section of the proposed bill is to permit the forfeiture of collateral for violations of the speed regulations in order to leave more time for the judges in police court to consider more serious offenses. The purpose of the second section is to relieve some of the congestion on the jury trial docket in police court by providing a penalty for operating a motor vehicle without a permit, which will remove the necessity of a trial by a jury.

That is the position taken by the Commissioners in the matter.

If the gentleman from Pennsylvania, after the Senate has passed this bill unanimously, wants to object to its consideration here, I certainly shall not press it at this time.

Mr. EBERHARTER. The gentleman has just said he wants to pass this measure by unanimous consent. This measure deprives a person charged with a crime of the right to a trial by jury.

Mr. RANDOLPH. I said the Senate has passed the bill unanimously.

Mr. EBERHARTER. Without more consideration than we have had on the floor on this piece of legislation, which deprives a man of the right to a trial by jury, I cannot agree to it. So, Mr. Speaker, inasmuch as according to the statement of the gentleman from West Virginia this measure would deprive a defendant charged with a crime of the right to a trial by jury, which he now has, I feel constrained to object.

ST. ANN'S INFANT ASYLUM

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2689) to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863 (12 Stat. 798).

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863 (12 Stat. 798) be, and the same is hereby, amended to read as follows:

"That Theresa A. Costello, Lucy Gwynn, Margaret Bowden, Sarah M. Carroll, Catherine Ryan, Louisa Fisher, and Catherine Shea, and their successors, be, and they are hereby, made a body politic and incorporate forever, by the name of 'St. Ann's Infant Asylum,' for the purpose of establishing and maintaining in the city of Washington, in the District of Columbia, an institution for the maintenance and support of foundlings and infant orphan and half-orphan children, and also to provide for deserving indigent and unprotected females during their confinement in childbirth; and by that name may sue and be sued, prosecute and defend; may have and use a common seal, and the same alter and renew at pleasure; may adopt and establish rules, regulations, and bylaws not repugnant to the Constitution and laws of the United States, for properly conducting the affairs of said corporation; may take, receive, purchase, and hold estate, real, personal, and mixed, not exceeding in value at any one time $1,000,000, and may manage and dispose of the same, and apply the same, or the proceeds of the sales thereof, to the uses and purposes of said corporation, according to the rules and regulations which now are or may hereafter at any time be established."

Mr. RANDOLPH. Mr. Speaker, St. Ann's Infant Asylum, incorporated in the District of Columbia, now has the privilege of holding property in the amount of not to exceed $100,000. It is proposed here to amend that to permit it to hold property in an amount not to exceed $1,000,000 in value. The institution through I believe about 80 years of operation in the District of Columbia has done a splendid work.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Nebraska.

Mr. STEFAN. The House Committee on Appropriations each year in making appropriations for the District of Columbia has allowed a small contribution for St. Ann's Infant Asylum, for the reason that this organization is doing such a splendid work in the District. I approve of this bill and commend the chairman of the committee for bringing it to our attention.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RETIRED JUDGES OF POLICE AND MUNICIPAL COURTS OF THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2503) to provide for the payment of retired pay to certain retired judges of the police and municipal courts of the District of Columbia.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. RANDOLPH. Mr. Speaker, this bill would grant retirement pay to municipal and police court judges of the District of Columbia who have served 12 years on the bench and have reached the age of 70 years at the time such term of office expires. The retirement pay will be computed on the basis of not more than 30 years of service on the bench and one-thirtieth of the annual salary of the judge during the time he served.

Mr. RICH. Have we not previously passed a law taking care of judges?

Mr. RANDOLPH. We have not applied it in the District of Columbia to police and municipal court judges. I think it only fair to say that this measure will be of value to a former beloved judge of the District of Columbia who now, I believe, is nearing his seventy-seventh or seventy-eighth year—Judge Hitt.

Mr. RICH. Might this be a precedent for a bill covering police court judges all over the land, so that we would have a pension bill for police court judges?

Mr. RANDOLPH. No; it would apply only to this jurisdiction. I can understand the gentleman's feeling, but I may say that this would apply only to the District of Columbia.

Mr. RICH. No precedent will be established by the passage of this measure?

Mr. RANDOLPH. I would not believe so.

Mr. RICH. If it does set a precedent, I shall object to its consideration.

Mr. SUMNERS of Texas. Reserving the right to object, Mr. Speaker, may I ask the chairman of the committee if he would be willing to have the bill go over until we can look further into the matter? I believe we have had some hearings about this bill. These judges are not appointed for life, are they?

Mr. RANDOLPH. Mr. Speaker, I will be glad to withdraw the request and allow the bill to go over.

The SPEAKER. The gentleman from West Virginia withdraws the request.

USE OF PUBLIC-SCHOOL BUILDINGS IN THE DISTRICT OF COLUMBIA FOR DAY NURSERIES AND NURSERY SCHOOLS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 7522) to amend the District of Columbia Appropriation Act, 1943, so as to authorize the use of public-school buildings in the District of Columbia as and for day nurseries and nursery schools, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MOSER. I object, Mr. Speaker.

EXTENSION OF REMARKS

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an editorial from the Pittsburgh Sun-Telegraph.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FADDIS. Mr. Speaker, I ask unanimous consent that at the completion of the business for today and following any previous special order heretofore granted, I may be allowed to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include there an editorial from the New York Times.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a radio speech.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to

include a radio address entitled "The Winning of the War and the Winning of the Peace."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

IN ACTION

Mr. McINTYRE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

[Mr. McINTYRE addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. WEISS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an article entitled "A Salute to the President, Industry, and Labor," by Mr. David Lawrence.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an editorial from the Pittsburgh Post-Gazette.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PRICE CONTROL

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to proceed for one minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[Mr. MURRAY addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a short editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short article on farm prices.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent that at the end of the legislative program today and the disposition of other matters on the Speaker's desk, I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXTENSION OF REMARKS

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a telegram from 14 Iowa farmers relating to war and inflation.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

THE OIL SITUATION

Mr. GUYER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

[Mr. GUYER addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a news story from the Washington Post of September 26.

The SPEAKER. Is there objection?

There was no objection.

TREATMENT OF CITIZENS BY SOME GOVERNMENTAL AGENCIES

Mr. JOHNS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection?

There was no objection.

[Mr. JOHNS addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. BENNETT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BONNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Elizabeth City Daily Advance on farm conditions in North Carolina.

The SPEAKER. Is there objection?

There was no objection.

Mr. PLOESER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by the inclusion of an address by Stanley Wallach, prosecuting attorney for St. Louis County, Mo.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial Newspaper Relief.

The SPEAKER. Is there objection?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a very splendid, hard-hitting and appropriate speech recently made by the Assistant Secretary of the Navy, Mr. Ralph A. Bard.

The SPEAKER. Is there objection?

There was no objection.

SOLDIERS' AND SAILORS' RELIEF

Mr. SPARKMAN. Mr. Speaker, I call up the conference report upon the bill (H. R. 7164) to amend the Soldiers' and Sailors' Relief Act of 1940, as amended, to extend the relief and benefits provided therein to certain persons, to include certain additional proceedings and transactions therein, to provide further relief for persons in military service, change certain insurance provisions thereof, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the statement of the conference.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7164) to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to extend the relief and benefits provided therein to certain persons, to include certain additional proceedings and transactions therein, to provide further relief for persons in military service, to change certain insurance provisions thereof, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"'SEC. 400. As used in this article—

"'(a) The term "policy" shall include any contract of life insurance or policy on a life, endowment, or term plan, including any benefit in the nature of life insurance arising out of membership in any fraternal or beneficial association, which does not provide for the payment of any sum less than the face value thereof or for the payment of an additional amount as premiums if the insured engages in the military service of the United States as defined in section 101 of article I of this Act or which does not contain any limitation or restriction upon coverage relating to engagement in or pursuit of certain types of activities which a person might be required to engage in by virtue of his being in such military service, and (1) which is in force on a premium-paying basis at the time of application for benefits hereunder, and (2) which was made and a premium paid thereon before the date of enactment of the Soldiers' and Sailors' Civil Relief Act Amendments of 1942 or not less than thirty days before the date the insured entered into the military service. The provisions of this Act shall not be applicable to policies or contracts of life insurance issued under the War Risk Insurance Act, as amended, the World War Veterans Act, as amended, or the National Service Life Insurance Act of 1940, as amended.

"'(b) The term "premium" shall include the amount specified in the policy as the stipend to be paid by the insured at regular intervals during the period therein stated.

"'(c) The term "insured" shall include any person in the military service of the United States as defined in section 101, article I, of this Act, whose life is insured under and who is the owner and holder of and has an interest in a policy as above defined.

"'(d) The term "insurer" shall include any firm, corporation, partnership, or association chartered or authorized to engage in the insurance business and to issue a policy as above defined by the laws of a State of the United States or the United States.

"'SEC. 401. The benefits and privileges of this article shall apply to any insured, when such insured, or a person designated by him, or, in case the insured is outside the continental United States (excluding Alaska and the Panama Canal Zone), a beneficiary, shall make written application for protection under this article, unless the Administrator of Veterans' Affairs in passing upon such application as provided in this article shall find that the policy is not entitled to protection hereunder. The Veterans Administration shall give notice to the military and naval authorities of the provisions of this article, and shall include in such notice an explanation of such provisions for the information of those desiring to make application for the benefits thereof. The original of such application shall be sent by the insured to the insurer, and a copy thereof to the Veterans Administration. The total amount of insurance on the life of one insured under policies protected by the provisions of this article shall not exceed $10,000. If an insured makes application for protection of policies on his life totaling insurance in excess of $10,000, the Administrator is authorized to have the amount of insurance divided into two or more policies so that the protection of this article may be extended to include policies for a total amount of insurance not to exceed $10,000, and a policy which affords the best security to the Government shall be given preference.

"'SEC. 402. Any writing signed by the insured and identifying the policy and the insurer, and agreeing that his rights under the policy are subject to and modified by the provisions of this article, shall be sufficient as an application for the benefits of this article, but the Veterans' Administration may require the insured and insurer to execute such other forms as may be deemed advisable. Upon receipt of the application of the insured the insurer shall furnish such report to the Veterans' Administration concerning the policy as shall be prescribed by regulations. The insured who has made application for protection under this article and the insurer shall be deemed to have agreed to such modification of the policy as may be required to give this article full force and effect with respect to such policy.

"'SEC. 403. The Administrator of Veterans' Affairs shall find whether the policy is entitled to protection under this article and shall notify the insured and the insurer of such finding. Any policy found by the Administrator of Veterans' Affairs to be entitled to protection under this article shall not, subsequent to date of application, and during the period of military service of the insured or during two years after the expiration of such service, lapse or otherwise terminate or be forfeited for the nonpayment of a premium becoming due and payable, or the nonpayment of any indebtedness or interest.

"'SEC. 404. No dividend or other monetary benefit under a policy shall be paid to an insured or used to purchase dividend additions while a policy is protected by the provisions of this article except with the consent and approval of the Veterans' Administration. If such consent is not procured, such dividends or benefits shall be added to the value of the policy to be used as a credit when final settlement is made with the insurer. No cash value, loan value, or withdrawal of dividend accumulation, or unearned premium, or other value of similar character shall be available to the insured while the policy is protected under this article except upon approval by the Veterans' Administration. The insured's right to change a beneficiary designation or select an optional settlement for a beneficiary shall not be affected by the provisions of this article.

"'SEC. 405. In the event of maturity of a policy as a death claim or otherwise before the expiration of the period of protection under the provisions of this article, the insurer in making settlement will deduct from the amount of insurance the premiums guaranteed under this article, together with interest thereon at the rate fixed in the policy for policy loans. If no rate of interest is specifically fixed in the policy, the rate shall be the rate fixed for policy loans in other policies issued by the insurer at the time the policy brought under the Act was issued. The amount deducted by reason of the protection afforded by this article shall be reported by the insurer to the Administrator of Veterans' Affairs.

"'SEC. 406. Payment of premiums and interest thereon at the rate specified in section 405 hereof becoming due on a policy while protected under the provisions of this article is guaranteed by the United States, and if the amount so guaranteed is not paid to the insurer prior to the expiration of the period of insurance protection under this article, the amount then due shall be treated by the insurer as a policy loan on such policy, but if at the expiration of said period the cash surrender value is less than the amount then due, the policy shall then cease and terminate and the United States shall pay the insurer the difference between such amount and the cash surrender value. The amount paid by the United States to an insurer on account of applications approved under the provisions of this article, as amended, shall become a debt due to the United States by the insured on whose account payment was made and, notwithstanding any other Act, such amount may be collected either by deduction from any amount due said insured by the United States or as otherwise authorized by law.

"'SEC. 407. The Administrator of Veterans' Affairs is hereby authorized and directed to provide by regulations for such rules of procedure and forms as he may deem advisable in carrying out the provisions of this article. The findings of fact and conclusions of law made by the Administrator of Veterans' Affairs in administering the provisions of this article shall be final, and shall not be subject to review by any other official or agency of the Government. The Administrator of Veterans' Affairs shall report annually to the Congress on the administration of this article.

"'SEC. 408. (1) The provisions of this article in force immediately prior to the enactment of the Soldiers' and Sailors' Civil Relief Act Amendments of 1942 (hereinafter in this section called 'such provisions') shall remain in full force and effect with respect to all valid applications for protection executed prior to the date of enactment of the Soldiers' and Sailors' Civil Relief Act Amendments of 1942 and all policies to which such applications pertain shall continue to be entitled to the protection granted thereby.

"'(2) Any insurer under a policy accepted under such provisions shall, subject to the approval of the Administrator of Veterans' Affairs and upon complete surrender by it to the United States, within ninety days after the date of enactment of the Soldiers' and Sailors' Civil Relief Act Amendments of 1942, of all certificates issued in accordance with such provisions together with all right to payment thereunder, be entitled to the guarantee of unpaid premiums and interest thereon and the mode of settlement for such policies as provided by this article, as amended. The privileges and benefits granted by the foregoing sentence shall be in lieu of the method of settlement, and the requirement for accounts and reports prescribed by such provisions. In the event any such insurer fails to surrender within the said ninety days all such certificates and rights to payment, the accounts, reports, and settlements required to be made by such insurer under such provisions shall continue to be made as required and shall be governed by such provisions.'"; and, on page 11 of the House engrossed bill, line 18, after the word "policy" insert "(except the insurer in connection with a policy loan)."

And the Senate agree to the same.

A. J. MAY,
R. E. THOMASON,
JOHN SPARKMAN,
CHAS. H. ELSTON,
FOREST A. HARNESS,
Managers on the part of the House.

ROBT. R. REYNOLDS,
ELBERT D. THOMAS,
ED. C. JOHNSON,
WARREN R. AUSTIN,
CHAN GURNEY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7164) to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to extend the relief and benefits provided therein to certain persons, to include certain additional proceedings and transactions therein, to provide further relief for persons in military service, to change certain insurance provisions thereof, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment was in the nature of a substitute for the insurance provisions of the House bill. The major differences are indicated below, together with the conference action. In general, the form of the Senate amendment has been used, and changes have been made therein to comply with the action taken at the conference.

Under the House bill, life insurance policies of a level premium endowment or legal reserve plan were covered as well as term policies and benefits in the nature of life insurance arising out of membership in any fraternal or beneficial association. Under the Senate amendment, only ordinary life and endowment policies were covered. The conference agreement retains the substance of the House bill as to policies covered.

Under the House bill (sec. 401 (1)), a dependent or beneficiary, or a person designated by the holder of a policy, as well as the holder himself, might make application for the benefits of the insurance provisions of the act when the holder was outside the continental United States. Under the Senate amendment, the benefits could be acquired only upon written application signed by the insured, and the protection of the act would not apply in the absence of such application. The conference agreement retains the provisions of the House bill, except that a dependent who is not a beneficiary of the insured may not apply for the benefits of the insurance provisions.

Under the House bill, a contract of insurance upon which premium has been paid before the date of approval of the act or not less than 30 days before entry into the military service, regardless of the cash value of such policy, might be covered. Under the

Senate amendment, the policy must have been in force at least 1 year prior to the date of active service or prior to the date of enactment of the act and must have a cash surrender value of at least one annual premium. This would operate to require a policy to be 3 or 4 years old before it could receive the protection of the act because many policies would not have a cash surrender value equal to one annual premium before the expiration of such time. The conference agreement retains the House provisions.

Under the House bill (sec. 403), insurance up to a total face value of $10,000 might be protected. Under the Senate amendment (sec. 401), insurance up to only $5,000 face value of the policy might be protected. The conference agreement retains the House provision.

Under the House bill (sec. 408), the insured had 3 years after the period of military service during which he might repay premiums guaranteed by the Government in equal annual installments. Under the Senate amendment, the premiums guaranteed by the Government must be repaid within 1 year after the period of military service. The conference agreement requires such premiums to be repaid within 2 years after the period of military service but not in equal annual installments.

Under the House bill (sec. 408), premiums guaranteed by the Government bear interest at a rate not to exceed 4 percent per annum. The Senate amendment (sec. 405) provided for an interest rate as fixed in the policy for policy loans. The conference agreement retains the Senate provisions as to interest rates.

Under the House bill, the Veterans' Administration was required to issue a notice explaining the insurance provisions of the act for distribution to persons in military service. The Senate amendment contained no such provision. The conference agreement provides for a notice by the Veterans' Administration to the military and naval authorities which is to include an explanation of the insurance provisions.

Under the House bill, any amounts paid by the United States to an insurer on account of approved applications do not become a claim against the owner of the policy. The Senate amendment (sec. 406) made such payments a debt due to the United States and authorized collection by deduction from any future amounts due the insured by the United States. The conference agreement retains the Senate provision.

The Senate amendment required an equity of at least an amount equal to one annual premium as a condition precedent for protection. There was no corresponding provision in the House bill. The conference agreement eliminates the requirement of the Senate amendment.

A. J. MAY,
R. E. THOMASON,
JOHN SPARKMAN,
CHAS. H. ELSTON,
FOREST A. HARNESS,
Managers on the part of the House.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SPARKMAN. Yes.

Mr. MICHENER. Mr. Speaker, the gentleman from Ohio [Mr. ELSTON] is one of the conferees, and I take this opportunity of asking him whether this report is unanimous.

Mr. ELSTON. Mr. Speaker, the report of the conferees is a unanimous report. There were about nine matters in controversy. The Senate yielded on six of them and the House on three, and the three on which the House yielded did not substantially change the bill. I feel, with the other conferees, that the report should be agreed to.

Mr. MICHENER. Mr. Speaker, will the gentleman from Alabama please explain what the changes are?

Mr. SPARKMAN. Mr. Speaker, this bill was passed by the House on June 18. It then went to the Senate. In considering the bill the Senate struck out article IV of the bill as the House passed it and inserted its own provisions. Article IV covered commercial insurance policies protected by the Government during the time that the insured was in the armed services. So, the conference relates only to article IV of the bill. There were several differences between the House provision and the Senate provision relating to insurance. For instance the Senate covered only ordinary life and endowment policies. The House provision covered life-insurance policies of that type, as well as term policies and benefits in the nature of life insurance arising out of membership in fraternal organizations. The House provisions were accepted by the conference, it being pointed out by representatives of the Veterans' Administration that the objection which they originally had to that type of insurance policy had been very largely removed by our entering the war, and the consequent invoking of war clauses by most of the commercial insurance companies. We likewise provided that if a member of the armed forces should be outside continental United States, his beneficiary or some agent designated by him, or some dependent, might apply for the benefit. The Senate required the insured himself to make the application. We modified that by striking out the provision allowing dependents to make application, but still leaving it so that if the soldier is outside of continental United States his beneficiary may apply for the benefits. Then the House raised the amount of insurance that would be guaranteed by the Government to a total of $10,000. The Senate retained the old provision of $5,000. The conferees agreed to the House provision of $10,000. In the House bill we had a provision giving the person in the armed services permission to repay loans through a period of 3 years after he got out of the service. Under the Senate bill only 1 year was given. We reached a compromise of 2 years, and under the provisions of the bill now a person getting out of the armed services has 2 years within which to pay back the premiums that have been advanced. The House bill provided that on those premiums interest should be charged at a rate not to exceed 4 percent. The Senate provision was that it should be the amount provided for in the insurance policy for policy loans. We accepted the Senate provision. Under the House bill nothing was said about these amounts being claims against the person in the armed forces after he got out of the service. The Senate provides that they shall be a claim against him and shall be collected against any amounts that may become due him by the United States. The House accepted the Senate provision.

Mr. MICHENER. Will the gentleman yield?

Mr. SPARKMAN. I yield.

Mr. MICHENER. I am sure the Congress is grateful to the gentleman from Alabama for his very instructive explanation of the conference report, and I am just as sure that the House compliments the conferees on the splendid battle they made in behalf of the House provisions.

Mr. SPARKMAN. I appreciate those remarks on the part of the gentleman from Michigan. I want to say that this is a badly needed measure and it does bring up to date the Soldiers' and Sailors' Relief Act of 1940.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

USE OF PUBLIC SCHOOL BUILDINGS IN THE DISTRICT OF COLUMBIA FOR DAY NURSERIES AND NURSERY SCHOOLS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to return to the bill H. R. 7522, and I ask unanimous consent for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, the purpose of this legislation is to permit the school buildings in the District of Columbia to be used for day nurseries and nursery schools to take care of the children of certain mothers who are engaged in defense or war work. There is a limitation in the current appropriation bill which would keep any of these funds for heating purposes and otherwise from being used for children under 5 years of age. We believe that in the District of Columbia now, with approximately 700 cases which would come under the provisions of this bill, this measure should be passed. Women are replacing men in business and industry, but when they do so it is our desire to aid them in protecting the functioning of the home to the best degree possible.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That so much of the act entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1943, and for other purposes," approved June 27, 1942, as reads: "No part of the foregoing appropriations for public schools shall be used for instructing children under 5 years of age except children entering during the first half of the school year who will be 5 years of age by November 1, 1942, and children entering during the second half of the school year who will be 5 years of age by March 15, 1943: *Provided*, That this limitation shall not be considered as preventing the employment of a matron and the care of children under school age at the Webster School whose parent or parents are in attendance in connection

with Americanization work" be, and the same is hereby, repealed.

SEC. 2. Notwithstanding any other provision of law, the buildings, grounds, and equipment of the public schools of the District of Columbia may be used as and for day nurseries and nursery schools for children of school or under school age.

SEC. 3. The appropriation contained in the said appropriation act approved June 27, 1942, for sponsor's contributions toward Work Projects Administration nonconstruction projects shall, in addition to the objects therein set forth, be available for sponsor's contributions for the establishment, maintenance, and operation of day nurseries and nursery schools for children of school and under school age.

Mr. DIRKSEN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 2, at the end of line 19, add the following proviso: "*Provided*, That such funds shall not be used for the benefit of any child whose parent, parents, or guardian are financially able to pay an equitable share of the cost of the service provided by this act."

Mr. DIRKSEN. Mr. Speaker, the purpose of the amendment, of course, is to make this self-sustaining insofar as possible. Out of the 700 cases reported where mothers are doing defense work and where nursery-school service is necessary, most of them have indicated that they could pay all of the expense involved or a substantial portion of it, with the exception of 30 or 40 cases. The purpose is to make a finding of fact that they are financially responsible so that the funds will not be used, and provide the funds will be used for that purpose as far as possible.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. AUGUST H. ANDRESEN. Is there any dividing line as to the amount of wages that a mother might receive before she would be eligible to send her child to the nursery?

Mr. DIRKSEN. No. The language of the amendment is "financially responsible," and that would have to be a finding of fact by some agency of the Bureau of Public Welfare.

Mr. AUGUST H. ANDRESEN. A person receiving $1,800 a year might be eligible?

Mr. DIRKSEN. I think by a strained construction they might be; but we are thinking of cases where it may be $960 or $1,220 or $1,140, and a very large family, and the tiny children of the family would have to be put into a nursery school. But out of the 700 cases there were only about 40 who reported they might have some difficulty in making a contribution to this service.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mrs. ROGERS of Massachusetts. Is it not true that the committee is anxious to keep the families together as much as possible?

Mr. DIRKSEN. That is quite true.

Mrs. ROGERS of Massachusetts. And the small children can be kept at the nursery in the daytime and taken home at night?

Mr. DIRKSEN. That is correct.

Mrs. ROGERS of Massachusetts. And the home is kept intact?

Mr. DIRKSEN. That is correct.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a radio address I made over station WOC at Davenport, Iowa, on September 21.

The SPEAKER. Is there objection?

There was no objection.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to insert in the RECORD an article appearing in the Detroit Free Press under the title "Know Your Congressman and District," with regard to my colleague, Mr. HOOK, of Michigan.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from Alabama [Mr. HOBBS], is recognized for 30 minutes.

THE POLL TAX

Mr. HOBBS. Mr. Speaker, on October 12, 2 weeks from today, the Geyer anti-poll-tax bill will be before this House for consideration, if such a motion prevails. There will then be little time for debate, so I am now inviting your attention to some of the reasons calling for the defeat of that or any similar measure.

Universal suffrage has never existed anywhere in the history of the world. Every sovereignty has fixed its own qualifications prerequisite to the privilege of the exercise of the elective franchise. The poll tax is one of these qualifications; age, residence, property ownership, and registration are some of the others most common. That the poll tax is a qualification made a prerequisite to the privilege of voting by some sovereignties is too clear for argument. Section 178 of the Constitution of Alabama, for instance, reads, in its pertinent part, as follows:

To entitle a person to vote in any election by the people he shall have * * * paid all poll taxes.

Whether or not there should be a poll tax may be debatable, but not in this forum except on the question of submitting a constitutional amendment to the States for ratification. The fixing, vel non, of such a requirement is exclusively for each State to determine for itself. There never has been a Federal election; nor a Federal vote. All elections have been and are State elections, and only those who have qualified under State law are eligible to vote therein.

The exclusive right of a State to fix the qualifications prerequisite to the privilege of voting is well recognized and established:

DISTINGUISHED TEXT WRITERS

"Among the absolute, unqualified rights of the States is that of regulating the elective franchise; it is the foundation of State authority; the most important political function exercised by the people in their sovereign capacity." Whilst "the right of the people to participate in the legislature is the best security of liberty and foundation of all free government," yet it is subordinate to the higher power of regulating the qualifications of the electors and the elected. The original power of the people in their aggregate political capacity, is delegated in the form of suffrage to such persons as they deem proper for the safety of the commonwealth; Brightly Election Cases (*Anderson* v. *Baker*, 32, 33, 34, 23 Maryland 531).

Story, treating of this subject, says:

Every constitution of government in these United States has assumed, as a fundamental principle, the right of the people of the State to alter, abolish, and modify the form of its own government according to the sovereign pleasure of the people. In fact, the people of each State have gone much further and settled a far more critical question by deciding who shall be the voters entitled to approve and reject the constitution framed by a delegated body under their direction. (1 Story Constitution, ch. 9, sec. 581.)

From this it will be seen how little, even in the most free of republican governments, any abstract right of suffrage, or any original and indefeasible privilege, has been recognized in practice (ibid.). In no two of these State constitutions will it be found that the qualifications of the voters are settled upon the same uniform basis, so that we have the most abundant proofs that among a free and enlightened people convened for the purpose of establishing their own forms of government and the rights of their own voters the question as to the due regulation of the qualifications has been deemed a matter of mere State policy, and varied to meet the wants, to suit the prejudices, and to foster the interests of the majority.

The exclusive right of the several States to regulate the exercise of the elective franchise and to prescribe the qualifications of voters was never questioned, nor attempted to be interfered with, until the fifteenth amendment to the Constitution of the United States was forced upon unwilling communities (the States then lately in rebellion) by the military power of the General Government, and thus made a part of our organic law; a necessary sequence, perhaps, of the Civil War, but nonetheless a radical change in the established theory of our Government. (Brightly Election Cases, author's note, pp. 42, 43.)

The right to vote is not of necessity connected with citizenship. The rights of the citizen are civil rights, such as liberty of person and of conscience, the right to acquire and possess property, all of which are distinguishable from the political privilege of suffrage.

The history of the country shows that there is no foundation in fact for the view that the right of suffrage is one of the "privileges or immunities of citizens." (McCrary Elections, p. 3:)

"The right to vote is not vested, it is purely conventional, and may be enlarged or restricted, granted or withheld, at pleasure, and without fault."

In *Blair* v. *Ridgely* (41 Mo. 161), the question at issue arose out of the provision of article II, section 3, of the Constitution of 1865 of the State of Missouri. By this section it was provided that no person should be deemed a qualified voter who had ever been in armed hostility to the United States, or to the government of the State of Missouri; that every person should, at the time of offering to vote, take an oath that he was not within the inhibition of this section, and that any person declining to take such oath should not be allowed to vote. The plaintiff, at an election held in the city of St. Louis on November 7, 1865, offered to vote, but refused

to take the oath prescribed by the constitution. His vote being rejected, he brought his action against the judges of the election for damages. The case was taken to the Supreme Court of Missouri, where it was argued exhaustively, and with much learning, by eminent counsel, and the argument is to be found in full in the Reports of the Supreme Court of Missouri, volume 41. It was contended by the plaintiff that the section of the constitution in question was in violation of the Constitution of the United States, being a bill of attainder and an ex post facto law within the meaning of that instrument, and, in consequence, null and void. But the court held against this contention, drawing the distinction between laws passed to punish for offenses in order to prevent their repetition and laws passed to protect the public franchises and privileges from abuse by falling into unworthy hands. It is said by the court that—

"The State may not pass laws in the form or with the effect of bills of attainder, ex post facto laws, or laws impairing the obligation of contracts. It may and has full power to pass laws, restrictive and exclusive, for the preservation or promotion of the common interests as political or social emergencies may from time to time require, though in certain instances disabilities may directly flow in consequence. It should never be forgotten that the State is organized for the public weal as well as for individual purposes, and while it may not disregard the safeguards that are thrown around the citizen for his protection by the constitution, it cannot neglect to perform and do what is for the public good."

It was argued in *Blair* v. *Ridgely* that the decision of the Supreme Court of the United States in *Cummings* v. *Missouri* (4 Wall. 277), where it was held that this section of the Missouri Constitution, so far as it provided an oath to be taken by preachers, was in the nature of pains and penalties, and consequently void, was decisive of the Blair case. But the distinction between the right to practice a profession or follow a calling and the right to vote is clearly stated in the opinion of Judge Wagner, as follows:

"The decision of the Supreme Court of the United States in the Cummings case proceeds on the idea that the right to pursue a calling or profession is a natural and inalienable right and that a law precluding a person from practicing his calling or profession on account of past conduct is inflicting a penalty, and therefore void. There are certain rights which inhere in and attach to the person, and of which he cannot be deprived except by forfeiture for crime, whereof he must be first tried and convicted according to due process of law. These are termed natural or absolute rights. * * * But is the right to vote or to exercise the privilege of the elective franchise a right either natural, absolute, or vested? It is certain that in a state of nature, disconnected with government, no person has or can enjoy it. That the privilege of participating in the elective franchise in this free and enlightened country is an important and interesting one is most true. But we are not aware that it has ever been held or adjudged to be a vested interest in any individual.

"Suffrage in the United States not being a vested right, it results that persons who have enjoyed and exercised the privilege, and who have been qualified electors, may be entirely disfranchised and deprived of the privilege by constitutional provision, and such persons are entirely without a remedy at law." (McCrary, Elections, p. 9.)

"The whole subject of the regulation of elections, including the prescribing of qualifications for suffrage, is left by the National Constitution to the several States, except as it is provided by that instrument that the electors for Representatives in Congress shall have the qualifications requisite for electors of the most numerous branch of the State legislature, and as the fifteenth amendment forbids denying to citizens the right to vote on account of race, color, or previous condition of servitude. Participation in the elective franchise is a privilege rather than a right, and it is granted or denied on grounds of general policy, the prevailing view being that it should be as general as possible consistent with the public safety." (Cooley's Constitutional Limitations, 8th ed., Carrington, vol. 2.)

Also, the following treatises are to the same effect:

Morse, Citizenship, section 3.

Pomeroy, Constitutional Law, section 535.

THE CONSTITUTION OF THE UNITED STATES

Article I, section 2:

The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

Article I, section 4:

The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators.

Article I, section 8, clause 18:

To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

THE SUPREME COURT OF THE UNITED STATES AND OTHER COURTS

To make payment of poll taxes a prerequisite of voting is not to deny any privilege or immunity protected by the fourteenth amendment. Privilege of voting is not derived from the United States, but is conferred by the State, and, save as restrained by the fifteenth and nineteenth amendments and other provisions of the Federal Constitution, the State may condition suffrage as it deems appropriate. The privileges and immunities protected are only those that arise from the Constitution and laws of the United States and not those that spring from other sources *Breedlove* v. *Suttles* (302 U. S. 277, 283); *Pirtle* v. *Brown* (118 Fed. 2d 218, certiorari denied by Supreme Court, 62 Sup. Ct. Rep. 64); *Huber* v. *Reiley* (53 Penn. St. 112); *Minor* v. *Happersett* (21 Wall. U. S. 162, 170); *United States* v. *Reese* (92 U. S. 214, 217, 218); *United States* v. *Cruikshank* (92 U. S. 542); *McPherson* v. *Blacker* (146 U. S. 1, 38, 39); *Anderson* v. *Baker* (23 Md. 531); *Ex parte Yarborough* (110 U. S. 631, 664, 665); *Blair* v. *Ridgely* (41 Mo. 63); *Guinn* v. *United States* (238 U. S. 347, 362, L. R. A. 1916 A, 1134); *Ex parte Stratton* (1 W. Va. 305); *Kring* v. *Missouri* (107 U. S. 221); *Hamilton* v. *Regents* (293 U. S. 245, 261); *Washington* v. *State* (75 Ala. 582).

The proponents of this measure rely for support of their contention almost exclusively upon the case of *United States* v. *Classic, et al.* (313 U. S. 299). They contend very artfully that this case justifies the Congress in the enactment of the Geyer bill but they do not mention the fact that the Classic case was a criminal prosecution against commissioners of elections for willfully altering and falsely counting and certifying the ballots of voters cast in a primary election for a Representative in Congress, among others. Based on article I, section 2, of the Federal Constitution, quoted supra, the majority decision of the Supreme Court holds:

Obviously included within the right to choose, secured by the Constitution, is the right of qualified voters within a State to cast their ballots and have them counted at congressional elections.

We concede the soundness of this holding.

The majority opinion further holds: That since by law in Louisiana, primaries are made an integral part of the procedure for the possible choice of Congressmen and since in Louisiana the nomination resulting from the primary is equivalent to election, the criminal statute covers interference with the right to vote and have the votes honestly counted and certified, in primaries as well as in general elections.

Mr. Justice Douglas, with Justices Black and Murphy, dissented as to primaries. The dissenting opinion is powerful, if not unanswerable in the particular case. We leave the members of the Supreme Court to their quarrel on this point as it is not germane in the consideration of the Geyer bill.

Neither the majority nor minority of the Supreme Court question congressional power to protect by appropriate legislation the right secured by the Constitution to a vote and an honest count and certification. They agree that this is assured by article I, section 2, quoted supra, with article I, section 8, clause 18, which gives Congress the power—

to make all laws which shall be necessary and proper for carrying into execution the foregoing powers and all other powers vested by this Constitution in the Government of the United States or in any department or officer thereof.

It may be questioned whether or not the right to vote and to an honest count is a power vested by this Constitution in the Government of the United States or in any department or officer thereof. This question, however, has no bearing upon our instant inquiry. The vital question of law pertinent to the debate of the constitutionality, vel non, of the Geyer bill is, not whether Congress has constitutional power to pass a criminal law, to punish interference with the right of a qualified voter to vote and to have an honest count, but has Congress the constitutional power to pass a law usurping the admittedly exclusive power of a State to prescribe the qualifications of its qualified voters?

No matter what interpretation they may seek to put on the Classic case, no matter how critical they may be of the Breedlove case, the United States Circuit Court of Appeals, sixth circuit, in the case of *Pirtle* v. *Brown et al.* (118 Fed. Rep., second series, p. 218), followed the Breedlove decision, quoted from it, and cited it approvingly, and the Supreme Court denied certiorari, thereby refusing to upset the decision in the Pirtle case, after the decision by the Supreme Court in the Classic case had been handed down (Sixty-second Supreme Court Reports, page 64.)

So the Supreme Court, since its decision in the Classic case was handed down, has refused to review the decision in the Pirtle case, which was handed down after the decision in the Classic case and which agrees fully with the holding in the Breedlove decision.

The Breedlove and Pirtle cases were both poll-tax cases. The Classic case had nothing to do with the poll-tax question. The sole question in the Classic case was:

May State election officials steal ballots cast by duly qualified voters for a candidate for Congress in a State primary election, in violation of a Federal criminal statute condemning all such rascality, without being subject to prosecution and punishment by the Federal Government?

The Supreme Court held: That the right granted the Federal Government by article I, section 2, of the Federal Constitution, to have its Congressmen chosen in a State election, meant the right to have them honestly chosen; and that the right granted the Federal Government by article I, section 8, clause 18 of the Federal Constitution, "To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof," authorized the making of the law violated by Classic and his partners in crime. In other words, the Classic case dealt not with who was a qualified voter under Louisiana law, but with the right to have an honest count of the ballots of admittedly qualified voters.

The United States of America was created by the Thirteen Crown Colonies. It existed long before the Constitution. As far as external sovereignty in international affairs was concerned, it was a sovereign Nation. It functioned through the Continental Congress composed of delegates from the Thirteen Colonies. The Colonies became free and independent States by virtue of the Declaration of Independence, in the making of which they united, and which was validated by force of arms. Each State was sovereign, supreme, free, and independent except as they, in the exercise of their sovereignty, banded themselves together and delegated by their own free will and accord, certain of the powers of their sovereignty to the limited union they agreed upon and formed. This union, according to the Articles of Confederation, was to be perpetual and in international affairs was given sovereignty. It had no power whatsoever in domestic affairs. It could not even levy taxes for its own support, being dependent upon contributions made by the States. The sum total of all domestic sovereignty was in the respective States and has been diminished from time to time only as the absolutely sovereign States saw fit to make further delegations of parts of their sovereign power. After becoming convinced that the union existing before and under the Articles of Confederation was impracticable, the Constitution was ordained and established "in order to form a more perfect union." The Supreme Court of the United States in the case of *U. S.* v. *Curtiss-Wright Export Corp. et al.* (299 U. S. 304, 315) says:

> The broad statement that the Federal Government can exercise no powers except those specifically enumerated in the Constitution, and such implied powers as are necessary and proper to carry into effect the enumerated powers, is categorically true only in respect of our internal affairs. In that field, the primary purpose of the Constitution was to carve from the general mass of legislative powers then possessed by the States such portions as it was thought desirable to vest in the Federal Government, leaving those not included in the enumeration still in the States.

There never has been a Federal election held nor a Federal vote cast. The States existed before the Federal Government. They created it. They gave it life and such limited powers as it possesses. The power to hold elections and to authorize people to vote was never delegated to the Federal Government. It has always been and remains in each State.

In the Constitution of the United States, however, the States—absolutely sovereign in this field as well as in all domestic affairs—changed the form of their Federal Government and provided in article I, section 2:

> The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

In 1913 the seventeenth amendment became a part of the Constitution of the United States, providing for the election of Senators in exactly the same way. But both Senators and Representatives were to be elected, not by the people of the United States nor by the votes of persons authorized to vote by the United States, but "by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature," fixed by the State.

When the States in convention assembled agreed to undertake to hold elections for the Federal Government, the way it was to be done was merely by admitting candidates for Federal office into the regular State elections. All elections are State elections. They always have been, are now, and should so continue. In agreeing to admit candidates for Federal office to State elections, the States did not stipulate what qualifications they would fix as prerequisite to the privilege of voting. They did not limit themselves. They did not confer any right whatever upon their Federal Government except that its candidates could run in their elections and be voted on by the voters of the States—those who had been given the franchise of suffrage in each State by the law of the State. But in assuming this obligation they gave this pledge:

> And the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

In other words, wrote the States, we pledge you that as our guest in our political homes you will be treated as well as we treat members of our own political family; we will give you the best we have, judged by the same standards and safeguards we have erected for our own safety. But we will use for you only the same servants we employ for ourselves, and we do not agree to make you master, nor to employ more nor different servants because of this hospitality we cordially extend you.

The principle dominating this field of thought is that "the law guarantees every citizen the right to be justly governed, but not the privilege of being one of the Governors."

We are perfectly familiar with the distinction sought to be drawn by the supporters of this measure between qualifications and conditions. In the last analysis, however, this seems to be a distinction without a difference. Whether the requirements fixed by the law of a State as prerequisites to the privilege of voting be conditions or qualifications is unessential. Whatever they may be called, the State alone has the right to fix them. The Federal Government has no such right. We are, of course, also familiar with section 4 of article I of the Constitution of the United States, the pertinent part of which reads as follows:

> The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators.

While this does delegate to Congress a certain veto power, it is only as to regulations prescribed by a State as to "the times, places, and manner of holding elections" It has nothing whatever to do with the paramount right of a State to fix conditions or qualifications prerequisite to the privilege of voting. It has to do exclusively with the "how" of the election, not with the "who" of the electors.

You may say that a poll-tax requirement is unfair and unwise, but you have no vestige of authority or right to outlaw the poll tax by statute as here proposed.

The caste system of India may be all wrong and indefensible, but the Congress of the United States has no power to change it. We have just as much power over India as we have over Alabama.

England may, in our judgment, be foolish in keeping her King, but no one would suggest that we have any semblance of power to fire their King, yet we have even less power over Alabama or any other State of this Union than we have over England. The reason is plain. We are oath-bound to respect the sovereignty of every State of the United States, whereas we took no such oath with respect to England.

Germany's treatment of the Jews is barbarous, but no one of us has ever sponsored a measure here to stop this rape of right, this inhuman murder of law, realizing that, so far as this Congress could legislate, Germany's internal affairs were Germany's business and not ours.

I want to call your attention to the propaganda which has been flooding the Capitol of late, much of which has come to my desk, issued by organizations that are supporting this measure, calling attention to the fact that there is no race

question presented here because more white are disenfranchised by the poll tax than colored people. Whether that be true or not makes no difference. There certainly is no distinction made, and no discrimination is practiced or possible under any of the poll-tax statutes or constitutional provisions.

May I read to you what the Constitution of Alabama says on that subject, contained in section 178 of the Constitution of Alabama?

To entitle a person to vote in any election of the people he shall have—

Then deleting the provisions as to age, residence, and registration—

paid all poll taxes.

Could any words be devised or used which would more clearly evidence the fact that that is a primary qualification fixed for all who would vote by the constitution of Alabama?

It is a requirement of a condition precedent to the privilege of voting. I maintain that there are no words that would have evidenced such an intent more clearly. So it is that if we are to comply with our oaths of office, if we are to uphold and maintain the Constitution of the United States, as we have sworn to do, we cannot thus impinge upon the sovereignty of the State of Alabama.

This bill would override and violate the sovereignty of those States which have seen fit in their wisdom to adopt the poll tax as one of the prerequisites to the privilege of voting in elections held in and by those States.

But not only is the poll tax requirement a qualification made a prerequisite to the privilege of voting, it is also a fair and reasonable test.

There can be no escape from the conclusion that this refers not to the "how" of the election but to the "who" of the electors. It certainly has nothing whatsoever to do with the time, nor place, nor manner of holding any election. It certainly provides a reasonable test of qualification in that its payment is left purely voluntary and all money received, without deduction of any fees or other costs, goes to the public schools. So, the poll-tax requirement tests a citizen's interest in the financial support of the public schools of his State and also tests his interest in obtaining for himself the franchise of suffrage. One really desiring to vote, one who would take an interest in voting, one who would take the trouble to post himself upon the merits or demerits of candidates and issues, has never minded and will never mind paying $1.50 a year in order to qualify as an elector. If one desiring to vote values the privilege of voting less than $1.50 a year, it is doubtful if he could be a good elector. Therefore, since section 4 of article I of the Federal Constitution is the only grant of power to Congress over suffrage and elections, Congress has no power at all to pass a law overriding this requirement of State law. This was the holding of the Supreme Court of the United States in the Breedlove case and again in the Pirtle case.

The appeal that I am making to you Members of the House today who are honoring me with your presence and attention and to those who may, as I certainly hope they will, read my remarks in the RECORD, is that this thing be not done, particularly at this time.

In conclusion, therefore, I invite your particular and special attention to those passages of Washington's Farewell Address wherein he expressed his parental solicitude for the future of the Nation of which he was father:

That your Union and brotherly affection may be perpetuated.

And this primary injunction:

The unity of government which constitutes you one people is also now dear to you. It is justly so, for it is a main pillar in the edifice of your real independence, the support of your tranquility at home, your peace abroad, of your safety, of your prosperity in every shape, of that very liberty which you so highly prize. But as it is easy to foresee that from different causes, and from different quarters, much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed, it is of infinite moment that you should properly estimate the immense value of your National Union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it, accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity, watching for its preservation with jealous anxiety, discountenancing whatever may suggest even a suspicion that it can in any event be abandoned, and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

The mighty mind of our first President, as he let it run down the long years of the future, saw clearly that from time to time there would be legislation proposed and administrative policies considered which would tend toward disintegration of the unity which he conceived to be and which we all must admit is essential to the preservation of our form of government, the dual system of government, the States supreme in their realm of internal affairs, the Federal Government supreme in its exclusive sphere of international affairs.

No one can deny that the South has taken its rightful place and performed well its full part in every foreign war which this country has waged. In the War of the Revolution the blood of Southern patriots reddened the soil of New England and wrote thereby a plea against sectionalism. The ragged heroes who followed Washington across the Delaware and to Valley Forge were Americans all! There was no sectional partisanship among the boys who fought at Chapultepec nor San Jacinto! The forces of the Republic in our war with Spain were not clad in blue or gray, but in the uniform of the Nation! The boys who sleep on San Juan Hill or in the trenches around Santiago were from every part of the Union.

Those men who "gave the last full measure of devotion" in France in World War No. 1 and their buddies who, thank God, came back to live among us, were Americans—not northerners nor southerners nor easterners nor westerners.

The same thing is equally true in this desperate struggle for survival in which we are now engaged. Every one of those wars of the Republic has been nonsectional, and united we stood, fought, and won.

More than a year before the Declaration of Independence was adopted by the Continental Congress at Philadelphia, a similar declaration of independence was adopted by a convention which met in Charlotte, N. C. It is known as the Mecklenburg Declaration of Independence. From a pamphlet preserved in the Library of Congress we learn:

Therefore on the sd. 19th May 1775 the sd. committee met in Charlotte Town (2 men from each company) vested with all powers these their constituents had or conceived they had.

After a short conference about their suffering brethren beseiged and suffering every hardship in Boston and the American blood running in Lexington, the electrical fire flew into every breast.

These men of the South felt keenly the afflictions of their brethren in Boston, and the news of the American blood running in Lexington caused the electrical fire to fly into every breast. Would that we were so closely knit in bonds of brotherhood and sympathetic regard today. The ground that we have lost in this respect may be regained but not without mutual respect and confidence.

Every one of those hardy pioneers loved his fellows engaged in the common struggle to build here "a new nation, conceived in liberty and dedicated to the proposition that all men are created equal." We have a rich, common heritage from these founding fathers. There is much to love in the citizens of every part of our great Nation. We may look on this and be drawn closer together. We may look on the divisive elements and become hostile camps. The future is in our hands today to mar or to make. The South asks and will have no part in the local problems of other sections. We have full confidence in our brethren that they will work out their own difficulties wisely and well. We may consider the things that will make us one or the things which divide. My plea is not made as a southerner nor as the Representative of a great district of Alabama, but as a humble citizen of this great Republic. I plead with you, my colleagues, and with all who have ears to hear, that we set ourselves against consideration of those things which tend to divide us and give our best thought to those things which unite. There are many measures challenging our best united thought.

[Here the gavel fell.]

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER pro tempore (Mr. SHEPPARD). Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. The war must be won. We must be united in its prosecution. It is a war for survival. We are all in the same boat. None should be thrown out. Let us press forward toward our glorious destiny in unity, "discountenancing whatever may suggest even a suspicion

that it can in any event be abandoned, and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts."

I am appealing to the membership of this House to think on these things. There is no reason why we should adopt the unconstitutional, statutory way when we have a perfect right to submit a constitutional amendment which might do legitimately what the proponents of this heinous bill want done. I beg of you, whether you support the objective of this bill or not, that it be defeated, because it is illegitimate, and its passage would assassinate interstate comity. I beg of you to think on these things and be on your guard lest plausible arguments, artfully advanced, should sway your better judgment.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am so happy to yield to the distinguished gentleman from Wisconsin.

Mr. KEEFE. I did not have the privilege of hearing the first half of the gentleman's address and therefore do not know whether he discussed from a legalistic point of view what I understand he conceives to be a constitutional prohibition against legislation of the type of the Geyer bill. Did the gentleman go into that discussion?

Mr. HOBBS. Yes; I did sir; and cited authorities.

Mr. KEEFE. And discussed the question of whether or not the prohibition—it is not a prohibition, I would say more of a directive in the Federal Constitution, which directs the qualifications of electors in the States to be those of the numerous branch of the legislature of the respective States, and does the gentleman discuss in his argument the over-all power of the Federal Government to prescribe the qualifications of voters who are voting for Federal officials, those who are to serve the Federal Government, and who are to direct the affairs of the Federal Government. I have read some very appealing briefs submitted to me by very able lawyers who seem to draw a very definite line of distinction in the interpretation of that constitutional provision by which the over-all power of the Federal Government should extend to the point where it can prescribe the qualifications of voters who are to vote for Federal officials and leave the State control over its own affairs to itself, and thus limit it to Federal officials. Does the gentleman cover that or answer that type of argument in his statement? I would be very happy to read it.

Mr. HOBBS. I appreciate the gentleman's question. It is, as are all of his questions, searching and sound. I appreciate his ability as a lawyer and his sincerity in asking the question. My answer is that I did not deal with any such power of the Federal Government, the over-all power, as the gentleman calls it, because there is no such power. There never has been any such power and there never has been a single authority in the history of jurisprudence that supported such a theorem. All of the briefs that are in support of that dogma grow out of a misconception of the holding of the Supreme Court of the United States in the Classic case. That case did not involve any question relating to the poll tax. It had to do solely with the question: Can crooks violate with impunity a criminal law of the United States, validly enacted to protect a right guaranteed by the Constitution of the United States?

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter by J. W. Powell, of Indianapolis.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under previous order of the House, the Chair recognizes the gentleman from Pennsylvania [Mr. FADDIS] for 20 minutes.

COMMUNIST INFLUENCE IN THE WAR

Mr. FADDIS. Mr. Speaker, the recent meeting of the Communist Party in Union Square, New York City, addressed by the secretary of the Communist Party, Earl Browder, ex-convict, lately pardoned at the insistence of the C. I. O. upon the pretense that such action would promote the general morale of the Nation, at which he demanded the immediate establishment of a second front to relieve the pressure on Russia, should be sufficient to convince every sincere American citizen that the interest of the Communist Party in this Nation is centered 100 percent upon Russia. The speech of Browder is the most brazen insult to the intelligence of the American people which has ever been offered by this detestible bunch of subversive termites who should be in concentration camps along with the other enemies of this Nation.

Intoxicated by the elixir of the freedom which they seek to destroy, they, in their insufferable arrogance, believe the memory and patience of the American people to be much shorter than they really are. They hope that their silly yammering may be interpreted as foresight and a knowledge of strategy and that their clamor will conceal the comparatively small number of greasy, long-haired, pimply faced individuals who fill their ranks.

These parasites have a three-point program in connection with this war, and none of the three points concern the welfare of the United States. First, they are out to provide good safe places for themselves during the war, and so far, with a great deal more assistance than they are entitled to, they are succeeding. Second, they are out to do everything within their power to help Russia at the expense of any or all of the other United Nations. Third, while in safe places during the war they are preparing the blueprints and laying the foundation for a new world after the war. It is time for the American people to face the facts and take whatever measures are necessary to preserve this Nation from its internal, as well as from its external foes.

Thoroughly discredited by the results of their own subversive labors; convicted before the bar of public opinion, by the effect of their own efforts; exposed in this very body by the votes of those who spoke for them here, who prior to the Axis attack upon Russia voted 100 percent against assistance to the Allied Nations and our own rearmament program; and now caught in their own trap, they can only raise their voices in miserable wails of rage and disappointment, which deceive no one of any ability.

We are out to win this war and we are going to win it, in spite of the efforts, past, present, and future, of the Communists in this Nation. We are going to win it by following a plan dictated by our military and naval experts, who are as able as any in the world. We are not going to be stampeded into taking or even considering the advice of some wild-eyed fanatic, who prior to June 22, 1941, was out to wreck this Nation and all of its institutions and who as soon as nazi-ism and fascism is crushed will come out of his hole and again start gnawing. Before we can win, however, we must recognize a fact as a fact and call a spade a spade. We might just as well start doing so now.

Wars are won by following carefully prepared plans, which are based upon the principles of strategy, tactics, and logistics, and by decisions arrived at by a thorough evaluation of all of the factors involved. Of course, we want to help Russia in every possible manner, consistent with our own safety, which comes first. We know such action to be strategically necessary, because we need and desire all the help we can get. We know we must destroy the armed forces of Germany and that we must do so in Europe. This means a second front. When, where, and how this is established is a strategical question, not a political one. The decisions affecting the establishment of a second front must be made by our military and naval authorities, who are responsible for its success, and not by some gas bag of a soap-box orator whose patriotism is even more questionable than his ability. Neither can this decision be made by the officials of some other nation to whom the preservation of their own nation is sure to be the dominant motive.

The establishment of a second front involves considerations of the movements of vast tonnages of men, equipment, foodstuffs, and supplies, the convoy protection, the seizure of a proper beach head, the maintenance of the subsequent line of communications to insure the flow of reinforcements, replacements, supplies, equipment, ammunition, and the evacuation of the wounded, sick, and the disposition of the dead. Propagandists are not limited in their decisions by such matters, but our military leaders are. It is not a matter of a commando raid. It is a movement which will be so costly in every respect and especially in life that it must be undertaken only if it is believed that it can be made to succeed.

Upon the success of such an undertaking the very future of our Nation—indeed the very future of democracy throughout the world for centuries to come—will hang in balance. It must not

be lightly undertaken. It must not be improperly planned. It must not be insufficiently supported. It must not be abortive. It must not fail. It must stick. It must win. It must furnish a base from which to launch the assault which will sweep through Europe like a mighty tide, crush the German military machine, destroy the German will to wage combat, and free all the conquered peoples of Europe. It must make possible a freedom, world wide, wherein every nation may be privileged to institute its own form of government and enjoy all of the freedoms and liberties which make life worth living. It must succeed in order to justify the certain awful cost. It must insure victory so that those who die shall not have died in vain.

Russia is worthy of every possible assistance which can be extended to her consistent with our own security. This, however, must be recognized as a question of strategy—not a political or social one. Certainly, the most ardent exponent of communism, who prior to June 22, 1941, exerted every effort to render this Nation so impotent that we could not help even ourselves, much less Russia, and who fomented strikes so as to hinder our aid to Britain, cannot deny but that we have extended Russia untold millions of times more assistance than she extended to the United Nations prior to the time she was attacked by the Axis Nations. Not only did she not help them, but she was allied with Germany by treaty under which she was obligated to furnish vast quantities of foodstuffs, oils, and raw materials to Germany.

Throughout all of the time Germany was carrying out her program of defeating all Europe in detail, Russia sat gleefully on the sidelines enjoying the spectacle of the destruction of the so-called capitalistic nations. She even participated in the rape of Europe by pouncing upon the cripples in the conflict—Finland, Latvia, Esthonia, Lithuania. She cooly took the half of Poland and reached for Bessarabia. In those days she was, without a doubt, the second strongest power in Europe, yet while there was fight in the French, the Dutch, and the Belgians, she not only did not lift her hand in their defense, but actually assisted their assailant. The pretended champion of all freedom, she calmly watched the panzer juggernaut crush helpless freedom-loving nations, without even a protest.

When, after Dunkerque, the invasion and destruction of Britain seemed imminent, she still continued to furnish supplies to Germany. When we were straining every resource to furnish the British with the munitions necessary to secure the British Isles in order that we might have a European base from which one day to launch the assault which will free Russia as well as other European nations from the chains of nazi-ism, what were those individuals doing who, from their soap boxes, cry so loud for a second front? They were working against all measures designed to rearm this Nation or to assist the British. They were flooding this Nation with isolationist and pacifistic propaganda. They were crying about a capitalistic war. They were committing acts of sabotage. They were organizing strikes and slow-downs. They were doing everything within their power to bring about the situation with which we are now confronted. They are the last who should raise their voices in criticism or advice. The actions of Russia up until the time she was attacked were governed by selfish considerations, just as were those of France and Britain, when they allowed the seizure of Czechoslovakia and just as were ours at that time and up until we were attacked. Self-preservation is the first law of nature. True, it is often difficult for a people to so subordinate their own selfish considerations, in order to be able to recognize that self-preservation can be more easily and cheaply achieved with the assistance of allies than it can later alone. This is a mistake which in this Nation was urged the most fervently by those who are now so generous in their senseless soap-box criticism.

Let the facts be made plain right here to those who criticize the British in this war. She is the only nation actively engaged who came in before she was attacked. In 1939 she came in when she might have made a deal and have temporarily saved herself. Japan did not attack her or declare war upon her. She declared war upon Japan when she might have avoided such action for a time. The same was true of Britain in 1914. She, of her own free will, came to the assistance of France and Belgium. Those who are the champions of Russia are the loudest critics of Britain and are the very ones who, even in this critical period, are doing all they can to foment trouble in India.

Then after Russia had been attacked and while we were assisting her we were attacked by her traditional enemy—Japan, which for a decade has hung upon her Siberian flank with an army waiting only for an expedient time to launch the attack. Has Russia offered us the use of her facilities in Vladivostok, or other Siberian bases that we may more speedily or economically operate against the Japanese home bases? Not at all. Self-preservation is the governing factor in that case, as it should be.

I have nothing but praise for the gallant fight the Russians are waging in preservation of their homeland. They have gained for us invaluable time in which to prepare—time without which the United Nations would undoubtedly be much harder pressed than they are even now. All honor and praise to them and to their system of political philosophy, which gave the average Russian a share in that vast nation sufficient in which he feels warranted to risk his life in its defense. If their system of political philosophy suits the majority of people of Russia then it is the proper system for that nation. I would not spend one dollar or risk the life of one American boy to force the philosophy of democracy upon Russia or any other nation on the face of the globe. If we are to have a free world it must be free to the point where every nation can decide for itself just what course to follow in its internal affairs, religious, social, and political. If we are to accord the Russians that freedom, let them reciprocate in a like manner toward us and toward all other nations.

The question now confronting us is to win the war in order to make such freedom possible. There can be no doubt but that the delay in establishing a second front has in no small degree been accentuated by the former tactics of those now most loudly calling for one. Chickens come home to roost. Sort of ironic is it not? The subversive forces in this Nation, planted here by Soviet Russia, trained and financed by that nation to commit all sorts of political and military sabotage; responsible for a condition whereby the assistance we would like to extend to the land which is the fountain head of their activities, is delayed because of the partial success of their own program.

After all, in spite of the politicians, the cranks, the soap-box haranguers, the ex-convict yammerers, the social reformers, the arm-chair strategists, there are certain principles of warfare, which throughout the centuries, have proven to be immutable. They are known to those educated and trained in military science. They are as fixed and as inviolable as are the principles of mathematics, or the movements of the stars in the heavens. They cannot be disregarded with impunity. To ignore them means disaster. Unless they are observed no nation can win. Time and again nations have violated them and in doing so have won the most of the battles but have lost the war.

In substance, the sum of these principles means that a nation to win must be able to concentrate superior forces at the strategic crossroads of the theater of warfare—in this case, the world—at the critical time. We cannot undertake to fight the fight of any one nation in this war. Our objective must be the destruction of the armed forces of the Axis Powers. When this has been accomplished—and not until then—the war will be won. It is up to our military leaders to choose the time and place. Territory lost can be regained, provided manpower, which can never be replaced, is not wasted in sporadic, untimely, unsupported operations. The factors, which regulate such movements, can only be controlled by those who are experienced in handling such details. It is no job for amateurs or for those who have already demonstrated their inability in such matters, as have the members of the American Communist Party.

I am sure the American people will turn a deaf ear to the brass heads in this Nation, who cry of brass hats, and leave the conduct of the war in the hands of the only ones capable of exercising it—the officers of our Army and Navy, who have been trained for years for just such an emergency as we are now facing, and about whose patriotism and concern for the general welfare there can be not the slightest possibility of a doubt.

The SPEAKER pro tempore. Under previous order of the House, the Chair recognizes the gentleman from Minnesota [Mr. ANDRESEN] for 15 minutes.

A UNITED PEOPLE WILL WIN THE WAR AND SAVE AMERICAN FREEDOM AND OUR WAY OF LIFE

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein quotations and editorials.

Mr. Speaker, our country is fighting a total and desperate war. It is a fight to the finish. Freedom for ourselves and the world is at stake. In this war there is no compromise. We and our allies must fight through to victory. A decisive victory over our unscrupulous enemies will lay the foundation for a permanent peace.

Americans are a peace-loving people. We want an early victory to save our fighting men from the tragedies of war and the folks at home from sadness and misfortune. We must make tremendous sacrifices on the home front, which should be borne equally by all of the people, in order to supply our American boys and Allies on all battle fronts with an abundance of tanks, planes, ships, guns, munitions of war, and food. Such conduct on our part will hasten the day for victory and peace, and the return of our men to their homes and families. We pray to God for the safe return of all of them, and while they are fighting for us, and when they return, let us make every sacrifice for their well-being and comfort.

It will take a united American people to back our boys and win the war. The treacherous attack on our country at Pearl Harbor cemented all true Americans in a unified bond, pledged to carry on in the Nation's effort to destroy our enemies. This is no time for political bickering, or for any individual or group to demand special advantages at the expense of millions of American boys who are now giving their all on the battle fronts of the world. Hitler and the Japs would like to break American unity. Those who seek to create disunity are only giving aid and comfort to our enemies.

Mr. Speaker, I am taking the floor today to challenge a small, but powerful, group of left-wing un-Americans who have manufactured malicious lies by raising false issues, as a means of weakening national unity and destroying the confidence of the people in their representatives. I do not propose to remain silent and permit this powerful group, who control and dominate many large metropolitan newspapers and certain national magazines, to stain my reputation or injure the confidence which a large majority of the people of the First Congressional District of Minnesota have reposed in me as their representative for these many years.

First of all, I want to emphasize that prior to December 7, when occurred the attack upon our country at Pearl Harbor, I did everything I could by speech and vote to keep this country out of another war. Honest conviction led me to oppose the President's foreign policies, all of which were put into operation by him, because I felt that his course of action would involve us in war. I know that I represented the overwhelming majority of sentiment in my district when I did so, and I kept inviolate the pledge which I made to the people whom I have the honor to represent. Furthermore, I never failed to cast a vote for any and all legislation which I thought would strengthen our national defense to the point where no nation would dare attack us. In this respect, the record will show, that since June 1940—18 months prior to our entry in the war—I supported authorizations and appropriations approximating $225,000,000,000 to make our country impregnable. The record will also disclose that since we entered the war, I have supported every measure requested by the President for the successful prosecution of the war, and I will continue to do so in the future.

Incidentally, but very important, is the fact that the President, who is Commander in Chief of the Army and Navy, with the aid of his advisers, is the sole and only authority to determine questions on military strategy, production of war materials, employment of workers in defense plants, and other policies relating to the war effort. He does not consult Congress on such matters. He asks Congress for money and authority to conduct all war problems; all of which have been given to him by a unanimous Congress. We in the minority have joined with the majority in Congress to grant every request of the President to successfully carry on the war. All that we ask, and insist upon, is that the Nation's war effort be free from bungling, waste, inefficiency, graft, racketeering, and profiteering. We also insist that nonessential expenditures be eliminated or cut to the bone, and that when the war is over our American system of government and way of life be restored to the people.

As a Member of Congress, I insist on maintaining my constitutional privilege of offering constructive criticism for the improvement of the war effort when I find cases of graft, corruption, and unjust bungling of domestic affairs, and to vigorously oppose any effort on the part of communistic and left-wing groups who are endeavoring to undermine our American system of government for their own selfish purposes.

While all people are willing to make great sacrifices to win the war, they nevertheless demand that nothing be done by economic planners in Washington, in the name of winning the war, to permanently destroy our American form of government and system of free enterprise. Our system may have its faults, but it is far superior to any other form of government. We do not want any more bungling with production of rubber, which should be secured from every possible source, whether it be from grain or petroleum. Both products should be used. An adequate supply of gasoline and oil should be provided for essential needs. Let the spokesmen for the administration tell the people the truth. That is what we want in place of a lot of loose talk.

FALSE AND DISTORTED PROPAGANDA

An outstanding example of the false and distorted propaganda circulated and published by the Communist-controlled Union for Democratic Action, the New Republic, Time and Life magazines, and the New York owned and controlled St. Paul Pioneer Press and Dispatch, as well as other publications, was that Congress failed to fortify Guam. The record shows and the truth is that there never was a request by the President that Guam be fortified; that there was no proposal, legislative or otherwise, before Congress for the fortification of Guam. The only proposal submitted to Congress was for the dredging of the harbor to make a better landing place for commercial and other aircraft, but this in no sense involved the fortification of the island.

Another shining example of false propaganda by some of the same breeders of disunity was the published assertion that I and other Representatives, in June 1939, had stopped the building of 1,283 airplanes for the Army. The record discloses that the Army appropriation bill called for the building of 5,500 planes. It was admitted that a large portion of these planes would be out of date when delivered; whereupon Representative POWERS, of the committee, offered a motion eliminating the construction of 1,283 planes and providing funds for research to develop better planes. This motion was lost, and when the final vote was taken on the construction of 5,500 planes it was unanimous. No Member voted against it.

In their effort to smear Representatives these un-American groups purposely omit publishing the complete record of the Members selected in their purge. They fail to publish that I and many others have vigorously protested for years against the administration's policy which permitted the sale of hundreds of millions of dollars' worth of scrap iron, gasoline, copper, aluminum, steel, and other raw materials for war purposes to Japan, Germany, and Italy. They do not mention that President Roosevelt opposed the building of a two-ocean navy, which I supported. The New York Times of May 15, 1940, reports the President's views on the enlarged Navy:

> Mr. Roosevelt brushed aside as utterly stupid suggestions that developments in the European struggle and their implications in the Pacific strengthened the arguments for a two-ocean American Navy. If it ever had any merit, that theory became outmoded with the acquisition of California in 1847, he said. Such a conception of the Nation's floating defense was just plain dumb, he added.

I will let the editor of the Minnesota Farm Bureau News answer the attack by the New York owned and controlled St. Paul Pioneer Press and Dispatch on my record in behalf of agriculture. In the September 1, 1942, issue of the News he said in part:

> In its zeal to exercise political influence by getting out of office men who think for themselves, in the hope that the new men might let the Dispatch do all the thinking, the St. Paul paper made itself a bit ridiculous. ANDRESEN'S farm record was condemned when it should have been praised. ANDRESEN'S every vote on current farm legislation was squarely in line with the needs and desires of farmers, squarely in line with the Nation's war effort. * * * The Dispatch attempted to smear ANDRESEN'S farm record. * * * Votes prior to our entry into the war are

not of the greatest importance today. We must judge a man's attitude toward the war by his deeds in wartime.

Time will not permit a complete discussion of all of the false and distorted propaganda circulated by these un-American breeders of disunity, who appear to be more interested in causing disunity and in attempting to select rubber-stamp representatives for themselves than they are in winning the war.

FARM PROBLEMS AND FOOD

Agriculture Secretary Wickard predicts a shortage of food for 1943. From reports at hand, the Secretary's prophecy will no doubt come true. This will mean rationing for civilians of beef, pork, butter, milk, eggs, and poultry. It is our duty, and should be a privilege, to supply an abundance of food for our men in the armed forces, and we have also contracted to feed all of our Allies in every part of the world.

There is no excuse for a shortage of any kind of food in the United States. Government policies, and nothing else, have brought us face to face with a food shortage and higher prices to consumers. There will be millions of idle acres of good farm land in 1943. Food does not produce itself. It takes labor to plant and harvest crops, labor to milk cows and to take care of hogs, cattle, and poultry. Where we had an abundance of farm labor in 1942 and prior years, there is now a scarcity of this type of essential labor. Naturally, we wonder why? There are two reasons. In the first place, hundreds of thousands of boys and men from American farms have been drafted into military service, when many of them should have been kept on farms to produce the Nation's food. Secondly, the usual hired farm labor is being attracted from the farms to the high-paid jobs in war-production industries. With prevailing farm prices, which represent less than 50 percent of the consumers' food dollar, the farmers cannot get labor in competition with the high-paid war jobs. These administration policies have resulted in the fact that thousands of farmers have sold out their dairy herds and other livestock and quit farming because of the inability to get competent farm labor at any price.

Do not get the idea that the farmer is not just as patriotic as any other American, because he is. He is producing food and buying bonds, just the same as you and I, but there is a limit to the amount of work that any one human being can do, whether it be in a factory or on a farm. Secretary Wickard estimated that at least another 2,000,000 men would be taken from American farms in 1943 for military and war-production purposes. If this proves accurate, the food situation will become much more aggravated. The Secretary has proposed that Mexicans be brought in for farm work at prevailing wages and comfortable housing; that girls, women, and old men from the cities be transported to the farms and trained in farm work; and that we resort to vocational farm training for an additional supply of needed labor on farms. I might say right here, that farmers' wives and daughters are generally working alongside their men folk in doing hard farm labor. These administration proposals might do as a makeshift, but I have urged that it would be better for the Government to establish a policy which would permit the retention of essential and experienced farm labor instead of bringing in untrained people who are strangers to agricultural life.

Last February, I particularly called to the attention of Secretary Wickard and General Hershey, the serious problem of farm labor for the future. They admitted that the situation might become serious, but did nothing about it. Now, we are up against a reality, and I am still urging the administration to establish a definite policy for the retention of essential farm labor. It may be too late, but I hope that the administration will soon recognize that it will take food to win the war, and labor to produce the food. One must not forget that agriculture, the production of food and fiber, is the lifeblood of American economy in times of peace and war. Without an adequate supply of food, the war can be lost.

LIQUIDATION OF SMALL BUSINESS

Tens of thousands of small businessmen in retail, wholesale, industrial, and service establishments are being forced out of business because of the growing scarcity of goods for civilian needs and other restrictions imposed by Federal agencies. Amongst these are automobile and tire dealers, gasoline stations, electricians, plumbers, lumber dealers, jobbers, traveling salesmen, all types of small manufacturers who cannot convert to war production, country daily and weekly newspapers, retail merchants and professional men, and many others engaged in supplying civilian goods and services to the public.

I have registered many vigorous protests against unnecessary liquidation of this great American middle class. They, together with farmers and laborers, have been, and still are, the backbone of our democracy. Liquidate them and you destroy the factors which have given stability to our system of government and way of life. These groups are making tremendous sacrifices to win the war in being forced to give up their business, trade, and profession. In spite of this, they still continue to buy bonds, pay taxes, and give patriotic service to their country and community. They must be kept alive and in business, for when they pass out of the community picture big business, which does not possess a community soul, steps in solely for the sake of profit. I strongly urge that no effort be spared by the administration and Congress to keep this group in the economic picture. If this is not promptly done, our smaller cities and villages will become ghost towns, with the unemployed walking the streets and in distress.

INFLATION

No one, except possibly a small group of greedy profiteers, wants to see or experience a disastrous inflation in this country. Labor is entitled to fair and equitable wages, and, by the same token, the farmers are entitled to prices for agricultural products sufficiently high to cover cost of production plus a fair profit. When one group gets out of line with the other, you find the beginning of a vicious spiral of inflation. You cannot place a price ceiling over one group without doing the same to all groups if the intention is to stop inflation. I favor placing an over-all ceiling on everything, including products and services, at fair levels, taking into consideration cost of living and costs of production. If this is not promptly done, the people living on fixed incomes and salaries will be wiped out, and in the end everyone will be ruined. Government spending and Federal policies of bidding up prices are primarily responsible for any threat of inflation.

STRIKES IN WAR INDUSTRIES

Our country is engaged in a terrific war. We must win this war or everything is lost. The time has come for everyone to make greater sacrifices. Millions of American men are called upon to make their sacrifice on the battle fronts of the world. We on the home front can surely make our sacrifice in order that our fighting men may be properly equipped and fed. This is no time to engage in strikes in war-production industries. Yet the number of strikes in our war industries has been mounting steadily since Pearl Harbor. Twenty-seven strikes in January, 50 in February, 66 in March, 91 in April, 144 in May, 192 in June, 222 in July, and 229 in August.

These strikes involve several hundred thousand men and mean a loss of more than 10,845,000 man-hours in the production of necessary war materials. The President has the power to inaugurate policies which will remedy these labor difficulties. I know from experience that the laboring men in America are just as patriotic as any other group of individuals. They are doing a fine job to help win the war, as are the industries in which they are employed, but the time has come to eliminate strikes. Justifiable grievances can be settled without work stoppage.

Mr. Speaker, after all is said and done, we have only one big job on our hands. And that job is to win the war in which we are engaged. This conflict is a struggle for the survival of a free people. We must win, or everything dear to each American is lost. Team work by the people and unity of purpose will bring victory to our country. Above all, let us be honest with each other in this crisis and stand together as Americans, demanding that we do not lose the freedom for which we are fighting when victory on the battle front is ours. When it comes to writing the peace after the war, let America do her part in making it secure for all time to come. This is our responsibility to future Americans.

In conclusion, I want to say to my colleagues in the House of Representatives, that as long as I remain a member of this great legislative body, I will continue to fight to the limit for the protection and preservation of my country and its people, God giving me the strength so to do.

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and a joint resolution of the Senate of the following titles:

S. 2725. An act to increase by $600,000,000 the amount authorized to be appropriated

for defense housing under the act of October 14, 1940, as amended; and

S. J. Res. 129. A joint resolution to remove certain limitations on the cost of construction of Army and Navy living quarters.

BILLS PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On September 25, 1942:

H. R. 6921. An act to amend the Soil Conservation and Domestic Allotment Act to authorize payments in cases where farmers' crops are acquired, prior to harvest, in connection with the acquisition of their farms for use in the national war effort, and to provide for the division of such payments;

H. R. 7114. An act to amend the Library of Congress Trust Fund Board Act; and

H. R. 7273. An act to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931, as amended.

On September 26, 1942:

H. R. 6196. An act to amend the Canal Zone Code in relation to the control of marihuana.

ADJOURNMENT

Mr. SPARKMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 10 minutes p. m.) the House adjourned until tomorrow, Tuesday, September 29, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will hold a public hearing on Wednesday, September 30, 1942, at 10:30 o'clock a. m., on H. R. 7548, to provide for the issuance of a device in recognition of the services of merchant sailors.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1922. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Federal Security Agency for the fiscal year 1943, amounting to $13,500 (H. Doc. No. 847); to the Committee on Appropriations and ordered to be printed.

1923. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to an existing appropriation for the General Accounting Office for the fiscal year 1943 (H. Doc. No. 848); to the Committee on Appropriations and ordered to be printed.

1924. A communication from the President of the United States, transmitting a draft of a proposed provision relating to an existing appropriation for the Interstate Commerce Commission for the fiscal year 1943 (H. Doc. No. 849); to the Committee on Appropriations and ordered to be printed

1925. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Federal Communications Commission including a proposed provision relative thereto, amounting to $603,000, for the fiscal year 1943 (H. Doc. No. 850); to the Committee on Appropriations and ordered to be printed.

1926. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill to place the office of the secretary of the Territory of Alaska under the classified civil service; to the Committee on the Civil Service.

1927. A letter from the Commissioners, United States Civil Service Commission, transmitting the report on personnel transfers between executive departments and agencies pursuant to section 204 of the act of July 25, 1942 (Public Law 678, 77th Cong.); to the Committee on the Civil Service.

1928. A letter from the Acting Secretary, Department of Agriculture, transmitting drafts of three proposed private bills for the relief of employees of the Farm Security Administration; to the Committee on Claims.

1929. A letter from the Acting Secretary of the Interior, transmitting a report covering activities under the Federal aid to wildlife-restoration fund for the fiscal year ended June 30, 1941; to the Committee on Agriculture.

1930. A letter from the Acting Secretary of the Interior, transmitting a report covering activities under the Federal aid to wildlife-restoration fund for the fiscal year anded June 30, 1942; to the Committee on Agriculture.

1931. A letter from the Acting Secretary, Department of Agriculture, transmitting a report on the agricultural experiment stations for 1941; to the Committee on Agriculture.

1932. A letter from the Chairman, Reconstruction Finance Corporation, transmitting the report of the Reconstruction Finance Corporation for the month of July 1942; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SABATH: Committee on Rules. House Resolution 544. Resolution for the consideration of S. 2471, a bill to amend the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, with respect to its application to officers and employees of educational, religious, eleemosynary, philanthropic, and cultural institutions, establishments, and agencies, commonly known as the Hatch Act; without amendment (Rept. No. 2489). Referred to the House Calendar.

Mr. SUTPHIN: Committee on Naval Affairs. S. 2678. An act to amend the act approved March 2, 1933, by suspending the provisions relative to a Navy ration in kind, and for other purposes; without amendment (Rept. No. 2490). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. R. 7455. A bill to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended, so as to enable Filipinos to qualify for service thereunder; without amendment (Rept. No. 2491). Referred to the Committee of the Whole House on the state of the Union.

Mr. BRADLEY of Pennsylvania: Committee on Naval Affairs. S. 2676. An act to provide for medical care and funeral expenses for certain members of the Naval Reserve Officers' Training Corps; without amendment (Rept. No. 2492). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 333) for the relief of Arundale Vrabec, and the same was referred to the Committee on Immigration and Naturalization.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SIKES:

H. R. 7605. A bill providing for the examination and survey of the Intracoastal Waterway between Carrabelle and St. Marks, Fla.; to the Committee on Rivers and Harbors.

By Mr. SUMNERS of Texas:

H. R. 7606. A bill to eliminate private suits for penalties and damages arising out of frauds against the United States; to the Committee on the Judiciary.

By Mr. WENE:

H. R. 7607. A bill authorizing preliminary examination and survey of Mullica River, N. J.; to the Committee on Rivers and Harbors.

By Mr. SUTPHIN:

H. R. 7608. A bill directing the conversion to war material production of statuary, tablets, and ornamentation composed of critical metals, and providing for the later replacement thereof; to the Committee on Public Buildings and Grounds.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FLAHERTY:

H. R. 7609. A bill to correct the naval record of Carlo Solone; to the Committee on Naval Affairs.

By Mr. WASIELEWSKI:

H. R. 7610. A bill for the relief of Mrs. Rose Dacquisto Fragale; to the Committee on Claims.

By Mr. McLAUGHLIN:

H. R. 7611. A bill to correct an error in the census record of 1900 with respect to the family name of Ida M. Dugan, of Omaha, Nebr.; to the Committee on the Census.

By Mr. WEISS:

H. R. 7612. A bill for the relief of George J. Hiner; to the Committee on Claims.

By Mr. WASIELEWSKI:

H. R. 7613. A bill for the relief of Arthur Chester Schulz; to the Committee on Claims.

SENATE

TUESDAY, SEPTEMBER 29, 1942

(Legislative day of Monday, September 21, 1942)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. William A. Haggerty, D. D., pastor, Rosedale Methodist Church, Washington, D. C., offered the following prayer:

Almighty God, our Heavenly Father, we thank Thee for this land that Thou hast given us. We thank Thee for those who have gone before us and who sacrificed that we might live in comfort and in freedom. We pray that Thou wilt preserve to this land its freedom; give unto us righteousness and justice and peace, and, out of the turmoil and confusion and carnage that now fill our world, we pray that Thou wilt bring us to that day when we shall have peace with justice and when truth shall triumph over wrong, and goodness and mercy shall fill

the hearts of men and women everywhere.

Give unto these, Thy servants, who labor with Thee and for Thee for the welfare of this land, wisdom and strength. May they do that which is committed to their care with such fidelity that this land may prosper and may have again that hope, that trust, and, above all, that willingness to serve humanity that shall make us leaders in this Nation and in the world.

May Thy blessing rest upon all the forces of righteousness everywhere, and may Thy kingdom come with power unto the end of the earth. We ask it through the mercy of Christ Jesus, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, September 28, 1942, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Overton
Andrews	Green	Pepper
Austin	Guffey	Radcliffe
Bailey	Gurney	Reed
Ball	Hatch	Reynolds
Bankhead	Hayden	Rosier
Barbour	Herring	Russell
Barkley	Hill	Schwartz
Bilbo	Holman	Shipstead
Bone	Johnson, Calif.	Smathers
Brewster	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Tunnell
Chandler	McKellar	Tydings
Chavez	McNary	Vandenberg
Clark, Idaho	Maloney	Van Nuys
Clark, Mo.	Maybank	Wagner
Connally	Mead	Wallgren
Danaher	Millikin	Walsh
Davis	Murdock	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	
Gerry	O'Mahoney	

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] is absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] and the Senator from Virginia [Mr. GLASS] are necessarily absent.

The Senator from Missouri [Mr. TRUMAN] has been called to his State on important public business, and is therefore necessarily absent.

Mr. McNARY. The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

SOCIAL SECURITY PAY-ROLL TAXES—NOTICE BY SENATOR VANDENBERG

Mr. VANDENBERG. Mr. President, I had intended to answer this afternoon what I consider to be the total misrepresentation of the social security pay-roll tax action taken last week by the Senate Finance Committee, the misrepresentation occurring in the statement of the Secretary of the Treasury, Mr. Morgenthau, at his press conference on yesterday. However, I do not want to divert the debate this afternoon, because I am anxious, above everything else, to have this particular contest come to a climax. I give notice that tomorrow I intend to prove, out of Mr. Morgenthau's own mouth, that his statement at his press conference yesterday was magnificently erroneous.

THE TEACHING PROFESSION

Mr. DAVIS. Mr. President, in view of the many different approaches necessary to a complete plan of rationing and price fixing, I wish to say a word concerning school teachers. The members of the teaching profession have a burden of responsibility that goes on indefinitely. Our youth must be educated. We must have teachers. We desire to have the best that can be secured. However, conditions in this country at the present time are extremely difficult for members of the teaching profession. There are practical problems which confront teachers arising out of rationing, price-stabilization, and fixed salaries. I wish to do everything possible to help meet these problems, and therefore ask that by unanimous consent of the Senate a letter addressed to me by Mr. H. E. Gayman, executive secretary of the Pennsylvania State Education Association, together with a letter addressed to Mr. Gayman by a classroom teacher, Natalie P. Nichols, Quakertown, Pa., be included in the RECORD and referred to the Committee on Education and Labor.

There being no objection, the letters were referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

PENNSYLVANIA STATE EDUCATION ASSOCIATION,
Harrisburg, Pa., September 22, 1942.

Hon. JAMES J. DAVIS,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR DAVIS: There are a number of things which have a relation to education concerning which I am greatly disturbed. May I list them in this order:

1. The relation of the Federal Government to teachers' salaries, particularly with reference to final action on an anti-inflation bill.

I am not writing in opposition to action of this kind, but I do want to bring forcefully to your attention that there has not been a rise in teachers' salaries and that if an arbitrary date were fixed as a date for stabilization a grave injustice would be done to teachers not only in Pennsylvania but throughout the Nation unless some special proviso were made by which their salaries might be adjusted to the increased cost of living which has taken place.

Again with reference to the salary situation, may I say that in Pennsylvania our teachers' salary law provides increments, usually amounts of $100 a year which automatically take effect for 4, 6, or 8 years after the teacher enters service. I am wondering whether consideration will be given, before action is taken, to situations of this kind.

2. The need for Federal aid for education.

Many schools throughout the country will be without teachers unless the Federal Government steps in and through S. 1313 or a similar bill adopts a policy with reference to education for our own boys and girls. I am informed, for instance, that in many instances the educational facilities provided for Japanese evacuees are far in excess of those provided for the children in the State in which these colonies are located. Furthermore, the Federal Government is paying to the teachers for these Japanese children salaries far in excess of those paid in the State of location.

The influence is doubly bad. In the first place, it causes teachers to believe that their work is not considered essential and, in the second place, it produces an attitude of hopelessness with respect to any evidence of immediate assistance from the Federal Government.

3. Priorities for teachers.

My point on this issue is best explained by a copy of a letter which I received this morning and which I am attaching for your information.

Very sincerely yours,
H. E. GAYMAN,
Executive Secretary.

QUAKERTOWN, PA., *September 18, 1942.*

Mr. HARVEY E. GAYMAN,
Executive Secretary, P. S. E. A.,
Harrisburg, Pa.

MY DEAR MR. GAYMAN: I am taking the liberty of writing you in reference to the hardships that we teachers have to bear in regard to inability of getting tires or sufficient gasoline to get to and from our schools.

I will use myself as an example: I have been teaching 9 years in an industrial community. Even during the days of depression, living conditions were never of the best and boarding houses few and far between. Now, in times of a steel boom, there is absolutely no place to live. People are doubling up, two and three in a room; attics and cellars are used.

For the past 4 years I have been commuting to school from my home—a matter of 30 miles. This arrangement was quite satisfactory to everyone concerned. Since the tire emergency I have been transporting two other teachers who also, and for the same reasons, are living in their home towns.

There is no direct common-carrier route from our homes to the school, as we live in what is known as cross country. This means that we would have to go into Philadelphia and then out again to the school, a matter of about 3 hours.

My tires are in poor shape. I have applied to the rationing board, only to be told that I am a nonessential worker. Of course, no one gave thought that I had been registering for both gasoline and sugar, that I was spotting airplanes, nor that I took first-aid courses and other defense activities. When I asked the board what I and my passengers were supposed to do, I was told that they "had not the slightest idea, but they could do nothing."

Meanwhile my school board is short two teachers. They have one substitute carrying on as a regular teacher. Yesterday one of my tires had a blow-out—hence this letter. I cannot drive without it. It is beyond repair. I am afraid I will have to resign. What the other two teachers will do, I cannot, of course, say.

We do not mind working; we do not mind that we have to live on salaries that have dwindled in their purchasing power. We do not even mind that there are no raises in sight. We are not asking for favors—but we do want to be able to carry on with the work that we are trained to do in a place that needs us. All summer my car stood in my garage. I did not use a single A coupon. In 10 weeks I put on 15 miles of most essential driving. But now I must drive to work.

What am I supposed to do? Can you help?

Respectfully yours,
NATALIE P. NICHOLS,
Classroom Teacher.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

PRINTING OF PROCEEDINGS HELD IN COMMEMORATION OF ANNIVERSARY OF THE LANDING OF MUHLENBERG

Mr. HAYDEN. Mr. President, by direction of the Committee on Printing, I report back favorably without amendment Senate Resolution 289, and ask for its immediate consideration. It is a resolution providing for the printing of the proceedings held in commemoration of the two hundredth anniversary of the landing of Henry Melchior Muhlenberg in Philadelphia, Pa.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona?

There being no objection, the resolution (S. Res. 289), submitted by Mr. GUFFEY on the 17th instant, was considered and agreed to, as follows:

Resolved, That the proceedings in commemoration of the two hundredth anniversary of the landing of Henry Melchior Muhlenberg in Philadelphia, Pa., November 25, 1742, be printed as a Senate document, and that 5,000 additional copies be printed for use of the Commission.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MAYBANK:

S. 2810. A bill authorizing the Comptroller General of the United States to settle and adjust the claims of the Young Men's Christian Association, the Young Women's Christian Association, the Richland County Post, No. 6, of the American Legion, and C. J. Nairn, all of Columbia, S. C.; to the Committee on Claims.

By Mr. WALSH:

S. 2811. A bill to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended, so as to expedite the war effort by providing for releasing officers and men for duty at sea and their replacement by women in the shore establishment of the Coast Guard, and for other purposes; to the Committee on Naval Affairs.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the bill (S. 2689) to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863 (12 Stat. 798).

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7164) to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to extend the relief and benefits provided therein to certain persons, to include certain additional proceedings and transactions therein, to provide further relief for persons in military service, to change certain insurance provisions thereof, and for other purposes.

The message further announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 7522. An act to amend the District of Columbia Appropriation Act, 1943, so as to authorize the use of public-school buildings in the District of Columbia as and for day nurseries and nursery schools, and for other purposes; and

H. J. Res. 346. Joint resolution extending for 2 months the period for which overtime rates of compensation may be paid under the acts of June 28, 1940 (54 Stat. 676), October 21, 1940 (54 Stat. 1205), and June 3, 1941 (55 Stat. 241).

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were each read twice by their titles and referred as indicated:

H. R. 7522. An act to amend the District of Columbia Appropriation Act, 1943, so as to authorize the use of public-school buildings in the District of Columbia as and for day nurseries and nursery schools, and for other purposes; to the Committee on the District of Columbia.

H. J. Res. 346. Joint resolution extending for 2 months the period for which overtime rates of compensation may be paid under the acts of June 28, 1940 (54 Stat. 676), October 21, 1940 (54 Stat. 1205), and June 3, 1941 (55 Stat. 241); to the Committee on Military Affairs.

REPORT OF THE COMMITTEE ON MILITARY AFFAIRS

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the joint resolution (H. J. Res. 346) extending for 2 months the period for which overtime rates of compensation may be paid under the acts of June 28, 1940 (54 Stat. 676), October 21, 1940 (54 Stat. 1205), and June 3, 1941 (55 Stat. 241), reported it without amendment.

LABOR CONDITIONS IN ENGLAND—ADDRESS BY DANIEL J. TOBIN

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a radio address delivered by Daniel J. Tobin, president of the International Brotherhood of Teamsters, on September 28, 1942, which appears in the Appendix.]

PARTICIPATION OF INDIA IN THE WAR—ADDRESS BY SENATOR PEPPER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address delivered by him at a meeting of the American Committee for Increasing Indian Participation in the War, on September 28, 1942, which appears in the Appendix.]

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

Mr. BARKLEY obtained the floor.

Mr. HOLMAN. Mr. President—

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Oregon?

Mr. BARKLEY. I yield.

Mr. HOLMAN. Mr. President, to me "example is better than precept." The factual statement of a practical operator who speaks from the knowledge of successful experience in his activities is more convincing than the cogitations of learned savants or the theories of cloistered doctrinaires.

I have received a letter on the subject currently under discussion by the Senate from Mr. Harry L. Holmes, of Bear Creek Orchards, at Medford, Oreg., which I request unanimous consent to have printed in the body of the RECORD as a part of my remarks.

Mr. Holmes, by his initiative and enterprise, has done more to acquaint the world with the surpassing excellence of the resources of Oregon than has any other citizen unless it be my distinguished colleage, our senior Senator [Mr. MCNARY].

I have also just received a telegram from Mr. Holmes, which I request be printed also as a part of my remarks.

The PRESIDING OFFICER (Mr. DOWNEY in the chair). Is there objection?

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

SEPTEMBER 23, 1942.

Senator RUFUS C. HOLMAN,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR HOLMAN: If I have had one, I have had a hundred fruit growers tell me the same story—"I don't know how in the world we are going to be able to produce a crop next season and get it harvested."

And since this situation seems to be prevailing, not only in our district here around Medford, Oreg., but also up and down the coast and in many other agricultural sections of the country, I believe I should tell you what fruit growers and farmers are thinking about.

It is possible that the next crop, 1943, could be the shortest that this country has seen in many decades. And since agriculture is an essential industry and it is so necessary for all of us in it to produce not only for our own nationals but for lease-lend, I feel that you should know the questions that farmers are asking before they will attempt another crop.

It boils down to three essential things that a farmer wants to know about and they are these—

1. They want to know that the key men in their enterprises are not going to be drafted. It is simply impossible to operate a large farming or horticultural property without able, young, and experienced men. It just simply cannot be done with old men, women, and youngsters.

As an example, we own and operate 600 acres of orchard property—mostly peaches and pears. Many hundreds of tons of this produce go into tin cans which in turn are purchased by the Government for our own soldier boys and for lend-lease. We simply must have capable men as foremen, subforemen, tractor drivers, and for other general supervisory work, including experienced office help.

And since some of these men are eligible for the draft and many of the younger men are being taken, we simply must be assured that our key men are going to be allowed to remain on the farms or orchards.

2. Then, with these relatively few experienced men, I am sure that we can raise a crop to the time of harvest. Then comes the big problem of proper picking and harvesting. Right now, as I write this letter, we are in the middle of picking season. We are employing about 400 people in our packing house and from 150 to 200 people in the fields—many of them are high school youngsters, a few are elderly people, and there are quite a few ladies, of course, mostly in the packing house and in the field.

But if 18-year-old boys are drafted, our crew would be decimated and we would lose probably a third of the people now working in the field and packing house.

So, we look upon the harvest a year from now with considerable doubt. The draft will continue, of course, taking able-bodied men out of this small district, and in addition to that the 18- and 19-year-old boys, if taken out, would leave us with hardly anything to work with in the handling of the large fruit crop which must come off between certain date limits.

3. The last point that the farmer must be assured of is that he can raise a crop profitably. I don't mean by this that he should be assured of any great profit or that he should make any wartime bonanzas. But I do mean that after he has paid all of his costs including extremely high labor costs (now well over 100 percent over last year's rate) he must know that he can have enough left to make it a reasonably profitable venture.

Here is a typical example of what he is up against. A friend of mine that raises approximately 125,000 boxes figures that it will cost him around 70 cents per box to raise next year's crop up to picking time. That means that he will have expended around $100,000. If he involves himself for that liability on promissory notes to banks or in using up his past year's accumulated surpluses, he must feel sure that he is at least going to get that amount back with some profit, otherwise he is certainly not going to take on the risk and would do only the minimum amount of work to keep his property in a healthy, growing condition. In other words, he might not try to grow any pears at all but merely try to get by by irrigating and doing what spraying is necessary to keep his trees from becoming infected with disease.

Therefore, ceiling prices must be tied to labor prices. And so, as our actual costs of operation increase, also should the ceiling prices on the products increase. Since labor is by far the largest part of our cost, it is only correct that ceiling prices be tied, as stated, to labor costs.

I know that I speak not only as the owner of 600 acres of orchards but I know I represent what is in the mind of many hundreds of growers right in this district. Indeed, I feel that this problem is so pressing and important that somebody from the Department of Agriculture should make a quick survey over the country to find out just what farmers and fruit growers are expecting to do for another year.

And what's going to happen if the farmers and fruit growers do not produce a full crop? Are they going to be accused of a sit-down strike? I am seriously very much concerned about this situation, because I feel that if some definite assurances are not given farmers that they might be unjustly accused of just such a thing.

Here are a few examples, too, of what I know is happening in the dairy industry locally:

a. There has been a larger shipment of dairy cattle into the Portland stockyards than has been made in the last 10 years. These are dairy cows that are being sent up for beef because the farmers just haven't the help to handle the dairy herd.

b. A friend of mine near our own ranch here has around 40 head of good milking cows. He told me the other day that he was going to breed them to Hereford and raise beef instead of trying to maintain his dairy. This is on account of his difficulties in getting labor to milk and handle his dairy.

c. I could give you many instances of fruit growers who have expressed their intention of not trying to grow a crop this coming year because of the difficulties and restrictions involved.

Now, what, if any, are the solutions for these problems? Well, very briefly, I would suggest the following:

A. Do not take key men away from the agricultural industry by the draft. If agriculture is considered one of the essential industries to war, then leave the key men on the farms and orchards so that production can be continued. It is equally important to find some way to "fix" these men on their jobs on the farms or orchards. It is needless to say that many of them have already gone to the more remunerative war industries in nearby cities.

B. Make use of the Army in the helping of the harvest. It wouldn't take long, and relatively very few men in proportion with those in training would be needed to help and it wouldn't interfere with the regular Army routine training of the soldiers to any great extent.

Right here in Medford we have Camp White with approximately 30,000 soldiers. Three or four hundred men only from this camp over about a 60-day period would solve our local difficulties. The important thing is, however, that farmers have to know before they start a crop—months before harvest—that such help is going to be available, otherwise, as stated previously in this letter, many of them will not attempt to produce a crop.

I assume that with hundreds and hundreds of camps all over the United States this Army help could be afforded to the other districts in other sections of the country in the same way that the help from Camp White, near Medford, could be afforded to the farmers and fruit growers in this district.

C. Fix ceiling prices for horticultural products with a definite tie-in with labor prices. You can readily understand that few are going to undertake to produce farm products under a fixed ceiling unless other prices are tied directly to the ceiling price. Of course, that brings in all sorts of other questions as to what the farm labor price should be and whether farm labor would migrate to more remunerative war industries. Obviously, farm labor must be fixed on the farm at a rate of wage based on some particular month or week just passed.

I am sure that I do not know what the political implications would be of the above situation. But I am sure that if farmers and fruit growers do not have some assurances on the three above-named points there will be a distinct food shortage in this country in another year.

Assuring you of my sincerity, and hoping this information might be of some use to you, I am,

Sincerely yours,

BEAR CREEK ORCHARDS.
HARRY L. HOLMES.

WASHINGTON, D. C., *September 28, 1942.*

Mr. HARRY L. HOLMES,
Care of Bear Creek Orchards,
Medford, Oreg.:

I thank you for constructive thoughts contained in your letter 23d instant and concur therein. Kindly wire me permission to insert it in CONGRESSIONAL RECORD tomorrow.

RUFUS C. HOLMAN,
United States Senator.

MEDFORD, OREG., *September 29, 1942.*

Senator RUFUS C. HOLMAN,
Senate Office Building,
Washington, D. C.:

Answering, "Yes; you may use my recent letter to you on farm problem for CONGRESSIONAL RECORD." Another important angle just developed today when local banker told me would not finance future fruit production unless he had some assurance that labor would be available to produce and harvest also. It is possible to produce at something over cost of production. Right now, today, average of orchard harvest help about dollar an hour. What would you Senators do if you owned a farm or orchard in producing a crop for 1943? Don't accuse farmers or fruit growers of sit-down strike next year when they can neither get sufficient labor nor pay available laborer even present prices under old formula of parity. From the owner of 600 acres of orchards.

HARRY L. HOLMES,
Bear Creek Orchards.

Mr. BARKLEY. Mr. President, if I need an excuse for taking the time of the Senate at this hour, it is the hope that I may make some contribution to the clarification of the issue before us, as well as the situation which brings it about. Before beginning what I have to say, I wish to express the hope, as well as to advise the Senate, that we may remain in session today until we have concluded the consideration not only of the pending amendment but of the joint resolution as well. I hope that Senators will make their arrangements accordingly.

I believe, Mr. President, that not only is the country impatient for action upon the controversy before us but the Senate and the Congress and the whole legislative process are undergoing a test which I hope will be terminated in a fashion which will justify and vindicate the legislative process.

In order that I may not delay longer than is absolutely necessary a vote upon the pending question, I ask the Senate to indulge me without interruption until I shall have concluded what I wish to say. If at that time Senators wish to ask me any questions, I shall be glad to answer them, if I can.

Question has been raised, Mr. President, as to the meaning of the President's message as it was presented to us on the 7th of this month. Comment has appeared in the press and upon the floors of the two Houses, as well as in conversation, regarding the President's time limit, so-called, by which I mean his urgent request that we act not later than the 1st of October, which will fall on next Thursday. I think it might be well to call the attention of the Senate, as well as of the people throughout the country, to the fact that on the 27th day of April, in a message which I have before me, the President of the United States not only asked but urged that Congress do what we are now attempting to do. In that message the President set out seven points that were essential in the control of prices and the curbing of inflation, which has become a sort of hackneyed word, but which, of course, we all understand to mean the unregulated and uncontrolled increase in the prices people must pay for what they have to buy.

Five of those points required no legislation. Two of them required legislation, and in neither of those two instances requiring legislation has Congress acted since the 27th day of April. One of those legislative requirements was the passage of a tax bill. The other legislative requirement was a modification of the 110-percent parity requirement in the Price

Control Act, or the other minimum requirements with which we are all familiar—prices in October and prices in December 1941, and the average price for the period July 1, 1919, to June 30, 1929, whichever might be the highest.

I think I may say in justification of the taxing committees of the two Houses, the Ways and Means Committee of the House of Representatives and the Finance Committee of the Senate, that they have worked diligently; they have worked long hours; they have given the most painstaking consideration of the tax bill, which has already passed the House, and which we hope to be able to take up in the Senate next Monday. That bill will soon be on its way. No doubt it is an imperfect bill. No doubt it is an inadequate bill. All the Committee on Finance can do is to report it to the Senate, and then it is for the Senate to determine whether the work of the committee shall be approved, amended, or supplemented by other provisions which may go into the bill before the President is required to affix his signature or to disapprove it, as the case may be. So that that one legislative requirement, while long delayed—delayed longer than any of us anticipated or desired—will soon be on its way to consummation. Now we have before us the second legislative requirement requested by the President on April 27.

Mr. President, I think it is not unfair to say that his recommendations on that day with respect to the modification of section 3 of the Price Control Act were taken by the two Houses of Congress rather casually. They must have been taken casually, because neither House initiated any movement to carry out his recommendations of last April until it became necessary for him to come to Congress with another message on the 7th day of September.

Mr. President, I shall not now enter upon a discussion of the President's power to act. The Senator from Michigan [Mr. BROWN] the other day in his very excellent speech, it seems to me, covered that point completely and fully. But I do wish to give a brief outline of the history of what has gone on in the last few weeks or months that brings us to the present juncture. I violate no confidence when I say that numerous conferences have taken place with the President of the United States since last April, beginning in June and extending through July and up almost to the very delivery of his message on the 7th day of September. I presume I would violate no confidence if I should state that nearly 3 months ago the President of the United States had it in mind again to call our attention to the need for further legislation modifying the requirements of the Price Control Act, not only with reference to agricultural products but also with reference to wages and salaries.

The House of Representatives had completed the tax bill. Many Members desired a brief surcease from their labors, and an informal recess had been arranged. When it was contemplated by the President as early as July to forward to Congress a message dealing with agriculture and labor, there were those who advised him that he had the power to act without submitting the proposition to the legislative branch of the Government. Some of those were in this body, some were in the other body, some were in neither body, but I was not one of those who gave him such advice, because I felt then, as I have felt every moment since, and as I now feel, that even though he had the power to do it, under the advice of his legal adviser, and under his war powers as President, under the second War Powers Act which we ourselves enacted following the enactment of the Price Control Act—even if he had the power to do it, I believed then and I now believe it was better that it be submitted to the Congress.

Mr. President, of course we all realize that if the President had proceeded to act by an Executive order his action might have received criticism, the repercussions might for a time have been unfavorable; but the people of the United States have never yet denied their President, the Commander in Chief of their Army and Navy, support in the exercise of whatever powers he may have in the conduct of a war, and I recall no case in which the Supreme Court has not sustained such powers, even though the Court did not do so until the war had ended and the question became academic insofar as its decision was concerned.

Mr. President, I urged that this question be submitted to the Congress. I do not know to what extent any advice of mine had weight; but mine was not the only voice raised in behalf of the preservation of the legislative process. I might say that Mr. Leon Henderson, who is the Price Administrator and against whose actions we hear criticism now and then as to particular details of administration, took the same position. He urged constantly and consistently that, admitting that the President had the power, the Congress ought to be asked to undo its own act insofar as it was necessary, not only to do the required thing, but to preserve the harmony and accord and comity which ought to exist between the legislative and executive branches of our Government.

Be that as it may, the President has submitted it to us in his message on the 7th of September. Complaint was made at the time, and has been made since, that by that act, by that message, and by the suggestion of the date, he has put a pistol into our faces and drawn a deadline, so that we must act on that date or he would exercise powers which he was advised he possessed.

Mr. President, the fixing of October 1 was not equivalent to holding a pistol at the heads of Members of Congress. As I have already said, he had asked Congress to do this on the 27th of April. We had not done it, and the President took his position, based upon his own knowledge of the situation, which borders on the miraculous. No man can discuss any problem affecting our war economy, our agricultural or labor or industrial economy, with the President of the United States, without realizing that he has a wealth of knowledge upon all these subjects which is almost miraculous, in view of the wide field in which his mind has to range in contemplation of this world-wide conflict. His attitude was and has been all the time, and is now, that he could not beyond the 1st day of October control prices or keep the spiral from rising unless either he or Congress took action. I believe that his position in that regard has been justified by the fact that since the war started in 1939 the average cost of living has gone up 19 percent; the cost of food has gone up more than 25 percent; and the cost of clothing has gone up between 25 and 30 percent. Food and clothing constitute 45 percent of the budget of the ordinary household in the United States.

His position is justified by the fact that since the middle of August, only 3 weeks before he sent to Congress his message of September 7, the cost of living has gone up at the rate of about 1½ percent a month. So the President was not holding a pistol at the head of Congress. He was suggesting a date beyond which the spiral could not be held down unless Congress, or he, or both together, should take action. That is all that the 1st of October meant.

Mr. President, I believe in the legislative process. I believe in the validity of that process. I believe that it is more essential and vital to preserve it now than it has ever been in the history of democracy, because that process has been practically abolished all over the world, except in the United States, some of our neighboring countries to the north and south, and in the Parliament of Great Britain. Today on the continent of Europe there is not a nation in which there is any parliamentary government; and unless the forces and the hordes of Hitlerism and all that they represent are defeated and hurled back, there will never again be any such thing as parliamentary government on the continent of Europe. If the Japanese juggernaut is successful in Asia and the Japanese are able to conquer China, India, and all the rest of Asia, and the islands of the Pacific, the legislative process there will be a matter of history. It will be abolished.

So it is essential that we preserve the legislative process in this country, so that by our preservation of it, when this war shall have concluded and the forces of democracy shall be triumphant, we shall not only have preserved it here, but shall have helped to preserve it around the world, in order that those who are required to support government with their money and with their blood may have a voice in that government.

Mr. President, the question now before the Senate is not whether some "i" shall be dotted or some "t" shall be crossed by the pen of any individual Senator. The question which confronts the Senate today is whether we ourselves will justify the legislative process by acting in an adequate manner and in time. The President has requested and urged us to restore the original concept of the thing about which we are talking, as it affects agriculture; and I believe that the country expects us to do so.

I refer to parity. I realize that parity, like inflation, has become a hackneyed word. Millions and millions of people in this country do not understand what it

means. They live on the farms no less than in the cities. Of course, I would exclude the Senate of the United States from that all-inclusive lack of understanding; but I think it might be well to refresh our minds about parity, how it came to be, and how it got into the law.

I am now speaking as a member of the farm bloc. In my 29 years in the House and Senate I have, to the extent of my ability, voted for and helped to pass legislation in the interest of the American farmer. I came to the House of Representatives when I was little more than a boy, advocating farm legislation. Many years ago—so long ago that my constituents have forgotten it—I introduced into the House measures intended, at least in my immature mind, to help the farmers of the United States.

I know the problems of the farmer. I was reared on a farm. My father was a farmer all his life. I have worked as a hired hand in the fields, beginning at sunup and going until sundown, stopping long enough at noon to eat a cold lunch out of a tin bucket. For that work I received 50 cents a day.

When the wheat threshing season came along I worked from sunup to sundown, until the shadows settled over the earth, pitching wheat to the wagons, loading it on the scaffold, cutting the binds, feeding the thresher, and stacking the straw. I slept out under the canopy of a straw pile which I had helped to erect during the day. For that work I received $1 a day.

From time immemorial, no class of people in this United States has been more unfortunate than the hired hands on farms. Their lot is a little better now than it was when I made 50 cents or a dollar a day, but by comparison it is not much better.

I voted for the McNary-Haugen bill in the House of Representatives. I have no apologies to make for it. I followed the distinguished chairman of the Committee on Agriculture in the House, Mr. Haugen, in voting for the McNary-Haugen bill. I voted for the Farm Board bill, passed in the Hoover administration. I was trying to bring about legislation which would help the farmer. We were groping in the dark then, as we all know.

I do not want to mention partisan politics or political parties, because the question which is before us today is not a partisan question. Partisan politics has no place in it. However, when the Roosevelt administration came into power in 1933 it was pledged to legislation in behalf of agriculture. For a quarter of a century both political parties in their platforms had promised the American farmer to put him on a parity or equality economically with industry and with the other sections of our population.

When I was a boy in knee pants I used to hear politicians talk about parity as between gold and silver. The first time I ever heard of the word "parity" was in 1896, when I sneaked off from school one day to hear the Democratic candidate for Congress make a speech in the courthouse on the question of free and unlimited coinage of silver at a ratio of 16 to 1. He took up a good deal of his time talking about the parity between gold and silver, by which he undertook to explain that he meant the relationship between the purchasing power of silver and that of gold, at a certain rate. That was the preservation of the parity relationship, so that silver would have as much purchasing power, based upon the formula, as gold had. That is really what we are talking about with regard to agricultural parity.

When we came to write the Agricultural Adjustment Act of 1933, and later in 1938, we had to consider what sort of legislation would do the work for the farmer which had been promised to him by both political parties and by almost all candidates. We could not write prices into the bill. We could not go into details as to what prices should prevail for cotton, tobacco, corn, wheat, hogs, cattle, or anything else. We took into our councils the farmers of the Nation. We asked the Secretary of Agriculture and his force, as well as the organizations which speak for the farmers, or claim to speak for them—and rightly so, so far as organizations may speak for farmers—to sit down with the legislative draftsmen, the committees, and representatives of the executive departments, and write a formula.

We asked the farmers themselves what their ideas were. They said, "We want to pick out a period which will be fairly representative as between agriculture and industry and other classes of our people. We want to find a period in which the relationship between the prices of the products the farmer sells and the prices of the articles he has to buy, the relationship between his income and his outgo, will be as fairly representative as in any other period in recent American history."

They themselves chose the base period which now is written into the law—the period 1909 to 1914. They chose that period because in their opinion—and in our opinion—it was a period in which the farmer was fairly prosperous. It was a period in which the relationship between farm prices and prices which the farmer had to pay for what he bought was as fairly representative as in any period which could be found in recent history. Because of that, because it was their desire and their recommendation and their feeling, and because our feeling coincided with their feeling, the period 1909 to 1914 became the base period which was written into the law.

Following 1914, World War No. 1 came. We call it World War No. 1; but by comparison with the present one it was not a world war at all. It is true that many nations throughout the world were technically at war; but in that war all the fighting took place in Europe; and following the Russian revolution in 1917, practically all the fighting took place in France, and some of it in Belgium. In that World War we spent approximately $31,000,000,000. In the present World War we have already appropriated over $200,000,000,000, and we have been at war only a little more than 9 months—nearly 10 months.

When the first World War came on, farm prices began to go up. Wheat went as high as $2.56 a bushel, hogs went as high as 19 or 20 cents a pound, and other things in proportion. Many of our people saw what they thought was a limpid pool of water; they believed that never again would there come a time when prices would go down. Many of them sold the little farms on which they had been satisfied all their lives, and bought big ones, and made down payments on the big ones with the money they received from the sale of the little ones.

Then the war ended; and in 1921 and 1922 there was a depression. During that depression agriculture shared with industry; but, strange to say, industry recovered, and continued to recover until 1929, when the collapse came; but all during the period when industry was recovering, following World War No. 1, agriculture was not recovering. Of course, that meant that when the crash came in 1929 and 1930, agriculture did not have to go down quite so fast or quite so far as industry had to go. Therefore, that period would not have been a fair base period upon which to figure agricultural prices. A parity based upon that period would not have been a real parity.

So when 1932 came, and the income of American farmers declined to less than $4,000,000,000 a year, we had to write a law to try to take care of the situation. We counseled with the agricultural interests in order to determine what period would be the most representative and the fairest. All of them found that it was the period 1909 to 1914. I think the time may come—yea, I think I should say that it will come—when we may have to revise; we may get too far away from 1909–14 to cling to that forever. We may have to revise our farm parity; we may have to recalculate it. In the near future we may have again to take into consideration changes which have occurred since 1914. However, that would require time, research, and careful investigation. In my judgment, that could not be done wisely in a joint resolution such as the one which we have before us today.

So both in the Agricultural Adjustment Act of 1933 and that of 1938, following the Supreme Court decision, we fixed the period 1909–14 as the base period.

In the meantime we had provided for 85-percent loans on farm products for those farmers who cooperated with the Government. In 1941 and 1942 we came to consider a price-control bill. When that bill was first considered in the private conferences which took place among those who drafted it, the first proposition was to guarantee parity—not actually guarantee it, because the Government cannot guarantee that any farmer will get parity for his crop unless the Government itself is willing to buy it or to boost the price in some artificial way so that the farmer will receive parity for his crop. What we undertook to do by the price-control bill was to guarantee that in the fixing of prices the Government of the United States would not step in and interfere with the laws of

nature or the law of supply and demand until any given crop had reached 100 percent of parity, or had reached parity. So we undertook, not to fix a ceiling on agricultural products, but to fix a floor. That is what it was.

When we said, "Nothing can be done to the prices of agricultural products until they reach parity," we meant that parity was a floor, and that those who were charged with the regulation of farm prices might let those prices go as high above parity as they wished, but they might not make them go below parity or fix any maximum below parity.

As the matter went along, the friends of the farmer, of whom I have always been one—I belong to the farm bloc, but I suppose I must have been turned out of church, because I do not get invited to the farm-bloc conferences; but I worked for the farmers harder than did many persons who talk more than they work. I am not referring to the senior Senator from Oklahoma [Mr. THOMAS] or the senior Senator from South Carolina [Mr. SMITH], both of whom have worked adequately, of course.

As I started to say, as the matter went along, the friends of the farmers said: "We are not satisfied with 100 percent. We want 110 percent, because what we really want is an average of 100 percent."

The term "average" when used in that way is misleading; because there cannot be any such thing as an average of 100 percent unless the prices of many things are to be more than 100 percent, and the prices of many other things less than 100 percent. It is impossible to obtain an average of anything without considering the top as well as the bottom. I think what the friends of the farmer had in mind was that for all products of the farm there would be an average of 100 percent; but it is impossible to consider an average in fixing the prices of all products. We must deal with cotton as cotton. We cannot deal with tobacco, and say, "As for cotton, we have fixed an average of 100 percent for the man who raises cotton and tobacco." We cannot fix a price of 100 percent on cotton alone; because when we put a ceiling on the price of cotton we fix the price of cotton in the hands of the grower, subject to being sold on the market. So the term "average of 100 percent" really is misleading.

We wrote into the bill the provision for 110 percent of parity, and we put in the bill many other things which made 100 percent of parity the minimum, because in other parts of the bill—those as to prices on October 1 or December 15, or in any other period between 1936 and 1939, or all three, I believe—we had the alternative provision that whichever might be the highest of those prices should be the floor below which the Price Administrator should not touch the prices of farm products. So instead of averaging 100 percent of parity, or even 110 percent of parity, it turns out that it averages about 116 percent of parity.

I do not contend that the entire blame for the increase in the cost of living is due to the increase in the prices of farm products because such a claim would not be true. If we consider the figures prepared by the Bureau of Agricultural Economics for the period 1910 to date, we find that, no matter whether prices were low or high, during that period the farmer received on the average approximately 52 percent of the money his products brought when sold to the ultimate consumers, which means that 48 percent of the money went to transportation, to manufacturing processes, to distribution, and to clerk hire in grocery stores, drug stores, clothing stores, and in shoe stores, or wherever any agricultural product which has been processed into a finished product is sold to the ultimate retail consumer.

Ever since I could remember men have sought to organize farmers into agricultural organizations; indeed, I was one of them. Years and years ago, before I ever came to the Congress, I was making speeches in my section of the country in behalf of organizations of farmers, such as the Dark Fired Tobacco Association, the Burley Tobacco Association. I made speeches in my State long before I ever came to Congress in behalf of the Farmers' Union, which is now strong in some sections of the Corn Belt, and which in my State has been somewhat superseded by the Farm Bureau Federation, which I have always considered and now consider to be probably the most effective farm organization which has ever existed in the United States. I am a member of it and belong to it because I own and live on a little farm and I am helping to pay rent on another one.

We always thought and said that the middleman, as we call him, was getting too much, and I still think that he gets too much, but we cannot do anything about that in this joint resolution, and I am not certain that we can do anything about it by any form of legislation, because there are so many elements and equations that enter into the 48 percent that others get after the farmer gets his 52 percent, that it is not easy by legislation to guarantee that the 48 percent will not still go to others. Therefore, I say that the prices of farm products are not to blame for the entire increase in the prices of food and clothing and other necessaries of life. I presume, however, it would not be unfair to state that if the farmer gets 52 percent of the price of his crop he would also get 52 percent of any increase which the consumer would finally pay, and such increase as may have occurred or may occur in the prices of farm products will be responsible for 52 percent of the increase in the cost of living. So we cannot deny that equation, for it does form a part of the picture.

Mr. President, we are quarreling among ourselves here as to whether the minimum 110 percent, which the President asked us to reduce to 100 percent, shall actually be raised to 112½ percent. That is what we are debating, and that is what the amendment of the Senator from Oklahoma would do; he has stated himself that that is what it would do. I ask, in all earnestness and good faith, in the midst of the greatest crisis that our Nation has ever faced, and that the world has ever faced, whether when the President asks us to go back to parity from 110 percent, we are prepared to face our country, face our people, face humanity, face our soldiers, sailors, and marines with an actual increase up to 112½ percent. That is the issue that confronts the Senate of the United States today.

I do not desire to take undue time quoting figures, but I have before me a table prepared by the Department of Agriculture showing the indexes of prices received and paid by farmers from 1910 to 1942. Beginning with 1910, the index of what the farmer received in relationship to what he paid was as 102 to 96; taking the period from 1909 to 1914 as a basis equal to 100, in 1910 his index was 102 for what he received and 96 for what he paid. That index fluctuates in every year. The following year, 1911, the farmer's index of what he received was 95, as compared to 100 for what he paid. During the World War No. 1 the farmer's index went up in 1916 to 118; in 1917 it went to 175; in 1918 it went to 202; in 1919 it went to 213; and while it was going up to 213 the index of what he paid went from 96 to 174 in 1919, to 200 in 1920, and to 206 in 1926. It dropped then to 165, and, going along until 1932, the index of what the farmer received was 66 and what he paid was 127. It has fluctuated again, so that now the index of what the farmer receives, as of 100 percent in the base period from 1909 to 1914, has gone up to 163, while the index of what he pays has gone to 152. Those figures are for August of the present year. In other words, the index of what the farmer is receiving above the 100 percent of parity, or of the par, based on the base period, is now 163, and the index of what he buys is 152; so that now his over-all index is 111. That is an interesting development over a period of 32 years. I ask that this table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PARITY PRICES FOR SOME LEADING FARM COMMODITIES

	Corn, per bushel	Cotton, per pound	Wheat, per bushel	Hogs, per hundredweight	Beef cattle per hundredweight	Butterfat, per pound
	Cts.	*Cts.*				*Cts.*
August 1939	79.6	15.4	$1.096	$9.01	$6.72	32.6
1939	80.2	15.5	1.105	9.09	6.78	32.9
1940	80.9	15.6	1.114	9.16	6.83	33.1
1941	86.0	16.6	1.185	9.74	7.26	35.2
1942	97.6	18.8	1.344	11.05	8.24	40.0

ACTUAL PRICES FOR SOME LEADING FARM PRODUCTS

	Cts.	*Cts.*				*Cts.*
August 1939	45.7	8.70	$0.545	$7.81	$6.74	22.4
1942	83.4	18.03	.954	14.13	11.30	40.6

Cash farm income from sales:
1939—$7,900,000,000 (about $1,000,000,000, laborers bill).
1942—over $14,500,000,000 (about $1,800,000,000).
Cash farm income, including Government payments:
1939—$8,700,000,000.
1942—$15,100,000,000 or over.
Net farm income from all agricultural sources:
1939—$5,200,000,000. National income.
1942—over $10,000,000,000. National income.
Net nonfarm income:
1939—$65,800,000,000. National income.
1942—$102,100,000,000. National income.

Mr. BARKLEY. Mr. President, as I said awhile ago, the farmers did not desire that in the consideration of the question of parity farm labor be considered; they threw that out the window, because if they had included farm labor in their index for the period from 1909 to 1914 it would have dragged down farm prices. When the question was submitted to those who spoke for the farmers' organizations they rejected farm labor as an element in fixing parity; and as late as last year, 1941, the Farm Bureau Federation rejected that idea as a part of the parity formula. The reason why it was rejected was a perfectly normal, a perfectly human, and a perfectly logical reason. They desired parity to be based upon the prices of farm products as compared to the prices of things they had to buy. They did not want the prices of farm products dragged down by computing the cost of farm labor, which was low and has always been low and is low now compared to the cost of industrial labor.

Mr. President, I should like to point out very briefly what has happened. The question of farm labor will not be solved by either the Thomas amendment or by the amendment which we have offered as a substitute for it. Neither of them will put another hand on the farm, or keep one there who is there now, because the farmers cannot pay wages as high as those paid in industry, and there is no way in the world that I know of to keep a farm boy from leaving the farm and going into the city and getting higher wages if he desires to go; and considering the low wages some of the hired hands with whom I am acquainted have been receiving all their lives, I cannot much blame them for leaving the farm if they get an opportunity to make a little more in some industrial plant.

The draft, as it is being administered, and as it must be administered under the law, is now making a serious drain upon farm labor and upon agriculture. We all know that, and when we combine that drain with the loss of laborers because of the higher wages paid by industry, it is not strange that farms are being depleted of their labor. But we cannot remedy that situation by fixing prices, because the farmer cannot receive prices high enough to enable him to compete with industrial labor, since if he did then prices would have to go still higher and higher, and that would affect not only laboring men who enjoy the right of collective bargaining, which is largely true of organized labor, but it would affect 38,000,000 wage earners in this country who belong to no labor organizations, and who, by and large, have received no increases in their wages and their salaries, notwithstanding the fact that the cost of living has increased for them 19 or 20 percent.

Mr. President, in 1939 the parity price of corn was 79.6 cents a bushel. In 1940 it was 80.9 cents, in 1941 it was 86, and in August of this year it was 97.6 cents.

In August 1939 the parity price of cotton was 15.4 cents. In August 1942 it was 18.8 cents.

The parity price for wheat in 1939 was $1.09. In 1942 it is $1.34.

The parity price of hogs in 1939 was $9.01 a hundred. In August 1942 it was $11.05.

The parity price of beef cattle in August 1939 was $6.72 a hundred. In August 1942 the parity price of beef cattle was $8.24.

The actual price received for corn in 1939, when the parity price was 79 cents, was 45.7 cents; but in August of this year the actual price received for corn was 83.4 cents. That does not, of course, include any Government benefits.

The actual price received for cotton in 1939 was 8.7 cents a pound. The actual price received in 1942 was 18.03 cents a pound.

The actual price received for wheat at the farm in 1939 was 54.5 cents a bushel. In August 1942 it was 95.4 cents a bushel.

The price received for hogs in 1939 was $7.81 a hundred. In August of this year they were bringing $14, nearly twice as much as in 1939.

Beef cattle at the farm in 1939 were bringing $6.74 a hundred. In August of this year they were bringing $11.30.

In 1939 butter fats at the farm brought 22.4 cents a pound, but in August 1942 they brought 40.6 cents a pound.

These figures show that as industrial prices rose and as what the farmer had to buy went up in 1939, 1940, 1941, and 1942, parity went up likewise, the prices received at the farm rose, and increases in labor costs were automatically calculated.

How much of the increased labor cost can these prices absorb without adding the labor cost as a part of the parity formula and concept?

The receipts from cash sales of all farm products in 1939 amounted to $7,900,000,000. The entire labor bill paid out by farmers in 1939, when they received $7,900,000,000 for their crops, was $1,000,000,000, about 12 percent of their receipts.

In 1942 the cash received from sales of farm products was $14,500,000,000, and the labor cost in their production was $1,500,000,000. These figures were brought up to date by the Department of Agriculture, through its Bureau of Agricultural Economics, as late as yesterday, so they are the newest figures on the subject. In other words, in 1939, when the farmers received $7,900,000,000, they paid out $1,000,000,000 for labor, but this year, when they receive $14,500,000,000, they pay out a billion and a half. They paid for labor during this year $500,000,000 more than they paid in 1939, and they received $6,500,000,000 more than they received for their crops in 1939. That does not include Government payments and benefits. I will later give the figures of the Government payments.

The $7,900,000,000 of which I have spoken was the gross income. The net farm income in 1939 was $5,200,000,000. For 1942 it is $10,600,000,000, or more than twice the net income received in 1939. In 1939 the net income for all people other than farmers was $65,800,000,000. This year it is about $102,000,000,000. So the net income of agriculture since 1939, in proportion and by percentage, has risen a larger percentage than the income of the entire American people from nonfarm sources. These figures do not include cash receipts by farmers who, during the off seasons, work elsewhere than on the farm.

The point, Mr. President, it seems to me, is that the increase of $500,000,000 in the cost of farm labor in 1942, compared with the increase in farm revenue for the same period, has not been sufficient to make it impossible for agriculture to absorb the increase in its own wages.

Do we need legislation to curb inflation? We are trying to curb it, in a way, in the tax bill, but our steps are halting and feeble. We may have to come in after the first of the year with another bill of some kind, either providing for more taxes or some form of forced savings among the people of the United States, in order that we may withdraw from the field of expenditure about $35,000,000,000 of excess purchasing power.

How does that come about? The income of the American people this year will be between $20,000,000,000 and $25,000,000,000 greater than it was last year, so that they will have about $20,000,000,000 or $25,000,000,000 more to spend than they had last year. Let us say it is $20,000,000,000. A vast quantity of goods which they have been in the habit of buying is no longer on the market, and therefore cannot be purchased. It has been estimated by economists and statisticians that the amount of money which the people of the United States will have, which they have ordinarily been spending for things they now cannot buy, will add another $15,000,000,000, so that next year, taking into consideration the increase in income, and the lack of goods to buy, though we have more money with which to buy, there will be about $35,000,000,000 of excess spending power, which must be curbed in some way, because if a man is making money and he cannot buy an automobile, a radio, a refrigerator, or something of that kind, he will go out cruising around the markets to find what he can buy with the money he has.

Mr. President, it seems to me that in the consideration of this great problem we are losing sight of the real issue which faces us. I do not know to what extent any other Senator here, or all of us together, are fixing our eyes on an election. I think it is unfortunate that there has to be an election this year. There is not any way of avoiding it, and I would not avoid it by anything that could be done by way of law or constitutional amendment, but it is unfortunate that we have to even think about an election. We are all human. Artemus Ward, the great American humorist, once remarked that one man has as much human nature in him as another, if not more, and that is as true of the Members of the Senate of the United States as it is of anyone else. However, Mr. President, the boys on Bataan were not thinking of an election. The boys in the jungles of the Solomon Islands are not thinking of an election. The boys who are sailing across two oceans to all the islands of the sea have not been thinking of an election, and will not be thinking of one when they go up against cold steel.

We have not yet begun to hear the real news of our own casualties. We hear much about a second front, and I can understand the impatience of the Russian people, and, it may be, their lack of understanding as to why we have not started one. My position with respect to that matter is this: We are all impatient, we are all anxious for a second front, but the decision as to when and where it shall be cannot be made by politicians. It must be made by our naval and Army officers. They will know when we are ready, and where we are ready, and I am not willing to attribute to them any less anxiety or any less impatience than we ourselves feel in regard to a second front somewhere and as soon as possible.

Mr. President, we have been reading and hearing over the radio about the house-to-house fighting in Stalingrad, where men with bayonets in the ends of their rifles, from under kitchen tables, in cellars, on roofs, in second-story rooms, in first-story rooms, on staircases, have been driving the enemy back, and we have admired their courage and have been thrilled at their exploits. No one knows how soon our own men will be fighting in the same way, in the streets of some city or village. They have already done it on Bataan. They have already done it in the Solomons, and on Wake Island, and in New Guinea, and in China. They may be doing it in Egypt. Before the war is over they may be fighting yard by yard, and foot by foot, and step by step, and porch by porch, and room by room, in France, or in Germany, or in Tokyo—no one knows.

Mr. President, we have sent these men to the battlefields of the world, knowing that they must face the cannon and the dive bomber, knowing that they may be required to go up against the cold steel of a bayonet—and I have always felt that a bayonet thrust—to have a bayonet jabbed into your breast, or into your stomach, or into your throat—was the most cruel and brutal of all forms of warfare. If that is required of these men who are fighting a real world war now, if we expect them to do it without quivering or without quailing, how miserable and how cheap we must appear to them if we are afraid to look down the barrel of a political popgun here on the home front.

We must have a home front. We must maintain a home front. Wars are not being fought now by soldiers and sailors and marines alone. Wars are being fought by peoples; and every farmer in the Nation, every mechanic, every plumber, every professional man, every housewife, every Senator, every Representative, every Governor, every member of a legislature, every county judge, every magistrate and constable—all our people are soldiers now, whether they are dressed in uniform or in the garb of the civilian. Therefore we must not quarrel on this home front, nor haggle over legal technicalities, or over profits made by any group.

The farmers complained because in the Price Control Act we did not fix a ceiling on wages, but that was thrashed out at the time. It is water which has already gone over the dam, and, admitting for the sake of the argument that we were wrong about it, this is the only measure that has been before us or that will be before us in time for action to be taken which puts agriculture and labor on an equality.

In it the President has given the same authority with respect to both—not only the same authority, but the same direction—because this is a compulsion. He is not only authorized but he is directed to regulate both. That direction is not against his wishes, I may add by way of parenthesis. This is the only opportunity we have to regulate labor in the same law by which we regulate prices.

I am willing to trust the President of the United States to deal fairly with everyone. While we have talked about increases in wages and salaries, Senators know that among the 50,000,000 wage earners and salary earners in the United States between one-fourth and one-third of them are still drawing less than $30 a week. About one-third are still drawing less than $30 and that goes all the way down to $10 a week. That includes those who draw $10 or $15 or $24 a week. Those who have not received any increases in the low brackets still pay the 19 percent increase in the cost of their living.

I am not afraid to trust the President of the United States. I may add that I have in private conversations asked how Mr. Leon Henderson would interpret the amendment we have offered as a substitute, if it shall be agreed to and the measure enacted into law. No one knows whether Mr. Henderson will be designated to enforce this law or to administer it. The President may designate the Secretary of Agriculture or any one else he sees fit; but assuming that Mr. Henderson might be designated, I have taken it upon myself to ascertain, and I am authorized to say that if this measure is passed, with the amendment which we have suggested, and Mr. Henderson should be designated to enforce it or administer it, he will do his level best and exert every effort to administer the law in the light of the congressional meaning.

Mr. President, I have already taken more time than I intended to take. I desire to call attention to a statement issued in a telegram sent to me by Mr. James G. Patton, president of the Farmers' Union of the United States, whose organization does not agree with the policy advocated in the Thomas amendment. I realize there is difference of opinion between perfectly creditable and sincere farm organizations, and I am not going into the question of which one of them comes nearest to speaking for the farmer. Probably none of them speaks for all the farmers. Probably all of them together do not speak for all the farmers.

Yesterday I received a letter from a member of the board of directors of a farm bureau in a county in my State, which I wish I could read, but I cannot, because he enjoined upon me confidential secrecy. I wish I could read it. I wish I had time to read the telegram sent me by Mr. Patton. A copy of it was sent to every Senator, and it was given to the press. I ask unanimous consent that it may be printed in the RECORD as a part of my remarks at this point.

There being no objection, the telegram was ordered to be printed in the RECORD as follows:

WASHINGTON, D. C., *September 27, 1942.*
The Honorable ALBEN W. BARKLEY,
Washington, D. C.:

A farmer's income is his production when it is multiplied by price, and therefore price alone is not income. Manpower is needed in production, so we have the three elements—manpower, production, and price.

If it were true that price is the sole factor to assure manpower on the farm, it would then follow that the farmer is in an all-out competition with industry, as to which one can pay the most to the employee. If that be true, inflation is surely on its way. Spiraling living costs will call for spiraling wages, salaries, and service charges.

In our surveys we find that the curtailment of manpower on the farm is due mainly to the draft as it has been operated to date; that it accounts for at least 70 percent of our loss of manpower on the farm. Increased prices for farm products cannot hope to secure the manpower to assure agricultural production.

In our investigations with the various departments at Washington, we did not find any projected program which gives the minimum required production of each commodity necessary to maintain our war effort and civilian needs on all fronts. We find that there has been no break-down of the manpower required on the farms to meet any kind of a coordinated agricultural production. Any business enterprise that operated on such policy would inevitably break down. This is also true of a nation engaged in a global war.

The draft, applied without a master manpower plan, breaks down the efforts to maintain adequate manpower to assure maximum production in three ways by (1) taking farmers or their sons, who would otherwise remain at home on the farm plant; (2) taking of hired farm help, who would otherwise prefer to remain on the farm if permitted draft exemption on this basis; (3) limiting manpower necessary, especially on family-type farms, to increase acreage and production.

The draft, by taking away needed manpower, is making it impossible for farmers to maintain the agricultural production necessary for the prosecution of this war. It already is causing farmers to sell dairy herds and beef cattle for slaughter. It is increasing the number of vacant, unproductive farms.

A change in the formula for determining parity price to include labor costs in order to give the farmer higher income out of which to hire farm labor will not solve the production problem. A ceiling, for example, of 112 percent of parity would not provide enough additional income to enable the farmer to compete with industry in bidding for needed manpower, even assuming that industrial wages are promptly stabilized.

Many of the big war industries have a cost-of-labor provision incorporated into their contracts, so that actual cash consideration is a minor factor when these industries bid for labor. Thus the farmer, who has no guaranty of price, is in no position to compete, even though parity were to go to 200 percent.

It is our conclusion that the relief obtainable by inclusion of a wage scale in parity price is negligible, and that a major step toward solving the manpower problem for agriculture would be to exempt experienced farmers, farmers' sons, and hired men from military service so long as they remain engaged in necessary agricultural production. We must face the fact that there is as much responsibility in producing as in fighting.

If we are to have a fighting force, we must feed it.

The conception of parity or equality goes further than the price of a few agricultural commodities. We have yet to hear any word from a majority of the farm leaders, now supporting increased parity price, on behalf of producers of flaxseed, barley, rye, oats, grain sorghums, and a long list of agricultural commodities which since the depression days of 1932 have been selling far below parity prices. For illustration, if the parity price of the 1942 barley crop of over 400,000,000 bushels could be trebled overnight, it would not increase the income of the barley producer because the Federal Government does not support barley as it does corn prices. The determining factor for barley is the price the product brings on the market.

The argument that on sound accounting principles all labor costs must be included in the price or farm production will fail does not hold good in time of war. Even prevailing prices for the agricultural commodities now above parity, such as dairy products, meats, etc., by themselves will not assure necessary wartime production unless farmers in those fields are supplied with essential manpower. It is necessary to find some way of keeping the farmers' sons and hired men on the farm to the extent of meeting a required minimum production of all of the different farm commodities essential to winning the war.

If a master production-manpower program is immediately set up and the matter of farm price ceilings left to the President of the United States, the best interests of all will be served.

Meanwhile keep the farm boys and hired men now needed on the farms from leaving, and later release as necessary from the armed services those farmers and farm boys already taken who are then most needed to meet the decided production goals. Exemptions from military service for those who follow agricultural pursuits must be based upon fighting a long war and not be 30- or 60-day deferments.

We must determine the farm plant capacity required for all the farm commodities needed for total war, not only by America but also by the United Nations. Increase acreage allotments to get the most use of farm machinery and manpower.

Finally, leave the matter of increasing prices or higher ceilings for certain commodities and other measures necessary for full production by and protection to agricultural producers, to the President and his deputies.

The cross-section report coming to us from the farmers in the Great Plains area and in part of the Corn Belt States is that parity price, as now determined, is adequate for them if they can even get that much and provided that their sons and hired men can be assigned to war duty on the farms to assure production, and, further, that they may have the protection of such prices for a period of years following the conclusion of the war.

If they can have such an assurance, they will know that they need not again experience the devastation of deflation and depression.

Our reports are that all want parity; that all want parity of sacrifice; that all want big business and every other group to be compelled, if necessary, to share in this parity of sacrifice.

M. W. THATCHER,
Legislative Chairman, National Farmers Union, St. Paul, Minn.

Mr. BARKLEY. Mr. President, I do not know which one of these organizations is the largest, the Farmers' Union, the American Farm Bureau Federation, or the National Grange. It does not make much difference. They are all good organizations, and I have worked with all of them, and I am in sympathy with the objectives of all of them. But certainly the Farmers' Union, which represents a large number of farmers in the Middle West, and especially in the Corn Belt, does not agree to the proposition that the parity formula, which they themselves helped to write, ought now to be changed and reconsidered and revamped, and a recalculation made, simply because temporarily farm wages have gone up a little. What may happen when the war is over and farm wages go back? Will these organizations go back to their original position that they do not want farm labor considered because that might drag prices down?

I have before me a statement made by the Ohio Farm Bureau Federation endorsing the President's attitude. I shall not take the time to read it, but ask that it be incorporated in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Farmers would rather have stable prices for a long period than high prices for a short period followed by low prices—which was the experience after the last war, an experience that farmers don't want repeated. The Ohio Farm Bureau has consistently stood for parity prices. We believe farmers are entitled to full parity prices, but that's all we ask. We have been on record for stabilizing of farm prices whenever the other elements were stabilized along with them, especially profits and wages.

The President is trying to head off economic inflation, which would be disastrous for the whole country, and it is up to every economic group to back him up, even if it means a little pinching here and there. Farmers are eager and willing to do their part. This is no time for one economic group to jockey for advantage over the others. We must put the over-all national interest first. That's what the President is trying to get us all to do. I am sure he can count on the common farmers of this country to cooperate.

Mr. BARKLEY. The Ohio Farm Bureau Federation, in a public statement on the 9th of September, 2 days after the President delivered his message, came out in behalf of the President's position and against any reorganization or recalculation or rewriting of the parity formula which the farmers themselves sponsored in 1933 and 1938.

Mr. President, the farmers of this Nation are going to need friends when the war is over, no less than they need them now. When the time comes that most of our men shall go back to industry and to agriculture there will then be an economic and agricultural situation confronting us which we cannot ignore. We cannot serve the farmer now in the midst of war by providing for the same artificial remedy or method that may again look like a mirage or look like a limpid pool of water which turns into dead dry sand when he approaches it. When the time comes when we must readjust our economic situation, when we may have to rewrite the parity formula in view of more recent occurrences and conditions, I propose then to be the friend of the American farmer, no less than I have been his friend from the time I entered public life until this very hour.

Mr. President, I have faith in the President of the United States and in those in whom he expresses his confidence. I also have faith in American farmers. I have gone out among them as much as my time would permit in this great emergency. Sometimes we sit here and say, "I wonder if the people realize we are at war." We see doubt expressed in newspaper columns as to whether the people realize that we are in the midst of the world's greatest war. When I have gone out among farmers I have frequently found them wondering whether we here know that a great war is in progress. The farmers have always been friends of mine, and I trust they always will be. Because of the faith, esteem, and confidence they have in me and in us I hope the time may never come when I cannot now and then journey out among them and, like Antaeus of old, who came down once in a while to put his feet on mother earth, renew my strength by sitting down on a log and taking out a barlow knife and whittling with some farmer, not over the crossing of a "t" or the dotting of an "i," not about rewriting some formula of which he has heard and which he may not understand any better than we do. I hope the time will never come when I will not be free to do that. When I do it my strength is always renewed.

I have faith in those who till the soil, those who walk in the furrow behind the plow handles, with one eye on a row of corn, cotton, or tobacco, and the other on a mule.

Here in the country's heart
Where the grass is green,
Life is the same sweet life
As it 'ere hath been.

Trust in a God still lives;
And the bell at morn
Floats with a thought of God
O'er the rising corn.

God comes down in the rain,
And the crop grows tall.
This is the country's faith,
And the best of all.

Mr. President, I believe that in the proposal we have submitted we have devised the fairest and best solution of this problem that has been offered. I believe that it will become law if it is incorporated in the joint resolution; but in view of the letter written by the President to the Senator from New York [Mr. WAGNER] clarifying his statement in his message of September 7, how could the President sign any measure incorporating a provision against which he is unalterably opposed? If such a provision were included in the joint resolution and message of September 7, how could the pass it over his veto. So Congress would either have to abandon the legislation or "eat crow" by writing a new measure which the President would sign.

Neither process would vindicate the legislative theory. Neither process would vindicate the Congress. We have been asked to act. We have been told that unless we act by a certain date the President can no longer control the situation unless he acts.

I appeal to Senators without regard to party politics. God knows, in the 5 years I have sat at this desk I have tried to conduct myself in such a way as to earn and receive the confidence and respect of my colleagues on both sides of this Chamber. There is not one of you on either side for whom I do not have profound respect. There is not one of you on either side, regardless of any differences which may have existed between us heretofore, for whom there is not an abiding affection in my heart.

I want the Congress to vindicate its existence and its power. I not only want to vindicate it now, but I want to strengthen it in the estimation of our people and of the world.

We have asked our boys to forget their professions and their education, to leave their wives and their children, their loved ones, their sweethearts, their mothers, their farms, their offices, and their stores, and lay their lives upon the altar of their country. That is all we have asked of them—only to give their lives. In the name of humanity, in the name of victory, in the name of democracy, in the name of fairness and justice, have they not the right to ask us, if necessary, to lay our political lives on the altar of our country and vindicate the biblical injunction, "It is more blessed to give than to receive"?

I appeal to Senators. If I had the words with which to do so, I should appeal more strongly than I have ever attempted to appeal in the past. Do not do this thing. It is not a question whether, by doing it, we shall repudiate the President of the United States. It is not so much a question whether, if we do it, we shall repudiate any political organization or any political party, or any agricultural or labor organization. As General Somervell said last night in a very eloquent speech—

> This is no time in America for blocs, except an American bloc.

That is the only kind of bloc that can win this war. If this war is won, there will be credit enough for all of us. If it is lost, there is but one man who will be torn limb from limb, and that is the President of the United States. We have been asked by him to strengthen and uphold his hand on the home front, to make it possible for him, and mandatory upon him, to deal in a legitimate, legal, fair, and just way with the home battle we are fighting. We must fight fear; we must fight suspicion; we must fight impatience; we must fight lack of faith. We must fight with one another, instead of against one another.

It is in behalf of that cause that I appeal to Members of this body, without regard to geography, politics, or any other thing which may divide us.

At the proper time I hope the Senate, in the spirit in which I have tried to speak, will adopt this suggestion, which we believe will serve every purpose and can become a law, and will not only vindicate the legislative process, but strengthen it in the minds of our people and in the minds of the people of the world, who at this hour are looking toward us to maintain freedom—not only the four freedoms, but all the freedoms which men love to enjoy. When the thing is over and our men shall come back, many of them limping, many of them with empty sleeves, many of them with scarred and lacerated faces, many of them with lacerated hearts, because they have been required in the performance of their duty to give up all the hopes they once entertained for their own future—when they come back to us, God pity this country and those who are responsible for it if they come back to find that any of us, any group of us, or all of us together, have connived to make our own financial situation better than it was when they left to fight for us.

Therefore I hope that the amendment offered by the Senator from Oklahoma [Mr. THOMAS], for whom, as he knows, I have the greatest affection and respect, will be defeated, and that the suggestion which has been worked out and offered as a substitute may be adopted by the Senate and become incorporated into law.

Mr. DANAHER. Mr. President, I am certain that there is not a Member of this body who will not find himself in accord with the higher sentiments expressed by the respected majority leader. I am equally certain that he addresses himself to a necessary cause. As a member of the Committee on Banking and Currency, to which was originally referred the emergency price-control bill, as one of the conferees when the Senate found itself in disagreement with the House some months ago, and as a member of the committee at the present time, I have followed this legislation with deep interest.

There are many phases of the appeal which has been made to the country by the President of the United States and by the majority leader which require further exploration. Equally, there are many phases of the appeal which have been made by what has been commonly called the farm bloc which require analysis; but conversely, Mr. President, by no means has it been established beyond challenge that the farming industry of the United States is responsible for impending inflation. By no means can it be said that the farmers as a group have brought on themselves the diatribes, the insinuations, and the intimations which we have heard over the radio, in the press, and on the floor of this body during the past several days.

It equally follows, Mr. President, that the farmers of the country, insofar as their purported leaders urge in this measure a so-called guarantee of parity plus labor costs, are being handed a "gold brick."

That is illusory, it is deceptive, it is delusive, and in my judgment it was intended to be.

However, Mr. President, we cannot ignore the signs and the portents which emanate from every State. We cannot disregard the speech of the senior Senator from Minnesota [Mr. SHIPSTEAD], in which he told us of 10,000 impending farm auctions in Minnesota this year. We cannot ignore the speech delivered yesterday by the junior Senator from North Dakota [Mr. LANGER], in which he told the Senate of the situation as he found it in the heart of the Farm Belt in the Northwest.

O Mr. President, we do not have to go to Minnesota or to Oklahoma or to the Northwest in order to see what is happening. I hold in my hand an excerpt from the Hartford Courant, of Hartford, Conn., advertising an auction of "31 cattle, accredited for T. B.," by the Granger Sales Co.—the cattle of the so-called Aselton Farm. Directly below the advertisement there is the notice of the impending auction of "23 dairy cattle accredited for both T. B. and Bang's disease"; and directly below that is the notice of the dispersal auction of "23 grade dairy cattle, accredited for T. B.; 22 cows, principally Holsteins." The advertisement states:

> This herd stood second for milk production last year in the Tolland County D. H. I. Association, with an average per cow of nearly 10,000 pounds and 361 pounds of fat.

Mr. President, that situation is obtaining everywhere; but most certainly we shall not cure it by some parity formula. Obviously, what is required by the farmer, Mr. President, is a guarantee of his costs—not prices. What difference would it make whether the farmer received $5 a quart for milk if he could not pay the costs, if he could not hire the necessary labor, if he could not procure it so as to be able to get the milk?

Mr. President, the United States is facing during the coming year a shortage which is most ominous. It is not due solely to farmers; it is not due solely to the economic policies of the administration. It is due to a combination of factors which no one piece of legislation could rectify; but insofar as it lies within our power to guarantee the farmers their costs of production, insofar as the elements of food necessary for our maintenance must be produced, that much we can do, and no less should be done.

On the desk of each of my colleagues lies a proposed substitute which I had drawn after conference with various of the members of the committee on the majority side, after conference with officials charged with the responsibility of administering the act, and after conference with the legislative draftsmen. The President of the United States told us that we must secure the necessary production, that we must secure a stabilization of prices, and that we must secure a stabilization of wages. As to each of the former he said that within our prerogatives we could act properly. As to wages he said he intended to act, and that we should leave the matter to him.

I accept the sense of the majority of the Committee on Banking and Currency and the action of the Senate thus far in its adoption of sections 1 and 2 of Senate Joint Resolution 161. The pending proposed substitute which now lies on the desks of Members of the Senate, a substitute which I have offered, takes account of both those sections, and repeats them verbatim. However section 2 is a most important section. It would repeal section 2 (f) and section 3 of the Emergency Price Control Act of 1942. Why? Well, Mr. President, on September 7 the President of the United States told this Congress:

> The reason why price ceilings have not already been imposed on all food products is,

as you know, that paragraph 3 of the Emergency Price Control Act prohibits such ceilings until farm prices as a whole have gone up beyond parity prices—far beyond—as high as an average of 16 percent beyond.

When Secretary Wickard came before our committee, Mr. President, on the 15th of September, he told us:

I would like to call your attention to the fact that section 3 (a) of the Price Control Act prevents any check on farm prices until they go considerably beyond parity, or prices now prevailing, and this is an obstacle to carrying out the President's program.

Mr. President, if we want to carry out the President's program, if we want to take heed of what he told us, and have regard for the message of the Secretary of Agriculture, what wiser, simpler, more direct method of removing that obstacle to the accomplishment of his program than to repeal it? That is what section 2 of the proposed substitute would do.

What would be the result. Were we to repeal section 3 of the Price Control Act, and place all agricultural products under section 2 of the act, the entire act would be bound as a matter of mandatory requirement to be administered in accordance with congressional standards. It would be followed out in accordance with the rationale which this Congress adopted. It would not be dependent on the whim of the President or of any deputy chosen by him under the executive authority.

Mr. President, before ever a price ceiling could be put on any such commodity it would be necessary that the Administrator take into account the congressional standards, which include—

Speculative fluctuations, general increases, or decreases in costs of production—

And general increases in costs of production clearly include farm labor, Mr. President—

distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941.

Not only could no ceilings be interposed, until and unless those factors were taken into account, but more important, under section 2 (e) of the act a floor could automatically be fixed under all farm commodities or any other types of commodities.

Section 2 (e) reads as follows:

Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year—

I emphasize those words, Mr. President, for we had a purpose in writing them in the bill. They were placed there in the first place because we knew that there would have to be taken into account, in advance of the growing season, the threatened shortage in the ensuing year; and, consequently, to the end that there would be accomplished a guaranty in advance, under the authorization of our own legislation, that a minimum price or a floor assuring the farmer or any other producer of his costs would be established for the commodity, we inserted that language. It is so simple of execution that were the Administrator possessed at this moment of the power which would thus be continued he could issue his order on Monday next guaranteeing to the farmer his costs of production and guaranteeing to him costs of distribution and transportation for the ensuing year. Consequently, the farmer or the producer of any commodity would know that for the year 1943 his costs were assured.

Section 2 (e) of the Price Control Act then provides that the Administrator—

may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, * * *.

Mr. President, the farmer has been castigated in this Chamber and across the country; and yet the fact of the matter is, as was established by the table so carefully and diligently prepared by the Senator from Kansas [Mr. REED], that, of the 31 leading commodities in the index of the Department of Agriculture, only 6 are at parity levels, and the others are far below parity. Consequently, Mr. President, there is no question whatever of a ceiling price with reference to these commodities. Moreover, in 1941 we passed legislation which authorized the Secretary of Agriculture to call for the expanded production of certain commodities; and in the event that the right to expand production were granted to the producers of this country, such producers were to be guaranteed not less than 85 percent of parity for the basic commodities, and a comparable price for all other commodities for which expanded production was asked. That is now the law. If we desire to amend it, to expand it, or to extend it we can do so. However, that is not involved in the pending measure, nor should it be.

Mr. President, the remedies open to us are many; but in the pending measure we cannot attack all of them. As the Senator from Kentucky [Mr. BARKLEY] has stated, we certainly are not going to guarantee a farmer that he will get farm labor by assuring him a ceiling price of parity plus. When the National Youth Administration is reaching all across the United States, taking boys off farms, paying their way to the East, and then paying their board until they get a job in a defense industry, do we wonder why boys are leaving the farms? When the Manpower Commission, without regard to the farm problem, is taking men from wherever it can get them and putting them into industrial production, do you wonder, Mr. President, that men are being lost to the farm?

Mr. REED. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. REED. I desire to confirm what the Senator from Connecticut has said so forcefully. In the latest issue of the newspaper of my home town, where there is an N. Y. A. school, 17 students from that little school in that little city of 15,000 people went last week to a shipping industry in the East.

Mr. DANAHER. I do not question it, and I thank the Senator from Kansas for his contribution.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. DANAHER. I am glad to yield to the Senator from Minnesota.

Mr. SHIPSTEAD. I have information from my State that the Federal Employment Service is sending men into farm areas to solicit farm workers to go into industrial employment, and holding out as an inducement the high wages they can get if they will leave the farm.

Mr. DANAHER. I thank the Senator from Minnesota, and I believe his statement to be correct.

Mr. President, my State is full of boys who have been brought in from the outside to add to the industrial labor pool in the communities in which they are employed, and their home draft boards defer them on the ground that they are engaged in a defense industry, whereas the local boys who must appear before their local boards, composed of men who are familiar with the demands of essential industries, know that the home boys are not necessarily essential; consequently, they refuse to defer the local boys in the industries, and they are sent away to the Army, while those from outside are retained in industry.

Mr. SHIPSTEAD. Mr. President, will the Senator yield further?

Mr. DANAHER. I yield.

Mr. SHIPSTEAD. Is it not also true that the local board is called upon to furnish a certain number of men from a community for the Army?

Mr. DANAHER. I have no doubt of that.

Mr. SHIPSTEAD. So the board must take them from among those who are left on the farm who have not been solicited and who have not responded to the solicitation to go away from the farm and obtain high wages.

Mr. DANAHER. There is no doubt of that, in my judgment, but I say to the Senator from Minnesota and to my other colleagues that we cannot rectify all these matters in this measure. I do say, however, that is the sort of thing which we must rectify before we can assure the farmer the maintenance of a farm labor pool on which he may depend. The individual farmer, if guaranteed his cost, will produce to the very limit, and the more production we have the better off the country will be. It follows just as reasonably as our minds will work, that the more abundant a commodity, all the easier it is for the price to take care of itself; the old law of supply and demand, then, will govern, as a matter of fact. It was on that theory that we established a maximum ceiling level in the first instance with reference to all other commodities.

I saw the Senator from Ohio [Mr. TAFT] rise a moment or two ago. Did he wish to interrupt me?

Mr. TAFT. No.

Mr. DANAHER. I would have welcomed any interruption from the Senator from Ohio.

Mr. President, to refer for a moment to the proposed substitute, under section 3 the President would be authorized to promulgate such regulations as may be

necessary, following the language of the original joint resolution reported by the Senate Committee on Banking and Currency. Under section 4 section 1 (b) of the Emergency Price Control Act would be extended for an additional year beyond June 30, 1943, and all provisions with reference to orders or regulations now apearing in the Price Control Act would be integrated in my proposed substitute. Under section 5 no employer would be permitted to pay and no employee would be permitted to receive wages or salaries in contravention of the regulations to be promulgated by the President in accordance with the pending joint resolution. There is a penalty provision in the event of a violation of any such regulations. Finally, Mr. President, there is a provision that the joint resolution and all regulations under it—

shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

Mr. President, that is all there is to it; that is all there need be to it. We would be carrying out every single intendment uttered by the President of the United States; we would be entrusting him with the execution of a law created under our standards, containing our specifications, and even providing, in accordance with the Emergency Price Control Act, adequate review, appeal, and all the other saving provisions which exist with reference to all other commodity producers.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DANAHER. I yield to the Senator from Wisconsin.

Mr. WILEY. I desire to thank the distinguished Senator from Connecticut. I wish to say to him that, throughout the entire discussion of the pending measure, it has been demonstrated, as the Senator said a few moments ago, that our problem is to get labor back to the farm. I ask the Senator whether or not, under section 3, there would not be ample authority for the President to get labor back to the farm?

Mr. DANAHER. Does the Senator mean under section 3 of my proposed substitute?

Mr. WILEY. Yes.

Mr. DANAHER. Let me say, parenthetically, in the first instance, that that is taken, word for word, from the pending joint resolution, and is language upon which the Banking and Currency Committee of the Senate has already agreed.

Mr. President, I am not prepared to say in what manner the President would execute the powers entrusted to him under section 1 and section 5. It is my belief that his advisers would be able to state that given areas must be regulated on given standards. I cannot believe, however, that the President would go the length of saying that wages must be "frozen," if I may borrow a term, in a given area.

I believe that this country has not yet reached the point where England finds herself of ordering a man from job A to job B. Whether or not we are ready for that, I am not prepared to say, but I believe that the time will come when that certainly will be a necessary eventuality, for, as the war effort progresses, as new trainees are developed, many of whom have been and will be taken into employment and their skills increased, additional men will be relieved from essential industry; perhaps farm boys, as the Senator from Wisconsin intimates, would be directed to return to the farm. We have not reached that point yet as a matter of legislation and it is my belief that it is not contemplated under the pending joint resolution.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. DANAHER. I yield to the Senator from Nebraska.

Mr. NORRIS. I think probably the Senator, in his last sentence, answered the question I was about to propound to him. I agree that the conditions of farm labor must be remedied, and it appears to me also to be very plain that that cannot be done under the pending joint resolution. I think a great deal of the debate, important, interesting, and factual, sets forth a situation that demands a remedy, but I myself do not understand how the joint resolution or any of the amendments which have been proposed would meet that situation. I do not think it is the object of the resolution.

Mr. DANAHER. I share the conclusion of the Senator from Nebraska, subject to his amending it by an answer which I believe can be elicited thus: Does the Senator believe, if a farmer can be guaranteed his cost of production that a tendency to maintain production will be increased as a result?

Mr. NORRIS. It certainly would be, but, after all, if it were agreed to pay the farmer or if he were guaranteed a price, for instance, of $5 a bushel for wheat, if he could not get the labor and could not perform the work himself he could not produce the wheat. The farmer's labor is being taken from him, as I understand and believe, first to meet the needs of the Army, and, second, to supply industrial projects of various kinds, thousands of which are necessary, and the number of which is now actually growing, I think, all over the country. We do not want to destroy any industry; we do not want to destroy or cripple the Army; but when we take those two means of depleting the labor on the farm, we have to a very great extent made it impossible for the farmer to produce the food which is necessary to sustain an army in the field, regardless of what anyone may be willing to pay for it.

Mr. DANAHER. And regardless of the pending joint resolution, or the various substitutes.

Mr. NORRIS. Yes.

Mr. DANAHER. I agree with the Senator from Nebraska.

Mr. NORRIS. The Senator asked me—I do not know whether he is expecting me to answer the question or not—if I agreed with the proposition that the farmer should get cost of production, perhaps a profit. He should have them. Perhaps at this time we might say to all people, "You cannot expect a profit while the war is on." But the farmer must have cost of production. He must have a living.

However, whether we are to guarantee the cost of production depends upon what is to enter into it. Suppose we said by act, "We guarantee to every farmer the cost of production"; and suppose I were operating a big farm, and offered $5 an hour to anyone who would come to work on the farm, and to pay time and a half for overtime. We would not want to guarantee anything like that. We should guarantee cost of production under conditions which the farmer has to meet. I admit that. I believe in that. The farmer should have that.

Mr. DANAHER. I thank the Senator from Nebraska.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Connecticut yield to the Senator from Montana?

Mr. DANAHER. I yield.

Mr. WHEELER. The compromise offered by the Senator from Oklahoma [Mr. THOMAS] yesterday proposed to guarantee the farmer cost of production. What the Senator from Nebraska has said is, of course, true. In some places, on some farms, the cost of production may be higher than elsewhere, but it is possible to arrive at some general cost of production for wheat, sugar beets, and certain other things in an area.

We are guaranteeing to manufacturers and to others the cost of production. We are not only guaranteeing them cost of production but we are guaranteeing them a reasonable profit in addition. In other words, we are giving them what it costs to produce, or to build, and, in addition, we are paying them a fee. We do that with the manufacturer, we do that with the man working in the defense industry, and how can it be said we cannot do it with the farmers, and carry it out in a legitimate way?

While I am speaking——

Mr. DANAHER. Does the Senator want me to answer that question first?

Mr. WHEELER. No; I was merely making a statement. I know the Senator will agree with me that it can be done.

Mr. DANAHER. Not only do I agree, but I insist that the Price Control Act contains the mechanism by which to do it, and to take into account the cost of production, the cost of distribution, the cost of transportation, and a reasonable profit. Let me say to the Senator from Montana that it even goes to the length of guaranteeing a subsidy, if necessary, to maintain production.

Mr. NORRIS. We may have to come to that.

Mr. DANAHER. We may have to do that.

Mr. NORRIS. But there is a difference between guaranteeing cost of production, and providing by law that it must be taken into consideration in fixing prices.

Mr. DANAHER. No, not prices—maximum prices.

Mr. NORRIS. Maximum prices; very well. We could put on a guaranty so high that a man could go out in the

desert and haul water with which to irrigate and raise corn, where under ordinary conditions corn could not be produced at all. If our guaranty were good, and had no limit to it, we could do a silly thing like that. We get into trouble because we do not want to make a guaranty that would cover such a condition, and so, as the substitute provides, this must all be taken into consideration.

The mere fact that we take into consideration the cost of producing wheat, and guarantee the cost to the producer, does not mean, it seems to me, that under that kind of a law a man would be allowed to produce a crop in a latitude where he would have to erect a glass building over it in order to secure it, or any crazy thing like that. But the cost of production ought to be taken into consideration. I do not believe there is any dispute about that.

Mr. DANAHER. I agree with the Senator, but, of course, the Senator does not impute to me an assertion that we should build glass houses over cornfields, or anything of that sort.

Mr. NORRIS. No. I do not believe I disagree with the Senator at all.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WHEELER. If we want to be foolish enough we can guarantee to a farmer, even as the Senator has said, the cost of erecting a glass case around a crop, or anything of that kind, but, so far as I know, no one has even suggested such a thing. The Bureau of Agricultural Economics has figured out generally what it costs a farmer to produce certain crops. The Army and the Navy also figure out what it will cost to build some project and then they allow that cost to the contractor, and give him a percentage of the cost for doing the work.

Of course we do not want any runaway inflation. I entirely agree with the President that that would be one of the worst things that could happen. However, when Senators stand on the floor of the Senate and say that there can be guaranteed to a manufacturer or to a defense industry, the cost of production, that a similar guaranty cannot be made to the farmer, then I say it should not be done at all, and if the Bureau of Agricultural Economics of the Department of Agriculture cannot figure out what it ordinarily costs the average farmer to raise wheat or corn, we should abolish the Agriculture Department, because it is nonsensical to say it is impossible to figure out the average cost of raising sugar beets, or wheat, or corn, or cattle, in the United States.

Mr. DANAHER. Let me ask the Senator a question. When the United States Navy or the United States Army orders shells to be made and sent somewhere to be used to destroy life, who pays for them? Obviously, all the people; do they not?

Mr. WHEELER. Certainly.

Mr. DANAHER. If the Army needs beef and if the Army needs dairy products, including cheese and butter, who should pay for them?

Mr. WHEELER. All the people should pay for them.

Mr. DANAHER. Is it not properly and equally a charge on the whole economy?

Mr. WHEELER. Of course.

Mr. DANAHER. Yet, because of the reduction in supply, the balance left naturally tends to rise in price, and because it does, and because the food prices have risen—though only 9 percent since January of this year—the farmer is excoriated as some sort of malfeasor, like an incompetent dentist perhaps, pulling a sound tooth from the body corporate, with resulting pain, and it all causes a howl.

Mr. WHEELER. If the Senator will permit me, I should like to read an article from the Glasgow, Mont., Courier, containing excerpts from a letter written by Charles Maag to Gov. Sam C. Ford. The letter is as follows:

"The way things stand now, I will be better off not to dig a single beet this fall, and that is just what I am going to do," was the declaration this week of Charles Maag, Glasgow beet grower, in a letter to Gov. Sam. C. Ford appealing for any help he can give to growers of northern Montana.

Maag, who is one of Valley County's largest growers, said other beet farmers have agreed with him in his stand. Among those in this area who have signed, indicating concurrent opinion, are Robert Cotton, H. P. Olsen, Ned L. Rushton, Howard Porter, Francis Lamphier, Alfred Lee and D. J. Meyer of Nashua, Jim Mullen, C. E. Wilson, P. R. Rohrer, and Mrs. Sadie E. Hall.

In his letter to the Governor, Mr. Maag said he told the sugar-beet company field man that "The company can go 50–50 with me on what beets I can get out of the ground or I am not going to turn a wheel this fall.

"WHY SHOULD WE?

"I mean just that," he adds. "I have 110 acres of beets. The company has financed seed, planting, thinning, and hoeing charges of $22 an acre or $2,420. I have put in $2 an acre water charges. This all mounts to $2,640.

"I can't find one man to work. I have me and my two boys to dig and top beets. Working hard, we can get out enough beets to pay off what I owe the company in about 60 days. Why should I do that? They're in the same boat I am. The way things stand now, I will be better off not to dig a single beet this fall, and that is just what I am going to do. I have learned plenty this year."

Turning to fruitless efforts to get labor through relocation authorities, he adds: "We have evidence that the few Japs in Phillips County have letters from many friends in relocation camps. These friends have tried their best to get out of camps and work in the beet fields. They want the work and they don't like the camps. They have worked every angle they know how, but they can't get out. There is a sticker somewhere in this relocation plan. A month ago we were told we would have plenty of Japs. We haven't a sign of one and we're supposed to start digging beets next week. The beet company field man has brought in some Indians and other labor. After a few days they quit and go to work on our local airport project at from $7 to $10 a day. We can't beat that."

DIFFERENT STORY NEXT YEAR

He adds that "it is going to be a different story for me next year; no beets. Some of my friends thin't I should be afraid to write a letter like this. Why should I? I can't be any worse off than I am now. I know this relocation is all mixed up in politics and it should be soft-pedaled until after election. That is what some of these Government bureaus seem to think. But waiting until after election isn't going to help me or a lot more in the same boat.

"The boys and I have worked harder this year than I ever did in my whole life before. We had to spread things out pretty light and I haven't got as good a crop as I would have had with enough labor. But it is worth harvesting, if I can get the help.

"Last spring, I understand, our Manpower Chairman, McNutt, told one of our Senators that there wasn't any farm labor shortage in Montana. I wonder if he will still say that? We had a whole lot of town people and high-school boys and girls who helped thin and hoe beets. But they can't do the topping job. We have to have outside help. We don't need it next week or next month. We need it right now. If we don't get it, hundreds of acres of sugar beets are going to stay in the ground, and I am willing to bet the next year's acreage will be cut at least 75 percent.

"I am writing to ask that you do anything you can to help in this trouble. There are a whole lot more farmers like me who are willing to raise the crops we need in this country, but we hate to go broke doing it."

If I may add a word, I have taken the matter up with the State Department, with the Manpower Division, with the Relocation Division, and others, and the whole trouble is that there are four or five different bureaus, each one having a finger in the pie. It is an example of bureaucracy in Washington gone mad. I took the matter up with them as early as last May, and nothing was done, except that they promised we would have Mexican labor and Japanese labor. In the meantime, the farmers are not going to plant their crops for harvesting next year. It seems to me that the trouble is, and I say it with regret, that the advice given to the administration on the farm program has been from the standpoint of New York consumers, who have no appreciation of the difficulties with which the farmers of the country are confronted. The people in New York who are howling about farm prices, as well as some of the great newspapers in the East, have no appreciation of the problems of the farmers. However, the farmer referred to in the article which I have read has had the courage to say that he is not going to put in crops next year, but is going to sell his cattle and sheep and hogs.

The people in New York who are complaining about the prices of farm products are not going to get anything to eat unless the farmer can receive the cost of production of his crop. He is as patriotic as any group of publishers, or any other group in the United States of America. But when he sees the profits being made by other people, and sees his labor being taken off the farm, he cannot be expected to go on and work from early morning until late at night at back-breaking jobs to produce crops, when no profit will result to him, and when in many instances he is in debt and cannot afford to pay the interest.

Mr. DANAHER. I merely wish to comment, by way of observation, on what has been said by the able Senator from Montana. I agree in the main with what he has said. I am convinced that it is

true. I wish to repeat and reemphasize that the pending measure will not cure the difficulty he points out, and anyone who leads a farmer or anyone else to think that it contains a panacea is perpetrating a delusion.

Mr. WHEELER. I thoroughly agree with what the Senator says. There is not in the joint resolution anything which will solve the problem. It is possible to help the farmer to some extent by giving him a price for his product so that he can pay for labor in competition with defense industries, but to that extent only. That will not cure his trouble, because for one thing, the farmer cannot obtain labor, by reason of the fact that young men are being drafted, and because the wages which are being paid in defense industries are so high that farm laborers are leaving the farm to go to work in the defense industries.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Kansas?

Mr. DANAHER. I yield.

Mr. REED. Mr. President, I wish to concur in what the Senator from Montana said about the dumbness and stupidity of the eastern newspapers, and I wish to add the Washington newspapers to those suggested by the Senator from Montana [Mr. WHEELER] as being dumb newspapers.

Mr. President, I am a newspaperman, and a pretty fair newspaper reporter, I think. I wish to add the Washington Post and the Washington Star to any list of newspapers that have never carried, so far as I have seen, a single intelligent line concerning the farm problem.

I wish to make one exception. Gould Lincoln, who writes a column for the Washington Star, is allowed some latitude. Gould Lincoln, having a lot of sense, wrote in the last few days that there was a great deal to be said on the farmer's side. I hope he has not lost his job by this time.

Mr. President, that is the only intelligent line I have ever seen in the Washington Star or the Washington Post about the farm question, either in the editorial columns or in that part of their news which is editorialized. All their news is not editorialized. The Washington Post particularly has a very fine news staff, but none of its writers are ever permitted to write a line which would convey to the people of the District of Columbia any adequate conception of the farmer's situation.

Mr. President, we of the farm bloc—and I again proclaim my membership in the farm bloc—have stood upon the floor of the Senate for years and tried to give the truth of the situation to the people of the country. But the people of the District of Columbia have never seen anything in the Post or Star about our side of the case.

I now wish to say another thing to the Senator from Connecticut. Yesterday in making my remarks on the floor of the Senate I used a table prepared for me this week by the Bureau of Agricultural Economics, on which all of us who use agricultural statistics lean. I wish, if I may, to correct the statement made by the Senator from Connecticut that the cost of living has risen 9 percent—if I correctly heard him—from January to August. The index of living costs was in January 162.3. In August it was 170.1. That is an increase of almost 8 points. But—and here is where the Senator from Connecticut may have erred through an improper application of those factors——

Mr DANAHER. No; Mr. President, I shall not concede that I did err, but for present purposes I am willing to permit the Senator from Kansas to continue.

Mr. REED. Very well. I wanted to call attention to the fact that that factor of August of 170.1 is to be applied to the basis of January, which is 162.3, not back to the 100-percent base. On that application, which I assure the Senator from Connecticut is a correct application, the increase in the cost of living, as I have computed it, from January to August, is 4.8 percent. That, again, I say, is an indi ment of the President of the United States for his inaccurate and incorrect premise used in his message of Labor Day to the people of the country.

Mr. DANAHER. Mr. President, will the Senator from Kansas tell me whether or not when he uses the term "cost of living" he includes such an item as cotton, for example?

Mr. REED. Yes.

Mr. DANAHER. Very well. Does he include clothing?

Mr. REED. I am using the table which is used by the Bureau of Agricultural Economics in the Department of Agriculture, and it includes all those items.

Mr. DANAHER. Then the point obviously is that the Senator is talking about the cost of living on an all-over basis.

Mr. REED. That is correct.

Mr. DANAHER. And I said that the cost of food only had risen 9 percent.

Mr. REED. Then I misunderstood the Senator. I beg the Senator's pardon for interrupting him.

Mr. DANAHER. I am glad to have the Senator from Kansas interrupt me. I do not wish to have him say that I erred, if he is talking about something else.

Mr. REED. Mr. President, I withdraw that statement. To my knowledge, the Senator from Connecticut has never been in error, and he is not in error now. [Laughter.]

Mr. DANAHER. Mr. President, I could ask no more complete absolution.

I referred a while since to the farmer being handed a gold brick under the pending measure. I direct the Senate's attention to section 3, where we are told that no maximum price shall be established or maintained for any agricultural commodity below a price which will reflect to producers the higher of the following:

(1) The parity price.

(2) The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942.

So far as the "higher" price is concerned, Mr. President, on all commodities which have not reached parity, it is perfectly obvious that parity would be the higher. Insofar as there may be a ceiling imposed as the result of some articles having gone through parity levels or the highest prices fixed in accordance with clause (2), it equally follows that you are tending by the proposed legislation to freeze for all commodities, whether they are out of season, whether they are rare commodities, whether they are specialty crops or items or not, the highest price paid by the public at any time over a period of some 9 months.

At the same time, Mr. President, you are freezing the price which the United States itself had to pay when it went into the market, under the emergency demand of the war in the early months of the war, to equip not only our Army and our Navy, but all our Allies, with the foodstuffs and the supplies which enter into the generally rising cost of living, and obviously the Government had to pay high prices through the procurement divisions in order to get the goods.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WILEY. I understand the Senator plainly to say that the consuming public in that respect is being handed a gold brick.

Mr. DANAHER. That is included, I will say to the Senator from Wisconsin.

Mr. WILEY. Yes. The whole argument has been that the consuming public must be taken care of, is it not?

Mr. DANAHER. Mr. President, we want to take care of the consuming public. We want to take care of all elements in our economy. That is the whole purpose of my trying to include agricultural commodities under section 2 of the Emergency Price Control Act, for the reason, let me say to the Senator from Wisconsin, that the President told us in his speech to the Nation appearing at page 7082 of the CONGRESSIONAL RECORD for September 10:

> Our experience with the control of other prices during the past few months has brought out one important fact—the rising cost of living can be controlled, providing all elements making up the cost of living are controlled at the same time.

In other words, Mr. President, unless we are going to permit the entire price level in our economy to go up in a gentle rise as the inflationary factors or demands produce that rise, it follows that we are going to have an uneven, unwieldy economy, with collapse at some points. It is because it is said that there was a threat of collapse at one point, and one point only, that all this agitation arose. I say to the Senator from Wisconsin that we cannot expect in the dislocations of war times to maintain anything like a reasonably stable economy in the first place. In the second place, insofar as we can maintain it we must do it on all fronts at the same time. We must approach the problem and at the same time take into account all elements which will produce dislocation.

Let me call to the attention of the Senator from Wisconsin, who is always interested in the facts, a statement which was made, and perhaps has not come to the notice of some of our colleagues, by Mr. Arthur C. Bartlett, who is special assistant to the Administrator of the Agricultural Marketing Administration.

Speaking over Station WGY on the Farm Forum program, September 18, he said:

> The daily shopping list of foods being sent to the United Nations starts off like this:
>
> Now notice. This is the daily list:
>
> Six million pounds of pork, 8,440,000 dozen eggs, 14,300,000 quarts of milk, 1,300,000 pounds of cheese, and 1,750,000 pounds of dried beans.
>
> That is 1 day's shopping list, mind you.

Mr. President, we simply cannot take such quantities of those foodstuffs out of our economy every single day and not expect dislocation. Mr. Bartlett told us further, that for 1943, for the next 12 months, meat earmarked for our armed forces and for our allies aggregates 6,000,000,000—not million, but 6,000,000,000 pounds.

Where are we to get the production, Mr. President, to restore to our consuming public the 6,000,000,000 pounds of meat thus extracted?

Mr. WILEY. Mr. President, will the Senator yield?

Mr DANAHER. I yield.

Mr. WILEY. To return to the goldbrick question, as I understand, under clause (2) of section 3 of the joint resolution, the farmer is to receive—

> The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942—

As the Senator knows, and as I believe he stated, six commodities went above parity, but two commodities went up to 136 percent and 124 percent, respectively, of parity. The joint resolution would fix those prices to the consuming public at 136 and 124 percent, respectively, for the duration, would it not?

Mr. DANAHER. No. Let me say to the Senator from Wisconsin that that is precisely where the farmer is being handed the "gold brick." He is promised in clause (2) of section 3 that no ceiling will be fixed over any commodity at a level lower than the highest price mentioned by the Senator from Wisconsin. Then the section goes on to state:

> *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities.

Does not the Senator realize, then, that the President can say, and will say, that there is a gross inequity in permitting such a commodity to have any such price, and that therefore he may reduce it?

Mr. WILEY. I say that the power is there; but in view of the fact that the President has permitted the condition to exist up to date, when he had the power under the old law to reduce the price to 110 percent and did not do so, how is he to justify his action in the future when he did not act in the past through Mr. Henderson?

Mr. DANAHER. I will quote the President, and let the President answer the Senator from Wisconsin. I quote from his message to us:

> Prices for these—
>
> Meaning butter, cheese, and evaporated milk—
>
> have been going up so fast that they constitute a serious threat to an adequate supply of fluid milk. Unless we are able to get control of butter, cheese, and dairy products in the very near future, the price of milk in large cities is certain to go up.

The Senator may place any interpretation he chooses on that statement; but I have one.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WILEY. In connection with the butter and cheese statement which has just been made, I wish the country could see the true picture. In Wisconsin, farmers are receiving between 4 and 5 cents a quart for their milk, which under present conditions does not pay the cost of production. It is generally conceded that about 4 quarts of milk are required to make a pound of cheese. That means that if the farmer receives 5 cents a quart for his milk, he puts 20 cents into a pound of cheese. I have in my office a statement from a large cheese producer in my State to the effect that he will sell me cheese at 28 cents a pound, meaning that the additional cost per pound is 8 cents. Yesterday and last week such cheese sold in Washington for 59 or 60 cents a pound. There is a great deal of misapprehension on this question. The farmer receives 20 cents; but when I buy the same cheese which my milk produced, I must pay 300 percent of 20 cents, or 60 cents—an additional 200 percent.

As I say, Mr. President, there has been much misapprehension on this question. The press—not all of it—and the columnists—not all of them—have done a great wrong to 30,000,000 people of this country. Whether or not those 30,000,000 people continue to produce may determine whether or not we win the war. If it is thought that the price of 4 or 5 cents a quart for milk should be reduced, where are we to get the milk?

Already these very tactics have resulted, as was shown in my remarks before the Senate on Tuesday, in tens of thousands of milk factories—I mean cows—going to the butcher, and hundreds of farms becoming unproductive in my State. That is the thing which we must think through. I recognize that the joint resolution is no answer to it; but after listening to the impassioned appeal of the majority leader today, I suppose the country will be told again that unless we pass the joint resolution, the whole Nation will go to the dogs, because the joint resolution is the panacea for all ills. Perhaps it might be better to pass the joint resolution and have another awakening, as we have had during the past months.

Mr. DANAHER. Mr. President, addressing myself further to the problem of cheese production, let me say to the Senator from Wisconsin that the same Mr. Bartlett whom I earlier quoted told a radio audience that the military and lend-lease requirements will take about 60 percent of the next 12 months' cheese production, even if we hold it up to the peak. I ask the Senator from Wisconsin—or the Senator from Vermont [Mr. AIKEN], who has risen—how are we to maintain cheese production in any such ratio unless some arrangement is made to give to farmers a floor under prices which will permit them to know that they may retain their cattle and not slaughter them? As I understand, about 3 years are required to breed a milk cow. The Senator from Vermont can confirm that statement.

Mr. WILEY. About 3 years are required. I suggest that the Senator address that question to the press, and particularly to some of the columnists who have been befuddling the thinking of America on this vital issue.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DANAHER. I yield to the Senator from Vermont.

Mr. AIKEN. The Senator from Vermont was about to suggest to the Senator from Wisconsin that it is very doubtful if the farmers of Wisconsin receive 5 cents a quart for the milk which goes into cheese.

Mr. WILEY. Between 4 and 5 cents.

Mr. AIKEN. As I remember, the price of 4½ or 5 cents a quart is the blended or average price received for the surplus milk and also for the milk which is sold as fluid milk by farmers, probably to the city of Chicago.

The fact is that whereas labor receives time and a half for working overtime, the farmer receives half time for his overtime. As the Senator from Wisconsin knows, we have two prices for milk, one price, which is between $3 and $4 a hundred, for the milk which is sold in the city directly to the consumer as fluid milk. What is produced over and above that amount is surplus milk, and goes into cheese, casein, butter, and other by-products. It brings about half as much as the milk which goes directly to the city consumer. When the Government asks our farmers to increase their production of milk, work overtime, and buy extra grain to produce it at an uneconomic cost, it is in effect offering them the opportunity to work overtime for half price.

Mr. DANAHER. Let me say to the Senator from Vermont that I was at home a couple of weeks ago and talked with one of the leading dairymen in my section of the country. He told me that no man lives long enough to breed a herd. He had spent more than 35 years breeding a herd of Ayrshires, which he said were the finest in New England. I do not doubt it. He said that by the end of October he will not have one. He is going to sell them all. He will not try to go on and compete under present circumstances. He will not try to produce the milk which we shall need for our cheese next year to take up the slack of 60 percent of our cheese production which is going overseas and to our Army and Navy. I say that the condition confronting our country is most acute, but that the joint resolution would not reach it.

Mr. AIKEN. Mr. President, will the Senator further yield?

Mr. DANAHER. I yield to the Senator from Vermont.

Mr. AIKEN. The experience of the Senator from Connecticut is typical of thousands of cases which exist in our own New England States. To show how desperate the farm-labor situation has

become up there, let me say that last night I received a letter from one of the largest producing counties in the State, which I am to give to General Hershey, protesting against the drafting of the county agent of that county, the man who is the spearhead of every campaign which is put on in that county to increase agricultural production in order to meet the present crisis. I say that to show the seriousness of the situation with which the farmers are afflicted in relation to the farm-labor situation. When the county agent himself, the spearhead of all the food campaigns, is drafted, I do not think there is much to look forward to in the way of farming.

Mr. WILEY. Mr. President, will the Senator yield for one suggestion?

Mr. DANAHER. I yield.

Mr. WILEY. I have before me the statement of a distinguished authority from my State. I read:

Stressing the seriousness of the farm-labor situation was Ralph Ammon, director of the Wisconsin Department of Agriculture and Markets. More dairy herds are being sold through farm auctions in Wisconsin now than ever before, said Ammon, and the reason is the loss of skilled help to the armed services and to war industry with its higher wages. Farmers have surpassed the record-breaking 1942 production goals, said Ammon, but if they are to approach these goals in 1943 some adjustment of manpower among agriculture, industry, and the armed forces must be made. He offered three tentative proposals.

I call the Senator's particular attention to this because it is "right up his alley":

1. That farm-price ceilings be high enough to permit farmers to compete with industry for hired help.

Mr. DANAHER. Let me interrupt to say that particular statement is not "up my alley."

Mr. WILEY. I read further:

2. A Federal subsidy for farm labor.

3. That the War Manpower Commission ration sufficient manpower to the farms.

Mr. DANAHER. I thank the Senator from Wisconsin.

When Mr. Henderson was before our committee I asked him if he would give us the figures with respect to the increases in the cost of living from January 1 down to the date of his testimony. He told us that while rents were down, clothing had gone up 7 percent. House furnishings had gone up 3 percent. Fuel, ice, and the like, had gone up 2 percent. Miscellaneous costs, which include transportation and gasoline, had gone up 2.6 percent, while food had gone up 9 percent. Sixty percent of the 9 percent rise had been in controlled items, and 40 percent in uncontrolled items.

Mr. President, it will be recalled that when we passed the Emergency Price Control Act we placed in it as a standard, the date of October 1 to October 15, 1941, or the nearest representative 2-week period. At that time we believed that in taking a base level as of such date, we would have a post-season date for most crops. Most of them would already have established their markets. Most manufactured commodities for winter sales and Christmas sales in department stores and the like would already have been produced. It would then have been possible with reference to commodities which were not included between the October 1 and October 15 price level—let us say some such commodity as early season strawberries or shad or some other such seasonal commodity—that the nearest 2-week period would be taken. From the base so established, an adjustment upward or downward, if need be, could be made—although, to tell the truth, none of us expected it would ever be reduced—by adding to the base period date, adequate compensation for such factors as general increases in the cost of production, speculative fluctuations, and a reasonable profit, as well as costs of distribution and transportation. That much is so fundamental that it would seem to have been silly, if I may characterize it so, that the administration did not adopt the very standard which was urged upon us when we passed the price control bill last December, yet he has offered reasons for not doing so.

Mr. President, the October date was not regarded except, substantially, for those commodities as to which a ceiling price had been fixed by Executive order before the Price Control Act was passed. As to all other commodities not so included, in May the Price Administrator issued an order authorizing a price ceiling at the highest price which prevailed at any time during March.

The result was that commodities thereafter moved from a city where the price in March was low to a city where in March the price was high. Consequently, Mr. President, we found movements of goods in spotty directions, and many persons without supplies at all. In some cities it was simply impossible to buy beef; in many places it is now impossible to buy bacon. There were commodities of that sort which responded, not to a date fixed in the act by Congress, but to a date fixed by the Administrator. I mention such a thing in order to have it understood that when the Senator from Kentucky speaks as he did this morning it is not the fault of Congress all along the line, when this, that, or the other result, allegedly anticipated, is not achieved. It is not the fault of the farmer, either; and it is not the fault of the consumer; but the whole economy suffers from a lack of integrated management among administrative heads through competent coordination which will take into account the movement of farm labor off the farms and the drafting of men into the armed services, or other dislocations such as those we have discussed.

Another thing which is worthy of recollection while we are on the subject is that it was back in August—and I hold in my hand a clipping from the Washington Post of August 14—that—

Secretary of Agriculture Claude R. Wickard yesterday declared that rationing of meats to consumers might be necessary if ceilings are placed on livestock, as proposed by the Office of Price Administration.

His statement was given at a press conference at which he raised numerous obstacles to setting the price ceilings on live animals. At the same time, reports current in the meat trade hinted rationing—at least on some items—might be in prospect for the immediate future.

Wickard acknowledged that Price Administrator Leon Henderson had asked him in a letter for the concurrence on ceilings for live animals. The letter was not made public. Under the Price Control Act, the Secretary must concur on ceilings for agricultural products.

His discussion of the Office of Price Administration request indicated clearly that he was extremely reticent to give his consent. A highly placed Agricultural Department official later told the Chicago Sun that Wickard "is not convinced ceilings would get the job done they want done."

The Secretary said that current meat shortages along the Atlantic seaboard are due to distribution and seasonal declines in livestock marketings. He doubted ceilings would help this situation.

"If you put ceilings on livestock you will not increase the supply or improve distribution," he said. "You might decrease the supply."

Mr. President, Mr. Wickard testified before our committee when we were considering the pending measure that section 3 of the Price Control Act is an obstacle tying up the President's program. He told us that for 1942—this year—the farmer would receive a cash farm income of over $15,000,000,000, which is a half billion, by the way, more than the previous high level reached in 1919.

He said:

At the same time, net income or the amount available to farmers for use in family living and for savings is estimated at over $10,500,000,000, or almost a billion dollars greater than the amount available in 1919. Stated in terms of parity, farm income per capita in 1942 will be about 133 percent of the parity income level as defined in the Agricultural Adjustment Act of 1938.

Mr. President, I shall not try to reconcile those things. I shall not try to say why it is that with all agricultural commodities now produced in amounts 15 percent greater than the greatest production we ever before have experienced, we should be confronted with a demand that price ceilings be imposed, or that the levels at which they may be imposed should now be lifted, when we know that most prices are far below parity. Still the Administrator has never invoked the powers already existing in the Price Control Act.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WHEELER. One of the most remarkable, and to my mind, one of the most shocking arguments being used by some of the editorial writers and newspaper columnists in the East is that we should vote for the pending measure regardless of whether we agree that it should be enacted, because if we do not vote for it we shall bring on a constitutional crisis.

Think of it. If the President of the United States or anyone else should come to Congress and say to us: "Unless you repeal that law on the statute books I will take the matter in my own hands," and then if every newspaper in the country were to say, "You must do this because if you do not you will bring on a constitutional crisis," what would be the answer of our republican form of government in the United States, I should like to ask? If Members of the Senate,

elected by the people of their States to represent them in the United States Senate, do not have the courage and the intestinal stamina to vote their convictions upon fundamental questions which affect the people of their States, without fear of bringing on a constitutional crisis, then we had better quit talking about constitutional democracy in the United States of America.

Mr. DANAHER. Mr. President, with reference to the price situation, let me recall to the mind of the Senator from Montana, that when the Price Control Act was under consideration last December it was Mr. Wickard who was before the committee asking for 110 percent of parity. It was Mr. Wickard who got it. Mr. Henderson came in and opposed it. The matter was threshed out in the newspapers. It was discussed up and down in the Senate. Certainly the conflict, with the administration supporting Mr. Wickard, finally reached the Banking and Currency Committee, until in an attempt to resolve the impasse we got the two, Mr. Wickard and Mr. Henderson, together in committee session. Senators will recall that. Since then the present situation has been precipitated.

If Senators will look at the hearings, commencing at page 59, they will see where Mr. Wickard testified and where we cross-examined him in order to bring out the fact, which he freely conceded, that he was the one who had sponsored the 110-percent level and that he was the one who then was trying to get farm prices up, and who even as late as August, as I pointed out, was resisting any effort whatever to impose any ceilings on prices on beef.

That is how the situation which confronts us developed. That is the sort of confusion out of which the present problem emanates.

Let us look at another aspect of it: Several weeks ago one of the press associations sought to anticipate the President's Labor Day address, as Senators may remember. As the newspapermen would have it in the vernacular, they "went off the deep end" with a story which, as I recall it, made the newspapers on September 5 or 6—in any event during that period. Thereupon, the newspapers of Washington and of the country informed us that at the next press conference the Presidential secretary, Mr. Early, sent out a message from the President to the correspondents who had gathered there, "Good morning, suckers." The message was to that effect; following that particular occasion words to that effect appeared in all the newspapers.

Following the philosophy or the mental attitude—mental attitude is the better expression—underlying that sort of thing, just consider the President's radio address to the country on the night of September 7, after the people from one end of the country to the other most certainly had been led to believe that farm prices had gone so far out of line that unless we acted, and did it forthwith—by half past two the next day, if you please—the country would find itself in chaos. It was said that the Congress should have acted long before. The Congress had given the implementation to the administrative agencies down town. Why did not they act? But Congress is blamed. It is not the fault of the Congress. The President told the people of the United States that the country was losing millions of dollars of revenue every day. He says:

> Today I have also advised the Congress of the importance of speeding up the passage of the tax bill. The Federal Treasury is losing millions of dollars a day because the bill has not yet been passed. Taxation is the only practical way of preventing the incomes and profits of individuals and corporations from getting too high.

Who were the advisers of the President who would prepare a message like that? They should know that there is not a single dollar of income tax coming from a corporation in the United States earlier than March 15, 1943. They know, and the President should have been told that no one in this country will pay an income tax earlier than March 15, 1943. The only loss, if there be any, would come, Mr. President, in the event that Congress should impose an increase in excise taxes on items which are already the subject of excise taxes; but such excises are all being collected. Let a lady go downtown and buy a necklace, and she will have to pay 10 percent extra for it. If she undertakes to buy a fur piece, she will pay an excise tax of 10 percent, and if she desires to buy cosmetics she will pay a 10-percent tax. All those taxes are being collected every day, and yet we find Congress impugned in the public mind, as the correspondence of Senators will show; the position of Congress before the country is challenged and it is imputed to Congress that because of its failure to pass the tax bill the Federal Treasury is not getting the taxes which the people are led to think it would otherwise be getting. The fact of the matter is that the representatives of the Treasury Department who have been before the Finance Committee since back in July brought in at least three major changes in a period of 10 days prior to our last session. In 1 week they came and completely reversed their own approach to the program of corporate income taxes. If we are going to try to reconcile conditions with what the situation really is, if we are going to impute blame, let us have regard for the facts in connection with the matter. I do not know who were the President's advisers who prepared the message which was sent to the Congress on September 7, but I do know that in it there appeared this sentence——

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WILEY. I wonder if the distinguished Senator has any ideas of his own why at this particular time in our history the farmer should have had the paint brush applied to him and why it was necessary to impugn the motives and the integrity of the Congress of the United States?

Mr. DANAHER. Mr. President, my effort before this body at this time is to show that the so-called parity formula will not achieve for the farmers of the country what many persons are leading them to think it will achieve, but it will cost consumers hundreds of millions. That is the first point. I am trying also to have the Senate realize and understand that if we are to control prices, we must control all prices on the same basis and with calculations for the identical factors, in order that a general uniform price rise, in the face of the dislocations of war, may be permitted to come. I am trying to show that all this should and can be done in accordance with congressional prescription, on a basis legislated by the Congress of the United States, the spokesmen of the people, according to standards which already exist and which are already in operation. I am trying to show that it can be done on such a basis as the people will understand. I also desire to take into account the fact that impending shortages of necessary items in our foodstuffs are so threatening and so ominous that additional steps must be taken if the public economy is to be protected and if our Army and Navy and all our people are to be guaranteed at this time next year adequate supplies of foodstuffs. All that can be done under existing law; it cannot be achieved under the pending joint resolution.

Mr. President, answering the Senator from Wisconsin further, let me point out to him that the House published a copy of the President's message to the Congress of September 7 in a document which bore the title "Placing a floor under prices of farm products." That is the title of the message as it was printed as a public document. I have it before me now. It is House Document No. 834, Seventy-seventh Congress, second session, Message from the President of the United States, titled "Placing a floor under prices of farm products."

Mr. President, in his message to Congress the President said:

> Calculations of parity must include all costs of production including the cost of labor.

Why was that put in the message? Who were the advisers who put that in? Are they the same advisers who put in the expression to the effect that it was the fault of Congress for not having acted to stop price rises? Is it the same group who said that it is the fault of Congress for failure to pass a tax bill that we are losing millions of dollars of revenue every day? Was there by any chance any coincidence in the minds of any of the advisers, whoever they may have been, that all of these things in this heterogeneous way could be made to appeal, first to this group, and then to that group, and then to a third group at this particular time? I ask the question rhetorically. It may well be that some such thing was in mind, for when Mr. Goss and the highly respected master of the National Grange appeared before our committee I examined him on that subject.

In the testimony of Mr. Goss, which will appear in the record of the hearings, at about page 169, I asked him if he did

not think it was significant that the pending joint resolution on which he was testifying had nothing whatever to do on its face with the calculation of parity to include cost of production, including cost of labor. I asked him if he had not had sufficient experience with messages that had come to us from the President in the past to realize that the particular sentence to which I have referred was intended. His testimony will be found with reference to that point. Whereupon one of the Senate leaders left the room, and after a conference by telephone with some person or other, to me unknown, although I believe I know who it was, came back and said that that particular sentence in the President's message was a mistake, and he told us that the President would withdraw that particular sentence from his message and would send a letter accordingly. The letter was produced next day. It is not in the Senate hearings, but its counterpart is on the last page of the House report. It is a letter under date of September 16 to Chairman STEAGALL, of the House Committee on Banking and Currency. In that particular the President says that what he meant by the language was:

> Parity is fair because it now includes the labor cost incorporated in the prices of the things which farmers buy. It is this which brings farmers into a fair relationship with other groups. This is the purpose of parity. This is what the present formula does.

He says further:

> The parity principle for which this administration has stood since 1933 was a good standard for peacetime—it is a good standard for war. To recalculate parity now, and to offer the public 100 percent of a new and higher parity, would be to offer stabilization, yet destroy the possibility of achieving it.

Now let me say to Senators that things such as we have been discussing on this floor do not just happen, they do not just occur fortuitously. We have seen too much of a pattern to the contrary not to recognize it when it is patent before us.

Mr. President, if the Senate really wants to carry out what the President said he desires, we can do it simply, clearly, and unequivocally by repeal of section 3 of the Price Control Act. That is the section which the President himself says is the bottleneck, that is the section which Secretary Wickard says has created the obstacle to the carrying out of the President's program. If we do repeal that section, we may cover all commodities uniformly under section 2 of the Price Control Act, where they can be administered just as all other commodities are administered, to the end that all elements making up the cost of living may be controlled at the same time. We can take into account not only the base period factor which the Congress itself fixed, but we can make upward adjustments as the exigencies require because of speculative fluctuations, general increases in cost of production, distribution, and transportation, and also allow for a profit to the producer.

In addition, Mr. President, in the cases of scarce commodities we will be permitting the Administrator to determine that where a shortage is threatened during the ensuing year he may put a floor under prices and guarantee the very costs which are so necessary to bring about production.

That much accomplished, Mr. President, we can face our problem in all other aspects of it promptly; we can make such amendments as may be required in the parity guarantee sections of the Agricultural Adjustment Act amendments of 1941; we can extend the program to the necessary commodities. We do not have to guarantee the highest price to all commodities, or parity, or a comparable price to some commodity which is only a luxury in wartime, nor call for expanded production where we do not want to. As to all necessary items, we can include all elements which properly should be included for the maintenance of our country on a sound basis, on a production basis, on a well-fed basis, in the face of the dislocations of war.

We can at the same time promptly—and it should be done immediately—initiate whatever steps are required to alleviate the farm-labor situation. Such steps, welded into a complete and integrated whole, will give the country a program upon which it can rest assured, upon which shortages can be guarded against, upon which production can be maintained.

Our economy depends upon production. The moment we lose sight of that fundamental, we will have lost all.

Mr. CAPPER. Mr. President, I intend to vote for the Thomas-Hatch amendment so as to make certain that whoever fixes farm-price ceilings shall include increased farm-labor costs in the computation. The measure should also include leeway for the price-fixing agency, and in my judgment, direction to the price-fixing agency to place ceilings high enough to assure production of needed foodstuffs and fibers.

I take this stand, as I stated to the Senate last week, for two main reasons: First, to get some degree of equity and justice for farmers, who are making tremendous efforts—with inadequate labor, inadequate machinery, and not enough time to do all they are being urged to do. To maintain that the prices paid farmers for their products are a main cause of inflation is very unfair, to put it mildly. It comes close to "passing the buck" to the farmer, when the real causes of the inflation lie in government itself.

My second compelling reason is that the Nation, and our allies, are going to require more and more in the way of farm production in 1943 and 1944. Farmers are going to have to pay higher and higher wages, and face constantly rising production costs. They can only pay these costs out of prices received for their products. If we want increased production, we must be willing to pay for it. Then, too, before many months have passed we will have to find some way of furnishing farmers with hired help to whom to pay these higher wages.

Mr. President, I am receiving scores of letters daily—have received several hundred in the past 10 days—from Kansas farmers. They are practically unanimous in support of the proposition that they must have manpower to carry on the war-production program, and in support also of the proposal that in fixing ceiling prices the inclusion of increasing labor costs is absolutely necessary if production is to be obtained. Let me add, too, that the farmers are just as anxious to win the war as is any other group in this country; are working just as hard as any other group of Americans to win the war, and will make as great a sacrifice as any other group. Furthermore, the farmers want no partisan politics thrown into the discussion of these problems. This is no time for partisanship in the solution of farm problems or any other problems having a bearing on the war situation.

Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a few typical letters from Kansas farmers and other Kansas citizens.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

POMONA, KANS., *September 26, 1942.*

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR: Your standing for wage amendments deserves commendation. President Roosevelt made unwarranted and unjust attacks on farmers and it was the greatest single act to create disunity of all times.

A 12 percent raise in parity for wages on $15,000,000,000 farm income would not be $3,500,000,000. I have been an extensive user of hand labor on the farm with several side lines. My help is all gone. I could not afford to hire them back at half what they are getting at defense work.

The administration favoritism toward labor and the antagonism shown farmers makes it all the more imperative that Congress keep its powers in order not to imperil the war efforts. As I see it our help is gone permanently and if Congress deserts remaining farmers they will be utterly discouraged and they cannot put out their best efforts. Political favoritism, unfairness, and confusion in administration circles are holding everything back.

City and drafted help will not be hired, even if available, at high prices. What we would like is our help back who have gone to high-priced defense jobs and just enough higher prices to enable us to rehire them at wages that will satisfy them.

Please stand firm; and if you have to, let Mr. Roosevelt do the dirty work; history will show you are right.

Sincerely yours,

R. M. BITTS,
Pomona, Kans.

LEONA, KANS., *September 26, 1942.*

Hon. ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR CAPPER: I just finished reading the statement of A. S. Goss, national grange master, which you had inserted in CONGRESSIONAL RECORD of September 17. It seems very sensible to me. Hope you continue to work for those principles which he sets forth; to bend every effort to defeat so-called compromise with administration forces. In a compromise both sides give up something. They offer to give up nothing but expect farmer to give up justice.

I have thought a good deal about it and can see only a dark future so long as we have the present administration.

More power to Congress to defeat them before it is too late.

Sincerely yours,

ALBERT SEVERSON.

DODGE CITY LAUNDRY
AND SANITONE CLEANERS,
Dodge City, Kans., September 26, 1942.
Senator ARTHUR CAPPER,
United States Senate,
Washington, D. C.

DEAR MR. CAPPER: I have been very much interested in the debate on farm parity and other measures designed to curb inflation. I have talked with dozens of men in all walks of life and invariably they all say that if we are going to pay a ceiling on farm prices, or any other commodity we must take into consideration all of the factors that enter into the cost of production, whatever it is, and that if a ceiling is put on anything that it must be put on everything, including wages.

When we were supposed to arrive at farm parity prices on the economic bases that prevailed from 1909 to 1914, farm wages were or the average of $1 to $2 per day with harvest wages running from $3 to $5 per day. While right now I am paying $6 a day for a man to drill wheat and was lucky to get one at all, as I had been trying to get someone for 2 weeks to work on the farm.

During harvest, we all paid from $6 to $10 a day for men on the farm, the average being about $8 a day and those who hired their grain cut cost them from $3 to $4 an acre while in 1914 the average amount paid was about $1 per acre.

It is beyond the comprehension of the average man to imagine how this administration in Washington figures that ceilings can be placed on any commodity and not have a ceiling placed on wages as well as on other costs entering into its production.

If I have to pay $6 per day for farm labor, it certainly cost me a lot more to operate my farm than if I had to pay from $30 to $60 a month for a farm hand. I am sure all of our Kansas Representatives in Congress are doing all you can for a fair deal for the Kansas farmers.

With kindest personal regards, I remain,

Very truly yours,

U. G. BALDERSTON.

HEALY, KANS., *September 24, 1942.*
Mr. ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR: I am very anxious about putting the ceiling on farm produce as Mr. Roosevelt has told us he will do regardless of Congress. As labor prices are now farm products are none too high for farms where there is only one laborer. Many farmers are slowing down on account of scarcity of farm help. Factory workers are receiving still higher wages than farm laborers. A relative of mine who has been working at Fort Riley received $1.12½ per hour, and said he put in lots of days, and so did the other men, when they didn't really earn a dime. They were running short of anything to do but the contractor had to keep them for the next job. If the farmers are compelled to slow down production, the Nation faces a food shortage. I hope someone can convince the President that American food is playing a large part in the winning of the war, and that farm help is getting seriously scarce. Let's not let our boys down for the lack of good farm food.

Very sincerely,

Mrs. EDA ROBINSON.

DENMARK, KANS., *September 25, 1942.*
Senator ARTHUR CAPPER,
Washington, D. C.

MY DEAR SENATOR: Just a line to let you know I think you are right in your stand on the farm parity price question. Livestock and feed for livestock just cannot be produced in large volume unless increased and increasing labor costs are provided for in calculating parity.

It is an uphill business securing labor against the pull of the cost-plus of Government war contracts, especially on a 30-year-ago farm parity formula.

Yours with respect,

C. C. NIELSEN.

WRIGHT, KANS., *September 25, 1942.*
Hon. ARTHUR CAPPER,
Washington, D. C.

DEAR MR. CAPPER: Stay with them; looks like the bright boys in Washington and the East want to sell us down the river again. Just why should the farmer be singled out for carrying the load? We get only about one-third of the price of a finished product. The other goes to labor and business. The way it looks, everybody wants to get rich at the expense of the farmer. I'll admit we are dumb, or we would not have put up with it all these years. Even now, if I get it right, buying Canadian wheat with lend-lease and shipping it overseas. Same way with rubber, oil will be depleted some day, while grains can be raised.

We do not mind furnishing the boys and the food, as it seems it has to be done, but we do not like being tramped on while we are doing it.

What percentage of the population is in service in the Northeast quarter of the United States as compared to the West and Midwest? Seems all the news you hear, they are all from the West. War bonds, maybe would sell better if so much would not be squandered. Thought they were going to draft labor and capital as well as the farmer and the little guy this war. Does not look that way, looks like labor and capital are gorging at the expense of the boys in the service, the farmer, and the little guy. If I am wrong would like to have facts on the matter as they have been drafting married men out here already. Looks like the East could furnish more with their larger population.

Sincerely,

EDWIN A. EVINSON.

TOPEKA, KANS., *September 25, 1942.*
Senator CAPPER,
Washington, D. C.

DEAR SENATOR CAPPER: We are strong for your stand for the farmer. He needs a chance more than the rest of us. Let him have living wage or earning power and we will all be better off.

Senator, we are in the store and hear many people talk and they all hope that you will continue your good work.

M. D. FUNK.

KINGMAN, KANS., *September 25, 1942.*
Senator CAPPER.

DEAR SIR: I think you should support any bill to help even up prices. Farmers haven't had fair prices for nearly 30 years. Any bill should require President to act and not so he can act.

Government waste in war contracts costs far more than farmers' prices.

Yours truly,

CLYDE E. PHINNEY,
Kingman, Kans.

DEAR SIR: Keep up the farm prices. They must not be lowered.

CHAS. F. SCHMIDT,
Junction City, Kans.

DEAR SIR: In regard to the fixing of farm commodities' prices, we should have 110 percent of parity, plus price of labor. We have faith in our Senators and Representatives and are glad they are showing their strength and judgment on this question. We know this is the sentiment of all farmers.

Yours truly,

Mr. and Mrs. B. F. ROBINSON and family.

INDEPENDENT FARMERS OF KANSAS,
Beattie, Kans., September 25, 1942.
Mr. ARTHUR CAPPER,
Washington, D. C.

DEAR MR. CAPPER: I want to congratulate you on the fight you are carrying on for the farmers. I urge you to keep the power of dictatorship out of Roosevelt's hands. He has always been a traitor to the farmer. I recall the wheat for rubber bill, the Fuller amendment to the Agricultural Adjustment Administration, and a lot of other farm legislation. He promises to give the power back to the people after the emergency. We know what his promises are worth. We have heard them before. If this is a democracy then let it be government by the people. Why fight the Nazi dictators and have one ruling this country? If he is a Nazi dictator he should be impeached. Please use this power if he becomes one.

They get parity from 1909 to 1914. We could buy a new binder then for $125, now it costs $270. If what we buy has doubled in price why shouldn't the things we sell also go up?

Yours truly,

NEIL ROMBECK.

HADDAM, KANS., *September 25, 1942.*
Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: Just heard over the radio administration Senators were holding up anti-inflation vote till Monday, hoping to hear from the country.

Here is my contribution. If the farmer can't get paid in parity with other businesses then the farmer should quit farming and go into other business, which they are doing.

Why make the farmer the goat? In my opinion inflation is caused more by the Government's squandering than any other cause. Surely not by giving fair price for our products.

We don't want 85 percent parity and 15 percent hand-out.

We don't need most of these bureaus.

Respectfully,

G. H. GRAHAM.

YATES CENTER, KANS., *September 25, 1942.*
Hon. ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: We farmers are depending on you. Don't let us down!! We farm 1,320 acres, handle about 200 head of cattle, and about 75 to 100 head of hogs. We work about 16 hours per day—often on Sunday, too, I regret to admit. My husband is considered by all who know him as being a good manager, but it is very difficult to make ends meet, after paying labor, high prices for machinery, and repair, constantly increased taxes, and always the problem of upkeep.

Give our farmers a chance—let us produce and feed hungry peoples, let us help win the war.

Yours truly,

Mrs. J. F. WINGRAVE.

IOLA, KANS., *September 25, 1942.*

DEAR SENATOR: I am enclosing a clipping which I hope will interest you as it certainly does all farmers. Wheat at $1.05, we all know it cannot be raised for that with labor and machinery cost advancing as they are.

When I hear of so many men drawing $25 a day and more and then think about the price the farmers get and wanting them cut down.

I wonder where food is coming from to win this war. Help is so scarce now half our crops were lost for lack of help.

C. A. ANDERSON.

[From the Iola (Kans.) Register]

WHO WILL GIVE IN?

Congress is just about to get tied up into a knot again.

When the President first laid down his ultimatum that he would act in the matter of farm price and wage stabilization on October 1 if Congress did not pass a law stabilizing farm prices at parity by that time, there was considerable resentment throughout Congress, especially among the farm leaders. Even so, the general attitude seemed to be that there was no choice but to do what the President asked and get it over with as soon as possible.

Since then, the farm bloc Members have been getting just a little madder every day. They are mad at the President for putting them on the spot within a few weeks before an election. They are mad at the eastern newspapers for blaming them and the farmers for the high cost of living and the danger of inflation, and at a cartoonist who pictured them as a fat pig. They are mad at Harry Hopkins who intimated in a recent speech that any Congressman who votes against Roosevelt's wishes "isn't interested in winning the war."

So they forced an amendment into the price-control bill which, while dropping the 110 percent of parity down to 100 percent, puts it right back up where it came from by establishing a new formula for parity which includes the price of farm labor.

Thus the House finally passes a bill which must be completely unacceptable to the President, which is a fit subject for endless debate before confirmation by the Senate—and with only a week to go before the October 1 deadline.

Someone is going to do some mighty fast and clever maneuvering if he gets this situation straightened out before next Wednesday night.

I don't blame the farm State Members for being mad. It has burned me up from the beginning to hear the President and the eastern newspapers continually harping on the farm price threat to inflation at a time when wage increases have regularly been contributing from three to five times as much to inflationary buying power as have farm price increases.

It has burned me up that while wage increases have been granted right and left throughout the country and while war production workers are permitted to strike when they feel like it, still it is the farmer's price which must be nailed down by Congress before the President will even promise to stabilize wages—at whatever level and upon whatever terms he may choose.

Even so, someone has to give in pretty soon or we'll all be sunk. If the race for advantage between agriculture and labor continues just another few weeks, the whole price-ceiling structure—based on price and wage conditions last March—will simply have to be thrown out the window. Then everything will be out of control and the Lord knows what will happen.

What compromise Congress may be able to work out in the coming 7 days I don't know, but I certainly hope something can be agreed upon. About the last thing the country could afford to see at this time would be an open breach between Congress and the President, each defying the other instead of both trying to work together.

PASADENA, CALIF., *September 26, 1942.*

Senator ARTHUR CAPPER,

Washington, D. C.:

Farmers dare not continue operations unless mandatory provision is made, including farm-labor increases in ceiling prices. Ten dollars per day to inexperienced boys picking oranges, 50 cents per box for lemon pickers will ruin citrus industry if increased costs are disregarded. Do not sell farmers short. Public with farmers.

E. NEAL AMES.

WILMORE, KANS., *September 25, 1942.*

Senator ARTHUR CAPPER,

Washington, D. C.

DEAR SIR: Please support the increase in farm prices with the farm bloc. We are entitled to the raise, because labor is receiving so high a pay. I am not in favor of one-man rule. We farmers do not want any buck passing. You Senators do your job, and the other fellow his. Every farmer is doing his part if at all possible and are watching all these political moves.

Wishing you the best of luck, remain,

Respectfully yours,

GEO. U. MOORES.

WILMORE, KANS., *September 25, 1942.*

Senator ARTHUR CAPPER,

Washington, D. C.

DEAR SIR: You were put up there to protect the farmer and stockmen, and to see the right bills get passed so they will get the most for their farm and livestock products.

Do all you can to help this new bill, and pass it over the President's veto.

We do not want a dictator in this country.

Farm labor is too high for present wheat prices.

I trap coyotes in order to pay farm labor.

Yours truly,

Miss DOLLY MOORES.

WILMORE, KANS., *September 24, 1942.*

Senator ARTHUR CAPPER,

Washington, D. C.

DEAR SIR: Support the increase in farm prices please. Wages are too high. Labor nearly takes all my income. I do not want one-man rule in this country.

Profits to manufacturers are too high. There should be something done about this.

Yours truly,

Mrs. S. G. MOORES.

SALINA, KANS., *September 27, 1942.*

Senator ARTHUR CAPPER,

Senate Office Building,

Washington, D. C.:

Analysis of farm problem in broadcast tonight as usual is sound; people of Kansas are behind you; stand by your guns.

A. Q. MILLER.

CLAY CENTER, KANS., *September 15, 1942.*

Senator ARTHUR CAPPER,

Washington, D. C.

DEAR SENATOR: We are in favor of victory for the farm block. What we farmers want is a fair deal, not a new deal such as we have been getting through the Agricultural Adjustment Agency.

Many small farmers in this locality are quitting the farm and going into defense work because they can make twice as much money. Prices of farm commodities are not inflated when compared with farm labor prices and prices of farm equipment.

Yours truly,

JOS. BARTER & SONS.

SALINA, KANS., *September 26, 1942.*

Hon. ARTHUR CAPPER,

United States Senate,

Washington, D. C.

DEAR SENATOR: I keep in touch with the work you are doing for the benefit of the farmers of the West.

One important matter has never been mentioned. My tenant has farm machinery of the value of more than $3,000. A farmer client just left the office who has farm machinery of a value of $4,000. This machinery consists of tractors, combines, trucks, drills, plows, and so forth. At the end of 5 years' time, practically none of the machinery can be used without extensive and costly repairs. My tenant takes a loss of $600 a year and the client who left the office takes a loss of $800 a year.

You have been presenting the matter of labor but I doubt if Congressmen appreciate the shortage of labor in central Kansas. The war plants are paying high wages. Farm wages must increase or we cannot harvest our crops next year.

Yours truly,

C. W. BURCH.

Mr. NYE. Mr. President, it seems to me that the Senator from Connecticut [Mr. DANAHER] has opened a brand new channel into which the Senate might direct its attention to large advantage in this hour, when everyone is seeking avoidance of what some have called a collision that is in prospect between the Congress and the President. No one desires any such collision as has been predicted, particularly not at this hour. I am glad the Senator from Connecticut has spoken as he has, and given us perhaps a substitute approach to the problem which is upon our hands, to which we may be able to resort when once we have finished the pending consideration. At the moment the consideration is upon the so-called Thomas-Hatch amendment to Senate Joint Resolution 161.

I desire first of all to join my voice with that overwhelming majority of Americans who deplore injection of the slightest taint of partisan politics into these controversies bound to grow out of our overwhelming desire to do a complete job of winning this war. It is grossly unfair for anyone to strive to lay down here a premise that those who favor the Thomas amendment are doing so because of dislike of the President, who is against the Thomas amendment. Not one in the Senate is moved by any such spirit, however unfair we may believe the President to have been in bringing about this renewed consideration of existing price-control or anti-inflation legislation.

CONGRESS HELPS FARMER, TOO

An eloquent appeal was made in this Chamber last week by the junior Senator from Michigan [Mr. BROWN]. His appeal would have been much more convincing had he refrained from borrowings to demonstrate that the President, who has befriended agriculture, could not possibly do the wrong thing for the farmers in this price dispute. For example, it was hardly in keeping with facts to give President Roosevelt credit for the reduced interest rates won for the farmer. The record shows that Congress, led by the Senator from Montana, passed a bill in 1937 reducing the land-bank interest rates charged borrowers. The President vetoed the bill. Congress passed it over his veto. The following year, when Congress voted to renew this reduced-interest legislation, the President again vetoed the action, only to be overridden once again by Congress. Perhaps Congress, including that part of it which supports the Thomas-Hatch amendment to include farm-labor costs in determining a "parity price," had something to do with help for the farmer, and that it has not been only or always the President who has responded to the agricultural interests.

NOT ASKING SPECIAL FAVORS

If we are going to win this war we are going to have to put a stop to anything and everything that seeks political advantage out of proposals which relate purely to the war, as the Thomas amendment does. When we remove the political feathers from this present farm-price controversy you find no desire by farmers or their spokesmen for anything more than a condition that will let the farmers go on with a chance to contribute to the winning of the war. There are none here without appreciation of the grave problem increasing living costs are bringing to millions of consumers. The blame for this is found to be in very small part at the door of the farmer. Three other factors are playing the substantial part; first, increased wages in industry; second, increased labor costs to harvest crops, with large production left on the ground to rot for want of hands to gather and market it; third, frightful hauls by those who handle agricultural products, price pyramiding by someone somewhere in between the farmer and the consumer.

HIGH COSTS TO CONSUMERS

My own thought is that of these three factors contributing to increasing living costs, the third cause stated is the greatest. I have offered a resolution which I hope will afford complete study of these commodity prices prevalent in the Washington markets. That study, if it should do nothing else, will at least certainly demonstrate that the farmer who produces the commodities gets virtually none of the increased prices being collected from the consumer. Before the recent rocketing of food costs the farmer was getting only about one-half of the food consumer's dollar. That it is far below that half now I have no doubt.

Incidentally, Mr. President, a friend of mine, who is required by business to be in Washington at this time, and who is stopping at a Washington hotel, last night sought to fulfill his customary desire and practice at the end of the day before retiring. Shortly after the blackout he telephoned to the hotel service room and ordered a quart of milk. The service department advised him that it could not send a full quart, but that it could send the milk in four glasses, which was all right with him, just so long as he could get the milk. Four glasses of milk were delivered, at a cost of 20 cents a glass. Added thereto on his check was a charge of 25 cents for room service, making the quart of milk cost this particular individual $1.05. The farmer who produced that quart of milk might have obtained as much as 5 cents; yet unreasoning, unthinking people today are more inclined to blame the farmer for such a price as was charged this individual last night than to undertake to place the blame where it properly belongs. Instead of placing the blame where it properly belongs, the wont and will generally is to blame the farmer, "a selfish, greedy individual," who cannot contribute his mite to the winning of the war without assessing huge profits and gains to himself.

FARM ORGANIZATIONS DIFFER

Mr. President, the fight which leaders of practically all farm organizations, including the Farm Bureau Federation and the Grange, have made in this price-control controversy, has been courageous to say the least. The degree to which the press and others have held these leaders up to scorn has been shameful and insulting to the intelligence of persons who are conversant with the facts. The record of these leaders has been such as definitely to destroy the argument that they are playing a partisan hand in the present battle for fair play for the farmer.

The fact that the farm organizations are not completely united in this hour is to me a source of great regret, because the only farm organization of any consequence which is standing in full support of the President on the issue of farm prices is the Farmers' Union, represented by M. W. Thatcher, its legislative chairman. That organization has its deepest roots in North Dakota. Thousands of farmers in that, my home State, have active membership in the Farmers' Union and give it great strength and force.

FARM PEOPLE ANGRY WITH POLICY

After spending several weeks in the State and finding the condition which is prevalent, I cannot help but feel that the Farmers' Union spokesmen are terribly mistaken when they represent their membership as being content with the present administration's wishes respecting the price-stabilization policy. Instead of that, I found the farm people greatly angered by the fact that industrial wage earners were not brought under stabilizing rules as was the farmer, and I found them blaming the President for failing to exercise the powers Congress had given him to govern wages as well as farm prices.

The statement to Congress by Mr. Thatcher that "agricultural production has not yet been turned loose" probably has a large measure of foundation in fact, but it should not be accepted, as it has been accepted here, as meaning that farm production is not critically threatened by reason of the price and labor problems which the Government has created. There is undoubtedly the chance to develop large agricultural production through so-called family type farms, where labor dependence is solely upon the farmer, his wife, daughters, and sons who are under draft age. But production from that quarter could not in many years offset the loss of production right now occasioned by lack of the help necessary to make existing operating farms bring forth their normal production. The truth, as I find it, from personal observation and in my mail from farmers, including Farmers' Union members, is that the draft, the appeal of defense industries to farm hands, and the price structure, are contributing to a farm production break-down which will next year witness tragic shortages in essential foodstuffs. It saddens me to observe that these facts are not portrayed by the leaders of the Farmers' Union, as they are being portrayed by the leaders of other farm organizations.

Mr. President, recently, since his earlier appearance before the Senate committee, Mr. Thatcher dispatched a telegram to a Member of Congress rather clearly setting forth some serious facts which he had not earlier dealt with. It is only fair now to call attention to what he has more recently said, demonstrating an appreciation in part o. the problem that does exist. Mr. Thatcher said in this telegram:

> Meanwhile keep the farm boys and hired men now needed on the farms from leaving; and later release as necessary from the armed services those farmers and farm boys already taken who are then most needed to meet the decided production goals. Exemption from military service for those who follow agricultural pursuits must be based upon fighting a long war, and not be 30- or 60-day deferments.

And with that I can most heartily concur. Again Mr. Thatcher says:

> The cross-section report coming to us from the farmers in the Great Plains area and in part of the Corn Belt States is that parity price, as now determined, is adequate for them if they can even get that much and provided that their sons and hired men can be assigned to war duty on the farms to assure production, and further that they may have the protection of such prices for a period of years following the conclusion of the war.

Again, Mr. President, I most heartily concur with Mr. Thatcher's conclusion except as he once again would seem to strive to make this controversy appear to be one involving the question, Shall the farmer have 100 percent or 110 percent of parity?

QUESTION NOT ONE OF 110 PERCENT OF PARITY

Mr. President, much as I like to work with the Farmers' Union, much as I appreciate the fine work that organization has done, I must put myself in disagreement with them on this subject of legislating protection to the farmer in an hour when forces are seeking to deprive him of a chance to hold his own while he struggles against terrific odds to continue that all-important production of food essential in the winning of this war. This is no battle over the question of whether the farmer shall have 100 percent or 110 percent parity for his production, as some would make it seem. It is solely a question of giving fair play to the farmer and helping him to help America win this war which we are losing every day. We shall lose it fast and quite completely if we continue to legislate and administer the farmer into a state where we shall have food shortages to deal with through no fault of the patriotic farm people.

REAL DANGER OF FOOD SHORTAGE

Mr. President, let no Senator scoff the possibility of a food shortage, a serious and critical food shortage which can bring real want to American homes, even to the military ranks. We have talked so long of surpluses in the agricultural field that it perhaps is not surprising that many would look lightly upon the prospect of shortage. But a shortage is definitely threatened right now. Upon what we do in a legislative and administrative way at this time a great deal depends.

In 1937 I warned against continuing exports of scrap iron to Japan. I said we might some day find ourselves sending our sons into the Pacific to collect

this scrap in their own bodies to be returned for burial in American soil, and pointed out the large chance of depriving ourselves of necessary scrap supplies if we did not stop the export business which was proving so profitable to a few dealers. But the threat fell upon deaf ears. After all, we had an unlimited supply of scrap iron, so we felt.

Who contemplated that we would one day be short of rubber, so short that rationing of the severest kind would have to be practiced?

Last January some of us were pleading for a governmental policy that would leave necessary farm hands at home. Our pleadings fell upon ears which were quick to ignore facts, and today the shortage of farm labor promises tremendous reduction in farm production.

When men warned against limiting sugar production by American farmers, the thought of shortage was scoffed.

Do not, I plead, scoff the idea of a possible food shortage in our own country, the country looked to for supplies for a large world. Already there are meat shortages, which have the authorities planning a rationing policy. And of course it is not necessary to remind the Senate today of the terrific shortage which confronts us in the field of animal fats and oils.

COMPROMISE IN INTEREST OF UNITY

Mr. President, compromise amendments have been offered here with a view to avoiding a clash between Congress and the President. I want such a compromise, providing it carries complete assurance that the frightful odds which the farm industry faces today are going to be in reasonable part eliminated. I want to avoid a war here in Washington so long as we have so tremendous a war on our hands abroad. Washington is not the place for a second front. I hope unity here can be attained by compromise. But the Tydings-Reed proposal does not, to my mind, offer a sufficiency of assurance of meeting the challenge in the field of farm production. It does not direct, it merely authorizes administrators to exercise their own judgment in affording fair prices for the farmer.

Shall I surrender to the alleged cause of unity when I am so firmly convinced that such a surrender means terrific reduction of farm production in an hour when we need that production as much as we need ships, guns, powder, and planes in winning this war?

LET ERROR BE ADMITTED

Frankly, I am without confidence that administrators will be ready to acknowledge that present prices are reflecting increased production costs, including labor costs, for no other reason than that those administrators certainly ignored these factors when a few weeks ago they pointed their finger at the farmer and charged him with being the culprit responsible for inflation and increased living costs. If they are feeling mistaken about that act now, they are certainly showing no signs of it. If they would acknowledge their mistake then we could have that thing which Senators call unity in a moment.

Immediately pending before the Senate is the proposal offered by the Senator from Oklahoma [Mr. THOMAS] and the Senator from New Mexico [Mr. HATCH] to include the cost of farm labor in the formula which determines parity prices for agricultural products.

I would not lend myself to any cause which would even unconsciously tend to upset the reasonable order of things in this hour, perhaps the most critical hour in all American history.

AGRICULTURE BASIC TO VICTORY

But when I see the vicious and dishonest fight which some forces are waging against the farmer in this same hour, a fight which could relegate the great American agricultural interest to a position of peonage, and when I observe how increasingly difficult the farmer's lot is becoming in this squeeze of changing economy I can only rally to each and every cause that will recognize agriculture as basic to victory and basic to our American economy today and for all time to come.

LABOR COSTS COVERED BY PRICE

However new some of the deal may be, it has been a pretty raw deal that the American farmer has had for long, long years. It was a double raw deal to have in any degree challenged him in this hour as responsible for inflationary trends when those so challenging him knew where the responsibility really rested. Last year, 1941, found the farm people, though they constituted 22.5 percent of the total population of the Nation, enjoying only 8.2 percent of the national income. This year might find them winning as much as 13 percent of the total national income, or the thing which some like to call "parity," when in truth it is far from an honest parity. Now, with forces, seemingly led by the President, setting out to destroy whatever balance the farmer enjoys, surely there is but one thing for us to do, namely, fight back and give the farmer what every industrial undertaking demands, and gets, in the form of right to include its wage costs in ceiling prices. I am delighted at the opportunity to support the Thomas-Hatch amendment now pending to that end.

LET THE FARMER HELP WIN THE WAR

I can agree heartily with those who insist that this is no time to be seeking special favor or advantage for any group—labor, agricultural, or industrial. To win this war requires that individual or group advantage be not sought or tolerated. To the same extent, however, there can be no tolerance of disadvantages which would tend to destroy individuals or groups highly essential to the successful conduct of the war. There can be no denying the fact that the agricultural part of our economy is at a disadvantage, and that there is a large threat of its being placed at even a greater disadvantage. Let present trends continue and we shall witness a serious breakdown in the food-production line, a line as essential as any munitions-production line today.

I have spent 5 or 6 recent weeks in my home State, and was there in closest touch with existing farm problems. With the knowledge I there gained, I cannot be other than bitterly resentful of the pending effort to make the farmer the "goat" for the wrongs and omissions of others. I resent the daily representation to the effect that the farmer and his friends in this Congress are pursuing a greedy course. No farmer, no legislator, seeks anything more than a reasonable degree of fair play, and a return for agriculture which will let the farmer continue to carry the heavy load which the times have given him.

"Break down farm prices!" That is the cry which has followed the President's Labor Day speech, and his message to Congress demanding correctives for runaway prices and the threat of inflation.

If Congress or the administration should succeed in breaking down farm prices then this country could confidently look forward to hours, days, and months of dire want for the barest food requirements.

With the farmer straining every ounce of energy to produce food under conditions which make production increasingly difficult, there are those who accept the word of the President as being ground for a war on the farmer and on farm prices which have not even reached the misleading thing called parity.

Mr. President, this is a time to be taking careful inventory before we do those things which might easily break down farm production to a degree which in itself could lose this war. Blindly to follow the President in the kind of leadership he has given in this price controversy might be to defeat every best purpose the country is trying to serve today.

ATTACK UPON FARMER THOUGHTLESS

I find myself completely at sea in determining the cause or the occasion for Senate Joint Resolution 161. The more thought one gives it the more is one driven to conclude that it is only legislation prompted by the most thoughtless kind of demand by the President of the United States. It comes, however, at a time when the people will afford little patience with a Congress and a President who fail to respond fully to honest effort to prevent an awful inflation in our economy. The public may not know just where are the causes for the inflation trends; the public may be thoroughly deceived by some alleged causes; but the public does know that somewhere up and down this line is someone who is failing to do what needs be done, in addition to just talking about it.

It would be well if all who are connected with the Government, particularly those charged with responsibility in the prosecution of the war, would get out and really feel the pulse of the American farmer at this time. Privately the farmer is much more plain spoken in these hours than are those who represent his organizations and stand as his spokesmen. They have been mild. To personally contact the farmer today and give him every reason to know that his interrogators or his listeners are not seeking to make trouble for him, is to

find the farmer deeply resentful toward some man-made conditions, in an hour when he wants to do his full part in the winning of this war.

RESENTING UNFAIR ATTACK

The farmer is not resentful because of new tax burdens, because of inconveniences which shortages are occasioning, because of the extra load of labor and responsibility, or because of the limitations placed upon him in the price field, all of which he appreciates are necessary in the prosecution of the war, a war which the American farmer wants to win as much as any Washington official wants to win it.

BEWILDERED BY WILL TO IGNORE NEEDS

The farmers' resentment grows out of the scarcity of manpower, forced by a Government which encourages farm hands to seek places in the highly-paid defense industries, and then takes practically all the remaining ablebodied ones by the draft, in order to maintain State quotas. He knows the need for fighting men, and early encouraged sons to enlist; but he is bewildered when he finds no will to help him keep capable hands on the farm in this hour when the Government is urging larger production on the farm.

FORCED TO ABANDON FARMS

I can say without fear of contradiction that next year will witness tremendous reductions in agricultural production. Many a farmer has this year experienced help difficulties to a point where he feels that he cannot next year plant or breed beyond what will be within the power of himself and his immediate family to take care of and see through to the harvest and the marketing. His labor difficulties this year make it clear that he can hardly anticipate anything but a greater difficulty next year. Farm people want to help win the war by doing all the things their Government asks, and more, but there are very positive limitations beyond which they cannot go. Take the case of S. O., a farmer in whose home I spent a night in my State. His farming operations, with the aid of one hired hand, last year enabled him to produce essential products and to buy $1,500 worth of Government war bonds this spring. With another crop year about to be undertaken this farmer sought all this past spring and summer to win deferment for his one hired hand, a deferment granted up to now. If he has finished his harvest by this time I am sure he has been able, or soon will be able, to purchase from three to five thousand dollars more of Government bonds. But now he loses his help to the draft, further deferment being not available. He has diligently sought a new hand, or renters, but with no success. He himself is in his late seventies. He cannot possibly carry on the farm work in any degree.

He contemplates now the necessity of abandoning his fine acres, ceasing to produce the food which the Nation and our allies need, and of necessity ceasing his investment of earnings in Government bonds. If this condition of affairs makes sense in any particular, this farmer fails to see it, and it will take much more than fire-side chats ever to make him see it. A condition of this sort can only invite a growing resentment on the part of a people who feel that their problem is not understood in its most simple forms.

RESENTS SCARCITY PLEA

The farmer is not happy when he finds agents of his Government who once urged scarcity, plowing down of food, and abandonment of acreage, now warning against any development that would afford a permanent gain for the farmer by building a profitable outlet for surpluses, as in the case of the Vice President's preachment against building a permanent agricultural industry to supply the rubber needs of America, now and after the war. The farmer simply does not understand why our country should remain dependent upon a foreign rubber monopoly, be it British or Japanese, when he, the farmer, could supply that essential in greatest part.

I have seen farmers and their wives filled with anger because of the daily tirade by governmental officials, columnists, and radio commentators to the effect that we are losing the war because, as they say, the farmers do not realize that we are losing the war or do not realize the seriousness of the situation. Farmers have told me how hard it is for them to listen to the radio or to read newspapers when they are sure to encounter more preachment to the effect that they do not know there is a war on.

Mr. President, such talk is a libel and an insult to the American farmer. Believe me, he knows that a war is going on. He has daily reminders of it. Most farmers have present every hour the knowledge and the reminder of the presence of a son in the fighting ranks.

Mr. President, I have referred to the resentment of the farmer toward those governmental agencies, commentators, and editorial writers, who seem to look upon the farmer as being unaware of the existence of or the seriousness of the war. There is, Mr. President, as large a war consciousness among the farmers of North Dakota as there is in any office in Washington. There is on their part as earnest a desire to win the war as there is anywhere in Washington; indeed, on these farms there is just as great, and often a greater, readiness to sacrifice to the end that we may win the war as there is in the Nation's Capital.

The farmers who operated through the last war, and took the frightful economic beating which was visited on them during and after that war, will privately tell you that they rather expected "to be made the goat" again in and after this war, but they hardly expected the wheels to start grinding them up quite so soon as they have; and today salt is poured into open wounds when responsible parts of our Government place at the door of farm people almost the sole responsibility for whatever degree of inflation is here now or threatened for the future. The farmer wants to know, does his Government, from the President down, really believe him, the American farmer, to be an unpatriotic profiteer, a culprit, guilty of entertaining so selfish a purpose as would destroy the economic balance and bring on inflation and worse at a time such as this? These Americans who are doing the great farm production job in this emergency are quite properly resentful. Those who know and who will acknowledge the facts concerning inflation would have little respect for the farmers if they did not bitterly resent what seems to be a studied attempt to make the farm people appear to be responsible for the inflation threat.

No farmer wants a repetition of the inflation experience of the last war. He gladly submits to limitations upon the prices he can receive so long as such limitations are not confiscatory and so long as he sees that all others are limited in their chances to profit from this awful war. But we had better not expect his patience or his ability to produce to hold forever if he sees others unchecked in this great grab for quick and easy rewards and riches by reason of war while he is asked to do with less of everything and to accept responsibility for an inflated economic condition which others create.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STEWART in the chair). Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. NYE. I yield.

Mr. AIKEN. Since the Senator from North Dakota has mentioned the farmers' sons in the fighting ranks, I should like to point out at this time that the percentages given out concerning the number of farm boys in the armed forces are very misleading. As all of us know, about 22 percent of the people live on farms; but the figures show that from 13 percent to 15 percent of the armed forces are boys who came from farms. Such figures would make it seem that farm boys are not in the armed forces in the same percentage as are the sons of other groups.

However, one of General Hershey's chief assistants has pointed out to me that those figures are misleading. He tells me that the farm boys do not register as farmers, for fear that they will be placed in the infantry, but that all farm boys are mechanically inclined, and they give their occupation as "mechanic" or "steam-shovel operator," or some other technical term, so that they can get into the technical divisions. General Hershey's assistant to whom I have referred told me that he thought the farm boys were in the armed forces in just as large a percentage as were the boys from any other group of our country.

Mr. NYE. Mr. President, I am deeply indebted to the Senator for his contribution, which causes me to remark further anent the part which farm boys are playing in the building up of our military ranks that after the last war it was found that in my State the percentage of men responding to military needs of their Government was higher than in any other States except one or two. We could not understand, except as we came to realize that a State with a large, overwhelming agricultural population could

not help but contribute and would contribute more men than would be contributed by other States.

At the moment, in my State we are bothered, as other Senators from strictly agricultural States must be bothered, by reason of the fact that the draft authorities are as severe as they are with respect to drafting the remaining farm hands. In North Dakota, as in other States, I presume, a great many of the farm boys have responded to the appeal of employment in the wartime industries where high wages are available. They accept such employment; and by reason of it they are, for the moment at least, deferred so far as the draft is concerned. They are serving a necessary cause when they are employed in defense industries; but such service places upon the back of the State the larger burden of supplying out of the remaining farm hands whatever might be the State's quota of draftees.

Today one cannot help but observe in my State, in communities large and small, out on the farms themselves, almost the utter absence of any young men. They simply are not there.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SPENCER in the chair). Does the Senator from North Dakota yield to the Senator from Montana?

Mr. NYE. I yield.

Mr. WHEELER. Along the line with reference to which the Senator has been speaking I desire to call attention to a letter which I received from the publisher of the Hinsdale Tribune, of Hinsdale, Mont., reading as follows:

THE HINSDALE TRIBUNE,
Hinsdale, Mont., September 18, 1942.

Hon. BURTON K. WHEELER,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR WHEELER: Knowing your deep interest in the welfare of Montana and your desire to be of service from personal experience, I am writing to call your attention to a situation fraught with what I feel is a grave peril both to our State and to the Nation. And I also feel, from personal talks with many people in our part of Montana, that this letter represents the feeling of the majority of Montanans.

I refer to the apparent determination of Selective Service to take into the Army every man who can possibly serve in any capacity, regardless of whether he is a man whose loss will cause the stopping of production.

I believe that, in general, the administration feels that food production is just as vital as the production of munitions. At least, this year farmers and ranchers were urged to actually increase production many times and most of them have done so.

However, in our part of Montana at least, not only have our food producers faced an almost impossible job through shortage of labor—now many of the actual producers have received notice from their draft boards that they, too, must enter the Army.

It would be difficult in many cases, but perhaps possible in normal times for a farmer or rancher to find someone to take his place and keep the farm or ranch producing. But now, when hired farm labor just doesn't exist in most cases, if the owner himself is taken, that farm or ranch simply must go out of business—there is no other answer.

I can cite you a specific case in our own community of Hinsdale. Frank Nelson, age 42, operates three farms 12 miles north of here. He also leases grazing land and has a fine herd of 60 cattle, raised 60 hogs this year, 200 turkeys, and a flock of chickens. He raised 2,000 bushels of feed grains and 5,000 bushels of wheat this season. He operates a well-kept-up place and is a good, conservationist type of farmer.

His deferment expires December 1 and his draft board says he must go then. He will have no choice other than to ship his cattle in November, sell off his hogs, turkeys, and poultry and close down the farm.

Farming and raising stock to the extent that he does, Nelson formerly kept one and often two hired men working for him in past years. Earlier drafts, however, took these men and they could not be replaced, but he went ahead, worked longer hours, and used high-school boys for what help he had to have and actually increased his production. Now, if he is taken, he simply can't find anyone to take over and must sell out.

This man is not in the best of health, has bad feet and an impaired heart, but he passed for limited service at Butte in a preexamination last week.

This example is typical—that is why I cite it at length. Nelson will probably make a fair soldier, but he is not a strong, healthy young fellow, the finest type of soldier we can get. At home in the job he knows and does best, he is doing two or three average men's work.

We have a dozen of more fellows, no longer young, who operate good farms and ranches in our territory who are now told they must go out of business and enter the Army. They are doing good production jobs where they are and if taken, their places will go out of production.

These men are patriotic and for themselves would not ask further deferment, but the people of our community feel that they should be deferred for the good of the war effort. It is our earnest belief that no actual producer of the food needed for victory should be taken into the Army unless he is young enough to be a first-class soldier and unless he can be replaced.

The present selective-service policy, which we firmly believe is short-sighted, if carried out throughout Montana and other livestock and grain-producing States will do grave harm to the war effort through impairing food production. And it will do well-nigh irreparable damage to the post-war economy of our Western States by eliminating these producers.

In fairness, we can't blame the Selective Service for trying to do its job, which is to get men as fast as they are needed. But the other side of the picture should be brought forcefully before them. Vital food producers must stay on the job, and that can be done without running short of men. We have millions of 18-year-old and 19-year-old men, the finest kind of fighting men, available for the draft.

And we have many, many men engaged in clearly nonessential work.

Montana is counting on you, Senator WHEELER, and on your colleagues to see that men who are really essential on the home front continue where they can contribute the most to our war effort. And we are behind you in anything that you can do to that end.

The danger is real; the need is great. And effective action needs to be taken at once. A few individual cases of lost production by induction of men needed at home into the Army may not make much difference, but multiply this by hundreds or thousands of such men throughout the West and it can have grave consequences.

If we can be of any assistance on this or any other matter, please feel free to call upon us.

Thanking you, we remain,

Sincerely yours,

H. F. TUTTLE, *Publisher.*

That letter is only one of many similar letters which I am receiving from Montana at the present time.

Mr. NYE. Mr. President, I thank the Senator; and I am sure that, as is true in my own case, he is appreciating the fact that while the debate of the last few days probably will not in itself change the draft regulations, since the pending measure does not deal with the subject, I am observing of recent hours some indication that perhaps the debate and the story of what the farmer is up against is having a decidedly helpful effect upon the selective service officials in Washington.

Mr. WHEELER. Mr. President, if the Senator will yield further to me, let me say frankly that I think the debate which has been occurring in Congress relative to the pending measure, in bringing out all the various phases of the farm problem, will have a good effect not only on the selective service officials but in giving the administration some valuable information with reference to the condition of farmers throughout the country, information which apparently the administration did not have when the President delivered his address to the Congress.

Mr. NYE. We also are hoping.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. I hold in my hand a letter received from the chairman of a county draft board in my own State. He says, among other things:

Our biggest trouble in labor problems in this country is due to the United States Employment Office contacting men in this county and advising them how much they can make as laborers, carpenters, etc., in defense plants located in Nebraska, Washington, etc. It is pretty hard to continue on the farm when they can make $400 a month on 48-hour weekly positions.

Mr. NYE. Certainly that is another of the factors.

Mr. SHIPSTEAD. We have not only the draft taking farm hands, but the United States Employment Service recruiting farm hands for jobs paying $300 or $400 a month, whereas the farm hands have been working for $50 or $60 a month.

In addition to being burdened by the loss of such men, the draft boards fill the county's quota by calling those who are left.

Mr. NYE. That is correct.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. WHEELER. I should like to call the Senator's attention to an article appearing on the front page of the Miles City Star, which is one of the leading daily newspapers in southeastern Montana. The article is as follows:

SHORTAGE OF LABOR ON THE FARMS FELT—MASS MEETING MONDAY NIGHT IN ELKS' HOME TO PLAN FOR PROVIDING HELP

No improvement in the farm labor shortage was reported today as beet growers, now faced with harvesting operations, were looking over their fields ripe with the harvest and hoping that conditions would be created to give them an opportunity to save their full yields.

That the labor shortage situation is desperate is indicated from reports received here that the farmers in the beet areas will be able, with what little help they have and what they are able to do individually, to gather only a portion of their crops.

MASS MEETING CALLED

Taking the lead in the matter of endeavoring to devise ways and means whereby labor will be made available from the centers of population in this region, the Chamber of Commerce of Miles City, through appropriate action taken at a meeting held, has called a mass meeting of citizens for Monday evening, September 28, in the Elks' Home.

One of the purposes of this mass meeting is to discuss the labor shortage situation from the standpoint of later approaching the matter of recruiting labor from the city, from among all classes of men, business, and professional, executives, and employees, who will, through the program of the United States Employment Bureau here, go out to the beet farms and materially help with the harvesting of the crops.

I have read the article for the purpose of showing not only why the farm leaders, about whom we have heard so much, and whom we have heard denounced on the floor of the Senate, are taking up the matter, but why even the chambers of commerce in various counties are now taking up the matter and are holding mass meetings. The farmers are threatening to plow up their crops, and are actually doing so, and they are saying that they will not continue to raise crops.

The other day a friend of mine said that when he was in Sioux City 52 carloads of breeding sheep were brought there and were dumped on the market because of the fact that it was impossible to obtain help to take care of them.

We hear talk about a crisis which will face the country. A crisis will occur, and it will be created because of a shortage of farm labor and because farmers cannot obtain the necessary help due to the fact the men have left the farms and have entered the various industries in which exorbitant wages are being paid.

I have on my desk a letter from a lady who lives in Hamilton, Mont. In her letter she states that her neighbor's boy is working in one of the defense industries and is getting between $15 and $18 a day, and says it is the biggest snap he ever had.

I read her letter to the Senate:

HAMILTON, MONT.,
September 14, 1942.

Mr. BURTON K. WHEELER,
Washington, D. C.

DEAR MR. WHEELER: I am sorry you were in Missoula and I didn't know it. I should have liked so very much to meet you and talk to you although I presume you were very busy with people that count. So I suppose the only thing to do is to write to you our likes, dislikes, and protests.

We are very much incensed at the recent ultimatum of the President in reference to the 110 percent of parity prices and with his idea that he will take care of labor's wage. You know as well as I do that if Congress puts a ceiling on farm prices and not on labor's wage the President will conveniently ignore labor's exorbitant demands to the farmer's detriment. I have yet to meet the farmer or any other business or professional man who is in favor of a ceiling on farm prices and not on labor's wage. And I've yet to meet the man who is not in favor of a ceiling on both and that 6 months ago.

I'll be vigorously opposed to any bill passed by Congress establishing any control over farm products that does not also contain provision for control of labor's wage. And any bill that contains both provisions, if not too manifestly unfair, I'll be for. We only ask that if the period 1909–14 is to be used as a basis make the basis the same for both agriculture and labor.

Labor is and has been manifestly unfair and is becoming more so daily with the tacit approval of Mr. Roosevelt. I offer the three following examples I know of personally:

No. 1. A neighbor living about a mile east of me here was in the midst of putting up his second crop of alfalfa. One noon his crew come in and said, "We're not working for 50 cents an hour any more but we will work for 75 cents an hour." Of course, what could Mr. Hyatt do?

No. 2. My neighbor's boy, living about 40 rods north of me, is working in Idaho as a carpenter's helper, making from $12 to $18 a day. He admits himself it is the biggest "snap" he ever had or ever will probably have.

No. 3. A truck driver (he owns a small farm) driving for a farmers' co-op here has been refused permission to unload our produce at the Safeway Stores in Missoula, by the drivers' union, because he does not believe in nor will he join the union.

Now don't write back to us about this all being to back up the President's demands. You have proven to our satisfaction by the wonderful fight you put up for the preservation of the Supreme Court that you can stand on your own feet and do what is right. And unless you and other Members of Congress do stand on your own for what is right this will be a more disunited Nation than it is at present, and its present state in that respect is deplorable.

Sincerely yours,

H. W. JOSLYN.

P. S.—Don't be afraid to advocate and vote for a sales tax. Judging by the gas tax here it is one of the easiest to pay, but for heaven's sake be against all forms of foolish spending—Work Projects Administration, for instance. But you'd be surprised at the number of farmers that are for a sales tax.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. SHIPSTEAD. Yesterday I called attention to a newspaper report from Minnesota stating that approximately 10,000 sales of farm equipment and farm stock have been held in Minnesota. I telegraphed the Secretary of the Montana Farm Bureau Federation, and asked him to verify the statement accredited to him. I have a telegram before me, which, with the Senator's permission, I will read. It is as follows:

Survey of 80 counties reveals from 50 to as high as 200 sales per county. This tremendous increase due inability to get help; due to draft, defense plant work, defense plant competition on wages. Lack of assurance of prices reveals that livestock production will suffer tremendously. Considerable slump in crop production. Land seeded down.

J. S. JONES,
Secretary, Minnesota Farm Bureau Federation.

Mr. NYE. I thank the Senator.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator from Wisconsin.

Mr. WILEY. By way of supplement to what has been said by the distinguished Senator from Montana [Mr. WHEELER], I wish to say that I have a letter in my hand from a very distinguished lawyer in my State, showing not merely that the farmers themselves sense the situation, but the gentleman to whom I refer, who lives within 25 miles of my home town, says in his letter:

STANLEY, WIS., *September 21, 1942.*

I have wondered many times recently whether you men knew just what the situation is among farmers in this territory. I have not been able to hear anything through the papers that either of you have placed the facts before Congress, although I presume you have.

I feel it is safe to say that the stock and machinery on 1 out of every 10 farms in the northern half of Wisconsin has been sold at public auction in the last year. Probably the farms are still more or less worked, but the production is going to be very greatly decreased. The sales are daily increasing. The finance companies, auctioneers, and their assistants are practically working night and day. Any farmer planning on putting on a sale must wait from 2 weeks to a month to get a day when there will not be a sale in his neighborhood.

It appears to me as though there are two causes: The lack of help at any reasonable price, and the preposterous wages paid for common labor in war work. The dairy farmer cannot work his farm and care for from 15 to 30 cows twice a day. It takes 2 men to work a dairy farm of any size. Far too many farm boys have been taken off the farm. This has often occurred upon the farms which are the best producers. Some boards seem to think that a fairly prosperous farmer ought to be able to do his work alone. At least, that is what is confronting many of them.

At the Eau Claire war plant common labor is getting $65 a week. At Milwaukee plants common labor is getting $60 a week. This seems to me to be extremely silly on the part of the Government but probably is the result of permitting labor racketeers to become the dictators. It is absolutely certain that there is no such money as that in farming. The best farms in this neighborhood are not netting their owners to exceed $200 a month.

I fail to understand why the President is so anxious to sell the farmer down the river. I appreciate the fact that he knows little about farming, or labor either so far as that goes, but it seems to me that any fair-minded person is foolish to claim that the farmer today is getting more than his share of the profits. I appreciate the fact that it would be well to do something to avoid runaway prices. However, it is rather late now to talk about putting a ceiling on labor at three times what it is worth, while the cost of farm products has not arrived at what is commonly known as parity.

I am writing this letter just to call your attention to this one condition, that is, the continued sale of stock and machinery will result in the constant cutting down of production in the dairy industry, although probably you know all about it.

There is a lot more I would like to say but it might not appear well in print, and I will leave it to some time when we can talk it over.

Very sincerely yours,

C. B. CULBERTSON.

To me, Mr. President, that letter pictures a tragedy.

Mr. NYE. Mr. President, a tragedy it is, which all of us are seeing first hand, particularly those of us who come from the States that are so largely agricultural as the States represented by the Senator from Wisconsin and myself.

Mr. President, I cannot speak too seriously of the prospect that in a domestic

way, America is facing at this time. In my own State I was privileged last month to observe what in all prospect was going to be the greatest harvest of all time, for during the year nature had smiled; there had been many long hours of labor devoted to production of what Uncle Sam was calling for—more food—and a wonderful crop was in the making, but, before I left, a decided difficulty was developing by reason of the inability of the farmers to obtain the help that was necessary to enable them to harvest their crop. There was a great slowness in getting the harvest under way, and then came bad weather to delay it further; but the thing that contributes most largely to the situation that confronts my State and neighboring States at this time is primarily a labor shortage.

I do not know whether Senators will appreciate the degree of alarming information that is contained in the telegram I am about to read, but on September 26, E. E. Swanston, the State land commissioner of my State, telegraphed from Bismarck:

Snow storm today. Not over 20 percent crop threshed in North Dakota, largely due to draft of farm boys and no labor available for replacement. Do all you can to keep remaining boys on farm. National calamity in sight if draft of farm boys continues. Expect 25-percent rental reduction from this department's land on account of farm boys and men being taken in draft.

Mr. President, the alarming thing to me is the declaration that not over 20 percent of the crop, this bountiful crop, had been harvested or threshed by September 26. I could not believe my own eyes when I read that telegram, and that evening I addressed to half a dozen representative people in representative portions of my State an inquiry which I hoped would reveal how authentic and how accurate was that representation. Responses were at hand on Monday morning, and I shall offer them all for the RECORD. There is a divergence of opinion as to just what part of the harvest has been accomplished, but in all instances the amount declared by the State land commissioner has been approximated by the guesses of others, some lower, some higher.

I ask unanimous consent to have printed in the RECORD at this point telegrams from the Jamestown Sun, the Williams County Farmers Press, the editor of the Fargo Forum whose telegram is initiated H. D. P., a telegram from G. D. Colcord, of Minot, a telegram from Senator P. L. Foss, of Valley City, a telegram from Graham, editor of the Devils Lake Journal, and a telegram from Thoresen, of Grand Forks, N. Dak.

The PRESIDING OFFICER (Mr. SPENCER in the chair). Is there objection?

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

JAMESTOWN, N. DAK., *September 26, 1942.*
GERALD P. NYE,
Senator, Washington, D. C.:

Labor shortage only 5 percent cause of threshing delay. Loss in price and grade on account of weather conditions, 25 percent.

THE JAMESTOWN SUN.

WILLISTON, N. DAK., *September 26, 1942.*
Senator GERALD P. NYE,
Washington, D. C.:

County agent's office informs us that out of estimated 5,000,000-bushel harvest in Williams County 30 percent remains in shocks or uncut and that weather has caused estimated 15 percent loss in unharvested crop. Ample labor supply would have reduced losses 50 percent.

WILLIAMS COUNTY FARMERS PRESS.

FARGO N. DAK., *September 27, 1942.*
Senator GERALD P. NYE,
Washington, D. C.:

Wilde in Sunday Forum says 60 percent threshing in State remains to be done. Continuous rains responsible. Labor shortage would have been overcome except for rain delays, which drove transient workers from farms. Air mailing tear sheets Sunday Forum giving comprehensive on farm population situation and current operations.

H. D. P.

MINOT, N. DAK., *September 28, 1942.*
Hon. GERALD P. NYE:

Sixty percent of grain threshed and combined in northwestern North Dakota. Two-thirds of flax remaining to be cut or threshed. Continued damp weather made threshing tough. Not much damage to grain yet, only lower test weights and grades. Severe freeze damaged potatoes 10 percent and damaged corn for seed. Farmers need 30 days to finish. Labor very scarce. Should defer farmers 30 to 60 days.

G. D. COLCORD.

VALLEY CITY, N. DAK., *September 26, 1942.*
Senator GERALD P. NYE:

Harvest still about 75 percent to do. Recent storm damage about 25 percent; Labor shortage acute.

SENATOR P. L. FOSS.

DEVILS LAKE, N. DAK., *September 26, 1942.*
Senator GERALD P. NYE,
Senate Building:

County officials estimate between 25 and 30 percent threshed. Weather damage very slight because of cool temperatures. Wheat may lose some weight. No sprouting reported on Thatcher. Some on Durum. Estimate 50 percent more be threshed if no labor shortage.

GRAHAM.

GRAND FORKS, N. DAK., *September 28, 1942.*
Hon. GERALD P. NYE:

Threshing 30 percent. Weather caused considerable delay. Labor shortage mostly. Damage hard to estimate as yet.

THORSSEN.

Mr. NYE. Mr. President, in each and every instance there is a declaration of the very dire situation confronting the State growing largely out of the want of farm labor necessary to handle the crops.

Last Sunday morning, September 27, there appeared in the Fargo Forum an interview with Mr. E. W. Anderson, chairman of the State A. A. A. committee and the Agricultural War Board. In that interview Mr. Anderson, speaking of the number of farm sales taking place, said:

True we have some farm auction sales every fall—but rarely have we had anything to compare with this movement, and unless the drain on our manpower is stopped, it probably will be immeasurably greater next year.

Then, in keeping with what others have said here, Mr. Anderson proceeded:

Some farm auctioneers are so solidly booked with sales that they do not have an open date for the next 50 days.

Commenting on this interview, the Fargo Forum editorially on the same day concluded an editorial with this language:

To learn therefore, that many farm plants are being closed down, the foundation herds and flocks hold off, and that this situation will undoubtedly become much worse next year unless something is done to stop it, is a matter of national concern.

Mr. REED. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. REED. Confirming what the Senator from North Dakota has just stated about the frequency of farm sales, I wish to say that I publish a daily newspaper in a diversified farming country. The newspaper happens to be most widely read by the farming population, and therefore carries more sale advertisements than any other newspaper in that section. In 1940, from the 1st of August to the 25th of September, we carried 17 farm sale advertisements. In 1941 in the same period we carried 37, and this year in the same period we carried 57.

Mr. NYE. It is evidently the same story in every agricultural State.

Mr. REED. The story is the same everywhere.

Mr. SHIPSTEAD. Mr. President, will the Senator from North Dakota yield?

Mr. NYE. I yield.

Mr. SHIPSTEAD. I have in my hand a newspaper report of a survey made in 16 States on this question. The States included are from the South. The far West, the Middle West, and the Atlantic coast. The survey was conducted by a staff writer for the Minneapolis Sunday Tribune and Star Journal and the result was published on Sunday, September 27. I ask that the article be included in the RECORD at the end of the remarks of the Senator from North Dakota.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit A.)

Mr. SHIPSTEAD. Mr. President, I have another article based upon a survey made by the Wide World News Service involving more than a dozen States in different parts of the country, showing that the Senator's argument is well borne out by independent sources of information. I ask that this article also be printed following the Senator's remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit B.)

Mr. WILEY. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. WILEY. I wish to call attention to the fact that when the German hordes were going into the Ukraine, the Russian soldiers went into the fields to harvest the grain. I wonder if the Senator can tell me whether or not some of the soldiers from the camps in the Northwest of our country have been called out to insure that the grain in North Dakota shall not be lost to the Nation and to our Allies?

Mr. NYE. I can say most emphatically to the Senator that men in the Military Establishment have not been called out

for that purpose. Not only have they not been called out, but they have been denied furloughs which would have enabled them to go home from the training camps this fall in order to aid in harvesting.

I have, however, been rather amused, and to some extent angered, by a condition which seems to prevail. In late July or early August I made representation to the Secretary of War concerning this threatened labor condition and suggested that farm boys who are in the training camps at the moment be granted furloughs to return to their homes for the harvest work. For reasons which I had to agree were substantial, the Secretary stated that it could not be done. But a few evenings later I listened to a radio commentator, one Boake Carter, and heard him tell how American boys in the American Army in England were helping British farmers to harvest their crops. Perhaps Carter was mistaken, perhaps he had wrong information, but, nevertheless, that was his declaration. The American soldier boys, however, have not been permitted to assist in the harvesting on American farms.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. WHEELER. I should like to call attention to a letter I have received bearing out the very statement the Senator has made. Dudley White, who is a rancher in Columbus, Mont., wrote me as follows:

COLUMBUS, MONT.,
September 22, 1942.

Hon. B. K. WHEELER,
Washington, D. C.

DEAR SENATOR: We are in a very bad storm with plenty of crops under the snow, a result of the shortage of ranch help. We were late getting the crop into the ground, late irrigating, and still worse when it came to harvesting. Nothing else could be expected without enough help.

On the radio this morning Wickard is going to stop these men from leaving the farm. He is a good 6 months late even if he could do it. How he will head off the Army from grabbing the very cream of the farm hands is a mystery. The Army has cleaned this county of the best men and those that are left are too old to be of any benefit on the farm. Those rejected by Uncle Sam are supposed to count as an A-1 ranch hand, but they can't fill the bill.

Wickard can start right here in this valley. The two chrome mines nearby are full of ranch hands and are being paid $7 a day and up. It is impossible for the farmers and ranchers to compete with these wages.

Several days ago I noticed an article in a Chicago newspaper which I was particularly interested in and which I cut out and am enclosing in this letter. Perhaps you have already read the article and if not please take time to read it is there is much food for thought.

Very truly yours,

DUDLEY WHITE.

P. S. Today a man left me. Paid him $85 a month, offered him $100 a month. Refused it. Gone to the mine.

Mr. HOLMAN. Mr. President, appropriate to what the Senator from Montana has just said, if the Senator from North Dakota will yield, I should like to make a slight contribution.

Over the week end I conversed at length with a contractor in the Pacific coast area who is engaged in camouflaging certain military establishments. The only skill a workman on this contract is required to have is that of playing a spray hose on the object to be covered with various shades and tints of color.

The contractor has a renegotiable contract. He is required to pay as a base pay for 5 days of 8 hours each, or 40 hours, $2 an hour, which makes $80 a week. In addition, he is required to pay for 2 hours overtime, every day, or for 5 days, 10 hours at the rate of time and a half, or $3 an hour, amounting to $30. He also must pay for 10 hours overtime on Saturday at the rate of $3 an hour, or $30 more, making a total of $140 a week for practically unskilled labor. The only condition requisite to employment on this job controlled by labor racketeers is that the laborers shall pay the racket fees to the racketeers of labor and receive from them a permit to go on the job.

Farmers cannot compete with that kind of a pay roll. Farmers cannot keep farm help on the farm under these labor payroll conditions which the administration has created and fostered. Farmers cannot continue to produce the foods and fibers which our country now must have to sustain its war efforts under these circumstances.

Mr. NYE. Mr. President, the contributions which the Senators have offered demonstrate the real problem confronting the farmer. The dire threat facing the United States as a whole is alarming, to say the least.

I would not burden the Senate or the RECORD with undertaking to put into the RECORD a full report of the cases which my mail from North Dakota is revealing concerning the problems confronting the farmer; but there are some which I think properly belong of record, which are reflective of that larger problem which is reported from all our agricultural sections. Incidentally, I should like to say that I have had only one letter which has approved the representation afforded by the President in his Labor Day speech, only one letter approving the kind of legislation for which presumably the administration is asking in the pending price-control controversy. I shall very briefly insist upon offering some of these sample expressions.

I should like to have the RECORD, first of all, carry a telegram from the Commissioner of Agriculture and Labor of North Dakota declaring support of the proposal to amend the parity formula in the Price Control Act to include the cost of farm labor.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BISMARCK, N. DAK., *September 23, 1942.*

HON. GERALD P. NYE:

As official representative of all the farmers of North Dakota I urge you to support proposal to amend parity formula in price-control bill including cost of farm labor. Agriculture needs and is entitled to this protection to be on par with other industries. Have message read in RECORD.

MATH DAHL,
Commissioner Agriculture and Labor.

Mr. NYE. From Bisbee, N. Dak., I have received a letter from one A. Clark, in which he says:

I believe I voice the sentiment of many fellow farmers here that we will have to cut our acreage down and dispose of our livestock as we are unable to meet the increased cost of operating, and without any help.

That is merely one of many expressions of that kind, but Mr. Clark has been a little more direct about it than have others.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. AIKEN. Did I understand the Senator from North Dakota to be reading a communication from the commissioner of agriculture of his State?

Mr. NYE. I offered for the RECORD a telegram in support of the Thomas amendment which was dispatched to me by the Commissioner of Agriculture and Labor of North Dakota.

Mr. AIKEN. If I am correctly informed, the Association of Secretaries and Commissioners of Agriculture has unanimously approved the Thomas amendment, or at least the principle contained therein. The secretaries and commissioners of agriculture in the United States certainly ought to know agricultural conditions as well as the officials of the emergency bureaus in Washington. I understand that every one of them has endorsed the principle of the Thomas amendment, and has said that its adoption is necessary if we are to have food enough to feed the people of the country.

Mr. NYE. I thank the Senator. I was not aware of the unanimity of opinion among the commissioners of the various States. I appreciate the Senator making that fact a matter of record.

Mrs. E. M. Otto of Upham, N. Dak., writes me, in part, as follows:

We own 1,000 acres of pasture and hay land that we bought at $1 per acre. We can make our living but not enough to save. Our taxes are more than the rented land. * * * Hundreds of farmers are selling out this fall and moving to town because of their sons having to join up in the Army. * * * We should be allowed at least one man, it seems to me, on the farm, if we are to feed the world Thousands of cattle will go to market that should be kept on the farm, and farmers are going to cut down on hogs and cream, even though the prices are good, but they cannot work without some help.

Further on in her letter she says:

We should be granted fair play, and are willing to go without many needed things, but the farmers are as usual the goats. Does the Government want to control everything and use the whip and make us jump like they do in Russia and Germany?

Mr. President, that is merely a sample of the kind of thinking that is going on in American farm homes today.

From Devils Lake comes a letter to me signed by James J. Keogh as follows:

DEVILS LAKE, N. DAK.,
September 18, 1942.

Senator GERALD P. NYE,
Washington, D. C.

DEAR MR. NYE: In reference to farm price legislation now pending before Congress, there are a few facts that I would like to

have made clear to said Congress, also to Price Administrator Leon Henderson and our honorable President F. D. Roosevelt. Much has been said by L. Henderson and the President in reference to lowering farm prices for farm commodities using the years 1909 to 1914 as a basis of parity. At present time we are paying between 60 and 80 cents per hour for farm labor, we are also paying twice as much for farm machinery as we did in 1909, and in some cases three times as much.

If Mr. Leon Henderson or our honorable President can show the farmers of this Nation where they can buy their farm machinery, hire their help, and educate their children, etc., on the basis of the 1909–14 prices, we would be willing to accept those years as a basis of parity. Anything you can do for the North Dakota farmer in bringing these facts before said Congress and Price Administrator Henderson and President Roosevelt immediately would be appreciated greatly by the farmers of this Nation. We wish a fair deal in this matter. Thanking you very kindly.

Very respectfully,

JAMES J. KEOGH.

WEBSTER, N. DAK.

From S. L. Huey, manager of the Fairmont Creamery Co., of Devils Lake, N. Dak., I have a letter reading, in part:

Personally, I didn't like the tone of the President's voice when he was ordering Congress to do certain things by the 1st of October or else.

* * * * *

I didn't like the idea of his statement that the farm prices should be ceilinged and that if Congress did this, he would do something about labor. * * * Personally, I think that a reasonable control of farm commodities is warranted, and we have no objections to the passing of such a law, but in the same bill there should be the same control over wages. Wages constitute a greater threat of inflation than the prices of farm crops.

Colin R. Cary, of Mandan, N. Dak., writes me a letter which I ask unanimous consent to have printed in its entirety in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

L. N. CARY CO.,
Mandan, N. Dak., September 18, 1942.

Hon. GERALD NYE,
Senator from North Dakota,
Washington, D. C.

DEAR SIR: Perhaps you can advise me on what we in this section of the country can expect during war years. As near as I can make out from what Hershey and his men are saying, this entire area will become a ghost of its former self, and I gathered that North Dakota is called upon to furnish a much larger percentage of men for the armed forces than other portions of the Nation. Is this true?

We, of course, have no armament industries, and many of those in small towns who are not called for the armed forces will probably go to some war-manufacturing center, which will mean the closing of the doors for very many business concerns.

Already we are so stripped of farm hands that it is difficult to get in the crop this year without a severe loss, and it will apparently be impossible for us to find tenants for some of the farm lands for next year. How far, in your opinion, will this go?

I frankly hate to put out the money that we are taking in this year, for taxes, interest on mortgages, etc., when apparently we are going to be put through the ringer in grand style, while at the same time other areas are prospering so mightily. I realize that this is a very broad subject on which to ask your opinion, but I would very much appreciate your thoughts.

Yours very truly,

COLIN R. CARY.

Mr. NYE. Mr. President, Mr. T. T. Donner, of Danzig, N. Dak., sent me a telegram, and then wrote me a letter in which he decidedly supports the Thomas amendment, and recites the problem confronting the farmers. Enclosed with his letter is a petition signed by 75 persons in McIntosh County, in which Danzig is located, asking for a ceiling that would not permit wheat to be sold for less than $1.50 a bushel, demonstrating clearly that parity in that instance is not sufficient to meet cost of production.

Mr. President, I received a letter from John M. Longlet, of Amenia, N. Dak., who says:

Is there anything you can do to bring pressure to leave the efficient farm boys where they can do the most good?

I only have 1 boy left, and they have reclassified him from II–A to I–A and called for examination at the same time. If they take him I am forced to quit farming, as he and I farm a section and raise 300 head of hogs and 80 head of cattle a year. If he has to go it means to quit, for help is out of the question, and everything is power farming, and that is what is happening all over North Dakota, and all the farming country. Where will the food come from? The best farming land in the United States will have to lie idle.

Also this price fixing: Why aren't we entitled to a raise in price to meet our higher-priced labor and expenses as well as the laborer? They are all working and making more than they ever have.

From Hoople, N. Dak., I have a splendid letter signed by Carl Rinde, in which he says:

What I am deeply concerned about is, What is going to happen to our farming operations next year and the following years if the war lasts?

This spring and summer it seemed to be the policy of the draft boards to defer one boy on the farm from 3 to 6 months. Now these deferments are about up, and they say there will be no more deferments. In this neighborhood, and it is the same all over the State, I know of several farmers farming 320 to 640 acres or more that have only one boy left, and he has had more or less full charge these past years, and now they are to be left alone to carry on. A lot of these are too old to operate this modern machinery, and some have told me they will simply have to let their farms lie idle. If this policy is followed throughout the Nation we will surely lose this war, as without enough food no country can win any war.

I might as well state the true facts of my case. I bought the home place from the estate in the spring of 1937. It consists of 640 acres. I have 1 son and 2 daughters. My son was married May 8, 1941. We lived together in the same house until last fall. Rather than build another house on the farm and because my mother, now 81 years of age, had a house in town and was alone, we moved in with her last fall. This summer I have been driving out to the farm every working day and helping the boy with the farm work. We have around 40 head of cattle together, and raise grains and 96 acres of potatoes. My boy rents the farm. His deferment is up in another week, and from what they say, he won't get another one If he goes I will be compelled to dispose of the cattle and other livestock, only raise a little grain that I can handle myself. Potatoes will be out 100 percent. I give you the facts of my case just to give you a mental picture of what so many of our farmers are up against. As far as hiring help on the farm just now, it seems to be out of the question. Right now we are trying to harvest our potatoes and if one can get help at all the men want 7 and 8 cents per bushel for picking and $10 or $12 per day for helping on the trucks and no market for the potatoes on account of some late blight.

I am wondering if there is anything being done to help the farm situation along this line.

We are in this war and we must by all means win it and save it for our future generations, and the farmers are going to do all they possibly can to help win it. However, if they are stripped of their essential manpower I am afraid many of them will throw up their hands in despair.

Mr. Jacob F. Bertsch, of Forbes, N. Dak., wrote me a letter in which he said that hardly any threshing is being done. The crop is big, but it is green in the shock, and even if the weather clears up there will be no labor. Mr. Bertsch continues and tells the difficult problems the farmers of that community confront in harvesting this year's crop for mere want of the labor to do it. I ask that that letter may be printed in its entirety in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

FORBES, N. DAK.,
Dickey County, September 21, 1942.

Senator GERALD P. NYE,
Washington, D. C.

DEAR SENATOR: Just a few lines to let you know that we are still alive. We had 14 inches of rain in 3 weeks; hardly any threshing done. The crop is big, but it's green in the shock, and if the weather clears up no labor. I'm a thresher; it's hard to get men, and all the rigs are short and a member of the draft board tells me that they are going to draft 75 men from this county in October. All the farm boys are about gone. Next year only one-half of the land will be farmed and one-half the cows will be milked, and so on down the line. No rubber. No machinery. No labor, and so on. What can be done about the farm-labor shortage? I'm sick and spend quite a little time in the hospital. Got only 1 son which will be 20 years of age this week. Farm 3 quarters land, milk 14 cows, and I can't do much.

Yours,

JACOB F. BERTSCH.

Mr. NYE. Mr. President, I have also received a letter from J. J. Stultz of Pembina, N. Dak., who writes:

We had to pay $6 a day for a boy during combining (including room and board) to haul grain by trucks to town from a one-man combine and later he quit as he could make $8 a day digging potatoes.

Mr. President, I ask that a letter sent to me by F. H. Farrow, of Cavalier, N. Dak., be printed in the RECORD in full at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CAVALIER, N. DAK., *September 24, 1942.*

Mr. GERALD P. NYE,
Washington, D. C.

DEAR SIR: Just a few lines to let you know how things are up here in North Dakota. Well, this is one of the toughest years I have had trying to farm; the shortage of labor is bad. We have 700 acres in our unit of spuds. We generally run 4 diggers and crews to har-

vest these spuds. Other years at this time we have our spuds out and in storage. This year we are only started digging and only running one digger as we can't get men in the warehouse to unload our stuff. Looks as though one-half of our stuff will remain in the ground. We also have that late blight in our spuds that is going to take a lot more work in handling them. We have to grade everything into storage. Other years we just dumped it in the bins. I, myself, farm 450 acres. Still have 170 acres to thresh and about 100 acres of spuds to dig. I have not been able to get a man to help on the farm since hárvest started. I have one boy 15. He is slightly crippled. He and I have done all the farm work so far. I have had some young kids helping this season, which has been costly with so much breakage in not knowing how to handle farm machinery, and also you can't get a full day's work in, being they lose so much time. Right now it looks as though we will have to leave a lot of our land idle next year, which will be bad. Now take the dairy farmer. They are shipping out their milk cows as they can't get help. Us farmers are going to need help of some kind if we are going to be able to feed the boys in the Army and defense plants. It looks as though our farm prices should take care of us but they just won't, being it cost us so much more to operate than usual. Then comes this gas rationing. We just got to have tires and gas both for tractors, trucks, and cars. It usually takes 21,000 miles on my car for field bossing in the spuds and handling the grain. I have cut down on all my excess driving and will be abe to get by on about 16,000 miles this year. Since I started this letter we had a terrible wind yesterday. Most all the flax was in the swarth ready to combine as soon as this weather cleared up. But this wind was between 40 and 50 miles per hour. Flax is scattered all over the country. I had one 30-acre field that blew away. Can't even find any of it. I have two other fields that are spread all over. Just don't know how I will be able to get it back in rows for the combine. This flax crop sure was a flop this year. First the rust hit it, cutting the yield to about one-half; then this wind damage leaves nothing in the flax crop. The Government needs all the flax we can grow so next year the flax grower should have some Government protection in the way of crop insurance, the same as they have on wheat. You, as Senator, will have to remember that there has been 2,000,000 experienced men taken from our farms and they still are taking them. Quite a number of farmers that cut their grain with a binder and then thresh it. It still is in the field as they can't get men to start up their machines. So anything you can do to help this labor shortage and a boost in prices sure will be appreciated. This sure sounds like a hard-time letter. Well, things are just as tough as they sound.

Yours truly,

F. H. FARROW.

Mr. NYE. Mr. President, I also ask to have the letter addressed to me by C. W. Schrock, president of the City Commission of the City of New Rockford, N. Dak., may be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW ROCKFORD, N. DAK.,
September 25, 1942.

Hon. GERALD P. NYE,
Washington, D. C.

DEAR SENATOR NYE: Noticed in yesterday's Fargo Forum that there is a strong possibility of a split between Congress and the President over farm parity prices.

I surely believe that the farmer should get more consideration for the much higher expenses he has to pay. Threshing labor here is getting 60 cents to 70 cents per hour and 75 cents would not be too much considering living expenses and the fact that they can only work part time due to weather conditions. Considering time lost their wages would not average 25 cents per hour for the fall's work.

If the farmer's income is curtailed so that he cannot pay fair wages he cannot get men, if he cannot get men he cannot farm and produce food. Farmers have told me that thousands of acres will not be in crops this coming year. If people complain now from lack of rubber and gasoline what is going to happen when they lack food and clothing.

The Fargo Forum stated that in the event that Congress should pass a bill unfavorable to the President's plans he might veto it and under wartime powers impose such ceilings as he wished.

If he can do that why not dissolve Congress and let the President and his corporation board heads run the show.

We have fought a losing battle against economic dictatorship for many years. Must we now allow political dictatorship, too, and at a time when we are fighting to rid Europe and Asia of that evil? Looks like a case of free Europe and Asia and enslave America.

* * * * *

Very truly yours,

C. W. SCHROCK,
President, City Commission.

Mr. NYE. Mr. President, the Secretary of the Greater North Dakota Association writes:

Our farmers and businessmen are intensely interested in this price-control legislation. As to public developments and thought through the press, it looks as if the administration intended to give the farmers a setback and give all the advantages to the labor organizations. If a farmer is not entitled to have his labor cost considered in a cost-of-production program, I would like to have someone tell me why other enterprises are permitted to consider their labor costs. As labor is being paid in the industries today, it seems to me they have very little regard for what they pay.

* * * * *

Up at my farms we are getting just about half the price for grain we got in the first World War. We are paying higher wages to men than we paid at that time. It is also more difficult to get labor than it was then. Repairs, machinery, and everything else is a serious proposition and the farmers are not in a very good humor over this set-up.

Andrew Robbie, of Cavalier, N. Dak., writes as follows:

I thought that it might be interesting for you to know just how labor conditions are here. We grow quite a large acreage of potatoes ourselves and in this section, potatoes are one of the major crops. It is is just about impossible for us to get help to harvest them. I do not suppose that we will harvest over 25 or 30 percent of our 700 acres. Owing to the heavy rains we had here and the blight in our fields, has made it doubly difficult as we have had to grade all our stock into the bins to pick out rots and what labor we are able to get is commanding such a high wage that it is going to make the cost to us so excessive that even what we are able to save may be done at a loss.

To give you some idea of just what is happening here with labor, we have three brothers working for us on our farm. They are all good tractor men and machinery men. One of them left us a couple of months ago and went into defense work. He is home at present on a 10-day leave. He told me that the lowest wages he received for any 1 week since he left for the defense work was $112 and the highest $168. He is taking one of his brothers back with him to work at the same place. If we are going to lose all our men that have mechanical ability and who are able to take care of our farm machinery, it is just going to be impossible for us to operate. I really do not know what we will do unless some action is taken to make it possible for the farmers to hold such men on the farm.

Here is a letter from one who seemingly preferred that his name not be used. He is a farmer of Upham, N. Dak., a man over 70 years of age, with 2 sons, 1 of them 37 years old and the other 39 years old. Both sons are unmarried. Both of them largely contributed to the success which has been the lot of the father in saving that farm through the difficult years through which he has gone. The 37-year-old son was drafted some months ago. January 1 of next year will witness the drafting of the second son. This is a farm with 70 head of cattle, 230 head of sheep, many pigs, and horses. This farmer does not know what he is going to do when that time comes. I know what he will do. He will do what many others are doing. He will sell the place and move into town. He cannot carry the load himself.

I ask unanimous consent that his letter may be printed in full in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UPHAM, N. DAK., *September 20, 1942.*

Senator GERALD P. NYE,
United States Senator,
Washington, D. C.

DEAR SENATOR NYE: I am glad that some of you are trying to help us farmers keep some of our boys on the farm. That problem is growing very serious around here. My next to the oldest son is now in the Army. But he was a great help to me during the years he shared the responsibility on my farm. Since he has left my oldest son has had to carry the burden of the load here, which he has had to do in addition to the work which was necessary because he rents my brother's place. I am 71 years old, and my brother is even older so you can see that he could not run his own place. But the draft is going to take this son, too, this fall or winter.

I don't see how the Government is planning when they make it so impossible for some of us to carry on. Let me tell you what we have been doing. These 2 sons that I speak of, and I, are cultivating a great deal of land, and we also have 70 head of cattle, 8 horses, and farm machinery, and 230 head of sheep and 12 pigs. My 2 boys are 37 and 39 years old, with the oldest one deferred only until January.

We owe nothing on our land or our property, but it is only because the boys have been able to help me through all these hard years. If it had not been for these two boys I could not be on my place here now.

My sons are not slackers in any sense. The one at Fort Knox went when he was called last spring. Both of these boys was born right here on this farm. I myself was born right here in this State. The two boys between them have bought about $600 worth of bonds, which goes to show where their heart is.

There was shipped cut of this little town of Upham yesterday five carloads of stock. This is going to keep on if conditions are not changed. What then are we going to do with all of our feed, our silage and other feed?

Hadn't we ought to be using our heads before it is too late? Farm production cannot be kept up if these necessary boys are going to be taken into the Army. We can't get any kind of help here at all. This fall

we hired two strangers to help us with shocking. They stayed with us through the rainy weather when there was nothing to do, but we got only half done with the shocking and they both left, and we had to do the balance of the work ourselves. We have had only one helper now in threshing. But he worked only two and one-half days, and in the evening he stuck his fork in the ground and went to town, and he has not come back. We just cannot carry on farming at our age without some help, and the help is not available when they take all of these worth-while boys into the Army.

Sincerely yours,

——— ———.

Mr. NYE. There are other letters which I might offer for the RECORD, but surely those ought to be enough.

I cannot understand why there are those—whether they be from farm States or not—who fail to sense the awful threat which is in the air at this time, a threat of reduced farm production, not because the farmer does not want to produce, not because he is not ready to sacrifice, but because he is being asked to do an impossible thing in this hour.

We are now asked to pass Senate Joint Resolution 161, a legislative approach growing out of the Presidential demand for such legislation as will prevent further inflation and curb farm prices. In this demand the Presidential displeasure was directed quite forcefully at farm prices. I have not found it easy to understand just what prompted the Presidential declaration. The President could not help but know where the largest cause of inflation rested; but he, too, was content to let it appear that increasing farm prices were to blame. The President must have known at least what Leon Henderson knew, and knows, respecting the responsibility for inflation. As recently as last June or July, Mr. Henderson said that:

> Concurrently with a reduction of 1 percent a month in civilian production there has been a rise of about 1.9 billion dollars per month available in the spendable income, of which roughly 1.5 billion dollars is increase in wages.

The wages to which Henderson referred are not farm wages. Yet the American public is caused to go on believing that the force and influence behind the present inflation trend is the selfish, greedy farmer of America. There is not the slightest excuse or reason for these thrusts being made against the farmer and against farm prices, as the occasion for a base from which dangerous inflation will spring.

TEMPEST IN TEAPOT

Let us look at very well-established facts. The junior Senator from Kansas [Mr. REED] has called attention to the fact that the measure before us, granting the authorization the President has asked to exercise power in controlling prices, would alter the total cost for farm products in a given year by only a little more than $15,000,000. This study reveals that the estimated 1942 sales of farm commodities, if all were sold for the maximum price available under the January price-control legislation, would bring the American farmer $13,933,000,000, and that the maximum available under the measure now pending and asked for by the President in his unprecedented challenge to Congress would be $13,918,000,000, only a little less than one nine-hundredth as much as could be the maximum received by the farmer under existing law, but nevertheless $759,000,000 more than will be the farmers' actual estimated receipts under prices which prevailed last August. All this being true, what is Mr. Farmer to think of the degree of seriousness which accompanies this alleged undertaking to reduce prices? Is this whole effort just so much play? Is it a move to cover up, and to blind the American people to the real cause which is contributing to inflation?

PARITY AND FAIR PLAY

I shall not here undertake to demonstrate the comparison of prices paid the farmer in the last war with the prices available to him now. It is well recognized that his reward then was far beyond that which he receives now, where he is quite content to have what he received in purchasing power and ability on the average for the 5 years from 1909 to 1914, that period which became basic to the determination of the thing called parity prices. If he receives that thing called a parity price, observe, if you dare, what the actual reward is for those who are producing the very first essentials of livelihood. Under that formula the farmer would have an income this year amounting to between 10 and 13 percent of the total national income for the year, irrespective of the fact that persons on farms constitute more than 22 percent of our total population. What can be said of the justice of a formula called parity which does not approximate for 22 percent of the population approximately 22 percent of the national income?

The farmer is not receiving parity prices even now; yet there are those who would have him looked upon as a selfish individual who does not realize that his country is in the throes of the greatest emergency of its life, an individual ready to lose the war rather than sacrifice.

CONGRESS AND THE PRESIDENT

On Labor Day the country was led to believe that Congress had failed to meet the challenge of inflation, that Congress was hesitant for political reasons in doing anything that might interfere with the farmer. Let us observe for a moment just what are the facts.

In the price-control law of last January Congress tried to determine fair bases, and gave to the President provisions of law which would enable him and his administrators to hold farm prices within bounds. Parity prices have not been reached with respect to most farm commodities; but in a few cases, including beef cattle and hogs, prices have gone beyond parity. The law we gave the President last January enables him to adjust the price and bring it back to the base provided in the law. But instead of using that power he unloads a Labor Day speech demanding that Congress act, and leaves the impression that he is powerless to act, but will act in a dictatorial way if Congress does not. The facts hardly permit a covering up of the real responsibility for any increases in living costs. Food costs which have gone beyond the parity figure could have been curbed by the President at any time he pleased to use the law we had given him.

INCREASED LIVING COSTS

The farmer has no desire to inflict increased living costs upon consumers. His attitude toward the consumer has always been an understanding one. He does wish that the consumer would reciprocate with equal understanding. The price of a loaf of bread which the consumer buys is in almost insignificant degree determined by the price the farmer receives for his wheat. Because the consumer pays 50 cents or 60 cents for a dozen eggs does not necessarily mean that the farmer gets more than half of it. I am sure that a careful study by the consumer will reveal that his war on living costs is not nearly so much a war with the farmer as it is a war with the processor and those who get the food from the farmer to the consumer's table.

It is often true that an increase of 1 sent in the price paid the farmer for products ultimately becomes an increase of many cents in cost to the consumer. But that is hardly reason to label the farmer a profiteer, a person bent upon getting rich out of the war, when in truth the farmer is up against cost and wage problems which make it much more difficult to balance accounts in this war than was true in peacetime.

Assess responsibility for living costs where they belong. Let the Government deal with equal severity with all factors entering into and influencing price inflation and the farmer will take whatever sacrifice goes with it. But it is highly necessary that there be a quitting of the vicious effort to make the farmer the "goat" for others who are primarily responsible for increasing living costs. We shall never win this war by forcing the farmer to pay the whole bill of balancing living costs when he contributes so comparatively little to the increased living costs. I see but one thing to do, at this legislative moment, in the interest of winning the war and I shall do that thing—vote for the Thomas amendment.

EXHIBIT A

[From the Minneapolis Sunday Tribune and Star Journal of September 27, 1942]

MANPOWER LOSS IS HELD PERIL TO NATION'S FOOD—DAIRYMEN FORCED TO SELL OFF HERDS

(By Donald Brostrom)

America is in for a collective tightening of its belt next year if the flow of manpower away from rural areas into the armed forces and defense industries is allowed to continue, a survey of farm opinion revealed Saturday.

Coming at a time when the Government has requested the Nation's farmers to accelerate output of grains, livestock, and dairy products, the threatened shortage will toss a wrench into the United Nations' victory machinery unless corrective measures are taken immediately, Northwest farm owners agree.

Livestock experts at the south St. Paul yards, who have discussed the problem with hundreds of shippers, point out there probably will not be enough milk, cream, butter, and cheese to meet ever-increasing military and civilian needs if the present trend is allowed to continue.

Cattle receipts at south St. Paul, second largest livestock market in the world, are up around 20 percent over the 1941 total of 1,060,478, according to W. D. Gardner, public relations head for the Central Cooperative Association.

Although part of this increase undoubedly is caused by the growing war need, much of it can be traced to almost unprecedented sale of dairy cattle for slaughter, Gardner declared.

It is this movement that threatens to bring about the shortage of dairy products.

The dairy cattle "buy" has increased an estimated 25 percent thus far in 1942, says Earl N. Quick, head of the dairy cattle department for the Central Cooperative Association of south St. Paul and a livestock authority.

Quick, who is said to have supervised purchase and sale of more dairy cattle than anyone in the United States, declared the shortage of farm help is directly responsible for the condition.

"Dairymen are reducing herds because they are unable to hire farm assistance," he said. "The draft is taking their sons and they are unable to handle the farm work alone.

"An unusually large number of 'springers'—dairy cattle with unborn calves—are moving through the yards on the way to slaughter. Normally, these 'springers' are resold to farmers for further production of vitally needed food. At present, our local sales are decidedly down," Quick said.

It is apparent an abnormal kill of "springers" cuts off a potential food supply since the unborn calves are destroyed in the process of slaughter.

Cattlemen from diversified areas agree the labor shortage is a distinct threat to America's food supply.

C. L. Anderson, manager of the Farwell Shipping Association, at Farwell, Minn., in Pope County, and a veteran cattle shipper, declared effects of the present situation will become apparent next year. Farmers in his area are reducing dairy herds simply because they cannot cope with the work, he said.

A similar opinion was that of L. J. Erickson, a trucker from Skyberg, Minn., in Goodhue County. Erickson asserted he had noted a decided reduction of dairy cattle throughout southeastern Minnesota.

Wisconsin, with Minnesota the country's No. 1 dairy product center, also has felt the labor pinch, according to Lawrence Springsteen, trucker from Emerald, in western Wisconsin.

"Although farm youths were deferred until completion of the harvest, they are being drafted now," Springsteen said. "Many dairymen are closing out, or at least reducing herds."

Typical expression was that of George L. Barrett, of Clearwater, Minn., near St. Cloud. Barrett sold three "springers" at south St. Paul last week and plans to dispose of more because of the labor scarcity.

"I usually milk from 25 to 30 cows but have cut down to 20 now," he said. "I have two sons in the service and another about to leave. When he leaves, I will be left alone."

Joe Gill, Belle Plain farmer, figures he may be stumped in his search for a hired man after his son is drafted, largely because farm help has been absorbed by defense industries and the armed forces.

"Some farmers are trimming herds by as much as half," he said.

With no apparent solution in sight, the problem promises to become more acute if the draft limit is lowered to include 18 and 19-year-olds, some farmers feared.

Thus is the anomalous situation of a prospective slash in dairy production at a time when America needs all the food it can muster.

EXHIBIT B

[From the St. Paul Pioneer Press of September 27, 1942]

1943 CROPS WILL SHRINK UNLESS LABOR SHORTAGE IS SOLVED, SURVEY SHOWS

CHICAGO.—Soldiers, society women, co-eds, convicts, and cooks have stepped into rural America's battle of food production in an effort to offset a serious shortage of skilled hands.

Fort Niagara troopers plucked peaches in New York. Boy Scouts dug potatoes in Maine. Domestic servants in Newellton, La., were given half days off to pick cotton. Girls jockeyed tractors in Oklahoma, Minnesota, and South Dakota.

Volunteers from Japanese relocation centers were used in Arizona and others in Montana and Wyoming, Idaho businessmen, who closed their stores and joined their staffs and school kids in the fields, were credited with saving "hundreds of farmers and orchardists from bankruptcy."

Washington State employees and inmates of State institutions put in more than 75,000 hours of chores. City folk worked night shifts in canneries. Men from prisons gathered grapes in California. The 52 members of the Greeley State Teachers College football squad in Colorado practiced in the morning—went about agricultural tasks in the afternoon. Their coach pulled onions.

The reason for the strange spectacles is a farm-labor shortage.

To get definite data on the scope and stringency of the situation Wide World newsmen quesetioned State agricultural commissioners or corresponding officials across the Nation. The information they obtained could be summarized thus today:

Farm-labor shortages were reported in 42 States. They were termed "serious" in 13 of them.

The most-mentioned causes were high wages which draw workers to war plants (38 times), and men entering the armed forces (37 times) during a period of huge crop quotas and heavy yields.

In 31 States curtailed 1943 production was predicted unless the labor deficiency is relieved.

Most frequently recommended remedy (17 times) was this: Draft boards should defer, or at least give more favorable consideration to, essential farm hands. Five spokesmen suggested farm prices should be increased to enable farmers to meet industrial pay competition. A few maintained farm workers should be allocated on a par with industrial workers.

While the statistics were being compiled, Secretary of Agriculture Wickard warned that the United States will face a food shortage unless it solves quickly the problem of manning the farms. He estimated the armed forces and factories may drain off approximately 2,000,000 farm workers by the end of 1942, in addition to those who already have gone.

The supply of farm hands in some States has dwindled to an alarming degree. As of July 1, it was calculated at 62 percent of normal in Kansas, 56 percent of normal (lowest on record) in Maryland, 60 percent of normal in Georgia, and the "worst since the First World War" in Oklahoma.

Unless corrective measures are taken, officials reckoned 1943 production would be cut seriously in Pennsylvania, be slashed at least a third in Georgia, and possibly drop 50 percent in Oklahoma.

On the other extreme was Kentucky, where work reserves drawn from the mountains proved sufficiently large to fill the needs of other counties and to provide 750 men for other States.

Some of the experts were inclined to concentrate on 1942 problems before pondering those of next year. Mississippi's commissioner of agriculture, Si Corley, commented: "We'll be lucky to get this crop in."

Considerable spoilage of potato, tomato, apple, and melon crops was reported in Ohio, although growers offered wages double those of a year ago. Most of the bumper growth of prairie hay in the range country of South Dakota won't be cut because of the lack of help.

Iowa expected that "a lot of corn" won't be picked until next spring. Vermont advised that good farms had been abandoned temporarily, and stock had been sold because the owners had left for the war, or had insufficient aid.

W. Kerr Scott, North Carolina's agriculture commissioner, stated some fields were unharvested and that work was hampered by a shortage of farm machinery. He added: "There is not a hay loader or mowing machine available in the hands of any farm machinery dealer in North Carolina."

Deputy Agriculture Commissioner Lawrence O'Neill of Michigan said many farmers are thinking of turning their fields to pasture in 1943. A check by the Kansas United States Department of Agriculture War Board indicated approximately 193,000 acres of farm land would be idle next year—52.2 percent abandoned because of selective service, and 35.2 percent because of the attraction of war industries.

To get the crops in this year scores of schools released students from classes. Businessmen and other urbanites helped, too. Women played an important part—in South Dakota they made up 17 percent of the labor force. But in many districts the back-to-the-good-earth march of the white collar people was regarded as more spectacular than effective.

The farmers helped themselves and each other. In some instances planters and their wives worked after dark with lanterns hooked on the tractors. They shared labor and pooled machinery.

Among the steps suggested for 1943 are these:

Training of women, children, and men physically unfit for the Army.

Central labor clearing houses in each county.

Manufacture of more labor-saving machinery.

Use of State road maintenance crews, old age pensioners, conscientious objectors, convicts, and soldiers during critical harvest periods.

Greater use of Japanese and imported Mexican labor.

And Iowa's secretary of agriculture, Mark G. Thornburg, proposed:

"Young men who stay voluntarily or are given deferment to help on farms should be given some recognition so people can't point the finger at them and make them feel like slackers."

Mr. MAYBANK. Mr. President, I appreciate the fact that it is desired to vote on the joint resolution this afternoon. I shall speak for only a few moments.

First, as one who has been associated with farmers all my life, let me say that they have no better friend. During my administration as Governor of South Carolina many laws were passed and carried out for the improvement of farming conditions. In many instances the conditions were improved by laws passed by Congress, which made possible appropriations for such useful things as rural electrification, rural housing, and many other things for which President Roosevelt and this administration are responsible. Many other laws for the benefit of the farmer—laws pertaining

to seed loans, inspections, and other matters—were also passed.

When the pending measure first came to the Senate and when I gave consideration to it I had been absent from the Senate. I had been at home with the farmers and with the people of my State while the committee meetings were being held. I thought that the joint resolution did not contain sufficient provision for the farmers, and I would have voted against it. However, after studying the amendment which was offered by the distinguished senior Senator from Oklahoma [Mr. THOMAS] and the distinguished senior Senator from New Mexico [Mr. HATCH], after studying the amendment introduced as a substitute by the senior Senator from Kentucky [Mr. BARKLEY], an amendment which I understand was prepared by the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Kansas [Mr. REED], and the Senator from Maryland [Mr. TYDINGS], and after giving thought to the entire situation, and with the knowledge that today this country's prime necessity is for unity, there being in my opinion no difference in the amendments, I propose to vote for the Barkley amendment. Every farmer in my State is interested first in winning the war and in getting his boy home.

I heard the draft brought into the debate. Let me say that neither General Hershey nor anyone else can tell how many farmers' sons are in the armed services. They can state only the figures relative to the ones who have been called through the selective service boards. As the head of the South Carolina Selective Service Board last year, because I was Governor of South Carolina, I can state that more farmers' sons volunteered than did the sons of any other group of citizens. The farmers' boys are in the Army and in the Navy. Their desire is first to win the war.

Let me conclude by saying that knowing, as I do, the necessity of providing the farmers with better protection than that which would be afforded by either of the amendments or by the pending joint resolution, it is my hope that our Commander in Chief, in his wisdom, will give thought to everything which has been said here, particularly that the farmer has been done an injustice on the radio, in the press, by the bureaucrats. The farmer has been done an injustice in not being given proper consideration. Because I know that the interest of our Commander in Chief is also the farmers' interest, I hope that after the passage of the measure arrangements can be made so that our Commander in Chief, with his wisdom and foresight, will so arrange matters that the farmers will be able to secure whatever labor they may need. Certainly, Mr. President, I hope the farmers will get a square deal and will be able to go forward and do the work required to be done in order to feed their sons who are in foreign lands. In that way we shall be able to move forward to win the war.

I have enjoyed listening to the debate on the pending measure. As the distinguished senior Senator from Oklahoma [Mr. THOMAS] has said, I think that his amendment serves the great purpose of calling these matters to the attention of the country.

For the good of unity, for the sake of harmony, and in order that all of us may be together and fight together, and not be divided, I hope that the substitute amendment will be agreed to. I intend to vote for it.

Mr. LA FOLLETTE. Mr. President, I realize that at this last stage in the proceedings of this debate I cannot add much to what has been said pro and con relative to the vital issues which I believe are at stake. I wish to say at the outset that I repudiate without equivocation the extraordinary doctrine enunciated in the message of the Chief Executive delivered to the Congress on the 7th day of September. He does not have legislative power under the Constitution of the United States or under any statute which this Congress has passed. However, I do not propose to debate that question at this time.

I ask that there be incorporated at the conclusion of my remarks an article signed by me in the Progressive dealing with this phase of the question. The article is entitled "This is the Road to Fascism at Home."

There being no objection, the article was ordered to be printed in the RECORD.

(See exhibit 1.)

Mr. LA FOLLETTE. Mr. President, I think it is most unfortunate that the President of the United States has lent his great prestige and the great power of his office to the launching of an attack upon a great producing segment of American society. Anyone who knows farmers at all must be aware that as a group they compare favorably with any other group in our population insofar as their high moral character, their industry, their integrity, and their patriotism are concerned. Whatever else may be said of them, they have during the war emergency been straining every nerve to meet the production goals set by this administration. It has been my misfortune, Mr. President, to be largely occupied with my official duties in Washington during the past 30 months. I did have an opportunity, however, to go home briefly during the past summer.

Let me say that all anyone had to do was to travel along the highways in my State or to travel by train through the agricultural sections in order to observe that men and women long past the age when they ordinarily would retire from manual labor were out in the fields endeavoring to harvest the bumper crops which the favorable season had provided. Let me say here and now that deep down in my own heart I am convinced that they were not laboring in the fields with any idea of profiting. They were out there endangering their lives—men and women with white hair, doing field work, in an effort to make certain that all the foodstuffs growing upon their land were harvested and utilized to feed their sons who are in the armed services of the country and to feed the civilian population of this Nation and our Allied Nations.

Mr. President, I think it would have been a great mistake for the President of the United States to have attacked the farmers and to have paved the way for newspaper and radio commentators who are ignorant concerning agriculture to second that attack, even if the facts had justified it. However, I say that under no stretch of the imagination can any fair-minded, impartial person read the record of this debate and come to a conclusion that the farmers of the Nation are profiteering. On the contrary, Mr. President, under conditions which now surround the farmers' efforts for production, in most instances they are making sacrifices.

The net effect of these attacks has been to discourage a group of producers in America who should have been encouraged instead of discouraged. At a time when they were straining every nerve, when they were working unconscionably long hours, when they were working every day of the week, 7 days a week, in order to try to carry on production, it was unfortunate that they should have been singled out and pilloried by an attack which was unwarranted. The attack has also had the effect of causing many of them to give up, when otherwise they might have tried to carry on the struggle.

I do not propose to burden the RECORD with correspondence I have received, but I do desire to say that in some of the correspondence there is a note which justifies me in making the statement I have just now made.

I desire to be perfectly frank. I do not think the Thomas-Hatch amendment, the compromise amendment, or 110 percent of parity will solve the manpower problem with which the farmer is confronted today; for, Mr. President, the manpower problem which is the No. 1 problem of the American farmer in his effort to produce for the food-for-victory program is likewise the No. 1 problem of every industrialist, every shipbuilder, and every transportation agency in the United States. In short, the manpower problem is the No. 1 problem confronting the people of this country, and unless that problem is solved quickly and with wisdom, it will cost us untold disaster in the future.

The manpower muddle, Mr. President, is only one of the many muddles in which the Nation finds itself. The only way I can describe the situation is to picture the United States as being a giant corporation suddenly confronted with an astronomical order unheard of in all its vast operating experience. What has happened? Instead of calling in all the production divisions, instead of calling a meeting of the board of directors, it has seemed to me that each and every division, each and every part of the corporation, has acted independently and tried to fill the order without any consultation and without any master plan. What would you think, Mr. President, of a corporation proceeding in such a way in the face of such a contingency? I feel sure that you would insist that there must be some plan, there must be some coordination in order to meet the staggering problem which is confronted.

Mr. President, the curve of manpower in the Army has been rising steadily.

One thing I am sure I know nothing about is military strategy and military tactics.

I do know, however, that with each increment of a million men in the Army the demands upon agricultural and industrial production are vastly increased, and I know that as that increased demand upon agricultural and industrial production rises there comes a point beyond which manpower in the armed forces cannot be expanded without diminishing production on the farm and in the factory.

Already the record is replete with instances indicating that agricultural production is about to fall. I do not wish to belabor a point already made but I desire to call attention to a few statements in relation to my own State.

The Equity Cooperative Livestock Sales Association, which services 40,000 farms in the handling of livestock, reports that the receipts for dairy cattle for August 1942 are 20 percent above those for August 1941, which means that the farmers are slaughtering their dairy cattle because they cannot keep and feed them.

The report shows further that in Madison, the city in which I live, the receipts of milk were down 9½ percent for August 1942 compared with August 1941. This is a good feed year, the pasture has been excellent. The reason is the uncertainty about price ceilings, the shortage of labor, and the problems with which the farmers of my neighborhood are being confronted in trying to produce.

I wish to read a statement from Mr. Kenneth W. Hones, president of the Wisconsin Farmers' Equity Union. He recently made this statement:

On the basis of bumper crop records, loyal American farmers have met the challenge of this year's "vitamins for victory" program. Every farm home deserves the utmost praise for doing this job. However, agricultural production for next year will be a different story. We are fearful of the results.

This year's production goals were met in spite of an acute shortage of farm help. The record was accomplished because farm women and children jumped into the breach; and because of favorable weather conditions. However, there are many farm jobs which women and children cannot do; and the weather is something that even the Government cannot guarantee.

Reports are daily coming into this office which indicate that many farmers are placing their farms on the auction block this fall. Farm auction sales are becoming more prevalent now than during the depression period. Hones cited that in two Wisconsin communities 45 farms will be auctioned off in the next few weeks because farmers cannot see their way clear to operate next year.

From Mr. Ralph Ammon, director of the Wisconsin Department of Agriculture, comes this statement:

American agriculture faces a crisis of a shortage of manpower to meet the goals of food production for 1943.

In Wisconsin this crisis will arrive within 90 days. In other States of the Middle West, not later than spring.

Agriculture is losing manpower to industry and to the armed forces at a rate too rapid to permit any hope of maintaining agricultural output.

There is evidence that many dairy herds will be completely dispersed, some going to the butcher's block. Farmers cannot hire sufficient labor to keep dairy herds in production because they cannot pay wages sufficient to stop the rush of farm labor to industrial and defense plants. Likewise, creameries and cheese factories cannot hold their help.

Today many Wisconsin creameries and cheese factories by necessity are working employees 70 hours a week at half the salary defense-plant workers get for 40 hours per week. Farmers, likewise, are working 70 hours per week for a monthly wage equal to the wages of the defense-plant worker for a 40-hour week.

With ceiling on farm prices the farmer and the dairy plant cannot raise the price of their products, butter and cheese. Unless they increase prices, they cannot increase wages. Unless they increase wages they will lose their men. Then they cannot meet production goals.

Mr. President, one of the able Representatives from Wisconsin, Mr. HULL, who represents a district which is a very large dairy producing area in the State of Wisconsin, and who is very familiar with conditions in that State, made the statement on the floor of the House during the debate on the consideration of the pending measure that in his congressional district alone there were being listed each week 100 sales of stock and machinery owned by dairy farmers in that section of the country.

I desire to read briefly from a letter which I received from Mr. John A. Lidell, who is president of the Twin Ports Cooperative Dairy Association, of Superior, Wis. He says in part:

Dairy farmers, in fact all farmers, are as patriotic as any class of citizens; maybe more so. They are more than willing to do their part in the winning of this war. They, their wives, and children work long hours to produce the food and fiber the Nation needs. Much ado was made over the radio, and otherwise, because shipyards and other war industry plants were going full blast on Labor Day. I heard or saw no mention of the fact that those who worked got double time. Dairy farmers milked their cows on Labor Day, but they did it on straight time, and I heard or saw no mention of that. Furthermore, they have to milk their cows Saturdays, Sundays, as well as every other day, all at straight time.

Mr. President, I ask that the remainder of this letter be printed in full at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 2.)

Mr. LA FOLLETTE. Mr. President, in view of the situation which our country confronts I think that instead of trying to separate groups, instead of picking out in the population a group such as the farmers or the wage earners and holding them up and saying they are responsible for all these troubles, we should be trying to get the people and the various groups in America to work together. We have a problem of morale if we are to win the war, and I wish to say very frankly that I think the administration has been handling its public relations very badly.

For instance, let us take one attack which has been made upon the citizens of this country—the charge being that they are responsible for inflation through a misuse of their increased spending power. Up to now that has not happened. The people of this country, generally speaking, have made a very wise use of their increased savings. They have been paying their debts, they have been paying their bills, they have been buying some decent clothing for their children, they have been paying their rent, they have been buying bonds, they have been depositing their money in the savings banks. Yet, to hear some of the speeches, and to read some of the releases which are printed in the newspapers, one would think that the people of this country were taking their increased purchasing power and squandering it for wasteful purposes. Such is not the case, and the people have resented it, and they have every right to resent it.

As a matter of fact, the people of the United States are in no such frame of mind as characterized them during the last war. The average citizen fully anticipates that when the war is over there is going to be unshirted hell to pay for all the people of the United States and the world as well, and most of them, the overwhelming majority of them, are trying in their humble way to prepare to meet that day when it comes.

Mr. President, labor has been a favored target of all who are opposed to organized labor. It has been attacked because there are a few racketeers in labor, as there are in any other group of which I know. Labor has been attacked, it has been pilloried, by those who do not believe in the right of labor to organize and bargain collectively. The enemies of that principle have sought to seize upon this war era as a means of striking down labor in this country. So it has been so far as management is concerned, and last of all they have turned the spotlight of publicity and misrepresentation upon the farmer.

I say, Mr. President, that if we are to win the war we have to get the people of this country together, not merely by shouting and mouthing unity, but by having statesmanlike policies which will produce unity in the United States—not fake unity, but genuine unity, the kind of unity which comes when men, women, and children realize that they face a Gethsemane, that they face a situation which will test the stamina, the character, the fiber, and the faith of every man, woman, and child in the United States.

Therefore, Mr. President, while I recognize that the pending amendment does not solve the problem of the farmer, I intend to vote for it because I want the farmers of this country to know that, so far as I am concerned, I resent the unjustified attack which has been made upon them, and that, despite the deluge of criticism and misrepresentation in the press and over the radio, there are a few Senators who still have the intestinal fortitude to stand up for a group which they think will do as much as any other to help win the war.

EXHIBIT 1

[From the Progressive of September 19, 1942]

THIS IS THE ROAD TO FASCISM AT HOME—PRESIDENT ROOSEVELT'S DOCTRINE THAT HE HAS THE POWER TO SET ASIDE THE LAW MUST BE REPUDIATED BY CONGRESS AND THE PEOPLE UNLESS WE ARE READY FOR DICTATORSHIP IN AMERICA

(By Senator ROBERT M. LA FOLLETTE, Jr.)

Unless the doctrine enunciated in the President's Labor Day message to Congress is

challenged, we have formally entered upon a dark, grim chapter of our national history when the already uncertain light of democracy may go out, perhaps never to be rekindled.

The President's message was more than a threat. He claimed for himself the power to override a law enacted by Congress with or without its consent. He did not come to Congress asking for the necessary authority to deal further with the problem of inflation. In his own words, he simply came to "consult" with Congress. He flatly asserted he had the power to act whether Congress gave him specific authority or not.

To grasp the full import of this declaration it must be remembered that in conferring upon the Executive power to control prices, Congress this very year expressly prohibited the fixing of agricultural prices below certain standards. The President now claims he has the power to act contrary to express laws passed by the Congress only a few months ago.

DECISION IS UP TO THE PEOPLE

This false doctrine, if established, would mean that all laws enacted by Congress and signed by the President could be modified or repealed by him alone, at least in time of war. It would mean that the President needs no enabling legislation from Congress to draft boys 18 and 19 years old. It would mean that he can set his own tax rates without reference to Congress. It would mean he can pass a law by calling in his stenographer and dictating an Executive order.

It is true, he indicated that he preferred to consult with Congress rather than undertake amendment of the price control law entirely on his own authority, but that is a concession to the form of democracy, not the substance. It is democracy exercised only by sufferance of the President. It exists so long as he tolerates it, no longer.

Whether this doctrine stands or not depends in the last analysis upon the view taken by the great mass of public opinion. The President's message recognized that, for at the same time it declared this doctrine, it sought to undermine the public's faith in Congress by unfairly misrepresenting the record of Congress in meeting the national emergency and charging it with neglect and delay in vital phases of national policy taxes and price control.

UNDERMINING PRESTIGE OF CONGRESS

There has long been a sinister campaign under way in the country to undermine the prestige of Congress and build up the power of the executive branch of the Government. It found a ready expression in the hullabaloo raised over the X cards extended to Members of Congress, like other Government officials, under the temporary, makeshift gasoline rationing program inaugurated in the East this spring.

Nothing was said about the thousands of X cards issued to officials of the executive branch of the Government, but the press was filled for weeks with a great hue and cry over 500 Members of Congress who were likewise eligible.

The misrepresentation of the proposed extension of the Government pension system was another example of this insidious campaign against Congress as an institution of government. Nothing was said about the benefits proposed or already being received by those in the executive branch.

The Labor Day message of the President, however, marks the first time that the President has lent the dignity of his great office to this campaign. He accused Congress of delay on tax legislation and price control "that has now reached the point of danger to our whole economy."

A LOOK AT THE RECORD

Let us look at the record and see who is responsible for the delay on the tax bill. The attack on Pearl Harbor was made December 7, 1941. It is and has long been customary for Congress to wait upon the recommendations of the Treasury Department before initiating tax legislation. This is a courtesy extended to the executive branch both because the Executive has desired it and because it simplifies the task of writing legislation. The record shows that it was the President's own Treasury Department, not Congress, that delayed the consideration of taxes until March, 3 months after Pearl Harbor.

Ever since that date the Treasury has been changing its position on important questions, thus tending to slow up action on the tax bill. For example, in March when the Treasury officials appeared before the Ways and Means Committee of the House of Representatives, they recommended an individual income-tax scheme based on exemptions of $1,500 for married couples and $750 for single persons.

Then 2 months later they reconsidered and came back with another recommendation that the exemptions be reduced to $1,200 and $600, with the exemption for dependents from $400 to $300. This month they changed their minds again and asked the Senate Finance Committee to reduce them even further to $1,000, $500, and $250, respectively.

ADMINISTRATION'S CONFUSION

In March Secretary Morgenthau opposed compulsory savings, but in September he and his experts suddenly appeared before the Senate Finance Committee with a brand new plan for a "spending tax."

Actually the House Ways and Means Committee and the Senate Finance Committee have worked at a killing pace in attempting to frame a tax bill which will partially meet the most staggering fiscal problem ever to confront a government.

If there has been undue delay, it has not been caused by Congress' neglect. It has been caused by the confusion and the uncertainty of the President's own representatives on the aims and the requirements of the new tax program.

On price control of agricultural commodities there has been an honest difference of judgment between the Congress and the President. It is not a disagreement over whether or not agricultural prices shall be controlled. Everyone is agreed that they shall be controlled. The disagreement has been on the question of the exact level at which the controls shall be put into operation.

Congress, after extensive study, decided last spring that price ceilings should not be imposed on agricultural commodities until they reach prices equivalent to 110 percent of parity. The President's own Secretary of Agriculture appeared before a congressional committee last fall and justified the 110 percent level with these words:

"There is a perfectly practical and obvious reason for stipulating that no ceiling should be imposed on farm products at less than 110 percent of parity, rather than exactly at parity. As every farmer knows, farm products' prices fluctuate every day. * * * If ceilings were placed exactly at parity the daily fluctuations in the market would necessarily be between parity and some lower figure, and, as a result, farmers could not possibly average parity.

"The real purpose of restricting ceilings to a point somewhat above parity is to make it reasonably sure that all farmers will have an opportunity to get parity. After all, it happens to be the expressed policy of Congress and the administration to achieve and maintain prices at parity."

F. D. R. SWITCHES HIS POSITION

Congress, after due consideration, adopted the limits recommended by the President's Secretary of Agriculture. The President took issue with this decision in April but he waited until Labor Day to renew his request for a change in the price-control law. In the face of this record he accused Congress of dangerous delay and threatened to act himself if Congress does not accept his conclusion.

In his recent message he recognized the inadequacy of the parity formula in measuring the fair price which the farmer is entitled to because it does not cover the tremendous increase in the cost of farm labor in recent years. The labor cost is a part of the farmer's cost of production which has diminished the farmer's net return.

The President said the cost of labor should be included in computing parity, but later in the same message he urged that the present method of the Bureau of Agricultural Economics should be continued under "the law as it stands today." The "law as it stands today" does not include the cost of farm labor in the parity formula.

The treatment which Congress has prescribed for agricultural commodities under the Emergency Price Control Act was not discriminatory; it was a sincere and conscientious effort to give the American farmer the first fair and equal chance he has had in 25 years to enter the Nation's market places on even terms with the manufacturer.

FARM INCOME STILL LAGS

The fact that the general public in the urban communities has become accustomed in that long period to unjustly low farm prices, has made them no easier for the farmer to bear. Through the years when city people enjoyed these low prices for farm products, the farmers experienced waves of foreclosures that swept repeatedly through our agricultural areas, thus forcing thousands of hard-working farm families off the land and into the cities where sub-standard living or charity awaited them.

These low farm prices in past years contributed to the phenomenal increase of farm tenancy in the Nation. They produced a steady deterioration of the farmer's standard of living. Today farm prices have risen to only 107 percent of parity.

Since 1939 corporate profits have risen 169 percent. Wages and salaries have risen 32 percent. Farm prices have risen 29 percent.

Our farmers are just as patriotic as any group of American citizens. They are willing to do their share. They are willing to sacrifice as much as any group. But they object to being kept down while other elements in the population are enjoying a much greater slice of the national income.

DOCTRINE MUST BE REJECTED

Nevertheless, it is the duty of Congress to give impartial study to the President's message despite the threat which it contains. Likewise, it should act promptly and without undue delay. Only thus can we maintain the war effort.

Above all, however, Congress for the sake of democracy cannot give to the President blanket authority. It must make certain that the terms and conditions of the exercise of power are definitely specified. In performing its function as a coordinate branch of government, Congress must make plain that it repudiates the doctrine contained in the Labor Day message, that the President has the power alone to modify, make, or repeal the laws of the land.

Think what you will of your individual Congressman or Senator, but as an American citizen do not be betrayed into a repudiation of Congress as a representative institution in our democracy because if that ever happens, you are at the end of the road to fascism and dictatorship.

EXHIBIT 2

TWIN PORTS COOPERATIVE DAIRY ASSOCIATION, INC.,
Superior, Wis., September 12, 1942.

The Honorable ROBERT M. LA FOLLETTE,
Senate Office, Washington, D. C.

DEAR MR. LA FOLLETTE: The President's Labor Day fireside chat unquestionably and

unjustly placed on the doorsteps of the farmers of this Nation all blame and responsibility for inflation.

High wages permitted in war-industry plants and spreading to all plants, and not agricultural prices, is the primary cause for any inflation that has already taken place. I am sure you know that to be a fact.

I am sure the President also knows it, and furthermore knows he is personally responsible for no action as yet being taken to keep wages from spiraling upward as they have.

Dairy farmers, in fact, all farmers are as patriotic as any class of citizens. Maybe more so. They are more than willing to do their part in the winning of this war. They, their wives, and children work long hours to produce the food and fiber this Nation needs. Much ado was made over the radio, and otherwise, because shipyards and other war-industry plants were going full blast on Labor Day. I heard or saw no mention of the fact that those who worked got double time. Dairy farmers milked their cows on Labor Day, but they did it on straight time, and I heard or saw no mention of that. Furthermore, they have to milk their cows Saturdays, Sundays, as well as every other day, all at straight time.

Many dairy farmers are leaving their farms for defense jobs where they can make more money than they can milking cows. The older men, the women, and children remaining on family sized dairy farms cannot produce the milk this Nation needs. Present prices or parity prices do not permit dairy farmers to hire help. In other words, dairy farmers cannot match nickels with Uncle Sam in competition for labor.

Parity is not the standard for the maintenance of good farm prices. Parity prices might have been considered good in the depression year of 1933, but not now. Times have changed, as you very well know. Does the President know that the present parity formula does not include labor costs? Does the President know that labor costs represent about 30 percent of the total cost of producing milk? Does the President know that already many large herds, where hired help is a necessity, have been sold because of the inability of the owner to maintain labor, in competition with industry, at past and present prices of dairy products? Does the President know that every month from now on we will see more and more of these large herds being sold, and the majority of the cows sent to be slaughtered, rather than being retained for production because of the disparity between labor costs, and dairy products prices? Does the President really believe and intend to put into effect a price policy for agricultural products that will give agriculture a standard of living equal to that of 30 years ago?

A standard of living equal to that of 30 years ago is the true definition of parity. Certainly the President has never indicated that a standard of living for the city worker equal to that of 30 years ago is good enough for labor now. How can the President justify returns to labor that now would give labor the highest standard of living ever conceived of in this country, if they were permitted to spend their money in the usual way, and at the same time say to Mr. Farmer, "You must be satisfied to go back to the horse-and-buggy days," the days when there were no radios, no electrical appliances, no tractors, nothing that represents 30 years of industrial progress, except higher taxes for the farmer. Certainly the President has been badly misinformed.

Who told the President "100 percent of parity has been accepted as a fair standard for agricultural prices"? Was it the Grange, the Farmers Union, the Farm Bureau, or who? Did the President intend dairy products prices were to be included in such a price formula? I don't think any one of the above organizations would accept the responsibility of selling the dairy industry "down the river" on any such basis.

I am in no position to speak for agriculture as a whole. I do not know the situation with respect to the corn and hog farmers or the wheat and the cotton farmers, etc., but I do feel qualified to speak for dairy farmers.

I know the dairy situation in this locality. I know a number of herds already have been sold because of the drafting of farm boys and the inability to obtain help in competition with industrial wages being paid. I know more herds are going to be sold for slaughter for the same reason. I know this is going to result in a marked decrease in the production of milk in this area. I know these same conditions prevail throughout the entire United States. I am convinced that in 1943 the production of milk in this country is going to show a very decided decrease. I am convinced that this decrease throughout this Nation during the next few months, unless some remedial action is taken at once, will result in very drastic rationing of all dairy products, including fluid milk, if our lend-lease obligations and our Army and Navy requirements are to be anywhere near fulfilled.

The only remedial action that the dairy farmer can understand, and will pay any attention to, is guaranteed minimum prices. Such minimum prices must be sufficiently higher than now prevail as will make it possible for them to hire help in competition with other industries, and at the same time act as an incentive to dairy farmers to extend their efforts to the extreme maximum in the production of more and more milk. These guaranteed minimum prices must furthermore be assured to the dairy industry, not only during the period of the war, but for a long enough period thereafter to absorb the shock of reduced prices when the demand for lend-lease and Army and Navy requirements cease or materially dwindle.

Promises by the President to raise dairy products prices gradually, or at some future date, mean nothing to dairy farmers. Neither does the promise made by the President in his radio address that "At the same time farm prices are stabilized, I will stabilize wages." The President has made too many promises, not only to agriculture, but to the Nation, that have not been fulfilled. Furthermore, the dairy farmers in this vicinity would like to know what the President meant by stabilizing wages and stabilizing farm prices. They would like to know whether he meant that farm prices and wages would both be stabilized at the present levels. Such action would be positively unfair to agriculture. From the trend of the President's talk, dairy farmers in this vicinity are of the opinion he meant he would stabilize farm prices at lower levels and wages at higher levels. Present agricultural prices and the trend of wages in this country do not indicate that it is the President's intention to put agriculture on an equality basis with labor. To do so, the level of agricultural prices would have to be raised, and wages reduced.

I know you know that the slogan "Food will win the war" is as true in this war as it was in World War No. 1. I know you will exert every possible effort to see to it that agriculture, particularly dairy farmers, are given an opportunity to do their part in the production of milk that is so drastically needed, not only by this Nation but needed by our Allies in the prosecution of this war. I know you realize that when this war is over, we are going to have a world of underfed, undernourished, yes, millions of starving human beings that will need dairy products. I am sure you know that it will be the obligation of this Nation, not only to supply enormous quantities of dairy products to these starving people for months, yes, years after the war is over, but at the same time, foreign countries are going to look to this Nation for the foundation stock to rebuild dairy herds that have been slaughtered by the devastation that has and will take place in Europe.

Every effort must be exerted to the end that the larger herds as well as the herds on family-sized farms must be maintained. Otherwise, this country will fail in its obligation, not only to our own people, but to our Allies and to our foes as well.

I believe it is my duty as one of the representatives of the dairy farmers to bring these facts to your attention, not with the thought that you are not familiar with the situation, but to emphasize in your mind that these facts, and facts of this nature, must be brought to the attention of the President, the Congress, and the Nation as a whole.

Sincerely yours,

JOHN A. LIDELL,
President of the Twin Ports Cooperative Dairy Association.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS] to the amendment of the committee as amended.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Overton
Andrews	Green	Pepper
Austin	Guffey	Radcliffe
Bailey	Gurney	Reed
Ball	Hatch	Reynolds
Bankhead	Hayden	Rosier
Barbour	Herring	Russell
Barkley	Hill	Schwartz
Bilbo	Holman	Shipstead
Bone	Johnson, Calif.	Smathers
Brewster	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Tunnell
Chandler	McKellar	Tydings
Chavez	McNary	Vandenberg
Clark, Idaho	Maloney	Van Nuys
Clark, Mo.	Maybank	Wagner
Connally	Mead	Wallgren
Danaher	Millikin	Walsh
Davis	Murdock	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	
Gerry	O'Mahoney	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present.

Mr. THOMAS of Oklahoma. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. As I understand, the yeas and nays have been ordered on the pending amendment.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. THOMAS of Oklahoma. Under the rule, in order to modify my amendment, I will have to ask unanimous consent, will I not?

The PRESIDING OFFICER. The Chair is of opinion that the Senator will have to ask unanimous consent.

Mr. THOMAS of Oklahoma. I desire to modify the amendment so as to make it conform word for word and comma for comma with the amendment adopted

by the House of Representatives. In order to do that, in the first line of the amendment of the Senator from New Mexico and myself we will have to change the word "section" to "act." I ask unanimous consent to so modify the amendment as to change the word "section" to "act."

The PRESIDING OFFICER. Is there objection?

Mr. BARKLEY. Reserving the right to object, that in no way changes the substance of the amendment, but makes it conform with the House amendment which was agreed to?

Mr. THOMAS of Oklahoma. My purpose in asking unanimous consent is to make the amendment conform in toto with the House amendment. Whether or not it would change the effect of the law is another question.

Mr. BARKLEY. Of course, the Senator realizes that it may become necessary, before the joint resolution shall be disposed of, to take up the House joint resolution and substitute the language of the Senate joint resolution for that of the House.

Mr. THOMAS of Oklahoma. In that situation, if our amendment should become a part of the Senate joint resolution, the language being in the House joint resolution, this particular amendment would not be subject to change by the conferees, if it should remain in the joint resolution. I think the Senator from Kentucky will agree to that.

Mr. BARKLEY. I realize that. I have no objection to the mere changing of the word "section" to "act," inasmuch as it does not change the substance of the amendment offered by the Senator from Oklahoma.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma that his amendment be modified as suggested by him? No objection is heard, and the modification is made.

Mr. NORRIS. Mr. President, as I understand the parliamentary situation at the present time, the real issue is the contest between the so-called Thomas amendment and the so-called substitute amendment, which has not as yet been offered, and cannot be offered until the Thomas amendment is disposed of.

I was one of the Senators who favored the Thomas amendment. When the substitute which is to be offered was read at the desk a few days ago, it struck me as being an improvement over the Thomas amendment. I reached the conclusion that, as between the two amendments, I preferred the substitute. Of course, under the parliamentary situation we cannot reach the substitute or have a vote on it until we have first disposed of the Thomas amendment. Then the substitute will be in order, regardless of whether or not the Thomas amendment is adopted.

Mr. President, I desire briefly to express to the Senate my reasons for preferring the substitute amendment to the Thomas amendment. In the first place, I believe that all Senators as well as the people throughout the country are trying in every way they can to prevent inflation. There are those in whose judgment I have great confidence who are not afraid of inflation, but, frankly, I am afraid of it. I realize the disastrous effects of uncontrolled inflation and I am therefore very much in favor of some of the provisions of the pending joint resolution because I believe they reach something which must be reached, in my opinion, if we are to control inflation. There are other amendments, one of which I shall offer later, which I believe will likewise have a very material effect upon inflation.

Mr. President, I realize that the position I now take may not be correct, and that men of greater ability than I possess do not agree with me as to the dangers of inflation. First I wish to say that rightly or wrongly, and I think rightly, we have undertaken to control inflation by the control of prices. With that idea in mind we passed the Price Control Act. If we undertake to control prices and control inflation we must, as I see it, control the price of every item that enters into the cost of living. If we do not do that, if we leave out any material element, our efforts will be in vain. One of the things that I think it necessary to control is wages, and I believe, judging from letters I have received, that farmers all over the country, through their various organizations, without exception have from time to time made that assertion. Unless Congress passes the pending joint resolution there will be no power given the President to control wages; at least we could only with very sincere doubt construe the present law as giving the President such authority. The measure now before us represents the first statutory authorization to control wages.

Mr. President, I believe it is generally understood, at least reports I have received from persons who I think are able to testify on the subject, indicate that if we pass the joint resolution with the Thomas amendment in it, it will be vetoed by the President of the United States. Under ordinary circumstances, in peacetime, Mr. President, that would not concern me. I would say, "I am doing my duty as I see it; the President is going to do his as he sees it, and if our actions conflict, let the conflict occur, whatever it may be."

In time of war, however, Mr. President, I do not feel that way. I feel that if we are to win the war within a reasonable time, we must present a solid front to the world; we must not let it be thought that there is discord within the Government of the United States in respect to the war effort. We must all be willing to make the necessary sacrifices which will bring about a united, solid front.

Mr. President, when we disagree with another department of government, we may think, and, of course, I take it for granted we do think, we are right. We may say we will take the position which we believe is right, and we will do what we believe to be the proper thing to do, and if our action brings a veto, let it come. I believe it is acknowledged—I think there is no dispute about it—that if the President vetoes the joint resolution, there are not sufficient votes to pass it over his veto. In view of the terrible conditions which confront our country I do not feel that we should go so far as to bring about a veto of the measure, if we can honorably prevent it.

Mr. President, how are we going to prevent it? If the substitute amendment is agreed to and becomes part of the measure, undoubtedly it will receive the signature of the Chief Executive. I understand the substitute is offered by gentlemen who usually represent the administration, and I think they understand and believe, and I have heard nothing to the contrary, that the substitute amendment will not be objectionable to the President.

Someone may say, "That is not the way the Senate should act. The President is wrong." If we pass a measure and the President vetoes it, of course we are in disagreement about the measure. Ordinarily such disagreement is not of very much consequence, but it is at such a time as this when a united front is essential to a successful carrying on of the war effort. I do not mean that we should surrender any principle. I do not mean that we should surrender our rights, but if a sacrifice is necessary, we have no right to say that we will accept only such a sacrifice as is represented by the acceptance of the measure as we wish to pass it, without any change whatever. Sacrifice must come from us as well as from anyone else. I think a sacrifice was made in the substitute amendment. If the provisions of the substitute amendment are carried out in good faith, as I assume they will be, they will bring about as great relief as the Thomas amendment itself would.

Mr. President, we have no right to say that no one else has made a sacrifice in this connection. In the face of the desperate struggle which confronts the world today, upon which civilization depends, upon which the freedom of our children and of unborn generations depends, we must make a sacrifice. A disaster to our arms at this time, our defeat, would mean slavery for our dependents. I cannot exaggerate the misery and the sorrow and the agony which would be involved in such a defeat. It would be a thousand times worse than death itself.

Mr. President, if we are going to have a sacrifice, as I believe we must have, it behooves every Senator in respect to the pending legislation to search out his own heart and see whether he can find anything wrong with himself, whether he can knock off the corners, and smooth them out, whether he can sacrifice something which he cherishes and which we all cherish as dear to our hearts, in order to bring about harmony and a solid front. If we are not willing to do that, then it seems to me we are not willing to make the sacrifices necessary in the present war effort. It seems to me we cannot simply say we are right and that the President is wrong. Perhaps we are right. But if we are right and the President is wrong, and the change he asks is not a fundamental one, we ought to be willing to make it rather than to disorganize our forces in the face of the enemy.

Therefore it seems to me, considered on a rather selfish basis, perhaps, that if it be true that the Thomas amendment will bring about a veto, whereas the adoption of the substitute amendment

will not, and if it is further true, as I believe it to be, that there is very little difference between the effect of the two, we should make the sacrifice involved. The author of one of the amendments was asked yesterday on the floor of the Senate what the difference was between the two amendments, and he said the difference is the difference between tweedledum and tweedledee.

If that be the case, then it seems to me that even though we contend and believe that we are honest and fair, and that we have gone far enough, still if we cannot otherwise reach unity we ought to be willing to sacrifice still more to bring about unity.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. SMITH. If all these dire calamities would result from adopting the Thomas amendment, and a majority of this body should vote for it, does not the Senator think that some sacrifice should be made at both ends of the Avenue?

Mr. NORRIS. Of course I do. I believe that the Thomas amendment is right, or I would not be for it. I think there is something better in sight, and that is the substitute amendment. Standing between the two, without any sacrifice whatever, I should prefer the substitute to the Thomas amendment; but if I did not, if I preferred the Thomas amendment, I should vote for the substitute instead if in that way I could bring about or tend to bring about a united front.

The question is asked whether the other fellow should not sacrifice something. Of course he should. But suppose he does not do it. I think he has done so in this case; but admitting for the sake of argument that he has not, suppose we believe that we are the only ones who are making the sacrifice, and that nobody else is making it; history will demonstrate the righteousness of our course if we are still willing to sacrifice, if we are still willing to go further to bring about a united front.

As a practical matter, suppose we should agree to the Thomas amendment and it should result in the joint resolution being vetoed. What would become of the control of inflation? Where would the legislative power then be to control wages, which it is necessary to do in order to control inflation? It would go out the window. We should lose it all. So the farmers, by accepting the substitute amendment instead of the Thomas amendment, would not be losing everything. The joint resolution contains authority for control of wages, something for which they have been rightfully clamoring for many months. If we should vote the other way and the joint resolution should be vetoed, wages would be uncontrolled, at least with any certainty.

There is serious doubt as to whether the Price Control Act, which we passed some time ago, gave the President the power to control wages. We have heard it said on the floor of the Senate today that that act contains no authority to the President to control wages.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. NORRIS. I shall be glad to yield in a moment.

I have grave doubt of it myself. When the President said he was going to act without submitting the matter to Congress, I said publicly that that was a mistake on the part of the President. Even though he has the power, he ought not to exercise it, but should submit the matter to Congress and let Congress give him the authority, so long as there is doubt about his authority.

If in our enthusiasm to make the Thomas amendment a part of the law we lose the opportunity of obtaining the Thomas amendment or the control of wages, which means the control of inflation, how can we excuse ourselves under those circumstances if we fail to adopt the substitute amendment instead of the Thomas amendment?

I now yield to the Senator from South Carolina.

Mr. SMITH. I wished to remind the Senator that I was under the impression that the edict had gone forth that if we did not take action the President would. Therefore, if we fail to act, he will act.

Mr. NORRIS. Probably. I said that I thought the President had made a mistake when he said that, even if he had the authority. He made Senators angry. The Senator's interruption of me is an illustration of it. Other Senators feel the same way. They cannot be greatly blamed. It was stated by various Senators that that was a position which the President should not take, in due respect to the Congress. I say that whether or not he had a right to take it, I thought it was very unwise to assume it under all the circumstances, because I feared just what has happened. I feared that many Senators and Representatives would say, "He is trying to force something down our throats. He is a dictator. He is trying to throw the Senate and the House out the window. He wants to run the whole show by himself." Have we not heard words to that effect ever since? There is considerable feeling about the question, which takes away the possibility of obtaining unity.

When the President submitted the matter to us in a message I hailed it with much delight. I say to the Senate that whether we like the way he did it or not is not very material. I should like to have the President be as courteous as possible toward us. However, he is not courteous toward us. Are we going to throw out the window the control of wages and the stopping of inflation because we back up into a corner and say, "We defy you; we stand on solid rock; we are right and you are wrong; if there is any sacrifice you make it. We will not." That is an attitude which will not win this war. It will never result in a solid front.

I submit that it is the duty of every American citizen who is anxious to win the war to make sacrifices. That means all of us. That means every Senator and every Member of the other House. If that is what we want, we must be willing to sacrifice. We must find out where we can sacrifice, and present a solid front to the enemy.

Mr. President, I know that that kind of talk will not please many honest persons who think that we have gone as far as we can, and that we should go no further. If a soldier on the battlefield should make such statements we would not win many victories on the battlefield. We cannot win victories unless we present a more willing front than that.

As I see it, there is not enough difference between the two proposals to quibble about them. I believe that the Senator from Kansas was nearly right when he said that the difference was the difference between tweedledum and tweedledee.

It may be asked, What right has the President to veto one proposal and not the other? Probably none. I am not defending the President. I do not know whether he would veto either proposal. I have the knowledge which I presume other Senators have who heard it said—and I believe it to be true—that he would veto the joint resolution if the Thomas amendment were included in it, and that he would not veto it if the substitute amendment were in it.

The joint resolution with the substitute amendment in it would control inflation if it were signed by the President, and it would control wages. I believe that any student must reach the conclusion that wages must be controlled if we are to stop inflation. Inflation usually starts when wages begin to spiral and go skyward. Wages represent one of the most important factors; and it is necessary to control wages if we are to prevent inflation. I do not believe we can prevent it unless we can control wages.

Mr. President, I wish to say a word about several other matters which have been debated. They are important. There is dissatisfaction among the farmers because the farmer is losing his help. Such dissatisfaction is countrywide. I do not believe that Senators have exaggerated that story in the least. However, the proposed legislation would not change that situation. Suppose we had the Thomas amendment now in the law, printed in capital letters. Would it stop the effect of taking boys from the farm into the Army to such an extent that not enough competent men are left on the farms to produce the food which is necessary? It would have no effect.

The farmer is losing his help for two reasons. One is the attraction of high, uncontrolled wages in the various governmental industries scattered all over the country. The farmer boy goes into industry, attracted by high wages.

Another thing which is happening is that the Government of the United States is taking farmers away to war when they ought to be left on the farms to produce food. The man on the farm, between the plow handles, who raises the food to feed our armies on the front, is just as much a soldier as though he stood with rifle in hand in the front-line trenches. He does not subject himself to the same dangers, but he is just as important to winning the war as is the soldier. All the soldiers we could raise in the United States would not be able

to win a battle unless they were supplied with food, as well as ammunition and clothing. There is nobody to produce the food except the farmer; and if we take his help away, regardless of prices, regardless of parity, and regardless of everything else, and if men on the farm are taken into the Army and nobody is left to produce food, the war will fail. We cannot win a battle unless we have about 20 men at home to take care of 1 man on the field of battle. Do not mistake that.

So I think inflation becomes an important consideration. The prevention of inflation is the real object of the proposed legislation. We want to control something which the President is very doubtful about his authority to control, and that is wages. The proposed legislation would leave the question of authority in no doubt.

Mr. President, we can remedy the situation involved in the taking of farmers from their farms by enticing them by higher wages to work in industrial plants, in addition to taking many of them into the armed forces. Of course, if they are called into the armed forces they can do nothing but submit. By the pending measure we shall not remedy that aspect of the situation, nor are we attempting to do so.

I think all of us understand the conditions surrounding a farmer who tries to operate a farm without the help of a hired man and without the help of a son. The farmer and his wife perhaps live on a mechanized farm operated almost entirely without horses. In order to operate such a farm a man must be somewhat of a mechanic, somewhat of a mechanical expert. He must know all about an automobile and all about a combine, and must know a great deal about electric power and other power. Such a farm is no place for a man who has had no experience and no knowledge of those subjects.

I have personal knowledge of the case of a farmer and his wife, without children, who have operated such a farm. They have had over 100 head of cattle. They have milked 10 or 12 cows. They have had nearly 100 head of hogs and two or three hundred chickens on the farm. They have had an electrified farm; otherwise they could not have operated it. The farmer's wife has done most of the work around the house and barns. She milked the cows with machinery. She took care of the pigs; she took care of the chickens. The farmer himself was on his machine in the field from daylight until dark.

What happened? The farmer was drafted, the Army took him. Many other farmers had the same experience. What will happen? The farmer's wife cannot run the farm, she cannot do all that work. It is impossible to hire anyone to do it. Not every man can do it, because the work requires a man to be somewhat of an expert. What will happen? The farmer is going into the armed forces. He and his wife must sell all the cattle and the milk cows; they must dispose of the hogs, the chickens, and the machinery on the farm. Worst of all, Mr. President, is the fact that next year that farm will lie idle. It will not produce a bushel of wheat, a bushel of corn, or a head of cattle; it will not produce any hogs, any chickens, any butter, or any milk. The whole farm will have gone out of commission. That is the case of thousands of farmers. I think such situations should be taken care of; they must be taken care of. We cannot continue to support an Army in the field if agriculture is thus hampered. It cannot be done. Failure must be the ultimate result of conduct so disastrous as that.

Mr. President, the pending measure does not touch that situation. A bill introduced by the Senator from Vermont, I think, would take care of the situation, as I understand; it would stop the process of taking from the farms and into the Army farmers who necessarily must be on the farms. It would stop the draining of farm men into the industries where they receive higher wages. We must do something of that kind or else we shall fail.

Mr. President, it is senseless to raise a large Army—perhaps an army of 10,000,000 men—and not be able to feed it after we have raised it, after we have sent it to the battle front, after we have equipped it with arms and munitions, after we have clothed it, after we have taxed our people nearly to death in order to pay all necessary expenses. Shall the Army be sent into battle and fail, and be defeated because it is not fed? It is bound to be defeated if it is not fed. Armies must be fed every day, and a great deal of farm production is required to do that.

Much has been said about criticism in the press against the farmers. I think what has been said in the Senate has been justified. It is heartbreaking to me to read in the daily newspapers accounts that I know do not state the farmers' situation correctly.

I know that the farmer is not unpatriotic. I know that there is no justification for criticism that the farmer is trying now to profiteer. I do not believe a word of such criticism. But, Mr. President, again we have brought home to us the question of what we shall do about it. Probably nothing; probably we are unable to stop it. God will take care of it in time. The editorials—based on nothing, in many instances—casting reflections upon a great portion of our patriotic people, will come home to roost some day; and this country will realize that the farmer is a necessary soldier, and that without him we cannot win the war.

However, all that has nothing to do with the measure now pending. I do not suppose we ever shall see such criticism stop. As I see it, it is one of the weaknesses of every democracy; and if we were to stop it we should lose something dear and precious to a democracy. So, whether we pass the pending measure or do not pass it, I see no way to affect such criticism.

All that anyone should ask now is that all of us be willing to make the necessary sacrifices. We are called upon to make such sacrifices, as I view the situation, if we are to present a united front to the world.

What joyful news it would be in Hitler's camp and all over Japan if tomorrow word were to be sent all over the world that a great fight was going on in the United States between two branches of our great democracy. Hitler would say, "That is another demonstration that I have been right when I have been telling the world for years that democracy is a mockery and a failure, and that I want to obliterate it."

Mr. President, I think there is very little difference between the positions of those on various sides of the controversy. If I felt that I had to sacrifice even what to me was a dear and sacred principle in order to bring about harmony, I should be glad to do so for the good of my country, for the good of civilization, and for the good of millions of generations yet unborn.

Mr. LEE. Mr. President, the Senate must choose between two amendments, the Thomas amendment and the Barkley amendment. Both the amendments are intended to help the farmer. I believe the Barkley amendment is a better amendment and would help the farmer more than would the Thomas amendment; but due to the parliamentary situation we must vote on the Thomas amendment before we can vote on the Barkley amendment. Therefore, in order to clear the way for the Barkley amendment I shall vote against the Thomas amendment. Then I shall vote for the Barkley amendment.

Mr. BILBO. Mr. President, I know that the Senate is becoming impatient to vote on the pending measure; but I want it understood that I shall vote for the Thomas amendment because I believe that from it the farmer would receive the greatest good. I am a little in doubt regarding the ability of the Barkley amendment to reach the problem of the farmer.

Psychologically, the Thomas amendment is what the farmers of the Nation want. What we do in this matter will affect the crop to be grown next year. I am in favor of controlling inflation, but I think winning the war is more important than controlling inflation. It will take the farmers of America to do the job; and that is why I am for the Thomas amendment.

Let me make a prophecy. If the Congress does not meet the requirements of the farmers, and does not give them a break so as to enable them to grow the food and other agricultural products needed to win the war, in less than 12 months we shall be called upon to provide a subsidy for the farmers, or we will be face to face with total mobilization and the drafting of labor necessary to operate the farms, because they must be operated.

In this connection, Mr. President, I have just received a resolution adopted by an unusual club, the Business and Professional Men's Farm Club of Jackson, the capital city of my State. It states the case so completely that I ask that the Secretary may read the resolution before the vote is taken.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

Whereas it is noted by the press and over the radio that an Army of 13,000,000 men is contemplated; and

Whereas a large quantity of food will have to be grown and harvested to feed the civilian population, the armed forces, and our Allies; and

Whereas on the basis of the present selective service regulation, a large percent of this new army will come from the farm; and

Whereas the prices paid by Government projects are attracting large numbers of farm laborers from an already depleted labor status; and

Whereas on the present price of farm produce the farmers cannot pay wages to compete with industry, and particularly the war industry; and

Whereas the Secretary of Agriculture, in a statement dated September 23, issued a warning that we are facing a food shortage in 1943, because of the conditions heretofore set out: Therefore be it

Resolved by the Hinds County Business and Professional Men's Farm Club, That our Representative in Congress be advised that due to the shortage of labor on the farm and our inability to compete with industry for labor, we urge Congress to enact such legislation as will place the farmers on parity with labor, and, be it further

Resolved, That in view of Secretary Wickard's statement that we face a shortage of food in 1943, that the selective-service regulation should be changed to defer necessary farm labor for the duration, and further specifically request that in fixing prices for farm crops, consideration be given to cost of farm labor; be it further

Resolved, That a copy of this resolution be sent to the United States Senator and Members of Congress from the State of Mississippi and a copy mailed to the Secretary of Agriculture.

J. O. SEGURA,
President.

Attest:

C. H. HALES,
Secretary.

The VICE PRESIDENT. The question is on agreeing to the so-called Thomas amendment, as modified.

Mr. SMITH. Mr. President, I am as anxious to vote as is any other Senator, but before the vote is taken I should like to make a brief statement. I am amazed at the speech of the Senator from Nebraska [Mr. NORRIS]. All this talk and all this loss of time, boiled down to the last analysis, brings us to the issue: Shall the farmer be allowed to have included in his ceiling price the cost of his production? I am not talking about parity; I am talking about the ceiling that is going to be put on agricultural products. If the farmer is not allowed to incorporate the cost of the wage he has to pay, he will be in serious difficulty. That is the whole story. All this talk covering the whole phase of human activity can be resolved into one sentence: Are Senators willing to let the farmer get the cost of his production? If to do that would cause a veto of the measure, and bring all the disaster predicted by the Senator from Nebraska, what are we going to do? Shall we by our votes say to the farmer, "You cannot include the cost of your production in the sale of your products?" It is not a question of upsetting parity; it is a question of providing that when a ceiling price is put on a farm product farm labor shall be weighted in the calculation. That is all this controversy is. If the President is big enough to be President of the United States, I think he is big enough to sign a bill with such a just and simple provision in it.

The Barkley amendment impresses me as being a jumble of words to avoid the issue. Every Senator who believes that the farmer is entitled to include in his cost the cost of his labor will vote for the Thomas amendment, and I want the roll to be called so that we may see who they are who are not willing that the farmer, without regard to parity, shall have accorded him simple justice in connection with hiring his hands so that the cost of his labor may be incorporated in the ceiling price. That is all this debate has been about.

Now, Mr. President, I hope we may have a vote.

The VICE PRESIDENT. The yeas and nays have been ordered.

Mr. BARKLEY. I should like to have recognition for a moment. A while ago the Senator from Oklahoma asked unanimous consent that he might change the word "section" to the word "act" so as to make his amendment conform to the language in the House amendment. I have no objection to that, because, if that is all it would do, I could not object, but since reading the amendment and the joint resolution itself it appears that the change may have the effect of increasing the loan privilege from 90 to 100 percent, which I am sure the Senator from Oklahoma does not want to do. Therefore, I wish to say to him that I hope we can reconsider the action which was taken and leave his amendment as it was, so that, when it goes to conference, if his amendment is retained, it can be made certain that the change of the word "section" to "act" does not provide for a 100-percent loan instead of a 90-percent loan, which the Senator himself does not want to have done.

Mr. THOMAS of Oklahoma. Mr. President, when I submitted my request for unanimous consent, I made a statement that I desired to modify the amendment so as to make it exactly like the House amendment as to wording and even as to the commas, which would have to be done to make it exactly conform; whereupon the Senator from Kentucky asked me if that was the only purpose and effect of the amendment. I hedged on that because I knew what the effect would be. The House amendment is broader than my amendment—and when I say "my amendment" I include, of course, the Senator from New Mexico [Mr. HATCH]. The House amendment refers to "act." If the pending joint resolution passes and becomes a law, it becomes a part of the emergency price-control law and becomes a part, in effect, of the triple A law. So if the present amendment, referring to "act" instead of "section" stands, it is very broad and affects all the existing legislation. I left a loophole, as I thought the Senator from Kentucky would come back and ask what my interpretation was. He did not do so. So, in order to accomplish the purpose, and make it not subject to conference, I made the request. Since it is broader than the Senate amendment, and inasmuch as the Senator has asked me to consent to a reconsideration, I have no objection.

Mr. BARKLEY. I will say to the Senator, of course, he realizes that in the rapidity with which unanimous-consent requests are made and put, it is impossible for any Senator to consider the whole bill that may be before us. After talking with the Senator from Oklahoma, he, of course, agreed with me that he did not intend to affect the parity loans of 90 percent.

If the Senator reconsiders and leaves in the word "section" as it was originally and it goes to conference—I presume I will be one of the conferees—we will be more at liberty to ascertain its meaning. If it means only what I thought it meant at the time, and does not affect parity, I would have no objection to changing it, but we can work it out in conference.

Mr. THOMAS of Oklahoma. Mr. President, the House provision refers to "act" and the Senate amendment refers to "section." If this amendment should go into the joint resolution, and it should be supported by the Senate and should go to conference, the conferees would have to agree to one of two words, either to the word "section" as it would be in the Senate measure or to the word "act" as it is in the House measure. Inasmuch as there is a broad difference and inasmuch as many members believe that the President might veto the joint resolution, anyway, if we can secure a substantial agreement and benefit the farmers by using the word "section," which is much more liberal and less drastic than the word "act," I am willing to make that concession, and I have no objection to having the Senate vote on the amendment exactly as it is printed, using the word "section" and not the word "act."

The VICE PRESIDENT. The Senator from Kentucky has asked for a reconsideration of the modification. Is there objection to the reconsideration? The Chair hears none. Is there objection to leaving the phraseology of the Thomas amendment as it originally stood? The Chair hears none.

Mr. BARKLEY. Mr. President, while I am on my feet, I wish to state that, regardless of the result of the roll call on the Thomas amendment, whether it shall be adopted or rejected, the substitute which has been discussed and which has been printed will be offered. Even if the Thomas amendment is adopted, then the substitute will be offered for the whole committee amendment, including the Thomas amendment.

If the Thomas amendment shall be rejected, the substitute amendment will be offered anyway, because we feel that it is couched in better language, that it is more liberal and fair, and subject to less misinterpretation than the committee amendment itself. So that in either case it will be offered as a substitute for the committee amendment.

Mr. WAGNER. Mr. President, there is a letter at the desk addressed to the junior Senator from Michigan [Mr. BROWN] by the National League of Women Voters, which I ask to have read by the clerk before the vote is taken.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

NATIONAL LEAGUE OF WOMEN VOTERS,
Washington, D. C., September 28, 1942.

Senator PRENTISS M. BROWN,
Washington, D. C.

MY DEAR SENATOR BROWN: I am addressing you in the name of the League of Women Voters, a national organization concerned with government in the interests of the people themselves, not for special groups of people. Members of the League throughout the United States have long been aware of the need for drastic action by the Congress to ward off a disastrous inflation.

It is our hope that Congress may yet demonstrate its intent to provide for prompt and uncompromising execution of effective price and wage legislation. Congress must be aware of the threat to all people if inflation continues. It is to be hoped that Members will act accordingly without fear or favor. To do otherwise with the eyes of the people upon them today is to court a loss of faith in Congress itself with unpredictable consequences to our democratic government. In admiration of your courageous speech to the Senate on this September 24th,

Very sincerely yours,
MARGUERITE M. WELLS,
President.

Mr. THOMAS of Oklahoma. Mr. President, I did not intend to inject any further suggestion into the debate, but inasmuch as this letter has been read, I ask permission to have read at the desk two or three telegrams I have received to offset the suggestion at least that the women are against this measure.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

WARSAW, N. Y., *September 28, 1942.*

Senator THOMAS:

The New York State Council of Rural Women, composed of the women of the State Grange, the State Federation of Home Bureaus, extension service and the home department of the Dairymen's League commend you for your work in the interest of farmers and the Nation. Unless help is given the food necessary to win the war will not be produced. We are supporting your bill wholeheartedly.

EDITH P. WAGENBLASS,
Secretary of the New York State Council of Rural Women.

PLATTSBURG, N. Y., *September 28, 1942.*

Senator THOMAS,
Senate Office Building,
Washington, D. C.:

Representing 750 Home Bureau women we approve your stand on farm-price control bill.

CLINTON COUNTY HOME BUREAU
EXECUTIVE COMMITTEE,
FRANCES B. FLANAGAN, *Chairman.*

HUBBARDSVILLE, N. Y., *September 28, 1942.*

Hon. Senator THOMAS,
Senate Office Building,
Washington, D. C.:

The Madison County Home Bureau of 698 members want you to know we heartily approve your stand on the farm-price control bill.

Mrs. AMOS G. LAMB, *Chairman.*

Mr. AIKEN. Mr. President, I have received many telegrams, which I shall not put into the RECORD. I merely wish to say that in response to the impassioned radio appeal a few evenings ago by the able Senator from Michigan [Mr. BROWN], appeals by national committeemen, and others, and in response to newspaper advertisements, I have received 92 telegrams. One urged support of the President, and the remaining 91 urged support of the Thomas-Hatch amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS] and the Senator from New Mexico [Mr. HATCH] to the amendment of the committee as amended. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I have been informed that if present he would vote as I shall vote, and therefore I have a right to vote. I vote "nay."

The roll call was concluded.

Mr. BYRD. The senior Senator from Virginia [Mr. GLASS] is detained because of illness. Were he present, he would vote "nay."

Mr. McNARY. The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent. If present he would vote "nay."

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] is absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] is necessarily absent.

The Senator from Missouri [Mr. TRUMAN] has been called to his State on important public business, and is therefore necessarily absent. I am advised that if present and voting the Senator from Missouri [Mr. TRUMAN] would vote "nay."

The result was announced—yeas 48, nays 43, as follows:

YEAS—48

Aiken	Doxey	Murdock
Andrews	Ellender	Norris
Bailey	George	Nye
Bankhead	Gillette	O'Daniel
Bilbo	Hatch	Overton
Bone	Hayden	Reynolds
Brewster	Hill	Russell
Brooks	Holman	Shipstead
Bunker	Johnson, Calif.	Smith
Butler	La Follette	Spencer
Capper	Langer	Thomas, Idaho
Caraway	McCarran	Thomas, Okla.
Clark, Idaho	McFarland	Van Nuys
Clark, Mo.	McKellar	Wheeler
Connally	McNary	Wiley
Downey	Millikin	Willis

NAYS—43

Austin	Herring	Schwartz
Ball	Johnson, Colo.	Smathers
Barbour	Kilgore	Stewart
Barkley	Lee	Taft
Brown	Lodge	Thomas, Utah
Burton	Lucas	Tobey
Byrd	Maloney	Tunnell
Chandler	Maybank	Tydings
Chavez	Mead	Vandenberg
Danaher	Murray	Wagner
Davis	O'Mahoney	Wallgren
Gerry	Pepper	Walsh
Green	Radcliffe	White
Guffey	Reed	
Gurney	Rosier	

NOT VOTING—5

Bridges	Glass	Truman
Bulow	Hughes	

So the amendment of Mr. THOMAS of Oklahoma to the amendment of the committee, as amended, was agreed to.

Mr. BARKLEY. Mr. President, on behalf of the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Maryland [Mr. TYDINGS], the Senator from Kansas [Mr. REED], and myself, I offer an amendment in the nature of a substitute for the committee amendment as amended.

Mr. HATCH. Is it the intention of the leader to have a vote on this amendment tonight?

Mr. BARKLEY. I hope we may conclude the consideration of the whole measure this evening.

The VICE PRESIDENT. The clerk will state the amendment in the nature of a substitute proposed by the Senator from Kentucky.

The LEGISLATIVE CLERK. In the committee amendment on page 4, line 2, it is proposed to strike out all after the word "inequities" through the word "inequities" in line 13, as amended, and insert in lieu thereof the following: ": *Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing."

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. ELLENDER. Can the pending substitute amendment be amended?

The VICE PRESIDENT. When a substitute is offered for the committee amendment, as amended, it, the substitute, is open to amendments of a perfecting nature in one degree only. The original committee amendment is still open to further amendment, and an amendment proposed thereto will have precedence over an amendment offered to the substitute.

Mr. BARKLEY. Mr. President, may I inquire whether that ruling of the Chair is limited to one amendment or any number?

The VICE PRESIDENT. One amendment at a time.

Mr. BARKLEY. Is it the ruling of the Chair—and I make no question about the correctness of the ruling—that so long as any Senator desires to offer a perfecting amendment to the text of the committee amendment the substitute cannot be voted upon?

The VICE PRESIDENT. That is the ruling.

Mr. BARKLEY. Earlier in the day, Mr. President, I stated that I wished the Senate to sit until it concluded consideration of this measure today. Many Senators have been coming to me all day insisting that we proceed and try to complete action on the measure. Now at the last

moment Senators have suggested that we recess until tomorrow.

I feel that the country should know that the Senate of the United States is in serious mood at this dire moment, at this critical hour in our history, when considering a proposition of this sort, and that therefore we ought not to adjourn or recess now for the convenience of Senators. I think the Senate should remain in session and finish consideration of the measure. If any Senator wishes to move that the Senate recess or adjourn, and a majority vote is cast for the motion, of course, the Senate will recess or adjourn. I do not think it ought to do so. I think we have debated the proposition long enough, subject, of course, to brief expressions on the part of Senators. Now, when the country is expecting us to act, and when everyone has been hoping we would act, I do not think we should recess. I think we should remain in session until we shall have disposed of the measure.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. THOMAS of Oklahoma. Let me remind the Senator from Kentucky that it is now a week since we served notice that we were ready to vote. There is no filibuster on our part.

Mr. BARKLEY. I accuse no one of filibustering. I think this morning the Senator from Oklahoma was quoted—and I think erroneously so, I hope so—as having stated that there would be indefinite debate here, which is usually interpreted as a filibuster, but I know the Senator from Oklahoma has not had anything like that in mind.

Mr. THOMAS of Oklahoma. Mr. President, so far as I know no Senator wants to speak on the amendment longer than is necessary to state his position.

Mr. BARKLEY. I understand that.

Mr. THOMAS of Oklahoma. But inasmuch as we have debated for a week on an amendment consisting of only three or four lines, and now that we have before us a real amendment——

Mr. BARKLEY. I am glad the Senator from Oklahoma admits that the amendment he offered is a little one, and that the one we offer is a real one.

Mr. THOMAS of Oklahoma. Will the Senator from Kentucky permit me to make a brief statement? I wish to say that now we have before us an amendment which allows every corporation, every firm, every group of citizens engaged in processing farm products to have costs of production plus "a generally fair and equitable margin" of profits, and if such amendment in the nature of a substitute is agreed to then the amendment giving farmers cost of production without profit, just adopted by a vote of 48 for to 43 against, will be voted out of the joint resolution.

The issue which is drawn is that every one is to have costs and to make money except the farmer, and he is not to be allowed even his costs. That issue is now before the Senate. Before we vote on the substitute I shall want to use some time to set forth my views more in detail on the pending amendment.

Mr. BARKLEY. Mr. President, I wish to say to the Senator from Oklahoma that if he wanted to be fair, or was familiar with what happened, he would know that the processing amendment which is included in the substitute, has already been adopted by the Senate. It was an amendment offered by the Senator from Tennessee [Mr. McKELLAR] and adopted as an amendment to the committee amendment, and it had to be included in the substitute in order that it might be a substitute.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. THOMAS of Oklahoma. I think every Member of the Senate wants everybody to receive cost of production and a reasonable profit. I do.

Mr. BARKLEY. No one objected to that amendment when it was offered, and that question was not raised by the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. I am in favor of everyone receiving the cost of production and a reasonable profit. Now when we narrow the issue down to whether or not the farmer may receive the cost of production I cannot agree to an amendment which will force the farmer to continue to accept what he can get for his products irrespective of the costs of production when all others are guaranteed not only costs but reasonable profits.

Mr. BARKLEY. Of course, I do not want any misstatement of the issue involved in this substitute, whether it is unintentional, which I assume it is, or otherwise, because the Senator from Oklahoma undoubtedly was on the floor of the Senate one day last week when the Senator from Tennesee [Mr. McKELLAR] offered the amendment, which was an amendment to the committee amendment involving the question of processing agencies processing agricultural products. The Senator might have raised the point then, which he did not.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. THOMAS of Oklahoma. If I had raised the point it would have placed me in the attitude of being against the processors receiving their cost and a reasonable profit. I am in favor of costs and profits for processors, and I am in favor of the farmer likewise receiving his cost of production plus a reasonable profit. The reasonable-profit provision has been stricken from the amendment, and now the fight is over whether the farmer is to receive his cost of production.

Mr. BARKLEY. A reasonable-profit provision has not been offered in the amendment, but it was offered time and time again, year after year, as a part of the formula for agricultural prices, and was rejected by the House and Senate.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HATCH. I wish to offer a perfecting amendment to the pending amendment. The perfecting amendment is the language of the so-called Thomas amendment, beginning at the end of the third line of the printed amendment with the words "Provided further." I offer that as a perfecting amendment at the end of the pending amendment.

The VICE PRESIDENT. The amendment will be stated.

Mr. BARKLEY. Mr. President, I yielded to the Senator, but I did not know that he wished to offer a perfecting amendment.

Mr. HATCH. I am offering a perfecting amendment.

Mr. BARKLEY. Mr. President, I wish to make a brief word of explanation before that is done.

Mr. HATCH. I withdraw my perfecting amendment, then.

Mr. BARKLEY. If the Senator will do so momentarily, I shall not interfere with the Senator offering it later.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. GILLETTE. Let me remind the Senator, in connection with his suggestion that he would like to have the Senate remain in session until the joint resolution is passed or acted upon finally, that on Tuesday and Wednesday of last week, when the proponents of this particular phase of the measure were ready to act, the Senate recessed on 1 day before half past 3, for reasons best known to those in charge, and on the next day before 4 o'clock. Now, at this stage of the procedure, when some of us who have not taken advantage of the opportunity to speak wish to discuss certain phases of the matter, it seems to me that to suggest that it is necessary to stay in session and vote on the joint resolution tonight is a failure to realize, in all fairness, the implications which have surrounded this debate.

Mr. BARKLEY. Mr. President, it is true that on 1 or 2 days last week the Senate adjourned earlier than I thought it ought to adjourn. I did everything I could to keep it in session longer, but no Senator was ready to speak when we recessed on either of those days, and therefore we had to recess. Now many Senators want to speak, and we are still asked to recess. I think we ought to proceed.

Mr. President, perhaps I should wait until a little later to explain the substitute amendment in detail. The substitute would not only authorize, but direct the President—

where by reason of increased labor or other costs—

which makes it even broader than the Thomas amendment—

to the producers of such agricultural commodity—

That means to the farmers, not the processors, for the processors do not produce agricultural commodities; they merely process them—

where by reason of increased labor or other costs to the producers of such agricultural commodity the maximum prices so established—

That is, established under the terms of the joint resolution, under the formula of parity, or the highest prices between

January and September, whichever figure is the higher—

will not reflect such increased costs—

then the President is directed to modify the maximum prices in such a way as to take into consideration and reflect—not merely to take into consideration, but to reflect—the increased costs referred to in the production of agricultural commodities.

The suggestion has been made—and I wish to refer to it now, because it has been made sincerely—that the substitute authorizes and directs the President to do this whenever he fixes a maximum price for agriculture, without regard to when the crop was produced. Any crop of any kind in the hands of the farmer upon which the President fixes a maximum price is included in the substitute, and the increase in the cost of labor involved in the production of that crop is included in the substitute, regardless of when the crop might have been produced.

There has been a suggestion that we fix January 1, 1941, as a date beyond which the President could not go and subsequent to which he would be required to consider increased costs of farm labor, the theory being that because the War Labor Board fixed January 1, 1941, as a date for freezing increases in the cost of living, there might be some analogy between the cost of living and a maximum price including increased costs of labor in the production of farm commodities upon which a maximum price is fixed.

The two situations are not analogous. Those who earned salaries in 1940 or 1939 have received them. No increase in the cost of living beyond that date would necessarily be of any value in considering any increase in the cost of living in determining wages and salaries. That is not true of farmers. There are still some crops left in the hands of farmers which were produced in 1940—probably some of which were produced in 1939. This amendment applies to and is a mandatory directive to the President to include, increased costs of producing any crop, whenever it was produced, whether in 1942, 1941, or 1939, in determining the maximum price. I have consulted with the Bureau of Agricultural Economics in the Department of Agriculture about this question. They feel as I feel, that it would be unfair to farmers who have crops which were produced beyond that date to fix that as the date after which increases in farm labor costs could be considered. For that reason that date has not been included in the substitute.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BANKHEAD. I should like to ask the author of the amendment whether it covers the cost of labor currently being paid, or whether it merely covers an increase in cost, and if so, an increase over what period?

Mr. BARKLEY. It is without limitation.

Mr. BANKHEAD. How can we get at it unless we have a base point with which to make comparisons?

Mr. BARKLEY. It covers any increase in labor costs and other costs.

Mr. BANKHEAD. Over what?

Mr. BARKLEY. Any increase for the crop involved over previous labor costs of that crop.

Mr. BANKHEAD. Over previous crops?

Mr. BARKLEY. That is correct.

Mr. BANKHEAD. So it is limited to an increase in costs for 1 year?

Mr. BARKLEY. Not at all.

Mr. BANKHEAD. Or an increase over the previous crop.

Mr. BARKLEY. It applies to increased costs in the production of any crop—say the crop of 1940, over the crop of 1939.

Mr. BANKHEAD. That is what I said—over the previous crop.

Mr. BARKLEY. The previous crop; or the crop of 1939 over the previous crop.

Mr. BANKHEAD. So it is limited to 1 year—one crop over the preceding crop.

Mr. BARKLEY. It is a continuing performance. Even if the President should put a maximum on tobacco, cotton, or corn which was raised prior to 1941—even in 1940 or 1939—he would be compelled to consider any increase, not only in labor costs but in other costs, which might include the price of seed, the price of work animals, fertilizer, or anything else which went into the production of the crop itself.

Mr. BANKHEAD. Suppose—as we know to be true—there was a substantial increase in the farmer's cost of labor in 1941. That is the real issue. There has been a substantial increase in 1942. We shall soon be in 1943. I wish to know the correct construction. What the Senator says, I take it, would be largely binding upon the courts or the administrators. Having had a large increase in 1940, 1941, and 1942, we are about to go into 1943. I take it that, following the large increase in labor costs in 1941, and again in 1942, as we approach the 1943 crop, the amendment would permit the addition only of the increased costs from this time forward.

Mr. BARKLEY. No.

Mr. BANKHEAD. The Senator said it would apply to the costs of one year as compared with those of the previous year.

Mr. BARKLEY. The Senator misunderstood me.

Mr. BANKHEAD. I did, if that is not a correct statement.

Mr. BARKLEY. Let us suppose, for instance, that a cotton grower—we will use cotton for illustration because the Senator is familiar with cotton and is interested in it—had on hand cotton produced in 1942, 1941, and 1940, and still has cotton on hand. Under the language of this amendment, as I interpret it, the President would be required to take into consideration the increased costs in the production of all three crops in fixing a maximum price upon them.

Mr. BANKHEAD. Does the Senator mean 3 years after the cotton has been produced, or 2 years after the cotton has been produced?

Mr. BARKLEY. So far as it has been unsold. He may not go back and fix a maximum price on cotton, or anything else, which has already been sold. The amendment would apply only to such crops as are still in the hands of the farmer, and will be in his hands after he produces them, from year to year.

Mr. BANKHEAD. The chief consideration here is not the small amount of cotton which has been carried over by farmers but the entire crop.

Mr. BARKLEY. I think that is true.

In the consideration of a maximum price for the entire crop, regardless of the year of its production, the President would be required to fix such maximum as would reflect the increase in the cost of production.

Mr. BANKHEAD. Over what period?

Mr. BARKLEY. Over the period of its production.

Mr. BANKHEAD. During that year. That is what I thought. It is limited to 1 year.

Mr. BARKLEY. Oh, no.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TYDINGS. I think most Senators share the desire of the Senator from Kentucky to dispose of this matter tonight, if possible, or at the earliest possible opportunity. However, I am wondering if we would not really make more speed—I simply offer it as a suggestion to the Senator from Kentucky—if those who are interested in his amendment and in the Thomas-Hatch amendment could agree on a definite hour tomorrow when we can finally vote on this question, rather than remain in session longer tonight. We have really made considerable progress during the day toward ultimate passage of the joint resolution. I do not wish to usurp the functions of the able majority leader. I only offer this as a suggestion which, in the long run, would probably be conducive to speed.

Mr. BARKLEY. I appreciate the Senator's suggestion. Of course, this amendment is not the only amendment which is to be considered. In all likelihood the Senator from Nebraska [Mr. NORRIS] will offer an amendment regarding utility rates. I understand that he has such an amendment and that it has already been printed. I do not know how controversial that will be, or how much debate it may require. We cannot predict how many amendments may be offered. If we could agree upon an hour at which we could vote on the joint resolution tomorrow, that would be one thing; but I doubt very much if Senators who have amendments to offer would agree at this time to an hour tomorrow when we should vote on final passage of the joint resolution. Merely to fix some time tomorrow to vote on this particular substitute might not result in disposing of the bill promptly tomorrow.

I wonder whether it would be possible to obtain an agreement limiting debate. I should like to have the attention of the Senator from Nebraska [Mr. NORRIS].

Mr. President, I ask unanimous consent that during the remainder of the consideration of the pending measure no Senator shall speak more than once nor longer than 15 minutes on the measure or any amendment thereto or substitute therefor.

Mr. HATCH. Mr. President, will the majority leader restate his request?

Mr. BARKLEY. I ask unanimous consent that during the remainder of the consideration of the pending measure no Senator shall speak more than once nor longer than 15 minutes on the measure or on any amendment thereto or substitute therefor or on any motion pertaining thereto.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky?

Mr. THOMAS of Oklahoma. Mr. President, reserving the right to object, let me say that I shall agree to all amendments save the pending substitute. Tomorrow I shall be prepared, at least so far as I am concerned, to dispose of the pending substitute. We have been here some hours, and there is a limit to endurance; although the way I feel about the matter I am prepared to go on for an indefinite period. However, I do not desire to do so.

Mr. BARKLEY. Mr. President, of course, I realize that all of us exceed the average age of the men who are to fight this war; but it seems a little incongruous to protest about doing 7 hours' work when those upon whom we depend are required to work all day and all night, if necessary, under the most hazardous and grueling circumstances.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HATCH. A moment ago I sent to the desk an amendment to the substitute of the Senator from Kentucky. I am perfectly willing—and I speak for the Senator from Oklahoma [Mr. THOMAS]—to continue into the night with the debate if it is the Senator's desire to do so.

Mr. BARKLEY. That is very kind and generous of the Senator.

Mr. HATCH. I do not want the Senator from Kentucky to misunderstand me.

Mr. BARKLEY. I understand the Senator's position. However, it seems regrettable that after working for a few hours we want the country to believe that we are so tired that we can work no longer.

Mr. HATCH. I am not tired, and I shall stay as long as the Senator from Kentucky stays; but I do not want the Senator from Kentucky or any other Senator or anyone else to say that we want to stop because we are tired.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BARKLEY. In a moment.

Mr. WHEELER. Perhaps the Senator is losing his temper.

Mr. BARKLEY. No; I am not losing mine.

Mr. WHEELER. I am afraid the Senator is.

Mr. BARKLEY. I am not losing my temper, but perhaps the Senator from Montana is losing his.

Mr. WHEELER. Oh, no. What I should like to say is that we have been here several hours, but many of us were at work many hours before we came to the Senate Chamber. I was at my office at 8 o'clock this morning, and many other Senators were likewise at work at an early hour.

I simply say to the Senator that, in my humble judgment, we shall make more progress if we put the matter over until tomorrow, and meantime agree upon a limitation of debate. I shall not talk any more about the matter.

Mr. BARKLEY. I always enjoy hearing the Senator.

Mr. WHEELER. I appreciate that very much. Let me say that I have been present at many night sessions, and I have observed that nothing is gained by them because the Senator knows that when the galleries are packed we hear from many Senators who ordinarily would not address the Senate at any particular length.

Mr. BARKLEY. The Senator's remark does not apply to me.

Mr. WHEELER. No; nor to me.

Let me say that I am sure that very little time would be saved by continuing into the night, and that we should make virtually as much progress by reaching an agreement regarding limitation of debate, and by postponing further debate until tomorrow.

Mr. BARKLEY. I think we could remedy the situation the Senator has described by barring the galleries to the public and having debate held in executive session. However, I should not suggest that, of course.

While I have the floor let me ask if the Senator from Oklahoma will suggest or agree to a limitation of debate.

Mr. THOMAS of Oklahoma. Mr. President, I am not now prepared to agree to a limitation of debate. From my viewpoint the pending amendment is the whole measure, and it would affect every man, woman, and child in America.

Mr. BARKLEY. Will the Senator agree on an hour?

Mr. THOMAS of Oklahoma. I shall discuss the matter in the morning, but I am not prepared to do so now.

Mr. BARKLEY. Does the Senator say he is not prepared to agree at this time?

Mr. THOMAS of Oklahoma. I am not prepared to do so at this time on the pending amendment. As to everything else I shall agree.

Mr. BARKLEY. That means that we differ on nothing save the pending amendment.

Mr. President, in view of the situation I think we might continue for a while to debate the pending amendment.

I yield the floor.

Mr. DOWNEY obtained the floor.

Mr. BONE. Mr. President, will the Senator yield for a moment in order to permit me to propound a question to the Senator from Kentucky.

Mr. DOWNEY. I yield.

Mr. BONE. Mr. President, I shall be compelled to vote on the amendment which has been discussed by the Senator from Kentucky, and therefore I am constrained to ask the reason why the provision in the last three or four lines was inserted in the amendment.

There is an infinite variety of business enterprises in the country, and I am wondering why packing plants and canneries were picked out, and why dry-goods stores and other businesses were omitted. I should like to move either to strike out the provision or to amend it so as to include all forms of business.

Mr. BARKLEY. Mr. President, evidently the Senator did not listen to my earlier remarks relative to the matter, because I explained that the language to which the Senator refers is the language of the amendment agreed to last week by the Senate. The amendment was offered by the Senator from Tennessee. I think it was intended to try to create a situation whereby small packers might be considered in regard to the processing of meats. Of course, the Senator from Tennessee can more fully explain the amendment.

The only reason why the language covering packing plants and canneries was included in the amendment was that it had already been included in the committee amendment and had been agreed to by the Senate.

Mr. BONE. I understand that. I was not quarreling with the explanation. My only point in mentioning the matter was that there are many forms of small-business enterprises in the country which are as much entitled to such a guaranty, if it is intended to be a guaranty, as is the packer. That was the reason for my inquiry. I wondered why packers were singled out.

Mr. BARKLEY. The explanation was made by the Senator from Tennessee.

Mr. BONE. Is the matter to be voted on again?

Mr. BARKLEY. Yes; it must be, because it is a substitute for the committee amendment as amended, and it was in the committee amendment.

Mr. BONE. It was put in from the floor; was it not?

Mr. BARKLEY. Yes; it has already been put in from the floor.

Mr. BONE. I wondered whether singling out packers as a group, and leaving out all other forms of business enterprise, would invite criticism.

Mr. BARKLEY. Probably that is a matter which should have been debated when the amendment was being considered.

Mr. LANGER. Mr. President, with the permission of the Senator from California [Mr. DOWNEY], I ask unanimous consent to have printed in the RECORD at this point, as part of my remarks, a telegram to the Members of the Senate from M. W. Thatcher, legislative chairman of the National Farmers' Union. The telegram is on the subject of farm price stabilization and farm manpower supply. It is dated September 28, 1942.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

A farmer's income is his production when it is multiplied by price and, therefore, price alone is not income. Manpower is needed in production, so we have the three elements—manpower, production, and price.

If it were true that price is the sole factor to assure manpower on the farm, it would then follow that the farmer is in an all-out competition with industry, as to which one can pay the most to the employee. If that be true, inflation is surely on its way. Spiraling living costs will call for spiraling wages, salaries, and service charges.

In our surveys, we find that the curtailment of manpower on the farm is due mainly to the draft as it has been operated to date; that it accounts for at least 70 percent of our loss of manpower on the farm. Increased prices for farm products cannot hope to secure the manpower to assure agricultural production.

In our investigations with the various departments at Washington, we did not find any projected program which gives the minimum required production of each commodity necessary to maintain our war effort and civilian needs on all fronts. We find that there has been no break-down of the manpower required on the farms to meet any kind of a coordinated agricultural production. Any business enterprise that operated on such policy would inevitably break down. This is also true of a nation engaged in a global war.

The draft, applied without a master manpower plan, breaks down the efforts to maintain adequate manpower to assure maximum production in three ways by (1) taking farmers or their sons, who would otherwise remain at home on the farm plant; (2) taking of hired farm help, who would otherwise prefer to remain on the farm if permitted draft exemption on this basis; (3) limiting manpower necessary, especially on family type farms, to increase acreage and production.

The draft, by taking away needed manpower, is making it impossible for farmers to maintain the agricultural production necessary for the prosecution of this war. It already is causing farmers to sell dairy herds and beef cattle for slaughter. It is increasing the number of vacant, unproductive farms.

A change in the formula for determining parity price, to include labor costs, in order to give the farmer higher income out of which to hire farm labor, will not solve the production problem. A ceiling, for example, of 112 percent of parity would not provide enough additional income to enable the farmer to compete with industry in bidding for needed manpower, even assuming that industrial wages are promptly stabilized.

Many of the big war industries have a cost-of-labor provision incorporated into their contracts, so that actual cash consideration is a minor factor when these industries bid for labor. Thus the farmer, who has no guaranty of price, is in no position to compete, even though parity were to go to 200 percent.

It is our conclusion that the relief obtainable by inclusion of a wage scale in parity price is negligible, and that a major step toward solving the manpower problem for agriculture would be to exempt experienced farmers, farmers' sons, and hired men from military service so long as they remained engaged in necessary agricultural production. We must face the fact that there is as much responsibility in producing as in fighting. If we are to have a fighting force, we must feed it.

The conception of parity or equality goes further than the price of a few agricultural commodities. We have yet to hear any word from a majority of the farm leaders, now supporting increased parity price, on behalf of producers of flaxseed, barley, rye, oats, grain sorghums, and a long list of agricultural commodities which since the depression days of 1932 have been selling far below parity prices. For illustration, if the parity price of the 1942 barley crop of over 400,000,000 bushels could be trebled overnight, it would not increase the income of the barley producer, because the Federal Government does not support barley as it does corn prices. The determining factor for barley is the price the product brings on the market.

The argument that on sound accounting principles all labor costs must be included in the price or farm production will fail does not hold good in time of war. Even prevailing prices for the agricultural commodities now above parity, such as dairy products, meats, etc., by themselves will not assure necessary wartime production unless farmers in those fields are supplied with essential manpower. It is necessary to find some way of keeping the farmers' sons and hired men on the farm to the extent of meeting a required minimum production of all of the different farm commodities essential to winning the war.

If a master production manpower program is immediately set up and the matter of farm-price ceilings left to the President of the United States, the best interests of all will be served.

Meanwhile keep the farm boys and hired men now needed on the farms from leaving, and later release as necessary from the armed services those farmers and farm boys already taken who are then most needed to meet the decided production goals. Exemptions from military service for those who follow agricultural pursuits must be based upon fighting a long war and not be 30- or 60-day deferments.

We must determine the farm-plant capacity required for all the farm commodities needed for total war, not only by America but also by the United Nations. Increase acreage allotments to get the most use of farm machinery and manpower.

Finally, leave the matter of increasing prices or higher ceilings for certain commodities and other measures necessary for full production by and protection to agricultural producers, to the President and his deputies.

The cross-section report coming to us from the farmers in the Great Plains area and in part of the Corn Belt States is that parity price, as now determined, is adequate for them if they can even get that much and provided that their sons and hired men can be assigned to war duty on the farms to assure production, and, further, that they may have the protection of such prices for a period of years following the conclusion of the war.

If they can have such an assurance, they will know that they need not again experience the devastation of deflation and depression.

Our reports are that all want parity; that all want parity of sacrifice; that all want big business and every other group to be compelled, if necessary, to share in this parity of sacrifice.

M. W. THATCHER,
Legislative Chairman, National Farmers Union, St. Paul, Minn.

Mr. BANKHEAD. Mr. President, I send to the desk and ask to have read a telegram received today from the Alabama Cotton Manufacturers Association on the subject of the pending matter.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

SYLACAUGA, ALA., *September 28, 1942.*

Senator JOHN H. BANKHEAD:

The board of directors of the Alabama Cotton Manufacturers Association has authorized me to endorse and commend your fine efforts to have the farmer's increased labor cost included in the formula by which the parity price of his product is arrived at. To do less we believe would seriously hinder our war effort by diverting needed labor from the farms and would be most unjust to the farmer whose patriotism is second to none. The products of our mills are sold at fixed ceiling prices. Any increase in the price of cotton, therefore, further narrows our margin which has already been narrowed by recent wage advances. Regardless of this fact those of us who are in the cotton manufacturing business here in Alabama know the problems that our farmer friends and neighbors have had and are having, and we believe that the farmer is only asking for simple justice. We are willing to take our chances on being able to prove to Mr. Henderson the fairness of increasing our ceiling prices to prevent an unfair squeezing of our manufacturing margin. If the Congress cannot agree on this matter we are willing to help you in any way we can to get President Roosevelt to see the equity of the farmer's position.

ALABAMA COTTON MANUFACTURERS ASSOCIATION,
J. CRAIG SMITH, *President.*

(Mr. DOWNEY addressed the Senate. After having spoken for 10 minutes, the following debate and proceedings occurred:)

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield to me for a moment?

Mr. DOWNEY. Yes; I yield.

Mr. THOMAS of Oklahoma. Mr. President, I have had no lunch and no dinner today, and for fear that the motion to agree to the substitute might be made without previous announcement, I shall ask if the Senator will yield further in order that the yeas and nays may be ordered on the substitute amendment when the final vote is taken.

The PRESIDING OFFICER (Mr. LEE in the chair). The Chair will ask the Senator to state his request again.

Mr. THOMAS of Oklahoma. I ask that the yeas and nays be ordered on the substitute amendment.

Mr. BARKLEY. Mr. President, I think the yeas and nays will be ordered on it, but I do not think they should be ordered at this time. I hope the Senator will not press the request. I hope the yeas and nays will not be ordered at this time. We shall have the yeas and nays on the substitute.

Mr. THOMAS of Oklahoma. Mr. President, I ask for the yeas and nays on the substitute amendment.

Mr. BARKLEY. I hope they will not be ordered now, Mr. President.

The yeas and nays were not ordered.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from California yield to me so that I may make the point of no quorum?

The PRESIDING OFFICER. Does the Senator from California yield for that purpose?

Mr. DOWNEY. Yes; I yield.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Clark, Idaho	Kilgore
Andrews	Clark, Mo.	La Follette
Austin	Connally	Langer
Bailey	Danaher	Lee
Ball	Davis	Lodge
Bankhead	Downey	Lucas
Barbour	Doxey	McCarran
Barkley	Ellender	McFarland
Bilbo	George	McKellar
Bone	Gerry	McNary
Brewster	Gillette	Maloney
Brooks	Green	Maybank
Brown	Guffey	Mead
Bunker	Gurney	Millikin
Burton	Hatch	Murdock
Butler	Hayden	Murray
Byrd	Herring	Norris
Capper	Hill	Nye
Caraway	Holman	O'Daniel
Chandler	Johnson, Calif.	O'Mahoney
Chavez	Johnson, Colo.	Overton

Pepper	Spencer	Van Nuys
Radcliffe	Stewart	Wagner
Reed	Taft	Wallgren
Reynolds	Thomas, Idaho	Walsh
Rosier	Thomas, Okla.	Wheeler
Russell	Thomas, Utah	White
Schwartz	Tobey	Wiley
Shipstead	Tunnell	Willis
Smathers	Tydings	
Smith	Vandenberg	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. What is pending before the Senate?

The PRESIDING OFFICER. The so-called Barkley substitute.

Mr. HATCH. I sent to the desk sometime ago an amendment to the so-called Barkley substitute, which I asked to have read. I offer that amendment now.

The PRESIDING OFFICER. The Chair understood the Senator from New Mexico withdrew it. Does he now wish to offer it again?

Mr. HATCH. Yes; I do.

The PRESIDING OFFICER. The amendment to the substitute amendment will be read.

The LEGISLATIVE CLERK. It is proposed to amend the substitute for the committee amendment, as amended, on page 4, line 2, by adding at the end thereof the following:

Provided further, That (1) in fixing maximum prices for any agricultural commodity or for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, all productive costs of such agricultural commodity, including labor, shall be reflected in any such maximum prices so established or fixed by virtue of any authority contained in this joint resolution, (2) in fixing maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing, and (3) modifications shall be made in maximum prices established for any agricultural commodity or commodities processed or manufactured in whole or substantial part from any agricultural commodity, in any case where it appears that such modification is necessary to increase or maintain the production of such commodity for war purposes.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. As I understood the amendment as it was read, it was not an amendment to the substitute which I have offered, but a substitute for it. It would be utterly ridiculous to adopt the two of them together. Under the guise of an amendment the Senator has attempted to track the language in the substitute which I have offered. There is no invidious or offensive allusion there; but he has tracked the substitute I have offered, and offered his amendment as an amendment to mine. If it were adopted, and the substitute which I have offered were adopted, they would be utterly incongruous provisions. I wonder whether the Senator from New Mexico is offering his amendment as a substitute for my substitute, or whether he is offering it as an amendment to it.

The PRESIDING OFFICER. The Senator from New Mexico offered it as an amendment to the pending amendment.

Mr. HATCH. Mr. President, let me say that I still offer it as an amendment. It may be that I have tracked and duplicated the language of the Senator from Kentucky. If so, mere repetition would not hurt it. I do not suppose that he would argue that his language would hurt the joint resolution.

Mr. BARKLEY. No; but what the Senator would add to my language would hurt it.

Mr. HATCH. Let the Senator from Kentucky and others say that the productive cost to the farmers of America should not be included in the maximum prices fixed.

Mr. BARKLEY. Mr. President, regardless of what I may say, the productive cost theory has been advanced ever since farm legislation has been before Congress, and that theory has been rejected time and time again by the Congress. It has never been written into any act. What is the use of arguing about it now?

Mr. HATCH. I shall argue it just a moment further, when the Senator has concluded.

I merely wish to say, Mr. President, that for the first time in its history, Congress is fixing a maximum ceiling on prices. I am not talking about parity, or any such matter. I am simply saying that when whoever administers the act sets a ceiling price, the price so set and fixed ought to include the cost of the article produced. If there is any man alive who can argue against that proposition, I am perfectly willing to listen to him.

Mr. DOWNEY. Mr. President, I assume that I still have the floor.

The PRESIDING OFFICER. The Senator yielded the floor.

Mr. DOWNEY. No. I merely yielded to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator yielded the floor; but the Chair recognizes the Senator from California.

Mr. DOWNEY. Mr. President, have I the floor now?

The PRESIDING OFFICER. The Senator now has the floor.

Mr. REED. Mr. President, will the Senator yield?

Mr. DOWNEY. I should prefer to proceed with my speech.

Mr. REED. Mr. President——

Mr. DOWNEY. Mr. President, I would rather continue.

Mr. REED. Of course, I cannot insist.

Mr. DOWNEY. What am I being asked to yield for?

Mr. REED. For me to make a comment to the Senator from New Mexico, to whom the Senator yielded.

Mr. DOWNEY. Mr. President, I have been on my feet almost an hour, and have spoken for only 20 minutes.

Mr. REED. I have been listening to the Senator. Will the Senator yield for half a minute?

Mr. DOWNEY. Yes; I will yield for half a minute.

Mr. REED. Let me call the attention of the Senator from New Mexico to just what his proposed substitute is.

Mr. HATCH. I am not proposing a substitute.

Mr. REED. It would do no more for the farmer in the way of recovering his production costs than would the amendment to the committee amendment which it is proposed to replace. I do not quite agree with the Senator from Kentucky——

Mr. HATCH. Mr. President, will the Senator yield to me?

Mr. DOWNEY. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. DOWNEY. I yield to the Senator from New Mexico.

Mr. HATCH. The only thing I can say to the Senator from Kansas is that the proposed substitute states negatively, and to my mind in a meaningless jumble of words, what I tried to write out in a very few simple words, so that he who runs may read.

Mr. REED. I think the Senator from New Mexico did a good job. With the indulgence of the Senator from California, let me say that this is a face-saving contest——

Mr. HATCH. Mr. President, will the Senator yield?

Mr. REED. I think there is no real distinction between the pending amendment and the substitute offered by the Senator from New Mexico.

Mr. DOWNEY. Mr. President, under the direction of the majority leader, whom I always like to follow, and occasionally do, I cannot yield any further.

(Mr. DOWNEY resumed his speech. After having spoken for a few minutes, the following debate occurred:)

Mr. HATCH. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield to the Senator from New Mexico.

Mr. HATCH. Mr. President, recently I sent to the desk an amendment. I now modify my amendment. The amendment, as modified, reads as follows:

Provided further, That (1) in fixing maximum prices for any agricultural commodity or for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, all productive costs of such agricultural commodity, including labor shall be reflected in any such maximum prices so established or fixed by virtue of any authority contained in this joint resolution.

(Mr. DOWNEY resumed his speech. After having spoken for about 30 minutes, the following debate occurred:)

Mr. HATCH. Mr. President, will the Senator yield to me in order that I may suggest the absence of a quorum?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from New Mexico for that purpose?

Mr. DOWNEY. Yes; I do.

Mr. HATCH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Overton
Andrews	Green	Pepper
Austin	Guffey	Radcliffe
Bailey	Gurney	Reed
Ball	Hatch	Reynolds
Bankhead	Hayden	Rosier
Barbour	Herring	Russell
Barkley	Hill	Schwartz
Bilbo	Holman	Shipstead
Bone	Johnson, Calif.	Smathers
Brewster	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Tunnell
Chandler	McKellar	Tydings
Chavez	McNary	Vandenberg
Clark, Idaho	Maloney	Van Nuys
Clark, Mo.	Maybank	Wagner
Connally	Mead	Wallgren
Danaher	Millikin	Walsh
Davis	Murdock	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	
Gerry	O'Mahoney	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present.

Mr. BARKLEY. Mr. President, will the Senator from California yield to me?

Mr. DOWNEY. I yield.

Mr. BARKLEY. I wish to make a unanimous-consent request, and will preface it by stating that if I can get an agreement I will move that the Senate recess until 11 o'clock tomorrow, which I will do when we conclude today in any event. But assuming that we will meet at 11 o'clock tomorrow, I ask unanimous consent that beginning at 1 o'clock p. m. tomorrow, no Senator shall speak more than once or longer than 15 minutes on the joint resolution, or on any amendment or substitute, or on any motion pertaining to the joint resolution, or any substitute or any amendment, and that as soon as possible after the Senate convenes at 11 o'clock a. m. tomorrow the Senator from Oklahoma [Mr. THOMAS] shall be recognized to occupy such time as he may choose until 1 o'clock p. m.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. DOWNEY. Mr. President, reserving the right to object, I should like to have the understanding that I may first conclude my remarks.

Mr. THOMAS of Oklahoma. Mr. President, reserving the right to object, I wish to say that we have debated for a week one amendment, and now that the issue is coming to be understood by some of our people, it is suggested that debate be cut off. The substitute amendment has just now opened up the real question, and until we shall have a chance to explain, not only to the Members of the Senate who are going to vote upon it, but to others who may be interested, what the substitute would do, I do not think we are justified in cutting off debate. It has been my experience over 20 years that every time we limit debate we embarrass ourselves. So, for the time being, I must object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOWNEY. Mr. President, I may say to the distinguished majority leader the Senator from Kentucky [Mr. BARKLEY], by way of appealing to his sense of fairness, that I arrived at my office at 7:30 this morning. I have an hour, or 2, or 3 hours' work still to do there. Speaking for myself, I do not object to such procedure as may be followed; I have plenty of strength and energy, but I have certain things I want to say which will probably take me 30 minutes longer. I do not like to impose upon my colleagues when they are tired and worn out.

Mr. President, this is a historic moment in the conflict between the executive and the legislative branches, and I do not believe that the distinguished leader helps himself with the Nation or with Senators by trying to force debate when Senators are tired. The distinguished leader spoke about working 7 hours. I habitually work at least 10 hours, and I have probably worked 12 or 15 today. If the Senator insists upon continuing, I have ample strength to continue, I will say, for some time.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. BROWN. I realize the situation is one in which tempers are somewhat ruffled, and it would be difficult, in my judgment, to accomplish anything by continuing in session further tonight. I want to urge upon the majority leader and the minority leader that they give consideration to recessing until 11 o'clock tomorrow morning.

If we do so I am rather confident that we shall be able to dispose of the Hatch amendment within the first 2 hours of the session tomorrow, and thereafter work rather rapidly on the remaining matters pertaining to the joint resolution. I realize that it is impossible at this time to obtain an agreement, and I believe it is rather unjust to Senators who have spent so much time in the consideration of the joint resolution to ask that they remain longer tonight. I urge that consideration upon the majority leader.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. HATCH. The Senator referred to my amendment. All I wish to say is that I should like to have not more than 10 minutes tomorrow to discuss it. This is not a filibuster. There is no idea whatever on my part of delaying a vote.

Mr. DOWNEY. Mr. President, if the Senate is now to take a recess, I should like to have the privilege of holding the floor. I will agree that I will not speak for more than 30 minutes tomorrow. Perhaps I shall require even less time than that.

Mr. BARKLEY. Mr. President, I realize the situation which faces the Senate. I do not wish to punish any Senator. I may overestimate the importance of this question to the country and to the Senate. It may be that I exaggerate in my own view the necessity of the Senate acting upon this important, vital question with all the promptness possible.

It may be that I overestimate when I think that the votes which we cast and our labors on this floor are more important than any labors in our offices. I do not believe that our constitutents would be greatly aggrieved or outraged if we should delay for a day or two answering some of their letters. My experience is that frequently when we let letters lie over a week they answer themselves.

Notwithstanding that situation, and the importance which I think is attached to disposing of this question as promptly as possible, and in view of the fact that it has been suggested that in any event we would not be permitted to vote tonight even if we should spend the entire night in debate—which I realize is possible, but which I believe would serve no conceivable purpose except possibly further to fray frazzled nerves and increase tension—I shall yield to the importunities of Senators and move that the Senate take a recess until 11 o'clock tomorrow. I wish to renew not only the fervent hope, but the expectation, that Senators will come here tomorrow prepared to dispose of the joint resolution and all the amendments to final passage.

At some suitable hour tomorrow, when it seems appropriate, I shall again make the effort to obtain an agreement to limit debate, and perhaps fix an hour for a vote.

Mr. DOWNEY. Mr. President, I wish to renew my request for a unanimous-consent agreement that I shall have the floor tomorrow on the convening of the Senate.

Mr. BARKLEY. I have no objection.

The PRESIDING OFFICER. The Senator from California requests unanimous consent that he be recognized tomorrow at 11 o'clock. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOWNEY. Mr. President, I should like to make the statement that I shall not occupy the time of the Senate for more than 30 minutes, and perhaps less.

(Mr. DOWNEY's speech will be published entire after it shall have been concluded.)

Mr. THOMAS of Oklahoma. Mr. President, I have been waiting a week for a roll call. I have taken very little time of the Senate. I assure the Senate that I will not take any more time in the future than I have taken in the past. However, before the vote is taken on the pending amendment—I do not know which one it is——

The PRESIDING OFFICER. The amendment offered by the Senator from New Mexico [Mr. HATCH] to the substitute offered by the Senator from Kentucky [Mr. BARKLEY] is the pending question.

Mr. THOMAS of Oklahoma. As I understand, we have the Barkley amendment, which embraces the Reed amendment, the Tydings amendment, and the O'Mahoney amendment. While I have not consulted the Parliamentarian, I am

advised that that amendment has now been modified, and that a portion of it has been stricken out, the portion stricken out being the McKellar amendment, which was agreed to.

Mr. BARKLEY. The Senator is mistaken. There has been no modification of the amendment up to this time.

Mr. THOMAS of Oklahoma. Then my information is incorrect. I accept the word of the majority leader.

Tomorrow I wish a few minutes to state the position in which we find ourselves. There will be no delay on my part in reaching a vote as soon as the Senate wishes to vote.

At this time I wish to submit an amendment, which I ask to have printed in the RECORD, and to lie on the table. The amendment is not controversial.

Mr. BARKLEY. It would not be in order at this time to offer the amendment. As I understand, the Senator merely wishes to have it printed for the information of the Senate.

Mr. THOMAS of Oklahoma. That is all.

There being no objection, the amendment was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

At the proper place in the joint resolution add a new section, as follows:

"SEC. —. In order to promote and to secure the necessary production of any commodity or group of commodities deemed essential to the war effort, the President is hereby authorized to appoint a Director of Supplies applicable to the commodity or group of commodities of which there is either a shortage or a threatened shortage."

Mr. MAYBANK. Mr. President, I regret that I did not have the opportunity this afternoon or this evening to vote on the substitute amendment. In the brief address which I made I stated that I am very much in favor of it. I hope to have that opportunity tomorrow.

PROFIT LIMITATIONS ON NAVAL AND ARMY CONTRACTS

Mr. WALSH. Mr. President, in view of the fact that the Senate is soon to consider changes in the laws pertaining to renegotiation of contracts, I ask unanimous consent to have printed in the RECORD a brief history of the efforts of Congress since 1934 to place profit limitations on naval and Army contracts.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HISTORY OF PROFIT LIMITATIONS ON NAVAL AND ARMY CONTRACTS

(By DAVID I. WALSH)

I have had prepared, with the assistance of the Treasury, for the information of the Members of the Senate and the Finance Committee a brief history of profit-limiting legislation.

(1) The first attempt in recent years providing for limitation of profits on Government contracts was in connection with the manufacture and construction of naval vessels and naval aircraft in 1934 (Vincent-Trammell Act). This law required the contractor, or subcontractor, to pay into the Treasury any excess profit realized on a particular contract by limiting the allowable profit to 10 percent of the total contract price.

(2) In June 1936 this act was amended forbidding contractors, or subconstractors, to combine all contracts or subcontracts completed in any taxable year to determine whether a profit in excess of 10 percent had been made. This law also permitted any contractor, or subcontractor, to carry forward a net loss on any contract completed in an income taxable year and take it as a credit in determining the excess profits on contracts completed in the next succeeding income taxable year.

(3) The next action taken was on April 3, 1939. One of the sections of this act provided that contracts for Army aircraft (heretofore the law only applied to naval contracts) should be subject to the limitation of profits contained in the Vincent-Trammell Act of 1934. It also increased the allowable profit from 10 to 12 percent in the case of Army and Navy aircraft, retaining the allowable profit to 10 percent in the case of naval vessels. A more liberal net loss carry-over was also provided, extending the time for carrying forward such losses in determining the excess profits to 4 succeeding income taxable years.

It should be noted that these provisions, increasing the allowable profit and providing for a more liberal net loss carry-over, were applicable only to contracts in the manufacture of Army and Navy aircraft and not applicable to the contracts for construction of naval vessels.

(4) In the following year, on June 28, 1940, in an effort to limit profits because of the large building expansion, an act was passed changing the allowable profits on naval vessels and Army and Navy aircraft to 8 percent of the contract price, or 8.7 percent of the cost of performing the contract on other than prime contracts made on a cost-plus-a-fixed-fee basis, in lieu of the 10 percent previously applicable to naval vessels and the 12 percent applicable to the Army and Navy aircraft.

(5) Shortly after this act was adopted, because of contractors' complaints of uncertainty of costs and delays in obtaining supplies and parts, Congress in the Second Supplemental National Defense Appropriation Act, September 9, 1940, amended the profit-limiting provisions of the act of June 28, 1940, by removing from the operations of such section contracts entered into after September 9, 1940, for the manufacture of Army and Navy aircraft. The effect of this amendment was to increase the allowable profit under the Vincent-Trammell Act on contracts for Army and Navy aircraft from 8 to 12 percent and to retain the allowable profit at 8 percent on naval vessels, as fixed by the act of June 28, 1940.

(6) A few weeks later another change in policy was made. In section 401 of the Second Revenue Act of 1940, October 8, 1940, the profit-limiting provisions of the Vincent-Trammell Act and those of the act of June 28, 1940, were suspended in cases of all contracts and subcontracts which were entered into during taxable years and to which the excess-profit tax is applicable (taxable years beginning after December 31, 1939). This suspension was applicable also to contracts and subcontracts which were entered into prior to the date when the contractor, or subcontractor, became subject to the excess-profits tax and which were not completed before such date. The effect of this section was to remove profit-limiting provisions affecting particular Army and Navy contracts (naval vessels and Army and Navy aircraft), and, thereby, made contractors who since 1934 had been subject to profit limitations subject only in the future to the excess-profits tax the same as the other corporations.

NEGOTIATION OF CONTRACTS

In Public Law No. 43, approved April 23, 1939, Congress for the first time since World War I, authorized the Secretary of the Navy to negotiate, without competitive bidding, contracts for certain public works projects outside the continental limits of the United States on a cost-plus-a-fixed-fee basis. This act provided that the fixed-fee should not exceed 10 percent of the estimated cost of the contract, exclusive of the fee. This method of negotiating contracts has been extended from time to time to include practically all public works contracts, but the fixed fee is now limited to 6 percent of the estimated cost of the contract and in actual practice averages about 4 or 5 percent.

A few months later the Navy Department requested authorization to negotiate without competitive bidding contracts for construction of naval vessels and aircraft, the Army already having such authority in contracting for Army Aircraft. Section 2A of Public Law 671 of June 28, 1940, authorized the Secretary of the Navy to negotiate contracts for the acquisition, construction, repair, or alteration of naval vessels or aircraft and of machine tools and their equipment without advertising or competitive bidding. This section however provided that if the fixed-fee contract was used the amount to be paid by the War Department or Navy Department (so as to put them both on an equal basis) should not exceed 7 percent of the estimated cost of the contract, exclusive of the fee.

Section 2 b (2) of this same law, Public Law 671 of June 28, 1940, however, provided that any profit in excess of 8.7 percent of the cost of performing such contracts, except prime contracts, made on a cost-plus-a-fixed-fee basis, shall be considered to be profits in excess of 8 percent of the total contract prices of such contracts.

It is to be noted that this law of June 28, 1940, places a distinct limitation on the profits on contracts negotiated on a fixed-price basis as well as contracts made on a cost-plus-a-fixed-fee basis.

Very shortly after this law was adopted Congress, in the appropriation bill of September 9, 1940, increased the allowable profit to 12 percent on both Army and Navy aircraft and left it at 8 percent on naval vessels. Within a few weeks thereafter, namely in the Second Revenue Act of 1940, October 8, 1940, Congress removed all profit limitation provisions on competitive bid contracts or negotiated contracts at a fixed price leaving the contractors with war contracts in the same position as all other taxpayers subject only to the excess-profits tax.

TYPES OF CONTRACTS

There are now four methods of making contracts with the Government, to wit:

1. By competitive bidding at a fixed price.
2. By negotiation at a fixed price.
3. By negotiation on a cost-plus-a-fixed-fee basis for certain articles and equipment where the fixed fee is not to be more than 7 percent of the estimated cost.
4. By negotiation on a cost-plus-a-fixed-fee basis for naval public works projects where the fixed fee shall not exceed 6 percent of the estimated cost.

ATTEMPTS OF 8 YEARS

It is a fact that during the past 8 years attempts have been made to limit excessive profits on the manufacture of war materials and that neither the Congress, the Treasury Department, the War Department, the Navy Department, the Maritime Commission, nor any other department of the Government has as yet been able to formulate a satisfactory plan of eliminating excessive profits or recapturing excess profits on the production of war materials.

It is also a fact that during the past 8 years, without consultation or unity of action, the Naval Affairs Committee, the Military Affairs Committee, the Appropriations Committee, and the Finance Committee have at various times dealt with this subject with the result that one law after the other has been repealed and constant changes have been made in the attempts to control war-contract profits.

RENEGOTIATION OF WAR CONTRACTS LAW

It became apparent to the Senate Appropriations Committee that many negotiated contracts were awarded before either of the contracting parties had any accurate idea as to the actual cost of producing the article on a mass production basis. Firms and corporations naturally bid very high or negotiated at a very high price in order to play safe. When the actual cost of manufacturing the article became known it was apparent that some firms were making an excessive profit, and both the Government and the manufacturer desired to renegotiate the contract in order to reduce the cost to the Government.

This led to the enactment of section 403 of Public Law No. 528 (April 8, 1942), authorizing the renegotiation of contracts, but did not set any standards for determining excess profits and left this matter entirely in the hands of officials of the Government.

This law authorized and directed the Secretaries of the War and Navy Departments and the Maritime Commission to insert in any contract where the amount is in excess of $100,000 provisions for the renegotiating of the contract prices at a period or periods when, in the judgment of the Secretaries, profits can be determined with reasonable certainty.

It also contained a provision for the retention by the United States or the repayment to the United States any amount of the contract prices which were found to be excessive profits. It permits the renegotiation of subcontracts as well as prime contracts where excessive profits could be determined.

This law is to remain in force during the continuation of the present war and for 3 years after the termination of the war.

PROPOSED CHANGES IN RENEGOTIATION OF WAR-CONTRACTS LAW

The Finance Committee of the Senate is now studying the operation of this law and considering changes and amendments that have been proposed by the Departments and representatives of contractors having Government war contracts.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Several postmasters.

By Mr. CHANDLER, from the Committee on Military Affairs:

Several citizens for appointment as officers in the Army Specialist Corps, established under an Executive order.

The PRESIDING OFFICER (Mr. LEE in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF THE INTERIOR

The legislative clerk read the nomination of Paul B. Witmer to be register of the land office at Los Angeles, Calif.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of William F. Jackson to be register of the land office at The Dalles, Oreg.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nomination of postmasters are confirmed en bloc.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 7 o'clock and 10 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, September 30, 1942, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 29 (legislative day of September 21), 1942:

DEPARTMENT OF THE INTERIOR

REGISTERS OF LAND OFFICES

Paul B. Witmer to be register of the land office at Los Angeles, Calif.

William F. Jackson to be register of the land office at The Dalles, Oreg.

POSTMASTERS

DELAWARE

Grace E. Bright, St. Georges.
William H. Draper, Wyoming.

KANSAS

John C. Cox, Augusta.
Charles E. Drumm, Centralia.
Lula E. Kempin, Corning.
Ray T. Ingalls, Goff.
Charles E. Mansfield, McCune.
Raymond J. Kaufman, Moundridge.
Arden V. Hoskins, Natoma.
John W. Sheridan, Paola.
Guietta Stark, Perry.
Anne W. VanBebber, Troy.

MARYLAND

William A. Strohm, Annapolis.
James G. Archer, Bel Air.
Ralph Sellman, Mount Airy.

MISSOURI

John M. Moss, Nevada.

OHIO

Samuel E. Tidd, Columbiana.
Francis J. Daubel, Fremont.
Herman E. Homberger, Mansfield.
Robert J. Hickin, Rittman.
Theodore A. Lauber, Sandusky.
Charles A. Kirk, Toledo.
Donald K. Studer, Whitehouse.
Anna Mary Tesi, Yorkville.

OKLAHOMA

Harry B. Torbett, Okmulgee.
James A. Barnett, Snyder.
James McK. Williams, Walters.

PENNSYLVANIA

Thomas H. Coll, Brackenridge.
Fred H. Filbert, Holmes.

SOUTH CAROLINA

Allie V. Collum, Jr., Blackville.
Curtis W. Dukes, Branchville.
Charlton W. Ellis, Estill.
Gertrude Parrish, Mullins.
Jack C. Pate, Sumter.

WASHINGTON

Mabel R. Clothier, Burien.

HOUSE OF REPRESENTATIVES

TUESDAY, SEPTEMBER 29, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Spirit of Grace and Truth, who withholds Thy blessing from none, take from us the anxiety of a selfish mind, the unfruitfulness of cold affections, and the reproach of weak wills. With the might and simplicity of a great objective, and with meekness of temper, enable us to pass through the hours of this day. Thou hast said that there is a spirit in man which is the inspiration of the Almighty; we pray Thee to be with us incessantly, troubling and blessing us lest we fail of the challenge; what doth the Lord require of thee but to love mercy, to deal justly, and to walk humbly with thy God.

Blessed Master, Thou who didst set eternal value on the widow's mite and on the gift of a cup of water, refresh the sense of jaded souls and bless all weary feet with rest. Do Thou lead us to lift up our voices against all forms of iniquity, against greed and social injustice, and hasten those influences which breathe forth from the teaching of the Divine One. Dear Lord, give us a devotion to the right that will never swerve, a simple faith empty of bigotry, full of truth, hope, and love, and Thine shall be the praise. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

APPOINTMENT OF WHITE HOUSE POLICE IN ACCORDANCE WITH CIVIL-SERVICE LAWS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2584), to permit appointment of White House Police, in accordance with the civil-service laws, from sources outside the Metropolitan and United States Park Police forces.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MICHENER. Mr. Speaker, reserving the right to object, as I understand the gentleman from Texas, under existing law White House policemen may only be appointed from two sources, first, the Park Police and, second, the Metropolitan Police of the District of Columbia?

Mr. LANHAM. That is correct.

Mr. MICHENER. This bill will permit appointment under the general civil-service laws also?

Mr. LANHAM. That is correct. The only reason for this legislation is that, inasmuch as the White House Police can be selected only from the Metropolitan Police force and the United States Park Police force, and those forces are not in a position now to relinquish any men, and inasmuch as there are now existing more than 40 vacancies in the White House Police force, some provision must be made in order that the required force

may be kept there. The only other available opportunity for them to be selected is in accordance with the civil-service laws. This bill so provides for the filling of these vacancies and it has been passed by the Senate and has been unanimously favorably reported by the Committee on Public Buildings and Grounds.

Mr. MICHENER. Yes; but this is permanent law, not emergency law. Can the gentleman tell the House who would determine in ordinary times when Park policemen may be available and when Metropolitan policemen may be available, when authority is given to use the civil service, which course would be pursued? Who determines that?

Mr. LANHAM. The testimony before our committee by the proper representatives has given us information that this is to be used only to the extent that they cannot be made available through the forces now provided under existing law, and that first resort will always be had to those forces. Just at present they cannot supply any men at all and it is necessary to bring the White House Police force up to its authorized strength. It is working a hardship upon the men who are serving there by reason of the fact that they are slightly more than 40 below their present quota. As we know, it is a 24-hour operation.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. RICH. How many police are on the regular force at the White House at the present time?

Mr. LANHAM. I think at the present time there are about 100, and for the three 8-hour shifts more are required. That is approximately correct.

Mr. RICH. According to the appropriation bill that was passed last March you have about 250 policemen, as I recall it, and the auxiliary police that have been taken from the police force to augment the force at the White House. Now, we commented on that at the time that bill was passed. If I am not mistaken there are about 250 policemen on the White House force. It seems to me that 40 could easily be eliminated. Furthermore, you not only have policemen guarding the White House, but you have the Army up there. There are no less than 40 or 50 Army men there at any time you walk around the White House grounds. Tell me what you need all those men up there at the White House for?

Mr. LANHAM. I will say to the gentleman from Pennsylvania that the representatives of the Treasury Department and the Secret Service organization appeared before our committee and said it was highly important and urgent that the White House Police force at this time be kept up to its authorized strength. This involves no additional appropriation whatever. It simply makes provision for keeping this force at its authorized strength, which cannot be done under existing law, because there are no men available from the Metropolitan Police force or the United States Park Police force.

Mr. RICH. Why is that so?

Mr. LANHAM. By reason of the conditions which prevail in Washington now, with the great congestion of people, and we are living in wartimes, and they need all the Metropolitan Police and United States Park Police that they have on those forces. They cannot relinquish any of those men to the White House force. That is the only way the White House can get them under existing law. So to take care of the emergency and bring the White House Police force up to the regular normal strength already authorized, there is provision made in this bill simply to permit those additional men to fill their quota, to be selected in accordance with civil-service laws.

Mr. RICH. Can the gentleman give us any reason why we have to have 250 policemen besides the Army men who are there guarding the White House?

Mr. LANHAM. I cannot give the gentleman any more reason why they should have their authorized quota at the White House than I could give him why we have 435 Members of the House of Representatives. It is the law.

Mr. RICH. I do not think it is necessary and I make that statement on our experience on the Appropriations Committee when this subject was brought up. Nobody could give us a satisfactory explanation. No one is allowed to walk around the White House at the present time. Why put on 40 additional men when we have 250 there at the present time? Two hundred and fifty should be enough.

Mr. LANHAM. I think the gentleman has got his figures wrong, because I doubt if that many are authorized. At any rate, no additional appropriation will be involved. This is simply for the protection of the White House in three 8-hour shifts. If the gentleman wishes to object to the unanimous consent request he may, of course.

Mr. RICH. If 40 additional men are put on certainly they must be paid.

Mr. LANHAM. To be sure, but the money to pay them has already been appropriated.

Mr. RICH. But you have not got the money and you ought to save wherever you can.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. RICH. Mr. Speaker, I think I will object at the present time until we find out how many men we have up there.

The SPEAKER. Objection is heard.

PROVIDING FOR NOTICE AND PAYMENT IN CONDEMNATION OF LAND PROCEEDINGS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the bill (H. R. 7274), to provide for speedy and summary notice in proceedings to condemn land for war purposes, and to accelerate the distribution of deposits and awards to the persons entitled thereto in such cases, may be referred to the Committee on the Judiciary.

Mr. DICKSTEIN. Mr. Speaker, reserving the right to object, and I do not intend to, will the gentleman from Texas explain the purpose of his request?

Mr. SUMNERS of Texas. This is a bill providing for the condemnation of property. Without going into great detail, the Committee on the Judiciary has become convinced that certain provisions of the bill may not sufficiently safeguard the interests of the people interested in the property being condemned, and it wants to examine the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

TO PRINT CANNON'S PROCEDURE IN THE HOUSE OF REPRESENTATIVES

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report back favorably without amendment (Rept. No. 2495) a privileged resolution (H. Res. 72) providing for the printing of 1,500 copies of a revision of Cannon's Procedure in the House of Representatives and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That there be printed and bound for the use of the House 1,500 copies of a revision of Cannon's Procedure in the House of Representatives, by CLARENCE CANNON, to be printed under the supervision of the author and to be distributed to Members by the Speaker.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I gladly yield to the distinguished acting minority leader.

Mr. MICHENER. This is the usual resolution providing for the printing of Cannon's Procedure and Precedents?

Mr. JARMAN. It is.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HANDBOOK OF INFORMATION FOR SERVICE MEN AND SERVICE WOMEN

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JARMAN. Mr. Speaker, I wish to call the attention of my colleagues to a letter which each of you received from the Public Printer on September 23, which affords an opportunity, provided you take advantage of it by tomorrow night, of purchasing at the comparatively small cost of $25 a thousand this 74-page handbook of information for service men and service women of both World War No. 1 and World War No. 2.

It is anticipated by the Committee on Printing that this volume will prove quite valuable and be in considerable demand. We are not by any means trying to get business for the Public Printer, nor is he out for business, for we all know he has ample; I do, however, think it advisable to call it to your attention because of the fact that, not only will the cost be considerably more hereafter, since the initial cost of going to press is $150, but it occurs to me also that there may be some Members who may have need for this handbook between now and November 3. This is their last chance to get copies of it immediately.

Mr. HARNESS. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I gladly yield to the distinguished gentleman from Indiana.

Mr. HARNESS. Would it be possible to have the time extended for another week?

Mr. JARMAN. I doubt if that will be possible. The Members have until tomorrow night. If we extend it another week we will run pretty close on time. There are a lot of gentlemen and perhaps some gentlewomen who will probably need this handbook between now and November 3.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I gladly yield to the charming gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Will the gentleman state how many copies there are available to each Member?

Mr. JARMAN. There are already available to each Member, in the folding room, I believe, approximately 40 copies.

Mrs. ROGERS of Massachusetts. That is a small number.

Mr. O'HARA. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. O'HARA. This booklet is an excellent one, but it would not include the amendments to the Soldiers' and Sailors' Relief Act, would it?

Mr. JARMAN. The act that was passed yesterday?

Mr. O'HARA. Yes.

Mr. JARMAN. No; it would not include that.

EXTRAVAGANT REPUBLICAN CLAIMS

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SABATH. Mr. Speaker, the membership of the House knows that I have high regard and esteem for the minority leader, the gentleman from Massachusetts [Mr. MARTIN], and I hope he will continue as minority leader for many years to come. It is seldom that I take verbal issue with him, but I am prone to take the floor at this time to differ with him to the statement he made in a recent convention of the Grand Old Party in which he expressed the opinion that Republican victory and success could be expected in every State of the Nation. Perhaps he was inspired by the presence of another Martin, a candidate for the Governorship of the State of Pennsylvania, who gave voice to similar victory predictions.

I presume both these Mr. Martins—one the chairman of the National Republican Committee and the other a candidate—predict victory on the assumption that they can convince the people that they and their party have given 100-percent service and support to the President's recommendations for defense preparation and for the prosecution of the war effort. Unfortunately, the service they talk about their party having given and as giving now is nothing more than mere lip service, because even now many of the Republican gentlemen are endeavoring to weaken the hands of the President as is evidenced in their continuous unjustifiable criticism of him, the Army, and the Navy. They are thereby creating discord, dissension, and disunity, and giving aid and comfort to the Nazis and the Japs because every unjustifiable faultfinding and criticism is being utilized by Hitler and Jap propagandists in their continuous radio broadcasts of these attacks by endeavoring to show that disunity exists in our country and thereby are strengthening the faltering morale and spirit of their own peoples.

Mr. Speaker, I repeat I hold the minority leader in high esteem as a Member of Congress as well as many of the Members on my left, but it is to be regretted that he should permit himself to go so far afield as chairman of the grand old party, which party, unfortunately, is responsible for the present war because, had they not weakened the League of Nations, Hitler and his gang never would have been permitted to rearm to cause the world-wide war which is costing the United States thousands of lives and billions upon billions of dollars. Consequently, I have every reason to believe that the people will not be misled and will vote in the next election for the Democratic ticket and its candidates who have proven loyal and patriotic in voting for defense preparation and for prosecution of the war effort, and who have stood by the President and given him real support.

Mr. Speaker, under the leave granted me, I insert an article by Herb Graffis, appearing in the September 21, 1942, issue of the Chicago Daily Times, entitled "Votes That Cost Blood," which I hope will be read and reread, and, if read, there will be no question as to the results of an overwhelming Democratic victory in the next election. The article is as follows:

VOTES THAT COST BLOOD

Hitler himself hasn't shown any greater contempt for the judgment of the American public than is being shown by those politicians who are running for reelection in the hope that their pre-war performances will be forgiven.

These chumps already have cost the lives of American boys who might have been alive today, if preparedness hadn't been retarded. Other American boys will pay with their lives for the stupidity of these who made it difficult for us to get started and still give the enemy an edge that this Nation won't overcome for months to come.

Yet these obvious incompetents say, like the Japs, "excuse plizzz" and hope to keep on a pay roll with nothing but a platform of past errors to offer.

Pre-war isolationism was excusable in a private citizen. The private citizen hadn't learned what actually was going on all over the world. But the politician who was in office during the time when this war was heading our way was in a position to know the facts. It was his business to know the facts.

If he didn't know the facts, he proved himself to be too dumb to be entrusted with any part of the management of the country now. If he knew the facts but deliberately disregarded them in his voting for reasons of partisan politics, personal malice, or his boss' orders, he proved that he is a liability the United States can't afford in these perilous times.

It's going to take fast and oily talking by these "pols" to convince the pre-war isolationist voter that the pre-war isolationist politician is to be trusted on the job when American lives and American freedom are at sake. When these "pols" were supposed to be on the job before the war their voting record shows they didn't know what their job was.

The American soldier and sailor who's at a gun when the enemy draws a bead on him gets one chance. If the American lad is quicker on the trigger and sharper on the target than the foe, then the American lives. But, according to the campaigns of the wrong-guessers, another shot should be allowed in case the first one misses.

In the critical times of life only one chance is given. It doesn't especially interest the coroner to learn that the deceased didn't know it was loaded. It's only a check and a statistic to the life insurance company when the late lamented thought he could beat the train to the crossing but only tied.

This is no time for the American voter to undertake the education of a "pol" who flunked out when the book with the answers in it was open before him.

Why do these "punks" of manifest persistent incompetency expect that some miracle will make them right over election day? More American blood won't wash out the record of their failures.

EXTENSION OF REMARKS

Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I just made and to include a short article therein.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. SABATH]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. CRAWFORD]?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I hold in my hand a letter written by a ranchman in southwest Texas. He sent this to me and asked me to put the information before the House. He has been a ranchman down there for between 35 and 40 years. He says that the cry all over the country is, "Save, save, save." He states further that the American Cavalry Department has ordered that if a horse cannot make as much as a hundred miles per day he is to be taken to the post and shot. These horses could be used by most any farmer now.

He tells me further that in traveling with one of the boys driving an Army truck the other evening he was told that this Army truck driver said he was driving a truck from Brownwood to El Paso and was ordered to take the old tires off the truck and burn them. He stated they had not seen over 15,000 miles service and were in good shape.

At Ebony, Tex., the truckman was ordered to remove the old tires and put on new ones. While doing so a bystander tried to buy the tires, but was refused the opportunity to purchase them. The bystander then asked that he be given the tires and also was refused. Then he asked the driver to throw them in the brush so that he could get them, and that was not done. Gasoline was poured on the tires and they were burned.

This gentleman says that the people in that section of the country are tired of this kind of waste and he hopes Congress will do something about it.

Mr. THOMASON. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Texas.

Mr. THOMASON. Has the gentleman verified that statement of the War Department?

Mr. CRAWFORD. No; I have not.

Mr. THOMASON. I think that statement ought to be verified. I am certain that is not the practice in that part of the country.

Mr. CRAWFORD. I hope the gentleman, as a member of the Military Affairs Committee, will verify it; and if the practice is going on that he will see, with our help, that it is discontinued.

Mr. THOMASON. I have very serious doubts as to the accuracy of that statement.

[Here the gavel fell.]

CONSTRUCTIVE CRITICISM

Mr. BENNETT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a brief editorial and also I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. BENNETT]?

There was no objection.

Mr. BENNETT. Mr. Speaker, the following is a paragraph from a letter which I received September 28, 1942, from a constituent living in Nevada, Mo., where Camp Clark is located:

Seven carloads of soft coal from Kentucky came to Camp Clark today. I understand the freight rate was $3.86 per ton. Soft coal sells here, delivered, from $3.50 to $4.50 per ton. Needless to tell you, we are in the soft-coal district. Hume, 30 miles from Nevada, has one of the largest steam shovels in the world. According to the newspapers a new steam shovel is going in at Walker, Mo. Fifty families are expected to move in to operate this field. We have large shovels at Bronaugh and Moundville, and excellent coal. Milford coal fields are 30 miles away. Clinton coal mines are very near. Rich Hill has several deep-shaft mines, 20 miles away. Deep-shaft Kansas coal is near at Pittsburg, Kans. All these towns are on direct railroad lines to Nevada and only a few minutes away. The freight cost from Kentucky alone would pay for the local coal.

Everybody knows that one of our greatest war problems is transportation. Another problem is how we are going to raise money to pay for the war. None of these problems is being solved by lax administration responsible for the situation to which I have referred and which is all too typical of New Dealism.

PERMISSION TO ADDRESS THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. H. CARL ANDERSEN]?

There was no objection.

THE LABOR SITUATION

Mr. H. CARL ANDERSEN. Mr. Speaker, I read from a card dated September 22 from Coeur D'Alene, Idaho, addressed to a friend of mine:

Am working here and like it. Am getting $131.75 a week.

(Signed) JOE, *a Plumber.*

Mr. Speaker, let me quote further from a letter from Joe to his father back in my district:

Come out, Dad, we do not do as much work here in a day as we did in (our home town) in 2 hours. Due to union restrictions, we cannot drive a nail when we have to have a few boards nailed in place to hold our pipes, so we have some so-called carpenters with us (we would never call these carpenters back home). All these carpenters do for the $12 that they are paid (or about that) for an 8-hour day is nail up a few boards to hold the pipe. (We always did this ourselves back home). I'll bet some of these so-called carpenters do not drive 12 nails a day some days.

So writes Joe, who earns $131.75 a week, to his father.

There, Members of Congress, is an instance of the dislocation which has been caused by this administration permitting union labor to run hog wild, raising Cain with every other line, making it impossible for agriculture to endure or for small business to stay in business.

EXTENSION OF REMARKS

Mr. BURGIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an editorial from the Raleigh News Observer.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. BURGIN]?

There was no objection.

Mr. HARE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an address by Dr. James C. Kinard to the graduating class of Newberry College on June 2.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. HARE]?

There was no objection.

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter received from one of my constituents.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein two letters regarding Lt. William Ames Garnett, of the Air Corps, from Gainesville, Tex., who is reported missing in action.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SOCIAL-SECURITY TAXES

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, the Senate Finance Committee has very appropriately adopted an amendment to the proposed tax bill canceling the scheduled increase in social-security taxes commencing January 1. Secretary of the Treasury Morgenthau has taken emphatic exception. I respectfully differ with Mr. Morgenthau.

On the present basis of rates there has developed a huge surplus in social-security funds of over $5,000,000,000. I reported almost a year ago that the amount collected in social-security taxes over a period of 4 years was 31 percent greater than the amount paid out.

This surplus, of course, is not in the Treasury. It has been siphoned out by the Treasury for general expenses and I O U's are substituted. Why should those subject to social-security taxes pay for the general expenses of the Nation? It is most illogical to have 40 percent of the people—a segment of the population—contribute to the general appropriations for running the Nation. Self-employers, farmers, domestics, doctors, lawyers, and many others are thus exempt from taxation. If that is logical, it would be just as logical for the Secretary of the Treasury to do a buck-and-wing dance on the Treasury steps. I think the tax should be frozen at the present rates, if not reduced.

The Secretary also claims increases in social-security taxes would aid the drive against inflation. But why should 40 percent of the population be compelled to aid that drive and 60 percent go scot free and be relieved of that compulsion?

EXTENSION OF REMARKS

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement sent to me.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

FUEL OIL SHORTAGE IN NEW ENGLAND

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a directive just issued by the Petroleum Coordinator, Mr. Ickes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, this Directive 59, issued by the Petroleum Coordinator for War, if carried out expeditiously, will be very helpful. It provides for the pooling of facilities and will make additional tank cars available. It will greatly increase the movement of petroleum with the plans the railroads have for running oil trains of many tank cars on schedules comparable with those of passenger trains. Information has come to me showing that while the east coast in general is receiving 90 percent of its oil, New England is receiving only 70 percent. Something has been done to ease the situation but not nearly enough. To my mind, the

situation existing now is perfectly unnecessary and perfectly inexcusable. The New England States are the first States on the eastern seaboard to suffer from the cold, and they will suffer most keenly if immediate action is not taken to send into New England at once the necessary amount of oil. If action as directed is not taken immediately, there will not be sufficient fuel for war production and there will be great physical suffering in New England. The purpose of the directive must be carried out at once. Petroleum must be expedited without delay. Train loads of cars must be on the move immediately. If not, tragic disaster will take place. The discrimination against New England is the greatest discrimination that has ever been perpetrated against any loyal section of the country. Action now is the least that can be done.

EXTENSION OF REMARKS

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein certain editorials.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

COORDINATION OF THE PRODUCTION AND DISTRIBUTION OF FOOD

Mr. HOPE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Speaker, on April 6 last I called attention to the fact that unless something was done to coordinate the activities of those Government agencies dealing with food we faced the prospect of rationing in the case of many foods. Now, almost 6 months later, we find the confusion more widespread and the likelihood of food shortages greatly increased. We have been lucky this year. Nature has been bountiful and farm labor, while a serious problem in some areas, has on the whole been adequate to harvest our crops.

It is not likely, however, that we shall be so fortunate as to have another year like the present. In fact, there is now some question as to whether recent frost injury has not resulted in the loss of some food supplies anticipated for this year. We cannot count on more than normal weather next year. Responsible officials in our Government say that between now and next July 1 an additional million workers will be taken from our farms, either by the draft or through high wages in industry. We cannot safely anticipate that 1943 production will equal that of 1942. Yet the need for food supplies will be greater.

Is anything being done to meet this grave situation? There is no evidence that there is. Today, as was the case last April, we have perhaps a dozen agencies dealing with the production and distribution of food. There are at least half a dozen divisions in the Department of Agriculture dealing with this subject. There is the War Production Board, the Army, the Navy, the State Department, the Board of Economic Warfare, the Office of Price Administration, the Lend-Lease Administration, the Office of Defense Transportation, and probably others that I have overlooked. There is no coordination and no plan. Instead of being encouraged to produce, farmers are being denounced as hogs and profiteers, and it is small wonder that, patriotic as they are, many of them are finding it impossible to continue operations because they cannot get help and because ill-advised price ceilings make it impossible to stay in business and pay the wages now demanded for farm labor. Agriculture is generally conceded to be an essential industry as far as national defense is concerned, and yet selective service is still stripping our farms not only of essential labor, but increasingly of essential management as well.

Unless something is done, and done now, to coordinate the production and distribution of food we are going to have a scandal in this country which will be even worse and more disastrous than the rubber scandal.

EXTENSION OF REMARKS

Mr. GWYNNE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a brief letter from a post of the Disabled American Veterans.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. TIBBOTT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a radio talk given by me entitled "The Navy's Challenge for Service."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein extracts from some of my own previous speeches.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial by A. M. Piper, appearing in the Council Bluffs Nonpareil, Council Bluffs, Iowa, relative to price control.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

PAY OF ARMY NURSES

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, on September 17 the Senate passed S. 2751, which has for its purpose a general reorganization of the Women's Army Auxiliary Corps, including a readjustment of the pay schedules. Under the bill as passed by the Senate, the base pay of the third officer would be $1,800, or $150 a month. A third officer in the W. A. A. C. has the relative rank of a second lieutenant.

Nurses in the Army have the relative rank of second lieutenant. At present their base pay is only $1,080, or $90 monthly.

All of us know that an Army nurse must have plenty of training and background and is called upon to display heroism under fire on many occasions. It seems to me the difference between the pay of nurses and those holding relative rank in the W. A. A. C. and W. A. V. E. S. is too great.

I have therefore today introduced a bill which will equalize the pay of those women in our armed service holding relative rank, and I hope that serious consideration will be given to my proposal by the proper committees and by the Members of the House.

Equalization of pay and allowances for like service is a great factor in maintaining morale.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from California.

Mr. HINSHAW. I am sure the gentleman will receive the unanimous support of the Congress on that measure.

Mr. EBERHARTER. I thank the gentleman.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOLLAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HOLLAND. Mr. Speaker, I believe the time has come when no Member of this House should take the floor and commit an act of psychological sabotage. Rumors come to us, and letters that are unsigned. No Member should take the floor to spread these rumors around the United States. I believe neither the gentleman from Minnesota [Mr. H. CARL ANDERSEN] nor any other Member should at any time come here and read an anonymous letter trying to give the people of America the idea that physical sabotage is being practiced by our armed forces by destroying this or by any other people. Our people are being asked now to give up rubber. For him to come here and read this letter without giving the name and the address of the man writing it I believe is not being patriotic.

EXTENSION OF REMARKS

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a newspaper editorial.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

LEAVE OF ABSENCE

Mr. WARD. Mr. Speaker, I ask unanimous consent that I may be excused from attending sessions of the House for at least 10 days on account of very important business.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

SECRET MEETING DURING WORLD WAR NO. 1

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent, after consulting with my good friend the gentleman from New York [Mr. DICKSTEIN], to proceed for 5 minutes ahead of his special order.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, supplementing my remarks of September 22, as reported at page 7299 of the CONGRESSIONAL RECORD, and in response to inquiries on the subject, a secret meeting was held on the floor of this House shortly after the declaration of war in April 1917. No one was present but Members of the House and Senate, and while I cannot say at this late date just who was present and who was not present, I took for granted at the time that it was an informal joint session of the two Houses, as this room or at least the front benches were well filled. Whether it was a general meeting of Members or whether it was a meeting of special groups or certain committees of the House and Senate, I do not know, but the meeting assembled exactly at 12 o'clock midnight.

The speaker who addressed the meeting was apparently from the French Legation. He was accompanied by two others, possibly three, but certainly two. They were not the men who constituted the French mission which previously had been received in the House but I had the impression at the time that they were part of the staff of the mission.

All three were veterans and were evidently men of distinguished service. All had been wounded. One was without an arm, another without a leg. They had been literally shot to pieces in action on the French front. The remark was made on the floor near me as they came in that, of course, France, in sending such a mission to America at that time would send men who were incapacitated because all effective men were needed at the front. Only one of the men spoke and his address was couched in perfect English. He was presented without ceremony and delivered one of the most eloquent addresses to which I have ever listened.

He began by telling of the desperate nature of the struggle in which they were engaged and in which America was now a participant. He told of the heroism and devotion and sacrifice of the French people, both in the line and back of the line. He told, with particular detail, of the attack of General Von Kluck who, in the fall of 1914, had driven within 15 miles of Paris and of the cooperation of the civilian population in driving him back.

He said that he himself was a member of the reserves at the time. In the night word came calling him to the colors. He joined his regiment and early in the morning they were marched into position on what at that time was approximately the front line. But they were without arms. They had received no arms when mobilized but were told that arms would be supplied later in the day. They took their position and waited but no arms came. Just ahead of them was a hill, apparently a position of some strategic importance, which the Germans had seized as an outpost in their first headlong rush toward the city. In midafternoon an order came for the regiment to take the hill. The officer in command sent word back, "Our arms have not yet come." Again the order came, "Take that hill," and again word went back, "We have no arms, we have only our bare hands." The third time the order came, "Take that hill." I shall never forget the expression on the face of the speaker and the emphasis with which he said, "The order came, 'take that hill'—and we took it."

Following an elaborate and dramatic introduction, he proceeded to the business in hand, the objective of the address. Adroitly he led up to the current situation on the front, referring to dispatches just received that afternoon. At that time it was generally believed on this side that the Allies had the situation well in hand; that American participation would be largely through moral support and provision of matériel and supplies. It was not supposed that it would be necessary to send men or, if so, only in token numbers.

But the speaker speedily disabused the minds of those present on that score. He said, in effect, that France was through; that the French were exhausted; that they were at the end of their resources; that it devolved upon America to win the war.

Of course, as the needs of the Allies had been minimized prior to the declaration of war it is possible that the speaker may have somewhat overemphasized their need at this time, but he presented an alarming picture. He said America would have to send men. And he especially stressed and emphasized the fact that not only was it imperatively necessary to send men but that it would be necessary to send with them absolutely everything they needed in the way of food, munitions, and supplies.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 2 more minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. And then he took the last step. He said, "You will not only have to bring all of your supplies, but you will have to bring with you the means of transporting them." He said, "Our rolling stock is worn out; our cars are worn out; our engines are worn out; our tracks are worn out. You will have to bring not only engines and cars and rolling stock, but you will have to bring rails for the railroads on which the trains are to operate. Ours are gone and we cannot replace them."

He produced such a profound impression on the audience that they sat motionless in their seats throughout the speech, and when he was through arose and walked out with bowed heads and without a word, appalled at the unexpected magnitude of the situation which the Nation faced.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN of Mississippi. The gentleman says that only Members of the House and the Senate were present at that meeting. Was the gentleman from Missouri at that time a Member of the House?

Mr. CANNON of Missouri. I was at that time on the Speaker's staff, and he brought me along because I happened to be working in the office that night. I had no advance notice of the meeting. After a lapse of 25 years I cannot say who was present. But certainly no one who was present could have ever forgotten it. The secrecy, the hour at which the assemblage met, the dramatic address, and its profound influence on the audience, coupled with the prompt action of the House and the Senate in the days that followed impressed it indelibly on the minds of those present as never to be forgotten.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. Was that before war was declared by the United States?

Mr. CANNON of Missouri. Oh, no, the United States had entered the war. The purpose of the meeting was obvious. The peril was great and the need was urgent. As the speaker said:

> America must come and come quickly—there must be no delay. The delay of a single day or a single regiment may lose the war.

The idea was to avoid the policy which has been characterized in this war as "too little and too late."

The SPEAKER. The time of the gentleman from Missouri has again expired.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech delivered August 25 by a distinguished friend of mine, the Honorable Joseph P. Kennedy, former Ambassador to Great Britain.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. DICKSTEIN] is recognized for 20 minutes.

LT. JOHN J. POWERS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks upon the subject that I hope to discuss this afternoon and to include in my remarks two poems, written by Anne Marie Johnston, 10 years old, dedicated to her cousin, Lt. John J. Powers, of the United States Navy.

The SPEAKER. Is there objection?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, in 1931 there came before me a number of young men from my district, who were seeking appointment to Annapolis. I wished at the time that I had more than one place to give, and could accommodate all of the boys who were seeking that appointment. I was so confused at the time that I called in one of my colleagues, MICHAEL J. KENNEDY, who is now the leader in New York of the Democratic Party, to help me select the best boy. After talking to the boys and going over their qualifications we both agreed that John J. Powers seemed to be the best, and so I appointed him to the Naval Academy. Mr. Speaker, I shall put into the RECORD a statement of his date and place of birth, his educational background prior to entering the academy, his record while at the academy, and service as a commissioned officer in the Navy after graduation:

July 3, 1912: Born at New York City, N. Y. Parent: Mr. John J. Powers, 643 West Two Hundred and Fifteenth Street, New York City.

January 1930: Graduated from George Washington High School, standing 169 in class of 420 members.

Submitted an acceptable certificate of 15 units from George Washington High School, New York City.

Also attended Dwight School, New York City, from November 1930 to June 1931 (a preparatory school).

Nominated for appointment as a midshipman in the Navy:

OCTOBER 14, 1930.

To the Bureau of Navigation, Navy Department.

SIRS: I nominate John James Powers for appointment as a midshipman in the United States Navy.

He is a citizen of the United States and an actual resident (No. 511 Grand St., care of Sheehan) of the city of New York, county of New York, in the Twelfth Congressional District of the State of New York, and was born on the 3d day of July 1912.

His present post office address is 511 Grand Street, New York City, care of Sheehan.

I desire that he be examined in April.

Respectfully,

SAMUEL DICKSTEIN,
Representative of the Twelfth Congressional District of New York.

April 1931: Passed substantiating examinations in mathematics and English.

July 7, 1931: Admitted to United States Naval Academy as a midshipman.

Participated in athletics receiving awards in boxing, seasons 1932–33, 1933–34, and 1934–35.

Appointed first petty officer, first company, first platoon, second class organization, summer of 1933.

Appointed midshipman ensign, first company, effective September 28–December 22, 1934.

Appointed midshipman second petty officer, first company, effective December 22, 1934, to March 25, 1935.

Appointed midshipman first petty officer, final group, on March 25, 1935.

June 6, 1935: Graduated. Stood No. 228 in a class of 445 members for the 4 years' completed course, and awarded the degree of bachelor of science by the Navy Academy.

June 6: Commissioned ensign from June 6, 1935.

June 6: Accepted appointment and executed oath of office, U. S. S. *West Virginia* (battleship, first line). (Reported June 29, 1935. Detached March 18, 1937.)

April 29, 1937: U. S. S. *Augusta* (heavy cruiser). (Reported May 19, 1937. Detached September 2, 1939.)

August 9, 1938: Commissioned ad interim lieutenant, junior grade, from June 6, 1938.

February 1, 1939: Commissioned regular lieutenant, junior grade, from June 6, 1938.

August 1, 1939: U. S. S. *Utah* (auxiliary, miscellaneous). (Reported November 4, 1939. Detached February 5, 1940.)

January 10, 1940: Naval Air Station, Pensacola, Fla. (Duty under instruction in heavier-than-air craft.) (Reported February 26, 1940.)

June 11: Naval Air Station, Pensacola, Fla. (Duty involving flying under instruction.) (Detached October 22, 1940.)

October 21: Naval Air Station, Miami, Fla. (Duty involving flying under instruction.) (Reported October 22, 1940. Detached November 28, 1940.)

October 21: Fleet air detachment, Naval Air Station, San Diego, Calif. (Duty involving flying under instruction.) (Reported December 20, 1940.)

October 21: Bombing Squadron Five. (Duty involving flying.) (Reported January 21, 1941.)

January 2, 1942: Appointed lieutenant (for temporary service) to rank from January 1, 1942. (Act of July 24, 1941.) (Public, No. 188, 77th Cong.)

January 4: Accepted appointment and executed oath of office.

March 6: Commissioned regular lieutenant from January 1, 1942. Reported as missing since May 8, 1942, following action in the service of his country.

It is sad to have to stand here and to know that the boy I speak of is no longer amongst us—even though I feel a certain pride in knowing that my faith in him was justified. He proved a gallant fighter and a hero in the defense of his country. I sympathize with his grief-stricken family and feel sure that I am speaking for all the people of this country when I offer my sincerest thanks to the family for what their gallant son did for our beloved country.

Mr. Speaker, on September 7, 1942, the President had this to say about Lt. John J. Powers, and I quote:

I wish that all the American people could read all the citations for various medals recommended for our soldiers, sailors, and marines. I am picking out one of these citations which tells of the accomplishment of Lt. John James Powers, United States Navy, during 3 days of the battles with Japanese forces in the Coral Sea.

During the first 2 days Lieutenant Powers, flying a dive-bomber in the face of blasting enemy antiaircraft fire, demolished one large enemy gunboat, put another gunboat out of commission, severely damaged an aircraft tender and a 20,000 ton transport, and scored a direct hit on an aircraft carrier which burst into flames and sank soon after.

The official citation describes the morning of the third day of battle. As the pilots of his squadron left the ready room to man their planes, Lieutenant Powers said to them, "Remember, the folks back home are counting on us. I am going to get a hit if I have to lay it on their flight deck."

He led his section down to the target from an altitude of 18,000 feet, through a wall of bursting antiaircraft shells and swarms of enemy planes. He dived almost to the very deck of the enemy carrier, and did not release his bomb until he was sure of a direct hit. He was last seen attempting recovery from his dive at the extremely low altitude of 200 feet, and amid a terrific barrage of shell and bomb fragments, smoke, flame, and debris from the stricken vessel. His own plane was destroyed by the explosion of his own bomb. But he made good his promise to "lay it on the flight deck."

The President of the United States, Mr. Speaker, awarded this courageous American, John J. Powers, lieutenant, United States Navy, a medal of honor, which I think is a great distinction to my district and to his people, and to the American people as a whole.

At this point I would like to insert two poems written by a 10-year-old cousin of Lieutenant Powers, Anne Marie Johnston, and dedicated by her to his memory:

THEY'RE COUNTING ON US

(By Anne Marie Johnston)

Mr. and Mrs. America, lend me your ears!
I've something of importance, that everyone should hear!
We'll have 5,000,000 fighting sons, in every foreign land,
And now is the time to give a helping hand.
Remember, they're counting on us!
We'll have to be smart and do our part,
They're counting on us!
They'll do all they can—there'll be no second Bataan,
They're counting on us!
Our soldiers, sailors, and those fighting marines
Depend on you and me for all the fighting machines,
They're counting on us!
We can't let them down, we've got to drive on, 'cause
They're counting on us!
Build all those tanks; make us proud Yanks;
And our planes, ships, and the big submarines
Will make everyone glad that we have such a team.
Buy those bonds, bonds, bonds,
'Cause that's part of the scheme,
And Uncle Sam will break the back of the Axis team.
They're counting on us!
Don't hesitate; there's no time to wait.

MISSING IN ACTION

(By Anne Marie Johnston)

A mother sat alone at home,
Her thoughts were far away,
As often in these tense past months,
Her mind was wont to stray.
She was thinking of her eldest son, flying high above the sea
Seeking out our enemy, protecting you and me.
A message came by radio: "Enemy ships in sight";
The motors roared, the planes took off, eager for the fight.
They disappeared into the sky, a wide expanse of blue,
And sitting quietly at home a mother never knew.
Squadron after squadron roaring through the sky,
Seeking out our enemy and not afraid to die.

Eighteen thousand feet below the enemy hove in sight,
Here was the opportunity, to show our country's might.
He signaled to his squadron that he was going down,
And his plane nosed over gently, his face took on a frown.
Faster, faster, faster, his plane went hurtling on,
For he was one of the boys "we folks were counting on."
Amid the bursting shot and shell and the powerful motors' drone,
The one thought running through his mind was of the "folks back home."
He was over the target now, a carrier big and flat,
His altimeter read too low, but he never thought of that.
The bomb fell true to the carrier's deck and amidst a thunderous roar
He disappeared into the smoke, not to be seen any more.
A telegram arrived at home, and then a look of distraction,
For it told his mother her son was gone; he was "missing in action."
Tears filled her eyes, sobs choked her throat, and then that feeling of pride,
He had served his country faithfully, that's why she little cried.
"God's will be done," was all she said; he has not died in vain,
And thousands of other mothers have shared her heartfelt pain.
When high in New York's moonlit sky, she hearts a motor drone
She pictures the pilot, her eldest son, who might be returning home.

I cannot let this opportunity go by, however, to point out to our Navy Department that the heroism of a first generation American—and Lieutenant Powers, who is the son of immigrants, is a first generation American—should have taught them a lesson. It should have made them realize that courage and ability cannot and should not be measured by the length of time one's family has been in this country. Maybe the actions of this boy will prove to them that it is about time for the Navy to discard its discriminatory policies against people who are not third generation Americans.

There are thousands of young men like Powers who can go in and do the job if the Navy will just consider them on their own merits as individuals instead of judging them by their respective family trees. There are thousands of young men of this type who are ready to fight and die for their country to preserve its liberties. There are thousands of others who can probably do just as much for our country if given an opportunity.

Mr. Speaker, I took this time to glory in the fact that I was privileged to appoint this young man and that he has made good. I am sure that his people, I am sure that my city and my district, and I am sure that the country are proud of this great hero, Lt. John James Powers, United States Navy, awarded the Medal of Honor.

I yield back the balance of my time.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday this week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MICHENER. Mr. Speaker, reserving the right to object, can the gentleman give us any idea of what the program will be for the balance of the week?

Mr. McCORMACK. Other than unanimous consent matters which may be brought up, that is, where bills can be brought up by unanimous consent, with the consent of the minority ranking member and the leadership on the minority side and on this side, and other than the price stabilization bill, there is nothing this week. Other than matters which can be brought up by unanimous consent and the price stabilization matter, there is nothing.

Mr. MICHENER. The House will be in session daily until some action is taken on the price stabilization bill?

Mr. McCORMACK. Exactly.

Mr. DICKSTEIN. Reserving the right to object, and I do not intend to object, after the price stabilization bill is disposed of are we to have a recess?

Mr. McCORMACK. Well, I am not prepared to answer that question now. I am sure the gentleman can repose confidence in the leadership of the House in the recognition of the realities of the situation.

Mr. DICKSTEIN. The gentleman knows that.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 53 minutes p. m.) the House adjourned until tomorrow, Wednesday, September 30, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will hold a public hearing on Wednesday, September 30, 1942, at 10:30 o'clock a. m., on H. R. 7548, to provide for the issuance of a device in recognition of the services of merchant sailors.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1933. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department for the fiscal year 1943 amounting to $8,199,720 (H. Doc. No. 851); to the Committee on Appropriations and ordered to be printed.

1934. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, Library of Congress, for the fiscal year 1943, amounting to $24,180 (H. Doc. No. 852); to the Committee on Appropriations and ordered to be printed.

1935. A communication from the President of the United States, transmitting supplemental estimates of appropriations, together with a draft of a proposed provision pertaining to an existing appropriation, for the Federal Works Agency for the fiscal year 1943, amounting to $7,636,360 (H. Doc. No. 853); to the Committee on Appropriations and ordered to be printed.

1936. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Office for Emergency Management, Office of Defense Transportation, in the sum of $5,290,000 for the fiscal year 1943 (H. Doc. No. 854); to the Committee on Appropriations and ordered to be printed.

1937. A communication from the President of th United States, transmitting a draft of proposed provision pertaining to the appropriation for the Board of Economic Warfare for the fiscal year 1943 (H. Doc. No. 855); to the Committee on Appropriations and ordered to be printed.

1938. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for administrative expenses, Export-Import Bank of Washington, for the fiscal year 1943, amounting to $60,000 (H. Doc. No. 856); to the Committee on Appropriations and ordered to be printed.

1939. A communication from the President of the United States, transmitting four supplemental estimates of appropriations for the Department of Agriculture for the fiscal year 1943, totaling $1,435,000, of which $625,000 represents an estimate of appropriation for salaries and administrative expenses, payable from funds of the Commodity Credit Corporation (H. Doc. No. 857); to the Committee on Appropriations, and ordered to be printed.

1940. A communication from the President of the United States, transmitting a draft of a proposed provision relating to an existing appropriation for the Securities and Exchange Commission for the fiscal year 1943 (H. Doc. No. 858); to the Committee on Appropriations, and ordered to be printed.

1941. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Treasury Department for the fiscal year 1943 amounting to $34,882,693, together with drafts of proposed provisions pertaining to existing appropriations (H. Doc. No. 859); to the Committee on Appropriations, and ordered to be printed.

1942. A communication from the President of the United States, transmitting a supplemental estimate of appropriations for the Navy Department and naval service for the fiscal year ending June 30, 1943, amounting to $2,862,000,000 cash (H. Doc. No. 860); to the Committee on Appropriations, and ordered to be printed.

1943. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the National Housing Agency in the amount of $600,000,000 for war housing (H. Doc. No. 861); to the Committee on Appropriations, and ordered to be printed.

1944. A letter from the Acting Secretary of the Navy, transmitting draft of a proposed bill to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended, so as to expedite the war effort by providing for releasing officers and men for duty at sea and their replacement by women in the shore establishment of the Coast Guard, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ELLIOTT of California: Joint Committee on the Disposition of Executive Papers.

House Report No. 2493. Report on the disposition of certain papers by the Archivist by certain Federal agencies. Ordered to be printed.

Mr. ELLIOTT of California: Joint Committee on the Disposition of Executive Papers. House Report No. 2494. Report on the disposition of papers by the Archivist by certain Federal agencies. Ordered to be printed.

Mr. JARMAN: Committee on Printing. House Resolution 72. Resolution providing for the printing and binding of copies of a revision of Cannon's Procedure in the House of Representatives; without amendment (Rept. No. 2495). Referred to the House Calendar.

Mr. JARMAN: Committee on Printing. S. 2570. An act to provide for the sale by the Superintendent of Documents of copies of certain historical and naval documents printed by the Government Printing Office; without amendment (Rept. No. 2496). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EBERHARTER:

H. R. 7614. A bill to increase the annual base pay for female nurses of the Army and Navy; to the Committee on Military Affairs.

By Mr. DICKSTEIN:

H. R. 7615: A bill relating to the naturalization of persons not citizens who serve honorably in the military or naval forces of the United States during the present war; to the Committee on Immigration and Naturalization.

By Mr. BULWINKLE:

H. R. 7616. A bill for the organization and functions of the Public Health Service; to the Committee on Interstate and Foreign Commerce.

By Mr. PRIEST:

H. R. 7617. A bill to provide for universal service and total mobilization during any war in which the United States is now engaged; to the Committee on Military Affairs.

SENATE

WEDNESDAY, SEPTEMBER 30, 1942

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Reverend Charles B. Foelsch, D. D., Ph. D., pastor, Luther Place Memorial Church, Washington, D. C., offered the following prayer:

O Thou gracious Father of us all, in whom we live and move and have our being, Thou hast been the refuge and the dwelling place of Thy people in all generations. Before the mountains were brought forth or ever Thou hadst formed the earth and the world, even from everlasting to everlasting, Thou art God. To Thee the poor and the needy have always turned for help, and Thou hast ever graciously heard their prayers. And to whom shall we go but unto Thee, O God, for Thou hast the words of eternal life? There is no good gift that we can ask that Thou art unable to give, and hast promised to give and hast already given to countless others of Thy people, weak and sinful as are we. So we come, imploring Thy mercy upon us, Thy people, this day.

Let Thy benediction, we pray Thee, rest upon the President of the United States and upon all his counselors. Be with this body in all its deliberations, that Thy name may be honored and Thy people blessed.

Be with those who are in sorrow this hour, with those who lie wounded upon the battlefield, and with the dying. Comfort them all with Thy presence, and send, we pray Thee, just victory to Thy people in Thy day, that the nations may dwell together in righteousness and peace.

Be pleased to forgive us our sins, for we come humbly into Thy presence. Let Thy favor be with us, that the liberties which Thou didst vouchsafe unto the fathers long ago may be preserved unto us and to our children and our children's children, and that Thy name may be honored and revered, world without end. In Jesus' name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, September 29, 1942, was dispensed with, and the Journal was approved.

SOCIAL SECURITY PAY-ROLL TAXES—NOTICE BY SENATOR VANDENBERG

Mr. VANDENBERG. Mr. President, yesterday I announced that I intended today to discuss some of the many idiosyncrasies of the distinguished Secretary of the Treasury, Mr. Morgenthau. Because I do not wish to interfere with the speediest possible passage of the bill, I am now announcing that I am postponing the inquest until tomorrow.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AID TO RUBBER CONSERVATION BY PROHIBITION OF SPEEDING

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to aid in the conservation of rubber by the prohibition of speeding (with an accompanying paper); to the Committee on the District of Columbia.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Departments of War, Justice (2), and Interior; the Securities and Exchange Commission, National Housing Agency (4), and the National Archives, which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking toward their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCARRAN, from the Committee on the District of Columbia:

S. 2804. A bill to define the real property exempt from taxation in the District of Columbia; with amendments.

By Mr. MALONEY, from the Committee on Commerce:

S. 2762. A bill to except from the provisions of section 3709 of the Revised Statutes purchases or services rendered for the Department of Commerce where the amount involved does not exceed $100; without amendment (Rept. No. 1626).

By Mr. OVERTON, from the Committee on Commerce:

S. 2623. A bill authorizing the construction of certain public works in the basin of the Connecticut River for flood control; without amendment (Rept. No. 1627).

ADDITIONAL COPIES OF FINAL REPORT AND RECOMMENDATIONS OF TEMPORARY NATIONAL ECONOMIC COMMITTEE

Mr. HAYDEN, from the Committee on Printing, reported an original resolution (S. Res. 296), which was considered by unanimous consent and agreed to, as follows:

Resolved, That 1,000 additional copies of Senate Document No. 35, Seventy-seventh Congress, first session, being the final report and recommendations of the Temporary National Economic Committee with respect to the concentration of economic power in, and financial control over, production and distribution of goods and services, be printed for the use of the Senate document room.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills and joint resolution:

On September 25, 1942:

S. 2670. An act to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing State and Territorial military forces with such arms, ammunition, clothing, and equipment as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and for other purposes.

On September 28, 1942.

S. 2725. An act to increase by $600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended; and

S. J. Res. 129. Joint resolution to remove certain limitations on the cost of construction of Army and Navy living quarters.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 2812. A bill for the relief of Mrs. Hugh Swifthawk; to the Committee on Pensions.

By Mr. DAVIS:

S. 2813. A bill to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment on the claim of the General State Authority of the Commonwealth of Pennsylvania; to the Committee on Claims.

By Mr. WALSH (for himself and Mr. CLARK of Missouri):

S. 2814. A bill to provide for vocational rehabilitation and the return to civil employment of certain persons disabled under circumstances entitling them after discharge or separation from the military or naval forces of the United States to a pension or retirement pay; to the Committee on Finance.

CENSORSHIP

Mr. HOLMAN. Mr. President, of the "four freedoms" which we are waging a war all over the world to establish in every place of the world and of which we are becoming bereft at home, none is

more important than the freedom of the press.

I request unanimous consent to have printed in the CONGRESSIONAL RECORD as a part of my remarks an editorial on the subject of censorship which was published last Monday, September 28, in the Christian Science Monitor.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of September 28, 1942]

INTIMATE MESSAGE: WASHINGTON—TROUBLE IN THE MAKING

(By Roscoe Drummond)

The Government is headed for trouble in the borderline application of the already exacting censorship. Washington newspaper and radio correspondents are virtually unanimous in believing that censorship has recently been going too far afield and are yet to be convinced that there are not purposes other than military security behind it.

This is not merely a professional dispute between the press, which might tend to err on the side of publication, and the Government's war agencies, which might tend to err on the side of suppression. There is dissent in high official quarters from the creeping extension of censorship regulations and the issue is certain to be out in the open shortly.

It is censorship itself which prevents the full impact of this disagreement from coming to the surface immediately, but it will not be long delayed. It is only fair to add that it is not the Office of Censorship as such which is responsible for the new borderline restrictions which have lately been imposed. Byron Price, Director of Censorship, must administer these restrictions, but they stem from other sources in the Government.

ISSUE IS DIFFERENCE OF JUDGMENT

The issue as it is at present coming to focus concerns a profound difference of judgment as to what information endangers the security of the United States and whether military censorship is being used to conceal nonmilitary purposes.

The outcome can hardly fail to be of large importance. It will likely determine whether the coming months are going to see less censorship of internal news not directly affecting war operations or more rigorous and sweeping censorship.

It happens that the immediate issue does not at all affect the withholding of military news by the armed services. It concerns developments which can have political significance as well as a relationship to certain of the domestic phases of the war effort. It is for this reason that many view it as an unnecessary, unwise, and unreasonable application of the press code, and it can be said that it is so viewed by some officials high in the Government.

The story will ultimately come out and will probably not be long in coming out, and if there is not real assurance from the administration that it will not happen again, there is reason to believe that the whole system of voluntary press censorship is in peril—a loss which would be harmful to the Government and harmful to the press.

Involved in this borderline extension of censorship is the denial to independent correspondents of first-hand access, to news facts of an ultimately nonsecret character which later the Government is going to distill and give out as it sees fit. If this kind of censorship is not repudiated by the official responsible for it, there will likely be courageous and independent newspapers which will repudiate it for themselves and will refuse to be bound by such an application of the voluntary code.

POSSIBLE ENDING OF VOLUNTARY CENSORSHIP

This, quite frankly, could mean the end of voluntary censorship and the imposition of compulsory military censorship. At least there are officials in the Government who believe it would and who hold it as a threat over the heads of correspondents to make sure they are good boys and don't kick over the traces.

It is agreed that if the press comes to the point where it feels it has got to decide when it will and when it will not accept concrete applications of the voluntary code, the code is then skating on very thin ice and may go under any minute.

But have those Government officials who talk about the alternative of compulsory censorship a real threat, or only a hollow threat?

There can be no all-in compulsory censorship of the press and radio unless it is voted by Congress; and while, admittedly, Congress has not overpowering affection for the press, it cannot vote to enable the Government to censor the press unless it thereby votes to enable the Government to censor Congress. Obviously, if the Government acquires a compulsory censorship, it will possess the power to determine exactly what the press and radio shall and shall not report and broadcast from Congress.

Under the prevailing voluntary censorship, any Member of Congress is an appropriate authority—and therefore a printable authority—for anything he wishes to say. Under compulsory censorship—if Congress chose to enact it—some executive official in the Government would be empowered to censor any statement from any Congressman which he decided the press or radio should not report. Compulsory censorship could work on no other basis.

There is political dynamite in compulsory censorship, and it is not likely that the newspapers will be impressed by talk of its prospect. The new Grand Old Party platform, drawn up last week by 135 House Republicans, cited the need for an informed public opinion as the only basis of national unity and warns of unnecessary censorship.

The administration will more likely retrace its steps than stub its toe on compulsory censorship.

FARMERS' EDUCATIONAL COOPERATIVE UNION

Mr. LANGER. Mr. President, last Friday while the farm bill was under discussion, I took occasion to defend the Farmers' Educational Cooperative Union of America against what I consider to be unfair, untrue, unwarranted, and contemptible slander. I refer to the whisperings around the cloakroom and upon the floor of the Senate that, because of the report made by Congressman DIES on the various foundations established by the late Robert Marshall, the Farmers' Educational Cooperative of America was Communistic.

Mr. President, I am unusually happy to state that I have received a telegram from the North Dakota Farmers' Union through its president, Glenn J. Talbott, of Jamestown, N. Dak., corroborating every statement I made concerning the Farmers' Union. This telegram is so straightforward, so delightfully frank in an age when it has even been charged upon this floor that one of the measures we are considering is "a mere jumble of words," that I desire to read this telegram in full. It is as follows:

JAMESTOWN, N. DAK., *September 30, 1942.*

Hon. WILLIAM LANGER:

I sincerely appreciate your statement on the Senate floor yesterday wherein you defended the Farmers' Educational and Cooperative Union of America against the unfair and untrue allegations of Congressman DIES that the Farmers' Union has been subsidized by the Communist Party. The Farmers' Union has at no time had any relations, financial or otherwise with the Communist Party. The terms of the various foundations established by the late Robert Marshall are matters of public knowledge. I hope that the fight being made by the Farmers' Union on behalf of working farmers may merit the continued confidence and support of the Foundation's board of trustees. You mentioned that DIES had evidently used Gardner Jackson, who is a trustee of the Marshall Foundation as the link to connect the National Farmers' Union with the Communist Party. While Gardner Jackson has been accused by DIES as having some relations with the Communist Party, so also were some eleven hundred other employees of the Federal Government. I understand the Department of Justice was unable after exhaustive investigation to substantiate Mr. DIES' purported evidence or his conclusions in more than two or three instances. I have known Gardner Jackson intimately for many years and I had as soon believe you a Communist as he. Mr. Jackson is employed in the United States Department of Agriculture. He is well and favorably known to the Honorable Paul Appleby, Under Secretary of Agriculture, the Honorable Claude Wickard, Secretary of Agriculture, and is a personal friend of the President. Mr. DIES' accusations against the Farmers' Union and outstanding citizens of the caliber of Gardner Jackson have no foundation in fact and I deplore and deeply regret such accusations and insinuations, the effect of which can only be designed to weaken or destroy our organization's effectiveness in support of the President's program for all-out war. Your brief mention of Gardner Jackson's name impels me to ask you to place this telegram in the CONGRESSIONAL RECORD.

Sincerely yours,

NORTH DAKOTA FARMERS' UNION,
GLENN J. TALBOTT, *President.*

Mr. President, may I say in closing that, unfortunately, I have never had the pleasure or honor of meeting Gardner Jackson personally, but I am living in the hope that our paths may soon cross, and I know that when a fine, splendid, outstanding farm leader such as Glenn J. Talbott says such fine things about another man as he has about Gardner Jackson that Mr. Jackson must not only be an outstanding American citizen, as he says, but a thoroughly capable, 100-percent efficient, honorable man, and I welcome to an unusually high degree this opportunity not to defend him, for he needs no defense, but to place this statement of his character and capabilities as expressed by the Honorable Glenn J. Talbott into the RECORD.

ADDRESS BY SENATOR LUCAS TO THE MASSACHUSETTS DEMOCRATIC CONVENTION

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address delivered by Senator LUCAS in Boston on September 26, 1942, before the Democratic Convention of Massachusetts, which appears in the Appendix.]

DRAFT OF 18- AND 19-YEAR-OLD MEN—STATEMENT BY SENATOR BURTON

[Mr. BURTON asked and obtained leave to have printed in the RECORD a statement made by him over the radio September 29, 1942, relative to the drafting of 18- and 19-year-old men, which appears in the Appendix.]

ADDRESS BY SENATOR BROOKS TO YOUNG REPUBLICAN ORGANIZATION OF ILLINOIS

[Mr. BROOKS asked and obtained leave to have printed in the RECORD an address delivered by him in Peoria, Ill., on September 27, 1942, at the annual convention of the Young Republican Organization of Illinois, which appears in the Appendix.]

ADDRESS BY SENATOR BROOKS TO THE FEDERATION OF ILLINOIS WOMEN'S REPUBLICAN CLUBS

[Mr. BROOKS asked and obtained leave to have printed in the RECORD an address delivered by him in Washington on September 28, 1942, and broadcast over the radio to the annual convention of the Federation of Illinois Women's Republican Clubs, held at the Abraham Lincoln Hotel, Springfield, Ill., which appears in the Appendix.]

ADDRESS BY LOUIS JOHNSON BEFORE AMERICAN LEGION CONVENTION

[Mr. ROSIER asked and obtained leave to have printed in the RECORD the address delivered by Hon. Louis Johnson before the National Convention of the American Legion at Kansas City, Mo., on September 19, 1942, which appears in the Appendix.]

FOOD SHORTAGES—TELEGRAM FROM ROBERT A. HUDSON

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD a telegram relative to food shortages, addressed to him by Robert A. Hudson, of Portland, Oreg., which appears in the Appendix.]

CONGRESS AND PRICE CONTROL—ARTICLE BY GEORGE ROTHWELL BROWN

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an article by George Rothwell Brown published in the Baltimore News Post of September 29, 1942, which appears in the Appendix.]

THE SILVER POLICY—ARTICLE FROM BOSTON (MASS.) POST

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an article with reference to the national silver policy, written by Robert L. Norton and published in the Boston Post of September 30, 1942, which appears in the Appendix.]

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Danaher	Lucas
Andrews	Davis	McCarran
Austin	Downey	McFarland
Bailey	Doxey	McKellar
Ball	Ellender	McNary
Bankhead	George	Maloney
Barbour	Gerry	Maybank
Barkley	Gillette	Mead
Bilbo	Green	Millikin
Bone	Guffey	Murdock
Brewster	Gurney	Murray
Brooks	Hatch	Norris
Brown	Hayden	Nye
Bunker	Herring	O'Daniel
Burton	Hill	O'Mahoney
Butler	Holman	Overton
Capper	Johnson, Calif.	Pepper
Caraway	Johnson, Colo.	Radcliffe
Chandler	Kilgore	Reed
Chavez	La Follette	Reynolds
Clark, Idaho	Langer	Rosier
Clark, Mo.	Lee	Russell
Connally	Lodge	Schwartz
Shipstead	Thomas, Okla.	Wagner
Smathers	Thomas, Utah	Wallgren
Smith	Tobey	Walsh
Spencer	Tunnell	Wheeler
Stewart	Tydings	White
Taft	Vandenberg	Wiley
Thomas, Idaho	Van Nuys	Willis

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] and the junior Senator from Virginia [Mr. BYRD] are necessarily detained.

The Senator from Missouri [Mr. TRUMAN] has been called to his State on important public business, and is therefore necessarily absent.

The PRESIDING OFFICER (Mr. WALLGREN in the chair). Ninety Senators having answered to their names, a quorum is present.

Under the unanimous consent agreement, the junior Senator from California [Mr. DOWNEY] is recognized.

(Mr. DOWNEY resumed and concluded the speech begun by him yesterday. His speech, entire, is as follows:)

Tuesday, September 29, 1942

Mr. DOWNEY. Mr. President, it is with extreme reluctance that I rise again to address the Senate upon the pending proposal. I do so only out of a sense of the urgent need of this Nation and, particularly, as far as I am concerned, of the farmers of California.

Today as we are debating tens of thousands of farmers in California are contemplating if they should abandon their farms for more profitable and more pleasant work. Indeed, thousands of farmers have already done so. Either rightly or wrongly, the attitude represented by the administration has led our farmers to believe that the administration is unsympathetic with them, and does not comprehend their problems.

I have for the President of the United States, for our majority leader [Mr. BARKLEY], and for the Senator from Michigan [Mr. BROWN], who has the pending joint resolution in charge, only the highest respect and admiration, but I say that their arguments and their statements of fact have not always been realistic and candid, and, briefly as I can, I desire to point out facts which have heretofore been emphasized, but, nevertheless, I shall repeat them to sustain the statement I have just made.

When the Chief Executive called for the immense war program which is now under way, it should have been apparent to him and to every one of his executives that if that program were attempted, this very day would be at hand. Why do I say that? Let us consider a few basic figures.

The President of the United States demanded for this fiscal year a military production equivalent in money to $75,000,000,000. That $75,000,000,000 represented far more than the average national income for the last decade. It meant two and a half times the ability of the German nation to produce war goods and services, for their productive power for military purposes is rated at only $30,000,000,000. Indeed, Mr. President, we have embarked now upon a program under which we are committed to producing more war goods and services than all the rest of the world combined.

We seem in some way to lack realism, we seem to lack understanding of figures, for, while our Chief Executive was calling for that immense effort, our Army was dreaming and our Navy was hoping to build up armed forces of ten or fifteen million men, and our farmers were called upon for the labor and sacrifice which would increase the yield of our fertile acres by from 20 to 25 percent.

I ask, Mr. President, What was the error made by Mr. Henderson in his advice to the President of the United States, and where did he fail realistically to understand the inflation problem? Mr. Henderson honestly and sincerely believed that he could generally freeze wages, salaries, and prices all along the line. That sounds rational and reasonable, and it was the policy upon which Mr. Henderson embarked. It was, in effect, the demand which was made by the President upon our farmers.

Where is the error of that reasoning, and where will it lead us to if it is persisted in? I say, Mr. President, it will lead us almost into a semirevolution. Why? Because the kind of production we are hoping for meant that every person in the Nation who could work would have to work hard, faithfully, diligently. It meant that the great groups of people who were pauperized and degraded, in comparison with the other segments of the population, would be compelled to labor at that same low level, far below the national standard.

Our distinguished majority leader today told us about working for 50 cents a day on a southern farm, and that his wage was finally raised to a dollar a day. "Yes," said our distinguished leader, "the lot of the farm worker and many of the farmers is the most unfortunate in the Nation. But," said he, "we cannot hope to now improve their condition. We dare not raise the price to the farmer so that he and his hired hand can be brought into parity with the rest of the Nation, because, if we do that, the workers of the Nation will want higher wages and the upward spiral will have begun its destructive work."

Mr. President, human nature will not be changed by the ipse dixit of the President or of Mr. Henderson. Farm laborers and small farmers cannot be forced to work on farms at one-half the compensation they can obtain by leaving the farms or farm jobs. It simply cannot be done; it will not be done; and unless the administration in Washington recognizes the vital problem of again redistributing among the farm population a return sufficient to bring them somewhere near the level enjoyed by others we shall have a complete collapse in the production of farm crops.

Mr. President, our distinguished leader gave us some figures showing the great increase in the gross amount received by farmers in 1942 as compared with 1939.

But he did not tell us that a substantial portion of that increase came from increased production resulting from farmers working 12, 13, 14, and 15 hours a day. It is true the farm bill for hired labor has not increased very much because the farmers and their wives and daughters have worked almost beyond endurance to increase the farm production of the Nation to such a point that the Secretary of Agriculture has characterized the result a miracle. I would say of the farmers of California that they deserve the tribute and blessing of our people because by diligence, work, ability, and toil they have increased our farm production in 1 year perhaps 25 percent. So, Mr. President, the majority leader, after reciting the gross income of our farmers as of today, left us with the implication of their well-being.

Mr. President, let us candidly and fairly see how well off are the farmers of America.

(At this point Mr. DOWNEY yielded to Mr. THOMAS of Oklahoma; debate ensued, the absence of a quorum was suggested, and the roll was called, following which further debate ensued.)

Mr. DOWNEY. Mr. President, when I yielded for the quorum call, I was about to suggest certain figures which are known to all Senators, and which to my mind show that the fundamental problem is far greater than we are yet admitting. The figures for 1942 indicate that the income per person on the farm from agriculture is just 36 percent of the income per person not on the farm. The distinguished Senator from Oklahoma stated the proposition in another way, that is, that the 22 percent of our people on the farms have only 10 percent of the national income.

I ask you, Mr. President, can the ipse dixit of any man, or the command of any military chief, make it possible for us to force a farmer to stay upon his farm and work, or the farm worker to work for him, when over the hill they can get two or three times as much as they would receive upon the farm?

(At this point Mr. DOWNEY yielded to Mr. HATCH, who offered a modified amendment to the amendment of Mr. BARKLEY.)

Mr. DOWNEY. Mr. President, I should like to place in the RECORD the figures for 1941 and 1942.

Mr. President, with these basic figures and theories in mind, I went to California a month ago to see what conditions were as of that date—not to guess what is going to happen next year, but to learn what is happening right now.

Because our farmers have not been able to pay a sufficient wage to farm workers in California we shall lose 20 or 30 percent of our farm crops this year. Today we are attempting to harvest our sugar beets and tomatoes. Tens of thousands of acres of those crops are lying, and will continue to lie, unused on the ground, because our farmers cannot afford to pay the wages demanded by workers to harvest those crops. I prophesy that if the word does not go out to the farmers of California that their problems are to be understood, that their labor is to be provided for, and that they are to be allowed for their crops a price with which they can obtain labor in competition with industry, our farm production in California will fall to not more than 50 percent of what it is today.

Mr. President, when our Chief Executive delivered his now very famous address attributing inflation to the increase in farm prices and the failure of Congress to act, I talked with scores of farmers and farm leaders in the State of California. Let me cite one typical case, which could be multiplied by the tens of thousands.

I cite the case of a chicken farmer who had had two sons assisting him on the farm. The labor of three men was required. His sons were drafted into the Army. His daughter left a job as a typist, and with his wife assisted him. By working 15 or 16 hours a day, those three were able to operate that chicken ranch.

When there came from Washington statements and suggestions apparently blaming the farmer for inflation and apparently saying that farm labor should not be considered as a factor in the computation of parity prices, the chicken farmer to whom I have referred decided to leave his farm. Why? Because working as a carpenter, by himself, he could make more money than he could make by running his chicken ranch, and if he continues to run his chicken ranch he has no assurance that next year he will be able to obtain the supplies he will need in order to maintain his business.

Mr. President, we in Washington are so far divorced from the realities of life that we do not even know what is going on. The truth is that it has only been with the greatest hardships and difficulties that the farmers have managed their business this year. Our military leaders expect to build up our armed forces from four or five million men to ten or eleven million men. During the next year we expect to absorb ten or twelve million more workers in war industry. With these facts circulating among the farmers of the Nation, crops are not going to be planted, farms will be abandoned.

I admit to the same sense of horror of inflation possessed by anyone else. I know the amount of real wealth in this country is limited. But I, for one, am not willing to act upon any policy in the Senate which does not indicate an intention to bring a higher degree of prosperity and well-being to the farmers of the United States. I say, Mr. President, even though there is a desire to freeze them in their present subnormal standards, it cannot be done; it is not possible to make a man work on the farm for $2 or $3 a day when he can get $6 or $8 somewhere else.

I am free to admit that the substitute proposed by the Senator from Kentucky would very possibly bring the same result the Thomas amendment would bring. I have heard that statement made by the distinguished Senator from Nebraska, if I understood him, and I heard him say that since our amendment and the administration substitute would produce about the same results democratic principles would best be served by having Congress give way to the Chief Executive.

The Constitution of the United States provides that the legislative power shall be vested in Congress. If any Senator believes that the President should entirely usurp the legislative field, should entirely negate the provisions of our Constitution, then that Senator should believe that we should give way. But I cannot agree with such a contention. The President of the United States called upon Congress to legislate upon the subject we are now considering. Now we have adopted the Thomas amendment; and I say that 90 percent of the membership of the House of Representatives and 90 percent of the Senators believe that what we have done is right. Ninety percent of the Senate, if they were not under the whip and spur of editorial writers and commentators, if they were not under the insistence and persuasion of the Chief Executive, would overnight have passed the pending joint resolution providing for the inclusion of labor in computing farm prices. I am not one who is willing to repudiate a legislative proposal I know to be right.

Mr. President, if I believed that the President of the United States had suggested to the Senate a more just and a better proposal, I would be the first to swing to that proposal. But I fail to see how any Senator can believe that we can preserve democracy by setting aside an amendment in which we ourselves believe to accept a substitute because it is wanted by the President.

(At this point Mr. DOWNEY yielded to Mr. HATCH, who suggested the absence of a quorum, and the roll was called, following which debate ensued, and Mr. DOWNEY yielded the floor for the day.)

Wednesday, September 30, 1942

Mr. DOWNEY. Mr. President, it is my anxious hope that the matter before us will soon be brought to a conclusion, under conditions satisfactory both to the executive and to the legislative branch of the Government, and under terms which will be most wise and advantageous to national defense.

Even though that shall be accomplished, however, very real, perhaps almost desperate, issues are involved in the argument. I make that statement particularly with regard to the western section of the country, where conditions are particularly known to me, because whatever allowance may be made by the pending measure for labor charges for the farmers, it will be most difficult and perhaps impossible, for us in California, at least, to secure the farmers and the farm laborers next year necessary to produce our crops.

As of today, conditions are demoralized and chaotic in the farm-labor picture. I have been led to believe, by what I have heard, and read in the press, that our War Production Board is planning a program which will by the middle of next year utilize 10,000,000 more workers than we are now utilizing, and that our military leaders will be drawing upon the youth of the Nation for five or six million more recruits than they now have.

Mr. President, if those two propositions be true—and I think they probably are—

I wish to say that there is only one solution for the labor problem of the West, and that is the importation of many, many thousands of Mexican workers. It was apparent on January 1 of this year that a well-planned and generous program of bringing Mexican farm workers into California and into the West should have been embarked upon. I have no desire to indulge in recrimination or in criticism, but I must say from a knowledge of several months that the program to bring Mexican laborers to America has been dealt with in such an insufficient way that it has almost totally failed, and it is my hope and wish that the governmental leaders in Washington will finally begin to realize that we are face to face with a manpower problem in the West which may become so destructive of farm production and of farm labor that the entire farm program of the West will be placed in jeopardy.

Mr. President, I also desire briefly to speak upon the labor conditions in the South. The Nation has so worked out its economic affairs that the southern cotton proprietor has never been able to pay a decent or living wage to the cotton worker, nor has the cotton tenant farmer been able to make a decent livelihood. The Bureau of Agricultural Economics, Mr. President, reports that it takes 1 hour of labor to produce a pound of cotton, and when cotton is selling at 12 or 15 cents a pound it manifestly becomes impossible to pay a fair price to the owners of cotton land in the South or a sufficient wage to the workers in the cotton fields. So I say, Mr. President, that, in my opinion, the balance of the Nation should alter its policy with respect to the prices the South is entitled to for cotton, because now, with the almost unlimited demand for manpower in the Army and in industry, the proprietors of cotton lands in the South will not be able to produce their crops unless they can find the means of paying a much more generous and subsistence wage or income than they have ever paid to the workers in the cotton fields.

Mr. President, we are exceedingly nonrealistic in many ways. It is now being widely publicized, even by some of our military and economic and labor leaders, that we should draw upon that great reservoir of youth between 18 and 20 years of age, and we are told happily and optimistically and very inaccurately that we have here a reservoir of 2,500,000 young men. Yes, Mr. President, we have that many young men between 18 and 20, but when we question our governmental leaders as to how many of them will be available for military services or for war industrial purposes they seem not to have the information. The truth, Mr. President, is this. Many hundreds of thousands of those young men between 18 and 20 are already in the Army or the Navy or the flying service. Many, many hundreds of thousands more are now in defense industries or performing vital farm services.

Mr. President, I know of one high school in California which graduated its class last June. Every boy that graduated from that high-school class is now either in the military service of the Nation, preparing for military service, or working at some essential occupation. In that high-school class not one boy between 18 and 20 years of age would be available now for addition to our military services or to our war industry.

Mr. President, the great fault with our program has been optimism and lack of realism. Let us pray that Mr. McNutt's statement that farmers must be given higher prices and farm workers higher wages in order to maintain production, is the beginning of a greater amount of illumination upon this subject.

Mr. President, I am willing to proceed with any idealistic leader who wants to bring the four freedoms to the four corners of the world, but I must admit that I have a greater desire to bring those four freedoms to the four corners of the United States. And so, I would intensely like to see the rest of the Nation finally admit and recognize the imperative need of the South for a decent price for its cotton crop.

Mr. President, the South has not yet recovered from the violence of reconstruction, nor from the high tariffs imposed by the North, nor from the loss of its income from assisting in payments of pensions to northern veterans. I do not believe there can ever be a recovery in the South until we, who do not live there, admit the necessity of paying a far more substantial sum for cotton products than we now are paying.

Mr. STEWART. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Tennessee?

Mr. DOWNEY. I yield.

Mr. STEWART. Has the Senator from California made a study of the freight-rate question, particularly with reference to the higher freight rates being paid in Southern States on manufactured articles than are paid by other portions of the country, especially the industrial East?

Mr. DOWNEY. Mr. President, I have not made a particular study of transportation rates between the South and our northern markets. I know the distinguished Senator from Tennessee has done so, and I know the position he has taken—that in those excessive rates lies one of the serious burdens that prevents the economy of the South from properly functioning. I hope he will be enabled to carry on his fight to a successful conclusion; and I can assure him that in that fight he will have my humble support.

Mr. President, when I was speaking last evening I must admit that I was vehement and impatient in my language and in my attitude, and in concluding my remarks today I want to apologize to our majority leader and to the distinguished Senator from Michigan [Mr. BROWN], who has the joint resolution in hand, for any extreme or impatient language. I have for the distinguished majority leader not only the deepest affection but the very highest admiration. I think he is called upon to perform duties which are almost impossible of performance and heavy almost beyond the strength of any man to carry. I think he handles his duties as very few other men in the United States could handle them.

For the distinguished Senator from Michigan [Mr. BROWN] I only say what all the Senate knows, that he is continually growing in stature and in prestige in the Senate of the United States; that his character, his ability, his energy, his tolerance, and his kindness make him a valuable servant of our people who, let us hope and pray, will let him remain for a long time in the Senate of the United States.

Mr. President, I desire now, very briefly, to advert to one entirely independent subject, and then I shall have concluded. Whatever may be the position assumed by any of us upon the pending joint resolution, whether we believe the Chief Executive and Mr. Henderson are in the right, or those of us who oppose them are in the right, every loyal and patriotic American could almost weep as in this day of stress and strain and strife we see this lack of unity in the Congress of the United States and between the Chief Executive and the Congress of the United States.

I care not, Mr. President, where the blame is assessed for this unhappy controversy. It is a most unfortunate thing that at the end of 150 years of constitutional government we are confronted with a situation of this kind, so lamentable and so unfortunate. It is inconceivable that under the British constitutional system any such situation as this could have arisen. It is my belief that the Senate of the United States should concern itself with a review of its practices and its processes to see whether greater efficiency cannot be developed here in the Senate and greater cooperation, unity, and cohesion between the executive and legislative branches of the Nation.

Mr. President, when our Constitution was adopted more than 150 years ago the political philosophers and writers of that time, and the men who sat in the Constitutional Convention, were determined to maintain by the Constitution the legislative, executive, and judicial departments, free and independent of each other. At that time fear was expressed that there might be encroachment by one department on the powers and prerogatives of another department; but almost every one apprehended that it would be Congress which would usurp or attempt to usurp the functions of the executive, rather than the executive attempting to usurp the functions of the Congress.

It would have been impossible for the men who wrote our Constitution to have realized that we should come to a day when the Chief Executive would try to compel the Congress to pass the kind of farm legislation which the Executive wanted. That would not have been conceivable to them. The men who founded this Nation meant to place in the hands of the Senate and the House of Representatives the power to initiate and propose legislation as well as the power to enact it.

Mr. President, we have come far from those days. I am not criticizing our

President because he takes the initiative on legislative proposals; but I am lamenting that in this dire and desperate hour there is a lack of cooperation and cohesion between the President and the Congress.

Since I have been in the United States Senate I have come to know a body of men who, in my opinion, for collective knowledge and wisdom on farm issues, at least, are superior to any other body of men in Washington. In many respects Senators are experts in or are well versed in almost every social, economic, or political question which may come before us. Nevertheless, it is very seldom indeed that a Senator finds it possible to utilize his wisdom and knowledge in making the laws of his country. Things are happening weekly which are almost incredible when we think about them.

Recently Mr. Baruch submitted a rubber report. I am a great admirer of Mr. Baruch. Two or three years ago I hoped that the President might appoint him to deal with the rubber problem and other problems. I think he has been one of the outstanding men of vision in the Nation. Nothing I am about to say is in criticism of Mr. Baruch, because for years at a time Mr. Baruch was far ahead of everybody else in the Nation on the subject of strategic war materials.

But, Mr. President, think of this absurd situation: The first part of this year or the last part of last year a resolution was introduced in the Senate for the investigation of the rubber problem. The resolution was referred to the Truman committee. The Truman committee carried on one of the ablest and most exhaustive investigations of which I have known. Able experts testified. Thousands of dollars were spent. Senators, after long thought and mediation, wrote one of the finest reports I have read. I am free to say that because I had nothing to do with it. To read that report is to read a masterpiece. I do not know whether the President of the United States ever even knew anything about it. I do not know whether he ever read it. However, months passed, and he appointed Mr. Baruch to make an investigation. Many months after the Truman committee brought in its report, Mr. Baruch submitted his, parallel in its findings and recommendations with what the Senate committee had recommended.

In other words, a committee of this body, after months of investigation, had made its report, which was entirely ignored by the Chief Executive. Later another report, almost identical in its findings, was acted upon by the Chief Executive. Is there any sense in that? Is there any reason in it? Have not governmental unity and efficiency reached a low ebb when that sort of thing can happen?

Take another incident in connection with rubber. Last spring distinguished Senators from farm States became apprised of the fact that synthetic rubber could be manufactured more rapidly from grain alcohol than from a petroleum base. For months they tried to get the ear of somebody who would act. They were unsuccessful. Finally the grain alcohol synthetic rubber bill passed by the Senate was vetoed by the President of the United States. It was vetoed upon the ground that the program for petroleum synthetic rubber had gone too far.

No one denies that the distinguished Senator from Nebraska [Mr. NORRIS] and the distinguished Senator from Iowa [Mr. GILLETTE] had been right months and months ago. Senators who are members of the Military Affairs Committee know that we had resolutions before us dealing with rubber and conducted hearings 2 or 3 years ago.

I have no desire to go over that story. It is written in the CONGRESSIONAL RECORD and in the minutes of our committee. What does it show? It shows that with respect to strategic war materials, at least, the Military Affairs Committee and the Senate were far, far ahead of the Executive and the Army and Navy, as events have revealed; but that due to this unhappy situation nothing which Congress wanted registered itself.

Yesterday the distinguished senior Senator from Wisconsin [Mr. LA FOLLETTE] expressed fear of fascism. I do not know whether that fear is well justified or not; but I do know that legislative government is in jeopardy. I know that many more struggles such as this may mean the end of the congressional prestige and representative government. What that would mean I do not know; but it is a problem which must be dealt with.

Mr. President, I have said that under the British system this situation would have been impossible. Why? Because in England the Prime Minister, who occupies a place in the British Government corresponding to that occupied by our President, is chosen by the King—from among whom? Not from among anybody The King chooses one man. He chooses the majority leader in the House of Commons. How does the Prime Minister make up his cabinet? Every member of that cabinet must come from the House of Commons or the House of Lords. How are the 50 important officials appointed under the British constitutional system? Every one of them must come from one branch or the other of their legislative body.

So in England this situation could not conceivably arise. It would be incredible. The core of the British Government, executive and legislative, is the British Cabinet; and the heart of the British Cabinet is the Prime Minister, who is not only the leader of his party but likewise the dominant executive of the nation, who serves with men chosen by him from the legislative body.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. CHANDLER. I do not like to interrupt my friend, but we have frequently heard insistence on the part of Members of the House or of the Senate that they have to themselves their constitutional powers and duties, which should be unimpeded, uninterrupted, nd not encroached upon by the Chief Executive. Perhaps some of our trouble arises from the desire of our three coordinate branches of government to be independent, each in its own right, having nothing to do with the others, especially if it means the sacrifice of any prestige.

I agree with what my friend has said. In the Military Affairs Committee it was definitely shown that unless something were done we should have a rubber shortage. However, there is no showing that the President ever received that information. It was probably filed with the clerk of the committee. There is no definite showing that the President ever received it. Also, we were told by another arm of the Government that nobody could cut off our rubber supply; that we were so strong that we could blast out of the ocean in a very short time anybody who might undertake to do so. So nothing was done. We lose something when we fail to realize that this is one Government, and this is one world, and that we had better occasionally give up some prestige in the interest of common harmony and in the interest of having all branches of the Government work together.

What does my friend think of that suggestion?

Mr. DOWNEY. I very much applaud the suggestion of the distinguished Senator from Kentucky and thank him for it.

Mr. President, I have now occupied almost the full time which I agreed to occupy, and I want only to call to the attention of the Senate the fact that one day last week I submitted a resolution calling for an investigation. The resolution was referred to the Committee on Military Affairs. I desire to read the first paragraph of the resolution:

Resolved, That the Committee on Military Affairs, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation and study with a view to determining the best and most effective means of creating greater unity and cooperation between the Congress and the executive branch of the Government in order to aid in the prosecution of the war.

Mr. President, one further thought and I am through. The President of the United States declared in his recent message that if Congress did not do what he desired he would summarily issue an order making effective the rule he wanted. The President said to the American people, "I am merely taking this legislative power during this emergency; and whenever this emergency passes I shall give it back to the people to whom it belongs."

Mr. President, we are not in a crisis or in a chaos for only 1, 2, or 3 years. Probably we have entered decades of wars and revolutionary movements in which the existence and the vitality of democracy will be tested to their utmost limits. Any promise that powers now seized will be given back within 2 or 3 years is a meaningless promise. This crisis will last for years. Pray God, Mr. President, that the Congress of the United States will maintain and keep inviolate its rights as a free and independent branch of this Government, to the end that not only may we struggle for the four freedoms throughout the world but that we may not lose them in the Congress of the United States and

in the 48 empires which make up this great Republic.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from New Mexico [Mr. HATCH] for himself and the Senator from Oklahoma [Mr. THOMAS] to the amendment in the nature of a substitute proposed by the Senator from Kentucky [Mr. BARKLEY] for himself, the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Maryland [Mr. TYDINGS], and the Senator from Kansas [Mr. REED], for the committee amendment beginning on page 4, in line 2, as amended.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	O'Mahoney
Andrews	Green	Overton
Austin	Guffey	Pepper
Bailey	Gurney	Radcliffe
Ball	Hatch	Reed
Bankhead	Hayden	Reynolds
Barbour	Herring	Rosier
Barkley	Hill	Russell
Bilbo	Holman	Schwartz
Bone	Johnson, Calif.	Shipstead
Brewster	Johnson, Colo.	Smathers
Brooks	Kilgore	Smith
Brown	La Follette	Spencer
Bunker	Langer	Stewart
Burton	Lee	Taft
Butler	Lodge	Thomas, Idaho
Capper	Lucas	Thomas, Okla.
Caraway	McCarran	Thomas, Utah
Chandler	McFarland	Tobey
Chavez	McKellar	Tunnell
Clark, Idaho	McNary	Tydings
Clark, Mo.	Maloney	Vandenberg
Connally	Maybank	Van Nuys
Danaher	Mead	Wagner
Davis	Millikin	Wallgren
Downey	Murdock	Walsh
Doxey	Murray	Wheeler
Ellender	Norris	White
George	Nye	Wiley
Gerry	O'Daniel	Willis

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. BARKLEY. Mr. President, several Senators have asked whether the proponents of the substitute intend to modify it by inserting a date. We discussed that matter yesterday. The reason why a date was left out, as I tried to explain, was that the Bureau of Agricultural Economics felt that the insertion of a date would operate more as a restriction than otherwise. However, since conferring with a number of other Senators about the matter, we have concluded to modify the substitute; and I now modify the substitute, which I have a right to do.

On page 2, after the word "commodity", in line 5, insert the words "incurred since January 1, 1941," so that the language will read:

Provided further—

And so forth—

or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs—

And so forth. Also, Mr. President, in order that Senators who will vote on the Hatch amendment may have in mind the other modification to which we have agreed, I wish also to add to the substitute the following language:

Provided further, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. REED. Mr. President, I am uncertain where the second proviso the Senator from Kentucky read is to be inserted. I should like to inquire from the Senator from Kentucky where it is to be inserted.

Mr. BARKLEY. It is to be added to the substitute. The language I read is substantially the language suggested by the Senator from Vermont [Mr. AIKEN].

Mr. REED. It is to be added to the substitute proposed by the Senator from Kentucky [Mr. BARKLEY] and the Senator from Wyoming [Mr. O'MAHONEY], is it?

Mr. BARKLEY. Yes; it is a modification of it and an addition to it.

Mr. TOBEY. Mr. President, will the Senator define the importance of the word "weighting"?

Mr. BARKLEY. Of course, it is more of a commercial term than a legal term, but it means giving an adequate weight to farm labor in carrying out the provisions of the substitute, if it should be adopted.

Mr. McNARY. Mr. President, I desire to express my appreciation of the attitude taken by the able Senators from Kentucky and Michigan. I think the adoption of these two amendments round out and perfect the amendment offered by the Senator from Kentucky, and I shall support the substitute in its present form.

Mr. BARKLEY. I thank the Senator from Oregon.

I merely wish to state that, in view of the perfection of the amendment, I sincerely trust that the amendment about to be voted upon, offered by the Senator from New Mexico [Mr. HATCH], will not prevail. That amendment involves the calculation of all costs of production, which was the theme song of the original Frazier-Lemke bill, which was considered years ago in the Senate. It would involve the calculation of farm labor——

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HATCH. Mr. President, much has been said on the floor during the course of the debate about unity; it has even been stated that some of us would not agree and did not want to agree to any proposal, and that the farm bloc was unpatriotic; in fact, many things have been said in the heat of passion which perhaps none of us would have said otherwise.

I have conferred this morning with the so-called leaders of the farm bloc; I have just now conferred with the Senator from Oklahoma [Mr. THOMAS], the Senator from Montana [Mr. WHEELER], the Senator from Alabama [Mr. BANKHEAD], and other Senators, and I speak for all of them in what I am about to say, that, in the interest of unity and harmony, and in order that we may enact this proposed legislation, I now withdraw the amendment which I have offered.

Mr. REED. Mr. President, will the Senator yield?

Mr. BARKLEY. I shall yield in a moment, but let me reply first to the gracious remarks of the Senator from New Mexico. I am very grateful to him, and I am sure the Senate and the country will be grateful to him for the very fine attitude which he has taken and which those associated with him have taken. If I may quote an old Methodist hymn which we used to sing when I was a boy:

> This is the hour I long have sought
> And mourned because I found it not.

Mr. WHEELER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Montana?

Mr. BARKLEY. I yield.

Mr. WHEELER. Mr. President, I merely wish to say that I am exceedingly happy that our leader has agreed to this amendment. So far as I am concerned, I feel that if this amendment is carried out it will give to the farmers of this Nation, in the price fixing of their products, all that the farm bloc has been fighting for, and, I think, perhaps that it is preferable to some of the other amendments which have been offered. I desire to congratulate the Democratic leader for accepting it. I think he has been in a very difficult spot in connection with the pending legislation, and he has handled this matter in a most efficient and able manner.

Mr. BARKLEY. I thank the Senator from Montana.

Mr. REED. Mr. President——

Mr. BARKLEY. I yield to the Senator from Kansas.

Mr. REED. Mr. President, I am very happy this morning at the outcome of the last week's discussion and debate in this body. There has been much criticism in this body of the farm organizations and the so-called farm bloc. I wish to say that I think the criticism of the farm bloc and of the farm organizations has been wholly unjustified. I belong to the farm bloc, even though during last week I have been following out a policy which I thought was a wise one. A week ago today the so-called substitute amendment originated at this desk between the Senator from Maryland and myself. I want to congratulate the senior Senator from Oklahoma [Mr. THOMAS] and his associates on the magnificent work they have done to bring the problem of the farmer to the attention of the country. I think the outcome is worth all the effort the Senator from Oklahoma and his associates have put forth.

Mr. McNARY. Mr. President——

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Oregon?

Mr. BARKLEY. I yield to the Senator from Oregon unless he desires the floor in his own right.

Mr. McNARY. I thank the Senator. I will take the floor.

Mr. President, I have no doubt of the ultimate solution of the problem which has been before us for some days. In the latter part of last week I discussed the proposed amendment with the able Senator from Kentucky and the able Senator from Michigan, and I found them ready to yield to a proposal. I discussed the matter with the farm leaders and I found that they, too, were anxious to compose the differences and showed a willingness to meet halfway those who desired this amendment.

I wish to add my expression of joy and pleasure at the outcome of the situation which all the while was in the making and has now been accomplished. I appreciate the spirit and excellent work done by the able Senator from New Mexico [Mr. HATCH] and the able Senator from Oklahoma [Mr. THOMAS], who have been in constant touch with the farm folks, and today, too, have shown a fine disposition to compose the differences, so that we may pass the pending joint resolution today and adjourn, I hope, at an early hour.

Mr. BARKLEY. I hope so, too.

Mr. McFARLAND. Mr. President, after the testimonials which have just been given, I find it unnecessary to make very many remarks. When the debate reached the point where I had intended to speak, it seemed everything had already been said that could be said on either side. I want merely to explain my vote upon this measure.

There has been sounded here upon the floor of the Senate the warning that we must first win the war. I agree with that sentiment 100 percent, and I know that the farmers of this Nation agree with it. But, Mr. President, in order to win this war, we must have agricultural production. I share the experience of our distinguished leader from Kentucky, who stated that he was reared upon a farm, that he rose early in the morning when the sun was coming up, went out into the field and worked for 50 cents a day. The farmers are working today on the farm because they like the farm, but the farmers and others working on the farm must have a living wage.

I agree with the principle of the Thomas-Hatch amendment, and, therefore, I voted for that amendment, but I have at all times been willing and I have so stated, to vote for any compromise which I thought was a real one, one reasonably fair to agriculture. The compromise which has been presented by the Senator from Kentucky meets that requirement. I, too, am happy, therefore, to vote for the substitute amendment as it has now been perfected.

A great deal has been said on the floor of the Senate in the form of criticism of the farm leaders. I do not agree with such criticism. I think the representatives of the farmers of this Nation have as much right to come to Washington and petition Congress as have the representatives of industry or any other group.

I wish to make one more remark about criticism, and then I shall be through. Our distinguished leader the Senator from Kentucky [Mr. BARKLEY] quoted a statement of General Somervell in which the general said that we do not need the farm bloc. I wish to say to General Somervell that if he will perform his duties as well as the farmers perform theirs, we will get along all right. The trouble with us is that each fellow is trying to attend to the other man's business.

The tone of the President's message did not antagonize me, its form was immaterial to me. The question before me, and the question before Congress, is whether the proposal now before us would in our judgment be the right kind of legislation to enact, and I think that is the spirit in which we should meet it.

Two days ago I heard one of our officials make the statement that we were losing the war. I wish to offer my objection to that kind of statement. I say we are not losing the war. I would say to the junior Senator from Kentucky that if he were playing a ball game and he should happen to get behind by a few runs in an inning, he would go back in the next inning and say, "Boys, let us make them up." We may be behind by a few runs, but we are not losing the war and we are not going to lose the war.

The spirit which has been manifested here today shows that we are going to have harmony, and that we are going to present a united front.

Mr. CHANDLER. Mr. President, will my colleague yield?

Mr. BARKLEY. I yield.

Mr. CHANDLER. I know that my good friend the Senator from Arizona would not want to place General Somervell in an unfavorable light. As I understand, General Somervell did not say anything against any specific bloc. What General Somervell did say was that this was not the time for any bloc except an American bloc. I know the Senator would want to be fair and just to the general. If we had more officers who are as magnificently trained and who are doing as good a job as is General Somervell, we would be better off. I know about his work from personal knowledge, and from what I know about his conduct in his position as Chief of the Services of Supply. I wanted to make this statement, because General Somervell did not single out any segment of our people to criticize.

Mr. McFARLAND. I could place but one interpretation on what was said by the majority leader and from what I read in the newspaper—that General Somervell said we did not need a farm bloc.

Mr. CHANDLER. He said we did not need any bloc except an American bloc. It would be better if all blocs would join and become an American bloc.

Mr. McFARLAND. There is no doubt about that.

Mr. CHANDLER. I know the Senator is fair, and I know General Somervell is one of the ablest officers who have been produced in this country.

Mr. McFARLAND. I do not question his ability; but I say that he has no right to criticize the farm bloc. I think that was the natural inference to be drawn from his remarks.

Mr. WHEELER. Mr. President, will the Senator permit me to say a word?

Mr. McFARLAND. I yield.

Mr. WHEELER. As the Senator knows, I have been in the Senate for nearly 20 years. I have seen men rise on the floor of the Senate and heard them say they belonged to the farm bloc; but I have been a member of the Committee on Agriculture and Forestry for 20 years, and if there is a farm bloc in the United States Senate I do not know where it is, for I have seen the members of the Committee on Agriculture disagree—I have seen those representing the different farm States disagree upon many questions. If those representing all the farm States in the Senate had represented the farmers and had stuck together, the farmers would not be in the condition in which they are at the present time.

The idea of saying that there is a farm bloc here or that there is a labor bloc here. In my judgment, that is doing a disservice to the country, and most of the time reference to a farm bloc or a labor bloc or some other bloc does not come from the farmers; it comes from the great newspapers of the East that want to discredit the farmers and the representatives of the farmers, and the Senators who come from farm States.

A few years ago there was a Senator from Pennsylvania who said that all of us who came from the farm States were a lot of wild jackasses, but the man who made that statement did not stay in the Senate very long.

Mr. GUFFEY. That statement was not made by a Senator from Pennsylvania; it was made by a Senator from New Hampshire. [Laughter.]

Mr. WHEELER. I beg the Senator's pardon. At any rate, the Senator was eliminated from the Senate by the farmers of his own State shortly after he made the statement.

No one talks about the bloc representing the big industrial centers of the country; no one talks about the bloc representing the bankers; no one talks about the bloc representing the Power Trust; no one talks about the bloc representing this group or that group; but it is said that those who come from the agricultural States are a farm bloc, and that we are trying to discredit the administration, or are trying to wreck the country.

I am sick and tired of hearing men who come from the farm States referred to as a farm bloc. I think it is a mistake for a Senator to stand here and say, "I am a member of the farm bloc." I have attended meetings where those Senators and Representatives have been called together, but it has never been a farm bloc, for very often they have not agreed to stand together upon any proposition that came before them.

The VICE PRESIDENT. The question is on agreeing to the so-called Barkley amendment as modified.

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. THOMAS of Oklahoma. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. Have the yeas and nays been ordered?

The VICE PRESIDENT. The yeas and nays have been ordered.

Mr. THOMAS of Oklahoma. I ask unanimous consent that the substitute as modified be reported to the Senate for the information of the Senate.

The VICE PRESIDENT. The clerk will read.

The LEGISLATIVE CLERK. In lieu of the committee amendment beginning on page 4, line 2, it is proposed to strike out all after the word "inequities" through the word "inequities" in line 13, as amended, and to insert the following: "*Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *Provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor."

Mr. THOMAS of Oklahoma. Mr. President, I shall occupy the floor but very briefly.

The pending amendment contains two significant modifications. If the amendment had been agreed to as offered, the measure would not have been effective until passed by the Congress and approved by the President, which would have meant that no increase in farm wages would have been considered in any event until after the law became effective. The amendment which has been offered is most significant in that it gives to the producers of agricultural commodities credit for such increases in labor as may have occurred since January 1, 1941, almost 2 years ago. That is a significant modification.

The second modification is to the effect that in the event price ceilings are to be fixed on farm commodities, the element and cost of farm labor are to be given consideration. That was the amendment which was suggested by the Senator from Vermont [Mr. AIKEN]. The other amendment was proposed by the Senator from Georgia [Mr. GEORGE].

Mr. President, it is the present policy of the Government to give the makers of munitions, the makers of war equipment, full cost of production plus a reasonable profit. Inasmuch as Lieutenant General Somervell saw fit to make a speech 2 days ago criticizing blocs, I desire to read into the RECORD a few questions and answers wherein General Somervell is quoted.

On page 27 of the hearings held in connection with the sixth national defense appropriation bill for 1942, there appears the following colloquy. The Senator from Oregon [Mr. HOLMAN] was interrogating General Somervell.

Senator HOLMAN. May I inquire, do you take into consideration losses?

General SOMERVELL. Yes, sir.

Senator HOLMAN. Because 6 percent is an awfully close margin to figure on.

General SOMERVELL. Yes, sir; because if a man lost on a contract, and was limited to 6 percent on the next one, he would have no chance to recoup his losses.

On page 28 we find the following questions by the Senator from Louisiana [Mr. OVERTON] and answers by General Somervell:

Senator OVERTON. There is no clause in the contracts permitting you to do it?

He was referring to the renegotiation of contracts.

General SOMERVELL. That is correct.

Senator OVERTON. But hereafter there will be a clause?

General SOMERVELL. Yes, sir.

Senator OVERTON. That will authorize a readjustment of the price?

General SOMERVELL. Yes, sir.

Senator OVERTON. That readjustment of price will allow a certain percentage of profit?

General SOMERVELL. It does not specify a certain percentage, but allows a reasonable profit.

On page 29 General Somervell, in speaking on the same subject, made the following statement in response to the Senator from Wyoming [Mr. O'MAHONEY].

General SOMERVELL. If the 6 percent is taken before taxes, it does not give a man a sufficient margin of profit. It does not pay. It would really put all these contracts on a cost-plus-a-percentage basis—and we had experience with that type of contract in the last war.

It would not allow a margin of profit sufficient to permit the contractor's loss on one contract to be made up on a following contract.

So, Mr. President, the practice in the War Department and the practice which is current in the Navy Department, so I am advised, are such as to allow anyone who produces anything for the War Department or for the Navy Department to make a profit. If a corporation, firm, or individual takes a contract from either department and makes no money, but loses money, he has the opportunity to suggest that loss to the Government officials when they may give him a second contract, so it may be given him at a high enough rate to make up for the loss on the first contract and to make a profit on the second contract. I suggest that it is now the policy of the United States Government to allow profits on all contracts, and well it should be. A corporation cannot exist if it does not make money. A firm cannot continue to operate if it does not make money. An individual cannot live unless he makes money. So it is proper that reasonable profits should be allowed. Before a profit can be secured all cost, of course, must be included.

Mr. President, the amendment, as it is now agreed to by Senators, permits the processors of agricultural commodities to make profits and that is proper. I agree to that provision. I heard read the amendment which was offered by the Senator from Tennessee [Mr. MCKELLAR]. Of course, processors must have profits. If we are to have continued production those who produce must have their cost first, and then must have profits. That policy is sound and should cover the whole economic field of American activity.

Now when we come to the farmer I hope the administrator of this law will allow the farmer full cost of production. Such can be done under the provisions of the pending measure, as we now propose to pass it, and I hope the administrator, whoever he may be, will take a reasonable view of the farm problem. While he may not allow the farmer a 6 percent profit, or a fair and generous allowance of profit, yet in fixing ceilings I hope he will allow the farmer at least to secure cost of production.

On yesterday the Senate voted 48 to 43 to allow farmers the cost of production in the fixing of ceilings on farm commodities. So when we survey the whole field of American activities and find that industry is, in effect, guaranteed profit on its operations, I express the hope that those who administer this law and other laws affecting the farmers will act in harmony with the provisions of this measure and that farm-labor costs will be given proper weight in determining and fixing ceilings on farm commodities.

The two modifications of the pending amendment were considered by a number of members of the Senate Committee on Agriculture and by numerous representatives of the major farm organizations.

While the amendment as modified is not all that the Senate Agricultural Committee and the leaders of the farm organizations desire, yet in the limited time in which we had to act it is deemed the best compromise that we can effectuate.

I am further advised that the statement just made is endorsed by Albert S. Goss, master of the National Grange; Edward A. O'Neal, president of the American Farm Bureau Federation; H. L. Babcock, president of the National Council of Farmer Co-Operatives; and Charles Holman, representing the Milk Producers Federation.

The VICE PRESIDENT. The question is on the substitute amendment, as modified, proposed by Mr. BARKLEY—for himself and others—for the committee amendment beginning on page 4, line 2, as amended.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I understand that if present, he would vote as I intend to

vote. Therefore, I am free to vote, and vote "yea."

The roll call was concluded.

Mr. BARKLEY. I wish to announce that the junior Senator from Virginia [Mr. BYRD] is unavoidably detained on important official business. He had expected to arrive in the Chamber by 1 o'clock when, I informed him, the vote would probably be taken. I am authorized by him to say that if he were present, he would vote "yea."

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Virginia [Mr. GLASS], are absent because of illness.

The Senator from South Dakota [Mr. BULOW] is necessarily absent.

The Senator from Missouri [Mr. TRUMAN] is absent on public business.

I am advised that if present and voting, the Senator from Delaware [Mr. HUGHES], the Senator from Virginia [Mr. GLASS], and the Senator from Missouri [Mr. TRUMAN] would vote "yea."

Mr. MCNARY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent. If present, he would vote "yea."

The result was announced—yeas 86, nays 4, as follows:

YEAS—86

Aiken	Gillette	Pepper
Andrews	Green	Radcliffe
Austin	Guffey	Reed
Bailey	Gurney	Reynolds
Ball	Hatch	Rosier
Bankhead	Hayden	Russell
Barbour	Herring	Schwartz
Barkley	Hill	Shipstead
Bilbo	Holman	Smathers
Bone	Johnson, Colo.	Smith
Brewster	Kilgore	Spencer
Brooks	La Follette	Stewart
Brown	Lee	Taft
Bunker	Lodge	Thomas, Idaho
Burton	Lucas	Thomas, Okla.
Butler	McCarran	Thomas, Utah
Capper	McFarland	Tobey
Caraway	McKellar	Tunnell
Chandler	McNary	Tydings
Chavez	Maloney	Vandenberg
Clark, Idaho	Maybank	Van Nuys
Connally	Mead	Wagner
Danaher	Millikin	Wallgren
Davis	Murdock	Walsh
Downey	Murray	Wheeler
Doxey	Norris	White
Ellender	O'Daniel	Wiley
George	O'Mahoney	Willis
Gerry	Overton	

NAYS—4

Clark, Mo.	Langer	Nye
Johnson, Calif.		

NOT VOTING—6

Bridges	Byrd	Hughes
Bulow	Glass	Truman

So the substitute amendment as modified, proposed by Mr. BARKLEY (for himself and others), for the committee amendment beginning on page 4, line 2, as amended, was agreed to.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 4, commencing in line 2, as amended.

The amendment as amended was agreed to.

The VICE PRESIDENT. The clerk will state the next committee amendment.

The next amendment was, in section 4, on page 4, line 17, after the word "amended", to strike out ", (2) which is inconsistent with any recommendation or order of any agency of the Federal Government affecting the wages or salaries of employees whose cases were pending before such agency on September 15, 1942, and were undetermined on the date of enactment of this joint resolution, or (3)" and insert "or the National Labor Relations Act, or (2)."

Mr. CONNALLY. Mr. President, if I may have the attention of the Senator from Michigan [Mr. BROWN], the language on page 4, line 25, refers to the "highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942." I assume that by that language is meant not necessarily wages or salaries actually paid, but the standard for that period.

Mr. BROWN. It means the rate of pay.

Mr. CONNALLY. Will the Senator make a statement covering that question?

Mr. BROWN. Mr. President, I agree with the views expressed by the Senator from Texas. I believe that clause (2), commencing in line 23, on page 4, and extending to the word "Provided", on page 5, line 1, means the rate of salary, the rate of wage, or the rate of pay. Whether or not it was actually paid makes no particular difference.

Mr. CONNALLY. I thank the Senator. The reason for my inquiry is that some persons who are interested have suggested to me their apprehension that perhaps some technical construction might be invoked as to whether or not a man's salary had been increased, or whether he had actually been paid within that period. I am sure the Senator is correct.

Mr. BROWN. I believe that is the correct construction.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 4, beginning in line 17.

The amendment was agreed to.

The next amendment was, in section 4, on page 5, line 2, after the word "may", to insert "without regard to the limitation contained in clause (2)."

The amendment was agreed to.

The next amendment was, in section 4, on page 5, line 3, after the word "salaries", to strike out "below the wages or salaries referred to in clauses (2) and (3) of this section."

The amendment was agreed to.

The next amendment was, in section 5, on page 5, line 7, after the figure "5", to insert "(a)."

The amendment was agreed to.

The next amendment was, in section 5, on page 5, after line 15, to insert:

(b) Any person who willfully violates any regulation promulgated by the President under this joint resolution relating to wages or salaries, shall, upon conviction thereof, be fined not more than $1,000.

The amendment was agreed to.

The next amendment was, in section 6, on page 5, line 20, after the word "resolution", to insert "(except secs. 8 and 9)"; and in line 23, after the word "President", to insert "by proclamation."

The amendment was agreed to.

The next amendment was, in section 7, on page 6, line 1, after the figure "7", to insert "(a)."

The amendment was agreed to.

The next amendment was, in section 7, on page 6, after line 3, to insert:

(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such act shall, insofar as they are not inconsistent with the provisions of this joint resolution, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this joint resolution.

(c) Nothing in this joint resolution shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except to the extent that this joint resolution is inconsistent with sections 3 (a) and 3 (c) of such act), or to invalidate any regulation, price schedule, or order issued or effective under such act.

The amendment was agreed to.

The next amendment was, on page 6, after line 18, to insert:

SEC. 8. (a) The Commodity Credit Corporation is authorized and directed to make available upon any crop of the commodities cotton, corn, wheat, rice, tobacco, and peanuts for the year 1942 or any subsequent calendar year which begins during the continuance of the present war, if producers have not disapproved marketing quotas for such commodity for the marketing year beginning in the calendar year in which such crop is harvested, loans as follows:

(1) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 90 percent of the parity price for the commodity as of the beginning of the marketing year;

(2) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 percent of the rate specified in (1) above;

(3) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 percent of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

(b) All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, insofar as they are not inconsistent with the provisions of this section, be applicable with respect to loans made under this section.

Mr. BUTLER. Mr. President, before the Senate acts on the committee amendment on page 6, beginning in line 19, and continuing through line 19 on page 7, I wish to offer an amendment for the consideration of the Senator from Michigan.

The VICE PRESIDENT. The amendment offered by the Senator from Nebraska will be stated.

The CHIEF CLERK. On page 7, in the committee amendment, after line 19, it is proposed to insert the following new subsection:

(c) In the case of corn and wheat, notwithstanding the foregoing provisions of this section, loans at the rates provided in subsection (a) shall be made only if the President determines that loans at such rates will aid in the effective prosecution of the war. If loans on corn and wheat are not made at the rates provided in subsection (a), loans on such commodities shall be made at the rates otherwise provided by law.

Mr. MALONEY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MALONEY. I had an amendment which I proposed to offer to this section, which it seems to me would be a little more definite than the amendment offered by the distinguished Senator from Nebraska. I inquire if it would be in order for me to offer a substitute therefor.

The VICE PRESIDENT. The amendment offered by the Senator from Nebraska [Mr. BUTLER] is an amendment in the second degree. Therefore it is not subject to amendment.

Mr. MALONEY. I thank the Chair.

Mr. BROWN. Mr. President, the amendment offered by the Senator from Nebraska [Mr. BUTLER], who is a member of the Banking and Currency Committee, has my personal approval, and it has the approval of those who will be charged with the administration of this section.

It has been felt that, while it was very unfortunate and very difficult to make this kind of an exception as to two of our basic commodities, nevertheless, because of the feed situation and the necessity for keeping the prices of meat, particularly beef and pork, within reasonable limits, the President should be authorized to determine whether or not it is in the public interest to make loans above 85 percent on corn and wheat.

Under the provisions of the Butler amendment the President might permit loans as high as 90 percent; but also he would have discretionary authority to place a limit of 85 percent on such loans. It is the opinion of the Department of Agriculture that the adoption of this amendment would be in the public interest. That is also my own opinion.

I should be glad to have the Senator from Connecticut state what he has in mind. My sole interest is to settle the matter satisfactorily to all concerned.

Mr. MALONEY. Mr. President, in answer to the very able Senator from Michigan let me say that I shall not provoke any further controversy, because the difference between what I would suggest and what is proposed by the Senator from Nebraska is not great. The author of the bill, the Senator from Michigan [Mr. BROWN] knows that I was opposed to this entire amendment in the committee. I was particularly disturbed in reference to corn and wheat, because of the very obvious fact that the amendment would increase the cost of feed to poultry and cattle raisers, and would bring about an increase in the cost of living to consumers. I have figures from officials of the Department of Agriculture and from the Office of Price Administration showing an additional cost of $650,000,000 a year.

The difference between the amendment which I had intended to offer and that already offered by the able Senator from Nebraska is that he allows a leeway, or permits the President to authorize 90 percent loans, whereas my amendment would fix the loan figure in the case of corn and wheat at 85 percent, where it now is. However, I do not believe that the difference is great, when we take into account the general situation and the delays which have occurred. I have complete confidence in what will happen; and because I believe that the purpose which I have in mind will be served by the language of the amendment offered by the Senator from Nebraska, I shall offer no objection, and shall not propose a substitute.

Mr. BROWN. Mr. President, I believe that the amendment offered by the Senator from Nebraska is better than the amendment proposed by the Senator from Connecticut for this reason: It was most difficult for the Senator from Michigan and others of us who are responsible for bringing this measure before the Senate to make a distinction between basic commodities such as cotton, corn, wheat, and other commodities in that list. I did not assent to this amendment until I had discussed the matter with Senators from corn-producing States. I do not state that any of them agrees to this amendment. The situation was most difficult, but I feel that it would be far better to leave with the President the discretion or authority to run the limitation up between 85 and 90 percent, or keep it down to 85, than to adopt a hard and fast rule which would single out corn and wheat and allow absolutely no discretion or authority to the administrative branch of the Government with respect to those commodities.

Mr. LUCAS. Mr. President, I am interested in this amendment. I cannot see why cotton should not be in the same category with corn and wheat so far as the discretionary powers of the President are concerned. I do not see why cotton should be set out definitely in a mandatory provision, or why we should say to the President, "You must loan 90 percent on cotton, but you may loan only 85 percent on corn and wheat." I can understand the provision of the amendment of the Senator from Nebraska with respect to corn as it relates to hogs; but I do not understand the provision with respect to wheat. It seems to me that in dealing with the entire problem with the utmost fairness, cotton, corn, and wheat, basic commodities upon which we have been legislating for a long time, should remain in the same category, in order that the provision may not be misunderstood in the agriculture section from which I come.

In other words, I am in favor of the 90-percent provision, with the discretionary power lodged in the President of the United States to say, at the appropriate time, whether the loan value should be increased from 85 to 90 percent on cotton, corn, and wheat, provided it is in the interest of the war effort, as is stated in the amendment.

I am not attempting to make any argument against the cotton farmer of the South; but I am making an argument for unity. I unhesitatingly say that if this amendment is adopted, giving cotton a preference in the matter of loans, and making it mandatory to increase the loan value from 85 to 90 percent on cotton, with the discretionary authority in the President to say whether or not the loan values of corn and wheat shall be increased, immediately the farmer in my section of the country will say that there is no unity in the provision, and that one class of farmers is being favored over another.

Not every farmer in my section of the country who raises corn feeds it to hogs or cattle. There are thousands of farmers in Illinois who produce nothing but corn and wheat. They are probably a little more interested in obtaining a 90 percent loan than in having the loan value discretionary with the President. I am speaking from the standpoint of the individual farmer who raises all corn and wheat; but I must look at the problem from the standpoint of an over-all objective—I must consider the farmer and the consumer. Obviously I must base all my decisions upon winning the war.

So with respect to this provision I appeal to the Senator and to the Senate to put all three of the basic commodities in the same category, so that we shall not permit the country to believe that with respect to loans, cotton will receive any preference over either corn or wheat. I present that appeal in the utmost good faith because I am confident that if what I have requested is not done, the people in my section will again misunderstand the problem. God knows there is now enough disunity in that section as a result of what we have been doing here in the last week or 10 days; and I do not want to add any more to the chaos and confusion which exist at the present time.

If my request is not agreed to by the Senate, at the proper time I shall offer an amendment to take care of the matter.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHEELER. I am glad the Senator said what he did say, and I thoroughly agree with everything the distinguished senior Senator from Illinois has just stated.

The wheat farmers in the West—in Montana and in North Dakota—do not to any extent feed their wheat to cattle or sheep. They have to sell their wheat on the market. If cotton is granted a preference it will be very difficult to explain the matter to the wheat farmers who are not now receiving the parity price. The price of wheat is way below parity; if they were receiving the parity price at the present time, the price of wheat would be approximately $1.34 a bushel. However, the wheat farmers are receiving only approximately 95 cents a bushel for their wheat; in fact, in many places in Montana they are receiving only 85 cents a bushel for it.

I did not hear very much complaint in response to the request for an increase in the loan value; but if a loan of 90 percent is to be granted the producers of other products, the wheat farmers will object bitterly if they are not treated equitably, because they are not now receiving the parity price for their wheat. Senators suggest that cattle raisers and chicken raisers should be protected; and the President has said that the price of cattle and the price of beef are too high; and yet it is proposed that we say to the wheat farmers of the country, "We shall not increase the loan value of your wheat

5 cents so as to try to bring the price of wheat a little nearer to the parity price, but we shall increase the loan value of all other products."

I thoroughly agree with what the Senator from Illinois has said. In the wheat-growing sections of the country more disunity and greater discouragement would be caused on the part of the wheat farmers by including in the measure a provision of the kind which has been proposed than by ignoring the whole subject. Either the provision should apply to all products or it should not apply to any. If the proposed amendment should be adopted the farmers in my State and in the Northwest generally would be discriminated against.

Mr. BROWN. Mr. President, the Senator from Montana [Mr. WHEELER] and the Senator from Illinois [Mr. LUCAS] certainly have a good deal on their side of the argument. It was with great reluctance that I brought myself to take the position I have taken. However, the practical situation is this: We propose to stabilize prices and wages as of September 15, 1942. The 90-percent floor, so-called, would, if corn and wheat were included, bring about such a situation that according to the testimony of those in charge of price administration, there would be, as the Senator from Connecticut pointed out, an immediate increase in the prices of those two feed crops—corn and wheat—which would result in adding $650,000,000 to the bill of the consumers of the United States.

So far as I personally was concerned, I had to decide between making an apparent discrimination—and I grant that it would be—and doing that which would be best for the great mass of the consuming public. There is no question that the other basic commodities—and of course there is another large class of commodities—the production of which the Secretary of Agriculture is encouraging for war purposes—would be benefited by the 90-percent loan provision proposed to be included in the joint resolution.

I say that I had to decide between those two matters. I felt that if we were to disturb the present level of prices, which is the ideal or the standard which we are hoping to achieve by the passage of the pending joint resolution, to the extent of raising the prices of meat, pork, beef, and poultry by the amount of $650,000,000, it would be most unfortunate.

Therefore, with great reluctance I adopted the means suggested by the Senator from Nebraska [Mr. BUTLER], the Senator from Connecticut [Mr. MALONEY], and others, particularly those in charge in the Department of Agriculture; I adopted that very unfortunate means of achieving the desired result. I am fully convinced that it is a sound method and is the proper thing to do under present circumstances.

Mr. WHEELER. Mr. President, let me say to the Senator from Michigan that when I read the proposal I immediately recognized that it would not stabilize prices but would raise the prices of some commodities. That would be the effect of the proposed 90-percent-loan provision.

Mr. BROWN. I disagree with the Senator.

Mr. WHEELER. Let us consider wheat, for instance. What the average wheat farmer receives today is the loan value of his wheat, although, as a matter of fact, the Montana wheat farmer does not receive that much, because he cannot store his wheat; there are not enough bins in which to store the wheat the wheat farmers are raising. Consequently, in many instances, the wheat farmer has to store his wheat on the ground, or dump it on the market, where he has to sell it at a price below its market value.

I am stating facts. I have only recently returned from among the wheat farmers of Montana, and I know what is taking place there. My information does not come from some theorist in the Department of Agriculture, but from actual observation, and I know what is taking place.

If the proposed amendment were agreed to we should be saying to the wheat farmers in that section of the country, "We shall keep down the price of your wheat, but we shall grant high loan values for all other commodities"; and we should be saying that notwithstanding the fact that today the wheat farmer is not receiving the parity price for his product, and notwithstanding the fact that his labor costs have gone up tremendously, and now he cannot even secure the labor he needs, no matter what he offers to pay for it.

If the proposed amendment should be agreed to the feeling would be created that the Congress and the administration were discriminating against the wheat farmers of this country. If that is what the Senators want to do, of course, they can do so.

Oh, Mr. President, there has been much said about unity in this country; but the kind of unity referred to is the unity obtained when there is 100-percent agreement with everything a certain group in the country wants. If one does not agree with that group he is charged with trying to breed disunity.

Mr. President, unity is a two-way street, and there must be cooperation by both sides.

While I am referring to unity let me call attention to the fact that some of those who are shouting the loudest about unity in this country have been trying to bring about the greatest disunity. When Pearl Harbor was attacked I was one of the first men in the country to say that what we had to do was to destroy the Japs, and that I strongly favored doing so. Since that time I have done everything I possibly could do to go along with the administration in the prosecution of the war. Yet what do I find? I find a number of controlled publications and a number of persons putting out propaganda, some of it coming from administration sources, trying to stir up disunity in the United States on every occasion by criticizing everyone who before the attack on Pearl Harbor happened to be opposed to entering the war. If such criticism will bring about unity in our country, let me say that, so far as I am concerned, if anyone, whether acting on behalf of the administration or otherwise, wants to raise the question as to what my stand was before we entered the war, I am perfectly willing to discuss it on the floor of the Senate.

Mr. BROWN. Mr. President, is the Senator from Montana addressing his remarks to me? [Laughter.]

Mr. WHEELER. No; not at all. I am not addressing them to the Senator, because the matter has not been challenged in the Senate, but I am becoming weary of having those who speak for the administration—spokesmen of the administration—constantly sending out propaganda to the effect that everyone who before the attack on Pearl Harbor did not agree with them about entering the war was unpatriotic, and yet at the same time they call for unity.

So I agree entirely with what the Senator from Illinois has said. I do not know what will be the attitude of the corn farmers because in Montana comparatively little corn is grown, but I think I can speak for the wheat farmers, for in recent weeks I have been in contact with them on their farms throughout Montana, and I know what their attitude is. In many instances they now are saying that the Congress and the administration favor the cotton farmers and some other farmers, but discriminate against the wheat farmers in the Northwest.

If the proposed amendment be included in the measure, or if the matter be left to the discretion of the President, and if he discriminates against the wheat farmers, in my judgment, not only will there be brought down the accusation that the wheat farmers of the country are being discriminated against but it will be a just accusation.

Mr. BROWN. Mr. President, the practical situation is that if the 90-percent floor, so-called, which is proposed as a result of suggestions contained in the President's message, shall be agreed to as to all crops, there will result an increase of approximately $650,000,000 in the cost of living.

If the amendment offered by the Senator from Nebraska [Mr. BUTLER] or the amendment offered by the Senator from Connecticut [Mr. MALONEY] were agreed to, then the 90-percent floor, so-called, would not affect the cost of living. In other words, it is a device—an unfortunate one, I agree—by which we maintain the present status—the present level of prices. I think under those circumstances the amendment is justified.

Mr. LUCAS. Mr. President, will the Senator from Michigan yield for a question?

Mr. BROWN. I yield.

Mr. LUCAS. I do not doubt the statement the Senator has made with respect to the increased cost of living, but it will not be possible to explain that situation to the farmer who reads in the newspapers that one group of farmers in this country is able to obtain 90-percent loans, and it is mandatory upon the part of the President that he allow them 90-percent loans; while, on the other hand,

it is discretionary with him whether he shall give the wheat and the corn farmers 90-percent loans. Assuming everything that the able Senator from Michigan has said to be true, would not discretionary rather than mandatory power in the President result in accomplishing the very objective the Senator has discussed? In other words, if the President of the United States wants to allow the cotton farmer a 90-percent loan, give him discretionary power to do so. It will meet the objection to which the Senator has referred, and the corn farmer in my section will be satisfied if the President of the United States does that.

I do not say that the President of the United States will discriminate against the wheat farmer or the corn farmer or the cotton farmer. I have confidence in the President of the United States to administer this law in a just, wise, and judicious manner for the benefit of all the farmers insofar as he can do so on a basis of equality. I am confident that we are going to have a better feeling among the farmers of this country, especially in the Northwest and the Central West where the other two basic commodities are produced, if they are all placed in the same category, and the President of the United States is given the discretionary power, if that be necessary, to make any loan he wants to make between 85 to 90 percent on either one of the commodities.

At the proper time, Mr. President, I propose to offer an amendment which will accomplish that objective.

Mr. HERRING. Mr. President, representing, in part, the foremost corn-producing State in the Union, I wish to say that I agree with the Senator from Illinois. I cannot agree that it would not affect the cost of living to permit an increase in the sales price of cotton and at the same time hold down corn and wheat under a discretionary power.

I may say that before the committee the producers of corn and wheat did not ask for an increase in the loan value to 90 percent. It was the representatives of other crops who asked for that; and now we are being penalized simply because we did not ask for the increase. We were willing to have the price stabilized in order to hold down the cost of living. Now we find we are being penalized because of that very attitude.

I may say that the price of cotton affects the cost of living just as much as does the price of corn or wheat. The corn and wheat producers are willing to accept the same provision that is applied to the other basic commodities, but this proposal is unfair and discriminatory to us, for, in the one case the power would be discretionary and in the other case mandatory.

Mr. BUTLER. Mr. President, I should like to emphasize one clause in the amendment that it is left discretionary to the President "if in the interest of the war program." I do not believe any of us in America want to deny the President that privilege. Whether he will execute the option we do not know, but I believe, in the interest of unity, we in the section from which I come are perfectly willing to go along, because grain, as such, is not worth a great deal. It has got to be converted into meat, into poultry products, or dairy products before it becomes of value in the war program. The Department of Agriculture has indicated its preference for this proposal, as have the committee leaders, and I am perfectly willing to go along with them and leave this discretion to the Commander in Chief.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. LUCAS. The Senate amendment does not leave it to the discretion of the President of the United States insofar as cotton is concerned. That is the basis of the argument of the Senator from Illinois. In other words, the Senator's amendment absolutely says nothing about cotton, and that is what I am talking about.

Mr. BUTLER. The Senator from Illinois can offer his amendment at the proper time.

Mr. LUCAS. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Would an amendment to the amendment offered by the Senator from Nebraska be in order?

The PRESIDING OFFICER. It would not be in order, because the amendment of the Senator from Nebraska is in the second degree.

Mr. LUCAS. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state his parliamentary inquiry.

Mr. LUCAS. If the Butler amendment is agreed to then, will the amendment which the Senator from Illinois proposes to offer dealing with this proposition be in order at that time?

The PRESIDING OFFICER. The committee amendment would be open to further amendment.

The question is on the amendment offered by the Senator from Nebraska [Mr. BUTLER].

Mr. OVERTON. Mr. President, as I read the joint resolution I thought the policy had been adopted insofar as certain commodities are concerned to undertake to stabilize their prices, or aid in stabilizing their prices, by increasing the loan value on basic commodities. So far as I know that seems to have met with general approval.

Now it appears that there are some Senators from the wheat and corn areas who are objecting to this iron-bound provision in the joint resolution and who desire that some discretionary authority be vested in the President insofar as wheat and corn are concerned. There could be no objection to that if it meets with the approval of the Senators who peculiarly represent the area in which these crops are produced; but if they desire a modification of the rule prescribed by the committee, why should they wish to bring other commodities under the rule designed to fit the peculiar situation which obtains in the Middle West and the West?

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. WHEELER. The Senator is incorrect, I think, because, if I am judge of the sentiment among the wheat farmers, they would be glad to have the provision just as it is. They did not come here asking for it, it is true; but they do not want to be discriminated against.

Mr. OVERTON. Why advocate it at all? Why not vote down the amendment?

Mr. WHEELER. Every farmer in my State would like to get an increase of 5 percent in the loan, because that would mean he would receive more for his wheat. The same argument applies to wheat and to corn that applies to cotton. Why discriminate against the wheat farmer? Why discriminate against the corn farmer?

Mr. OVERTON. It is a discrimination that is not being brought about by anyone representing the cotton farmer, the tobacco farmer, or the rice farmer.

Mr. WHEELER. I agree to that, and that is the reason I am appealing to the cotton farmers and the rice farmers to vote down this amendment and let the provision which is now in the measure remain.

Mr. OVERTON. I agree with the able Senator. I think the best course to pursue is to vote down the amendment.

Mr. BANKHEAD. Mr. President, this amendment was adopted in the Committee on Banking and Currency, putting all the commodities affected on exactly the same basis, and it was really presented in line with the President's recommendation. The figures were accepted also because we were informed that 90 percent had been mentioned, and was agreeable to the President. It will be recalled that he had mentioned the importance of putting floors under these agricultural commodities.

I was approached about this amendment by the Senator from Nebraska, who offered it, and I told him that if the wheat producers and the corn producers did not want to be included, of course I did not want to force them into it, but personally I favored putting in all the commodities as they were included in the committee.

I do not like to have a controversy develop between the producers of wheat and corn which may result in cotton, tobacco, rice, and peanuts being left out, or the loan provision being left even in the discretion of the President, because he may feel as the Senator from Illinois feels, and if we put in a few and leave the matter to the President's discretion, he may not apply the ceiling to any of them.

I want it known, for whatever effect it may have, that the groups interested in cotton, tobacco, rice, and other commodities included have had nothing to do with this movement. I had been led to believe that there would not be any disagreement between the corn and wheat interests about the matter, but now the disagreement appears.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. McKELLAR. As I understand, there has been no application, no desire,

no purpose, no intent, and nothing done, to have the cotton, rice, and tobacco included in the amendment.

Mr. BANKHEAD. There will be; notice has been given that an effort will be made to include cotton.

Mr. McKELLAR. But the cotton, tobacco, and rice producers have not made any request to be included.

Mr. BANKHEAD. No.

Mr. BROWN. Mr. President, I fully concur in what the Senator from Alabama says. The amendment did not come from the cotton-growing States, or from Senators representing cotton-growing States. I greatly regret that the Senators from corn-growing States feel as they do about the proposal. The situation is a very practical one, for the 90-percent loan as to the other commodities would not affect the level of prices, but a 90-percent loan on corn and wheat would materially affect prices.

This matter was the subject of criticism in the committee and in the country, and on the part of the administration, when the 90-percent loan proposal was placed in the bill by the Committee on Banking and Currency.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. BROWN. I shall yield in a moment. The amendment is the amendment of the Senator from Alabama. As he stated, the amendment was based largely on the President's message. No specific figure was given for a floor, but floors were mentioned in the message, and we were confronted by the very practical proposition, that corn and wheat, if given 90-percent loans, would rise materially in price. Our idea in sponsoring the joint resolution has been to stabilize prices as they are, and despite the misgivings of many Senators, I am satisfied that they will be stabilized substantially as they are. But if we do not in some way give the President this limited and small discretionary power between 85 and 90 percent of parity for a loan basis, we shall be criticized throughout the country for permitting an upward bound in the cost of living to the amount of $650,000,000.

The Senators from Montana and Illinois both say that that cannot be explained. I think it has been explained on the floor of the Senate. I think when we are setting up a definite price stabilization as of September 15, 1942, and we find that this 90-percent amendment would greatly disturb that situation, the farmers will understand. There is no great dissatisfaction with the prices of corn and wheat at the present time. We are merely carrying out the general idea of the joint resolution, to keep prices at the present level.

I now yield to the Senator from Connecticut.

Mr. DANAHER. Is it not a fact that the Department of Agriculture informed us that the increase in cost to consumers as a result of the amendment as it came from the committee would amount to $650,000,000 a year?

Mr. BROWN. The Senator is correct.

Mr. DANAHER. Am I not correct in having understood the Senator from Michigan to say that the committee amendment was not the work or the amendment of the Senator from Alabama?

Mr. BROWN. The Senator did not hear quite all the statement. I said that the amendment of the Senator from Alabama was an amendment which included within the 90-percent loan classification all basic commodities, and all commodities the production of which is encouraged by the Secretary of Agriculture, and that it was not the idea of the Senator from Alabama that corn loans should be reduced to 85 percent.

Mr. DANAHER. Let me ask the Senator from Michigan whence the amendment came? It was not in the original joint resolution.

Mr. BROWN. No; it came from the Senator from Nebraska, who offered it a while ago.

Mr. DANAHER. I am not referring to the pending substitute, but to the committee amendment.

Mr. BROWN. The committee amendment came from the Senator from Alabama; but, as I tried to make plain, the Senator's amendment covered all crops under the 90-percent floor provision.

Mr. DANAHER. It did and does represent an increase in loan rate from 85 to 90 percent?

Mr. BROWN. That is correct.

Mr. DANAHER. On all basic commodities?

Mr. BROWN. Yes.

Mr. DANAHER. I thank the Senator.

Mr. BANKHEAD. I am sure the Senator from Michigan and the majority leader will confirm the statement that in the original conference—at which I was permitted to be present—between the two Senators who were the authors of the joint resolution, there was discussion of the question of the amount to be included in the measure in order to carry out the recommendations contained in the President's message, there was a discussion as to whether the loan rate should be 100 percent or less.

Although the Senate, after a very active contest about a month or so ago, passed the measure providing for 100-percent loans on all these basic commodities—and I was coauthor of that bill, with the junior Senator from Georgia—in view of subsequent developments, in view of the removal of the 110 percent of parity—10-percent extra—which prevented fluctuations in the prices of these commodities above 100 percent, I told the members attending the conference that I would not insist on the 100 percent because it would leave no margin for fluctuation but would amount to a fixation at 100 percent of the price. If the floor was fixed at 100 percent and the ceiling at 100 percent, the market would be closed.

Mr. BARKLEY. Will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BARKLEY. I believe the Senator also suggested that if the floor and the ceiling were fixed at 100 percent of parity, and a loan rate were fixed at 100 percent of value, the tendency and the incentive would be for all producers to put their crops in the hands of the Government and take the 100 percent loans. It should be emphasized that when the 100-percent loan bill was passed, of which the Senator was the author, or perhaps coauthor——

Mr. BANKHEAD. The Senator from Georgia was coauthor.

Mr. BARKLEY. That is correct. The 100-percent-loan provision which was in the bill was based on 110 percent of parity and based on the theory that there ought to be about a 10-percent difference between the parity requirement and the loan; otherwise all crops might go into the hands of the Government under the loan.

Mr. BANKHEAD. That is correct. It was in recognition of that principle that I proposed to the conference that we reduce the rate to 90 percent, although the Senate had adopted 100 percent.

I make this statement because someone asked where this amendment came from. It was then agreed by those present that I should prepare the amendment along the lines agreed on and present it to the committee. In that way I became the author of the amendment in the committee, rather than have it in the original draft, because the original draft of the bill was then ready for introduction. That is how the matter started.

Mr. HERRING. In answer to the Senator from Kentucky let me say there was no objection to the 90 percent covering all basic commodities. We are making the objection because you singled out corn and wheat.

Mr. BANKHEAD. Do not say I did.

Mr. HERRING. I voted against the 90 percent in the committee. It was passed over my vote. I now merely ask that if we are to have a 90-percent commodity loan, it should apply to all commodities.

Mr. BANKHEAD. I agree with the statement of the Senator.

Mr. DANAHER. Will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. DANAHER. There were many other members on the committee who voted with the Senator from Iowa, including myself. It is my recollection there were several proxies voted the other way, and that is how the amendment got into the bill.

Mr. BANKHEAD. I shall not take further time in the matter, Mr. President. The pending measure is in the interest of stabilizing and putting floors under certain agricultural commodities. It is a measure which has been recommended by the President. It embraces a principle generally recognized, and certainly all representatives of the commodities which are left in the joint resolution have no desire to exclude any other commodity, and if any other commodity is excluded, it will be by the action of the representatives of that specific commodity. In view of the opposition which has arisen—I was led to believe there would not be any—I shall vote against the amendment offered by the Senator from Nebraska.

Mr. DANAHER. Will the Senator further yield?

Mr. BANKHEAD. I yield.

Mr. DANAHER. I suggest that a feasible way of reaching the heart of the problem would be for the Senator

from Alabama to withdraw his amendment. In that way he could relieve the whole difficulty.

Mr. BANKHEAD. The Senator from Connecticut ought to have better judgment than to make such a suggestion.

Mr. TAFT. Mr. President, I have never understood the reason for including the 90-percent loan amendment in the joint resolution, which is a measure to reduce the whole level and stabilize the cost of living. The principal items of which complaint is made and which the bill will affect, are milk, butter, eggs, and, to some extent, meat products. The loan provided for on wheat and corn will increase the cost of feed. It will increase the cost of producing pork, for instance, by 40 cents a 100 pounds. The moment the amendment to the law goes into effect it will raise the price of corn to such a point that the increase in the cost of feeding hogs will be 40 cents a hundred pounds.

The great complaint throughout the country today is over the cost of meat and the cost of dairy products. In the pending measure, which is designed to hold the present levels, it is proposed that we include a provision which will forcibly raise the price.

Heretofore we have been talking about restraining, but now we are taking a price which probably is above its natural level anyway and are proposing by this loan provision to increase it 5 percent in the case of corn and wheat. That is directly against the very purpose of the pending measure. It will negative, to my mind, a large proportion of the gain which might conceivably be accomplished in holding down the price of dairy products to 100.

Mr. President, it makes no difference to most farmers, because the parity payments provide for 100 percent of parity, and consequently the corn and wheat farmer who sells at 85 percent gets 15 percent as his parity payment. If it sells at 90 percent he gets 10 percent as his parity payment. So, as far as I can see, it makes no difference to him. It is a slight subsidy policy, but we have adopted that policy for years, so I see no objection to it at the present moment.

It is suggested that this proposal was in accord with some agreement. I was not present at the conference to which the Senator from Alabama [Mr. BANKHEAD] refers, but it certainly does not carry out the idea presented by the President in his message. He suggested that there be a floor under farm prices—when? After the war, so as to help the farmer at a time when prices are likely to collapse. The amendment, when originally proposed by the Senator from Alabama, contained a provision that the 90-percent loan should continue for 3 years after the war. That was finally yielded. So it came back as nothing but an immediate price-raising measure, so far as corn and wheat are concerned.

I do not care about cotton, because cotton is already selling for more than the 90-percent loan. The price of cotton will not be raised by this particular loan provision. I am not absolutely certain, but my impression is that the price of cotton and cotton goods, for a long time to come, is set on the basis of a cotton price higher than the 90-percent loan.

So far as the next year is concerned it does not make any material difference to the consumer whether cotton has an 85 percent or a 90 percent loan. It, therefore, makes no difference to me. It seems to me that the only effect of raising the loan price on corn and wheat is to increase the cost of living, and to increase the difficulties of the meat producers and the dairy farmers, who presented the greatest case for increased cost, from the standpoint of labor and other elements, and finally to increase the cost of living in connection with the very item about which the housewife is most severely complaining. So it seems to me that certainly we should agree to the Butler amendment. What we do with cotton is immaterial to me. I do not think it will have any immediate effect whatever on the economy of the country.

Mr. LANGER. Mr. President, I wish to appeal to Senators to vote against the amendment for the reason which I shall state. During the last World War in the Northwest a price was set on wheat. Cotton went to 40 cents a pound during the last war. We confront apparently a similar situation at this time. I have before me the debates which occurred in Congress 25 years ago, during the last World War. Those debates show that at that time also the wheat farmer was discriminated against. I do not know of one good reason why the farmer who raises cotton or why the farmer who raises tobacco should get a better deal than the farmer who raises wheat and the farmer who raises corn. We are today asking for just exactly the same kind of a deal for all four commodities. I hope therefore the amendment will be rejected.

Mr. LUCAS. Mr. President, regardless of what happens to the Butler amendment, I am going to offer the following amendment, on page 6, line 19—to strike out the word "the", and in lieu thereof to insert:

If the President determines that loans at the rate provided for in this section will aid in the effective prosecution of the war, the—

Then follows the language in line 19—

Commodity Credit Corporation is authorized and directed to make available upon any crop—

And so forth. I do not wish my position misunderstood in connection with this measure. The Senator from Illinois has consistently and constantly, since the measure was brought to the Senate, supported the theory of the President, insofar as inflation is concerned, and I am against any amendment that will tend to produce inflation. In other words, I think my amendment will not in anywise affect the present economy of the country, but it will do exactly what I have explained from the first—it will leave the discretion with the President of the United States as to whether or not he shall grant a loan of 85 percent on corn, wheat, or cotton. That is all I am asking. If 85 percent on corn is sufficient, and the President so states by an order to the Commodity Credit Corporation, I am satisfied. If he authorizes an 85-percent loan on wheat, I am satisfied. If he wants, under his discretion, to grant a loan of 90 percent to cotton, as is suggested here, I am satisfied. I shall not by my vote make it mandatory that cotton shall obtain a loan of 90 percent, which would happen if the Butler amendment were adopted. I cannot let that go to the country and permit the corn and the wheat farmer to remain on the 85-percent loan basis. In other words, we have a floor at the present time on all these commodities of 85 percent of the parity price, and I have always doubted the wisdom of giving 90 percent, as is proposed in the amendment, because we have already fixed a floor through the loan legislation passed by the Congress providing for mandatory loans. The mandatory loans are to be made on the basic commodities.

Mr. BROWN. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. BROWN. Everyone realizes that, so far as I am concerned, I have no particular State interest in this matter. I had hoped that the suggestion made by the Senator from Nebraska would be acceptable to the Senator from Illinois with whom, he will recall, I discussed the question, as well as with the Senator from Iowa and others who are interested in it. It is quite apparent that we are going to have to go to conference on this matter. The Senator from Alabama [Mr. BANKHEAD] will be a member of the conference committee. I urge Senators representing these two particular interests to note that, from a practical standpoint, the wheat and corn farmers are not asking that this $650,000,000 be added to the bill of the American consumers.

Mr. LUCAS. Mr. President, will the Senator yield at that point?

Mr. BROWN. I yield.

Mr. LUCAS. The Senator from Michigan does not think I am asking for that.

Mr. BROWN. No; I certainly do not. The Senator from Illinois has just stated that if the President makes an 85-percent loan on corn and a 90-percent loan on cotton and peanuts and tobacco and these other crops, he would be content. With that situation facing us I ask the Senator from Alabama if he will not let us put in the measure a provision for 85 percent. Then when the joint resolution goes to conference I am quite satisfied that we can work out with the administrative authorities a provision which will solve the problem. If the amendment which the Senator from Illinois offers would have the result, as I think it may, of defeating the Butler amendment, then we would be in the situation of both the House and the Senate having definitely adopted a provision for 90-percent loans, and the conferees could not do anything about it. Every Senator admits that the situation is such that the $650,000,000 ought not to be added to the bill of the American consumer. With that situation in mind I appeal to the Senator from Alabama.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BANKHEAD. I wish to say, in order that there may be no misunderstanding about the matter, that I do not take any stock at all in the statement furnished to the Senator from Michigan by an employee in the Department—and I know who furnished it—that a proposal for a 5-percent loan increase would result in an increased cost to the consumer of $650,000,000.

Mr. BROWN. Mr. President, I will say that the information was not furnished to me by an employee; it was furnished to me by the Price Administrator.

Mr. BANKHEAD. But it came through an employee. The Government, in fact, will not lose money on its cotton loans, and probably will not lose any money on its tobacco loans. Those loans are not an expense to the Government. They are recoverable.

Mr. President, as the present shortage of farm labor increases, and as there is a greater demand for food for lend-lease purposes, I have no apprehension that the Government will lose anything at all on these loans. The Government has a large quantity of wheat which it can sell. That wheat is holding the price down. Putting wheat and corn in loan will not necessarily increase the price of those commodities. We fought that fight here previously. I assisted the administration in that fight, which tied up the agricultural appropriation bill for about 2 months. One of the principal points involved in that fight was the proposal that we give the administration power to sell wheat at 85 percent of the parity price of corn. The administration still has that power, and will have it throughout the present marketing year—nearly an entire year, up to the 1st of next July. So I do not think this matter ought to be decided upon a statement that the proposed action will cost the consumers of the country any great amount of money. I doubt if the President would have suggested 90 percent, as anxious as he is to protect consumers, if there had been any real justification for a conclusion of that sort.

Mr. LUCAS. Mr. President, will the Senator from Alabama yield for a question?

Mr. BANKHEAD. I yield.

Mr. LUCAS. What benefit can the cotton farmer derive from the 90-percent loan being made mandatory in the pending measure in view of the present market price of cotton.

Mr. BANKHEAD. So far as price is concerned, as the Senator from Ohio has properly said, cotton is selling above the loan value. If, however, with the tremendous crop which we have—the largest in recent years—and with very few speculators or buyers of hedges in the market, the cotton is dumped on the market, as most likely it will be, the price of cotton will be driven down to the loan point. I do not believe it will ever go much below the loan point; but the fact that we have a little higher loan point will stabilize the price, and the mills will buy at that level to keep cotton from going into the loan. So I think there is a possibility that it would be helpful to the cotton farmers from that standpoint. It is conceded that nobody expects the Government to suffer any loss as a result of the loan. I do not know whether or not it would benefit the wheat and corn producers. If it would, I should be glad to vote to benefit them. If it would benefit them, considering the loss of labor they have suffered and the increase in costs to which they have been subjected, I think we ought to be willing to benefit them if we can do so by raising the market price 5 percent and letting the farmer have the benefit of the increase. I am willing to take that responsibility, in view of the distressing situation now confronting agriculture.

Mr. BROWN. Mr. President, I have the floor.

The PRESIDING OFFICER (Mr. BUNKER in the chair). The Senator from Michigan has the floor.

Mr. BROWN. Mr. President, in view of the President's message, and in view of the sacrifices which must be made by farmers in preventing prices from going considerably higher than they now are, I believe that the Senator from Alabama is justified in asking for a 90-percent loan. But the corn and wheat producers are not asking for the $650,000,000, if Mr. Henderson is correct as to the figure. If we pass the joint resolution as it is, there will be absolutely nothing in the conference on the question.

The Senator from Alabama and I have many times made agreements in the cloakrooms and elsewhere. We did so this morning. We have been able to compromise on many things. Let me say to the Senator from Alabama that I will commit myself to see that he is fully protected in conference with respect to 90-percent loans for basic commodities. However, I think it would be most unfortunate, when elements of agreement on this question are apparent from what the Senator from Illinois [Mr. LUCAS] and the Senator from Iowa [Mr. GILLETTE] have said, to lose the opportunity to go over this question and possibly obtain some idea from those in charge of the administration as to what rates would be used as a basis for loans.

I again appeal to the Senator from Alabama. I am sure that the Senator from Kentucky [Mr. BARKLEY], the Senator from New York [Mr. WAGNER], and I are willing to be committed to see that the Senator's amendment with respect to the crops in which he is primarily interested is carried out. If we cannot agree on anything else, we can include the 90-percent provision.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BROWN. I should like to discuss this question with the Senator from Alabama. I am sorry to spend as much time on it as I have spent, but this is a highly important provision.

I do not wish to be accused of approving a measure which those in charge of the administration say would result in an additional cost of $650,000,000 to the consumers of the United States. I do not believe that the Senator from Illinois [Mr. LUCAS] wishes to be charged with that responsibility.

Mr. LUCAS. I so stated.

Mr. BROWN. Under the circumstances he certainly cannot be so charged.

I appeal to the Senator from Alabama. Let us adopt the 85-percent basis, with the assurance that the Senate conferees will agreed to 90 percent if we cannot work out something which is satisfactory to everyone concerned. However, we cannot work it out on the floor of the Senate.

Mr. BANKHEAD. Mr. President, I would trust my very character in the keeping of the Senator from Michigan. I would not have any sort of doubt about his compliance, both in letter and in spirit, with the assurance he has just given. If the question did not include anything but the matters in which I am directly interested, I should quickly accept the proposal. However, unhappily there are differences among the wheat and corn producers, particularly the producers of wheat. Two Senators want the 90-percent provision for wheat. I do not want to be accused of taking care of my personal interests and leaving them in the lurch.

Mr. BROWN. I again appeal to the Senator. The Senator from Illinois has stated that he was principally concerned about wheat.

Mr. BANKHEAD. No; about corn.

Mr. BROWN. No; I think he stated that he was principally concerned about wheat.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. WHEELER. In part I represent a wheat-producing State. I do not care who in the Department of Agriculture stated that an increase of 5 percent in the price of wheat would result in an increased cost to the consumer of $650,000,000.

Mr. BROWN. The reference was to the prices of both wheat and corn.

Mr. WHEELER. Such an increase in the loan price of corn might raise the price of cattle somewhat. However, wheat is not fed to any extent to cattle or hogs. It is fed to chickens in the East and in other places.

When the price of wheat was low it did not affect the price of bread. The price of bread did not go down. When the price of wheat goes up the price of bread does not go up. As a matter of fact, the price of wheat in the United States has practically nothing to do with the price of bread, the price of cake, or the price of pastry. So far as the cost of food to the general public is concerned, as it is involved in the cost of flour and other wheat products, the price of wheat has practically no effect whatever except in the case of chicken raisers, who feed a comparatively small amount of wheat to their chickens. However, the great bulk of the high-grade, high-protein wheat which is produced in Montana, North Dakota, and other States is not fed to chickens or to cattle. It goes into the manufacture of flour. What excuse can I give to the producers of high-grade northern wheat in Montana

for raising the loan value of cotton, but not of wheat?

The Senator says that the wheat farmers are not asking for any increase. The representatives of the corn farmers were here, and they did ask for it. The representatives of the wheat farmers in the Northwest must have been asleep at the switch, because they did not call the situation to the attention of anybody in Washington.

Mr. BROWN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BROWN. Assuming that the course we shall take when the joint resolution has been finally perfected is to proceed to consider the House bill, strike out all after its enacting clause, and substitute the language of the Senate joint resolution for that of the House bill, would the subject of the Bankhead amendment be in conference?

The PRESIDING OFFICER. It would be if it were retained in the Senate amendment.

Mr. BROWN. This inquiry may perhaps go beyond the proper scope of inquiry; but under the rules could a point of order be made in the House of Representatives against any change which might be made in the amendment known as the Bankhead amendment in the Senate, and I believe known as the Steagall amendment in the House, if the two were identical as they came to the conferees?

The PRESIDING OFFICER. No point of order could be made against any part of the Senate amendment.

Mr. BROWN. Then I take it that if we adopt the Bankhead amendment as it is, the entire subject matter of the so-called floor of the 90-percent loan would be subject to change in conference?

The PRESIDING OFFICER. Where one House adopts an entire substitute for the bill of the other body, the conferees have very wide latitude in dealing with the question and may make any germane amendment or modification.

Mr. BARKLEY. Mr. President, I do not know whether the Senator has called attention to the fact that before we finish we must take up the House bill and substitute the language of the Senate joint resolution for that of the House bill.

Mr. BROWN. I so stated.

Mr. BARKLEY. I was detained from the Chamber, and I did not know whether the Senator called attention to that feature. When we strike out all after the enacting clause in a House bill and substitute the language of a Senate measure, wider latitude is allowed than is ordinarily true when a House bill is amended by sections.

Mr. BROWN. I wished to be satisfied that in conference we would have the right to go into the question and endeavor to reach an agreement satisfactory to every one concerned, even accomplishing the very difficult task of satisfying the Senator from Montana.

Mr. WHEELER. Mr. President, it is difficult to satisfy the Senator from Montana when Senators rise in their places and try to discriminate against the people whom I in part represent. I am not concerned with whether or not my attitude dissatisfies anyone. I am trying to help the poor devils who live on farms in Montana, North Dakota, and other States, and who have suffered more than almost any other class of people in the United States. Goodness knows, they have few voices to speak for them in the Senate. If I am to be criticized for raising my voice in defense of the poor wheat farmer, living in a hovel and slaving from morning until night, I am perfectly willing to take the criticism.

Mr. BROWN. The Senator from Michigan has as much concern for the farmers of Montana as has the Senator from Montana for the farmers of Michigan.

Mr. WHEELER. However, in Michigan there is diversified farming.

Mr. BROWN. We have a very diversified State. Let me say that I do not regard myself as representing only the corn farmers or the wheat farmers or labor or industry; in this matter I am endeavoring to represent the people of the United States.

Mr. WHEELER. There are some persons who take it upon themselves to feel that they, only, represent the people of the United States. I say that I am representing the people of Montana and that I am trying to represent the people of the United States. The other day I heard the Senator say that the President, only, represented the people of the United States, and that the Members of the Senate represent only selfish interests in their own States.

Mr. BROWN. No; I made no such statement whatever.

Mr. WHEELER. Then I misinterpreted the Senator's statement; but if that inference was not carried in the Senator's statement I do not know what was.

The reason the founding fathers set up a House of Representatives and a Senate that they wanted the composite views of the Members of Congress to decide such questions as those now confronting us, because they believed that the Members of Congress would be closer to the people of the country than the President of the United States could be.

Mr. BROWN. I do not disagree with that principle at all.

Mr. WHEELER. When a Member of the Senate says we must let the President of the United States do everything under the sun, and that the Senate is not competent to act, I say that he who makes such a statement is advocating the setting up of a Fascist government in this country. I frankly say to the Senator and to the people of the country that I entertain the fears expressed the other day on the floor of the Senate by the senior Senator from Wisconsin [Mr. LA FOLLETTE] when he said that in the United States of America we are headed as fast as we possibly can be toward some form of fascism—not because the President of the United States wants to do so, for I do not think he does, but all over the world the trend is toward dictatorship and one-man power. I deplore the fact that there is in this country a great and growing sentiment in favor of having Congress submit everything to the President.

Mr. BROWN. It seems to me that the Senator from Montana uses whatever remarks I make about wheat, corn, or anything else as a springboard in order to make an attack on the remarks I made the other day and to make an attack on the President of the United States.

Mr. WHEELER. Does the Senator from Michigan say that I made an attack on the President?

Mr. BROWN. I rather think that in his attitude the Senator is quite critical of the President.

Mr. WHEELER. Mr. President, it would seem that no one can say anything in disagreement with the views of the President without being charged with attacking the President. I am not attacking the President in the slightest degree. I said that at the present time the whole trend in the country is toward concentrating the powers of the Government in the hands of one man.

In time of war we have to do a great deal of that sort of thing; but after the war is over we shall face a crisis in this country, and the cry will go forth that the Congress should turn over more and more power to the administrative authorities.

Mr. BROWN. The Senator from Montana will find me fighting on his side when that time comes.

Mr. WHEELER. Exactly; I have not the slightest doubt that the Senator from Michigan will be fighting on my side, because I know that the Senator from Michigan is just as much in favor of preserving a representative form of government in a democracy as I am; and I believe that the vast majority of the Members of the Senate and the Members of the House of Representatives have the same feeling.

I have referred to current trends. The newspapers are constantly attacking the Congress, and are saying that it is controlled. The tendency is to try to discredit Congress, because there is an attempt to concentrate power in the hands of the Executive. Mr. President, I feel that if in the future present trends continue to develop we shall have in this country a Fascist government, even though today we are fighting fascism throughout the world.

Mr. BROWN. Mr. President, under all the circumstances, in view of the attitude expressed by the Senator from Alabama [Mr. BANKHEAD], the Senator from Illinois [Mr. LUCAS], the Senator from Iowa [Mr. GILLETTE], the Senator from Montana [Mr. WHEELER], and other Senators, and in view of the fact that it is apparent that we can work out the matter in conference, I ask my friend and colleague the junior Senator from Nebraska [Mr. BUTLER] if he does not think it would be wise to withdraw his amendment?

Mr. BUTLER. I shall abide by the counsel and advice of the chairman of the Banking and Currency Subcommittee if he desires that I do so.

The PRESIDING OFFICER. Does the junior Senator from Nebraska withdraw his amendment?

Mr. BUTLER. Yes; I withdraw it.

Mr. DANAHER. Mr. President, one thing said by the junior Senator from Michigan has forcefully struck me. A few minutes ago he offered an agreement in the names of the chairman of the Committee on Banking and Currency, the senior Senator from New York [Mr. WAGNER], the majority leader, the Senator from Kentucky [Mr. BARKLEY], and himself, all of whom, as he knows, will be conferees, to protect the interests of the senior Senator from Alabama [Mr. BANKHEAD]. I do not know the nature and scope of the proposed agreement, but I do know that when I read the House measure and see in it the provision that the 90-percent-loan rate is to be continued for 3 years after the war, and when I hear the Senator from Michigan and the Senator from Kentucky talk about striking out all the Senate measure and substituting the House measure therefor, I wish to know to what extent they intend to go. We have had no testimony before the Committee on Banking and Currency with respect to the very amendment which is in the joint resolution. We do not know whether it is wise, proper, and prudent to guarantee that the basic commodities shall receive a 90-percent-loan rate, and that it shall continue for 3 years after the war.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. BROWN. I do not know whether the Senator intentionally misstated the matter; but let me say that the proposed parliamentary procedure is that in the House measure we strike out all after the enacting clause, and substitute provisions of the Senate measure for the part stricken out.

I am advised by parliamentary authorities, including our own, and by various Senators, including the Senator from Alabama [Mr. BANKHEAD] and the Senator from Kentucky [Mr. BARKLEY], that we shall have open to us the entire question of the 90-percent floor, so called. I did not include the Senator from Connecticut [Mr. DANAHER], and the Senator from Ohio in my list of conferees, because that is a matter for the minority to settle among themselves; but I happen to know who will be the conferees for the majority. I know the views of the Senator from Connecticut. I think they are in entire accord with my own. However, I am in a difficult position. I want to save the American people $650,000,000 if I can do so; and apparently there is very strong indication that we may be able to do so.

Mr. DANAHER. Let me ask the Senator from Michigan a question. When he speaks, as he purports to do, only for the majority conferees whom he already knows, and when he says he will protect the interests of the Senator from Alabama, is it his purpose to go into the conference and to accept the proposal that a 90-percent loan rate be guaranteed for 3 years after the war? Is that a part of his proposal?

Mr. BROWN. No; I did not say that.

Mr. DANAHER. When the Senator says it is his intention to protect the interests of the Senator from Alabama, is that what he means he will do?

Mr. BROWN. I intend to protect the interests of the Senator from Alabama "as is."

Mr. DANAHER. The Senator from Michigan does not mean to protect the Senator from Alabama or anyone else by accepting the proposed provision for a 90-percent loan rate to be guaranteed for 3 years after the war, does he?

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. BANKHEAD. The Senator from Connecticut is a member of the committee, and he knows that in the committee I withdrew that part of the amendment, and did not even submit it to the committee.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. BROWN. The Senator from Connecticut knows that it is a little unusual to be so frank about such matters on the floor of the Senate, but I have stated the matter openly.

Mr. DANAHER. We are being so frank that I should like to ask whether the Senators in charge of the pending measure made an agreement with the Senator from Alabama that the 90-percent loan rate would be included in the joint resolution as a concession on their part in order to secure its passage.

Mr. BROWN. No; I never made any such agreement.

Mr. DANAHER. How did the provision get into the joint resolution?

Mr. BROWN. I voted for it because I thought that it was desirable to have a 90-percent floor in the joint resolution in order to encourage Senators representing farm States to go along with the measure, as they have done.

Mr. DANAHER. What the Senator from Michigan really means is this; is it not? He wants section 1 of the joint resolution, and he wants it so much that he would make this concession to the Senators from the States affected in order to persuade them to go along with the measure. Is not that the case?

Mr. BROWN. My idea is that if I can save the American people from an increase of $650,000,000 in their meat bill I want to do so. That is why I have been talking for the last hour.

Mr. DANAHER. Is it not a fact that if we were to agree to the amendment submitted by the Senator from Nebraska [Mr. BUTLER] we should save the American consumers $650,000,000 a year?

Mr. BROWN. Certainly; but it was quite obvious that the amendment offered by the Senator from Nebraska would not be agreed to.

Mr. DANAHER. It is equally obvious that the Senator from Michigan has asked the junior Senator from Nebraska to withdraw his amendment which would have saved the consumers $650,000,000.

Mr. BROWN. The amendment of the Senator from Nebraska would not have been agreed to.

Mr. DANAHER. Is the Senator's action in connection with the amendment also in the interest of getting Senators to go along with the measure?

Mr. BROWN. I am perfectly willing to leave to the Senate the matter of judging as to my fairness.

Mr. DANAHER. I have no criticism of the Senator's fairness, Mr. President; my criticism is that he has been too fair. [Laughter.]

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WHEELER. It would seem to me that it is quite apparent from the statement of the Senator from Michigan that what was to happen was that in conference a concession was to be made to the cotton farmers, but that the poor wheat farmers in Montana would have their throats cut because the Senator from Michigan wants to protect the consumers in the East. After all, the farmer is a consumer, just as he is a producer. Many persons forget that fact. Let me say that if the conferees go into conference and proceed to give the cotton farmer 90-percent loans, but do not give them to the wheat farmers, they will hear from sections of the country that they would wish they had not heard from, for already the wheat farmers of the Northwest feel that they have been discriminated against by the legislation which has been passed, and they likewise feel that they have been discriminated against by the administration, because they believe that the cotton farmers are getting the best of it.

We have never asked anything for the wheat farmers of Montana and other wheat farmers in the Northwest, but have gone along with the cotton farmers and the tobacco farmers and the corn farmers time in and time out. We do not expect, however, to have things juggled so that when it comes to 90-percent loans we will be left out in the cold. Anyone who has any common sense at all knows, I repeat, that the price of wheat has very little, if anything, to do with the price of bread or the price of pastries, and to say that the wheat farmers of the country are responsible for inflation is sheer nonsense.

Mr. DANAHER. Mr. President, did the Senator from Montana perceive any extension by the Senator from Michigan of his agreement to the Senator from Nebraska to protect him in conference? I do not think the Senator from Montana is necessarily justified in thinking that the majority conferees are going to give to the Senator from Nebraska any special consideration.

Mr. WHEELER. It was certainly not said to the representatives of the wheat farmers that they would receive any special consideration in the conference, but it was said to the Senator from Alabama, "We will see that you are protected in your 90 percent loans." If the cotton farmer is to be protected with reference to his 90 percent loan then I want the farmers of my State protected in the same way.

Mr. DANAHER. The truth of the matter is that every word of section 8 should be stricken from the joint resolution. Then there would remain the guaranty already existing in the statute under the amendment of 1941. There would be included the basic commodities,

there would be included all comparable commodities, and there would be included all commodities for whose expanded production the Secretary of War may call.

May I ask the Senator from Illinois, in view of the parliamentary situation which has developed by the withdrawal of the amendment previously suggested by the Senator from Nebraska, is it his purpose now to offer his proposed amendment in line 19 on page 6?

Mr. LUCAS. I will say to the Senator from Connecticut it is my intention to do that.

Mr. DANAHER. I think it is so desirable an amendment that I wish to offer in advance the assurance of my support. In making that statement I do not purport to represent any group of minority conferees or to extend an agreement in their name, but I am very greatly in favor of the amendment.

Mr. BUTLER. Mr. President, I wish to say a word before this matter is entirely closed. I desire to state for the RECORD that there was positively no understanding as to what would take place in conference, so far as I was concerned, in regard to the matter mentioned in my amendment or in any other amendment. It was offered in the interest of unity and harmony, and it was withdrawn in the same spirit when it became apparent that it would not accomplish any good. Like the Senator from Connecticut, I am happy that the Senator from Illinois will present his amendment later on.

Mr. LUCAS. I ask that the amendment offered by me be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 6, line 19, it is proposed to strike out the word "The" and in lieu thereof to insert:

If the President determines that loans at the rate provided for in this section will aid in the effective prosecution of the war, the—

Mr. LUCAS. Mr. President, this amendment has been briefly discussed by various Members of the Senate. It proposes to do only one thing, and that is, insofar as legislative action is concerned, to place all the farmers raising the basic commodities upon the same plane. That is the effect of the amendment, and in nowise would it increase the cost of living to the consuming public of America.

The $650,000,000 that has been bandied around in this debate will not be there unless the President of the United States himself wants to increase the loans permitted to the wheat and corn farmers to 90 percent, and if the President should want to increase the loan value of cotton to 90 percent he would have a right to do so under the amendment.

Mr. NORRIS. Mr. President——

Mr. LUCAS. I yield to the Senator from Nebraska.

Mr. NORRIS. I did not quite understand the amendment, in view of the Senator's explanation of it. As I understand the amendment as read, it merely proposes to strike out the word "The." Is that correct?

Mr. LUCAS. I suggest that the clerk read the amendment for the benefit of the Senator. I have not a copy of it on my desk.

The PRESIDING OFFICER. The clerk will again state the amendment.

The CHIEF CLERK. On page 6, line 19, it is proposed to strike out the word "The", the first word in the line, and in lieu thereof to insert:

If the President determines that loans at the rate provided for in this section will aid in the effective prosecution of the war, the Commodity Credit Corporation—

And so forth.

Mr. NORRIS. That would necessitate an amendment on page 7, would it not?

Mr. LUCAS. Mr. President, I do not think any other amendment at all will be required. The amendment offered by me simply states that if the President, in his discretion, in the interest of the war effort, believes it advisable and necessary to increase the loan up to 90 percent upon the basic commodities, he shall have the right and power to do so. In other words, the loan value, in all cases, is now 85 percent, and, instead of making it mandatory to increase the loan value upon any basic crop by the legislation we have been discussing, my hope is to leave the basic commodities in the present category at 85 percent insofar as loans are concerned. If the President so desires and believes it to be essential in the prosecution of the war to increase the loan from 85 to 90 percent on these commodities he shall have the power under this amendment to do so.

That is all there is to it. It is fair, it is elemental, and everyone can understand it. The President can understand it, and the country will understand it. That is the chief reason for my offering the amendment.

I do not want it said in my section of the country that the Congress of the United States, in this hour, discriminated against any particular section of the farm segment of this country. That was my fear of the Butler amendment. That should not happen in conference. I want to place all on the same basis. If there is some valid reason, in the prosecution of this war, and the President so finds in an order he might issue, why the price of cotton insofar as loans are concerned should go to 90 percent, well and good; the Senator from Illinois would favor it. If the President determines, in the course of the conduct of the war, which may last 2, 3, 4, or 5 years—no one knows—that the price of corn should go to 90 percent or the price of wheat should go to 90 percent insofar as loan value is concerned, then, I want him to do that; I want him to have that power. That is all there is to the amendment. It seems to me that no one should seriously object to it. I ask for a vote on the amendment.

Mr. BANKHEAD. Mr. President, it seems to me that the statement can be made just as strong on the other side that no one should insist upon putting the responsibility on the President of making selections between these commodities. I think it would be a great imposition on the President. It would be naturally disturbing to him, if he decided that this loan should be placed on corn in order to increase and encourage production, to leave other commodities out, even though he thought possibly that it was not necessary for those commodities to be included. I think it is an unfair position in which to put the President, compelling him to make a choice of that sort, or such a decision as between commodities.

In the next place, putting a floor under a commodity has a purpose in addition to the fixation of price. It serves an additional purpose in that it provides financial facilities to the farmer, without risk of loss, to carry his cotton or wheat or corn until a later time, if in his judgment the price will thereafter be increased.

We should not forget that all the primary basic commodities under discussion—corn, wheat, and cotton—are now below parity in price. If a producer of those commodities believes that in due course, with a rising trend of prices elsewhere, the price of one of the commodities will go to parity—and it could not go higher under the pending measure—then the Government will have provided a loan system to enable the farmer to finance without risk of loss if the price of the commodity falls.

Mr. President, that is a valuable asset to the farmer. It not only enables him to carry the commodity, but it helps the producer to carry out an orderly marketing program.

All of us who are really diligently and seriously investigating this problem, and have been interested in the problem, know that one of the great burdens on the farmer, so far as financial returns are concerned, is the necessity on the producer of wheat, for instance, of marketing his entire crop within 3 or 4 months' time during the marketing season. Of necessity, that means a dumping program, dumping the commodity on the market, because for immediate needs only a small portion of the crop is required by the millers. The rest of it, generally much more than half, will be needed later in the year.

The farmer has no way of carrying his wheat except through a Government loan. If he does not get a Government loan high enough to provide him sufficient finances to meet his taxes and his pressing financial obligations, he can not avail himself of the loan, he, with the other farmers, has to dump the commodity into the market, and the more that is put into the market the lower the price is pressed down.

There is another advantage. We are now struggling with the great problem confronting the farmers of obtaining sufficient labor to produce crops. That condition will grow worse, as we all know. If we have a respectable loan figure, then the farmer can make his commitments in the matter of labor; he can proceed to the employment of labor at a price, forsooth, which he cannot afford to pay without too much financial risk, by having a loan level which will enable him at least to meet the labor obligations he is financing.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. McFARLAND. In connection with the labor conditions, let me say that I have in my hand a circular which was sent to me by the Bureau of the Census,

Department of Commerce, in Washington. In the circular there is a statement as to the number of bales of cotton ginned in Arizona up to September 16, 1941, and the number ginned up to the same date in 1942. The number of bales ginned up to September 16, 1942, was 5,194, compared with 22,553 in 1941.

Two other States are listed. First, there is Florida, in which State, up to September 16, 1942, 9,501 bales of cotton were ginned, compared with 10,889 in 1941.

In Missouri the condition is somewhat similar to that in Arizona, although not quite so bad. Up to September 16, 1942, there had been ginned in Missouri 41,540 bales, compared with 125,403 up to the same time in 1941.

Of course, those conditions are due to the lack of cotton pickers in the States I have mentioned.

Mr. LANGER. Will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LANGER. I wish to call the distinguished Senator's attention to certain proceedings which took place on the floor of the Senate on August 4, 1917, during the first World War, which absolutely bear out what the distinguished Senator from Alabama has said.

On page 5801 of the CONGRESSIONAL RECORD for that date, Senator Reed, of Missouri, was speaking, and he made exactly the same argument that has been so ably made by the Senator from Alabama. He objected to a proposition which was pretty much like the one the Senator from Illinois has made. He referred to the attitude of a numerous class of people, and quoted them as saying:

> Put the responsibility upon the President, and if there be failure it will be the President's fault.

He objected to it, and then he said:

> See what we are up against.

At that time Mr. Hoover was Food Administrator. He issued a statement every few days concerning the price of food and Senator Reed read one of those communications showing what the price of food was on July 22, 1917:

> News from London received today, was to the effect that the food controller of Great Britain has been able to modify the order which restricted the use of potatoes to 1 day a week in hotels, restaurants, and clubs. Potatoes may now be served any day in the week instead of on Friday alone.
>
> The new order was issued because supplies of new potatoes are increasing, and also for the reason that their use will help conserve bread. It is intimated that at the meals at which potatoes will be permitted to be used bread may be omitted or will be served in reduced quantities. New potatoes are now selling in London at 8 cents a pound, or $4.80 a bushel.

Then he proceeded to read the following:

> Reports from Budapest, Hungary, reaching here indicate that the population of the provinces have been not far from famine conditions. The majority of the people of these provinces actually live on vegetables, for meat is only for the very rich, and the vegetable supply is seemingly very limited. The country provinces, insofar as possible, have apparently been drained to supply the needs of the Army in the field and the large centers of population where trouble might be feared.
>
> The information received stated that the venders were demanding exorbitant prices for dry wood and withered leaves on the ground that they were vegetables. Green peas were selling at $1.45 a kilogram.

A kilogram is two and a quarter pounds. That is $1.45 for two and a quarter pounds of green peas.

> Milk was absolutely not to be had for cream. An unappetizing liquid, which was once skimmed milk, cost 60 cents a pint. There was no butter or cheese. Cherries were 86 cents per pound. The principal stock seemed to consist of dried peas and dried plums. Young chickens were selling at $2.50. In the egg market were found only empty boxes. Potatoes were not to be had.
>
> Conditions as stated by the informant were for June 15. Shortly following that date the authorities sought to arbitrarily fix the price of vegetables at about half the venders were asking.

Now, notice what happened in Hungary.

> This resulted in a strike, so that in the great market places no foodstuffs were to be had.
>
> The reports state that lunch cannot be purchased in any restaurant for less than $5. Three pounds of meat for $5; olive oil $10 per quart; butter $5 per pound.

That is Mr. Hoover speaking. Those are the conditions he found on that date when he was food administrator for the United States, at the time he was asking for a food-control bill.

I suggest that it might be wise for the Committee on Agriculture and Forestry, or whoever is going to have charge of the food situation, to read what Mr. Hoover had to say on that date and on different dates thereafter. It bears out what the Senator said a few moments ago, that if the pending amendment shall be adopted, it will place all responsibility on the President, and God knows he already has enough.

Mr. BANKHEAD. Mr. President, I thank the able Senator from North Dakota for his helpful suggestion.

We are approaching the closing consideration of the pending measure. I have not taken much time of the Senate, notwithstanding my very deep interest in the entire subject. We are about to vote authorization for an increase in industrial wages since January 1, 1941, of 15 percent, a staggering amount of money compared with 5 percent on a few agricultural crops. We are authorizing, in the face of widespread criticism and denunciation of our farmers by publicists, radio commentators and editors, an increase of billions upon billions of dollars to industrial employees. While authorizing that increase we have voted to take away from the farmers a possible average of 15 or 16 percent of their parity, and cutting them down in the main to the level of parity. To one group we are authorizing a tremendous increase. I am not criticising that. I have not gone into that subject. I am not against the industrial laborer. My heart is with the production worker, whether he is producing in the mines or in the factories or in the fields. But are we looking at this subject rightly? Are we giving the farmers of the country decent treatment? While we are bringing the farmers down on an average 15 percent, we are letting labor go up 15 percent, notwithstanding the tremendous disproportion in the increase in earning power during the last few years between agricultural and factory workers.

Mr. President, I wish to take this occasion to commend the leaders of the agricultural organizations, not only for their loyalty to those whom they represent, for their earnest and active efforts, but for what they did today. When the matter came to a climax today these leaders manifested a most patriotic spirit. I was one closely interested and taking active part in the negotiations which led to the settlement, and I will say that I have never seen a group of men manifest a better and more loyal and patriotic spirit than that entire group which met in the committee room of the Committee on Agriculture and Forestry this morning. They finally with one accord agreed that they wanted the matter settled as best it could be settled, with fairness and justice to the farmer; they wanted friction between the President and Congress eradicated. They wanted to agree to any program that was fair. Although they had won a battle in a yea-and-nay vote on the floor of the Senate, they, in a true spirit of patriotism, wanted to accept any moderate compromise that would bring the contending forces together. Senators know how well that was finally done, how effectively it was done. Senators know that that was not due to any of us on the floor of the Senate, but was due to the leaders of farm organizations who have been here and who are here today carrying on this fight in the interest of agriculture.

We have now before us a little measly matter, compared to increases which have been made in other directions. We have before us the proposal of a 5-percent increase in loan price. Do you not think, Mr. President, that the farmers deserve it, even though the increase were added to the market price of the farmers' products? Do you not think, in the light of all the developments which have taken place, that the farmers are entitled to that little raise? It will represent the only thing the farmers will get out of the joint resolution. It will be the only thing in it of particular value to the farmers. Their ceilings have been withdrawn. The President recommended in his message to Congress, as a consideration for that action, that we put floors under the farm prices. He did not mean the floors we already had. We had floors. It was not necessary to make any reference to what we already had. He was recommending affirmative action.

In the conference I mentioned, which took place this morning and which was attended by the majority leader and by the Senator from Michigan [Mr. BROWN] in charge of the joint resolution, and others, it was stated that the President either had mentioned or had agreed to a loan rate of 90 percent, and I adopted that suggestion, because I thought in doing so I would be going along with the

President in the right spirit. I did not anticipate any sort of opposition to that little increase.

Mr. President, that small increase will be of some help to the farmers to finance their current debt if they are not ready to sell their produce. It will help them to to carry cotton so it will not be necessary to dump it on the market and thus drive the prices down. It will help the farmers at a time when buyers are not in the market for their crops, a crop in excess of the ordinary crop, for who is going to buy that excess? It will help the farmers to carry the crop and later sell their cotton at a decent sort of price.

Mr. President, we now have on hand the greatest amount of cotton we have ever had, 24,000,000 bales, whereas the demand is for only about 12,000,000 bales. There are also surpluses in grains. Who is going to buy all those staggering surpluses? If the farmers cannot hold them and must sell, the price will go down greatly. With such a situation existing, speculators, investors, or whatever one may call them, could not buy with any hope of substantial profit. There is very little hope for the market price to go up, with such great quantities on hand, unneeded, and with no demand for them.

So I say, Senators, there ought not to be any caviling about this little item of 5 percent.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. McNARY. I wish to ask the distinguished Senator from Alabama if the language on page 8, in lines 4 and 5, refers to cotton loans only.

Mr. BANKHEAD. Oh, no; there is no mention about cotton loans only. There is nothing in the joint resolution that distinguishes between the basic agricultural commodities. They are all included in it. The amendment is a copy of the 85-percent-loan measure which the Senate passed, as I stated awhile ago, with only two votes against it.

Mr. McNARY. I thought so, but the able Senator from Illinois [Mr. LUCAS] was attacking it on the ground that it provided for 90 percent for cotton only, and 85 percent for wheat.

Mr. BANKHEAD. The Senator from Illinois misunderstood the situation. The Senator from Nebraska [Mr. BUTLER] had offered an amendment to leave the matter up to the President.

Mr. McNARY. Yes.

Mr. BANKHEAD. The measure applies to all commodities exactly alike, the same as the present loan law does.

Mr. McNARY. What then is the necessity for the amendment offered by the Senator from Illinois?

Mr. BANKHEAD. I do not understand it myself. I hope the Senate will vote down his amendment. He wants to leave the matter entirely in the hands of the President. That is what he wants to do with respect to all the commodities, whereas we want a mandatory loan provision such as we have at the present time. The Senator from Illinois wants to put the burden in the lap of the President, to pick out the commodities he thinks ought to have a loan. That is the Senator's proposition.

Mr. President, in conclusion, I wish to say that I hope very much that the Senate will not take this little provision out of the joint resolution. It represents the only thing of encouragement to the farmer, the only thing of financial help to them, the only thing which will help their morale. Yet we find Senators who wish to take it out of the measure.

Mr. LEE. Mr. President, I thought we had reached an agreement with respect to the joint resolution, but now we find before us an amendment offered by the Senator from Illinois [Mr. LUCAS] which raises a question on which I thought we had agreed.

Mr. President, I rise to oppose the Lucas amendment. The effect of this amendment is to nullify the provision of the resolution which guarantees a price floor to farm commodities at 90 percent of parity. This floor is already well below parity. Therefore, why should we lower it still more? If parity represents a fair price why should we expect the farmer to produce for a price which is 10 percent below a fair price? I do not believe the people of this country want the farmer to feed and clothe them at 10 percent below a fair price. This provision in the joint resolution which the Lucas amendment seeks to change would fix a floor under the price of farm commodities at 90 percent of parity. My idea of a floor is something solid, on which one can stand, not something which goes down every time one steps on it. The amendment of the Senator from Illinois would take up the floor and substitute a net of some kind, or cover the space formerly occupied by the floor with rubber, so that it would not be a floor at all. When a farmer stepped on it he would go down.

This provision in the joint resolution which fixes the floor of farm prices at 90 percent of parity is a little piece of cake for the farmer. He has opened his mouth to receive it; but now after he has opened his mouth and the cake is in it, and he is now ready to close down on it, we are about to snatch it away from him.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. LUCAS. The Senator voted against the Thomas amendment, did he not?

Mr. LEE. I did, because I wanted to make way for an amendment which I thought would be of more help to the farmer.

Mr. LUCAS. According to the arguments made on the floor of the Senate, there was a good deal of cake in the Thomas amendment.

Mr. LEE. In my opinion there was more cake in the Barkley amendment.

Mr. President, I shall vote against the pending amendment. The joint resolution as it stands is acceptable to those who will have to administer it, and I will not yield to any further whittling down of the farmer's prices.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. LUCAS] to the committee amendment on page 6, line 19.

Mr. TUNNELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Overton
Andrews	Green	Pepper
Austin	Guffey	Radcliffe
Bailey	Gurney	Reed
Ball	Hatch	Reynolds
Bankhead	Hayden	Roster
Barbour	Herring	Russell
Barkley	Hill	Schwartz
Bilbo	Holman	Shipstead
Bone	Johnson, Calif.	Smathers
Brewster	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Tunnell
Chandler	McKellar	Tydings
Chavez	McNary	Vandenberg
Clark, Idaho	Maloney	Van Nuys
Clark, Mo.	Maybank	Wagner
Connally	Mead	Wallgren
Danaher	Millikin	Walsh
Davis	Murdock	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	
Gerry	O'Mahoney	

The PRESIDING OFFICER. Ninety-one Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. LUCAS] to the committee amendment on page 6, line 19.

Mr. LUCAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois. [Putting the question.] The "noes" appear to have it.

Mr. VANDENBERG. Mr. President, I ask for the yeas and nays.

Mr. McKELLAR. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. McKELLAR. Does not the request come too late?

Mr. VANDENBERG. The announcement has not yet been made by the Chair, has it?

Mr. McKELLAR. Oh, yes; it has.

Mr. VANDENBERG. I am sorry; the announcement was not made by the Chair.

Mr. McKELLAR. We will leave it to the Chair.

The PRESIDING OFFICER. The Chair did not finish the announcement.

Mr. VANDENBERG. Certainly not. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Missouri [Mr. TRUMAN] and will vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW], the Senator from Virginia [Mr. BYRD], the Senator from North Carolina [Mr. BAILEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Indiana [Mr. VAN NUYS] and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Florida [Mr. PEPPER] are detained in Government departments.

The Senator from Missouri [Mr. TRUMAN] has been called to his State on important public business, and is therefore necessarily absent.

Mr. AUSTIN. The Senator from Oregon [Mr. MCNARY] is temporarily detained on business of the Senate.

The result was announced—yeas 31, nays 50, as follows:

YEAS—31

Aiken	Herring	Smathers
Ball	Holman	Taft
Barbour	Johnson, Colo.	Tobey
Bone	La Follette	Vandenberg
Brewster	Lodge	Wallgren
Burton	Lucas	Walsh
Butler	Maloney	White
Danaher	Mead	Wiley
Davis	Norris	Willis
Gerry	Nye	
Gurney	Reed	

NAYS—50

Andrews	Ellender	O'Mahoney
Austin	George	Overton
Bankhead	Green	Radcliffe
Barkley	Hatch	Reynolds
Bilbo	Hayden	Rosier
Brooks	Hill	Russell
Brown	Kilgore	Schwartz
Bunker	Langer	Smith
Capper	Lee	Spencer
Carraway	McCarran	Stewart
Chandler	McFarland	Thomas, Idaho
Chavez	McKellar	Thomas, Okla.
Clark, Idaho	Maybank	Thomas, Utah
Clark, Mo.	Millikin	Tunnell
Connally	Murdock	Tydings
Downey	Murray	Wagner
Doxey	O'Daniel	

NOT VOTING—15

Bailey	Glass	Pepper
Bridges	Guffey	Shipstead
Bulow	Hughes	Truman
Byrd	Johnson, Calif.	Van Nuys
Gillette	McNary	Wheeler

So Mr. LUCAS' amendment to the committee amendment was rejected.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2689. An act to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863 (12 Stat. 798); and

H. R. 7164. An act to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to extend the relief and benefits provided therein to certain persons, to include certain additional proceedings and transactions therein, to provide further relief for persons in military service, to change certain insurance provisions thereof, and for other purposes.

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks two telegrams relative to the inclusion of farm labor in figuring parity.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

HANSON, MASS., *September 28, 1942.*

Senator HENRY CABOT LODGE,
Washington, D. C.:

Farm labor seriously short here and increasing in price. Urge you support amendment to include farm labor in figuring parity.

ALFRED G. LUNN,
Halifax, Mass., President, Plymouth County Farm Bureau.
RUSSELL STURTEVANT,
Halifax, President, Plymouth County Poultry Association.
EBEN WOOD,
West Bridgewater, President, Brockton Cooperative Egg Auction.
CLIFFORD CARLSON,
West Bridgewater, President, Plymouth County Agricultural Conservation Association.

HANSON, MASS., *September 28, 1942.*

Senator HENRY CABOT LODGE,
Washington, D. C.:

For past several days have contacted farmers and farm organization heads of Statewide organizations re inflation bill. You have our recommendations but it was the understanding farmers that President Roosevelt contemplated taking into account rising farm labor. In fact, most farmers were of opinion that parity contained provision for this. Now they know better, they are infuriated to hear current attack on farm organization leaders and farm Congressmen. We urge your support to inclusion of farm labor in parity formula.

CARLETON I. PICKETT,
Hanson, Mass., Chairman, Massachusetts Farm Bureau Committee on Price Relations.

The PRESIDING OFFICER. The question recurs on agreeing to the committee amendment.

Mr. WILEY. Mr. President, I offer an amendment on page 6, after line 18. The amendment is one which has been appended to several other measures. It simply states the law of the land. I send the amendment to the desk and ask that it be stated.

The LEGISLATIVE CLERK. On page 6, after line 18, it is proposed to insert a new paragraph as follows:

Provided, That there shall be no discrimination in the administration of the benefits of the Emergency Price Control Act on account of race, creed, or color and in the membership of rent, price, and rationing boards.

Mr. WILEY. Mr. President, let me state that, while I am not a member of the committee, I was present for several days during the consideration of the now pending joint resolution. At that time I heard the chairman of the committee say that certain considerations would be given. I shall not make an extended statement relative to the amendment. It speaks for itself. We have heard a great deal about unity and about what should be accomplished by the pending measure. At this time I desire to congratulate those Members of the Senate who thus far have brought about unity by their action relative to the pending measure.

By agreeing to the amendment we should again say to the country that we expect that everyone on every front will be given a square deal.

I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. WILEY].

The amendment was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The CHIEF CLERK. On page 7, after line 19, it is proposed to insert the following new section:

SEC. 9. (a) Section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes," approved July 1, 1941 (U. S. C., 1940 ed., Supp. I, title 15, sec. 713a–8), is amended—

(1) By inserting after the words "so as to support" a comma and the following: "during the continuance of the present war,".

(2) By striking out "85 percent" and inserting in lieu thereof "90 percent."

(3) By inserting after the word "tobacco" a comma and the word "peanuts."

(b) The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such section 4 (a), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a).

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The CHIEF CLERK. On page 8, after line 13, it is proposed to insert the following new section:

SEC. 10. When used in this joint resolution, the terms "wages" and "salaries" shall include additional compensation, on an annual or other basis, paid to employees by their employers for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. NORRIS. Mr. President, I send to the desk the amendment which I offer and ask to have stated.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. On page 2, line 6, it is proposed to insert the following:

Provided, That rates charged by any common carrier or other public utility on September 15, 1942, shall not be increased without the consent of the President: *Provided further*, That nothing in this section shall be construed as affecting the power or authority of any Federal, State, or municipal authority

or agency to reduce prices, rates, or charges subject to its jurisdiction.

Mr. NORRIS. Mr. President, I understand that the Senator from Michigan [Mr. BROWN] is favorable to the amendment and has no objection to it. I have submitted the amendment to him, and I have had several conferences with him regarding it.

Mr. BROWN. Mr. President, will the Senator yield to me so that I may make a brief statement relative to the amendment?

Mr. NORRIS. I yield.

Mr. BROWN. Insofar as the Senator from Michigan is personally concerned, he believes that the amendment offered by the Senator from Nebraska should be agreed to.

Let me say that the matter was covered by language contained in the original joint resolution relative to an over-all type of regulation of public-utility rates. The matter was submitted to the committee, and was stricken from the measure by the committee.

The Senator from Michigan then stated to the committee that if he were in charge of the bill and if the amendment which has just been offered were offered by the Senator from Nebraska, the Senator from Michigan would personally state that he favored the amendment.

Mr. President, I am not speaking for the Committee on Banking and Currency. I am speaking for myself.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. NORRIS].

Mr. GILLETTE. Mr. President, I ask that the amendment be again stated.

The PRESIDING OFFICER. The amendment will be again stated.

The LEGISLATIVE CLERK. On page 2, after line 6, it is proposed to insert the following:

Provided, That rates charged by any common carrier or other public utility on September 15, 1942, shall not be increased without the consent of the President: *Provided further*, That nothing in this section shall be construed as affecting the power or authority of any Federal, State, or municipal authority or agency to reduce prices, rates, or charges subject to its jurisdiction.

Mr. McKELLAR. Mr. President, I ask the Senator from Nebraska to look at the text in the seventh line of the amendment. I call his attention to the language that—

That this joint resolution shall not be construed as affecting the power or authority of any Federal, State—

And so forth.

Mr. NORRIS. Mr. President, that language was changed by me at the suggestion of the Senator from Michigan. I changed it so as to read—

That nothing in this section shall be construed as affecting the power—

And so forth. Instead of using the term "joint resolution," I use the word "section."

Mr. McKELLAR. That is not what I am referring to. There are many cases in which the question of the equalization of rates has come up before the Interstate Commerce Commission and other authorities. Several such cases are in court. I ask whether the Senator would agree that after the word "reduce" there be inserted the words "or equalize prices and rates."

Mr. NORRIS. I do not see any objection to the Senator's suggestion.

Mr. McKELLAR. I rather think the language would meet any objection which anyone could raise to the amendment.

Mr. NORRIS. Of course, the object is to make certain that nothing in the section shall interfere in any way with the jurisdiction over prices, rates, or charges of any commission, anywhere—State, National, or municipal.

Mr. McKELLAR. The Senator does not say "court" but he provides, in the first proviso, that "rates * * * shall not be increased without the consent of the President."

Mr. NORRIS. Yes.

Mr. McKELLAR. I think that, out of an abundance of caution, after the word "reduce", we might put in the words "or equalize."

Mr. NORRIS. I have no objection to so modifying the amendment.

Mr. McKELLAR. I offer that amendment.

Mr. NORRIS. I will modify my amendment as suggested.

Mr. McKELLAR. That will be entirely satisfactory.

The PRESIDING OFFICER. The Senator from Nebraska modifies his amendment in line with the suggestion of the Senator from Tennessee.

Mr. BONE. Mr. President, may we have the amendment stated with the proposal of the Senator from Tennessee included?

The PRESIDING OFFICER. The amendment, as modified, will be read from the desk.

The LEGISLATIVE CLERK. On page 2, after line 6, it is proposed to insert the following proviso:

Provided, That rates charged by any common carrier or other public utility on September 15, 1942, shall not be increased without the consent of the President; *Provided further*, That nothing in this section shall be construed as affecting the power or authority of any Federal, State, or municipal authority or agency to reduce or equalize prices, rates, or charges subject to its jurisdiction.

Mr. BONE. Mr. President, may I ask the author of the suggestion what is meant by the word "equalize"? I do not know what the term means. In a somewhat extended experience in such matters I never before heard the word used.

Mr. McKELLAR. The Senator refers to the word "equalize"?

Mr. BONE. Yes; I have never heard that term employed in a power-rate case.

Mr. McKELLAR. I will say to the Senator that there has been a very great desire on the part of many people in his section of the country and mine to have freight rates equalized, and there are now pending before the Interstate Commerce Commission, and, as I recall, one or two in the courts, a number of cases proposing to equalize freight rates. I do not think those cases ought to be interfered with, and I do not think it is the purpose of the proposal to do that. What we want to do is not to permit common carriers and other public utilities to increase their rates. Is not that right?

Mr. BONE. I understand that, but I am saying that, in the experience I have had, which has extended over a great many years, in connection with controversies over rates and rate structures, neither in the power field or the utility field have I ever heard that expression used, and I doubt if any Member of this body can tell exactly what it means.

Mr. McKELLAR. It is used in the case of common carriers.

Mr. BONE. If the amendment is meant to relate to common carriers, in connection with which the word has some specific meaning, that would be one thing, but when applied to public-utility or power rates it is almost without meaning in the vernacular of that business.

Mr. NORRIS. Mr. President, will the Senator from Tennessee permit me to make a suggestion to the Senator from Washington?

Mr. McKELLAR. I yield.

Mr. NORRIS. The amendment suggested by the Senator from Tennessee comes in the second proviso, and that applies to the reduction of rates or charges or equalizing rates, as the amendment is now modified, in cases pending before public-utilities commissions of which they have jurisdiction. Whether it means anything or whether it does not would not be injurious to the amendment, anyway, because it does not take away—and it is not desired to take away—the jurisdiction that any commission may have in a case now pending or which may hereafter arise.

Mr. BONE. Let me say to the Senator from Nebraska and to the Senator from Tennessee that I have no quarrel with the suggestion as applied to common carriers, but I say that it would only serve to confuse in relation to public-utility rates in the utilities and power field, for it has absolutely no meaning at all, legally or otherwise, in its practical operation to those fields.

Mr. McKELLAR. I have known, and I think the Senator must have known, a great many power rates to be unequal. We all know what "equalizing" means; at least I do; and I will be satisfied to have the rates equalized.

Mr. BONE. I think the Senator does not know what it means as applied to the power field. I suggest, if I may, that the reference be to common carriers. If the Senator will accept such a suggestion—and I assume that is what he has in mind because he suggests the equalization of freight rates; and I have no objection to that—I hope that change can be made. I make that suggestion. I would rather make the suggestion to the author of the amendment than I would to offer it myself, although, if need be, I will offer it.

Mr. McKELLAR. I do not see how it could be applied merely to common carriers.

Mr. BONE. I assure the Senator—and if there is any Senator who wants to say anything to the contrary, I assure him—that it cannot be applied to power rates. There is no such thing as equal-

ization in power rates. If there is a Senator in this body who will rise and point out to me where that theory has ever been applied, I will withdraw the suggestion. There never has been such a theory applied.

Mr. BROWN. Mr. President, may we have the McKellar amendment stated? I do not know what it is.

Mr. McKELLAR. I will be very glad to tell the Senator, if he will just look at the amendment.

Mr. BROWN. The Norris amendment?

Mr. NORRIS. Yes. In line 7, after the word "reduce," I suggested the insertion of the words "or equalize."

Mr. CONNALLY. Mr. President, will the Senator from Michigan yield for a question?

Mr. BROWN. I yield.

Mr. CONNALLY. I do not catch the significance of the amendment of the Senator from Nebraska. In the second clause he intends to preserve the jurisdiction of the regulatory bodies. I have not understood—I may be in error—that the pending measure initially intended to cover utility and railroad rates.

Mr. BROWN. The power to control common-carrier rates and public-utility rates was in the original measure, but it was stricken out by the committee.

Mr. CONNALLY. In the measure we now have before us, it was not intended to cover those subjects. What is the view of the Senator from Michigan as to whether or not the amendment of the Senator from Nebraska will, in its first clause, at least, by inference, give the price-fixing administrator authority over rates. It does not say to whom; it says they shall not be raised without the consent of the President.

Mr. BROWN. The power is in the President.

Mr. CONNALLY. Does not that necessarily imply that it has to go to the O. P. A.?

Mr. BROWN. I think not.

Mr. NORRIS. Mr. President, in the act, the pending joint resolution seeks to amend, there is a provision giving the President wide power, acting through the Price Administrator, to regulate prices. No power was given to him to control utility rates; I suppose on the theory that they were sufficiently governed and controlled by various kinds of commissions. But, nevertheless, the Price Administrator when he commenced operations and began to fix prices soon discovered that when he fixed the price of a commodity going into the cost of living he was powerless to fix public-utility rates because he had not such authority under the law.

He knew, and everyone else must have known, that the utility rates enter directly into the cost of living. So, starting out with that theory, he appeared before rate-making bodies and, in effect, said, "I have no authority to pass on these rates but I pray that you notice how it will interfere with my work if you increase utility rates If these rates prevail they will knock the prices I have made on everything entering into the cost of living into a cocked hat." He could do nothing but plead with the utility bodies not to do it, and so far they have not done it. He appeared many times. There has been pending for 2 or 3 weeks, and it has not as yet been settled, an application of the gas company of the District of Columbia.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. CONNALLY. I am not taking issue with the Senator. All I was inquiring about was as to whether or not in the first clause it is intended to keep the rate-making authority in the regulatory bodies, giving the President simply a power.

Mr. NORRIS. The proposal would simply give the President power.

Mr. CONNALLY. That is what I had in mind.

Mr. NORRIS. And he must have such power, Mr. President, if we are going to prevent inflation by fixing prices.

Mr. CONNALLY I am not in disagreement with the Senator on that theory, but I wanted to have it made clear that it was not proposed to turn the matter over to the O. P. A. and oust the jurisdiction of the regulatory bodies.

Mr. NORRIS. No; that is not proposed.

Mr. BONE. Mr. President, let me suggest as an amendment to the proposal now pending that in line 7, after the word "reduce", that the words "or equalize" be stricken out, and that there be added to line 8 the words "or to equalize the rates and charges of common carriers."

Mr. NORRIS. Will that be satisfactory to the Senator from Tennessee?

Mr. McKELLAR. Yes.

Mr. NORRIS. It is satisfactory to me. I modify the amendment in order to accomplish that.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska as modified.

The amendment as modified was agreed to.

Mr. NORRIS. Mr. President, because this amendment will go to conference, and there may be some dispute about it, I desire to place in the RECORD some public documents which have a direct bearing upon it.

I had some correspondence with the Price Administrator in August respecting this subject. I wrote him a letter, and he replied. The letter and the reply were printed in the RECORD of September 10, at page 7344, but in order to have in the RECORD the letter of the Price Administrator in connection with a Federal Trade Commission letter which I shall submit later, I ask that my letter to the Price Administrator and his reply be printed at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AUGUST 11, 1942.

HON. LEON HENDERSON,
Administrator, Office of Price Administration.

MY DEAR MR. ADMINISTRATOR: I have given some study to the various attempts of the utility companies (gas, telephone, and electric) to increase rates and to make application in the various States to the proper commissions for such increases.

These attempts have increased recently and I understand several States in the Middle West have allowed these increases. In other States applications have been made and are now pending. My recollection is that you participated in some of the hearings on such a petition and, late in June, a release was given by your office in which the public was informed that you had asked to intervene where an application for an increase of electric rates was pending before the Maine Public Utilities Commission at Bangor.

I am of the opinion that these attempts to increase rates have been influenced to some extent at least by the general belief that the pending bill in Congress would increase the taxes on these utility companies. In the Maine case your petition of intervention alleged that, if these rates were increased over the country indiscriminately, the result would be that your work in stabilizing prices would be greatly interfered with and that the result would be the "hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions and scarcities caused by or contributing to the national emergency."

You alleged that such increases made because of the increased Federal taxes "would be contrary to the intention of the Congress, inflationary in character and adversely affect the program and policies of the Office of Price Administration to stabilize prices."

I am interested in this subject because I believe that a general increase in utility rates, where it is not clearly shown that such an increase is necessary in the public interest, would not only be inflationary but would affect the program and policies of your organization and would make it practically impossible for you to stabilize prices.

The purpose of this letter is to ascertain, if possible, to what extent applications for such increases are coming in from over the country generally and, if they are coming in, what you are doing about the matter, and what you are able to do to prevent such increases.

It seems to me this subject is very important at this time because of the pending tax bill before the Finance Committee of the Senate. It is very possible that some legislation on this subject should be included in this proposal before it is enacted into law.

Your early reply will be appreciated.

Very truly yours,

G. W. NORRIS.

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., August 19, 1942.

HON. GEORGE W. NORRIS,
United States Senate, Washington.

DEAR SENATOR NORRIS: I was greatly interested in your letter of August 11 on the problem of utility rates and the program of this office and the National Government to stabilize commodity prices and the cost of living. The problem has been given special attention by this office in recent weeks and I shall be happy to supply you with information about our activities in that field and "to aid you in ascertaining to what extent applications for such increases are coming in from over the country generally and, if they are coming in, what we are doing about the matter, and what we are able to do to prevent such increases."

As you know, the Emergency Price Control Act exempts utilities and common-carrier rates and we are without power to fix such rates and charges. Nevertheless, we have deemed it necessary to participate in rate regulatory proceedings in our effort, not altogether unsuccessful thus far, to prevent increases in conflict with our basic program.

Let me refer briefly to some of the specific cases and problems we have recently encountered in this field. In April our attention was called to the 15-percent increase in

telephone rates made by the Northwestern Bell Telephone Co. in the State of Iowa. This increase, termed a surcharge by the company, was imposed on nearly all exchange and intra-State toll service. No regulatory agency whose permission must be first obtained for such rate increase in Iowa is provided for by the laws of that State. After obtaining the technical assistance of the Federal Communications Commission, we called the company in conference and requested it to withdraw this increase as it appeared that the higher rates were imposed in large part to offset estimated higher Federal income taxes. The company agreed to this request and subsequently withdrew a request for a rate increase of about the same character pending before the North Dakota commission, although it had earlier obtained the approval of the South Dakota commission for a similar increase in rates.

We are attempting to keep a close watch over other telephone-rate increase applications in various parts of the country. The American Telephone & Telegraph Co. has furnished us with a list of all such applications which have been made by its associated companies. I am glad to say that there are now relatively few such applications pending.

A somewhat more difficult problem with respect to telephone rates is presented in connection with the rates charged by the independent telephone companies because of their large number. We recently met with the executive committee of the United States Independent Telephone Association and explained our program to them. To the extent of our ability, we propose to scrutinize their requests for increases and participate in as many cases as possible.

Because of your lifelong effort to protect the public in their relations with the electric light and power industry, you may be especially interested in our work in the electric-rate field. It is true, as you suggest, we filed a petition for intervention in the Bangor Hydro-Electric rate case before the Maine Public Utility Commission. There, too, it appeared that the increase requested was because of projected higher Federal income taxes. Moreover, we were advised by certain paper companies, customers of the electric company, that if the power rate increase was approved, they would seek to have our maximum prices on paper and pulp increased. While conferences were pending with respect to the date of hearing, the company withdrew its application for an increase.

At the request of the Rural Electrification Administration, we participated in conferences with respect to a proposed increase in rates for electric energy sold by an electric company to a rural cooperative. Subsequently the company withdrew its request for higher rates.

Among other power-rate cases now receiving our attention is the Niagara Falls Power Co. case before the New York Public Service Commission. In another, the Pennsylvania Power & Light Co. is seeking increases before the Pennsylvania Public Utilities Commission applicable to its commercial and industrial customers. We will probably seek to intervene in this case also.

Our survey of pending electric rate cases does not now indicate a large number of applications for rate increases. However, there is now an upward trend in the number of requests for rate increases before the State commissions which seems to be due primarily to efforts to shift war taxes upon the utilities to their consumers.

The gas rate problem appears to be more troublesome at this time. Among the cities where increases have recently been made or now pending are Boston, Philadelphia, Cleveland, Minneapolis, and Washington, D. C. We are now or will oppose most of these increases, particularly because they adversely affect the cost of living of practically the entire population of those cities.

The relationship of taxes to utility rates is extremely important in devising and administering a proper program to control prices and the cost of living. In peacetime the principle that a utility is entitled to a fair return after allowance of all Federal income tax has been generally accepted. As an essential war measure, however, we propose to oppose the application of this principle to any request which would contemplate an increase in rates predicated upon the allowance of anything over and above the normal Federal income tax. Higher rates predicated upon increased Federal taxes would obviously be contrary to the intention of Congress, be inflationary in character, and adversely affect our program to prevent further increases in the cost of living.

In our work in this field we have sought to cooperate with the existing regulatory agencies. Both the Federal Power and the Communications Commissions have gladly made available the advice and help of their technical experts.

I am glad to state that our right to intervene and participate seems to be readily conceded in these cases before the Federal and State utility commissions. However, one commission, that in the State of Illinois, has not yet acted upon our request for intervention. This is a proceeding involving streetcar fares in the city of Chicago. Of course, we have no desire to interfere with the efforts of the State or Federal commissions under their respective statutes to reduce rates whenever found necessary.

In seeking to cooperate with the existing regulatory agencies in the utility and railroad rate fields, we are proceeding in the belief that when Congress exempted these rates from our jurisdiction it was implied that these commissions would recognize that the dominant principle governing the fixing of all prices in wartime would be the Government's program to stabilize commodity prices and the cost of living and that the utility and railroad rate principles must be reexamined in the light of the Government's economic program, on the success of which depends both the winning of the war and the peace. Their recognition of this obligation will be an important step in the success of the Government's program to prevent further increases in the cost of living.

Therefore, while I hope there will be no need for additional legislation in this field, serious consideration must be given to the practice in Canada, where the consent of the price board, which administers an over-all program, as well as that of the existing regulatory authorities is a prerequisite to utility rate increases. Certainly it should be understood without additional legislation that Federal income taxes shall be borne by those upon whom such taxes should be levied. A different policy would seriously impair, if not destroy, the basic efforts of the Government to stop inflation.

We appreciate very much your interest in this phase of our work. If we can furnish you with additional data or information on it, please do not hesitate to call upon us.

Sincerely yours,

LEON HENDERSON,
Administrator.

Mr. NORRIS. Later, as will be found from the correspondence I had with the Price Administrator, in an action before the Public Utilities Commission of the District of Columbia, where there was pending an application of the gas company for an increased rate, the question was discussed as to whether they should increase the rate, and whether they should allow the Administrator to appear. He had no legal right, he conceded, but he wanted an opportunity to show how it would spoil everything he had done in the way of fixing prices in the District of Columbia if the rate should be raised, because the costs of gas, telephone, water, and electricity all directly affect the cost of living.

I thought I would write to the Federal Trade Commission and get their views upon the matter, so I addressed them a letter, and I ask unanimous consent that it be inserted in the RECORD at this point, together with the reply from the Federal Trade Commission.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SEPTEMBER 14, 1942.

Hon. W. A. AYRES,
Chairman, Federal Trade Commission.

MY DEAR MR. CHAIRMAN: I am very much worried about the situation which has been brought about in the District of Columbia wherein the Washington Gas Light Co. has made application to the Utilities Commission of the District for an increase of gas rates in the District of Columbia.

I had some correspondence with Hon. Leon Henderson, the Price Administrator, in regard to the increase of utility rates over the country, because I could see that the increase in these rates would center at once into the cost of living of all the consumers involved in the rate increase. It seemed to me to be perfectly plain that, where Mr. Henderson had, in compliance with the law setting up his office, fixed prices of everything going into the cost of living, all of his work might be nullified and destroyed if utility commissions over the country were allowed to increase utility rates. A copy of my letter to Mr. Henderson and his reply are printed in the CONGRESSIONAL RECORD of September 10.

I am wondering if I am asking too much of your Commission to read this correspondence and when you have done so if you would let me know what you think of the proceedings now pending for an increase of gas rates in the District of Columbia. Your Commission has had so much experience with public-utility rates and the subject matter in general that your opinion would be valued very highly by the country, and I know it would by me. I trust, therefore, that you will give me your opinion in the matter. Your early reply will be greatly appreciated.

Very truly yours,

G. W. NORRIS.

FEDERAL TRADE COMMISSION,
Washington, September 15, 1942.

Hon. GEORGE W. NORRIS,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR NORRIS: This will acknowledge receipt of your letter of September 14, 1942, with reference to utility rates, in which you refer to correspondence which you recently had with the Honorable Leon Henderson, Price Administrator.

As you know, some years ago this Commission completed an exhaustive inquiry into the financial structure and accounting practices of electric and gas utilities, and that the Commission found that utilities generally had used every device to obtain padded costs and inflated rate bases upon which utility commissions should allow them a given percent of profit. One of the companies covered was the Washington Gas Light Co. which is now seeking an increase in rates. The Commission has furnished the Honorable Leon Henderson with a copy of the report on that company so that his office may be familiar with the financial background of that company. The report on Washington Gas Light

Co. is printed in the public record in Senate Document 92, Seventieth Congress, first session. Unfortunately, the Commission's inquiry ended with the year 1934.

The Commission has not had an opportunity of examining the record in the present rate hearing, but it appears that one of the accounting practices which the company is attempting to influence the local Public Utilities Commission to permit is to include its income and excess-profit taxes as a component part of the total cost over and above which it is to be permitted to earn a net income of 6½ percent on its rate base, and to charge gas rates for the coming year that will accomplish that result. It appears from the letter of the Honorable Leon Henderson, referred to in your letter, that this is still a widespread practice for, in referring to the Maine case, Mr. Henderson wrote, in part, that it appeared that the increase requested was because of "projected higher Federal income taxes."

If the Washington Gas Light Co. were permitted to charge such rates and to earn such a clear profit above all taxes, other public utility companies operating in the District, such as the Capital Transit Co. and the Potomac Electric Power Co., would naturally expect like treatment. The effect would be to permit these utility companies to charge the public rates that would guarantee their stockholders on the agreed-upon rate base a clear profit of at least 6½ percent over and above all operating costs and income taxes no matter how high the rates of income taxes may be. Of course it is obvious that no other business domiciled, or operating, in the District of Columbia can guarantee their stockholders clear profits at any such rates.

Furthermore, particularly if the income taxes so included in costs are those paid during the operating year on the preceding year's income, the practice would set up a vicious spiral. The greater the amount of income taxes paid, the higher would have to be the rates of charge in order to afford a gross income that would leave a clear profit in sufficient amount, and the greater would be the current taxable net income; the greater the taxable net income of the current year, the greater would be the amount of income taxes payable in the next year, over and above which the Washington Gas Light Co. would be permitted to earn a clear profit of 6½ percent on its rate base. Naturally higher rates would have to be charged in order to produce a gross income of sufficient magnitude to leave a clear profit of such an amount.

The effect of such a practice, if permitted, would be to put the public utility companies into a preferred class and to permit their stockholders to escape their fair share of the burdens of war taxation. This burden would be shifted on to the consumers of their services who would be required to bear not only their own proper burdens of war taxation but those of the public utility companies as well. In other words, if allowed, the utility company would be guaranteed 6½ percent on the agreed upon rate base free of any war burden.

The consistent practice of the Federal Trade Commission has been to treat income taxes, not as operating costs or costs of products (which costs are incurred before there is a gross income from the sale of the services or products and may conceivably not be recovered in their entirety), but as shares of net income that are paid to government after that net income has been earned and realized and after all risk of loss has been resolved.

Inasmuch as one of the purposes for which the Federal Trade Commission was created was to protect the consumer, it deems it appropriate to call the inflationary character of the above practice to your attention. A study of the record in the present Washington Gas Light Co. hearing might disclose the fact that an attempt is being made to include other items of a questionable character in cost.

By direction of the Commission.

Sincerely yours,

W. A. AYRES,
Chairman.

Mr. NORRIS. Mr. President, I noticed in the public press a few days ago that this question was before the Federal Power Commission also. Incidentally, there are a great many applications for reduction of rates, and some for increases of rates, now pending. The Federal Power Commission decided the case of the city of Detroit and the county of Wayne, Mich., against the Pan Handle Eastern Pipe Line Co. and the Michigan Gas Transmission Corporation, docket No. G–200, and in the matter of the Panhandle Eastern Pipe Line Co., Michigan Gas Transmission Corporation, and the Illinois Natural Gas Co., docket No. G–207.

The Federal Power Commission rendered an official opinion a day or so ago which is exceedingly interesting, and some of it bears directly upon the question before us. I ask unanimous consent to insert that part of its opinion which I have marked, beginning on page 31 and ending on page 34. I think these various matters should be in the RECORD so that those who discuss the question in conference may have the benefit of the particular things I have inserted.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

TAX INCREASES DUE TO THE WAR EFFORT

While we have arrived at certain definite conclusions in disposing of the motions for an interim order reducing rates herein, the tax problem posed by legislation pending in the Congress makes it imperative that we make further comment on this subject.

We take judicial notice of the fact that our country is waging a war for survival. It is common knowledge that there will be increased tax burdens resulting from the requirements inherent in a global conflict. Business as usual is out—in fact, a great many so-called small enterprises have ceased to exist. Normal business during this period of grave emergency is at an end. Obviously, no one can expect to maintain a status or condition of business unaffected by the holocaust now sweeping the world. Increased tax burdens must be borne by the utility which enjoys a monopolistic position in the economic field, as well as by others who have no such advantage.

Proposals now pending in Congress to raise additional taxes are required to defray in part greatly increased expenditures resulting from the war effort. In this regard the report of the House Committee on Ways and Means,[1] considering the proposed revenue bill of 1942, after first pointing out that the cost of the war effort is placing upon the Nation a financial burden unequaled in our history, states:

"It is thus apparent that our revenue needs are extreme and your committee have endeavored to secure every dollar of additional revenue which, in its opinion, the national economy can bear. In its effort toward this objective, however, care has been exercised in every instance not to place an unbearable burden upon any taxpayer."

Moreover, the President in his message to Congress July 30, 1941, requesting enactment of legislation for control of prices, stated:

"Inflationary price rises and increases in the cost of living are today threatening to undermine our defense effort."

Thus it appears that the doctrine of unjust enrichment as well as equity and good conscience compel the conclusion that a utility should not be permitted to thwart the purpose and spirit of the war price control legislation and the revenue laws by passing such abnormal tax requirements along to its consumers as an operating expense to be collected in increased rates. Indeed, we fell increased rates on such a basis would be unjustifiable. To allow them would in effect impose upon the consumers a sales tax.

So that there may be no confusion concerning the tax situation in connection with the companies subject to our jurisdiction, where necessary to stabilize utility rates at reasonable levels during the war emergency period, we propose to allow as proper operating expenses only such taxes as may be termed ordinary or normal. For the purpose of distinguishing between ordinary or normal and war emergency or abnormal taxes, we conclude that the basis prescribed in the 1940 Revenue Act establishes the highest possible level of Federal taxes which may be allowed as an element of operating expense for such purpose. The 1941 Revenue Act and the pending 1942 proposal certainly reflect abnormal tax requirements for war purposes.

The conclusions we here express find validity in utterances of other regulatory bodies who were confronted with the problem of abnormal tax requirements in dealing with the utility industry as a result of the first World War.[2] Furthermore, the Public Service Commission of Wisconsin, on May 5, 1942, disapproved the application of the Wisconsin Telephone Co. for authority to revise the base rate area and the rates at its Madison exchange, a proposal estimated to increase the cost of telephone service to the subscribers in that area $290,000 annually. In its opinion denying such request the Wisconsin commission made this significant comment:

"We do not look with favor upon proposals to increase utility rates in these times * * * rates should not be increased solely because the management may consider that its return is less than it is entitled to ask in normal times."

Moreover, it is evident that Congress intended when it enacted the Emergency Price Control Act of 1942, that during the prosecution of the present war, this commission, in carrying out its regulatory responsibilities, should make every reasonable effort to assist in making effective the national policy of price stabilization. In this regard we will be alert to the necessity for checking unwarranted increases in utility rates which, if permitted, will contribute to the disruptive inflationary process now threatening to destroy our economy.

CONCLUSION

We conclude from the record that the present rates and charges of the respondents are unjust, unreasonable, unlawful, and violative of the provisions of the Natural Gas Act. Therefore, until further order of this commission, we determine for purposes of disposing of the motions before us that the just and reasonable rates, charges, classifications, rules, regulations, practices, or contracts to be hereafter observed by the respondents and fixed by order of this commission shall reflect an immediate reduction of at least $5,094,384 below those in effect during the year 1941.

[1] Report No. 2333, 77th Cong., 2d sess., July 14, 1942.

[2] See *Re Western States Gas & Electric Co.*, PUR 1919B, 485, 493; *Re United Fuel Gas Co.*, PUR 1920C, 583, 606.

Mr. GILLETTE. Mr. President, I desire to call up an amendment which I have sent to the desk, and which I ask to have read for the information of the Senate.

The PRESIDING OFFICER. The clerk will read the amendment.

The CHIEF CLERK. On page 2, line 16, it is proposed to strike out "of sections 3 (a) and 3 (c)."

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment was agreed to will be reconsidered in order to permit the Senator from Iowa to offer an amendment to the amendment.

Mr. GILLETTE. Mr. President, on page 2, line 12, it is proposed to strike out the words:

The President may suspend the provisions of law relating to the establishment or maintenance of prices, wages, or salaries which are inconsistent with the purposes of this joint resolution.

The committee reporting the measure evidently thought that provision was too sweeping, and I agree with them. They offered an amendment which the Senate adopted a few days ago, and which is now before the Senate on reconsideration, in which they used the following language:

The President may suspend the provisions of sections 3 (a) and 3 (c) of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this joint resolution, but he may not under the authority of this joint resolution suspend any other law or part thereof.

Mr. President, I make no pretense of being a lawyer. I am a farmer—a dirt farmer. However, I believe that any lawyer will agree that if the proposed amendment were not in the pending joint resolution any provisions of it inconsistent with existing labor laws might be held by the courts to be controlling. However, the committee in its wisdom made special provision in the measure by providing that the President may suspend sections 3 (a) and 3 (c) of the Price Control Act but may not suspend any other law or part of a law that is inconsistent with the purposes of the joint resolution..

The Price Control Act—which is the law at the present time, and which, of course, contains sections 3 (a) and 3 (c), which are the sections applying to agriculture and which have caused so much controversy—clothed the Price Administrator with certain large powers to control by regulation and order such maximum price or prices as will in his judgment be fair and equitable and will effectuate the purposes of the act. But I invite attention, Mr. President, to page 5, subsection (h), of the Price Control Act, in which there has been placed the following limitation:

The powers granted in this section—

That is, to the Administrator—

shall not be used or made to operate to compel changes in business practices, cost practices or methods, or means or aids to distribution, established in any industry, except to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this act.

Again, in subsection (c) of section 302, where there appears a definition of "commodity" under the Price Control Act, the Administrator was authorized to fix a ceiling on any commodity, but in the definition of "commodity" there was the following limitation:

The term "commodity" means commodities, articles, products, and so forth: *Provided*, That nothing in this act shall be construed to authorize the regulation of (1) compensation paid by an employer to any of his employees.

Under the pending measure authorizing the President to stabilize wages and providing that he may suspend certain provisions of the Emergency Price Control Act of 1942, but that he may not suspend any other law or part of a law, he runs squarely up against that limitation of the Price Control Act that he cannot stabilize with reference to compensation paid by an employer to any of his employees—

or, (2) rates charged by any common carrier or any other public utility, or (3) rates charged by any person engaged in the business of selling or underwriting insurance, or (4) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio broadcasting station.

The law from which I have just quoted prohibits the Administrator from adopting any price ceiling or issuing any regulation with reference to price ceilings which interferes with those specific matters.

To clinch it, the committee, in its wisdom, did not merely repeal or strike out of the original joint resolution the authority to suspend any law—and as I have said, I think that was quite proper—but they inserted a provision in the pending joint resolution that the President may suspend section 3 (a) and 3 (c) and that he may not suspend any other law or part thereof.

Mr. BROWN. Will the Senator yield?

Mr. GILLETTE. I yield.

Mr. BROWN. The Senator from Iowa called my attention to this point a few days ago. I would not feel it to be wise to go as far as he does in his amendment, but there is a clear inconsistency, as he points out, between the provisions of section 302 of the Price Control Act and section 2, as well as possibly section 1, of the pending joint resolution.

I therefore ask the Senator if we could not settle this question by authorizing the suspension of the only provisions of the law which, in my opinion effect this inconsistency, by inserting on page 2, line 16, after "3 (c)" in lieu of the words the Senator uses, the words—

Clauses 1 and 2 of section 302 (c).

Mr. President, I will say to the Members of the Senate that that would clear up a patent inconsistency. I do not believe that those who represent both the agricultural viewpoint and other viewpoints in this measure would want a general power in the President to suspend. The senior Senator from Connecticut [Mr. MALONEY], the junior Senator from Connecticut [Mr. DANAHER], and the Senator from Ohio [Mr. TAFT], and other members of the committee, were very insistent upon that provision. I will say to the Senator from Iowa that the language in question will cover what he has in mind, and, I am satisfied, will accomplish the objective he has in mind. I ask him if he will not accept that as a substitute for his amendment?

Mr. GILLETTE. Mr. President, I thank the Senator from Michigan. The amendment which I have offered and which is now pending would simply authorize the President to suspend any provisions of the present Price Control Act relating to the establishment or maintenance of prices, wages, or salaries which are inconsistent with the purposes of the pending joint resolution, and no others. I am aware that there are certain provisions in the Price Control Act relative to marketing agreements which might well be exempted, and in view of the correction which the Senator from Michigan has suggested—while it does not go as far as I think it should go—I will withdraw my amendment and ask him to present his amendment.

Mr. BROWN. I ask that the amendment I proposed be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 16, after "3 (c)", it is proposed to insert "clauses 1 and 2 of section 302 (c)."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan [Mr. BROWN] to the committee amendment on page 2, line 16.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. Without objection, the committee amendment, as amended, is agreed to.

Mr. BROWN. Mr. President, the Senator from Georgia [Mr. GEORGE] has an amendment which I think clarifies somewhat cloudy language in the joint resolution. I should like to have that amendment disposed of.

Mr. GEORGE. Mr. President, the amendment was discussed on the floor of the Senate on the opening day of the debate. The purpose of the amendment is to avoid any possible conflict in the meaning of the joint resolution. I send it to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 4, line 2, after the word "inequities", it is proposed to insert a semicolon and the following: "but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section."

Mr. GEORGE. Mr. President, the whole purpose of the amendment is to make sure that in fixing a maximum price which might subsequently be affected by an order made by the President or the agency administering the act, the maximum price shall not be reduced below the so-called parity price. As I understand, that is agreeable to the Senator in charge of the bill.

Mr. BROWN. The Senator from Georgia is correct. The purpose the

committee had in mind is fully carried out and expressed by the amendment offered by the Senator from Georgia, and I should like to see it adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. GEORGE] on page 4, line 2.

The amendment was agreed to.

Mr. TUNNELL. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 6, after line 18, it is proposed to insert the following new subsection:

(d) In the administration of the provisions of the Emergency Price Control Act of 1942 and this joint resolution, and in selection of persons to serve on rent, price, and rationing boards of the Office of Price Administration, there shall be no discrimination on account of race, creed, or color.

Mr. TUNNELL. Mr. President, I understand there will be no objection to the amendment on the part of the committee.

Mr. BROWN. Mr. President, the amendment merely carries out the expression in the Constitution of the United States, and I have no objection to it. It does justice to a very large part of our population. They are fighting at the front and entitled to the rights and privileges of all American citizens. Edgar G. Brown, director of the National Negro Council, representing 4,000,000 of our colored citizens, strongly urges this particular amendment prohibiting discrimination, and he feels it will greatly enhance the morale and unity of all our citizens.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Delaware [Mr. TUNNELL].

The amendment was rejected.

Mr. DOWNEY. Mr. President, I have an amendment at the desk which I should like to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 4, line 14, after "SEC. 4.", it is proposed to insert "(a)."

On page 5, after line 6, it is proposed to insert the following new subsection:

(b) Nothing in this joint resolution shall prohibit the payment by any employer, or the acceptance by any employee, of (1) any wages or salaries provided for in any contract entered into in good faith in the ordinary course of business prior to September 15, 1942, or (2) any wages or salaries provided for by the terms of any option, renewal, or extension provision contained in such contract; except that adjustments may be made by the President with respect to any such wages or salaries to the same extent that adjustments may be made by him with respect to wages and salaries in other cases under this joint resolution.

Mr. BROWN. Mr. President, as I understand the amendment proposed by the Senator from California it covers this sort of situation: Where contracts have been entered into prior to the passage of the joint resolution which permit of regular raises of salaries, wages, or compensations of various kinds, those contracts having been partly performed, there should be no power given in the joint resolution to change the terms of agreements of that nature.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. DANAHER. I do not have the language of the amendment before me, and I did my best to follow it as it was read at the desk. Let us suppose the case of a moving-picture producer who had a stated, fixed, weekly sum coming to him in accordance with a contract, with an additional and stipulated proposed increase to come at stated intervals, and suppose that salary aggregated the sum of, say, $600,000 a year. There have been newspaper reports in the last 10 days of salaries aggregating approximately that amount, and inuring in favor of some moving-picture producers. Suppose the President should find that such a salary is a gross inequity, would he, under the provisions of section 1, be permitted to reduce the salary to a point where it would be only $25,000 a year, after taxes?

Mr. BROWN. Yes, I think he could under the terms of the amendment, if it should be adopted, and under the joint resolution. There is no intention on my part, nor is there any intention, I think, on the part of the Senator from California, to break down the "gross inequities" provision of the joint resolution. The idea is that where contracts are entered into providing for regular increases in pay, as many contracts are, unless such arrangement is grossly inequitable, unjust, and unfair, it shall not be interfered with by the provisions of the joint resolution.

Mr. DANAHER. Mr. President, will the Senator from California yield further?

Mr. DOWNEY. Yes.

Mr. DANAHER. Will the Senator from Michigan please tell us, in the light of his explanation, what is the purpose of section 10 of the measure?

Mr. BROWN. Section 10 relates to salaries on an annual basis.

Mr. DANAHER. Annual "or other basis," is it not, I will ask the Senator?

Mr. BROWN. My idea is that when wages and salaries are on an annual basis, bonuses and compensations in the nature of Christmas gifts which are commonly and regularly given should be included. It happens that under the provisions of the joint resolution we use the period from January 1 to September 15 as the basis for calculating salaries. But in a great many cases larger compensation is paid in the last month of the year, where there is profit-sharing arrangements or division between employer and employee. Representative RICH, of Pennsylvania, called my attention to a situation in his own plant, where approximately 25 percent of the total compensation of some of his employees is paid as a profit sharing in the month of December. Unless we had section 10 in the joint resolution that kind of an arrangement would not be covered, and compensation would be based upon the rate between January and September of each year. So the committee thought that section 10 would cover that kind of a situation. It does not seem to me that we ought to interfere, except in a case of gross inequity, with existing contracts which provide for regular increases, when the contracts are now in existence. I believe the amendment of the Senator from California is a reasonable and fair one, and should cover that situation.

Mr. DANAHER. Mr. President, will the Senator from California yield for a further question?

Mr. DOWNEY. Certainly.

Mr. DANAHER. Is it the purpose of the Senator from California not merely to stabilize such contracts, but actually to guarantee by law that contracts which provide for additional increases from time to time shall be protected under the proposed amendment?

Mr. DOWNEY. No, Mr. President. There is to be no guaranty that a man shall continue in the employ of an employer merely because his contract fixes a sliding scale. Let me say to the distinguished Senator from Connecticut that I understand that there are two principal classes which would be affected by this amendment. One is the representatives of the press. I understand that under the Guild contract, when a person goes to work for a newspaper, a written contract is entered into under which, at regular intervals—perhaps every 6 months or every year—there may be some increase in compensation.

A similar situation exists in the motion-picture industry. A young girl may go to work at $25 a week, with the understanding that if she makes good she will receive $50 a week for the second year, and perhaps $100 a week for the third year, and so forth. The amendment would protect persons who have written contracts of employment or contracts in which there are options of renewal at an increased salary. It would reserve to the President the power to cut across any such contracts and set them aside if he should deem them inequitable.

Mr. DANAHER. I thank the Senator from California. His explanation satisfies me.

Mr. BALL. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. BALL. It occurs to me that the principle of the Senator's amendment is slightly contrary to the request which the President made of the Shipbuilding Stabilization Committee. A contract was negotiated a year ago last spring, I believe, which provided for increases proportionate to the increase in the cost of living. When that contract came up for renewal last spring the President specifically requested the employees to forego a part of that increase, and I believe they did so. I do not quite see the reason for protecting particular groups, which have been foresighted enough to provide for annual increases in salary, and which probably need the increases far less than do others.

Mr. DOWNEY. Before I had this amendment drafted, I conferred with the legal representatives of the Office of Price Administration. They stated to me exactly the condition which the Senator from Minnesota has suggested. Contracts were written for the shipyard

workers under which their wages were to be increased in accordance with the increased cost of living. It was at least indicated to me that both the shipyard workers and the President would consider inequitable, or not consistent with the proper prosecution of the war, any kind of a contract which would increase wages in accordance with the increased cost of living. Hence, at the suggestion of the representatives of the Office of Price Administration, we included in this amendment the power of the President to cut across such options and contracts if he should so desire.

I appeal to the sense of fairness of the Senator from Minnesota. If a young, inexperienced reporter starts to work for bread-and-butter money and becomes more valuable with experience, he should be allowed to work under the terms of a written contract such as I have described. A young girl may struggle along for several years for almost no wages. If her contract calls for some reward, if she is successful, she should have the reward. Under this amendment the President would retain the power to cut across any such contract and to prevent inflation at any point he desired.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. GEORGE. The Senator from California is correct in saying that the President may cut across such contracts. However, this is an anti-inflation measure, expressly designed to limit the prices of agricultural products, or to give the President such authority, and to fix wages. The amendment of the Senator would be an express declaration, in an anti-inflation measure, in favor of protecting contracts for increases in wages. It is utterly inconsistent with the objective of the pending measure.

Let me say to the Senator from California that his purpose is a good one. Ordinarily, of course, we allow everyone to get all the increased wages he can get. It is a sound public policy to allow everyone to advance as fast as he may be able to advance, and to increase his earnings. But we are now directly doing the other thing. We are saying that wages and farm prices shall not be increased, except under the rigid conditions which we are putting in an anti-inflation measure.

The amendment would expressly approve contracts for increases in wages, without any regard to the terms and conditions of the anti-inflation measure. Such increases would depend upon a loose contract, which might be oral. The contract would not even have to be written.

If we should adopt such an amendment every group of organized workers in the country would take advantage of it tomorrow. If we mean to stop the increase in the cost of living by fixing a ceiling on farm products and limiting wages, we certainly do not want this amendment in the joint resolution. It may be offered for the best purpose in the world. I should like to increase the wages of persons working with me; but if it is necessary to give the President this extraordinary power to stop rises in wages, it ought to apply to one man's wage as well as to that of another. The fact that there may be a prior contract to permit such increases does not make any difference.

Suppose I should go into the market tomorrow—which I might do in all good faith and with perfect honesty—and say, "I have contracted to sell my cotton this year for a given price, above the ceiling price which the President is bound to fix on cotton as a farm product." Would I be permitted that privilege merely because I had a contract? The whole theory is utterly inconsistent with any effort to control living costs and the prevent the spiraling of costs and the crucifixion of the American people by rapidly rising prices.

The amendment of the Senator from California would not require a written contract. It would not even require a contract which has been witnessed. Any kind of a loose oral agreement might be used as the basis for an increase in wages and salaries. Any kind of loose oral renewal of an option or extension of a contract provision dealing with wages might be used as the basis for an increase in wages.

I beg the Senator not to insist upon his amendment, because with his amendment in the joint resolution precisely what so many who are engaged in agriculture fear would be easily possible. While farm prices are to be regulated, there is a doubt as to whether the agency selected will actually deal with wages in the same fearless and impartial way.

Everyone knows that the rising cost of living in this country has not been due in the first instance to an increase in farm prices. The genesis of this inflation is to be found in the rapid employment of a large number of workers, and in the rapid rise of factory wages, without a single step being taken by the Government to regulate or effectively stabilize such wages. In response to that movement, of course, farm prices entered the picture. They began to rise. Now the farmers, after this long fight, in which the Senator himself has participated, have, by agreement reached today, accepted in good faith the authority to have their prices sealed with a certainty which can leave little doubt.

Some worthy people claim that they have contracts of employment under which their wages will be increased as profits of employers increase. Such a contract may be perfectly fair. It may be entirely just; but we are attempting to do the extraordinary thing of stopping a free enterprise system in its tracks and saying, "You must not advance the cost of living in this country; you must not increase the cost of farm products; and you must not increase wages, unless under the very terms of the charter which the President has given he sees that there are certain inequities and certain things which must be done."

The existence of a prior contract ought not to be the basis on which to abrogate the law which we are trying to enact today. If we adopt this amendment, it is my judgment that we will rue the day, because it will be the excuse for innumerable cases of fraud. It will be the basis on which large groups of employees will say, with the willing acquiescence of employers, who need labor, "Yes; there was a contract. We entered into some sort of a contract, and agreed to the renewal of that contract." The result will be, in my judgment, that what we are trying to do will be very largely upset. I hope the Senator from California will not urge the amendment.

Mr. DOWNEY. Mr. President, while I am always greatly persuaded by the eloquent reasoning of the distinguished Senator from Georgia, of course, I have to urge the amendment because I consider it to be fair and just. It was perfected only after consultation with the representatives of the Office of Price Administration, with the sponsor of the bill, the distinguished Senator from Michigan [Mr. BROWN], and with the distinguished majority leader, the Senator from Kentucky [Mr. BARKLEY], who is about to ask me to yield, and to whom I now yield.

Mr. BARKLEY. Mr. President, I desire to ask the Senator a question about the amendment. What is the necessity for it, even to correct the situation which the Senator has in mind?

Let me state the premise upon which I base my question. By the pending joint resolution we are attempting to stabilize wages as nearly as practicable as of September 15, 1942. There would be no reductions below that general level except in cases of gross inequities. I do not suppose that even the persons who would be affected by the amendment are the victims of gross inequities as to their compensation. So it seems to me that the pending measure as already drawn would cover such a situation, and that the remainder of the Senator's amendment would apply only to renewals and extensions of such contracts made prior to September 15, 1942, although the Senator's amendment provides—

> Except that adjustments may be made by the President with respect to any such wages or salaries to the same extent that adjustments may be made by him with respect to wages and salaries in other cases under this joint resolution.

In other words, under the measure, without the amendment, the President would have the right to adjust any gross inequities in the general level as of September 15, 1942. If the general level as of September 15 is to be the basis and theory of our stabilization, I do not quite understand how such persons would be hurt by the present provisions of the measure; because all the amendment would do would be to attempt to stabilize wages under contracts made by that date, with the provision later on that it would apply to any extensions thereof, and with another provision that the President could regulate them notwithstanding the amendment, just as he would be able to regulate wages by authority of the pending measure itself.

I do not quite see the reason for the amendment. I should like the Senator from California to explain that point.

Mr. DOWNEY. Mr. President, I am sure there is an extreme necessity for the amendment, and that, unless the amendment shall be agreed to, very great hardship and, I think, injustice will be worked upon many thousands of young

persons in this Nation who have begun employment under a written contract according to the terms of which they are simply apprentices, and receive virtually no wages. Such contracts provide that as they grow older and obtain more experience and make good, their wages shall be raised on the basis of a sliding scale.

It seems to me that it would be extremely unjust and unfair to say to someone who, prior to September 15, 1942, had entered into a written contract validly and in good faith, expecting to work at a small compensation at first, but to obtain increased compensation as he grew older and became more experienced and more valuable, that he would be denied the benefits of a written contract in existence as of September 15, 1942. I should say that would be extremely unjust.

Mr. BARKLEY. Mr. President, let me ask the Senator another question. Suppose an apprentice had entered into a contract—whether written or otherwise—4 or 5 years ago, ar at any time prior to September 15, 1942, and that he entered into the contract as an apprentice. Of course, he would expect that as he moved along he would improve his situation and would receive advances in pay and in position. Even if his contract prohibited such advances on his part, such prohibition certainly would be a gross inequity which the President could correct under the general terms of the joint resolution, would it not?

Mr. DOWNEY. No, Mr. President; I doubt that. The pending measure attempts to freeze wages as of September 15, 1942.

Mr. BARKLEY. The freezing is not to be an inflexible freezing.

Mr. DOWNEY. No; but at least that is the point.

Let us assume the case of a man who had a written contract in which his compensation was fixed on the basis of a sliding scale. It seems to me that simple equity and fairness would require that written contract to be considered valid. It may be, as I understand, that all the newspaper guild contracts are written on the basis of a sliding scale. I understand that thousands of such contracts are written for young persons employed in the moving picture industry. It seems to me that it would be unfair to shatter the plans and hopes of persons having such written agreements.

Let me say to the Senator from Georgia [Mr. GEORGE] that if he believes that the amendment should be perfected so as to protect the Government against chicanery and fraud, I should be very happy to have it so amended. The amendment was written for me by the legislative counsel, and I accepted the amendment as it was prepared for me.

The language as prepared by the legislative counsel is as follows:

(b) Nothing in this joint resolution shall prohibit the payment by any employer, or the acceptance by any employee, of (1) any wages or salaries provided for in any contract entered into in good faith in the ordinary course of business prior to September 15, 1942.

If the distinguished senior Senator from Georgia desires to have inserted in the amendment the words, "any written contract entered into in good faith," of course I should be glad to accept such a change, and also should be glad to insert the word "written" before the word "option", so as to read, "any written option."

I cannot join the distinguished senior Senator from Georgia in believing that American employers and American employees would enter into any fraud by which such employers would have to pay to their employees more money than they had expected to pay under written contracts. I cannot see why employers would do such a thing. Why would any employer want to give an employee more money merely to defeat the aims of the United States Government?

If an increase in pay were provided by a written agreement, the employer might have to grant it, of course. I cannot quite understand why an employer would want to waste his money by dishonestly or fraudulently increasing the compensation of an employee.

Let me also say that our investigation led us to believe that the number of such contracts in existence—and I refer to written contracts, because, of course, they were what I had in mind—providing for compensation on the basis of a sliding scale was very small, and that they could not affect inflation at all.

I have already stated to the distinguished Senator that when the legal representatives of the Office of Price Administration approved the amendment they had in mind shipbuilding contracts which provide for increases in wages commensurate with increases in the cost of living; and they very distinctly had in mind that such contracts should not be permitted.

Under the proposed amendment the President would have the power to correct inequities of that kind or of any other kind which would interfere with the proper prosecution of the war.

Let me further say to the distinguished senior Senator from Georgia that before I submitted the amendment, I took it up with the distinguished senior Senator from Ohio [Mr. TAFT], I took it up with the representatives of the Office of Price Administration, and I took it up with the distinguished majority leader, the senior Senator from Kentucky [Mr. BARKLEY], and with the distinguished junior Senator from Michigan [Mr. BROWN], the sponsor of the pending measure. I found no objection to it from any source; but now, unfortunately, I do find objection from one of our very ablest and most persuasive Senators. Of course, I regret that he does object.

Mr. GEORGE. Mr. President, I do not want to quarrel with the Senator about the amendment; but it seems to me that it is equivalent to saying that wages and salaries shall be frozen except in the cases of contracts providing for increases in wages or salaries.

Let me state a specific case by way of illustration. Every year I try to sell my cotton for future delivery. Suppose I enter into a contract to sell it for 25 cents a pound. I enter into the contract in good faith and in due course of business. Suppose the pending measure is passed, and suppose the President says, "The parity price is all you can receive for your cotton." Then I should be enjoined to sell the cotton under that price ceiling. Because I had entered into a contract, had made it in good faith, and had expended money in order to produce the cotton, is no reason why the provision should not be applied to me.

The pending measure is a drastic one. It would result in cutting off increases in the prices of farmers' products and increases in the wages of wage earners and increases in the salaries of salaried persons. The fact that a contract had been entered into would be no reason in the world for providing that a person working under such a contract should be excepted from the application of the provisions of the measure. To do so would be like placing a ceiling on salaries, and then saying, "No salary or wage shall hereafter be increased except in the case of those persons who had contracts providing for increases in wages or salaries." Of course, such persons might be the very ones whom it was desired to reach.

Mr. DOWNEY. Mr. President, will the distinguished Senator yield to me so that I may ask a question?

Mr. GEORGE. I am glad to yield.

Mr. DOWNEY. Let us assume a typical case, a case which the amendment is intended to reach. Let us assume the case of a young man who has entered the newspaper-reporting business. He agrees that for the first year, while he becomes older and more experienced, he will work for $25 a week—of course, I have no idea what may be the sliding scale under those circumstances—but assuming a written contract entered into prior to September 15, and entered into in good faith by him, and relied upon by him, let us say that the contract stipulated that on December 15, at the end of his first year of service, he should receive $35 a week instead of $25 a week; and let us assume that everyone else doing the same class of work that he would then be doing would be receiving $35 a week, the same amount which he would be entitled to receive under his written contract. Do I understand that the Senator would consider it equitable to say, "No; you cannot have the advantage of the written contract"?

Everyone else in the same class would be receiving $35 a week—or even $50, let us say.

Mr. GEORGE. Oh, no; that is another question. If in the market that is the price of wages that the President will fix, if that is the price ceiling fixed on wages and salaries, then, of course, he is entitled to receive it. It is not a question of whether it is right or wrong.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. GEORGE. The Senator from California has the floor.

Mr. DOWNEY. I am asking the Senator to yield for a question.

Mr. GEORGE. I am trespassing on the Senator's time.

Mr. DOWNEY. Not at all; but let me say I do not think the Senator quite understands the purport of the situation he is stating. If the young man we are talking about was receiving a salary as of September 15 of $25 a week, even though he had in his possession a preexisting contract providing that his salary would be increased $10 a week within 6 months, if this joint resolution shall be passed and wages shall be frozen as of September 15, his compensation will be frozen at $25, unless he goes directly to the President of the United States and says, "Now, Mr. President, I was getting only $25 but now I am doing work entitling me to $35, and my written contract calls for it, I ask you to grant me equity under your extraordinary equity powers in this amendment."

I may point out to the distinguished Senator from Georgia that it would be much simpler and easier and certainly result in much less fraud if we would assume that these written contracts have been entered into decently, fairly, and sensibly, and allow them to operate except when the President of the United States himself shall determine that in the prosecution of the war they are inconsistent with equitable principles. I speak somewhat emotionally——

Mr. GEORGE. I understand that, of course.

Mr. DOWNEY. Because I know there are thousands of young people in this Nation tonight who would be affected.

Mr. GEORGE. But the Senator is forgetting there have been many young people taken out of private life, where they were getting ahead, making money, and advancing, and who have been sent to the four corners of the earth to fight in the Army, and we who called them to serve in the armed forces said, "We do not propose to allow living costs to get clear out of hand." The President has asked us to give him the authority to stop the rising cost of living. The two things wherein his power was lacking were to control the price of the farmer's products and to control wages.

If we should say, as the Senator proposes, "All good and well, we will put a ceiling on the price of the farmer's products, we will seal his price and we will seal wages as of a certain date except where an employee has a contract," then, we would be guilty of the grossest kind of favoritism in behalf of those who have contracts. It may be perfectly right for them to have contracts, and for them to advance, but, if we permit it, we are obliged, in good conscience, to permit men to make advance contracts for farm products and sell them on the forward prices, regardless of the fact that, in the meantime, a ceiling has been put on and it has been made unlawful to sell at above a certain fixed price which would be below the contract price. There is no great harm done to the apprentice or to the reporter who is just entering into his line of business on a sliding scale contract, because, although he is working under that sort of contract, if he becomes proficient, regardless of the wages which are fixed by the President or by the agency in charge, he can receive the same wage that all his fellow citizens receive for the same kind of work.

Mr. DOWNEY. Mr. President, will the Senator yield to me there?

Mr. GEORGE. I am glad to yield.

Mr. DOWNEY. That is not the theory of the joint resolution. The theory of the joint resolution is that if that young man we are assuming was working for $25 a week he is going to be frozen there.

Mr. GEORGE. Oh, no.

Mr. DOWNEY. That is the theory of the pending measure.

Mr. GEORGE. Oh, no. That is Mr. McNutt's bill; that has not come along as yet. The employee is not put in the position of being told "You cannot ever leave this position"; he is free to leave that job.

Mr. DOWNEY. Yes; he is free to leave that job and find another job; that is true.

Mr. GEORGE. And he can find another.

Mr. DOWNEY. But he is not free, under the theory the Senator is advancing, to take from his employer the same wage that his fellow employees are receiving for the same work he would be doing.

Mr. GEORGE. Yes; he could, but he could take nothing by virtue of the contract, when the whole purpose of this bill is to outlaw the contract and to say, "Here is a ceiling on prices and a ceiling on wages and salaries; we are disregarding contracts and doing it by law." We could not defend it, under ordinary circumstances; but, if we are serious about this matter, we see that we must do it, and we go ahead and do it, and we cannot protect people because they have a preexisting contract and give them any special privileges. Wholly aside from their contract, of course, they can receive any wage, and every employer is justified and authorized to pay them any wage that is fixed under this proposed law.

I believe, if the Senator considers it in the proper light he is bound to realize that the moment this theory is admitted into this particular anti-inflation measure, that very moment all sorts of doors are open for fraud, and we will find all kinds of people in the United States saying, "Oh, yes; I employed Smith 2 years ago at $5,000 a year, but I agreed to step up his salary to $10,000 each year. He remains with me; here is my contract." There could be found many groups of employers who have made renewal contracts, on that basis.

This joint resolution is getting us away from contracts, and, not only getting us away from contracts, but it is denying us the right to contract; it is simply saying, "You have no right to contract," and then it is proposed by an amendment to it, and say that because the contract was made sometime before we will allow a man to come in and have the fruits and benefits of his contract. I am sure that is inconsistent with the very theory on which we are trying to pass the proposed legislation.

Mr. BARKLEY. Mr. President, may I ask the Senator from California a question?

Mr. DOWNEY. I am glad to yield.

Mr. BARKLEY. The Senator submitted this amendment to me after he had drawn it, and I talked briefly with him about it. Frequently it happens here, of course, that we do not know all our reactions to amendments until we consider and discuss them.

I want to ask the Senator if he realizes that in the case of the boy drawing $25 a week, to whom he referred a while ago, there is nothing in this measure that prevents promotions of any kind? If a man or woman has earned a promotion he or she can get it under this measure. If a woman has been working in a store as a stenographer, and the store wishes to promote her to the position of floor manager or buyer, at a higher salary, there is nothing in this measure that would prevent that being done.

If the young man to whom the Senator referred a while ago is under a contract to work for $25 or any other sum a week, and by reason of his experience earns a promotion at a higher salary, there is nothing in the pending measure that will prevent that. I realize the earnestness with which the Senator presents this matter, but I do not think there is anything in the joint resolution that would prevent the boy from getting a promotion, if he had earned it, or anybody else, so far as that goes.

Mr. DOWNEY. Mr. President, there are certainly two answers to the suggestion, but, before I mention them, I should like to point out to the Senate that the distinguished Senator from Georgia certainly made an extraordinary statement when he said that employers want to commit fraud and perjury and deceive and defeat their Government in order to pay higher wages to their employees. I cannot conceive of that; I cannot conceive there would be one employer in the United States who, for no other purpose than to defeat the laws of the United States would say, "I am going to connive with you and claim that I agreed 2 years ago to pay you $10,000 instead of $5,000 you are now getting." What possible temptation could there be on the part of the employees to enter into a deceitful scheme, a shameful scheme of fraud and chicanery?

I do not say that there might not be isolated cases in which someone would want to get more money out of a corporation for a relative, when there might be the possibility of fraud; but the amendment can be perfected, if the distinguished Senator from Georgia desires, to make it even stronger than it is as now drafted.

Mr. President, let us consider the rather startling statement of the distinguished majority leader. Let us take the case of an actress in Hollywood who may have been slaving for three or four years, giving up a substantial part of her life, who finally on September 15 is receiving a salary of $100 a week, or a month, and her contract provides that a year after that, if she continues to make good, she shall automatically be increased to $200 a month or $200 a week, whatever it may be.

I say, in contradiction to what our distinguished leader says, that the employer could say to her, "Your wages were frozen as of September 15, and while in good faith, under this contract, you are now entitled to $200, we are not going to

pay you that." That is how I think many employers would act, instead of indulging in the prodigal liberality presupposed by the Senator from Georgia.

Mr. BARKLEY. If the employer undertook to take advantage of the proposed law and say the wages were frozen at $100 a week by the proposed act, the actress could go to the President of the United States and say, "This is a gross inequity," and the President would have the power to correct the gross inequity.

Mr. DOWNEY. Undoubtedly there would be tens of thousands of people who would be personally and rightfully complaining to the President of the United States, and asking him to rectify an injustice in accordance with written contracts.

Mr. President, I wish to comment upon one further statement made by the Senator from Kentucky to the effect that in the kind of cases we are discussing there would be nothing which would prevent an employer from promoting an employee. I cannot agree with that. If a writer or an artist or a movie star were working at a certain fixed stipend, and the President issued an order freezing wages on a certain date, the employer could not a year later say, "I am going to promote you into a higher class just to pay you more money." I cannot agree that that is correct.

Before the amendment was offered, it was submitted to the legal representative of the O. P. A., to the senior Senator from Ohio, to the Senator from Michigan, and to the majority leader. It is my firm opinion that not by the widest range of imagination could this amendment be fancied to tend to create any inflation. I do think it would tend to do away with many inequities and many unjust situations, and that it would be a corrective far easier of application than if we take the opposite road—compelling the President to pass upon every one of these cases categorically.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from California [Mr. DOWNEY].

The amendment was rejected.

Mr. WILEY. Mr. President, in the 1830's in the Senate of the United States, Mr. Benton, of Missouri, arose and introduced a resolution relating to the tariff laws which favored the manufacturers of the East. Out of that resolution grew the famous Webster-Hayne debates, because that resolution was a vehicle for the expounding of the nullification theory by Hayne and the reply thereto by Webster, holding that this was one Nation, inseparable. But in that famous debate, which gave Webster the opportunity to present the need of comprehending this Nation as a unit, the West and the South attacked the East. Bitter words were said, and after they had been said and the nullification theory expounded by Hayne, President Jackson requested Webster to reply. The East was bitterly maligned. In those days it was a matter of attacking a geographic segment of our society.

Today because of the power of the press and the lack of vision in some of our statesmen, not particularly a geographic segment, but an economic segment—the farmers of America—have been maligned. There are 30,000,000 farmers, about 23 percent of our population.

If there had been a Webster in the Senate, it would have presented a grand opportunity for him to again make a speech on the Union—one and inseparable.

He would have demonstrated with clarity that it was imperatively necessary, on behalf of the consumers of America and our Allies, that the farmers be provided with adequate labor and machinery, and receive adequate pay. He would not have permitted the biased minds of the press and the radio to sell the consumers of America on the proposition that the farmers were a selfish group, that this was a matter in which they were simply trying to "feather their nest."

No, Mr. President, in clarion voice he would have demonstrated what is likely to be the fact, that the grass will grow in the streets of the cities and the villages of this country unless the farmers of America are at least given the cost of production for what they produce and permitted to have labor and machinery to produce the food America needs.

We all have faith that wisdom will be given to America to control inflation. We all believe in equality of sacrifice. But if Webster were here, he would demonstrate clearly that the very life of America and the success of America and her Allies in the war depend upon the "munitions" which come from the farm.

Yes, a Webster would demonstrate clearly to anyone who might read that the pending measure will not decrease the present cost of living and, of course, will not keep the cost of living from advancing.

Mr. President, the issue involved in this debate is infinitely larger than the question of farm prices. It is an issue which may involve the continuance of the American form of government. It is not simply a case of being for or against inflation, as some newspapers would have us believe. It should be apparent at the outset that no Member of Congress wants inflation. As a matter of fact, those men who wish to establish a fair price for the farmer are probably more concerned with preventing inflation than those who merely talk about farm prices without being willing to establish a law which would place a ceiling on wages.

If Webster were here he would present the cause of the farmer so clearly that the blinders which so many of our citizens have in front of them would be torn off. He would, for instance, show that the farmers of Wisconsin are getting between 4 and 5 cents a quart for milk, that it takes 4 quarts to make a pound of cheese, that the farmer then is getting between 18 and 20 cents for the milk that goes into a pound of cheese, that the cheese factory is selling it for 28 cents, that when it is purchased in Washington the consumer pays 60 cents.

He would do the same with beef and pork, high as it is, and show as to every article the farmer sells that the farmer is not getting the "gravy." He would ask why, when beef went up to 137 percent of parity and hogs went up to 125 percent of parity, the administration did not reduce the prices of these articles to 110 percent of parity.

Another thing Webster would have done, so anyone who runs might read; he would have disposed of the smoke-screen precipitated by the administration and some of the columnists and men of the press, blaming Congress in this emergency. We know that the present results are due entirely to the piecemeal action of the administration.

Mr. President, under the pending measure, and the public might just as well know it, the administration does not propose that the consumer shall purchase on the basis of the parity the farmer is supposed to get. The presently proposed resolution provides ceilings on pork and beef and wool—that the highest prices received by the producers between January 1 and September 15, 1942, shall remain in effect. The 100-percent ceiling relate only to that large group of farm products which are still 45 percent to 85 percent of parity.

The plain and simple fact, Mr. President, is that the American people are being led to believe that this measure will prevent high prices, and will reduce the cost of living. That is not true.

The resolution provides in part for the retention of present ceilings on pork and beef and wool, and all of the fuss and furor about the 100 percent ceiling relates to products which are still only 45 percent to 85 percent of parity.

In other words, the issue has been grossly distorted. At this period in the Nation's history, when we face the grave test of survival, this type of distortion is more unfortunate—not merely because it befuddles the American people, but because it creates division in our midst at a time when we need unity.

It is not my purpose to comment at length upon the misunderstandings which have been engendered by many newspaper accounts, because to a large degree that misrepresentation only reflects the confusion which has characterized the statements of those in high governmental offices with respect to this problem.

It is, however, manifestly unfair—and "unfair" is the most charitable word I can use—for some of the press of this Nation to indict Congress for manifesting the courage and statesmanship necessary to insist that the farmer get a square deal. It is comparatively simple and infinitely more politically expedient to make the farmer a scapegoat.

There is much talk about the so-called farm bloc. I am not a member of any bloc, but I am certainly proud to join with those loyal Americans who have made an outstanding contribution to the war effort with an 80-hour week and no overtime, and who ask only the simplest kind of economic justice.

Of course we are all against inflation, and of course we are all against any unwarranted increase in prices on the commodities market, but when the Wisconsin dairy farmer gets from 18 to 20 cents for the milk which goes into a pound of cheese, and we here in Washington pay

60 cents a pound for that cheese, it is not particularly intelligent of us to denounce the farmer as making an excessive profit.

His cost of production for the 4 quarts of milk that went into that pound of cheese, incidentally, is approximately 18 cents, and no man can accuse him of profiteering. The handling charges on that pound of cheese are more than twice what the farmer gets for the raw materials and his 80-hour week, and still when we condemn the high price of that pound of cheese we indict the farmer.

Let there be no misunderstanding. We need legislation to control prices. The pending joint resolution, however inadequate and however mistakenly conceived, is apparently the only measure acceptable to the majority, and frankly I can see no alternative except to support it.

I hope that every consideration will be given to the difference between the price the farmer receives and the price the consumer pays. It seems apparent that the threat of inflation, instead of having been created by an increase in farm prices, has been retarded to a certain degree because the farmers have increased their production so tremendously.

It is impossible to believe that the farmers, who constitute 25 percent of the Nation, and who receive less than 10 percent of the national income, can be charged with creating inflation.

I wish it were possible for some of our Washington swivel-chair experts—yes, and for some of our learned columnists—to spend a few weeks on a farm in Wisconsin or some other State.

The Dean of the University of Wisconsin College of Agriculture tells me that thousands of farmers in our State are considering selling a part or all of their dairy herds to reduce the labor requirements. There is a decided movement underway in dairy areas to deplete dairy herds and sales for slaughter because of this labor shortage.

In Wisconsin at the present time there are more farm sales of livestock and personal property than there have been in a generation. The farm labor situation is becoming increasingly critical.

Mr. President, I ask that there be inserted in the RECORD at the conclusion of my remarks an article entitled "The Political Mill," by Gould Lincoln, which appeared in the Evening Star of September 29, 1942.

I regard this article as an outstanding example of a fair, impartial, and intelligent analysis of the pending measure.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Evening Star of September 29, 1942]

AMERICAN FARMER, SEEKING EQUALITY OF TREATMENT, IS MADE THE TARGET OF THE PRICE CONTROLLERS

(By Gould Lincoln)

Ever since Labor Day a great effort to dramatize the American farmer as the horrid villain in the piece Save America From Inflation has been thoroughly underway. His aides have been pictured as Congress and the farm organizations themselves.

The cost of living has been going up. There was every chance that it would continue to go up. President Roosevelt sent a message to Congress and delivered a radio speech to the American people, demanding that steps be taken by Congress to curb farm prices, adding that he himself would handle wages of industrial labor—which have soared to new heights with the vast war program underway. These were the two great items in the cost of producing and the cost of living in this country, which were not controlled as they should have been in the so-called Price Control Act, under which the country has been operating for many months now. Farm prices, under this law, have been privileged to go to 110 percent of parity (the formula devised years ago to equalize the farmer's dollar with that of industry). Labor's wages were not fixed at all in the law, and no ceiling for them whatever was attempted.

Fair warning of what was to be expected—in the matter of increased cost of living—was given the administration by Bernard M. Baruch, head of the War Industries Board in the last war, and by Representative Gore of Tennessee and some other Members of Congress. No attention was paid to these warnings, however. The farm lobby was on the job at the time. But so, too, was the labor lobby, of which nothing is heard now in the bursts of indignation over the farmer and his prices. The farm lobby may be effective, but compared to the labor lobby it is a gentle zephyr instead of a gale when it hits Washington.

PRESIDENT RIGHT

The President was entirely right to demand that steps be taken to halt inflationary moves, to prevent the ever-increasing cost of living. He told Congress bluntly that if it did not act by October 1 he would himself use the powers which he has during the war to control farm prices. He said that he himself would "stabilize" industrial wages.

The difficulty was that Congress and the farmers had heard the talk of stabilizing wages before—and the only evidence of any movement on the part of wages was an upward movement.

Senators and Representatives in Congress from agricultural States—some from industrial States, too—say flatly that the farmers would have been willing to have an effective price ceiling placed on farm products from the very first of the price-control agitation if there had been at the same time an effective ceiling placed on the prices of the things the farmer has to buy—and on industrial wages, which necessarily affect the prices of the things the farmers must buy. They insist that the farmers—and their organizations and their lobby—have only been trying to protect the farmers, to keep them from being made the "goat" in a vast inflationary movement.

MISTAKE MONTHS AGO

The mistake was made months ago. The Congress passed the kind of a bill demanded by the administration, although at the time the representatives of the farmers, in and out of Congress, succeeded in getting through provisions which made an effective ceiling on farm prices impossible. But the administration had its way thoroughly in the matter of industrial wages. There was nothing whatever in the bill to deal with wages. Ever since wages have gone on their way up. They are still going up. If they were frozen as of today—and the farm prices were frozen, too—the farmers would still be behind in the procession which is making for the increased cost of living.

So when the bill now pending in the Senate to tackle further the question of price control was drafted the farmers insisted upon getting a better break for themselves, if they could. They have been forced to pay excessively high prices for farm labor, and many of them have been unable to get help at all. Either the farm laborers were taken into the military service or they hurried away to industrial plants where they could make three or four times what they had been receiving on the farm.

The demand of the President for a law at the hands of Congress to place a ceiling on farm products—while he made no such demand for a law placing a ceiling on wages, although he asserted that they would be stabilized—left many Members of Congress and the farm organizations dissatisfied and suspicious. They saw no reason why there should be law for the farmers and none for labor. They and their friends in Congress set to work therefore to write into the bill a provision that would give the farmer the right to have the cost of farm labor considered in arriving at the parity price of his produce. They also wrote into the bill provisions dealing with wages. These provisions direct the President to promulgate regulations controlling wages.

THE DEADLINE

Further, the Senate, which is now considering the bill, has before it a provision directing the President to issue a general order stabilizing prices, wages, and salaries affecting the cost of living "on or before November 1, 1942." In other words, a deadline is set for the President—just as he set a deadline for Congress to act by October 1, 1942. The deadline set for the President is just 2 days before the elections.

The House has been denounced widely because of its action on the farm price-control bill. The Senate is expected to act today. Senator THOMAS of Oklahoma has offered an amendment directing that in fixing parity prices the cost of farm labor must be included. Well, the costs of farm labor have increased greatly, which would have the effect of increasing the parity prices. It has been shouted from the housetops that to accept the House version of the bill or the Thomas amendment would be to increase the food bill of the American people by $3,500,000,000 a year. If it does, the money would not go to the farmer, or comparatively little of it would. The farmers feel seriously the increases they must pay for farm help. Hence the demand.

The present struggle in Congress between the President and the legislative branch over farm prices has been called an epic struggle, upon the outcome of which may hinge the continuance of the American form of government. The Chief Executive and Congress have had other struggles, just as important at the time, during many years. The American form of government has continued to stand.

No one wants inflation in this country. There are too many groups and blocs seeking to make all the money they can out of these war conditions. But to pile all the blame on the farmers for present conditions is ridiculous.

Mr. THOMAS of Oklahoma. Mr. President, I submit a new section to be added to the joint resolution.

The PRESIDING OFFICER. The clerk will state the proposed amendment.

The CHIEF CLERK. It is proposed to add at the proper place in the joint resolution a new section, as follows:

SEC. —. In order to promote and to secure the necessary production of any commodity or group of commodities deemed essential to the war effort, the President is hereby authorized to appoint a Director of Supplies applicable to the commodity or group of commodities of which there is either a shortage or a threatened shortage.

Mr. THOMAS of Oklahoma. Mr. President, the proposed amendment is only permissive; it is not directive. I am convinced that at the present time there is a shortage of beef products. I do not desire to take the time of the Sen-

ate to call attention to the evidence supporting that conviction. If the proposed section is adopted and becomes a part of the pending measure, at any time a shortage in a particular commodity should develop the President would have the power to appoint a Director of Supplies to secure an increase in production of that commodity.

I have in mind the recent appointment of the Director of Rubber Supply. I feel certain that appointment will result in a production of rubber as fast as humanly possible. Having that in mind, I hope the pending amendment will be agreed to and taken to conference.

Mr. BARKLEY. Mr. President, the President already has authority sufficient to do the very thing suggested by the able Senator from Oklahoma. We did not give him any power to appoint a Director of Rubber Supply; he already had it, by reason of the war powers authority which had been conferred upon him. He may appoint any director or any supervisor or anyone having to do with the war effort, as he thinks wise. If we should include an amendment such as that which has been offered by the Senator from Oklahoma and the President did not operate under it, I think it is probable that someone would criticize him for not carrying out the purpose of Congress. We have already conferred upon him the fullest power and authority, and he does not have to come to Congress for any more power to appoint anyone over anything affecting the war effort.

Mr. TAFT. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TAFT. I merely want to call attention to the fact that under section 2 (e) of the Price Control Act the Price Administrator is already authorized to guarantee prices to secure maximum production and, of course, that was a general War Powers Act, and the President may transfer the control of it to any committee or to anyone else.

Mr. BARKLEY. That is undoubtedly true.

Mr. THOMAS of Oklahoma. I shall now take the liberty of calling attention to the present shortage in the beef supply, and there has been no director appointed as yet to promote the production of beef.

The Secretary of Agriculture recently made the following statement:

Food will win the war and write the peace.

I quote from the New York Times of September 25, 1942. The first article is under the following heading:

Wickard demands weekly meat cut to 2½ pounds each—Secretary limits deliveries to retailers by 21 percent for the next 3 months—military needs are told—Army, Navy, lease-lend uses are put at 6,000,000,000 pounds—Office of Price Administration prepares rationing.

I next call the attention of the Senate to an article appearing in the Washington Post on September 27, 1942, under the following heading:

Rationing all foods probable for next year—Agriculture Department warns shortage becoming acute.

I next refer to the front page of a publication called The Prairie Farmer. The leading article is under the following headlines:

Labor shortage threatens food output—Prairie Farmer survey in 81 counties reveals need for soldiers on farm front if world is to eat in 1943.

In the middle of the page I find the following text:

Prairie Farmer asked these farm labor questions of 81 farm advisers and county agricultural agents in Illinois, Indiana, Wisconsin and Michigan. Their answers spell lower food production in 1943:

Is there a labor shortage in your county now? Yes—67; not serious—12; not yet—2.

Can your county produce as much food in 1943 with the present labor supply? No—41; doubtful—9; yes (if can keep present farm labor)—31.

At the present rate of drafting farm boys and farm hands, will any land in your county lie idle next year? Yes—53; probably—9; won't be farmed as well—16; no—4.

Mr. President, I also call attention to a statement appearing in the Farmer-Stockman of Oklahoma. The article appeared in the October number of the publication. I am not sure this issue is yet in circulation, but when the issue does appear it will contain a full page under the heading, "Talks with our readers by the editor."

I desire to call attention to a few of the paragraphs from this article, as follows:

FARMERS CAN'T COMPETE

Wages paid to labor today in war industries and in government construction projects leave no possible basis on which farmers and stockmen can compete.

A weekly wage for common labor starts at $35 and quickly goes up to $50 and more. Boys under 20 with little or no mechanical training are started at 95 cents an hour at some places, which modest stipend brings in $45.60 for 48 hours.

Little wonder many small farmers right now are rushing the harvest in order to close up or sell out to get jobs in defense industries. Some quit or sold out before harvest.

It appears that the farm hand may soon disappear for the duration. Why shouldn't he? Why work for parity farm wages when other wages are double or more?

We are glad to see these farm hands and ex-farmers pull down some good money. They have never been overpaid and often underpaid. And we are not advising them what to do. If we did it would do no good.

We are only again inserting into the record the fact these high wages have stripped farm regions—or soon will—of manpower not subject to the draft which fact will show up in reduced farm production in 1943.

For that smaller production the farmer will in nowise be to blame. We would like to put that in the record, also.

Mr. President, I call attention to another publication published in my State, the Tulsa Tribune, of date September 25, 1942, which I have before me. On one of its pages are printed several pictures of farm sales. It shows that the farmers in that section of the State are selling everything they have. From the article printed in connection with the pictures I quote from an auctioneer as follows:

"They're all selling out," Bowline said. "Either they can't get help for their farms, they can't get transportation to and from their farms, or they are going into the service."

Further along in the article a farmer, Mr. Barlett, is quoted as saying:

What is the farmer going to do about it? He can't compete with highly paid jobs when it comes to hiring men. And if they put a ceiling on the price of livestock, there won't be a chance of making anything. A lot of farmers are selling out right now before they lose their shirts.

Mr. President, I have before me another newspaper published in my State, the Tulsa Daily World of September 23, and I quote from it, as follows:

LABOR SHORTAGE THREAT TO FOOD SUPPLY IN TULSA—500 MEN TO DEFENSE JOBS IN CANADA AND ALASKA, CHAMBER OF COMMERCE TOLD

More than 500 men have been recruited from the Tulsa area for defense jobs in Canada and Alaska, it was revealed here Tuesday a few hours after directors of the chamber of commerce heard predictions that a general food shortage may result from loss of farm labor.

John Rogers, former president of the chamber, declared in the weekly directors' meeting that milk rationing is near in Tulsa because the dairies cannot get necessary men, and declared these high wages are taking the men away, and we are going to see all kinds of food rationed if we don't keep the people on the farm.

J. W. Campbell, employment officer for three companies engaged in defense work in Canada and Alaska, said that more than 500 men have been employed here and others will be engaged.

"We have no trouble getting men because of the wages we pay," he said, pointing out that a carpenter is paid $1.50 an hour and common laborers $1 an hour for the 40-hour week. In Canada a carpenter might make $450 a month, and his room, board, and laundry would be furnished.

In Alaska the men would pay $1.25 a day for room and board.

The men are sent on the first leg of their journey in Pullmans, and are flown the last 1,000 miles to their locations.

Mr. President, my purpose in offering the amendment was to make the RECORD. To me it is obvious that a meat shortage threatens the people of the United States. In order to prevent a meat shortage steps should be taken, and taken now. The only way a meat shortage can be prevented is to take steps to see to it that we have meat, and that can be obtained by an increased production of cattle, an increased production of hogs, an increased production of sheep, and an increased production of poultry. The matter is so serious as to demand attention and at once. I can do no more than call attention to the problem and to place in the RECORD my statement of this fear of a meat shortage, and to refer to some of the evidence which supports my statement.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS].

The amendment was rejected.

Mr. SHIPSTEAD. Mr. President, in view of the President's speech on Labor Day, and in view of the scandalous and venal attacks upon the farm bloc by the newspapers and subsidized radio commentators, I ask that the clerk read at the desk an article by George E. Sokolsky, published in the New York Sun of September 29. I wish to compliment the

New York Sun for printing such an illuminating and sensible article.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

THESE DAYS

(By George E. Sokolsky)

LET'S WATCH OUR STEPS

The debate over inflation has turned itself into a debate over farm prices; the debate over farm prices has become a debate over the effectiveness of Congress; the debate over the Congress raises the issue as to whether we shall remain a democratic republic or be translated into a totalitarian tyranny. The realistic explanation of this most unfortunate denouement to the President's ultimatum to Congress lies in the very serious question of rising wages—and that, the crux of it all, is not being debated. That is political dynamite on the verge of an election.

WORKERS FOR THE FARMS

It is not only industrial wages but agricultural wages that raises riot with us these days. When Senator HATCH threw the responsibility for feeding the Nation upon those who were opposing the farm bloc he was daringly challenging the President and the big-city economists who were missing the issue altogether. To them this is a struggle for power between farm politicians and the administration. But the fact is that this country will not be fed unless farm wages can compete with industrial wages so that the pull of workers off the farm ceases.

In this country most of us are being fed not by the small farmer who works a few acres himself, but by the large farmer who raises surplus crops, such as our grain farmer in the Northwest, the beet-sugar farmer of Utah, the fruit and vegetable farmer of California, and so on. These farmers depend on large masses of seasonal labor, often migratory labor, which has to be paid in some relationship to what the product will bring in the market. That labor has become frighteningly scarce. In California the elimination of the Japanese has made a more serious void than we have been told. The authorities in Washington have been suggesting Negro labor from the South, but this has generally met with disapproval for many reasons. The Californians desired Mexican labor which, again for many reasons—some very idiotic ones—has not been made available. The result is a food tragedy.

Now this problem is not going to be solved by ultimatum, by ridicule of Congress, or by prejudice. It involves complicated economic and social situations, regionally understood but misunderstood altogether on the east coast. If handled incorrectly we are in for a famine, because while you can argue all you like about such a political question as a second front, there is no argument about unplanted seed. What does not go into the ground will not come out of it. And even when a crop does appear it has to be harvested by competent hands or there will be no food. This is not politics; it is agriculture, which is the essence of the life of any people.

Of course, we can substitute slave labor for free labor on the farms. That would be a short-cut solution. We might station guards with machine guns to see that the crops are harvested. Those who talk glibly about forced labor, about shifting manpower to where it is most needed, and about making men work or fight—they do not begin to appreciate the magnitude of the farm problem.

FARMING IS SKILLED WORK

Farming in every phase is skilled work—skilled in its own way. To the city slicker the farmer may look like a dope, but the city slicker would not know what to do when he saw cabbage moths hovering over his young plants; he would not know how to milk a cow or how to keep the chickens from dying; he would not know how to anticipate a frost. I have seen these lily-handed gentlemen put their money into the soil and it remained buried there because the soil is not interested in money or politics; it concerns itself with seed and fertilizer and the proper amounts of water and sun, and the care of soil and plant by firm and trained hands. Politicians may argue and great economists may debate, but unless the seed goes into the ground and is properly handled and harvested, the Nation will starve.

The question then is what to do. Certinly the way is not to keep prices of manufactured goods high and farm prices stationary. That will not work. The way must be to keep all prices at a safe level. And that must include factory labor.

Mr. TAFT. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Ohio will be stated.

The CHIEF CLERK. On page 5, after line 15, it is proposed to insert the following new subparagraph:

(b) The President shall have power by regulation to limit or prohibit the payment of double time except when, because of emergency conditions, an employee is required to work for seven consecutive days in any regularly scheduled workweek.

And at the beginning of line 16, to strike out "(b)" and insert "(c)."

Mr. TAFT. Mr. President, the purpose of this amendment is to give the President the power to limit the payment of double time on Sundays and holidays. The President has already issued an order, but I think there is some doubt about its validity, although perhaps if it is read to relate solely to war work, it may be valid. On the other hand, certainly no penalty is attached to it. I believe that we should give him the power to limit the payment of double time on Sundays. Evidently he feels that it should be done.

I hope that the Senator in charge of the bill [Mr. BROWN] will accept the amendment.

Mr. BROWN. Mr. President, the Senator from Ohio showed me the amendment. As I understand, it would authorize the President to limit or prohibit double time. It would not, of course, direct him to do so.

Mr. TAFT. It would not direct him to do so, but since he has already done so, presumably he would act under that authority. The amendment would subject any violation of his regulations to the penalty contained in the joint resolution, whereas under the Executive order there could be no penalty.

Mr. BROWN. Under the terms of the Senator's amendment, would the President have the right to make exceptions?

Mr. TAFT. Under the word "limit" he might limit it in any way he saw fit.

Mr. BROWN. In the opinion of the Senator, could he make exceptions in cases in which he thought it was necessary to do so?

Mr. TAFT. Yes.

Mr. BROWN. I am satisfied.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

The amendment was agreed to.

Mr. BALL obtained the floor.

Mr. TAFT. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Overton
Andrews	Green	Pepper
Austin	Guffey	Radcliffe
Bailey	Gurney	Reed
Ball	Hatch	Reynolds
Bankhead	Hayden	Rosier
Barbour	Herring	Russell
Barkley	Hill	Schwartz
Bilbo	Holman	Shipstead
Bone	Johnson, Calif.	Smathers
Brewster	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Tunnell
Chandler	McKellar	Tydings
Chavez	McNary	Vandenberg
Clark, Idaho	Maloney	Van Nuys
Clark, Mo.	Maybank	Wagner
Connally	Mead	Wallgren
Danaher	Millikin	Walsh
Davis	Murdock	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	
Gerry	O'Mahoney	

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

Mr. BALL. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Minnesota will be stated.

The CHIEF CLERK. On page 4, line 14, after the words "Sec. 4" it is proposed to insert "(a)."

On page 5, after line 6, it is proposed to insert the following new subsection:

(b) Except as hereinafter provided, no employer shall increase the salary or the straight-time hourly wage rate of any of his employees unless such increase has been approved by the President or such agency as he may designate to administer this subsection. No increase in salaries or in straight-time hourly wage rates above those being paid by the employer for the same general work on September 15, 1942, shall be so approved unless such increase (1) does not raise such salaries or straight-time hourly wage rates more than 15 percent above the average salaries or straight-time hourly wage rates for the same general work prevailing in the affected industry on January 1, 1941, or (2) is found by the President or such designated agency to be necessary to correct gross inequities or to maintain or increase essential production. This subsection shall not apply in the case of (1) any salary increase which does not increase the salary of the affected employee to an amount in excess of $5,000 per annum, (2) wage increases which do not increase straight-time hourly wage rates of affected employees to an amount in excess of 60 cents per hour, (3) wage increases which affect fewer than 25 employees of a particular employer, or (4) any salary or wage increase which compensates the affected employee for added responsibility or added work resulting from a promotion. The President or such designated agency shall define the conditions under which such approval shall be required in the case of salaries or wages paid to new employees by an employer.

Mr. BALL. Mr. President, we have spent a week debating the various provisions of the joint resolution covering ceilings on farm prices. The aggregate income of the farmers of America is about $15,000,000,000 a year. The aggregate total of wages and salaries being paid today is about $75,000,000,000, or five times as much.

I believe that rapidly increasing wages and salaries are far more inflationary in our economy than are farm prices, which we have been discussing for a week. It is the purpose of the amendment which I have offered to write into the bill a specific formula for establishing ceilings on wages and salaries. The people of my State are perfectly willing to accept stabilization of our economy and freezing of prices, provided they are sure that the freezing or control goes clear across the economic board, and that no individual or group will escape control. We can be reasonably sure that prices will be frozen under the terms of the joint resolution which we are considering today. All prices except those of farm commodities have been frozen at the highest levels of March.

We know that the prices of farm commodities are to be frozen as of September 15, if the pending measure be agreed to. As a matter of fact, in section 2 of the Price Control Act, approved last January, Congress fixed definite standards for arriving at ceilings on prices.

I myself think that the prices of farm products will have to be increased in order to increase their production, but such increases will mean no additional net income to farmers. They merely will cover increased costs of production.

However, as the joint resolution now stands it provides no standards for applying ceilings to wages. All we have is the provision of a floor, a provision that the President shall not decrease salaries below the highest level obtaining between January 1 and September 15. I think that the people of the United States, and I know that the people of Minnesota, farmers, small business men, white-collar workers—and thus far the white-collar workers have taken the worst squeeze of all in the inflation spiral—and even the rank and file of labor itself are ready and willing to accept real stabilization provided they are certain that it goes clear across the board and applies equally and fairly to everyone. I think they are entitled to such an assurance from Congress, but I do not believe they can have any real assurance of it unless we write into the pending measure a formula for stabilization of wages, a ceiling on wages, if you please, for the people know that there is a ceiling on prices; they know what it is and how it works; they know how the ceilings on farm prices work; but not one man in one hundred knows how the Little Steel formula works. Not even employers and employees know how it applies.

So I believe that it is the obligation of Congress to write into the pending measure a specific formula to control the $75,000,000,000 of purchasing power and to see that it does not increase. Unless we do that, all we shall accomplish by the pending measure will be to slow down the spiral a little; but it will keep right on going up, because we cannot hold down prices if we let wages and salaries continue to rise. What I have just now stated is the major purpose of the amendment.

The other purpose is to provide direct control over wages and salaries. As the joint resolution now stands, the only way the President could carry out the directive of Congress to stabilize wages would be by indirectly doing so by means of his power to decide, through the Army, the Navy, or the Maritime Commission, what were allowable costs in war contracts, or to decide what should be allowed by the Treasury Department as tax deductions, or through maximum prices as fixed by the Office of Price Administration. In other words, we should be doing indirectly the wage and salary stabilization job—which is the most important job to be done in stabilizing our economy—instead of attacking the task directly, and simply saying that no wages and salaries shall be increased without the approval of the President.

My amendment was tentatively written into the pending joint resolution in the Committee on Banking and Currency. It was taken out by a vote of 12 to 7, after Philip Murray, president of the C. I. O., had telegraphed to the chairman of the committee his objections. The objection to writing a definite formula into the pending measure is that the Little Steel formula would permit any wage increases which would not bring the total increase since January 1, 1941, to more than 15 percent. That much was allowed because at the time when the formula was decided upon and was fixed by the War Labor Board the cost of living had gone up approximately 15 percent.

The reason for the desire not to freeze that formula into the pending measure is that those who take that position believe that the cost of living will continue to rise. I myself think that it will do so. They will want to change the formula when the cost of living goes up another 4 or 5 percent; and in that event we shall have another increase of 4 or 5 percent in wages, and then prices will have to chase them up again, and then we shall be back in the old spiral.

Provision for such an increase is not needed, because the wage formula is based on straight-time hourly wage rates. I cite the following figures which I have received from the Department of Labor:

In the manufacturing industry, straight-time hourly wage rates increased 17 percent between January 1, 1941, and May 1, 1942. In other words, the overwhelming majority of employees in our manufacturing industries already have had all the wage increases that would be allowed under the formula; and those increases have been made on a straight-time hourly wage rate basis. When we consider their average weekly earnings—which are the real criterion, because the housewife does not buy groceries out of the weekly rate, but out of the weekly pay envelope—we find that the average weekly earnings in the manufacturing industries have increased 35 percent during that period. In other words, the average weekly earnings are still far ahead of the increase in the cost of living.

At any rate, I think it is time that we recognize that we cannot have both guns and butter, that we cannot fight a total war, and at the same time maintain our peacetime standards of living.

We shall not be able to increase our incomes in order to meet every increase in the cost of living. Everyone will have to make sacrifices.

In the committee there was some question about the exemptions provided on page 2 of the amendment. First, the formula simply provides that no advance in wages—and no advance in salaries, either—which increases the average hourly rate more than 15 percent above what the employee was receiving on January 1, 1941, shall be approved, and that no employer may grant such an increase unless it is approved.

The second proviso grants the President or such agency as he may designate authority to approve increases beyond the 15 percent, when necessary in order to correct gross inequities, or when necessary—as in the case of copper mining in the West—in order to maintain or increase essential war production. I think we need such flexibility in the measure.

Then I have exempted from the general requirement of approval of all increases by the President, salary increases which do not raise the employee's salary to more than $5,000 a year. I have exempted wage increases which do not increase the hourly rate of the employee's wages to more than 60 cents an hour. I have also exempted wage increases which are of a promotional nature and wage increases which affect fewer than 25 employees of a particular employer. The latter provision is simply in order to take care of large companies which have dozens of wage adjustments to act on every day. They are not general wage increases; they are not inflationary. They are simply the ironing out of inequalities.

Provision for those exemptions is included in the subsection simply in order to make it practicable of administration, for I do not believe we can have every employer of one or two persons coming to Washington in order to obtain approval of wage changes for his employees.

I should like to point out, however, that the exemptions apply only to that subsection; and they would leave completely unimpaired the President's authority under section 1, under the other subsections of section 4, and under section 5, to handle wages. He would be exempt from the particular requirements of the subsection; he would be able to handle wages in any way he might see fit to handle them. If he desired to go below 60 cents an hour he could do so; he could make every employer comply if he desired to do so.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. VANDENBERG. In his message on April 27, the President said:

> I believe that stabilizing the cost of living will mean that wages in general can and should be kept at existing scales.

In his radio broadcast of the same week the President said:

> Do you work for wages? You will have to forego higher wages for your particular job for the duration of the war. Wages in general can and should be kept at existing scales.

If I correctly understand the able junior Senator from Minnesota, he is suggesting that Congress practice what the President preaches. Is that correct?

Mr. BALL. That is absolutely correct. I think we owe it to the country to do so. The people of the United States are perfectly willing to undertake to make any sacrifices necessary to be made in order to win the war, but they want the assurance from Congress that their sacrifices are to be shared equally by every group in America. I do not think they have confidence today that that will be done.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, I shall take but a few minutes in the discussion of the pending amendment. Of course, I appreciate the sincerity of the Senator from Minnesota in offering his amendment, but I think it injects an element into the provisions of the joint resolution which would be difficult to enforce and which would produce confusion in the administration of the proposed act. Under the terms of the joint resolution as it has been perfected up to now the President would have the authority to stabilize wages and prices.

In advance, I desire to say that the Senator from Minnesota is not quite accurate in stating that the amendment was tentatively agreed to in the committee. What happened was that a number of amendments or suggestions were brought before the committee and discussed, and the amendment which the Senator has offered had not been reduced to writing at the time the committee adjourned, and it was understood that it could be and would be reduced to writing by the Senator and printed in the bill in italics so that we would have it before us the next day. The next day, when we had it before us and considered it, it was defeated, as the Senator stated, by a vote of 12 to 7. It had not been tentatively agreed to when it was printed in italics in the joint resolution.

Mr. BALL. It is just a question of interpretation.

Mr. BARKLEY. Very well. This is a rather awkward amendment. It starts out by saying:

> Except as hereinafter provided, no employer shall increase the salary or the straight-time hourly wage rate of any of his employees unless such increase has been approved by the President or such agency as he may designate to administer this subsection.

That is in effect a repetition of what the joint resolution already provides, because these stabilizations must be approved by the President of the United States. The amendment then provides that he shall not approve any such increase except under four separate conditions, which are set out in the negative:

> No increase in salaries or in straight-time hourly wage rates above those being paid by the employer for the same general work on September 15, 1942, shall be so approved unless such increase (1) does not raise such salaries or straight-time hourly wage rates more than 15 percent above the average salaries or straight-time hourly wage rates for the same general work prevailing in the affected industry on January 1, 1941.

In addition to the effort of the Senator to fix a limitation by law beyond which no increase in wages can go, I think it would operate as an invitation to all those who have not had any 15-percent increase to make application at once, because it would be regarded as a congressional sanction for an increase of 15 percent.

The Little Steel formula, which has been worked out by the War Labor Board, was based upon wages which existed on January 1, 1941, and in view of the estimated increase in the cost of living by 15 percent, at the time that formula was written, the Board adopted 15 percent. Of course, since that time the cost of living has gone up to 19 percent; but that was not taken into consideration, and is not now being taken into consideration, in determining the 15 percent.

For this reason I think the War Labor Board or the President himself would find difficulty in administering these rather complicated provisions of the amendment. I think that if we in the law set the 15 percent limitation as the ceiling, we automaticaly invite all those who have not yet received the 15 percent increase to come in and ask for it.

Mr. BALL. Will the Senator yield?

Mr. BARKLEY. We do not have to look after the interest of those people by fixing the ceiling, and we do not have to invite them to make an application. They are qualified to take care of themselves, and whenever they think they are entitled to an increase, they can apply for it. We do not have to put into the law an inferential invitation for them to do so. I now yield to the Senator from Minnesota.

Mr. BALL. Does the Senator recall that chairman Davis, of the War Labor Board, in testifying before the committee, said that when the War Labor Board fixed the formula, three-fourths of all employees had already received the 15 percent, and that since the Board had been operating under the formula, half the remaining fourth have received it? That does not leave very many who are out of it.

Mr. BARKLEY. He was referring, of course, to those whose cases had been before the War Labor Board.

Mr. BALL. He was referring to all manufacturing industries.

Mr. BARKLEY. The Board does not have jurisdiction over labor rates unless a case is brought before them. They do not have any jurisdiction to go out and cruise around over the labor field. They are like courts in that cases have to be brought to them before they can pass upon them.

Mr. BALL. I remember inquiring of Mr. Davis as to that, and he was referring to all manufacturing industry, not merely to cases brought before the Board.

Mr. BARKLEY. Even if that be true, he was referring to manufacturing industries in which there are organizations of workers who have, through collective bargaining, worked out their rates of pay, and, where they have not been able to agree, they have come to the War Labor Board. But, as I stated a few days ago, among all the 50,000,000 wage earners of this country, there are only about 12,000,000 who are organized, or belong to any labor organization. There are about 38,000,000 workers in all branches, such as clerks in dry-goods stores, grocery stores, laundry workers, and many other classes of employees, who do not belong to any organization. Therefore, while they legally have the right of collective bargaining, they do not actually enjoy it, because they have no agency through which they can exercise it.

The amendment provides:

> This subsection shall not apply in the case of (1) any salary increase which does not increase the salary of the affected employee to an amount in excess of $5,000 per annum.

So in determining whether the President, in putting a ceiling on wages and salaries, may exercise the authority conferred by the amendment, a line is being drawn between those who receive less than $5,000 and those who receive more.

I do not wish to go into the different theories by which we are dealing with wages and prices, because that has been a controversial matter during all the time we have had the joint resolution before us for consideration. However, we have not put a ceiling on agriculture, as the Senator from Minnesota has said. We have provided that no ceiling can be put on agriculture that is under limits which we have set. The administration cannot go below that floor, but they can go as high as they wish. We have not put a floor under any wages in any law which we have enacted.

The proposed amendment seeks to put a ceiling not only on wages and salaries, in instances where employees draw less than $5,000, but where the rate is 60 cents an hour, which is $6 a day for 10 hours, or $4.80 for an 8-hour day, the President is, by the rather roundabout way, negative way, in which the amendment is drawn, limited in his power even to approve an increase in wages agreed to by an employer who would raise the pay above $4.80 a day for an 8-hour day, or $6 a day for a 10-hour day.

It seems to me that, in addition to bringing in the element of confusion, not only so far as the President is concerned, but as applying to the War Labor Board as well, and adding to the difficulty of administration, the amendment would open the way by which those who have not made application for an increase in wages might look at the law and say, "This is what Congress has said about it; they have said by indirection, at least, that we are entitled to a 15-percent raise in our wages and salaries, and therefore we will proceed to see if we cannot obtain it."

It seems to me we have amply taken care of both the labor situation and the price situation in the joint resolution, and that the amendment should not be agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment of the

Senator from Minnesota [Mr. BALL]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. McNARY (when Mr. AUSTIN's name was called). The senior Senator from Vermont [Mr. AUSTIN] is necessarily absent. He is paired on this question with the Senator from Pennsylvania [Mr. GUFFEY], who, if present, I am advised, would vote "nay." If present, the Senator from Vermont would vote "yea."

Mr. WAGNER (when his name was called). I have a general pair with the Senator from Kansas [Mr. REED]. I transfer that pair to the Senator from West Virginia [Mr. KILGORE] and will vote. I vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Missouri [Mr. TRUMAN] and will vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] is necessarily absent.

The Senator from Pennsylvania [Mr. [Mr. GUFFEY], the Senator from Nevada [Mr. McCARRAN], the Senator from Missouri [Mr. TRUMAN], and the Senator from Maryland [Mr. TYDINGS], are absent on important public business.

The Senator from West Virginia [Mr. KILGORE] is absent on official business in connection with the Committee to Investigate National Defense.

Mr. McNARY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The Senator from Maine [Mr. BREWSTER] is absent on business of the Senate in connection with the work of the Truman committee.

The Senator from New Hampshire [Mr. TOBEY] has been called from the Chamber necessarily.

The vote was announced—yeas 12, nays 69, as follows:

YEAS—12

Ball	Byrd	Thomas, Idaho
Barbour	Holman	Vandenberg
Burton	Millikin	White
Butler	Taft	Willis

NAYS—69

Aiken	Gerry	O'Daniel
Andrews	Gillette	O'Mahoney
Bailey	Green	Overton
Bankhead	Hatch	Pepper
Barkley	Hayden	Radcliffe
Bilbo	Herring	Reynolds
Bone	Hill	Rosier
Brooks	Johnson, Colo.	Russell
Brown	La Follette	Schwartz
Bunker	Langer	Shipstead
Capper	Lee	Smathers
Caraway	Lodge	Smith
Chandler	Lucas	Spencer
Chavez	McFarland	Stewart
Clark, Idaho	McKellar	Thomas, Okla.
Clark, Mo.	McNary	Thomas, Utah
Connally	Maloney	Tunnell
Danaher	Maybank	Van Nuys
Davis	Mead	Wagner
Downey	Murdock	Wallgren
Doxey	Murray	Walsh
Ellender	Norris	Wheeler
George	Nye	Wiley

NOT VOTING—15

Austin	Guffey	McCarran
Brewster	Gurney	Reed
Bridges	Hughes	Tobey
Bulow	Johnson, Calif.	Truman
Glass	Kilgore	Tydings

So Mr. BALL's amendment was rejected.

Mr. CLARK of Missouri. Mr. President, I call up an amendment in the nature of a substitute, which has been printed and is on the desk, and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and to insert in lieu thereof the following:

That in order to aid in the effective prosecution of the war, the President is authorized and directed on or before November 1, 1942, notwithstanding the provisions of any other act, to issue a general order stabilizing prices, wages, and salaries affecting the cost of living, and such stabilization shall be on the highest levels which existed between January 1 and September 15, 1942.

SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this joint resolution, and may exercise any power or authority conferred upon him by this joint resolution through such department, agency, or officer as he shall direct.

SEC. 3. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

(b) Any person who willfully violates any regulation promulgated by the President under this joint resolution relating to wages or salaries shall, upon conviction thereof, be fined not more than $1,000.

SEC. 4. The provisions of this joint resolution, and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

Mr. CLARK of Missouri. Mr. President, in view of the spectacle which has been presented to the country in the past 2 days by the United States Senate, when yesterday afternoon it marched bravely up the hill, banners shining, bands playing, and flags flying, and today, with the same panoply and ceremony, marched bravely back down the hill, I have no illusions as to the fate of the substitute which I have offered. Nevertheless, I desire briefly to explain the views which I entertain as to this legislation, and to tell a few plain truths, unpalatable though they may be to some of my colleagues.

The dangers which are inherent in unrestrained inflation have not been overstated by the President. It is not too much to say that these dangers can scarcely be exaggerated by anyone.

Last January, with the best of intentions, the Congress passed and the President signed a price-control bill which I considered then and denominated on this floor as a miserable makeshift, certain to prove woefully inadequate as a check upon inflation, certain to so speedily demonstrate its own weakness and inefficiency as to make inevitable an imperious demand for more comprehensive and stringent measures. That this conclusion was correct has been completely demonstrated by subsequent events, by the language of the President's Labor Day message, and by the course of the debate in this body upon the pending measure. I greatly fear, Mr. President, that the pending measure in its present form contains within itself many of the same seeds of inevitable failure which led to the futility of the existing law.

The Senator from Michigan himself did not believe that the bill which we passed last January was a perfect measure, and frankly so stated on the floor of the Senate, but he believed that it was the best which could be obtained at that time. At that time I very reluctantly followed his leadership and voted for the bill.

I was one of the Senators to whom the Senator from Michigan showed his formula for the present measure before he set out upon its actual preparation. I wholeheartedly approved that formula, as did nearly everyone else to whom he showed it. But, Mr. President, the joint resolution, as it emerged from the vicissitudes of the committee, bears only a faint and most repellent likeness to the formula with which the Senator from Michigan started. Instead of boldly striking at the very heart of inflation by fixing prices, wages, and salaries by legislative enactment, it launches upon new grants of power and sets up new discretionary controls with the probability of divergent and contradictory policies by the various administrators and agencies who will be delegated to exercise these vast discretionary powers, with results which are likely to mean confusion worse confounded.

I believe that the substitute which I am proposing is much more nearly akin to the original formula of the Senator from Michigan than is the joint resolution as it was reported from the committee. I believe that the time has come at long last in this great emergency for the Congress of the United States to rise to its great responsibility and deal with the deadly menace of inflation by legislative enactment rather than by craven shifting of our responsibility to administrators—for we all know that the President, with his multitudinous responsibilities, cannot handle these matters personally, but must do so through appointive agencies.

Mr. President, I do not wish to bore the Senate with quotations from my own speeches, but I believe that I can most briefly explain my views upon the pending measure by a short quotation from some remarks which I made at the time of the passage of the existing law.

At the time of the adoption of the conference report upon the price-fixing bill on January 27, 1942, I said:

I intend to vote for this conference report, but, not because I believe it is a good bill. I think it is a bad bill; I think it is an improvident bill; I think it is an incomplete

bill. I think it is a bill which is so incomplete that it will almost immediately demonstrate the necessity, the imperative necessity, for its amendment.

I intend to vote for the conference report because I believe it is the best that can be done at this particular moment, and I believe that Congress has already dawdled in the passage of this very important measure altogether too long. I had rather vote for a bill—incomplete as this bill is, imperfect as it is, certain as I believe it to be that it will prove inadequate—which enables the Price Administrator at least to set up his machinery under some semblance of law, than to send the bill back to conference and start it back through the legislative mill of consideration by the two Houses, and compel the Price Administrator, or whatever other authority the President may designate, to continue to operate under no authority of law whatever.

It seems to me to be so plain as to be undeniable that the only possible way by which inflation can be controlled or curbed is by an over-all control, a control which would take into consideration all the various elements going into our economic and price structure; and when I say that I include wages, commodity prices, industrial prices, transportation, rent—all the other elements which go to make up prices.

I think that sooner or later—and heaven knows how much the penalty may be to the people of the United States by reason of the delay—the Congress will have to face its responsibility of saying that we shall start out, not with piecemeal regulation, not regulation of one industry at a time, not regulation of one commodity price at a time, but start out by having the courage and the industry to set up a parity for agricultural commodities, for wages, including agricultural wages, for rents, and for every other economic interest which goes into our whole structure, and then by giving the Price Administrator the authority to take into consideration unusual circumstances in any particular industry, and make an exception to whatever extent may be necessary.

I shall, therefore, vote for the conference report, not because I believe, with the majority leader, that is a good bill, but because I believe more harm would be done through delay in setting up the legal machinery for price control than will be done through the inequalities of the bill which we are about to enact. But I predict now that it will be necessary to come back in the very near future and undo the work which we have been doing for the last 6 months, and in which we have been dawdling along, while the inflationary curve has been rising constantly, and we have been failing to look the situation in the face and impose over-all control.

Mr. President, I make no pretense to being a prophet or the son of a prophet; but it is a melancholy and undeniable fact that this prediction has come true, and that for many months inflation has been gaining headway by reason of the very deficiencies of the act of which I then complained.

Incidentally, I may say that I followed the majority leader and voted against the amendment to that bill offered by the Senator from Alabama [Mr. BANKHEAD] giving the Secretary of Agriculture a veto power over the decisions of the Price Administrator, because I thought this would be a delusion and a snare to the farmer. Beyond controversy this speedily proved to be true when the Secretary proceeded to sell the farmers down the river.

Let me for a moment discuss the background of the Price Fixing Act of January, 1942. It is necessary to an understanding of the present situation.

That act came to us as an administration measure. I was one of those who was opposed to the provision for 110 percent of parity in the existing law, because I was opposed to the thing which made 110 percent of parity possible and necessary. That was the omission or exclusion of any control of wages and other elements of the price structure.

Both the 110 percent of parity and the omission of wage controls were actively supported by the administration leaders. The Senator from Kentucky the other day in a colloquy with the Senator from Wyoming raised some questions as to the President's attitude about exclusion of wage controls. He said the President never said that he was opposed to wage control. Well, I don't remember to have ever heard any direct public expression from the President, but I do know that Mr. Henderson, Mr. Ginsburg, and other administration officials were active in the preparation of the bill, and that numerous Cabinet officers and other administration officials were busy lobbying for it. I know the opinion that Mr. Henderson gave in his appearance before the committee; he spoke in favor of providing for 110 percent of parity, and for the exclusion of wage control. A whole battalion surrounded the Capitol with ranks closed up and serried.

I know that I heard the majority leader, the Senator from Kentucky [Mr. BARKLEY], stand on this floor and argue eloquently against any wage control. I know that Speaker RAYBURN and House majority leader MCCORMACK took the same position.

Abraham Lincoln, in speaking of the Dred Scott decision, once said that if a stranger traveling through a vast forest saw in widely separated parts of the forest, apparently unconnected and unknown to each other, James and Franklin and Stephen and Roger busily at work cutting down trees and hewing out timbers and shingles for a house, and if at the conclusion of their work the products of their labors were assembled at some central place, and if it were found that the timbers and joists and other parts fitted exactly for the erection of a splendid edifice, then reasonable men would conclude that James and Franklin and Stephen and Roger were acting in pursuance of some prearranged plan.

So, Mr. President, when we have observed Alben and Leon and Sam and John busily engaged in keeping out wage controls, and putting in 110 percent of parity, reasonable men will conclude that Alben and Leon and Sam and John were working in pursuance of a program sanctioned and supported by the administration. [Laughter.] So much for the existing law.

So we got the misshapen measure sponsored by these distinguished statesmen. Almost at once it began to demonstrate its lopsided, ineffectual structure. For 8 months it has continued while the inflation spiral has continued. Practically all are now agreed that legislation should now be enacted to do what we should have done last January. Exactly how much damage has been done in the past 8 months by the deficiencies of the existing law it is impossible to estimate. Certainly it is huge. But what is lost is lost. It can never be regained. The only thing we can do now is to put out the fire, call the dog, and move on to other camps. But the vital, the all important, the imperative thing is that we should not repeat the tragic mistakes we made in the act of January 1942.

The pending bill as it stands presents another whopper-jawed, lopsided, cross-eyed picture. It starts out bravely by providing for stabilization of prices, wages, and salaries on the basis of the levels which existed on September 15, 1942, but immediately that definite direction for stabilization is vitally impaired by the introduction of the weasel words "as far as practical," and then it proceeds to destroy the whole effect of the direction by the inclusion of general discretionary powers for the President, which, of course, means for the various administrators and agencies to adjust prices, wages, and salaries whenever the administrators in their discretion may deem that the formula prescribed by the Congress works "gross inequities," or whenever the administrators in their discretion think that changes are necessary to aid the effective prosecution of the war.

Here we have purely discretionary powers, and we shall have results varying in accordance with the views, tastes, and capacities of various administrators.

It is all very well to speak of granting these discretionary powers to the President of the United States. He is our undisputed leader in this great emergency. As our Commander in Chief he is entitled to and is receiving and will continue to receive the loyalty and devotion of a militant and united people. But we all know as a practical matter that the President cannot take upon himself the burdens of administering the discretion delegated in this bill involving, as it does, matters so vast and yet also matters so minute. He is the busiest man in the world. As Commander in Chief conducting a war around the world his responsibilities are greater and more diverse than those of any man in the world. Indeed, both the committee bill and my substitute make provision authorizing the President to delegate his powers under the bill to administrators or agents.

What, then, is the practical situation? We have one set of standards for prices and another set of standards for wages and salaries. We all know that in all human probability the discretion as to fixing prices will be vested in the Price Administrator, Mr. Leon Henderson, notably hostile to agriculture—and I use the term "hostile" in no invidious sense. Mr. Henderson is able, conscientious, and patriotic; a man of fixed ideas. I mean no reflection upon his character or his integrity when I say that so far as the purposes of the pending measure are concerned his attitude is one of hostility to agriculture. On the other hand, the discretion as to wages and salaries will in all probability be turned over to the War Labor Board, already committed to the

principle of wage increases, at least to the extent of 15 percent. With Mr. Henderson going in one direction as to agricultural prices, and with the War Labor Board going in the other, with Henderson pushing down and with the War Labor Board lifting up, we should have almost a certainty of more confusion and more turmoil—yes; and more dangerous dissension and inflation—than we have ever had before.

It was by reason of this prospective divided discretion that I unhesitatingly cast my vote yesterday for the Thomas amendment. If prices and wages are not to be fixed by legislative act at given levels, if they are to be left to the discretion of conflicting and contradictory agencies, then I believe that it is of the most vital importance that a specific limitation be inserted giving the farmer credit for his labor costs if a terrific shortage of agricultural commodities is to be averted—in other words, provisions similar to those of the Thomas-Hatch amendment. I was, I believe, the first Senator on this floor to call attention to the desperate situation which was likely to develop as to farm labor between the exactions of selective service on the one hand and the impossible competition of munitions factories on the other.

I voted against the Barkley-O'Mahoney-Tydings-Reed so-called compromise because I did not regard it as a compromise at all, except insofar as it would have compromised those who voted for it if it had been submitted. So far as the farmer is concerned, under the so-called compromise he would be in the same plight as the Indian who went out hunting with a white man. They hunted all day, but the only game they secured was a turkey and a buzzard. In the evening the white man said to the Indian: "Now, we ought to divide the game on some equitable basis, and I'll give you the choice. Either I'll take the turkey and you take the buzzard, or you take the buzzard and I'll take the turkey." The Indian looked way off and said, "Hell, he ain't said turkey to me yet." That is as it would have been with the farmer under the provisions of the original Barkley amendment, proposed by the majority leader, and the coterie whom I presume he represented.

Mr. President, I presume the modifications which were made here this morning—almost by unanimous consent, I am sorry to say—somewhat improved the vices of the original formula, at least to a face-saving degree, let us say. We have the result now, under the provision which has been adopted by the Senate, that the farmers will be denounced from coast to coast by the kept metropolitan newspapers and kept radio commentators as having gotten away with a steal, but in actual effect, when turned over to the tender mercies of Mr. Henderson, the farmer will get very little more than he would have gotten under the original iniquitous Barkley compromise, which was worse than nothing.

Mr. President, the substitute which I have proposed provides for stopping inflation by legislative enactment. It gets completely away from these dangerous, complicating, divergent discretions certain to be the seat of so much bitterness and turmoil. It is so simple that every man, woman, and child in the United States can understand it. It is as certain in its effects on inflation as the law of gravity.

Its adoption would mean that the Congress of the United States had risen to its great responsibility by grappling with the monster of inflation itself rather than passing the buck to administrative agencies.

The whole gist of the substitute is contained in one sentence:

That in order to aid in the effective prosecution of the war, the President is authorized and directed on or before November 1, 1942, notwithstanding the provisions of any other act, to issue a general order stabilizing prices, wages, and salaries affecting the cost of living, and such stabilization shall be on the highest levels which existed between January 1, 1942, and September 15, 1942.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. O'MAHONEY. Let me ask the Senator what the phrase "affecting the cost of living" means.

Mr. CLARK of Missouri. The Senator will have to ask the Senator from Michigan. I copied that from the committee formula.

Mr. O'MAHONEY. I was asking the Senator.

Mr. CLARK of Missouri. The Senator has been supporting the committee formula. He should know the answer to his question. I was very dubious about quoting those words, but I wanted to conform the amendment as closely as possible to the language of the committee proposal. The Senator is one of the sponsors of the committee measure, and he should be able to explain that phrase better than I can.

Mr. O'MAHONEY. The Senator is proposing a substitute, which, I am frank to say to him, comes closer to meeting the formula which I have always urged in this body and elsewhere, than any other that has been presented.

Mr. CLARK of Missouri. I say very frankly to the Senator from Wyoming that I only included that provision because it was in the committee draft. I regard it as surplusage, because I consider that practically all prices and wages affect the cost of living for the American people, even if they are infinitesimal.

Mr. O'MAHONEY. I suggest to the Senator from Missouri that he improve his proposal by striking out that qualifying phrase.

Mr. CLARK of Missouri. If I thought I could gain the support of such an able ally as the Senator from Wyoming by so doing, I should certainly do it.

Mr. O'MAHONEY. The Senator might gain my support. Will the Senator modify his amendment to that extent?

Mr. BARKLEY. Is this an exercise of collective bargaining here on the floor of the Senate? [Laughter.]

Mr. CLARK of Missouri. So far as I am concerned, I say very frankly that I regard the language as surplusage, and therefore would be glad to strike it out.

Mr. President, my proposal is a simple, understandable legislative enactment to stop inflation by freezing prices, wages, and salaries at the highest level between January 1, 1942, and September 15, 1942. It gets away from the system of competitive discretions whose effect will be to continue the dangerous spiral of inflation which we all dread so much. It will obviate the necessity for farmers to come to Washington with their hats in their hands to Mr. Henderson to ask for some counterweight to some increase in wages which has been granted by the War Labor Board in its discretion, and for laborers or salaried people to come here to do obeisance to the War Labor Board and ask for some offset to some increase in the cost of living which has been granted by Mr. Henderson in his discretion. One of the greatest boons which could be bestowed upon the American people in these troubious times would be certainty, and that is accomplished by the substitute.

I would be the last to deny that by this formula for freezing prices and wages some inequity will be done. Some inequity will be done by any formula which may be adopted, and I submit that less will be done by the formula of this substitute than by any other. If agriculture, industry, and labor are treated alike, none can justly complain. Certainly the consumer will benefit to a far greater extent than by any other formula. Inflation will be more certainly stopped in its tracks than by any system of discretionary controls.

Mr. President, it is not a pleasant task for any of us to stop rises in either prices or wages. Most of us have labored for years, in peacetime, to bring about increases in both wages and prices. But these are not normal times. Due to the war, all our economy is in the highest degree abnormal. Should we permit inflation to reach its dread potentialities, then higher wages will be of no use to the wage earner, and higher prices will be of no use to the producers. All will be sunk together, and our whole economy will be destroyed.

The substitute which I have proposed is fair to all because it treats all alike. It selects the highest prices and wages at the highest point they have reached in an extended period of several months, and then it defeats inflation by freezing them there. It relieves us from the danger that little increases on one side and little increases on the other side will destroy the equilibrium and endanger the whole system of price and wage control.

Mr. President, I think it can scarcely be denied that we have failed miserably in our first attempt to control inflation through the price control law we passed in January. The President and the Congress must share in the responsibility for that dismal failure to enact over-all control at that time. We must not fail again. I urge with every bit of earnestness in my being that we avert that catastrophe by legislating for price fixing that will stop inflation in its tracks. Most of all I urge that the Congress assert its authority, perform its duty, and maintain its dignity, by legislating, rather

than by shifting its own high responsibilities to administration agencies.

Mr. GEORGE. Mr. President, I do not intend to indulge in any extended remarks, but I wish to make a brief statement. I am very strongly inclined to vote for the substitute presented by the Senator from Missouri [Mr. CLARK] because it is a direct approach to a stubborn situation.

I am very glad to be able to vote either for the substitute offered by the Senator from Missouri [Mr. CLARK] or the joint resolution reported by the committee, which has been before the Senate for some days.

Mr. President, I think it is a very happy circumstance that the President did not follow the advice—if he received such advice—from high officials in the Government, who are said to have stated to him that he had the authority, as Commander in Chief, or under the Second War Powers Act, or under any other act, to fix prices and fix wages. The President at least was wise enough not to follow that advice. I should be unwilling to vote for any measure without making the very frank statement that, in my humble opinion, there is no possible authority and power in the President, under the American Constitution, to set aside deliberate acts of the Congress, which he himself has approved, unless the Congress itself gives him such power. I do not care to labor the point, but I am very glad the President brought the issue to the Congress, and I am very happy that he was wise enough not to follow the suggestion, if such suggestion or advice came to him from any quarter. I congratulate the majority leader on the straightforward statement he made yesterday in the debate here that he had advised against such a course.

Mr. President, when the original price control measure was before the Senate I did not speak at length on it, but I expressed doubt and serious misgiving that it would accomplish the purposes intended. I know that I, as well as other Senators on this floor, raised the question that there was in it no control of wages, nor were any effective steps taken in the enactment of the measure to stabilize wages. I said a little while ago in discussing the amendment of the Senator from California, that such inflation as we now have in this country had its genesis when unemployment began to disappear, after the outbreak of the war in Europe, with the tremendous demand upon our industries to supply war materials to European countries. It became especially marked as soon as wages began to rise. I refer to factory or industrial wages.

Mr. President, I regret to say so, but it is a fact, and nothing now can be gained by withholding a straightforward statement of fact, that no effective step was taken by this Government to check or to stabilize the rapidly rising level of industrial wages.

There were two initial causes for the inflation. It may be that rising farm prices had something to do with it—and they did have something to do with it—but they were not one of the initial causes. One initial cause was the absorption of the unemployed, with the rapidly rising and unchecked and uncontrolled wage levels in this country. There was another cause. Without very much knowledge of what we had on hand in the way of raw and strategic materials, and without a very intelligent effort to determine what we had on hand, and what capacity we had for replacing it when it was gone, we entered upon a program of allocation of everything that was needed for war purposes.

Of course, that was unavoidable, and no one complains about it. But there should have been an allocation between essential and irreducible civilian needs and necessities, and war needs, with the emphasis always on the war needs.

So certain conditions have developed, and I regret to say that in my opinion the joint resolution will not stop inflation, because the conditions are already here; they are already in existence. The passage of the joint resolution will not change them.

Mr. President, in the first place, if I have the correct information—I do not know with certainty, but apparently it is what we may expect—one agency is going to administer price ceilings on agricultural products, and another agency is going to administer ceilings on wages. Mr. President, it will not work, and—

Faithful are the wounds of a friend—

The President of the United States ought to know from the Congress that that program will not work.

One agency may fix the ceilings on agricultural products; another agency may attempt to regulate wages; but what are the conditions? There was no allocation between civilian needs, no intelligent, well-planned, well-directed allocation, with the result that the volume of consumer goods is rapidly declining. If they go into places of business in January next and take an inventory of the goods on hand the American people will be surprised at the tremendous shrinkage they will find in the inventory on all the counters, on all the shelves, and the goods will not be available to replace them.

Assuming that the price of agricultural commodities will be frozen as of the level of today, and assuming that wages will be frozen as of the level of today, both at the same moment, what will the condition be? There is already in the hands of the people in the United States a consuming power—and I include all of us who will spend it—of at least $19,000,000,000, and it may run as high as thirty-odd-billion dollars. It is impossible merely by freezing the cost of commodities, including agricultural products, and of now stopping increases in wages, to avoid some inflation, some very definite inflation, because those who are in charge of our war program are properly diverting more and more and more raw materials to war purposes. That is unavoidable. We might as well face the fact. So many sources of raw materials have been cut off from us, which we did not anticipate, and could not have anticipated—it was unavoidable—that fewer and fewer consumer goods will be made. The wage levels are already so high that annually from twenty to thirty or thirty-five billion dollars of purchasing power, consumer buying power, will pass into the hands of the American people.

So this measure cannot stop inflation, because the conditions which create inflation are present. It may be that we can do something with it in the tax bill; but if we do anything in the tax bill, Mr. President, we must drive directly at the seat of the consumer buying power. It will not do any good to crucify corporations, thinking that that will stop inflation. Corporations do not spend money for consumer goods. They spend for production. Their total expenditures for consumer goods are negligible. It is the individuals in the United States—you and I—who spend money for consumer goods. Flowing into our hands already, with wages frozen as of this moment, is a possible purchasing power which will constantly press against all the ceilings which we can place on prices. With a tax bill which will reach the consumer purchasing power, and with this measure, we may be able to meet the situation. If we do not stop altogether the rising costs of living, or inflation, we may be able to check them in a degree, control them, and hold them. That would be a very happy result if it could be attained.

Mr. President, unless the Treasury is willing to reach the consumer buying power, more high and burdensome taxes on other groups and on organizations which do not purchase consumer goods will not very greatly aid us in the solution of this problem.

Of course, I shall support the measure worked out by the committee. I may vote for the substitute offered by the Senator from Missouri [Mr. CLARK], because it is a direct approach to the problem, and it seems to leave these questions outside the hands of agencies which may be working with the utmost good faith to accomplish the same end; but nevertheless they will be working in their way, and according to their own methods, and they may not always arrive at the same end. If the Senator from Missouri calls for a vote on his amendment, I shall vote for the substitute offered by him.

I shall vote for the committee measure, because I think it has a great deal of virtue in it. As I said before, it will not stop inflation. It cannot stop inflation, because it cannot eliminate the conditions which now exist. At best, coupled with other things which must be done—and must be done with a great deal of courage and without regard to personal consequences—it may serve to hold the inflationary movement in check.

Mr. President, I have no more right to speak for the American farmer than has any other Senator, and have never asserted such a right; but the American farmer has been troubled about this measure, not so much because the intelligent farmer desires to secure a further boost in his prices, except for the single purpose of enabling him to meet increasing costs which fall on him every day, but because he does not think that the

Congress means, or that the Government intends, to check and stabilize wages. I am making no attack on labor, any more than other Members of the Senate who have spoken against the proposals offered on behalf of the farmers have made attacks on farmers. We are merely dealing with facts. Increased wages are worth nothing to American labor if the rapidly rising costs of living absorb and destroy all the wages which come in and all the savings which are on hand. Labor can be destroyed in that way as quickly as in any other conceivable way. Indeed, that is the way in which we can conceive of the utter and complete destruction of labor, the farmer, and all of us, in the quickest possible time.

We might as well deal frankly with one another; and we might as well say to labor that if wages are not checked, if steps are not taken which will reach the source of the income already guaranteed under the levels reached by factory wages, inflation will not be stopped. In my opinion, such wages will not be reduced. It would be a most difficult task to bring about a reduction in wages when once wages have reached a certain level. I do not know that anyone would contemplate such an effort. I am sure that no one could think that such an effort would succeed or should succeed, so far as direct action of the Government is concerned. However, we must reach the consumer buying power in a quick step after the passage of the tax bill, which should be before the Senate next week, and add the influence of an additional tax measure and the influence of this proposal, which will be adopted if we expect to accomplish anything with the problem which now confronts us.

Mr. President, I said that the Treasury would have to go in a direction in which it has not wished to go. When all is said and done, when we have exhausted the final effort, we can reach the great consumer buying power due to tremendous increases in wages by only two taxing methods. There may be variations of them, and they may be called by various names. One is a gross income tax reaching very close to the bottom, if not to the bottom. The other is a sales tax of consequence. If the Treasury of the United States is not willing to go in one or the other of those directions, it does not matter how high we may pile the taxes upon individuals who now have savings, or on corporations, we shall not reach the vast reservoir of consumer buying power. So long as that reservoir stands at its present level there is not only the threat of inflation, but there is a constant pressure upon existing conditions which no regulations which we can impose on further rises in wages or farm prices can possibly solve.

Mr. LEE. Mr. President, will the Senator yield before he takes his seat?

Mr. GEORGE. I am glad to yield.

Mr. LEE. Does not the Senator feel that, in addition to the methods suggested by him, a compulsory purchase of war bonds, sometimes called forced savings, and sometimes called draft dollars, would relieve the pressure from the standpoint of inflation, and also help to finance the war?

Mr. GEORGE. Undoubtedly so, if it moved in the direction I have indicated, into the reservoir of individual consumer purchasing power. However, it does not move there. It will not do so. It will simply reduce the savings of people who already have them—earnings and savings and accumulations of partnerships, firms, and corporations which may be making profits at this time.

Mr. McKELLAR. Mr. President, I have not discussed the pending measure, and I do not intend to discuss it at this late hour. I desire to have a word to say about the vote which I expect to cast on the pending substitute. The President has advised us of inflation; he has emphasized our duty to stop inflation. I agree with him entirely as to its danger; and if he had not advised us of it, its danger is apparent to us all. The President has asked Congress to pass a measure to prevent inflation so far as it is possible to prevent it. It is the duty of the Congress to act, and to act effectively. In my humble judgment the substitute which has been offered by the senior Senator from Missouri [Mr. CLARK] would come nearer stopping inflation than would any bill, amendment, or substitute which has been proposed. Therefore, I believe it is my duty to vote for the Clark substitute. I shall vote for it. I believe it is the best way to stop inflation. I said more than a year ago that the Congress should fix an over-all ceiling. I repeat it now. It would have been better if we had done so a year ago.

We must stop inflation, and the best and quickest way to do it is for Congress to go at the task directly, and to stop inflation at present levels. For that reason I shall vote for the substitute of the Senator from Missouri.

Mr. CLARK of Missouri. Mr. President, I modify my substitute by, in line 5, striking out the words "affecting the cost of living."

I ask for the yeas and nays on my substitute.

The yeas and nays were ordered.

Mr. O'MAHONEY. Mr. President, in announcing my intention to vote for the substitute offered by the Senator from Missouri, I desire merely to comment that I am in entire accord with the opinion expressed by him, with that expressed just now by the Senator from Georgia [Mr. GEORGE], and with that expressed by the Senator from Tennessee [Mr. McKELLAR], that the only way to control inflation is to freeze all the elements which go into the cost of the materials that are in the economic structure.

I think the debate which has occurred has given altogether too much emphasis to the part that agriculture and agricultural commodities play in the problem.

Mr. President, the plain facts are that the cost of agricultural commodities is only a drop in the bucket. If all agricultural commodities which are expected to be grown in the United States during the year 1942 were to be sold at the highest prices established by law or reached upon the market, the entire value of all the crops would not exceed $14,000,000,000. Government expenditures—and I say this upon the authority of the Federal Reserve Board, as published in the Federal Reserve Bulletin—are now being made at the rate of $6,000,000,000 a month. In other words, the total governmental expenditures for 3 months exceed by $4,000,000,000 the value of all agricultural commodities grown or expected to be grown in the United States in 1942.

So agriculture is not and cannot be the cause of inflation. As was so well stated by the Senator from Georgia, the cause of inflation is to be found in the huge expenditures which the Government must make, and in the rising prices and costs which the Government has found itself obliged to pay.

Mr. President, I shall merely make this remark: Since it is acknowledged by every economist and every observer that the danger of inflation comes from governmental spending, the cure is immediately obvious. Within the power of the Government lies the remedy for the disease with which we are said to be afflicted. The Government, through the War Department, the Navy Department, and all the other departments which conduct spending, can write the contracts in such a manner as to hold down the expenditures. So, Mr. President, we do not have to have inflation.

In dealing with the problem of preventing inflation we have been confronted with two conflicting theories. The theory which we have followed has been the selective theory. It has been considered that it would be possible to set up a bureau and to clothe it with the power to exercise discretion, to make changes and allowances, to fix ceilings, and to increase wages and prices.

The other theory—the theory which seems to me to be the only sound one—is the one which is reflected in the substitute offered by the senior Senator from Missouri [Mr. CLARK], namely, by legislative decree to direct the President to freeze all costs.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. TAFT. I do not understand why the substitute proposed by the Senator from Missouri would freeze costs by legislative decree any more than that would be done by the original joint resolution. The substitute offered by the Senator from Missouri would freeze all costs as of a certain date, as would be done by the existing joint resolution. In addition, the substitute of the Senator from Missouri would give the President the power to change prices and wages in any way he might choose to do. The original joint resolution would do the same thing. The substitute of the Senator from Missouri would do no more in that respect than would be done by the original joint resolution, it seems to me.

Mr. O'MAHONEY. Mr. President, I did not intend to launch upon a debate at this late hour. I merely rose in order that the RECORD might show that the Members of the Senate comprehend the difference between the two theories. I disagree with the Senator from Ohio, but I do not wish to enter into a debate upon the matter at this time.

It was merely my desire to add a further comment. It seems to me that perhaps the outlook is not altogether so

dangerous as some of us have been led to believe, not so dangerous as some of us have pictured it, because the latest Federal Reserve bulletin indicates that the people of the United States are now saving money at the rate of $17,000,000,000 a year. In other words, if the Federal Reserve Board's economists are correct, the people of the United States today are saving more money, by $3,000,000,000, than the value of all agricultural commodities produced or to be produced in the United States this year.

Mr. BANKHEAD. Mr. President, I wish to call attention to the fact that if this amendment shall be agreed to it will remove a good many advantages which would be given to the farmers under the original Senate joint resolution. As I understand, it seals prices at the high point of commodities from January 1 to September 15. That would be all right if all the agricultural commodities had passed above parity, but the guaranty of parity is the real basis of protection to all agricultural producers, and the fact should not be ignored that probably a majority of the agricultural commodities have never reached parity. So, while I think the amendment is correct in principle, I believe it would bring about a great injustice to many agricultural producers.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BROWN. I merely call attention to the fact that if it were found necessary to increase the production of any commodity, that could not be done under the rigid restrictions provided by the amendment by any promise of an increase in price. A fundamental thing in the entire price-control law is that increases may be made in prices when it is necessary for the effective prosecution of the war to increase prices. No country that has ever tried price control has attempted to freeze solidly every price, every wage, every salary that exists without provision for adjustments. I say to the Senate that it would be most unfortunate at this late hour to consider seriously an over-all freeze which has had no review by any committee whatsoever, which I think is brought in merely to criticize the measure on which our committee has worked for months and on which the Senate has worked for about 10 days, which will wipe out every protection to the farmer and every protection to the worker. This should not be done.

Mr. CLARK of Missouri. Mr. President, will the Senator from Alabama yield to me to reply to what the Senator from Michigan has said?

Mr. BANKHEAD. I yield.

Mr. CLARK of Missouri. The Senator from Michigan states that this amendment was brought in at the last minute. I offered the substitute early last week. I had it printed, and printed in the RECORD. I have discussed it with everyone I had a chance to speak to about it. The Senator from Michigan, when he undertakes to say that it is brought in for the purpose of criticizing him or criticizing his committee, is simply misstating the facts, because I have no such purpose.

Mr. BROWN. The Senator criticized me, and my effort toward bringing about price control.

Mr. CLARK of Missouri. I think the measure proposed by the Senator from Michigan does not reach the objective of stopping inflation.

Mr. BROWN. The Senator says the price-control law has done nothing. The fact is that the price-control law which was enacted last January has saved the American people billions of dollars. The fact is that the price-control law which we enacted has kept the cost of living just as low, in this great country of 140,000,000 people, as the Canadian price-control law, which is held up to the skies as a perfect law, has kept it for the little Canadian nation of twelve to fourteen million people.

Mr. CLARK of Missouri. The Senator should debate that with the President. That is the whole occasion for this debate.

Mr. BANKHEAD. Mr. President, I should like to proceed and finish my statement; I have only a few more words to say.

I wish to point out that wheat, corn, oats, barley, rye, and all the grains are below parity, and have been below parity from the beginning, and the substitute would prevent them from ever reaching parity. That does not apply to cotton, but it does apply to all the grains and to a number of other commodities.

Mr. LEE. It would also freeze farm wages, which are now so low that if a farmer wanted to offer more wages in order to produce more wheat, he could not do it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. CLARK] in the nature of a substitute. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. WAGNER (after having voted in the negative). I have a general pair with the junior Senator from Kansas [Mr. REED]. Not knowing how he would vote, I transfer that pair to the senior Senator from West Virginia [Mr. KILGORE], and allow my vote to stand.

Mr. THOMAS of Utah (after having voted in the negative). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Missouri [Mr. TRUMAN], and allow my vote to stand.

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] and the Senator from North Carolina [Mr. BAILEY] are necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY], the Senator from Iowa [Mr. HERRING], the Senator from Missouri [Mr. TRUMAN], and the Senator from Maryland [Mr. TYDINGS] are absent on important business.

The Senator from West Virginia [Mr. KILGORE] is absent on official business in connection with the Committee to Investigate National Defense.

The Senator from Oklahoma [Mr. THOMAS] has been unexpectedly called from the Senate Chamber on official business.

Mr. McNARY. The Senator from Vermont [Mr. AUSTIN] and the Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] are necessarily absent. The Senator from Maine [Mr. BREWSTER] is absent on business of the Senate in connection with the work of the Truman committee.

The result was announced—yeas 15, nays 65, as follows:

YEAS—15

Byrd	Johnson, Colo.	Smith
Chavez	McKellar	Spencer
Clark, Mo.	O'Mahoney	Stewart
Connally	Russell	Vandenberg
George	Smathers	White

NAYS—65

Aiken	Gerry	Norris
Andrews	Gillette	Nye
Ball	Green	O'Daniel
Bankhead	Gurney	Overton
Barbour	Hatch	Pepper
Barkley	Hayden	Radcliffe
Bilbo	Hill	Reynolds
Bone	Holman	Rosier
Brooks	La Follette	Schwartz
Brown	Langer	Shipstead
Bunker	Lee	Taft
Burton	Lodge	Thomas, Idaho
Butler	Lucas	Thomas, Utah
Capper	Maloney	Tunnell
Caraway	Maybank	Van Nuys
Chandler	McCarran	Wagner
Clark, Idaho	McFarland	Wallgren
Danaher	McNary	Walsh
Davis	Mead	Wheeler
Downey	Millikin	Wiley
Doxey	Murdock	Willis
Ellender	Murray	

NOT VOTING—16

Austin	Guffey	Thomas, Okla.
Bailey	Herring	Tobey
Brewster	Hughes	Truman
Bridges	Johnson, Calif.	Tydings
Bulow	Kilgore	
Glass	Reed	

So the amendment of Mr. CLARK of Missouri, in the nature of a substitute, was rejected.

Mr. BROWN. Mr. President, I submit a perfecting amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out the words "joint resolution" wherever they appear in the joint resolution, and to insert in lieu thereof the word "act."

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Michigan.

The amendment was agreed to.

Mr. DANAHER. Mr. President, I call up an amendment in the nature of a substitute for the pending joint resolution, or as it now is amended, the pending "act." The amendment is on the table, and I ask that it be stated.

The VICE PRESIDENT. The amendment in the nature of a substitute offered by the Senator from Connecticut will be stated.

The CHIEF CLERK. It is proposed to strike out all after the resolving clause and to insert in lieu thereof the following:

That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1,

1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this joint resolution, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities, and to the extent that he finds necessary to aid in the effective prosecution of the war.

SEC. 2. Section 2 (f) and section 3 of the Emergency Price Control Act of 1942 are hereby repealed.

SEC. 3. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this joint resolution; and may exercise any power or authority conferred upon him by this joint resolution through such department, agency, or officer as he shall direct. The President may not under the authority of this joint resolution suspend any law or part thereof.

SEC. 4. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out "June 30, 1943" and substituting "June 30, 1944."

"(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such act shall, insofar as they are not inconsistent with the provisions of this joint resolution, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this joint resolution.

(c) Nothing in this joint resolution shall be construed to invalidate any provision of the Emergency Price Control Act of 1942, or to invalidate any regulation, price schedule, or order issued or effective under such act.

SEC. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

(b) Any person who willfully violates any regulation promulgated by the President under this joint resolution relating to wages or salaries, shall, upon conviction thereof, be fined not more than $1,000.

SEC. 6. The provisions of this joint resolution and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution and all regulations thereunder shall prescribe.

Mr. DANAHER. Mr. President, I have in mind to take but a very few minutes of the time of the Senate, for I have argued substantially all the matter in what I sought to lay before my colleagues yesterday. It will have become apparent, however, to all those who are indulgent enough to attend upon the facts, that under the parliamentary situation the proposed substitute could not possibly have been offered, until this minute.

It seems, Mr. President, that it is pertinent to point out for the convenience of Senators, that section 1 of the pending proposed substitute is identically stated word for word in the language of Senate Joint Resolution 161, as now amended in this body.

Section 3 of the proposed substitute is identically coincident with section 2 of the joint resolution before the Senate.

Section 4 of the proposed substitute is identical with section 7 of the joint resolution, and is necessary in order to integrate this particular proposed substitute with the Emergency Price Control Act. That is the purpose which section 7 serves in the joint resolution.

Section 5 of the proposed substitute provides that—

No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

Mr. President, it should be particularly noted that in that section the President is given implicit and explicit power over wages. It has been stated here loosely that the pending joint resolution before us has given no such power. An automatic wage control is implicit in the very price fixing inherent in establishing a maximum over any commodity, because no employer and no manufacturer can find it possible to pay a greater rate of pay than is permitted under the economy under which he acts.

In addition, Mr. President, in subsection (b) of section 5 of the proposed substitute a penalty is provided for anyone who violates regulations issued by the President under subsection (a) of section 5.

Furthermore there is the very potent deterrent to a violation of section 5 to be found in the fact that if the President orders that some element of cost shall be disallowed for tax purposes, no employer, no manufacturer, no producer dare violate the section with impunity.

So, Mr. President, there is a very real and a very vivid imposition of wage control in section 5 of the pending substitute. But it is identically the same language which is to be found in section 5 of Senate Joint Resolution 161.

Section 6 of the proposed substitute, Mr. President, provides for a termination date and also for action by the Congress, through concurrent resolution, or by the President, through proclamation, to terminate the effective operations of the powers conferred. So that when in section 1 we confer the powers on the one hand, in section 6 we provide a basis upon which they may be returned to the Congress.

All of that, Mr. President, let me say, is in accord with the message of the President. It is in accord with the address which he delivered to the people over the radio on the night of September 7. Above all, Mr. President, the proposed substitute in section 2 would execute identically the purpose and objective which the President sought when he told us that the obstacle to an effective price-control lay in section 3 of the Emergency Price Control Act.

I have left until the last minute or two my reference to section 2 of the proposed substitute, for it seemed to me proper that I should invite the attention of the Senate to the fact that in this particular section is to be found the heart of the reason and the basis for offering the proposed substitute. Not only would it be possible to guarantee labor costs to farmers and to producers of any commodity of which there may be a shortage, and of which expanded production is called for, but it could be done through the medium of placing a floor under the price of the commodity. That is what is important. The cost could be assured to the producer. Moreover, it could be guaranteed a year in advance through the legislative authorization contained in section 2 of the Emergency Price Control Act.

Mr. BARKLEY and Mr. OVERTON addressed the Chair.

Mr. DANAHER. I yield first to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, during the consideration of the substitute offered by the Senator from Missouri [Mr. CLARK], the Senator from Alabama [Mr. BANKHEAD] pointed out that under that substitute all the efforts we have been making to protect producers by setting minimums below which a maximum could not be fixed would come to naught. I ask the Senator if his amendment does not have the same vice, in that it does not provide any protection in the way of safeguards—I would not call them guaranties—against lowering the prices of agricultural products not only below the figures set in the Emergency Price Control Act, but in the amending act which we have been considering for the past 10 days?

Mr. DANAHER. May I answer the Senator in more than one sentence?

Mr. BARKLEY. Certainly.

Mr. DANAHER. I wish to take note of the absence of the junior Senator from Michigan [Mr. BROWN] who, as we know, will presently return. I may add, for the benefit of my colleagues who did not realize the fact of his absence, that one of the reasons for a more elaborate explanation than I had expected to make was that the time might thus be occupied during the necessary absence of the Senator from Michigan.

Mr. BARKLEY. I appreciate, and I am sure the Senator from Michigan appreciates, the Senator's willingness to speak longer than he intended to speak, or longer than he usually speaks, in order that he might protect the Senator from Michigan.

Mr. DANAHER. The Senator will realize what an effort it is at this hour.

Mr. BARKLEY. The Senator from Michigan is necessarily absent; but I suggest to the Senator from Connecticut that that courtesy does not require him to speak beyond 6:45 o'clock, if my memory serves me correctly.

Mr. DANAHER. Let me answer the Senator from Kentucky by saying, in the first place, that I disavow his use of the word "vice" as pertaining to anything which has been suggested in the proposed substitute. There is no vice in it.

Mr. BARKLEY. The Senator will realize that I am not speaking of vice in the ordinary meaning of that word. I

might use an expression used by Chief Justice Hughes when he decided the "sick chicken" case. He used the expression "fatal infirmity," which expression has impressed itself very much upon me. I will change the word "vice" to "fatal infirmity." However, that is just as bad as "vice," so far as the Senator's substitute is concerned.

Mr. DANAHER. Let me dispel from the mind of the Senator the alleged presence of either vice or fatal infirmity. Let me point out to him that under the terms of section 1 of the very measure upon which we are about to vote, which is identically the same language which is in section 1 of the proposed substitute, it would be the duty of the President to achieve stabilization on the basis of the levels existing on September 15, 1942. That is a partial answer.

Further, Mr. President, by the removal of section 3 of the Emergency Price Control Act we should be removing what the President said was the obstacle to effective price control.

I now yield to the Senator from Louisiana.

Mr. OVERTON. Mr. President, I am somewhat surprised that the substitute offered by the very able Senator from Connecticut does not contain the amendment which I offered the other day, and which was adopted by unanimous consent. That amendment provided that—

> Nothing in this joint resolution shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of $5,000 or more per annum.

I proceeded with the presentation of that amendment to the point only of pointing out the very large salaries paid throughout the United States, many of which are as high as $75,000 or more. I did not have occasion to talk about salaries being paid by small business to its managers, and about other overhead expenses. However, many small retail businesses must reduce their overhead expenses. If they must go to the President each time to obtain reduction of a salary in excess of $5,000, it will militate against the very purposes of the joint resolution. I was hopeful that the Senator, with his usual acumen, would incorporate into his substitute the provision which has been unanimously adopted by the Senate, and which I have just read to the Senate.

Mr. DANAHER. Mr. President, it seems to me that the importunity of the Senator from Louisiana is such that no one could refuse him. I most certainly could not. I shall be happy to modify the proposed substitute in the particular mentioned.

Let me point out that my colleague the Senator from Michigan [Mr. BROWN] has now returned to the chamber. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Missouri [Mr. TRUMAN] and will vote. I vote "nay."

Mr. WAGNER (when his name was called). I have a general pair with the Senator from Kansas [Mr. REED]. I transfer that pair to the Senator from West Virginia [Mr. KILGORE] and will vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] and the Senator from North Carolina [Mr. BAILEY] are necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY] the Senator from Missouri [Mr. TRUMAN], and the Senator from Maryland [Mr. TYDINGS] are absent on important public business.

The Senator from West Virginia [Mr. KILGORE] is absent on official business in connection with the Committee to Investigate National Defense.

The result was announced—yeas 14, nays 67, as follows:

YEAS—14

Ball	Maloney	Vandenberg
Butler	Nye	White
Clark, Mo.	Shipstead	Wiley
Danaher	Taft	Willis
Lodge	Thomas, Idaho	

NAYS—67

Aiken	Gerry	Norris
Andrews	Gillette	O'Daniel
Bankhead	Green	O'Mahoney
Barbour	Gurney	Overton
Barkley	Hatch	Pepper
Bilbo	Hayden	Radcliffe
Bone	Herring	Reynolds
Brooks	Hill	Rosier
Brown	Holman	Russell
Bunker	Johnson, Colo.	Schwartz
Burton	La Follette	Smathers
Byrd	Langer	Smith
Capper	Lee	Spencer
Caraway	Lucas	Stewart
Chandler	McCarran	Thomas, Okla.
Chavez	McFarland	Thomas, Utah
Clark, Idaho	McKellar	Tunnell
Connally	McNary	Van Nuys
Davis	Maybank	Wagner
Downey	Mead	Wallgren
Doxey	Millikin	Walsh
Ellender	Murdock	
George	Murray	

NOT VOTING—15

Austin	Glass	Reed
Bailey	Guffey	Tobey
Brewster	Hughes	Truman
Bridges	Johnson, Calif.	Tydings
Bulow	Kilgore	Wheeler

So Mr. DANAHER's amendment in the nature of a substitute was rejected.

Mr. TAFT. Mr. President, I had intended to answer the claim put forward several days ago by the Senator from Michigan that under the Second War Powers Act the President had the power to fix prices. I merely want to put on record during the debate my entire disagreement with the conclusion which the Senator from Michigan stated. I was very pleased to observe that apparently neither the Senator from Michigan nor the Senator from Kentucky, in discussing the powers of the President, undertook to defend the claim that the President has any constitutional power to fix prices; but, as I have stated, I desired to put on record my disagreement with the statement that, outside of the Price Control Act, the President has any statutory powers to fix prices, or that outside of the measure which we are about to pass he will have any power to fix wages. I give notice also that I intend to discuss the subject somewhat further during the next few days, before the pending measure finally becomes law.

Mr. BROWN. Mr. President, I move that the Senate proceed to consider House bill 7565, a measure similar to Senate Joint Resolution 161.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 7565) to amend the Emergency Price Control Act of 1942 to aid in preventing inflation, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Michigan that the Senate proceed to consider House bill 7565.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. BROWN. I offer the following amendment, to strike out all after the enacting clause and to insert the text of Senate Joint Resolution 161, as amended.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment was agreed to.

The VICE PRESIDENT. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question now is, Shall the bill pass?

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. Since he would vote as I intend to vote, I am entitled to vote. I vote "yea."

The roll call was concluded.

Mr. WAGNER (after having voted in the affirmative). I have a pair with the junior Senator from Kansas [Mr. REED]. I understand that, if present, he would vote as I have voted; so I allow my vote to stand.

Mr. BROWN. Mr. President, the senior Senator from North Carolina [Mr. BAILEY] is unavoidably absent. He desires that I announce that, if present, he would vote "yea."

Mr. RADCLIFFE. My colleague the senior Senator from Maryland [Mr. TYDINGS] is unavoidably absent. If present, he would vote "yea."

Mr. HILL. Mr. President, I announce that the senior Senator from Delaware [Mr. HUGHES] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The junior Senator from Pennsylvania [Mr. GUFFEY] and the junior Senator from Missouri [Mr. TRUMAN] are absent on public business.

The senior Senator from West Virginia [Mr. KILGORE] is absent on official business as a member of the Special Committee to Investigate the National Defense Program.

I am advised that if present and voting all the Senators mentioned would vote "yea."

The senior Senator from South Dakota [Mr. BULOW] is necessarily absent.

Mr. MCNARY. The senior Senator from Vermont [Mr. AUSTIN], the senior Senator from New Hampshire [Mr. BRIDGES], and the junior Senator from New Hampshire [Mr. TOBEY], are necessarily absent. The junior Senator from Maine [Mr. BREWSTER] is absent on business of the Senate in connection with the work of the Truman committee. If present, all the Senators referred to would vote "yea."

The result was announced—yeas 82, nays 0, as follows:

YEAS—82

Aiken	Gillette	Overton
Andrews	Green	Pepper
Ball	Gurney	Radcliffe
Bankhead	Hatch	Reynolds
Barbour	Hayden	Rosier
Barkley	Herring	Russell
Bilbo	Hill	Schwartz
Bone	Holman	Shipstead
Brooks	Johnson, Colo.	Smathers
Brown	La Follette	Smith
Bunker	Langer	Spencer
Burton	Lee	Stewart
Butler	Lodge	Taft
Byrd	Lucas	Thomas, Idaho
Capper	Maloney	Thomas, Okla.
Caraway	Maybank	Thomas, Utah
Chandler	McCarran	Tunnell
Chavez	McFarland	Vandenberg
Clark, Idaho	McKellar	Van Nuys
Clark, Mo.	McNary	Wagner
Connally	Mead	Wallgren
Danaher	Millikin	Walsh
Davis	Murdock	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	
Gerry	O'Mahoney	

NOT VOTING—14

Austin	Glass	Reed
Bailey	Guffey	Tobey
Brewster	Hughes	Truman
Bridges	Johnson, Calif.	Tydings
Bulow	Kilgore	

So House bill 7565, as amended, was passed as follows:

Be it enacted, etc., That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this act, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities, and to the extent that he finds necessary to aid in the effective prosecution of the war: *Provided*, That rates charged by any common carrier or other public utility on September 15, 1942, shall not be increased without the consent of the President: *Provided further*, That nothing in this section shall be construed as affecting the power or authority of any Federal, State, or municipal authority or agency to reduce prices, rates, or charges subject to its jurisdiction, or to equalize the rates and charges of common carriers.

SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this act; and may exercise any power or authority conferred upon him by this act through such department, agency, or officer as he shall direct. The President may suspend the provisions of sections 3 (a) and 3 (c) and clauses (1) and (2) of section 302 (c) of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this act, but he may not under the authority of this act suspend any other law or part thereof.

SEC. 3. No maximum price shall be established or maintained for any agricultural commodity under authority of this act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner), or

(2) The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use;

and no maximum price shall be established or maintained under authority of this act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section: *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities: *Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *And provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *And provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section.

SEC. 4. No action shall be taken under authority of this act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942: *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust wages or salaries to the extent that he finds necessary to correct gross inequities.

SEC. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this act. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

(b) Nothing in this act shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of $5,000 or more per annum.

(c) The President shall have power by regulation to limit or prohibit the payment of double time except when, because of emergency conditions, an employee is required to work for 7 consecutive days in any regularly scheduled workweek.

(d) Any person who willfully violates any regulation promulgated by the President under this act relating to wages or salaries, shall, upon conviction thereof, be fined not more than $1,000.

SEC. 6. The provisions of this joint resolution (except secs. 8 and 9), and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

SEC. 7. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out "June 30, 1943" and substituting "June 30, 1944."

(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such act shall, insofar as they are not inconsistent with the provisions of this act, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this act.

(c) Nothing in this act shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except to the extent that this act is inconsistent with secs. 3 (a) and 3 (c) of such act), or to invalidate any regulation, price schedule, or order issued or effective under such act.

SEC. 8 (a) The Commodity Credit Corporation is authorized and directed to make available upon any crop of the commodities cotton, corn, wheat, rice, tobacco, and peanuts for the year 1942 or any subsequent calendar year which begins during the continuance of the present war, if producers have not disapproved marketing quotas for such commodity for the marketing year beginning in the calendar year in which such crop is harvested, loans as follows:

(1) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 90 percent of the parity price for the commodity as of the beginning of the marketing year;

(2) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 percent of the rate specified in (1) above;

(3) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 percent of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

(b) All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, insofar as they are not inconsistent with the provisions of this section, be applicable with respect to loans made under this section.

SEC. 9. (a) Section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes," approved July 1, 1941 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a-9), is amended—

(1) By inserting after the words "so as to support" a comma and the following: "during the continuance of the present war."

(2) By striking out "85 percent" and inserting in lieu thereof "90 percent."

(3) By inserting after the word "tobacco" a comma and the word "peanuts."

(b) The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such section 4 (a), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a).

SEC. 10. When used in this act, the terms "wages" and "salaries" shall include additional compensation, on an annual or other basis, paid to employees by their employers for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees.

The title was amended so as to read: "An act to aid in stabilizing the cost of living."

The VICE PRESIDENT. Without objection, Senate Joint Resolution 161 will be indefinitely postponed.

Mr. BROWN. Mr. President, I move that the Senate insist on its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. WAGNER, Mr. BARKLEY, Mr. BANKHEAD, Mr. BROWN, Mr. MALONEY, Mr. DANAHER, and Mr. TAFT conferees on the part of the Senate.

Mr. BARKLEY. Mr. President, I ask that there be a print showing the bill as passed by the House and the bill as passed by the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

OVERTIME PAY

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Senate proceed to consider Calendar No. 1677, House Joint Resolution 346, a joint resolution reported from the Committee on Military Affairs extending for 2 months the period for which overtime rates of compensation may be paid under the acts of June 28, 1942, and other laws. The Senator from Utah [Mr. THOMAS] is in charge of the joint resolution.

Mr. THOMAS of Utah. Mr. President, this joint resolution should be passed today, or the provision for overtime would come to an end tonight. Congress is now working on an over-all bill to take care of overtime and pay for all employees, but it is necessary that this measure be acted on tonight in order that there may not be confusion in the pay rolls, and that until the over-all measure becomes a law, the present law may remain in effect.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H. J. Res. 346) extending for 2 months the period for which overtime rates of compensation may be paid under the acts of June 28, 1940 (54 Stat. 676), October 21, 1940 (54 Stat. 1205), and June 3, 1941 (55 Stat. 241), was considered, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Several postmasters.

By Mr. REYNOLDS, from the Committee on Military Affairs:

Sundry officers of the Army for appointment as officers in the Regular Army under the provisions of law.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

ARMY SPECIALIST CORPS

The legislative clerk read the nomination of John Edward Blann to be chief liaison officer.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John Edgar Upp to be principal administrative officer.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the postmaster nominations be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc. That completes the calendar.

Mr. BARKLEY. I ask that the President be immediately notified of all confirmations this day confirmed.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

ADJOURNMENT

Mr. BARKLEY. Mr. President, I intend to move that the Senate adjourn until tomorrow. It is necessary for the Senate to meet tomorrow, because we have to wait for the House to give consideration to the bill just passed. It is my purpose to ask tomorrow that the Senate consider measures on the calendar to which there is no objection, beginning at the point where we left off at the last call. I make this statement so that Senators may be advised.

I now move that the Senate adjourn.

The motion was agreed to; and (at 7 o'clock and 7 minutes p. m.) the Senate adjourned until tomorrow, Thursday, October 1, 1942, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 30 (legislative day of September 21), 1942:

ARMY SPECIALIST CORPS

APPOINTMENTS

John Edward Blann to be chief liaison officer, headquarters, at a salary of $6,500 per annum.

John Edgar Upp to be principal administrative officer, headquarters, at a salary of $5,600 per annum.

POSTMASTERS

MONTANA

Robert Midtlyng, Deer Lodge.
Henry C. Wilcox, Joliet.
Marie D. Laramy, Malta.
Peter J. Herbst, Plevna.
Estrid H. Knauts, Richey.

OHIO

Mary E. Bakle, Antwerp.
Roy H. Kerns, Bellefontaine.
Enoch W. Carman, Belmont.
Charles F. Hildebolt, Eaton.
Rolland R. Pettay, Freeport.
Clelland R. Polen, Lewisville.
Harry W. Gordon, McConnelsville.
Thomas H. Rice, New Vienna.
Lewis T. Williams, New Waterford.
Paul A. Elick, Payne.
William I. Dague, Wadsworth.
Sara J. Bell, Waterford.

HOUSE OF REPRESENTATIVES

WEDNESDAY, SEPTEMBER 30, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God of the ages, our Father in heaven, grant that our gladness may be born of the conviction that Thou are near. Let some new strength be ours, to walk in patience in the ways of truth and wisdom, building on resolution and not on regret, letting in the light and dissipating the darkness. We pray that we may glow with moral fervor as under the ministry of Thy spirit we are exalted by the life-giving breezes which come from the shoreless seas of another world—the heaven of an all-wise Creator.

"When my father and my mother forsake me, then the Lord will take me up." We praise Thee for this assurance, which is more than deliverance or resignation; something higher, sweeter; it is a fellowship with our Father and to this trust Thou dost invite us with the promise of rest to all bewildered and confused hearts. Enable us to draw nearer Thee that we may have a fresh meaning and power for the vicissitudes of life.

Set our feet on lofty places,
Gird our lives that they may be
Armored with all Christ-like graces
In the fight to make men free;
Grant us wisdom, grant us courage
That we fail not man nor Thee.

We pray in the holy name of Jesus and for His sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

RESIGNATION FROM COMMITTEE ON THE LIBRARY

The SPEAKER laid before the House the following resignation:

SEPTEMBER 25, 1942.

Hon. SAM RAYBURN,
The Speaker, House of Representatives.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on the Library to take effect immediately.

Sincerely yours,
LOUIS K. ROCKEFELLER.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION TO THE COMMITTEE ON THE LIBRARY

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution (H. Res. 545), and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That C. W. BISHOP, of Illinois, be, and he is hereby, elected to the Committee on the Library of the House of Representatives.

The resolution was agreed to, and the motion to reconsider was laid on the table.

APPOINTMENT OF WHITE HOUSE POLICE

Mr. SABATH, from the Committee on Rules, presented the following report on the bill (S. 2584) to permit appointment of White House Police, in accordance with the civil-service laws, from sources outside the Metropolitan and United States Park Police forces (H. Res. 546, Rept. No. 2497), which was read, referred to the House Calendar, and ordered printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2584) to permit appointment of White House Police, in accordance with the civil-service laws, from sources outside the Metropolitan and United States Park Police forces. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Buildings and Grounds, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

GRANTING DOMICILIARY CARE AND MEDICAL AND HOSPITAL TREATMENT TO VETERANS OF WORLD WAR NO. 2 ON A PARITY WITH VETERANS OF OTHER WARS

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7311) to amend section 6 of Public Law No. 2, submitted to Congress March 20, 1933, as amended.

The Clerk read the title of the bill.

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. RANKIN of Mississippi. It is the same bill to which the gentleman objected the other day.

Mr. RICH. What is that? I have objected to a great many bills since then.

Mr. RANKIN of Mississippi. This is a bill to hospitalize these veterans who are being turned out without any place to go.

Mr. RICH. Is this bill recommended by the Veterans' Bureau?

Mr. RANKIN of Mississippi. No.

Mr. RICH. Then, Mr. Speaker, I object.

ESTABLISHING BETTER UNIFORMITY IN THE CONTROL OF PAYMENTS TO CERTAIN INCOMPETENT BENEFICIARIES RESIDING OUTSIDE THE UNITED STATES, ITS TERRITORIES, AND POSSESSIONS

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7408) to amend the act of October 9, 1940, entitled "An act to restrict or regulate the delivery of checks drawn against funds of the United States, or any agency or instrumentality thereof, to addresses outside the United States, its Territories and possessions, and for other purposes."

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman tell us what this bill is?

Mr. RANKIN of Mississippi. Has the gentleman read the report?

Mr. RICH. No; I have not.

Mr. RANKIN of Mississippi. The gentleman was on the floor the other day and heard the bill discussed; it was the same bill.

Mr. RICH. I want to know what the bill is about; I want to know what it is.

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent that the Clerk read the bill for the information of the gentleman from Pennsylvania.

The SPEAKER. Without objection, the Clerk will read the bill.

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That section 1 of the act of October 9, 1940 (54 Stat. 1086; U. S. C., title 31, sec. 123), is hereby amended by substituting for the period at the end thereof a colon and adding the following: "*Provided*, That any check drawn against funds of the United States for benefits under the laws administered by the Veterans' Administration, for delivery in the United States, its Territories, or possessions, to a guardian, curator, conservator, or other person legally vested with the care of any person in a foreign country, shall be deemed to be drawn for delivery in such foreign country and subject to the provisions of this act, and the Secretary of the Treasury shall be furnished necessary notification by the Administrator of Veterans' Affairs as to each such check: *Provided further*, That the Administrator of Veterans' Affairs is authorized to except from the provisions of the foregoing proviso any check wherein the application of this amendment would result in reduction, discontinuance, or denial of benefits which otherwise might be used for the care of a dependent of such person."

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from the Mojave River Dairy Farms which I consider of great interest.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article from the Christian Science Monitor of September 1.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address I made at the Democratic Convention, Thomasville, Ga., on September 25.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

WHAT IS WRONG WITH CONGRESS?

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that on tomorrow, after the disposition of all business on the Speaker's desk, I may proceed for 45 minutes to address myself to the subject What Is Wrong With Congress?

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, what is wrong with Congress? I had not understood there was anything wrong with it.

Mr. DIRKSEN. If the gentleman will be in attendance tomorrow, I am sure he will find out a little that is wrong.

Mr. HOFFMAN. It will take the gentleman more than 45 minutes to find something wrong with Congress now.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PICKING A CONGRESSMAN

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. DONDERO]?

There was no objection.

Mr. DONDERO. Mr. Speaker, before the congressional primary was held in a certain State recently, five men recognized as the leaders of their party, were discussing the qualifications of the candidates for Congress. Four of them talked at length about the ability of one candidate or the other, and the whole question seemed to turn on which one of the candidates could get the most for the district. The fifth man, who was the editor of a

country newspaper, took no part, but he did ask this simple question, "For what purpose do we select and elect a Representative from this district? Is it to get as much 'pork' for us as possible, or is it to make laws for the people of all the United States?"

Mr. Speaker, we tip our hats in salute to the good sense and the good judgment of the editor of that country newspaper.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter to a friend.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. EDWIN ARTHUR HALL]?

There was no objection.

OUR AIR FORCE

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. EDWIN ARTHUR HALL]?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, along with Mr. Frank Gannett, Major de Seversky, and many other experts, I am totally in agreement when they say that air power will win this war. That is already being proven at Port Moresby and before Stalingrad and in the valiant defense of the Russian Nation. The air force is superior to any other branch of the armed forces.

Several months ago I introduced a resolution calling for letting down the bars on the part of the War Department for the training of pilots who did not have a college education. Within 2 months the War Department took action and now nearly a million young men have eagerly taken advantage of this new ruling being trained for a great super air force that will defend America and demonstrate our superiority throughout the entire world.

I hope work will be continued along these lines and that before long we will gain superiority throughout the world by means of that air force which is so important to our armed forces.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the dilemma that now confronts the Congress and to insert in connection therewith a short editorial on the same subject.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. MASON]?

There was no objection.

"BIRTH" CONTROL FOR SMALL BUSINESS IS NOT NEARLY SO IMPORTANT AS "GIRTH" CONTROL FOR BIG BUSINESS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

Mr. PATMAN. Mr. Speaker, yesterday, September 29, 1942, Mr. Walter F. Crowder, Chief of the Business Structure and Operations Unit of the Bureau of Foreign and Domestic Commerce, testified before a congressional committee and suggested "business birth control as one solution to the problem confronting small business." Mr. Crowder recommended curbs on new retail stores to permit existing businesses to survive and pointed out that any steps to assist small retail businesses will fail if "births" are permitted to continue.

It occurs to me that Mr. Crowder is undertaking to steer our Government on a course that is calculated to destroy some of the best things that our country is now fighting for. His statement, carried to its logical conclusion, means that he favors big business running the country; and in order to see that they do run the country he is in favor of strangling small business.

"Birth" control for little business is not the remedy, but "girth" control for big business is the remedy. Our country cannot continue the American way unless restraint is placed upon the few big concerns that have so much power and control over American business.

EXTENSION OF REMARKS

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a speech by Frank Gannett, assistant chairman of the Republican National Committee, given at a dinner to the Republican Members of the Senate and House of Representatives at the Willard Hotel in Washington last night.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. O'BRIEN]?

There was no objection.

GIVE THE SOLDIER A BREAK

Mr. WEISS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. WEISS]?

There was no objection.

Mr. WEISS. Mr. Speaker, on July 14, 1941, I introduced H. R. 5313, a bill to discharge the liability of certain persons in military service from Federal income taxes, which would amend section 500 of the Soldiers' and Sailors' Civil Relief Act of 1940. The bill briefly provides "that by reason of such military service the ability of such person to pay such tax is materially affected, and the liability for such tax shall thereupon be discharged."

Is there any Member of Congress who will object to the passage of this measure? We all recognize the fact that the collectors of internal revenue have agreed to defer the liability of men in the fighting forces from the filing and payment of income-tax returns until their return from battle, if they return. And I pray for their safe return. But, many of the men are worried about this obligation for this temporary moratorium only delays the agony until the war is over. If a soldier is killed in battle and owes $100 income tax, you can rest assured that the collector of internal revenue will file a tax lien against his estate to be paid by the soldier's aged parents, his beneficiaries, or his widow. What a plight? In the greatest democracy in the world a soldier gives his life to his country and is awarded an income-tax liability to be paid by his aged parents, his widow, or his estate.

The responsibility lies upon Congress. Let us practice what we preach and help build up the morale of the soldiers which is a vital factor in our titanic struggle. The loss of tax revenue to the Nation by enacting H. R. 5313 into law will be negligible.

Let us give the soldiers a break.

EXTENSION OF REMARKS

Mr. KLEIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a talk by Rabbi Bernard Bergman and also to include a letter from one of my constituents in connection with the poll tax bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. KLEIN]?

There was no objection.

COMPULSORY SAVINGS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I have here a little book, Facts and Figures on War Finance, put out by the Tax Foundation of New York City. I recommend it to every Member of Congress. It makes some recommendations that I do not agree with, but the facts it presents in simple and often graphic form are impelling, invaluable, and indisputable. You can find here what Congress ought to do and can do about the rising cost of living, due, in my judgment, not to increased farm prices, which are a result rather than a cause.

Here you see some little bar graphs. The bottom one represents "Tax Revenue Anticipated." The second one is "Expenditures." The lower graph is "$25,000,000,000," the second "$73,000,000,000" for the fiscal year 1943. There is a gap in there of nearly $50,000,000,000. That is the problem of the rise in cost of living in a nutshell, and the solution of that problem is a program of compulsory savings, which would make it possible not only to bring buying power and the supply of goods into adjustment but also to make it possible for all people to have a backlog of buying power for the after-victory period.

Mr. Speaker, tomorrow the gentleman from Illinois is going to make a 45-min-

ute speech about what is wrong with Congress: I can say in 1 minute that what we need to do is to anticipate constructively some of these problems and put through our own program about them.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article entitled "I'd Rather Be Right," by Samuel Grafton, and further to extend my remarks and include an article by Mr. Gould Lincoln entitled "American Farmer, Seeking Equality of Treatment, Is Made the Target of Price Controllers."

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

GOVERNMENT EXPENDITURES

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, a lot has been said this morning about what is the matter with Congress, and tomorrow the gentleman from Illinois is going to take 45 minutes to talk about it. I can ask the question in 1 minute, "What is the matter with the United States Treasury?" How many of you know that the national debt is now over $90,000,000,000? Is that the fault of Congress? How many of you know that since the 1st of July the Treasury has borrowed over $13,000,000,000? How many of you know that the tax receipts since the 1st of July are $3,725,000,000? How many of you know that since the 1st of July we have a deficit of $11,831,000,000? Is that the fault of Congress? How many of you know that the debt we are contracting now averages about $1,000,000,000 a week? Where are you going to get the money? How many of you know that we are doing many things in Congress on which we could save a dollar here or a dollar there if we would only do it? Is that the fault of Congress? I think it is your duty now to realize just what you are doing and to cut down on nonessential spending, because we are spending on nonessential items every minute of the day. It runs to millions and millions of dollars in a month. We have more things in government now that ought to be stopped than at any other time in the history of the Nation. Bureaus should be eliminated, bureaus should be curbed. Waste should be stopped. We are in a bad financial situation. How will you continue the war if you do not stop waste? Let us get Congress into action to stop unnecessary spending.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short resolution.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. MANASCO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a newspaper article, and further to extend my own remarks in the RECORD and include therein a letter received from the Fairplay League and my reply thereto.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

THE LABOR LOBBY

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FADDIS. Mr. Speaker, during the last week a great deal has been said in the press and over the radio regarding the so-called farm lobby. I have been here for 10 years and I have never yet encountered any so-called farm lobby. I have made a diligent search among the other Members of this House and I have failed to find any who have been subject to any such influences.

However, for the past 8 years a most reprehensible lobby has been operating in this city—that is, the labor lobby. That lobby was one of the influences which prevented the enactment of proper measures to control inflation a year ago. Today that labor lobby is operating to keep the provisions regarding the price of agricultural commodities which the House wrote into the price-control bill a week ago from being operative. This lobby is operating under direct orders of the head of the C. I. O., Philip Murray. They operated to prevent the fixing of wages, but wish to see a condition continued where the farmer is placed at a decided disadvantage as a result of the rise of the wages of industrial workers, which cause a rise in the price of every commodity which the farmer must purchase.

Mr. Speaker, Mr. Gould Lincoln, in his article discussing this matter in last night's Star, said:

> The farm lobby may be effective, but compared to the labor lobby it is a gentle zephyr instead of a gale when it hits Washington.

[Here the gavel fell.]

THE POLL TAX

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr Speaker, the Supreme Court of the United States in the decision in the case of *Breedlove* v. *Suttles* (302 U. S. 277) at page 283 has this to say:

> To make payment of poll taxes a prerequisite of voting is not to deny any privilege or immunity protected by the fourteenth amendment. Privilege of voting is not derived from the United States, but is conferred by the State, and, save as restrained by the fifteenth and nineteenth amendments and other provisions of the Federal Constitution, the State may condition suffrage as it deems appropriate. The privileges and immunities protected are only those that arise from the Constitution and laws of the United States and not those that spring from other sources.

The case relied upon by the proponents is that of *United States* v. *Classic et al.* (313 U. S. 299). The Classic case had nothing to do with the poll-tax question. The sole question in the Classic case was: May State election officials steal ballots cast by duly qualified voters for a candidate for Congress in a State primary election, in violation of a Federal criminal statute condemning all such rascality, without being subject to prosecution and punishment by the Federal Government?

The Supreme Court held: That the right granted the Federal Government by article I, section 2, of the Federal Constitution, to have its Congressmen chosen in a State election, meant the right to have them honestly chosen; and that the right granted the Federal Government by article I, section 8, clause 18 of the Federal Constitution, "To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof," authorized the making of the law violated by Classic and his partners in crime. In other words, the Classic case dealt not with who was a qualified voter under Louisiana law, but with the right to have an honest count of the ballots of admittedly qualified voters.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. COLMER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. PATRICK. Mr. Speaker, I do not suppose it is necessary for me to call your attention again to the fact that every day he is present the gentleman from Pennsylvania [Mr. RICH] has to get up and berate the administration of this Government. There should be some way to remind the gentleman that this is the Congress of the United States.

Mr. RICH rose.

Mr. PATRICK. No; I will not yield.

Mr. RICH. What did I say about this administration?

Mr. PATRICK. We are at war; and this is the administration of this Government. I would just like to say for the benefit of the gentleman from Pennsylvania that if he were to forget about his congressional immunity and go on the streets of Birmingham or any other patriotic city of the United States and say what he said on the floor here, he would not sleep that night because he would not be healthy.

[Here the gavel fell.]

ORDER OF BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Tuesday next, after the call of private bills on the calendar, it may be in order for the House to consider omnibus bills on the Private Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[Mr. RANKIN of Mississippi addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for one minute and to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I hope the gentleman from Mississippi [Mr. RANKIN], who appears about to leave the Chamber and who just had so much to say about Mr. Willkie and the Republican Party, will not go away but will come on down in front—please do. I note the gentleman coming down. Thank you. The gentleman talked about ingratitude—the ingratitude of the Republican Party—in not wholeheartedly following Mr. Willkie at the present time.

You Democrats gave Mr. Willkie to us and we gave him back to you. Now, who sent him on this visit over to Russia about which you now complain? The Republican party did not send him, nor did they send him on his previous excursion to England, where you say he distinguished himself by kissing the barmaids. The Republican party gave him leave of absence from New York. Do you not remember what happened to him in New York? Have you forgotten how he advised the people of a certain Congressional District that they should repudiate Mr. FISH, our colleague? Have you forgotten how the people of that Congressional District answered Mr. Willkie?

Apparently the Republicans of New York had all they wanted of Mr. Willkie, so they discarded him. Perhaps more accurately, repudiated him. We had all we wanted of him, that is, after we heard his "campaign oratory" statement. I say "we." I do not mean the Republicans over here, on the minority side; I simply mean so far as I am concerned, because I do not speak for anyone but myself—they will not let me. But after some of us got rid of him, did not your President pick him up and send him over there? First to England, then to Russia, and now China? If you want him to kiss barmaids, as you said he did, why do you not send him where the barmaids are good looking and more numerous? You are the ones who are showing ingratitude. We gave this orator back to you and now you are using him. And yet you complain because of where he goes and of what he does and says. Does he not follow your President's instructions?

Mr. PATRICK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. No; I cannot do that. I want to finish this tonight; but I will tell you something. You just talked about being in Birmingham and what would happen to a certain Republican if he came down there and talked the way he spoke here on the floor. Now you were down in Birmingham, Ala. You campaigned down there, you and Walter Winchell; so you might tell the House how the people received Walter's advice.

I was up in my district prior to the primary election, where the people had been hearing from Walter, William P. Maloney, the smearing special district attorney, Carl Sandburg, the New Deal poet, and other expert smear-purge artists, purveyors of falsehood and dirt, and the folks back home recognized those notorious, distinguished gentlemen for what they were and are. Walter Winchell spoke and campaigned for you down in Birmingham. We all recall what happened. Time and again he spoke for you and praised you. Time and again he spoke against me and vilified me. The result was that his candidate, according to recent reports, carried two election precincts out of that whole northern section of six counties in southwestern Michigan. Perhaps if Walter had spoken once more those two precincts would have voted the other way. The returns were not a tribute to me, for I realize I am not much of a Congressman, but those election returns were notice to Walter and to all other smearers, purgers, creators and disseminators of disunity that the people, as Lincoln said, cannot be fooled all the time.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two subjects, in one to include a tribute to our deceased colleague the late Representative Buck by the postal workers of California; and in the other a portion of a pamphlet on political science and national service in wartime, put out by the American Council on Public Affairs.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ENROLLED BILL SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 7164. An act to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to extend the relief and benefits provided therein to certain persons, to include certain additional proceedings and transactions therein, to provide further relief for persons in military service, to change certain insurance provisions thereof, and for other purposes.

The Speaker announced his signature to an enrolled bill of the Senate of the following title:

S. 2689. An act to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863 (12 Stat. 798).

ADJOURNMENT

Mr. BOEHNE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 30 minutes p. m.) the House adjourned until tomorrow, Thursday, October 1, 1942, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SABATH: Committee on Rules. House Resolution 546. Resolution for the consideration of S. 2584, an act to permit appointment of White House police, in accordance with the civil-service laws, from sources outside the Metropolitan and United States Park Police forces; without amendment (Rept. No. 2497). Referred to the House Calendar.

Mr. BLOOM: Committee on Foreign Affairs. House Joint Resolution 342. Joint resolution authorizing the execution of certain obligations under the treaties of 1903 and 1936 with Panama, and other commitments; without amendment (Rept. No. 2498). Referred to the Committee of the Whole House on the state of the Union.

Mr. DICKSTEIN: Committee on Immigration and Naturalization. H. R. 7275. A bill to repatriate native-born women residents of the United States who have heretofore lost their citizenship by marriage to an alien; without amendment (Rept. No. 2499). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. S. 2655. An act to amend the Judicial Code to authorize the Chief Justice of the United States to assign circuit judges to temporary duty in circuits other than their own; with amendment (Rept. No. 2501). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Louisiana: Committee on Immigration and Naturalization. H. R. 6938. A bill for the relief of Rudolf Kligler (Robert E. Arden); without amendment (Rept. No. 2500). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Naval Affairs was discharged from the consideration of the bill (H. R. 7613) for the relief of Arthur Chester Schulz, and the same was referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RANKIN of Mississippi:

H. R. 7618. A bill to provide for rehabilitation in civil employment of persons disabled in the active military or naval service during the present war; to the Committee on World War Veterans' Legislation.

By Mr. DREWRY:

H. R. 7619. A bill to amend the act entitled "An act to expedite national defense, and for other purposes," approved June 28, 1940 (54 Stat. 676), and "title IV of the Naval Appropriation Act for the fiscal year 1941" approved September 9, 1940 (54 Stat. 883); to the Committee on Naval Affairs.

By Mr. KRAMER:

H. R. 7620. A bill to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes; to the Committee on Patents.

By Mr. McGEHEE:

H. R. 7621. A bill to amend the District of Columbia Unemployment Compensation Act; to the Committee on the District of Columbia.

By Mr. WEISS:

H. R. 7622. A bill to amend the act entitled "An act to readjust the pay and allowance of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved June 10, 1922, as amended by the act approved June 16, 1942 (Public Law 607, 77th Cong.), to fix the annual base pay of female nurses of the Army and Navy, and for other purposes; to the Committee on Military Affairs.

By Mr. MURDOCK:

H. R. 7628. A bill to provide for suspending the enforcement of certain obligations against the operators of gold and silver mines who are forced to cease operations because of the war; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KLEIN:

H. R. 7623. A bill for the relief of Jacob Wolozin; to the Committee on Claims.

By Mr. LESINSKI:

H. R. 7624. A bill for the relief of Jack Acarton alias John Akerton alias Simon Jan Skarzenski; to the Committee on Immigration and Naturalization.

H. R. 7625. A bill for the relief of Michael Kanchier alias Michael Kancir, alias Michael Kuluk; to the Committee on Immmigration and Naturalization.

By Mr PACE:

H. R. 7626. A bill for the relief of Mrs. Frances Brooks Hydrick; to the Committee on Claims.

By Mr. SASSCER:

H. R. 7627. A bill for the relief of John G. Johnson; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3341. By Mr. BURGIN: Petition of a group of citizens of Davidson County, N. C., urging the passage of the Sheppard bill (S. 860); to the Committee on Military Affairs.

3342. Also, resolution recently adopted by members of the Rotary Club of Star, N. C., favoring the drafting of capital and labor for the duration of the war; to the Committee on Banking and Currency.

3343. By Mr. DONDERO: Petition of the disabled American veterans of Pontiac Chapter, No. 16, Pontiac, Mich., asking that a standard manner of saluting the American flag be enacted for all; to the Committee on Military Affairs.

3344. By Mr. HOPE: Petition of Mrs. Howard Floyd and 38 other citizens of Ness County, protesting against the present governmental policy as to liquor; to the Committee on Military Affairs.

3345. By Mr. KRAMER: Petition of the Los Angeles Newspaper Guild, urging California Congressmen to sign the discharge petition to bring the Geyer anti-poll-tax bill on the floor; to the Committee on the Judiciary.

3346. By Mr. LUTHER A. JOHNSON: Petition of Mr. and Mrs. A. G. Standlee and 76 other citizens of Maypearl, Ellis County, Tex., urging that intoxicating liquor be removed from the camps of the armed forces of our Government in order to make for more efficiency in the Army; to the Committee on Military Affairs.

3347. By Mr. MARTIN of Iowa: Petition of Mrs. John McCosh, secretary, social education and action, Presbyterian Missionary Society of Winfield, Iowa, urging the passage of Senate bill 860 or similar legislation providing for the largest possible protection for the men of our Army and Navy; to the Committee on Military Affairs.

3348. By Mr. MICHENER: Petition circulated by Mrs. Beryl B. Ashley, of Adrian, Mich., and signed by 106 other residents of that community, urging the enactment of Senate bill 860; to the Committee on Military Affairs.

3349. By Mr. ROLPH: Resolution of the board of directors of Pacific States Livestock Marketing Association, relative to manpower engaged in essential activities in industry and agriculture for the duration of the war; to the Committee on Banking and Currency.

3350. Also, resolution of the Reclamation Board of the State of California, dated August 17, relative to maintenance and patrol of existing and future levees of Sacramento River flood-control project, and the question of provision for maintenance of project works upon completion; to the Committee on Flood Control.

3351. Also, resolution No. 2853 of the Board of Supervisors of the City and County of San Francisco, adopted September 11, 1942, petitioning Congress to enact legislation to provide medical care, hospitalization, and compensation for civilian defense workers injured in line of duty; to the Committee on the Judiciary.

3352. Also, resolution of the San Francisco Labor Council regarding pay raise for postal employees and immediate enactment of Senate bill 2674; to the Committee on the Post Office and Post Roads.

SENATE

THURSDAY, OCTOBER 1, 1942

Rabbi Norman Gerstenfeld, D. D., minister, Washington Hebrew Congregation, offered the following prayer:

O Thou who art the shield of our hopes, the tower of strength of our souls, the guide of our hands, the vision of our courage, the love in our hearts: Bless Thou the deliberations of this body, so that freemen will find the leadership for an age of courage and of faith, so that freemen will have strength to go forward and build Thy world of righteousness.

Be Thou with these good men who bear the burden of the conscience of this blessed land. Establish Thou, O God, the labor of their souls, and grant unto the generations to come an abundant harvest of the seeds the brave hearts of our time are sowing. Guide our country and guard our sons and lead us onward in Thy vision. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, September 30, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that on September 29, 1942, the President had approved and signed the act (S. 2698) to make transportation and storage facilities available for military use where military necessity exists, by authorizing the removal to other points of merchandise in customs custody.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill (H. R. 7408) to amend the act of October 9, 1940, entitled "An act to restrict or regulate the delivery of checks drawn against funds of the United States, or any agency or instrumentality thereof, to addresses outside the United States, its Territories, and possessions, and for other purposes," in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 346) extending for 2 months the period for which overtime rates of compensation may be paid under the acts of June 28, 1940 (54 Stat. 676), October 21, 1940 (54 Stat. 1205), and June 3, 1941 (55 Stat. 241), and it was signed by the Vice President.

PETITION AND MEMORIAL

Petitions, etc., were presented, and referred as indicated:

By Mr. CAPPER:

A memorial of sundry citizens of Fort Scott, Kans., remonstrating against the use of sugar in the manufacture of alcoholic beverages; ordered to lie on the table.

The petition, numerously signed, of members of the congregation of Shawnee Community Methodist Church, Shawnee, Kans., praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

TAXATION OF STATE, COUNTY, AND MUNICIPAL BONDS—PROTEST OF 24 MISSISSIPPI MAYORS

Mr. BILBO. Mr. President, I wish to present to the Senate for appropriate reference and publication in the body of the RECORD a joint telegram signed by 24 mayors of cities of my State protesting against the tax which has been suggested against the income of State, county, and municipal bonds.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

JACKSON, MISS., September 28, 1942.

Senator THEODORE G. BILBO,
Washington, D. C.:

We, the undersigned members of the executive committee of the Mississippi Municipal Association, desire to protest against the passage of that provision in the new revenue measure now pending which proposes to tax the income on State, county, and municipal bonds. This would automatically increase the cost of all future municipal financing. We are at the present time having to bear unusual and unexpected costs necessitated by civilian defense; are also called upon to pay part of the costs of the Federal food-stamp plan and other Federal agencies. Our municipal incomes are bound to shrink sharply because of reduced inventories in the gasoline, oil, and tire businesses as well as in other businesses. No doubt some of these people will have to retire from business, and we will lose privilege taxes heretofore collected from them. Serious reductions in our municipal income will no doubt necessitate considerable refunding of bonds and the interest rate which we have to pay would certainly be increased if this measure is passed. We respectfully urge you to oppose the passage of the measure on the floor of the Senate.

The names which are signed to this telegram are signed by telegraphic authority conferred upon Mayor W. J. Byrne, the chairman of this committee.

Mayor J. P. Nanney, Tupelo; Mayor L. L. Broyles, Aberdeen; Mayor J. W. Milner, Gulfport; Mayor F. B. Deshon, Water Valley; Mayor C. Patterson, New Albany; Mayor R. E. Williams, Charleston; Mayor Gordon L. Lyon, Indianola; Mayor S. R. Keesler, Greenwood; Mayor J. C. Miller, Laurel; Mayor T. W. Lewis, Jr., Columbus; Mayor Harry J. Landry, Friarpoint; John A. Swansy, Commissioner, Biloxi; Mayor Geo. Calhoun, Hattiesburg; Mayor T. M. Dye, Clarksdale; Mayor W. E. Howell, Durant; Mayor A. P. Latimer, Shaw; Mayor E. H. Reber, Fayette; Mayor J. A. Maxwell, Drew; Mayor M. Prince, Philadelphia; Mayor W. J. Stockett, Woodville; Mayor L. C. Probt, Grenada; Mayor J. C. Hamilton, Vicksburg; Mayor S. A. Kramer, McComb; Mayor A. E. Wood, Clinton.

REPORT OF COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. McCARRAN, from the Committee on the District of Columbia, to which was referred the bill (H. R. 4971) to prohibit the issuance of alcoholic beverage licenses in certain localities in the District of Columbia, to prohibit advertising the price of such beverages, and for other purposes, reported it with amendments and submitted a report (No. 1628) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKELLAR:

S. 2815. A bill to amend the Selective Training and Service Act of 1940, as amended, to provide for the more equitable determination of quotas and assist in retaining manpower necessary for the production of agricultural commodities; to the Committee on Military Affairs.

By Mr. McCARRAN:

S. 2816. A bill to provide for suspending the enforcement of certain obligations against the operators of gold and silver mines who are forced to cease operations because of the war; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

S. 2817. A bill to permit certain persons charged with or convicted of crimes against the United States to serve in the armed forces; to the Committee on Military Affairs.

HOUSE BILL REFERRED

The bill (H. R. 7408) to amend the act of October 9, 1940, entitled "An act to restrict or regulate the delivery of checks drawn against funds of the United States, or any agency or instrumentality thereof, to addresses outside the United States, its Territories, and possessions, and for other purposes," was read twice by its title and referred to the Committee on Finance.

AMENDMENT TO THE REVENUE BILL

Mr. LANGER submitted an amendment intended to be proposed by him to the bill (H. R. 7378) to provide revenue, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

INVESTIGATION OF REQUISITIONING OF RAILROAD PROPERTY

Mr. REED (for himself, Mr. JOHNSON of Colorado, Mr. CHAVEZ, and Mr. HATCH) submitted the following resolution (S. Res. 297), which was referred to the Committee on Interstate Commerce:

Resolved, That the Committee on Interstate Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make a full investigation of the practices and policies followed by the War Production Board, the Office of Defense Transportation, and the Reconstruction Finance Corporation, directly or through subsidiary agencies, with respect to the requisitioning or other acquisition of railroad property. The committee shall report to the Senate as soon as practicable the results of such investigation, together with its recommendations, if any, for necessary legislation.

THE PRESERVATION OF SMALL BUSINESS—ADDRESS BY SENATOR MURRAY

[Mr. MEAD asked and obtained leave to have printed in the RECORD a radio address on the subject The Preservation of Small Business in the War Emergency, delivered by Senator MURRAY on September 29, 1942, which appears in the Appendix.]

THE FARM PROBLEM

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD questions propounded by Charles Dana Bennett, representing the National Grange, and a copy of the replies made by Senator THOMAS of Oklahoma, in connection with the radio program on the farm problem at Washington, D. C., Sunday, September 27, 1942, which appear in the Appendix.]

ADDRESS BY LT. GOV. ODELL SHEPARD TO THE MILITARY ORDER OF THE PURPLE HEART

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an address delivered by Hon. Odell Shepard, Lieutenant Governor of Connecticut, in Derby, Conn., September 26, 1942, at the annual banquet of the Military Order of the Purple Heart, which appears in the Appendix.]

THE FARM SITUATION IN THE MIDDLE WEST

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial written by Frank Motz for the Hays News with respect to the farm situation, which appears in the Appendix.]

THE UNNAMED ALLY—ARTICLE BY LOUIS LIPSKY

[Mr. MEAD asked and obtained leave to have printed in the RECORD an article entitled "The Unnamed Ally of the United States," written by Louis Lipsky, and published in the September issue of the Free World, which appears in the Appendix.]

THE CRISIS IN FARM LABOR

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article entitled "Keep Skilled Labor on the Farms," published in the October 3 issue of the Prairie Farmer, and an editorial by Ralph Ammon, director of the Wisconsin Department of Agriculture, which appear in the Appendix.]

CALL OF THE ROLL

Mr. VANDENBERG obtained the floor.

Mr. HILL. Mr. President, will the Senator from Michigan yield to me to suggest the absence of a quorum?

Mr. VANDENBERG. Does the Senator think that advisable?

Mr. HILL. I do.

Mr. VANDENBERG. Very well.

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Overton
Andrews	Green	Pepper
Bailey	Gurney	Radcliffe
Ball	Hatch	Reed
Bankhead	Hayden	Reynolds
Barbour	Herring	Rosier
Barkley	Hill	Russell
Bilbo	Holman	Schwartz
Bone	Johnson, Calif.	Shipstead
Bridges	Johnson, Colo.	Smathers
Brown	La Follette	Smith
Bunker	Langer	Spencer
Burton	Lee	Stewart
Butler	Lodge	Taft
Byrd	Lucas	Thomas, Idaho
Capper	McCarran	Thomas, Okla.
Caraway	McFarland	Thomas, Utah
Chandler	McKellar	Tunnell
Chavez	McNary	Tydings
Clark, Idaho	Maloney	Vandenberg
Clark, Mo.	Maybank	Van Nuys
Connally	Mead	Wagner
Danaher	Millikin	Walsh
Davis	Murdock	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	
Gerry	O'Mahoney	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] is necessarily absent.

The Senator from West Virginia [Mr. KILGORE] and the Senator from Washington [Mr. WALLGREN] are absent on official business in connection with the Committee to Investigate National Defense.

The Senator from Pennsylvania [Mr. GUFFEY] and the Senator from Missouri [Mr. TRUMAN] are detained on important public business.

Mr. McNARY. The Senator from Vermont [Mr. AUSTIN] and the Senator from Illinois [Mr. BROOKS] are necessarily absent.

The Senator from Maine [Mr. BREWSTER] is absent on business of the Senate in connection with investigation of the Truman committee.

The VICE PRESIDENT. Eighty-five Senators having answered to their names, a quorum is present.

SOCIAL-SECURITY PAY-ROLL TAXES

Mr. VANDENBERG. Mr. President, I wish to discuss briefly a press statement made 2 days ago by the distinguished Secretary of the Treasury, Mr. Henry Morgenthau, Jr., at his press conference, regarding the action of the Senate Finance Committee in voting to freeze social-security pay-roll taxes at present levels for the year 1943. I feel a special responsibility in this matter, because the action of the Finance Committee was on my motion; and the new title added to the tax bill is the text of Senate bill 2781, which I introduced in the Senate on September 17, 1942.

I dislike to sharply disagree with Secretary Morgenthau in any aspect of the tremendously perplexing burdens which he carries as he faces the well-nigh imponderable task of finding the funds to pay our enormous war bills. I have a deep respect for his earnestness and for his personal and public integrity, and I am happy to add that we are warm personal friends. Furthermore, I freely concede that no one may safely be dogmatic in dealing with all the speculative arithmetic which is necessarily involved in calculations under the social-security law. But in the present instance it seems to me so clear that the Secretary's recent statement is in violent conflict with the facts and so likely to lead to totally unfounded conclusions, and to mislead not only public opinion but also congressional decisions regarding this vitally important matter, that I wish to explore the problem promptly and without further delay. I should have spoken sooner except that I did not want to interrupt or delay the debate on the latest version of the so-called anti-inflation bill.

Mr. President, in presenting this subject let me go back for a moment to the background. Congress substantially rewrote the Social Security Act in 1939 as the result of an impartial, independent study which was made by an advisory commission created under the authority of the Senate Finance Committee. The great issue at that time between the Social Security Act as originally written and the Social Security Act as it came into operation in the 4 subsequent years up to 1939, the great fundamental question was whether the social-security law should operate on a so-called full reserve basis.

Senators may remember the discussions which used to rotate around the enormous $47,000,000,000 trust fund reserve contemplated by 1980, which dramatizes the thing about which I am talking, namely whether governmental, tax-supported old-age insurance had to be built on a full reserve basis, precisely as though it were being administered by private insurance companies and sustained on the basis of actuarial calculations necessary in the operation of private companies.

In 1939 Congress decided that the full reserve should be abandoned. It abandoned the full reserve with the ultimate acquiescence of the Secretary of the Treasury, Mr. Morgenthau. Instead, a contingent reserve basis was initiated, and the system was put substantially on a pay-as-you-go basis.

Thereupon, in 1939 a schedule of pay-roll taxes for old-age benefits against employers and employees was established for the subsequent 10 or 12 years. Under that schedule, at the present time employers are paying 1 percent upon pay rolls and employees are paying 1 percent upon pay rolls. Under the existing statute, unless amended prior to New Year's, these pay roll taxes increase 100 percent; they become 2 percent on employers and 2 percent on employees on January 1, 1943.

One week ago today the Senate Finance Committee, by a vote of 12 to 4, concluded that pay-roll taxes upon both employers and employees should be frozen at the existing 1-percent level for the year 1943. In other words, in the face of all the other stupendous tax burdens which are accumulating in the new tax bill, it was deemed proper, wise, prudent, and equitable, in the face of indisputable facts justifying such action, that the employers and their 40,000,000 pay-roll workers in this country should be saved a 100-percent increase in their social-security taxes in 1943.

That action was promptly condemned by the distinguished Secretary of the Treasury in his statement at his press conference on Monday, September 28. I read from the report of the press conference in the Washington Times-Herald of Tuesday, September 29:

In his attack—

That is the attack of the Secretary—

on the Vandenberg amendment, issued at his press conference yesterday, Morgenthau said the passage of the amendment "would jeopardize the program for financing old-age and survivors' insurance."

I further quote:

"Sound financing requires the social-security contributions be collected at the scheduled levels, especially during a period of very high incomes and employment such as this," Mr. Morgenthau continued.

Mr. President, this is a straight-out charge that the action of the Senate Finance Committee, by a vote of 12 to 4, in freezing pay-roll taxes at existing 1 percent levels for 1943, is a threat to the solvency of the social-security trust dedication.

Whatever else may be involved in the controversy—and I shall come to some of the other phases of it a little later—I deny upon the basis of the facts as I shall present them, and upon the basis of Mr. Morgenthau's own calculations, that there is one scintilla of justification for even remotely suggesting that the action of the Senate Finance Committee, in freezing these pay-roll taxes at existing levels in 1943, jeopardized in any degree whatsoever the integrity of the social-security fund, and I shall undertake to prove my assertion beyond any possibility of contradiction.

Mr. President, there are only two purposes for which pay-roll taxes under the Social Security Act, in respect to old-age pensions, may appropriately be used within a reasonable recognition of the trust character of the funds themselves. One is for the payment of current benefits and administrative expenses, and the other is to accumulate essential contingent reserves. Now let us test the existing situation in respect to these two legitimate uses of social-security pay-roll taxes. Is there any need for an increase in these taxes January 1, 1943, to pay current benefits in 1943? Let us look at the record.

For the fiscal year ending June 30, 1942, the receipts from social-security taxes amounted to $972,000,000. That sum was collected at the 1 percent rate. Against such collections the total withdrawals, or payments, were only $141,000,000.

If that was the relationship in 1942 it is inevitably the relationship in 1943, because the collections are larger on account of the general employment which the country enjoys, and the benefit payments will be at the lowest possible estimate, because of the disappearance almost of unemployment from the American economy. Indeed, the pay-roll-tax collection, if continued at 1 percent in 1943, will produce as much as was originally estimated to be produced from a 2-percent tax in 1943. Certainly so long as only $141,000,000 is needed to meet obligations, and anything like $972,000,000 is being collected, there can be by no stretch of the imagination any remote argument that an increase in these pay-roll taxes is necessary to meet current obligations and administrative expenses.

All right. That clears itself away, it seems to me, beyond any chance of controversy whatever, and leaves the only possible argument at the point of the necessary and appropriate reserve—the same old argument that we had in 1939, and which was substantially settled by Congress itself in 1939.

Now let us see what the reserve ought to be, Mr. President, because we have got to find that figure before we can determine whether the existing revenues are adequate. What should the reserve be? I will call Mr. Morgenthau himself as my witness as to what the reserve ought to be. Mr. Morgenthau, testifying on March 24, 1939, before the House Ways and Means Committee, when this matter was settled and liquidated by Congress itself, said:

We should not accumulate a reserve fund any larger than is necessary to protect the system against unforeseen declines in revenues or increases in the volume of benefit payments. Specifically—

Mr. Morgenthau speaking—

Specifically, I would suggest to Congress that it plan the financing of the old-age-insurance system with a view to maintaining for use in contingencies an eventual reserve amounting to—

These are the critical, significant words—

amounting to not more than three times the highest prospective annual benefits in the ensuing 5 years

That is Mr. Morgenthau's definition of the essential reserve which should be created behind social-security pay rolls. He added a suggestion that the reserve might be a little larger in the initial years, but this is his fundamental formula, and I ask Senators to bear it in mind as we proceed. The Secretary of the Treasury's formula in respect to social-security pay-roll reserve is that the reserve is adequate when it is three times the prospective benefit payments during the 5 subsequent years.

Congress in 1939 did precisely what the Secretary recommended. While it did not in terms write this formula as a directive in the law, it did write a provision in title II of the Social Security Act to create a board of trustees of the Federal Old Age and Survivors Trust Fund, and among other things the board is required—and I quote from the statute—

to report immediately to the Congress whenever the board of trustees is of the opinion—

What opinion?

that during the ensuing 5 fiscal years the trust fund will exceed three times the highest annual expenditures anticipated during that 5-fiscal-year period.

So, Mr. President, in testing the validity of Mr. Morgenthau's amazing statement at his press conference last Monday, it must be tested against his own rule and against the action of the Congress itself in asserting that the appropriate reserve, the only reserve necessary, is a reserve which equals three times the anticipated benefit payments during the 5 subsequent years.

All right. Now, let us see where we stand under that rule. The assets of the trust fund, which is to say the reserve, were $3,227,000,000 at the end of the fiscal year 1942.

The reserve is not merely 3 times the anticipated benefit payments during the 5 subsequent years; the reserve is not only already 3 times the amount set up by Mr. Morgenthau in his own testimony as the essential test of the integrity of the reserve funds; it is not only 3 times what it ought to be—it is 30 times what is required in any 1 of these subsequent 5 fiscal years, and it is 6 times the total requirements of the next 5 fiscal years.

There just cannot be any denial of those figures. The trust fund today is twice as big as Mr. Morgenthau has said is its maximum necessity. Yet when the Senate Finance Committee proposes to maintain a tax collection at existing bases instead of adding 100 percent to the pay-roll-tax burden of 40,000,000 workers in this country and all their employers, in spite of the fact that the trust fund at this moment is 100 percent better off than Mr. Morgenthau himself said it needed to be, Mr. Morgenthau has the—I almost used the word "effrontery"—to say this proposal jeopardizes the program for financing old-age and survivors insurance, and that it violates sound financing. I submit that he is magnificently wrong.

Mr. President, let us go to an even better source of information. Let us go to Dr. A. J. Altmeyer, Chairman of the Federal Security Agency of the Social Security Board. Dr. Altmeyer has been the administrator of this law ever since it was initiated. He is a very able administrator. I sent him a questionnaire about 4 weeks ago, and I submitted certain specific questions to him. I want to read one of his answers bearing squarely upon the question of whether Mr. Morgenthau was entitled to make this frontal attack upon an action by the Senate Finance Committee by a vote of 12 to 4.

Question to Dr. Altmeyer from me:

What pay-roll tax, on employer and employee, is necessary in 1943 in order to maintain a "reserve" which is "three times the highest annual expenditure expected in the next 5-year fiscal period"?

That is the question I am discussing at the moment before the Senate. What is Dr. Altmeyer's answer—the answer of the chief administrator of this law? This is contained in a letter under date of September 2, 1942, and Dr. Altmeyer speaking:

With continuance of the conditions assumed in table 3 of the trustees' report—

And that is the normal contemplation of what is about to happen economically under the Social Security Act in 1943—

If no taxes whatever—

Says Dr. Altmeyer—

If no taxes whatever were collected in the fiscal year 1943, the trust fund at the end of the year would be about $3,100,000,000, which would still be more than three times the highest annual anticipated expenditure during the next 5 fiscal years.

In other words, Mr. President, when Mr. Morgenthau's own rule is applied to the net result of the action of the Senate Finance Committee, instead of producing a situation endangering the integrity of the social-security trust fund, it appears that if no taxes at all were collected in 1943, still the trust fund would measure fully to the Secretary's own specifications in respect to its integrity. Yet the Secretary of the Treasury says we are about to jeopardize the social-security fund by keeping pay-roll taxes where they are for another year.

What are these projected benefit payments in the next 5 years? Again I am quoting Dr. Altmeyer:

A simple projection of the expenditure figures in table 3 of the trustees' report would result in an estimate of about $465,000,000 in benefit payments and administrative expenses for the fiscal year 1947. With this projection, three times the highest annual expenditure during the 5 years beginning in 1943 would be approximately $1,400,000,000.

That is the sum total of the requirement under Mr. Morgenthau's own pronounced rule as to the necessities of this reserve fund—$1,400,000,000. According to Dr. Altmeyer you will have in excess of $3,000,000,000 in the fund. Yet the Secretary says that this action of the Senate Finance Committee in postponing for 12 months the 100-percent increase in the burden upon 40,000,000 workers in this country and their employers is a threat to the integrity of the fund.

Continuing Dr. Altmeyer says:

If retirement of present potential beneficiaries is assumed, however, annual expenditures in 1947 would amount to approximately $765,000,000.

In other words, he is making a new calculation and carrying it to the utmost extreme of the challenge which this trust fund could possibly meet.

Under such an assumption, three times the highest annual expenditures during the 5 years after 1942 would be $2,300,000,000.

In other words, even though the benefit payments and the administrative expenses under the old-age pension section of the social-security law be figured at the maximum possibility of drain, the reserve fund today, without another penny in it, is 50 percent bigger than it needs to be under Mr. Morgenthau's own specifications; yet Mr. Morgenthau undertakes to say to the Congress and to the country that the action of the Senate Finance Committee threatens the validity and integrity of the trust fund. I deny it vehemently. I deny it on the basis of every available fact. I deny the justification for any such propaganda.

I do not want to leave any misunderstanding about Dr. Altmeyer. Dr. Altmeyer is opposed to the action of the Senate Finance Committee in freezing the pay-roll taxes for 1943. I suppose that is perfectly natural.

Mr. WAGNER. Mr. President, will the Senator yield for a question?

Mr. VANDENBERG. I yield.

Mr. WAGNER. Did any representatives of the agency which deals with this question appear before the Finance Committee in reference to the amendment offered by the Senator?

Mr. VANDENBERG. They did not.

Mr. WAGNER. Then there were no hearings at all?

Mr. VANDENBERG. None were necessary. The statement of the facts was so conclusive that the committee did not require any additional testimony.

Referring to Dr. Altmeyer—because I have such profound respect for him that I would not leave any semblance of misunderstanding with regard to him—he wants the increased pay-roll taxes to come in precisely as originally scheduled. He probably has a sound theoretical reason for it, although I confess I have been totally unable to discover it in his answer to my questionnaire. However, I never knew of the head of any administrative agency in this Government agreeing that his revenues ought to be reduced. That would be a "nature fake."

This raises the question, Why did Mr. Morgenthau make this statement? I have been extremely critical of him, perhaps, in respect of his arithmetic up to

date. I sympathize with what I know is the reason for making the statement which he made. He himself confesses it in the final portion of his interview. This is what he says:

> Passage of the Vandenberg amendment would also require substantial adjustment in the Government's plans for war financing. It would, in effect, reduce the flow of anti-inflationary funds into the Treasury—

Not into the social-security fund, but into the Treasury—

> by over $1,500,000,000.
>
> * * * * *
>
> The administration's record on social security has been clear and consistent. Last January the President submitted a budget based on the assumption that the scheduled rate increases in social-security contributions would go into effect on January 1, 1943, and that in addition $2,000,000,000 in new contributions would be raised for an expanded social-security program.

There you are, Mr. President. What the Secretary of the Treasury wants to do is precisely what he wanted to do with the social-security funds in 1935, when the system started, and precisely the thing which he was denied by the action of Congress in 1939. He wants to use the flow of presently unnecessary reserve funds as a reservoir into which he can pour a comparable part of his War bonds.

Mr. President, that is an objective with which it is exceedingly difficult to quarrel. Certainly I have total sympathy with the Secretary in the tremendous task which he confronts in finding the funds to pay our enormous war bills, but I submit that if there must be an enforced draft upon the resources of this country to pay our war bills, it should be done in the open.

It should be done frankly and honestly in the name of the war effort. It should apply equally to everybody. It should not approach in disguise the Social Security reserve funds, and it should not be applied exclusively to the workers on our industrial pay rolls and their employers. I do not believe that the trust fund of the social-security law should be used, even in a collateral fashion, for anything whatsoever except social-security benefits.

We confront a tremendous problem in respect to the necessity for finding adequate funds to meet our war bills. This little device would be only a drop in the bucket, even from a practical standpoint. When we shall have finished with our tax bill, if we shall have succeeded in raising, let us say, $8,000,000,000 more, the total revenues of the Government for the present fiscal year will be about $25,000,000,000. The expenditures will be, in round numbers, $75,000,000,000. The difference is $50,000,000,000. The voluntary bond purchase plan of the Treasury never has been anticipated to produce more than $12,000,000,000, and it is not doing that. If we take $12,000,000,000 from $50,000,000,000 we have $38,000,000,000 left. If we allocate, say, $8,000,000,000 of the balance to normal purchases by insurance companies and other purchasers we still have $30,000,000,000 in this fiscal year for which there is absolutely no provision, either by way of taxes or by way of a program of safe and prudent borrowing. The budget for the following fiscal year is already fixed at $90,000,000,000.

When we face these enormous figures in respect to the deficit which must be financed by the Treasury, I submit that some better plan is necessary than a camouflaged assault upon the trust funds of the social-security system—to get what? To get $1,000,000,000 in 1943. I repeat, it is only a drop in the bucket, even if it be considered from a practical point of view. There must be a better plan than that. The Secretary, instead of thinking up press propaganda of this nature, had better be considering an all-out program adequate to meet his all-out responsibility.

However, entirely aside from the practical point of view, I submit as a moral proposition that there is utterly no justification for increasing the pay-roll taxes under the Social Security Act for anything except social-security purposes; and if, in order to pay our war bills, the pay rolls of the country must be taxed, in addition to everything else we are doing, the tax must fall equally on every citizen of this country, and not merely on the prospective beneficiaries of the social-security system.

Mr. President, there is only one other consideration involved. There are pending substantial proposals for the expansion of social-security coverage, and for what I believe to be a merited increase in social-security benefit payments in many categories. Whenever Congress gets around to take that action there will be no resistance from me to gearing social-security pay-roll taxes to whatever level is necessary to pay for social-security benefits; but there is no prospect of such action by Congress, certainly within 6 months. We are moving into 1943, when automatically these taxes will increase on January 1. I submit that if they are increased on January 1 for other than social-security benefits, it will be distinctly difficult subsequently to divert them back to social-security purposes if and when the social-security law itself is expanded. I submit that the freezing of these taxes at 1 percent on next January 1 would be directly helpful to the ultimate project of expansion of the coverage of the law itself, and the creation of adequate new benefits under it.

In conclusion, I submit that the statement made by the Secretary of the Treasury is without justification in respect to its charge that there is anything in the action of the Senate Finance Committee which threatens the integrity of the reserve fund. Secondly, I submit that in the latter part of his statement he is going far afield and dealing "too little and too late" with a tremendous red-ink deficit when he leans upon a diversion of the ultimate use of these funds for the purpose of meeting war deficits.

I must not leave that statement without explanation. There is nothing illegal, illegitimate, or immoral about the way in which these trust funds operate when they reach the Social Security Board. They must be invested in Government bonds. Obviously the funds themselves flow into the general reservoir of the Government. That is all within the contemplation of the law. I am not complaining upon that score, except as these pay-roll taxes are consciously padded for these collateral purposes; but I am complaining that the chief fiscal agent of the Government should give the country to understand that there is a threat to the integrity of the greatest trust fund in the world in an action by the Senate Finance Committee which merely takes his own rule, applies it to the existing reserves, and finds the existing reserves under the Social Security Act twice as competent as he himself has said they need to be.

Mr. President, I submit that the action of the Senate Finance Committee should stand and that these pay-roll taxes should be frozen at present levels for 1943; and I submit that the Secretary of the Treasury should be a little more accurate in the statements he makes to the American people upon this subject.

Mr. WAGNER. Mr. President, as the sponsor of the original social-security law, I have naturally been interested in its enforcement and success. I oppose the amendment offered by the senior Senator from Michigan [Mr. VANDENBERG], but this is not the time to make an address regarding it, and I do not propose to do so. I hope that when the tax bill shall be before the Senate I may have an opportunity to discuss the provisions of the amendment at some length.

I deeply regret that an amendment so serious, affecting the security of 50,000,000 workers, should have been adopted in the committee without hearings of any kind.

In response to my request for information bearing upon the issue, the Chairman of the Social Security Board has transmitted copy of a letter sent to the Senator from Michigan setting forth much of the pertinent data.

The Senate and the country will be greatly interested to know that our national organizations, far from seeking reductions in pay-roll taxes for social-security purposes, have written me opposing the Vandenberg amendment and strongly urging a further increase in taxes with a corresponding increase in insurance protection.

I offer the communications to which I have referred for the RECORD, to be printed as a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEDERAL SECURITY AGENCY,
SOCIAL SECURITY BOARD,
Washington, D. C., September 29, 1942.

HON. ROBERT F. WAGNER,
United States Senate,
Washington, D. C.

DEAR SENATOR WAGNER: In answer to your request for material bearing upon the question of the old-age and survivors insurance tax increase, I am enclosing a copy of a letter which I sent to Senator VANDENBERG in answer to a similar request which I received from him some time ago.

If there is any further information you desire, please do not hesitate to call upon me.

Sincerely yours,

A. J. ALTMEYER,
Chairman.

SEPTEMBER 2, 1942.

Hon. ARTHUR H. VANDENBERG,
United States Senate,
Washington, D. C.

DEAR SENATOR VANDENBERG: This is in reply to your letter of August 18, in which you raise several questions relating to contribution rates under the old-age and survivors insurance program and the size of the Old-Age and Survivors Insurance Trust Fund. I note that you address yourself to the issue of whether the contribution rates scheduled in the law are necessary to the functioning of the system as it now stands, and that you wish to exclude for the time being any reference to a broadened system or to the use of the funds in financing the war. I am pleased to have the opportunity to discuss these questions with you, and am answering your specific questions in order below and in accordance with your numbering.

"(1) The Senate Finance Committee report in 1939 emphasized, as did the bill itself, that the maximum 'reserve' required was 'three times the highest annual expenditures expected in the next 5-fiscal-year period.' Is it not a fact that your board's report for this year shows that the fund today exceeds thirty times the highest annual benefits of the next 5 years?"

With regard to the first sentence of your question neither the Senate Finance Committee report in 1939 nor the Social Security Act amendments of that year indicate that the maximum reserve required is three times the highest annual expenditures expected in the next 5-fiscal-year period. The amended law provides only that a report be made to Congress whenever the board of trustees anticipates that the trust fund will exceed three times the highest annual expenditures anticipated during the ensuing 5 fiscal years.

The Senate Finance Committee report contained no definite statement of policy concerning the size of the reserve required but implied acceptance of a recommendation on the subject by the Secretary of the Treasury. Estimates of the size of the reserve in various years are presented on page 17 of the report, and in the discussion of these estimates it is noted that the reserve shown "will conform closely to the recommendation of the Secretary of the Treasury of an 'eventual reserve amounting to not more than three times the highest prospective annual benefits in the ensuing 5 years.'" The Secretary's recommendation is stated in terms of an eventual reserve. His testimony emphasized the possibility that—

"We may have for a few years * * * a reserve fund somewhat larger than would be necessary under the standard I have here suggested. However, the early annual disbursements of benefits are neither representative nor can their amount be precisely forecast at this time. Consequently, it may be desirable to anticipate a somewhat larger contingency reserve during the first few years of benefit payments." (Hearings before the House Ways and Means Committee on the Social Security Act Amendments of 1939; vol. 3, pp. 2113–2114.)

Aside from the testimony and recommendations of the Secretary of the Treasury, the only other discussion I know of concerning the size of the reserve is to be found in the testimony before the Ways and Means Committee of Prof. J. Douglas Brown. Professor Brown appeared in his capacity as chairman of the Advisory Council on Social Security, which was organized as a result of your interest in questions of social-security financing. Clearly brought out in Professor Brown's testimony was the thought that the three-times standard which he proposed was to be taken only as a rough rule of thumb which might well be disregarded in the early years. Professor Brown suggested:

"Something like roughly three times the benefit load, varying above or below the benefit load, but particularly higher in the early years when you are uncertain as to your data." (Hearings before the House Ways and Means Committee on the Social Security Act amendments of 1939; vol. 2, p. 1272.)

With regard to the second sentence in your first question, the highest annual expenditure figure shown in the second annual report of the board of trustees of the Federal old-age and surivors insurance trust fund during the 5-year fiscal period covered by table 3 of that report is $392,000,000. The same table shows the amount of the trust fund at the beginning of that 5-year period as $2,398,000,000. On the basis of these figures, the trust fund would not exceed 30 times the amount of the highest anticipated annual expenditures in the ensuing 5-year period, but would be only slightly over 6 times that amount. The heading of the table, however, points out that these figures are subject to the limitations stated in the accompanying text. The last two paragraphs of the text on page 5 call attention to the large number of potential claimants for old-age benefits. If these potential beneficiaries all retired from active work by July 1945, an increase in the annual rate of benefit payments of approximately $300,000,000 would result. If these $300,000,000 were added to the estimated disbursements shown for 1946 in table 3, the fund at the beginning of 1942 would then be less than 3½ times the highest anticipated annual expenditure during the 5-year period.

Due to the return of many aged individuals to work under covered employment because of the emergency, the potential increase will probably be even larger than that quoted on page 5.

"(2) While the Senate Finance Committee report in 1939 estimated revenues for 1940 under the 1-percent tax at $501,000,000, and for 1941 at $505,000,000, have not the actual revenues been $637,000,000 and $789,000,000, or, respectively, 127 percent and 156 percent of the estimates?"

The revenue estimates in the committee report were for net tax receipts, i. e., gross receipts minus administrative expenses, and not for total collections. To make the actual collection figures, which you have correctly cited, more nearly comparable with the estimates, it is necessary to deduct allotments for administrative expenses from the former. The actual net receipt figures comparable to the estimates in the committee report were $611,000,000 in 1940 and $763,000,000 in 1941.

"(3) In the meantime, have not the benefit payments been only 30 percent of the committee estimates in 1939?"

The estimates of benefit payments in the committee report were $114,000,000 for 1940 and $293,000,000 for 1941. Actually benefit payments were $35,000,000 and $88,000,000, respectively, in these years, or approximately 30 percent of the estimates in each case.

In large measure the tax receipts and benefit payments in items (2) and (3) above are direct effects of present economic conditions. The combined influence of the increase in tax receipts and the decrease in benefit payments in the last 2 years has been a substantial increase in the trust fund above the estimates. With a decline in economic activity, tax receipts will decrease while benefit payments will increase at a more rapid rate than that indicated by table 3 of the trustees' report. The combined effect of such a trend of events would be a rapid absorption of any excess amounts that will have accumulated in the trust fund.

"(4) In 1939 the committee reported that the old-age reserve fund would increase until 1955, when it would level off at $6,871,000,000. Does not the annual report of your own board of trustees indicate that the fund will grow to almost $12,000,000,000 before it levels off, and that this figure will be reached, not in 1955 but in 1946?"

The 1939 committee report estimated that there would be $6,871,000,000 in the trust fund at the end of 1955. The trustees' report indicates in table 3 that there will be $10,813,000,000 in the trust fund at the end of the fiscal year 1946. In neither report, however, is there indicated a "leveling off" of the trust fund.

Moreover, the quotation of low and high estimates in the trustees' report on page 8 indicates a recognition of a possible wide range in costs and the reserves. Continuation of the trend shown in table 6 of the committee report would result in decreases in the trust fund during the years after 1955, since benefit payments are increasing in that table more rapidly than net tax receipts plus interest. The table implies, therefore, that revenue additional to that from a 6-percent pay-roll tax may be required to pay benefits and to maintain a small reserve against contingencies; this problem is discussed in the text accompanying this table. Table 3 of the trustees' report indicates that the trust fund would continue to increase for a time after 1946 since its receipts in that year are substantially in excess of total disbursements. Only if we can assume full maintenance of the present high level of employment whether from war activity or other stimulus into the indefinite future, and continuance of the present low retirement rate among older workers, however, will the fund continue to increase for many years at the current rate. Such an assumption would seem to be too uncertain to be used as a basis in planning the wise and safe functioning of the existing system of benefits.

"(5) What pay-roll tax, on employer and employee, is necessary in 1943 in order to maintain a 'reserve' which is 'three times the highest annual expenditure expected in the next 5-fiscal-year period'?"

With continuance of the conditions assumed in table 3 of the trustees' report, if no taxes whatever were collected in the fiscal year 1943, the trust fund at the end of the year would be about $3,100,000,000, which would still be more than three times the highest annual anticipated expenditure during the next 5 fiscal years.

"(6) What is the present reserve? What is 'three times the highest annual expenditure expected in the next 5-year period'?"

The assets of the trust fund at the end of the fiscal year 1942 were $3,227,000,000.

The answer to the second sentence of your question requires an estimate of expected annual disbursements in 1947. Such an estimate will not become available until the third board of trustees' report is prepared in conference with the other two members of that board. Because of the rapid changes now occurring in economic conditions, employment levels, acquisition of wage credits by persons nearing 65, wage rates, average age of retirement, etc., preparation of the estimates going into the trustees' report to be submitted to Congress on January 1, 1943, has been postponed to the latest possible date.

A simple projection of the expenditure figures in table 3 of the trustees' report, however, would result in an estimate of about $465,000,000 in benefit payments and administrative expenses for the fiscal year 1947. With this projection, three times the highest annual expenditure during the 5 years beginning in 1943 would be approximately $1,400,000,000. If retirement of present potential beneficiaries is assumed, however, annual expenditures in 1947 would amount to approximately $765,000,000. Under such an assumption, three times the highest annual expenditures during the 5 years after 1942 would be $2,300,000,000.

Reference has been made to the uncertainty of the data on which all of the estimates for the early years are necessarily based. Of even greater significance in weighing the

questions you have raised are the considerations which were stated in the second annual report of the board of trustees. One of these considerations is that the present high level of pay rolls and of contribution income may decline sharply in the period following termination of the war. Together with such decline, it may reasonably be expected that there will be a substantial increase in the number of eligible persons who retire and go on the benefit rolls. The present demand for labor is enabling many more persons to build up eligibility for benefits than would normally be the case. The report points out that if a material reduction in employment should develop before the end of the 5-year period under discussion, the level of benefit disbursements may be considerably higher, and the level of tax collections considerably lower, than the prospective levels indicated in the table which is included in the report. Prudent management would seem to require that full weight be given to these possibilities.

Another consideration referred to in the trustees' report is that the trend of benefit payment will be a steeply ascending one over the next generation or longer. When this fact is taken into account, it becomes clear that the excess in the reserve in terms of the immediately prospective level of disbursements is very small in comparison with the level of payments to be expected two or three decades hence.

It always has been my understanding that the intent of Congress in enacting the schedule of contribution rates in 1935, an intent not modified in 1939, was that the full rate necessary for the support of the program be applied gradually so that industry and employees would not be burdened by large increases at any one time. This intent is of particular significance for the present question, since postponement of the 1943 increase would in all probability necessitate a sharp increase a few years hence. The necessity for this increase would most probably occur at a time when economic activity slackens and it would be awkward to impose a sudden and large increase in taxes on employees and employers.

Congressonal action in postponing the statutory tax increase in 1940 was, I believe, in part a measure to build up purchasing power needed to encourage business activity. To the extent that this was an influence in the decision made in 1939, the present need indicates the desirability of an increase in taxes.

For your information I am enclosing a copy of the second annual report of the board of trustees of the Federal Old-Age and Survivors Insurance Trust Fund. If I can be of any further assistance to you, please do not hesitate to call upon me.

Sincerely yours,

A. J. ALTMEYER,
Chairman.

AMERICAN FEDERATION OF LABOR,
Washington, D. C., October 1, 1942.

Hon. ROBERT F. WAGNER,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: The Vandenberg amendment to H. R. 7378, adopted by the Senate Finance Committee, which proposes to freeze the rate of contribution by employers and employees to old-age and survivors insurance at 1 percent instead of permitting that rate to increase to 2 percent as provided in the Social Security Act, would seriously retard the development of old-age insurance upon which wage earners depend for income to make them independent in old age. This insurance system is new and has not yet met the test of normal benefit payments. Workers are making their contributions equally with employers with the expectation that an actuarially sound system will assure them security in old age. The American Federation of Labor believes this proposal to weaken old-age and survivors insurance is unnecessary and unwise from the standpoint of social insurance as well as from that of fiscal needs of the Government and its inflation-control program.

Any such basic decision on social insurance should be reached only after adequate consideration of evidence and hearings for those concerned. The Administration has advised that after passage of the tax bill it will submit proposals to increase the contribution rate for social security to 5 percent.

The American Federation of Labor is urging expansion of our social-insurance system with increased contributions as provided in H. R. 7534, now before the House Ways and Means Committee. In this time of high employment and high national income we ought to lay aside for future emergencies and invest these savings in Federal bonds to finance the war.

We know that unemployment after this war will be more than that following any previous war or any previous depression.

I urge you to vote against the clause which would freeze old-age and survivors contribution rate at 1 percent and the 5-percent payroll victory tax in order that a broad social-security program may be substituted which will permanently benefit wage earners and the whole Nation.

Sincerely yours,

WM. GREEN,
President, American Federation of Labor.

CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D. C., October 1, 1942.

Hon. ROBERT F. WAGNER,
United States Senate,
Washington, D. C.

DEAR SENATOR WAGNER: I understand that the present tax bill pending before the Senate Finance Committee contains an amendment submitted by Senator VANDENBERG and approved by your committee which would freeze the present social-security tax at 1 percent. In effect this amendment repeals the present law pursuant to which the social-security tax would be increased as of January 1, 1943, to 2 percent to be paid by both the employer and the employee

Over and above this there is incorporated in the tax bill pending before your committee a so-called victory tax of 5 percent on all gross income over some very small amount.

It is the considered judgment of the Congress of Industrial Organizations that these two items endanger the present social-security program and eliminate any chance of extending the social-security program in accordance with the several recommendations that have been made by the President of the United States to Congress. Insofar as the so-called victory tax is concerned, the Congress of Industrial Organizations has of course indicated its public position as being opposed to this tax for other equally important reasons.

In England, for instance, during the war, the social-security program has been extended and broadened. It was recognized at an early date in that country that as part of the war program it is essential to afford greater protection to the workers in relation to those matters covered by social security. It would be most unfortunate if in this country we would follow precisely an opposite path.

The workers of this Nation appreciate the fact that many sacrifices will have to be made in the all-out effort for winning the war. They are not merely ready but only too anxious to make these sacrifices.

Social security, however, is the one field where we should bend every effort toward extending and broadening the benefits which the workers would enjoy under such a program. This is an essential part of the war program.

I therefore believe it is most unfortunate that the two items to which I have referred above are now incorporated in the present tax bill. On behalf of the Congress of Industrial Organizations I wish to express our very definite opposition to both of these items. It is our recommendation that both be eliminated from the tax bill and instead a real investigation be made into the question of how the social-security program, with appropriate tax features, can be extended and broadened consistent with the recommendations of the President of the United States.

I do hope that we can secure your assistance to accomplish the foregoing objectives.

Very truly yours,

PHILIP MURRAY,
President.

ORDER FOR CALL OF THE CALENDAR

Mr. BARKLEY. Mr. President, I understand that the junior Senator from New York [Mr. MEAD] is about to address the Senate. I ask unanimous consent that at the conclusion of his remarks the Senate proceed to consider measures on the calendar to which there is no objection, beginning at the end of the last call.

Mr. CONNALLY. Mr. President, I did not understand the Senator's statement of the proposed agreement relative to the call of the calendar.

Mr. BARKLEY. I asked unanimous consent that at the conclusion of the remarks of the junior Senator from New York [Mr. MEAD] the calendar be called.

Mr. CONNALLY. Immediately at the conclusion of the remarks of the junior Senator from New York?

Mr. BARKLEY. Yes. Of course, that would not prevent any Senator from making a speech.

Mr. CONNALLY. I wanted to say a few words.

Mr. BARKLEY. I am merely desirous of having the order entered.

The VICE PRESIDENT. Without objection, the calendar will be called following the conclusion of the address by the Senator from New York.

RELATIONS WITH VICHY FRANCE

Mr. MEAD. Mr. President, I favor the adoption of a stern policy by the United States toward the Vichy regime in France and the acknowledgment by us of the true status of the French puppet government. I favor the adoption of all means, within practicability, to occupy all the French possessions in the American sphere of civilization.

Mr. President, in the newspapers of today and yesterday we read the story of the seizure on the part of the French Government of hundreds of American citizens. During the last week end hundreds of American citizens were rounded up in occupied France by French police, and were turned over to German occupation authorities, who, in turn, interned some of them in the zoo at Paris. At least 250 Americans were reported held at Paris, alone—250 Americans, regardless of age, sex, or occupation.

Mr. President, I wish to advert for a short time to the present state of our relations with France. A valiant effort has been made by our Government to maintain the slim ties of our once strong bonds of friendship with the French

Government; but it appears that the breaking point may be fast approaching.

Under the treacherous leadership of Pierre Laval, the arch depraver, occupied France is following, step by step, the pattern of the Nazi state. The world has come to know those brave people of France who have refused to collaborate with Hitler as the Free French. They may well be proud of this characterization as "free," because the collaborators in France—Laval and his followers—are truly slaves. They are slaves to the dictates of Hitler. They are making slaves of the people of France.

Two recent political moves directed by Laval have shocked the sensibilities of a world which has become hardened to ordinary unmoral and inhuman acts. I refer to the mass deportation of Jews and to the exchange of war prisoners for labor. These two moves are interwoven. Reliable information tells us that the deportation of the Jews is an act of appeasement, because France did not live up to the expectations of Hitler in the number of men furnished in the exchange of labor for war prisoners.

It is difficult for the American mind to visualize the implications involved in the labor-prisoner exchange between the two puppet states. The tricolor of France has been revered by the American people, and the martial strains of the Marseillaise have always aroused an emotion in the hearts of Americans second only to the music of our own national anthem. Lafayette helped us to gain our freedom. In Flanders Field the French poilu sleeps alongside the American doughboy, brothers in the defense of liberty in the last World War.

The French soldier went to the defense of France when her soil was invaded once again by the Nazi war machine in this second World War. With a suddenness that left the world amazed, France capitulated, surrendered many thousands of troops, and entered into a written truce with her Nazi invaders. It is under this truce that we have the paradoxical situation of two nations acting under a so-called mutual-assistance pact, yet the soldiers of one nation are prisoners of the other. These very prisoners of war, the Frenchmen who risked their lives in the defense of freedom and of liberty, are being released from their prison camps in the ratio of one prisoner for every three workingmen, who, in turn, will be placed in servitude under the Nazi war machine. These workingmen are being fed by Laval to the munitions industry of Nazi Germany, to fashion planes, guns, and tanks, to be used against our armed forces, and to destroy liberty and freedom on the earth. The published photographs of this prisoner-labor exchange in Vichy France are graphic witnesses of this story of the depravity of the Laval regime.

The other jolt to our rising indignation at the extremes to which Laval is going to curry the favor of Hitler was the mass deportation of Jews. The acts of cruelty in this latest scheme of the collaborators are the match of any devised by Hitler since he started to preach and practice anti-Semitism. Innocent, defenseless children are taken from their parents—are not even left with them in their exile. Families were torn asunder, and members sent to different destinations.

What is the destination of these victims of the Nazi doctrine of hate? They are being sent from a country where they are not wanted to a country whose aim is to destroy and exterminate them from the face of the earth. These unfortunate Jews are headed for forced labor in Nazi Germany, imprisonment, and death.

Political leaders of neutral nations have condemned this outrage. Leading Protestant and Catholic clergymen the world over, even in occupied, subjugated countries, have denounced this inhuman scheme.

The newspaper accounts which have reached this country reveal that His Holiness Pope Pius XII and the Catholic clergy of France have entered strong protests against the inhuman acts of Laval in these wholesale deportations of Jews from Vichy France to the Nazis. This stand of the Catholic clergy of France was recently praised by Rt. Rev. Msgr. Michael J. Ready, general secretary of the National Catholic Welfare Conference, in a statement issued by him at Washington. The following is quoted from Monsignor Ready's statement:

> It is a courageous thing that the French Catholics have done in helping persecuted Jews in occupied and unoccupied France. Catholic protests against the inhuman mass deportations of Jews to Nazi territory and the sheltering of Jewish children is a worthy example of the following of Christ.
>
> Archbishop Jarles Saliege, of Toulouse, where several concentration camps are located, has issued a pastoral letter saying, "That children, women, men, fathers, mothers should be treated as a wretched herd * * *, and embarked to unknown destinations was a sad spectacle reserved for our times to see. Lord have pity on us! Our Lady, pray for France!"
>
> It is to be expected that the Nazi regime, which fears above everything the power of truth and good will among men, would suppress the archbishop's pastoral letter of protest.
>
> It is to be expected that Pierre Laval, puppet of the Nazis, a man who sold his soul and his country to the barbarous Nazi invaders of his land, would order the arrest of Catholic priests who have aided the Jews.
>
> We, in the United States, Catholic priest and layman alike, cannot condemn too strongly the well-known Nazi persecution of religion. We thrill to the knowledge that our bishops and priests abroad, without fear, without concern for themselves, have taken up the cause of brethren whose sufferings under the Nazis have been horrible beyond human belief.
>
> Our prayers and our thoughts are with them. Truly, they follow in the path of Christ.

Mr. President, these two latest political moves of Laval may be only forerunners of other Hitler-dictated acts of the future. They certainly do not inspire any confidence in continued truce between the United States and occupied France. Hitler's philosophy of force is predicated on lies, treachery, and deceit. Our successful prosecution of the war can be seriously threatened by further "collaboration" of Laval and Hitler in the disposition of the French West African base at Dakar and of the French possessions in the Caribbean. Can we afford to take further chances with the monstrous Laval and Vichy France?

If we do not act now, by occupying the French possessions in the Caribbean, will Laval be with us or with Hitler when he is put to the test? I believe the answer is that Laval will be with Hitler. We should not risk any longer the possibility that these strategic areas may become bridgeheads from which Hitler can send submarines to prey on our shipping and from which land-based planes may bomb our cities. To do less than to protect ourselves from this dangerous possibility, in the light of fast-moving events in Vichy France, may be inexcusable if we guess wrong. Great Britain's action in Madagascar sets the example and precedent for us to follow.

We have no design on these possessions other than for our own protection, and, therefore, we can assure the residents and citizens of the islands that they need not fear for their personal safety and security.

As to Dakar, fear is now expressed by our sister republic to the south, Brazil, that Dakar may be used by Hitler to base an attack across the Atlantic.

Although the danger to this country from Dakar is not so imminent as from the Caribbean French possessions, we might find it desirable to cooperate with the British and with Brazil if it is deemed necessary to occupy Dakar.

Mr. President, at this point I desire to insert in the RECORD an editorial appearing in the Buffalo Courier Express of September 13, 1942, regarding this perilous situation. I quote from the editorial the following:

> The Madagascar campaign thus becomes another undeclared war between the British and the Vichy French. The Vichy French won't fight the Axis, which has reduced France to vassalage, but they have no hesitation in fighting the Allies, one of whose war aims is the restoration of France as a free nation.
>
> If a government is neither friendly nor neutral, it must be considered hostile. As far as the Allies are concerned, the Vichy regime manifests neither friendliness nor neutrality. It should be made to pay for its hostility.

I now ask that the editorial in full may be printed in the RECORD.

The PRESIDING OFFICER (Mr. LEE in the chair). Without objection, the editorial will be printed in the RECORD.

The editorial is as follows:

[From the Buffalo Courier-Express of September 13, 1942]

VICHY NO NEUTRAL

If anybody still needs to be told where the Vichy government of what's left of France stands in this war, the present campaign in Madagascar ought to furnish the answer.

Madagascar is a big island off the southeast coast of Africa. It controls the route by which supplies go around the Cape of Good Hope to Egypt, India, Russia, and Australia. In enemy hands it would be a menace of the utmost gravity.

Last May the British seized the big naval base of Diego Suarez at the northern tip of Madagascar to forestall Japanese or other Axis occupation. Both Britain and the United States assured the Vichy Government that Madagascar would remain French, but that the United Nations could not afford to see it fall into the hands of the Axis.

The present campaign was aimed at the three key ports of Majunga Harbor, Morondava, and Ambanja—all on the Mozambique Channel, where Japanese submarines have been active lately. The British said they acted only after Madagascar authorities had refused to cooperate in making the island safe for the United Nations against the Axis. The British asserted that remote coves were being used as refueling bases for Jap submarines and that German agents were being assisted by Madagascar officials on orders from Vichy.

The Madagascar campaign thus becomes another undeclared war between the British and the Vichy French. The Vichy French won't fight the Axis, which has reduced France to vassalage, but they have no hesitation in fighting the Allies, one of whose war aims is the restoration of France as a free nation.

If a government is neither friendly nor neutral, it must be considered hostile. As far as the Allies are concerned, the Vichy regime manifests neither friendliness nor neutrality. It should be made to pay for its hostility.

Mr. MEAD. A hint, Mr. President, that the United States may seize French possessions in the Caribbean and cooperate with the British in seizing the French West African base at Dakar was given by the Army and Navy Journal in a very recent issue. It attracted attention because of the reputed closeness of the publication to the armed services. I quote from that journal:

Vichy is apprehensive that the United States will seize the French Caribbean territories, and they have reason for their fear. The negotiations instituted with the Governor General of those territories have not been concluded, and there is no doubt that prolonged delay in meeting our demands will cause us to act. There is also the matter of Dakar, which is in the German mind, and events may compel us to cooperate with the British in seizing that base, the more important now because Brazil is at war and it might serve as a jumping-off place for planes operating against our South American Ally. The significance of the presence of United States troops in Africa is fully appreciated by Berlin and Rome, for it is proof that we will not hesitate to take any strategic area which would be dangerous to our safety.

The publication observed that "we are talking 'tough' to the Vichy government, and implementing our words with deeds."

I quote further from the Army and Navy Journal:

In the matter of action, our flying fortresses will continue to bomb factories in France turning out war materials for the Axis, and Vichy protests and demands that such measures cease are being disregarded. We have given our official approval to British seizure of all of Madagascar. We have sent troops to French Equatorial Africa, where they will aid the Free French in resisting any Axis attack. We have entered into a formal agreement with the French National Committee under which we will continue to supply the De Gaullists with defense articles, services, and information, and that committee will reciprocate with such materials, facilities, and information as are available in the territories it controls.

Mr. President, from Rio de Janeiro comes this warning:

RIO DE JANEIRO, BRAZIL, September 19.—When will the United Nations take Dakar? That question is being asked by Brazilians who fear that Germany will anticipate United Nations action and use the Vichy base in West Africa as a springboard to attack Brazil.

A warning was given by Foreign Minister Oswaldo Aranha last night that Brazilians might expect Germany to try to bomb or even to land parachute troops. He echoed what the man in the street has been thinking and talking about.

The contention is heard here today that the sea lanes of the South Atlantic will not be safe if Dakar is placed openly under the Reich's management and is transformed into a de facto Nazi base.

Mr. President, unhappy France, under Laval's corrupt leadership, has followed the Hitler pattern more subserviently than any of the Quislings of the Nazi subjugated states.

I can never think of this modern-day Judas Iscariot, this present-day Brutus, without seeing, in my mind's eye, the apparition of a fallen France. Her fate has become unspeakably cruel, and her power to fight back diminishes hour by hour. She needs our active aid; sympathy is not enough. France was first of all the victim of Nazi attack, conquest, and occupation, and, second, she was the victim of betrayal by a few Quisling traitors of her own flesh and blood. We hope, over and over again, that the principles of liberty, equality, and fraternity will prevail in unoccupied France so long as any true Frenchman can draw the breath of freedom. In this worthy objective the aid of the United States will be freely given.

We know now that occupied France is the victim of military conquest and that unoccupied France has become the victim of unadulterated disloyalty. Our Government has been patient, commiserative, and indulgent with the Nazi contaminated Vichy regime. There no longer seems to be any sound reason for coddling the despicable Laval and his associate puppets of the Third Reich.

How much longer must Americans deny the truth? How much longer must we credit Vichy with a nobility long since outraged and betrayed?

I speak only for myself, as a Member of the Senate of the United States, but in my judgment, as a result of Laval's contemptible conduct, the time is approaching when we should temporarily sever the Gordian knot that has for so many years bound the United States and the Republic of France. Brave Frenchmen, in whose heart the blood of freedom will ever pulse, will understand the reasons for such action. Washington and Vichy, like Roosevelt and Laval, cannot both endure in the kind of an order Hitler has created. I favor the adoption of a stern policy by the United States, and that we acknowledge the true status of the French puppet Government. I favor all means, within practicability, to occupy all the French possessions in the American sphere of civilization.

If Laval remains in power the day will come when we must make this fateful decision. Long we have hoped that it might not be ours to make. That hope, with the unspeakable Laval in power, now seems gone. Total war permits of no compromise and of the giving of no quarter. The conditions are such that we must recognize the enemy where he is, stamp him for what he is, and, in the interest of our own preservation and survival, liquidate him with utter force. We will remember Lafayette; we will remember the brave Frenchmen who fought with us in the World War. Today the Frenchmen who love freedom are still our dearest friends. We are happy to have them join with us in the struggle for liberty. We are their true friends in this struggle for human freedom.

It is heartbreaking that our Government must inevitably come to this unhappy conclusion—I trust it can be avoided—but the time approaches when we must prepare to resign ourselves to the situation. Like most of the Frenchmen, we, too, fight to throw off the yoke of aggression. We, too, fight to reestablish decency and democracy in a world made wretched by the foul advocates of treachery, treason, and tragedy.

Frankly, I believe, the whole question of our relations with Vichy France should be restudied in the light of present day events, and a sterner policy adopted while the Laval government remains in power.

Mr. President, from the New York Times I have an article which I wish to have printed as a part of my speech. It indicates that the United States rejects Vichy's raid protest, and warns Laval of more bombings in the future. I believe the State Department has adopted a rightful attitude, and it has my approval. Let us bomb every plant which produces weapons that will destroy freedom from the earth. I ask to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES REJECTS VICHY RAID PROTEST—WARNS LAVAL OF MORE BOMBINGS

WASHINGTON, September 8.—The United States has informed Pierre Laval, French Chief of Government, through S. Pinkney Tuck, the American Chargé d'Affaires in Vichy, that American aviators will continue to bomb German military properties in France at every opportunity.

The notification was given after Mr. Laval had protested the recent bombings that have caused death and injury to many persons and widespread property damage.

"The American Chargé d'Affaires in Vichy, Mr. S. Pinkney Tuck," the State Department announced today, "was called in yesterday by Mr. Laval who said that in recent bombings of Havre and Rouen by combined military forces of the United Nations a number of people were killed and others wounded and that he, Mr. Laval, desired to enter a protest to the American Government since it was reported some American fliers participated.

"Mr. Tuck's immediate reply was that these air forces were bombing military plants in the employ of Germany and that, of course, the Americans do not desire to see the French people suffer any more than can be avoided, since they have already suffered to an incalculable extent under German occupation, but that Mr. Laval must be assured that the military plants operated by or for Germany and other German military properties in France will be bombed at every opportunity in the future."

Mr. MEAD. I have another article, taken from a recent issue of Newsweek, the heading of which is:

Laval Further Fumbles France by Putting Labor in Slavery.

But Two Leaders Remind Him That Liberty Can Never Die in Country of Its Birth.

I quote from the article:

Meanwhile Laval himself has been caught in gusts of wrath. On September 9 it was revealed that the two parliamentary leaders of France, the bearded, patriarchal president of the senate, Jules Jeanneney, 78, and his counterpart in the chamber of deputies, the hulking, 70-year-old Edouard Herriot, had sent a joint letter to Marshal Henri Philippe Petain and Laval, warning them against any move to draw France into war against "our allies."

The eloquent letter, which may come to rank among the great documents of French history, along with Emile Zola's famous "J'accuse" and the spirited defense speeches by Blum and Daladier at the Riom trials, was motivated by a decree ordering the bureaus of both houses of Parliament to cease their functions by August 31. Ever since the Parliament had been actually—though not technically—abolished by Petain, these permanent offices had been the last vestige of popular Government in France.

Jeanneney and Herriot spoke with an abandon rarely heard under dictatorships: "They have misled you if they tell you that the country will follow along the path you are trying to take. It tolerates—because it can do nothing else—the measures and the successive restrictions you have imposed upon it. But do not make the foolish mistake of believing that you can win the adhesion of its spirit or its heart * * *." There followed a sentence that may become one of the classic declarations of this war.

A further warning directed at the unspeakable Laval. The quotation from the letter is as follows:

It is impossible for liberty to die in the country of its birth whence it spread all over the world.

Mr. President, from a recent issue of the newspaper PM I invite attention to another article which I ask unanimous consent to have made a part of my address. The headline reads:

Laval warns church he wants no interference.

In that warning he follows the Hitler technique.

I call attention to two paragraphs in the article:

Laval, taking a page out of Hitler's technique of dealing with the clergy, has ordered Father Chaillet, president of the French Christian Amity Group, which preaches tolerance for all peoples, interned in fixed residence at Privas in southern France.

Laval thus within the month has carried out a full round of Quisling-Hitlerite activity: anti-Semitic measures, Nazi style, conscription of French labor for the Nazis, and now outright war upon French Catholicism. Norway's leading bishops have long been interned, following a struggle with Vidkun Quisling.

The PRESIDING OFFICER. Without objection, the article presented by the Senator from New York will be printed in the RECORD.

The article is as follows:

LAVAL WARNS CHURCH HE WANTS NO INTERFERENCE

Pope Pius yesterday said in a message to the Roman Catholic Hierarchy of Wales:

"We stand horrified before the spectacle of growing violence and fury of this war, which is everywhere spreading devastation and adding incessantly to the long tale of its miseries and sorrows."

He asked for prayers and supplications and "offerings of good works."

In unoccupied France the Pope's message fell on deaf ears, and Pierre Laval demonstrated anew that there can be no peace between a Quisling and the church.

HITLER METHOD

Laval, taking a page out of Hitler's technique of dealing with the clergy, has ordered Father Chaillet, president of the French Christian Amity Group, which preaches tolerance for all peoples, interned in fixed residence at Privas in southern France. Chaillet is on the staff of Pierre Cardinal Gerlier, Archbishop of Lyons, who has protested in several letters against the Vichy roundup of foreign Jews for deportation by the Nazis to their homelands.

Laval thus within the month has carried out a full round of Quisling-Hitlerite activity: anti-Semitic measures, Nazi style; conscription of French labor for the Nazis; and now outright war upon French Catholicism. Norway's leading bishops have long been interned, following a struggle with Vidkun Quisling.

Laval made no attempt to conceal his attitude toward the church. United Press quoted him as using these words before a group of German and other foreign correspondents:

"The Catholic cardinals and bishops have intervened, but everyone is a master of his own trade. They handle religion—I handle government affairs."

FRENCH FIGHT LAVAL ON LABOR ISSUE

The fighting French delegation in the United States of America said yesterday underground French groups opposing the Vichy regime are campaigning against Pierre Laval's moves to send French workers to Germany.

The delegation said it had received copies of a pamphlet distributed by a French resistance group known as Liberation, urging Frenchmen not to respond to Laval's demand for workers to go to Germany. This pamphlet appeared before Laval's recent measures conscripting workers for the Nazis.

It said persons answering his call "will forge chains for France" and will leave their families "facing an infuriated Vichy." It added that nothing could be sent back to families in France from Germany "because the cost of living is high in Germany."

"You will be a convenient hostage for Hitler," it said. "During that time, Laval will be freed of the haunting fear of a popular uprising by keeping your family at his mercy. Through starvation and with the help of his police, he will cunningly lead France and her children toward final slavery for the benefit of his Nazi master."

Mr. MEAD. Mr. President, as I said in the beginning, and as I conclude with a denunciation of the recent activities of the Laval government, the wholesale arresting of American citizens, the enslavement in Nazi munitions plants of French labor, and the inhuman and cruel persecution and exile of the Jews, I believe that because of these activities, and because of the pattern already set by Great Britain, it is appropriate, as was well said in the article from the Army and Navy Journal, for our country, and for all the countries of the United Nations, to adopt a sterner attitude with regard to Vichy France. I believe the day will come in the very near future when such an attitude will be vindicated throughout the world.

Mr. CONNALLY. Mr. President, the address of the junior Senator from New York [Mr. MEAD] raises, in my mind at least, some issues of propriety and official conduct to which I must make brief reference.

The Senate and House of Representatives of the United States are great and powerful bodies. In them rests the legislative power of the people of the United States. But among those powers is not included the conduct of our foreign relations, and among those powers is not included the conduct of military and naval operations. In time of war our foreign relations are inevitably intermixed with military and naval problems.

As to the government at Vichy, I shall express no animosity and no favoritism, but I desire to point out to the Senator from New York, and to other Senators who may feel an urge now and then to make remarks similar to those delivered by the Senator from New York, that in the field of foreign affairs the Constitution vests the duty of dealing with foreign governments in the President of the United States, and inferentially, although there was no Secretary of State at the time of the adoption of the Constitution, in the Secretary of State as the agent and servant of the President.

Mr. President, in the conduct of foreign relations it is never the function of the Government of the United States to become involved in the domestic quarrels and the domestic problems of the nations with which we deal, unless such problems have a direct effect upon the national interest of the people of the United States or the interest of some citizen.

The republic of France has a glorious and magnificent past. We cannot forget that in the dark and tragic days of the American Revolution, when the fortunes of war were not favorable in all particulars to the Colonies, France came to our aid and succor, and that the presence of a French army and a French fleet made possible the victory at Yorktown and the achievement of independence.

France has been, as we all know, a great influence in Europe in behalf of free government, legislative institutions, and the liberty of the individual. Poor old France has fallen upon evil days. I cannot believe that the French people, the great mass of the French people, are lacking in sympathy with the United States and our national aspirations and our national objectives. We must remember that France has the iron heel of the conqueror upon her neck. The French people have no freedom or liberty of action. We should bear in mind these circumstances in dealing with whatever government happens for the moment to rule over France.

Mr. President, I happen to know that the President of the United States and the Secretary of State have been giving very close attention to all the questions raised by the Senator from New York [Mr. MEAD] and to our dealings with the government located at Vichy and I hope that Senators and Members of the other House will be content to allow the President and the Secretary of State, who have vastly more information and more knowledge and more intimate contact than Members of the Congress can possibly have, to deal with this situation unhampered and untied by congressional or senatorial efforts to mold or shape their opinions or to direct their course.

When the makers of the Constitution sat in Philadelphia they wisely entrusted the conduct of foreign affairs to the President of the United States. During the days of the Confederation, and prior thereto, during the days of the Revolution, a congressional committee had struggled with foreign affairs. There was, of course, no President. The experience of the Colonies, and then of the States, during that period was unfortunate. It was found that a congressional committee could not effectively handle the foreign relations of the United States. So the Convention, knowing the background and being aware that all other governments, present and past, had lodged in their chief executives the responsibility for the conduct of foreign affairs, placed control of such matters in the President of the United States.

Mr. President, this does not mean that the President, in the conduct of foreign relations, has autocratic or imperial power. The Senate has a check upon the Executive in the refusal of its consent to treaties or obligations which he may assume. The House of Representatives has certain constitutional functions with relation to appropriations and revenues which at least indirectly constitute a check upon the President of the United States. But foreign relations are of such a delicate character, they call for so much of intimate, behind-the-scenes contact, that we cannot transact that kind of business upon the floor of the Senate.

I hope Senators will be very cautious, I hope they will consult their judgment and their sense of propriety, before they make statements which will be heralded in the press here and in foreign countries, perhaps throughout the world, as indicative of the attitude of the United States Senate.

Mr. President, so far as the possessions of France in the Western Hemisphere are concerned, I wish to say that the United States, I feel sure, will conduct itself toward those possessions in our own national interests. If they should be used by enemy powers, if they should be permitted to fall into the hands of aggressors against us, our adversaries, and their resources and agencies should be turned against the interests of this Government, of course the Government would strike in the manner which is best suited to our national interests and our self-defense.

Let me point out to the Senate that the French Government still has a great and powerful navy. That navy has not yet been enlisted against the Government of the United States. But it might be; it could be. By unnecessarily taking attitudes of hostility there might arise such a situation that the French fleet could be arrayed against the Government of the United States and its interests. Let me remind Senators that there is a considerable French army in North Africa, in Algiers and in Morocco. It has not yet taken the field or been turned against the United States or the United Nations. It could be. Pray God it never will be.

Mr. CLARK of Missouri. Mr. President——

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Texas yield to the Senator from Missouri?

Mr. CONNALLY. I gladly yield.

Mr. CLARK of Missouri. The distinguished chairman of the Foreign Relations Committee, of course, knows, as I do, that the Foreign Relations Committee has had before it in executive session various eminent officials intimately familiar with the relations of the United States toward the Vichy government, who discussed those relations in great detail with the Foreign Relations Committee. That did not occur because we had any legal or constitutional right, even if we wanted to, to interfere with the policy of the President of the United States with regard to the Vichy government or any other government; but for the information of the committee our relations with the Vichy government were discussed; and I think I am very safe in saying that there was no doubt left in the mind of any member of that committee that the policy pursued by the President of the United States was eminently wise and eminently in the interest of the success of the efforts of the United States and the other United Nations to win the war.

Mr. CONNALLY. Mr. President, I thank the distinguished Senator from Missouri, who is an able and active member of the Committee on Foreign Relations. It is true, as suggested by the Senator from Missouri, that the Committee on Foreign Relations of the Senate, desiring to keep the Senate advised, if necessary, and to keep itself advised, about all angles of these relationships, have had before it Admiral Leahy, who was stationed for a considerable period at Vichy as our Ambassador to the Vichy government. We have had officials from the State Department from time to time appear before us, and, as suggested, after hearing their testimony and the relationships and conditions existing, not alone in territorial France but in the West Indian possessions, I feel that I speak the sentiments of every member of the committee, both the majority and the minority, when I say that we felt that the policy being pursued by the President of the United States, and by the State Department under his direction, was one of wisdom, was one of safety for the national interest, and one which was calculated to further the war interests and the prosecution of the war in behalf of the people of the United States and the United Nations operating with us.

So, Mr. President, realizing that this is a field into which Congress cannot safely enter, in which the Senate cannot with any degree of wisdom or authority intervene, I trust that Senators and Members of the other House will be content to trust the President of the United States, who has daily information of the most intimate character with relation to all aspects of this matter. Amidst his other burdens, amidst the other pressing loads which bear him down, I hope that Senators and Representatives will not add to his burdens, and will not add to his vexations, and will not increase the harassment under which he suffers, by pressing here in the Senate or in the House of Representatives these delicate, or these dangerous, if I may use the term, references to foreign relations and to foreign nations.

Mr. President, I mean no personal reflection upon the Senator from New York [Mr. MEAD], with whom I enjoy the most cordial relations, and I hope that he will not entertain any unfair implications. I speak for myself as well as for the Senator from Missouri [Mr. CLARK], with whom I have the most friendly and affectionate relations. I mean to direct my statement to everyone in the Senate or out of the Senate, or in the other House or out of the other House. I feel very strongly that the national interest requires that we follow the leadership of the President of the United States in dealing with foreign nations. He is not alone Commander in Chief of the Army and the Navy, but he is the director of the foreign relations of this Nation, which essentially are so intermingled with the conduct of the war that they cannot be disentwined. The skein cannot be unwound with safety to the people of the United States.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK of Missouri. Of course, I agree absolutely with every word that has been said by the Senator from Texas on this subject.

I ask the Senator from Texas if he does not think that what he said about interference with our diplomatic relations should apply with redoubled force to loose-jawed talk by civilians about technical military and naval strategic decisions, such as the decision with regard to a second front?

Mr. CONNALLY. I believe I know to what the Senator from Missouri indirectly refers. I do not mind saying in this presence—and it is not any interference with the official action of anybody—that I think it is most unfortunate that Mr. Willkie should be so free in his comments and newspaper headlines while he is in Russia. From those remarks it might be implied that there was some friction or irritation between the United States Government and that of Russia.

Mr. President, since this matter has been brought before the Senate I cannot refrain from expressing my great admiration for the heroism, sacrifice, and far-flung gallantry of the Russian people in this great crisis. I do not believe that Stalin or the great military commanders of Russia entertain any feeling of resentment or bitterness toward the United States or any lack of appreciation for the efforts which the United States has put forth in the past toward sending arms, munitions, food, and supplies to succor the Russian armies. The daily press reveals from time to time that convoys from our own shores, bearing arms purchased by the Treasury of our own land and supplies purchased by taxes raised from the American people, have been going to Archangel and Murmansk in aid of the Russian forces.

They have been going there at tremendous risk. Some of them have gone to the bosom of the deep.

Mr. President, I do not believe that a brave and heroic people such as the Russians can be indifferent to the fact that we are extending all the aid which is possible at the moment, and that our arms may not be long enough to reach to Stalingrad, where with unmatched courage the Russian armies are now resisting the wild waves of military might and power. God knows, our hearts are with them; and when the time and opportunity come we shall give to the Russians other aid and assistance.

We stand by Russia in this great struggle. She has presented one of the marvels of history. I shall repeat some of the things which I said a few days ago. Russia, a great country, was at peace with the world, supposedly enjoying an entente with Germany. Suddenly, and without any warning whatever, she was treacherously assailed by the military might of Germany. We know how heroically she has resisted. We know with what granite determination she has stood upon her own soil and upon her own hearthstone and in many instances driven back the invader. She still continues to resist.

I pray God that history may repeat itself. One hundred and thirty years ago Napoleon, then the imperial military master of Europe, led a colossal army into Russia, drove the Russians before him, and captured Moscow, thinking that he would conquer the Russian people; but, thank God, the Russian Army remained intact. It retreated beyond Moscow. Marshal Kutusov kept his armies intact. One hundred and thirty years ago this month Napoleon was forced, through military necessity, to begin to plan a retreat from Russia—a retreat which was engulfed in misery, a retreat which was marked by starving and freezing soldiers, a retreat which brought back from the snows of Russia only a squad of the magnificent army of 600,000 men whom he had led, as he thought, in triumph to the conquest of Russia.

Pray God that whatever may be the result of existing conflicts in Russia, her armies may remain intact. If they do, pray God that history may repeat itself, and that what occurred to Napoleon 130 years ago may occur to this modern military monster, and that the Russians may be able to repel from their land invasion, attack, and disaster. She is magnificently aiding the democracies of the world. God bless old Russia. God bless the brave men who are fighting under her flag.

Mr. MEAD. Mr. President, I have before me a quotation from the CONGRESSIONAL RECORD which I should like to read as a part of my remarks. It occurs to me that when the powerful chairman of the Foreign Relations Committee lays down a rule of policy it should receive our attention. More than that, it should act as a guide for the Senate as a body, to follow as closely as each individual Senator believes it affects the situation he so well brings to mind.

I probably can be pardoned if I have done something which is unwise and lacking in prudence, but I cannot be criticized if it has always been done. I cannot be criticized if the CONGRESSIONAL RECORD of the activities in the other House only recently is filled with similar statements. I cannot be criticized if a few short days ago one of our own Members made a statement even stronger than the statement I made.

It ought to be understood, Mr. President, if under the leadership of the new chairman of the Committee on Foreign Relations of the Senate no Senator ought to rise in the Senate and voice his opinion as to a change in policy affecting our relations with other nations. I am very glad to hear the distinguished Senator from Texas, chairman of the Committee on Foreign Relations, plead with us that we follow closely and cooperate diligently with the President of the United States. I am glad to have that policy seconded by the distinguished Senator from Missouri. I wish to say to both of them that in connection with our relations with foreign governments, in votes upon the floor of the Senate—which had more to do with such relations than mere discussion of such matters—I stood by the President and supported him in every major effort which he recommended to the Congress.

Mr. President, if it is unwise for us to talk about tactical problems such as affect the Army and Navy, if it is improvident for us to discuss foreign affairs as they were discussed recently in the other House, with no criticism from the chairman of the House committee, if it was all right for Members of the Senate to rise in righteous indignation which led to the crystallization of the foreign policy in 1812, if it was again their right to lead the fight which led to a break with Spain in 1898, then we ought to know whether or not we have the same right today.

If there is to be a new policy, and if we are to give up the privilege which has been exercised in the past, and for the duration yield that prerogative—even though we may wisely and diplomatically practice it—as it pertains to the Army and Navy, the State Department, and perhaps one or two other departments, we should know it.

Mr. President, I have just read a forceful speech made in the British Parliament, which probably led to the seizure of the entire island of Madagascar. I read no criticism by the foreign affairs department of that great government. It occurs to me that it was anxious for guidance, direction, cooperation, and counsel.

I should like to have the policy determined, so that we may know what our privileges are. I wish to read from the CONGRESSIONAL RECORD a statement made by the able junior Senator from Louisiana [Mr. ELLENDER] on June 25. The statement is as follows:

> While I am on my feet, I shall ask Senators to indulge me a little further. Beware a traitor. He will strike when we least expect it. He will wait for his opportunity to dart at his prey. I do not trust the Vichy government. As an armchair diplomat, without a full knowledge of the facts, but judging merely from newspaper observations—

That is what I did. I read from the New York Times. I read from PM. I read from the Army and Navy Journal. I read from the Buffalo Courier-Express.

The junior Senator from Louisiana continued:

> We have been too gracious with Laval and his clique. Those leaders are praying for a Hitler victory which, to my mind, is contrary to the wishes of the brave French people. I am convinced even if we should break with Vichy, we would maintain the good wishes of the real French patriots. My guess is that they despise Laval, Darlan, and other followers as much as they hate Hitler. I presume that we have been patient with them in the hope that the French Fleet would not be used against us, but let Hitler make a good showing in the Middle East, and we will see what happens. My prediction is we will have another cowardly thrust in the back a la Mussolini.

Mr. President, when I commenced my remarks I said that I favored a stern policy—that was the policy I laid down—by our State Department in its future treatment of the Vichy French Government. I based my statement on the cruel, brutal, inhuman treatment of the French labor prisoners and the French war prisoners, and I predicated it on the cruel, brutal, diabolical treatment of the Jews in France, crowded along the boundary of a country which wants to expel them, and along the boundary of a country which will not let them in. I predicated my statement on the inhuman mass arrests of American citizens who have been hounded and rooted up and concentrated in a zoo in Paris. I say that I believe that the State Department would like to know the attitude of the American people, the attitude of their representatives, if it was made plain to them along constructive lines.

I say to you, Mr. President, that the record of this Congress is replete with statements similar to the statement I have made. Either the Members of Congress are wrong in commenting on military matters and State Department matters and should be shut off and muzzled, or the criticism which just now was leveled at my address was a little inopportune. We should have a well-defined policy; and I, for one, would be the last to violate it.

AUTHORIZATION TO REPORT TAX BILL

Mr. GEORGE. Mr. President, I ask unanimous consent that I be granted the privilege of reporting to the Senate during the contemplated recess the tax bill which we expect to have ready for report over the week end.

Mr. McNARY. Mr. President, when does the able Senator think the bill will be ready to be reported?

Mr. GEORGE. Tomorrow; Friday.

Mr. McNARY. I think that probably this is an appropriate time to have an understanding relative to the time when the bill shall be considered by the Senate. For several reasons—among them because of the enforced absence of a few of the Members of the Senate—I should very much prefer that the bill be taken up for consideration on Tuesday. If I could have such an understanding, I should not object to the request made by the distinguished senior Senator from Georgia.

Mr. GEORGE. I had hoped that we might take up the bill on Monday.

Mr. McNARY. I appreciate that.

Mr. GEORGE. However, Monday might be largely taken up with an explanatory statement regarding the bill.

Mr. McNARY. Of course, the measure is an extremely complicated one, and must necessarily be so.

Mr. GEORGE. Oh, yes.

Mr. McNARY. I assume that no opportunity will be had to consider the bill prior to the session of the Senate on Monday.

Mr. GEORGE. I think that copies of the bill and the report will be available tomorrow; but, of course, during Saturday and Sunday, Senators would not be very likely to give very much attention to the matter.

Mr. McNARY. It may be that copies of the bill and of the report will be available tomorrow; but if they are to be available tomorrow, why does the Senator request unanimous consent that he be allowed to report the bill during the recess of the Senate?

Mr. GEORGE. Because I anticipate that the Senate will not be in session tomorrow.

Mr. BARKLEY. Mr. President, let me say that it is expected that the Senate will be in session tomorrow.

Mr. GEORGE. I understood that it was expected that a recess would be taken from today until Monday.

Mr. BARKLEY. No; that is not the present understanding. The situation in regard to the anti-inflation bill is that the Members of the House had been assured that they would not be called back for action on it until Friday, tomorrow; and thus it would be impossible for the conferees on the bill to meet until tomorrow. We hope that the conferees will meet and will submit a conference report on the bill during the day tomorrow, and that the Senate will immediately thereafter consider the conference report. For that reason, it will be necessary that the Senate hold a session tomorrow.

Mr. GEORGE. Then I shall renew my request tomorrow.

Mr. McNARY. I have no objection to having an understanding that the able senior Senator from Georgia may report the bill, but I should object to having action taken on the bill on Monday. I think my position on the matter is a fair one.

Mr. GEORGE. Perhaps it would be agreeable to have the bill reported tomorrow, and to take up the matter of fixing a date for its consideration.

Mr. McNARY. I repeat that I have no objection to having a general discussion of the bill on Monday, provided that no action be taken on the amendments to the bill until Tuesday. Such a program would accommodate some Senators whom I have in mind.

Mr. BARKLEY. The Senator might have an understanding, although I do not think the situation would be otherwise without such an understanding, that no vote be taken on Monday on the amendments to the bill.

Mr. McNARY. I desired to be able to advise Senators now absent that no action would be taken on the bill on Monday.

Mr. GEORGE. In considering a bill of the character of the tax bill it is very difficult to agree that no action shall be taken. However, I should be pleased to enter into an agreement that if the bill be taken up on Monday, no action will be taken on any controverted matter.

Mr. McNARY. Such an agreement would mean that any Member of the Senate might object.

Mr. GEORGE. Yes; any Member of the Senate might ask that the consideration of any matter go over.

Mr. McNARY. Very well; such an agreement would reach the same point in a different way.

Mr. WALSH. Mr. President, let me ask the Senator from Georgia whether he has obtained unanimous consent to file the report of the committee during the recess of the Senate.

Mr. GEORGE. I did not press the matter, because the majority leader has advised us that it is anticipated that the Senate will be in session tomorrow. In making my request I proceeded on the theory that following today's session the Senate would not meet until Monday.

Mr. WALSH. So the Senator will be in a better position to file the report tomorrow; will he?

Mr. GEORGE. Yes.

Mr. McNARY. I should have no objection to the filing of the report now, provided that we might have a complete understanding that no objected-to amendments would be acted upon on Monday.

Mr. GEORGE. I am satisfied that we should not dispose of any objected-to amendment on Monday, in any event; but I should be very glad to enter into such an agreement.

Mr. McNARY. Then I should be glad to consent that the Senator make his report now.

Mr. GEORGE. Then, Mr. President, I renew my request.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Is there objection to the request of the Senator from Georgia? The Chair hears none, and it is so ordered.

CALL OF THE CALENDAR

The PRESIDING OFFICER. Under the order previously entered, the Senate will now proceed to the consideration of measures on the calendar to which there is no objection, and the clerk will proceed to call the measures on the calendar, beginning at the end of the last call.

REQUISITION OF PROPERTY REQUIRED FOR DEFENSE PURPOSES

The bill (S. 2776) to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941, to continue it in effect, was announced as first in order.

Mr. McNARY. Mr. President, from the title of the bill I am unable to determine the substance of the measure. Unless an explanation is given, I shall ask that the bill go over.

Mr. THOMAS of Utah. Mr. President, I trust that the Senator will not ask that the bill go over. Two years ago the Congress of the United States gave the President authority to requisition property belonging to foreign countries which had been purchased by them for use in war efforts. The time limit on the existing act is up, and the bill would simply extend to the 30th of June, 1944, the authority now granted by the act. It would give the President the right to requisition property which has been ordered by other governments but which stands on our rails or in our warehouses, and would authorize him to use it for the war effort, with compensation paid to the owners.

Mr. McNARY. I am satisfied with that brief explanation.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first sentence of the first section of the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941 (55 Stat. 742), is amended by striking out the date "June 30, 1943," and inserting in lieu thereof the date "June 30, 1944", so that it will read as follows: "That whenever the President, during the national emergency declared by the President on May 27, 1941, but not later than June 30, 1944, determines that (1) the use of any military or naval equipment, supplies, or munitions, or component parts thereof, or machinery, tools, or materials necessary for the manufacture, servicing, or operation of such equipment, supplies, or munitions is needed for the defense of the United States; (2) such need is immediate and impending and such as will not admit of delay or resort to any other source of supply; and (3) all other means of obtaining the use of such property for the defense of the United States upon fair and reasonable terms have been exhausted, he is authorized to requisition such property for the defense of the United States upon the payment of fair and just compensation for such property to be determined as hereinafter provided, and to dispose of such property in such manner as he may determine is necessary for the defense of the United States."

SEC. 2. Section 2 of the act of October 16, 1941 (55 Stat. 742), is amended by striking out the date "December 31, 1943" and inserting in lieu thereof the date "December 31, 1944", so that it will read as follows:

"SEC. 2. Whenever the President determines that property acquired under this act and retained is no longer needed for the defense of the United States, he shall, if the original owner desires the property and pays the fair value thereof, return such property to the owner; but, in any event, property so acquired and retained shall, if the owner desires the property and pays the fair value thereof, be returned to the owner not later than December 31, 1944."

BILL PASSED OVER

The bill (S. 2572) to permit defendants to waive prosecution by indictment was announced as next in order.

Mr. McKELLAR. Mr. President, is there any explanation of the bill other than the report thereon? The bill is a rather unusual one; and if there be no other explanation, I am constrained to object to its consideration.

The PRESIDING OFFICER. The bill will be passed over.

COMPILATION OF FEDERAL LAWS REGULATING CARRIERS

The resolution (S. Res. 270) to supplement compilation of Federal laws regulating carriers subject to the Interstate Commerce Act was considered and agreed to, as follows:

Resolved, That the Interstate Commerce Commission is hereby requested to prepare in such manner as is deemed by it to be necessary and desirable in the circumstances and transmit to the Senate a manuscript in form suitable to be printed, to supplement and bring as closely to date as is practicable Senate Document No. 166, Seventieth Congress, first session; Senate Document No. 139, Seventy-third Congress, second session; and Senate Document No. 202, Seventy-sixth Congress, third session, entitled "Compilation of Federal Laws Relating to the Regulation of Carriers Subject to the Interstate Commerce Act, With Digests of Pertinent Decisions of the Federal Courts and the Interstate Commerce Commission and the Text of or Reference to General Rules and Regulations," and that such manuscript when transmitted by the Commission to the Secretary of the Senate be printed as a Senate document.

SETTLEMENT OF CLAIMS AGAINST MEXICO

The Senate proceeded to consider the bill (S. 2528) to provide for the settlement of claims of the Government of the United States on behalf of American nationals against the Government of Mexico comprehended within the terms of agreements concluded by the United States and Mexico, which had been reported from the Committee on Foreign Relations with an amendment, to strike out all after the enacting clause and insert:

That this act may be cited as the "Settlement of Mexican Claims Act of 1942."

SEC. 2. (a) There is hereby established a commission to be known as the American Mexican Claims Commission (hereinafter referred to as the "Commission") and to be composed of three persons to be appointed by the President, by and with the advice and consent of the Senate. Each member of the Commission shall receive a salary at the rate of $7,500 a year. One of such members shall be designated by the President as Chairman of the Commission. Two members of the Commission shall constitute a quorum for the transaction of business. Any vacancy that may occur in the membership of the Commission shall be filled in the same manner as in the case of an original appointment.

(b) The Commission may, subject to the civil-service laws, employ a secretary, and such legal, clerical, and technical assistants as may be necessary to carry out its functions under this act, and shall fix their compensation in accordance with the Classification Act of 1923, as amended.

(c) The Commission is authorized to make such rules and regulations as may be necessary to carry out its functions under this act.

(d) The authority of the Commission under this act, and the terms of office of its members, shall terminate at the expiration of 2 years after the date on which a majority of its members first appointed take office, but the President may by Executive order fix an earlier termination date. Upon the termination of the authority of the Commission, all books, records, documents, and other papers in the possession of the Commission shall be deposited with the Department of State.

SEC. 3. (a) The Commission shall have authority to examine and render final decisions in the following categories of claims on behalf of American nationals against the Government of Mexico—

(1) Agrarian claims which arose between January 1, 1927, and August 30, 1927, inclusive, and which were not filed with the General Claims Commission established pursuant to the convention between the United States and Mexico signed September 8, 1923 (43 Stat. 1730);

(2) Agrarian claims which are predicated upon provisional expropriation decrees signed between August 31, 1927, and December 1, 1938, inclusive, but not published prior to December 1, 1938, and which were not filed with the Agrarian Claims Commission established pursuant to the agreement between the United States and Mexico effected by exchange of notes signed on November 9 and November 12, 1938, respectively (hereinafter referred to as the Agrarian Claims Agreement of 1938);

(3) Agrarian claims which arose between December 1, 1938, and October 6, 1940, inclusive, and which were not filed with the Agrarian Claims Commission on or before July 31, 1939;

(4) All other claims which arose between January 1, 1927, and October 6, 1940, inclusive, and which involve international responsibility of the Government of Mexico as a consequence of damage to, or loss or destruction of, or wrongful interference with, property of American nationals; except (A) claims predicated upon acts of Mexican authorities in relation to petroleum properties; and (B) claims which were not filed with the General Claims Commission prior to August 31, 1927, and which are predicated upon default of payment of the principal or interest on bonds issued or guaranteed by the Government of Mexico;

(5) Claims or parts of claims which were filed with the General Claims Commission, and also with the Special Claims Commission established pursuant to the convention between the United States and Mexico signed September 10, 1923 (43 Stat. 1722), and with respect to which no final determination has been made;

(6) Any claim in which a decision was not rendered by the General Claims Commission in conformity with the rules of procedure adopted by such Commission; and

(7) Any claim decided by the General Claims Commission in which the United States filed a petition for rehearing.

(b) All claims in the categories specified in subsection (a) may be presented for any losses or damages suffered by American nationals by reason of losses or damages suffered by any foreign corporation, company, association, or partnership in which such nationals have, or have had, a substantial and bona fide interest: *Provided*, That in all such cases the claimant shall present to the Commission either an allotment to him by the corporation, company, association, or partnership of his proportionate share of the loss or damage suffered, or other evidence thereof which is satisfactory to the Commission.

(c) All decisions by the Commission with respect to the claims in the categories specified in subsection (a) shall be based upon such evidence and written legal contentions as may be presented within such period as may be prescribed therefor by the Commission, and upon the results of such independent investigation with respect to such claims as the Commission may deem it advisable to make.

SEC. 4. (a) The Commission shall also have authority as hereinafter provided to examine and render final decisions (1) in those cases in which the two Commissioners designated by the United States and Mexico, respectively, pursuant to the General Claims Protocol between the United States and Mexico signed April 24, 1934 (48 Stat. 1844), failed to reach agreements, and the Commissioner so designated by the United States made appraisals, and (2) in those cases in which appraisals were made by the Commissioner designated by the United States pursuant to the Agrarian Claims Agreement of 1938.

(b) In connection with such cases, the Commission shall, as soon as practicable, notify each claimant, or his attorney, by registered mail to his last-known address, of the appraisals so made. Within a period of 30 days after the mailing of such notice, the claimant shall notify the Commission in writing whether the appraisal so made is accepted as final and binding, or whether a petition for review will be filed as provided in subsection (c). If the claimant fails to so notify the Commission in writing within such period, or if the Commission is notified within such period of the final acceptance of such appraisal, it shall, at the expiration of such period, enter an award on the basis of such appraisal and certify such award to the Secretary of the Treasury.

(c) In any case in which the Commission is so notified in writing that a petition for review will be filed, the Commission shall prescribe a reasonable period, which may be extended in the discretion of the Commission, within which such petition, together with written legal contentions in support thereof, shall be filed. If no petition for review is filed within the period or any extension thereof prescribed by the Commission, it shall enter an award on the basis of the appraisal in such case and certify such award to the Secretary of the Treasury

(d) In any case in which a petition for review is filed within the period prescribed in subsection (c), the Commission shall decide the case upon the basis of (1) the record before the Commissioner at the time his appraisal in such case was made, and (2) the written legal contentions filed with such petition or in connection therewith: *Provided*, That the Commission may receive and consider any additional evidence which it deems appropriate in the interest of justice and equity, and the Commission may, in its discretion, order the production of further evidence.

SEC. 5. (a) All claims decided by the Commission shall be decided in accordance with the applicable provisions of the Convention of September 8, 1923, the Convention of September 10, 1923, or the Agrarian Claims Agreement of 1938, as the case may be; and all claims decided by the Commission which are not within the purview of either of such Conventions or such Agreement shall be decided in accordance with the applicable principles of international law, justice, and equity

(b) Each decision by the Commission pursuant to this act shall be by majority vote, shall state the reasons for such decision, and shall constitute a full and final disposition of the case in which the decision is rendered.

(c) In connection with any claim decided by the Commission in which an award is made, the Commission may, upon the written request of the claimant or any attorney heretofore or hereafter employed by such claimant, determine and apportion the just and reasonable attorneys' fees for services rendered with respect to such claim, but the total amount of the fees so determined in any case shall not exceed 10 percent of the amount of the award, unless in special circumstances the Commission shall find that a larger fee is just and reasonable. Any fees so determined shall be entered as a part of such award, and payment thereof shall be made by the Secretary of the Treasury. Any person who accepts any compensation for services rendered with respect to such claim which, when added to any amount previously received on account of such services, will exceed the amount of fees so determined by the Commission, shall, upon conviction thereof, be fined not more than $1,000.

(d) The Commission shall, upon the completion of its work, certify in duplicate to

the Secretary of State and to the Secretary of the Treasury the following:

(1) A list of all claims disallowed;

(2) A list of all claims allowed, in whole or in part (together with the amount of each claim and the amount awarded thereon), which have not been previously certified under sections 4 (b) and 4 (c);

(3) A copy of the decision rendered in each case; and

(4) A statement of the expenses of the Commission under this act.

SEC. 6. (a) For the purposes of this act, the following determinations heretofore made with respect to claims on behalf of American nationals against the Government of Mexico shall be regarded as final and binding:

(1) Decisions rendered by the General Claims Commission, except in the cases referred to in paragraphs (6) and (7) of section 3 (a) of this act; and

(2) Agreements reached by the Commissioners designated by the Governments of the United States and Mexico, respectively, pursuant to the General Claims Protocol between the United States and Mexico signed April 24, 1934 (48 Stat. 1844).

(b) The Secretary of State shall, as soon as possible, certify to the Secretary of the Treasury lists of the awards and agreements made in favor of American nationals in the cases referred to in subsection (a).

SEC. 7. For the purposes of this act, appraisals made in favor of American nationals in terms of Mexican currency shall be converted into currency of the United States at the exchange rate of $0.4985, and in any case in which an award or appraisal made in favor of an American national bears interest, such interest shall be simple interest computed at 6 percent per annum and shall run from the date specified in such award or appraisal to November 19, 1941.

SEC. 8. (a) There is hereby created in the Treasury of the United States a special fund to be known as the "Mexican Claims Fund," hereinafter called the "fund." All payments authorized under section 9 of this act shall be disbursed from the fund, and all amounts covered into the Treasury to the credit of the fund, less the amount of the deduction provided for in section 10 (b), are hereby permanently appropriated for the making of the payments authorized by such section.

(b) The Secretary of the Treasury is authorized and directed to cover into the fund—

(1) the sum of $3,000,000, representing the total amount of payments heretofore made by the Government of Mexico under the Agrarian Claims Agreement of 1938;

(2) the sum of $3,000,000 which was paid by the Government of Mexico upon exchange of ratifications of the convention signed November 19, 1941;

(3) such other sums as are paid by the Government of Mexico pursuant to the provisions of the said convention; and

(4) the sum of $533,658.95, which is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and which represents the total amount of awards and appraisals, plus interest, made with respect to claims on behalf of Mexican nationals against the Government of the United States which were filed with the General Claims Commission.

(c) The Secretary of the Treasury is authorized and directed, out of the sums covered into the fund pursuant to subsection (b) of this section, to make payments on account of awards and appraisals certified pursuant to sections 4 (b), 4 (c), and 6 of this act, of an amount not to exceed 30 percent of the award or appraisal in each case, exclusive of interest.

(d) The Secretary of the Treasury is authorized and directed, to the extent that it may be possible to do so out of the sums covered into the fund pursuant to subsection (b) of this section, and after making the deduction provided for in section 10 (b)—

(1) to make similar payments of not to exceed 30 percent on account of the principal amount of the awards certified pursuant to section 5 (d) of this act;

(2) after completing the payments prescribed by paragraph (1) of this subsection, to make payments, from time to time and in ratable proportions, on account of all awards and appraisals certified pursuant to the provisions of this act, according to the proportions which the respective awards and appraisals, exclusive of interest, bear to the total amount in the fund available for distribution at the time such payments are made; and

(3) after payment has been made of the principal amounts of all such awards and appraisals, to make pro rata payments on account of accrued interest on such awards and appraisals as bear interest.

SEC. 9. (a) Subject to the limitations hereinafter provided, payments pursuant to section 8 of this act, the act approved April 10, 1935 (49 Stat. 149), and the joint resolution approved August 25, 1937 (50 Stat. 783), and applications for such payments, shall be made in accordance with such regulations as the Secretary of the Treasury may prescribe.

(b) Such payments shall be made only to the person or persons on behalf of whom the award or appraisal is made, except that—

(1) If such person is deceased or is under a legal disability, payment shall be made to his legal representative: *Provided*, That if the amount to be disbursed at any one time is not over $500 and there is no qualified executor or administrator, payment may be made to the person or persons found by the Secretary of the Treasury to be entitled thereto, without the necessity of compliance with the requirements of law with respect to the administration of estates;

(2) If an award or appraisal is made to the estate of a deceased person, and if there has been no administration of such person's estate, or if the administration of such person's estate has been terminated, payment may be made to the person or persons found by the Secretary of the Treasury to be entitled thereto;

(3) In the case of a partnership or corporation, the existence of which has been terminated and on behalf of which an award or appraisal is made, payment shall be made except as provided in paragraphs (4) and (5), to the person or persons found by the Secretary of the Treasury to be entitled thereto;

(4) If a receiver or trustee for any such partnership or corporation has been duly appointed by a court of competent jurisdiction in the United States and has not been discharged prior to the date of payment, payment shall be made to such receiver or trustee or in accordance with the order of the court;

(5) If a receiver or trustee for any such partnership or corporation, duly appointed by a court of competent jurisdiction in the United States, makes an assignment of the claim, or any part thereof, with respect to which an award or appraisal is made, or makes an assignment of such award or appraisal, or any part thereof, payment shall be made to the assignee, as his interest may appear; and

(6) In the case of an assignment of an award or an appraisal, or any part thereof, which is made in writing and duly acknowledged and filed, after such award or appraisal is certified to the Secretary of the Treasury, payment may, in the discretion of the Secretary of the Treasury, be made to the assignee, as his interest may appear.

(c) Whenever the Secretary of the Treasury shall find that any person is entitled to any such payment, such finding shall be an absolute bar to recovery by any other person against the United States, its officers, agents, or employees with respect to such payment.

(d) Any person who makes application for any such payment shall be held to have consented to all the provisions of this act.

(e) The decisions of the Secretary of the Treasury in making such payments shall be final and conclusive and shall not be subject to review by any other officer of the Government.

(f) Nothing in this act shall be construed as the assumption of any liability by the United States for the payment or satisfaction, in whole or in part, of any claim on behalf of any American national against the Government of Mexico.

SEC. 10. (a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to enable the Commission to carry out its functions under this act.

(b) Upon the completion of the work of the Commission, the Secretary of the Treasury shall charge against the fund created by section 8 an amount equal to the expenses of the Commission certified pursuant to section 5 (d). An amount equal to the amount so charged against the fund shall be deducted from the fund and covered into the Treasury as miscellaneous receipts.

SEC. 11. (a) The Secretary of the Treasury shall continue to distribute to the beneficiaries of the final awards rendered by the Special Mexican Claims Commission all moneys heretofore or hereafter received from the Government of Mexico pursuant to the Convention signed April 24, 1934, including interest on deferred payments.

(b) So much of the act approved April 10, 1935, and of the joint resolution approved August 25, 1937, as may be inconsistent with this act, is hereby repealed.

SEC. 12. As used in this act—

(a) The term "person" includes an individual, partnership, or corporation.

(b) The term "United States," when used in a geographical sense, includes the United States, its Territories, and insular possessions (including the Philippine Islands), and the Canal Zone.

(c) The term "American national" includes (1) any person who is a citizen of the United States, and (2) any person who, though not a citizen of the United States, owes permanent allegiance to the United States.

SEC. 13. The following provisions of law are hereby repealed—

(a) So much of the Department of State Appropriation Act, 1936 (49 Stat. 76), of the Department of State Appropriation Act, 1937 (49 Stat. 1320), and of the Department of State Appropriation Act, 1938 (50 Stat. 271), as reads as follows: "*Provided further*, That from any sums received from the Mexican Government in settlement of a general claim of an American citizen against it, there shall be deducted and deposited in the Treasury of the United States as miscellaneous receipts, 5 percent thereof in reimbursement of the Government of the United States of expenses incurred by it in respect of such claim."

(b) That portion of the joint resolution approved April 10, 1939 (53 Stat. 573), reading as follows: "*Provided*, That any expenditures from the amount herein authorized to be appropriated shall become a first charge upon any moneys received from the Government of Mexico in settlement of the respective claims, and the amount of such expenditures shall be deducted from the first payment by the Mexican Government and deposited in the Treasury of the United States as miscellaneous receipts."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the settlement of certain claims of the Government of the United States on behalf of American nationals against the Government of Mexico."

PRESERVATION OF NATIONALITY OF CITIZENS RESIDING ABROAD

The Senate proceeded to consider the bill (H. R. 7152) to amend the Nationality Act of 1940 to preserve the nationality of citizens residing abroad.

Mr. McNARY. Mr. President, I should like a brief explanation regarding the bill.

Mr. MALONEY. Mr. President, this bill is designed to protect American nationals living abroad against expatriation. It is similar to a bill which was passed last year and to a bill which, as I recall, was passed the previous year. The extension of time expires on October 14 of this year. A great many of our naturalized citizens living in foreign countries have for a long time, as Senators know, been unable, because of the difficulties of travel, to come home, and they will be deprived of their American citizenship unless this proposal becomes a law by the 14th of October. It is a matter which has been considered by the Senate for the last 2 or 3 years, and I am certain that there is no controversy about it.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. WALSH. I may say that a distinguished American who is now abroad has communicated with me and stated it would be impossible for him to return in time to safeguard his citizenship under the present law. He said that other Americans also desired the enactment of this legislation.

Mr. MALONEY. Mr. President, I can assure the Senator from Massachusetts that that situation prevails in many cases.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

AMENDMENT OF BANKRUPTCY ACT—RAILROAD ADJUSTMENTS

The Senate proceeded to consider the bill (H. R. 7121) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which had been reported from the Committee on Interstate Commerce with an amendment on page 22, after line 21, to insert the following:

ARTICLE X—TERMINATION OF JURISDICTION

SEC. 755. The jurisdiction conferred upon any court by this chapter shall not be exercised by such court after November 1, 1945, except in respect of any proceeding initiated by filing a petition under section 710 hereof on or before November 1, 1945.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

GRANT OF CERTAIN LANDS TO NEW MEXICO

The bill (S. 2635) to provide for granting to the State of New Mexico the right, title, and interest of the United States in and to certain lands in New Mexico was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Commissioner of Work Projects is authorized and directed to grant to the State of New Mexico all the right, title, and interest of the United States in and to certain lands in the State of New Mexico, located in sections 28 and 29, township 16 south, range 11 west, New Mexico principal meridian, upon which a dam and reservoir have been constructed in Bear Canyon, on the Mimbres River, in Grant County, N. Mex., which right, title, and interest were acquired by the United States pursuant to a judgment rendered on April 22, 1942, by the District Court of the United States for the District of New Mexico in an action brought by the United States against J. S. Mitchell, also known as Jake S. Mitchell and J. A. Mitchell, and others, No. 203 Civil.

ABOLITION OF GUILFORD COURTHOUSE NATIONAL MILITARY PARK COMMISSION

The bill (H. R. 5719) to abolish the Guilford Courthouse National Military Park Commission, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 6657) to authorize the acceptance of donations of land for the construction of a scenic parkway to provide an appropriate view of the Great Smoky Mountain National Park from the Tennessee side of the park, and for other purposes, was announced as next in order.

Mr. HATCH. Mr. President, I ask that the bill, the title of which has just been stated, go over for the time being for further study.

The PRESIDING OFFICER. The bill will be passed over.

PRINTING IN THE RECORD OF SPEECHES NOT DELIVERED

Mr. LA FOLLETTE. Mr. President, I desire to make a brief statement. I do not wish any individual Senator to take anything I may say as criticism of anything he may have done; but I have observed the growing practice in the Senate of inserting material in the body of the RECORD to appear as though it were a speech delivered on the floor.

Mr. President, there never has been in the Senate the practice of extending remarks, such as prevails in the other House, but, even in that body, when remarks are extended, although they are printed in the same type as speeches which are published in the body of the RECORD, they appear in the Appendix; they do not appear in the body of the RECORD as though they had been delivered on the floor at the time debate took place.

So far as the Senate is concerned, I think it is a bad practice. In order that it may not have any reference to any individual Senator, I wish to give notice that in the future, should I be on the floor when any such request is made, I shall be forced to object.

My reason for that, Mr. President, is that if material which is not delivered on the floor of the Senate appears in the RECORD as having been so delivered, statements thus printed which, perhaps, should be answered or refuted, seem to pass unchallenged. I think it is a bad practice, and, in view of the fact that it has been growing here, I wish to make this announcement so that in every way it may be impersonal, both so far as the past and the future may be concerned.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. CLARK of Missouri. The Senator is mistaken in his remarks as to the practice in the House of Representatives. I have nothing to say about the Senator's general announcement or purpose, but it is a very frequent thing in the other House for a Representative to be yielded a half minute or a minute, speak a few words, and then obtain consent to revise and extend his remarks, and we find in the body of the RECORD a speech which would require 35 or 40 minutes to deliver. That occurs every day.

Mr. LA FOLLETTE. The Senator is, of course, very much more familiar with the House practice than am I, but I have noticed that such speeches appear in the Appendix of the RECORD, as I read the RECORD.

Mr. CLARK of Missouri. That is under a general leave-to-print order. There is a practice in the House of granting general leave to print, and when that is done the speeches appear in the Appendix, but it occurs almost every day that a Member of the House of Representatives will ask permission to address the House for 1 minute or a half a minute and will speak a few sentences, then ask unanimous consent to revise and extend his remarks, and put an hour's speech into the RECORD.

Mr. LA FOLLETTE. Mr. President, I do not wish to belabor the point, but I refer the Senator to a speech appearing on page A3741 of yesterday's daily RECORD entitled:

Wendell Willkie's Foreign Trip. Speech of Hon. JOHN E. RANKIN of Mississippi, in the House of Representatives, Wednesday, September 30, 1942—

The same date as that of the RECORD which I hold in my hand—

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

Then the speech appears in the Appendix.

So far as the Senate is concerned, the practice to which I have referred is bad; I am against it; and I shall do what I can to prevent it in the future.

Mr. WALSH. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Massachusetts.

Mr. WALSH. The Senator's objection would not relate, would it, to the case of a Senator introducing a bill and requesting to have printed a memorandum explanatory of the bill?

Mr. LA FOLLETTE. Not if it appears in small type, but I do not want it to

appear as though the Senator had made a speech concerning his bill.

Mr. WALSH. The Senator is quite right in making his suggestion.

Mr. LA FOLLETTE. The rules of the Joint Committee on Printing and of the Printing Office are quite clear. It is only because by unanimous consent it is possible to set aside any rules or any practices of the Senate that this has been happening here recently. The situation is well known and well understood by the able reporters who make up the RECORD. I merely wanted to give this notice that, in the future, if I am present, I shall object when any Senator makes such a request, even if the hour be very late.

Mr. WALSH. I think the Senator's objection is well taken. In fact, the Joint Committee on Printing have discussed on many occasions the desirability of restricting and limiting matters offered for the CONGRESSIONAL RECORD. If I had my personal way, I would have nothing printed in the Appendix of the RECORD except speeches made outside over the radio or in public gatherings by Members of the House and Senate.

Mr. McNARY. Mr. President, I merely desire to add that the able Senator from Wisconsin is right in the position he takes. If such a practice as that to which he refers has grown up, it has been without my notice and knowledge. It has been the unbroken practice of the Senate for 150 years that no speeches shall be included in the RECORD of the day's proceedings which have not been actually delivered on the floor. If there has been a failure to observe that practice, it has escaped me. Whenever I am conscious that the practice is not being followed, I shall object.

I do not know how it can be detected until the RECORD is made the next day. I suppose that when a Senator offers a speech of his own which is not made in actual debate or delivered on the floor and asks unanimous consent to have it inserted in the RECORD, in that case it is the duty of the reporters to see that it is placed in the Appendix of the RECORD. There is some responsibility upon those who have to do with the preparation of the RECORD.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. LA FOLLETTE. In defense of the able and efficient reporters of the Senate, I wish to say that in the particular instance I have in mind consent was obtained on the floor of the Senate, although it does not appear in the RECORD. It could not appear there because it would be absurd if the request to print preceded and then the speech appeared in body type. It would really be ridiculous. So the reporters, exercising their editorial discretion, left out the colloquy which preceded the request, so that the speech appears in the body of the RECORD as if it had been delivered.

Mr. McNARY. I am not conversant with the instance in question nor am I criticizing the reporters; they could not be any more efficient than they are; but how would it be possible to detect a speech that goes into the RECORD as a part of the proceedings following a request to print it, when it ought to go into the Appendix? I still think that is the duty of those who prepare the RECORD to see that it goes in the proper place; but, anyway, I am wholly in accord with the observations made by the distinguished Senator from Wisconsin and have tried many times to see that the rule was not relaxed. Hereafter I shall add a little more spirit to my gentleness.

LAND OFFICES AND LAND DISTRICTS IN ALASKA

The bill (H. R. 6601) to reorganize the system of land offices and land districts in Alaska, was considered, ordered to a third reading, read the third time, and passed.

SALE OF LAND IN FLETCHER, OKLA.

The Senate proceeded to consider the bill (S. 2398) authorizing the sale of certain parcels of land reserved for public purposes in the patent issued with respect to the town site of Fletcher, Okla., which had been reported from the Committee on Public Lands and Surveys with an amendment to strike out all after the enacting clause, and insert:

That the Secretary of the Interior may issue a patent in fee simple to the town of Fletcher, Okla., under section 22 of the act of May 2, 1890 (26 Stat. 91; 43 U. S. C. 1094), for the tracts in that town reserved for parks, schools, and other public purposes, without inserting in the patent the condition required by such section that the lands shall be maintained for the purposes mentioned.

SEC. 2. The proceeds derived from the sale of such parcels of land shall be used by the Town Board of Fletcher, Okla., first, to repair and improve the water system in such town; and, second, to construct a town building containing, among other things, a fire station, jail, and town hall.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill amending the provisions governing the issuance of patent for certain lands to the town of Fletcher, Okla."

COLLECTION PROCEDURE IN THE DEPARTMENT OF THE INTERIOR

The Senate proceeded to consider the bill (S. 2691) to facilitate and simplify collection procedure in the Department of the Interior, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, line 2, after the parenthesis, to strike out "and from all other provisions of law requiring the deposit of contracts or other instruments, or copies thereof, in the General Accounting Office, whenever the amount actually becoming due to the Government under the lease, permit, license, contract, agreement, or other instrument involved does not exceed $300 in any one fiscal year", and to insert "when the lease or other instrument does not require payment to the Government in excess of $300 in any one fiscal year", so as to make the bill read:

Be it enacted, etc., That leases, permits, licenses, contracts, agreements, and other instruments providing for payments to the United States on account of the use of lands or waters under the jurisdiction of the Department of the Interior, or on account of the sale of products of such lands or waters, or on account of other transactions incident to the administration of such lands or waters, including contributions by cooperators, but excluding sales of used equipment, shall be exempt from the provisions of section 3743 of the Revised Statutes, as amended (title 41, U. S. C., sec. 20), when the lease or other instrument does not require payment to the Government in excess of $300 in any one fiscal year: *Provided, however*, That the Secretary of the Interior may prescribe from time to time regulations requiring that originals or copies of any class or group of documents within the foregoing exemption, in the circumstances and upon the conditions designated by him in such regulations, shall be deposited in the General Accounting Office for audit purposes.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTION OF COURT MARTIAL SENTENCES

The Senate proceeded to consider the bill (S. 2798) amending the first sentence of Article of War 52, relative to execution of court-martial sentences, which was read, as follows:

Be it enacted, etc., That the first sentence of Article of War 52 (41 Stat. 799) is amended to read as follows:

"The authority competent to order the execution of the sentence of a court martial may, at the time of the approval of such sentence, suspend the execution, in whole or in part, of any such sentence as does not extend to death, and may restore the person under sentence to duty during such suspension; and the Secretary of War, the commanding officer holding general court-martial jurisdiction over any such offender, or the military authority competent to appoint, for the command, exclusive of penitentiaries and the United States Disciplinary Barracks in which the person under sentence is held, a court of the kind that imposed the sentence, may at any time hereafter, while the sentence is being served, suspend the execution, in whole or in part, of the balance of such sentence and restore the person under sentence to duty during such suspension."

Mr. CLARK of Missouri. Mr. President, may we have an explanation of the bill?

Mr. SCHWARTZ. Mr. President, under the existing law, in the case of a special or summary court-martial, the officers who constitute the court may mitigate the sentence. They may not suspend it. To suspend a sentence the approval of the Secretary of War is required. The pending bill was prepared by the War Department to enable special or summary courts to suspend a sentence, and to return a man to duty.

Mr. CLARK of Missouri. It does not permit them to make the sentence heavier?

Mr. SCHWARTZ. No.

Mr. CLARK of Missouri. It used to be the practice in the Army for the reviewing authority to send back the record of a court martial and direct the court to make the sentence heavier. That practice has now been abolished by law, and I do not want to have any such practice resumed.

Mr. SCHWARTZ. The bill would not have that effect.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PAY OF NATIONAL GUARD AND RESERVE OFFICERS

The Senate proceeded to consider the bill (S. 2723) to amend the pay readjustment act of 1942, which had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause and to insert:

That the eleventh paragraph of section 1 of the Pay Readjustment Act of 1942 (Public Law 607), approved June 16, 1942, is amended to read as follows:

"In computing the service for all pay purposes of officers paid under the provisions of this section, such officers shall be credited with full time for all periods during which they have held commissions as officers of any of the services mentioned in the title of this act, or in the Organized Militia prior to July 1, 1916, or in the National Guard, or in the National Guard of the United States, or in the Officers' Reserve Corps, or in the Naval Militia, or in the National Naval Volunteers, or in the Naval Reserve Force, Naval Reserve, Marine Corps Reserve Force, Marine Corps Reserve, Coast Guard Reserve, and the Reserve Corps of the Public Health Service, or in the Philippine Scouts, or in the Philippine Constabulary, and service of Coast and Geodetic Survey officers authorized in section 2 (b) of the act of January 19, 1942 (Public Law 402, 77th Cong.): *Provided*, That for officers in service on June 30, 1922, there shall be included in the computation, in addition to the service set forth above, all service which was then counted in computing longevity pay, and service as a contract surgeon serving full time. Longevity pay for officers in any of the services mentioned in the title of this act shall be based on the total of all service in any or all of said services which is authorized to be counted for longevity pay purposes under the provisions of this act or as may otherwise be provided by law."

SEC. 2. The first paragraph of section 3 of the Pay Readjustment Act of 1942 (Public Law 607), approved June 16, 1942, is amended to read as follows:

"SEC. 3. When officers of the National Guard or of the Reserve Forces of any of the services mentioned in the title of this act, including Reserve officers, are authorized by law to receive Federal pay, except armory drill and administrative function pay, they shall receive pay as provided in section 1 of this act, and in computing their service for pay they shall be credited with full time for all periods during which they have held commissions as officers of any of the services mentioned in the title of this act, or in the Organized Militia prior to July 1, 1916, or in the National Guard, or in the National Guard of the United States, or in the Officers Reserve Corps, or in the Naval Militia, or in the National Naval Volunteers, or in the Naval Reserve Force, Naval Reserve, Marine Corps Reserve Force, Marine Corps Reserve, Coast Guard Reserve and the Reserve Corps of the Public Health Service, or in the Philippine Scouts, or in the Philippine Constabulary, and service authorized in section 2 (b) of the act of January 19, 1942 (Public Law 402, 77th Cong.)."

SEC. 3. This act shall become effective as of June 1, 1942, but no back pay or allowances for any period prior to such date shall accrue by reason of the enactment of this Act.

Mr. McKELLAR. May we have an explanation of the bill?

Mr. JOHNSON of Colorado. Mr. President, this is a bill to correct the Pay Readjustment Act of 1942. In the passage of the bill it was the intention of the Congress to put the pay of Reserve officers and National Guard officers, insofar as longevity is concerned, on the same basis as that of Regular Army officers. After the enactment of the law, when it went to the Comptroller General he ruled that the language of the Pay Readjustment Act did not permit the Government to pay National Guard officers and Reserve officers on the same basis as Regular Army officers.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. CLARK of Missouri. It was the understanding on the part of the whole Congress, at the time the pay bill was passed, that precisely what is provided for in the pending bill had been accomplished; was it not?

Mr. JOHNSON of Colorado. The Senator is correct.

Mr. CLARK of Missouri. I recall that when the pay readjustment bill was in the Senate for consideration I raised with the Senator from Colorado the very subject matter covered by the pending bill, and the Senator from Colorado considered that the matter was covered by the language of the bill, and it was accepted by everyone in the Senate that it had been taken care of. In effect, the intention of the Congress has been reversed by the ruling of the Comptroller General, and this bill is simply to correct that ruling.

Mr. JOHNSON of Colorado. That is correct. When the pay readjustment bill was being considered, the Senator from Missouri did ask me the question to which he has referred, and I assured him that the matter was taken care of.

Mr. CLARK of Missouri. If we do not take some such action as that now proposed, we are likely to have a National Guard or Reserve colonel, let us say, in command of troops, and some major or captain from the Regular Army will be getting more pay than the colonel, his commanding officer.

Mr. JOHNSON of Colorado. That is correct; the Regular Army officer may be serving under the National Guard colonel, but the colonel will not be getting as much pay as his subordinate, merely because the superior officer is a National Guard or Reserve officer.

Mr. McKELLAR. The only effect will be to put Reserve officers and National Guard officers on an equality with the officers of the Regular Army?

Mr. JOHNSON of Colorado. That is correct, insofar as longevity pay is concerned.

Mr. McKELLAR. Will that be the only effect of the bill?

Mr. JOHNSON of Colorado. That will be its only effect.

Mr. McKELLAR. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2804) to define the real property exempt from taxation in the District of Columbia was announced as next in order.

Mr. McNARY. Mr. President, I ask that this measure go over for further consideration.

The PRESIDING OFFICER. The bill will be passed over.

PURCHASES OR SERVICES FOR THE DEPARTMENT OF COMMERCE

The bill (S. 2762) to except from the provisions of section 3709 of the Revised Statutes purchases or services rendered for the Department of Commerce where the amount involved does not exceed $100, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3709 of the Revised Statutes (41 U. S. C. 5) shall not be construed to apply to any purchase or service rendered for the Department of Commerce when the aggregate amount involved does not exceed the sum of $100.

FLOOD CONTROL ON THE CONNECTICUT RIVER

The bill (S. 2623) authorizing the construction of certain public works in the basin of the Connecticut River for flood control was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the project for flood control in the Connecticut River Basin adopted by the act of June 28, 1938 (Public, No. 761, 75th Cong.), and the act of August 18, 1941 (Public Law 228, 77th Cong.), is hereby modified to include and authorize the construction of the Gulley Brook Conduit at Hartford, Conn., for flood control in accordance with the recommendations of the Chief of Engineers in House Document No. 804, Seventy-seventh Congress, second session, at an estimated cost of $420,000.

QUARTERS FOR CERTAIN OFFICERS OF THE ARMED FORCES

Mr. WALSH. Mr. President, when the calendar was called last week in my absence, Calendar No. 1641, Senate bill 2706, was passed over because no one was present to explain it. I now ask unanimous consent that the Senate proceed to the consideration of the bill, and I shall be pleased to make a brief explanation of it.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2706) to amend the act entitled "An act to expedite national defense, and for other purposes," approved June 28, 1940 (54 Stat. 676), and "Title IV of the Naval Appropriation Act for the fiscal year 1941," approved September 9, 1940 (54 Stat. 883).

Mr. WALSH. Mr. President, two laws have been enacted providing defense housing for the Army and Navy. Both those acts restrict the rental of the houses to enlisted men or defense workers. The bill now pending would permit the renting of houses to officers of the Army and Marine Corps not above the grade of captain, and to officers of the Navy and Coast Guard not above the

grade of lieutenant, assigned to duty at naval or military reservations, posts, or bases, or to duty at defense industries.

In some instances houses are available for such rental purposes, but there are no appropriate quarters at the Army posts or naval bases for officers of the grades which I have indicated. The pending bill would amend the existing law so that the available quarters could be rented to minor officers.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 2706) to amend the act entitled "An act to expedite national defense, and for other purposes," approved June 28, 1940 (54 Stat. 676), and "Title IV of the Naval Appropriation Act for the fiscal year 1941," approved September 9, 1940 (54 Stat. 883), was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to expedite national defense, and for other purposes," approved June 28, 1940 (54 Stat. 676), is hereby amended as follows: (a) title II, section 201, lines 7 and 8, strike out the parenthesis and the words "excluding officers" and insert in lieu thereof the following: "and officers of the Army and Marine Corps not above the grade of captain, and officers of the Navy and Coast Guard, not above the grade of lieutenant"; (b) title II, section 202 (a), line 3, after the word "the" insert "officers."

SEC. 2. The third proviso under the caption "Navy Department" in title IV of the Naval Appropriation Act for the fiscal year 1941, approved September 9, 1940 (54 Stat. 883), is amended by inserting between the words "to" and "enlisted" in line 3 of the third proviso, the following: "officers of the Army and Marine Corps not above the grade of captain, and officers of the Navy and Coast Guard, not above the grade of lieutenant, with families, assigned to duty at naval or military reservations, posts, or bases, or to duty at defense industries, to" so that the third proviso as amended shall read: "*Provided further*, That the Secretary of War and the Secretary of the Navy, at their discretion, are hereby authorized to rent such housing units, upon completion, to officers of the Army and Marine Corps not above the grade of captain, and officers of the Navy and Coast Guard, not above the grade of lieutenant, with families, assigned to duty at naval or military reservations, posts, or bases, or to duty at defense industries, to enlisted men of the Army, Navy, Marine Corps with families, to field employees of the Military and Naval Establishments with families, and to workers with families who are engaged, or to be engaged, in industries essential to the military and naval national defense programs, including work on ships under the control of the Maritime Commission. The Secretary of War and the Secretary of the Navy are further authorized to use such rentals as may be collected from each housing project for the management and maintenance of the housing units therein, including utilities, roads, walks, and accessories, and to set up special reserve accounts for the amortization of the cost of the project."

PENSIONS TO CERTAIN SELECTEES

Mr. SCHWARTZ. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1623, Senate bill 1882, a bill granting pensions to persons who suffered injury or disease prior to final induction in the Regular Army, Navy, or Coast Guard, and for other purposes.

The bill has the approval of the War Department, the Navy Department, and the Veterans' Administration, as well as the Bureau of the Budget. It provides that after a selectee or soldier or other person comes within the control of the United States Government and is no longer a free agent, during his journey from his local board or other center to the place of final induction, he shall have the status of being in active military service.

Mr. McKELLAR. Would it give him the right of pension and other benefits?

Mr. SCHWARTZ. Yes; that is the very purpose of it.

Mr. McKELLAR. Although he had never been inducted into the Army?

Mr. SCHWARTZ. He may not have received final induction but has been directed by his local board to proceed to the point where final induction is to take place. He has no control over it. He is under the control of the United States Government, and the Secretary of War has said that a man in such a situation should be entitled to military status. The cost will not be great.

Mr. McKELLAR. I can see that the cost will be very great if many of the inductees are to be given such status, and there must be many of them who will be rejected before final induction.

Mr. SCHWARTZ. There are many men in good physical condition who do not have many dependents, but sometimes the local board authorities will put perhaps a hundred of those men on a train to be sent to an induction center, and something may occur to them en route.

Mr. McKELLAR. So far as any injury to them while they are in the service of the Government is concerned, I should be in favor of giving them every consideration.

Mr. CLARK of Missouri. The bill would provide for the protection of the selectee before he has been sworn into military service.

Mr. McKELLAR. That would be all right, of course. The Government should bear any loss sustained by the men, but to give them the status of soldiers when they have never been inducted into the Army, and to give them the benefit of retirement and pensions, and everything of that kind, would be putting a burden on the Government which I believe it should not be called upon to assume.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. SCHWARTZ. I yield.

Mr. CLARK of Missouri. All the bill does is protect the soldier from the time he comes under the control of the draft board until he is sworn into service. If he should be killed in a train wreck before being inducted into the military service, he would be protected, under the provisions of the bill, whereas under existing law he would not be.

Mr. McKELLAR. That is all right, but it does not protect those who are rejected, does it?

Mr. SCHWARTZ. I read what the Secretary of War has said with regard to the proposed bill.

The Department believes there is good reason to provide such pensions for men who may suffer injury or disease, not due to misconduct, prior to their final entrance in the armed forces if they are in such status at the time of incurring the injury or disease that they have lost the power to decide whether or not they will enter such forces.

Mr. McKELLAR. If the bill merely provides for expenses or damages for injuries incurred while the men are under the orders of the United States Government, that is one thing; but when they may have been rejected, to put them on a status with soldiers who have been regularly inducted into the service seems to me to be unwise.

Mr. CLARK of Missouri. Suppose a selectee should be rejected because of some injury which might occur to him on the trip; should he not be compensated?

Mr. McKELLAR. If injury should befall him, that would be a different matter. However, I understand the bill to apply to all who are rejected, as well as to those who are in the military service, and I do not think it should so apply.

I hope the Senator will agree to the bill going over for another day. In the meantime, I will study it.

Mr. SCHWARTZ. I assure the Senator there are very few men who are not accepted after they have once passed the draft boards. I hope the bill will not go over. It has the approval of the Bureau of the Budget, the War Department, and the Navy Department, as well as the Veterans' Administration.

Mr. McKELLAR. I have very grave doubt that the selectees should be given the character of status provided for in the bill.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. SCHWARTZ. I yield.

Mr. DANAHER. I should like to ask the Senator whether the bill is to be only prospective in its operation, or is it to be retroactive and cover all veterans who come within the intendment of its language?

Mr. SCHWARTZ. I am sorry, but I did not quite understand the question of the Senator from Connecticut.

Mr. DANAHER. I should like to know what is the effective date of the proposed measure. Is it intended that it shall revert back to December 6, 1941, or April 7, 1917; or when is it to start?

Mr. SCHWARTZ. It will be effective as of the date of its passage, and will have no retroactive effect.

Mr. DANAHER. Suppose a soldier or an applicant for enrollment applied at an enlistment office downtown on March 1, 1942. Suppose the recruiting officer said, "You will have to go over to Fort Myer for a physical examination; there is a truck outside to take you and all the other applicants over to Fort Myer." Suppose on the way over an accident occurred and that particular applicant was injured. Is it the Senator's understanding that this particular bill would authorize a pension to such an applicant so injured on March 1, 1942?

Mr. SCHWARTZ. As of the date of the passage of the act; not prior. The final paragraph of the bill says:

Provided, That payments of pension under the terms of this paragraph shall not be effective prior to the date of enactment of this amendment.

Mr. DANAHER. The Senator, I think, has not as yet answered my question. Does the Senator mean that the particular applicant would be entitled to a pension so long as he lives, except for the period from March 1 to date?

Mr. SCHWARTZ. He would be entitled to a pension just as any other soldier who is injured while he is in military service, or while under the control and command of the Army and has no choice of his own.

Mr. DANAHER. Will the Senator answer another question? Suppose that a particular applicant who sought enlistment in the service in 1925 was injured on his way for his physical examination. Would this particular bill authorize such an injured applicant to receive a pension from now on?

Mr. SCHWARTZ. It would not.

Mr. DANAHER. It would not. And wherein does the Senator find it does not in the language before us?

Mr. SCHWARTZ. I will read it:

For the purposes of paragraph I hereof, as amended, any person who has applied or shall hereafter apply for enlistment or enrollment in the active military or naval forces and who was or shall be provisionally accepted——

Mr. DANAHER. Will the Senator please permit an interruption at that point? In line 15, on page 2, what is meant by the words "and who was or shall be provisionally accepted"? Do they make it apply to the future?

Mr. SCHWARTZ. Mr. President, I have no objection to striking out those words.

Mr. DANAHER. The Senator has no objection to striking out those words?

Mr. SCHWARTZ. No. I understand the Senator proposes to strike out the words "was or."

Mr. DANAHER. Does the Senator think those words ought to go out?

Mr. SCHWARTZ. I am content to have them go out if the Senator from Connecticut so desires.

Mr. DANAHER. Let me point out to the Senator again in line 17 that the bill goes on to say:

Or who was or is selected for service.

Would the Senator say that the words "who was selected for service" would apply to a draftee in the first World War?

Mr. SCHWARTZ. No; a man in the first World War is covered by other provisions of existing law.

Mr. DANAHER. Does the Senator say that the words "who was selected for service" would apply to an applicant for enlistment, let us say, on February 1, 1942.

Mr. SCHWARTZ. Yes; I think they would.

Mr. DANAHER. But would they not apply to an applicant for enlistment on February 1, 1925? Wherein does the Senator find anything which differentiates the class of cases of those applicants who will be benefited by this measure in the present war as distinguished from anything that occurred before December 6, or 7, or 8, 1941?

Mr. President, the questions which I have raised are not, let me say to the Senator from Wyoming, to be taken as indicating objections to this measure. It is my belief that they are legitimate questions, obvious questions, which will naturally arise in any effort to administer the act. It seems to me that if we are going to make the measure effective at all for the future it ought to date back to December 8, 1941. If we are going to make it apply to the applicant for enlistment tomorrow, it ought to apply to the applicant for enlistment a year ago. Because the bill is indefinite, because it fails of so much of its purpose, Mr. President, as it seems to me it should reach, I shall object to its present consideration.

Mr. SCHWARTZ. Let us pass it over.

Mr. DANAHER. I suggest that it go over so that the Senator from Wyoming and the Senator from Tennessee and others of us may have a day or so to examine it and try to bring ourselves into common accord. I think we can do it.

Mr. SCHWARTZ. I was going to say that we might pass it over temporarily.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF ACT TO PREVENT PERNICIOUS POLITICAL ACTIVITIES

Mr. HATCH. Mr. President, I ask unanimous consent for the immediate consideration of Senate bill 1968, Calendar No. 965.

Mr. McNARY. Mr. President, some weeks ago, when request was made for consideration of the bill—and I speak now wholly from memory—at the request of one or more Members of the Senate I made objection to its then present consideration. I do not remember who they were. If they are here now they can speak for themselves. If they are absent, they should be here. I shall make no objection now, but I wish to say that I did make the objection previously at the request of one or more Members of the Senate.

Mr. HATCH. I am quite sure the Senator from Oregon so stated at the time.

Mr. McNARY. Yes; I think I did. I have asked two or three Members now present if any of them requested that I make objection at that time, and they have said no. There must be a final disposition of bills on the calendar, and I do not propose to hold up legislation from time to time.

Mr. TAFT. Mr. President, reserving the right to object to the present consideration of the measure, will the Senator from New Mexico make a brief explanation of the bill, inasmuch as I take it, if it is taken up, possibly it will not be considered under the 5-minute rule.

Mr. HATCH. Yes; I think it will be.

Mr. TAFT. The Senator is asking that we return to that bill on the calendar?

Mr. HATCH. Yes. I shall be glad to explain it.

Mr. TAFT. Will the Senator please explain it before it is taken up for consideration?

Mr. HATCH. Mr. President, the measure has been on the calendar since last December. This matter was first called to my attention, speaking frankly, by certain women of the National Democratic Committee, who publish what they call the Democratic Digest. They sell that publication, I think, for a dollar a year. I think the proceeds from it go to the national committee. There is a provision in the act which Congress passed some time ago, which I myself drafted, and which I supported, and I still support, which makes it—

unlawful for any person, individual, partnership—

And so forth—

to purchase or buy any goods, commodities, advertising, * * * where the proceeds of such a purchase * * * shall directly or indirectly inure to the benefit of or for any candidate for an elective Federal office—

Or for a political party.

The ladies who are publishing the Democratic Digest, the proceeds from which go to the national committee, are fearful that in so doing they are violating that provision of the act. So this amendment was drafted, and I have construed it to mean, and I think it means exactly what it says, which is:

That nothing in this act shall be construed to interfere with or prevent the publication or sale, by any political committee or other political organization, of any periodical publication not published and sold for profit which is sold at a price not substantially in excess of the cost of its publication.

I thought that was a reasonable provision, and I consented.

Mr. TAFT. What is the effect of it on advertising? Suppose large advertising space is sold in the publication?

Mr. HATCH. This amendment does not change the provision of the original act in that respect. I am certain of that.

Mr. TAFT. It does not, for instance, authorize the publication of the book which is often referred to, the one published by the Democratic National Committee and sold for large sums of money to various corporations?

Mr. HATCH. Of course, the Senator knows that that is the reason why I inserted a provision in respect to such matters in the original act. If I thought the proposed amendment would weaken that provision, I should certainly not be in favor of this measure

Mr. TAFT. The Senator is confident that the proposed amendment will not weaken that act?

Mr. HATCH. I am confident it will not weaken it.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. WHITE. Would it affect in any way the limitations upon the amounts which may be spent for publicity?

Mr. HATCH. No; not at all.

Mr. WHITE. It would not affect that matter in any way?

Mr. HATCH. No; not at all.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 1968) to amend section 13 (c) of the act entitled "An act to prevent pernicious political activities", approved August 2,

1939, as amended, so as to permit the sale of certain publications not published or sold for profit, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 13 (c) of the act entitled "An act to prevent pernicious political activities", approved August 2, 1939, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided further*, That nothing in this act shall be construed to interfere with or prevent the publication or sale, by any political committee or other political organization, of any periodical publication not published and sold for profit which is sold at a price not substantially in excess of the cost of its publication; and nothing in this act shall be construed to prohibit the purchase or buying of any such publication when sold at such a price".

CLAIMS IN CONNECTION WITH FAILURE OF BIG PORCUPINE DAM, FORT PECK IRRIGATION PROJECT, MONTANA

Mr. WHEELER. Mr. President, I ask unanimous consent to return to Calendar No. 973, Senate bill 1869. I ask for immediate consideration of the bill. The bill was reached on the calendar some time ago in my absence and was passed over.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 1869) for the relief of certain claimants against the United States who suffered property losses as a result of the failure of the Big Porcupine Dam on the Fort Peck project, Montana.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Indian Affairs with an amendment, in section 1, on page 3, at the beginning of line 2, to strike out "$1,903.98" and insert "$1,903.98; and Wallace Levandoski and Dorothy Levandoski, $364", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the claimants hereinafter named the sums hereinafter specified, in full satisfaction of their respective claims against the United States for compensation for property losses or damages sustained by them as a result of the failure of the Big Porcupine Dam on the Fort Peck project, Montana: Nashua Booster Club, $700; Walter Collins, $345.80; Martin Kaminski, $150; Susie Ihnat, $280; Edmond N. Golphenee, $300; Alexander Hamilton, $183.50; Edward T. Blue, $345; Charles H. Brocksmith, $229.10; Rose L. Brocksmith, $1,212.15; Norman Brocksmith, $191.60; Emma Collins, $1,499.48; Andrew Levandoski and Tom Levandiski, $6,000; Joe Ihnat, $670; John Etchart, $6,350; Floyd DeLay, $1,000; Zetta Michel, $800; Theodore Aaberg, $144.40; Lawrence Alvin, $137; Lawrence Benson, $45; Tony Bengochea, $250; James Keil, $120; George Kugler, $58.50; Walter Kusek, $278; Jetta Lebert, $89; Alfred Lee, $218.80; Lutheran Church, $102; Dean B. McKee, $221; Sadie McPherson, $170.50; John B. Martin, $48; E. A. Meek, $37; Anna Michel, $525; Martin Milsten, $127.75; Myrtle Olson, $102; Dick Opland, $388; L. M. Ormseth, $120; Nels Peterson, $169.08; H. Merle Priest, $110; Robert Rawe, $95.90; Della Sevier, $106; H. H. Bissell, $67.75; Will Bohne, $37; Margaret Camburn, $84.75; Fred Desonia, $58.10; Dora K. Dykstra, $100; Adolph Ellingson, $28; George Fisher, $40; Robert Glunz, $85; Marvel Hammond, $156.50; Elmer Hauger, $647; Mabel Hinerman, $89; J. D. Irwin, $182.05; Peter James, $66; Luther Johnson, $65; Elizabeth Skugrud, $52; Ruth Smith, $281; Webb Southerland, $116; Myrtle Stenbakken, $238; John Storkson, $175; Minnie Sunkel, $453; Arthur C. Swanson, $113; M. Tihista, $310; John A. Wigdahl, $41; Great Northern Railway Co., $1,903.98; and Wallace Levandoski and Dorothy Levandoski, $364.

SEC. 2. No part of the amount appropriated in this act for payment to any claimant in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim of such claimant, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PROGRAM AS TO BILLS ON THE CALENDAR

Mr. BARKLEY. Mr. President, I think I ought to observe that immediately after the tax bill is disposed of, if possible, I think it would be fair to begin at the beginning of the calendar and go through it for the disposition of bills which have been on the calendar for a number of months. Ample notice will be given, so that Senators who object to bills or who are interested in their passage may be present. At an early date I wish to have the complete calendar called so that we may dispose of bills to which there is no objection.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MCFARLAND in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Cleora Hila Creed to be postmaster at Turon, Kans., in place of P. E. Tubbs, removed.

By Mr. WALSH, from the Committee on Naval Affairs:

Brig. Gen. Julian C. Smith and Brig. Gen. Charles D. Barrett to be major generals in the Marine Corps for temporary service from August 26, 1942; and

Sundry citizens to be second lieutenants in the Marine Corps.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

ADJOURNMENT

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn.

The motion was agreed to; and (at 2 o'clock and 37 minutes p. m.) the Senate adjourned until tomorrow, Friday, October 2, 1942, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate October 1, 1942:

UNITED STATES PUBLIC HEALTH SERVICE

The following-named surgeons to be senior surgeons in the United States Public Health Service, to rank as such from the dates set opposite their names:

Guy H. Faget, September 19, 1942.
Estella Ford Warner, October 5, 1942.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

TO ADJUTANT GENERAL'S DEPARTMENT

Maj. Kenneth Gilpin Hoge, Cavalry (temporary lieutenant colonel), with rank from July 1, 1940.

TO INFANTRY

Maj. Charles Carlton Cavender, Adjutant General's Department (temporary colonel), with rank from July 1, 1940.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

To be colonel with rank from September 17, 1942

Lt. Col. Carl Spaatz, Air Corps (temporary major general).

To be lieutenant colonels with rank from October 4, 1942

Maj. Carlyle Howe Ridenour, Air Corps (temporary colonel).

Maj. Bennett Edward Meyers, Air Corps (temporary brigadier general).

Maj. George Mitchell Grimes, Quartermaster Corps (temporary lieutenant colonel).

Maj. Edward Bethel Jackson, Infantry (temporary colonel).

Maj. Paul Hyde Prentiss, Air Corps (temporary colonel).

Maj. Warren Arthur Maxwell, Air Corps (temporary colonel).

Maj. William Henry Papenfoth, Coast Artillery Corps (temporary colonel).

Maj. Frederick Mercer Hopkins, Jr., Air Corps (temporary colonel).

Maj. Walter Leo Weible, Coast Artillery Corps (temporary colonel).

Maj. Rupert Edison Starr, Coast Artillery Corps (temporary colonel).

Maj. Leonard Dickson Weddington, Air Corps (temporary colonel).

Maj. John Henry Doherty, Finance Department (temporary colonel).

To be lieutenant colonels with rank from October 20, 1942

Maj. Edward Michael Powers, Air Corps (temporary colonel).

Maj. Maurice Edgar Jennings, Chemical Warfare Service (temporary colonel).

To be lieutenant colonel with rank from October 28, 1942

Maj. Howell Harrell, Quartermaster Corps (temporary colonel).

To be lieutenant colonel with rank from October 28, 1942

Maj. Paul Edmund Burrows, Air Corps (temporary colonel).

MEDICAL CORPS

To be majors

Capt. Edward James Kendricks, Medical Corps (temporary colonel), with rank from October 1, 1942.

Capt. Oliver Harold Waltrip, Medical Corps (temporary lieutenant colonel), with rank from October 1, 1942.

To be captains

First Lt. Maurice Riordan Connolly, Medical Corps (temporary major), with rank from October 1, 1942.

First Lt. Joseph Nagle, Medical Corps (temporary major), with rank from October 5, 1942.

First Lt. Harry Louis Berman, Medical Corps (temporary major), with rank from October 11, 1942.

First Lt. Isaiah Alonzo Wiles, Medical Corps (temporary major), with rank from October 11, 1942.

First Lt. William Blackford Look, Medical Corps (temporary captain), with rank from October 18, 1942.

First Lt. Charles Ellison Melcher, Medical Corps (temporary major), with rank from October 25, 1942.

DENTAL CORPS

To be colonels

Lt. Col. Oscar Peter Snyder, Dental Corps (temporary colonel), with rank from October 27, 1942.

Lt. Col. Rex McKinley McDowell, Dental Corps (temporary colonel), with rank from October 27, 1942.

Lt. Col. Charles Melville Taylor, Dental Corps, with rank from October 27, 1942.

Lt. Col. Thomas Lovet Smith, Dental Corps (temporary colonel), with rank from October 27, 1942.

Lt. Col. George Ray Tressel, Dental Corps (temporary colonel), with rank from October 27, 1942.

Lt. Col. Frederic Harold Bockoven, Dental Corps, with rank from October 27, 1942.

To be major

Capt. Wallace Jacob Morlock, Dental Corps (temporary lieutenant colonel), with rank from October 15, 1942.

CHAPLAINS

To be colonel

Chaplain (Lt. Col.) Ora Jason Cohee, United States Army (temporary colonel), with rank from October 4, 1942.

CONFIRMATIONS

Executive nominations confirmed by the Senate, October 1, 1942:

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY

The nominations of Athel Bangert et al. for appointment in the Regular Army.

(NOTE.—A full list of the names of the persons whose nominations for appointment in the Regular Army were confirmed today may be found in the Senate proceedings of the CONGRESSIONAL RECORD for September 28, 1942, under the caption "Nominations," beginning on p. 7535 with the name of Athel Bangert and ending on p. 7536, with the name of Louis Axelrod.)

POSTMASTERS

NEW JERSEY

Ernest F. Rohn, Arlington.
Hiram S. McKeen, Avalon.
Frank Tilton, Avon by the Sea.
John P. Euler, Belford.
Louis J. Bowlby, Bound Brook.
Richard P. Hughes, Burlington.
Benjamin J. Haulboskey, Leonardo.
John J. Quinn, Perth Amboy.
Adolph F. Schmitt, Sayreville.
Patrick J. Shortt, Wildwood.

TEXAS

Nat Shick, Big Spring.
Joseph Y. Frasea, Colorado City.
Thomas A. Key, Desdemona.
Stephen S. Perry, Freeport.
William E. Porter, Glen Rose.
Lucie Hill, Hull.
Morris Ferrell, Krum.
William M. Covey, Mabank.
Harry S. Merts, McAllen.
Perry Hartgraves, Menard.
Myrtle M. Hatch, Mission.
Claude F. Norman, Rule.
Carl R. Nall, Sherman.
Charles H. Grounds, Talpa.

HOUSE OF REPRESENTATIVES

THURSDAY, OCTOBER 1, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal and merciful Father, renew in us a deeper sense of Thy presence. We thank Thee that Thou hast endowed us with the power of thought, faith, and hope and pray that Christian morality may be founded on the undying law of human brotherhood. Let us learn that it is ever more better to give than to receive; teach us to serve more freely and gladly, reflecting the heavenly spirit of Him who gave Himself that we might live in the light of an enlarged manhood. Within the infinitude of His mercy we would feel the lordship of the Master, whose knightly soul, with its regal goodness, the angels evermore praise and adore.

Grant that we may ever have formed within us such a spirit of the divine that living shall be a holy privilege and brave, with an unearthly assurance. As the souls of men are being torn away on the fields of conflict, give to all mothers and daughters, fathers, and sons, Thy perpetual care. May they walk in the midst of their anxieties and heartaches learning the royal lesson of suffering. When the burdens seem too heavy to bear and the hands are tired and weary, oh come to them in the stillness of Thy sweet peace, even as the night enwraps the hills and as the shepherd folds his flock. Bless them with that rest which the world cannot give and they shall go on forever wondering at love's inexhaustible fullness—through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 346. Joint resolution extending for 2 months the period for which overtime rates of compensation may be paid under the acts of June 28, 1940 (54 Stat. 676), October 21, 1940 (54 Stat. 1205), and June 3, 1941 (55 Stat. 241).

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7565. An act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WAGNER, Mr. BARKLEY, Mr. BANKHEAD, Mr. BROWN, Mr. MALONEY, Mr. DANAHER, and Mr. TAFT to be the conferees on the part of the Senate.

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. BREWSTER members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government", for the disposition of executive papers in the following departments and agencies:

1. Department of the Interior.
2. Department of Justice.
3. Department of War.
4. The National Archives.
5. National Housing Agency.
6. Securities and Exchange Commission.

THE STATE OF THE NATION

Mr. FOLGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. FOLGER. Mr. Speaker, I respectfully address myself, if I may, to every Member of the House, regretting that we do not have a full attendance, not on account of anything I may be able to originate, but because I am calling to your attention a speech delivered last night over the radio by one of our Members, which deserves its place with the speeches and papers of Patrick Henry, George Washington, and Thomas Jefferson. I refer to a grand speech, a noble speech, a sublime speech, made at an opportune time, impelled, I am fully persuaded, by his recognition of his own obligation to his country above everything else. I hope you heard the speech of the gentleman from New York, Hon. JAMES W. WADSWORTH, delivered last night over the radio. In the speech there is no attempt at oratorical display. Its eloquence lies in its truth and power.

Mr. Speaker, I ask unanimous consent that I may extend my remarks and include therein the speech of the gentleman from New York [Mr. WADSWORTH].

The SPEAKER. Is there objection?

There was no objection.

The speech referred to is as follows:

It must be apparent to every thoughtful person—and more and more Americans are becoming thoughtful these days—that we are in for a long, grueling contest. We have placed our feet upon the lower slopes, down near the bottom, of a high hill. We must climb to the top before we can see victory. Every step of the way will be difficult. Indeed, we may be pushed back occasionally, but we shall keep on climbing. We have been in this war almost 9 months, and, to be frank about it, we haven't climbed very far. Most of our efforts have been devoted to preparing for the climb. As a part of that preparation we have engaged in some military operations which, generally speaking, are more defensive in character than offensive. We are sending air corps personnel and planes and special repair troops to Egypt, to Persia, to India, and even to China, to help our allies defend those countries against German or Japanese attack. In none of them have we seized the offensive as yet. We have sent troops of several categories to northern Ireland and to England, first to bolster the defense, and to take part later in an offensive when such a thing shall be deemed wise. We have conducted a brilliant operation in the Solomon Islands. It may be called a minor offensive, but its major purpose was to seize those islands and from them defend our line of communication to Australia. And we have reinforced Australia herself, primarily to defend, for the moment, that continent, and preserve it to us and our Allies as a jumping-off place from which to launch an offensive against the Japanese later on in the southwest Pacific. We are growing stronger every day in men and material. There can be no doubt about that. But we must continue to grow, else we cannot climb the hill. Despite some disappointments here and there, despite some confusion, our munitions program is moving ahead toward ever larger dimensions. The same may be said of our shipbuilding program, both of naval vessels and cargo vessels. As for the ship program, we have not yet secured the safe control of all the seas. That, alone, is an enormous undertaking, but we must succeed, cost what it may in time and effort.

Coming to a consideration of the actual manpower in our military services, that, too, must be increased. Just how many men we must have finally in our Army and Navy I am not prepared to say. Perhaps there is no one who can give a definite and final judgment on such a thing. The strength of the military services will be determined from time to time by the necessities of the war. But already it is apparent that both services are destined to grow far beyond their present limits, and the exceedingly serious question arises as to how we shall recruit them. As we build them up we want to make them just as efficient as we can, and at the same time keep the economic life of the country in as healthy a condition as possible. We must always bear in mind that it is exceedingly important to balance our effort as between industry, agriculture, and transportation on the one hand and the military services upon the other. The latter cannot fight with anything like maximum efficiency without the efficient support of the former. So as the Army and the Navy grow in numbers we should see to it that the growth is healthy from the standpoint of the united effort.

Coming to a consideration of the Army, which in point of numbers is by far the larger of our military services, we will be confronted with a serious problem within 6 or 7 months. By the end of this calendar year we shall have something more than 4,000,000 men in our Army—considerably more if the present program of recruitment proceeds. By far the larger number of our soldiers is obtained through the operations of the selective-service law. That law provides that all men between 20 years and 45 years of age shall be liable for military service. The law, elaborated by regulations, also provides in effect that before men with dependents—notably married men—are inducted into the service, the local boards shall call up men without dependents, mostly single men, and that when the supply of single men approaches exhaustion the draft boards shall commence calling in married men in the order of their respective domestic obligations, those with the lightest obligations coming first, followed by those with heavier obligations, until we reach the man with a wife and several children all actually dependent upon him.

It is a matter of common knowledge that the Army is calling for more and more men, and that before the end of this year many draft boards, in order to fill their quotas, must reclassify a considerable number of married men into class I-A and induct them into the service. The plain fact is that we are faced with the prospect of drawing more and more married men into the Army. This means a constantly growing dislocation of the domestic and economic life of the country. It also means that the average age of the soldier yet to be recruited will increase from time to time, for obviously the married man, generally speaking, is older than the single man. Already this increase in the average age of the Army is becoming apparent. Men in their middle thirties, and even in their early forties, are coming in. This is especially true in some of the divisions and other units which have been formed during this last summer and which are composed quite largely of recent recruits. It is a fact that competent military observers who have seen these new troops have noted that the men appear to be somewhat older than the men in the thoroughly trained divisions which were organized 18 months or more ago. In other words, the average age has commenced to go up, and it will continue going up so long as the law remains as it is. No one of us will cast any aspersion upon the character and patriotism and the courage of men of 35 or 40 years of age. They will do their level best and will make great sacrifices. But through no fault of their own they do not make the best soldiers. They leave dependent families at home, dependent upon allotments taken in part from the pay of the soldier himself and in part from the Federal Treasury. They leave, in many instances, business obligations, perhaps a mortgaged home, perhaps a little business which may go to pieces during their absence. Quite naturally they are apt to worry about those things. It is pretty tough on the soldier to have to worry about what is going on at home. Here we have a combination of the domestic, the economic, and the sentimental, all operating against that soldier's peace of mind.

But there is another and much more important thing to consider, especially when we estimate the military efficiency of the Army as a whole. It is this: Men in their thirties and early forties, with very rare exceptions, cannot endure the terrific physical and nervous strain of long campaigns nearly as well as younger men—men, we will say, 10 or 15 years younger. In muscular development they may be strong; they may be able to lift heavy weights. But when it comes to living under the terrible conditions imposed by desperate war most of them are apt to break down. They can't help it, try as they may. By contrast, men between the ages of 18 and 25, we will say, the group whom we denominate as youth, make the better and more enduring soldiers. Very, very few of them have in the back of their minds the worries of the older men. But more important still, they possess a certain marvelous resiliency which enables them to stand up under heavy punishment through long campaigns. I have yet to meet a veteran Army officer, in or out of the War Department, who does not testify to the amazing qualities of endurance exhibited by youthful soldiers, to their ability to learn quickly, to their ingenuity, to their daring. I have yet to meet a veteran combat officer who does not hope for a liberal sprinkling of youth in his unit. Those youths, steadied by the presence and example of some older men, sergeants and corporals, contribute not only endurance but punch. All history shows that great wars have been won by youth. For example, some people are amazed to find out that the Union Army in 1865, at the time of Appomattox, averaged but 19 years and 6 months of age. The Confederate Army was a little younger. This in turn means, of course, that thousands upon thousands of these soldiers were less than 19 years of age. Would we say that the men who fought under Grant and Lee were not good soldiers? Indeed, it was youth that survived in both armies. Most of the older men had dropped out before the war came to an end. Nor can it be said that the experience of the youngsters in those two armies brutalized them or made them unfit to be good citizens after the war was over, for the fact is that the veterans of both armies proved later to be the very best of citizens. And so as we look ahead to the strains which we shall endure in the war in which we are now engaged, as we look ahead to the intensity of the struggle, lasting, it may be, for several years, can we escape the conclusion that it were wise to introduce more of youth into our Army—yes, men of 18 and 19 years of age?

From their standpoint and from the standpoint of the country is it not wise for us to see to it that these young men get long and thorough training before our participation in this war reaches a maximum of intensity? Fortunately, the policy of the War Department with respect to training is sound. Unless some terrible military crisis overtakes us we are not going to make the mistake we have so often made before—sending untrained men into action. We are giving, and we shall continue to give, all our recruits thorough basic training before they are assigned to a unit. And then after they are assigned and become members, as it were, of a team, their training continues literally for months, to the end that they shall be thoroughly seasoned physically, taught how to take care of themselves, taught to understand their responsibilities, the necessity for adequate discipline, how to obey the signals, and how to reach their objectives with a minimum loss of life. And it is generally conceded that it takes just about one whole year, perhaps a little more, to form, equip, and train a division. Once hardened and instructed, these youngsters, inducted originally after they have passed the age of 18 years, will make the very best kind of soldiers. They will bring into the Army the aggressive spirit of youth; they will endure, and grow stronger as they endure. The Army as a whole will be more efficient for their presence and we shall win the war the more quickly.

EXTENSION OF REMARKS

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an article by John T. Flynn.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New York [Mr. TABER] may be allowed to speak for 10 minutes after the legislative

program of the day and any other orders that have heretofore been entered.

The SPEAKER. Is there objection?

There was no objection.

THE TAX BILL

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. TREADWAY. Mr. Speaker, it is good news to the country that the too-long-delayed tax bill will be taken up very soon in the other body. Every indication points to its early passage by the Senate and its prompt enactment as recently urged by the President.

There have been rumors that final action would not be taken on the measure until after November 3.

As ranking minority member of the Ways and Means Committee, I want to say that I am definitely opposed to any such delay. This bill was initiated on March 3, and no matter how important nor intricate its provisions, ample time has elapsed for its thorough consideration.

It is much more important to the taxpayers of the country to have some definite idea of their future tax liability than to delay the bill for political reasons.

I shall use my utmost influence to send the tax bill to conference immediately it passes the Senate and have the conferees report back to their respective Houses as expeditiously as possible.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the necessity of further economy in nonmilitary expenditures.

The SPEAKER. Is there objection?

There was no objection.

Mr. TERRY. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a letter I received from Miss Willie A. Lawson, executive secretary of the Arkansas Education Association, and from Mr. Forrest Razzell, field secretary of the Arkansas Education Association, in regard to the need for Federal aid to the public schools of the country.

The SPEAKER. Is there objection?

There was no objection.

(By unanimous consent, Mr. BURCH was granted permission to extend his own remarks in the RECORD.)

Mr. HAINES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter from a constituent.

The SPEAKER. Is there objection?

There was no objection.

Mr. TARVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD by printing a message sent by me to the Seventh Georgia District Democratic Convention.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'BRIEN of New York. Mr. Speaker, on yesterday I received unanimous consent to extend my remarks and include therein a speech given by a distinguished newspaper publisher of Rochester, N. Y. Because of unpredictable events I was unable to revise and extend my remarks yesterday, and I therefore ask that privilege today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

(By unanimous consent, Mr. HOFFMAN was granted permission to revise and extend his own remarks in the RECORD.)

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILL of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter which I have received.

The SPEAKER. Is there objection?

There was no objection.

Mr. McINTYRE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in connection with two separate subjects.

The SPEAKER. Is there objection?

There was no objection.

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include certain excerpts from a letter from a constituent of mine.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. PIERCE. Mr. Speaker, I ask unanimous consent that on Monday next, after the legislative business of the day and any other special orders, I may address the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. BURGIN. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein excerpts from a speech delivered by Hon. John J. Parer, judge of the fourth circuit.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks and include therewith a very splendid address by the educational consultant of the Civil Aeronautics Administration, Dr. Duane Orton.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LOCAL RATIONING BOARDS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, the main job the Office of Price Administration has to do is the job of public relations. It is the job of trying to help the American people to understand what the program of price control is for and above all why rationing is being used, what its real aims and purposes are and how it can be fairly administered and used to bring greater, not less, general justice. Under these circumstances I submit that it is exactly the wrong thing to do to abolish a lot of local rationing boards as is being done at present. These boards have been composed of people who volunteered their services and have faithfully tried to get this program started and to explain it to their neighbors and fellow townspeople. The excuse I have been given for this action is that there is not money enough, that O. P. A. must reduce the number of boards in order to save money. Therefore I most earnestly suggest that the Appropriations Committee find out from the Office of Price Administration how much money they think they are going to save by doing this. I know of local rationing boards where the local communities stand ready to bear all the expense of the rationing board with the possible exception of the salary of the clerk. I think Congress should be informed fully on this whole matter. For the only saving element among a democratic people in connection with an over-all governmental control over their lives such as this war necessitates is to be found in entrusting the basic administration of these programs to as many of the people themselves as possible. The closer to the people these rationing boards can be the better.

Moreover, it is exceedingly hard for people to understand why they should be compelled to travel much longer distances to the rationing boards at the very moment that they are being urged to conserve the rubber on their automobiles and when rationing of automobile use on a Nation-wide basis lies immediately ahead.

The local rationing boards ought to be restored. If O. P. A. really has not enough money to do it I for one am willing to vote them enough so they can do it.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a poem which appeared in the Star News of Eldon, Iowa.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

WARTIME CENSORSHIP AND FREEDOM OF THE PRESS

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DWORSHAK. Mr. Speaker, National Newspaper Week is being observed from October 1 to 8, with expressions of confidence in the Nation's press, as well as commendation for the vital contribution being made by it. Under the stress of wartime, it is only natural that our newspapers are criticized because of their handling of news directly connected with war developments. Much news is withheld, while other articles are deferred, in complete variance with established policies. It is not generally known that such practices are the result of wartime censorship with regulations that must be rigidly adhered to, in the interest of national defense and security.

The newspapers have done a splendid job of striking a balance between the conflicting public demands of handling news, declared Byron Price, Federal Director of Censorship, although he pointed out the need of explaining why some information has to be withheld. He stressed that the basic consideration behind censorship was—

that none of us shall provide the enemy, by design or inadvertence, with information that will help him kill Americans.

The press of America has fought to preserve public morale and to inspire in our armed forces the confidence without which there can be no victory, declared Walter M. Dear, president of the American Newspaper Publishers Association. He then added:

Our willingness to go all out for victory does not mean that we surrender the right of a free press to condemn and criticize where we consider the circumstances justified. Nor can we quiescently tolerate infringement of individual rights, seeking, under the subterfuge of war necessity, to create in the future what always has been abhorrent to our American way of life.

Ten thousand daily and weekly newspapers are unselfishly serving the Nation in this critical era, notwithstanding serious economic factors which have adversely affected their financial structure. Priority restrictions and rationing regulations have materially curtailed advertising volume, and the acute labor situation has made the publishing business most difficult and hazardous. However, these newspapers respond patriotically to every call for service, and they will continue to justify the confidence and respect which they command.

Freedom of the press is a sacred right, without which there can be no free government. Although they are being called upon to meet abnormal wartime demands, and to make great sacrifices, American newspapers will measure up to the highest traditions. The fourth estate will meet every challenge in this hour of grave national peril.

THE NATIONAL SELECTIVE SERVICE ACT

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my own remarks and to include therein a speech delivered by my colleague the gentleman from Illinois [Mr. McKEOUGH].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SABATH. Mr. Speaker, a few moments ago an outstanding Member from North Carolina [Mr. FOLGER] addressed the House calling attention to a radio address by the distinguished Member from New York [Mr. WADSWORTH] stating:

I am calling your attention to a speech delivered over the radio last night by the Honorable JAMES W. WADSWORTH which deserves its place with the speeches and papers of Patrick Henry, George Washington, and Thomas Jefferson.

He further stated:

I refer to a grand speech, a noble speech, a sublime speech, made at an opportune time, impelled, I am fully persuaded, by his recognition of his own obligation to his country above everything else.

In that connection Mr. Speaker, I desire to insert as part of my remarks a speech delivered by our colleague, the Honorable RAYMOND S. MCKEOUGH, of Illinois, at a Democratic convention in Springfield, Ill., the scene of some of the famous Lincoln-Douglas debates. The appraisal of the gentleman from North Carolina of Representative WADSWORTH's radio address will apply with equal strength to the timely speech delivered by Representative MCKEOUGH, whose ability as a speaker, yes, as a really profound orator, is well known to us. His speech again confirms and emphasizes his ardent loyalty to President Roosevelt and the cause of the common people as well as his heartfelt, unselfish interest in the welfare of our country. I know that nearly all of us regret that the House will soon be deprived by promotion of his much-needed usefulness, but our loss will be the Senate's gain, because he is no longer a candidate for reelection to the House but is a candidate for election to the United States Senate, a nomination which he reluctantly accepted after a very large number of representative and patriotic citizens of both parties loudly proclaimed that he was the most ideal candidate in this critical period of our national life. In view of the obstructive and unenviable record of his opponent, I am confident of his election. In him, we all know, the President and the country will have an exceptionally able and fearless Senator.

Mr. Speaker, Representative MCKEOUGH's speech, which I have been granted permission to include in my remarks, is as follows:

Fellow Americans, as you perhaps know, I come to this convention directly from our Nation's Capital.

When I have completed delivery of this address, I shall have to return immediately to Washington and to my duties as a Member of Congress.

It had been my intention to spend the remainder of this month in a tour of the State. The Democratic State Central Committee has arranged an itinerary which was to have taken me into many down-State communities.

Needless to say, I regret exceedingly that I shall be unable, at least before October 1, to join the caravan. But my associates will ably carry on—and our campaign will be made.

Matters of the greatest moment to the success of the war effort will engage me in Washington, and I could not in conscience absent myself from the meetings of Congress. In times such as these, the individual interests of all of us—whatever our station or occupation—must be sacrificed to the Nation's welfare.

The immemorial customs governing occasions such as this inspiring gathering of Democratic men and women from all parts of Illinois, in times of peace assign to the candidate for United States Senator the duty of striking the keynote for the fall campaign.

But we are a nation at war.

The clarion call for the contest upon which we are entering must simulate the battle summons which is being heard by our fighting men upon all the far-flung fronts of the world conflict which engages the United Nations.

The keynote to which we must be attuned until the November 3 election, and for the duration of the war, is not, therefore, solely one of my devising.

It is an echo of the piercing call to battle stations first heard at Pearl Harbor on the morning of December 7, 1941, when the Japanese attacked our naval outpost in the Pacific and precipitated this Nation into the second World War.

Even before that date the character of this campaign was plainly indicated.

It was to be, and is, a referendum upon the proposition that political partisanism be set aside for patriotism.

It was to be, and is, a plebiscite to test the loyalty of the civilian command to the constitutional Commander in Chief of our armed forces.

It was to be, and is, a test of freemen's preferences as between two kinds of public servants in the Congress. On the one hand are those who served party before country. On the other are those who braved the highly organized pressures of the obstructionists' era of dalliance. These supported the statesmanlike program of preparedness laid down by the courageous, the nonappeasing, the far-seeing, the surpassingly gallant President of the United States, Franklin Delano Roosevelt.

This was to be, and is, a campaign in which the issue is crystal clear for all who are not blinded by partisan hates and prejudices. The issue is:

Shall we follow Roosevelt, or submit to slavery under Hitler?

Fully cognizant of the debt of gratitude under which your allegiance places me, acutely aware of your justifiable pride in the party achievements of the past, I am nonetheless wholly confident that the great majority of those in this convention have already recognized that the national necessity must supersede petty politics.

Of the Democratic men and women assembled here I ask:

Forget that you are Democrats. Adjourn politics. Black out partisanism. Before you are anything else, be Americans. Be patriots.

This is not a fight to save the Democratic Party. This is not a contest to win a corner on patronage. It is not a struggle to exalt personalities. These are puny things beside the stake for which we are contending as Americans.

Our goal is the salvation of civilization itself. Our objective is the preservation of the American way of life—of the "four freedoms."

I know that I require no by-your-leave to submerge my own partisanship to the service of these lofty aims.

And you know that I don't have to get the permission of Colonel McCormick and the Chicago Tribune to talk, act, and think patriotically.

As an American citizen I would flout every concept of Jeffersonian Democracy if to do so would contribute to the defeat of the Hitlerian philosophy of government by force, and insure an enduring peace for the world.

Not so long ago those who would seemingly rather see Hitler and the Axis win the war than support this Nation's leader predicted there would be no elections in Illinois and America this fall.

This very convention is a refutation of that lie, which ascribed to President Roosevelt an ambition to become dictator over the 130,000,000 free men and women who populate this republic.

But if this convention were never held, the falsehood would have been very effectively nailed in this very city some weeks ago. And by whom? By those self-styled leaders of the opposition who first uttered it.

For they were here, calling themselves the spokesmen for the Republican voters of Illinois and studiously avoiding any reference, complimentary or otherwise, to the true patriot who is the titular head of their party—Wendell Willkie.

From Michigan Avenue and the river in Chicago to the meeting hall in Springfield—even casting a pall over the tomb of the Great Emancipator—the forbidding shadow of the Tribune Tower stretched halfway across the State to lay upon the so-called Republican convention. And the little men with little minds were palsied and afraid.

Afraid of what?

That is a question I cannot answer. There is nothing about the Tribune Tower, from its flying buttresses to the basement, that frightens RAY MCKEOUGH. Or ever did. Or ever will.

All I know is that those who masqueraded as leaders were afraid for their political lives to break away from the stultifying strategy of defeatism imposed upon them by the unbridled bitterness of the No. 1 Roosevelt-hater of them all—McCormick of the Tribune.

Under those hopeless circumstances, the product of the convention's deliberations was as meaningless from the standpoint of promoting unity, as might have been expected.

Think of it: These traducers of Wendell Willkie needed 6 weeks of consultation before they felt justified in proclaiming themselves American enough to want to win the war.

Any citizen of Illinois, any citizen of the Nation, who doesn't want to win the war against the Axis is plainly treasonous.

Any political group, however misrepresentative of the hopes, the aspirations, the ideals of the community that seeks to escape responsibility for blueprinting the period of reconstruction, is neither wise, just, nor humane.

Just as important as winning the war is winning of the peace.

Not to commit ourselves now to development of ways and means for preventing future wars is to repeat all of the tragic, the inexcusable blunders of the past.

It is to deprive our boys in this war of what may well be their greatest incentive to fight—the knowledge that the sacrifices they are making will not be in vain.

It is to rob future generations of the most priceless heritage we can hand down to them—a just and enduring peace.

Yes; the character of this campaign was clearly defined many months ago. It was inconceivable that those who employed every technique they knew to obstruct the policies of the Commander in Chief would alter their course.

Theirs is a partisan blindness which only their repudiation on November 3 can cure.

Their addiction to error has become habitual. And so it is that history repeats itself. Their conduct identifies them unmistakably with that group of willful little men—the Borahs, the Lodges, the McCormicks, the Reeds, and Johnsons to whose sabotage of the immortal Wilson's League of Nations plan we owe this most cruel of all wars.

I am of the conviction that in this age of transport and communication America can no longer live alone.

Ours is an enlightened electorate. The voters do not make the same mistakes twice.

It is an aid to voters that obstructionism has not chosen to posture in false whiskers for this campaign.

They are going to try to brazen it through. They think that through misrepresentation of the President's motives, distortion of the true facts by their partisan press, and with appeals to prejudice, to passion, and to provincialism, they can make Roosevelt the sacrificial victim of the follies which are theirs alone, as their predecessors crucified Wilson.

But it is not Roosevelt who is on trial in this campaign. It is the Roosevelt haters.

Who opposes candidates pledged to uphold his hands?

They are the same forces of reaction we have bested in many a skirmish in the decade preceding the present titanic conflict which engulfs the United Nations.

They are the stupid, the confused, the duped. They are the persistently partisan-minded who would gamble with the future of democracy itself to win an election they said would never be held.

With them goes the fifth column in this country, for there is no place within our ranks for enemies of the Republic.

I have told you what their strategy is. I need not tell you that what we have to defeat is defeatism itself.

We have to annihilate doubt. We must dispel disunity and the despair they will seek to spread through whisperings and with editorials carefully proofread to fall just short of seditious utterance.

They will try to magnify the mistakes that must creep into so great an undertaking as the conduct of this war.

They will endeavor to disqualify competency, they will seek even to impeach integrity.

You remember what happened when war was declared upon this country by the Axis partners.

For a day or two the obstructionists did an apparently sincere about-face.

But their hatchets were never actually buried. They were merely hidden in the folds of the flag which they hastily wrapped around themselves while declaring hypocritically they would support their country's leader, right or wrong.

They may be interested in "keeping 'em flying" but they have kept on lying about Roosevelt.

You and I know them for what they are, and rejoice that they are not of us.

We can rejoice much more heartily in the strength of our own company.

Who goes with us into this fight?

I can answer that question for I have already traveled through the length and breadth of Illinois talking to and with the people.

I know that counted upon our side when the election is held there will be thousands upon thousands of Republican and independent voters who think as we do, who join with us wholeheartedly in the belief that only a nation united behind the Commander in Chief can win this war.

Approximately 2,000,000 electors in Illinois cast their votes in 1940 for Wendell Willkie.

Nothing he has done in the meantime has changed their high opinion of his leadership. On the contrary, everything he has done to uphold the foreign policy of President Roosevelt has the approbation of these voters.

Their votes will be cast in rebuke to the self-asserted leaders of the Republican Party in Illinois.

All over the State there has long since set in a revulsion to obstruction. It is generally recognized that but for the appeasers, the back-seat drivers, the disciples of it can't happen here, this Nation might now be rejoicing in a swiftly won victory.

There has dawned upon Illinois a realization that there might have been no attack on this Nation if President Roosevelt's program of nonappeasement had not been hamstrung by the self-commissioned military strategists who held that we could never be assailed by Japan.

The mothers and fathers of boys called to war, of boys who have already made the supreme sacrifice, are not of a mind to be tolerant of those whose partisan blockade in the Congress resulted in our having too little, too late, in the early engagements of this war.

All of these enlightened people have rallied to our banner.

Along with them, and with us, are marching the great majority of the younger people, to whom, as President Roosevelt has said, Hitler and his totalitarianism offers only death.

Within our ranks, I am especially happy to say, are numbered the organized workers of the State, united as never before in this great movement. Labor never fails its true friends.

Our strength, in truth, comes from all elements of the society that makes up Illinois. In the factories, in the mills, in the offices, on the farms, in the homes, in every one of the 102 counties of this great State, are to be found the crusaders in this cause we espouse.

Still I have not enumerated all who go with us.

Spiritually, we are allined with those three great divisions of the world's population who will, because they must, win this war. These are those who have liberty and will die to retain it, those who have lost liberty and will die to regain it, and those who seek the opportunity for liberty, and will die to achieve it.

This, my friends, is the people's war, and we the people must win to be worthy of our heritage.

Our security can never again be fully established until we have defeated and destroyed the would-be conquerors of the world.

The Senators from Illinois to be elected in November will have a major part to play in making the terms of peace to be written when we have won the war.

A clear course will lie open, and it must lead forever away from tyranny and oppression. It will be among the duties of your Representatives to see to it that an international agency is set up to keep peace among mankind. It will fall to your representatives in the Senate, which ratifies all treaties, to push forward the program set forth in the Atlantic Charter.

Every policy adopted will depend for its success upon the sound judgment, the right intention, the freedom from partisanship, of those delegated to build the machinery of international justice.

Every voter in this State has a right to know all about the candidates in this campaign.

I want them all to know that I stand with Roosevelt.

I stood with Roosevelt before Pearl Harbor. I supported him through the period of our preparation for world conflict.

I was with him heart and soul in his fight to preserve the peace of this Nation and of the world. The record proves this was his constant aim.

Remember this: The position of those who opposed the Commander in Chief both before and after the war was declared was in no way based on principles. It was wholly dictated by politics.

No matter what Roosevelt's political persuasion, I would have stood with him for lend-lease, for arming of merchant ships, for repeal of the arms embargo, for relaxation of the neutrality law, for the Selective Service Act, and for other measures which enabled our Allies and this country to resist the aggressors.

Those opposing us dare not say as much. The naked truth is that if Roosevelt had been isolationist, they would have been interventionist, for they serve not the spirit of democracy but the unholy cause of political opportunism.

I have been a member of Congress since 1935. In addition to supporting the President's foreign policy, my votes in the main were cast for his domestic program.

Because I was a Democrat? No. Because he was Roosevelt? No. I voted as I did because I was under no compulsion of any kind to do anything that was not right.

When I was ten years old my father died. I had to go to work. I worked six days a week from six till six. How could I have opposed legislation proposed by Roosevelt to abolish child labor?

How could I have voted against the wages-and-hours law? Knowing how closely interrelated is the welfare of the farmer and city dweller, how could I have done anything else than answer the call of the agricultural spokesmen of the country to lead the successful fight for establishment of farm parity?

What my conscience and my legislative experience told me was good for business I supported. What my desire for a rounded economy told me was good for industry I supported.

The platform upon which I stand—the platform of this convention—is identical with that upon which I stand as a citizen.

With all the solemnity my soul can summon, I warn this gathering the United Nations can lose this war.

It is to the Commander in Chief that all of the world's downtrodden are looking for an eventual peace of justice.

No name in all the world gives greater pause to the diabolical combination of dictators who would trample our freedom, tear up our Constitution, vitiate our Bill of Rights.

There is a long, hard road to be traveled. No sacrifice is too great to be endured for liberty's sake. We must not be led to despair by hardships at home nor by reverses abroad.

We are fighting for a thorough and just peace as well as for a thorough and just victory.

Thank God, the facilities of freedom are still within reach of all of us.

On November 3 we shall have opportunity to choose between two philosophies. We can adhere to the humanitarianism which Roosevelt has revealed to us or we can cast our lot with the satanic rule of violence which Hitler practices.

I have told you what the campaign was fated to be and is. And I think I know what the outcome will be.

I look forward confidently to the hour when the great majority of the voters of Illinois will send word to Colonel McCormick in Chicago, to Hitler in Berlin, to Mussolini in Rome, and to Hirohito in Tokyo that the free men and women of this State still follow, still honor, still love Franklin Delano Roosevelt.

SALE OF WAR BONDS

Mr. GRANT of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GRANT of Indiana. Mr. Speaker, I rise for the purpose of making an announcement which will prove once again that Hoosiers and the Midwest are still made of that sturdy stuff that marked our early pioneers whenever danger threatened and their country called.

St. Joseph County, Ind., has the finest War-bond-buying record in the entire Nation. When the Treasury Department announced that August sales of War bonds were more than $117,000,000 below the quota, my home county of St. Joseph and the entire State of Indiana had a record of never having failed to meet a quota.

And then something happened—something that quickens the pulse and thrills the heart. It was decided that St. Joseph County should tackle something bigger than just making a quota. It was then that this challenge went out to the Nation:

"Look here, fellow Americans, this is serious business. This idea of merely making a quota is just nonsense. War-bond buying is a patriotic privilege, a safe and wise investment in security—in victory. We feel that no effort which we can put forth is too great in the winning of this war. We will double our September quota of War bonds, and we challenge the Nation to follow suit."

The original plan was presented by members of the Army and Navy Committee of the Jewish Welfare Board. This group was immediately joined by more than 3,000 men and women workers, representing every religious group and every economic group in every part of the county. Members of our county war-savings staff, headed by Mr. William Klusmeier, rolled up their sleeves and really went to work.

Business executives, union leaders, professional men, farmers, the workers in the humming war plants of the district, the mothers who are giving their boys to the armed services, school children who are working in the salvage drives—these are the people whom America salutes today for the magnificent record which is theirs.

Our September quota was $1,226,700. The report that comes to me this morning tells that more than two and one-half million dollars, or more than double the quota, were paid in to bring this Double Your Investment in Victory drive to a glorious conclusion.

This was a voluntary and spontaneous move on the part of 160,000 patriotic citizens of St. Joseph County. We invite the Nation to meet the pace. Double your investment in victory and hasten the day when it will be ours.

WITNESSES BEFORE CONGRESSIONAL COMMITTEES

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I want to direct the attention of the membership of this House to a sort of practice or policy that has developed and is being carried on in a number of the committees in this Congress. It deals with the manner in which hearings are conducted on legislation pending before Congress.

Mr. Speaker, many of our committees take an attitude that when the ordinary citizen comes before a committee to express his views on the question at hand, he should be subjected to a sort of cross-examination or inquisition. Mr. Speaker, he should be accorded the same courtesy that is given the heads of the departments and agencies who appear before these committees.

Of course, the committees want to hear from the departments, and all that, but we must not forget that only Members can express their views on the floor of Congress. Many of our committees could do well to give the average John Q. Citizen a little more consideration and more cooperation when he asks to be heard and express his views, so long as he acts within reason. He should not be embarrassed or made to feel that he does not belong there. I offer this suggestion in a spirit of constructive criticism.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a speech prepared and delivered by myself before the Ohio State Republican convention.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein the address of the Honorable John J. Parker, senior judge, United States Court of Appeals. I have an estimate from the Public Printer. The cost is $105.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE RIGHT OF FRANCHISE

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOBBS. Mr. Speaker, among the absolute, unqualified rights of the States is that of regulating the elective franchise; it is the foundation of State authority; the most important political function exercised by the people in their sovereign capacity. Whilst the right of the people to participate in the legislature is the best security of liberty and foundation of all free government, yet it is subordinate to the higher power of regulating the qualifications of the electors and the elected. The original power of the people in their aggregate political capacity is delegated in the form of suffrage to such persons as they deem proper for the safety of the Commonwealth (Brightly Election Cases (*Anderson* v. *Baker*, 32, 33, 34, 23 Md. 531)).

The whole subject of the regulation of elections, including the prescribing of qualifications for suffrage, is left by the National Constitution to the several States, except as it is provided by that instrument that the electors for Representatives in Congress shall have the qualifications requisite for electors of the most numerous branch of the State legislature, and as the fifteenth amendment forbids denying to citizens the right to vote on account of race, color, or previous condition of servitude. Participation in the elective franchise is a privilege rather than a right, and it is granted or denied on grounds of general policy, the prevailing view being that it should be as general as possible consistent with the public safety (Cooley's Constitutional Limitations, 8th ed., Carrington, vol. 2).

The exclusive right of the several States to regulate the exercise of the elective franchise and to prescribe the qualifications of voters was never questioned, nor attempted to be interfered with, until the fifteenth amendment to the Constitution of the United States was forced upon unwilling communities (the States then lately in rebellion) by the military power of the general Government, and thus made a part of our organic law; a necessary sequence, perhaps, of the Civil War, but nonetheless a

radical change in the established theory of our Government (Brightly Election Cases, author's note, pp. 42, 43).

The right to vote is not vested, it is purely conventional, and may be enlarged or restricted, granted or withheld, at pleasure, and without fault (McCrary on Elections, p. 9).

FARM LABOR

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. REED of New York. Mr. Speaker, I represent a very fine farming area. The farmers have been put in a very dangerous condition because they tried to comply with the Government's request to increase their acreage of farm crops. When harvest time came they had been stripped of their labor through the draft and the very high wages paid in defense industries. Dr. Gergory of the State Teachers College located in Fredonia, N. Y., called the students together and told them they had a duty to perform. The response was 100 percent. Three hundred students left and went out on the farms to help harvest the war crops. That is the type of patriotism of the people I have the honor to represent.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein a short editorial.

The SPEAKER. Is there objection to the request of the gentleman from Kansas [Mr. CARLSON]?

There was no objection.

(Mr. CHIPERFIELD asked and was given permission to extend his own remarks in the Appendix of the RECORD.)

H. R. 7311

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. RANKIN of Mississippi. Mr. Speaker, on yesterday I called up for the second time the bill H. R. 7311, and for the second time it was objected to by the gentleman from Pennsylvania [Mr. RICH]. On next Monday I expect to move to suspend the rules and pass the measure.

It seeks to take care of those service men who have broken down and who are not now taken care of in governmental institutions. As an example, I call your attention to the case of a man who is not from my State, Carroll J. Rawell, who enlisted in the marines in 1940. He served for 2 years in the Marine Corps. He went through Pearl Harbor and was discharged in 1942. Yet, because of the fact it is claimed his record showed he was a mental case in 1939, that man was turned out of governmental institutions and is now in jail in Idaho.

That is one of the many cases I am trying to take care of by this legislation, and on next Monday I expect to move to suspend the rules and pass this bill to take care of cases of this kind.

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. PACE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. PACE]?

There was no objection.

INVESTIGATION OF SPREAD BETWEEN WHAT THE FARMERS GET AND THE CONSUMERS PAY

Mr. PACE. Mr. Speaker, during the last 2 weeks some rather bitter things have been said about those who produce the food and fiber to sustain this Nation. Some have gone so far as even to charge that the farmer is responsible for the present inflationary tendency. Every well-informed person knows that this charge is not true.

I think the farmers of this Nation are entitled to make out their case before the public. I am today offering the following resolution:

That the Committee on Agriculture or any duly authorized subcommittee thereof is authorized and directed to make a full and complete investigation of commodity prices with particular view toward determining how prices paid by the consumer for agricultural commodities compare with the prices received by farmers for such agricultural commodities.

I hope this resolution may have your approval and that your participation in this investigation may be active and sympathetic.

[Here the gavel fell.]

AFTER INDUCTION

Mr. WADSWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article by Col. Stanley Washburn, the famous war correspondent entitled "After Induction."

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. WADSWORTH]?

There was no objection.

Mr. WADSWORTH. The address of Colonel Washburn follows:

AFTER INDUCTION—FULL TRAINING PRECEDES COMBAT

Each succeeding day with its depressing news from all fronts makes it increasingly clear that our country is facing a long and arduous struggle. It is now evident that the Germans on the Russian front are not broken in morale nor has their industrial system failed nor is there, as of today, any sign of a sudden collapse.

The situation in Japan as interpreted by the newspaper correspondents who have just reached Portuguese East Africa, where they have access to uncensored cables, indicates only too clearly that the Japanese are prepared for a long war regardless of individual sacrifice and limitless casualties in all branches of their service and throughout the entire civilian population. It seems legitimate then to accept the premise that the war on the eastern front as of today's outlook will hardly be won before the end of 1943, and if Russia fails to hold, God forbid, it may last until 1944. The conquest of Japan, from all the evidence obtainable today may well take until 1945 or even 1946. If one accepts this estimate, it is clear that there will be an ultimate need for at least 10,000,000 men in the various branches of the American service. If this be true, it seems obvious that it is only a question of time when by the demand of the public the Selective Service Act is amended to take young men down to the age of 18.

WOMEN'S WARTIME SACRIFICES

The greatest sacrifices of war fall primarily on the women of the country. They do not do the spectacular things but it is almost axiomatic that the morale of an army never rises above the capacity of the women at home to undergo sacrifices with fortitude and with faith in the cause and without complaint. Everyone who knows war feels profound sympathy for the suffering of the women and girls who are left at home and upon whom must eventually fall the full brunt of the sacrifices and burdens which war engenders.

From the many letters this writer has received from the mothers of our youth in the armed forces it seems clear that most of them do not understand the efforts that have been and are being made by the War Department to bring our new levies to the highest possible standard, both physically and morally, before they are called upon to do any actual fighting. Many parents seem to believe that whenever their boys are suddenly transferred they are being sent out of the country when the fact is that such orders merely represent an assignment to another center for more advanced training.

It is proper, therefore, that all women and girls in this country who may be called upon to make sacrifices should be given the fullest assurances possible as to how the selectees are being handled, to alleviate their anxiety that their men are being sent out of the country without the training necessary for them to face actual combat.

Information has been made available from authoritative sources in the War Department as to the Government's policy. It is hoped the publication of this information will tend to alleviate the immediate worries of those whose husbands, sons, and brothers are being inducted so rapidly into the Army.

OVERSEAS TRAINING IS COMMON

Those with previous experience in the Army understand that all units and individuals leaving the continental United States are not destined for areas immediately threatened by severe combat. Many are sent to security garrisons offering special opportunities for further training. An inexperienced person is likely to draw the erroneous conclusion that departure from this country indicates entry into battle in the immediate future.

It is the War Department's definite policy to give adequate basic military training to selectees before they are sent into battle. Furthermore, there is no basis for the rumor that boys are being sent out of the country for combat duty immediately after their induction. It is the Department's policy to send no soldiers overseas until they have completed their necessary preliminary training. The duration of this training depends upon the experience and qualifications of the selectee and the duty to which he will be assigned. Certain civilian specialists being assigned to similar duties in the Army need only basic military training since they will perform work comparable to their normal vocations rather than engage in actual combat. Hence, the length of the period of training may vary widely according to the nature of the assignment given these individuals. Such men are only those particularly well qualified for their special duties by reason of their civilian experience and in almost every case would be for noncombatant assignment.

Men who are assigned to units directly from reception centers receive their basic training with the unit. Generally, soldiers are not taken from a unit for shipment over-

seas, as it is planned to use the unit as a whole when its training for field service has been completed.

Basic training requires from 6 to 13 weeks. As overseas replacement depots are established they are filled with men who have completed their basic training in the United States. These soldiers will complete their training for field service with the unit to which they are assigned. An overseas assignment certainly does not mean immediate combat duty, but calls only for a continuation of training.

The War Department has no intention of sending men into battle until they have attained the highest possible standard of training.

MORAL PREPAREDNESS IS IMPORTANT

Every parent should realize the necessity of a large Army and that early intensive training is the best way to bring their boys home with the least possible casualties and the greatest state of physical well being. Moral preparedness on the part of the women and their willingness, hard as it may be, to accept the realities of war are the surest and most certain way to insure ultimate victory and the preservation of our civilization without which none of our lives would be worth living.

Erected on the grounds of the State Capitol at Columbia is the beautiful bronze statue of a woman. This is South Carolina's tribute to southern womanhood in recognition of their fortitude in the War between the States. The inscription, which should be an inspiration to the women of this generation, both North and South, who are in no way less patriotic or lacking in the virtues of generations past, reads:

"In this monument generations unborn shall hear the voice of a grateful people testifying to the sublime devotion of women of South Carolina in their country's need.

"Their unconquerable spirit strengthened the thin lines of Gray; their tender care was solace for the stricken.

"Reverence for God and unfaltering faith in a righteous cause inspired heroism that survived the immolation of sons and courage that bore the agony of suspense and the shock of disaster.

"The tragedy of the Confederacy may be forgotten, but the fruits of the noble service of the daughters of the South are our perpetual heritage."

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts, [Mr. MARTIN]?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to inquire of the majority leader as to what we might expect concerning the anti-inflation bill that has been passed by the Senate.

Mr. McCORMACK. It is the intention to take up this bill tomorrow and it is our hope that it will pass tomorrow; in any event before the end of the week. Just what the legislative status will be tomorrow or what steps will be taken tomorrow I am unable to state now.

The bill will have to go to conference, as there are other matters to be ironed out other than the parity question that is involved. It is my hope that between now and tomorrow those who will serve on the conference committee on the part of the House and on the part of the Senate, assuming the bill goes to conference, will have informal meetings so that if the bill goes to conference there will be speedy action in returning a conference report to both branches. It is our hope that if the conferees agree there will be no objection to the conference report being considered by this body tomorrow, if the conferees agree by tomorrow, or on the day they do agree.

Mr. MARTIN of Massachusetts. I hope there will be no objection to consideration tomorrow because everybody wants to get action as quickly as possible.

Mr. McCORMACK. I appreciate that. May I say that the principal reason for waiting until tomorrow is the fact that it is only fair to the membership of this House that an opportunity be given to the Members to study the changes made in the Senate bill, the bill having been in that body for 7 or 8 days. It was expected that the bill would pass the Senate on last Monday, then on Tuesday. It is only fair to the membership of the House that they be given today in which to study the action taken by the Senate.

Mr. MARTIN of Massachusetts. In other words, every effort will be made tomorrow to conclude action as far as the House is concerned upon this particular legislation?

Mr. McCORMACK. Exactly. It is the hope of the leadership, and I am sure I speak the sentiment of all Members of the House, at least I hope I do, that the bill will be concluded tomorrow.

COMMITTEE ON RULES

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, for fear that I may not be able to reach all the Members in time I announce now that in all likelihood it will be necessary for the Committee on Rules to meet tomorrow morning at 10:30.

PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that on Tuesday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Chenango Telegraph.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ANTI-INFLATION BILL

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I wonder if the minority leader can tell us what happened to the deadline of October 1 on the anti-inflation bill.

Mr. MARTIN of Massachusetts. What happened to the deadline?

Mr. RICH. Yes. Congress had up until October 1 in which to act. Now that the Congress has not acted, what is going to happen?

Mr. MARTIN of Massachusetts. Mature deliberation always changes things.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a resolution recently adopted by the One Hundred and First Infantry Veterans' Association in convention.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

A PAY-AS-YOU-GO INCOME-TAX PLAN

Mr. PLOESER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PLOESER. Mr. Speaker, I strongly favor and advocate the enactment of a pay-as-you-go income-tax law for individual income-tax payers. A law which would embrace the following principles:

First. A provision for the current collection of estimated taxes on current income. In other words, individual income-tax payers would pay their 1943 income tax during the year 1943, the year in which the income is earned.

Second. This would eliminate the ever-current tax indebtedness of income-tax payers; it would change nothing on the books of the Treasury which does not now carry a tax indebtedness as an accounts-receivable item or asset. Current tax collections would not change current income of the Treasury.

Third. Individuals would be paying their income tax as they earn the income and while they have the ability to pay.

Fourth. Such a provision would eliminate the taxpayer's problem of paying a 1942 tax on a high income with the earnings from a 1943 low income.

Fifth. Such a provision would virtually eliminate uncollectible and delinquent taxes from the Treasury's present problems on individual income-tax items.

Sixth. The taxpayer would always know his net income usable for himself and needs.

Seventh. Such a plan would currently take excess earnings and thereby be somewhat beneficial as a deterrent to inflation.

Eighth. This plan would naturally embrace the elimination of one past tax bill for every individual income-tax payer. However, such an elimination of tax bill would not in any way affect the income of the Treasury. It does, however, provide this postponed benefit to taxpayers in that when income ceases no tax debt exists.

Mr. Speaker, on July 27 of this year a Mr. Beardsley Ruml, who is chairman of the Federal Reserve Bank of New York and adviser of the National Resources Planning Board, very ably presented such a provision to the Senate Committee on Finance. While I realize that from a parliamentary standpoint we cannot at this time in the House incorporate it in the current tax bill, I am hopeful that the Senate will give consideration to it for I will welcome the opportunity to vote for House approval of such a Senate amendment to the 1942 tax bill.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on three subjects and include therein certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. Under a previous order of the House, the gentleman from Michigan, Mr. ENGEL, is recognized for 40 minutes.

THE NEW WAR DEPARTMENT BUILDING

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein several letters written by the War Department and several tables, some compiled by me and some by the War Department.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGEL. Mr. Speaker, on Tuesday, July 22, 1941, the War Department appeared before the Deficiency and War Department Subcommittees of the Appropriations Committee and requested an appropriation for $35,000,000 to erect a second new permanent War Department building on the site known as Arlington Farms, a tract consisting of 67 acres which the War Department had acquired from the Agriculture Department. The War Department Subcommittee of the Appropriations Committee, of which I am a member, participated in the hearings which can be found on pages 500 to 513. Prior plans called for a temporary War Department building to be erected at a cost of $6,500,000. The committee was informed definitely that the construction of this building and the necessary roads, grading, sidewalks, and so forth would not exceed $35,000,000. The first new War Department building, recently completed at a cost of $9,504,441, located on Virginia Avenue, was found to be too small.

On the basis of this testimony, the committee recommended that $35,000,000 be appropriated for the construction of this building on the condition that the $1,000,000 for paving a parking area be included in the amount. The committee report, under date of July 24, 1941, reads in part as follows:

The cost of the structure, including all incidental and appurtenant costs, is $35,000,000. The committee was advised that in addition to this sum, approximately $1,000,000 would be required for fill, grading, and paving a parking area for 10,000 automobiles. The committee has inserted a provision to require the cost of the parking area to be included within the $35,000,000.

The building would contain a gross area of 5,100,000 square feet. After deducting space devoted to corridors, cafeterias, files, etc., there would be available approximately 4,000,000 square feet of office space. It will house a personnel of 40,000 (100 square feet of net space per employee).

The report was adopted by the Congress and became therefore the action and mandate of the House of Representatives. Based on this report and argument that the cost would not exceed $35,000,000 this House voted the appropriation.

Brigadier General—now Major General—Eugene Reybold, now Chief of Engineers, Brigadier General—now Lieutenant General—B. B. Somervell, Col. E. H. Housholder, and G. E. Bergstrom, architect, appeared and testified before the committee. I quote as follows from the testimony from pages 504 and 505:

Mr. WOODRUM. What will be the cost?

General SOMERVELL. $35,000,000.

Mr. WOODRUM. How much will the cost be per square foot?

General SOMERVELL. Gross, about 5,100,000 square feet. The cost will be a little under $7 per square foot.

Mr. WOODRUM. Will that complete the project, covering everything including the utilities?

General SOMERVELL. Yes, sir.

Mr. WOODRUM. Including the grading, sidewalks, streets, beautification, and so forth?

General SOMERVELL. Yes, sir; it does not include the parking area, which we have not been able to prepare estimates on.

Mr. LUDLOW. It includes the cost of the building complete, with the grading, sidewalks, and so forth?

General SOMERVELL. Yes, sir.

Continuing on page 508:

Mr. TABER. You say that you figure that 1,000,000 square feet of this would be for records and 4,000,000 for help?

General SOMERVELL. That is not quite correct, sir. There would be about a total of 5,100,000 gross, of which we figured about 4,000,000 for office space.

Mr. TABER. Four million for office space, and the rest for records?

General SOMERVELL. And the rest would be machinery space, halls, and other auxiliary spaces.

On page 513 General Somervell testified:

Mr. WOODRUM. There has got to be some filling done there?

General SOMERVELL. There has got to be a considerable amount of filling. Probably some of that $35,000,000 can be squeezed in there. We will be glad to try that, on the understanding that you will permit us to come back.

Mr. WOODRUM. Would there be any additional costs to round out this project except what you have included here?

General SOMERVELL. No, sir.

Mr. TABER. What will be the additional cost for the roads and pavements along there?

General SOMERVELL. None, sir. I went over this with Mr. McDonald the other day, and this new road, the Richmond Road, and the treatment shown on the map, is already provided for in the plans of the Bureau of Public Roads. We have conformed to their layout.

Based on this testimony, the committee report, the arguments made and assurances given that the total cost would not exceed $35,000,000 the committee and House abandoned the plans for a temporary building and voted to appropriate this amount for the erection of another and second new permanent War Department building.

PROJECT WILL COST $70,000,000 INSTEAD OF $35,000,000

This project will cost $70,000,000 when completed, instead of $35,000,000 as represented to the committee. The Field Progress Report of August 31, 1942, shows that the building will cost, when completed, $49,194,000. This does not include $8,641,416 for parking lots and access roads spent by the War Department; it does not include $9,534,000 spent for rights-of-way, access roads, bridges and so forth, by the Public Roads Division; nor does it include $2,372,041 spent for terracing and landscaping. These four items aggregate $70,741,897. It is rather amazing that the Army and the Public Roads Administration should spend $20,547,457 of the taxpayers' money for parking lots, access roads, bridges, landscaping, and so forth, on a project that Lieutenant General Somervell and the War Department testified and represented to the Committee and the House would cost a maximum of $35,000,000.

I asked the Public Roads Administration for the amount of money spent by them which was made necessary by the new War Department Building and the figures given herein were furnished me in answer to my letter. I asked for only such costs as were made necessary by the new War Department building. Mr. Thomas H. MacDonald, Commissioner, in answering my letter wrote in part as follows:

All of the highway and bridge work which the Public Roads Administration is doing directly to serve the new War Department building in Arlington County, Va., is let to contract after competitive bids. Since there are a considerable number of these contracts it will require a few days to place the information in the form which you request.

A few days later I received the detailed information and I assume that only such sums were set forth as were chargeable to the new building and were made necessary thereby. The District Engineer, however, contends that a part of this amount was spent by the Public Roads Division in straightening out public highways and that part of this sum would have been spent even though the War Department building had not been erected.

I have also in my files a statement showing the contractors and the amount of each Public Roads Administration contract, covering 24 bridges, paving, concrete, and excavation contracts let by the Public Roads Division. This statement shows the number of cubic yards removed, the number of square yards of cement used, the number of tons of asphalt used and so forth.

CONTRACTORS

There were three principal contractors who took this job. John McShain, Inc., incorporated under the laws of the State of Delaware, has a 60 percent interest in the contract; The Wise Contracting Co.,

incorporated under the laws of the State of Virginia; and the Doyle & Russell Co., copartners, operating in Virginia, each have a 20 percent interest in the contract.

The original John McShain Co. was organized in 1888 by the late John McShain, father of the present John McShain, who is now its president and treasurer. The father died in 1919 and John McShain, Jr., became the sole owner of the business in 1921. He operated this business until March 9, 1933, when it was incorporated under the laws of the State of Pennsylvania as John McShain, Inc. The Pennsylvania corporation was active for 1 year and on April 12, 1934, the present corporation was incorporated under the laws of the State of Delaware under the name of John McShain, Inc. This is the parent company and according to all reports is in good financial standing, with an excellent construction record and credit standing. On March 23, 1938, another John McShain Co. was incorporated under the laws of the State of New Jersey, with an authorized and paid-in capital stock of 2,500 no-par common shares. On March 24, 1938, still another John McShain Co. was incorporated under the laws of the State of Maryland, with an authorized and paid-in capital stock of 1,000 no-par common shares.

In addition to the new War Department building, John McShain, Inc., has had the following Government construction contracts:

1. Naval Medical Center	$4,200,000
2. National Airport, hangars, etc. (2 contracts)	2,177,200 2,076,000
3. Storage warehouse at Alexandria	1,640,000
4. Jefferson Memorial	2,350,000
5. Franklin D. Roosevelt Memorial Library at Hyde Park, N. Y.	300,000

Both Doyle & Russell, copartners—composed of Hobart Doyle and John W. Russell—and the Wise Contracting Co. have splendid reputations as contractors and enjoy a good financial standing.

In addition to their interest in the War Department building contract, these companies, operating together, have or have had the following Government construction contracts:

1. Camp Lee, 2 contracts aggregating	$19,000,000
2. General quartermaster depot at Richmond, Va	9,000,000
3. Navy contracts at Yorktown, Va	4,000,000
4. Navy contracts at Newport News	10,500,000

The new War Department building contract is a cost-plus-a-fixed-fee contract, the amount of the fixed fee of the three principal contractors being $524,270. Sixty percent of the fixed fee goes to the McShain Co. and 20 percent each to Doyle & Russell and the Wise Contracting Co.

There are two principal reasons why 3 contractors should be employed on the job instead of 1: First, financial requirement, and, second, personnel organization, and so forth. A contractor's greatest asset is his organization and the personnel which he brings on the job. With this in view, I had the principal contractor, Mr. McShain, furnish me with a statement giving me the names of the administrative, supervising, and engineering personnel which each of these contractors brought to the job. There were 125 men in these 3 classifications. Of the 125 men, McShain furnished 65, Doyle & Russell 7, and the Wise Contracting Co. 3. The remaining 50 were hired at the job site from outside sources.

Doyle & Russell furnished 1 executive officer, 1 office manager, 1 assistant office manager, 1 employment manager, 1 paymaster, 1 assistant superintendent, and 1 assistant engineer. The Wise Contracting Co. furnished 3 assistant superintendents, no engineers, and no administrative personnel. The McShain Co. furnished the remainder of the personnel, 65 persons, not hired from outside sources at the job site.

In view of the splendid financial standing and construction record of the McShain Co., it is rather difficult to justify the payment of $100,000 fixed fee to each, the Doyle & Russell Co. and the Wise Contracting Co., in the face of the fact that of the administrative, supervising, and engineering personnel these 2 companies only furnished 10 persons out of 125 on the job.

I asked the district engineer to inform me just what Doyle & Russell and the Wise Contracting Co. were doing to earn $210,000 of the $524,000 fixed fee. He was unable to give me the information. I wrote to Lt. Gen. B. B. Somervell, commander of the headquarters, Services of Supply, asking him for the same information, and I received the following reply:

WAR DEPARTMENT,
HEADQUARTERS, SERVICES OF SUPPLY,
Washington, D. C., August 2, 1942.

Hon. ALBERT J. ENGEL,
House of Representatives,
Washington, D. C.

MY DEAR MR. ENGEL: In response to your note of July 30, I wish to advise that the John McShain Co., the Wise Contracting Co., and the Doyle & Russell Co. were associated for the construction of the War Department Building to conform to the policy of using contractors from the region in which the work is located, and their number was dictated because of the size and complexity of the undertaking. The Virginia concerns had a record of accomplishment on previous work in Virginia, and the John McShain Co. an excellent record on work in Washington. The responsibility of the various co-adventurers in the work was for their determination.

Sincerely yours,
BREHON SOMERVELL,
Lieutenant General, Commanding.

Mr. WOODRUM of Virginia. Mr. Speaker, will the gentleman yield?

Mr. ENGEL. I yield to the gentleman.

Mr. WOODRUM of Virginia. The gentleman very graciously stated that when he got to this point he would yield to me. The gentleman has made a very fair statement and I would like to say to the gentleman, without consuming his time, that it has been the custom of the War Department, as well as the Navy Department, on large jobs to hook up 2 or 3 large, dependable contracting firms for the purpose, as stated by General Somervell, of getting their engineering experience, their financial backing, and so forth, and the War Department, as the gentleman from Michigan has very fairly stated, selected 3 outstanding firms. I would like to remind the gentleman and the House that in July when this construction was started, we were contemplating an army of 1,000,000 or 1,500,000 men. Before the building got very far on the way we were at war, and now with the space of the building increased to over 6,000,000 feet, an almost 25 percent increase in the size of the building, I was told yesterday by the Director of Public Building that the War Department will not be able to get their activities in there and they will still be spread all over Washington.

May I also say, inasmuch as the gentleman is so kind and gracious as to yield to me, the cost of this building, including the cost of change of site and working three shifts, made it a very expensive job. They worked at night over there and this cost includes air-conditioning, a sewage-disposal plant, a parking area, and the construction of roads immediately around it. Including all of these costs, the building will be put up for about $8 a square foot, which I am told by reliable contractors is not an unreasonable amount under the conditions under which this building was erected.

Mr. ENGEL. I want to call attention to the fact that while the building was increased in gross space from 5,100,000 to 6,000,000 square feet, approximately, the net office space was reduced from 4,000,000 to 2,336,000 square feet.

Mr. WOODRUM of Virginia. May I also remind the gentleman that there are 18,000 people in that building. When completed, there will be over 35,000 in it.

Mr. ENGEL. In referring to building space I am talking about the building as a permanent building for permanent purposes. The rule has been 100 square feet of space per employee. This was the rule followed when General Somervell testified with respect to 40,000 employees for 4,000,000 square feet of space, which means 100 feet of space per employee. You can crowd 35,000 employees into 2,000,000 or 3,000,000 feet of space, but the fact remains we only get 2,300,000 square feet of office space as against 4,000,000 square feet General Somervell said we were to have.

Mr. WOODRUM of Virginia. Mr. Speaker, will the gentleman yield further?

Mr. ENGEL. I yield to the gentleman.

Mr. WOODRUM of Virginia. The gentleman spoke a moment ago about the fact that the job might have been done by one contractor and thereby save some of the fee to the Government. Let me say to the gentleman that the fees paid to contractors under laws which Congress has very wisely passed are covered by a sliding scale, and the amount of the fee on this job would have been the same whether there was one contractor or a dozen contractors. This would not have affected the fee at all.

Mr. ENGEL. Of course, that may be true, but if the McShain Co. did the job for $300,000 and gave $200,000 to the other concerns for doing nothing, then

the fixed fee on this job was $200,000 too high.

I should like to continue, now, Mr. Speaker, and discuss fixed-fee contractors and subcontractors.

The contractor let all subcontracts. No advertising for bids was done. He called up three or four qualified bidders and asked them to bid on the job. Sealed bids were opened in the presence of the bidders and the district engineer.

The following are the principal contractors and subcontractors on the Pentagon Building, the type of contract received, the description and estimated cost, and the amount of the fixed fee:

Contractor	Type of award	Type of contract	Description	Estimated cost	Amount of fee
Potts & Callahan	Negotiated	Cost plus a fixed fee.	Excavation, fill, and grading	$4,240,481	$90,000
Raymond Concrete Pile Co.	do	Unit price per foot complete pile.	Concrete piles in place	1,892,816	
Harry Alexander, Inc.	do	Cost plus a fixed fee.	Electrical work (main building).	4,800,000	80,600
Baker-Smith, Mehring & Hanson Co., Inc.	do	do	Air conditioning, ventilating (main building).	8,106,600	139,612
Geo. A. Ford Electric Co.	do	do	Electrical work, exterior sewerage, and powerhouse.	787,601	15,000
Fred Brutschy Co., Inc.	do	do	Plumbing, gas mains, sewer mains.	3,234,208	67,200
Carlson Bros. of Michigan, Inc.	do	do	Mechanical equipment, outside piping.	2,100,000	64,020
Kenmar Steel Construction Co.	do	do	Placing of reinforcing rod and mesh.	1,020,000	31,300
Lamson Corporation	Bid	Lump sum, installed.	Pneumatic tube system and appurtenances.	123,348	
Overly Manufacturing Co., Inc.	do	Unit price, installed.	Slate roofing, sheet-metal work (main building).	310,353	
Warren-Ehret Co	do	do	Composition and build-up roof and flashings, main building, powerhouse and refrigerating plant.	157,690	
McNulty Bros. Co., Inc., and Kraft-Murphy Co.	Negotiated	Cost plus a fixed fee.	Lathing, plastering, and suspended ceilings.	2,993,868	63,240
N. Snellenburg & Co., Inc.	Bid	Unit price, installed.	Asphalt tile flooring	251,000	
Pittsburgh Plate Glass Co., Inc.	do	do	Glass and glazing main building and powerhouse.	86,604	
Do	do	Lump sum, installed.	Structural glass partitions, toilets.	102,000	
Warsaw Elevator Co	do	do	Electrically operated elevator—powerhouse.	3,307	
Do	do	do	Dumbwaiters	8,325	
Roman Mosaic & Tile and Columbia Mosaic & Tile.	Negotiated	Cost plus a fixed fee.	All interior, tile and terrazzo work.	290,000	15,000
Edw. W. Minte, Inc., and Van Florence Co.	do	do	All interior and exterior painting.	373,750	11,180
Otis Elevator Co	Bid	Lump sum, installed.	Escalators	511,380	
Montgomery Elevator Co.	do	do	Freight elevators, mail lifts, doors.	133,000	

DESCRIPTION OF BUILDING

The Pentagon Building, as its name implies, is a five-sided structure. The building, including a 6-acre court in the center, covers 42 acres of ground. The upper stories of the building are divided into concentric wings of which there are five. In other words, there are five buildings, one within another. The exterior side of the building is completely faced with limestone. All other building walls are formed out of concrete. The building is said to be the largest of its kind in the world. It is almost a mile in circumference. The corridors are arranged in such a way that the distance between any two points in the building will not exceed 1,800 feet. The cafeteria will seat from 6,000 to 8,000 at one time. Seven and one-half months after construction began on this building, war workers moved in at the rate of 1,000 per week.

FLOOR SPACE

The building provides for 5,776,352 square feet of gross floor space, with a net office space of 2,362,580 square feet. It provides for additional potential space which is being completed of 843,586 square feet, making a total gross area of 6,619,938 square feet. The building will have a gross area of approximately 152 acres of floor space. The following is a break-down of the floor space in the building:

Areas

NEW WAR DEPARTMENT OFFICE BUILDING

	Space in square feet
1. Net office space less potential corridors	2,362,580
2. Potential corridors	325,253
3. Net storage	861,256
4. Special assigned areas:	
a. Concessions	29,744
b. Concourse	75,624
c. Kitchens, cafeterias, lunch bars	243,878
d. Public Building Administration: Maintenance and operations	39,440
e. Bus terminal	83,411
f. Telephone Co	21,638
g. Garage	77,254
	571,039
5. Permanent circulation, includes stairs	856,329
6. Toilet rooms and janitor closets	122,252
7. Machine rooms and utility spaces	281,316
8. Guard, messenger, and waiting and dressing rooms	10,200
9. Covered interior roads (not in bus terminal)	37,300
10. Exterior and interior walls and other structural features	273,066
11. Power house	75,756
Gross area within exterior of outside walls being constructed, including powerhouse	5,776,352
FUTURE ADDITIONAL SPACE FOR WHICH STRUCTURAL PROVISION HAS BEEN MADE	
Fourth floor intermediate—3 rings	354,725
Mezzanine between subbasement and ground floor	488,861
	843,586
Gross area provided for in structure as designed	6,619,938

The building itself appears to be well constructed, with a minimum of steel being used. There are no unnecessary architectural features, such as fountains, statues, and so forth, which were eliminated, I was informed, for the present. I visited various offices which were occupied, including the office of the Chief of Ordnance and a number of other offices of heads of branches. These offices were very simple, using an economy of space that was marked and lacking everything that pointed to the elaborate. The project was started September 11, 1941, and I was informed would be completed November 15, 1942, or 2 months ahead of schedule. On May 1, 1942, occupancy of the building began and since that time 1,000 workers were moved in per week. On July 28, when I visited the building, some 12,000 workers were being housed.

ENGINEERING AND OVERHEAD

Engineering cost on the building, not including mechanical and landscaping architectural engineering, will amount to $1,450,000. The landscape architect work was performed by Mr. A. D. Taylor, who is receiving a fixed fee of $14,000 for the same.

All engineering was done by the Army with the exception of the mechanical engineering, which was done by Mr. Charles S. Leopold, of Philadelphia, Pa., on a fixed-fee basis. This included the air conditioning, the heating, and the ventilating. The fixed fee was $74,708.

LABOR

Approximately 13,000 men were employed on the job while at its peak, of whom 4,600 were carpenters building concrete forms and performing other carpenter work. The crews were organized under a general superintendent and an outside superintendent into 5 sections. Each section has a section superintendent and a night superintendent. Each section superintendent has a labor foreman and a carpenter foreman. The labor and carpenter crews were broken up into small groups of 15 to 25 men each, with a pusher for each group. The contractor states that carpenters were actually carpenters.

RATIO OF LABOR TO MATERIAL

The ratio of labor cost to material cost on this job as of June 15, 1942, was: Labor 56 percent and material 44 percent.

CLOSED SHOP

The John McShain Co. has always operated and now operates under a closed shop. Doyle & Russell and the Wise Contracting Co., I am informed, were not operating under a closed shop. Mr. John McShain informed me that he hires or fires as he sees fit; that he collects no dues and that there is no check-off system. No labor trouble of any consequence existed to date on the job.

LABOR SHORTAGE

Some delay was caused by the fact that there was a certain shortage in field labor. The contractor stated that he was about 50 percent short of the required crew on steel rod setters; that he got about 12 steam fitters out of 200 asked for; that he was about 25 percent short on electricians and 34 percent short on plumbers. About 15 to 25 percent of the delay on the job was due to the shortage of skilled labor. There was no shortage of common labor.

APPROVED WAGE SCALE

The rate of pay was determined by the Secretary of Labor under the Bacon-Davis Act. The wage scale was fixed for 172 different types of labor, skilled, semiskilled, and common.

The following table gives the rate of the types of labor doing the vast amount of labor. The first column shows the rate as originally determined; the second column the rate as increased. There were no decreases.

	Original rate per hour	Increased rate per hour
Asbestos workers	$1.75	
Boilermakers	1.50	
Bricklayers	1.75	
Carpenters, journeymen	1.62½	
Cement finishers	1.50	
Concrete workers	.85	
Electricians	1.80	
Laborers	.85	$0.87½
Lathers	1.75	
Linoleum and soft-tile layers	1.62½	
Machinists	1.25	
Millwrights	1.62½	
Ironworkers	2.00	
Painters	1.71¼	
Painters, spray	2.00	
Plasterers	2.00	
Plumbers	1.65	1.75
Plumber's laborers	.87½	
Roofers (composition)	1.45	
Roofers (slate)	1.75	
Rodmen, reinforced steel placers	1.62½	
Sheet metal workers	1.75	
Steam fitters	1.65	1.75
Stone carvers	1.75	
Stonecutters (building)	1.50	
Stonemasons	1.75	
Tile setters	1.50	
Truck drivers:		
2 tons or less	.70	
Over 2 tons	.80	
Heavy flat trucks	1.00	
Welders	1.10	
Carpenter foremen and pushers	1.75	
Ironworker foreman	2.35	
Painter foreman	1.93	
Electric subforeman	1.925	
Electric foreman	2.05	
Labor foremen and pushers	.975	
Superintendent reinforcing unit	2.00	
Bricklayer foreman	2.01	
Cement finisher foreman	1.75	

POWER SAWS

Power saws were used on the job. Each section had a small mill where forms for concrete were made up.

OVERTIME

The amount of overtime paid to June 15, 1942, was $1,730,000, and it is estimated that it will require $800,000 additional overtime to complete the building, or a total of overtime on the job of $2,530,000.

UTILITIES

The cost of utilities on this job was more than doubled because the site was changed 1 mile south from the original to its present location. The original cost of utilities was estimated at $2,733,000. The cost of the same utilities on the present site will be $6,322,608, or an excessive cost of $3,589,608. The following is an itemized statement of the cost of the utilities on the original site, on the present site, and the excessive cost on the present site.

Comparative costs of utilities on original and present site

	Cost, original site	Cost, present site	Excess cost, present site
Water mains	$200,000	$523,406	$273,406
Boiler plant and utility tunnel	2,100,000	3,841,126	1,741,126
Electric distribution	20,000	787,748	767,748
Sewage disposal	263,000	570,397	307,397
Sewers and storm sewers	100,000	599,931	499,931
Total	2,733,000	6,322,608	3,589,608

In building the sewage-disposal plant, the old site provided for a gravity-flow system while the new site made it necessary that a pumping system be installed. The sewage system provided will also take care of Fort Meyer and the Navy Building. A complete new electrical distribution system was required by the new site, but it is claimed that some saving will be made annually by reason of the new distribution system.

Present site

Twenty-three million one hundred and ninety-eight thousand board feet of lumber was purchased at a cost of $8,360,500. The average cost was $37.22 per thousand board feet. In comparing the cost of this lumber per thousand, it must be remembered that the larger portion of this lumber was common shiplap lumber used for concrete forms. Practically no expensive lumber such as siding, flooring, and so forth, was used. Lumber was inspected as to moisture content, grade, and quantity by both contractor and construction quartermaster. There was very little waste lumber on the job. Concrete forms were hauled from site to site and rebuilt. Very little waste remained.

RAILROADS

One mile of the main railroad line of the Pennsylvania Railroad was relocated at a cost of $82,500. The railroad company is trading rights-of-way with the Government. The Army purchased 130-pound rails to build this relocated track. These were bought at $28.50 per ton, relay rails being used. In addition, 1 mile of spur, or temporary siding, was laid. The old 100-pound rails of the main line were used in the construction of this siding. The cost difference in the construction of the rail will be taken into consideration in the negotiation of the right-of-way.

EQUIPMENT

Appraised value of the equipment used on the job was as follows:

Appraised present value of equipment on hand as of Sept. 26, 1942:	
Contractor-owned (all contractors)	$395,030.00
Equipment companies (third parties)	202,351.00
Government-owned (transfer value)	1,560,800.00
Total	2,158,181.00
Rentals paid to Sept. 26, 1942:	
Contractor-owned (all contractors)	198,506.00
Equipment companies (third parties)	79,939.79
Total	278,445.79
Estimated rental costs to completion:	
Contractor-owned (all contractors)	18,000.00
Equipment companies (third parties)	20,000.00
Total	38,000.00

One million three hundred and seventy-five thousand dollars has been paid in rentals and applied to equipment which has since been recaptured and is now owned by the Government. So that amount of money is represented by Government-owned equipment and a large part of that equipment is to be and is being transferred to other Government projects.

Note rentals paid on recaptured third-party equipment have been deducted from rental paid figure and added to the cost of Government-owned equipment. Reimbursement received for equipment shipped to other projects $222,689.

RENTAL SCHEDULE

The rental paid to contractors was fixed by the Army White schedule which is below the old Associated General Contractors' rates. The equipment companies as a rule received the old Associated General Contractors' schedule. All equipment, including trucks, was checked twice on the job each day. Also checked at gates coming and going.

GRADING COST

It is estimated that 4,000,000 cubic yards of dirt has been or will be moved, not including the work being done on roads by the Roads Administration. Hand excavations average $1 per cubic yard. Machine filling and excavation have cost to date 42 cents per cubic yard.

COMPARATIVE COSTS OF OTHER BUILDINGS

The following is a comparative statement showing the names of 8 public buildings erected since 1935, the cost per gross square foot, and the date of final completion. The cost of the new Pentagon Building will be approximately $12

per gross square foot, or nearly $30 per square foot of net office space based on 5,776,352 square feet of gross space and 2,362,580 square feet of net space.

	Cost per gross square foot	Date of final completion
1. Social Security	$7,478	Mar. 13, 1942
2. Railroad Retirement		
3. General Federal Office Building No. 1	5,384	June 8, 1941
4. New War Department Building, District of Columbia	8,122	[1] Oct. 28, 1941
5. The National Archives	8,944	Mar. 16, 1938
6. South Interior	9,204	Sept. 28, 1938
7. Labor Department and Interstate Commerce Commission	9,132	Sept. 4, 1935
8. Department of Justice	10,974	Sept. 5, 1935

[1] Last inspection.

CONCLUSION

War Department officials testified that the cost of the building, including access roads, parkways, and so forth, would not exceed $35,000,000—plus $1,000,000 for converting the Hoover Airport into a parking area. Congress appropriated $35,000,000 with the instructions given the War Department in the committee report that the million-dollar cost of the parking area must be included in the $35,000,000. The actual cost will be in excess of $70,000,000. The contract for air conditioning, heating, and ventilating was $8,106,600, or almost 25 percent of the original cost of the building as represented to the committee.

The War Department represented to the committee that a building with 5,100,000 square feet of space would be constructed, of which 4,000,000 square feet of space would be available for net office space, which would house 40,000 employees, with the required space of 100 square feet per employee. The building actually constructed provides for 5,776,352 square feet, of which only 2,362,580 square feet would be net office space and which would accommodate approximately 23,000 employees if they followed the rule of 100 square feet of net office space per employee.

On or about August 31, 1941, President Roosevelt wrote a letter to Senator ADAMS in which he referred to the $35,000,000 item for the construction of an office building on the site of the former Department of Agriculture Experimental Farm. In this letter he stated his belief that it would be unwise to provide office space on this site for more than 20,000 War Department employees. The Washington papers at that time carried items to the effect that President Roosevelt ordered the War Department "to scale down the size of its proposed $35,000,000 building." In another Washington paper, he is quoted as saying the proposed building would be approximately half of the $35,000,000 structure that the Department wished to erect. The President stated that the completed building should contain some 2,000,000 to 2,500,000 square feet of net office space as against the 4,000,000 square feet of space the War Department proposed. The public was led to believe that the building would not only be scaled down from 40,000 to 20,000 employees to be housed, but it would be scaled down from $35,000,000 to an amount which would be commensurate with the reduction of the number of employees to be housed.

Now we find that while the new square feet of space was scaled down from 4,000,000 to 2,362,000 square feet, the cost has increased from $35,000,000 to more than $70,000,000.

It was represented to the committee that the 67 acres of land, known as the Agricultural Experimental Farm, would be adequate without the purchase of additional lands, with the exception of 146.05 acres of the Hoover Airport for the parking area. We now find that in addition to those two tracts they have purchased 86.56 acres for $479,316 more. This is assuming that the amount deposited in court will be adequate to meet the amount allowed in several condemnation suits.

General Somervell testified before the committee that the cost of 5,100,000 square feet of gross space and 4,000,000 square feet of net office space would cost us $35,000,000, including access roads, parkways, and so forth. This would be approximately $7 per square foot for the gross space and $9 per square foot for the net office space. We now find that the gross space, not including unfinished portions, will be 5,776,352 square feet and the net office space 2,362,580 square feet and the cost will be in excess of $70,000,000. This would put the cost of the gross space up from $7 to $11 per square foot and the net office space from $9 to almost $30 per square foot. For the purpose of comparison, I am including the tabulation of the eight Government buildings which show the cost per gross square foot and the date of final completion. I do not have the net office space of these buildings. These costs of the eight buildings do not include sewage disposal plants, streets, and other utility costs. On the other hand these eight buildings were of much more elaborate construction and were built out of much more expensive material.

The sources of funds used for this building were as follows: Appropriation by act of Congress, $35,000,000; paid out of the President's special fund for expediting production equipment and supplies, $14,250,000; paid out of defense highway funds, $9,000,000; balance unaccounted for, $11,750,000.

On May 7, 1942, General Somervell wrote the following letter to the chairman of the House Appropriations Committee, attempting to justify the action he took:

MAY 7, 1942.

HON. CLARENCE CANNON,
Chairman, Committee on House Appropriations,
House of Representatives,
Washington, D. C.

MY DEAR MR. CANNON: On July 22 I appeared before your committee and requested the sum of $35,000,000 for the purpose of erecting a War Department building in Arlington, Va. Our estimate was based on the use of a site which had been carefully selected both from the standpoint of usefulness and of economy in construction.

As you are aware, it was necessary to use another site which has proven even more difficult and expensive than we had anticipated when we stated to your committee that, although it was impossible to give any accurate figures on the increased cost of construction resulting from the change in site, it would be at least $5,000,000.

The change in site not only complicated the construction problems, but also compelled a different architectural treatment. Our prepared plans had to be abandoned and the building had to be redesigned to meet the difficult foundation conditions and other peculiarities of the site as well as to develop appropriately the southern entrance to the Nation's Capital. The difficulties were further increased by the requirement that the building had to be suitable for record warehousing after the expiration of the war.

The sudden outbreak of the war and the immediate demand for more space for war activities further added to the cost. It was at once apparent that a maximum of office space in the new building would have to be provided and that as rapidly as possible in order to insure more efficient operation of the War Department as well as to avoid the expense and construction effort involved in providing millions of square feet of temporary space. Instructions were issued to expedite the work in every possible way.

A million square feet of office space are now available and an additional half million will become available in June. Progress on the job has been outstanding in the construction field. Our present schedule promises the remaining space in sizable increments until the building is completed next fall.

It was our understanding that the Public Buildings Administration would provide those items of operating equipment such as that for cafeterias which in War Department buildings are normally supplied from maintenance funds. This was not done and to avoid delay in occupancy, the War Department is purchasing those items.

Because of the increasing demand for space, it also became necessary to abandon any plan to reduce the originally contemplated size of the building. It was found that record storage space could be added in the lower levels at a cost comparing favorably to that of providing storage space in our depots. The part of the structure which extends over the old Washington Airport was particularly adapted to this purpose, 650,000 square feet of storage space being added.

It was considered advisable to approach the utility problem from the long-range viewpoint in order to insure the maximum ultimate economy to the United States. The water supply and sewage disposal systems are able to take care of all existing governmental installations in and around Arlington with some spare capacity for future expansion. The wisdom of this decision which added to the first cost, has already been borne out by the considerable saving that will accrue to the United States by reason of the fact that the utilities to the dormitories, now about to be constructed on the originally proposed site, can be taken care of by our lines.

Originally it was planned to purchase electric power at the using voltages. Later it was found that by buying power at a higher voltage the ultimate cost to the United States would be less although the first cost for transformers and auxiliary equipment would be some $800,000.

By reason of these additions and the accelerated rate of construction demanded after Pearl Harbor, it is now expected that the work will cost about $14,250,000 above the appropriated figure. We are not, however, asking the Congress for additional funds, as the amount is being obtained from unexpended balances of other War Department construction projects. It is hoped that the above procedure meets with the approval of the Committee.

Sincerely yours,

BREHON SOMERVELL,
Lieutenant General, Commanding.

General Somervell states that he appeared before our committee on July 22, 1941. Attention is called to the fact that while General Somervell appeared before our committee on July 22, 1941, this letter was not written until May 7, 1942—or nearly 10 months after he appeared before our committee; 8 months after the building was commenced and 6 days after employees began moving in. He did not ask for instructions, but was merely trying to explain why he had violated the mandate of the committee and House which instructed him that he must keep his costs within $35,000,000 for 4,000,000 square feet of net office space.

CONFIDENTIAL STATUS OF THIS INFORMATION

A number of reports used herein were either marked "confidential" or sent to me by letter which stated it was considered confidential. The break-down of the 6,000,000 square feet of space was especially considered confidential, and I was called on the phone by the War Department and informed that the public relations branch of the Army had ordered that it was not to be given out. The progress report which gives the information pertaining to the progress of the building, the cost and other information was also stamped as confidential. Despite these facts, I am placing these figures in the RECORD.

It seems rather strange to me that while the fact that the building would contain 5,100,000 square feet of space was not considered confidential, the figures submitted later that the building would contain 6,619,938 square feet of gross space, of which 5,776,000 was to be available at once, was considered confidential. It seems rather strange to me that the testimony to the effect the building was to have 4,000,000 square feet of net office space was not considered confidential while the fact that out of 5,776,000 square feet of gross space we were to have only 2,362,000 square feet of net office space was considered confidential.

It seems rather strange that while the fact that the building was to cost a maximum of $35,000,000 was not considered confidential, the fact that the building project is going to cost approximately $70,000,000 is considered confidential. Is it not rather strange that the fact that the building was to house 40,000 employees was not considered confidential but information showing that the project will cost nearly twice the amount originally estimated and will house only half the employees contemplated is confidential.

I am taking the position that the taxpayers are entitled to have all the facts pertaining to costs and determine just what they are getting for their money and there are no facts published herein marked "confidential" that by the widest stretch of imagination could be considered as confidential on the ground that they will be of aid to the enemy.

RESPONSIBILITY FOR WASTE AND EXTRAVAGANCE

Responsibility for preventing the waste of the taxpayers' and bondbuyers' money is that of both the executive and the legislative branch of the Government. While the legislative branch of the Government, individually and through the Vinson, May, and Truman committees, have attempted to prevent and recover part of this waste there is no evidence that the President himself has taken one step either as the Chief Executive of the Nation or as Commander in Chief of the Army and Navy to prevent some of the shameful waste of the taxpayers' and bondbuyers' money.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. ENGEL. Yes.

Mr. CASE of South Dakota. Did the gentleman give attention to hallways, and so forth?

Mr. ENGEL. Yes, I did. The building itself at its outer ring is almost a mile around, and yet you could go from any one point to another point in the building by walking about 1,800 feet. I was very much impressed with the design of the building from the point of view of the saving of space.

Mr. CASE of South Dakota. And the gentleman thinks there was no space wasted in the halls or in the interior part of the building?

Mr. ENGEL. I do not want to say that. I will let the gentleman examine the amount of space. I am putting into the RECORD a table showing how every foot of space was used. After I got this report I was told it was confidential. The Public Relations Division of the Army had orders not to give this out. Some of the reports that I got were marked "confidential." It seems to me ridiculous to mark office space "confidential." If there is going to be any bombing, the Japs certainly are not going to come over here and measure a building that covers 42 acres of ground before they start any bombing. They are going to bomb it whenever they can and wherever they can. You will find in my reports, the amount of space that is used for stairways and halls and rooms of all types.

Mr. DWORSHAK. Mr. Speaker, will the gentleman yield?

Mr. ENGEL. Yes.

Mr. DWORSHAK. I recall a year ago when this matter was before the House that the sum involved was approximately $35,000,000. Will the gentleman advise us when the direction of the House, or the Congress, was given to increase that sum, or practically double it for the construction of this building?

Mr. ENGEL. I am very glad that the gentleman has asked that question. General Somervell appeared before the Committee on Appropriations and asked for an appropriation, and the House passed a bill ordering him to keep the amount within $35,000,000. Ten months after that, and 8 months after the building was commenced, and some 6 days after employees had begun to move in, General Somervell wrote a letter to the gentleman from Missouri [Mr. CANNON], chairman of the Appropriations Committee, telling him why he did not follow the mandate of the House.

Mr. CASE of South Dakota. Does the gentleman think under the supplemental acts it would be possible to recapture some of the cost to the Navy and the Army under the contracts that have been made?

Mr. ENGEL. Under the cost-plus contracts, but how are you going to recapture money, for instance, out of the $20,000,000 spent for roads and bridges?

Mr. CASE of South Dakota. If the gentleman will permit, under the terms of the contract, as to what are reasonable and allowable, the Army itself has authority to determine whether the units of cost were excessive.

Mr. ENGEL. That is very true.

I want to congratulate the able and distinguished gentleman from South Dakota upon the splendid work he did in obtaining the adoption of the amendment to the appropriation bill which provides for the renegotiation of these contracts. It was he who introduced the original amendment in the subcommittee which was adopted in committee. When that amendment was stricken from the bill on a point of order made in the House, it was the gentleman from South Dakota [Mr. CASE] who offered a substitute which was adopted by the House. He fought for his amendment in the Senate-House conference committee when the matter was in conference. He and I were both on the conference committee. A great deal of the credit for saving nearly $1,000,000,000 for the taxpayers in the renegotiation of these contracts must go to him.

Mr. CASE of South Dakota. Let me say it is my belief that under the terms of the renegotiation provision of the sixth supplemental act, if the $200,000 paid to these subsidiary firms is an improper allowance it can be recaptured by the Government.

Mr. ENGEL. There is no question about the $200,000.

Mr. CASE of South Dakota. And also other excessive costs.

Mr. ENGEL. I was taking into consideration the picture as a whole. Naturally if you go up there and build all those bridges and put gold railings around them, you cannot recover the cost of the gold railings.

Mr. WOODRUM of Virginia. Mr. Speaker, will the gentleman yield?

Mr. ENGEL. I yield to the gentleman.

Mr. WOODRUM of Virginia. I would like to reiterate that the fee paid for that job was exactly the fee that the War Department has paid for every construction job they have given out. The division of the fee between these contractors is their own affair. The gentleman from Michigan [Mr. ENGEL] has been eminently fair and has performed a great deal of hard work, but with all deference to his statement, the two Virginia firms performed very notable and very real service in the construction of these buildings. That will be borne out by the War Department and the Corps of Engineers.

Mr. ENGEL. I asked General Somervell to tell me exactly what they did. There is his letter. If the gentleman from Virginia has anything to place in the RECORD showing exactly what they did, I shall be glad to have him do so. I want all the facts.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ENGEL. I yield.

Mr. SMITH of Ohio. Taking into consideration the demoralizing effect of this waste and extravagance and spending for nonessential and nondefense purposes, and all the facts involved that you have reiterated in your statement, do you think there might be a real question as to whether the building of the War Department building is going to help win the war or help lose the war?

Mr. ENGEL. If the War Department had come before this House and asked for $70,000,000 instead of $35,000,000, they certainly would not have received the appropriation.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. ENGEL. I yield.

Mr. ROBSION of Kentucky. This building was constructed and the work done under a cost-plus contract?

Mr. ENGEL. That is right.

Mr. ROBSION of Kentucky. As I understand the gentleman's statement, it was contemplated in the first instance, when we were assured that the whole thing would not cost over $35,000,000, that it would provide housing for 40,000 workers. Now, that was the purpose of the construction of this building—the necessity for this office space, was it not?

Mr. ENGEL. Yes.

Mr. ROBSION of Kentucky. What is the reason that this project has cost $70,000,000, and you actually have office space for only about half the number contemplated when the provision for $35,000,000 was made? Where is the leak? What is the trouble?

Mr. ENGEL. In the first place, you have a heating and ventilating plant, $8,100,000, in a building that is supposed to have cost $35,000,000.

[Here the gavel fell.]

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. DIRKSEN] is recognized for 45 minutes.

WHAT IS WRONG WITH CONGRESS?

Mr. DIRKSEN. Mr. Speaker, on yesterday I requested 45 minutes for a general dissertation on the subject of What Is Wrong With Congress?

There is evidently a growing belief in the country that something is wrong with the legislative branch of this Government. One needs but to examine the current press comment, which has been re-echoed in all sections of the country, to ascertain that there is a growing belief that there is something inherently and fundamentally wrong with the operation of this body or in the composition and character of the Congress.

Last week in a double-spread editorial the Washington Post starts out by saying:

> At a time when the Nation faces the greatest crisis in its history, the spectacle presented by our Congress—one of the few free legislative bodies left in the world—is anything but encouraging.

Last week when the furore and controversy over the price-control bill was at its height the Washington Daily News editorialized as follows:

> Poor old Congress! Poor old fumbling, scared Congress, blindly throwing away its great opportunity to prove that it can do its duty to the Nation at war. It is a tragic spectacle.

While the controversy was at its height Raymond Clapper, who is one of our outstanding commentators, and who writes rationally and temperately, had this to say:

> Is Congress strong enough to break the chains that make it a slave of the farm lobby? Members must be actually unhappy over their slavery.

In this month's Reader's Digest, William Hard, who writes objectively, contributed an article which began as follows:

> Public esteem for the Congress has been falling and today it is probably lower than ever before in our history.

All this, of course, is not new; this is not the first time that Congress has been caustically berated in the history of the Republic. I have on another occasion indicated to the House some of the comments that have been made in other generations in our history when men who are now revered as part of the great memory structure of the country and who are set up for emulation by the youngsters of the schools were written about then as we are written about now. Let me add to those examples which are in the CONGRESSIONAL RECORD some additional items that have come to my attention.

Back in 1865 when we were experiencing a rather stressful period in our history, Artemus Ward, the humorist and lecturer who was something of a precursor of the modern commenator, wrote—

> Congress, you won't do. Go home, you miserable devils, go home.

Mark Twain, in 1832, queried from the lecture platform as follows:

> Reader, suppose you were an idiot, and suppose you were a Member of Congress; but I repeat myself.

In The Education of Henry Adams, Henry Adams quotes a member of the Cabinet of President Grant as saying—and, parenthetically, how appropriate it is now since there have been charges of selfishness and since certain Members of the Congress have been identified with a group that is illustrated by a porker running in the direction of an objective called higher prices—this is particularly appropriate which this member of Grant's Cabinet is quoted as saying—

> You cannot use tact with a Congressman. A Congressman is a hog. You must take a stick and hit him over the snout.

Then, in May 1836—that is 106 years ago—Amos Lawrence makes this comment in his diary. He said—

> I have passed 2 hours in the Representatives' hall and in the Senate chamber today. I could learn nothing of the merits of any of the questions, but I had preference such as one feels in seeing two dogs fight, that one should beat.

Thus the temper and the fashion of this comment is not new, because the very annals of our country are redolent with that same idea. I propose to say as a Member of this body what in my judgment is wrong today. I follow the philosophy of that Irish poet who said:

> Every man's death diminishes me because I am part of mankind.

Every Member of the Congress must necessarily be diminished by what they say about us as a body. I have some pride about this Congress standing now on the perspective of nearly 10 years of service, and I propose to speak up. I want this Congress, I want my Congress—since I am a part of it—to enjoy the esteem and confidence and to enjoy the good will of the people of the United States of America whom we serve; and so, while everybody else is making an appraisal, while every commentator, every radiocaster, every man who does a column is appraising Congress, it occurs to me that probably it would be a little novel for a Member of this body to appraise the body of which he is a part—and the Seventy-seventh Congress particularly. I do this frankly; I do it candidly; if it required any tartness I would inject it here. This Congress has done a reasonably good job. We have provided the funds with which to operate the Government and carry on the war effort. We have provided the sinews of war in the form of requested legislation. We have taken stock from time to time of the public mind, since we are public representatives. We have in a manner conducted some investigations, sporadic as they may be, in the hope of serving the public welfare. We have exercised restraint in the interest of national unity, and, if anything, we have bent over backward and too frequently withheld criticism where it was due. I think, as I evaluate the whole picture, we were trying not to throw a monkey wrench into the machinery of morale and of unity.

The power of the purse that we enjoy has been rather ineffective for the very good reason that if we did withhold defense appropriations and war appropriations in many cases where incompetence was a matter of intimate and personal knowledge we would be charged with sabotaging the war effort. We have nothing to say about appointments; we have nothing to say about who shall operate W. P. B. or O. P. A.; we have nothing to say about who shall run the Office of the Coordinator of InterAmerican Affairs, or any of these other agencies of the Government that are directly and indirectly related to the war effort; that is not within our province, and I suppose very properly so; yet, notwithstanding those limitations, on one day we will be charged with being rubber stamps and on another day of the same week we are charged with being hogs, or that we are the tools of the lobbyists, or that we are subservient to the pressure groups of the country.

I recognize that as we perform our functions and pursue our duties we have a handicap that probably other Congresses did not have in like proportion. One is the wealth of detail and routine with which we are saddled today: Rendering assistance in old-age assistance cases, trying to direct young men in the

country and constitutents with reference to enlistments and commissions, we must pursue priorities in the matter of goods for industries, for hospitals, for schools, for dwelling houses. We are expected to assist our people in securing insofar as possible defense plants and industries; we must check up on casualty lists; we must prosecute veterans' cases; we must render assistance in the application for visas through the State Department, help constituents procure loans from the R. F. C., help people in business—retail, wholesale, and manufacturing business—on modifications of the frequent regulations which impose hardship and injustice.

We are expected to bring the brain children of the budding inventors in our district and seek to wash them through the inventors council and bring them to the light of day. We must prosecute private claims, look after transfers, and act as a liaison man for the people.

It is pretty easy for somebody to stand up and say, "Well, that is routine work and a Congressman should not have to bother about that sort of thing." Well, it is not as easy as it sounds for the very good reason that we are so responsive to the people and live so intimately with them that you cannot give the folks a brush-off. You cannot sit yourself in a rarefied office somewhere and undertake to create the impression that that is the sanctuary in which only a select group may come. You must make yourself readily accessible to the people, and you should. Constituents are more than voters. They are folks. They are friends. They have problems which mean much to them. Because of the great amount of personal attention that must be devoted to the great amount of work that has been entailed as the result of the war and the elaboration of the functions of government, so we are loaded down with far more work than any other Congress, I suppose, in the history of the country.

However, let nobody write and let nobody infer from these remarks that that, in my judgment, constitutes an excuse or an apology for the things that we should do or have not done or could do. I am persuaded that the Congress could do more. I am persuaded that the Congress as a body can do a far better job and it will do more, it will do a better job, if it will divest itself of the fear that we somehow experience because we are afraid of the reproaches of the people when we do something for ourselves and spend a little money upon ourselves as an institution to make this a more effective body. When we do that, instead of being pushed around by the executive branch and by the bureaus of government, we will do a little pushing on our own score in the interest of better government.

I have not heard one but a thousand lamentations in the well of this House over the years, relative to the growing power of the Executive and the growing power of the governmental bureaus, but is it not a fact that we are slavishly dependent upon those bureaus today for information, for data, for advice, for guidance, for the very good reason that the Congress has no instrumentality or weapon of its own for such information. How freely figures and statistics from Government agencies are quoted on this floor. How frequently bureau opinions are echoed. What about the accuracy and completeness of such opinions and statistics?

On the 7th of September the President said:

> He may say that on other days in the future, and if he has the instrumentalities at his command and we do not, then there must be a constant growth of the Executive power and a diminution of the legislative power until that thing is corrected. That, in my judgment, is what is wrong with the Congress today. It is not the integrity or the morals of the Members, nor the intellectuality, it is not their lack of capacity for cooperation or their unawareness of present problems, it is not the lack of combativeness, it is not the injection of too much partisanship, it is not the thinking of the November elections, as we see it expressed in the press from time to time. The level of this Congress is the equal or higher, in my judgment, of many of the Congresses that have gone before, but until we equip, staff, and arm ourselves so that we can make a case for the legislative branch, then and only then will there be that proper independence of the legislative establishment and we can do the kind of job that is absolutely necessary and which is expected of this body.
>
> You do it or I will.

The thing that is wrong with Congress is fear; not fear of lobbies, not fear of criticism, not fear of the dead cats that are thrown at us ever so often; it is a fear that I observed years ago of doing something for ourselves as an institution. It is a very natural apprehension, for when we do, we are often at the receiving end of a lot of spicy, derogatory comment that has a great deal of reader interest. It is interesting to read about free haircuts, which I have never seen since I have been in Washington; free mineral water, which is a myth; free trunks, which means one trunk to transport office files, and so forth; or about too much mileage, which is usually half enough to take a Member back and forth to his constituency to make a report from time to time, or about too much of a stationery allowance, which for many Congressmen is not enough. They do not tell the other side, of course, about telephone and telegraph bills that one pays out of his own pocket. I do not know what yours are, but mine was over $100 this month and probably it will be $150 when I get them all together from three offices. Those things are out of your own pocket. They do not tell about the fact that we pay an income tax out of our salaries, that the Bureau of Internal Revenue does not allow you for the expense of a residence in Washington, and it does not allow you to deduct for campaign expenses. The reasons those things are not written up is the fact that they do not make particularly interesting reading, but if they write something out about free haircuts and free mineral water, which does not exist as far as the House of Representatives is concerned, they can always find a place on the front page.

Over the years I can understand the timidity, the fear, the apprehension that has developed when Congress does something for itself. The latest illustration, of course, was the pension proposition. I told some of the folks in the course of the primary campaign out there about this whole pension issue. I told them also that I consulted some life insurance representatives about these so-called pensions and found that most any standard life insurance company could do as well or better than the Government for the same amount of cash and annual premiums which must be paid. However, Congress was reproached for self-serving.

Those things, of course, make good reading, and we recoil at the idea, and so we are more and more reluctant to do something for ourselves. We do it for everybody else. Do you know that in the second session of the Seventy-seventh Congress we have authorized or appropriated a little over $150,000,000,000 for the operation of Government and for the war effort? That is the second session of the Seventy-seventh Congress. How much did we appropriate for ourselves? We appropriated slightly over $25,000,000, which is one six-thousandth of all we have authorized or appropriated this session of Congress for the operation of the legislative body, for supervision, for investigation, and for the general conduct of the Government insofar as we have the jurisdiction and authority. A pretty small amount, if you please. It is no wonder, then, when we give O. P. A. $90,000,000, and take only $25,000,000 for the Congress to police the activities of Government in the conduct of this huge establishment, and when we give the Coordinator of Inter-American Affairs $26,000,000, as much as we take for ourselves to operate this Government, that we ask, How are we going to police, supervise, check, and insure maximum efficiency in Government? It simply cannot be done. Congress as such is not doing its job today because it does not have the instrumentalities with which to do the job, and until it throws fear to the winds and staffs itself, it will not do the job of which it is capable.

Is it any wonder, then, that the bureaus have grabbed the ball and that we have become dependent upon them for information, data, and assistance? Is it so singular, then, that we do not function so well, when if there is a request for an appropriation by one of the bureaus of Government the only information we will get will be from those who are going to spend the money and administer that function? Is there any independence in that? Is there any self-assertiveness in that? I can find none. Now, while criticism and comment has been at its height, is certainly a very propitious time for a little action.

We are demanding audacious military action. We want some victories. We want to win the war. What do we see? General Somervell goes to St. Louis and makes a speech in which he says, "We are damn well losing the war." Admiral Moreell goes to Toronto to make a speech

to a convention and scolds the public and everybody and says, "We are damn well losing the war." Ralph Bard, the Under Secretary of the Navy, goes to Cleveland to make a speech, and says "We are damn well losing the war." Elmer Davis, of O. W. I., gave out a release some months ago saying we could lose the war.

Why are we losing it? You give me an answer, if you will. We have provided funds and legislation. We have a substantial military force. We have a Navy. People are patriotically cooperating in every way. We are advised that production is in full swing. It is not enough to scold the country as an answer. It requires more than that and we should ascertain the real answer. There is a responsibility upon the Congress to make a constructive contribution and to equip itself to find what the answer is, and then to advise this country and to apply corrective measures.

We, as Members of Congress, demand supplies, production, equipment, and the facilities for victory, and, of course, the only information we can get is if we go down and ask Don Nelson how the battle on the home front is progressing.

We demand efficiency and elimination of waste, and so forth, but where are the facts unless we get them from the folks whom we charge with being the wasters? We want the facts about the war, but we are going to have to ask Elmer.

We believe in criticism, but we do not have an independent set of facts on which to base that criticism.

We demand the abolition of the nonessential functions of Government, but the very individuals who have to come and testify before a committee of Congress will be those who operate those nonessential functions, and they can think up 9,000 reasons why they are essential to Government operation.

I never was so intrigued in my lifetime as I was in connection with the hearings on the independent offices bill this year, along in December or January. The National Archives came before our committee and made out the most beautiful and persuasive case of how they were a war instrumentality. The Federal Trade Commission went back and dug out all of the stuff relative to the functions they performed during the first World War, and they said, "Now, we are a war agency." Every agency in Government will do it every time, and how are we going to test it unless we are staffed and equipped to look into that and see about this whole element of dispensibility?

There is going to be a vast problem of post-war reconstruction on the domestic front. A bill has been reported by the Committee on Labor known as the Voorhis bill for a National Planning Commission of 34 members, with 5 Senators, 5 Members of the House, and 24 other members. The bill states that a majority shall be a quorum, and business shall be done with a majority vote. So the legislative branch just gets a push in that bill, a little push downhill from the high ground of legislative independence.

In a little while there will be international proposals here. You think that is a guess? Let me prove to you that it is not a guess. Strangely enough this seems to have escaped many of the commentators and those who dig out the things that are found in official reports.

In the fifth report on lend-lease operations, submitted to this Congress by the President on June 11, 1942, I read from page 22 as follows:

> It is hoped that plans will soon develop for a series of agreements—

That means with the United Nations—

> and recommendations for legislation in the fields of commercial policy, of money and finance, international investment, and reconstruction.

They are probably in process of preparation now. One day they will be laid in the lap of Congress and the "must" tag will be put on them and there will be a deadline. Will we then be informed of the ramifications of these policies, of the commitments to which the people of the United States of America are to be obligated, the people for whose welfare we as a coordinate branch of the Government are responsible? How much information will we have? Exactly none, except from those who will have drawn the bills and who will have all the answers.

A great many problems will confront the country. There are four particular fields of endeavor in which we as a Congress ought to be prepared. First, we ought to be a constructive force in the prosecution of this war and in the achievement of victory. We ought to be making ourselves ready now for the post-war problems on the domestic front, because the bureaus are already doing so. Here is the latest release from the National Resources Planning Board. They say:

> The demobilization of the armed forces of the Nation must be as carefully planned as their recruitment.

It is all laid out what they propose to do. The gentleman from New York [Mr. BEITER] has a bill in preparation to give the President $75,000,000, to give the planning agencies $25,000,000, and they will undertake to carry the ball as they have always done. The information we shall get will not be independent information but what we get from those who are going to spend the money and articulate those functions.

On yesterday a release was issued by the Federal Works Agency stating that the first actual engineering work on post-war public construction is well under way. It relates to a highway-building program to cost nearly $500,000,000.

The public works reserve of the Federal Works Agency has also been working in this field for some time, cataloging potential projects and preparing for a future program.

Then there is this whole field of supervision of appropriation and expenditure and, finally, there are the peace problems. The time has come to talk about it; everybody else is talking about it. The National Resources Planning Board, which is in the executive office, talks about it because they state, on page 1 of their latest brochure, issued in September 1942:

> To win the peace, we must prepare now, even while we are concentrating on winning the war.

The executive agencies are discussing it. It is time the legislative branch should be discussing it, because it is going to require preparation. The people must be prepared and we must be prepared. So there is a fertile field of endeavor for us in which we ought to be equipped.

Then in the prosecution of the war I quite agree with what William Hard wrote in the Reader's Digest. Look what we have. Military affairs legislation goes to the Military Affairs Committee, military appropriations to the Subcommittee on Military Appropriations, naval-affairs legislation to the Naval Affairs Committee, naval appropriations to the Subcommittee on Naval Appropriations and some of them to the Deficiency Subcommittee. This makes five on the House side, and in the Senate it is the same thing, so there are five more. Then, in addition, we have the Truman committee, we have the May investigating committee, and we have the Vinson investigating committee.

Is it any wonder we are charged with dereliction when they count up the score and say Don Nelson has been up here 14 times in 15 months and Knudsen 13 times and Bill Batt 12 times? So they say, Why the lag, the lost motion, and the inefficiency? Something ought to be done about it. There ought to be a continuous check-up, and we ought to have an answer for this constant scolding of the public as to losing the war. If lost motion and the prolixities of congressional procedure are at fault, the responsibility is ours to correct it and devise streamlined techniques that will facilitate the war effort.

There is going to be a conference soon, and I shall ask why we are losing. Maybe I will not get an answer, but one of the gentlemen who made a statement to the public that "You damn well know we are losing the war" will be there, and I am going to ask why, and ask also for an answer, because it is not enough for high functionaries of this Government to go over the country and scold and say we are losing without telling us the reason for it, so that we may find a corrective and a remedy.

Mr. STARNES of Alabama. A Navy man made that statement.

Mr. DIRKSEN. An Army man as well as a Navy man. Mr. Bard made it, likewise General Somervell and Admiral Moreell.

Then, of course, there is the necessity for a general check on operations of Government for which we appropriate. Think of the magnitude of this Government business. Two hundred million dollars for travel, $13,000,000 to run an information bureau, illegal commitments made by the Farm Security Administration for $16,000,000 that the Comptroller's Office would not approve. Overstaffed bureaus! A high official of Government told me just a day or two ago, when we were talking about one agency, "They have so many people over there they fall over themselves; if they had 20 percent less, maybe they would get some work done." The Home Owners' Loan Corporation, in my judgment, ought to be liquidated. Then there is that huge Central Valley project in California

where the Pacific Electric Co. was willing to supply service in close proximity thereto and return a profit to the Government, and yet we appropriate the money for it, and not a single member of the committee has been out there to see what goes on.

I can give you my personal experience along that line to show you that we are operating on a sort of glorified quiz-program basis. The Rural Electrification Administration officials came before our subcommittee a few years ago and then the following year when they came I just happened to remember that it did not seem that the information dovetailed; it just did not harmonize. I went back and dug out the old records. I thought that this was a matter that needed attention, and it got attention, but it took me 2 years to get the head of the information service fired, to get one in the personnel branch of that agency suspended and to get the Assistant Administrator reprimanded. I had to use the Secretary of Agriculture and to insist that he use his investigation staff. Letters by the bushel changed hands, all over a personnel matter that involved only $134,000. It took 2 years to get that kind of disciplinary action. Why? Because we are constantly fishing with the bureaus and we put on a great quiz program, and they tell us what they think we ought to know and not a great deal more. How can the Augean stables be cleansed unless we are equipped and staffed to secure basic information?

Do you think the legislative branch of the Government can function independently and properly with the kind of prestige it ought to enjoy on that kind of a basis? The Congress today, in my judgment, needs a great, big dose of B, in the form of a staff or an instrumentality so we can make out a case after gathering information and rebut cases that are so often presented to us.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. COX. The gentleman is making a very interesting statement, as he always does. I would inquire if he does not agree with me that the trouble with Congress has been that it has not quite lived up to, or that its experience has been that it has not lived up to, the level of the oath that the Members took to uphold and support the Constitution of the United States? In other words, that it has been prone to do business on its knees, rather than on its feet, forgetting that it is a coordinate branch of the Government, that has been governed more by fears than it has by understanding, that it has lived too much in the shadow, and not enough in the sunshine, that the Members have found it too easy to be pushed around like wooden men on a checkerboard, that, like dead seaweed, it has too often drifted with the tide.

Mr. DIRKSEN. O, Mr. Speaker, I could not agree with these general observations. I cannot put it on a personal basis. We are all parts of a collective instrumentality. I do agree that we have placed ourselves in the position of suppliants with the executive branch instead of maintaining complete prestige as a coordinate branch of Government.

Mr. COX. And that there has been too little independence upon the part of Congress.

Mr. DIRKSEN. I said earlier in my observations that we recoil from doing things for ourselves, because we have found that every time something has been done for the Congress, there has been a kind of attack and reproach. This is not said in a spirit of pique. If, however, the proposal which I shall presently present has merit, I trust that every commentator who has chided Congress for its derelictions will with equal vigor lend a hand in developing public support for an implementing of that same Congress with effective tools.

I want to get to the remedy. I propose to submit to this House four separate and distinct proposals, and the first one will go into the hopper at the end of my speech today, in the form of a concurrent resolution. I suppose I should have begun with the war matter first, but I am still collecting some additional information before finally completing that resolution and setting it out to my own satisfaction.

But I do not want the time to go by, and so today I shall point out what I think is the way out, and I do it on the basis of my service as a member of the Committee on Appropriations, and of the difficulties encountered in season and out to make the kind of case that we want to in the interest of good government, and in the interest of efficiency, in the interest of economy, and in the interest of fairness to the people who send us here, and who pay the taxes with which to operate this huge structure.

So today I begin with a proposal to staff the Congress to meet the reconstruction and the planning problem. There is another reason for beginning with it. The Voorhis bill has been reported out and is on the calendar; the Beiter bill will go into the hopper soon and there was a bill on this floor a few months ago dealing with planning, public works, and reconstruction. I helped to kill it, because I disagreed with it, and I am more persuaded than ever that that action was right, because if there is going to be a planning, if there is to be reconstruction, if there is to be a broad policy on which the legislative branch must pass, then the legislative branch must be armed and staffed so as to go into the executive agencies, and make independent investigations in the field, and assemble all of the data that are necessary on which to predicate some kind of a reasonable and intelligent judgment on present and post-war planning and public-works projects.

What are these problems? When the conflict is over, of course, there will be a huge Army to be demobilized, and then there will be a demand for full employment and employment projects. There is the problem of the reconversion of industry. When the war is over the automobile business must be reconverted to its peacetime pursuits. There will be many other industries with a similar problem. There will be all sorts of planning programs, and many Federal, State, and local projects, and then there will be the old story of how much to appropriate and for what. It will be right back in our laps, like it has been for years and years. Then there will come this story. Are we going to have a repetition of some of the things that happened yesteryear, or will we be armed in advance with reports, data, information, field investigations, and records with which to work? Do not you remember some of those projects—a million-dollar race track at Del Mar, Calif., that was turned over to Bing Crosby's brother? Are we going to have $125,000 cow barns like the one at the University of Louisiana? Are we going to make it possible to build a four-story $125,000 hen house at the Soldiers' Home in Washington, D. C.? Are we going to have other projects like rat-catching projects at $2.97 a rat on the wharves of New Orleans? Are we going to have a $220,000 writers' project in California? Are we going to have instances where they go out and buy 824 axes to chop down 50 trees? All this is in the hearings; it is a matter of fact; it is documented information. My friends and colleagues, the time to prepare is now. The time to get ready, the time to go out and make a survey and get facts is in advance and not afterward. It is now. We have been content so often here to vote the money and have it expended, and then we get a report, and then we speechify on the subject, but it does not do a bit of good.

Thus far, our technique has been in the manner of a post mortem rather than a diagnosis before the operation takes place.

Mr. GWYNNE. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. GWYNNE. Is it not true that every time power is taken from the State governments and lodged in the Federal Government, that power does not go to the legislative branch, but rather to the executive branch?

Mr. DIRKSEN. Oh, definitely so.

Mr. GWYNNE. Is not the real remedy, getting right down to the base, to return a lot of those powers to the States where they belong? Is not that the remedy for a lot of this trouble?

Mr. DIRKSEN. Yes; but we are dealing with a condition, not a theory. This is going to happen. It is a question of whether or not we are going to assert our independence as a legislative body and find out what these bureaus are actually doing and make them perform under the standards and the guidance that is laid down by the Congress, or are we going to be diverted once more from the main issue and then finally let the bureaus carry the ball?

Mr. GWYNNE. I agree with your statement as far as you go.

Mr. DIRKSEN. I realize that is an element in it, but we are dealing with an existing structure, and am trying to find something within the structure whereby we can implement our own prestige and better discharge our own responsibilities. Now, after all, the most important thing about it is the plan.

Mr. WOODRUFF of Michigan. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. WOODRUFF of Michigan. Does not the gentleman believe that we could simplify our problem by demobilizing, to a great extent, the bureaucracy we have set up?

Mr. DIRKSEN. I think very definitely, but the thesis that I have tried to lay down this afternoon is that through fear of public reproach we have in the years failed to staff and implement ourselves as a coordinate agency of government, and until we do we are not going to be able to do a real job and find out what is going on. That would embrace the problem of decentralizing government.

Now, how to cure it: I have attempted a diagnosis and wish to propose a remedy. Here is proposal No. 1 in the field of post-war planning, reconstruction, and general planning for relief and work-relief, employment projects and related activities. It is a concurrent resolution. It sets up a joint committee of the House and Senate on planning and reconstruction. Under that committee it sets up a congressional planning and reconstruction service within the Congress itself, solely and exclusively responsible to the Congress, and to no other agency. There will be a director and an assistant director. They will be chosen on the basis of fitness, without any consideration for political affiliations. They will be authorized to hire experts, consultants, engineers, investigators, contractors, auditors—all types of personnel that may be necessary to do a real job. They must have familiarity with relief, work-relief, the building of structures, highways, housing; and State and local governments, since there is constant participation. They would have expert knowledge on public power, airports, and social trends. We hear so much of social aspects and we ought to have somebody in our own structure to advise on these subjects. They will serve as a liaison between the Congress and the joint committee and agencies of government. They shall be authorized to make investigations on the feasibility of projects. They shall catalog and make recommendations on classifications and types. They would analyze reports that come to us and see where the bugs and weaknesses are, and whether they are complete and accurate. They would study unemployment problems in their relation to public works. They would make not only investigations in Washington, but make them in the field. One of the genuine weaknesses of the legislative branch is that it is not equipped with an instrument for investigating activities in the field.

Consider my own difficulty as a member of the subcommittee on agricultural appropriations. We provide $20,000,000 or more for Soil Conservation Service, $100,000,000 for the Farm Security Administration, millions for the Forest Service, and one must take departmental estimates with a big dose of faith, for there is no agency of Congress today which makes a check-up in the field on the activities and functions for which public funds are expended to determine how efficacious those operations are conducted.

How are we going to find time from a multitude of duties to go out and take a look and see what they are doing? We have to see through the eyes of the agency that belongs to us as a Congress and is exclusively responsible to us. We say to them, "Go out and see what they are doing and come back and report. If they have 100 men and can do it with 50, let us know about it. If their techniques are faulty, let us know about it."

How else can we be informed on the magnitude and diversity of the operations of the country?

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent for 5 additional minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. DIRKSEN. Then these experts would sit with the committees of Congress. There is nothing so discouraging as to have all the folks from one agency of Government lined up on one side of the appropriations committee table and the subcommittee over on this side, and then you start to cross-examine. It is just like pulling teeth. You do not get full information. You cannot in the nature of things. Again there is the element of time and the limitations on physical energy. All of a Congressman's time could be devoted to a single major activity and yet here are literally hundreds of such activities on which we pass at each session. It is noteworthy that the very agency that is going to spend the money makes up the estimate in September; the spenders make up the estimate. Then they take it to the Budget Bureau. Two or three or four Members are assigned, and they look it over. They blue-pencil it. They haul the agency back. There is some testimony. Then they look it over again, and finally it is gotten ready to incorporate in a great big 1,000-page catalog known as the Budget of the United States. It goes to the President. The Budget message comes up. Bills come along with it, and there we sit fishing and cross-examining and trying to find out about the operations of this Government. I tell you that too often it is a pretty discouraging and dismal affair. It is like trying a lawsuit without witnesses and without evidence.

There ought to be a man at one's elbow who has spent a year in an agency, who has become intimately familiar with its processes, who knows all about it and who will serve as a counsel to your committee, who will cross-examine, who will rebut and expertly analyze the testimony the agency puts in. Then you begin to get the story and find out what it is all about.

In this concurrent resolution which sets up the first of four proposals which I intend to submit for your consideration and disposition I ask for $1,000,000 for the Congressional Planning and Reconstruction Service to implement the Congress' effort. Too much? Maybe it ought to be $2,000,000, though when the others come along there will be other millions, and that is the time when the element of fear which has restrained us from doing for ourselves must be shucked away, for unless we are staffed and implemented and fortified with that investigatory staff we are not going to discharge our responsibility to the people and to this great governmental structure.

So, answering the query with which I started: What is wrong with Congress? It is not implemented; it is not staffed; it does not have the weapons with which to do the best kind of job. So I say to you now: Let us spend a little money on ourselves; let us provide legislative tools to get the facts, the data, the information, and then control, supervise, and survey the operations of the Government. We do not allocate to ourselves the authority and the prerogatives of the Commander in Chief; it is his business to conduct the war, but it is our business to be aware, and to be alert, and to find out for the people of the country the answer to this question now being pounded over the air waves and from platforms: "We are damn well losing the war." I want to know the answer to that and the answer to many other problems, and I can think of no more effective method to discharge our full responsibility than to secure the instruments with which to obtain data and information that is so necessary to our tasks.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. REED of New York. I just want to say to the gentleman that as an illustration of the lack of information which faces the membership we may simply take the tax bill. The Joint Committee on Taxation should have a staff sufficient to analyze all the proposals that come from the Treasury and to act on their own figures rather than being obliged to accept those given by the Treasury.

Mr. DIRKSEN. The gentleman is exactly right.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. CASE of South Dakota. As a colleague of the gentleman from Illinois on the Subcommittee on Appropriations for Independent Offices I want to say to the Membership that the gentleman from Illinois, despite the handicaps of the present system, is one of the most able in digging out facts that we have on the committee, even barring none of the majority side of the committee. As the gentleman has said, with the subcommittee sitting on one side of the table dealing with the personnel of an agency sitting on the other side of the table with its staff that has devoted itself for the whole year to preparing Budget estimates and justifying them, the committee is at a decided disadvantage. You sit there on your side of the table and go from one agency to another.

I understand that originally the Budget Bureau was supposed to be an agency of the Congress, but the Executive has taken it over. Congress should adopt a

program such as that outlined by my distinguished colleague.

Mr. LESINSKI. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. LESINSKI. The gentleman wonders why high-ranking military and naval officers should state that we are losing the war. I have an answer for that. They themselves are not capable of putting this war over and are not producing the materials they tell us they are producing. I can show the gentleman plant after plant that has not produced a plane yet and will not produce a plane in 6 months.

Mr. DIRKSEN. I just wish to observe that there is a case where we ought to know why. You cannot chide the military authorities of the country on an unsupported statement. We must know the reason and the facts.

Mr. LESINSKI. Before the gentleman passes judgment I should like to add that I know of plant after plant where labor has been accused of sabotaging by laying down on the job. It is not labor; it is the administration of the plants and the foremen.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. GIFFORD. As the ranking minority member of the committee to watch public expenditures which was set up with a great deal of fanfare to do a lot of good, I want to say that the majority has always stifled any sort of investigation and we could find out nothing because the majority did not want it to be told. I do not believe it would help much if we were staffed and implemented, although I am enthusiastic almost in favor of what the gentleman proposes. I have pleaded for similar action for years.

Mr. DIRKSEN. I know the gentleman has.

Mr. GIFFORD. How can we be effective even though we are staffed and implemented if those people are controlled the same way people have been controlled that I have tried to get before my committee? While I say the way the gentleman proposes is the way to do it, yet I ask what hope have we that it will be effective?

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield further?

Mr. DIRKSEN. Certainly.

Mr. CASE of South Dakota. In this connection let me observe that under the British parliamentary system the Committee on Expenditures is always in control of the minority party, whichever it is. This may be a suggestion.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. STEFAN. The gentleman will recall that frequently in our Committee on Appropriations members of both parties have suggested some of the remedies the gentleman from Illinois today has suggested.

Mr. DIRKSEN. That is right. It is time for action.

Mr. STEFAN. In the gentleman's resolution he suggests a joint committee of the House and the Senate. This is a good recommendation, for I believe it would eliminate a tremendous amount of inefficiency and bring about greater agreement on the part of appropriating committees of both the bodies, for frequently the Senate Committee on Appropriations will so alter a House appropriation bill that when it comes back to us it is unrecognizable.

Mr. DIRKSEN. I believe it would eliminate a lot of waste motion.

[Here the gavel fell.]

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois may proceed for 1 additional minute in order that I may ask a question.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. I just wanted to ask the gentleman from Michigan [Mr. LESINSKI] who charges management for being to blame for lack of production if he will put in the RECORD sometime within the next month, say, the names and the circumstances where management has hindered production.

Mr. LESINSKI. Is that a request?

Mr. HOFFMAN. Yes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mrs. ROGERS of Massachusetts. Does not the gentleman believe it would be helpful if we followed a system whereby Cabinet members could be required to appear before our committees? I have in mind particularly our own Committee on Foreign Affairs. We have had innumerable prime ministers from foreign countries receive information even about our own country from foreign emissaries, but people in our own country, our own State Department, did not appear before us. A joint hearing it would seem to me would be invaluable in that respect.

Mr. DIRKSEN. I believe so.

Mr. TREADWAY. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. When the gentleman summarizes his whole proposition, does he not get down to the point that there should be a closer relationship between the legislative part of the Government and the administrative part?

Mr. DIRKSEN. Definitely so.

Mr. TREADWAY. Is it not a fact that what the gentleman is endeavoring to secure is for the administrative part instead of confiding in its own department to confide in the legislative department as it should, if such resolution as the gentleman suggests is adopted?

Mr. DIRKSEN. Plus an intimate knowledge on the part of the legislative branch of the whole structure of Government and its operations.

Mr. BENDER. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Ohio.

Mr. BENDER. How is the gentleman going to control, through this organization which he proposes, the human frailty of Congress of voting large appropriations for pet projects and all sorts of expenditures, then refusing to pass the necessary taxes to pay for these expenditures?

Mr. DIRKSEN. I do not recognize that human frailty, I may say to the gentleman from Ohio. I think that is a very natural corollary and result of the fact we have gotten bogged down by being unarmed and unequipped to get information and in proportion as we do and spread that before the Congress I think we can do a good job, after which these little bits of selfishness that may have been manifested heretofore will sort of go by the board. I lay emphasis on the appointment of a director, assistant director, and staff of this fact-finding and investigating agency solely on grounds of fitness and without regard to political affiliations. This is essential.

I appreciate the indulgence of the membership. At an early date I hope to submit three other proposals for your consideration.

[Here the gavel fell.]

The SPEAKER. Under a previous order of the House, the gentleman from New York [Mr. TABER] is recognized for 10 minutes.

INFLATION AND PRICE CONTROL

Mr. TABER. Mr. Speaker, on September 7 the President of the United States, Mr. Roosevelt, came before Congress and broadcast a message charging that the Congress was to blame for not passing measures which would control and prevent inflation. It will be remembered that in November 1941, when the alleged price control bill was under consideration, after consultation with Mr. Bernard Baruch, who had charge of the price control operations in the 1917–19 period, the gentleman from Tennessee [Mr. GORE] offered an amendment which would have controlled the price of wages and farm products.

It was perfectly apparent at that time that this was absolutely necessary if inflation was to be prevented, or even slowed down.

The President of the United States was opposed to that amendment! He wanted the privilege of juggling the price of labor upward, and he wanted to do it for political effect. He tells us now that it was necessary to raise the price of labor to meet the increased price of farm products which had come upon us. The reverse is true. The raising of the price of labor by Mr. Roosevelt is what has caused the increase in prices that has resulted. It was not because the farmers of the Nation were not going to cooperate in the war effort that the Senate included a provision that no limitation should be placed upon the price of farm products below parity, but because the reservation to the President of the right to juggle the price of wages put the farmer in a position where his costs were bound to go up.

And so, from the 29th of January, when the so-called price control bill became effective, the President, through the

operations of the War Labor Board as to the factories, and of Madam Perkins as to the millions of employees upon projects being put up by the Government, has so raised the price of labor that it has destroyed any possibility of controling inflation.

The price of commodities has gone up as a result of the inflation which the President himself has promoted. In other words, the President himself has been responsible for the promotion of inflation, and now, in order to cover up and camouflage this effort he has come before the Congress and asked us to fix the price of all commodities, including farm commodities, definitely, and to permit him to continue to juggle the price of labor when in section 4 of the House bill he reserves the right to raise wages 15 percent in certain cases and where in section 5, lines 17 to 21, he reserves the right to raise wages to any extent.

I could not be a party to fixing the price of commodities and at the same time not fixing the price of labor. The two things must go together or we are bound to have inflation. No sorrier spectacle has ever been presented to the American people than the misrepresentations of what this bill is and what it does than has resulted from the President's message and the articles that have followed.

The President has deliberately promoted inflation. He has tried to make the Congress the goat. I, for my own part, refuse to be the goat.

I supported the Gore amendment, which was offered in November. I myself offered an amendment to the current bill which would absolutely freeze and fix prices as of August 15, when it was under consideration in the House, and I supported that amendment. I supported an amendment offered by the gentleman from Alabama [Mr. STARNES], which would have frozen prices of everything as of December 8, 1941, the day war was declared. I supported an amendment offered by the gentleman from Ohio [Mr. SMITH] to fix prices as of September 23, 1942. Those were the four opportunities to vote against inflation. I supported each of them and shall support any other real attempt to stop it. I will not be a party to a fraud upon the American people and the American farmer.

I believe that the farmer and the workingman are just as willing as any other citizen to do their part toward preventing inflation.

I know that in my district farmers who have been operating their farms successfully for 30 and 40 years have been obliged to close up their farms and sell off their dairy cattle because, due to the inflation that the President has promoted, they are no longer able to hire and secure the help required to keep going. I hear of the same situation all over the country.

The conduct of the war effort and the possibility of maintaining our food supplies have been hampered very much by the President's promotion of inflation and by his sponsorship of the type of bill that has been under consideration here and in the Senate.

Will the President ever quit fooling around and trying to play politics, and get down to supporting the war effort? I call upon him to do so now.

EXTENSION OF REMARKS

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial from an associated Hungarian weekly.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. LESINSKI]?

There was no objection.

THE POLL TAX

Mr. MANASCO. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. MANASCO]?

There was no objection.

Mr. MANASCO. Mr. Speaker, on October 12, a motion will be called up to discharge the Rules Committee from consideration of a bill purporting to repeal the poll tax as a prerequisite to voting in the several States of the United States.

It is my information that there are only eight States in the Union making the payment of a poll tax a prerequisite to the privilege of voting. The States of Alabama, Arkansas, Georgia, Mississippi, South Carolina, Tennessee, Texas, and Virginia have the so-called poll tax as a prerequisite to voting. In each of these States every dollar collected as a poll tax contributes to the support of public education. In Alabama the tax is $1.50 per year and must be paid from the twenty-first to the forty-fifth birthday of the voter.

I will not touch on the constitutionality of this legislation for this subject has already been ably presented by the Honorable Abram P. Staples, attorney general of Virginia, and placed in the RECORD by Senator BYRD on September 22, 1942. The constitutional provisions referred to and the cases cited by the able attorney general clearly show the unconstitutionality of this legislation.

My reasons for opposing the proposed bill are based entirely on the question of invading States' rights. Today we are engaged in the bloodiest war of all history. It is our belief that we are fighting this war for the protection of democracy and to insure the right of the people of other nations to be governed as they see fit and protect them from aggression from without. After the war we will have the greatest opportunity for world leadership any democracy has ever had. If we have the vision, the intelligent leadership, and the willingness to respect the local institutions and the rights of other nations to conduct their own governments as they see fit and, at the same time, to see to it that they respect the rights of sister nations, we will be largely responsible for world peace, but if we attempt to force our views of democracy on other nations, we will be laying the foundation for another war that, in all probability, will destroy civilization. Democracy in New England is vastly different from democracy in the far West; democracy in the New York area has little in common with democracy as we know it in the South. Yet, with these varied interpretations of democracy, the Congress has recognized these differences and has amalgamated them into a national democracy that has worked for over 150 years. Recognition by the Congress of the varied conceptions of democracy has enabled us to become the greatest agricultural and industrial Nation on earth. Today, as never before, democracy in this country is faced with its greatest peril. The rights of our States, held sacred by our ancestors, have gradually been encroached upon by the Federal Government, and today there are few functions of State governments that have not been encroached upon by Federal bureaucracy.

Whether one likes it or not, 32 States in our country have head taxes and a person must pay this tax whether or not he votes. I might not like this method of taxation, but it is not any of my business, coming from Alabama, to say that the people of Massachusetts do not have the right to levy such a tax. Some States nominate Members of Congress by convention instead of by popular ballot. I might not like this procedure but if it suits the people of Connecticut why should I interest myself in their local affairs. If the so-called Geyer-Pepper bill is constitutional, then we who have primary elections could say to the people of Connecticut and other States that nominate Members of Congress by convention that from now on they must nominate all Federal officials by popular vote. Some of our large cities prefer to exercise their democracy through a political machine dominated by a so-called boss. The Representatives in Congress from many of those cities must at all times vote the will of the so-called boss or they cannot be reelected. We Alabamians do not prefer to exercise our democracy in that way, but if it is agreeable to the people of those cities dominated by political machines why should we Alabamians attempt to force our views of democracy upon them. To do so would destroy the very principles of democracy.

I might not like the 40-mile speed limit in the State of Maryland or the levying of tolls to cross bridges in other States, but if the people of those States like these regulations that is their business and not mine. Some States levy what is known as a road tax and every able-bodied man between certain ages must pay this tax or be subjected to criminal punishment. If we believe in local government we cannot attempt to impose our views on the road tax on those States having them, even though the tax might be considered obnoxious by us. We must, of necessity, respect the rights of the people of different States and if we do not, sooner or later, our States will cease to exist. After destroying the control of the States over their elections it would be easy to then require the representatives in the House and Senate to be elected from the United States at large.

By the same token it would be possible to persecute by legislative act any religious sect or any minority group, for if we destroy our Constitution by destroy-

ing our States there will be no rights left except those granted by acts of Congress, and in a few years some tyrant will seize control of our Government and take from the people the right to elect representatives.

I note that certain pressure groups have exerted every possible pressure on Members of the House and Senate to repeal the poll tax. These groups, in many instances, have interested themselves in sabotaging our preparedness program. They have no particular interest in our democratic form of government; they have no interest in private enterprise, but would gladly welcome the fall of our democratic institutions. These groups compose a small minority of our population now, and the same Constitution that protects the rights of the States to prescribe qualifications for the voter protects them in their activities; but if we destroy our States' rights and destroy our Constitution, these minority groups might not, under some future government of our country, be accorded any rights or privileges. The end that they are seeking now might destroy their very existence in the future.

For over 150 years our country has struggled to keep away from racial and religious hatred. We have been the most tolerant nation on earth. Now, as never before, we need to strengthen that tolerant attitude instead of destroying it.

This bill contains the seeds of destruction. After this terrible carnage is over and most of our boys in the armed forces come back and find themselves without jobs, and millions of our war workers are deprived of their weekly pay envelope, it will be easy for some bigot to rise to leadership. What will be the natural course? Some one must be made the scapegoat to justify the rise of any tyrant. All history records that minority groups are the easiest groups to be made the scapegoat. Many of those who are agitating this legislation come from minority groups or are catering to them. If they do not have the foresight to think of the terrible repercussions that will follow this war, we in Congress should forget for a moment that we are seeking votes and should crush this seed of destruction before the beast gets out of our hands and devours the last vestiges of democracy.

It is needless to review the tactics that were used to bring this bill to the floor. Every form of prejudice and sectional hatred was resorted to. I wonder who can charge that the Representatives from the poll-tax States are inferior to Representatives from other States. These poll-tax States during the last 10 years have given to the country as Speakers of the House of Representatives Hon. John Garner, of Texas, Hon. Joseph W. Byrns, of Tennessee, Hon. William B. Bankhead, of Alabama, and our present distinguished Speaker, Hon. Sam Rayburn, of Texas. For 8 years Hon. John N. Garner, of Texas, was Vice President. Today in the House of Representatives and Senate many chairmen of important committees are from the so-called poll-tax States. Can anyone challenge their patriotism and loyalty to our democratic institutions? Who can challenge their ability or their integrity? What States have Representatives in the Congress who are less controlled by political bosses, capitalists, or any of the so-called pressure groups?

Before we cast a vote on this piece of legislation, let us examine, with a view to the welfare of our country and the future of democracy, the dangers that lie ahead.

SECRET INSPECTION TRIPS OF THE PRESIDENT

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. HALLECK]?

There was no objection.

Mr. HALLECK. Mr. Speaker, the White House has just announced the return of the President to Washington after an extensive tour of western and midwestern sections of the country. So, now, an important news item which has been suppressed for 2 weeks can be given to the country and what is more, the door is now open for a full and free discussion as to whether this sort and degree of censorship is either necessary or desirable

My own view of it is that no one can challenge a censorship or a secrecy which is necessary for the protection of the safety of the President of the United States. I would be the last man to urge any publicity that might endanger the President; so I can well understand why the itinerary followed on the trip is not given, why advance notice as to the time and place where the President might be has not been made public and should not have been made public; but, at the same time the censorship in this particular case went much beyond that. It went so far as to preclude any mention of the fact that the trip was being made or any mention by any paper, say in the city of Detroit, of the fact that the President had been there, even though his presence became known to literally thousands of people. Further, one may inquire, in view of those circumstances whether it is proposed to set a precedent which will permit lesser administrators to conceal activities which should be open to the press and the radio and thus to the people. May I express the fervent hope that no such precedent is established.

It seems a little strange to me that these alleged inspection trips of the President always seem to occur just before the elections come along. I remember a drought inspection trip that was made out into the Middle West in my country a few years ago and, if I remember the trip correctly, they had about 5 minutes of drought inspection and 5 days of parade. I am led to inquire whether or not this trip may not have had something of the same character and I rather suspect it has. I hazard the guess here now that the people of this country would much rather have the President stay on the job of winning the war instead of mixing into the politics of the country.

At least, I think that was a very obvious reaction after the President undertook to inject himself into the Governorship contest in the State of New York.

I further hazard the guess that when the details of this last trip are made known and are given to the public, the political implications will be plainly discernible in much of what was done. I think the people may well question whether the trip was advisable and whether any necessary or helpful or useful thing has been accomplished by it; and that without regard to the desirability of the censorship involved.

Finally, may I say this: Prominent officials who make news have as distinct a responsibility in the censorship of that news as those who disseminate the news, perhaps a greater responsibility. In this case, the President himself, according to Arthur Krock of the New York Times in his article yesterday, refused to permit the papers or radio to mention any facts involved, and this over the strenuous objection of many of his advisors who ought to know something about the extent to which censorship should go. Millions of persons throughout the United States were aware of the facts, and I am reliably informed that many of them have berated the newspapers for allegedly suppressing the news because of their supposed anti-administration bias. This is decidedly unfair to the newspapers and to the radio. In common fairness to them, the President should at the earliest possible moment issue a statement assuming full responsibility for suppression of the facts and commending the newspapers and the radio for their cooperation with the administration.

[Here the gavel fell.]

A SALUTE TO GEORGE BATES AND HIS FAMILY

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, I rise briefly to salute one of our colleagues on the patriotic contribution he and the members of his family are making to our war effort. It is not necessary to elaborate on the able services rendered in this body by the distinguished gentleman from Massachusetts [Mr. BATES], a member of the House Committee on Naval Affairs, but I doubt that the Members know that just a few weeks back his son-in-law gave his life in the battle for the Solomons. Today three of his sons are in the service of Uncle Sam, in the Army and in the Navy. Next Tuesday his second daughter becomes a member of the Waves. I know you join me in this salute to the Bates family.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. RICHARDS, for 1 week, on account of illness in his family.

OIL SHORTAGE IN NEW ENGLAND

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have no doubt the House is tired of hearing me speak of the case of New England versus the Government and the eastern seaboard versus the Government in the matter of oil. I have maintained that if we had a single head on whom we could place the responsibility for obtaining a just distribution of oil we would have much better results. I have stated frequently that I believe Mr. Ickes and Mr. Eastman have done much in that respect, but they have not done enough.

As the matter stands today, it is very easy for one department to say, "We cannot do that because another department has not agreed to it, or the oil people will not agree to it, or somebody else will not agree to it." They do not have the power to act. There should be a responsible head who can and will act.

In one recent week—the week ending September 12—New England received only 70 percent of its usual daily supply of oil, whereas the rest of the eastern seaboard received 90 percent. I have been given 3 different reports or 3 different excuses as to why New England did not receive its fair share of oil. We had been promised more tank cars and more oil; instead we received less. I understand the week ending September 19 will show New England has received an even lower percentage.

I am tired of talking about this matter but I am very much more tired of being given promises that are not realized. Promises and directives do not give us oil for New England. Promises and directives do not keep us warm. Promises and directives do not keep our industries running.

Only 2 days ago the Secretary of the Interior issued a directive which would provide for the pooling of resources for oil and receiving that oil at certain terminals. If that directive is not put into force at once, we shall have great suffering in New England. Remember, New England has early and severe cold. These trainloads of many tank cars should be coming from the sources of supply immediately, and the oil should be unloaded and put into our tanks, and the tank cars released for the return trips to the source of supply.

The situation that exists today is entirely indefensible, and in the years to come history will show that this is the most unjust and discriminatory thing that has ever happened in peacetime or in war to any loyal section of the country.

I ask the Members of the House to help me in this matter, especially those of you who have not suffered from this injustice. There is only one way we can be relieved and kept warm during the winter, and that is by immediate action.

Apparently the O. P. C. has acted in the matter of coal, and a great deal of coal is on hand for the present, but I do not know whether that will be available as the winter proceeds. I do not know whether they are going to have the men to mine the coal. I do not know whether the transportation facilities will hold up.

If last spring the Government had sent tankloads of oil to New England and to the east coast we would be in a perfectly safe position, not only so far as our industries are concerned but so far as the health of our people is concerned. I remind you, Mr. Speaker, that today there is a shortage of beds in the hospitals. There is a shortage of nurses and of doctors. How can people keep well if they do not have the necessary warmth? And it will be impossible to get enough medical attention. Public-health officials have begged people to keep well. We are a thickly populated and highly industrialized area. I shudder to think of the results of an epidemic of flu, not as a matter of health but as a matter of preserving manpower to win the war.

Mr. TREADWAY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. My colleague has made a very deep study of this subject. Can she offer some very definite idea as to how the conditions in New England can be cured at the present time?

Mrs. ROGERS of Massachusetts. Yes; I know the great interest my colleague has taken in this matter. By the immediate transportation of oil by tank cars in the proposed trainloads of 60 tank cars, and by the use of all the barges possible and tank trucks, and by the immediate pooling of the resources at the terminals for delivery of oil so there can be an immediate turn around when the oil cars come into those terminals. Some other steps will be needed which I cannot mention here at the moment, and, of course, immediate completion of pipe lines.

Mr. TREADWAY. Does the gentlewoman consider that that is being carried out to the best of the ability of the authorities?

Mrs. ROGERS of Massachusetts. No; I do not. In view of what might have been done, I do not think that to date nearly enough has been done. I think the whole thing is entirely indefensible and inexcusable. It remains to be seen whether those in authority do all they can from now on. If they do not, I can never have faith in them again.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Better than a month ago all shipment of gasoline in tank cars was stopped west of the Allegheny Mountains. More than 70,000 tank cars were taken out of the Middle West to supply oil and gasoline to the East. I am very much surprised to hear that the New England States have not received their share of the oil that was supposed to have come into all the Eastern States to give relief for this winter.

Mrs. ROGERS of Massachusetts. I understand that exceptions to certain regulations were made which permitted 12,000 tank cars to be used to carry gasoline into certain States of the West. Some 12,000 cars that were supposed to be used for the relief of New England as a matter of fact carried gasoline and other things to the farming areas in some of the Western States.

Mr. AUGUST H. ANDRESEN. That does not apply to our section. We are, however, getting some gasoline and oil by pipe line.

Mrs. ROGERS of Massachusetts. I will not give the gentleman the exact situation on the floor, but I will talk with him later and tell him exactly where I understand gasoline was carried by the tank cars that were supposed to go to New England. I have that information from authoritative sources. It has not been denied.

Mr. AUGUST H. ANDRESEN. Of course, we have the same situation with reference to oil in the Northwest as obtains in the New England States. We must have oil because the thermometer goes down to 30 or 45 degrees below zero there for many weeks during the winter.

Mrs. ROGERS of Massachusetts. Yes. It is inexcusable that that oil should not have been transported earlier where it is needed.

Mr. AUGUST H. ANDRESEN. Yes; when you consider that most of the oil-producing areas of the United States are now running under a check on production and that there is an abundance of oil if they would only transport it to the places where it is needed.

Mrs. ROGERS of Massachusetts. There is much more oil than is needed in the United States, and there has been terrible bungling and terrible mismanagement in not bringing about a proper distribution of it.

Today in my district an industry is being given an Army and Navy E pennant. That industry went into war production even before Pearl Harbor. Those workers loved their country so much that they have worked loyally, tirelessly, and have made every hour count in their production for winning the war. New Englanders are like that. The least that can be done is to keep them warm.

[Here the gavel fell.]

ENROLLED JOINT RESOLUTION SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 346. Joint resolution extending for two months the period for which overtime rates of compensation may be paid under the acts of June 28, 1940 (54 Stat. 676), October 21, 1940 (54 Stat. 1205), and June 3, 1941 (55 Stat. 241).

BILL PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on Wednesday, September 30, 1942, present to the President, for his approval, a bill of the House of the following title:

H. R. 7164. An act to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to extend the relief and benefits provided therein to certain persons, to include certain additional proceedings and

transactions therein, to provide further relief for persons in military service, and for other purposes.

ADJOURNMENT

Mr. WASIELEWSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 33 minutes p. m.) the House adjourned until tomorrow, Friday, October 2, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON PATENTS

The Committee on Patents of the House of Representatives will hold hearings beginning Tuesday, October 13, 1942, at 10 a. m., in the Committee Room, 1015 House Office Building, on H. R. 7620, a bill to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1945. A letter from the Archivist of the United States, transmitting a report on lists of papers recommended to him for disposal by certain agencies of the Federal Government; to the Committee on the Disposition of Executive Papers.

1946. A communication from the President of the United States, transmitting a supplemental estimate of appropriations for the Office for Emergency Management, Office of War Information, in the sum of $26,990,000, for the fiscal year 1943 (H. Doc. No. 862); to the Committee on Appropriations and ordered to be printed.

1947. A communication from the President of the United States transmitting a supplemental estimate of appropriations for the Office for Emergency Management, Office of the Coordinator of Inter-American Affairs, in the sum of $5,500,000, for the fiscal year 1943 (H. Doc. No. 863); to the Committee on Appropriations and ordered to be printed.

1948. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the emergency fund for the President, amounting to $25,000,000 (H. Doc. No. 864); to the Committee on Appropriations and ordered to be printed.

1949. A communication from the President of the United States transmitting a supplemental estimate of appropriation for the National Labor Relations Board for the fiscal year 1943, amounting to $34,920 (H. Doc. No. 865); to the Committee on Appropriations and ordered to be printed.

1950. A communication from the President of the United States transmitting a supplemental estimate of appropriations for the Office of Civilian Defense, for the fiscal year 1943, amounting to $1,042,000 (H. Doc. No. 866); to the Committee on Appropriations and ordered to be printed.

1951. A communication from the President of the United States transmitting a supplemental estimate of appropriations for the War Manpower Commission for the fiscal year 1943, amounting to $17,166,000 (H. Doc. No. 867); to the Committee on Appropriations and ordered to be printed.

1952. A letter from the Secretary of the Interior transmitting a draft of a proposed bill to aid in the conservation of rubber by the prohibition of speeding; to the Committee on the Public Lands.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 7629. A bill to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended, so as to expedite the war effort by providing for releasing officers and men for duty at sea and their replacement by women in the shore establishment of the Coast Guard, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. BRADLEY of Michigan:

H. R. 7630. A bill to provide additional personnel for civilian defense activities; to the Committee on Military Affairs.

By Mr. HENDRICKS:

H. R. 7631. A bill to provide for protection by war damage insurance of leasehold interests in property; to the Committee on Banking and Currency.

By Mr. DOMENGEAUX:

H. R. 7632. A bill to provide that during the present war payments with respect to any crop of sugar beets or sugarcane shall not be subject to deductions on account of the employment of children; to the Committee on Agriculture.

By Mr. EDMISTON:

H. R. 7633. A bill to increase the pay and allowances of members of the Army Nurse Corps; to the Committee on Military Affairs.

By Mr. DIRKSEN:

H. Con. Res. 84. Concurrent resolution to establish a Joint Committee on Planning and Reconstruction, a Congressional Planning and Reconstruction Service, and for other purposes; to the Committee on Rules.

By Mr. PACE:

H. Res. 547. Resolution authorizing an investigation of commodity prices; to the Committee on Rules.

SENATE

FRIDAY, OCTOBER 2, 1942

Rev. Richard M. Mussen, pastor, Sherwood Presbyterian Church, Washington, D. C., offered the following prayer:

Eternal God, our Father, in these days of struggle and strife, when we share the destinies of freemen everywhere, be with our Nation and lead her in the way of liberty and truth.

Bless richly the President of these United States and all those who share with him the burdens and privileges of government.

Guide the President of the Senate and each Member of it, as they face together the difficult tasks, the heavy responsibilities, and the momentous decisions of their high office.

Be with the men of our armed forces, who by their courage, their loyalty, and their lives protect us on the land, in the air, and on the sea. Make us worthy, O God, of their sacrifice.

Hasten the day when oppression and tyranny shall be no more, when peace shall come and the cause of righteousness for which we stand shall be victorious. For we ask it in the spirit of the Christ who came to set men free. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, October 1, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT ON PERSONNEL OF THE LAND FORCES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, reporting, pursuant to law, relative to the personnel of the land forces, which was referred to the Committee on Military Affairs.

THE POLL TAX—TELEGRAM FROM GOVERNOR OF MISSISSIPPI

Mr. BILBO. Mr. President, in order that my colleagues, and the country as well, may know the attitude of the people of Mississippi in regard to certain proposed legislation, I wish to read into the RECORD and have appropriately referred a telegram from the Governor of Mississippi. It is as follows:

JACKSON, MISS., *October 1, 1942.*

Senator THEODORE G. BILBO,
Washington, D. C.:

As Governor of Mississippi and knowing that I speak the sentiment of the people of Mississippi on this subject, I urgently appeal to you to oppose the present attempt to do away with our poll tax requirement by congressional action. Congress has no constitutional authority to pass such an act. It appears that certain would-be reformers are taking advantage of the war conditions to put over their so-called reforms. This is a time for unity of our people. It is no time for measures which seek to divide us. We should all stand together. Measures like this and some others that are in the making by leaders who have themselves been misled tend to divide our country.

PAUL B. JOHNSON,
Governor of Mississippi.

The VICE PRESIDENT. The telegram presented by the Senator from Mississippi will be referred to the Committee on the Judiciary.

STATEMENT IN NATURE OF A PETITION FROM GEARY COUNTY, KANS., ON THE SCARCITY OF FARM LABOR

Mr. REED. Mr. President, I ask unanimous consent to present and to have printed in the RECORD and appropriately referred a statement in the nature of a petition signed by representatives of the Geary County Farm Bureau Board, U. S. D. A., A. A. A. county committee, and representatives of the Geary County Bankers Association, regarding the scarcity of farm labor.

There being no objection, the statement in the nature of a petition was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

JUNCTION CITY, KANS.,
September 22, 1942.

We, the undersigned of the Geary County Farm Bureau Board, Agricultural War Board, County Agricultural Adjustment Agency Committee, and representatives of the County Bankers Asosciation, because of the serious need of farm products for food and for necessities of war, and the extreme

scarcity of farm help, offer the following recommendations for your consideration:

That agriculture be supplied with enough help to keep our farm factory producing at a maximum capacity, and that this help include enough trained and experienced men to supervise and direct the work.

That trained farm help not be allowed to go into industrial defense work solely because of higher wages. Farmers cannot be expected to compete with wages of other industries. Trained and experienced men in various farm production activities should be kept at their job either through a subsidy of the Government or by freezing them on the job.

That so far as possible an able-bodied man be left on each farm that is producing the real necessities of war in large enough quantities to require 100 percent of this able-bodied man's time.

That Geary County be considered a preferred area because of its proximity to the Fort Riley Military Reservation.

PROHIBITION OF LIQUOR SALES AND SUPPRESSION OF VICE AROUND MILITARY CAMPS AND NAVAL ESTABLISHMENTS—PETITION AND MEMORIAL

Mr. WILEY. Mr. President, the right of petition is one of the great constitutional rights. I have in my hand, and present, a petition of citizens of Arpin, Wis., praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor, and so forth, in the vicinity of military camps and naval establishments, and I also present a memorial of sundry citizens of Eau Claire, Wis., remonstrating against the enactment of that bill. I ask that the petition and memorial be appropriately referred.

The VICE PRESIDENT. The petition and memorial presented by the Senator from Wisconsin will lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. REED, from the Committee on Interstate Commerce:

S. Res. 297. Resolution authorizing an investigation of the policy of certain governmental agencies in requisitioning railroad property submitted on the 1st instant by Mr. REED (for himself, Mr. JOHNSON of Colorado, Mr. CHAVEZ, and Mr. HATCH); without amendment (Rept. No. 1629).

By Mr. WALSH, from the Committee on Naval Affairs:

S. 2795. A bill to amend the act approved July 24, 1941 (34 U. S. C., Supp. I, 350f), so as to adjust the pay status of enlisted personnel appointed to commissioned rank for temporary service, and for other purposes; without amendment (Rept. No. 1630).

By Mr. GEORGE, from the Committee on Finance:

H. R. 7378. An act to provide revenue, and for other purposes; with amendments (Rept. No. 1631).

ADDITIONAL COPIES OF REPORTED PRINT OF THE REVENUE BILL AND SENATE REPORT

Mr. HAYDEN. Mr. President, from the Committee on Printing I report an original Senate concurrent resolution, and ask unanimous consent for its present consideration. The resolution provides for the printing of additional copies of the revenue bill and the Senate report thereon.

Mr. SHIPSTEAD. Mr. President, let me inquire whether the revenue bill is ready.

Mr. HAYDEN. It is contemplated that the bill will be reported today.

Mr. SHIPSTEAD. Does the Senator have any information as to when the bill will be taken up by the Senate?

Mr. HAYDEN. My information is that it will be taken up in the Senate on Monday.

Mr. BARKLEY. Yes; on Monday.

Mr. SHIPSTEAD. I thank the Senator.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 32) was read, considered by unanimous consent, and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there shall be printed 8,500 additional copies of the Senate reported print of the bill (H. R. 7378) to provide revenue, and for other purposes, together with the accompanying report thereon, of which 1,000 copies shall be for the use of the Senate document room, 5,000 copies for the use of the House document room, 1,000 copies for the use of the Committee on Ways and Means of the House of Representatives, and 1,500 copies for the use of the Committee on Finance of the Senate.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REYNOLDS:

S. 2818. A bill to provide for payment of certain travel costs of dependents of military and civilian personnel of the Army and the War Department on a mileage basis in order to promote efficiency and economy in such payments; to the Committee on Military Affairs

By Mr. McCARRAN:

S. 2819. A bill to amend the act entitled "An act for the suppression of prostitution in the District of Columbia," approved August 15, 1935; to the Committee on the District of Columbia.

(Mr. JOHNSON of Colorado introduced Senate bill 2820, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

By Mr. JOHNSON of California:

S. 2821. A bill to restore Capt. Lara P. Good, retired, to the active list of the United States Army; to the Committee on Military Affairs.

By Mr. WALSH:

S. 2822. A bill for the relief of William Kovatis; to the Committee on Naval Affairs.

By Mr. SHIPSTEAD:

S. 2823. A bill for the relief of the victims of the Minnesota cyclone of September 11, 1942; to the Committee on Claims.

BILL TO INCREASE PAY AND ALLOWANCES OF MEMBERS OF ARMY NURSE CORPS

Mr. JOHNSON of Colorado. Mr. President, I introduce a bill and ask for its appropriate reference.

The purpose of the bill is to increase the pay and allowances of members of the Army Nurse Corps. In the pay readjustment measure which was recently enacted, we did adjust the pay of the Army nurses, but since that time two new organizations connected with the military operations of this country have come into being, the so-called Waacs and the so-called Waves. Because of the pay allowances given to these two new military branches it is necessary at this time to readjust the pay of a branch of the service which has been notoriously underpaid for many years, a branch of the service which is indispensable to the operations of our military effort, the Army Nurse Corps.

In connection with my remarks I ask unanimous consent to have printed in the RECORD at this point a letter written to me by Francis M. Sullivan, acting director, national legislative committee, the American Legion.

The VICE PRESIDENT. The bill of the Senator from Colorado will be received and referred to the Committee on Military Affairs, and without objection, the letter will be printed in the RECORD at this point.

The letter is as follows:

THE AMERICAN LEGION,
Washington, D. C., October 2, 1942.

Hon. EDWIN C. JOHNSON,
United States Senate,
Washington, D. C.

MY DEAR SENATOR JOHNSON: This is with further reference to your telephone conversation with Ted Ray yesterday afternoon concerning a bill to increase the pay of members of the Army Nurse Corps.

The American Legion at its national convention in Kansas City, Mo., September 19-21, 1942, unanimously adopted a resolution asking the Congress to enact legislation which would place Army nurses on a comparable basis with other Army personnel as to pay, allowances, and other benefits. I am enclosing a draft of a bill which I believe will serve as a basis for legislation to give the Army nurses the same pay and allowances as officers of the Army with the same grade and length of service. An identical bill was introduced in the House of Representatives by Congressman ANDREW EDMISTON, of West Virginia, which is H. R. 7633.

We are delighted that you will handle this bill in the Senate and I am sure it will receive early consideration under your expert guidance. I wish to assure you the American Legion will cooperate with you in every way possible.

With kindest personal regards and best wishes, I am,

Very sincerely yours,
FRANCIS M. SULLIVAN,
Acting Director,
National Legislative Committee.

The bill (S. 2820) to increase the pay and allowances of members of the Army Nurse Corps, was read twice by its title and referred to the Committee on Military Affairs.

REFERENCE OF SENATE TRADE-MARK BILL AND HOUSE AMENDMENTS TO COMMITTEE ON PATENTS

Mr. BONE. Mr. President, in September of last year the Senate passed Senate bill 895, relating to the registration of trade-marks used in commerce, to carry out the provisions of certain international conventions, and so forth. In fact, the bill was a codification of trade-mark legislation. The bill was passed after hearings before the Senate Committee on Patents. It was referred to the House Committee on Patents, and on September 24, 1942, more than a year later, the House amended the Senate bill by agreeing to some 421 amendments to the bill. The bill itself had only about 40 pages. The amendments are of such a character as virtually to rewrite the bill. Therefore I ask that the bill and the House amendments be referred to the Senate Committee on Patents.

The VICE PRESIDENT. Without objection, it is so ordered.

A SECOND FRONT

Mr. WHEELER. Mr. President, I have received an interesting letter from a soldier boy who comes from my State. He is now in the Army. He writes:

DEAR SENATOR: With our friend Willkie on the front page yelling for a second front, and numerous others, including the Communists, joining the chorus, I have a thought that might be of interest to you.

As a soldier, I am very much interested in this second front, for my neck is involved one way or another. And as a soldier, I have faith in our Army General Staff, and we soldiers do not believe it is time yet to open up such an attack. We soldiers do not want such an attack made before we are ready.

Now history is repeating itself. Lincoln allowed the editorial writers, politicians, etc., to force him into ordering the advance at Bull Run before we were ready. As a result, the North suffered a very severe defeat, and a war that might have been ended by one good, big victory of the North lasted 4 long years. We do not want another Bull Run.

We soldiers do not think our generals want to open a front this year, because we have neither the men nor materials to see it through.

If you check the Lincoln-Bull Run episode, you will be amazed to see how it parallels today's situation.

The soldiers' spirit is good, but they do not want to go off half-cocked on this very bloody proposition.

Yours,

_____.

In line with what is set forth in the letter I ask unanimous consent to have printed at this point in the RECORD as a part of my remarks an editorial entitled "The Political Second Front," published in the New York Times of September 26, 1942.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of September 26, 1942]

THE POLITICAL SECOND FRONT

The silliest spectacle we have seen in a long time is that of American Communists who until June 22 of last year were doing all they could to injure this country's defenses and stab Britain in the back holding a mass meeting in Union Square to demand that the military strategy of the United Nations be changed to suit the party line. Nobody listens to them. Nobody trusts them. On the basis of their record they would hurt their own cause, even if it were a good cause. A group at the other end of the political spectrum who would oppose a second front to suit another party line would be just as silly and more dangerous. We do not believe that there are in this country, outside of jail and not on the run from the Federal Bureau of Investigation, enough members of such a group to hold a mass meeeting in a telephone booth.

More serious is the frank insistence now being made in Moscow that a second front be opened at whatever cost. The Russian demands call for plain speaking. We are not in this war to save Russia. Russia is not in this war to save us. She did not try to save Norway, Denmark, Belgium, the Netherlands, or France in 1940. She did not lift a finger when the invasion of Britain seemed imminent. Let it be admitted that she was no more selfish then than Britain and France were when they abandoned Czechoslovakia to the wolves, or than we were when, still clinging to an obsolete isolationism, we connived in that betrayal.

Now let us consider our actual relationship to Russia and her actual relationship to us. Self-preservation is her first law, and it is also ours. Self-preservation dictates to her that she shall not risk losing more than she gains by permitting us to use her Siberian bases against Japan, though by doing so we might save many thousands of American lives and many billions of American dollars. Self-preservation dictates to us and to Britain that we shall not vainly sacrifice half a million men just because we admire profoundly the gallant defenders of Stalingrad.

We have no choice but to leave to the specialists in such matters the decision as to when we shall strike on the European Continent. It may be that a blow struck this fall, at great risk and with great losses, will contribute more to final victory than a heavier blow struck next spring. It may be that we have more chance for success if we wait. But this is not a question to be settled by acclamation in Union Square, or in the pages of newspapers and magazines, or on the floors of Congress. It is folly to attempt to settle it in that way.

We turn our eyes on Russia, across thousands of miles of sea and land. Shall we leave our differences with her, to be aggravated by venomous whispers, while the well-meaning friends of a common cause cry hush to any candid discussion? There is no basis for future harmony in such a course. Let us say openly that we will not harry our President and his advisers into any adventure they are convinced, on evidence which cannot be made public, is unwise. Let us confess that we believe just as firmly in the American system as Stalin does in the Russian system, and let us face the fact that the two systems are not alike. Let us then make every honest effort we can to establish a foundation on which they can exist peaceably and amicably in the same world. On this understanding we can build. We cannot build on hush-hush and hypocrisy.

These, as they seem to us, are plain truths. They do not diminish in the least our profound admiration for the Russian people, for their commanders and for their soldiers. We cannot and shall not forget Stalingrad when we unleash war on the Continent, nor when peace is made.

Mr. WHEELER. So far as my own feeling in the matter is concerned, Mr. President, while I think that everyone would like to see a second front opened, I believe, as the boy in the Army who wrote the letter believes, and, as he says, other soldiers believe, that confidence should be reposed in the General Staff, and the whole matter should be left up to the General Staff, rather than to Mr. Willkie or columnists or other persons who are trying to tell the Army General Staff how to carry on the war. If the people of the United States would let the Army General Staff conduct the war without trying to bring pressure on them from the outside, as Mr. Willkie has suggested be done, I think we would be far better off.

TRIBUTE TO THE MEN OF THE MERCHANT MARINE—EDITORIAL FROM THE PHILADELPHIA RECORD

[Mr. BONE asked and obtained leave to have printed in the RECORD an editorial entitled "Gold Star Heroes of the War at Sea," published in the Philadelphia Record of September 30, 1942, which appears in the Appendix.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STEAGALL, Mr. WILLIAMS, Mr. SPENCE, Mr. WOLCOTT, and Mr. GIFFORD were appointed managers on the part of the House at the conference.

FEDERAL SUPPORT FOR EDUCATION—PETITION

Mr. THOMAS of Utah. Mr. President, I present and ask to have appropriately referred a petition signed by the leading officers and educational authorities of 42 of the 48 States. Because of the Nation-wide source of this petition, I ask unanimous consent that the clerk read the petition and that I may have the privilege of commenting briefly upon it after it shall have been read.

The VICE PRESIDENT. Without objection, it is so ordered.

The Chief Clerk read as follows:

A PETITION IN BEHALF OF THE PUBLIC SCHOOLS OF THE UNITED STATES

To the President and Congress of the United States of America:

The public-school systems of the United States are essential to the winning of the war and the winning of the peace to follow.

Manpower trained and equipped to produce and to use the modern instruments of war and to carry on essential civilian activities is necessary to winning the war. The schools not only give much of the direct training needed in the armed forces and in industrial production, but what is immediately important, and in the long run may be more important, they give the primary and foundational knowledge, skills, and attitudes basic to men and women who are to receive the more immediate and specific training for war activities. Neglect the elementary- and high-school training of boys and girls today and the manpower required by modern war will not be available tomorrow.

The duties of citizens in time of the peace to follow the present war will be no less complex and arduous than now. The effectiveness with which our citizens meet the problems of the future depends in a large measure upon whether we keep the schools open and available to the children and youth of today.

Educational opportunities from the standpoint of the Nation are not now equitably distributed, and to that extent are undemocratic. The rural children, the children of minority groups, and the children everywhere in the areas of low economic resources in our Nation do not now receive and have not received at any time in the past the amount and quality of education commensurate with the needs or the ideals of our democratic Nation. Democracy cannot be made effective throughout the Nation until the National Government provides for a fair standard of educational opportunity for all the children of all the people.

The effect of inadequate educational opportunity is well reflected in the fact that nearly 200,000 men otherwise qualified for the armed service have been found unfit because of illiteracy or near illiteracy. While it is true that steps should be taken to give these men the training they should have received in childhood, it remains a fact that these educational deficiencies must be prevented at source in the thousands of communities throughout the Nation. Federal aid for education is necessary for attaining that objective.

Educational opportunities cannot be made adequate for all the children and in every community and State under any system of State and local taxation. The evidence is irrefutable and inescapable that unless the Federal Government grants financial aid to the States in support of public schools, several million American children will continue to be denied the standard of education that ought to be considered their birthright.

At the very time the Nation needs the most from the schools, the schools are being stripped of their teachers largely because the funds are not available, and will not be available under existing State and local support, to pay the salaries necessary to enable teachers to remain in the teaching profession.

In view of these facts and conditions we, the undersigned chief State school officers and the executive secretaries of State education associations, respectfully petition you to enact into law immediately the bill, S. 1313, now pending on the Senate calendar, to provide funds to the States for lessening the inequalities of educational opportunities within and among the States, and to make possible the most valuable contribution of the schools to the winning of the war.

Respectfully submitted.

Alabama: E. B. Norton, State superintendent-elect; Frank L. Grove, executive secretary; Arizona: E. D. Ring, State superintendent; Walter Maxwell, executive secretary; Arkansas: Ralph B. Jones, State superintendent; Miss Willie A. Lawson, executive secretary; California: Roy W. Cloud, executive secretary; Arthur F. Corey, executive secretary, southern section, California Teachers Association; Colorado: Mrs. Inez Johnson Lewis, State superintendent; W. B. Mooney, executive secretary; Connecticut: Alonzo G. Grace, Commissioner of Education; Lyndon U. Pratt, executive secretary; Delaware: H. V. Holloway, State superintendent; Gwendolyn A. Marshall, executive secretary; Florida: Colin English, State superintendent; James S. Rickards, executive secretary; Georgia: M. D. Collins, State superintendent; Ralph L. Ramsey, executive secretary; Idaho: C. E. Roberts, State superintendent; John I. Hillman, executive secretary; Illinois: Irving F. Pearson, executive secretary; Indiana: Robert H. Wyatt, executive secretary; Iowa: Agnes Samuelson, executive secretary; Kansas: George L. McClenny, State superintendent; C. O. Wright, executive secretary; Kentucky: John W. Brooker, State superintendent; W. P. King, executive secretary; Louisiana: R. R. Ewertz, director, Division of Instruction and Supervision; H. W. Wright, executive secretary; Maine: Richard B. Kennan, executive secretary; Michigan: Eugene B. Elliott, State superintendent; A. J. Phillips, executive secretary; Minnesota: H. E. Flynn, Commissioner of Education; Walter E. Englund executive secretary; Mississippi: J. S. Vandiver, State superintendent; Walter N. Taylor, executive secretary; Missouri: Lloyd W. King, State superintendent; Everett Keith, executive secretary; Montana: Elizabeth Ireland, State superintendent; Martin P. Moe, executive secretary; Nebraska: Archer L. Burnham, executive secretary; Nevada: Dwight F. Dilts, executive secretary; New Hampshire: James N. Pringle, Commissioner of Education; New Mexico: Mrs. Grace J. Corrigan, State superintendent; R. J. Mullins, executive secretary; North Carolina: Clyde A. Erwin, State superintendent; Fred W. Greene, executive secretary; Jule B. Warren, editor North Carolina Education; North Dakota: A. E. Thompson, State superintendent; M. E. McCurdy, executive secretary; Oklahoma: James M. Staten, executive secretary, State Board of Education; C. M. Howell, executive secretary; Oregon: Rex Putnam, State superintendent; Frank Parr, executive secretary; Pennsylvania: Francis B. Haas, State superintendent; H. E. Gayman, executive secretary; South Carolina: James H. Hope, State superintendent; J. P. Coates, executive secretary; South Dakota: J. F. Hines, State superintendent; S. B. Nissen, executive secretary; Tennessee: A. D. Holt, executive secretary; Texas: L. A. Woods, State superintendent; B. B. Cobb, executive secretary; Utah: Charles H. Skidmore, State superintendent; Milton B. Taylor, executive secretary; Vermont: E. W. Davis, State Director Educational Research and Guidance; Virginia: Dabney S. Lancaster, State superintendent; Francis Chase, executive secretary; Washington: Pearl A. Wannamaker, State superintendent; Joe A. Chandler, executive secretary; West Virginia: W. W. Trent, State superintendent; R. B. Marston, executive secretary; Wyoming: Ester L. Anderson, State superintendent; O. C. Kerney, executive secretary; District of Columbia: E. J. Braun, Senior Specialist, School Facilities, U. S. Office of Education; Wisconsin: John Callahan, State superintendent; O. H. Plenzke, executive secretary.

SENATE BILL 1313 AND THE NATION'S WAR EFFORT

Mr. THOMAS of Utah. Mr. President, the petition which I am presenting is signed either by the chief State school officers or the executive secretaries of the State education associations, or both, in 42 of the 48 States. It asks that Senate bill 1313 be made a law at the earliest date possible.

Senate bill 1313 is now a war measure—one of the most important which has been presented to the Senate. It is important because it will enable the schools throughout the country to make themselves fully available in the education of those persons who are to win the war.

When the war began we were already under way in our program of producing guns, tanks, planes, ships, and other materials of war. We had started our assembly lines and we have now increased our capacity to turn out materials of war. When we needed men trained for production of materials we trained them. We have bought supplies, tooled our factories, erected new plants, and have trained riveters, welders, and others for production. To produce has been our goal so far.

But we have reached the time when we must have men to fly the planes, man the guns, steer the ships. We have produced and are producing men who can take these machines into battle and bring them back. When we planned a 10,000,000-man Army and began to induct young men we found that when we had reached 40 percent of our 10,000,000 goal we had rejected 200,000 men—15 divisions—who were educationally unable to fight the kind of war we have to fight. They were physically fit but they did not know enough.

Mr. President I have said previously on the floor of the Senate that I know of no battle in the whole range of history since men started to fight with armies the result of which could not have been changed by 15 divisions of fresh, well-trained troops. I not only realize what we are losing as the result of this widespread illiteracy throughout our land, but what our country is losing by wasting the time of some of its best officers in attempting to teach the one-tenth of the illiterates who have been accepted into the Army how to read and write sufficiently well to prepare them to understand and execute commands.

Mr. President, the educational needs of the Army were brought out during the Institute on Education and the War, called by the Commissioner of Education in Washington during the last 4 days in August. Gen. Brehon B. Somervell, commanding general, Services of Supply, told us in no uncertain terms what part the schools must play in the war. He said:

> The job of the armed forces is to win the total war on the battle front. * * * The job of the schools in this total war is to educate the Nation's manpower for war and the peace that follows. * * * This is an army of specialists. Out of every hundred men inducted into the service, 63 are assigned to duties requiring specialized training. Our job (in the Army) is to teach men to fight. We cannot long continue to take the time and facilities needed for this job and use them on a job which could have been done before the induction of men into the Army. * * * The schools must provide an education—basic reading, writing, and arithmetic—for those 200,000 men who because of illiteracy are unable to take up arms for their country.

Here is a call from a man who knows the needs. Out of an army of 10,000,000 men there are 6,300,000, according to General Somervell's figure, who must perform work which requires technical preparation. His request calls for two things: We must stop sending boys into manhood as illiterates, thus keeping them from serving their country, and we must provide training for additional millions of men for the armed service and civilian services essential to the war.

Illiteracy, wherever we find it, dulls our war effort. It is not possible to take an illiterate man into a factory and make a producer of him. The personnel staffs of our factories, our arsenals, and all the various industrial activities which are using their energies at the present time to make victory sure are calling for an overcoming of the illiteracy which exists.

Just as industry keeps the materials of war coming in ever-increasing amounts from the assembly lines, so must we keep the young people who come out of our schools trained so they will be available for the services demanded of them.

The schools in most of the States cannot be fully effective in contributing to the war effort because they do not have sufficient financial resources. There are 28 States which cannot pay their teaching staffs an average of $25 a week; 19

States cannot pay their staffs an average of $20 a week; 6 States cannot pay their teaching staffs an average of $15 a week; and 2 States cannot pay their teaching staffs an average of $12 a week. None of these States can compete with the wages paid in industry. These figures tell us why, in some of the States, there is a high percentage of illiteracy, why there is low school attendance, and why education for the war effort is menaced. They show us why the passage of Senate bill 1313 will contribute materially to winning the war.

Mr. President, I have prepared a list of the 28 States in which extremely low salaries are paid, and I ask that the list be made a part of the RECORD at this point.

The VICE PRESIDENT. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

SUPPORTING DATA

Average weekly salaries of teachers for 1939–40, in States

(Based on figures of United States Office of Education for 1939–40)

	1939–40 weekly
LESS THAN $12	
Mississippi	$10.75
Arkansas	11.63
LESS THAN $15	
South Carolina	14.29
Alabama	14.31
North Dakota	14.33
Georgia	14.81
LESS THAN $20	
South Dakota	15.52
Kentuck	15.88
Nebraska	15.94
Tennessee	16.58
Maine	17.19
Virginia	17.29
North Carolina	18.19
Vermont	18.87
Louisiana	19.35
Florida	19.46
Kansas	19.50
Oklahoma	19.50
Iowa	19.56
LESS THAN $25	
Idaho	20.33
Texas	20.75
New Mexico	22.00
Missouri	22.29
Wyoming	22.48
West Virginia	22.50
Montana	22.77
New Hampshire	24.19
Minnesota	24.54

Mr. THOMAS of Utah. Mr. President, the children of this country deserve the freedoms we are fighting to give to the children of other nations. We can afford it. We make our children pay for the war when we neglect them during war. President Roosevelt, commenting on this point, said:

> Teachers as a group are performing a great service. Children must not be allowed to pay the cost of this war in neglect or serious loss of educational opportunity.

A great industrialist said recently:

> If we can afford war, we can also afford education. * * * If we can spend billions for war, we can afford to spend millions that will give American children their birthright—health and education. * * * Whatever else we do, let's not stint our children.

Senate bill 1313 will enable each State to do its share in the service of the Nation in this war, and will enable each to strengthen the foundations of an enduring peace. This petition represents the voice of 30,000,000 school children under the direction of a million teachers. These voices should be heard.

Mr. STEWART. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Utah. I have asked unanimous consent that I might make this brief statement, and I think I had better conclude it. Then I shall be glad to yield.

When I came on the floor of the Senate this morning I noticed one of the page boys reading a very fine book, a book entitled "Quo Vadis." If I remember my Latin, I believe the translation of that is "Whither goest thou?"

I am wondering whither we are going—where we are heading. I am almost ashamed of myself, Mr. President, to stand on the floor of the United States Senate and make a plea for equal education for the youth of our land on the basis of the war effort. If I know anything about the fundamental theories of the American Government, and the aspirations of the fathers who brought this Government into existence, I know that the very basis of our Government depends upon a universally trained citizenry. I know, too, from the studies which the Committee on Education and Labor has made and other studies dealing with migratory labor, with strategic materials, and with the various types of war activities, manpower, selective service, and all kindred matters, about the economic problems with which we are faced, and problems which may affect the entire citizenry of our country, I know of no problem which cuts so deeply into the basic fundamentals of what we call Americanism than does the neglect of our schools and the neglect of the school children.

Mr. President, day before yesterday Hitler made a speech, and, commenting upon America, making fun of our President, making fun of our people, making fun of our war effort, he called attention to the fact that the problem of unemployment was too big for America; that we could not solve it, although we had no problem comparable to that which other countries had, because, he told us, we had a great land, with mighty resources, with only a few people to the square mile.

Mr. President, this is wartime. The greatest advance which was ever made during the entire history of our educational program came during a prior war. It came when Lincoln saw the necessity of equal opportunities in education for the people throughout the whole of our land. When he did what his predecessor, Buchanan, by vetoing what became the great land-grant college bill, had failed to accomplish, Lincoln instituted in time of war the greatest educational experiment the country or the world has ever known. He brought to the world, as a result of the establishment of the great land-grant institutions, the greatest single blessing ever given to the people of the world by a single act of any government. It was a war measure then. Aid to education is a war measure now.

I repeat, Mr. President, I regret to have to admit that we must bring this matter forward at this time as a war measure; that the war requires that we act when we should have acted without the pressure of war.

Mr. President, I hope and trust that our leader will afford an opportunity for consideration of the bill by this body in order that it may soon become the law of the land. It has been reported unanimously by the Committee on Education and Labor and is on the calendar.

I now yield to the Senator from Tennessee.

Mr. STEWART. Mr. President, I merely wish to ask one or two questions. The Senator has already made an explanation to some extent. I had intended to inquire about the status of the bill. I understand it is on the calendar.

Mr. THOMAS of Utah. The bill has been reported and is on the calendar.

Mr. STEWART. It has been favorably reported by the Committee on Education and Labor?

Mr. THOMAS of Utah. Yes, I made a mistake when I said it had been reported unanimously. It was not unanimously reported. The last time it was reported a minority report was filed.

Mr. STEWART. The bill provides for a fund, as I recall, of $300,000,000.

Mr. THOMAS of Utah. Yes, the bill calls for an authorization of $300,000,000.

Mr. STEWART. How is that amount broken down and divided among the States, on what basis? Is it based on the last census? Is it on the basis of population alone?

Mr. THOMAS of Utah. No; the bill provides that the money shall be distributed on the basis of State need to produce equality of educational opportunity for all boys and girls in the primary and secondary grades of the schools.

Mr. STEWART. A moment ago the Senator placed in the RECORD a list of all the States of the Union showing comparative salaries paid to school teachers. Can the list be used as a criterion of what the Senator has stated; that is, that the States having the lowest-paid school teachers are those having the greatest need for additional funds?

Mr. THOMAS of Utah. Yes. There are three or four factors which have been used in ascertaining the need. First of all, is the ability of the State to discover the need. That is, under the theory of the bill the Federal Government would not willingly go into a State if the State had not done its duty, but would ascertain from the income taxes of the State whether the State had done its full part with regard to providing education for its boys and girls.

The next criterion is the universality of the educational opportunity on a proper basis. Next is the actual need in order to give the opportunity of education to all the boys and girls of the State.

Mr. STEWART. For what other scholastic purpose would this fund be used except the payment of the salaries of school teachers?

Mr. THOMAS of Utah. Within certain bounds it could be used as the States direct. It could not be used for anything outside the educational effort. But some

States are backward in the State-wide organization of their school system, and some of the money could be used for adult education, and some could be used for kindergarten instruction, if it is within the State program. The Federal Government would not dictate with regard to the choice.

Mr. STEWART. Would the control be entirely within the State authority?

Mr. THOMAS of Utah. It would be.

Mr. STEWART. The State educational authorities?

Mr. THOMAS of Utah. Within the bounds of the law, it would be.

Mr. STEWART. Is it contemplated that any of this money might be used, for instance, for purposes of erecting school buildings?

Mr. THOMAS of Utah. In general the building fund is a separate matter. It was a separate matter in the original bill, and I think it remains a separate matter in the present bill, because the building question is entirely different from that of giving equal educational opportunities to students. Of course, buildings are necessary.

Mr. STEWART. I am sympathetic toward the bill, I will say to the Senator from Utah. I desired to ask a few inquiries with respect to it so I might be able to answer questions which have come to me recently in letters from my State. I have read the bill and the committee report on the bill.

Mr. THOMAS of Utah. When we discuss the bill I shall be ready to answer questions which may be asked concerning it.

The VICE PRESIDENT. The petition presented by the Senator from Utah [Mr. THOMAS] will lie on the table.

Mr. HILL. Mr. President, I ask unanimous consent to proceed for a few minutes in discussing the petition concerning which the Senator from Utah has just spoken.

Mr. President, the distinguished senior Senator from Utah has presented a petition in behalf of the public schools of the United States, addressed to the President and Congress of the United States, asking for and urging action on Senate bill 1313 at the earliest possible date. I wish to associate myself with the Senator from Utah and to join with him in his eloquent and timely remarks. I wish to join with him, and with those who have signed the petition, in asking for and urging the earliest possible action on Senate bill 1313.

The Senator from Utah emphasized the bill as a war measure. Mr. President, it is a most important, a most urgent war measure. As the Senator from Utah has well said, in the days before the war it had been a peace measure. The Senate Committee on Education and Labor has three times reported the bill favorably to the Senate. In 1937, the bill was reported unanimously by the committee. Subsequent thereto, in 1939, the bill was favorably reported to the Senate; and now it comes to the Senate with almost a unanimous report in favor of its passage.

Those who have studied the educational system of our country and the question of educational opportunities know the gross inequalities which exist as between educational opportunities in the various States of the Union. I wish to call the attention of the Senate to a new and, to me, a startling inequality in the matter of educational opportunity. As we know, the Federal Government has established Japanese colonies in the State of Arkansas. The Federal Government is providing schools in those colonies for the education of the Japanese children in the colonies. A survey of the salaries paid to teachers in those schools for Japanese children shows that the minimum weekly salary of the lowest-grade elementary school teacher is $24.23. The minimum weekly salary of the upper-grade elementary school teacher is $31.15. The minimum weekly salary of the high school teacher is $30.46—$24.23 for the lowest-grade elementary school teacher, $31.15 for the upper-grade elementary school teacher, and $30.46 for the high school teacher, in the Federal schools for Japanese children.

In contrast with the salaries paid by the Federal Government for the education of Japanese children, we find that the average weekly salary of teachers, principals, and supervisors—not the lowest grade teachers, but principals and supervisors—in Arkansas public schools, elementary schools, and high schools, is $11.23.

Mr. President, when we see the Federal Government expending two or three times as much to provide educational opportunities for Japanese children as is being expended to provide educational opportunities for our own children in these United States of America, how can we as Members of this body remain silent, how can we fail to act on behalf of children who are citizens of our own country, whose fathers today are being called into service to go out and to fight and to suffer and to die in order to protect this country from the onslaughts and the attacks of the Japanese? Let us remember that under the law, American children when they become 20 years of age—perhaps even when they become 18 or 19 years of age—will be subject to being called into the service of our country in its armed forces, having rifles put in their hands, and being sent forth to suffer, to struggle, and, if need be, to die for their country. Yet our country is spending from two to three times as much money on the education of the children of our enemies, those who would destroy our country, and our freedom, and who would enslave us, as is being expended on the education of its own citizens.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. JOHNSON of Colorado. I concur wholeheartedly in the statement just made by the junior Senator from Alabama. I am ashamed to say that in my own State because of a lack of funds nine schools in one county have not been opened this year. Yet at the same time there is in my State a Japanese colony where the teachers are receiving more pay than the pay received by those teaching our own children, and where the Japanese children are receiving educational advantages far beyond those received by our citizens.

Mr. HILL. Mr. President, the chart showing the figures relative to this matter proves that the Senator from Colorado is absolutely correct.

What shall I say? Certainly it is a little humiliating to have to admit that in the State of Colorado the average salary paid to the teachers, principals, and supervisors in elementary and high schools is lower than the salary which the Federal Government is paying to the lowest-grade elementary-school teacher in one of the Japanese colonies in the State of Colorado.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. MAYBANK. I concur fully in what the distinguished Senators from Utah and Alabama have said relative to the matter. I find that in South Carolina the average salary paid to teachers in 1939 and 1940, according to the figures submitted by the distinguished Senator from Utah, was only $14.29, and that the average salary paid to teachers in Alabama was $14.31. Let me say that since that time it has been possible to increase the teachers' pay; but I hope that the present condition will be remedied.

Mr. HILL. Mr. President, let me say relative to what the Senator from South Carolina has said that 27 States—practically two-thirds of the States in the Union—are today furnishing men to fight, and, if need be, to die for this country; and yet in those 27 States the average salary paid to teachers, principals, and supervisors in all public schools from the high schools to the lowest-grade elementary school is less than the minimum salary paid to the lowest-salaried elementary-school teachers in the Japanese colonies in Arkansas.

Mr. ROSIER. Mr. President——

The PRESIDING OFFICER (Mr. SPENCER in the chair). Does the Senator from Alabama yield to the Senator from West Virginia?

Mr. HILL. I am glad to yield to the Senator from West Virginia.

Mr. ROSIER. Mr. President, I desire to comment on certain phases of the bill providing Federal aid to education.

For 25 or 30 years those who have been particularly interested in education in this country have been pressing the Congress of the United States to make some provision for Federal aid to education. That effort is based upon the idea that general education is very vital to the preservation of our institutions. The difference of opinion has been turned on the question, Who shall bear the expense for the support of education?

Back in the early days education was supposed to be the private business of each individual family. The families who had the wealth to educate their own children provided them with the best educational opportunities, while the children of the poor were afforded no education or were given what was called poverty education. A little more than a hundred years ago, Horace Mann, of Massachusetts, started a movement in this country that established State public education. That fight has been continuing for a hundred years.

Boiled down to its lowest terms, the issue is, Shall the few who have the

wealth be taxed to provide support for schools for the education of the children of families who do not have the wealth?

In that question is involved the problem of equality of educational opportunity.

In my State of West Virginia in the last 10 years we have gone through a fight in the matter of establishing equality of educational opportunity.

I may say that down to this very minute a great many people hold that education is a local matter, that the children of a certain district or locality shall have such schools as they are able to provide. That means that districts, counties, and States with a low property valuation can tax themselves locally to the limit and still be unable to provide educational opportunities which can be provided at a low rate of taxation by wealthy communities. In my State there were counties which had $10,000 of property assessment behind each pupil who enrolled or registered in the county. There were other counties which had only about $700 of assessed value back of each pupil enrolled. So for all these years we carried on the fight to establish greater educational privileges for the children in the less-favored communities so far as wealth is concerned. It has come about in the last 6 or 8 years that we have transferred the support of our schools from the county and district to the State, so that today, Mr. President, the State of West Virginia provides 55 percent of the support of the public schools of the State. There is one county in the State of West Virginia which receives 90 percent of the support for its public schools from State funds.

Mr. President, I hold that education is vital to the preservation of this country. If we have any distinctive American way of life, it is our system of education, and I think in 150 years we have demonstrated that our success among the nations of the earth has been based very largely upon our system of education, the kind of education which Washington advocated in his Farewell Address, which Thomas Jefferson first outlined for us, and which Horace Mann, through years of struggle, established in the States of this Union.

I should like to say a word about the equalizing of educational opportunities. I suppose that there is no subject on which political orators and orators of all types have expanded themselves more than on their support of public education in this country. It is a good deal like our professions of Christianity; we profess very loudly, but we do not practice. I say we have come to a time in this country when the States as related to local communities and the Nation as related to the States must assume responsibility for the educational problem.

The bill in question is really a war measure; it is a measure for the preservation of our Nation, Mr. President, because we are not only called upon to furnish the intellectual and spiritual leadership in this war but we are called upon to provide the training and education which will provide the bulwark of our protection after the war.

Let me say that, following this war, 1 year after this war, we will be confronted with more "isms" than were ever before dreamed of; everyone will be affected, and the only way that we can stand up against the wave of isms and all sorts of ideologies which will assault us after this war is over, will be by having a majority of our people intelligent and educated, for we all know that an ignorant mass of people are subject to be the prey of the demagogue and those who would advocate all sorts of isms.

So, Mr. President, I gladly lend my support to this measure, and I join with all those who are supporting it not only as a war measure—and it certainly can be justified in every respect on that basis—but more especially as a measure to preserve our institutions after this war shall have ended.

Mr. HILL. Mr. President, I want to thank the distinguished Senator from West Virginia for the contribution he has made. He is one of the leading educators of this country; his is one of the real authoritative voices in America on the subject of education. He has said much that I thought, perhaps I might say, but he has said it better, and, I am sure, in a more compelling way than I could have said it.

Mr. STEWART. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. HILL. I yield.

Mr. STEWART. I was somewhat surprised a moment ago at a statement made by the Senator from Alabama with respect to the payment of teachers who are conducting schools for the Japanese, who are being held as unwilling guests of the Government, or perhaps unwilling guests, but who, nevertheless, have been segregated to themselves. Can the Senator inform me by what authority the schools in which Japanese enemies are being educated are maintained? I do not recall that Congress has given any authority to maintain schools to educate our enemies.

Mr. HILL. I should think that under general legislation which Congress has passed to provide for the bringing together of the Japanese in certain areas in colonies.

Mr. STEWART. In concentration camps.

Mr. HILL. I should not call them concentration camps, for the colonies such as we operate are entirely different from what we think of as concentration camps which the Germans operate.

Mr. STEWART. So far as I am concerned, they could be worse than that with respect to the Japanese. However, if I may interrogate the Senator further, may I ask him if he knows whether the Japanese Government extends a similar courtesy to such Americans as are being held prisoners in Japan?

Mr. HILL. I cannot tell the Senator; I do not know. I do know that in the Senator's State the average salary of teachers, principals, and supervisors in all public schools, that is, from the lowest elementary schools through the high schools, is $14.56.

Mr. STEWART. That has been slightly increased, if I may interrupt the Senator; it is $16.58 a week.

Mr. HILL. I am glad it has been raised; but even with the $16.58 figure, it is still far under the salaries which are being paid by the Federal Government for the education of the children in the Japanese colonies. The lowest elementary salary in these Japanese colonies, as I have stated, is $24.23.

Mr. STEWART. I thank the Senator for answering the questions I have asked, and I wish to say to those who have already spoken on this matter that I am in hearty accord with those who favor the passage of the bill referred to, or one of similar character, because I feel that school teachers are greatly underpaid, and that most of the States are not making the fullest effort to pay them proper salaries.

Mr. HILL. The Senator is absolutely correct about teachers being underpaid in many of the States. As to the effort that is being made, I wish to emphasize that the States in which there is the largest number of children, States which are the poorest in the economic ability, poorest from the standpoint of the wealth with which to provide education, are the ones which are making the greatest effort to educate their children. They are the ones which are levying the heaviest taxes upon themselves. They are the ones carrying the heaviest burden in an effort to give their children the best possible educational opportunities.

There is only one way in which we can equalize educational oportunities in this country, and that is by the passage of a bill such as Senate bill 1313, under which the Federal Government would raise the standards of education in the poorer States, with their greater number of children, States which are taxing themselves to the limit, and which are making the greatest effort today to educate their own children.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. BUTLER. I am aware that Senate bill 1313 is not before the Senate for action at this time, but I have been greatly interested in the remarks which have been made in support of the bill. Perhaps I myself can agree with most of the statements which have been made, but I think we should keep the RECORD a little bit straighter than it is up to the moment with reference to the report of the committee being unanimous in support of the bill. Two speakers have made the statement, I believe, that the report was practically unanimous. That is hardly correct, because I believe a minority report was filed.

I should like to ask the Senator a question. I have been greatly interested in the figures he gives us with reference to the expense of operating the schools for the Japanese evacuees in Arkansas as compared with the expense of operating local schools in Arkansas. That implies that we must raise the expense of operating our domestic economy in all lines to match the expenditures which are being made in connection with

our war program, and I think that would be a very false premise to assume.

Mr. HILL. I do not agree with the Senator at all. The education of children, the preparation of children for citizenship, cannot be put into any general category with all other economic or social problems that may be involved in our domestic economy.

Mr. BUTLER. I am of the opinion that it is not possible to measure the value of education to an individual by the amount of money spent on it.

Mr. HILL. It is not possible to measure the benefit of an education by the money spent on it, but we certainly can measure the educational opportunity we give an individual by the amount of money expended, and that is what the plea is for. The plea is to give decent educational opportunities to all the children of this country, whether they reside in Nebraska, North Dakota, or any other State of the Union. We certainly can measure the educational opportunity by the money.

Mr. BUTLER. If we wished to measure it by the amount of money being spent, or if the amount of money were a controlling factor, we would cease to draw from the log cabins of Kentucky men such as Lincoln, or others of the leading men and women of the Nation, who have come from perhaps the sod schoolhouses on the prairie. We would look to New York and other centers where the receipts from tax money are great. I do not care to extend the comparison any further for the moment, but I should like to give an illustration, if the Senator will permit.

Mr. HILL. The Senator has mentioned Abraham Lincoln. If he is to follow the logic of the theory he suggests, then he perhaps would abolish all schools in the country. I do not think the Senator has arrived at that point. Every once in a while we find a rare genius such as Abraham Lincoln who perhaps comes once in many generations, who can and does overcome the handicaps and the obstacles and the barriers presented by his not having had educational opportunity, but he is the exception rather than the rule.

Mr. BUTLER. I am of the opinion we are not going to benefit our educational situation by attempting to make it entirely the responsibility of the Nation. I would apply the same logic to the operation of State institutions that I would apply to individuals. We make advancement by helping ourselves and not looking too much to someone else to give us something as individuals, and the same observation will apply to the States. If the States will collect their taxes promptly, based on proper rates of taxation, I think that most of them will be in position to give necessary educational opportunity to their students.

Again referring to the matter of bringing school expenditures up to the level of our war program, I have a letter from a man in Louisiana, for instance, who visited a place where there is being spent $3,400 on the construction of guardhouses which will accommodate two guards. It would be possible to construct buildings which would take care of two guards for a very small fraction of $3,400, and I am fearful that if we should attempt to put our school and other domestic expenses upon a level with our war expenditures, it would be a little too much of a burden even for the United States Treasury.

Mr. ELLENDER. Will the Senator from Alabama yield so that I may ask a question of the Senator from Nebraska?

Mr. HILL. I yield.

Mr. ELLENDER. I have before me a table indicating that the average weekly salary of teachers, supervisors, and principals in the State of Nebraska amounts to $15.94 per week. Does the Senator feel that to be an adequate salary for the teachers in his State, and if not, why does not his State raise more money in order to increase the salaries of its teachers?

Mr. BUTLER. Let me say to the Senator from Louisiana that the salaries of teachers in Nebraska are disgracefully low, but I am of the opinion that the people of Nebraska are well able to pay decent salaries. They may not be in position to match the salaries being paid to war workers, but they can pay better salaries than they are now paying, and ultimately they will do so, and, I hope, without assistance from the United States Treasury. The moment the United States intervenes to help us with our educational system, I fear it will attempt to direct the kind of education we are to receive, and that is something for which we are not ready.

Mr. ELLENDER. Mr. President, the Senator from Alabama made a very significant statement a few moments ago when he said that the States of the South are doing all they can in order to assist in the education of the children of the South.

Off and on for the past 5 or 6 years the Committee on Education and Labor has been holding hearings on bills authorizing Federal aid for education. Facts were presented to the committee showing that the State of Mississippi—in fact, many other States of our Union—could spend for educational purposes every dollar of tax money they collect each year for all purposes and yet they would not spend as much money per pupil as does the State of New York. That seems incredible and yet it is true.

Mr. HILL. In other words, if the State of Mississippi spent for education alone every dollar that today is being spent not only for educational purposes, but for all other governmental purposes, it still could not provide for its children the educational opportunities which are being provided by other States.

Mr. ELLENDER. The Senator is correct; that is the point I was seeking to emphasize. If the Senator will permit me to be more specific: In 1933–34 Mississippi spent, per pupil enrolled, $18.93, and New York spent $124.32. Arkansas spent only $19.86 per pupil. Why, the average expenditure per pupil enrolled for the period indicated in continental United States was $64.76. Thus it can be seen at a glance that something must and should be done at once in order to give next equal educational advantages to all residents of our Nation, no matter where they live.

Another significant sequence to the lack of funds is found by noting that in the States of the South that are not able to or do not spend the amount of money which should be spent on education, the percentage of pupils in the high schools of these States is much less than in those States that are better able to carry the burden.

For instance, in the State of Mississippi, where only $10.75, as an average, is paid weekly to the teachers, supervisors, and principals in the schools of the State, only 39.5 percent of the pupils in the State of high-school age are in high school. In the State of New York, where an average of $50.07 per week is paid to teachers, supervisors, and principals, the percentage of pupils of high-school age in high school is 82.7.

Mr. President, I do not desire to infringe upon the time of the Senator from Alabama, but with his consent I should like to place in the RECORD at this point a table showing the percentage of pupils of high-school age enrolled in the high schools of each State, and also a table showing the weekly salary of teachers, supervisors, and principals of each State. I am sure he will not object.

Mr. HILL. I have no objection.

The PRESIDING OFFICER. Without objection, the table presented by the Senator from Louisiana will be printed in the RECORD.

The table is as follows:

State	Average weekly salary of teachers, supervisors, and principals (1939–40)	Percentage of pupils of high-school age enrolled in high school (1940)
Alabama	$14.31	40.7
Arizona	29.65	58.0
Arkansas	11.23	43.7
California	42.33	82.4
Colorado	26.78	71.2
Connecticut	35.80	70.6
Delaware	32.17	65.4
Florida	19.46	57.1
Georgia	14.81	49.2
Idaho	20.33	78.6
Illinois	30.92	67.0
Indiana	27.54	80.4
Iowa	19.56	78.8
Kansas	18.50	82.0
Kentucky	15.88	40.6
Louisiana	19.25	50.5
Maine	17.19	61.6
Maryland	30.07	47.0
Massachusetts	38.63	76.8
Michigan	30.30	75.2
Minnesota	24.51	71.4
Mississippi	10.75	39.5
Missouri	22.29	65.8
Montana	22.77	76.7
Nebraska	15.94	82.0
Nevada	29.95	86.1
New Hampshire	23.71	62.5
New Jersey	40.25	73.6
New Mexico	22.00	51.9
New York	50.07	82.7
North Carolina	18.19	62.5
North Dakota	14.33	65.8
Ohio	30.51	75.9
Oklahoma	17.50	69.3
Oregon	25.63	85.3
Pennsylvania	31.53	71.5
Rhode Island	33.77	53.4
South Carolina	14.29	49.1
South Dakota	15.52	75.0
Tennessee	14.56	46.1
Texas	20.75	67.5
Utah	26.80	93.3
Vermont	18.87	55.6
Virginia	17.29	51.6
Washington	32.81	92.5
West Virginia	22.50	55.3
Wisconsin	26.51	70.6
Wyoming	22.48	94.2

Mr. ELLENDER. I should also like to place in the RECORD at this point a table

showing the percentage of persons of 25 years of age or over, who have completed 4 years of education or less. The percentages will be somewhat reflected in proportion to the amount of money which is spent in the various States, especially in the South. The table will show that the percentages are much less, of course, in the States where more money is expended.

The PRESIDING OFFICER. Without objection, the table presented by the Senator from Louisiana will be printed in the RECORD.

The table is as follows:

Percentage of persons 25 years of age or older who had completed 4 years of education or less

Alabama	28.9
Arizona	19.4
Arkansas	23.1
California	8.1
Colorado	9.0
Connecticut	11.2
Delaware	12.9
Florida	18.5
Georgia	30.1
Idaho	5.2
Illinois	9.6
Indiana	7.7
Iowa	4.1
Kansas	6.1
Kentucky	20.2
Louisiana	35.7
Maine	7.4
Maryland	15.3
Massachusetts	10.1
Michigan	10.2
Minnesota	7.5
Mississippi	30.2
Missouri	10.3
Montana	7.4
Nebraska	6.0
Nevada	8.8
New Hampshire	8.1
New Jersey	12.0
New Mexico	27.3
New York	12.1
North Carolina	26.2
North Dakota	10.8
Ohio	8.4
Oklahoma	13.5
Oregon	5.2
Pennsylvania	12.3
Rhode Island	13.7
South Carolina	34.7
South Dakota	7.2
Tennessee	21.7
Texas	18.8
Utah	5.5
Vermont	6.1
Virginia	23.2
Washington	5.9
West Virginia	16.5
Wisconsin	9.4
Wyoming	7.1

Mr. HILL. Mr. President, I desire to emphasize the fact which has been stated by the Senator from Louisiana. The Senator has properly and well spoken of the conditions in the South, but the lack of opportunity is not at all confined to the South. Many States in other sections of the country, particularly in the West, offer fewer educational opportunities than are offered in the South. The situation in those States may be a little less aggravated than in some places in the South, but there is still a sharp and pronounced lack of educational opportunity in many of the States outside of the South.

Mr. ELLENDER. There is no question about it. For many years the Senate has had under consideration numerous bills for Federal aid and little but committee action has taken place.

It is my contention that all States will benefit if we should make possible equal educational advantages for all children no matter where they live. We have a mobile population. In many States over 50 percent of their population is not native-born. People move in from other States to become permanently located. Would it not be better to have well-educated people to move in than to have fourth graders move in?

Mr. President, this problem is now beyond the talking stage. We need action and the quicker we act the better off we shall be. We should enact Senate bill 1313 without delay, and I suggest to our distinguished majority leader that the bill be called from the calendar at the first opportunity.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. BARKLEY. I apologize to the Senator for interrupting him, but I am one of the conferees on the price-control and anti-inflation bill, and I was about to ask that at the conclusion of the remarks of the Senator from Alabama the Senate stand in recess until 3 o'clock. The conferees are very nearly together on their report. The report must be acted upon first in the House. We hope to have it ready for consideration by the Senate at 3 o'clock.

Mr. THOMAS of Oklahoma. Will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. THOMAS of Oklahoma. Is there any reasonable probability that a record vote will be necessary on the conference report?

Mr. BARKLEY. I doubt it, unless such a vote is demanded. I see no reason why there should be a record vote, but we can never tell about it. If some Senator demands it, and a sufficient number second the demand, we will have a record vote. But I think the prospects are fair that there will not be such a demand.

Mr. President, I ask unanimous consent that at the conclusion of the addresses which are to be made upon the subject of Senate bill 1313, or any other subject, the Senate stand in recess to 3 o'clock p. m. today.

The PRESIDING OFFICER (Mr. SPENCER in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. NYE. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. NYE. I am intensely interested in what may be the outcome of the consideration involving Senate bill 1313, and I should like to offer my thanks and appreciation to the Senator from Utah [Mr. THOMAS] and the Senator from Alabama [Mr. HILL] for the splendid way in which they have today expounded the need and the occasion for the proposed legisation. May I ask the Senator from Utah whether there is companion legislation pending in the House of Representatives at this time?

Mr. THOMAS of Utah. No bill similar to Senate bill 1313 has been introduced in the House up to this time.

Mr. NYE. Then it is all the more important, it seems to me, that before long the Senate accomplish the passage of the bill to the end that there may be opportunity for the House to act before the end of the present session. Does the Senator have in prospect any time when we might take up the bill in the Senate?

Mr. HILL. I know of no definite date, but I certainly hope and strongly urge that the bill may be considered at the earliest possible date.

Mr. NYE. I shall want to join the Senator in any undertaking that is his to hurry such action.

Mr. HILL. I wish to express my appreciation to the Senator from North Dakota.

Mr. ROSIER. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from West Virginia.

Mr. ROSIER. I wish to make one other remark about the subject of education in a democracy. Education in countries dominated by aristocracy is confined to the privileged few. It is our theory that in a democracy the children across the track should have the same opportunity for development and growth as the children up the avenues. We have had difficulty carrying out our ideas of equality in a democracy, but in a democracy education should be universal, and out of universal education we are going to get our leadership in the future.

I may say that in a democracy leadership is just as apt to come out of a mountain cabin or a home in a tenement as it is to come out of the homes of the well-to-do and the rich. Sometimes we like to think it is more apt to come from the homes of the poor. But in this modern age we cannot depend on the Abraham Lincoln type of development. For a great many years I have heard that example held up in regard to education. No one can have an admiration surpassing mine for Abraham Lincoln and all his accomplishments, but there are many Abraham Lincolns scattered all through the poor homes, farm homes, and homes of laboring people of this country, who, if they had the opportunity, could become of tremendous value to their country.

Mr. HILL. Is it not true that in a democracy we have to think in terms of the average man and make our comparisons in that way?

Mr. ROSIER. Yes. We educators do not profess that we can make great intellectual leaders out of all people. Such an idea would be preposterous. It is said that the great problem in education is to discover talent and ability and to develop it, and who knows where we can find it in this country? I think it was Thomas Carlyle who once made this significant remark:

> The greatest human tragedy is this, that a person who is capable of learning should die in ignorance.

The objective of education in a democracy is to see to it that no boy and no girl, whatever may be his or her material

circumstances, shall be robbed of the opportunity to learn and to develop the talents with which they have been endowed.

Mr. HILL. Mr. President, I agree with all that the Senator from West Virginia has said. I could proceed further at this time and give to the Senate many figures and, I hope, many persuasive arguments in behalf of the bill. It seems evident, from the debate which has taken place in the Senate today, in which numerous Senators have voiced their views and expressed their support of the bill, that many of the Members of this body are anxious to have it considered at the earliest possible time. I hope we may have that much-desired consummation—early consideration and early action on the bill.

Mr. President, I wish to emphasize what the Senator from West Virginia has said. The failure of the Congress to pass this bill would be a denial of democracy itself. We are today engaged in a great war to preserve our democracy from attack and from destruction by forces from without. If we should fail to pass this bill we would fail to give proper, adequate, and much-needed protection to our democracy against forces from within. Long ago Macaulay declared that America need have no fear of the enemy from without; that it was the vandal within who would bring about her destruction. There perhaps is no greater seedbed of vandalism than ignorance. A democracy must live and survive through the character, independence, and enlightenment of its people, and if we fail to give to the children of our country, its future citizens, the opportunity to build and develop character and intelligence, the opportunity to receive enlightenment, then we deny democracy itself, we shut off the springs from which democracy receives its life-giving waters. If we shut off those springs the inevitable end must be the death of democracy.

Mr. President, with the single exception of winning the war, of putting forth the efforts needed to win the war, there is nothing more important, nothing more compelling to be done at this hour, than the passage of Senate bill 1313. We should pass it, as the Senator from Utah has said, as an urgent war measure. We should pass it as an urgent measure to make proper provision for the peace, with all its many problems, which is to come after the war. We should pass it so as to protect and preserve our democracy from within, even as we struggle and fight today to protect and preserve our democracy against the forces from without.

INVESTIGATION OF REQUISITIONING OF RAILROAD PROPERTY

Mr. REED. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 297, submitted by me (for myself, Mr. JOHNSON of Colorado, Mr. CHAVEZ, and Mr. HATCH) on October 1, and reported favorably today by the Committee on Interstate Commerce.

The VICE PRESIDENT. The resolution will be stated for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 297) authorizing an investigation of the policy of certain governmental agencies in requisitioning railroad property.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. BARKLEY. Mr. President, reserving the right to object, the resolution, which, as I understand, was reported today from the Committee on Interstate Commerce, provides—

> That the Committee on Interstate Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make a full investigation of the practices and policies followed by the War Production Board, the Office of Defense Transportation, and the Reconstruction Finance Corporation, directly or through subsidiary agencies, with respect to the requisitioning or other acquisition of railroad property. The committee shall report to the Senate as soon as practicable the results of such investigation, together with its recommendations, if any, for necessary legislation.

Under the law the Interstate Commerce Commission is authorized to decide whether existing tracks or short lines or feeder lines or other lines of railroad may be abandoned, and since the passage of the Transportation Act of 1920, in which that authority was first included, I think it has been exercised on numerous occasions. Of course, in a case in which the Commission authorizes the abandonment of a railroad track or any part of a railroad system the property still belongs to the railroad company to be disposed of as it may see fit. Undoubtedly the situation grows out of the scarcity of steel and probably other critical materials involved in abandoned railroad trackage, and whatever the War Production Board has done or is doing is based upon that need.

I have had my attention called to the fact that in a number of cities all over the country—Birmingham and in other cities—the War Production Board has ordered the taking up of streetcar tracks which have been abandoned by the utilities—busses and other forms of transportation having been provided instead of streetcars. I would not want to justify the adoption of such a resolution as this on the basis of any isolated case in which the War Production Board or any other agency for war purposes is proceeding to acquire railroad tracks, whose abandonment has been approved by the Interstate Commerce Commission, or whose abandonment has not been approved, simply to look into one isolated case of that kind.

I wish to inquire of the Senator from Kansas to what extent this practice, or whatever it may be called, is general? How many such cases are there? Is it one isolated case, or what is the situation with respect to the problem which makes it necessary to investigate the practices of the War Production Board? I base that question upon this fact: It is easy here to adopt a resolution to investigate somebody. We have investigating committees here and there, and we are investigating everybody who has anything to do with the conduct of the war, and we give out reports and blasts and comments after we have made an investigation. I want to know whether the difficulty which the Senator from Kansas has in mind, and which the committee must have had in mind in reporting the resolution, is sufficiently general, or are the cases sufficiently numerous to justify a general investigation? The resolution would indicate that a condition has been found which makes it necessary for us to investigate the War Production Board, the Office of Defense Transportation, which is the Interstate Commerce Commission, or the Chairman of that Commission, or at least the head of it, and the Reconstruction Finance Corporation, and all that. I should like to know what the basis of it is.

Mr. McNARY. Mr. President, will the Senator from Kansas yield?

Mr. REED. Certainly.

Mr. McNARY. I desire to bear witness to the conditions in Oregon. I have not had anything to do with the preparation or the proposal of this resolution; indeed, I have not asked for such information in many, many years; but in this instance I rather favor a proposal such as the able Senator from Kansas has suggested.

In my own State there are two illustrations of what I think should be considered. From the Columbia River, on the main line of the Union Pacific, to Shaniko, a distance of 75 miles through a wheat-producing section, the rails are being removed. There are deep canyons on either side of the railroad track. With a shortage of tires, it would seem impossible to move the wheat and the cattle and sheep from that section next year. I think those responsible are taking into consideration the immediate need for rails without considering the future. It seems to me that such action amounts almost to confiscation of farm properties.

I have gone into the matter and find a want of coordination between the War Production Board, the Metals Reserve Company, Mr. Eastman's organization, and the Interstate Commerce Commission. In one instance the Interstate Commerce Commission held a hearing on the 8th of September. Before it could submit a report the Metals Reserve Company went into action on the advice of the War Production Board, which says that it has been authorized by the War Department to do this particular job.

I believe that the whole situation could be saved if the various agencies could reason together and determine the economic situation which confronts the farmers. No one wants to deny the Government or the War Department the use of needed rails; but they could probably be obtained elsewhere, rather than by taking from a farming community rails which are needed to meet the needs of commerce for next year. I appear as a voluntary witness only because of the challenge——

Mr. BARKLEY. It is not a challenge. I am seeking information.

Mr. McNARY. There are two instances in my State. One involves the line from Brogan to another place in Oregon. The Senator from New Mexico [Mr. HATCH] told me about an instance in his State.

I rather favor the proposed investigation, because I know it would be fair. It would be calculated to develop the sub-

ject, and not to expose or attack anyone. During all my service in the Senate I have never been charged with attacking anyone.

Mr. BARKLEY. My inquiry was based upon my desire to obtain information. I do not wish to participate in the adoption of a resolution to investigate the War Production Board or any other agency on the basis of an isolated case in which someone does not want rails taken up.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. CHAVEZ. Let me state for the information of the Senator from Kentucky that within the past 60 days we have had three such instances in New Mexico, one of which involved some locomotives which were needed elsewhere.

The thing about which farmers are complaining is that a railroad may make an application to the Interstate Commerce Commission to abandon a certain railroad line because there is no necessity for it; and before the Interstate Commerce Commission can act, the War Production Board will order the rails taken up. On the 2d of September the Interstate Commerce Commission held a hearing in the little city of Clayton, N. Mex. An investigator was sent there. At the same time, and before the Interstate Commerce Commission had made a decision as to the necessity for abandoning the line, the War Production Board, under its authority, ordered the rails taken up.

It happened at a bad time of the year. As the Senator from Kentucky knows, New Mexico is a stock-raising and farming State. The farmers of New Mexico send their cattle and sheep to market about the first of October. Contracts are made for delivery on that date. Without considering the needs of the people at that particular time, and before the Interstate Commerce Commission had arrived at a decision, the War Production Board ordered the rails taken up.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. MILLIKIN. For the further information of the distinguished majority leader, let me state that recently a tentative effort, at least, was made to requisition a whole railroad system in Colorado. That particular system is the backbone of transportation for about 75,000 people, and the only comprehensive transportation system they have.

In fairness to the War Production Board and to the Office of Defense Transportation, upon my protest they agreed that there would be no haste about the matter and that all interested parties would be afforded the opportunity for a full hearing. When agencies of the Government reach out and affect railroads which are in use, I believe there is legitimate reason for looking into the question and determining the war needs as against the needs of the general community. Many such railroad lines are vital to the production of a number of mines which are engaged in mining strategic minerals.

I wish very heartily to endorse the resolution. I do not believe that any harm could come from the investigation if it were pursued in a fair spirit. I believe that it would be very helpful, because the communities which are threatened in that way should know where they stand and how they are going to live, from a transportation standpoint.

Mr. BARKLEY. Mr. President, reserving the right to object, of course, the committee could have looked into this subject without a resolution. It has the right to call witnesses before it and find out what is being done. It may be a little more impressive to have the Senate adopt a resolution authorizing such an investigation. The proposed investigation involves no expense, and I shall not object to the present consideration of the resolution; but I hope that the investigation called for will not result in throwing out a dragnet to try to find something which has been done by the War Production Board, the Office of Defense Transportation, or the Reconstruction Finance Corporation of which Senators do not approve. If anything needs correction, it seems to me that through a conference among the various agencies a modus operandi might be worked out so that it would not be necessary to enact any legislation on the subject. I do not object to the resolution.

Mr. REED. Mr. President, let me make a very brief statement. This situation is widespread. It extends clear across the country, from one ocean to the other, and from Canada to the Gulf of Mexico.

The immediate and urgent interest arises from the fact that last June I had a conference with the president of the Santa Fe Railroad, the largest railroad in Kansas, and one of the great systems of the country, in which he told me that the Santa Fe Railroad was about to file applications for the abandonment of about 185 miles of branch lines in Kansas. I urged him to delay the presentation of such an application until the rubber situation and the truck situation had become more nearly normal. He declined to do so.

The railroad pressed its application, and the Interstate Commerce Commission set hearings. A record has been made; and yet in the interim the War Production Board, through the Reconstruction Finance Corporation and a Reconstruction Finance Corporation subsidiary, the Metals Reserve Company, has begun a requisitioning process, without giving anyone an opportunity to be heard and before the Interstate Commerce Commission had made any finding on the record already made.

The situation is widespread. I talked with Mr. Eastman about this subject night before last. Mr. Eastman believes that the War Production Board ought to defer action in this instance.

Mr. HATCH. Mr. President, will the Senator yield for a ccrrection?

Mr. REED. I yield.

Mr. HATCH. I believe that the Senator's information as to the agency which makes the requisition is not quite correct. I think the Senator will find that that agency is the Section of Inventory and Requisition. That is the section through which the order comes. That section is where the Senator should begin his investigation.

Mr. REED. Let me say to the Senator from New Mexico that I have conferred with the division to which he refers. The actual requisitioning is done by the Metals Reserve Company. Possession of the property is taken by the Metals Reserve Company, which is a subsidiary of the Reconstruction Finance Corporation.

As I have stated, I had a talk with Mr. Eastman night before last. I had had an understanding with him that no action would be taken in these cases until there had been a careful investigation from all sources. I was told that the War Production Board is about to violate that understanding. Since I have been in the Chamber I have been called to the telephone by one of Mr. Eastman's associates, who told me that the Office of Defense Transportation was having difficulty in getting the War Production Board to defer action until all sides of the question can be presented.

Let me say to the Senator from Kentucky that I have spent about a week trying to find out from the War Production Board how much steel rail it needs. The purpose of the requisition is to obtain steel rail. I am unable to ascertain. I have been trying to find out how much steel rail is available from other sources besides branch-line railroads. I have been unable to ascertain. Also, I have tried to find out from Mr. Eastman. He does not know, and he says that he cannot find out. I think it is about time for somebody to find out.

There is no question that under normal circumstances many branch lines would be abandoned. However, in this period of uncertainty as to rubber tires and trucks, when such branch lines are abandoned and their rails taken up, communities are deprived of transportation and there is brought about irreparable damage, which should not be caused, at least until the communities interested have had an opportunity to be heard. The Interstate Commerce Commission affords such opportunities for hearings. The War Production Board does not.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. HOLMAN. I wish to endorse and supplement what my colleague [Mr. McNARY] said about the branch line from the Columbia River into the Shaniko and central Oregon area. So exercised and concerned are the people of that great producing area as to what is about to happen to the railroad which serves that community that a delegation has come all the way across the continent to ask that we do what we can to protect the interests of the people of that community.

I am very much in favor of the resolution.

Mr. REED. Mr. President, I think I have said enough. The situation is urgent. That is the only reason for my

bringing up the resolution out of order and asking unanimous consent for its consideration, in order that an investigation may be made. I believe that the Committee on Interstate Commerce is familiar with such things, and is the proper agency to make the investigation. Someone somewhere should do something about it. All we propose to do is to find out what the policy is, who declares it, and what the basis is, and to protect, so far as we can, the interests of the communities that will be affected.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. JOHNSON of Colorado. Mr. President, I was very happy to join with the junior Senator from Kansas in the introduction of the resolution. One reason which impelled me to endorse the resolution was a statement made to me by Mr. Julius Luhrsen, who is secretary for the railway brotherhoods. Mr. Luhrsen made the statement that he had made a survey of idle rails and that he discovered there were 3,000 miles of idle rails in this country not serving under any certificate of convenience and necessity. If that be the fact, such idle rails should be utilized before utilities which are serving public welfare are torn up. The only way I know of to establish the facts is by means of a hearing to ascertain the true situation. That is the only way to establish it; and that is one of the impelling reasons which caused me to join with the Senator from Kansas in presenting the resolution.

Mr. REED. Mr. President, I ask unanimous consent for the consideration of the resolution.

The PRESIDING OFFICER (Mr. STEWART in the chair). Is there objection to the consideration of the resolution?

There being no objection, the resolution (S. Res. 297) was considered and agreed to, as follows:

Resolved, That the Committee on Interstate Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make a full investigation of the practices and policies followed by the War Production Board, the Office of Defense Transportation, and the Reconstruction Finance Corporation, directly or through subsidiary agencies, with respect to the requisitioning or other acquisition of railroad property. The committee shall report to the Senate as soon as practicable the results of such investigation, together with its recommendations, if any, for necessary legislation.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. SPENCER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE NOMINATIONS CONFIRMED

Mr. HILL. Mr. President, there are only a few nominations on the Executive Calendar. I ask unanimous consent that, as in executive session, the Senate proceed to the consideration of nominations on the Executive Calendar.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama? The Chair hears none, and it is so ordered. The clerk will state the nominations on the Executive Calendar.

POSTMASTER

The legislative clerk read the nomination of Cleora Hila Creed to be postmaster at Turon, Kans.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations for promotions and appointments in the Marine Corps.

Mr. HILL. I ask that the routine nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Marine Corps nominations are confirmed en bloc.

Mr. HILL. I ask unanimous consent that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

That completes the Executive Calendar.

PUBLIC EDUCATION IN THE UNITED STATES—CONDUCT OF THE WAR

Mr. WILEY. Mr. President, I listened with a great deal of pleasure and edification to the discussion today on the subject of education. When the Senator from West Virginia [Mr. ROSIER] spoke I was reminded of an incident which occurred in the life of Göethe, the great German poet and philosopher. It is said that when he came to die those gathered around his bedside heard him say "More light! More light!" Some thought he meant more candlelight; but there was one there who was a twin soul with Göethe, who comprehended that what he meant was that the world needed more light.

The word "education" comes from the Latin "educare," to lead out from darkness into light. In this country we have seen an overemphasis on great buildings, as though that meant education. I am reminded of the philosopher who spoke of a great educator sitting on one end of a log and a student on the other as composing the greatest university. We need facilities which will give opportunities to boys and girls to have a break. Above that, we need educational leaders, men and women who think straight, in terms of democracy, in terms of moral values, in terms of those things which make for manhood and strength.

We need a reeducation in relation to Government itself, to eliminate the chiseler, the grafter, and the leaner. We need education in terms of individual honesty. We need to learn, not "What can I get?" but "What can I give?"

As a boy in high school I was privileged to learn from a great teacher, a woman who thought that education consisted in bringing right ideas to her pupils. Of her, after she had passed on, it was my privilege to say:

MY TEACHER

She was no purveyor of mere facts.
With her, grades were not the thing.
She had enthusiasm—the Greeks' "fire of the soul."
And she gave of it, and giving,
Her student caught the flame.
Building men was her task.
She told us "to dream dreams,
Build ourselves a great plan of life
Full of joy and vision."

With her nothing was dull and monotonous.
Every bit of learning was a step to nobler truth.
Life was a mysterious adventure.
We were growing units of a perfect entity.
We were singers of a great symphony.
We were seekers for more light.

Glad and joyous was she,
And she taught us to be likewise.
No task was drudgery, but an opportunity for growth.
In helping others, we helped ourselves.
We were, like Millet,
Painting pictures for eternity.
We were called to do great things.

She fed us self-reliance and the dignity of life;
She taught us to think, to breathe, to feel;
To get rid of fear and ignorance,
And dare to go out and do.

Radiant was this woman.
Like sunshine was her presence,
And her influence was like the dawn.
You speak of "money and things"
You who find life but a grabbing process,
Learn of her as I have learned,
And you will find a new meaning
To this link in the chain we call "life."

—*Alex. Wiley.*

Mr. President, I did not intend to speak on the subject of education, but to me it is vital. In the last analysis, it depends upon the quality of the teacher. I heard the distinguished Senator from West Virginia [Mr. ROSIER] speak about the era to come after this war, when we shall face "isms" and false doctrines. Yes; but we must be frank. Some of our so-called great educators in this country have espoused many of the false "isms" and have become the disciples—and, what is more, the disseminators—of such false "isms." They did much to undermine the very fundamentals of our country which made America great, namely, industry, thrift, and courage. It took a war to bring us back to our senses. As I say, I did not rise to speak today on that subject.

CONDUCT OF THE WAR AND THE HOME FRONT

Mr. President, next Monday this body will consider the largest tax bill in the history of this Nation.

That tax bill imposes a tremendous financial obligation on the American people. It also imposes a grave obligation on the Congress of the United States.

It perhaps serves a constructive purpose for us to review that obligation in the comparative calm before next week's financial dive bombing takes place.

We know that America's destiny on the battle front is in the hands of the Commander in Chief and our fighting forces and their leaders. America's destiny on the home front is in our hands. The conduct of the war rightly belongs with the experts, as was said here today; and it is important that the American people recognize this fact.

How will we at home manage the home front? Congress cannot and must not "pass the buck" to the President to look after the economy of the Nation. That is our job. The people are very seriously concerned about the way money is being spent in this battle for existence. Loose spending does not make for morale building on the home front.

Right now little businessmen—tens of thousands of them—are going through their Gethsemane. Millions of our people are dependent upon little business. Our way of life is dependent upon little businessmen and the farmers. Many thousands of them are being put out of business and production.

The condition of the farmer and the little businessman, the rationing of fuel, tires, and food, enormous unnecessary expenditures, the employment of 2,300,000 civilians in government, and strikes have caused Senators to express grave fears about the future.

I am not fearful of the future, Mr. President, provided government will do what it should do without hesitation. Action—courageous action—is required, especially on the home front; and one of the essential things that must be done is immediately to get rid of a large number of civilian employees of government, reducing the personnel of bureaus and departments to the bone. This would make for understanding on the home front. Had I the time I should amplify that thought. Our trains, which the President wants for the war effort, are filled with civilian employees of the Government—2,300,000 of them. Travel on trains to the West and see who travels de luxe. Your money and mine is paying that bill. The money of the taxpayers is paying the bill; and we do not seem to be concerned about it.

Probably no Senator has received any substantial amount of mail relating to the conduct of the war itself. On the other hand, every Senator has received countless letters criticizing the conduct of domestic affairs during the war.

That is extremely significant. It is important because every taxpayer has a right to expect an enlightened, efficient, and realistic conduct of domestic affairs. When we are unable to achieve a desired objective on the battle front, it is not because our forces lack courage; but when we fail to achieve our domestic objectives, it is frequently because we in the Senate lack courage.

Right now people all over America are confused by chaotic bungling, mismanagement, and contradictory statements emanating from Washington. As an explanation of why there is so much confusion I recommend a recent newspaper article entitled, "Urges a Coordinator of Public Addresses" by Henry McLemore, which appeared in the Washington Star of September 30. I ask that this column be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, the article will be printed in the RECORD.

(See exhibit A.)

Mr. WILEY. Mr. President, we ask our men to lay down their lives if necessary. We ask our citizens on the home front to make sacrifices; and we are preparing to ask them to pay the freight for the highest tax bill in the history of the United States. Is it, then, too much to ask Government to give leadership and to sacrifice?

The great labor unions of the land have banned strikes for the duration of the war; but wildcat, unauthorized strikes, persist. Is it too much to ask that the Government, which drafts men, shall be courageous enough to ban all strikes for the duration of the war?

At a time when farm auctions in my State and elsewhere are the highest in a generation is it too much to ask of Government that it shall adopt manpower policies which will insure that sufficient labor is allocated to the farms—the food-producing plants of the country.

At a time when we fight to keep the so-called American system alive, is it too much to ask that Government shall keep small industries alive, rather than place its reliance chiefly on large industrial plants? There have been several abortive attempts to solve this problem, and they have admittedly failed. The best example of utilizing small plants has been found in Britain; and the British have set a pattern which we might well follow. The other evening it was my privilege to listen to Mr. Holland, whom I consider a great American. He has been called into the picture by Mr. Nelson. He told us that in Great Britain the small plants are doing the job more efficiently and at less cost than are the large plants. In the Senate we sit listening to problems in which the hinterland is interested. At a time when the war demands the dedication of every working hour of every American, either on the battle front or on the home front, is it too much to ask that Government consider as a war measure the 48-hour week instead of the 40-hour week—not as a permanent invasion of labor's rights but as a temporary measure necessary for survival?

Mr. President, in one respect, at least, the recent price-control debate had a healthy effect. It demonstrated that there is still a spirit of independence in the United States Senate. It demonstrated that the Congress of the United States is not like Hitler's Reichstag—simply a group of "yes" men. It demonstrated that the Congress of the United States is composed of men who exercise their own judgment as legislators and statesmen in spite of the whipped-up fury which comes from misrepresentation.

With the Senate and the House in the final stages of enactment of the anti-inflation measure, following the conference which is now in session, we find the President returning from a trip throughout the country, with headlines announcing, "President Attacks Congress."

I am not one of those who are particularly fearful about such scrapping. I think it is a healthy sign. I think it is a good sign that neither the President nor the Congress will kowtow to each other. We are here to do a job; and if we do not agree, we have a right to disagree. So I am not particularly concerned about criticism. As I say, it is a healthy sign. What I am concerned about is that we do not obtain results in relation to the conditions about which I have spoken. When I say "we" I mean we on the home front.

Next Monday, as I have said, this body will begin its discussion of the new revenue bill. The Chief Executive has already charged Congress with delay in enacting revenue legislation, but no one has stated what is the actual fact—that the initial delay in formulating such legislation came from the failure of the Treasury, as a branch of the executive arm, to make early recommendations to the House Ways and Means Committee. Although, according to its public announcements, the Ways and Means Committee was ready last January to begin its consideration of the tax measure, no recommendations were forthcoming from the Treasury until March, and those recommendations were subsequently replaced with other recommendations.

Let us now, however, pass a genuinely realistic tax bill which in large measure will absorb the tremendous amount of excess earnings in the hands of all Americans. The occupants of the galleries particularly are interested in that particular cause of inflation. What do we mean by excess earnings? The answer is obvious to every Senator. We have stepped up our national income from seventy billion to an estimated $115,000,000,000. At the same time our supplies of goods for consumers have dwindled. Today between twenty and thirty billion dollars are in the hands of people who did not have such amounts of money before; and there is no place for the money to go except into a competitive market for consumer goods. That situation is the obvious menace of inflation. If we were at peace, we could step up our production of consumer goods to meet the extra purchasing power of the people. Nevertheless, to a large degree that is impossible, because it is obvious that most of our effort must be directed into war channels.

It should be possible, however, for us to adopt a more constructive and a more inclusive program relating to consumer goods for civilian needs—not merely with the idea of safeguarding civilian enterprise—the little businessmen—but with the broader objective of providing another check against inflation and another bulwark for the maintenance of civilian morale.

Mr. President, we do not know how much manpower will be available for the production of civilian goods, and what is infinitely more disastrous, neither apparently does the Government know. Conflicting statements about manpower have been emanating from a number of responsible Government leaders. They have fallen down on the job. We know that in many instances the Governmental manpower requirements for Government ordnance plants have been much smaller than the original estimates, and we know also that no one has accurately estimated the number of men who will be released from the vast construction industry as private construction dwindles to a minimum and as Government construction reaches the completion point. Probably millions of men now working on construction jobs for the Government will soon be out of employment because the construction work will be completed. In the

over-all planning of the war effort it is imperative that we determine now the extent of this source of manpower and how it may best be integrated into the war effort.

Napoleon said that God was on the side of the big battalions. We disagree with that proud boast. We believe that God is on the side of those who walk in His ways and do justice to their fellowmen.

Because of our inadequate preparation in the pre-war days, and because of our inefficient efforts since Pearl Harbor, due to the fact that there was a lack of perspective or a lack of comprehension of the tremendous effort needed, we find ourselves in the situation which confronts us today. It is up to us now to demonstrate that we are adequate to meet the situation, to meet any emergency. We are freemen; and, now possessing freedom and democracy it is up to us to carry through with appropriate understanding, and to solve our many problems. We have full reliance on the justice of our cause, and we believe that the forces of evil will not prevail. We have faith that this war is a war of liberation, not only for America, but for all peoples who are equal to the task of ruling themselves.

Perhaps this is to be an age of democratic imperialism—an age in which people will have learned the value of self-discipline, and also will have learned that eternal vigilance is the price of liberty.

We now know that in this great war effort 131,000,000 people have to enter upon a great cooperative way of thinking, living, and working together; but the people have their servants, and those servants are the Executive and the Congress of the United States.

It is for us to give direction and guidance in this great hour. America went through a period when the South was arrayed against the North, and before that it went through a period when the South and the West were arrayed against the East.

But now we are one people. We have seen what happened under Hitler, when class was arrayed against class. That must not happen here. We stem from many bloodstreams, but we are one people. Here neither race nor creed nor any other thing should separate us from the obligation that each of us owes to this beloved country of ours. We have come upon hard times, and they require that we meet them realistically. In order to do so we shall have to make tremendous sacrifices.

The recent Baruch report in reality had a much wider application than the specific plan for the conservation of rubber. While it was generally overlooked in the press, the fact is that the committee expressed grave concern over the administrative chaos in Washington. It is infinitely important that such chaos be eliminated. Referring again to the President's remarks about chaos in Washington, let me say that I think he could very nicely decide that it is not in Congress but in the vast bureaucracy which he has created in Washington that the conditions about which he spoke may be found.

The Baruch report pointed out, that our people face sacrifices "because of mistakes that have been made, and for which the people are not to blame." Nevertheless, this is no time for domestic wrangling; and that was the reason for the recommendations for a new administration setup for the rubber program. That was the reason why it was necessary to create a single administrator under the W. P. B. to take over responsibility which had previously been shared by a number of Government agencies with overlapping and confusing authority.

Such centralization of authority was badly needed. It should not have been necessary, 9 months after Pearl Harbor, to call for such a centralization of authority and to point out the delays occasioned by a conflict between the Reconstruction Finance Corporation Rubber Reserve Company and the Office of Petroleum Coordinator. That delay was not the mistake of Congress.

The point I desire to make in this connection is that the shortcomings are not confined to the rubber agencies. Today they spread over a wider range of governmental agencies—that portion of the Government which the President controls. The new centralization of authority for the rubber program is only a beginning. Today we need an over-all plan instead of a system of monopolistic controls. We need very badly a centralized economic high command embracing many more fields than the rubber administration. I repeat, Mr. President, that we need a centralized economic high command.

We know that today our purchasing regulations still delay procurement and production. We know that today we are still adding unnecessarily to the high cost of winning the war. We know that today we are still multiplying administrative burdens, and we know that today we are still placing grave, unnecessary business risks on suppliers. We know that today we are still enmeshed in a labyrinth of red-tape methods of securing vital war supplies and equipment.

I repeat what I said in the beginning: That under the present administration 2,300,000 civilian employees are in the Government service at a time when conditions require the calling of more men into the Army, the Navy, and the air services. Despite that need today, 2,300,000 civilian employees are crowding the trains and are cluttering up the streets of Washington.

So I say to the Members of Congress that it is our business to step into the picture and to refuse to appropriate money to sustain branches of government which are unnecessary to the winning of the war. We talk about spending $75,000,000,000 in the 12-month period starting last July and ending in the coming July, and we have heard talk of adding $100,000,000,000 on top of that in the ensuing 12 months. We who control the purse strings listen to departmental heads and clerks, and let them set up their economic picture of their requirements, when we, recognizing that our very existence is at stake, should take hold of the situation, cut appropriations to the bone, and eliminate all unnecessary expenses.

I say again that we know we are enmeshed in a labyrinth of red-tape methods. We need less regulation of procedural details and more contracts written on the basis of results which must be accomplished. We need a uniform procedure of auditing and authorization. Above all we need to eliminate the curse of governmental delegation of responsibility without authority.

EXHIBIT A

[From the Washington Star of September 30, 1942]

M'LEMORE URGES A COORDINATOR OF PUBLIC ADDRESSES

(By Henry McLemore)

Freedom of speech and freedom of speeches are two different things.

For the former we would all gladly die, but for the latter—well, the sooner we do something about it the better off this country is going to be.

Freedom of speeches is a menace, a genuine one. What Washington needs, and right away, is a coordinator of speeches. By a coordinator of speeches we mean a wise, understanding gentleman who will take all the speeches of Government representatives before they are delivered and see to it that they agree. This is especially needed on speeches pertaining to the war. There must be 9,804 different schools of thought on this subject in Washington, and unfortunately each follower of each school is equipped with a sound set of vocal organs and a burning desire to exercise same at any and all times.

They'll speak anywhere. Let one of them get an invitation to address the midyear graduating class of a cello and trap-drum school, and he's off on the next train. Let the manufacturers of miners' lamps ask one of them to address their annual convention, and neither rain nor hail nor storm nor darkness will stop them from being on the platform at the appointed time.

And they never agree. This was brought home to us by a reading of the newspapers the other day. In one column, in type as black as a chimney sweep's waistcoat, was a speech by Assistant Secretary of the Navy Bard.

"We are damn well losing this war, and no 'buts,'" he said. "We are still losing this war. It will take all we've got to win—what are you going to do about it?"

In another column, in type as black as a witch's robe, was a speech by Vice President WALLACE. Now, what do you think he said to the gathering of notables who sat on a wooded knoll on the estate of Mr. and Mrs. Joseph Davies? Did he agree with Mr. Bard? Did he pound the ears of the notables with dire warnings? No, sir. Not at all. We quote from Mr. WALLACE's speech:

"We are over the hump, although the tangible evidence may not be evident for some time yet."

Who is right and who is wrong? Mr. Bard or Mr. WALLACE?

That poses a pretty question for the average American citizen, doesn't it? How is he to know, in his home in the Carolinas, the Dakotas, the Virginias which one of these important men has the low-down?

It's bound to make the citizen's mind spin, fill him with doubt. He knows that Mr. Bard, as Assistant Secretary of the Navy, is closer to the inside information than a hen to an egg. At the same time he knows Mr WALLACE, as Vice President, is no stranger to what is going on, being a man who has a key to the White House.

This sort of thing goes on all the time. Mr. A says the Germans are cracking and revolution is just around the corner. Mr. B says

the Nazis are strong as ever and are perfectly able to take another 3 or 4 years of war.

That's where the coordinator of speeches would come in. He would know what speeches were going to be made, and when. All speechmakers would have to submit their orations to him.

After reading them he would say something like this: "Gentlemen, somebody is wrong. Mr. Jones, you are telling the chicken fanciers of Dubuque that we are winning the war. Mr. Edwards, you are telling the Spanish moss collectors of Jacksonville that the United Nations now hold the upper hand. You, Mr. Photts, are leaving for Los Angeles to tell your hearers that Japan has shot its bolt and is as good as done for. While you, Mr. Snopes, are off for Atlanta to tell the sons of the boll weevil that the Japanese are in control of the Pacific and that Oregon is in danger of being captured.

Now, let's take all of your speeches and boil them down into something that resembles an agreement. Otherwise, no one in this country will know what to believe, and that does not aid in unity.

Let's either be winning this war or losing it. If we are winning it, let's relax a bit. If we're losing it, let's get mean and tough and rough and lay aside all excuses and start throwing our Sunday punches.

Speaking of Sunday punch, can you imagine what will happen when this country really gets to the point where it has to let one loose. It'll be the most devastating punch ever tossed.

Now, in our speech before the graduating class of dogs for defense, we are going to say—

RECESS

Mr. McNARY. The able Senator from Kentucky [Mr. BARKLEY] is absent. He made reference to a recess and a later session at 3 o'clock this afternoon. The Senator from Michigan [Mr. BROWN], with whom I have conferred, said he thought that the conference report would not be here until 4 o'clock, and it has been suggested that a recess be taken until that time. I move that the Senate take a recess until 4 o'clock today.

The motion was agreed to; and (at 2 o'clock and 2 minutes p. m.) the Senate took a recess until 4 o'clock p. m.

At the expiration of the recess the Senate reassembled.

Mr. BARKLEY. Mr. President, the conferees have agreed on the conference report on the supplemental price-control bill. The House must act on the report first, and, under the rules of the House, there may be 1 hour of debate on a conference report. The House may be considering the report now, but, obviously, the Senate will have to recess again until the House acts. Therefore I ask unanimous consent that the Senate stand in recess subject to the call of the Chair. It will probably be at least an hour before we can get the report, and, in all probability, when the report is brought in, a quorum call will be had so that Senators may be notified.

The PRESIDING OFFICER (Mr. SPENCER in the chair). Is there objection to the request of the Senator from Kentucky? The Chair hears none.

Thereupon (at 4 o'clock and 1 minute p. m.) the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 5 o'clock and 48 minutes p. m., when called to order by the Vice President.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2584) to permit appointment of White House police, in accordance with the civil-service laws, from sources outside the Metropolitan and United States Park Police forces.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

The message further announced that the House had agreed to Senate concurrent Resolution 32, as follows:

Resolved by the Senate (the House of Representatives concurring), That there shall be printed 8,500 additional copies of the Senate reported print of the bill (H. R. 7378) to provide revenue, and for other purposes, together with the accompanying report thereon, of which 1,000 copies shall be for the use of the Senate document room, 5,000 copies for the use of the House document room, 1,000 copies for the use of the Committee on Ways and Means of the House of Representatives, and 1,500 copies for the use of the Committee on Finance of the Senate.

STABILIZATION OF THE COST OF LIVING—CONFERENCE REPORT

Mr. BROWN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this Act, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may, except as otherwise provided in this Act, thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities: *Provided*, That no common carrier or other public utility shall make any general increase in its rates or charges which were in effect on September 15, 1942, unless it first gives thirty days notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State, or municipal authority having jurisdiction to consider such increase.

"SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this Act; and may exercise any power or authority conferred upon him by this Act through such department, agency, or officer as he shall direct. The President may suspend the provisions of sections 3 (a) and 3 (c), and clause (1) of section 302 (c), of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this Act, but he may not under the authority of this Act suspend any other law or part thereof.

"SEC. 3. No maximum price shall be established or maintained for any agricultural commodity under authority of this Act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

"(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner); or

"(2) The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use;

"and no maximum price shall be established or maintained under authority of this Act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section: *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section: *Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *Provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this Act, adequate weighting shall be given farm labor.

"SEC. 4. No action shall be taken under authority of this Act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942: *Provided*, That the President may,

without regard to the limitation contained in clause (2), adjust wages or salaries to the extent that he finds necessary in any case to correct gross inequities and also aid in the effective prosecution of the war.

"SEC. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this Act. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

"(b) Nothing in this Act shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of $5,000 or more per annum.

"(c) The President shall have power by regulation to limit or prohibit the payment or double time except when, because of emergency conditions, an employee is required to work for seven consecutive days in any regularly scheduled work week.

"SEC. 6. The provisions of this Act (except sections 8 and 9), and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

"SEC. 7. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out 'June 30, 1942' and substituting 'June 30, 1944.'

"(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such Act shall, insofar as they are not inconsistent with the provisions of this Act, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this Act.

"(c) Nothing in this Act shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except to the extent that such provisions are suspended under authority of section 2, or to invalidate any regulation, price schedule, or order issued or effective under such Act.

"SEC 8. (a) The Commodity Credit Corporation is authorized and directed to make available upon any crop of the commodities cotton, corn, wheat, rice, tobacco, and peanuts harvested after December 31, 1941, and before the expiration of the two-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated, if producers have not disapproved marketing quotas for such commodity for the marketing year beginning in the calendar year in which such crop is harvested, loans as follows:

"(1) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 90 per centum of the parity price for the commodity as of the beginning of the marketing year;

"(2) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 per centum of the rate specified in (1) above;

"(3) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 per centum of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

"(b) All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, insofar as they are not inconsistent with the provisions of this section, be applicable with respect to loans made under this section.

"(c) In the case of any commodity with respect to which loans may be made at the rate provided in paragraph (1) of subsection (a), the President may fix the loan rate at any rate not less than the loan rate otherwise provided by law if he determines that the loan rate so fixed is necessary to prevent an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war.

"SEC. 9. (a) Section 4 (a) of the Act entitled "An Act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes", approved July 1, 1941 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a–8), is amended—

"(1) By inserting after the words 'so as to support' a comma and the following: 'during the continuance of the present war and until the expiration of the two-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated,'.

"(2) By striking out '85 per centum' and inserting in lieu thereof '90 per centum'.

"(3) By inserting after the word 'tobacco' a comma and the word 'peanuts'.

"(b) The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such section 4 (a), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a).

"SEC. 10. When used in this Act, the terms 'wages' and 'salaries' shall include additional compensation, on an annual or other basis, paid to employees by their employers for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees.

"SEC. 11. Any individual, corporation, partnership, or association willfully violating any provision of this Act, or of any regulation promulgated thereunder, shall, upon conviction thereof, be subject to a fine of not more than $1,000, or to imprisonment for not more than one year, or to both such fine and imprisonment."

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the bill.

ROBERT F. WAGNER,
ALBEN W. BARKLEY,
J. H. BANKHEAD,
PRENTISS M. BROWN,
FRANCIS MALONEY,
ROBERT A. TAFT,
Managers on the part of the Senate.

HENRY B. STEAGALL,
CLYDE WILLIAMS,
BRENT SPENCE,
JESSE P. WOLCOTT,
CHARLES L. GIFFORD,
Managers on the part of the House.

Mr. BARKLEY. Mr. President, I ask unanimous consent for the present consideration of the conference report; and if my request be agreed to, I shall make the point of no quorum, so that the Members of the Senate may be present.

The VICE PRESIDENT. Is there objection, to the consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BARKLEY. I now suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	O'Mahoney
Andrews	Gillette	Overton
Bailey	Guffey	Pepper
Ball	Gurney	Radcliffe
Bankhead	Hatch	Reed
Barbour	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Russell
Bone	Holman	Schwartz
Bridges	Johnson, Calif.	Shipstead
Brown	Johnson, Colo.	Smathers
Bunker	La Follette	Spencer
Butler	Lee	Stewart
Byrd	Lucas	Taft
Capper	McCarran	Thomas, Idaho
Caraway	McFarland	Thomas, Okla.
Chandler	McKellar	Thomas, Utah
Chavez	McNary	Tydings
Clark, Idaho	Maloney	Vandenberg
Clark, Mo.	Maybank	Van Nuys
Connally	Mead	Wagner
Danaher	Millikin	Walsh
Davis	Murdock	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from West Virginia [Mr. KILGORE] and the Senator from Washington [Mr. WALLGREN] are absent on official business in connection with the Committee to Investigate National Defense.

The Senator from Rhode Island [Mr. GREEN], the Senator from South Carolina [Mr. SMITH], the Senator from Missouri [Mr. TRUMAN], and the Senator from Delaware [Mr. TUNNELL] are detained on important public business.

Mr. McNARY. The Senator from Vermont [Mr. AUSTIN], the Senator from Ohio [Mr. BURTON], the Senator from Illinois [Mr. BROOKS], and the Senator from Massachusetts [Mr. LODGE] are necessarily absent.

The Senator from Maine [Mr. BREWSTER] is absent on business of the Senate in connection with investigations of the Truman committee.

The VICE PRESIDENT. Eighty Senators having answered to their names, a quorum is present.

The question is on agreeing to the conference report.

Mr. BILBO. Mr. President, will the Senator from Michigan explain the agreement?

Mr. BROWN. Mr. President, section 1 of the conference report follows section 1 of the Senate bill; in fact, I can say that very generally the conferees adopted the Senate bill with some slight modifications. The principal change in section 1 is that the Norris amendment which gave the President an all-over control of public-utility and common-carrier rates is stricken from the bill. There is substituted for it a provision which will require any public utility which asks for an increase in rates to notify the President and to assent to the appearance of such agent as the President may designate to appear in behalf of the consuming public before the appropriate railroad or public utility commission, be it a State, Federal, or municipal commission.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. NORRIS. Let me ask how much notice must be given.

Mr. BROWN. Thirty days' notice, as I recall, must be given to the President and consent must be filed to the appearance of the agent of the President in behalf of the consuming public.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. CONNALLY. Does that also apply to railway rates, truck rates, and bus rates?

Mr. BROWN. Yes; to all public-utility rates.

Mr. President, let me say that in addition to what is contained in the bill, I have stated, on authority of the chairman of the Senate Banking and Currency Committee, that the committee would consider the bill which has been referred to it and which was introduced by the senior Senator from Nebraska [Mr. NORRIS] covering the same subject matter; and it is expected that early next week that matter may be taken up in the committee.

It was felt by the House conferees that inadequate consideration had been given to the general subject matter, and they were unwilling to accept the Senate amendment. They were unanimous in their views; and it was impossible for us to persuade them to accept the Norris amendment. However, the conferees did make the arrangement which I have indicated and which was entered into after some consultation with the senior Senator from Nebraska. We told him we thought this was the best we could get on this subject matter.

There is no change in section 3 of the bill, which is the so-called farm-labor section. There is no change in section 4 of the bill of any particular moment; but, in order to enable the President to adjust wages or salaries from the September 15, 1942, level, it is necessary for him to find that not only does gross inequity exist but that it is necessary to so do in order effectively to prosecute the war. That was the amendment offered by my colleague the senior Senator from Michigan [Mr. VANDENBERG]. It was felt that it would be better to write it in section 4 of the bill rather than in section 1.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. CONNALLY. Is the word used "or" or "and"?

Mr. BROWN. Both conditions for the action must exist—gross inequity and the effective prosecution of the war—which was the intent and meaning my colleague had in offering the amendment.

Mr. HOLMAN. Mr. President, will the Senator yield for a question?

Mr. BROWN. I yield.

Mr. HOLMAN. As the bill is now framed, am I to understand that the President can raise or lower, as in his judgment may be necessary in order to carry on the war or to adjust inequities?

Mr. BROWN. Yes; the Senator is correct in his understanding. The President may do either; he may adjust—raise or lower. "Adjust" is the term used.

The senior Senator from New Mexico [Mr. HATCH] has asked me a question sotto voce, but I shall answer it out loud: The so-called farm labor section, section 3, remains identically as the Senate passed it.

Section 5 of the bill, the wage section, which prohibits payment of wages and salaries in contravention of the regulations promulgated by the President is left identically as the Senate passed it. Section 6 as to the termination of the law or the powers contained in the law likewise remains intact. The powers will terminate on June 30, 1944, or on such earlier date as the Congress, by concurrent resolution, or the President, by proclamation, may prescribe.

There is no change whatsoever in section 7.

The commodity credit section is changed in two particulars. First, Senators will recall, the Senate provided a 90 percent floor under basic commodities and commodities, the production of which the Secretary of Agriculture encourages for the period of the war. In the House substantially the same provision was in the bill, but it extended the period for 3 years after the war. The conferees agreed upon a 2-year period after the war.

There is some apprehension upon the part of Senators that the 90 percent floor may be expensive to the Federal Government. I think that fear is based upon what may be in the minds of some, a slight misapprehension. The loans are not based upon the prices of commodities, but upon the parity of commodities. Of course, if the experience of the second World War is the same as the experience of the first World War, a decline in prices will result in a decline in parity. Therefore the probability of loss is not so great as it would be were we underwriting a price. We are underwriting parity, and not a price.

The change with respect to livestock and poultry feed is as follows:

In the case of any commodity with respect to which loans may be made at the rate provided in paragraph (1) of subsection (a)—

That is, 90 percent parity—

the President may fix the loan rate at any rate not less than the loan rate otherwise provided by law—

Which is 85 percent—

if he determines that the loan rate so fixed is necessary to prevent an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war.

Mr. WHEELER. Mr. Preident, will the Senator yield?

Mr. BROWN. I yield.

Mr. WHEELER. When that is inserted in the bill, as I pointed out a few days ago, it is a discrimination against the wheat farmers and the corn farmers. I do not intend to make a fight against it, but I think a grave injustice is done when such a provision is written into the bill.

I can see no reason whatsoever, after fixing a 90 percent loan floor on part of the farm products, for giving the President discretion to reduce it in the case of wheat and corn.

At the present time the wheat farmer in my State is getting for his wheat only the loan value. If the price went to parity, he would be getting about $1.34. But as to those crops which have not reached parity, the proposal is to give the President discretion to penalize the producers.

If the wheat farmer were to get a 90-percent loan, it would undoubtedly mean that the price of wheat would rise a few cents a bushel, and it would probably mean that the cost to the chicken raiser in the East who feeds wheat to his chickens would have to pay a few cents more for his wheat. But the wheat farmer is not getting parity, as provided by the bill. He is getting far less than parity. If the price of his product had risen so that he would be getting parity, there would not be any discrimination against him whatsoever, but to my notion the proposal is a rank discrimination against the wheat farmers of the country.

Mr. BROWN. I thank the Senator from Montana for his statement. What I stated upon this subject when the bill was under discussion in the Senate pretty well covers my own views, and I do not care to go into a further discussion of the question.

Mr. HERRING. Mr. President, I merely want the RECORD to show that I agree thoroughly with the Senator from Montana [Mr. WHEELER]. There is no excuse for this discrimination. If it is proper to have discrimination as to the price of one of these basic commodities, it is proper and fair to have it as to six of them; but any attempt to single out two of the six commodities and give discretionary powers which will hold them down, and grant a 90-percent loan to the other four commodities, is discriminatory, unjustified, and unfair.

Mr. BROWN. I know the Senator's views upon the question, and it is with the greatest regret that I have taken part in this matter. I had hoped we could avoid the discrimination, which is a real discrimination; but the practical situation is such that I could take no other course.

I may say that there are other commodities which could be affected by this measure.

Mr. McFARLAND. Will the Senator yield?

Mr. BROWN. I yield.

Mr. McFARLAND. Is discretionary power vested in the President with regard to reducing the loan on cotton?

Mr. BROWN. No.

Mr. McFARLAND. The cotton loan remains at 90 percent?

Mr. BROWN. Yes. The measure merely covers agricultural commodities which are used for feed.

Mr. BUTLER. Will the Senator yield?

Mr. BROWN. I yield.

Mr. BUTLER. Of course, I do not know the interpretation the administrators may put upon the clause referred to, but under that clause they could include any one of the basic commodities mentioned in the bill.

Mr. BROWN. No; the Senator is not correct about that. It could cover only commodities used for livestock and poultry feed. I assure the Senator that it is in line with his desires.

Mr. BUTLER. A byproduct of cotton is one of the most indispensable feeds.

Mr. BROWN. I hope we will not have a long discussion about it. We had one day before yesterday, and it would be much better if the Senator would accept his victory than to pour more hot oil on the wounds which have been caused by this measure.

Mr. WHEELER. I am perfectly willing to remain here and discuss the question at great length, if any Senator wishes to discuss it.

Mr. BROWN. I do not care to discuss it.

Mr. WHEELER. What is being done is in the interest of the cattle feeders, who do not raise the cattle, but buy them on the plains, and then feed them grain which they obtain from the producers of corn. What is being done is to discriminate in favor of the feeder of cattle rather than the grower of cattle, and there is discrimination in favor of the chicken raiser as against the producer of wheat on the farm.

Mr. HATCH. Mr. President, if the Senator will yield, let me say that I think the Senator from Michigan has done a very good job, the best he could do, under the circumstances. I think he understands the whole situation. I hope we will not quarrel about the matter this evening.

Mr. BROWN. I thank the Senator from New Mexico very much for his statement.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary of the report.

The VICE PRESIDENT. Without objection it is so ordered.

The summary is as follows:

Section 1 of the conference agreement authorizes and directs the President, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries affecting the cost of living.

All prices which affect the cost of living, including the prices of services, commodities and property, are subject to control. Since virtually all such prices affect the cost of living, directly or indirectly, it is apparent that the scope of this authority over prices is extensive.

The terms "wages" and "salaries" are equally inclusive in their application. All employers and all employees are subject to control. It is immaterial whether the employer is a large corporation or a small independent enterprise. It is immaterial whether the employee is a wage earner, a salaried worker, or a corporation officer or director. In addition to the ordinary compensation paid by any employer to any employee, section 10 of the bill makes clear that all additional compensation for personal services shall likewise be subject to regulation. This includes all bonuses, fees, and commissions, and other forms of direct or indirect remuneration.

Section 10 expressly provides, however, that such additional compensation shall not include insurance and pension benefits in a reasonable amount to be determined by the President. Section 10 also provides that additional compensation may not be taken into account in determining wages and salaries for any period prior to September 16, 1942, except in those cases where it has been customarily paid by employers to their employees.

The conference agreement further states, as in the Senate amendment, that the general order to be issued by the President shall, so far as is practicable, stabilize prices, wages, and salaries on the basis of the levels which existed on September 15, 1942. This authority is, of course, flexible in that the levels of stabilization may either be general or industry-wide, or those which prevail in individual establishments.

After issuing the general order, the President may provide for adjustments, either upward or downward, whenever in his judgment such adjustments are necessary to correct gross inequities, or to aid in the effective prosecution of the war, subject, of course, to the other limitations in the act.

It is important to recognize, in analyzing the legislation, that the power granted by section 1 over the prices of agricultural commodities is subject to the limitations contained in section 3, and that the power granted by section 1 over wages and salaries is subject to the limitations set forth in section 4. These limitations will be discussed separately.

COMMON CARRIER AND UTILITY RATES

The special provisions contained in the conference agreement with respect to public-utility and common-carrier rates provide in effect that no common carrier or other public utility may charge or collect for services rendered after the effective date of the act a rate higher than the rate charged by that carrier or utility on September 15, 1942, unless 30 days prior notice is given to the President, or such agency as he may designate, and unless consent is given to timely intervention by such agency before the authority having jurisdiction to consider the increase in rates.

AGRICULTURAL COMMODITIES

Section 3 of the conference agreement contains limitations on the establishment and maintenance of maximum prices for agricultural commodities which follow the pattern of comparable limitations contained in the Emergency Price Control Act of 1942. Section 3 (a) of that act provides four different limitations below the highest of which farm prices may not be fixed. The conference agreement authorizes the President to suspend this subsection and provides instead that no maximum price shall be established or maintained for any agricultural commodity under authority of the bill or otherwise below a price which will reflect to growers the higher of the following prices, as determined and published by the Secretary of Agriculture: First, the parity or comparable price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or second, the highest price between January 1, 1942, and September 15, 1942 (adjusted in the same manner), or if the market was inactive during the latter half of such 9-month period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use.

In substance, therefore, the parity price or the highest 9-month price, whichever is higher, has been substituted for 110 percent of parity and the other limitations contained in section 3 (a) of the Price Control Act. In determining whether these limitations and the other maximum price limitation and standards contained in section 3 have been satisfied, parity payments and other direct or indirect Government subsidy or other payments shall continue to be taken into account.

Section 3 (c) of the Price Control Act prohibits the establishment or maintenance of any maximum price on any commodity processed or manufactured in whole or in substantial part from any agricultural commodity below a price which reflects to growers a price equal to the highest of the four limitations specified in section 3 (a). Section 3 of the conference agreement contains a comparable provision to the effect that prices on such derivative products must reflect a price equal to the higher of the prices specified in clauses (1) and (2) referred to above. Thus the conference agreement provides substitutes for subsections (a) and (c) of section 3 of the Emergency Price Control Act of 1942.

Parity or a comparable price, if one has been established, is an absolute limitation below which no maximum price on any agricultural commodity may be established, but the highest price between January 1, 1942, and September 15, 1942, is subject to adjustment by the President, upward or downward, whenever in his judgment such action is necessary to correct gross inequities.

Section 3 of the conference agreement also directs that maximum prices on agricultural commodities or derivative products shall be modified, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes.

Another proviso contained in section 3 states that in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing. Substantially the same standard is contained in the Emergency Price Control Act of 1942. Maximum prices and margins under that act must be at such levels as in the judgment of the Price Administrator will be generally fair and equitable and will effectuate the purposes of section 1 thereof. The limitation regarding margins contained in section 3 of the conference agreement provides a similar standard for the President in fixing prices under the new legislation.

Nothing in section 3 authorizes or directs a change in the formula by which parity is presently computed by the Bureau of Agricultural Economics. The bill simply provides that maximum prices established for any agricultural commodity or any derivative product shall be modified, under regulations to be prescribed by the President, when by reason of increased labor or other costs to the producer of such agricultural commodity incurred since January 1, 1941, the maximum price so established will not reflect such increased costs. The bill further provides that in fixing maximum prices on such commodities adequate weighting shall be given farm labor. Whenever price increases on any farm commodity since January 1, 1941, are more than offset by general increases in the costs of producing farm commodities, the bill therefore requires that the return to the grower shall be adjusted. Increased labor costs as reflected in rising wage rates for hired farm labor must be included in determining the extent of increased costs to growers.

LIMITATIONS ON POWERS OVER WAGES AND SALARIES

Section 4 prohibits any action, under the authority of the act, with respect to wages and salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose of reducing the wages or salaries of any particular work below the highest wages and salaries paid therefor between January 1, 1942, and September 15, 1942. Authority is conferred, however, to adjust wages and salaries without regard to the limitation in clause (2) to the extent that the President finds it necessary in any case to correct gross inequities and also aid in the effective prosecution of the war.

TAFT DOUBLE-TIME AMENDMENT

This amendment reads:

The President shall have power, by regulation, to limit or prohibit the payment of double time except when, because of emergency conditions, an employee is required to work for 7 consecutive days in any regularly scheduled workweek.

The amendment was offered to validate the President's recent Executive order dealing with double time on Sundays, unless that day is the seventh consecutive day of work (CONGRESSIONAL RECORD, p. 7644, September 30). Attention has been called to the fact that the Executive order also deals with time-and-one-half pay on Saturdays, Sundays, and certain specified holidays, except as otherwise provided by law. The Executive order itself permits wide exceptions and is the subject of great controversy between large segments of the labor movement, including different locals of the U. A. W.-C. I. O.

In order to remove any doubt concerning the interpretation of the Taft amendment, let me say:

First. The Taft amendment simply authorizes Presidential action; it directs nothing.

Second. The Taft amendment is not understood as limiting the President's broad authority over wages as Commander in Chief, or under section 1 of the bill, to prescribe adjustments affecting premium wage rates, for the purpose of correcting gross inequities or aiding in the effective prosecution of the war, except as otherwise provided by law.

Third. In brief, notwithstanding the Taft amendment, the President can withdraw, modify, or renew his Executive order.

PROCEDURAL PROVISIONS

Section 2 gives the President broad power to issue such regulations as may be necessary or proper to carry out the provisions of the act, and authorizes him to delegate and provide for the delegation of any power or authority conferred upon him by the act to or by any department, agency, or officer. It is through the exercise of this rule-making powers conferred upon the President will powers conferred upon the President will make the appropriate adjustments, will implement and supplement the President's general order, and generally will seek to attain the broad objective of stabilizing the cost of living. This section also authorizes the President to suspend the limitations of section 3 (a) and 3 (c), and clause (1) of section 302 (c) of the Emergency Price Control Act of 1942, to the extent that such sections are inconsistent with the provisions of this act.

Section 7 (b) makes clear that all regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under the authority of this act are subject to protest under section 203, and judicial review under section 204 of the Emergency Price Control Act of 1942. This insures that such regulations and orders issued by the Price Administrator will be subject to review in the Emergency Court of Appeals and will hereby gain the protection of the exclusive jurisdiction provisions of the Emergency Price Control Act of 1942.

Section 7 (c) insures that the authority of the Price Administrator to issue or continue in effect regulations, orders, and price schedules under the Emergency Price Control Act of 1942 will not be impaired by the enactment of this legislation.

ENFORCEMENT PROVISIONS

Section 5 of the conference agreement makes unlawful the payment by the employer and the receipt by the employee of wages or salaries in contravention of any regulations issued under the act. That section authorizes the imposition of a number of sanctions for violations of this prohibition. Thus, for example, the President is authorized to instruct the executive departments and other governmental agencies to disregard any wage or salary payment made in contravention of regulations under the bill, in determining the costs or expenses of any employer for the purpose of any law or regulation. Under this authority, for example, the Treasury Department could be instructed to disallow such excessive salary or wage payments as deductions for the purposes of the revenue laws.

The procurement agencies of the Government could be instructed to disregard, or require to be disregarded, such excessive payments as costs under any contracts affecting commodities, articles, or materials directly or indirectly purchased by the United States; and the Price Administrator could be instructed to disregard such excessive payments for purposes of determining whether regulations or orders heretofore or hereafter issued by him are generally fair and equitable.

Section 7 of the conference agreement makes applicable to any regulations or orders issued by the Price Administrator, in the exercise of any functions which may be delegated to him under the authority of this bill, the same penalties and sanctions as are already applicable to regulations or orders issued by him under the Emergency Price Control Act of 1942. These include criminal penalties, treble damages, revocation of licenses, and civil injunctions. In addition, a general penalty provision is provided by section 11 for willful violations of the act and regulations promulgated thereunder. The penalty provided by such section is a fine of not more than $1,000, or imprisonment for not more than 1 year, or both.

AGRICULTURAL COMMODITY LOANS

Sections 8 and 9 of the conference agreement provide for increasing the loans by the Commodity Credit Corporation upon the commodities cotton, corn, wheat, rice, tobacco and peanuts, and upon certain nonbasic commodities, from 85 to 90 percent of the parity price for such commodities. Such increased loan rate is to apply to crops harvested after December 31, 1941, and before the expiration of a 2-year period beginning with the 1st day of January after the date upon which the President by proclamation, or the Congress by concurrent resolution, declares that hostilities in the present war have terminated.

The President may, however, fix the loan rate at any rate not less than rate otherwise provided by law if he finds that it is necessary to do so to prevent increases in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war.

Mr. NORRIS. Mr. President, I wish to refer to the action of the conference committee in including in the conference bill the language which the Senator from Michigan read and which takes the place of the amendment offered by me when the measure was before the Senate for consideration. It relates to utility rates and charges.

What has been substituted by the conference committee for the original language agreed to by the Senate does not, technically, afford any relief whatever, although, morally, I think it will result in considerable relief.

I intend to vote for the conference report, but I wish to call attention to the legal effect, as I understand it, of the language which has been substituted.

The committee has provided that no utility rate shall be increased unless 30 days' notice shall be given the President by the corporation seeking the increase. There is also the requirement that in the notice it shall be agreed that the President may have the right, through any instrumentality he may select, to appear before the body having jurisdiction of the rate. I think I have stated the legal effect correctly.

Mr. BROWN. The Senator has stated it correctly.

Mr. NORRIS. That does not give the President any right to pass on the question. It does not give him any right to appeal in case the Board's decision is against his representative's ideas.

Mr. BROWN. I would not be sure, if the Senator will pardon me, that his last statement is in accord with my own views. I think he would have the same right to appeal that any other interested party would have.

Mr. NORRIS. I did not look at it that way. If he would have that right, it would add a great deal to the legal effect of the language which has been placed in the measure.

Mr. BROWN. He becomes a party to the proceedings, that is, his agent does.

Mr. NORRIS. Yes, he does. The Senator's idea is that if under the law and the rules and regulations of the body having jurisdiction to hear the complaint, or the request, as it would be, an appeal is provided for, the President could avail himself of that right of appeal.

Mr. BROWN. Yes.

Mr. NORRIS. I hope that will be the construction placed upon the language.

Mr. BONE. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BONE. I am assuming in asking the question that even though the President's representative would be technically a party in an appeal, he would merely have the right formally to present his views, or the views of the administration, to the regulatory body, but he would have nothing to say about its decision. If its decision were that the increase in rates should be granted, the decision would be final.

Mr. NORRIS. If the Senator from Michigan has the correct idea, the President or his representative would have the right to appeal, as any party to the dispute would have the right to appeal.

Mr. BROWN. But with absolutely no authority to participate in the decision.

Mr. NORRIS. No; with no authority to participate in the decision.

Mr. BONE. That is what I meant by my question.

Mr. NORRIS. As I said, I think that would have a great moral effect. The only thing the President's representative could plead for or urge when he appeared at the hearing would be that if the body then hearing the dispute should increase the rate, it would very likely interfere with all that the Price Administrator had done in the fixing of prices, because no one will dispute that utility rates enter directly into the cost of living. If gas rates, or electric rates, or water rates, or freight rates, or streetcar rates are increased, every single item of

increase goes directly into the cost of living and hence interferes with any attempt to prevent inflation. After all, that is why I am deeply interested in this proposition; I want to prevent inflation, if possible. That is the object of our giving someone the authority to fix prices and freeze them at a certain level. If any persons or corporations have the power to increase any item of the cost of living, and it is done contrary to the order of the President or the Price Administrator, it will tend directly to overthrow the prices so fixed and will throw the whole structure out of gear, thus tending to increase the cost of living, and making it necessary to increase all other prices which enter into the cost of living, with the result that, as I believe, inflation will follow immediately

There would be a moral effect, however. When the President's representative appears before a tribunal having jurisdiction to fix or increase utility rates, he could say—and that is about all he could do—that if the requested increase were granted, it would tend to increase the cost of living, and hence throw out of gear the entire machinery designed to prevent inflation. If the tribunal increased utility rates during the war, notwithstanding the kind of showing made by the President's representative, it would in my judgment have a great effect upon public sentiment. The tribunal, board, or commission which acted to increase rates, in the face of a showing that such action might lead to the worst kind of inflation, would find itself in a position which no board would want to be in. I think the provision in question will have a great moral effect. Therefore, I myself feel disposed to accept this language and vote for the conference report.

Mr. President, I think I realize as fully as does any other Senator the earnestness, the fidelity, and the good faith with which the conferees on the part of the Senate have labored. We are all anxious to get through with this measure, and I think we should all be willing to sacrifice something we believe ought to be in the measure in order to have it finally passed. For that reason I do not believe we are justified in rejecting the conference report simply because in some particular it has not met completely with our ideas.

I wanted to say this much, and by saying it in the Senator's time it is unnecessary for me to make a speech on the subject in my own time.

Mr. BROWN. I thank the Senator from Nebraska, and I want to say to him that I shall do what I can to expedite the hearing upon his bill which deals with the matter he has discussed.

Mr. NORRIS. I am of the opinion that it would be rather useless to crowd that bill if the language now contained in the conference report becomes the law.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BROWN. I promised to yield to the Senator from Washington [Mr. BONE], and then to the Senator from Maryland [Mr. TYDINGS], after which I shall be glad to yield to the Senator from Oklahoma.

Mr. BONE. Mr. President, for the reasons expressed by the able Senator from Nebraska [Mr. NORRIS], I feel constrained to vote for the conference report, but I do not want my vote to be misunderstood. I wish I could feel the assurance which the Senator from Nebraska feels about the moral interposition of the President in this matter, because if the moral interposition of the President had counted in the control of prices we probably would not have wasted the time we have wasted on this measure. Perhaps I am a little cynical, but I have seen an absence of moral effect in cases of this kind over a long period of years, and I am not constrained to lay too much weight on that kind of influence.

Every Member of the Senate knows—he would not be here if he did not know—that the aggregate value of the utilities in this country is probably greater than the aggregate value of any other business group in the country.

The utilities reflect literally billions of dollars of value. Transportation, power, telegraph, and telephone, all the so-called regulated industries, together constitute the largest bloc of industrial and economic property in the United States. Any change affecting their income and expenditures and their operations is immediately felt in the current of our everyday life.

It is common knowledge of everyone who has ever looked into it, that for the last 20 years, under decisions of the Supreme Court of the United States, utilities, such as power companies, have been permitted to pass on to the public all their taxes, which are incorporated in light and power bills, so that in practical effect the companies do not pay any tax at all. All the taxes they pay are enshrined in their light and power bills. On that point there can be no doubt. The Supreme Court in the Galveston case and in the Georgia Light and Power case laid that question at rest many years ago.

If anyone has any question about the power of pressure groups, I think he need have no illusions in his mind about the ability of the pressure group to which I have just referred to make its influence felt. I sat in this chamber at one time and saw a very able and distinguished Member much perturbed by receiving 29,000 telegrams in 1 day from private power companies, or which were at least stimulated by private power companies.

I give you my word, Mr. President, that in no campaign affecting any bill involving organized labor or the farmers have I received 1 percent of that number of requests to oppose or support a measure—not from the so-called farm bloc or the so-called labor bloc. However, one Senator told me that from private power utilities alone he had received the number of communications I have mentioned. That is pressure of the de luxe variety. Yet we squirm under criticism. Much of it has been so unfair that we properly resented it.

The press of this country, or at least a segment of it, has not hesitated to say that Congress was cowardly and that it yielded to pressure groups. In this provision we are confronting the greatest pressure group in the United States. If it can pass on its taxes to the consuming public—and it can and will under existing conditions, because the authority is enshrined in the law—that means that the war burden which the mass of the people are carrying will not be carried by the utility organizations. Every Member of this body knows that to be so. Every well-informed news writer or publicist knows it to be true. It is the one type of business organization which can slide off onto the public all its tax burdens, so that its owners do not carry any of them. If there is an increasing tax burden, it is reflected in a $4 light bill to the consumer instead of a $3 light bill. The extra dollar is the consumers' contribution to a private power company or some other form of utility organization, which will assume the attitude before the public that it is a heavy taxpayer and a heavy contributor to the war effort, whereas in truth and in fact the consumers have contributed its tax share of the burden of carrying the war. Everybody knows that to be true; and yet we are walking away from it.

I hope the Senator from Nebraska will not hesitate to press his bill, because hundreds of millions of dollars of taxes which the utilities of this country will pay from now on in this ghastly war effort will be paid by consumers. If I buy a railroad ticket I will pay the railroad's taxes. If I turn a switch and use a kilowatt-hour of electrical energy, I will pay the taxes of a private power company, although it will be brazen and impudent enough to present to the public a picture of it paying taxes.

If any Senator feels that I am in error, I wish he would rise now—there are able lawyers in this body—and tell me wherein I am mistaken.

Mr. BROWN. I hope no Senator will do so, because we are anxious to get through.

Mr. BONE. It is important because utilities represent the greatest aggregate of business in the country. Congress will not be able to escape its responsibility. When we charge labor and the farmers with not wanting to carry their fair share of the burden, I think we can take unto ourselves a large share of the responsibility. The critics of Congress have proved a part of their thesis.

I hope the Senator from Nebraska will go ahead with his bill. If we do not meet this issue head-on, but allow the largest single aggregate of corporate wealth in the country to escape taxes entirely, and make all the people pay such taxes in higher living costs, we shall not be discharging our duty.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. TYDINGS. The Senator from Michigan will recall that during the course of the debate on the price-control bill I called his attention to the fact that one agricultural product was selling for 5 cents less in 1942 than it sold for in 1941, and that under the wording of the bill it would be impossible, in my judgment, to apply the law without an amendment. The Senator from Michigan was very sympathetic, and stated that he did not feel that an amendment was necessary. I did not want to put an

exception in the general phraseology of the law, so I did not offer the amendment.

Let me ask the Senator what the present status of that commodity is. The commodity to which I refer is Maryland tobacco, which sells for 5 cents less a pound in 1942 than it sold for in 1941, due to the loss of foreign trade. Most of the tobacco went into foreign trade, which is now extinct.

Mr. BROWN. The Senator from Kentucky [Mr. BARKLEY] raised the point in the conference. We were faced with the fact that clause (2) of section 3 of the Senate amendment was identical with clause (2) of a similar section in the House bill. After some considerable discussion, and full recognition of the justice of the position which the Senator from Maryland has discussed, we decided that it was not within our power to make a change. I invite the Senator's attention to the language in the latter part of clause (2), which reads as follows:

The highest price—

Speaking of an agricultural product—

received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary for grade, location, and seasonal differentials)—

Then follows the provision—

or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use.

The Senator from Kentucky pointed out that the market was not inactive with respect to Maryland tobacco. There was a market, but because of the condition to which the Senator alludes—the fact that Maryland tobacco was mainly an export commodity—that provision would not apply. So there is only one "out." Clause (2) has, of course, the "gross inequities" provision.

Mr. TYDINGS. And the seasonal provision.

Mr. BROWN. It has the seasonal provision in it, and it has the limitation of a bottom. Mr. Henderson, if he were in charge of the administration of the act, could permit the price of that commodity to go to a higher level, just as the President may permit the price of any other argicultural commodity to go to a higher level.

Mr. TYDINGS. As I understand, because the time limit is from January to September 1942, Maryland tobacco would be excluded under that particular wording; but it is the Senator's judgment that the remainder of the section, providing for seasonal adjustments, together with other provisions in the bill, would permit the Price Administrator to treat Maryland tobacco the same as any other agricultural commodity would be treated. Therefore, if the Administrator should see fit, in the interest of equity, he might add 5 cents, and thus assume that the operation was in the period of 1942 rather than in the period prior thereto.

Mr. BROWN. For the reasons which the Senator states, and also for the reason that this is not a top limitation which may not be exceeded, but which is a bottom below which the Administrator may not go, therefore he could do as suggested with respect to that commodity.

Mr. TYDINGS. I bring up the question now only because it is my understanding, as it is the understanding of the Senator from Michigan, and I know of the Senator from Kentucky, that ample machinery is in the hands of the Price Administrator to deal with this single agricultural commodity, which, so far as I know, is the only agricultural commodity which commands a lower price in 1942 than it commanded in 1941. The prices of most other agricultural commodities have gone the other way.

I only wished to make sure that all agricultural commodities which might be in the same category with Maryland tobacco would, under a broad interpretation of the law, be subject to equitable treatment at the hands of the Price Administrator.

Mr BARKLEY. Mr. President, will the Senator yield at that point?

Mr. BROWN. I yield.

Mr. BARKLEY. I simply wish to concur in the conclusion of the Senator from Michigan in regard to this question. In the matter of selling tobacco, the markets open at different times in the various sections of the country, depending upon the State and geographical location. In North Carolina, South Carolina, and portions of Virginia the markets opened weeks ago. It so happens that the price of the 1942 crop on the markets which have opened is from 5 cents a pound to 10 cents a pound higher than the price of tobacco in the 1941 season.

As to the markets that have not as yet opened, and where there has been no sale of the 1942 crop, and will not be any until December or January, of course, it would be obviously unfair to make the basis the period from January to September, since during that period there was no market at all, and no tobacco was sold.

It so happens that the market for the 1942 Maryland crop has not as yet opened. Because of the failure of the Maryland growers to be able to export their tobacco, on account of the war, the price of the 1942 crop is less than that of the 1941 crop.

Mr. TYDINGS. That is correct.

Mr. BARKLEY. In view of the fact that the highest price is the floor, not the ceiling, and in view of the fact that the Secretary of Agriculture is authorized to adjust the seasonal prices so as to make them in line with the prices of similar agricultural products, there is no question, in my judgment, that the Price Administrator may adjust the price on the Maryland tobacco so as to put it in line with that of other tobacco.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. TYDINGS. I like the Senator's remarks, but they require a slight correction. In Maryland, when the tobacco crop is harvested in the fall—I do not live in the tobacco-growing section, but I know it to be so—the crop is not available for market purposes, and does not become available for market purposes until sometime during the following summer; because it goes through a curing process, whereas most tobaccos are available for the market in a short period of time. The method employed in Maryland to cure tobacco takes a longer period. Therefore, unless the bill were interpreted as the Senator from Michigan and the Senator from Kentucky have pointed out, this fall a very substantial group of farmers in my State would be subject to a discrimination to which no other group, so far as I know, would be subject.

Mr. BARKLEY. I appreciate that. Furthermore, it could be said—and, I think, without any technical interpretation—that the market for the 1942 crop of Maryland tobacco was not active during the period which we have put in the bill, and therefore it would be covered.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. THOMAS of Oklahoma. Is it not a fact that the original Price Control Act conferred no power on anyone to undertake to fix prices or wages and salaries?

Mr. BROWN. Mr. President, that is a question which is difficult to answer in one sentence.

Section 1 provided that it should be the policy of the departments of the Government agencies having charge of labor and wage matters, such as the War Labor Board, the Department of Labor, and so on, so to correlate their policies with the wage-control policies as to effect the purposes of the act; but, as the Senator intimates, in a subsequent section there was a prohibition against any regulation of the wages or salaries paid by employers to employees.

Mr. THOMAS of Oklahoma. That was my construction of the act. Let me ask whether it is not also a fact that the existing law does not provide for anyone to have control of utility rates.

Mr. BROWN. The existing Price Control Act does. As the bill passed the Senate day before yesterday we had eliminated that prohibition. Now, by reason of the change—the striking out of the Norris amendment—that regulation goes back into the law.

Mr. THOMAS of Oklahoma. I am talking about existing law, and not the pending bill.

Mr. BROWN. The existing law prohibits the fixing of public utility rates by the Price Administrator.

Mr. THOMAS of Oklahoma. That was my understanding.

This bill, when approved by the President, will confer upon someone the power to fix, control, regulate, and adjust wages, salaries, and utility rates, will it not?

Mr. BROWN. The Senator from Oklahoma was not here during the early part of the discussion of the conference report. The Norris amendment was not accepted by the House. The conferees substituted a provision for it; and we have arranged that if the Senator from Nebraska desires us to take up his bill we may do so. But the House conferees were adamant against the inclusion of the Norris amendment in the bill.

Mr. THOMAS of Oklahoma. My broad question is, When the bill shall have become law, what prices will not be

subject to being controlled by the President or by anyone whom he may designate to administer the two laws?

Mr. BROWN. I should say that the prices of commodities and the wages and salaries of individuals are fully covered by the bill. Public-utility rates are left to regulation by the bodies which now regulate them. The matter of income by way of profits, merchandising, and professional services, and so on and so forth, is not covered by the bill. But, if I have the figures accurately, of a total of about $115,000,000,000, let us say, of national income, approximately $90,000,000,000 will be covered by the provisions of the bill.

Mr. THOMAS of Oklahoma. Mr. President, I should like to make a brief statement in my own time, if I may have the floor for a minute.

Mr. BROWN. Will the Senator pardon me? I still have to make my nightly campaign speech over the radio.

Mr. THOMAS of Oklahoma. I assure the Senator that I shall not detain him long.

Mr. BROWN. Very well, I yield.

Mr. THOMAS of Oklahoma. Mr. President, I voted for the original price control bill when it passed the Senate and contained the O'Mahoney amendment. The conferees eliminated the O'Mahoney amendment from the bill, and submitted to the Senate their report. On that report I voted "no". However, fairness compels me to admit that the Price Administrator under that act has done practically a perfect job. The bill was passed during the latter part of January. It took the Administrator several months to perfect his organization. His organization was perfected, and became a functioning bureau of the Government about the first of May. On May 2 the general price level stood at 98.7. At that time the Administrator began to function and began to curtail, restrict, and block increases in prices. That was 5 months ago today. During those 5 months the general price level has increased from 98.7 to 99.4. On yesterday the general price level stood at 99.4. That means that in 5 months the general price level, which means the general prices of all commodities—900, at least—has increased on the average slightly in excess of one-tenth of 1 point per month. In other words the dollar has lost in buying power 7 mills since the 2d day of May.

Mr. President, I contend that any organization or any group or any administrator that over a 5-month period can handle the prices of all the things we have to buy in this country and can keep the general price level—embracing the millions of things which are bought and sold, and the price level itself embracing 900 commodities—from fluctuating more than within one point, has done practically a perfect job. Although I voted against the bill, I want to make that statement.

One more statement which I should like to make is that for 10 years or more some of us have been doing considerable talking on the floor of the Senate advocating economic and monetary measures which would permit the price level to rise until it reached 100. In 1933 we set out to raise the price level. There was no pronouncement on behalf of the administration as to the point to which we would try to raise that level. At that time the level was down to 64, or thereabouts. We decided deliberately to raise the price level, to increase the prices of the commodities which our people produce. We have been successful. While it has been the goal of some of us to get the price level to 100, it has not yet reached that point. The general price level today is six-tenths of 1 point below 100.

Of course, I feel very greatly gratified that conditions have been such that those in authority have not seen fit to put the brakes entirely on prices when the level was much below 100. As I have said many times on this floor, I shall be content, when we reach a price level of 100, or approximately 100, with any kind of steps which may be taken to check the advance and freeze the prices, if necessary, at that point, until we can take stock of our economic condition, and decide what shall be done from that time on.

I am hopeful that the record, which is so fine to date, will be maintained during the emergency. There is no reason why it cannot be maintained, and I think it will be. The Government, which is made up of all the people, is now spending six or seven billion dollars a month, which means that you and I, Mr. President, and all other citizens are buyers, and while we are forced to be buyers in the public market of supplies for the war effort, it is good business to keep the prices down. Then, after the war shall have terminated, we can take stock of our condition, and decide what should be done.

Mr. BARKLEY. Mr. President, the Senator from Michigan [Mr. BROWN] has been called from the Chamber for 5 or 6 minutes, and I am sorry he is not present to hear what I am about to say.

I feel that I should be remiss in the performance of my duty if I did not express my deep appreciation for the constructive work which has been done by the Senator from Michigan, as the chairman of the subcommittee which helped to write the original Price Control Act, and as the member of the Committee on Banking and Currency charged with the responsibility of conducting the pending measure through the Senate.

I am a member of the Committee on Banking and Currency, as I am of the Committee on Finance, the Committee on Interstate Commerce, and the Committee on Foreign Relations, and, of course, as a member of those committees, as well as because of the position I hold as majority leader, it is my duty to cooperate with the members of those committees, as well as all other committees, in the passage of measures by the Senate.

Especially as a member of the Committee on Banking and Currency it has been my opportunity and my privilege, in connection with the pending measure, to work with the Senator from Michigan, and all other members of the committee, and I think I have been able to assess the value of his work in this particular field of price control.

I should not be performing my duty if I did not say here publicly that, in my judgment, the American people owe to the Senator from Michigan [Mr. BROWN] a debt of gratitude for the sincerity and the broad statesmanship he has exhibited, as well as for the hard work, mental and physical, which he has devoted to this subject. I wish to pay him that compliment because I think he deserves it, and, in my opinion, the Senate and the country feel that he deserves it.

I wish also to express my great appreciation for the cooperation of other Senators outside the committee, the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Maryland [Mr. TYDINGS], the Senator from Kansas [Mr. REED], the Senator from Alabama [Mr. BANKHEAD], the Senator from Nebraska [Mr. NORRIS], the Senator from Oregon [Mr. MCNARY], the minority leader, and the Senator from Oklahoma [Mr. THOMAS]. I could extend the list, but I thank these Senators for the magnificent way in which they have assisted in the construction of the proposed legislation.

The Senator from New Mexico [Mr. HATCH] has been interested in the welfare of agriculture ever since he came to the Senate, as have the Senator from Oklahoma [Mr. THOMAS], the Senator from Alabama [Mr. BANKHEAD], and, indeed, in reality, all of us. We came here committed to agriculture, and committed to proposals and efforts to put agriculture upon an economic basis at least approaching the level of that of industry and other interests of the country.

We have had our differences, and we have debated and argued not only on the floor, but behind the scenes as well. The arguments, representations, and efforts to reconcile our differences behind the scenes have been as interesting and sometimes as controversial as they have been here on the floor of the Senate.

I wish to include the Senator from Vermont [Mr. AIKEN] among those who have aided materially and constructively in the framing of the bill and the consummation of what now seems to be a happy ending of our efforts.

I am especially happy over the matter not only because of the fine piece of legislation which I believe has been written, but because I believe that, under all the circumstances, it is a constructive bill, one under which the President can do everything he wants to do and feels it necessary to do, and at the same time it is one which preserves the economy of the American people without doing an injustice to any branch of American industry or activity.

Above all I am gratified because the final agreement on the measure has justified the legislative process, and has vindicated Congress. Regardless of what anyone may say, I think Congress has brought about an acceptable and commendable result in the writing of the bill. I am happy over it because we know how Congress has been subjected to criticism. I find no fault with anyone who feels that Congress has now and then been remiss in the performance of its duty, or has probably devoted itself now and then to the consideration of small matters. We are a cross section of the American people. It may be the

people could have elected a better Congress than the one which they have elected, but they did not do so. They elected the one which they now have, and they will elect others in the future, as they have chosen the ones which represented them in the past. It may be that they could have done better than they did in choosing the two present branches of Congress, but the Congress which they chose has attempted to function in good faith.

I wish to congratulate those who have had a part in framing the bill we have been considering. In addition to the Senators I have already mentioned, I wish to include the Senator from Montana [Mr. WHEELER], who, in private conversation and negotiation, has assisted materially in attempting to iron out differences which existed, and I desire to express to him publicly my appreciation for the service he has rendered.

At this moment, in view of the consummation of our duty and our task, after our hard and controversial labors, I feel an infinite pride in the vindication of the democratic way of handling important questions such as the one with which we have been confronted. While not every one can be satisfied with the compromise which legislation must always be, the American people on the whole will find that in this instance we have done an acceptable job. When the bill shall have been signed and become a law it can be lived with by those who must administer it. I believe it will demonstrate the wisdom of the Congress in its enactment, and I shall be happy to have it behind us and placed on the statute books.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WILEY. Now that the distinguished majority leader has complimented so many Senators, I think I might say, as a Republican, that the country owes a "thank you" to the majority leader. However, I do not rise for that purpose.

Mr. BARKLEY. I was about to say, if the Senator will permit me, that I also deeply appreciate the sincere cooperation and constructive help which has been given by the Republican minority of the Senate in the construction of the measure about to be enacted. I think they have, as we all have tried, to meet this problem in the light of our duty, and I believe we have performed it in that light.

Mr. WILEY. Mr. President, I should like to ask the Senator one question. Can he assure the Senate that the bill in its present form is acceptable to the President?

Mr. BARKLEY. I am not in a position to speak for the President——

Mr. WILEY. If the Senator from Kentucky is not, no one is.

Mr. BARKLEY. But if I were a gambling man I should be willing to wager considerable odds that it will not be rejected by the President of the United States.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from New Mexico.

Mr. HATCH. I shall take but a moment. Like the Senator from Wisconsin [Mr. WILEY] I did not want all these bouquets to be passed around so generously by our leader without saying a word. I am one of those who have not always been in accord with the majority leader. I regret it when I am not in accord with him, because I like very much to travel along the same road that he is traveling. But I merely want to say in all earnestness, and in all sincerity, that the compromise to which the Senator has referred would never have been worked out if it had not been for the wise consideration and the generous leadership of the Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. I thank the Senator from New Mexico.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McKELLAR. Of course I agree with all that the Senator from Kentucky has said about this bill and about its effect and about those who have taken active part in its enactment. I think we have obtained a good result. I am entirely satisfied with the bill so far as I am concerned, and I think, too, the Senate is, and I hope the country will be.

I especially wish to offer my congratulations to the distinguished, able, and diplomatic Senator from Michigan [Mr. BROWN], who has borne the brunt of this fight. In my judgment, he has done a masterly job, and has stamped himself upon the country as being one of its ablest and best legislators. I congratulate all those on both sides who have brought about the passage of the bill.

My purpose in rising was not to say these things, but to ask the Senator from Kentucky a question about one item in the bill. The Senator offered in the Senate an amendment which was agreed to, affecting the prices of tobacco in States or districts in which the tobacco season has not as yet opened. Did that amendment remain in the bill?

Mr. BARKLEY. That amendment remained in the bill unchanged.

Mr. McKELLAR. I am very happy to know that that is true.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BANKHEAD. Very briefly I wish to approve everything that the Senator from Kentucky has said. As a member of the Banking and Currency Committee I worked with the Senate majority leader, the Senator from New York [Mr. WAGNER], the chairman of the committee, and the junior Senator from Michigan [Mr. BROWN], both in the handling of the original Price Control Act and in the management and consideration of the pending measure. I, of course, differed with these gentlemen from t me to time on some questions. They have represented the administration in large measure, and I am generally an administration man. But I want to pay tribute to the fairness and justice of these three leaders in the management of this price-control measure.

I particularly want to pay a tribute in a brief way to the Senator from Michigan [Mr. BROWN]. He was the active author of the bill in cooperation with the distinguished chairman of the committee, the Senator from New York [Mr. WAGNER]. He has been fair and just and reasonable all the way through the consideration of the bill. He has taken into consideration in a proper and appropriate way the interest of the administration, the interest of the laborers, the interest of the farmers, the interest of the consumers. He has had the full cooperation of our distinguished majority leader and the Senator from New York in all those activities.

Mr. President, I am satisfied with the bill. I think it is a good, workable bill. I did not want the bill at all. I thought we had a good law. But I am not disappointed. We have reached a very fine and satisfactory conclusion. As one who is generally regarded as a minority member of the Committee on Banking and Currency on many questions, I should not feel satisfied if I did not pay this tribute and express my feeling of gratification, of satisfaction, of appreciation, and admiration for these three men, and particularly—and I hope my statement will not be regarded as invidious—for the great Senator from Michigan, who primarily had the responsibility for the management of the bill.

Mr. BARKLEY. Mr. President, I understand that the Speaker is waiting to sign the enrolled bill, which he cannot do until we adopt the conference report. I understand the Senator from Connecticut [Mr. DANAHER] desires to address the Senate at this time. Therefore I yield the floor.

Mr. DANAHER. Mr. President, first I want to congratulate the Senator from Ohio [Mr. TAFT], the Senator from Minnesota [Mr. BALL], the Senator from Louisiana [Mr. OVERTON], the Senator from Missouri [Mr. CLARK], and all other Senators who offered amendments which were rejected in the course of the consideration of this measure. [Laughter.]

I think it no more than right, Mr. President, that the majority leader in the course of his report to the Defense Inspector, who has been absent during the past 2 weeks while the bill was under consideration, should call attention to the headline in this morning's newspaper, particularly in the light of his eulogies here this afternoon.

President attacks Congress as hampering war effort. Roosevelt hits price bill haggling—

Says the Washington Post. All the time, Mr. President, while it was being represented to the country that the President was engaged in some life-and-death struggle with the Congress, he was not even in Washington.

Mr. President, I have just as much admiration for the legislative process as has anyone else. I do not yield even to the majority leader in my regard for it. I heard the Senator from Michigan [Mr.

BROWN] on September 30 say, as he turned to the Senator from Alabama—and I read from page 7625 of the RECORD:

I again appeal to the Senator from Alabama. I am sure that the Senator from Kentucky [Mr. BARKLEY], the Senator from New York [Mr. WAGNER], and I are willing to be committed to see that the Senator's amendment with respect to the crops in which he is primarily interested is carried out. If we cannot agree on anything else, we can include the 90-percent provision.

At page 7627 the RECORD will show the following colloquy:

Mr. DANAHER. Let me ask the Senator from Michigan a question. When he speaks, as he purports to do, only for the majority conferees whom he already knows, and when he says he will protect the interests of the Senator from Alabama, is it his purpose to go into the conference and to accept the proposal that a 90-percent loan rate be guaranteed for 3 years after the war? Is that a part of his proposal?

Mr. President, let me recall to Senators, and let the RECORD show that there was not one word in the record of the hearings as to the post-war effect of a continued 90-percent parity guaranty. There is not a single line in the record as to the effect of this proposal. There was no testimony, no development of the proposition. The Senator from Michigan [Mr. BROWN] answered:

Mr. BROWN. No; I did not say that.

Mr. DANAHER. When the Senator says it is his intention to protect the interests of the Senator from Alabama, is that what he means he will do?

Mr. BROWN. I intend to protect the interests of the Sentor from Alabama "as is."

Mr. DANAHER. The Senator from Michigan does not mean to protect the Senator from Alabama or anyone else by accepting the proposed provision for a 90-percent loan rate to be guaranteed for 3 years after the war, does he?

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. BANKHEAD. The Senator from Connecticut is a member of the committee, and he knows that in the committee I withdrew that part of the amendment, and did not even submit it to the committee.

Later the Senator from Michigan said:

I voted for it—

Meaning the 90-percent loan rate—

because I thought that it was desirable to have a 90-percent floor in the joint resolution in order to encourage Senators representing farm States to go along with the measure, as they have done.

Mr. President, there is the legislative process. That is what was done in connection with this measure. We did not hear any debate in the Senate about a post-war, 3-year guaranty, but it was in the House bill. The 90-percent parity rate emanated from the President of the United States and came from the President to the particular majority in control of the measure. It was offered in the committee as an amendment by the Senator from Alabama. At that time he did have a post-war guaranty proposal in his proposed amendment. It was already in the House bill, and the Senators in charge of the bill knew it. It is in the House bill this minute. But the Senator from Alabama withdrew it. He knew, as the questions put by me and the statement of the Senator from Michigan indicated, that were that proposal in the bill, without any record, without hearings, and without the development of the post-war effect of that continued guaranty, a very large number of Senators—possibly scores—would have refused to accept it.

But, no; we had to guarantee and protect the interests of somebody. Mr. STEAGALL had it all fixed; the Senator from Alabama had it all fixed, and the majority had it all fixed. That is the way it was in the conference. There was not a word about it in the Senate amendment when the bill went to conference, but the subject was not under discussion more than 5 minutes when the period was made 2 years, in the form in which we now find it in the bill.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WHEELER. I invite attention to the fact that both the House bill and the Senate amendment provided that the loan to wheat farmers should be identical with the loan to cotton farmers; but, notwithstanding the fact that both the House bill and the Senate amendment contained identical provisions with reference to wheat farmers, the Senate conferees must have made a desperate fight for the wheat farmers of the Northwest in order to obtain a compromise so that the President could change the loan value.

Mr. DANAHER. Let me say to the Senator from Montana that, as the Senator from Michigan explains, he made these agreements to the end that he might encourage Senators representing farm States to go along with the measure, as they have done, as he has pointed out to us.

Mr. President, I submit that when the war is over and the post-war rehabilitation problems confront us will be the time when we should decide what to do. We do not know the degree to which our economy will be affected by the exhaustion of war. We have no concept whatever of what the results are likely to be upon the consuming public of the Nation, but we do know that at this minute there are protections in the law to the effect that Government-loan cotton and similar commodities may not be sold. Those limitations are already in existing law. So for 2 years we guarantee that the producers of those commodities may continue to receive 90 percent of parity and again load their surplus commodities onto the Government, at the expense of the public. Such commodities may not even be sold for the benefit of consumers.

That is what has been done. That is the sort of thing which is involved; yet the record is barren of fact or incident to disclose the effect upon the economy of the American Nation of what has now been written into the conference report.

Mr. President, it seems to me that that is fundamental. In the light of the developments of the past 2 weeks, and particularly in retrospect, when we find that Congress is being attacked, let the record show what happened. That is my purpose in arising at this time. I also believe that a word of caution properly could and should have been injected into the whole proceeding, to the end that we postpone until the post-war period, when we are in a position to assay our condition, the decision as to what steps, if any, should be taken with respect to the continuance of a 90-percent parity loan.

Mr. BANKHEAD. Mr. President, in view of the spirit manifested by the Senator from Connecticut, I think it is proper that I should make a brief statement on the subject. He has mentioned my name.

This is the first time I have ever heard criticism of a conference committee because it adopted a provision in the bill of one House which was not originally included in the measure passed by the other House. He seems to believe that because there was no hearing on this phase of the bill, the Senate conferees should not under any circumstances have acceded to the request of the House.

This provision was included in the House bill. It was approved by the House committee, was adopted in the House, and was a part of the House bill. It was a part of the bill in conference between the two Houses.

The Senator from Connecticut said something about my knowing that Mr. STEAGALL was going to get it through. I had no knowledge in advance about what the committee would do, or what the House would do. Action in the Senate committee was taken before the House committee had taken action, and before the House had taken action.

The Senator from Connecticut said that the matter was settled, as though there were some conspiracy. I had no special interest in the provision, and did not even press it. I think it is a wise provision. I know that it was recommended by the President. I think that is what turned the Senator from Connecticut against it. It was a part of the program advocated by the President in his message to Congress.

Instead of settling it in 15 minutes, I know that the members of the conference committee who are present will all testify that that particular subject had more discussion in the conference than probably any other phase of the subject between the conferees. It was brought up from time to time in discussions in the conference committee. It was not agreed upon until late this afternoon, because the Senator from Michigan stood firm against the insistence of the House conferees to have the 3-year period retained in the bill. He would not agree to it. There was protracted discussion in the conference committee. Instead of the question being settled in 15 minutes, as I stated, it required a large part of the time. Finally, in order to get an agreement, the matter was settled by the acceptance of a 2-year extension, which I understand had been recommended by the President of the United States.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BARKLEY. This discussion ought not to be concluded without reminding the Senate of the fact that at least 3

months ago the Committee on Banking and Currency, after deliberate consideration, brought in a bill authorizing a 100-percent loan on farm crops, at the time when 110 percent of parity was the basis of the Price Control Act. That bill passed the Senate practically without opposition.

Mr. BANKHEAD. No; we had a pretty vigorous fight over it, but it was fully considered.

Mr. BARKLEY. There was a substantial majority.

Mr. BANKHEAD. There was a substantial majority; and it was fully considered.

Mr. BARKLEY. It was fully considered and passed. It went to the House. The House Committee on Banking and Currency reported it to the House, and it is now on the calendar; but the House did not act upon it because a rule was not provided in the House by the Rules Committee. That was because there was a general understanding that there would be a sort of informal recess for a couple of months.

The bill providing for 100-percent loans was based upon the 110-percent provisions of the Price Control Act; and when we were drawing this legislation and reducing the loans to approximately 100 percent, the Senator from Alabama was one of those in the committee who insisted that we should not provide for a 100-percent loan because it might result in the farmers' turning their crops over to the Government itself.

Mr. BANKHEAD. Because there was not room enough above it.

Mr. BARKLEY. Yes. So that subject was given careful consideration by the committee some 2 or 3 months ago; was given careful consideration by the Senate, received a substantial majority of the votes of the Members of the Senate, went to the House, was put on the calendar, and would have become law except for the failure of the Rules Committee, because of a formal recess, to bring it up for consideration. So, it had ample consideration by both the committees of the House and Senate and by the Senate. I think that statement should be made at this time.

Mr. BROWN. Mr. President, I am very anxious to have the conference report on the bill agreed to. The bill has been the subject of practically a month's work. Therefore, I shall not make any reply to the speech made by my good friend, the Senator from Connecticut.

I wish I might take the time of the Senate to compliment the Senators who have taken part in this matter in words similar to those used by other Senators in describing me and others of my colleagues who have participated in this struggle.

I merely want to say that the Senator from Connecticut was perfectly willing to perpetrate this terrible crime upon the American people for 1 year, but he did not want to do it for 2 years. In the discussion which we had, the House wanted the period to be 3 years after the war. The Senate wanted it to be merely the war period. The chairman of the House Banking and Currency Committee insisted upon having the period 3 years. We insisted upon having no post-war period. We finally compromised on a 2-year period, with the Senator from Connecticut very desirous of making it a 1-year period.

So, I want to say there was not a great deal of difference between us. If it would have been good for the country for 1 year, it will be good for the country for 2 years. I think we can live with it. I do not think it will cause great loss to the Treasury of the United States, and I know that it is a very satisfactory safeguard to American agriculture.

Mr. President, I have but one object, and that is to have the Senate dispose of the bill and send it on its way to the White House, where it can be considered by the President of the United States.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

AUTHORIZATION TO SIGN ENROLLED BILL

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Vice President be authorized to affix his signature to the enrolled bill during the recess or adjournment of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ADJOURNMENT TO MONDAY

Mr. BARKLEY. Mr. President, I move that the Senate adjourn until 12 o'clock on Monday next.

The motion was agreed to; and (at 7 o'clock and 12 minutes p. m.) the Senate adjourned until Monday, October 5, 1942, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate October 2, 1942:

DIPLOMATIC AND FOREIGN SERVICE

George Wadsworth, of New York, a Foreign Service officer of class 1, to act as diplomatic agent and consul general of the United States of America near the Government of the Republic of Lebanon, at Beirut, and near the Government of the Republic of Syria, at Damascus.

THE JUDICIARY

Hon. Harold E. Stafford, of Hawaii, to be third judge of the First Circuit, Circuit Courts, Territory of Hawaii. Judge Stafford is now serving in this post under an appointment which expired June 24, 1942.

Hon. John A. Matthewman, of Hawaii, to be fifth judge of the First Circuit, Circuit Courts, Territory of Hawaii. Judge Matthewman is now serving in this post under an appointment which expired June 24, 1942.

UNITED STATES PATENT OFFICE

Vernon I. Richard to be an examiner in chief, Board of Appeals, United States Patent Office.

Ernest F. Klinge to be an examiner in chief, Board of Appeals, United States Patent Office.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

William H. Elam, Brent, Ala., in place of Grace Ward, resigned.

Elias B. Reid, Cherokee, Ala., in place of E. B. Reid. Incumbent's commission expired June 23, 1942.

William F. Croft, Crossville, Ala., in place of W. F. Croft. Incumbent's commission expired June 23, 1942.

A. Kate B. Patterson, Falkville, Ala., in place of A. K. B. Patterson. Incumbent's commission expired June 23, 1942.

Ernest D. Manning, Florala, Ala., in place of E. D. Manning. Incumbent's commission expired June 23, 1942.

Herman Pride, Georgiana, Ala., in place of Herman Pride. Incumbent's commission expired June 23, 1942.

Roy J. Ellison, Loxley, Ala., in place of R. J. Ellison. Incumbent's commission expired June 23, 1942.

William M. Moore, Luverne, Ala., in place of W. M. Moore. Incumbent's commission expired June 23, 1942.

Lawrence F. Howell, Moulton, Ala., in place of L. F. Howell. Incumbent's commission expired June 23, 1942.

Harry J. Wilters, Robertsdale, Ala., in place of H. J. Wilters. Incumbent's commission expired June 23, 1942.

Charles B. Lampkin, Jr., University, Ala., in place of J. A. Anderson, retired.

ARIZONA

George C. Wright, Clifton, Ariz., in place of G. C. Wright. Incumbent's commission expired March 23, 1942.

John E. Wagner, Jerome, Ariz., in place of J. E. Wagner. Incumbent's commission expired December 16, 1941.

ARKANSAS

Fagan B. Richardson, Ash Flat, Ark. Office became Presidential July 1, 1942.

Otis H. Parham, Bald Knob, Ark., in place of O. H. Parham. Incumbent's commission expired June 23, 1942.

Thomas B. Gatling, Bearden, Ark., in place of T. B. Gatling. Incumbent's commission expired June 23, 1942.

W. Ernest King, Clarksville, Ark., in place of W. E. King. Incumbent's commission expired June 23, 1942.

J. Dot Fortenberry, Imboden, Ark., in place of J. D. Fortenberry. Incumbent's commission expired June 23, 1942.

James T. Alderson, Malvern, Ark., in place of J. T. Alderson. Incumbent's commission expired May 6, 1942.

Guy Stephenson, Monticello, Ark., in place of Guy Stephenson. Incumbent's commission expired June 23, 1942.

Claude M. Farish, Morrilton, Ark., in place of C. M. Farish. Incumbent's commission expired June 23, 1942.

James H. Nobles, Parkdale, Ark., in place of J. H. Nobles. Incumbent's commission expired March 30, 1942.

CALIFORNIA

Gilbert G. Vann, Arbuckle, Calif., in place of G. G. Vann. Incumbent's commission expired May 27, 1942.

Jacob Golden Land, Feather Falls, Calif., Office became Presidential July 1, 1941.

Paul W. McGrorty, McCloud, Calif., in place of P. W. McGrorty. Incumbent's commission expired June 1, 1942.

John Carlos Rose, Milpitas, Calif., in place of J. C. Rose. Incumbent's commission expired June 18, 1942.

Robert L. Turner, Mojave, Calif., in place of J. J. Nestor, resigned.

Julia M. Ruschin, Newark, Calif., in place of J. M. Ruschin. Incumbent's commission expired May 28, 1942.

Lindsey L. Burke, Norwalk, Calif., in place of L. L. Burke. Incumbent's commission expired May 28, 1942.

Charles A. Turner, Oceanside, Calif., in place of C. A. Turner. Incumbent's commission expired May 4, 1942.

Icy June Murphy, Project City, Calif. Office became Presidential July 1, 1940.

George H. Treat, San Andreas, Calif., in place of G. H. Treat. Incumbent's commission expired June 18, 1942.

Louis J. McNeill, Tuolumne, Calif., in place of L. J. McNeill. Incumbent's commission expired June 23, 1942.

COLORADO

Mary E. Vogt, Burlington, Colo., in place of M. E. Vogt. Incumbent's commission expired June 23, 1942.

Glenn G. Ellington, Delta, Colo., in place of G. G. Ellington. Incumbent's commission expired June 6, 1942.

Lewis Hollenbeck, Salida, Colo., in place of Lewis Hollenbeck. Incumbent's commission expired June 23, 1942.

CONNECTICUT

Harold Olin Grant, Manchester, Conn., in place of T. J. Quish. Incumbent's commission expired February 18, 1941.

FLORIDA

Kirby D. Rooks, Bonifay, Fla., in place of K. D. Rooks. Incumbent's commission expired June 23, 1942.

LeRoy E. Diggans, Delray Beach, Fla., in place of L. E. Diggans. Incumbent's commission expired June 23, 1942.

Ralph W. Hartman, Stuart, Fla., in place of R. W. Hartman. Incumbent's commission expired June 23, 1942.

GEORGIA

Charles D. Bruce, Sea Island Beach, Ga., in place of C. D. Bruce. Incumbent's commission expired June 23, 1942.

ILLINOIS

John G. Rehwald, Altamont, Ill., in place of J. G. Rehwald. Incumbent's commission expired May 3, 1942.

Charles G. Sowell, Granite City, Ill., in place of C. G. Sowell. Incumbent's commission expired June 23, 1942.

INDIANA

William J. O'Donnell, Gary, Ind., in place of W. J. O'Donnell. Incumbent's commission expired June 23, 1942.

Joseph P. Sullivan, Whiting, Ind., in place of P. D. Sullivan, resigned.

KANSAS

Clarence O. Masterson, Wilmore, Kans. Office became Presidential July 1, 1942.

KENTUCKY

Earl H. Jackson, Corinth, Ky., in place of D. L. Sullivan, removed.

Owen W. Hisle, Richmond, Ky., in place of Elmer Deatherage, deceased.

MARYLAND

James F. Stack, Ridgely, Md., in place of J. W. Davis, removed.

MASSACHUSETTS

Charles H. McGrath, Randolph, Mass., in place of F. S. Roddan, resigned.

MICHIGAN

Robert E. Lee, Byron, Mich., in place of R. E. Lee. Incumbent's commission expired April 12, 1942.

George Merriman, Manchester, Mich., in place of Bert Lowery, deceased.

Lynn J. Pardee, Three Oaks, Mich., in place of J. E. Bommerscheim. Incumbent's commission expired March 10, 1940.

MONTANA

Oren D. Clement, Livingston, Mont., in place of O. D. Clement. Incumbent's commission expired June 2, 1942.

NEW HAMPSHIRE

Harold B. Pinkham, Milton, N. H., in place of C. E. Tanner, resigned.

NEW JERSEY

Viola J. Kearns, Netcong, N. J., in place of A. J. Hans, deceased.

NEW MEXICO

Josephine Lorenzo, Dawson, N. Mex., in place of J. Q. Welch. Incumbent's commission expired April 29, 1942.

NEW YORK

Ward C. Wells, Barneveld, N. Y., in place of W. C. Wells. Incumbent's commission expired June 25, 1940.

William A. Horan, Castle Point, N. Y., in place of E. T. Hayden, removed.

OHIO

Walter T. Ault, Findlay, Ohio, in place of W. T. Ault. Incumbent's commission expired June 23, 1942.

Harry A. Higgins, Xenia, Ohio, in place of H. A. Higgins. Incumbent's commission expired June 23, 1942.

OREGON

Euna Pearl Burke, Astoria, Oreg., in place of E. P. Burke. Incumbent's commission expired June 23, 1942.

Robert H. Fox, Bend, Oreg., in place of R. H. Fox. Incumbent's commission expired June 23, 1942.

Glen C. Smith, Independence, Oreg., in place of G. C. Smith. Incumbent's commission expired May 12, 1942.

Winifred G. Wisecarver, McMinnville, Oreg., in place of W. G. Wisecarver. Incumbent's commission expired June 2, 1942.

PENNSYLVANIA

Charles T. Bonner, Glen Riddle, Pa., in place of C. T. Bonner. Incumbent's commission expired June 23, 1942.

Cornelius McCullough, Lansdowne, Pa., in place of Cornelius McCullough. Incumbent's commission expired June 23, 1942.

Marea Stover, Shrewsbury, Pa., in place of M. J. Gerry, resigned.

TENNNESSEE

Bernard R. Duncan, Linden, Tenn., in place of B. R. Duncan. Incumbent's commission expired June 23, 1942.

Harry Robinson, Signal Mountain, Tenn., in place of E. H. Stanfield. Incumbent's commission expired February 24, 1942.

TEXAS

Milton L. Burleson, El Paso, Tex., in place of M. L. Burleson. Incumbent's commission expired May 28, 1942.

Mollie S. Berryman, Willis, Tex., in place of M. S. Berryman. Incumbent's commission expired June 23, 1942.

UTAH

D. Grant Ingersoll, American Fork, Utah, in place of S. T. Shelley, deceased.

WASHINGTON

George B. Day, Walla Walla, Wash., in place of G. B. Day. Incumbent's commission expired June 23, 1942.

WEST VIRGINIA

Julius W. Singleton, Charleston, W. Va., in place of J. W. Singleton. Incumbent's commission expired May 6, 1942.

Denny B. Browning, Logan, W. Va., in place of D. B. Browning. Incumbent's commission expired June 23, 1942.

WISCONSIN

Mary Drossart, Casco, Wis., in place of W. E. Drossart, transferred.

Frank R. Hughes, Chippewa Falls, Wis., in place of F. R. Hughes. Incumbent's commission expired April 12, 1942.

Earl F. Moldenhauer, Clintonville, Wis., in place of E. F. Moldenhauer. Incumbent's commission expired April 12, 1942.

Carl J. Mueller, Jefferson, Wis., in place of C. J. Mueller. Incumbent's commission expired May 31, 1942.

Bethel W. Robinson, Superior, Wis., in place of B. W. Robinson. Incumbent's commission expired May 31, 1942.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 2, 1942:

IN THE MARINE CORPS

PROMOTIONS IN THE TEMPORARY SERVICE

To be major generals

Julian C. Smith
Charles D. Barrett

APPOINTMENTS IN THE REGULAR SERVICE

To be second lieutenants

Robert A. Downing	James W. Sperry
John S. Hudson	Clayton S. Rockmore
Robert L. Gillis	John L. Gifford
Delmar M. Persinger	Fred C. Eberhardt
Irving B. Hayes	Henry V. Joslin
Richard W. Mirick	Lyle K. London
William J. Howatt	Robert H. Daley
William G. Shoop	Harry A. Hadd
David S. Randall	Floyd M. Johnson, Jr.
Norman C. Bayley	Paul O. Engelder

POSTMASTER

KANSAS

Cleora Hila Creed, Turon.

HOUSE OF REPRESENTATIVES

FRIDAY, OCTOBER 2, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We are grateful to Thee, O Thou God of goodness and grace, that Thou dost turn Thy countenance upon the upturned faces of Thy children. Sacred forever are those steps worn by the feet of Thy saints of old. We praise Thee that the divine voice whispers into the human soul at the altar of Him whose deathless sacrifice has swept the thoughts, the dreams, and the hopes of the centuries. Thou Christ, sorely fearful, strengthen our hearts lest we labor without Thy guidance.

Blessed Lord, as faith, love, and industry make the true man, may we be very sure that these will grow on a low plane unless inspired by the teaching of the Book of Life. We rejoice that Thy mercy forgives and Thy deep seas bury forever sins forsaken. We pray that we may honor all men; speak no evil, nor listen to it; teach high thoughts by amiable words; bear no ill will; love the truth and all that makes a good man. In the spirit of Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 5719. An act to abolish the Guilford Courthouse National Military Park Commission, and for other purposes;

H. R. 6601. An act to reorganize the system of land offices and land districts in Alaska; and

H. R. 7152. An act to amend the Nationality Act of 1940 to preserve the nationality of citizens residing abroad.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House

is requested, a bill of the House of the following title:

H. R. 7121. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1869. An act for the relief of certain claimants against the United States who suffered property losses as a result of the failure of the Big Porcupine Dam on the Fort Peck project, Montana;

S. 1968. An act to amend section 13 (c) of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, so as to permit the sale of certain publications not published or sold for profit;

S. 2398. An act amending the provisions governing the issuance of patent for certain lands to the town of Fletcher, Okla.;

S. 2528. An act to provide for the settlement of certain claims of the Government of the United States on behalf of American nationals against the Government of Mexico;

S. 2623. An act authorizing the construction of certain public works in the basin of the Connecticut River for flood control;

S. 2635. An act to provide for granting to the State of New Mexico the right, title, and interest of the United States in and to certain lands in New Mexico;

S. 2691. An act to facilitate and simplify collection procedure in the Department of the Interior;

S. 2706. An act to amend the act entitled "An act to expedite national defense, and for other purposes," approved June 28, 1940 (54 Stat. 676), and "Title IV of the Naval Appropriation Act for the fiscal year 1941," approved September 9, 1940 (54 Stat. 883);

S. 2723. An act to amend the Pay Readjustment Act of 1942;

S. 2762. An act to except from the provisions of section 3709 of the Revised Statutes purchases or services rendered for the Department of Commerce where the amount involved does not exceed $100;

S. 2776. An act to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941, to continue it in effect;

S. 2798. An act amending the first sentence of Article of War 52, relative to execution of court-martial sentences; and

S. Con. Res. 32. Concurrent resolution authorizing the printing of additional copies of the Senate reported print of H. R. 7378, a bill to provide revenue, and for other purposes.

PRICE CONTROL

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference requested by the Senate.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. RANKIN of Mississippi. Mr. Speaker, I reserve the right to object. An amendment was inserted in the Senate to give the administration the right to prohibit increase in utility rates and we are very much interested in that amendment, because the report that came to my desk this morning from the Electric Institute shows the domestic electric consumers in almost every State in the Union are overcharged about 100 percent. We want to know if the House conferees are willing to bring that provision back and give the House an opportunity to vote upon it, in case they do not agree to it.

Mr. STEAGALL. Mr. Speaker, I say to the gentleman that he is not correctly describing the amendment to which he evidently refers. The amendment to which the gentleman refers is not directed solely at power rates. It is much broader than that, and all I can say to the gentleman is that the conference committee has that matter under consideration. What their action will be I am not in a position to tell the gentleman at this time.

Mr. RANKIN of Mississippi. What I am interested in is the electric light and power rates that are likely to spiral to where the overcharges that amount to 100 percent now will probably spiral to 400 or 500 or 1,000 percent. I am interested in the conferees giving us the right to vote on that provision in case the House conferees fail to agree to it.

Mr. STEAGALL. Of course, the gentleman is one of the best trained parliamentarians in this House and he knows what his rights are with respect to that. I cannot state to the gentleman now what will be done by the conferees in connection with that amendment.

Mr. RANKIN of Mississippi. I just want to emphasize to the gentleman from Alabama that unless the House conferees agree to that provision, we are going to demand a separate vote upon it.

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object, to ask the gentleman from Alabama or the majority leader of the House what we can expect today. Conflicting rumors have been circulating as to the time we may receive the report of the conference committee.

Mr. STEAGALL. Mr. Speaker, the conferees are working now in the hope of finishing the conference in time to make a report to the House today at such an hour as will permit action upon the report by the House this afternoon. There is good reason to hope that we shall be able to do that.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none and appoints the following conferees.

The Clerk read as follows:

Mr. STEAGALL, Mr. WILLIAMS, Mr. SPENCE, Mr. WOLCOTT, Mr. GIFFORD.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the conferees on the bill just sent to conference may make their report during the day and that it may be in order to consider the report when it is filed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, the gentleman will try to bring the legislation back sometime today, early enough to have the report acted upon?

Mr. STEAGALL. I have hopes that we will be able to act upon the report today.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

ELECTION TO COMMITTEE ON THE LIBRARY

Mr. BOEHNE. Mr. Speaker, I submit the following resolution and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 548), as follows:

Resolved, That WILLIAM H. LARRABEE, of Indiana, be, and he is hereby, elected to the Committee on the Library of the House of Representatives.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FREE PRESS

Mr. NELSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. NELSON. Mr. Speaker, this is newspaper week. The press of the United States has just been put to the greatest test in the history of journalism, asked to sacrifice news, its very lifeblood. This test was fully met, met in keeping with the best traditions of an agency which has never failed America in its hour of need. From time to time we are told of how without this or that, whether reference be to food or to the output of factories, the war could not be won. Doubly difficult would it be to win the war without the support of newspapers, whether the smallest country weekly or the most powerful metropolitan publication. In these days of drive and endeavor, and sometimes of doubt, when the fate of civilization itself hangs in the balance, there are few issues of any publication which do not carry in their columns material vital to our cause. Space represents the goods which the paper must sell if it is to survive, yet hundreds of thousands of columns, if not actually millions, are contributed by the press of America. All credit and all honor to this press, fair and unafraid, and which in the interest of that which means more than money, cooperates not only in giving publicity to promote the war effort but withholds from its columns news of the greatest interest to its readers. Again, all credit to the press.

[Here the gavel fell.]

THE PRESIDENT ATTACKS CONGRESS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include as a part of my remarks an article appearing in the Washington Post this morning headed "The President attacks Congress," together with supporting statements.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

[Mr. O'CONNOR addressed the House. His remarks appear in the Appendix.]

ANTI-INFLATION LEGISLATION

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

[Mr. WOODRUFF of Michigan addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to extend my remarks and include a significant speech by Rear Admiral Ben Moreell, Chief of the Bureau of Yards and Docks.

The SPEAKER. Is there objection?

There was no objection.

[By unanimous consent, Mr. SATTERFIELD was granted permission to extend his own remarks in the RECORD.]

APPOINTMENT OF WHITE HOUSE POLICE IN ACCORDANCE WITH CIVIL-SERVICE LAWS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2584) to permit appointment of White House Police, in accordance with the civil-service laws, from sources outside the Metropolitan and United States Park Police force.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Texas a question. According to the Chief of Police of the White House force, there is authorized now for the White House police force 80 men for the regular force and 40 to be detailed from the Metropolitan Police. That would make 120, but there are now on duty about 101 as of yesterday. As I drove around the White House this morning I noticed 15 Army men guarding the White House grounds. I could only get on the south and north sides of the White House. The east side, next to the Treasury Department, and the west side, next to the State Department, were closed to pedestrians. So if they had 15 more on those 2 sides of the White House there would be at least 100 soldiers there during a 24-hour period guarding the White House. If they have over 100 policemen and 100 Army men to guard the White House, that is more policemen than it takes to guard the people in a city of 100,000 people. When no one is permitted to go around the grounds of the White House, do you think it is necessary to include 20 or 30 more men on that force? I am one who does not think so. I want to give all the protection to the President of these United States that is necessary. I have no desire that he shall not have full and proper protection, but it seems to me as a matter of common sense and wisdom, when we are going in the red over $12,000,000,000 since the first of July and here we can save the services of 20 to 40 men who can be used in other industries or on the District police force, and who can be used in thousands of places where they are needed, where they can be of use to our country in time of war when manpower is scarce, and I believe that that should be done. I do not think this bill ought to be passed. But I do not want to put the Rules Committee to the bother of granting a rule. I agreed not to object to it, by unanimous consent, but I think from the standpoint of good ordinary common sense this bill should not be passed; from the standpoint of the Treasury, I know it should not pass. I am willing to have it taken up by unanimous consent, but I believe it is wrong and I think the Congress sought to reject the bill. If you do not reject it then I am sure you do not know what is best for our country and the majority who have control of the votes will continue to rubber stamp through this House unnecessary legislation, extravagant legislation. It is up to you, the House of Representatives. Do your duty and kill this bill. I warn you of your duty. I would kill it if I thought by my objection that would do the job, but I know I cannot do it.

Mr. LANHAM. Mr. Speaker, may I say to the gentleman from Pennsylvania that the representatives of the secret-service organization and the Treasury Department who appeared before our committee stated that it was vitally necessary to have these vacancies filled. This involves no additional appropriation whatever. The White House grounds are very extensive grounds. They are serviced by policemen both from the standpoint of the grounds and the standpoint of the buildings on the grounds. The policemen work in several shifts each day. I think that in these war times particularly it is highly important that we keep that force up to the authorized strength.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I understand this is a unanimous report from your committee, after full hearings?

Mr. LANHAM. That is correct. And the bill has already passed the Senate.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That, in addition to appointment from members of the Metropolitan Police force and the United States Park Police force, as provided in section 2 of the act of September 14, 1922, as amended (U. S. C., title 3, sec. 62 (a)), members of the White House Police force may be appointed, and vacancies in such force filled, in accordance with the provisions of the civil-service laws and the regulations issued pursuant thereto.

SEC. 2. Members appointed pursuant to this act shall be entitled to the same privileges as to salary, grade, uniforms, equipment, transfer, leave, relief funds, retirement, and refunds as members appointed from the Metropolitan Police force and the United States Park Police force.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

House Resolution No. 546 was laid on the table.

EXTENSION OF REMARKS

(Mr. DONDERO, Mr. RAMSAY, and Mr. GUYER asked and were given permission to extend their own remarks in the RECORD.)

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a speech I delivered in Columbus last week.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE PRESIDENT'S TRIP

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. MASON. Mr. Speaker, the President has just made a 2 weeks' trip across the country to learn at first hand what the people are thinking and saying. He says his trip was not a political one. I am inclined to believe him.

We are completing action on the price-control bill today, and must wait 2 weeks for the tax bill to come back to the House for action. Therefore, following the example of the President, I have decided to leave Washington for a 2 weeks' trip over my district to learn at first hand what my people are thinking and saying. With the election only a few weeks away, I wonder if my people would be inclined to believe me if I said my trip has no political implications.

EXTENSION OF REMARKS

Mr. PATTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein certain letters.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

STATEMENTS CONCERNING THE WAR EFFORT

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. TABER. Mr. Speaker, I see the President of the United States has repudiated the remarks of Assistant Secretary Bard and General Somervell that we are losing the war, and has reprimanded them.

I wonder if he will remove them and Elmer Davis, head of the Office of Information, who passed on those remarks before they were uttered?

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, without getting into this controversy I think, in all fairness to Assistant Secretary Bard—and I have met the gentleman only once—I should say I certainly did not place any such interpretation upon his remarks as a flat statement that we are losing the war. I think the whole theme of his remarks was that we could lose the war. I think the whole purpose of his speech was to convey to the American public the fact that it was only with grim determination that we will win the war. I believe further it was an effort to remove the feeling of self-complacency that exists in some directions. With this construction I personally am in agreement. He did use one sentence which removed from the rest of his speech employed the language "We are losing the war," or something to that effect; but when you read and consider his speech as a whole no such interpretation could honestly be placed upon it. Let me say again I have no personal reason for defending the gentleman, having met him but once. In justice, however, to my own sense of intellectual honesty I place no such interpretation upon the speech; and I cannot sit here and allow such a misinterpretation to go out to the country. He was conveying to the American public the thought that we could lose the war if we did not do those things that were necessary to win it.

EXTENSION OF REMARKS

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from today's New York Herald Tribune.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

STATEMENTS CONCERNING THE WAR EFFORT

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FISH. The American people have been bewildered and confused by the statements emanating from public officials in Washington that we are losing the war. All Americans, Republicans and Democrats alike, are united in their determination to win this war, cost what it may in blood, tears, and money. They are in favor of an all-out war—all-out in effort, service, and sacrifice until final victory. They want to know why it is we are losing the war, according to certain high New Deal spokesmen and officials of the War and Navy Departments.

There is a constant note which pervades all these defeatist statements from the administration; they use one expletive in trying to bring home to the American people the horrible fact that we are losing this war; they say, for instance that the American people may "damned well realize that we are losing this war." My answer to these defeatists is that the attitude of the American people is just that they "will be damned if they lose this war."

We are going to win this war!

When the President was asked yesterday at his press conference if he agreed with the statement of the Assistant Secretary of the Navy Bard, that "we are losing this war," his only answer was "I wouldn't have said that."

What the American people want to know is, Is that true? We are going to win this war because we cannot afford not to. The consequences of losing the war are too horrible to contemplate. We are going to win this war because we have got to win it, and although we have two strikes on us already because of the bungling and manhandling to date, we must win it in spite of the starry-eyed New Deal radicals now running it, who want it to last at least until their entire program is carried out world-wide.

We must win it in spite of the New Deal incompetency admitted by their own spokesmen. We must win it in spite of—but why go on; we must win.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I desire to submit two requests: First, I ask unanimous consent to extend my own remarks in the RECORD; and second, I ask unanimous consent to address the House for 1 minute, and to revise and extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

STATEMENTS CONCERNING THE WAR EFFORT

Mr. HOFFMAN. Mr. Speaker, I do not know where the gentleman from Massachusetts got his information concerning what Mr. Bard said on the 28th of September. The statement he just made as recorded by the stenographer is not in accord with the statement inserted in the Appendix of the RECORD, page A3440. Here is what Mr. Bard said:

> We go around saying "We can lose the war," but—we may as well admit it—every time one of us says we can lose the war we think of this as pure rhetoric, part of the old pep talk. The assumption is, of course, we can't lose the war, but scare 'em a little and then in the wind-up of the talk give 'em the build-up about our great American heritage of freedom and what-not and how our courage and our self-sacrifice will bring us to victory over the forces of evil.

Then, Mr. Majority Leader, Mr. Bard said:

> We are still losing this war, and we should damn well understand it. It will take all we have got to win. What are you going to do about it?

He did not say we could lose the war; he said—

> We are still losing this war.

That is what he said.

And we all, including the President, are late in making the defeat of our enemies our one and only purpose.

[Here the gavel fell.]

UNJUST CRITICISM OF CONGRESS

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. MURRAY]?

There was no objection.

Mr. MURRAY. Mr. Speaker, there is an old adage of the countryside that says, "Never whip a horse when he is pulling his best." I was grieved—yes, saddened—this morning to read in the papers where the President had inferred that Congress had not done its part in the war effort.

It is not disturbing to hear or read of criticisms of Congress by un-American groups or by disgruntled professional politicians, but it disturbs me to have our President make the inference that Congress has not lived up to its obligations. On the 7th day of December I vowed that I would never utter one word, commit one act, nor have one thought that would not contribute to winning the war. I have fulfilled this vow by cooperating with all Federal departments, by my attitude in my committee, and by my conduct and statements on this floor. No living man can convince me that our beloved Speaker, the Honorable SAM RAYBURN, who already has publicly stated that Congress has given the President every dollar and every power he has asked, has not used his every effort to win this war. No man can make me believe that the majority leader, the Honorable JOHN MCCORMACK, and the minority leader, Hon. JOSEPH W. MARTIN, JR., have not made every effort to further the war program to the best of their ability and with as little partisanship as was humanly possible. No man can convince me that there is a Member of Congress on either side of this aisle that is not wholeheartedly in favor of winning this war.

If I had access to the White House, I would ask the President to be a little charitable to the legislative branch of our Government. I would ask him not to lend encouragement to critics whose whole purpose is to discredit Congress in the eyes of the American people.

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. CRAWFORD]?

There was no objection.

[Mr. CRAWFORD addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. SHORT]?

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article from the Fort Wayne (Ind.)

News Sentinel, stating that thousands of United States troops are aiding in harvests vital to the Allies.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. GILLIE]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. GILLIE]?

There was no objection.

[Mr. GILLIE addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include a brief article from the pen of Chester H. Rowell, editor of the San Francisco Chronicle.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. GEARHART]?

There was no objection.

Mr. RICH. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD an editorial from this morning's Washington Post entitled "The Free Press." It seems as if the press is very much worried about being unable to give the public the news and they do not like it. I think that the people of this country should be given the news that is not detrimental to the winning of this war. We are trying to muzzle the press.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. RICH]?

Mr. RANKIN of Mississippi. Mr. Speaker, reserving the right to object, if I am not mistaken I heard another enthusiastic Member ask and receive consent to insert that same editorial ir the RECORD a few moments ago. If it is already in the RECORD I submit to the gentleman from Pennsylvania that with his idea of economy he should not burden the RECORD with it the second time.

Mr. RICH. I certainly do not want it in the RECORD twice, but the newspapers of this country are desirous of disseminating news to the public and I think they ought to know. If it is in once, it will not be in twice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. RICH]?

There was no objection.

(Mr. MCINTYRE asked and was given permission to extend his own remarks in the RECORD.)

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter I have written on the subject of National Newspaper Week.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

THE POLL TAX

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, that the poll tax is a qualification prerequisite to the privilege of voting and not a mere regulation or condition is too clear for argument. Take for instance section 178 of the Constitution of Alabama, which reads in its pertinent part as follows:

> To entitle a person to vote in any election by the people, he shall have paid all poll taxes.

That is a qualification pure and simple. It cannot possibly be construed as anything else. It relates not to the "how" of any election, but to the "who" of the electors. It certainly has nothing whatever to do with the time, nor place, nor manner of holding any election. Since, therefore, section 4 of Article I of the Federal Constitution is the only grant of power to Congress over elections, and that reads:

> The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators—

Congress has no power at all to legislate on anything save State regulations of the times, places and manner of holding elections for Senators and Representatives. The poll-tax requirement is not a regulation, but a plain qualification or condition precedent to voting, and hence, is beyond the power of Congress to make, unmake, or alter in any way.

Not only is the poll tax a qualification, but also it is a reasonable one. It provides a pertinent test or yardstick. Why should anyone claim to be qualified to vote who has not enough interest in his own or his neighbors' children to pay less than one-half a cent a day for the support of the public schools of his State? What hope have we that such a person would post himself on the candidates and issues involved and would perform his duties in an intelligent manner as a voter even if he qualified? If any person places no higher value upon the privilege of voting than is indicated by failure to pay a poll tax of a dollar or two a year, it is doubtful if such a person would prove a good elector under any circumstances. One who values the personal privilege of suffrage at less than one cent a day surely has little interest in voting. Especially is this true when, in States like Alabama, every cent of the poll-tax money goes to the cause of education.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Red Oak Express by Ralph Overholser.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a platform adopted by the Young Democrats at their convention held in New York recently.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative business of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I believe everyone will agree that the morale of the country at large has been greatly improved and enhanced as a result of the highly successful inspection trip just made by the President of the United States. I think the President of the United States was acting as the spokesman of all the people in the country yesterday when he voiced some criticism of several different minority groups. He criticized not only the minority groups in the newspaper and the radio fields and in the Congress but also his own subordinates. In view of that, I say that he spoke the voice of the American people, and that his criticism of these four minority groups is entirely justified. In other words, in my opinion, the President grabbed the ball and made a touchdown. I am certainly glad that I am on his side and that I have supported him through all these trying months.

[Here the gavel fell.]

A TIME FOR TEAMWORK

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 mintue.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I believe the Members of the House will agree that I am generally restrained in my references to the President, yet after what has been said and in view of the remarks of the gentleman from Pennsylvania I wish to make a comment.

It may be true that the President has grabbed the ball and made a touchdown, as the gentleman has said, but my ex-

perience in football was that it was never good teamwork or strategy for the captain, or the quarterback, to kick the rest of the team around nor to use the players on his team for a football.

If we are going to win this war, the coordinate branches of the Government must win this fight working together.

The fact is that the reason the Congress has taken a little time to look over this anti-inflation bill is that a year ago when the matter first came up, the President opposed the inclusion of anything to control wages. A ceiling on farm prices related to parity was placed in that bill. It may have been too high, but the ceiling was there. The Price Control Act, however, specifically prohibited doing anything about wages or salaries. Some of us at the time voted against the bill because it attempted to put a ceiling at the end sale without stabilizing wages and certain other items that must enter into costs. The bill became law in that form and now we have the job of correcting that mistake. The President told the country about it in his Labor Day address but presented a one-sided picture, throwing the onus of a spiraling inflation on the farmer, and paying no attention to the fact that the Price Control Act was breaking down because of the exemptions written into the act by administration request, a year ago. Indeed, he told the Congress to lower the ceiling on farm prices and leave wage controls to him. So, it is not to be wondered at that Congress as a coordinate branch of the Government and a member of the team has wanted to play its part, too. This is a time for teamwork and no grandstanding by anybody, not even by the quarterback.

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. DUNCAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. DUNCAN. Mr. Speaker, it is not my purpose now nor will it be to be giving out statements in reply to people who make political statements or speeches but Mr. Frank Gannett, assistant chairman of the Republican National Committee, Wednesday enlisted, theoretically, in the board of military strategy, by telling a gathering of Congressmen of his party and his executive committee what this country should do to win the war.

Possibly he was actuated by the martial declarations of Finance Director Pettingill and Executive Director and Publicity Chief Kelland, of the Republican high command, in which they arraigned the administration and practically accused the Commander in Chief of at least bad faith. The author-politician made this charge:

> There seems to be a disposition on the part of the powers that be to postpone an all-out war effort, with the sacrifices it entails by the public until after the elections. There seems to be apprehension lest the asking of necessary sacrifices now may have a political effect and loss of votes.

This statement got newspaper headlines, but some of the solidest of their own newspapers were horrified at the implication and scolded them about it.

Mr. Gannett boldly announces decisions on questions over which our highest military authorities have been debating and differing for a generation, but the up-state New York publisher knows all the answers. He insists we should have a unified command. In my own nonmilitary mind I have always supposed the President, Commander in Chief under the Constitution, was the unified commander. Mr. Gannett demands a separate air department, which involves the addition of one more branch of the Cabinet. For all I know he may be right in this, but I doubt if either he or I am competent to make such a decision on which the chiefs of the armed forces, whom we educated to guide us in such matters hold diverse opinions. He even tells the Army general staff and the Naval chief of operations how many pilots we need.

For the rest of the speech, charging the administration with fumbling the war, meaning to control the press, and so forth, the Republican vice chairman is well within his functions as a politico. Those are the things he is expected to say—possibly he construes them as being in accord of eliminating politics for the duration—but what education or other qualification have these self-appointed desk admirals and generals to dictate on military matters?

EXTENSION OF REMARKS

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

(Mr. RANDOLPH asked and was given permission to revise and extend his own remarks in the RECORD.)

PERMISSION TO ADDRESS THE HOUSE

[Mr. RANKIN of Mississippi addressed the House. His remarks appear in the Appendix.]

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. VOORHIS of California addressed the House. His remarks appear in the Appendix.]

ORDER OF BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it be in order for the remainder of the day for the Speaker to declare recesses and the House to meet at the call of the Chair on 15-minute notice to the Members.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I think at this time it might be well for the majority leader to notify the House of the program for next week.

Mr. McCORMACK. I shall be very pleased to do that.

Monday, of course, there will be the call of the Consent Calendar.

Mr. MARTIN of Massachusetts. Are there to be any suspensions?

Mr. McCORMACK. Yes; I am glad the gentleman has asked that question. The gentleman from Mississippi [Mr. RANKIN] gave notice the other day of a suspension on a bill out of his committee relating to the hospitalization of certain veterans of the present war. This will be brought up under suspension of the rules unless, of course, it may be passed by unanimous consent.

Mr. MARTIN of Massachusetts. It does not appear to be very controversial.

Mr. McCORMACK. From every indication I have seen on the few occasions it has been sought to be brought up, there does not seem to be much serious opposition.

The same day I hope to bring up S. 2471. That is a bill to amend the famous or infamous Hatch Act, according to how one looks at it, to exempt teachers from the operations of that act. If that bill does come up Monday and is debated, if there is to be a roll call upon it, it is my intention, if it is agreeable to my distinguished friend the gentleman from Massachusetts [Mr. MARTIN], that the vote be taken on Tuesday.

Mr MARTIN of Massachusetts. That will be agreeable. Would there be any opportunity to amend that legislation to be presented on Monday? That is, we might want to go a little further.

Mr. McCORMACK. I am unable to answer that. Of course, that question would depend somewhat upon the germaneness of the amendment that might be presented, and, if the amendment is not germane, whether anybody raises the point of order.

Mr. MARTIN of Massachusetts. Of course, if it is an amendment to the Hatch Act, almost anything would be germane, according to my parliamentary knowledge.

Mr. McCORMACK. The main thing is I am advising the House that I am in hopes that that bill will be brought up on Monday. Then, if there is to be a roll call, that the vote will go over until Tuesday. In any event, if it is not brought up Monday, it is the intention to bring it up sometime next week.

Mr. MARTIN of Massachusetts. The bill comes up under a rule.

Mr. McCORMACK. Yes. On Tuesday there is a call of the individual bills on the Private Calendar, and thereafter a call of the omnibus private bills. The House agreed to that one day earlier in the week. Then there is a deficiency appropriation bill which I am in hopes will be brought up either Wednesday or Thursday. I notice the distinguished gentleman from Virginia [Mr. WOODRUM] is present in the Chamber. I wonder if he could give the House any information, in the absence of the chairman of the subcommittee, as to when this bill is likely to come up.

Mr. WOODRUM of Virginia. We hope to have it on Wednesday or Thursday—probably Thursday.

Mr. MARTIN of Massachusetts. Does the gentleman think that we can pass it on Thursday?

Mr. WOODRUM of Virginia. I think so.

Mr. McCORMACK. That is the program for next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RECESS

The SPEAKER. Under previous order of the House, the Chair declares the House in recess, subject to the call of the Chair.

Thereupon (at 12 o'clock and 49 minutes p. m.) the House stood in recess, subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 4 o'clock and 45 minutes p. m.

PRICE-CONTROL LEGISLATION

Mr STEAGALL submitted the following conference report and statement on the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this Act, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may, except as otherwise provided in this Act, thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities: *Provided*, That no common carrier or other public utility shall make any general increase in its rates or charges which were in effect on September 15, 1942, unless it first gives thirty days notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State, or municipal authority having jurisdiction to consider such increase."

"SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this Act; and may exercise any power or authority conferred upon him by this Act through such department, agency, or officer as he shall direct. The President may suspend the provisions of sections 3 (a) and 3 (c), and clause (1) of section 302 (c), of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this Act, but he may not under the authority of this Act suspend any other law or part thereof.

"SEC. 3. No maximum price shall be established or maintained for any agricultural commodity under authority of this Act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

"(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner), or

"(2) The highest price received by such producers for such commodity between January 1, 1941, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use;

"and no maximum price shall be established or maintained under authority of this Act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section: *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section: *Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *Provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this Act, adequate weighting shall be given to farm labor.

"SEC. 4. No action shall be taken under authority of this Act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942: *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust wages or salaries to the extent that he finds necessary in any case to correct gross inequities and also aid in the effective prosecution of the war.

"SEC. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this Act. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

"(b) Nothing in this Act shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of $5,000 or more per annum.

"(c) The President shall have power by regulation to limit or prohibit the payment of double time except when, because of emergency conditions, an employee is required to work for seven consecutive days in any regularly scheduled work week.

"SEC. 6. The provisions of this Act (except sections 8 and 9), and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

"SEC. 7. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out 'June 30, 1943' and substituting 'June 30, 1944'.

"(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such Act shall, insofar as they are not inconsistent with the provisions of this Act, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this Act.

"(c) Nothing in this Act shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except to the extent that such provisions are suspended under authority of section 2), or to invalidate any regulation, price schedule, or order issued or effective under such Act.

"SEC. 8. (a) The Commodity Credit Corporation is authorized and directed to make available upon any crop of the commodities cotton, corn, wheat, rice, tobacco, and peanuts harvested after December 31, 1941, and before the expiration of the two-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated, if producers have not disapproved marketing quotas for such commodity for the marketing year beginning in the calendar year in which such crop is harvested, loans as follows:

"(1) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 90 per centum of the parity price for the commodity as of the beginning of the marketing year;

"(2) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 per centum of the rate specified in (1) above;

"(3) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 per centum of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

"(b) All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, insofar as they are not inconsistent with the provisions of this section, be applicable with respect to loans made under this section."

(c) In the case of any commodity with respect to which loans may be made at the rate provided in paragraph (1) of subsection (a), the President may fix the loan rate at any rate not less than the loan rate otherwise provided by law if he determines that the loan rate so fixed is necessary to prevent

an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war.

"SEC. 9. (a) Section 4 (a) of the Act entitled 'An Act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes,' approved July 1, 1941 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a–8), is amended—

"(1) By inserting after the words 'so as to support' a comma and the following: 'during the continuance of the present war,'." and until the expiration of the 2-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated,'.

"(2) By striking out '85 per centum' and inserting in lieu thereof '90 per centum'.

"(3) By inserting after the word 'tobacco' a comma and the word 'peanuts'.

"(b) The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such section 4 (a), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a).

"SEC. 10. When used in this Act, the terms 'wages' and 'salaries' shall include additional compensation, on an annual or other basis, paid to employees by their employers for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees.

"SEC. 11. Any individual, corporation, partnership, or association willfully violating any provision of this Act, or of any regulation promulgated thereunder, shall, upon conviction thereof, be subject to a fine of not more than $1,000, or to imprisonment for not more than one year, or to both such fine and imprisonment."

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the bill.

HENRY B. STEAGALL,
CLYDE WILLIAMS,
BRENT SPENCE,
JESSE P. WOLCOTT,
CHARLES L. GIFFORD,
Managers on the part of the House.

ROBERT F. WAGNER,
ALBEN W. BARKLEY,
J. H. BANKHEAD,
PRENTISS M. BROWN,
FRANCIS MALONEY,
ROBERT A. TAFT,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House bill and the substitute agreed to in conference are in general substantially similar but they differ in a number of respects, as follows:

Section 1 of the House bill directed that stabilization shall so far as practicable be on the basis of levels which existed on August 15, 1942. The conference substitute directs that stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942.

The conference substitute directs that the President shall issue, before November 1, 1942, a general order stabilizing prices, wages, and salaries affecting the cost of living. No such requirement was included in the House bill.

In section 1 of the House bill the President's authority to make adjustments was confined to the making of adjustments "to the extent that he finds necessary to correct gross inequities." In the conference substitute this authority is given "to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities."

In section 1 of the conference substitute there is included a provision requiring that no common carrier or public utility shall make any general increase in its rates or charges which were in effect on September 15, 1942, unless 30 days' notice is given to the President or to such agency as he may designate, and consent is given for the intervention by such agency before the public body having jurisdiction of the matter. The House bill contained no such provision.

Section 3 of the House bill provided that for the purposes of the act parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor. This provision is not contained in the conference substitute. The provision in the conference substitute relating to this subject appears in section 3. It makes no change in the parity formula provided for under present law. It provides that modifications shall be made in maximum prices established for any agricultural commodity, and for any commodity processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum price so established will not reflect such increased costs. There is also included the same provision contained in the House bill relating to the fair and equitable allowance of a margin for the processing of agricultural commodities. There is also included a provision to the effect that in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, adequate weighting shall be given farm labor.

The provisions of section 4 of the conference substitute, placing limitations upon the authority which may be exercised under the act with respect to wages and salaries, follow the provisions of the Senate amendment, except that the President's authority to make adjustments may be exercised only to the extent that he finds necessary in any case to correct gross inequities and also aid in the effective prosecution of the war.

In order to carry out the recommendations of the President with respect to establishing a floor for the prices of agricultural commodities, the conference substitute contains provisions which raise the loan rate for basic agricultural commodities to 90 percent of the parity price therefor; except that the President is authorized to fix the loan rate for any commodity at any rate not less than that otherwise provided by law if he determines that such action is necessary to prevent an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war. The loan rates provided for in the conference substitute are to be maintained until the expiration of a 2-year period after the end of the war. The conference substitute also provides that for a similar period the Secretary of Agriculture shall undertake to maintain at 90 percent of the parity or comparable price the price for any commodity the production of which he has undertaken to encourage.

HENRY B. STEAGALL,
CLYDE WILLIAMS,
BRENT SPENCE,
JESSE P. WOLCOTT,
CHARLES L. GIFFORD,
Managers on the part of the House.

Mr. STEAGALL. Mr. Speaker, I call up the conference report on the bill H. R. 7565, and I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

Mr. STEAGALL. Mr. Speaker, I am sure it is not necessary to tell Members of the House of the diligence with which the Committee on Banking and Currency has undertaken the consideration of this bill. The country must realize that the House has expedited this legislation in every possible way.

The chief matter of controversy in connection with this measure was the question requiring calculation of the cost of farm labor in imposing limitations on the prices of farm commodities. Members are familiar with the language of the House bill, which very specifically required that all wages—hired labor, family labor, and the labor of farm operators—be calculated in imposing price limitations on farm commodities. The Senate bill was identical with the House bill in the establishment of two specific limitations upon the authority conferred. One was that no ceiling may be established on the prices of farm commodities that will not reflect a parity price to the producer. It is well understood that if a ceiling should be imposed fixing the price of farm commodities at parity it would be impossible to maintain parity prices. This is for the reason that if ceilings were placed at parity the prices could not go higher than parity and all operations would necessarily be below parity. The bills are identical in that particular respect.

Another provision is that no ceiling may be established below the highest price of any commodity between the 1st day of January 1942, and the 15th day of September 1942.

Mr. CANNON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. Just let me proceed a little further, please.

The Senate bill provides that the President shall give adequate weighting to farm labor in fixing maximum price ceilings. This provision is embodied in the conference report. This particular language is different from the language in the House bill. I submit that, given its proper interpretation, it means practically the same thing. There can be no doubt under the language carried in the conference report now before us that the reference is to "maximum prices" not "readjustments" or "modifications" of ceilings or orders fixing maximum prices. The requirement is that farm labor shall

be given "adequate weighting" in establishing maximum prices.

It was insisted that this change in language was desired to avoid any interpretation that it was intended to make any change in the present parity formula under existing law. In that connection let me say that in neither the Senate bill nor in the House bill was there ever any provision, or any action ever contemplated, the purpose of which was to change the parity law as it exists today. The only thought was that there should be this additional restriction upon the power to fix maximum prices on farm commodities.

In view of the fact that this action was so unprecedented, so out of line with all our habits of thought and legislative policies, it was not in any sense in contravention of anything in the existing parity law as such, but a simple restriction upon the extraordinary action authorized under this bill in fixing farm prices.

Let me say in that connection that if a mere change, such as an arbitrary basis as exists in the present law, or such a provision as I have referred to now incorporated in the pending legislation, would operate as a change in the present parity law it follows that every suggestion of any price higher than parity price would in itself amount to a departure from the parity formula, a nullification of the provisions of the present parity law to the extent of such provisions.

It will be remembered that in the President's message he laid down two formulas. One was parity and the other was the highest price obtaining at any recent date. Under that standard there would be prices considerably above the standards in the existing parity law. Such was not the purpose of the President's message and such was not the purpose of the amendment adopted by the House.

Mr. FULMER. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman.

Mr. FULMER. I would like to ask the gentleman if the provision that was carried in the House bill still remains in the present law that we are now considering. That is, you take parity or the highest price between the dates of January 1, for instance, and September 15. Is that still in the bill?

Mr. STEAGALL. That is quite true; those provisions were in both bills and are incorporated in the conference report.

Mr. CANNON of Missouri. Mr. Speaker, will the gentleman yield at that point?

Mr. STEAGALL. And let me say in this connection that it is not a simple parity price we authorize under this legislation. It is such a price as will reflect a parity price to the producer, which is quite a different thing.

I yield to the gentleman from Missouri.

Mr. CANNON of Missouri. May I ask the gentleman if the committee in the course of its consideration of this provision made any determination as to what were the highest prices reached by the various agricultural commodities affected by this bill during the period of January 1 to September 15?

Mr. STEAGALL. That matter was only hastily considered by the Banking and Currency Committee, but there were extended hearings by the Senate committee. I am not in position to give the gentleman the exact figures he has in mind.

Mr. CANNON of Missouri. Would the gentleman have any objection to my inserting at this point an authoritative report giving the highest prices at which basic agricultural commodities sold in the open market during that period?

Mr. STEAGALL. I should be happy to have the gentleman do so.

Mr. CANNON of Missouri. Mr. Speaker, I thank the gentleman, and ask unanimous consent to insert at this point in the RECORD a letter from the Legislative Reference Service of the Library of Congress which is self-explanatory.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The letter is as follows:

THE LIBRARY OF CONGRESS,
October 2, 1942.

DEAR CONGRESSMAN CANNON: This is in response to your request of October 1, 1942, for the highest price quoted in the Chicago Tribune for hogs, cattle, wheat, and cotton from January 1 to September 15, 1942.

The highest price hogs reached was $15.30 per hundred pounds (Chicago market). This was on August 15 and 17.

The highest price cattle reached was $16.65 per hundred pounds (Chicago market), and this occurred on August 12, 15, 19, 22, and 26. (The highest price steer reached was $17.25 per hundred pounds. This was reached during the week of April 22–29. This quotation is from the Chicago Journal of Commerce. The Tribune gives only one cattle quotation.)

Wheat (No. 2 Hard) reached its peak on January 25, 1942, at a price of $1.32½ per bushel (St. Louis).

No spot cash quotations on cotton are regularly made in Chicago. The Tribune gives futures only. The highest "10 point spot market" price (average of the closing prices at the 10 most important cotton markets) as reported by the raw cotton division of O. P. A. was $0.2047 per pound on April 9, 1942.

Sincerely yours,
LUCY SALAMANCA MOREY,
Chief, Inquiry Section,
Legislative Reference Service.

Mr. CANNON of Missouri. Mr. Speaker, may I also call attention to the fact that these prices are controlled prices. The Department of Agriculture and the Office of Price Administration have exerted every effort and exhausted every resource at their command to depress the prices of these commodities—at a time when the sky has been the limit on wages, salaries, profits, and bonuses. Advancing under the impetus of the law of supply and demand, against every influence the Government could bring to bear, the price of hogs reached $15.70 at Chicago this morning. In a free market they would have reached 1919 prices long ago.

But, Mr. Speaker, the farmers do not ask the prices they received in the last war—although labor and industry are receiving more than twice what they received in the last war. But they do ask bare parity and barely enough to pay the increase in their labor costs.

Donald Nelson told a House committee yesterday that the farmers are doing the best job of any group in America—and they have not stopped work while their prices were being determined. Surely they deserve something more than the unwarranted, unjust, and unbridled abuse heaped upon them by those they have served best.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. O'CONNOR. I am reading on page 9 of the bill:

> That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing.

Does the language reported back by the conference committee provide that the President shall give weighted consideration to increased cost of labor as it enters into the price of farm commodities at their source as well as into the processing of farm commodities?

Mr. STEAGALL. It does.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield at that point?

Mr. STEAGALL. I yield.

Mr. RANKIN of Mississippi. Does that contemplate that in doing so the President will allow the individual farmer to include his own wages? Or does that just mean the wages of the man he hires to work for him?

Mr. STEAGALL. The language was intended to embrace all farm labor. I do not see how anyone could contend that you could give adequate weighting to farm labor without including all farm labor, and that provision, it must be remembered, relates to the price-fixing powers carried in this bill.

Mr. RANKIN of Mississippi. All right; as the gentleman understands it then, it includes the wages for the farmer who does his own work.

Mr. STEAGALL. Quite right.

Mr. RANKIN of Mississippi. If it does, you will more than double the price of farm commodities to bring him up to the level of industrial labor.

Mr. STEAGALL. I think the gentleman is mistaken. Various figures have been given, but I have not yet heard any figure that approaches that suggested by the gentleman from Mississippi.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. CRAWFORD. I hold in my hand a copy of the comparative print of the bill. Referring to page 2, line 3, section 3, did the conferees change the language of section 3 as passed by the Senate?

Mr. STEAGALL. Yes; that language was changed.

Mr. CRAWFORD. Will the chairman tell us in what respect?

Mr. STEAGALL. It was not materially changed from his standpoint, I may say to the gentleman.

Mr. CRAWFORD. May I say that the gentleman from Michigan [Mr. WOLCOTT] takes the position that it was not altered. I want to get the matter clear.

Mr. STEAGALL. Yes. If the gentleman will turn to the provisions of the bill he will see that the President is empowered to adjust wages, salaries, and prices to correct gross inequities. That language was changed not to effect a

change but as a safeguard. The purpose was to make certain that the limitations in other portions of the bill would apply to the exercise of the powers conferred in that provision respecting adjustments to correct gross inequities or to aid in the prosecution of the war.

Mr. CRAWFORD. If the chairman will permit, may I substitute a similar question with reference to section 4?

Mr. STEAGALL. Certainly.

Mr. CRAWFORD. To what extent was that changed by the conferees?

Mr. STEAGALL. That provision was changed exactly as was the language in the provision to which I referred in section 1.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield for a question on section 4?

Mr. STEAGALL. Yes.

Mr. CASE of South Dakota. During the consideration of the bill in the House the gentleman will remember I offered an amendment to strike out a provision relating to the Little Steel formula, so-called. My understanding is that as the Senate passed the bill they did not embody the Little Steel formula, and the conference report does not restore it.

Mr. STEAGALL. That is quite right; the Senate adopted a different standard and it is embodied in the conference report.

Mr. CASE of South Dakota. Then the authority of the Administrator in the new act is not tied to the Little Steel formula.

Mr. STEAGALL. It is not. In lieu of that the provision adopted operates to prevent any action by the President where wages and salaries have not reached the highest point in any work between the first of January 1942 and the 15th day of September, 1942; and I will say to the gentleman that the advocates of that provision say that the purpose was to bring that provision into harmony with a similar provision applied to farm commodities.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. MARTIN of Massachusetts. Can the distinguished chairman assure the House, or give the House any information, as to whether this legislation as it now stands is acceptable to the administration?

Mr. STEAGALL. I have no reason whatever to answer the gentleman except in the affirmative. I have not had a direct expression from the Chief Executive in that regard, but I think I would be safe in saying there need be no fear that this legislation will not be approved as embodied in the conference report.

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Connecticut.

Mr. KOPPLEMANN. I want to make a comment and ask the gentleman's observation.

This bill is an improvement over the measure passed by the House on September 23. I wish the conferees had retained definite legal safeguards for the millions of white-collar employees who cannot be classed as war workers, and whose wages thus far have not increased either in accordance with the standards set up by the War Labor Board, or to adequately meet the increased cost of living. I hope the President will find he has sufficient authority under this bill to handle this problem equitably.

In the interest of speedy action to combat inflation, I support this bill.

I would appreciate the gentleman's comment on my statement.

Mr. STEAGALL. My comment is, I am glad the gentleman is going to support the bill at this time.

Mr. SACKS. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Pennsylvania.

Mr. SACKS. In the House bill we had the clause protecting, as the preceding speaker stated, those millions who have not had a raise from January 1, 1941, until the passage of this bill.

Mr. STEAGALL. I may say to the gentleman, if that is his question, it is still carried in the bill, with its possibilities for enormous inflation in the United States, which I will not go into further at this time.

Mr. SACKS. I do not know about inflation, but they ought to be protected.

Mr. BOREN. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Oklahoma.

Mr. BOREN. The language that the gentleman has just explained as a substitute for the Brown amendment means that the Brown amendment is taken out; is that correct?

Mr. STEAGALL. I have just explained that.

Mr. BOREN. There was an amendment inserted that was designed to take from State corporation commissions power over rate making.

Mr. STEAGALL. That provision is not retained in the bill. In lieu of that proposal—and I am reliably informed that this is acceptable to the author and to those who favored it in committee—there is in this legislation a provision which requires that the various governmental agencies dealing with rates of utilities and common carriers shall give notice to the President for 30 days in order that the administration may intervene to express views in connection with such proposals which would raise rates.

Mr. COX. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Georgia.

Mr. COX. As to the effect, good or bad, that this bill has on the farmers of the country, everything depends upon administration; is that not true?

Mr. STEAGALL. Undoubtedly that is true of this legislation and it is true of almost every measure that the Congress passes, but may I say to the gentleman that I think we can trust the administration to follow reasonably well the expressed intent of Congress; and may I say further to the gentleman, that in my opinion, this bill, everything considered, is better legislation for agriculture in the United States than the present law? May I say something else in that connection?

Mr. COX. Will the gentleman permit another observation? I am not protesting, the gentleman understands; I am hopeful that we will get a sympathetic administration.

Mr. STEAGALL. May I say, Mr. Speaker, if nothing else has been accomplished, the consideration of this legislation has developed the facts before the American people that they are entitled to have and which they have not been given until their Representatives saw fit to bring them out and submit them to the people of the United States. If we have not accomplished anything else than to correct the misrepresentations that have been made and to answer the abuse and aspersions that have been indulged in and efforts that have been expended, the time would be more than justified a hundredfold.

Mr. Speaker, much has been said during recent days about the farm lobby. As one Member of this House I want to say, I thank God that we have a farm lobby in the United States and I hope we keep it. The farmers of this Nation were victimized and impoverished for more than a half-century. While they stayed at home and worked others controlled legislation and the administration of the law by the employment of hired lobbyists in Washington. It is only since farmers have had some organization and some representation here that we have been able to achieve a small measure of comparative justice for the farmers of the United States.

I take my hat off to the heads of these organizations who have endorsed this legislation. I want to incorporate here a statement from them as a part of my remarks and to pay tribute to Albert S. Goss, master, the National Grange; Edward A. O'Neal, president, American Farm Bureau Federation; C. C. Teague, president, National Council of Farmer Cooperatives; and Charles W. Holman, secretary, National Cooperative Milk Producers Federation.

These men are not profiteers, these men do not represent inflationists and profiteers. These men are patriotic citizens who are striving to secure justice for the people who toil to produce the wealth upon which we live and which is indispensable to the prosecution of the great war in which this Nation is engaged. As a citizen of Alabama, I am glad to pay tribute to Ed O'Neal, of that State, a citizen who is highly honored there, with a long line of forebears, running back for almost a century, who have done honor to the State in peace and in war, who have enjoyed the highest honors at the hands of the people of Alabama. I pay tribute to him, and as a citizen of Alabama I am proud to be associated with him in the work that he and other representatives of the farmers of this country have done in Washington in spite of the vituperation and aspersions that have been employed against them.

Mr. RANKIN of Mississippi. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Mississippi.

Mr. RANKIN of Mississippi. May I ask the gentleman from Alabama one question? On page 8, line 25, there was a provision inserted by the Senator from

Nebraska [Mr. NORRIS] which reads as follows:

Provided, That rates charged by any common carrier or other utility on September 15, 1942, shall not be increased without the consent of the President.

That is the only brake that has been put in this bill on utility rates. They fix the price of everything else. Now they put a ceiling on farm prices, they put a ceiling on the price of every other commodity and turn these utilities loose. I would like to know what was done with that amendment in conference?

Mr. STEAGALL. I have just explained to the gentleman what was done with that amendment.

Mr. McKEOUGH. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Illinois.

Mr. McKEOUGH. In view of the reference made by the distinguished chairman of the committee to the statement prepared by those to whom he referred as representing the farm interests, I wonder if the gentleman will be gracious enough to read the statement for the benefit of the House, inasmuch as he has secured unanimous consent to include it as a part of his remarks.

Mr. STEAGALL. In the interest of saving time, I hope the gentleman will not insist on that. It will be available for everybody in the RECORD.

Mr. McKEOUGH. It is very brief. I thought the House might like to hear it.

Mr. STEAGALL. It would take several minutes to read it.

The following is the statement signed by A. S. Goss, master, the National Grange; Edward A. O'Neal, president, American Farm Bureau Federation; C. C. Teague, president, National Council of Farmer Cooperatives; H. E. Babcock, vice president, National Council of Farmer Cooperatives; and Charles W. Holman, secretary, National Cooperative Milk Producers Federation:

The organizations represented by the undersigned did not ask for legislation amending the Emergency Price Control Act. They were forced into the struggle. They have been on the battle front in Washington for the last two weeks fighting for the rights of the farm people, and to safeguard the future food supply of the Nation and our Allies. In this battle both the House and Senate showed by a strong majority of votes they were sympathetic to our cause.

Farmers will be grateful for the valiant fight made by their friends yesterday and today in the Senate. They were not able to obtain all that is necessary to assure adequate food production. They compromised on the best terms they could make. How well the compromise operates depends upon the spirit in which it is administered.

Farmers were fighting for conditions which would insure adequate production. The Aiken amendment was a step in that direction.

The Congress, after hearing from the country, wrote into the bill by majority of both Houses, provision to recognize the cost of farm labor in production. With such recognition a matter of record, rather than quibble over words, the farm organizations were willing to make sacrifice for the sake of national unity in the passage of legislation to obtain that objective.

We accepted it, as we interpreted it, as mandatory to make the necessary adjustments to reflect the cost of all farm labor. If the bill as agreed upon does not accomplish the result, we are sure that our friends in Congress will enact legislation to correct injustices. Our whole purpose in supporting the Thomas-Hatch and Aiken amendments was to enable farmers to stay on the farm and produce the maximum amount of food and fiber for winning the war. Unless this is done there is grave danger of a critical food shortage next year. An additional result has been to make the country conscious of the necessity for including labor costs essential to farm production.

Even though the legislation should be finally passed in the most aceptable form, agriculture has before it a long, hard struggle to maintain an adequate food supply. Compensatory prices will be the controlling factor in determining volume of production.

A. S. GOSS,
Master, National Grange.
EDWARD A. O'NEAL,
President, American Farm Bureau Federation.
C. C. TEAGUE,
President, National Counsel of Farmer Cooperatives.
H. E. BABCOCK,
Vice President of National Council of Farmer Cooperatives.
CHARLES W. HOLMAN,
Secretary, National Cooperative Milk Producers Federation.

Before I conclude may I say to the gentleman from Mississippi that the original price-control bill had certain specific exemptions. One of them was wages, another was common carriers and utilities. That legislation has never been considered by the Committee on Banking and Currency in a way that legislation of such far-reaching importance and with so many technical ramifications ought to be considered.

Mr. RANKIN of Mississippi. This is the only opportunity we have had to put a ceiling over the rising spiral of utility rates that is likely to take place now.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. The gentleman from Alabama, the able chairman of this committee, had charge of this legislation when it was being considered in the House originally. After the passage of the bill much of the press of the country referred to the Members of the House who supported the Brown amendment as inflationists. May I ask the gentleman, who as chairman of the committee was in charge of this legislation, and who knows personally most of the Members who supported the Brown amendment, whether or not he considers them to be inflationists?

Mr. STEAGALL. If I were to answer the gentleman as fully as I might, it would take a little time. I can say most emphatically that I know they are not. I can say also that I do not know anybody who is in favor of inflation or anybody who is opposed to any fair method of restricting and preventing inflation, insofar as it is in the power of Congress to do it.

I could call attention to some of the provisions of this bill which seem to have been forgotten by a great many people—provisions which not only make possible but invite inflationary increases in salaries and industrial wages which have not reached the level set forth in this legislation as constituting a fair standard, but I am not going to take time to do it now.

Mr. O'CONNOR. But it was not the Brown amendment.

Mr. STEAGALL. Of course, it was not the Brown amendment.

Mr. Speaker, I now yield 10 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, I want to pay a tribute to the conferees on this bill because I know you realize what a terrible time they have had in trying to reconcile all these differences.

I think we should consider this bill, having in mind all the people. I have tried to forget that I represent any particular class. I try to remember that I have a preponderance of farmers in my district and a large number of laboring men, all consumers, all vitally interested in keeping down the cost of living. I have approached this with an open mind, having as my purpose a reconciliation of all of the differences between all of these groups in order that we may center the responsibility somewhere for price control as an adjunct of our anti-inflation program.

I know that this bill cannot be satisfactory to all classes, but if the American people, adhering to the principles of republicanism, remembering that we have three distinct, but coordinated branches of government, will analyze this proposal in the light of the desire which every one of us has to perpetuate our form of government, I think they will get some satisfaction out of the conference report.

In the first place, we have given the President the authority he asked for to stabilize prices, wages, and salaries. We have gone even further. "Mr. President," we have said, "you are not only directed to do this but you are directed to do it before November 1 of this year."

In order that there may not be too much restriction upon his power and authority, we have liberalized the provisions of the House bill so that he can make adjustments from the original order not only if he finds gross inequities—the language contained in the House bill—but even if he finds that such adjustments will aid in the effective prosecution of the war.

If you read section 1 of this bill and then read the other sections of the bill as guideposts, as standards to which he is bound, except as he finds that he must deviate from them to correct gross inequities or to aid in the effective prosecution of the war, you have this bill in a nutshell.

There are three vital points. I shall cover them in order as they appear in the bill. The first is one which developed to be very controversial today, known as the Norris amendment. We do not leave utility rates floating around in the air, we leave them under the same jurisdiction they have been under for generations. We have respected the constitutions of the several States, many of which provide that utility rates shall be determined by a utilities commission set up by the people of that State. Utilities must operate under franchises given by the people. I hope the time will never come when I shall see this Congress without deliberation and without consid-

eration take from the people of the States certain inalienable rights which they have under their several constitutions and delegate them to the President of the United States or any agency of the Federal Government.

However, we have provided as a substitute for the Norris amendment which we struck from the bill, a provision that the President or any agency that he may designate may intervene in any rate case; 30 days' notice must be given before any rate can be increased, allowing the Price Administrator or anyone else whom the President designates to intervene to protect the public interests, if they do not feel they are sufficiently protected by the utility commissions of the respective States.

Senator NORRIS, as I understand, has a bill pending before the Senate now which covers the substance of his amendment to the price-control bill and I understand that Senator NORRIS has been given assurance that his bill will be brought up for consideration before the appropriate Senate committee in the near future and, possibly, we in the House or our Interstate Commerce Committee, which is set up for that purpose, will have an opportunity to discuss that matter fully and at length, with a better understanding of the problem than the Banking and Currency Committee could have in the very few minutes it had to discuss the matter in conference. So I hope that provision will be acceptable to the House.

In keeping with the theory in back of the action taken by striking out the Norris amendment, and until this amendment can be adjusted to the satisfaction of all concerned in the bill pending in the Senate, we retain in the Price Control Act the inhibitions against disturbing utility rates by the President except in the manner authorized by law.

In respect to agriculture we have protected the parity formula and we have provided that the President may adjust any commodity price of an agricultural commodity to take into consideration farm labor provided he finds that farm labor has not been absorbed by an increase in farm prices. Then we have what I consider a rather innocuous provision further qualifying that by stating that adequate weighting shall be given farm labor.

Under the proviso which I have just mentioned he is directed to take into consideration farm labor and if he finds that farm labor has not been absorbed in the increase in farm prices, then he may make adjustments. I consider this weighting of farm labor rather innocuous because I do not, frankly, know what weighting means unless it means consideration and we have already said he should give consideration to it.

Now in respect of labor, wages, and salaries, we have stricken from the bill the so-called Little Steel formula or that part of it which we wrote into the House bill, but we have provided very definitely that all wages and salaries shall be frozen by a general order to be issued before November 1, stabilizing prices, wages, and salaries, and if the President deviates from these standards in respect of labor and agriculture which we set up, and give him the right to do so to correct gross inequities or finds it is necessary to aid in the prosecution of the war—if he does that it is his responsibility.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Speaker, I yield the gentleman from Michigan 2 additional minutes.

Mr. WOLCOTT. If the President allows wages to get out of alinement he is responsible for the start of the inflationary spiral. If the President allows agricultural prices to get out of alinement he is responsible for the inflationary spiral. Now we have given the President full authority to stabilize prices, wages, and salaries and we have told him that he has got to do it before a certain date. This is preserving democracy.

We have set up the standards, we have turned the administration over to the executive branch of the Government. Every bill passed by this Congress is dependent for its successful operation upon the manner in which it is administered. If this bill is not administered properly, the deficiency in its operation is executive and not legislative. I think we have done our duty in passing this bill to give the President this authority. We have done our duty in establishing certain standards, and if he deviates from them it is his responsibility. From now on there is not a likelihood, there is not any necessity for the President to come back to Congress for one iota more of power. He has the power in this bill to do the job he said he wanted to do in his message of September 7.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. BOREN].

Mr. BOREN. Mr. Speaker, there were at least a dozen amendments to be considered by this conference, not less than four of them highly controversial. I do not charge the committee with any lack of fair-mindedness in bringing them back under the circumstances without giving us an opportunity to see the exact language in the agreements made, but I for one do not find it possible to vote approval of a conference report, the exact language of agreement on at least four greatly controversial matters that are not before me even for examination, and I must oppose this conference report.

The agreements have been discussed here in glittering generalities and outside the half dozen who sat on the conference no one else knows what they really are. I have asked other individual Members of Congress, several dozen of you that are sitting here about to vote now, and all confess a complete lack of knowledge as to the actual provisions.

I cast my votes after careful deliberation on the exact proposals to be considered and no whip of compulsion can stampede me into voting for a bill the contents of which are not made known to us. These conferees only reached an agreement half an hour ago and even some of the conferees do not have copies of the proposals agreed on and then we are asked to vote without even reading the matter we are called to vote on.

I cannot follow an order to close my eyes and vote blind the dictates of anyone.

The work of Congress is the heartbeat of democracy and not a game of blindman's buff.

Mr. STEAGALL. Mr. Speaker, I yield 1 minute to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I congratulate the distinguished chairman and the other members of the Banking and Currency Committee for their splendid effort, in what they have accomplished. It has been a difficult job—and they have done well—I am going to vote for the conference report. I think it is a clear direction to the President to consider and give weight to the tremendous increase in cost for labor in producing farm and livestock commodities which, in all justice and fairness to the producer, should and must be done. I feel confident that the President will do this in view of the message that he sent to the Congress wherein he stated:

> After all, parity is, by its very definition, a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production, including the cost of labor.

I call attention to some of the debates when the bill was under consideration in the Senate, and I ask the chairman of the Committee on Banking and Currency what he thinks about it. They were discussing what was known as the Thomas amendment in the Senate. Later on Senator BARKLEY introduced a substitute for that amendment, and the Thomas amendment was identical with what was known in the House as the Brown amendment. The Senator from Kansas referred to the substitute amendment and the Thomas amendment as being tweedledum and tweedledee—in other words, that there is a distinction with no difference. Senator NORRIS, of Nebraska, agreed with that statement—that in substance there was no difference—and the CONGRESSIONAL RECORD contains these statements. I ask the distinguished chairman of the Committee on Banking and Currency if he does not agree with those statements?

Mr. STEAGALL. Mr. Speaker, I certainly do.

The SPEAKER. The time of the gentleman from Montana has expired.

Mr. STEAGALL. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, I know of no conference report that has ever come before this House about which there has been so much confusion in the minds of Members, and I know there are scores of Members here who do not understand exactly what are the provisions with respect to the ceiling on wages. I have conferred with many of them, and I cannot get any exact information. I wish that somebody who knows specifically what the provisions are with respect to the ceiling on wages would explain them so that the Members who are interested in that subject would know how to vote, because I know personally that many of them have not yet decided what to do

with respect to this bill. I think it is due to the membership of the House that we have a more complete explanation. In other words, I am afraid that many Members will just toss a coin and vote one way or the other.

Mr. BRADLEY of Pennsylvania. Will the gentleman from Alabama, Chairman of the Committee on Banking and Currency, give that information to the House?

Mr. STEAGALL. Mr. Speaker, if the gentleman will listen I shall read to him the short provision of the bill which I think is fair enough to give him all the information that he desires:

SEC. 4. No action shall be taken under authority of this act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942: *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust wages or salaries to the extent that he finds necessary in any case to correct gross inequities, and also to aid in the prosecution of the war.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. STEAGALL. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, I desire to pay a richly deserved tribute to the able chairman of the Committee on Banking and Currency, the gentleman from Alabama, Mr. STEAGALL, who has borne the burden of this extended and arduous proceeding. It is but another of the many invaluable contributions he has made to the general welfare in his long and distinguished service in the House. But for him the Nation would today be in a much less advantageous situation and would command a much smaller supply of food and fiber. Through his wise and farsighted statesmanship in encouragement and support of agriculture we have today the greatest supply of agricultural products ever harvested in America—the most essential munition of war. And if he had had his way about this bill, we would have been in still better position to maintain adequate supplies in the future.

It is to be regretted that it was thought necessary to bring in this conference report in the form presented. It ought not be necessary—and it is not necessary—to violate the rules of the House to secure legislation, even this kind of legislation.

As it is, this conference report is subject to a point of order. It contains matter not carried in either the House bill or the Senate bill—matter that is not in disagreement between the two Houses.

The most regrettable feature of it is that the report was submitted sight unseen on a request for unanimous consent for its consideration, a condition which carries with it implied assurance that it contains no illegal matter. Considered under such circumstances it is too late to raise a question of order when the illegal matter is read from the desk.

It is clearly out of order. There is no provision in either House or Senate bill authorizing the President to reduce the 90 percent to 85 percent. To make it all the more emphatic, an amendment to that effect was offered in the Senate and defeated. And yet the conferees, legislating behind closed doors, put that provision in the bill. It is only necessary to glance at V, 6179–6181; 6417–6420; VIII, 3252–3284 of the Precedents of the House. This identical question has been submitted a thousand times and ruled out of order every time.

More than that, the provision is a gross discrimination against two farm products and two sections of the country. Only wheat and corn are to be hammered down. No other farm product is affected. Oh, you may say, those are surplus crops. But there are other surplus crops, cotton for instance, and they are not included. Wheat and corn alone are to be thrown to the lions.

Both the conference report and the manner in which it is presented are disappointing. They are in contravention of the rules of the House; a breach of trust and a heartless desertion of two branches of agriculture.

But, Mr. Speaker, I propose to vote for the conference report. It is nothing new for the farmer to be discriminated against. And he never holds a grudge; he never harbors resentment. No matter how little you pay him, how long his hours, he never stops. He goes right along feeding the Nation, as loyal and as faithful as the North Star. And we are going along here. Every farmer will continue to produce as best he can. But when he can no longer produce a dollar's worth for 85 cents and food supplies drop below military requirements, remember you asked for it in this bill.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Speaker, let me say in response to what has just been stated by my good friend from Missouri [Mr. CANNON] I do not share the view that he seems to entertain with respect to the farm labor situation.

The House bill contained a provision for loans up to 90 percent, and those loans were to be continued for a period of 3 years following the termination of the war. The Senate bill contained a provision for loans of 90 percent during the war. As a compromise the conferees agreed upon the provisions now before us, which directs loans to be made at 90 percent of parity, and that covers all basic commodities and those that are in the same category under existing law. Those loans are to be made for 2 years following the termination of the war, as declared by a Presidential Proclamation or by enactment of the Congress. That was a compromise between the two provisions, and I will say to the gentleman from Missouri, sympathizing with his views as I do, that we would have accomplished a great deal when we got this floor under these prices if we had put them all on the basis of the present parity loan of 5 percent. But they are on a 90 percent basis and they are for 2 years after the war, unless the President shall see fit, on those commodities that are used for feed, to reduce them to 85 percent.

Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

Mr. RANKIN of Mississippi. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the adoption of the conference report?

Mr. RANKIN of Mississippi. Oh, yes; Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. RANKIN of Mississippi moves to recommit the conference report to the committee of conference with instructions to the House conferees to accept Senate amendment No. —, on page 1, section 1, of the Senate amendment which reads as follows:

"*Provided*, That rates charged by any common carrier or other utility on September 15, 1942, shall not be increased without the consent of the President."

Mr. STEAGALL. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on agreeing to the conference report.

Mr. BOREN. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER (after counting). Forty-five Members have arisen, not a sufficient number. The yeas and nays are refused.

Mr. PATMAN. Mr. Speaker, I ask for a division.

The question was taken; and there were on a division (demanded by Mr. PATMAN)—ayes 257, noes 22.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that all Members who spoke on the conference report on the bill H. R. 7565 may have 5 legislative days in which to revise and extend their own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AUTHORIZATION TO RECEIVE AND SIGN ENROLLED BILLS NOTWITHSTANDING ADJOURNMENT OF HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House the Clerk be authorized to receive a message from the Senate, and the Speaker be authorized to sign the enrolled bill of the House [H. R. 7565], an act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a speech I delivered on last Saturday in my own city.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial printed in the publication The Union Servant.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SACKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a speech delivered by William E. Masterson, professor of law of Temple University.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MYERS of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a radio address made by myself at the request of the Navy Department.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McGRANERY. Mr. Speaker, I desire to submit two requests: First, to insert in the RECORD an endorsement by the African Methodist Episcopal Church, and second, to insert two resolutions, one by the Legislature of the State of Pennsylvania and one by the City Council of the City of Philadelphia.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to extend my own remarks on the conference report just passed and also ask unanimous consent to extend my own remarks and include an address delivered by Mr. Hitchcock, of Pittsburgh.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter addressed to General Hershey, Director of the Selective Service, and Secretary Wickard by Mr. C. L. Beason.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a resolution adopted by the State Council of Young Men's Republican Clubs of Massachusetts.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks on the price-control bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

(Mr. WICKERSHAM asked and was given permission to extend his own remarks in the RECORD.)

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Idaho [Mr. WHITE]?

There was no objection.

ADDITIONAL COPIES OF THE SENATE REPORTED PRINT OF THE BILL (H. R. 7378) TO PROVIDE REVENUE, AND FOR OTHER PURPOSES

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Concurrent Resolution No. 32 authorizing the printing of additional copies of the Senate reported print of the bill (H. R. 7378) to provide revenue, and for other purposes, and request immediate consideration thereof.

The Clerk read the Senate concurrent resolution as follows:

Resolved by the Senate (the House of Representatives concurring), That there shall be printed 8,500 additional copies of the Senate reported print of the bill (H. R. 7378) to provide revenue, and for other purposes, together with the accompanying report thereon, of which 1,000 copies shall be for the use of the Senate Document Room, 5,000 copies for the use of the House Document Room, 1,000 copies for the use of the Committee on Ways and Means of the House of Representatives, and 1,500 copies for the use of the Committee on Finance of the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. JARMAN]?

There was no objection.

The Senate concurrent resolution was concurred in and a motion to reconsider was laid on the table.

UNJUST CRITICISM OF CONGRESS

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FISH]?

There was no objection.

Mr. FISH. Mr. Speaker, President Roosevelt has come back to the White House from a tour of the defense areas, and immediately makes one of his typical attacks and deprecations of the Congress for the handling of the price-control bill.

I hope that some Democrat or New Dealer in the Congress will answer this charge and defend the legislative branch of the Government from such continuous attacks by the Chief Executive which tend to undermine the faith of the American people in their own form of government.

I want to take this occasion to point out that there is an overwhelming majority in both the House and the Senate of the same party of which the President is the leader, and that those majorities in both branches of the Congress are responsible for bringing in and passing legislation.

I know that my colleagues on the other side of the aisle are real Democrats before they are New Dealers, and I also know that they are good Americans before they are Democrats and that they will defend our legislative branch of the Government against unjustified and unwarranted attacks.

PERMISSION TO ADDRESS THE HOUSE

Mr. WILSON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute, and to revise and extend my own remarks in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. WILSON]?

There was no objection.

[Mr. WILSON addressed the House. His remarks appear in the Appendix.]

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. SCOTT]?

There was no objection.

OPPOSED TO H. R. 7565

Mr. SCOTT. Mr. Speaker, I was against H. R. 7565 and I wish it to be noted on the RECORD that I was 1 of the 22 Members of the House who at the last opportunity to express their opinion still voted against the final passage of this bill. I have heard nothing whatever said on behalf of the people who are essentially the ones the most to be damaged by the passage of this bill, the consuming public, the plain people who will have to pay the bill, who will have to sustain the tremendous inflationary cost that has been put upon them by this bill.

Mr. Speaker, this is not a bill to control inflation, it is not what the President asked for, and certainly we did not hear any request by the President for its passage today. It is, in my opinion, a bill to raise prices and should have been so designated.

[Here the gavel fell.]

SPECIAL ORDER

The SPEAKER. Under a previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. HOFFMAN].

There was no objection.

THE PRESIDENT LEARNS SOMETHING

Mr. HOFFMAN. Mr. Speaker, one of the local papers today carries on the front page the statement made by President Roosevelt upon his return from his 8,000-mile trip that the District of Columbia's war morale is the worst in the United States. It is more than passing strange that it should require a 14-day

trip through 24 States of the Union for the President to discover a fact which has long been evident to the greater part of our population.

Had he listened to the speech of Congressman ENGEL, made sometime ago, where waste and incompetency in government contracts was demonstrated, had he listened to some of the talks made on the floor of the House which have exposed racketeering and worse—racketeering protected by his administration—he would have known why it is that the war morale here in the District of Columbia is so low.

When the administration itself connives with and countenances racketeering, the levying of tribute upon defense workers, it is nothing strange that people here generally have lost confidence in it.

The strange thing is that it has taken the President, living here, so long to detect the odor arising from the bureaucracy, recognize the administration's own incompetency, its lack of coordination in the war effort.

INFLATION—THE ADMINISTRATION'S BABY

Facts, not charges, countercharges, nor arguments, are what the people want. This, that they may place the responsibility, or more important, determine the remedy—and how it can be applied.

It was on September 7 that the President told the people and Congress that the threat of inflation was an ever-increasing danger which would bring national disaster unless halted by legislation not later than October 1. He further advised the people and the Congress that unless the Congress passed adequate legislation by that date, he would use the power which he had to avert the disaster.

WHY HAS PRESIDENT DELAYED?

Some questioned why, if the disaster was so imminent and if he had the power, he did not long before take steps to avert it. But let that pass. The inflation which threatens us is with us because of the policy of this administration. Abnormal purchasing power is the thing which brings about inflation. Long prior to the war the administration's domestic policies of spending and spending, and the issuing of bonds has been steadily increasing the purchasing power in the hands of the people. Prior to the coming of the war and ever since, the President has followed a policy of increasing wages of industrial workers. Through various acts of Congress—such as the wage-and-hour law, which gives us a 40-hour week; Fair Labor Standards Act, put into force at the request of this administration—there has been a continuing rise in wages, until today in some parts of the country common labor is being paid at the rate of $1 an hour, while some skilled workers draw $2 an hour. Today it is not uncommon for schoolboys to earn as much as $50, sometimes $70, and in some instances it is said $100 a week, in industries engaged in the production of war materials. Nor is it uncommon for skilled workmen to receive $150, $170, and even more per week. The administration's labor policy has required, even on war work, the payment of a wage and a half for all hours worked over 40 per week; the payment of double wages for all hours worked on Sundays and holidays. This has meant in some instances men working more than 40 hours a week have received for the overtime $3 per hour; for Sunday and holiday work, $4 per hour. Everyone with any experience and knowledge knows that increasing the wages of industrial workers engaged in making the things our fighting men must have if they are to win results in less for the money available and a given amount of money will purchase far less when a wage and a half or a double wage is paid.

Everyone knows, too, that when these high wages are placed in the hands of workers, they in turn bid for the things which are for sale. Inevitably, the cost of the things we eat, wear, the rent we pay, every expenditure goes up because men and women with money—far more money than they ever had before—are bidding against each other in the open market for the purchase of the things which are for sale, and unfortunately as the bidding goes on the cost of living goes up and the workingman gets no more for his increased wage of the things he must have if he would live than he was able to purchase before.

Do not misunderstand me. I am not finding fault with the payment of high wages, nor so far as I know is anyone else finding fault with those high wages except as those high wages are paid to a privileged few and as the spending of them causes inflation and brings hardships to those who do not receive them. Along with the increase in wages to industrial workers has gone the administration's policy, backed up by Executive orders, by directives, by rules and regulations that only those who belong to unions, and certain unions at that, should receive these high wages. Coupled with that policy, extended to members of unions who belong to organizations headed by the President's political friends, has gone governmental protection to the leaders of those organizations to impose upon and collect from citizens desiring work in industrial plants producing munitions of war, a fee, so-called, for a work permit or for a license to work. Coupled too, with that privilege for receiving these high wages, has gone to the leaders of these organizations, the right to collect from these workers, weekly or monthly dues. Through the protection thus given by this administration there has grown up the practice of collecting membership fees and dues from the workers which has netted certain organizations millions of dollars in revenue and which will, before this war is over, add a billion or more dollars to their funds. Inflation has come about as naturally as day follows night because the President has used taxpayers' money and borrowed money to increase the wages of industrial workers. That policy has also resulted in the Government getting less war material for the money expended.

Inflation will not be prevented by this bill nor will it be prevented nor justice done by an Executive order, issued thereunder cutting down the price which the farmer will receive for the things he has to sell, cutting the price on butter, cheese, and milk or beef or pork and at the same time granting an increase in wages paid to those in industrial plants.

If this bill goes through I predict that the farmer will get less for some items at least and that before the President's signature on the bill is dry, there will be demands for an increase in wages.

ADMINISTRATION AGENCIES AND INFLATION

Another administrative policy which has lent aid to the program of inflation is that of various departments of the Government bidding against each other for the services of the men and women who work. Government officials recognize the danger. September 30, according to the press, Paul R. Porter, Chairman of the War Production Board Shipbuilding Stabilization Committee, advised that—

> Unless the tendency of shipyards to outbid each other for labor is checked, there will be no limit to the cost of the shipbuilding program or to the inflationary influence of rising wages.

He further stated that—

> Hourly pay has advanced 16.2 percent on the Pacific coast, 18.2 on the Atlantic, and 19.7 percent on the Gulf since November 1940.

Adding that—

> The cost of living had risen 17.3 percent during the same period.

PRODUCTION DELAYED

Coupled with this situation there is also the fact, not germane to this discussion but nevertheless important, that in these industries where high wages prevail the Government is not getting wholehearted all-out cooperation or production. Now no one is so foolish as to charge or to believe that industrial workers are not as patriotic as any other group or class, nor is anyone so simple-minded as to ignore the fact that a few disturbers, self-seekers, racketeers, and worse, in charge of some union activities, are preventing patriotic workers from doing what they would like to do in the way of production. It is not necessary to cite specific instances. Almost every well informed person who gets about knows an incident in his own or a neighboring community which proves that fact. The rank and file of union labor do not approve of such a course and it is only because of the influence of some few of those in authority in unions that the practice of slow-downs and wildcat strikes is permitted at all. These slow-downs, these wildcat strikes, the practice of rendering less than full measure of service for the pay received, the practice of paying a wage and a half or a double wage for more than a 40-hour week's work, are hindering the war effort.

Two letters in the editorial columns of a Washington paper from soldiers on the fighting front tell what the fighting men think of these delays in war production. Copies of those letters as printed are included herein.

(See exhibit A.)

CAUSE OF INFLATION

Go back now to this question of inflation. Inflation comes about because and only because people have an excess

of money as compared with purchasable goods and services. Having money, more money than usual, prospective customers and consumers bid against each other for not only the luxuries but the necessities of life and the price goes up.

THE FARMER THE GOAT

When on September 7, the President warned that the disaster from inflation must be stopped he intimated that the cause of inflation was the high prices paid for the products of a farm. Intentionally or otherwise, he gave the impression that the farmer was to blame because there was danger of inflation. One of the Washington daily newspapers in a cartoon depicted the farmer as a hog—seeking more than his share of the national income. Those familiar with the facts know that while common labor in industrial plants has been paid from 75 cents to $1 per hour; that skilled labor has received from $2 to $4 per hour, common labor on the farm if rendered by a hired man has received around 40 cents per hour, and the farmer, a skilled worker, has received no more than 50 cents per hour and many, many times far less than that, while his wife and children who often render service as difficult, as arduous as that rendered by the factory worker have received nothing at all over and above a place to sleep, clothes to wear, and food to eat. Now when it is proposed in this bill in fixing a parity price for the thing the farmer grows and sells, to include in that price a fair wage for the service which he, the members of his family, and those he employs render, the cry goes up that the farmer is seeking a special privilege, is asking for something more than that given to the industrial worker. The farmer is charged with being unpatriotic, greedy, avaricious selfish because he asks that when he produces the things which the industrial worker must have if he is to live; when he produces the crops to feed the soldiers, he be given compensation, not equal to that of the industrial worker, but sufficient to cover the cost of production and to enable him to pay his taxes and live.

SERFDOM

On top of the denial of justice to the farmers comes the threat of General Hershey, head of the draft organization, who, speaking before the Agriculture Committee of the House, proposed that to remedy the growing farm labor shortage, any physically fit draft-age man who leaves the farm for a higher paid city job, be immediately inducted into the military service. If that is to be the rule for the farmer and the farm workers who produce the food that sustains the soldiers, fighting men, and factory men as well, why not apply it to the industrial workers? Is not that statement of General Hershey proof, if proof were needed, of this administration's granting of special privileges to the industrial worker? Discrimination against the farmer? The farmer is to be frozen to his 30-cents-an-hour job; denied a chance at the high-wage industrial job. Is the farmer to be tied to the plow handles, to the spray rig while the politically powerful groups work where they will, when they will, for a wage many times that permitted the farmer? Why should the farmer be denied 50 or 40 or even 30 cents an hour for his work, while the industrial worker is paid $1 or $2 or $3 an hour for his services?

The result will be disastrous. It is all very well for General Hershey to advise that the farmer must readjust himself, but if the draft board continues to take farmers into the fighting forces, if industry continues to entice them from the farms by high wages, it is certain there will come a day, and that in the not distant future, when this country will find itself unable to plant, cultivate, and harvest the crops which are necessary to feed not only our armed forces, our industrial workers, but the civilian population. All any man with eyes, with reasoning power and judgment needs to do to test this assertion is to take a trip out through the dairying, farming sections of this country and see for himself what has happened, what is happening, what will come.

THE REMEDY

The remedy is clear; the remedy is simple. All this Congress needs to do is to itself adopt a stabilization bill which will fix the price of farm products, of merchandise, the compensation to be paid for services as of some period a few months ago or a year ago. It matters not so much what period is used, or what price is fixed, so long as that price for any service, for any farm product for any manufactured article, on a comparative basis, is just. Our people will make any sacrifice demanded of them. About that there is no question, but farmers will not, because they cannot, go on producing if they are to be deprived of the labor necessary to plant, cultivate, and harvest their crops. They are patriotic but unless they, for their labor and the labor of their families, receive compensation sufficient to enable them to buy the things they need to operate their farms, they will not produce—not because they do not desire to do so, but because they cannot.

WE MUST HAVE UNITY AND EFFICIENCY IF WE ARE TO WIN

The administration's war news agency told us not long ago that "we could lose the war."

July 3, last, General Somervell, speaking at Lansing, Mich., said:

We've taken a terrific shellacking all around the globe.

September 28, Assistant Secretary of the Navy Ralph A. Bard, addressing the president and members of the Industrial Union of Marine and Shipbuilding Workers of America, made the following statements:

We go around saying "we can lose the war, but"—we may as well admit it—every time one of us says we can lose the war we think of this as pure rhetoric, part of the old pep talk. The assumption is, of course, we can't lose the war, but scare 'em a little and then in the wind-up of the talk give 'em the build-up about our great American heritage of freedom and what not, and how our courage and our self-sacrifice will bring us to victory over the forces of evil.

* * * * * *

How about, for a change, just saying that we are still losing the war. And realize that we damn well mean it.

He concluded his address with these words:

We are still losing this war, period. And we should damn well understand it, period. It will take all we've got to win—what are you going to do about it?

Just a day later, on Tuesday, the 29th of September, General Somervell, commanding general of the Services of Supply, speaking at St. Louis, Mo., repeated his former warning that—

We and our Allies have taken a terrific shellacking all around the globe.

One day later, Wednesday, September 30, Rear Admiral Ben Moreell, Chief of the United States Navy's Bureau of Yards and Docks, speaking at Toronto, Canada, told American leaders assembled there that—

Although the people cannot live without labor, they can live without labor unions and "they will damn well live without them here if all of us don't get in there and pitch."

Referring to the war itself he further said, and I quote:

We are losing it now.

He then made an appeal to employers and employees alike to avoid action which would interfere with war production.

These high Government officials who have warned us, undoubtedly know the facts which inspired them to tell us this bitter truth that "we are losing the war." The President may demand sugar coated words but the truth is what the people want and will get.

The Congress has given the President full authority to conduct the war. It has given him all the legislative measures for which he has asked. It has given him every dollar which he has requested for war purposes. Losing the war is not the result of a lack of fighting ability of endurance, or of courage on the part of our fighting men. It is due to the incompetency, to the muddling, to the playing of politics by this administration. The losing of the war is not due to the lack of willingness of our people to make sacrifices or to follow administrative requests. The only thing that we the people and Members of Congress can do to change the fact that we are losing the war to a situation where we can truthfully say that we are winning the war, is to oust from the legislative halls and from the executive departments of our Government those who believe in the overthrow of our form of Government either by force or by subterfuge, drive out of their places in our Government those who are impractical, those who continue willfully to disregard the operation of nature's laws, who appear to believe that crops can be planted, cultivated and harvested, that armies can be created, equipped, and maintained by the making of a fireside chat, a patriotic oration, the passing of a law or the issuance of an Executive order, directive, or regulation.

Let those who are in authority return to the despised horse and buggy days, where sound, common sense guided our

actions, where industry, thrift, and determination carried us to success.

Let the people of the several congressional districts and the States see to it now that in November they send to Washington patriotic, realistic representatives who believe in America, in her future, and in the soundness of those principles which for 150 years pointed the way toward freedom, prosperity, and opportunity.

EXHIBIT A

THE SOLDIERS ARE MAD

Some administration quarters keep minimizing the effects of strikes in war industries. But the boys who are fighting the war aren't.

Two letters from soldiers came to our attention on a single day. One was written by a Marine, fighting on a Pacific island. Marine fashion he pulls no punches.

"I haven't one ounce of patience with a guy who would do anything contrary to the war effort and I would like nothing better than to express my sentiments personally to such a guy. I can understand set-backs on the war front, but there is no excuse for willful and deliberate strikes which facilitate and aid such set-backs.

"You can imagine the feelings of a man who is doing his damndest to keep the Japs off his neck when he learns that the man in the factory doesn't want to put out because he isn't getting his cut.

"I have always thought that a union for the workingman was as much an essential as our daily bread, but it is a privilege that is available only under a democracy and he is abusing that privilege while there are thousands risking their lives to save it. What do you think would happen if all the men on the fighting front sat down until they got a raise of 5 cents an hour for a 40-hour week? They would soon be pulling rickshaws for the Japs for fish heads and rice worth less than 5 cents a day."

The second letter was written from a southern camp by a former steel mill employee, to thank his employer for a letter recommending him for admisison to an officers' training camp.

"I am a little heartsick to see the shortsightedness of labor continue in this crisis.

"The seriousness of this war and its demands is becoming increasingly apparent to us all. We are not being kidded into believing that every minor success is a victory. Flatly, we realize that today—right now—we are losing a war.

"Moreover, we realize that we are losing the war because of a problem of supply. It is increasingly obvious that if our job is to be done, more of the materials of war must be produced with the utmost speed. To do this we know that all other issues between labor and management must become secondary.

"The men to whom these facts are being revealed are becoming angered at the stand of labor, and for the most part they are the sons, brothers, and husbands of laboring folks. In their letters home they are beginning to demand that this foolishness be brought to an end—that they be given the tools they need.

"This is something new. Instead of management making the plea, this demand is reaching workers via the back door, and several million men can raise one hell of a howl.

"This feeling in the Army is too emphatic to be a figment of the imagination, and it's growing every day."

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. GIBSON (at the request of Mr. RIVERS), indefinitely, on account of illness.

To Mr. O'TOOLE, for 3 days, on account of illness.

To Mr. CROWTHER, for 30 days, on account of important business.

To Mr. MCINTYRE, indefinitely, on account of official business.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1869. An act for the relief of certain claimants against the United States who suffered property losses as a result of the failure of the Big Porcupine Dam on the Fort Peck project, Montana; to the Committee on Claims.

S. 1968. An act to amend section 13 (c) of the act entitled "An act to prevent pernicious political activities", approved August 2, 1939, as amended, so as to permit the sale of certain publications not published or sold for profit; to the Committee on the Judiciary.

S. 2398. An act amending the provisions governing the issuance of patent for certain lands to the town of Fletcher, Okla.; to the Committee on the Public Lands.

S. 2528. An act to provide for the settlement of certain claims of the Government of the United States on behalf of American nationals against the Government of Mexico; to the Committee on Foreign Affairs.

S. 2623. An act authorizing the construction of certain public works in the basin of the Connecticut River for flood control; to the Committee on Flood Control.

S. 2635. An act to provide for granting to the State of New Mexico the right, title, and interest of the United States in and to certain lands in New Mexico; to the Committee on the Public Lands.

S. 2691. An act to facilitate and simplify collection procedure in the Department of the Interior; to the Committee on the Public Lands.

S. 2723. An act to amend the Pay Readjustment Act of 1942; to the Committee on Military Affairs.

S. 2762. An act to except from the provisions of section 3709 of the Revised Statutes purchases or services rendered for the Department of Commerce where the amount involved does not exceed $100; to the Committee on Expenditures in the Executive Departments.

S. 2776. An act to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941, to continue it in effect; to the Committee on Military Affairs.

S. 2798. An act amending the first sentence of Article of War 52, relative to execution of court-martial sentences; to the Committee on Military Affairs.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on Thursday, October 1, 1942, present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 346. Joint resolution extending for 2 months the period for which overtime rates of compensation may be paid under the acts of June 28, 1940 (54 Stat. 676), October 21, 1940 (54 Stat. 1205), and June 3, 1941 (55 Stat. 241).

ADJOURNMENT

Mr. JARMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 55 minutes p. m.) the House adjourned under its previous order until Monday, October 5, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON PATENTS

The Committee on Patents of the House of Representatives will hold hearings beginning Tuesday, October 13, 1942, at 10 a. m., in the Committee Room, 1015 House Office Building, on H. R. 7020, a bill to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1953. A letter from the Secretary of the Navy, transmitting a report showing the name, age, legal residence, rank, branch of service, with special qualifications therefor, for each person commissioned from civilian life from July 26, 1942, and in the Coast Guard from August 1 to September 30, 1942; to the Committee on Naval Affairs.

1954. A letter from the Secretary of War, transmitting a draft of a proposed bill to provide for the payment of certain travel costs of dependents of military and civilian personnel of the Army and the War Department on a mileage basis in order to promote efficiency and economy in such payments; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WEISS: Committee on Claims. H. R. 1413. A bill conferring jurisdiction upon the Court of Claims of the United States to consider certain claims arising after January 1, 1926, out of the Tariff Act of 1922; without amendment (Rept. No. 2504). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. R. 7556. A bill authorizing the temporary appointment or advancement of commissioned officers of the Coast and Geodetic Survey in time of war or national emergency, and for other purposes; with amendment (Rept. No. 2507). Referred to the Committee of the Whole House on the state of the Union.

Mr. ANDERSON of New Mexico: Committee on the Public Lands. H. R. 7330. A bill to provide for granting to the State of New Mexico the right, title, and interest of the United States in and to certain lands in New Mexico; without amendment (Rept. No. 2508). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAGNUSON: Committee on Naval Affairs. S. 1468. An act to authorize the Secretary of the Navy to establish a fuel depot at Middle and Orchard Points, Wash.; without amendment (Rept. No. 2509). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLE of New York: Committee on Naval Affairs. S. 2327. An act to provide for payment and settlement of mileage accounts of officers and travel allowance of enlisted men of the Navy, Marine Corps, and Coast Guard; without amendment (Rept. No. 2510). Referred to the Committee of the Whole House on the state of the Union.

Mr. SASSCER: Committee on Naval Affairs. H. R. 7575. A bill to expedite the prosecution of war, and for other purposes;

with amendment (Rept. No. 2511). Referred to the Committee of the Whole House on the state of the Union.

Mr. ANDERSON of California: Committee on Naval Affairs. H. R. 7619. A bill to amend the act entitled "An act to expedite national defense, and for other purposes," approved June 28, 1940 (54 Stat. 676), and "Title IV of the Naval Appropriation Act for the fiscal year 1941." approved September 9, 1940 (54 Stat. 883); without amendment (Rept. No. 2512). Referred to the Committee of the Whole House on the state of the Union.

Mr. HARTER: Special Committee on Aviation of the House Military Affairs Committee. Interim report on United States military aircraft and their performances; without amendment (Rept. 2515). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McGEHEE: Committee on Claims. S. 2461. An act for the relief of Minnie C. Sanders; without amendment (Rept. No. 2502). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 2717. An act for the relief of Charles H. Koch; without amendment (Rept. No. 2503). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 6015. A bill for the relief of the Truscon Steel Co.; with amendment (Rept. No. 2505). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 7263. A bill for the relief of Mrs. J. R. Bennett; without amendment (Rept. No. 2506). Referred to the Committee of the Whole House.

Mr. SPARKMAN: Committee on Military Affairs. S. 2364. An act for the relief of former First Lt. William J. Tepsic, One Hundred and Seventy-sixth Field Artillery; without amendment (Rept. No. 2514). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RANKIN of Mississippi:

H. R. 7634. A bill to provide for vocational rehabilitation and the return to civil employment of certain persons disabled under circumstances entitling them after discharge or separation from the military or naval forces of the United States to a pension or retirement pay; to the Committee on World War Veterans' Legislation.

By Mr. GWYNNE:

H. R. 7635. A bill to incorporate the United Service Women of America; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 7636. A bill to exempt persons in the military and naval forces of the United States from Federal income taxes; to the Committee on Ways and Means.

By Mr. BALDWIN:

H. R. 7637. A bill to repeal section 541 (b) of the Revenue Act of 1941 relating to certain exemptions from admissions taxes and to amend retroactively section 1701 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr ROBINSON of Utah:

H. R. 7638. A bill to restore and add certain public lands to the Uintah and Ouray Reservation in Utah, and for other purposes; to the Committee on the Public Lands.

H. R. 7639. A bill to protect naval petroleum reserve No. 1; to the Committee on the Public Lands.

H. R. 7640. A bill to provide a right-of-way for an oil pipe line over the Ogden Ordnance Depot Military Reservation; to the Committee on Military Affairs.

By Mr. COFFEE of Washington:

H. R. 7641. A bill authorizing the payment of necessary expenses incurred by certain Indians allotted on the Quinaielt Reservation, State of Washington, in securing their allotments; to the Committee on Indian Affairs.

By Mr. KLEIN:

H. R. 7642. A bill to provide that allowances for quarters for dependents of enlisted men shall be allocated to such dependents; to the Committee on Military Affairs.

By Mr. CRAWFORD:

H. J. Res. 347. Joint resolution to investigate increases in rental rates for business property in District of Columbia since January 1, 1942; to the Committee on the District of Columbia.

By Mr. COFFEE of Washington:

H. Res. 548. Resolution directing the Committee on Patents to investigate the extent to which failure or reluctance of war agencies to share patents or processes with Allies may be impeding our progress in the war; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of New Mexico:

H. R. 7643. A bill for the relief of Mr. and Mrs. Juan Ramirez; to the Committee on Claims.

By Mr. CANNON of Florida:

H. R. 7644. A bill for the relief of Michael Soldo; to the Committee on Immigration and Naturalization.

By Mr. GIFFORD:

H. R. 7645. A bill for the relief of Ruth E. Studley; to the Committee on Claims.

By Mr HARE:

H. R. 7646. A bill for the relief of Fred Taylor; to the Committee on Claims.

By Mr. KUNKEL:

H. R. 7647. A bill to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment on the claim of "The General State Authority" of the Commonwealth of Pennsylvania; to the Committee on Claims.

By Mr. LECOMPTE:

H. R. 7648. A bill granting an increase of pension to Malinda J. Conwell; to the Committee on Invalid Pensions.

By Mr. McGEHEE:

H. R. 7649. A bill for the relief of Ralph B. Randall, rural rehabilitation supervisor, Farm Security Administration, Visalia, Calif.; to the Committee on Claims.

H. R. 7650. A bill for the relief of Col. Leo A. Luttringer, United States Property and Disbursing Officer for Pennsylvania; to the Committee on Claims.

H. R. 7651. A bill for the relief of William F. Perkins, Rural Rehabilitation Supervisor, Farm Security Administration, Pinal County, Ariz.; to the Committee on Claims.

H. R. 7652. A bill for the relief of Warren M. Engstrand, Grant Supervisor, Farm Security Administration, Bakersfield, Calif.; to the Committee on Claims.

H. R. 7653. A bill for the relief of Ensign Donald L. Grunsky; to the Committee on Claims.

By Mr. MYERS of Pennsylvania:

H. R. 7654. A bill for the relief of Morris Lindenblit; to the Committee on World War Veterans' Legislation.

By Mr. WILSON:

H. R. 7655. A bill granting an increase of pension to Ellen Moffatt; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3353. By Mr. CARLSON: Petition signed by Mr. E. J. Dreiling and 650 other citizens of Kansas in opposition to S. 860; to the Committee on Military Affairs.

3354. By Mr. ELSTON: Petition of Charlotte Toewater and 71 other residents of Cincinnati, Ohio, and vicinity, urging the repeal of the Silver Purchase Act; to the Committee on Interstate and Foreign Commerce.

3355. By Mr. ROLPH: Resolution of Western Plant Board relative to allocation of sufficient funds and adequate priorities for the protection of vital food, fiber, and seed crops; to the Committee on Appropriations.

3356. Also resolution of California Cattlemen's Association, San Francisco, Calif., relative to the agricultural manpower problem in California, and urging Congress to amend and enlarge the Selective Service Act to cover necessary manpower engaged in essential activities in industry and agriculture for the duration of the war; to the Committee on Agriculture.

3357. By Mr. SMITH of West Virginia: Resolution adopted by the Kanawha County National Farm Loan Association, Charleston, W. Va., recommending that the Federal Land Bank of Baltimore and the Federal Land Bank Commissioner be authorized to make proper loans to small and needy farmers in Kanawha County, W. Va.; to the Committee on Banking and Currency.

3358. By Mr. WASIELEWSKI: Petition of the Common Council of the city of Milwaukee relative to the water diversion down the Chicago drainage canal; to the Committee on Rivers and Harbors.

SENATE

MONDAY, OCTOBER 5, 1942

The Reverend T. L. Holcomb, executive secretary-treasurer, Baptist Sunday School Board, Nashville, Tenn., offered the following prayer:

Holy, Holy, Holy, Lord God Almighty, we stand in Thy presence this morning to express the gratitude of our hearts for every blessing that has come from Thy hands, and also to confess our sins. As we face the obligations and responsibilities of a new week, we pray, Heavenly Father, that to each there shall be given wisdom to know and courage to do that which is right and pleasing in Thy sight.

We pray, Heavenly Father, for the President of the United States and for every department of our Government. We pray for the armed forces, and we pray for our Allies. Speed the day, Heavenly Father, when victory shall be given to them in order that we may have in the earth an enduring peace, based upon justice.

We pray Thy particular and peculiar blessing upon this body now assembled, and ask Thee to keep us close to Thine own Self. For Christ's sake. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Friday, October 2, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one on October 1, 1942, the President had approved and signed the following acts:

S. 2670. An act to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing State and Territorial military forces with such arms, ammunition, clothing, and equipment as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and for other purposes;

S. 2686. An act to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin-American republics in military and naval matters";

S. 2725. An act to increase by $600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended; and

S. 2747. An act to authorize a reduction in the course of instruction at the United States Military Academy.

ENROLLED BILL SIGNED DURING ADJOURNMENT

Under authority of the order of the second instant,

During the last adjournment of the Senate the enrolled bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, which had been signed previously by the Speaker of the House of Representatives, was signed by the Vice President.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on September 30, 1942, that committee presented to the President of the United States the enrolled bill (S. 2689) to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863 (12 Stat. 798).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

BILL AND JOINT RESOLUTION INTRODUCED

A bill and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REYNOLDS:

S. 2824. A bill to amend the act of January 24, 1920, so as to authorize the award of a silver star to certain persons serving with the Army of the United States; to the Committee on Military Affairs.

By Mr. O'MAHONEY:

S. J. Res. 164. Joint resolution proposing an amendment to the Constitution of the United States relative to voting qualifications; to the Committee on the Judiciary

DRAFTING OF 18- AND 19-YEAR-OLD MEN—AMENDMENT

Mr. LEE. Mr. President, I submit an amendment and ask that it be printed and referred to the Committee on Military Affairs. It is an amendment to Senate bill 2748, which was introduced by the Senator from South Dakota [Mr. GURNEY] and which is now pending before the Committee on Military Affairs. The bill of the Senator from South Dakota proposes to amend the Selective Service Act by lowering the age limit to include 18- and 19-year-old boys. The amendment which I propose to offer to this bill would prohibit liquor and vice in and around military camps.

I shall, of course, present this amendment before the Committee on Military Affairs whenever the committee takes up for consideration Senate bill 2748, but I desire to have the amendment printed in order that the Members of the Senate may be put on notice of my intention to press the proposal.

Mr. President, I believe we should prohibit liquor and vice in and around military camps purely from a military standpoint. From our childhood we have been taught that a soldier in uniform represents alertness, strength, obedience to law, and protection of the weak. When we think of a soldier we think of a man who stands erect, who walks with a firm, quick step, who salutes with vigorous gesture; we think of a man whose eyes are clear, whose aim is steady, whose countenance is firm. In fact, the very word "military" is almost a synonym for the virtues of soberness, discipline, uprightness, and manly bearing. The toy soldiers we give to our children at Christmas represent erect, competent men, dressed in trim, neat uniforms.

Mr. President, this imaginary picture of a soldier is right and proper. It is the image we all have of an American soldier. To us he is the symbol of all these characteristics of manliness. There is just something about the uniform of a soldier or a sailor or a marine which is almost as sacred to us as the flag itself. Therefore, when we see an intoxicated man wearing that uniform the spectacle is so completely and entirely out of keeping with the snappy, courteous hero we have mentally placed in the uniform that we are cut to the quick.

Mr. President, the Army and Navy spend months teaching a new recruit discipline, courtesy, soldierly bearing, but every one of these military characteristics are wiped away when that soldier gets drunk.

Therefore, from a purely military standpoint, it seems to me that it would be an advantage to prohibit liquor and vice in and around military camps.

Furthermore, if liquor is allowed within a military camp, some of the soldiers there are going to drink that liquor. Those who drink it have their reactions slowed down in proportion to the amount they drink. Sooner or later some of these soldiers whose reactions have been slowed down will be on duty. That duty may be piloting a plane; it may be driving a truck or a tank. The lives of others may depend upon this particular soldier. He may be an officer who has the lives of many soldiers in his hands.

In civilian life we have been very strict in prohibiting the use of liquor in any form by those men who have the lives of others in their hands. Certainly in the all-important business of war, we should be equally as careful to protect the lives of soldiers against this evil.

Therefore, from the standpoint of military efficiency, I believe we should prohibit liquor and vice in and around the military camps.

Mr. President, I was a soldier in the other World War, and I remember the different moods which would come over me. I believe that my mental and emotional reactions were the same as those of millions of other boys. I believe they were the same moods and feelings and reactions which come over the boys in the military camps today.

At times there would be complete exhilaration because of pride in the uniform, the flag, the ideals for which we fought, the feeling of sure victory. Again, there would be the feeling of homesickness. We would have the "blues," and then still again there would be the feeling that, "This is the end—we will be killed anyhow. What's the use? 'Eat, drink, and be merry for tomorrow we may die.' "

This last described feeling results in a reckless abandonment of previous inhibitions.

If it so happens that a soldier is subjected to temptation when he is in this particular frame of mind, he is much more likely to yield than if he is not within reach of temptation until that particular mood has passed.

These different moods will come and go. Sometimes a soldier will have all three of them in one day; but if the temptation is not within reach at this time, when his resistance is lowest, he will soon forget about it.

Therefore, Mr. President, if liquor is allowed in and around the military camps, it will always be available, and therefore there will be much more drinking than there would be if liquor were prohibited in and around the camps.

Mr. President, the boys in the military camps today are our own sons. They have come from our homes, where they have been sheltered and protected from constant temptation. Therefore, I believe that the least we can do is to afford them the protection which is provided in this amendment. I believe the least we can do is to keep the military camps in which they train and live free from the temptations of liquor and vice.

Certainly if we are going to take boys of the tender ages of 18 and 19 we should continue some degree of protection from constant temptation.

Then there is one other point I wish to make, that is, with reference to the psychology of the spirit of banter. Each one of our sons wants to be as tough as the next one. Therefore, when some of the boys say, "Let us have a drink together," the spirit of banter will influence boys who never had a drink to go ahead and drink rather than to suffer the mental embarrassment which would surely result if they declined.

Opportunities for a situation like this are multiplied and increased when we allow liquor within and around the military camps.

Mr. President, so far as I know there is no one who denies that the use of liquor

lowers resistance and destroys moral inhibitions. Therefore, if we do not prohibit liquor and vice around the military camps, we will make it easy for the moral standards of our own sons to be lowered.

In this connection, I wish to call attention to the fact that the Christian people of the United States are very much concerned because of this situation. I wish merely to list some of the petitions I have recently received in support of the measure to prohibit liquor and vice in and around the military camps. I call attention to the fact that 10 of these petitions come from Lawton or nearby communities which are in the vicinity of a military camp. Some of them come from Muskogee, which is near Camp Gruber.

These are spontaneous expressions of Christian people. By reading them, it is evident that there has been no sponsored campaign, but that these Christian people, because of their own concern for their sons and the sons of their neighbors, petitioned Congress to pass the measure to which I am offering the amendment, and grant this small degree of protection to our soldiers.

The following petitions are presented:

Petition from the Women's Bible Class of the First Methodist Church, of Lawton, Okla., with 21 signatures.

Petition from the Commanche-Cotton Baptist Association, signed by the following churches: First Baptist Church, Temple, Okla.; First Baptist Church, Chattanooga, Okla.; Calvary Baptist Church, Lawton, Okla.; First Baptist Church, Lawton, Okla.; First Baptist Church, Walters, Okla.

Members of the Young Married People's Class of the First Christian Church, of Haskell, Okla., signed by its officers.

Petition from a group of citizens of Oklahoma, with 53 signatures.

Sunday School Class of Mothers and Grandmothers of Central Baptist Church, Muskogee, Okla., with 38 signatures.

Citizens of Lawton, Okla., submitted by Real Heights Presbyterian Church, with 87 signatures.

Victory Class of the First Baptist Church of Lawton, Okla., with 22 signatures.

Board of Stewards of the First Methodist Church of Muskogee, submitted by H. E. Newton, secretary.

Bible Class of First Christian Church of Hinton, submitted by Mrs. L. L. Gellingham.

Members of the Methodist Church of Wakita, by L. P. Scott, chairman, official board, Methodist Church.

Mullins Baptist Association, by L. A. Morton clerk, and William A. Carleton, moderator, Duncan, Okla.

Alathean Class of the First Baptist Church, by Mrs. R. M. Walkley, Oklahoma City.

Methodist Episcopal Church in Guthrie, by Mrs. N. R. Kinney, of Guthrie, Okla.

Mr. President, I ask that these petitions and endorsements be referred to the Committee on Military Affairs, which will have charge of this measure.

The VICE PRESIDENT. The petitions and the amendment submitted by the Senator from Oklahoma will be referred to the Committee on Military Affairs, and the amendment will be printed.

ONE PERCENT SOCIAL SECURITY PAY-ROLL TAX

Mr. VANDENBERG. Mr. President, I present for the RECORD a compilation showing the allocations by States of the 1 percent pay-roll tax under the Social Security Act. The table will indicate what the 1 percent pay-roll tax now costs the workers and employees of each State and, by the same token, what it would cost to have the tax doubled on New Year's Day.

There being no objection, the compilation was ordered to be printed in the RECORD, as follows:

FEDERAL OLD-AGE AND SURVIVOR'S INSURANCE TAXES OF 1 PERCENT ON EMPLOYER'S PAY ROLLS AND 1 PERCENT ON EMPLOYEE'S WAGES, FISCAL YEAR 1942

(The attached tabulation shows the revenues from the present old-age and survivor's insurance taxes on employers and employees by States for the fiscal year ended June 30, 1942. If these taxes are increased on January 1, 1943 in accordance with the present law, the annual revenues shown for each State will be at least double the amount shown in this table.)

Federal insurance contributions, old age and survivor's insurance tax, fiscal year ended June 30, 1942 (revenues from tax of 1 percent on pay rolls and tax of 1 percent on wages)

[In thousands of dollars]

Alabama	8,087.1
Arizona	1,353.3
Arkansas	2,629.8
California (2 districts)	58,804.1
Colorado	4,758.4
Connecticut	21,220.0
Delaware	3,421.5
Florida	6,567.2
Georgia	9,630.7
Hawaii	2,653.8
Idaho	1,562.6
Illinois (2 districts)	77,550.0
Indiana	18,001.8
Iowa	7,642.8
Kansas	4,030.6
Kentucky	6,696.5
Louisiana	6,636.7
Maine	3,969.4
Maryland and District of Columbia	16,713.4
Massachusetts	39,838.6
Michigan	58,690.0
Minnesota	12,166.1
Mississippi	2,565.6
Missouri (2 districts)	21,999.0
Montana	1,358.9
Nebraska	3,523.3
Nevada	648.3
New Hampshire	2,468.7
New Jersey (2 districts)	34,492.9
New Mexico	859.1
New York (6 districts)	177,438.2
North Carolina	11,413.5
North Dakota	662.6
Ohio (4 districts)	63,155.1
Oklahoma	6,786.7
Oregon	6,654.8
Pennsylvania (3 districts)	91,164.0
Rhode Island	6,998.1
South Carolina	4,650.2
South Dakota	750.4
Tennessee	8,427.2
Texas (2 districts)	19,974.9
Utah	1,936.5
Vermont	1,506.0
Virginia	10,355.3
Washington (including Alaska)	12,490.9
West Virginia	7,041.3
Wisconsin	17,852.3
Wyoming	668.6
Total	895,756.9

INCREASES OF PAY FOR ARMY NURSE CORPS

Mr. JOHNSON of Colorado. Mr. President, a few days ago I introduced Senate bill 2820, to increase the pay of officers of the Army Nurse Corps. The response to this action has been tremendous. Everyone seems to agree that the service of no branch of the military outranks the heroic service of the Army nurses.

The Regular Veterans Association has always advocated equality for the Army nurses. In this connection, I have today received a letter from Mr. Jack Kyle, national commander of the Regular Veterans Association, and I ask permission to have it printed in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

REGULAR VETERANS ASSOCIATION,
Washington, D. C., October 3, 1942.

Hon. EDWIN C. JOHNSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR JOHNSON: Your bill (S. 2820) to increase the pay of officers of the Army Nurse Corps is indeed a meritorious one.

Recently the Senate passed a bill, S. 2751, which, if enacted, would increase the pay of officers of the W. A. A. C. on a par with male officers of the same rank and service. Army nurses were omitted from that bill.

Briefly, the situation is this:

An Army nurse must undergo years of professional training at her own expense before she can be commissioned in the Army Nurse Corps. How about the W. A. A. C. officers? Any girl may be commissioned in that corps after 8 weeks' training in a W. A. A. C. training camp at Government expense.

This letter is not to be interpreted as meaning that Regular Veterans Association is opposed to the pay increase for W. A. A. C. officers but is an expression of our opinion that nurses should receive the same pay.

None will say, I am certain, that our nurses are not doing a good job. Nor that they have not always.

The heroic deeds of our nurses on Bataan are legion and should be an inspiration to every American girl.

Be assured that the Regular Veterans Association will be glad to assist in any way possible.

Most sincerely,

JACK KYLE,
National Commander.

JAMES FRANCIS BYRNES, OF SOUTH CAROLINA

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial from the Spartanburg (S. C.) Herald, an editorial from the Greenville (S. C.) News, and an article from the Washington Post by J. A. Fox, relative to Hon. James F. Byrnes and his appointment as Director of Economic Stabilization, which appear in the Appendix.]

SESQUICENTENNIAL OF KENTUCKY'S ADMISSION TO THE UNION—ADDRESSES DELIVERED AT SESQUICENTENNIAL DINNER

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address delivered by Judge Samuel L. Wilson, of Lexington, Ky., and address delivered by Hon. Keen Johnson, Governor of Kentucky, and an address delivered by himself, at Louisville, Ky., on September 18, 1942, on the occasion of the dinner in connection with the sesquicentennial celebration of Kentucky's admission to the Union, which appear in the Appendix.]

RADIO INTERVIEW WITH SENATOR AIKEN ON AVERTING A POSSIBLE FOOD SHORTAGE

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD a radio interview with Senator AIKEN on the subject Averting a Possible Food Shortage, which appears in the Appendix.]

WINNING THE WAR—ADDRESS BY LT. GEN. B. B. SOMERVELL

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD an address delivered by Lt. Gen. Brehon B. Somervell, Chief of the Services of Supply of the War Department, in St. Louis, Mo., on September 28, 1942, at a meeting sponsored by the Grand Lodge of Ancient Free and Accepted Masons of Missouri, which appears in the Appendix.]

STATEMENT OF NATIONAL GRANGE TO CONFERENCE COMMITTEE ON PRICE CONTROL BILL

[Mr. AIKEN asked and obtained leave to have printed in the RECORD a statement prepared by the National Grange and submitted to members of the conference committee on the price-control bill, which appears in the Appendix.]

MEAT AND WOOL SHORTAGES—STATEMENT OF NEBRASKA AND SOUTH DAKOTA STOCK GROWERS AND FEEDERS

[Mr. BUTLER asked and obtained leave to have printed in the RECORD a statement issued by officers, members of the executive committee and directors of Nebraska stock growers, Sandhills Feeder Cattle Producers, South Dakota Stock Growers, Western South Dakota Wool Growers, and South Dakota Livestock Committee, relative to a prospective scarcity of beef, mutton, and wool, which appears in the Appendix.]

The VICE PRESIDENT. Routine morning business is concluded.

REVENUE ACT OF 1942

Mr. GEORGE. Mr. President, on Friday last there was reported from the Committee on Finance with amendments the bill (H. R. 7378) to provide revenue, and for other purposes. I ask that the bill be made the unfinished business, with the understanding that it will not be taken up formally until the next session of the Senate tomorrow.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. GEORGE. I also ask unanimous consent that the formal reading of the bill may be dispensed with, that it be read for amendment, and that the amendments of the committee be first considered.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GEORGE. Mr. President, I desire to say that the table of contents of the pending tax bill, which appears on page 2, indicates what is covered in the various sections. A supplement has been prepared, and will be on the desks of Senators tomorrow morning, which will identify each section with reference to its location in the bill. I am sure that those who have not made an examination of the bill will find the supplement most helpful in immediately identifying the page where any particular provision is set forth. The report of the committee is in the course of preparation, and will be ready for distribution at least by the time the Senate convenes tomorrow morning.

Mr. BARKLEY. Mr. President, I wish to announce for the information of the Senate that during the consideration of the tax bill we shall convene every day at 11 o'clock in the morning, instead of at 12 o'clock. I believe we all desire to dispose of the tax bill in the Senate this week.

Legislative committees are not now very busy during the morning, and I think it would be desirable and agreeable all around to meet at 11 o'clock instead of at noon, and when we conclude each day's business I shall make a motion to that effect.

Mr. McNARY. Mr. President, I find the proposal agreeable to me, and I think it will be to the other Republican Members of the Senate. By meeting at 11 o'clock, if there are no meetings of important committees, I should think we could conclude the consideration of the bill in 10 days or 2 weeks.

I wish to repeat the observation I made to the distinguished Senator from Georgia, that if we meet at 11 o'clock each day I think we should adjourn or recess conveniently near 5 o'clock in the afternoon, so that we may dispose of our mail, meet our friends, and conduct the affairs of our offices in a normal fashion. I believe that will be acceptable to the distinguished leader.

Mr. BARKLEY. I appreciate the suggestion. If we meet at 11 o'clock, we can put in a good 6 hours of work and recess around 5 o'clock. I hope that we may be able to do that each day. It will give us a chance to answer our mail and attend to other important matters.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting several nominations in the Marine Corps, which was referred to the Committee on Naval Affairs.

(For nominations this day received, see the end of Senate proceedings.)

RECESS

Mr. BARKLEY. There is no Executive Calendar, so I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 12 o'clock and 22 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, October 6, 1942, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate, October 5, 1942:

PROMOTIONS IN THE MARINE CORPS

The following-named brigadier generals to be major generals in the Marine Corps for temporary service from the 28th day of September 1942:

Emile P. Moses
Harry Schmidt
Ralph J. Mitchell

Col. Earl C. Long to be a brigadier general in the Marine Corps for temporary service from the 10th day of September 1942.

Col. Pedro A. del Valle to be a brigadier general in the Marine Corps for temporary service from the 15th day of September 1942.

Col. Francis P. Mulcahy to be a brigadier general in the Marine Corps for temporary service from the 20th day of September 1942.

Col. Louis E. Woods to be a brigadier general in the Marine Corps for temporary service from the 25th day of September 1942.

Col. Field Harris to be a brigadier general in the Marine Corps for temporary service from the 30th day of September 1942.

HOUSE OF REPRESENTATIVES

MONDAY, OCTOBER 5, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

In Thy holy name, O Blessed Saviour, we would offer our prayer to our Father's throne. Thou hast blest the way of prayer, and we beseech Thee to teach us how to pray; when Thou takest us unto Thyself the way is brighter and the burden is lighter. Do Thou open our eyes to see the right; reveal unto us Thy will and purpose; clothe us with the virtue of the will to wait and with the patience of unanswered prayer.

Blessed Lord, we pray for those who are waiting the long night through; for those who are crying for the morning, grant that their forebodings may soon be dissolved into the glory of a new day, for all who are galled by poverty; for all who are shipwrecked into this life; for all whose days are traced by agony and tears. Almighty God, make them all free from the chains of wear and fret and enable them to mount upward on the steps of everlasting triumph. Today we are mindful of the millions of our boys and girls who, with bounding hopes, are crowding our schools. As upon them rests the foundation of the future on which we are to live or die, we earnestly pray for them. Inspire them to love our historic past with its toil and sacrifice. Lead them to consecrate themselves at the altar of our country that their liberty and personal rights may be secure, making them an inspiration and blessing to all the world. In our Redeemer's name. Amen.

The Journal of the proceedings of Friday, October 2, 1942, was read and approved.

AMENDMENT OF EMERGENCY PRICE CONTROL ACT OF 1942

The SPEAKER laid before the House the following communication from the Clerk of the House:

OCTOBER 5, 1942.

The Honorable the SPEAKER,
House of Representatives.

SIR: Pursuant to the special order agreed to heretofore, the Clerk received from the Secretary of the Senate on October 2, 1942, a message indicating that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7565) entitled "An act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes."

Very truly yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

ENROLLED BILL SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had on October 2, 1942, examined and found truly enrolled a bill of the House of the following title:

H. R. 7565. An act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

The SPEAKER. The Chair desires to announce that, pursuant to the authority granted him on October 2, 1942, he did on that date sign the enrolled bill of the House (H. R. 7565) entitled "An act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes."

MAJ. WILBUR MILLER

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, it is with a feeling of more than pride that I speak for 1 minute on an article I saw in my own home-town paper, the Livingston Enterprise, and which was confirmed by the Associated Press, to the effect that Maj. Wilbur Miller directed the attack on the Japs in the Aleutians, which attack I am convinced is the forerunner of kicking the Japs loose from American soil. This young man comes from my own county, was born and reared on a farm. This county has scarcely more than 12,000 people. I knew his mother when only a girl and long before she was married. I also knew his father before they were married. Well do I know his grandparents. They make up a fine patriotic American family. This young man typifies the spirit of the people of my grand State, the eastern portion of which I have the honor to represent in Congress. It shows when once in the fight we go all out.

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BRYSON. Mr. Speaker, double honor came to my district on Saturday last. Justice Byrnes was called by the President to the difficult and responsible task of leading the fight against inflation. Those of us who know Jim Byrnes, as he is affectionately called, are sure that he will perform in his new post in the same outstanding manner as my other constituent, Ernie White, who pitched his teammates to victory in the Yankee Stadium.

It is a special honor to me to call the attention of Congress to these two distinguished citizens, Jim Byrnes and Ernie White, residing within a dozen miles of each other, each of whom has and shall continue to lead the field in his respective calling.

Strength to their right arms!

EXTENSION OF REMARKS

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Ohio [Mr. BROWN] be permitted to extend his own remarks in the RECORD and include therein a letter from one of his constituents.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on one subject and also to extend my remarks on another subject and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

THE POLL TAX

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, it is with delight that those of us who are opposing the anti-poll-tax bills have noted the adverse report of Senator O'MAHONEY, Senator CONNALLY, and Senator AUSTIN of the subcommittee of the Senate Committee on the Judiciary, dealing with S. 1280, sponsored by Senator PEPPER. From this adverse report I read:

Distasteful from the point of view of popular sovereignty as may be State statutes which make the payment of a poll tax a prerequisite to voting, any attempt by the Congress to abolish such a tax, even in election to Federal office, would seem to be a clear violation of the Federal Constitution and beyond the power of Congress. This is a reform which may and, which if desired, should be effected by constitutional amendment.

If Congress has the right, by statute, to strike down a qualification for voting legally prescribed by a State, then it also has the power to impose additional qualifications. If it has the right to broaden the qualifications for voting in Federal elections, then it also has the right to narrow them. But the Constitution clearly prohibits such a result, for it provides in section 2 of article I that the electors who are to choose the members of the National House of Representatives "shall have the qualifications requisite for electors of the most numerous branch of the State legislature." Obviously, if Congress should attempt to say that some electors qualified to vote for members of the most numerous branch of a State legislature should not be permitted to vote for Members of the National House of Representatives, it would be an open violation of the Constitution. Likewise, if it attempts, as this bill does, to say that persons who are not qualified to vote for members of the most numerous branch of a State legislature, may nevertheless vote for Federal offices, including Members of Congress, it would be equally in violation of the fundamental law.

It is acknowledge by the proponents of this bill that Congress has no power to fix or alter the qualifications of voters for State office, and so they propose only to abolish the poll tax for election of Federal officials. To do this they must deny that a poll tax is a "qualification." Otherwise, they would be forced to admit an attempt to disregard section 2 of article I. This they cannot do without conceding the unconstitutional character of the bill. So they adopt the ingenious ruse of declaring in the first section of the measure that the poll-tax requirement is not a qualification of voters but an interference with the "manner" of holding a Federal election and as such subject to regulation by Congress under section 4, article I. Here, however, they are met by the historic fact that when the Constitution was adopted all of the original States had property or tax qualifications for voters.

EXTENSION OF REMARKS

Mr. LEA. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a speech on The Petroleum Industry and the War, by Ralph R. Davis, Deputy Petroleum Coordinator, delivered at Pittsburgh on the 17th of September. I further ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial on the same subject appearing in the National Petroleum News under date of September 23.

The SPEAKER. Is there objection to the request of the gentleman from California.

There was no objection.

SENATOR GEORGE W. NORRIS

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein editorials from the Oregonian and the Washington Post.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

[Mr. PIERCE addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by Otto of Austria at the opening of the one hundred and forty-eighth academic year of Union College.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CANCELATION OF PERMISSION TO ADDRESS THE HOUSE

Mr. PIERCE. Mr. Speaker, I ask unanimous consent that the special order granted me to address the House for 30 minutes today be canceled.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

EXTENSION OF REMARKS

Mr. LEWIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein editorial comment by David Lawrence.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, on Friday I was granted unanimous consent to extend my remarks in the RECORD and to include therewith a speech by Rear Admiral Ben Moreell,

Chief of the Bureau of Yards and Docks, of the United States Navy. I am now informed by the Public Printer that the speech will take up two and two-thirds pages of the RECORD. I ask unanimous consent that it may be printed in the RECORD notwithstanding the extra cost.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. O'HARA. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative program and following any previous special order, I may be permitted to address the House today for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXTENSION OF REMARKS

Mr. PADDOCK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include two articles from the Daily Bond Buyer.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE AND TO EXTEND REMARKS IN THE RECORD

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and also, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include an editorial from the Washington Post this morning on rental control.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

THE SALVAGE DRIVE

Mr. CRAWFORD. Mr. Speaker, Mr. Herbert L. Gutterson, Chief, General Salvage Section, Conservation Division of the War Production Board, this morning received a letter from a very clever and intelligent woman in my town by the name of Mrs. Charles Crittenden. Mrs. Crittenden teaches school, and the other day she received a display sheet showing how steel is made, and she wrote Mr. Gutterson as follows:

SAGINAW, MICH., *October 2, 1942.*

Mr. HERBERT L. GUTTERSON,
Chief, General Salvage Section, Conservation Division, War Production Board, Washington, D. C.

DEAR SIR: Having the good fortune of a farm background and the privilege of teaching rural students in my classes I was both surprised and amused at the errors in the display sheet, How Steel Is Made, recently received from your office in connection with the salvage drive.

You would find it very difficult to hitch one horse to the one-horse cultivator. The implement pictured has a tongue which necessitates two horses, or possibly one horse and one mule. The hand corn sheller is only indirectly so. The only power take-off is a pulley which must be attached by a belt to a motor—possibly a gasoline motor started by hand. The implement you describe as a pair of two-disk plows is only one plow. A plow is a plow, even though it may have one, two, or three plowshares. Incidentally, a disk is a part of a harrow, not a plow. A hay raker is a man, much the same as a muck raker—the only difference is that a hay raker uses as an implement a hay rake.

Of the seven listed implements which are used on farms, only four are accurately named. You must admit this a poor batting average. One of Donald Nelson's discarded Sears, Roebuck catalogs would have furnished you with better cuts and terminology.

We common folks of the Middle West have been wondering for some weeks why Washington was having so much difficulty with the farm bloc. Your display leads us to believe that Washington is not familiar with the ordinary implements and terminology of the farmer, to say nothing of his problems.

However, we think your salvage program is excellent. We are going to do everything in our power to emphasize it in our classes, even though the pictures bring forth a bit of mirth.

Sincerely yours,
MRS. CHAS. CRITTENDEN.

Mr. Speaker, the letter needs no further comment.

Mr. Speaker, I ask unanimous consent to extend my remarks and to include the entire letter of Mrs. Crittenden.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. WOODRUM] may extend his own remarks in the RECORD and include a letter from General Somervell.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter from the Honorable Fred G. Johnson, a former Member of this body, to the Secretary of Agriculture, together with a brief summary he has prepared.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include two editorials.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MACIORA. Mr. Speaker, I ask unanimous consent to have printed in the Appendix of the RECORD a very able, patriotic, and timely address delivered by Capt. Francis X. Swietlik, dean of law at the University of Marquette.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

COLLECTION OF SCRAP

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to speak for 1 minute, to revise and extend my remarks in the RECORD, and include an article from Life magazine by Mr. Russell W. Davenport.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

[Mr. McLAUGHLIN addressed the House. His remarks appear in the Appendix.]

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

[Mr. SUMNERS of Texas addressed the House. His remarks appear in the Appendix.]

FARM LABOR

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOBBS. Mr. Speaker, the desperateness of the situation in the farming areas of this country in regard to the need of labor is evidenced by the action of a number of cities in Alabama. Typical of the best in such thought and action is that of the city of Athens, Ala., in the district so ably represented by our distinguished colleague the gentleman from Alabama [Mr. SPARKMAN], where the whole city took a holiday, and all of the people, irrespective of their vocations or avocations, went into the fields of the great agricultural county of which Athens is the capital and picked cotton all day. The mayor proclaimed Tuesday, September 29, a legal holiday for the purpose of picking cotton. To help relieve the present distressing shortage of farm labor and to come to the rescue of their farm friends who could not otherwise harvest their cotton crops before unfavorable weather sets in, all stores and other business houses were asked in the proclamation to close; the city and county officials, all business and professional men, clerks, housewives, and all other persons physically able were urged to devote the entire day to picking cotton.

The response was splendid.

No doubt similar action has been and is being taken all over the Farm Belt of our Nation.

Thus neighborliness is bringing a partial solution to the problems of millions of laborless farms. May these and other means be stressed and pressed to fruition, so that the food and fiber necessary to win the war and make the peace may be harvested this year, and again planted, produced, and harvested as the seasons roll and as God may continue to bless us.

THE ROAD TO ALASKA

Mr. MAGNUSON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAGNUSON. Mr. Speaker, the Army engineers last week announced to the public that by December 1 of this year the long-wanted highway to Alaska would be open for traffic. I rise at this time to recall to the people of the country and to the House of Representatives, and, in particular, to my good friend the Delegate from Alaska [Mr DIMOND], who has long advocated the supply line to that vital frontier, that we here in the House,

the gentleman from Texas [Mr. LUTHER A. JOHNSON] and myself and many others on the Foreign Affairs Committee, have for 5 or 6 years—yes, 7 long years—tried to impress upon those in authority the need of a highway to Alaska. Probably it took a war to wake many of us up, but now we have this long-awaited project nearing completion, and I am sure the House and the country rejoices in that fact. The Army engineers have done a remarkable job and we hope they continue with further supply lines to the Alaskan area under sound arrangements with Canada.

EXTENSION OF REMARKS

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include some excerpts from letters in connection with the farm labor shortage problem.

The SPEAKER. Is there objection?

There was no objection.

[Mr. RANKIN of Mississippi addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. HULL. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. SAUTHOFF] may have the privilege of extending his own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include certain excerpts.

The SPEAKER. Is there objection?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is consent day, and the Clerk will call the first bill on the calendar.

PUYALLUP TRIBE OF INDIANS, WASHINGTON

The Clerk called the bill (H. R. 4578), to authorize certain corrections in the tribal membership roll of the Puyallup Tribe of Indians in the State of Washington, and for other purposes.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

FRED B. WOODWARD

The Clerk called the next bill, H. R. 3759, to limit the operation of sections 109 and 113 of the Criminal Code, and section 190 of the Revised Statutes of the United States with respect to certain counsel.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered

There was no objection.

PHILIPPINE ARMY PAY BILL

The Clerk called the next bill, S. 2387, to equalize the rates of pay of all personnel in the United States Army, the Navy, the Philippine Scouts, and the Philippine Commonwealth Army, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. MAY. Mr. Speaker, reserving the right to object, I did not understand the gentleman's request.

Mr. WOLCOTT. Mr. Speaker, I asked unanimous consent that the bill be passed over without prejudice. I did so for the reason, and the only reason, that the estimated authorization is $60,579,500. We have established a policy against bills carrying large appropriations being passed on the Consent Calendar. I asked unanimous consent that the bill go over without prejudice; without prejudice to the bill or the merits of the bill. I do not comment on the merits of the bill.

Mr. MAY. That is agreeable as far as the committee is concerned. As a matter of fact, with the military situation as it is in the Philippine Islands, the committee will want to make further inquiry of the War Department with respect to whether or not they still desire the legislation. If not, at the proper time we will ask that it be stricken from the calendar.

Mr. WOLCOTT. I thought the committee would want to give it further consideration.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDING THE NATIONALITY ACT OF 1940

The Clerk called the next bill, H. R. 5569, to amend the Nationality Act of 1940, to preserve the nationality of naturalized veterans of the Spanish-American War and of the World War, and of their wives, minor children, and dependent parents.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RANKIN of Mississippi. Mr. Speaker, this bill has been passed over without prejudice a time or two. I ask unanimous consent that it be passed over without prejudice now.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AMENDING THE HATCH ACT

The Clerk called the next bill, S. 2471, to amend the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, with respect to its application to officers and employees of educational, religious, eleemosynary, philanthropic, and cultural institutions, establishments, and agencies, commonly known as the Hatch Act.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOLCOTT. I would like to inquire if a rule has been granted for the consideration of this bil?

The SPEAKER. A rule has been granted.

Mr. WOLCOTT. Is it expected that it may be taken up under suspension of the rules?

The SPEAKER. No; it is not.

Mr. WOLCOTT. To protect the fact that a rule has been granted for the consideration of the bill I ask unanimous consent that the bill go over without prejudice.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. McCORMACK. It is the intention that after the call of the calendar today and the consideration of two other bills under suspension of the rules, this bill will be in order, so I think the gentleman is perfectly within his rights, because it will come up today in any event.

The SPEAKER. Without objection, the request of the gentleman from Michigan is granted.

There was no objection.

CARE AND CUSTODY OF INSANE RESIDENTS OF ALASKA

The Clerk called the next bill, S. 2243, to amend the law relating to the care and custody of insane residents of Alaska, and for other purposes.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That when used in this act, unless otherwise expressly stated or unless the context or subject matter requires—

(a) "Secretary" means Secretary of the Interior;

(b) "Alaska" means the Territory of Alaska;

(c) "Mental institution" means any asylum, sanitarium, or hospital under contract with the Department of the Interior or otherwise authorized by law to have the care, treatment, or custody of patients;

(d) "Resident" means a person who has his legal residence in Alaska;

(e) "Patient" means a resident of or person in Alaska who has been legally adjudged insane and committed to a mental institution;

(f) "Medical officer" means the Federal medical officer supervising the psychiatric care and treatment of patients at any medical institution.

SEC. 2. That portion of section 7 of the act entitled "An act relating to affairs in the Territories," approved February 6, 1909 (35 Stat. 600, 601), which reads as follows:

"That the Secretary of the Interior shall hereafter, as in his judgment may be deemed advisable, advertize for and receive bids for the care and custody of persons legally adjudged insane in the District of Alaska and in behalf of the United States shall contract, for 1 or more years, as may be deemed best, with a responsible asylum or sanitarium west of the main range of the Rocky Mountains, submitting the lowest and best responsible bid for the care and custody of persons legally adjudged insane in said District of Alaska, the cost of advertising for bids, executing the contract and caring for the insane to be paid from appropriations to be made for such service upon estimates to be submitted to Congress annually", is hereby amended to read as follows:

"The Secretary in behalf of the United States is authorized to contract, for 1 or more years, with a responsible asylum, sanitarium, or hospital west of the main range of the Rocky Mountains submitting the lowest responsible bid for the care, treatment, and custody of patients. The cost of advertising for bids, executing the contract, and caring for the insane shall be paid from appropriations to be made for such service upon estimates to be submitted to Congress annually."

SEC. 3. The superintendent or other proper officer of any mental institution shall, upon admission of a patient to such institution, be entitled to the temporary and immediate

custody of the moneys and personal property on the person of the patient and shall keep a proper account thereof. Such moneys may be used from time to time for the benefit of a patient if the patient so requests. Upon parole or discharge of any patient from such institution, all moneys and personal property remaining to the credit of the patient shall be returned to him or his legal representatives

SEC. 4. Section 1 of the act entitled "An act to provide for the disposition of moneys of the legally adjudged insane of Alaska who have been cared for by the Secretary of the Interior," approved April 24, 1926 (44 Stat. 322), is hereby amended to read as follows:

"All articles of personal property belonging to a patient, who has died prior to his parole or discharge from a mental institution or has eloped therefrom, and remaining in the custody of the superintendent or other proper officer of such institution, shall, if unclaimed by such patient, or his legal heirs or representatives, within the period of 5 years after the decease of such patient or the date of leaving the institution, be disposed of in such manner as the Secretary may prescribe, and any proceeds resulting therefrom shall be covered into the Treasury by the Secretary. Any moneys remaining to the credit of such patient, if unclaimed by his legal heirs or representatives of such patient within the period of 5 years after the decease of such patient or the date of the leaving of such institution, shall be covered into the Treasury by the Secretary."

SEC. 5. Section 2 of the act entitled "An act to provide for the disposition of moneys of the legally adjudged insane of Alaska who have been cared for by the Secretary of the Interior," approved April 24, 1926 (44 Stat. 322), is hereby amended to read as follows:

"The Secretary shall cause diligent inquiry to be made, in every instance after death or elopement of any patient, to ascertain his whereabouts or that of his legal heirs or representatives and shall turn over to the proper party or parties any moneys or articles of personal property in the custody of the superintendent of the institution to the credit of such person. Claims to such moneys or articles of personal property may be presented to the Secretary at any time. In the event a claim is established by competent proof more than 5 years after the death or elopement of a patient, it shall be certified to Congress for consideration."

SEC. 6. The superintendent of any mental institution shall discharge any patient, except one held on order of a court or judge having criminal jurisdiction in any action or proceeding arising out of a criminal offense, as follows:

(1) Upon the written certification by the medical officer that such patient is considered to be recovered.

(2) Upon the written certification by the medical officer that such patient, while not recovered, is considered in remission and is not deemed dangerous to himself or others and is able to support himself.

(3) Upon the return of such patient, if a nonresident of Alaska, to his legal residence or upon transfer of such patient to a United States Veterans' Bureau facility.

(4) Upon order by a court or judge having jurisdiction.

(5) After the continuous absence on leave of such patient from such mental institution for more than 12 months unless, in the judgment of the medical officer, such discharge would not be in the best interests of the public and the patient.

(b) The superintendent of any mental institution may permit absence on leave to any patient, who is not recovered, under conditions that are satisfactory to the medical officer and when, in the judgment of the medical officer, absence on leave will not be detrimental to the public welfare and will be of benefit to such patient: *Provided*, That the superintendent shall satisfy himself, by sufficient proof, that such patient is able to support himself or that the friends or relatives of such patient are willing and financially able to receive and care for such patient: *And provided further*, That the order committing such patient to such institution shall continue in force and effect until he is discharged as herein provided. A mental institution shall not be liable for the expense or support of a patient while he is on leave of absence. The superintendent of a mental institution from which a patient is absent on leave shall terminate the leave and authorize and direct the actual return of such patient to such institution when, in the judgment of the medical officer, the return of the patient to the institution would be in the best interest of the public and the patient. Any patient who is absent on leave or escapes from a mental institution to which he has been committed may, upon the direction of the superintendent of such institution, be returned thereto by a peace officer or any officer or employee of such institution.

(c) No patient shall be discharged or granted absence on leave from a mental institution without suitable clothing and the Secretary may furnish the same, and such amount of money, not exceeding $25, as the medical officer may consider necessary. The Secretary may also furnish to any patient, who has been discharged or granted absence on leave, transportation to his legal residence or to such other place as the Secretary may deem appropriate: *Provided*, That the cost of such transportation shall not exceed the cost of transporting such patent to his legal residence.

SEC. 7. (a) The superintendent of any mental institution may place at board in a suitable family in a place in Alaska or elsewhere any patient who is considered by the medical officer to be a suitable person for boarding out. Such boarder shall be deemed to be a patient of the institution. The cost to the United States of the board of such patient shall not exceed the amount specified by the Secretary.

(b) The superintendent of the institution shall cause all patients placed at board by such institution in families at the expense of the United States to be inspected at suitable intervals by a representative of the institution.

(c) The superintendent of the institution may at any time remove to another boarding place, or back to the institution whence the boarded-out patient came, any or all such patients in accordance with the judgment of the medical officer of what will be most beneficial to them. Not more than four patients shall be boarded out at the same time at any one home or family.

SEC. 8. The commitment papers of any person adjudged insane in Alaska shall include a statement by the committing authority as to the legal residence of such person. The Secretary shall, as soon as practicable, return to the State or country to which they have a legal residence all patients who are not residents of Alaska. For the purpose of facilitating the return of such persons, the Secretary may enter into a reciprocal agreement with any State or political subdivision thereof for prompt return under proper supervision of residents of such State or Alaska who have been legally adjudged insane. Residents of Alaska who have been legally adjudged insane outside of Alaska shall, with the approval of the Secretary, be transferred to a mental institution. All expenses incurred in returning to their legal residence patients who are nonresidents of Alaska may be paid from applicable appropriations for the care and custody of the insane of Alaska, but the expense of transferring residents of Alaska who have been legally adjudged insane outside of Alaska shall be borne by the State making the transfer.

SEC. 9. It shall be the duty of a patient, or his legal representative, spouse, parents, adult children, in that sequence, to pay or contribute to the payment of the charges for the care or treatment of such patient in such manner and proportion as the Secretary may find to be within their ability to pay: *Provided*, That such charges shall in no case exceed the actual cost of such care and treatment. The order of the Secretary relating to the payment of charges by persons other than the patient, or his legal representative, shall be prospective in effect and shall relate only to charges to be incurred subsequent to the order: *Provided, however*, That if any of the above named persons willfully conceal their ability to pay, such persons shall be ordered to pay, to the extent of their ability, charges accruing during the period of such concealment. The Secretary may cause to be made such investigations as may be necessary to determine such ability to pay, including the requirement of sworn statements of income by such persons.

SEC. 10. Any acts, or parts thereof, in conflict with the provisions hereof are hereby repealed.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PRESERVING NATIONALITY OF A PERSON BORN IN PUERTO RICO WHO RESIDES FOR 5 YEARS IN A FOREIGN STATE

The Clerk called the next bill, H. R. 6165, to preserve the nationality of a person born in Puerto Rico, who resides for 5 years in a foreign state.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, I wonder if we may have an explanation of the bill by some member of the Committee on Immigration and Naturalization, or the Commissioner from Puerto Rico?

Mr. RANKIN of Mississippi. Mr. Speaker, I have not gone into the bill carefully, but it seems to me you may be conferring American citizenship upon people who have become citizens of other countries.

Mr. COLE of New York. The people of Puerto Rico already have citizenship in the United States.

Mr. PAGÁN. Will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. PAGÁN. This bill was reported by the Committee on Immigration and Naturalization. The position of the committee, as stated in the report, is as follows:

> The bill, as amended, would permit citizens of the United States born in Puerto Rico, but who, though citizens from the time of birth, unfortunately do not have the status of native-born citizens, to reside for 5 years or more in a foreign state without losing their United States citizenship.

The Department would be willing to maintain the United States citizenship of Puerto Ricans who remain abroad for 5 years or more. That is the purpose of the bill.

Mr. COLE of New York. As I understand the situation under existing law any naturalized American citizen loses his citizenship if he resides abroad 5 years. Since Puerto Ricans have been

declared to be naturalized American citizens that law would operate against Puerto Ricans living outside this country beyond the 5-year period.

As this bill was introduced it permitted a Puerto Rican to live more than 5 years outside the United States provided he periodically submitted a statement to his Government that it was his intention to return. The Committee on Immigration, however, has stricken out the original bill and inserted a new provision which in effect places all Puerto Ricans on the same basis as native-born American citizens so far as the Nationality Act of 1940 is concerned.

I raise this question now simply for the purpose of bringing to the attention of the House the fact of what is being done. The effect of the bill is to confer upon all Puerto Ricans the status of native-born American citizens as far as the Nationality Act of 1940 is concerned.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. RANKIN of Mississippi. This is one of the few bills I have seen come up here that would establish dual citizenship, or might have that effect. Suppose a person born in Puerto Rico had moved to Argentina and remained for 5 years and became a citizen. Under this bill you would automatically confer American citizenship on him.

Mr. COLE of New York. That is true of an American citizen.

Mr. RANKIN of Mississippi. It ought not to be. We have made many declarations of policy in regard to citizenship. A few years ago we passed a law, or Congress passed a law—I did not support it—to confer American citizenship on a woman who had gone abroad and married a citizen of a foreign country. When we got through we found that under the law as we had passed it we had conferred dual citizenship, that an American woman might have married an Englishman, we will say, and automatically become an English citizen. She might run for membership in the House of Commons or she might run for a seat in the United States Congress. You have this situation with reference to Japan. The only real serious menace we have under dual citizenship, perhaps, is with reference to the Japanese whom I contend can never become American citizens and who are registered with the Japanese Consul and are recognized by Japan as her own citizens, yet they vote in our elections, claim the protection of our laws, and at the same time act as fifth columnists for the Japanese Empire.

I think you are going pretty far afield here when you say that merely because a man was born in Puerto Rico—and I take the same position with reference to a person who was born in Mississippi, or Texas, or New York, or Massachusetts—you say if he stays in a foreign country for more than 5 years you automatically confer American citizenship on him although he might have become a citizen of the other country.

Mr. COLE of New York. I remind the gentleman that Puerto Ricans already have American citizenship.

Mr. RANKIN of Mississippi. I understand, but they should be treated no differently from the citizen of Mississippi, Texas, or New York. Yet under this bill if the Puerto Rican goes abroad and stays there more than 5 years you would automatically reconfer American citizenship on him.

Mr. COLE of New York. A native-born American citizen does not lose his American status by residing out of the country all his life.

Mr. RANKIN of Mississippi. He does if he stays out of the country 5 years and takes out citizenship papers in another country or becomes a citizen of a foreign country.

Mr. COLE of New York. If he takes out citizenship in a foreign country certainly he loses his American citizenship.

Mr. RANKIN of Mississippi. But his American citizenship is reconferred on him under this bill.

Mr. COLE of New York. That applies only to naturalized citizens.

Mr. RANKIN of Mississippi. Suppose he had gone to some other country and taken out citizenship papers?

We have got this question of citizenship into a rather confused situation.

Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

GRANTING DOMICILIARY CARE AND MEDICAL AND HOSPITAL TREATMENT TO VETERANS OF WORLD WAR NO. 2 ON A PARITY WITH VETERANS OF OTHER WARS

The Clerk called the next bill, H. R. 7311, to amend section 6 of Public Law No. 2, Seventy-third Congress, March 20, 1933, as amended.

Mr. KEAN. Mr. Speaker, reserving the right to object, as I understand, the gentleman from Mississippi is going to ask that this bill be called up under a suspension of the rules.

The SPEAKER. If the bill is not passed by unanimous consent, the Chair has agreed to recognize the gentleman to call it up under suspension.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice. It is of sufficient importance that I feel the membership should have some slight opportunity to discuss it or have a full explanation of it.

Mr. RANKIN of Mississippi. I will just let the gentleman object to it; some hitch might come up.

Mr. Speaker, I object to the bill going over without prejudice.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. KEAN. Mr. Speaker, I object, for the reason I have just stated.

PAYMENT TO CERTAIN INCOMPETENT BENEFICIARIES RESIDING OUTSIDE THE UNITED STATES

The Clerk called the next bill, H. R. 7408, to amend the act of October 9, 1940, entitled "An Act to restrict or regulate the delivery of checks drawn against funds of the United States, or any agency or instrumentality thereof, to addresses outside the United States, its Territories, and possessions, and for other purposes."

Mr. RANKIN of Mississippi. Mr. Speaker, I call the attention of the committee on objections to the fact that this bill was passed several days ago.

The SPEAKER. This bill is not correctly on the calendar because it has already passed the House. It should be stricken from the calendar.

CENSORSHIP BETWEEN TERRITORIES AND THE UNITED STATES

The Clerk called the next bill, H. R. 7151, to amend the First War Powers Act, 1941, by extending the authority to censor communications to include communications between the continental United States and any Territory or possession of the United States, or between any Territory or possession, and any other Territory or possession.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will some one explain this bill for the benefit of the House?

Mr. SUMNERS of Texas. Mr. Speaker, this bill is a bill requested by the Government and is based on the fact, so those in executive responsibility state to the Committee on the Judiciary, that they have a great deal of difficulty in those situations where communications are had to and from places like Puerto Rico, Alaska, and the Hawaiian Islands. This legislation is desired for the purpose of enabling them better to safeguard the communications that come from those territories.

Mr. MARTIN of Massachusetts. Have there been some violations that would prompt this?

Mr. SUMNERS of Texas. Yes. I understand they have had very considerable difficulty in that situation.

Mr. COLE of New York. Is not the situation this: The existing law permits the Government to intercept messages passing from this Government to some foreign government and they would like, in addition, to have authority to intercept messages passing from this country to any of our territories or between any of our territories? That is the purpose of this bill? In other words, the purpose is to give them that authority?

Mr. SUMNERS of Texas. Yes. The difficulty is greater where the communications move from the continental United States across navigable waters to these other territories.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of section 303 of the act approved December 18, 1941, known as the "First War Powers Act, 1941" (Public Law No. 354, 77th Cong.), be amended so as to read as follows:

"SEC. 303. Whenever, during the present war, the President shall deem that the public safety demands it, he may cause to be censored under such rules and regulations as he may from time to time establish, communications by mail, cable, radio, or other means of transmission passing between the United States or any of its Territories or possessions and any foreign country he may from time to time specify, or between the continental United States and any Territory or possession of the United States, or between any Territory or possession and any other Territory

or possession, or which may be carried by any vessel or other means of transportation touching at any port, place, or Territory of the United States and bound to or from any foreign country. Any person who wilfully evades or attempts to evade the submission of any such communication to such censorship or wilfully uses or attempts to use any code or other device for the purpose of concealing from such censorship the intended meaning of such communication shall, upon conviction, be fined not more than $10,000, or, if a natural person, imprisoned for not more than 10 years, or both; and the officer, director, or agent of any corporation who knowingly participates in such violation shall be punished by a like fine, imprisonment, or both, and any property, funds, securities, papers, or other articles or documents, or any vessel, together with her tackle, apparel, furniture, and equipment, concerned in such violation shall be forfeited to the United States."

SEC. 2. The act approved December 18, 1941, known as the "First War Powers Act, 1941" (Public Law No. 354, 77th Cong.), is hereby amended by inserting therein, immediately following section 303, a new section to be known as section 304 and to read as follows:

"SEC. 304. For the purposes of this act, the term 'continental United States' shall include the States of the Union and the District of Columbia, but shall not include Alaska."

With the following committee amendment:

Page 1, line 3, strike out "the first sentence of."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed and a motion to reconsider was laid on the table.

AMENDMENT TO LIFE INSURANCE ACT, SEPTEMBER 14, 1942

The Clerk called the next bill, S. 2275, amending section 10 of Public, No. 360, Seventh-seventh Congress.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WALTER. Mr. Speaker, reserving the right to object, may I ask the author of this bill why it is not broad enough to include naval aviation cadets?

Mr. MAY. For the reason that under the general pay bill that was later enacted the insurance was written covering everybody except possibly two cadets that were in the ranks only long enough to get killed. As a matter of fact, that is all this bill applies to.

Mr. WALTER. Is the gentleman sure there are not naval flying cadets in exactly the same category?

Mr. MAY. No. The report of the Committee on Claims, No. 1107, after considerable hearing on the matter stated there were only two cadets involved. One of them was killed within 6 hours after he was inducted into the service and the other within a week.

Mr. WALTER. As I understand that testimony it means merely that an examination was made as to the number of Army cadets that this would apply to?

Mr. MAY. That is correct.

Mr. WALTER. But apparently no examination was made as to whether or not there were naval cadets in exactly the same category. I am wondering whether or not the gentleman would accept an amendment that would make it possible to include the few naval cadets that were in exactly the same situation?

Mr. MAY. Unless the gentleman knows of some who are, and I may say to him, that in the conference which has just been completed on the National Service Life Insurance title in the bill relating to civil rights of both Army and Navy personnel, that situation was considered and taken care of and the report just adopted last week. It has been discussed here on the floor.

Mr. WALTER. I do not think that that report included any study of the situation that I have in mind. Certainly the striking out of "Air Corps" and inserting "Navy" on page 2, line 1, would be surplusage only at the most in the event that it did not apply to any cases of naval cadets.

Mr. MAY. If they were not, of course, it would be surplusage and unnecessary. If there are those who have been placed in the same attitude as the ones we intended to cover I do not think I will have any objection.

Mr. WALTER. If the gentleman will assure me he will not object to the adoption of such an amendment I will not object to consideration of the bill at this time.

Mr. SUMNERS of Texas. Mr. Speaker, reserving the right to object, I do not know what effect that will have on this proposed legislation. I do know that one of the two boys covered in this bill was killed just a few hours before he would have been covered by insurance under general legislation. This bill has gone through the Senate. It has been worked on in the House, and favorably reported, and I hope if the gentleman wants to get any legislation through that will cover somebody else he thinks might be entitled to the benefits of same that he will be good enough to allow this bill to go through and we will go into it and see whether there ought to be other legislation. I will be glad to help.

Mr. MAY. In view of the statement made by the gentleman from Texas, this would be an amendment to a Senate bill, to which the Senate might not agree. It would therefore result in a conference and elimination of the matter, then there might be delay until it would not be passed at all during this session of Congress.

Mr. WALTER. The gentleman could not imagine conferees not agreeing to something that would extend the same simple justice to naval flyers that he proposes to give to Army flyers?

Mr. MAY. The only thing is, the Senate might want to conduct hearings to ascertain whether there were any naval personnel involved.

Mr. WALTER. What difference does it make? This would be merely surplusage, so what difference does it make? I want to make certain that these boys in the Navy receive the same consideration the Army aviators receive.

Mr. MAY. I have no objection whatever to their receiving the same treatment. I would favor it as strongly as the gentleman from Pennsylvania. The point I am making is that if we amend this bill here we may defeat the entire purpose of it. If the gentleman finds by further inquiry that there is a possibility of anybody's being in that position, and presents the matter to the House Committee on Military Affairs, the committee will certainly give him a prompt hearing on it.

Mr. WALTER. Will the gentleman object to the offer of such an amendment?

Mr. MAY. I have no right to object to offering such an amendment. I am just trying to assure the gentleman that if we find that there is any need for such legislation we shall be very glad to give it prompt consideration. However, the offering of such an amendment might delay this bill, which is effective as to two cadets.

Mr. WALTER. If I thought that was the fact, I would not offer the amendment, but I cannot see how such an amendment would interfere with the prompt passage of this legislation.

Mr. GORE. If the gentleman will yield, the question is whether or not we shall consider the bill. If it is brought up for consideration, the gentleman can then offer his amendment.

Mr. WALTER. I understand that, but if I am placed in a position where I will not receive the assurance that the amendment will not be opposed, then I might find myself in a rather embarrassing position. In view of the fact that the gentleman assures me that he will not oppose the amendment, I shall not object to the consideration of the bill.

Mr. MAY. I did not assure the gentleman that I would not oppose the amendment, but I will do it now However, I am warning that it may block the passage of this legislation.

Mr. McCORMACK. Reserving the right to object, and I do not intend to object, may I ask the chairman of the committee, what about a young man who enlisted in the Army and died during the same period as did the Army aviators covered by this bill?

Mr. MAY. They are taken care of by the new title we wrote into the act relating to the civil rights of soldiers and sailors. It covers all the branches of the service.

Mr. McCORMACK. When I was home recently my attention was called to the case of a young man who was killed on Bataan. Under those circumstances, of course, the young man could not take out insurance. Would the case of a young man killed under those circumstances be taken care of by existing law?

Mr. MAY. I am sure it was taken care of to the amount of $10,000 in the provision relating to war-risk insurance, as written into the soldiers' and sailors' civil rights bill. We debated it with the Senate conferees for a full hour. They contended that it ought to be left at $5,000. In the course of the discussion it was brought out that the provision was to cover the whole field of personnel—the Army, the Navy, the Marine Corps, and the Coast Guard.

Mr. McCORMACK. I am very glad to hear that. If it has not been taken care of, I am sure the committee will take care of that situation.

Mr. MAY. We certainly will.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 602 (d) of the National Service Life Insurance Act, as amended by section 10 of Public, No. 360, Seventy-seventh Congress, approved December 20, 1941, be, and the same is hereby, amended by substituting a colon for the period at the end of (d) (2) thereof and adding the following: "*Provided*, That if such person serving as a flying cadet or aviation student, Air Corps, Army, between October 8, 1940, and June 3, 1941, the date of approval of Public Law No. 97 and Public Law No. 99, Seventy-seventh Congress, and died as the result of an aviation accident incurred in line of duty while in such active service, such person shall be deemed to have applied for and to have been granted an aggregate amount of insurance of not less than $10,000. Any additional insurance granted by virtue of this proviso shall be payable in the manner provided by this section."

Mr. WALTER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: On page 1, line 9, after the word "student", strike out "Air Corps" and insert "Navy or."

Mr. SUMNERS of Texas. Mr. Speaker, I want to make a brief statement about this bill. While the terms are general I understand only two deaths are covered in this proposed legislation. One is the case of a young man from my district who enlisted in the Air Corps. He applied for insurance. He was killed within a few hours of the time when this insurance would have gone into effect. At the time he was killed, the Government owed him a good deal more money than would have been required to pay the insurance.

Since he was killed general legislation has gone into effect under which every person training to be a flyer as this young man was training, his beneficiaries would receive $10,000 of insurance without any payment of premiums. The Government pays this amount.

The Senate has passed this bill. All we have got to do is to pass it here. I suggest, with all deference to my friend from Pennsylvania, if he has situations that he thinks ought to be taken care of he should introduce a bill and bring it before the proper committee and have it considered instead of offering on the floor of the House an amendment which, if adopted, might send this bill back to the Senate. This is the reason I oppose the amendment and I hope the House will not approve it.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield for a question?

Mr. SUMNERS of Texas. Yes, I yield to the gentleman.

Mr. CRAWFORD. The gentleman has almost convinced me that this bill is to cover a particular case.

Mr. SUMNERS of Texas. Two cases.

Mr. CRAWFORD. Does not the bill apply generally?

Mr. SUMNERS of Texas. It does apply generally, but there are only two people affected.

Mr. CRAWFORD. What I mean by applying generally is that anyone who might die very shortly after going into the service from now on——

Mr. SUMNERS of Texas. They are already taken care of. We passed a bill which applied to every person training to be a flyer and under that bill his beneficiaries would receive the same compensation we are now seeking to give this boy's parents who was killed just a few hours before this law went into effect. There happened to be two persons in that situation.

Mr. CRAWFORD. May I ask the gentleman whether the situation referred to by the gentleman from Pennsylvania in his amendment would apply only to some specific case and not in a general way?

Mr. SUMNERS of Texas. I do not know about it. That is the point. I do not know the effect of his amendment, and neither does the chairman of the committee, or anybody else.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. COLE of New York. The gentleman must know it would have the same application as the general bill itself. Whatever right is conferred on the Army air trainee or pilot would also apply to the Navy trainee or pilot, so it would have the same general or specific application both to the Army and the Navy.

Mr. SUMNERS of Texas. Yes.

Mr. WALTER. Mr. Speaker, I did not know we were considering a private bill for the relief of one or two individuals. When I looked at this bill a moment ago, I reached the conclusion it was general legislation and applied equally to every man who was situated as was Judge SUMNER's constituent. I am quite certain that the adoption of this amendment would in nowise affect the particular case in which Judge SUMNERS is interested. I could not imagine any construction being placed on this bill that would prevent the families of the young men who were killed shortly after they entered the Army and before they received their compensation from being treated as set out in this measure. I am deeply interested in the youngsters who are flying in the Navy. I think too much publicity has been given to the deeds that the brave youngsters of the Army have performed. Perhaps there is a better publicity bureau connected with the Army, but I want to point out that most of the fighting in the Pacific has been done by the naval flying corps. These brave youngsters have been out there ever since long before Pearl Harbor without any relief, and the fact that they are not given the credit they are entitled to is a decidedly bad thing on the morale of these brave men. It certainly seems to me if we would pass a law, particularly in view of what has occurred, that would not be construed as applying equally to naval flying cadets as to the Army flying cadets; it might be another blow at the morale of these boys who, up to this time, have carried most of the load. I sincerely trust that this amendment will be adopted.

Mr. MAGNUSON. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, I hate to disagree with my old friend from Texas, but I hope the Walter amendment will be adopted. We mentioned this matter the other day to certain Navy personnel officers having in mind that the same may have occurred in the Navy. At that time they did not have their figures and facts ready for us, and while I do not know of any particular case, there is a possibility that there may be some among the naval air cadets. I have on my own desk one that may fall within this category. I would then have to put through the House a special bill to cover an exactly similar case.

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. MAGNUSON. I yield.

Mr. SUMNERS of Texas. I would say to the gentleman that if he has a case where it is rather definite, I shall not object to the amendment.

Mr. MAGNUSON. It is simply a clarifying amendment and will save the Naval Affairs Committee from going through the same thing if the Navy, in the next few months, find one or two or three such cases.

Mr. SUMNERS of Texas. Will the gentleman yield further?

Mr. MAGNUSON. I yield.

Mr. SUMNERS of Texas. I refer to naval trainees who are killed under exactly the same circumstances and who should receive the same compensation.

Mr. MAGNUSON. Yes.

Mr. SUMNERS of Texas. I withdraw the objection to the amendment, Mr. Speaker.

Mr. MAGNUSON. I thank the gentleman.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

Mr. MAY. Mr. Speaker, I offer an amendment to the title. In line 3 of the title, after the word "Army", insert "or Navy."

The amendment to the title was agreed to.

A motion to reconsider was laid on the table.

FORT DE RUSSY MILITARY RESERVATION

The Clerk called the bill (S. 2682), to authorize the Secretary of War to exchange certain lands of the United States located within the Fort De Russy Military Reservation, Oahu, Territory of Hawaii, for certain land at Barbers Point, Oahu, owned by the Territory of Hawaii.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to convey, subject to such conditions as he may prescribe, to the Territory of Hawaii all right, title, and interest of the United States in and to three parcels of land located within the boundaries of the Fort De Russy Military Reservation on the Island of Oahu, Territory of Hawaii, aggregating 62,219 square feet, more or less, in exchange for title to seventy-five and sixteen one-thousandths acres of land, more or less, together with an easement for a right-of-way for road purposes in common with the grantors, situate at Barbers Point, Ewa, Oahu.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

TRANSFER OF CERTAIN LAND IN HAWAII

The Clerk called the bill (H. R. 6013), to authorize the Secretary of War to transfer certain lands in the Territory of Hawaii.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to transfer to the Territory of Hawaii all right, title, and interest of the United States in certain land in Makua Valley, District of Waianae, Island of Oahu, Territory of Hawaii, designated as parcel numbered 1 of the Makua Military Reservation on the map thereof dated March 1933, on file in the office of the Quartermaster General, and described as follows:

Beginning at the southeast corner of this tract of land at concrete monument numbered 1, the true azimuth and distance from said point of beginning to United States Coast and Geodetic Survey Triangulation Station "LOLO," being three hundred and thirty-five degrees twenty-six minutes seven seconds, six thousand five hundred nineteen and eighty-two one-hundredths feet, and running by azimuths measured clockwise from true south:

1. Eighty-four degrees four minutes thirty-five seconds, six hundred and ten feet, to concrete monument numbered 2;

2. One hundred and forty-four degrees fifty-nine minutes no seconds, four hundred and sixty and ten one-hundredths feet, to concrete monument numbered 3;

3. Two hundred and sixty-nine degrees two minutes thirty seconds, eight hundred and thirty-two and eighty-five one-hundredths feet, to concrete monument numbered 4;

4. Three hundred and fifty-three degrees twenty-three minutes no seconds, three hundred and thirty feet, to the point of beginning;

Containing an area of five and ninety-five one-hundredths acres.

Provided, That the Secretary of War is authorized to make such deviations in the description of the land involved as may be necessary to carry out the purpose and intent of this act.

With the following committee amendment:

Substitute a colon for the period in line 24, page 2, and add: "*And provided further*, That the War Department reserves the right to remove such material as is needed from the howitzer emplacements if such removal has not been accomplished prior to the effective date of this act."

The committee amendment was agreed to and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

REHABILITATION OF THE ANTHRACITE COAL INDUSTRY

The Clerk called the bill (S. 357) to provide for the establishment and operation of a research laboratory in the Pennsylvania anthracite region for investigation of the mining, preparation and utilization of the mining, preparation and utilization of anthracite, for the development of new uses and markets, for improvement of health and safety in mining, and for a comprehensive study of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the war effort.

The SPEAKER. Is there objection?

Mr. GORE. Mr. Speaker, I reserve the right to object. This bill provides for the establishment of a research laboratory in the anthracite region of Pennsylvania to conduct researches and investigations, and so forth. There is doubt in my mind that the legislation is needed to create this authority, as I am informed by some of the members of the Committee on Appropriations that this authority already exists. My principal doubt, however, is in respect to the advisability of authorizing the erection of the laboratory now because it would require strategic materials. There are some members of the Committee on Mines and Mining on the floor and I would ask their opinion about this.

Mr. PETERSON of Florida. Mr. Speaker, this bill is one in which a very careful study of it was made by the Committee on Mines and Mining. The bill has already been passed by the Senate, and it is advocated by the gentleman from Pennsylvania [Mr. FENTON], and was also advocated by the late Representative from Pennsylvania, Mr. Pat Boland. Other investigations of other types of mining have been going on, but there has never been this type of laboratory established for the investigation of anthracite mines.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Florida. Yes.

Mr. WALTER. Will the gentleman tell me whether or not the language of this bill is sufficiently broad to permit activities to be conducted in these laboratories that are already being undertaken in the laboratories and engineering departments of Lafayette College and Lehigh University, both of which are in the locale, and have been doing considerable work along the lines contemplated by this legislation?

Mr. PETERSON of Florida. There is no intention of infringing upon any other studies.

Mr. WALTER. I do not mean that. It occurs to me that because these splendid institutions are so well equipped to do this work and have a staff of professors who have been engaged in the study of this for many years, that the work could be done so economically in either one of these institutions that it would obviate the necessity of expending a large sum of money for the erection of a building.

Mr. PETERSON of Florida. There is specific provision in the bill authorizing the Bureau of Mines and the Secretary of the Interior to cooperate with the other various studies in institutions and agencies, and that appears in section 2 of the bill. It is my understanding that it is not intended to interfere with the work that is being done, but no agency at the present time is doing exactly the work that would be done by this laboratory.

Mr. WALTER. I, of course, am deeply interested in seeing this work done. It seems to me that the language ought to be sufficiently broad so as to permit the Federal Government to cooperate with the people who are doing and doing well the very type of work contemplated to be done under this proposed law.

Mr. PETERSON of Florida. I refer my colleague to lines 12 to 23 on page 2 of section 2, and he will see that it specifically authorizes cooperation and study:

SEC. 2. For the purpose of this act the Secretary, acting through the United States Bureau of Mines, is authorized to acquire land and interests therein, and to accept in the name of the United States donations of any property, real or personal, and to utilize voluntary or uncompensated services at such laboratory. The Secretary is authorized and directed to cooperate with other departments or agencies of the Federal Government, States, and State agencies and institutions, counties, municipalities, business or other organizations, corporations, associations, universities, scientific societies, and individuals, upon such terms and conditions as he may prescribe.

As my colleague knows, the Bureau of Mines has utilized such utilities. Answering the question of the gentleman from Tennessee [Mr. GORE] with reference to strategic materials, that would be a matter in which they would have to proceed and give priorities. No appropriation has been made, and the appropriation would have to be made later on, so that the matter of strategic materials would be passed on at that time.

Mr. GORE. Then there is no idea that the construction of the laboratory would be undertaken immediately?

Mr. PETERSON of Florida. No.

Mr. SHEPPARD. Mr. Speaker, I reserve the right to object. Do I understand that the Committee on Mines and Mining has assumed that the Bureau of Mines has reported to the effect that they are not already authorized by law to proceed with this type, provided they have the appropriations to follow up?

Mr. PETERSON of Florida. The Bureau of Mines report points out the studies of other types, but points out that comparatively little research either by the Government or private interests has been made of the anthracite matter.

Mr. SHEPPARD. What I am trying to get at is they have the authority under existing law to make investigation if they appropriate for it. There is no authority under existing law to set up a laboratory such as contemplated in this legislation.

Mr. PETERSON of Florida. I may say that in the committee I raised somewhat the same question raised by the gentleman from California, and a member on the minority side raised the same question, but there is no such specific language authorizing them to follow out what this does.

Mr. GORE. Mr. Speaker, further reserving the right to object, I notice the bill specifies the construction of this research laboratory in the Pennsylvania anthracite region. In view of the fact that that coal has peculiar qualities of its own and that the Kentucky bituminous coal field, for instance, in which a coal laboratory is not now situated, or the Tennessee field, has peculiar properties of its own, does not the gentleman think it would be proper to include that region, also?

Mr. PETERSON of Florida. I would have no objection to such an amendment. Of course, the committee did not go into a detailed study of that. Certain other experiments have been carried on with reference to bituminous coal, but I have no objection to that if the gentleman believes it would strengthen the bill.

Mr. FENTON. Mr. Speaker, will the gentleman yield?

Mr. GORE. I yield.

Mr. FENTON. As a matter of fact, the gentleman knows that the Bureau of Mines in the Interior Department is charged with the conduct of all of these laboratories?

Mr GORE. Yes.

Mr. FENTON. At the present time in Pittsburgh they have a laboratory devoted exclusively to bituminous coal. At Golden, Colo., they also have a laboratory. At Tuscaloosa, Ala., they have another laboratory. Those three laboratories are devoted almost exclusively to bituminous coal, while anthracite, being in a peculiar sense, located in five or six counties in the State of Pennsylvania, has been neglected entirely. Not one nickel has ever been expended for research for anthracite coal.

Mr. GORE. May I say to the gentleman that I am in accord. The question I raised first was the matter of the use of strategic materials in the erection of the laboratory, but the gentleman from Florida [Mr. PETERSON] has satisfied me on that. I agree with the gentleman that if it can be done at the proper time we should have an extensive research into the use of anthracite coal. Therefore I think it might be possible, as the gentleman from Kentucky [Mr. MAY] thinks, to make a research into the peculiar qualities of coal in other regions.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. GORE. I yield.

Mr. MAY. Of course, I have no objection whatsoever to this bill. I would favor it under any circumstances; but the situation is simply this: There is a small area in the State of Pennsylvania that produces this extraordinarily high quality anthracite coal. It is a smokeless coal, whereas in West Virginia, Kentucky, and Tennessee, known as the Appalachian Mountain area, now designated as the Appalachian coal field, we produce perhaps 400,000,000 tons of the 650,000,000 tons of coal that will be produced this year. The State of West Virginia alone produces more than 100,000,000 tons of it. In that region we have a coal known as bituminous, high-volatile, byproduct coal. It is not only the highest grade coking coal in the world, including your Pennsylvania Connellsville region, but it contains more than 1,000 byproducts. That has been proven. We think, if the Federal Government is going to make analyses and development in the way of research into this industry, it ought to cover the whole field, because bituminous coal will bear the brunt of the principal effort of fuel supply for this war effort. I do not mean by that to minimize the importance of anthracite in the slightest.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. GORE. I yield.

Mr. WALTER. I would like to call the gentleman's attention to the fact that already there is a laboratory constructed for the study of the uses of bituminous coal.

Mr. MAY. I concede that, but I do not see any reason why it should not extend to all fields of the country. There are two kinds of coal, anthracite and bituminous. The production of bituminous coal is hundreds of millions of tons more than the production in other fields. They have a laboratory, one away out in Colorado, one up in Pittsburgh, in the heart of the Pittsburgh coal country which I represented at one time, where they can develop all they want to. But they should go out in the woods somewhere to develop it, too. I come from a district of eight counties that produced 25,000,000 tons of coal this year.

Mr. FENTON. Mr. Speaker, will the gentleman yield further?

Mr. GORE. I yield.

Mr. FENTON. For the information of the gentleman from Kentucky I might say that many of the by-products that have been obtained from bituminous coal have evidently been obtained through research work. Now, why try to stymie a laboratory for anthracite research? The Bureau of Mines in the Department of the Interior in our own Government is doing that very research for bituminous coal.

Mr. GORE. As for me, I have no intention of trying to stymie any laboratory for anthracite research.

Mr. MAY. Neither have I.

Mr. GORE. The gentleman from Kentucky [Mr. MAY] says that is not his intention. The point I was trying to make is that if we are going to do this, since the coals in the various regions of the country have properties peculiar to the product of that particular region, then I see no particular objection to adding this Appalachian region. That would not in any way interfere with what the gentleman has in mind.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COFFEE of Nebraska. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. PETERSON of Florida. Mr. Speaker, I object.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. COFFEE of Nebraska. I object.

AMENDING THE FEDERAL EXPLOSIVES ACT

The Clerk called the next bill, H. R. 2515, to amend the Federal Explosives Act, as amended, by removing from the application of the act explosives or ingredients in transit upon aircraft in conformity with statutory law or rules and regulations of the Civil Aeronautics Board.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I notice the Ramseyer rule has not been complied with in the report. We have no way of knowing what the amendments to the law are or in what shape the law will be on the passage of this bill without considerable further study.

In order to allow the clerk of the Committee on Mines and Mining to file a supplemental report to comply with the Ramseyer rule I ask unanimous consent that the bill may be passed over without prejudice.

Mr. PETERSON of Florida. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. PETERSON of Florida. I am handling the bill at the request of the chairman of the committee, who is absent. I did not report; it was reported by the chairman; but I think I can explain it very quickly so that the gentleman will withdraw his objection.

Mr. WOLCOTT. The reason I am asking that the bill be passed over without prejudice is in order that the committee may comply with the Ramseyer rule. Every once in a while the clerk of a committee gets a little careless in that respect. It adds to the work which the members of the Committee on Objections have to do to consider legislation. Frequently we find ourselves burning the midnight oil; we have to do it anyway. The purpose of the adoption of the Ramseyer rule was to give the Members an opportunity to study the effect of the proposed amendments on existing law.

The Ramseyer rule has not been complied with in this particular case. I feel that it is just a matter of correcting the report. The Clerk of the committee could file a supplemental report complying with the Ramseyer rule.

I am not asking that the bill go over without prejudice because of the merits of the legislation but because the rule has not been complied with.

Mr. PETERSON of Florida. I agree with the gentleman with reference to the fact that the Ramseyer rule should be strictly complied with. As I stated before I think I can explain the bill very quickly so the gentleman can see the real purpose of the bill. Perhaps he will then withdraw his objection.

Mr. WOLCOTT. No; I may say to the gentleman I do not think I shall withdraw my objection. I am not objecting to the bill; I am merely asking that it go over without prejudice in order that it may be brought back to the House in compliance with the rules of the House.

Mr. PETERSON of Florida. This happens to be a case where a few days' delay may be serious.

Mr. WOLCOTT. It may be more serious not to comply with the rules of the House.

Mr. PETERSON of Florida. It has to do with the transportation of ammunition by airplane.

Mr. WOLCOTT. I may say to the gentleman that after the rules have been complied with and the bill is brought back probably there will be no objection to it. Until the rules have been complied with we do not know what changes have been made in existing law.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. McCORMACK. If the gentleman persists in his unanimous-consent request, having clearly evidenced that he is not opposed to the bill but is objecting merely because the Ramseyer rule has not been complied with, a rule that we must respect and should respect I am sure—

and I asked the gentleman if my assumption is correct—that if the committee complies with the Ramseyer rule which can be done very quickly, then if the gentleman from Florida takes it up with the gentleman from Michigan, the minority members of the committee as well as the minority leadership, that there would be no objection to this bill being called up any day this week?

Mr. WOLCOTT. As far as I personally am concerned I do not object to its being taken up out of order on any day by unanimous consent on compliance with the rule. I do not think I would have any objection to the bill.

Mr. PETERSON of Florida. That would be helpful, because it is urgent.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan that the bill be passed over without prejudice?

There was no objection.

PREPAYMENT OF PURCHASE PRICE OF CERTAIN HOUSING SOLD BY FARM SECURITY ADMINISTRATION

The Clerk called the next bill, H. R. 7431, to permit the prepayment of the purchase price of certain housing sold to individuals by the Farm Security Administration, and for other purposes.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, and I want it very distinctly understood that I am not going to object, this bill is one of the most meritorious bills that has been reported. I merely want to call attention to a situation which has developed in respect to all similar legislation. This bill is limited in its scope; it applies only to the Farm Security Administration. I am thankful that we have at last seen the light of day on this legislation. Here we are in a period when, if farmers and workingmen can ever retire their indebtedness, it is during the period of relatively high prices and high salaries.

I have in mind also in respect to this legislation the Federal Housing Act which has a similar inhibition against the retiring of indebtedness until the period elapses. A man might have a $3,000 mortgage on his home; he has a thousand dollars and wants to pay it on the principal, yet under the law as it exists today it must be credited at the end and his interest and all other charges go on.

I think it is desirable that not only farmers but these loans under Government security to every home owner who is buying his home under a mortgage insured by F. H. A. should have the same privilege, and I hope the passage of this bill will create a precedent for the passage of similar legislation applying to retirement of all indebtedness of individuals in which the Federal Government is interested.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the case of any contract or agreement for the sale of any real estate to any individual—

(1) by the Department of Agriculture or any agency of the Department of Agriculture; or

(2) by any homestead association established by the Department of Agriculture or any agency of the Department of Agriculture; or

(3) by the National Housing Agency or any agency of the National Housing Agency, in case such contract or agreement was, prior to February 24, 1942, made by the Department of Agriculture, or any agency of the Department of Agriculture, or any homestead association established by the Department of Agriculture or any agency of the Department of Agriculture; or

(4) by the National Housing Agency or any agency of the National Housing Agency, or any homestead association established by the National Housing Agency or any agency of the National Housing Agency, in case such contract or agreement would, except for Executive Order No. 9070 of February 24, 1942, as amended and supplemented, have been made by the Department of Agriculture or an agency of the Department of Agriculture or a homestead association established by the Department of Agriculture or an agency of the Department of Agriculture;

if such contract or agreement provides for the payment of the purchase price in installments over a period of years, no provision of such contract or agreement shall be deemed to prevent the prepayment of any portion of the purchase price, and upon the payment of such purchase price together with interest (on the amount thereof previously unpaid) to the date of such payment, there shall be delivered to the purchaser a warranty deed to such real estate.

With the following committee amendments:

Page 1, line 7, after the word "association", insert "or corporation."

Page 2, line 5, after the word "association", insert "or corporation."

Page 2, line 16, after the word "association", insert "or corporation."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WOMEN'S ARMY AUXILIARY CORPS ACT AMENDMENT

The Clerk called the next bill, H. R. 7539, to amend the act entitled "An act to establish a Women's Army Auxiliary Corps for service with the Army of the United States."

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. RUSSELL. Mr. Speaker, I object.

Mr. VOORHIS of California. Mr. Speaker, I object.

Mr. MAY. Mr. Speaker, will the gentlemen withhold their objection?

Mr. RUSSELL. I withhold my objection.

Mr. MAY. I suppose the gentleman would be willing to make the pay of the women in the Women's Army Auxiliary Corps equal with the enlisted men in like ranks in the Army as well as equal with the WAVES, the women's organization in the Navy, and would not want one woman in the same relation or rank to work for $21 a month while the other got $50? That is the only thing this does. It changes two ranks, reduces their pay, then equalizes the pay of the lower grade.

Mr. RUSSELL. I understand the bill goes further and equalizes the pay of commissioned officers in the Auxiliary Corps to the same amount that men get. But that is not my main objection. My main objection to the bill is that it leaves out the real valuable services of certain ladies in the Army, and that is the Nurses' Corps. In the interest of fair play to them, and in the interest of the services that are needed now and, further, in the interest of curbing inflation that most of the gentlemen who are now sponsoring this bill have so urgently supported in the past, I am compelled to object.

Mr. VOORHIS of California. May I say to the chairman of the Committee on Military Affairs that I have the same feeling about leaving out these Army nurses.

Mr. MAY. May I say in answer to that that we have already increased the pay of the nurses by other legislation.

Mr. VOORHIS of California. So that it would be the same?

Mr. MAY. I do not know whether it is the same or not, but there was an increase.

Mr. VOORHIS of California. It does seem to me that the pay ought to be at least as much as that of the members of the WAAC.

Mr. MAY. That matter has not come to the attention of the House Military Affairs Committee. The gentleman knows that if a bill is introduced or request made for legislation to put them on the same basis, although they might be ranked different and you might reduce their pay if you put it in this bill as the bill is now written because this separates into different ranks and grades them and equalizes them with like grades in the Army and with like grades in what is known as the WAVES in the Navy, it will receive consideration. If you add the word "nurses" in this, you are likely to reduce their pay, or reduce the pay of some of them rather than increase it.

Mr. McCORMACK. Will the gentleman yield?

Mr. RUSSELL. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I am very much interested in the same subject that the gentleman from Texas refers to.

Mr. RUSSELL. I notice the gentleman voted the other day to curb inflation.

Mr. McCORMACK. The gentleman addressed his objection to the fact that the nurses were not included.

Mr. RUSSELL. That is one of the objections; yes.

Mr. McCORMACK. The gentleman said that was the main reason for his objection and I was addressing myself to that. I took occasion this morning to contact the War Department, because it seemed to me that the nurses should be given the same consideration. The gentleman from West Virginia [Mr. EDMISTON] introduced a bill under date of October 1, 1942, to increase the pay and allowances of members of the Army Nursing Corps, and that bill provides for a superintendent, or a relative rank to colonel, and other desirable provisions relating to our nurses of the armed forces. Something should be done along that line. I took up with the War Department this morning the question of the nurses of the Army being given that consideration, which they certainly warrant, and I have been assured by the War Department that it now has the matter under consideration and it will soon sub-

mit to the Congress a draft of proposed legislation designed to revise the pay of members of the Army Nursing Corps. I have requested the War Department to expedite action on this matter and I have been assured it will be presented with dispatch.

I spoke with the chairman of the Committee on Military Affairs of the House this morning and his impression about increasing the nurses does not meet this situation which the gentleman from Texas, the gentleman from New York, and I have in mind. This bill undertakes to give to this organization known as the WAACS that which has already been given to the similar organization in the Navy known as the WAVES. We have already passed similar legislation with reference to the WAVES and certainly we do not want to discriminate with reference to the Army or with reference to the nurses.

I have been given definite assurances by the War Department that that matter will be expedited and that the matter will be submitted very soon to the Congress in the form of draft of legislation. I have been assured that will be done very quickly. In view of those assurances which I have received and which I give to the gentleman from Texas and to the House—and may I interpolate to say that if the War Department does not act, I will insist on quick action—I hope the gentleman will not press his objection, because passage of this bill is only fair, under the circumstances, to give to the members of the Waac the same consideration that was given to the similar corps of the Navy. The nurses will be taken care of, and they should be.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RUSSELL. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. The gentleman knows that when the so-called WAACS bill was passed, in that bill was a provision that the women should receive approximately the same pay as the men in the Regular Army. Later the House passed a bill which increased the pay of the enlisted men in the Army. This bill only brings the pay of the WAACS up to what was my original intention, the intention of the War Department, and I know the intention of the committee, so you are doing in this bill just what you intended to do in the beginning.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. RUSSELL. I yield to the gentleman from Kentucky.

Mr. MAY. The Congress is responsible itself for the disparity between the pay of the two organizations, because we passed the pay bill after we inducted these women into the service.

Mr. RUSSELL. May I say, in answer to the gentleman from Massachusetts, our majority leader, and the distinguished gentlewoman from Massachusetts, that I have never agreed to the philosophy that one wrong rights another. It may be true that you passed a bill. I do not recall it; I do not know anything about it. That, perhaps, is a confession. But I am always willing for our Government to pay full value in accordance with the benefits received, and until this bill includes giving the nurses the same pay for like rank I am going to continue to object to its consideration.

Mrs. ROGERS of Massachusetts. May I say to the gentleman that my impression is that the nurses would like to have their own pay bill go through as such. I may be wrong in that, but that is my impression. They would like to have the increased pay, but they would like to have it go through as a separate bill.

Mr. RUSSELL. I may say to the gentlewoman that this morning I received a petition from quite a number of nurses who asked me to protest against this bill.

Mrs. ROGERS of Massachusetts. That is different. I know they want it, but I thought they wanted it in a separate bill.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. RUSSELL. I yield to the gentleman from California.

Mr. VOORHIS of California. As far as I am personally concerned, on the basis of the assurance of the majority leader and of the chairman of the committee, that legislation will very speedily be brought in which will place the Army nurse on at least a plane of equality as to pay with members of the WAACS, I shall not object to this bill. I agree that the WAACS ought to be treated the same as the WAVES, and if we have an assurance that this legislation about the Army nurses will come up for consideration, as we have, I would feel that perhaps it would be better to handle that matter in a separate bill. However, I do feel very definitely that it is important that we do not let the matter lie idle.

Mr. MAY. If the gentleman will yield, may I say that I am entirely in sympathy with what the gentlemen want to do. As chairman of the House Committee on Military Affairs, I will arrange for hearings on any such legislation as early as they can possibly be had.

May I say further that this is a proposed amendment to the Women's Army Auxiliary Corps Act, whereas what the gentleman is trying to do for the nurses would properly be an amendment to the pay act, entirely different legislation. If what the gentleman suggests is included in this bill, the bill might go to conference and the provision there be stricken out. Under those circumstances, I think the wise thing to do is to let this bill go through, and the gentleman can then present his bill for the relief of the nurses.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. RUSSELL. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. To show the gentleman from Texas that we look eye to eye on the question of the nurses, I may say that I intended to offer an amendment to this bill including the nurses; but this bill amends one law, and another bill will be necessary to amend the law relating to the nurses. I have been given definite assurance that the War Department is in a position to recommend favorably a bill along the lines outlined in the Edmiston bill. We have also been given a definite assurance by the chairman of the House Committee on Military Affairs that hearings on this matter will start as soon as possible. Whether or not the gentleman from Texas objects to the consideration of this bill, I hope the gentleman from Kentucky [Mr. MAY] will assign hearings on this matter for Wednesday of this week or some other day this week if he is in a position to do so, because this is a matter of extreme importance.

Mr. RUSSELL. May I say to our distinguished majority leader as well as to the chairman of the Committee on Military Affairs that I am vitally interested in the future financial structure of my country, which it seems is not getting much consideration before this Congress. With assurance from the majority leader and from the chairman of the Military Affairs Committee that they will see that the nurses who are now rendering and are capable of rendering and are going to continue to render the best service of any of the fair sex during these trying times and with their representations that they will see they are treated accordingly—do I get that from the chairman of the Military Affairs Committee and the majority leader?

Mr. McCORMACK. The gentleman has my assurance because I agree with everything the gentleman has said, and as I have stated, I came on the floor with the intention of offering such an amendment, although frankly, in my opinion, it would not be germane and a point of order could be made against it. I talked with the chairman of the Military Affairs Committee and after getting assurances of early hearings and assurance of a report from the War Department, I decided not to do it.

Mr. RUSSELL. Do I get that representation from the chairman of the Military Affairs Committee?

Mr. MAY. Mr. Speaker, I have already told the gentleman that I would grant hearings on the legislation when it was presented and do so as early as possible. The rule of the House Military Affairs Committee is that when legislation affecting the War Department or the personnel of the War Department is offered by anybody, we ask the Department for a report on it and as soon as a bill is filed I will ask for a report and shall insist that they give me a report on it. Whether they are for it or against it, I shall have hearings on it.

Mr. McCORMACK. Let me say this, further, if the gentleman will yield. I have assurances this morning from a representative of the War Department, "I have been assured by the War Department that it now has this matter under consideration and it will soon submit to the Congress a draft of legislation designed to revise the pay of members of the Army Nurse Corps." I have requested the War Department to expedite action in this matter and I have been assured that it will be presented with dispatch. That is the definite promise I have received.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. RUSSELL. I yield.

Mr. NICHOLS. If there are two bills pending before the Committee on Military Affairs, in the light of the statement

of the chairman of the committee, I am wondering why it is not possible for the chairman to start hearings either on the Edmiston bill or some other bill that is already pending.

Mr. GORE. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RUSSELL. Mr. Speaker, upon the representations made, I withdraw my objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 2, 3, 4, 5, and 6 of the act entitled "An act to establish a Women's Army Auxiliary Corps for service with the Army of the United States," approved May 14, 1942 (Public Law 554, 77th Cong.), are hereby amended to read as follows:

"SEC. 2. From women citizens of the United States, the Secretary of War is authorized to appoint the director and such assistant directors and field directors as he, from time to time, may deem necessary and advisable, all of such appointees to serve during the pleasure of the Secretary. The director shall receive pay and allowances at the rate now or hereafter provided by law for a commissioned officer of the Regular Army, without dependents, who is entitled to receive the pay of the sixth pay period. The director, under the direction of the Chief of Staff of the Army of the United States, shall advise the War Department on matters pertaining to the establishment of the Women's Army Auxiliary Corps; shall operate and administer the corps in accordance with normal military procedure of command and administration and such regulations as may be prescribed by the Secretary of War; shall make recommendations as to plans and policies concerning the employment, training, supply, welfare, and discipline of the corps; and shall perform such other duties as may be prescribed by the Secretary. Each assistant director shall receive pay and allowances at the rate now or hereafter provided by law for a commissioned officer of the Regular Army, without dependents, who is entitled to receive the pay of the fifth pay period; and each field director shall receive pay and allowances at the rate now or hereafter provided by law for a commissioned officer of the Regular Army, without dependents, who is entitled to receive the pay of the fourth pay period. Each assistant director and field director shall perform such duties as may be prescribed by regulations published by the Secretary of War.

"SEC. 3. The Secretary is authorized to establish and maintain such number of schools as he may consider necessary for the purpose of training candidates for officers of the corps. The Secretary may establish by regulations the qualifications for entry into such schools, the course of study to be pursued, and the requirements for graduation therefrom. Candidates for such schools may be selected from enrolled members of the Women's Army Auxiliary Corps or from women volunteers who are citizens of the United States. Transportation in kind and subsistence may be authorized by the Secretary for such candidates from the place from which authorized to proceed to such schools, and return, or, in lieu of furnishing such transportation in kind and subsistence, to pay them travel allowances at the rate of 5 cents per mile and subsistence allowances at the rate of 1 cent per mile for the distance of such journeys by the shortest usually traveled routes. Payment of such allowances for return journeys may be made in advance of the actual performance thereof. During the attendance of such candidates at such schools, they shall be furnished living quarters, uniforms as hereinafter provided, medical and dental service, medicines, medical and hospital supplies, hospitalization, subsistence, textbooks, necessary school supplies, and pay. All enrolled members of the corps shall receive the pay and allowances of their grade as hereinafter provided, and all other candidates shall receive pay at the rate of $50 per month. The Secretary may appoint officers in such number as he may deem necessary for the proper administration of the corps in the grades of first officer, second officer, and third officer, and with such responsibilities as he may direct. First officers, second officers, and third officers shall receive pay and allowances at the rate now or hereafter provided by law for commissioned officers of the Regular Army, without dependents, who are entitled to receive the pay of the third, second, and first pay periods, respectively.

"SEC. 4. The Secretary is authorized to have enrolled in the corps, in addition to the director, assistant director, field directors, and officers hereinabove provided for, by voluntary enrollment, women of excellent character in good physical health, between the ages of 21 and 45 years and citizens of the United States. The personnel of the corps so enrolled shall be distributed, in accordance with regulations prescribed by the Secretary of War, in seven grades corresponding to the seven enlisted grades in the Regular Army; and the Secretary shall have complete authority to define the qualifications for all of the grades in which such personnel are so distributed. Personnel in each of the seven grades shall receive pay and allowances at the rates now or hereafter provided by law for enlisted men, without dependents, in the corresponding enlisted grades in the Regular Army.

"SEC. 5. The Secretary shall, so far as practicable, provide quarters for the members of the corps so enrolled either on established Army posts, camps, or stations, or on those to be established, or in such other places as he may direct, and may use any of the facilities of the Army for such purposes.

"SEC. 6. The Secretary shall procure and furnish subsistence to all members of the corps, exclusive of the director, assistant directors, field directors, and officers, which shall conform so far as is practicable to the subsistence of the Army: *Provided*, That when subsistence in kind is not furnished, the Secretary, by regulation, shall provide for payment of allowances in lieu thereof."

SEC. 2. Section 8 of such act of May 14, 1942, amended by inserting therein after the words "assistant directors" a comma and the following: "field directors."

SEC. 3. The Secretary of War is authorized to permit members of the Women's Army Auxiliary Corps to make allotments from their pay, under such regulations as he may prescribe, for purposes which in his discretion warrant such action.

With the following committee amendments:

In line 11, page 2, of the bill, strike out the word "sixth" and insert in lieu thereof the word "fourth".

In line 25, page 2, of the bill, strike out the word "fifth" and insert in lieu thereof the word "third".

In line 4, page 3, of the bill, strike out the word "fourth" and insert in lieu thereof the word "second".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRESUMPTION OF ACCEPTANCE OF PROMOTIONS

The Clerk called the next bill, S. 2685, to provide that promotions to higher grades of officers of the Army of the United States, or any components thereof, shall be deemed to have been accepted upon the dates of the orders announcing such promotions, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That every officer of the Army of the United States, or any component thereof, promoted to a higher grade at any time after December 7, 1941, shall be deemed for all purposes to have accepted his promotion to higher grade upon the date of the order announcing it unless he shall expressly decline such promotion, and shall receive the pay and allowances of the higher grade from such date unless he is entitled under some other provision of law to receive the pay and allowances of the higher grade from an earlier date No such officer who shall have subscribed to the oath of office required by section 1757, Revised Statutes, shall be required to renew such oath or to take a new oath upon his promotion to a higher grade, if his service after the taking of such an oath shall have been continuous.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938

The Clerk called the next bill, H. R. 7059, to amend section 385 of the Agricultural Adjustment Act of 1938, as amended, so as to facilitate farmers in the service of the United States receiving the benefits of the farm program.

The Clerk read the title of the bill.

Mr. JENSEN. Mr. Speaker, reserving the right to object, I wonder if the gentleman from Georgia [Mr. PACE] will explain the bill.

Mr. PACE. Mr. Speaker, at the present time the law is as follows:

In case any person who is entitled to any such payment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary of Agriculture may determine to be fair and reasonable in all the circumstances and provided by regulations.

That is the law at the present time with regard to benefit payments. A new situation has now developed, due to the fact that thousands and thousands of the farm boys are rapidly moving out of the continental United States.

The bill applies only to those who are without the continental United States. We have those who are entitled to benefit payments, we have those who are entitled to parity payments, to refunds of penalties that have been charged, those who are entitled to indemnities under crop insurance policies, those who have made applications for loans on their crops and had not completed them before they left the United States; those who have had loans and who have equities in them and who wish to dispose of them. In many cases applications have been made, but before the checks could be issued and cashed they have left the United States. In many other cases applications have not been made for them. So this proposed legislation brings within the present law, which provides only for persons who are dead, or have become

incompetent, or who have subsequently fulfilled their contract, those men in the military service who have these payments due them, providing that under regulations already issued, and hereafter to be issued under the present law they may have applications made for them and may receive payments. I think it is very necessary legislation, because these payments are accumulating every day, and before long there will be thousands of them.

Mr. JENSEN. Mr. Speaker, I did not intend to object to this bill, but I simply wanted it explained. I think it is a mighty fine bill and I compliment the gentleman for bringing the bill before the Congress.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CRAWFORD. Mr. Speaker, I reserve the right to object, to ask a question. Does this bill in any way have anything to do with the new ruling just issued to the effect that where a farmer is assigned a certain quota and fails to qualify in that quota by reason of lack of labor or some other reason, the benefit payments are withheld and not turned over to him?

Mr. PACE. I assure the gentleman that this legislation has nothing whatever to do with that. I think the gentleman is anticipating probably some recommendations of the Agricultural Adjustment Agency. And I understand it was stated recently in a speech that such a proposal was in the making. It has not been submitted to our committee, and just this morning I asked my colleague from Georgia, Judge TARVER, who, as the gentleman knows, is the chairman of the subcommittee on agricultural appropriations, and he said it had not been submitted to him. I share the gentleman's deep concern and interest in that modification of the program.

Mr. CRAWFORD. This legislation has nothing to do with it?

Mr. PACE. No.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection, and the Clerk read the bill H. R. 7059, as follows:

Be it enacted, etc., That section 385 of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1385), is amended by designating the present section as subsection (a) and by adding at the end thereof the following four new subsections:

"(b) Whenever a person (hereinafter referred to as 'participant'), who has rendered performance under any of the agricultural programs administered by the Agricultural Adjustment Agency of the Department of Agriculture and who, prior to signing an application for payment thereunder, or who subsequent to signing an application for payment thereunder but prior to cashing the check issued in payment therefor, has entered on active service in the armed forces or civilian service of the United States, is outside the limits of the place where the performance was rendered (the continental United States, Alaska, Hawaii, or Puerto Rico, as the case may be), and has not designated a trustee to apply for and receive payment in his behalf, the spouse, child, children, or other person or persons first in priority under regulations issued by the Secretary of Agriculture pursuant to subsection (a) shall be entitled to sign an application for payment and to receive the check as trustee for the benefit of the participant or to make application for the reissuance in his own name, as trustee, of the participant's check, as the case may be. The provisions of this subsection relative to the reissuance of checks shall also apply to assignees of agricultural-conservation-program payments.

"(c) The provisions of subsection (b) relative to the signing of applications for payment by trustees and to the reissuance of checks shall also apply (1) to applications for refunds of marketing quota penalties deposited in suspense accounts or the general fund of the Treasury in excess of the penalty due under title III, subtitle B, as amended and supplemented, and to checks issued in connection therewith, (2) to applications for indemnity or other payments and indemnity or other checks issued in connection with the crop-insurance programs of the Federal Crop Insurance Corporation, and (3) to obtaining loans under, and to transfers of so-called equities in the benefits of, any commodity-loan program of the Commodity Credit Corporation authorized thereunder.

"(d) Whoever shall obtain or receive any check or money under subsection (b) or (c) of this section without being entitled thereto, with intent to defraud, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than $2,000 or by imprisonment for not more than 1 year, or both. No responsibility shall attach to any certifying or disbursing officer in connection with a payment made in accordance with said subsection (b) or (c) in the absence of fraud on the part of the certifying or disbursing officer in connection therewith.

"(e) Subsections (b) and (c) of this section shall be effective with respect to the 1940 and subsequent programs referred to therein until 12 months after the termination of the present war with Germany, Japan, and Italy is proclaimed by the President."

With the following committee amendment:

Page 3, strike out the following wording appearing in lines 14 to 18: "No responsibility shall attach to any certifying or disbursing officer in connection with a payment made in accordance with said subsection (b) or (c) in the absence of fraud on the part of the certifying or disbursing officer in connection therewith."

The committee amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUSPENDING STATUTE OF LIMITATIONS, ANTITRUST LAWS

The Clerk called the bill (S. 2731) to suspend until June 30, 1945, the running of the statute of limitations applicable to violations of the antitrust laws.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RANKIN of Mississippi. Mr. Speaker, I reserve the right to object. Why should we suspend the law with reference to antitrust cases at this time?

Mr. McLAUGHLIN. This bill would merely permit the suspension or the postponement of prosecution of antitrust cases. It would not in any sense suspend the substantive law with respect to antitrust offenses, but it would give the Department of Justice a greater length of time in which to prosecute these cases.

Mr. RANKIN of Mississippi. The trouble is that they have been taking too long now.

Mr. McLAUGHLIN. This bill is in fact an emergency war measure. It is designed to expedite the war effort. It comes to the Judiciary Committee with a request for its enactment by the Secretary of War, the Secretary of the Navy, the Department of Justice, and by Mr. Thurman Arnold, who is charged with the duty and responsibility of prosecuting antitrust cases. It is designed to assist the Government. Under the present situation it may be necessary for the Government to lay aside its war activities and engage in the prosecution of an antitrust case at a time when its energies are needed in war efforts. This bill would permit the Government to continue its war activities and postpone, without prejudice, the prosecution of antitrust cases until such time as such prosecution will not interfere with the Government's war activities.

Mr. RANKIN of Mississippi. Let me say to the gentleman that some of the members of the present Cabinet probably never were in sympathy with our antitrust laws.

Mr. McLAUGHLIN. I do not think the gentleman can say the Justice Department is not in sympathy with them.

Mr. RANKIN of Mississippi. I am not referring to that Department.

Mr. McLAUGHLIN. The Justice Department is in sympathy with the prosecution of antitrust cases.

Mr. RANKIN of Mississippi. And I am not referring to Mr. Thurman Arnold, but let me say that if there ever was a time when the Department of Justice ought to bear down on these violations of the antitrust laws, it is now, and that is one reason why we have not any rubber in this country, and one reason why the Copper Trust is paralyzing and preventing the operation of idle mines in Arizona, Utah, and Montana, that could supply all the copper we need, and today you find violations of the antitrust laws by the great holding companies of the Nation. It seems to me that if there ever was a time when the Department of Justice should get busy and prosecute these violations of the antitrust law, now is the time, and it should not wait until it is too late.

Mr. McLAUGHLIN. Everything the gentleman has said was considered by the Committee on the Judiciary. This bill would have the effect of facilitating the prosecution of antitrust cases.

Mr. SUMNERS of Texas. Will the gentleman yield to me?

Mr. McLAUGHLIN. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. I think there is some confusion. This bill, if enacted, would suspend the operation of the statute of limitations during the war. Now, what is the effect? If we do not do that, with the number of violations that may be taking place, which are difficult to discover, we may find that we may have a good case that the statute of limitations has run against. This is merely to suspend the operation of the statute of limitations. It is in line with

what the gentleman from Mississippi [Mr. RANKIN] seems to have in mind.

Mr. RANKIN of Mississippi. It is not to suspend prosecutions?

Mr. SUMNERS of Texas. Oh, certainly not.

Mr. McLAUGHLIN. As I have endeavored to explain to the gentleman from Mississippi, this will assist the Government in its prosecution of antitrust cases.

Mr. RANKIN of Mississippi. I hope it would not encourage the Department of Justice to delay these prosecutions.

Mr. McLAUGHLIN. It definitely would not.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the running of any existing statute of limitations applicable to violation of the antitrust laws of the United States, now indictable or subject to civil proceedings under any existing statutes, shall be suspended until June 30, 1945, or until such earlier time as the Congress by concurrent resolution, or the President, may designate. This act shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by the provisions of existing laws.

SEC. 2. That this act shall be in force and effect from and after the date of its passage.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REAR ADMIRAL EMORY S. LAND

The Clerk called the next bill, H. R. 7576, to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to advance Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to naval constructor with the rank of vice admiral on the retired list.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAY STATUS OF ENLISTED PERSONNEL APPOINTED TO COMMISSIONED RANK FOR TEMPORARY SERVICE

The Clerk called the next bill, H. R. 7577, to amend the act approved July 24, 1941 (34 U. S. C., Supp. I, 350f), so as to adjust the pay status of enlisted personnel appointed to commissioned rank for temporary service, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (a) of section 7 of the act entitled "An act authorizing the temporary appointment or advancement of certain personnel of the Navy and Marine Corps, and for other purposes," approved July 24, 1941 (34 U. S. C., 1940 edition, Supp. I, 350f), is hereby amended by striking out the second proviso and inserting in lieu thereof the following: "*Provided further*, That no person temporarily appointed under the authority of this act shall suffer any reduction in pay and allowances to which he was entitled at the time of such temporary appointment nor shall he suffer any reduction in pay and allowances to which he was entitled under a prior temporary appointment in a lower rank or grade: *Provided further*, That enlisted men who are temporarily appointed to commissioned rank under the authority of this act shall be entitled to the pay and allowances of warrant officers with equivalent service or to the pay and allowances provided by law for the position temporarily occupied, whichever is the greater: *And provided further*, That the provisions of this subsection shall be applicable to all personnel heretofore temporarily appointed to any grade or rank except that no back pay or allowances shall accrue prior to June 1, 1942."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASING THE NUMBER OF NAVAL AVIATORS

The Clerk called the next bill, S. 2627, to amend the act approved August 27, 1940 (54 Stat. 864), entitled "An act increasing the number of naval aviators in the line of the Regular Navy and Marine Corps, and for other purposes."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4 of the act entitled "An act increasing the number of naval aviators in the line of the Regular Navy and Marine Corps, and for other purposes," approved August 27, 1940 (54 Stat. 864), is hereby amended by adding before the period at the end thereof the following: ": *Provided further*, That this section shall be effective from September 8, 1939."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXCHANGE OF LAND AT MECHANICSBURG, PA.

The Clerk called the next bill, S. 2677, to authorize an exchange of land at Mechanicsburg, Pa., between Edgar Eberly and the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to transfer under such conditions as may be approved by the said Secretary to Edgar Eberly, of Mechanicsburg, Pa., without cost to said Edgar Eberly, all right, title, and interest of the United States in and to a strip of land containing 3.97 acres, more or less, in Mechanicsburg, Pa., metes and bounds description of which is on file in the Navy Department.

SEC. 2. The Secretary of the Navy is further authorized on behalf of the United States to accept from Edgar Eberly, of Mechanicsburg, Pa., without cost to the United States, all right, title, and interest of said Edgar Eberly in and to a strip of land consisting of 3.97 acres, more or less, in Mechanicsburg, Pa., metes and bounds description of which is on file in the Navy Department.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSPORTATION OF DEPENDENTS AND HOUSEHOLD EFFECTS OF NAVY, MARINE CORPS, ETC.

The Clerk called the next bill, S. 2679, to authorize the transportation of dependents and household effects of personnel of the Navy, Marine Corps, Coast Guard, and Coast and Geodetic Survey, incident to secret or confidential orders, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SHAFER of Michigan. Mr. Speaker, reserving the right to object, will some member of the committee please explain this bill?

Mr. COLE of New York. I will be pleased to explain the bill. As I understand it, under the present law the transportation expense of dependents—members of the family of a member of the naval service—is borne by the Government, but the Comptroller General has ruled that payment can be made only after disclosure of the destination of the soldier or member of the service. Of course, now that we are at war, it is necessary that a large part of our personnel be detailed under secret confidential orders, and their destination not disclosed. So in order that their dependents may take advantage of the same benefits that were available to them before we came into the war, this law is necessary, so that payments will be made available without disclosure of their destination.

Mr. SHAFER of Michigan. I withdraw my reservation of objection.

Mr. NICHOLS. Mr. Speaker, reserving the right to object, and I do not intend to object, but since this matter has been brought up about the transportation of personal effects of members of the armed forces, I would like to point out to the membership, particularly members of the Naval and Military Affairs Committees, that in this country we have air transportation lines operating both within the continental limits of the United States and outside. Now, there is continual complaint being made that the cargo planes, which were designed for the purpose of operating between military bases to carry munitions or things incident to this war, are many times not available because the planes are cluttered up with the personal effects of officers of either the Army or the Navy and they transport their personal effects, and much strategic material remains on the ground at the bases.

I thought you members of those two service committees might be interested to know that, and do something about it.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That officers and enlisted men of the Navy, Marine Corps, and Coast Guard, and the reserve components thereof when on active duty, of grades entitling them to transportation of dependents and household effects on change of stations, ordered from duty in the United States to duty overseas under secret or confidential orders shall, upon application of such personnel or their dependents, be entitled to transportation for their dependents and household effects, including packing and crating thereof, from their stations or places of storage in the United States to any other points in the United States, and from such points to new stations in the United States to which such personnel may be subsequently ordered for duty, under such regulations as the Secretary of the Navy may prescribe:

Provided, That in lieu of copies of orders to or from such overseas stations a certification of the Chief of Naval Personnel, Commandant of the Marine Corps, Commandant of the Coast Guard, or such subordinates as they may designate, that the personnel concerned have been so ordered shall constitute authority for transportation of dependents and household effects authorized herein, and such certification shall be final and conclusive upon the accounting officers of the Government: *Provided further*, That under such regulations as the Secretary of the Navy may prescribe, claims for reimbursement may be submitted by and payments made to personnel concerned or their dependents for any authorized travel performed by dependents at their own expense.

SEC. 2. This act shall be effective from December 8, 1941, and shall remain in force during the continuance of the present war and for 6 months after the termination of the war, or until such earlier time as the Congress by concurrent resolution or the President by proclamation may designate.

SEC. 3. That the provisions of this act shall apply to personnel of the Coast and Geodetic Survey in like manner and to the same extent as to personnel of the Navy under such regulations as the Secretary of Commerce may prescribe: *Provided*, That the duties and obligations imposed by this act upon the Chief of Naval Personnel in respect to personnel of the Navy shall devolve upon the Director of the Coast and Geodetic Survey in respect to personnel of the Coast and Geodetic Survey.

With the following committee amendment:

Following the enacting clause strike out section 1 and insert: "That officers and enlisted men of the Navy, Marine Corps, and Coast Guard, and the reserve components thereof when on active duty, of grades entitling them to transportation of dependents and household effects on change of stations, ordered to or from duty under secret or confidential orders or orders from which the names or locations of the ships or stations involved are omitted for reasons of security shall, upon application of such personnel or their dependents, be entitled to transportation for their dependents and household effects, including packing, crating, and unpacking thereof from their stations or places of storage in the United States to any other points in the United States, and from such points to new stations in the United States to which such personnel may be subsequently ordered for duty, under such regulations as the Secretary of the Navy may prescribe: *Provided*, That the wives of such personnel, or such other responsible persons as may be designated by the officials named in the next following proviso, may execute such certificates as may be required and which are filed with, and relate to, vouchers in connection with the transportation of dependents or household effects: *Provided further*, That in lieu of copies of orders to or from duty under secret or confidential orders or orders from which the names or locations of the ships or stations involved are omitted for reasons of security, a certification of the Chief of Naval Personnel, Commandant of the Marine Corps, Commandant of the Coast Guard, or such subordinates as they may designate, that the personnel concerned have been so ordered shall constitute authority for the payment of mileage and for the transportation of dependents and household effects authorized herein, and any certificate or certification authorized by this Act shall be final and conclusive upon the accounting officers of the Government: *And provided further*, That under such regulations as the Secretary of the Navy may prescribe, claims for reimbursement may be submitted by and payments made to personnel concerned or their dependents for any authorized travel performed by dependents at their own expense."

Page 4, line 8, strike out "December 8, 1941," and insert "October 1, 1940."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMITTING FILIPINOS TO BECOME MEMBERS OF THE COAST GUARD RESERVE

The Clerk called the next bill, H. R. 7455, to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended, so as to enable Filipinos to qualify for service thereunder.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 3, 202, and 207 of the Coast Guard Auxiliary and Reserve Act of 1941 (55 Stat. 11), as amended (U. S. C., Supp. I, title 14, ch. 9), which define the composition of the Coast Guard Auxiliary and of the Coast Guard Reserve, are hereby amended by changing the phrase "except the Philippine Islands", appearing therein, to the phrase "including the Philippine Islands."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR THE SALE OF CERTAIN HISTORICAL AND NAVAL DOCUMENTS

The Clerk called the next bill, S. 2570, to provide for the sale by the Superintendent of Documents of copies of certain historical and naval documents printed by the Government Printing Office.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of the act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1935 (48 Stat. 414), and of the acts making such appropriations for subsequent years, and without reference to the provisions of section 307 of the act approved June 30, 1932 (47 Stat. 409; 44 U. S. C. 72a), the Superintendent of Documents is hereby authorized to sell such volumes remaining on hand in the Government Printing Office of the series of historical and naval documents entitled "Naval Documents Related to the Quasi-War Between the United States and France," at a price to be designated by the officer in charge, Office of Naval Records and Library of the Navy Department. The surplus receipts from such sales shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAVY RATIONS IN KIND

The Clerk called the next bill, S. 2678, to amend the act approved March 2, 1933, by suspending the provisions relative to a Navy ration in kind, and for other purposes.

Mr. MAGNUSON. Mr. Speaker, reserving the right to object, and I shall not, I think this is a good time, under the consideration of this bill, to point out to the House that there has been some efforts taken by the military to eliminate what we are wont to call "red tape." Here is a bill I am sure no one objects to, and that everyone will applaud. It provides merely that the Paymaster General and Supplies and Accounts will not be required under a specific law passed by this Congress to have a certain amount of rations in quality and in quantity for the men in the service. It leaves it up to the Navy to supply food to these outlying posts the best they can; and may I say here to the Members of the House that they need have no fear the men are not going to be fed balanced rations. I think the United States Army and Navy are the best fed of any military in the entire world. I have been out with them, I have eaten with them, and I know what they get. This bill merely provides that we will continue to feed our sailors in that way but that we are not going to be bogged down by a lot of red tape about having certain balanced rations, for the Army and the Navy are going to get them anyway.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the act approved March 2, 1933 (34 U. S. C. 902a), prescribing a ration in kind shall be suspended except in those cases where the Secretary of the Navy may determine such suspension contrary to the best interests of the Navy: *Provided*, That during any period of suspension, the Secretary of the Navy is authorized to fix the limit of the cost of the rations furnished persons entitled thereto.

SEC. 2. The authority granted in this act shall remain in force until 6 months after the termination of the present war, or until such earlier time as the Congress by concurrent resolution or the President by proclamation may designate.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MEDICAL CARE AND FUNERAL EXPENSES FOR CERTAIN MEMBERS OF NAVAL RESERVE OFFICERS TRAINING CORPS

The Clerk called the next bill, S. 2676, to provide for medical care and funeral expenses for certain members of the Naval Reserve Officers Training Corps.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 22 of the act approved March 4, 1925 (34 U. S. C. 821), as amended, is hereby further amended as follows:

First line, after "SEC. 22", insert "(a)."

At the end of such section insert a new subsection to read as follows:

"(b) Members of the Naval Reserve Officers' Training Corps who suffer disability, including members who have heretofore suffered disability during the present war or the national emergency preceding it, from personal injury, illness, or disease occurring in line

of duty while en route to or from and while participating in authorized practice cruises, shall, under such regulations as the Secretary of the Navy may prescribe, be entitled at Government expense to such hospitalization, rehospitalization, medical and surgical care and treatment, in hospital or at their homes, as is necessary for the appropriate treatment of such personal injury, illness, or disease until the disability resulting therefrom cannot be materially improved by hospitalization or treatment, and to the necessary transportation and subsistence incident to such hospital and medical treatment and return to their homes when discharged therefrom."

SEC. 2. That section 3 (c) of the act approved April 20, 1940 (34 U. S. C. 926), is hereby amended by adding at the end thereof the words "and members of the Naval Reserve Officers' Training Corps who die while en route to or from or while participating in authorized practice cruises or while hospitalized or undergoing treatment as provided in section 22 (b) of the act approved March 4, 1925 (34 U. S. C. 821), as amended."

SEC. 3. Appropriations currently available for transportation, medical care, and treatment of naval personnel and funeral expenses of deceased members of the naval service shall be available for the expenditures authorized by this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DESIGNATION OF CIRCUIT JUDGES TO CIRCUITS OTHER THAN THEIR OWN

The Clerk called the next bill, S. 2655, to amend the judicial code to authorize the Chief Justice of the United States to assign circuit judges to temporary duty in circuits other than their own.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 13 of the Judicial Code (U. S. C., title 28, sec. 17), as amended, is hereby amended to read:

"(a) Whenever any district judge by reason of any disability or necessary absence from his district or the accumulation or urgency of business is unable to perform speedily the work of his district, the senior circuit judge of that circuit, or, in his absence, the circuit justice thereof, shall designate and assign any district judge of any district court within the same judicial circuit to act as district judge in such district and to discharge all the judicial duties of a judge thereof for such time as the business of the said district court may require. Whenever it is found impracticable to designate and assign another district judge within the same judicial circuit as above provided and a certificate of the needs of any such district is presented by said senior circuit judge or said circuit justice to the Chief Justice of the United States, he, or in his absence, the senior Associate Justice, shall designate and assign a district judge of an adjoining judicial circuit if practicable, or if not practicable, then of any judicial circuit, to perform the duties of district judge and hold a district court in any such district as above provided.

"(b) Whenever, by reason of the volume, accumulation, or urgency of business in any circuit, or the disability or necessary absence from the circuit of one or more of the circuit judges, the circuit court of appeals is unable to perform speedily the work brought before it, and a certificate of the needs of the court is presented by the senior circuit judge or the circuit justice, the Chief Justice of the United States, or in his absence, the senior Associate Justice, may, if in his judgment the public interest requires, designate and assign any circuit judge of any other circuit, including circuit judges retired under section 260 of the Judicial Code, as amended (U. S. C., title 28, sec. 375), to act as circuit judge in such circuit and discharge all the official duties of a circuit judge thereof for such time as in the opinion of the Chief Justice (or in his absence, the senior Associate Justice) the business of the circuit to which such circuit judge is temporarily assigned may require.

"(c) Before any designation or assignment as herein provided for is made the senior circuit judge of the circuit from which the designated or assigned judge is to be taken shall consent thereto. All designations and assignments made hereunder shall be filed in the office of the clerk and entered on the minutes of both the court from and to which a judge is designated and assigned.

"(d) For the purposes of sections 13 to 19 of the Judicial Code, the District of Columbia shall be deemed to be a judicial circuit and the Chief Justice and Associate Justices of the United States Court of Appeals for the District of Columbia shall be deemed to be, respectively, the senior circuit judge and associate circuit judges of the circuit subject to the same duties and having the same power and authority as other senior circuit judges and associate circuit judges."

SEC. 2. Section 14 of the Judicial Code (U. S. C., title 28, sec. 18), as amended, is hereby amended by inserting the following as an additional sentence at the end of the section: "Each circuit judge designated and assigned to serve temporarily as a circuit judge in another circuit may and shall, during the period of his assignment, exercise all the judicial powers and discharge and perform all the judicial duties of and be subject to the same assignments of duties as the circuit judges of the circuit to which he is designated and assigned for temporary duty."

SEC. 2. Section 14 of the Judicial Code (U. S. C., title 28, sec. 19), as amended, is hereby amended by striking out the words "either of the two preceding sections" and substituting in lieu thereof the words "section 13 (a) of the Judicial Code."

And by striking out the last three words of said section, to wit, the words "the preceding section" and substituting in lieu thereof the following: "section 13 (c) of the Judicial Code."

SEC. 4. Section 16 of the Judicial Code (U. S. C., title 28, sec. 20), as amended, is hereby amended by inserting the following after the words "Chief Justice": "(or in the absence of the Chief Justice, the senior associate justice),"

And by inserting the following before the words "district judge": "circuit or."

SEC. 5. Section 18 of the Judicial Code (U. S. C., title 28, sec. 22), as amended, is hereby amended to read:

"(a) The Chief Justice of the United States (or in the absence of the Chief Justice, the senior associate justice), or the circuit justice of any judicial circuit, or the senior circuit judge thereof, may, if the public interest requires, designate and assign any circuit judge, including retired circuit judges, of a judicial circuit, and including circuit judges designated and assigned to temporary duty in the judicial circuit, to hold a district court within such circuit. The judges of the United States Court of Customs and Patent Appeals, or any of them, whenever the business of that court will permit, may, if in the judgment of the Chief Justice of the United States (or in the absence of the Chief Justice, the senior associate justice) the public interest requires, be designated and assigned by him for service from time to time, and until he shall otherwise direct, in the District Court of the United States for the District of Columbia, or the United States Court of Appeals for the District of Columbia, when requested by the Chief Justice of either of said courts.

"(b) During the period of service of any judge designated and assigned under this chapter, he shall have all the powers and rights, and perform all the duties, of a judge of the circuit or district, or a justice of the court, to which he has been assigned (excepting the power of appointment to a statutory position or of permanent designation of newspaper or depository of funds). In case a trial has been entered upon before such period of service has expired and has not been concluded, the period of service shall be deemed to be extended until the trial has been concluded.

"(c) Any designated and assigned judge who has held court in another district than his own shall have the power, notwithstanding his absence from such district and the expiration of the time limit in his designation, to decide all matters which have been submitted to him within such district, to decide motions for new trials, settle bills of exceptions, certify or authenticate narratives of testimony, or perform any other act required by law or the rules to be performed in order to prepare any case so tried by him for review in an appellate court; and his action thereon, in writing filed with the clerk of the court where the trial or hearing was had, shall be as valid as if such action had been taken by him within that district and within the period of his designation.

"(d) Likewise, any designated or assigned circuit judge who has served temporarily in a circuit court of appeals other than his own shall have power, nothwithstanding his absence from such circuit or the expiration of the time limit in his designation, to join as an associate circuit judge in the decision and final disposition of all matters submitted to him and his associate judges in such circuit court of appeals, and to join in the consideration and disposition of any petition for rehearing, or any motions, petitions, or further proceedings in respect of any submitted cause in the decision and disposition of which he has participated."

SEC. 6. Section 19 of the Judicial Code (U. S. C., title 28, sec. 23), as amended, is hereby amended by striking out the last seven words of the section and inserting in lieu thereof the following: "the circuit judges of the circuit, or the district judge of the district, as the case may be."

With the following committee amendment:

Page 1, line 9, after the word "shall", insert "upon the request of the senior district judge."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. GORE. Mr. Speaker, that concludes the call of the legislative bills on the calendar.

EXTENSION OF REMARKS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Galveston News.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

GRANTING DOMICILIARY CARE AND MEDICAL AND HOSPITAL TREATMENT TO VETERANS OF WORLD WAR NO. 2 ON A PARITY WITH VETERANS OF OTHER WARS

The SPEAKER. The Chair recognizes the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN of Mississippi. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 7311) to amend section 6 of Public Law No. 2, Seventy-third Congress, March 20, 1933, as amended.

The Clerk read the bill as follows:

Be it enacted, etc., That section 6 of Public Law No. 2, Seventy-third Congress, March 20, 1933, as amended by Public, No. 78, Seventy-third Congress, June 16, 1933, and Public Law No. 141, Seventy-third Congress, March 28, 1934, and Public Law No. 312, Seventy-fourth Congress, August 23, 1935, be amended by adding the following proviso: "*Provided*, That veterans of the present war with the Axis Powers shall be included in the terms 'veterans of any war' and 'veteran of any war who was not dishonorably discharged' as used in the preceding portion of this section."

The SPEAKER. Is a second demanded?

Mrs. ROGERS of Massachusetts. Mr. Speaker, I demand a second.

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The gentleman from Mississippi is recognized for 20 minutes.

Mr. RANKIN of Mississippi. Mr. Speaker, I suppose there will be no serious opposition to this bill.

In a word, it would simply give the men in the service in this war the same hospital benefits that are provided for veterans of the last World War. The bill provides that veterans of the present war with the Axis Powers shall be included in the terms "veterans of any war" and "veterans of any war who are not dishonorably discharged as used in the preceding portions of the present law."

We find that today a great many men are taken into the service, kept there for a time, and discharged for some physical disability that has probably developed, or at least been intensified, or aggravated, during the term of his service. Invariably it seems they attribute his disability to some condition that existed prior to the time he was taken into the service and he is turned out without the benefits of hospitalization. A day or two ago, I believe it was on last Thursday, I cited for the RECORD a case that demonstrated what I am driving at about as plainly as anything I could offer to the House at this time.

A young man entered the service in 1940, joined the Marine Corps. He went through the attack on Pearl Harbor, yet in 1942 he was discharged because of his mental disability, and it was contended that because he had been a mental case in 1939 his present condition is not attributable to Pearl Harbor, not to all the hell he went through there, but to conditions that prevailed a year prior to the time he entered the service. That man was denied hospitalization and is today confined in a jail in Idaho. That is a sample of the cases I am trying to reach with this bill.

We are proposing that those boys who come out of the service disabled for any cause that is not directly due to their felonious misconduct be given hospitalization. I have protested time and time again against the so-called misconduct clause that was written into the World War veterans' legislation about 1924, or probably in the Sweet bill in 1921. They took a man to the World War and when he finally broke down, if they could find some trace in the record, something that would indicate misconduct on his part, they would attribute all of his disabilities to his own misconduct that took place prior to the time he was inducted into the service. Through that law they have besmirched and maligned and disgraced some of the bravest men that we ever sent to war, and they have visited that disgrace upon their wives, their children, and even their grandchildren.

Now when we are only asking for hospitalization we see that same symptom creeping into the practice, and so far as I am concerned it will never be written into law if I can prevent it as long as I am chairman of the Committee on World War Veterans' Legislation.

If there are any questions about this bill I shall be glad to answer them if I can.

Mr. NORRELL. Will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman from Arkansas.

Mr. NORRELL. Under present regulations, if a soldier becomes mentally incapacitated 6 months after he has been inducted into the service they refuse him hospitalization. If this bill is passed they would be required to give that soldier hospitalization at Government expense?

Mr. RANKIN of Mississippi. Yes.

Mr. NORRELL. In other words, from the date that the soldier goes into the service, if he becomes disabled he is entitled to hospital treatment?

Mr. RANKIN of Mississippi. Yes; that is right.

Mr. NORRELL. I am for the bill.

Mr. MURDOCK. Will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman from Arizona.

Mr. MURDOCK. Have we had any legislation thus far for the hospitalization of soldiers of this war?

Mr. RANKIN of Mississippi. The service-connected veterans are taken care of under the present law. I mean by that, they are taken care of in Army and Navy hospitals. This is the first legislation that we have had presented which reaches out and provides hospitalization for the men who are not taken care of in Army-Navy hospitals. In other words, if this man to which I previously referred had had no record that they could hang his disability on he would now be in an Army hospital or in a Navy hospital, but since they have gone back and found traces of insanity in his record of 1939, a year before he ever enlisted, then it seems they attribute his disability to that condition and turn him out. He had to find refuge in a county jail.

Mr. MURDOCK. I am supporting this bill. Not only should the scope of the law be extended but more facilities should be provided.

Mr. WALTER. Will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Does this bill apply to a case where it is impossible to ascertain to what the disability may be attributable? I have in mind a case where a fine, vigorous young man after graduation from college was commissioned as a Reserve officer and subsequently called into the service. He was stricken with a strange paralysis. He was taken to Walter Reed Hospital and the board determined that his condition must have existed before he went into the service and at about 4 o'clock in the afternoon some inhuman colonel ordered him out of the hospital. He could not even sit up in bed. I am wondering whether or not this legislation would apply to a case like that?

Mr. RANKIN of Mississippi. If this legislation is passed, he will be taken care of and ought to be taken care of.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. How far back do the benefits under this go?

Mr. RANKIN of Mississippi. Well, we cannot put men in the hospital retroactively, but we can begin putting them in hospitals as soon as the bill is passed.

Mr. ROBSION of Kentucky. What cases does it include?

Mr. RANKIN of Mississippi. All of them.

Mr. ROBSION of Kentucky. All cases under the draft?

Mr. RANKIN of Mississippi. It includes all of them.

Mr. ROBSION of Kentucky. And before the draft, in other wars?

Mr. RANKIN of Mississippi. The other wars are already taken care of.

Mr. ROBSION of Kentucky. So this applies to those who have been taken in under the draft before we declared war and since we declared war, is that it?

Mr. RANKIN of Mississippi. If they were in the service at the time war began, yes.

Mr. ROBSION of Kentucky. Suppose something should happen to them along the line the gentleman has indicated while they were in the service under the draft and before we declared war and were let out and discharged because of disability, would it include cases of that sort?

Mr. RANKIN of Mississippi. No.

Mr. ROBSION of Kentucky. They must have been in the service at the time we declared war?

Mr. RANKIN of Mississippi. Yes.

Mr. O'HARA. Will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman from Minnesota.

Mr. O'HARA. I would like to call the gentleman's attention to a case that was brought to my attention the other day. A young man 19 years of age went into the Navy. Following his induction and after inoculations of various kinds he had a complete mental break-down and is at the present time confined in one of the insane hospitals.

Mr. RANKIN of Mississippi. Does the gentleman mean in a Government hospital?

Mr. O'HARA. A Government hospital. As the gentleman has so well pointed out, so many of these doctors are going to say that these young men, particularly those who have mental break-downs, are due to a prior disposition or make-up. In other words, these doctors will try to claim that from a medical viewpoint their condition is due to a prior disposition or make-up. They do not give any consideration to the strains these young men are under, whether it be in war or in camp, or the things which affect the mental make-up of these young men.

I think the gentleman's bill is a very humane and a very just bill.

Mr. RANKIN of Mississippi. I thank the gentleman from Wisconsin.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman from Mississippi.

Mr. COLMER. The gentleman who just interrogated the distinguished gentleman from Mississippi pretty well covered what I wanted to ask. As I understand, this bill would cover just such a case as he illustrates, where a young man has gone into the service in presumably normal mental condition and then had a mental break-down. Would he then be entitled to hospitalization?

Mr. RANKIN of Mississippi. Not only in a case of a mental break-down, but in the case of a physical break-down.

Mr. COLMER. I understand.

I happen to know about such a case where the Government then refused responsibility. In that connection, may I say that in talking with some Army doctors they pointed out to me that a man who is perfectly normal can go into the service but not be able to stand the strain of regimentation. He might make a brilliant success in some other field of activity, but in the Army under regimentation he will break. I compliment the gentleman on his bill that takes care of such cases.

Mr. RANKIN of Mississippi. I thank the gentleman from Mississippi [Mr. COLMER] and say to him that a doctor might make a mistake and give the soldier an overshot of something, or a shot of the wrong medicine.

Mr. WILLIAM T. PHEIFFER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman from New York.

Mr. WILLIAM T. PHEIFFER. Entirely aside from the humaneness of this legislation and the fact that it should be indisputable that the veterans of this war should receive the same even-handed justice as the veterans of every other war, I believe that, doing away with all the altruism, and looking at it from a practical standpoint, we may say that the damage to the morale of our armed forces that would result from turning these Army invalids adrift in the country without hospitalization would be incalculable.

Mr. RANKIN of Mississippi. I think the gentleman is correct. Let me say to the gentleman from New York [Mr. WILLIAM T. PHEIFFER] that I have been told time and time again by men of all ranks from major generals down that my amendment here to raise the base pay of men in the service to $50 a month did more to stimulate the morale of the men in our armed forces than anything else we have done. I think this will have a similar effect, as far as it goes.

Mr. TREADWAY. Mr. Speaker, will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. I would like to present a peculiar case to the gentleman and ask his opinion as to whether this man would qualify under the bill. A soldier was given a furlough and went to his home, in my home town. A terrible thundershower came up and he was struck by lightning and suffered paralysis of one side. Because he was on a furlough, the Army officials held that he was not eligible for hospitalization. Does this bill take care of that situation?

Mr. RANKIN of Mississippi. I think so.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Is not this bill similar to the bill H. R. 6257, which I introduced covering this subject?

Mr. RANKIN of Mississippi. I think so.

Mr. CASE of South Dakota. It covers substantially the same purpose.

Mr. RANKIN of Mississippi. It has the same object in view.

Mr. CASE of South Dakota. I hope the gentleman's bill passes.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I wonder if the gentleman will not agree that probably this bill would curb the practice, all too frequent in the present world war, where many young men who are really disabled are being taken into the service.

Mr. RANKIN of Mississippi. I think the gentleman from Mississippi has scored a good point there. I think it will make the authorities more careful about taking men into the service when they know before they take them in that they are unfit. If a man is known to be in that condition, he ought not to be taken into the service at all.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman from Michigan.

Mr. RABAUT. Before the gentleman leaves the floor, may I say that his devotion to the veterans is history in this House. Today he gives another evidence of that devotion, which we certainly admire.

Mr. RANKIN of Mississippi. I thank the gentleman from Michigan. I can return the compliment. The veterans never had a better friend in the House than the gentleman from Michigan.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman from Iowa.

Mr. JENSEN. Does not the gentleman agree that the primary purpose of all veterans' organizations is to look after their disabled buddies and the widows and orphans of former service men?

Mr. RANKIN of Mississippi. That is right.

Mr. JENSEN. Would it not increase the morale of our soldier boys if they knew that their country and their people back home were looking after them when they are disabled? The gentleman will agree that that is right, will he not?

Mr. RANKIN of Mississippi. Yes.

Mr. JENSEN. Also, does not the gentleman agree that we should start building more hospitals to get ready for these boys, because there are a lot of them, although we hope not too many, who are going to come back wounded?

Mr. RANKIN of Mississippi. I think we are going to have to prepare to meet such a situation.

Mr. JENSEN. And we had better start doing that now.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman from California.

Mr. HINSHAW. I have the case of a young man by the name of Smeby, who was class III–A in the draft because he had a dependent mother. He stuck to his job in a bank although he was ill, and then last winter he married a woman who loved him and wanted to take care of him. His draft board immediately classified him 1–A because he married, and insisted that he go into the service at once despite the fact that he was not well. He was in camp less than 2 weeks when he was hospitalized, and he is still in the hospital. Would this bill take care of him?

Mr. RANKIN of Mississippi. Yes; this bill would take care of him if he were discharged.

I hope the measure passes unanimously.

I reserve the balance of my time.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this legislation goes further than any previous legislation we have passed. First, under World War legislation hospitalization was granted to veterans who had service-connected disabilities and hospitalization was granted to veterans in nonservice-connected disabilities if they had some service-connected disability. Then certain cases were hospitalized whether service-connected or not, and this hospitalization was given to those who could not afford to pay for hospitalization on the outside.

In the legislation passed for the first World War veterans a man must have served a certain length of time, unless his disability was service-connected, in order to receive hospitalization. This measure wipes that all out and gives veterans hospitalization whether service-connected or not.

I think there is another reason why we should pass this legislation, and that is that the Government can get priorities easily for the building of their hospitals. As we all know, civilian hospitals cannot get priorities easily and many of them cannot get priorities at all for building such hospitals. So the veterans probably could not be taken into civilian hospitals due to lack of beds and could not be hospitalized at all for that reason.

I would like to bring to the attention of the House another matter that I think will work a serious hardship to the veterans in securing service-connected disabilities, and that is the fact that an order has gone out from the War Department or from Mr. Nelson saying that no folder of a soldier can be seen by a representative of the service organizations or a veteran's lawyer or a Member of Congress. This is going to make it extremely difficult to establish service connection. We all know about the cases arising in the matter of ships that perhaps were not sunk but damaged. Their records are lost in many instances. Some of the men were, perhaps, ill on those ships. Of course, if a man was wounded or injured he can establish service connection easily. Prompt hospitalization of many of the veterans will mean that they may be able to return for further service to the Army and the Navy which will mean added manpower in the fighting forces. Prompt hospitalization will mean in the case of many veterans a return to civilian life. They can go back to their work and professions and add to the civilian manpower which is very necessary in winning the war.

Those of us who have worked in hospitals know very well that veterans are hospitalized quite often with a so-called mental disability. It later appears to be in reality only a nervous difficulty and not a real mental disability and that man then goes back into the service. I have in mind the case of a man at Walter Reed Hospital during the first World War who suddenly lost all means of locomotion and could not walk. The doctors thought he had a serious illness or a serious mental disability, but it proved to be only nervousness and the man later went to France and had one of the most gallant war records of any man I know.

These reasons, to my mind, should point to quick passage of this legislation. Of course, they must build hospitals and that should be done at once.

I would like also to point out that there is a shortage of doctors and nurses all over the country and civilians are asked not to call doctors. So if these men went out as civilians, or if they were discharged for any reason and were then taken ill, as civilians they could not receive the care and attention that they should receive. It seems to me only a matter of common justice to pass this measure.

Mr. HINSHAW. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from California.

Mr. HINSHAW. It seems to me there is a tendency on the part of a certain number of the Army physicians today, when they find someone who has been inducted into the service who breaks down for one reason or another, to so arrange things that the fault would lie with his prior difficulties rather than allowing the man any credit whatsoever for the case having been severely aggravated by the rigors of the service in which he suddenly finds himself.

Mrs. ROGERS of Massachusetts. Yes; and I also say that the physicians are very much overworked in the service and do not have a chance to give a man a thorough examination.

Mr. HINSHAW. In the draft boards particularly they are called upon to get a quota, and it seems that the medical examiners for the draft boards are likely to allow people to slip through who ought not to be taken at all.

Mrs. ROGERS of Massachusetts. Yes; and they are the subject of criticism if they exempt too many, and I have had many cases of that sort, of men who should not have been accepted during the period of the first World War and since the beginning of this war. This World War is all a continuation of the first World War, as a matter of fact, in my opinion.

Mr. TREADWAY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. Yes.

Mr. TREADWAY. Would the gentlewoman mind my asking the same question of her that I asked of the gentleman from Mississippi [Mr. RANKIN]? In the case of a man struck by lightning while on furlough, does the gentlewoman consider the bill would care for such a person?

Mrs. ROGERS of Massachusetts. Yes; I am sure it would.

Mr. TREADWAY. There is no doubt about it?

Mrs. ROGERS of Massachusetts. Not according to my idea of the legislation, but I shall get other opinions on it. Mr. Speaker, I yield 6 minutes to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, eventually the Congress of the United States is going to pass this measure or one similar to it. Why not now? It was 5½ years after the conclusion of World War No. 1 before the veterans' facilities were built, furnished, and equipped to the point where our boys could be adequately cared for. From then on it was an uphill struggle by the veterans and those who represented them to get the benefit of these facilities extended and broadened, and take care of men who served their country during the last war, who should have been taken care of. Today we have the opportunity to show our gratitude and appreciation for what the boys of this war are doing, by extending to these boys these facilities at once, and, in addition, this will permit the head of the Veterans' Administration, or the Veterans' Administration itself, to begin planning now to increase its veterans' facilities to be able to take care of the boys of World War No. 2. They know that will eventually have to be done, and the sooner they are permitted to start on it by legislative act the quicker we will have the facilities ready to take care of the boys when they are ready for these hospitals. Lastly, Mr. Speaker, if we do not have the facilities in the veterans' hospitals to take care of the boys of World War No. 2 they will have to be cared for somewhere else, probably in the Navy or Army hospitals already set up, temporary and permanent, for the services of the men of the armed forces. The facilities of those hospitals will be needed and will be overtaxed, and this will help relieve them. In addition to that it will bring the boys from World War No. 2 home to be cared for in hospitals near their parents and loved ones, where they ought to be, instead of being cared for at distant points, not easily accessible to their own people.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. Yes.

Mr. SHORT. Is it not true that some of the men in our armed services in the present conflict who have been disabled have been forced to go into private hospitals, and when those existing facilities have been overtaxed have been forced to go even into private homes?

Mr. CUNNINGHAM. That is correct, and as already pointed out by the gentlewoman from Massachusetts the veterans' hospitals will be able to get priorities for materials for the beds needed.

Mr. SHORT. And, of course, one of the best builders of morale is to be able to give adequate hospital facilities to all these veterans?

Mr. CUNNINGHAM. Certainly.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. CARLSON].

(Mr. CARLSON was granted permission to revise and extend his remarks and to include a letter.)

Mr. CARLSON. Mr. Speaker, the gentleman from Missouri [Mr. SHORT] has just made a very important point in connection with this bill. It is absolutely necessary that we maintain the morale of our people in the prosecution of this war. In every State and in many communities of our Nation we find young men who have been discharged from the military service and who are now dependent on the State, county, or their own family. Some of these men have served less than 6 months and many have served a longer period. It seems to me the veterans of the present war should enjoy the same rights as to medical and hospital treatment and domiciliary care as is granted to veterans of prior wars. During the present war several men who have been discharged as mental cases are unable to receive the benefits of Federal hospitalization.

I want to call your attention to the fact that 34 cases of insanity have been reported to the State Department of Social Welfare of Kansas since January 1. I am personally acquainted with a few of these cases. I have in mind a young man

who entered the service from my congressional district and was injured when he was thrown from some motorized artillery equipment. His head and neck were injured and he is now a mental case. His mind is blank at times, but he is not violently insane. He has been at home with his parents for the past 6 months, and so far they have not received a dollar in compensation from the Federal Government. They will, of course, but there is a lot of red tape involved in getting all of the papers cleared. It is only natural for this family and their neighbors to see that our Government has been most unfair in the treatment of this veteran. It makes every family with boys in the service wonder if they will receive the same treatment. This legislation will correct this condition and I sincerely hope it not only meets unanimous House approval but will pass the Senate immediately.

The State Department of Social Welfare of Kansas is fortunate in having at the head of the Bureau of Veterans' Services Mr. H. A. Calkins. Mr. Calkins is a World War veteran and has spent years studying the problems of ex-servicemen and their dependents.

Mr. Calkins has sent me a copy of a letter he wrote Mr. T. O. Kraabel, director, national rehabilitation committee, the American Legion, Washington, D. C., in regard to this legislation, and I am most happy to include it as a part of my remarks:

THE STATE DEPARTMENT OF SOCIAL WELFARE OF KANSAS,
Topeka, Kans., September 28, 1942.

Mr. T. O. KRAABEL,
Director, National Rehabilitation Committee, The American Legion, Washington, D. C.

DEAR MR. KRAABEL: I sincerely hope that the resolution adopted by the convention rehabilitation committee at Kansas City during the national convention with reference to insane veterans of the current war may be productive and that a solution of this widespread and vexing problem will be forthcoming in the very near future.

I wish to convey to you the same thought I tried to present to the subcommittee that drafted the resolution covering current neuropsychiatric cases.

Since January 1, 1942, 34 cases of insanity have been reported to us. Thirty-four men have been found insane by Army or Navy authorities and this State has been requested to provide institutional care for them. Some of these men have served less than 6 months, many of them have served longer. In each case, however, Army and Navy medical officers state that the disability existed prior to enlistment.

After the man is discharged it takes from 4 to 6 months for the Veterans' Administration to determine whether the disability existed prior to enlistment, whether it was aggravated by service or whether it was incurred in service.

I sincerely hope some way may be found to bridge the gap that now exists between the War Department and the Veterans' Administration. Personally, I believe the Administrator of Veterans' Affairs has the legal right to hospitalize these men pending the decision on service incurrence or service aggravation.

House Document No. 300, July 1, 1941, was approved by the Administrator of Veterans' Affairs. In this document it is stated in part III, item (5), that veterans who served, during a period of war, who were not dishonorably discharged, are entitled to hospitalization or domiciliary care by the Veterans' Administration.

We are at war. It is true that Congress has not as yet included current dischargees in its official description of war veterans, yet Congress has declared that a state of war exists hence current dischargees are certainly war veterans.

We believe that Gen. Frank T. Hines, Administrator of Veterans' Affairs, meant what he said in Kansas City with reference to the desire of the Veterans' Administration to care for those men who acquire disabilities during the current war. We believe also that the Administrator has ample authority to provide hospitalization for current war veterans. If the Administrator cannot or will not take action to protect the many men and women now in the armed forces who are found to have severe neuropsychiatric disabilities, we believe Congress should take immediate action to legally define current dischargees as "war veterans."

I am taking the liberty of forwarding copies of this communication to the several Members of Congress from this State.

Yours very sincerely,
H. A. CALKINS,
Supervisor, Bureau of Veterans' Services.

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their own remarks on this measure.

The SPEAKER pro tempore (Mr. WHITTINGTON). Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. The question is, Shall the rules be suspended and the bill pass?

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

SUSPENSION OF RULE

The SPEAKER. The Chair will state that the other suspension which was announced earlier in the day will not be taken up.

AMENDMENT OF THE HATCH ACT

Mr. SABATH. Mr. Speaker, I call up House Resolution 544 and ask for its immediate consideration.

The Clerk read, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2471) to amend the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, with respect to its application to officers and employees of educational, religious, eleemosynary, philanthropic, and cultural institutions, establishments and agencies, commonly known as the Hatch Act. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, I will yield to the gentleman from Indiana [Mr. HALLECK] 30 minutes later on, or such part of that time as he desires to use.

Mr. Speaker, from what I can learn, there is no opposition to the passage of this bill. It passed the Senate and was reported unanimously by the Committee on the Judiciary.

Personally I was under the impression that we could go much further than the Senate bill. I thought we could repeal that act without doing any violence to our feelings or our beliefs. But, in view of conditions, so many Members being obliged to be away, and not wishing to deprive them of the pleasure of voting to repeal, I will not at this time offer or urge such an amendment.

I understand also the gentleman from Alabama [Mr. HOBBS] would raise a point of order against such an amendment. Not being able to get an agreement on that, I thought perhaps that the repeal of section 12, which was the real amendment portion of the amendment to the original act, which applies not only to school teachers, but would remove all other State employees who derive any portion of their income from the Government allocation of funds for their services, though not actually engaged by the Federal Government, would be proper. Of course, the act in itself contains some pretty fair provisions. Many Democratic Members voted for it because they believed that perhaps it would prevent and estop some of the big corporations and extremely rich men from contributing large sums of money to the Republican campaigns. Of course, that never troubled the Democratic Party, because the Democratic Party never was the beneficiary of any of those large contributions. The contributions that come to the Democratic Party, as a rule, come from the masses, from the people who like a democratic form of government, who believe that under democratic administration justice and fair play is accorded to all. But I am informed that notwithstanding the restriction in the bill now, there are still certain clever and wise gentlemen who succeed in increasing the Republican treasury by large contributions in various ways. They buy newspaper space and it appears that it is for advertising their railroad or advertising their streetcar or their gas company or their power company, which has no competition. There is nothing to justify the advertising. Nevertheless we find a few weeks before election many of these advertisements in the newspapers. They occupy entire pages. Well, it is done to help and aid the Republican campaign and places the newspapers under obligations to them.

Personally I do not think it will help them any in the coming election. It matters not how much money they will expend at this time, because the people have confidence in President Roosevelt and they have confidence in the Democratic administration. They realize that nothing is perfect under the sun and they realize that with such a great task that confronts the President and the administration they cannot expect everything to be perfect. But I feel that some of the gentlemen are hoping that not-

withstanding the restrictions in this bill many of them will be financially aided to a greater degree than is provided for by law, but I would advise all those not to solicit large contributions and place themselves under obligations to those companies or individuals. I shall insist and demand a strict enforcement of that provision of the law which limits the aggregate amount of contributions to a candidate, either directly or indirectly, to not exceed the sum of $5,000. I call attention to it because the act provides not only a heavy penalty but also imprisonment of 5 years. Not desiring to discuss the matter at length, but for the benefit of those who might be subjected to the severe penalties provided by the act, I insert at this point subparagraphs (a) and (d) of section 13:

"SEC. 13. (a) It shall hereafter be unlawful for any person, directly or indirectly, to make contributions in an aggregate amount in excess of $5,000, during any calendar year, or in connection with any campaign for nomination or election, to or on behalf of any candidate for an elective Federal office (including the offices of President of the United States and Presidential and Vice Presidential electors), or to or on behalf of any committee or other organization engaged in furthering, advancing, or advocating the nomination or election of any candidate for any such office or the success of any national political party.

* * * * *

"(d) Any person who engages in a pernicious political activity in violation of any provision of this section, shall upon conviction thereof be fined not more than $5,000 or imprisoned for not more than 5 years. In all cases of violations of this section by a partnership, committee, association, corporation, or other organization or group of persons, the officers, directors, or managing heads thereof who knowingly and willfully participate in such violation, shall be subject to punishment as herein provided."

Mr. Speaker, some Republicans deserve to be reelected on their record. Of course, on the Democratic side it goes without saying, and I believe that some Republicans are entitled to be returned to the House in the next Congress because they have voted with the President, have voted for beneficial New Deal legislation, and voted to aid the administration in its effort to effect needed war production to enable us to bring about the early defeat of the monster Hitler and his "Nordic" allies, the Japs.

Mr. Speaker, I feel that when we come back again—and I hope most of us will be here—we shall have more time to give this legislation the study it deserves and eliminate section 12, at least, which, in my opinion, should have been repealed long ago, in fact, should never have been adopted, a section which imposes unnecessary restrictions upon American citizens just because they happen to work for a State, a county, or a municipality which receives certain financial aid or appropriation from the Federal Government, people who under the present law are really precluded and prevented from exercising their rights as free American citizens.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. MURDOCK. Do I understand that the bill with which this resolution deals is S. 2471?

Mr. SABATH. The gentleman is correct.

Mr. MURDOCK. It is commonly known as the bill to relieve school teachers from the application of the Hatch law.

Mr. SABATH. Yes.

Mr. MURDOCK. May I ask the gentleman whether the Hatch law as originally passed applied to school teachers or is that application made by administrative ruling, and are we now trying to correct that ruling?

Mr. SABATH. We are trying to correct the abuse. I think they construed the act the way they did because they believed it was a proper construction to place upon it; but it is erroneous, it is unfair, it is unjust, not only to the school teachers who are most loyal and patriotic citizens and to whom we entrust the education of our youth, but also to the thousands upon thousands of American citizens who happen to be holding positions under various States, or in departments or bureaus of States to which the Federal Government contributes even a small amount of the money which enters into the payment of their salaries.

Mr. MURDOCK. I agree with the gentleman the original measure was not intended to include school teachers. Enactment of S. 2471 will be corrective. I hope both the rule and the bill will be passed.

Mr. SABATH. I thank the gentleman.

I have here a letter from the National Education Association of the United States, and I have perhaps 500 other letters urging favorable action on this legislation; namely, the repeal provided for in S. 2471. My only regret is that at the same time we cannot also repeal section 12.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Montana.

Mr. O'CONNOR. I am supporting the gentleman's rule and I am supporting the bill. I voted against the original Hatch Act. I think it was the acme of asininity for the Congress ever to have passed it. Now, as to politics, I noticed the other day, I think it was October 1, the English House of Commons by a vote of 215 to 9 voted to suspend elections for another year. This was the third such action. This action on England's part shows that they don't want politics as usual. Of course we could not do that here under our Constitution and if we could we should not do it. But, personally, I think and I believe the gentleman from Illinois will agree with me, that politics should be adjourned for the time we are in the war, that we should not speak politics, that we should not act politics, that we should go along the lines that the great President Wilson stated during the other war in making substantially this statement: That during these perilous times we should speak, act, and serve together.

If we are going to get into heated controversies over politics how can we speak, act, and serve together? My opinion is, and I believe the gentleman agrees with me judging from the remarks he just made—and I was never more serious in my life—that politics should be adjourned for the duration. Personally I should like to see every Member of this House, on the left hand side and on the right, come back and serve his country for the next 2 years. Everyone of us since Pearl Harbor has been 100 percent back of our Commander in Chief.

Mr. SABATH. I am satisfied that the vast majority of the American people, with a few minor exceptions, are united. We are commencing to recognize the danger that confronts us. The gentleman states that the British House of Commons has suspended elections in Great Britain for a year. Personally I am opposed to our taking any such position in this country.

Mr. O'CONNOR. We could not if we wanted to, and we do not want to.

Mr. SABATH. Before the last general election there were certain men, as the gentleman knows, Mr. Lindbergh and many other "America Firsters" who, in order to create resentment and prejudice against the President, made statements in their speeches in several instances to the effect that we might not have any more elections in this country, that the President was usurping the power of Congress and might eliminate future elections. You and I know that these statements were contemptible bunk and were made without any justification; but, nevertheless, they were repeated by many Roosevelt haters. They sought to instill fear in the minds of the American voters that President Roosevelt planned to deny them their constitutional rights and privileges. Those statements were made 2 years ago, but, lately, I am pleased to say, I have not heard a word from Mr. Lindbergh or the other gentlemen who, as I have stated, charged that the President was assuming the power of a dictator and there was a question in their minds whether we would be permitted in the future to exercise our rights as American citizens and have an election in the United States.

Mr. O'CONNOR and Mr. MARTIN of Massachusetts rose.

Mr. SABATH. Excuse me, I cannot yield for the moment.

I know that was not the viewpoint of the minority leader or the gentleman from Montana, because they would not make such a statement or give utterance to such a thought, or sanction such a statement being charged to the President.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. MARTIN of Massachusetts. If we can get away from past history and get down to this particular bill I should like to tell the gentleman from Illinois that I am heartily in favor of his bill and that we can expedite its passage in short order.

Mr. SABATH. I appreciate the gentleman's statement, and I wish I could forget the past, but as there is no other business pending today I have taken the

opportunity to express my views; and I know I am expressing the views of a majority of the Members on both sides of the aisle, including those of the minority leader, when I say it was a mistake to have passed this law in the first place, and some day I hope it will be so amended that it will not cause injustice to thousands upon thousands of good law-abiding American citizens.

Mr. O'CONNOR. Mr. Speaker, will the gentleman further yield?

Mr. SABATH. For a question, please.

Mr. O'CONNOR. I want to remind the gentleman of one thing.

Mr. SABATH. Yes.

Mr. O'CONNOR. In the first place I do not know what Mr. Lindbergh thought, and I do not care, but if he knew anything about our Constitution he knew that the President could not suspend elections in this country, and the gentleman knows that also.

Mr. SABATH. I know it, but those speeches and charges were made solely for the purpose of creating prejudice and resentment against the President.

Mr. O'CONNOR. If he made them he showed that he did not know anything about our Constitution.

Mr. SABATH. I am not going to disagree with the gentleman on that.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I reserve the balance of my time and now yield 30 minutes to the gentleman from Indiana.

Mr. HALLECK. Mr. Speaker, I yield myself 8 minutes.

Mr. Speaker, the gentleman from Montana suggests to our very able, distinguished and lovable chairman of the Rules Committee that he thinks there should be an adjournment of politics. I do not know whether he was talking to our chairman or not, but the gentleman from Illinois has not adjourned politics this afternoon when he begins to talk about some of the alleged contributions to the Republicans. I do not know whether he has been reading our mail or not, but I might suggest to him that if he knows any who are very anxious to contribute to the Republican cause some of us would be very happy to hear from him about that.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. After 2 years I would like to know if there are any?

Mr. McCORMACK. Will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. As a Democrat, if anybody wants to contribute to the Democrats we will welcome them very, very kindly and cordially.

Mr. HALLECK. So I guess at the moment there is not too much talk of politics. I would not want to get off base and talk about some of the things that I understand motivated many in supporting the so-called Hatch Act in the beginning. I would not want to go back and undertake to talk about the $250 campaign books, the $500,000 contribution, the Public Treasury and a lot of similar things, because we are now trying to win the war and, beyond that, Mr. Speaker, I want to talk a little about this bill.

Mr. Speaker, the rule which we are now considering makes in order for consideration, debate, and amendment a bill, S. 2471, which, in a word, seeks to exempt members of the teaching profession from certain provisions of the so-called Hatch Act. I understand that this bill was unanimously reported by the Committee on Privileges and Elections in the other body, was adopted in the other body without a dissenting vote, and comes to us now with a favorable report from the Committee on the Judiciary.

This amendment, as it now stands, assures the full rights of citizenship to the teachers of America, which the Hatch Act itself unintentionally denies them. I have given thoughtful study to all phases of the bill before us and in my opinion it needs no further amendment.

In reviewing the report on this bill, I find that when the second Hatch Act was under consideration in the other body in 1940, a similar amendment was introduced, and was eliminated principally because of the expressed opinion of the author of the bill and others that the provisions of the act did not apply to teachers. Yet I find that the Hatch Act has been so interpreted and applied by the Civil Service Commission that between one and two hundred thousand teachers are now definitely subject to the provisions of the act. Decisions of cases now before the Commission may bring under it hundreds of thousands of additional teachers.

These teachers are not employees of the Federal Government but are employed under contracts with local and State school boards, and with local and State college and university boards. They receive no money directly from the Federal Government but are paid from local and State funds to which have been added proportionately small sums from Federal grants and appropriations. In one typical land-grant university, all of whose faculty are automatically under the Hatch Act, the average instructor receives 73 cents per month from Federal grants. In a number of counties in a western State, teachers who have been held to be under the Hatch Act are receiving only a few cents per year out of a fraction of the grazing fees from federally owned public lands.

Not only was the Hatch Act not intended to apply to the teaching profession, but there are many reasons why it should not apply to them. Let me point out a few of these reasons.

Nothing in our Constitution delegates to Congress the right to manage or control public or private education. All of our grants in aid of education, from the land grants for schools specified in the act establishing the Northwest Territory to the vocational grants of today have avoided any attempt to control teachers, or the State and local management of education. Our great school system has developed in accordance with the needs and varying conditions of our 48 States. Local participation in their support and management has kept them democratic and close to the people.

The State and local control of education would make it difficult for a dictator to use our schools as a means of molding our youth to forms of government destructive of democratic liberties and ways of life. The centralized control of public education in Germany made it easy for Hitler in 10 short years to transform the youth of Germany into a mentally warped but fanatically loyal generation of destruction. The decentralized control of American education is one of the basic safeguards of American liberty. Unintentionally and inadvertently the inclusion of teachers under the Hatch Act is a first step toward the Federal control of education. Therefore, certain restrictive provisions of this act should be repealed insofar as they apply to the teaching profession.

Teachers have as one of their main duties the preparation of our youth for participation in political life. They should therefore be encouraged to interest themselves in public issues and political affairs and to exercise all of the political rights of citizens. Furthermore, because teachers as a class are well educated and public spirited, the public should be given the full advantage of their participation in political activity. Yet teachers who are under the Hatch Act cannot be candidates for public office, cannot be delegates to political conventions nor serve on political committees. They cannot make political speeches, do, say, or write anything either in or out of their classrooms which will influence any nomination or election. Under section 15 of the Hatch Act they are also subject to all the prohibitions in regard to political activities that are imposed on members of the classified civil service of the United States.

It is of the utmost importance during this period of desperate warfare that the efficiency of our schools be maintained. Millions of our youth who will soon be in the armed forces are now in schools and their understanding of our country's problems and their loyalty to its principles are to a large extent being determined by their teachers. Many more young people will soon be on farms and in factories and their training and willingness to sacrifice are largely dependent upon the quality of their schools. Yet our schools are threatened with disorganization and financial starvation due to the shortage of trained teachers and the diversion of tax resources to war purposes. Increasingly, as the war goes on, teachers must explain the needs of the schools to the voters, and must participate in political decisions involving the welfare of the youth in their charge. Yet under the Hatch Act teachers may not do, say, or write anything which would place in public office political candidates who have the interest and problems of American young people at heart.

Teachers are members of a worthy profession, engaged in a vital public service. They are, as a class, loyal, patriotic, and devoted to the public interest. They did not engage in "pernicious political activities" before the Hatch Act was passed, nor will they, if exempted from certain of its provisions by the passage of this bill. As never before the teaching pro-

fession needs the support, encouragement, and backing of every citizen. I shall vote for this amendment because I want them to know that Congress is interested in their problems and wishes to extend to them their full rights of citizenship.

[Here the gavel fell.]

Mr. HALLECK. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, this bill has been pending in the Congress in one form or another since March 3, 1941, when Senator BROWN, of my own State of Michigan, introduced it in the Senate. When the original Hatch bill was before the Congress, it was the opinion of the author of the bill, Senator HATCH, that the Hatch Act would not apply to teachers. Later, certain State attorneys general interpreted the law as including teachers in land-grant colleges and in schools being assisted under the Smith-Lever and the Bankhead-Jones Acts. The purpose of the amendment carried in this bill is to remove from the operation of the Hatch Act those specified in the bill.

Hearings were held before the Senate committee, and deliberate consideration was given by the committee. Among those appearing in favor of the bill was Dr. James K. Pollock, professor of political science, University of Michigan, who strongly advocated its passage. Senator BROWN pointed out a number of the things which teachers in schools and institutions receiving Federal aid are unable to do if the Hatch Act is applicable to them. Senator BROWN succinctly enumerated some of the prohibitions, as follows:

They may not be candidates for any public office, with the exception of local or municipal offices in a few localities.

A teacher may not be a delegate to a political convention.

A teacher may not serve on a political committee.

A teacher may not make a political speech.

A teacher may not serve as an election official.

A teacher may not be connected, editorially or financially, with any political newspaper, whatever that may be, nor may he write for publication or publish any letter or article in favor of or against any political candidate, party, or faction.

A teacher may not be a candidate for nomination or election to any national, State, county, or municipal office.

A teacher may attend a caucus and cast his or her vote, but may not tell why.

A teacher may not be a member of any political club whatsoever.

Those are the particular items I have picked out as being unduly oppressive on the profession.

Professor Donald DuShane, representing the National Education Association, stated in a very understandable way why school teachers should be excluded from the provisions of the Hatch Act. Professor DuShane said:

1. Teachers belong to a profession which disapproves of, and does not engage in, pernicious political practices, and they should continue to be good citizens without the Hatch Act.

2. This act is discriminatory in that it applies to some teachers and not to others.

3. The Hatch Act interferes with the freedom of teachers to discuss political issues freely and without Federal political control or censorship. In order to train our youth for understanding and participation in American political life it is of vital importance that the teachers' freedom to teach the truth shall not be interfered with.

4. If teachers are to train effectively our youth for citizenship, they must have full rights of citizenship themselves.

5. American public schools are dependent upon the understanding and loyalty of our citizens for their financial support and their development and improvement. Very often questions involving the welfare of the schools are issues in political elections. Frequently candidates who are enemies of education run for political office. The integrity, and often the very existence of schools, depends upon the political activity of members of the teaching profession. It is part of their professional obligation to keep the needs and problems of the schools before the voters of their communities and States.

6. Under the Federal Constitution the management and control of education is a State function. A comparison between American schools and those of totalitarian countries would seem to indicate the wisdom of local and State control of education. The partial disfranchisement and the muzzling of local and State teachers by the Federal Government is as unnecessary and unjustifiable as it is dangerous and alarming.

* * * * *

THE EFFECTS, AS TO TEACHERS, OF THE PASSAGE OF S. 2471

S. 2471 does not exempt teachers from the following provisions of the Hatch Act:

SECTION 1. It would continue to be illegal for teachers to interfere with another person's right to vote as he may choose.

SEC. 2. It would still be illegal for teachers to promise any employment in federally aided schools as a reward for political activity.

SEC. 3. It would still be illegal to deprive anyone of employment made possible by relief appropriations of Congress, because of race, creed, or political activity.

SEC. 5. It would still be illegal for teachers to solicit or receive political contributions to beneficiaries of Federal relief funds.

SEC. 6. It would be illegal for teachers to furnish or receive lists of Federal relief recipients for political purposes.

SEC. 7. It would be illegal for teachers to use any Federal relief funds or authority for interfering with any individual's right to vote.

SEC. 8. Any teacher who violates section 1, 3, 4, 5, 6, or 7 is subject to fine and imprisonment.

SEC. 9. It would be illegal for any Federal teacher to belong to any revolutionary political party.

SEC. 13. It would be illegal for any teacher or teacher organization to contribute over $5,000 to any campaign or election, or to purchase anything which will benefit any candidate for a Federal office.

SEC. 20. It would be illegal for teachers to violate any law in force at the time of the passage of the Hatch Act.

S. 2471 grants to teachers the following rights:

SEC. 2. A teacher would have the right to use his official authority or influence to effect the nomination or election of any candidate for Federal office.

SEC. 9. Federal teachers would have the right to use their authority and influence in affecting the result of an election and would be permitted to take part in political management or campaigns.

SEC. 12. All teachers would have the right to use their authority or influence to affect the result of a nomination or election, to seek contributions from fellow employees for political purposes, and to take active part in political campaigns.

SEC. 15. State and local teachers would be freed from civil service regulations as to political activities of the classified civil service in effect prior to July 10, 1940.

NOTE.—Section 18 does not permit teacher participation in school, bond, tax, and other nonparty elections, except as provided in sentence 2 of section 12 (a) (transcript of hearings, pp. 25–28).

The Hatch Act was a venture in a new field by the Federal Government. The purpose was to guarantee free elections, untrammeled and unhampered by the use of Federal funds and the exploitation for political purposes of those who were willingly or unwillingly the beneficiaries of Federal beneficence. During the consideration of the original Hatch Act it was clearly demonstrated that efforts had been made to influence elections through W. P. A. workers, as well as other federally subsidized agencies. The objectives of the Hatch Act were most laudable, yet this type of legislation, functioning in a new field, is not perfect. Changes should and must be made if the law is to serve the purposes for which it was intended.

It is my privilege to represent the congressional district in which both the State University and the State Normal College are located. Certainly many of these teachers, instructors and others connected with the university should not be deprived of taking their usual part in carrying on their Government and the functions of their local communities, solely because the university or college by which they are employed happens to be receiving some grants or benefits from the Federal Government at this time.

Mr. Speaker, I hope that this bill passes the House today without a dissenting vote and becomes the law of the land.

Mr. HALLECK. Mr. Speaker, I yield 5 minutes to the gentleman from South Dakota [Mr. MUNDT.]

Mr. MUNDT. Mr. Speaker, as one of those who before coming to Congress had some experience in the teaching profession, I am, of course, vitally interested in this bill and I am enthusiastically in favor of the amendment. I remember that when the Hatch Act was first up for consideration this question was before us and at least a majority of the Members of Congress felt then that teachers would not be included in the restrictive provisions of the Hatch Act, but due to administrative rulings they have been included therein. I hope the House today will by a very emphatic majority amend the Hatch Act so that the educators of America will not be included under its provisions.

There is a particularly important reason why this should be done and that is because I feel that before very many years at least, and the sooner the better, we are going to have to materially increase the amount of Federal aid being made available to the educational system of America. That is true for several reasons. In the first place, it is true because after the war our educational system is going to face one of the most colossal and serious challenges of its career. After the war is over many people who have had their education

disrupted are going to seek an opportunity to attend school. Our local communities and our States are going to be compelled to finance that educational endeavor. In meeting this challenge adequately, additional Federal aid may well become imperative.

Mr. CREAL. Will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Kentucky.

Mr. CREAL. When the original Hatch Act was passed I pointed out that if a high school had an agricultural department and received some part of its funds for one agricultural teacher from the Government, strictly construed the janitor of that building would be prohibited because something went into the fund that paid the teacher. I still stand by that contention that strictly construed all members of the institution, including that janitor, would be prohibited if they got even part of the funds from the Government.

Mr. MUNDT. The gentleman is not opposed to this amendment now?

Mr. CREAL. I certainly am not.

Mr. MUNDT. I thank the gentleman.

Another reason why it seems to me important that we pass this legislation now is because the increased need for Federal aid for education is going to be manifest after the war by the further fact that more and more the Federal Government is necessarily adding new forms of taxation and as it takes more and more from the taxpayers it leaves less and less for the tax collector to secure from the standpoint of maintaining a local educational system. If we are to have increased Federal aid for education, as I think we shall and must, it is imperative that we stop right in its tracks any tendency toward Federal control of what is being taught in the schools or what is being done by the teachers. For that reason also I am strongly in favor of this amendment at the present time. Federal aid to education is desirable and in conformity with democratic principles, but Federal control of education is abhorrent and antidemocratic.

Mr. JENSEN. Will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Iowa.

Mr. JENSEN. Does not the gentleman feel that, unless this amendment is passed, the school teachers will be restricted to a great degree in teaching good government, which we need today, which we always have needed, and always will need, and that the teachers of America will continue, as in the past, to teach good government if they are not restricted with certain laws such as the Hatch Act?

Mr. MUNDT. Precisely. A teacher, to do a good job in the classroom, must feel free to teach the various implications of government as they occur to him or to her and not be afraid of a crack-down by some Government authority saying, "You cannot teach this," or "You cannot teach that," because it is pro- or anti-administration or pro or anti the party in power.

Mr. CREAL. If the gentleman will yield further, under the act as it is now written a Communist can be a candidate for any office and a public-school teacher cannot tell his class what he thinks about communism on the eve of an election. That is the present law, and it will continue to be the law unless this amendment passes. Because it would be a reflection upon a Communist candidate then running for office, a teacher could not tell his class what he thinks about communism.

Mr. MUNDT. I think we can trust the teachers of America under the local administrative boards through which they operate to give the students coming in contact with them an unbiased presentation. I believe the passage of this amendment will work toward that objective, and I urge its support. Academic freedom is the keystone of our American educational concept. The administrative interpretation which places teachers under the Hatch Act jeopardizes that academic freedom. The passage of this amendment will remove teachers from the threat of political crack-downs and restore academic freedom to full blossom in this Republic. Let us pass this amendment and let Congress never again permit either legislative action or administrative decrees to impose the specter of Federal domination upon the school system of America.

[Here the gavel fell.]

Mr. HALLECK. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Speaker, next to the American home the American public school is the bulwark of our republican form of government. If we cannot trust the school teachers of the Nation, whom in the world can we trust?

I am sure every Member of this body can go back in his memory and, next to the influence that his own parents had upon him, he can point to certain teachers that he had, whether in a little log country schoolhouse or in the halls of a great university, who had great influence on him. In fact, Washington in his Farewell Address said that an enlightened public opinion is absolutely essential in a democracy and for good government. Education and religion are indispensable to ordered society. Both must be free.

It seems to me that it was very foolish to include the school teachers of the Nation in the Hatch Act. It is really a veiled threat to their freedom of thinking, speaking, and teaching. It is an insult to their intelligence and a slur on their patriotism and character as good citizens.

I speak as one who for a few years was a professor and held the chair of philosophy in a Kansas college. I know how serious a handicap the present law is and how greatly relieved the teachers in our public schools especially will feel if we adopt this rule and pass this bill this afternoon.

Mr. SHEPPARD. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from California.

Mr. SHEPPARD. In view of the academic background which the gentleman has enjoyed, does he at this time think the Hatch Act in its entirety is worth the paper it is written on?

Mr. SHORT. I think it is one blunder of the many we have committed in recent years.

Mr. SHEPPARD. I appreciate the gentleman's intelligence.

[Here the gavel fell.]

Mr. HALLECK. Mr. Speaker, I yield such time as he may desire to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, I may say at the very outset that I am in hearty accord with S. 2471, and I will support the rule, which is here presented, and I will vote for the amendments provided in this measure which will exclude the school teachers from the vicious provisions of the Hatch Act.

May I say further that it was never the intention of the Congress that the school teachers of America should be included under the provisions of the Hatch Act. There was no necessity for any such law insofar as the school teachers of this country were concerned. Our school teachers have ever been good, loyal, and exemplary citizens of our country. They have been charged with the responsibility of teaching citizenship and good government in our country, and their duty has extended to the youth of our land who, in the formative period of life, were ever subject to the guiding hand of their instructors. Our teachers have fully assumed that grave responsibility; they have measured up to the highest standard; they have, as a general rule, never engaged in any pernicious political activities or practices, and they have held high the traditions of their noble profession. Our school teachers were good and loyal American citizens before the original Hatch Act was passed, and they will continue to be good and loyal American citizens after this amendment is passed which will exclude them from the terms and provisions of that law.

Why do I measure my words and urge the passage of these proposed amendments to the Hatch Act?

Mr. Speaker, under the provisions of the original Hatch Act our school teachers have been precluded from asserting the rights of the average American citizen in that they were unable to participate, even slightly, in anything political. In their schools they had the responsibility of teaching citizenship, yet, under the provisions of that law, they were unable to assume their responsibility as citizens. They were, and are, unable to become candidates for political office, with but few exceptions in local and municipal affairs; they were unable to become delegates to any political convention; they were barred from serving upon any political committee; they could not make a political speech; they could not serve as an election official, nor belong to any political club. Those are but a very few of the prerogatives of an American citizen which were denied to them under the Hatch Act.

At this point may I say that our school teachers have ever assumed the power of self-government, and they have restrained themselves deliberately and completely from participating in those affairs and activities in life which would not be commensurate with their high

social and moral standing in the community in which they were engaged as teachers. They have ever stood for those things which are right. They are the model from which every student sets his pattern and molds his and her life and career. The teachers in our public schools have ever set their sails upon a very high plane—they have stood at the very head of our moral and social life in this country. Every American should stand at salute, today, to the teachers in our public schools. Those, likewise, in our private and parochial schools hold that same enviable position in life—they are true, sincere, and loyal Americans, guarding the destiny of the students in their charge.

There are many reasons for the passage of these proposed amendments. May I mention a few of them for the record? I will, I assure you, mention but a very few of them. These are the reasons I will have time to mention here. Our teachers belong to a noble profession which disapproves of, and does not engage in, pernicious political activities and practices. The present law, the Hatch Act, is discriminatory in that it applies to certain classes of teachers and excludes certain others in that same profession. The present law interferes with the freedom of the teachers in discussing political issues freely and without Federal political control or censorship. The teacher, in order to train our youth for understanding and participation in American political life, should be enabled to teach the truth without interference and certainly without the threat of penalty.

And, Mr. Speaker, when our teachers are to train our youth and prepare them for citizenship those same teachers should be entitled to the full rights of citizenship themselves without any abridgment whatsoever.

We are facing serious days ahead. We are engaged in a frightful war. We should not quibble over matters political, but we should stand four square before the world, a serious, sober, and enlightened citizenship, with every segment of our people fully united in our all-out effort to win this war. We must win this war. And when the war is over, with a united citizenship we must win the peace as a lasting and permanent peace. Let us begin today to unite that great citizenship in this Nation, and let us give to that great mass of our good and loyal American citizens—the school teachers of our Nation—the full right of their citizenship.

When we do this, Mr. Speaker, we will have made the finest contribution to our national unity, and we will give those citizens the same right which they will teach to the sons and daughters of America.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, naturally I favor the rule and shall vote for the bill. I think it is unfortunate that there has been so much delay. This bill should have come out on the floor at an earlier date and without a rule.

It was manifestly never intended that the school system and the school teachers should be shackled by the Hatch Act. I think there was much misunderstanding when this question came up in the House a short time ago and objection was made to the immediate consideration of the bill at that time. This bill is the outgrowth of the fine effort of Senator PRENTISS BROWN, of my State, who sought from the very outset to exclude from the provisions of this act the school teachers of the Nation. I am glad that at last we are about to see the enactment into law of this exclusive amendment. As I said at the outset, Mr. Speaker, I intend to support the rule and vote for the bill.

Mr. HALLECK. Mr. Speaker, I yield such time as he may desire to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Speaker, the Hatch Act passed by Congress to prevent corruption, intimidation, and undue influence in political primaries, conventions, and elections, included teachers and research workers in our public schools and State universities, supported largely by public revenues derived from the States and political subdivisions thereof and only a small part derived from Federal funds. There are also included teachers and research workers of other institutions that are supported almost wholly from recognized philanthropic, cultural, or religious organizations, and a very small part of the support comes from Federal funds.

The amendment to the Hatch Act before us exempts from the provisions of that act these teachers and research workers of our public schools and public educational institutions and also exempts the teachers and research workers supported in whole or in part by any recognized philanthropic, cultural, or religious organization.

There is no group of citizens that is more earnestly opposed to corruption, intimidation, and undue influence in our political elections and who are more deeply concerned in honest and fair elections than the teachers and those in charge of our educational and research institutions. There is no group of citizens who are more deeply interested in American ideals, the American way of life and in upholding American traditions and institutions and in developing the high character and intelligence of the boys and girls of this Nation than the teachers. It is unthinkable that they should not be permitted to express themselves freely as to candidates, issues, and policies and to participate freely in helping to nominate and elect suitable men and women to public office. As a rule, in my opinion, teachers have not been active enough in urging our citizens to participate in government. It is the exception and not the rule for the teachers to abuse their high position by undertaking to impose their partisan views on their student body. This measure makes the teachers and research workers what they ought to do—free American citizens, participating wholeheartedly in our civic and political life—strengthening and preserving American ideals.

I strongly favor a free and untrammeled press. I favor the amendment proposed that will remove from the provisions of the Hatch Act all newspapers with circulations of 5,000 or less. I have great admiration and faith of the fairness of the American press, and in the patriotism of the American teacher. Free teachers and a free press mean a free America, and therefore, Mr. Speaker, I shall vote for the motion to suspend the rules and pass this bill.

Mr. SABATH. Mr. Speaker, I want to congratulate the gentleman from Indiana [Mr. HALLECK], as well as the gentleman from Michigan [Mr. MICHENER], and the other gentlemen, upon the splendid position they have taken and I hope they will continue in the future as they have in the past, as well as all other patriotic Members, to aid and cooperate and work in harmony so we can expedite the consideration of needed legislation for the best interests of our country.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. HOBBS. Mr. Speaker, there is no opposition on either side to this measure so far as we have been able to understand and therefore under a reading of the bill in accordance with our 5-minute rule, there should be every opportunity given all Members who desire to offer amendments or to express themselves and I therefore ask unanimous consent that we proceed to the consideration of this bill immediately in the House and not by resolving ourselves into Committee of the Whole House on the state of the Union.

The SPEAKER. Is there objection to the request of the gentleman from Alabama that the bill be considered in the House as in Committee of the Whole?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, is amended by adding at the end thereof the following new section:

"SEC. 22. Nothing in sections 2, 9, or 12 of this act shall be deemed to prohibit or to make unlawful the doing of any act by any officer or employee of any educational or research institution, establishment, agency, or system which is supported in whole or in part by any State or political subdivision thereof, or by the District of Columbia or by any Territory or Territorial possession of the United States; or by any recognized religious, philanthropic, or cultural organization."

Mr. HOBBS. Mr. Speaker, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 7, strike out the comma after the figure "9" and insert "(a) or 9 (b);" and in line 7, after the abbreviation "Sec.", strike out "22" and insert "21."

The committee amendment was agreed to.

Mr. CREAL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CREAL: On page 2, line 8, after the word "organization", strike out the period and quotation marks, add a comma and the following words:

"Nor shall anything in sections 2, 9, or 12 be deemed to prohibit any bona fide editor or owner of a weekly or semiweekly newspaper with a circulation not exceeding 5,000 from expressing his own opinion in his own newspaper."

Mr. CREAL. Mr. Speaker, you have just heard some splendid tributes paid to the molders of public opinion, the public-school teacher. I wonder how much thought you gave to that constitutional privilege of freedom of the press. The country weekly newspaper—and there are somewhere between 4,000 and 4,400 of them in America—is the bedrock and the bone of the pioneer stock of Americanism. No Government agency ever had to hunt any of them about communism or spewing any of it in their papers. Today they have been the hardest hit of any little business in America. Tire ads, gasoline ads, and automobile ads, that make up the foreign advertisements in these little papers, have gone, and they are as barren of them as a white sheet of paper. They are hard hit, and around them stand war jobs of many sorts. To supplement his earnings, he either has to give up his paper, sell it, and deny himself the same privilege that everybody in America has today, taking some sort of piece work to support himself, or if he takes such work, he must be dumb in expressing his opinion about any matter political.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CREAL. Yes; briefly.

Mr. MARTIN of Massachusetts. Does the gentleman from Kentucky contend that the publisher of a weekly newspaper is subject to the Hatch Act?

Mr. CREAL. If he has even the small job of going down the river to measure the water and get $15 a year from the Federal Government, he is.

Mr. MARTIN of Massachusetts. Is there anybody who has such a job?

Mr. CREAL. Yes; lots of them. Some of them have clerkships on draft boards in order to help make a living. Some of them have a little bit of war work, and, in order to keep the family going and to run a little newspaper, they take a war job of that sort.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. CREAL. I yield.

Mr. HOFFMAN. Not only that, but practically every one of these papers in every county publishes the delinquent tax list that is paid for by the State.

Mr. CREAL. Absolutely. This does not concern you or me, but here are two candidates for sheriff. This paper is the only organ that reaches one-half of the population of that county, and yet as an upright citizen he cannot tell which one of those two men he believes will make the better sheriff, under this law, without getting fired, if he holds any little sort of Government job as a sideline.

Now, remember that you have Republican weeklies as well as Democratic weeklies and this involves your paper as well as others.

Mr. MARTIN of Massachusetts. Will the gentleman yield again?

Mr. CREAL. Yes.

Mr. MARTIN of Massachusetts. Does the gentleman contend that if a man got an RFC loan for a newspaper, he would be prohibited from working as he suggests?

Mr. CREAL. I maintain he cannot go out and take any of this war work that his neighbors are doing who own a grocery store or something of that sort. All these ration board clerkships and things of that sort are denied him because he owns a newspaper and expresses political opinions, and he is at present the hardest hit little man in America, no matter what State he is in.

I am pleading for the square deal for these people. This is the only part of the press of America that stands pat day in and day out, rain or shine, wet or dry, and it is the unpolluted, uncontaminated voice of the people. There is only one organ in the county, and it must exist, because the laws require that in the ordinary transactions of business, certain things be published, and that cannot be done without a newspaper. I am speaking for the man that is hard hit, and shall you deny him any of these little side lines to help him make a living after taking away from him about two thirds of his business by price fixing, and other war legislation? This war has been a boon to other people, but show me one man in the 48 States of the Union who runs a little county newspaper for a living, who has not been the hardest hit man in town.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. CREAL. Yes.

Mr. MUNDT. Does the gentleman's amendment forward the freedom of the press? If so, I should be glad to support it, but I think that the amendment would be very much better if he would eliminate the limit of 5,000 circulation.

Mr. CREAL. Oh, I am not speaking for the Weekly National, that is in for big business, I am only speaking of that little county paper.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. CREAL. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. CREAL. These ought never to have been in there. You have pleaded for the school teachers, but the voice of that little paper which is all that half the people in the county see or read who are unable to take a daily newspaper and these papers should be free to express their own political opinions, notwithstanding the little work they may do for the Federal Government. For instance, I want my friend ROBSION'S Republican county paper in his district to be able to tell its readers that he is the best man to send back to Congress, if they want to, and for so doing the editor should not be prohibited from doing a little work that hundreds of others in his county are doing these days.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. CREAL. Yes.

Mr. ROBSION of Kentucky. If the gentleman will amend the amendment to have the editor do that, and then have it further amended so that the country paper in the gentleman's own district will say that he ought to be supported, I shall be very glad to support the amendment.

Mr. CREAL. Oh, well, they will do that anyway. Listen, folks. I have serious doubts about the constitutionality of any law that would invade the freedom of the press where a man's immediate living is by that little paper and he adds something to it on the side to try to get along, because the Government is destroying his business by necessity during this wartime, and there are lots of them doing it and a lot of them are violating the Hatch Act by expressing an opinion as to who would make the best county clerk.

Mr. HOFFMAN. Would this help in any way to have Republicans get their say in any publications throughout the South?

Mr. CREAL. Gentleman, I want you to think twice before voting against this amendment, because after you vote on this matter, these country editors will discuss it just the same as they have been discussing this matter in the 4,400 county newspapers and in their organization.

These papers are loaded down with free advertising to help every war drive of any sort. After doing all this the editor or owner should not be denied working a little for pay for the Government to make up his loss of income, when everybody else is privileged to do so in these days.

Sure he can work, too, but when he does so he must not express his political opinion about candidates or controversial political issues in his own little paper as the law now stands. In fact, the law is so broad and all inclusive that I seriously doubt if the editor could own a share of stock in business making something for the Government that paid a dividend and then have political freedom of the press.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Mr. EDWIN ARTHUR HALL offers an amendment to the amendment offered by Mr. CREAL, to strike out the words "five thousand" and insert the words "fifty thousand."

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I feel that the words "fifty thousand" should be substituted for "five thousand." I say so for this reason. In the case of the 5,000 circulation, I know you will agree with me that you do not necessarily take in all of the newspapers which should be considered in this amendment. I know the gentleman from Kentucky will agree with me. For instance, I know in my particular district there are at least two newspapers whose circulation is just below 50,000. Those papers, like the newspapers of the 5,000 circulation, have been curtailed just as much in their advertising as they have been denied ad space by the holding up of oil companies and of various branches of the automobile, and in many other lines of private business. They are practically at a standstill as far as their advertising goes. Another reason I have brought the 50,000 circulation in is that in the recent campaign for Federal advertising, more emphasis was placed on giving the large

metropolitan newspapers of over 50,000 a great deal of Government advertising, than that suggested about those of less than 50,000. I feel every consideration should be given these smaller newspapers, because they are bereft of their income, and they have not been given sufficient consideration by the Government through advertising. I think every attempt should be made to put them on an equal basis with the larger newspapers.

I know you will agree with me when I say that the smaller newspapers are the very backbone of our country.

Mr. CREAL. Mr. Speaker, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. CREAL. Do you not think you are getting into big company when you go up to 50,000? Any man who has a paper of 50,000 circulation does not need to turn aside for a war job. You are opening the door to the national propaganda sheets and getting clear away from the question of the little country weekly

Mr. EDWIN ARTHUR HALL. I simply mentioned 50,000 because I know that the average newspaper runs nearly that number, and I think they should be considered.

Mr. CREAL. One other question.

Mr. EDWIN ARTHUR HALL. Yes.

Mr. CREAL. The average circulation of the county weekly in America is 1,200. I offered an amendment to exempt them from the Wages and Hours Act and I placed the figure at 3,000. That was plenty high. This amendment is 5,000. There is no weekly or semiweekly published in America that exceeds that circulation.

Mr. EDWIN ARTHUR HALL. I can give you an example of one of 7,000 in my own district, of the very type you mentioned. I know that in other parts of the State there are papers that go substantially higher than that.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. MUNDT. As I mentioned during my questions awhile ago, I do not think the figure 50,000 should be in there. I do not think there should be any Government domination of the press, regardless of the size—5,000, or 50,000, or 500,000, or 5,000,000 circulation.

Mr. EDWIN ARTHUR HALL. I will say to the gentleman that he gave me, to a certain extent, the idea of submitting this amendment, because of the fact that he mentioned that in his discussion a little while ago. I have set 50,000 as the figure in this amendment because I feel that all newspapers under that figure have been put on the spot by the Government because they have not been allowed to participate as extensively in the campaign.

Mr. CREAL. Will the gentleman yield further?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. CREAL. You are going into such papers as PM and others which range out into the field of national and State circulation.

Mr. EDWIN ARTHUR HALL. I hope the gentleman is not inferring that I am trying to uphold PM.

Mr. CREAL. I understand, but I am merely quoting that as an example, because it is a weekly.

Mr. EDWIN ARTHUR HALL. No; PM is a daily.

Mr. CREAL. But you would have the national propaganda sheets. I am talking about the little local paper.

Mr. EDWIN ARTHUR HALL. Let me point out to the gentleman that PM is a daily rather than a weekly.

[Here the gavel fell.]

The SPEAKER. The question is on the amendment to the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL], to the amendment offered by the gentleman from Kentucky [Mr. CREAL].

The amendment to the amendment was rejected.

The SPEAKER. The question is on the amendment offered by the gentleman from Kentucky [Mr. CREAL].

The amendment was agreed to.

Mr. HOFFMAN. Mr. Speaker, I have an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 2, line 8, after the word "organizations" insert: "*Provided, however,* That nothing in section 22 shall exempt any employee paid in whole or in part by Federal Government from the provisions of this act."

Mr. HOFFMAN. Mr. Speaker, I would like to ask the gentleman in charge of this bill a question with reference to page 2, which makes it unlawful for any employee of any agency which—

is supported in whole or in part by any State or political subdivision thereof, or by the District of Columbia or by any Territory or Territorial possession of the United States.

I infer from that that nothing in sections 2, 9, or 12 of the act has anything to do with Federal employees. Can the gentleman tell me about that?

Mr. HOBBS. Sections 2, 9, and 12 and the whole Hatch Act does apply to all of them.

Mr. HOFFMAN. Well, why did you not put in the officers and employees of the Federal Government? What are you trying to do? Exempt Federal employees and let them go hog wild? Are they to be left in, and only Federal employees prevented from taking part in political activities?

Mr. HOBBS. No, sir. We are trying to cut out from the operation of the Hatch Act those few people who never were intended to be decitizenized, were never intended to be muzzled——

Mr. HOFFMAN. All right. I have it. It looks to me as though a fast one was being put over on the Hatch Act. Nothing in sections 2, 9, and 12 shall be deemed to prohibit or to make unlawful the doing of any act by any officer or employee of any agency which is supported in whole or in part by the State or any political subdivision thereof. That lets out from under the Hatch Act all State and municipal officers or employees who are paid in part by the State or municipality, does it not? That lets them all out. What about these county agents that are paid in part by the State—123 of them running around campaigning if they desire? This amendment would permit that. And it would permit every Federal, State, and municipal officer and employee who is paid in part from tax money to engage in political activities. If they have been violating the law, that is no reason why we should approve their acts; is it? Now, I would like to know. I am serious about this. You are just giving these fellows a license to campaign, are you not? Why not repeal the Hatch Act if that be the objective—that is, if the purpose is to legalize campaigning on the part of officeholders and employees of the various governments?

Mr. HOBBS. No, sir.

Mr. HOFFMAN. You are fixing it so that employees of the Federal Government, States and municipalities cannot be prosecuted.

Mr. HOBBS. No, sir.

Mr. HOFFMAN. Wait a minute, I can read; I am no lawyer, but I can read—although I have a certificate to practice law I do not deny that—

Or prohibit or make unlawful the doing of anything by any employee of any agency which is supported in whole or in part by the State or any subdivision.

And so forth. Now I am telling you, you have to buy a license to work from the administration's protected unions, and this is in effect putting the administration's stamp of approval on every Federal agent who is paid in part by the State to go out and campaign. I am against it.

Miss SUMNERS of Illinois. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Miss SUMNERS of Illinois. I think the gentleman is absolutely right.

Mr. HOFFMAN. Is the gentlewoman surprised that I am right? I often am.

Miss SUMNER of Illinois. It does not surprise me that the gentleman is right, but it surprises me that such a thing should be in this bill.

Mr. HOFFMAN. Some colleague sent me down this note:

Is it the Hatch Act or "Hatchet Act"?

Thanks, whoever sent it down.

Miss SUMNER of Illinois. In the gentleman's opinion, does not this merely repeal the Hatch Act?

Mr. HOFFMAN. Oh, sure; part of it. Did not the gentlewoman know that?

Miss SUMNER of Illinois. No; I did not know it.

Mr. HOFFMAN. Well, they are just sneaking up behind the line with a concealed ball for a quarterback sneak.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. HALLECK. The gentleman understands that there was no attempt in the Hatch Act to prohibit a State employee who was fully a State employee from engaging in political activity; we wanted it.

Mr. HOFFMAN. All right; under the present system, the New Deal system, of wet nursing State and municipal employees, the gentleman from Indiana well knows, the Federal Government has taken under its wing a lot of State and

municipal employees, and pretty nearly every agency in every State is now receiving money from the Federal Government. Why not withhold this legislation until after November 3, until after the election, if you are going to do this?

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. SHORT. Perhaps it would be a good thing to send the whole Hatch Act down the hatch.

Mr. HOFFMAN. You can do it if you want to, but here all these Federal employees and all these State employees who are paid in part from the Federal Treasury will be permitted to go out campaigning.

If the Congress and the administration do not want the Hatch Act then let it be repealed. Let us not do by indirection something which we lack the courage to do directly. If the purpose of this amendment, as it has been said, is to permit teachers and instructors in educational institutions to campaign, then why not draw the act so as to accomplish that purpose instead of throwing wide open the door to every Federal official and employee, to every State, every municipal officer and employee, to go out and carry on a political campaign.

Congress was bitterly criticized because the so-called pension-for-Congressmen legislation went through the House undebated, without a record vote. Haste makes waste in legislation as well as elsewhere.

We recently passed an act, I think it was by unanimous consent, putting on the books the so-called renegotiation law. At the time it was explained that it would save the Government money, prevent fraud. Now we are getting many protests which seem well founded.

Under the provisions of the Social Security Act the Treasury is now able to collect millions of dollars which it does not need for the purpose of the act and there seems to be some difficulty in getting the law changed.

If the purpose of this amendment is to permit teachers and instructors in institutions of learning to engage in political activities, and I have no objection, then offer an amendment which will provide that nothing in sections 2, 9, and 12 of the original act shall be deemed to make unlawful the doing of any act by any bona fide instructors in any school, college, or university, maintained in whole or in part either by the Federal Government, the State, or any political subdivision thereof, or by any religious denomination.

Mr. HOBBS. Mr. Speaker, I rise in opposition to the amendment.

The SPEAKER. The gentleman from Alabama is recognized for 5 minutes.

Mr. HOBBS. Mr. Speaker, I beg of you not to be swept off your base by this argument, which is very plausible but which has no merit whatsoever.

Mr. HOFFMAN. Will the gentleman yield there? Except in the terms of the bill.

Mr. HOBBS. The terms of the bill are those to which I shall refer and which do not touch even the hem of the garment of the case that the gentleman presupposes.

The whole of this proposed amendment, this bill S. 2471, is qualified by the words "educational" and "research," or "religious," "philanthropic," or "cultural."

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield there?

Mr. HOBBS. I am delighted to yield to the gentleman from Michigan.

Mr. HOFFMAN. Would the gentleman claim that the triple A agents are educational? Would the gentleman claim that they are engaged in research? Will the gentleman tell the triple A agents out in the field that they are not engaged in educational or research work?

Mr. HOBBS. I am telling the A. A. A. and any other agency to which the gentleman refers now as seriously as I know how; and I do not yield further until I complete my statement, if the gentleman pleases.

Mr. HOFFMAN. I should just like to ask then, what excuse they have for being in existence.

Mr. HOBBS. They have a perfectly valid excuse for being in existence: That they are some of the most effective agencies for the benefit of farmers that have ever been organized.

Mr. HOFFMAN. Yet they are neither educational nor research in character.

Mr. HOBBS. I am going to make my own speech from now on. I desire the gentleman to be as courteous to me as I have always been to him.

Mr. HOFFMAN. I will apologize twice right now.

Mr. HOBBS. All right, sir; that is not what I want. I do not want apology; I want the floor.

The Hatch Act applies only to those who are in whole or in part subsidized directly or indirectly by the Federal Government. This bill does not touch them at all. It reads that 3 of the 20 sections of the Hatch Act as amended shall not apply to any officer or employee of any educational or research institution, establishment, agency, or system which is supported in whole or in part by any State or political subdivision thereof, or by the District of Columbia or by any Territory or territorial possession of the United States, or by any recognized religious, philanthropic, or cultural organization. This would leave the Hatch Act in status quo otherwise. In other words, this is an exception and leaves the rule absolutely as it is. It does not affect the Hatch Act in any way, shape, form, or fashion, except that in 3 of its 20 sections there are excepted educational and research institutions and similar organizations. It will not affect those that are supported entirely by Federal largesse; it will not affect any but the institutions to which it is directed, and I respectfully insist that the brilliant and distinguished gentleman from Michigan is mistaken in his interpretation of this bill. I respectfully urge that we defeat his amendment.

Miss SUMNER of Illinois. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I shall be happy to yield to the distinguished gentlewoman from Illinois.

Miss SUMNER of Illinois. The language of the bill is vague enough to make the position of the gentleman from Michigan very applicable. I think he is right. On the other hand the gentleman's own exposition could have a good deal of effect on the interpretation of the law. I wish the gentleman would reassure us of the fact that this is intended to exempt only school teachers.

Mr. HOBBS. Well, its exemption goes further than that. It would exempt all employees or officers of educational or research institutions of every grade or class, from grammar school through university.

Mr. MICHENER. Will the gentleman yield?

Mr. HOBBS. I am always happy to yield to my colleague of the Committee on the Judiciary from Michigan.

Mr. MICHENER. Situated within the district which I have the honor to represent is the University of Michigan at Ann Arbor, Mich. This bill would permit the employees, or would take the employees, the teachers, instructors, and others connected with the carrying on of the university out from under the Hatch Act, and that is all it would do. I do not agree at all with the gentleman from Michigan [Mr. HOFFMAN] as to the interpretation he has made. The gentleman is a good lawyer and I think that he has misinterpreted the meaning. Maybe the language is not clear.

Mr. HOBBS. It applies not only to the University of Michigan but to every other land-grant college.

[Here the gavel fell.]

The SPEAKER. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The question was taken; and the Speaker announced that the noes had it.

Mr. HOFFMAN. Mr. Speaker, I object to the vote on the ground a quorum is not present.

The SPEAKER. The Chair will count.

Mr. McCORMACK. Mr. Speaker, will the gentleman withhold his point of no quorum? I should like to submit a unanimous-consent request.

The SPEAKER. The Chair cannot entertain that request unless the gentleman from Michigan withholds his point of order.

Mr. HOFFMAN. Mr. Speaker, I withhold my point of order for that one purpose.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of this bill be postponed until tomorrow, and I make that request rather than to offer a motion to adjourn because there are some special orders that the gentleman from Michigan would not want disturbed.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

WOMEN'S ARMY AUXILIARY CORPS

Mr. THOMASON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, S. 2751, to amend the act entitled "An act to establish a Women's Army Auxiliary Corps for

service with the Army of the United States," approved May 14, 1942, to create the grade of field director in such corps, to provide for enrolled grades in such corps comparable to the enlisted grades in the Regular Army, to provide pay and allowances to all members of such corps at the same rates as those payable to members of the Regular Army in corresponding grades, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMASON]?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That sections 2, 3, 4, 5, and 6 of the act entitled "An act to establish a Women's Army Auxiliary Corps for service with the Army of the United States," approved May 14, 1942 (Public Law 554, 77th Cong.), are hereby amended to read as follows:

"SEC. 2. From women citizens of the United States, the Secretary of War is authorized to appoint the Director and such Assistant Directors and field directors as he from time to time may deem necessary and advisable, all of such appointees to serve during the pleasure of the Secretary. The Director shall receive pay and allowances at the rate now or hereafter provided by law for a commissioned officer of the Regular Army without dependents who is entitled to receive the pay of the sixth pay period. The Director, under the direction of the Chief of Staff of the Army of the United States, shall advise the War Department on matters pertaining to the establishment of the Women's Army Auxiliary Corps; shall operate and administer the corps in accordance with normal military procedure of command and administration and such regulations as may be prescribed by the Secretary of War; shall make recommendations as to plans and policies concerning the employment, training, supply, welfare, and discipline of the corps; and shall perform such other duties as may be prescribed by the Secretary. Each Assistant Director shall receive pay and allowances at the rate now or hereafter provided by law for a commissioned officer of the Regular Army without dependents who is entitled to receive the pay of the fifth pay period; and each field director shall receive pay and allowances at the rate now or hereafter provided by law for a commissioned officer of the Regular Army without dependents who is entitled to receive the pay of the fourth pay period. Each Assistant Director and field director shall perform such duties as may be prescribed by regulations published by the Secretary of War.

"SEC. 3. The Secretary is authorized to establish and maintain such number of schools as he may consider necessary for the purpose of training candidates for officers of the corps. The Secretary may establish by regulations the qualifications for entry into such schools, the course of study to be pursued, and the requirements for graduation therefrom. Candidates for such schools may be selected from enrolled members of the Women's Army Auxiliary Corps or from women volunteers who are citizens of the United States. Transportation in kind and subsistence may be authorized by the Secretary for such candidates from the place from which authorized to proceed to such schools, and return, or, in lieu of furnishing such transportation in kind and subsistence, to pay them travel allowances at the rate of 5 cents per mile and subsistence allowances at the rate of 1 cent per mile for the distance of such journeys by the shortest usually traveled routes. Payment of such allowances for return journeys may be made in advance of the actual performance thereof. During the attendance of such candidates at such schools they shall be furnished living quarters, uniforms as hereinafter provided, medical and dental service, medicines, medical and hospital supplies, hospitalization, subsistence, textbooks, necessary school supplies, and pay. All enrolled members of the corps shall receive the pay and allowances of their grade as hereinafter provided, and all other candidates shall receive pay at the rate of $50 per month. The Secretary may appoint officers in such number as he may deem necessary for the proper administration of the corps in the grades of first officer, second officer, and third officer, and with such responsibilities as he may direct. First officers, second officers, and third officers shall receive pay and allowances at the rate now or hereafter provided by law for commissioned officers of the Regular Army, without dependents, who are entitled to receive the pay of the third, second, and first pay periods, respectively.

"SEC. 4. The Secretary is authorized to have enrolled in the corps, in addition to the Director, Assistant Director, field directors, and officers hereinabove provided for, by voluntary enrollment, women of excellent character in good physical health, between the ages of 21 and 45 years and citizens of the United States. The personnel of the corps so enrolled shall be distributed, in accordance with regulations prescribed by the Secretary of War in seven grades corresponding to the seven enlisted grades in the Regular Army; and the Secretary shall have complete authority to define the qualifications for all of the grades in which such personnel are so distributed. Personnel in each of the seven grades shall receive pay and allowances at the rates now or hereafter provided by law for enlisted men, without dependents, in the corresponding enlisted grades in the Regular Army.

"SEC. 5. The Secretary shall, so far as practicable, provide quarters for the members of the corps so enrolled either on established Army posts, camps, or stations, or on those to be established, or in such other places as he may direct, and may use any of the facilities of the Army for such purposes.

"SEC. 6. The Secretary shall procure and furnish subsistence to all members of the corps, exclusive of the Director, Assistant Directors, field directors, and officers, which shall conform so far as is practicable to the subsistence of the Army: *Provided*, That when subsistence in kind is not furnished, the Secretary, by regulation, shall provide for payment of allowances in lieu thereof."

SEC. 2. Section 8 of such Act of May 14, 1942, is amended by inserting therein after the words "Assistant Directors" a comma and the following: "field directors".

SEC. 3. The Secretary of War is authorized to permit members of the Women's Army Auxiliary Corps to make allotments from their pay, under such regulations as he may prescribe, for purposes which in his discretion warrant such action.

Mr. THOMASON. Mr. Speaker, I offer an amendment to strike out all after the enacting clause and to insert in lieu thereof the bill H. R. 7539 as amended and as it passed the House today.

The Clerk read as follows:

Amendment offered by Mr. THOMASON: Strike out all after the enacting clause and insert in lieu thereof the following:

"That sections 2, 3, 4, 5, and 6 of the act entitled 'An act to establish a Women's Army Auxiliary Corps for service with the Army of the United States', approved May 14, 1942 (Public Law 554, 77th Cong.), are hereby amended to read as follows:

"'SEC. 2. From women citizens of the United States, the Secretary of War is authorized to appoint the director and such assistant directors and field directors as he, from time to time, may deem necessary and advisable, all of such appointees to serve during the pleasure of the Secretary. The director shall receive pay and allowances at the rate now or hereafter provided by law for a commissioned officer of the Regular Army, without dependents, who is entitled to receive the pay of the fourth pay period. The director, under the direction of the Chief of Staff of the Army of the United States, shall advise the War Department on matters pertaining to the establishment of the Women's Army Auxiliary Corps; shall operate and administer the corps in accordance with normal military procedure of command and administration and such regulations as may be prescribed by the Secretary of War; shall make recommendations as to plans and policies concerning the employment, training, supply, welfare, and discipline of the corps; and shall perform such other duties as may be prescribed by the Secretary. Each assistant director shall receive pay and allowances at the rate now or hereafter provided by law for a commissioned officer of the Regular Army, without dependents, who is entitled to receive the pay of the third pay period; and each field director shall receive pay and allowances at the rate now or hereafter provided by law for a commissioned officer of the Regular Army, without dependents, who is entitled to receive the pay of the second pay period. Each assistant director and field director shall perform such duties as may be prescribed by regulations published by the Secretary of War.

"'SEC. 3. The Secretary is authorized to establish and maintain such number of schools as he may consider necessary for the purpose of training candidates for officers of the corps. The Secretary may establish by regulations the qualifications for entry into such schools, the course of study to be pursued, and the requirements for graduation therefrom. Candidates for such schools may be selected from enrolled members of the Women's Army Auxiliary Corps or from women volunteers who are citizens of the United States. Transportation in kind and subsistence may be authorized by the Secretary for such candidates from the place from which authorized to proceed to such schools, and return, or, in lieu of furnishing such transportation in kind and subsistence, to pay them travel allowances at the rate of 5 cents per mile and subsistence allowances at the rate of 1 cent per mile for the distance of such journeys by the shortest usually traveled routes. Payment of such allowances for return journeys may be made in advance of the actual performance thereof. During the attendance of such candidates at such schools, they shall be furnished living quarters, uniforms as hereinafter provided, medical and dental service, medicines, medical and hospital supplies, hospitalization, subsistence, textbooks, necessary school supplies, and pay. All enrolled members of the corps shall receive the pay and allowances of their grade as hereinafter provided, and all other candidates shall receive pay at the rate of $50 per month. The Secretary may appoint officers in such number as he may deem necessary for the proper administration of the corps in the grades of first officer, second officer, and third officer, and with such responsibilities as he may direct. First officers, second officers, and third officers shall receive pay and allowances at the rate now or hereafter provided by law for commissioned officers of the Regular Army, without dependents, who are entitled to receive the pay of the third, second, and first pay periods, respectively.

"'SEC. 4. The Secretary is authorized to have enrolled in the corps, in addition to the director, assistant director, field directors, and officers hereinabove provided for, by voluntary enrollment, women of excellent character in good physical health, between the ages of 21 and 45 years and citizens of the United States. The personnel

of the corps so enrolled shall be distributed, in accordance with regulations prescribed by the Secretary of War, in seven grades corresponding to the seven enlisted grades in the Regular Army; and the Secretary shall have complete authority to define the qualifications for all of the grades in which such personnel are so distributed. Personnel in each of the seven grades shall receive pay and allowances at the rates now or hereafter provided by law for enlisted men, without dependents, in the corresponding enlisted grades in the Regular Army.

"'SEC. 5. The Secretary shall, so far as practicable, provide quarters for the members of the corps so enrolled either on established Army posts, camps, or stations, or on those to be established, or in such other places as he may direct, and may use any of the facilities of the Army for such purposes.

"'SEC. 6. The Secretary shall procure and furnish subsistence to all members of the corps, exclusive of the director, assistant directors, field directors, and officers, which shall conform so far as is practicable to the subsistence of the Army: *Provided*, That when subsistence in kind is not furnished, the Secretary, by regulation, shall provide for payment of allowances in lieu thereof.'

"SEC. 2. Section 8 of such act of May 14, 1942, is amended by inserting therein after the words 'assistant directors' a comma and the following: 'field directors'.

"SEC. 3. The Secretary of War is authorized to permit members of the Women's Army Auxiliary Corps to make allotments from their pay, under such regulations as he may prescribe, for purposes which in his discretion warrant such action."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. THOMASON. Mr. Speaker, I ask unanimous consent that the proceedings by which H. R. 7539 passed the House today be vacated.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMASON]?

There was no objection.

A similar House bill (H. R. 7539) was laid on the table.

The SPEAKER. Under a previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

CONTEMPTUOUSNESS EXISTING BETWEEN THE LEGISLATIVE AND EXECUTIVE BRANCHES OF OUR GOVERNMENT

Mr. PATMAN. Mr. Speaker, the views I express are my own views and I express them as one Representative of an average district of 300,000 people in this country, because I believe that we have reached a situation that is a very dangerous one and should be more frankly discussed. I am not claiming that my views will help the situation any, but I do desire to invite the attention of my colleagues to the thoughts that I hope to be able to express.

Congress as an institution, the legislative branch of our Government, has cooperated 100 percent with the President, the Executive, in the prosecution of this war. The President can act quickly in changing orders and rules in anything that he desires to do. The legislative branch cannot act so quickly because there are 531 Members of the two Houses, the House and the Senate.

The President has been given every major law he has asked for in the prosecution of this war and he has received from Congress every appropriation he has asked for in the prosecution of this war. Notwithstanding that, there has been a great deal of criticism of Congress as an institution. Practically all of it is wholly unjustified.

If you were to select any one church in this country, or any lodge or any other organization, you could possibly find one or more members of that church or lodge who were vulnerable and who could be criticized. The same is true as to Congress. I do not believe that exceptions should be accepted as the general rule and, therefore, Congress as an institution should not be condemned for the acts, assertions, or statements of a few exceptional members and, I will add, certainly not for anything I shall say or have said.

CONTEMPTUOUSNESS

Notwithstanding this cooperation of Congress with the President in the prosecution of this war, it is an unhappy fact that many of the people in the executive department do view contemptuously the legislative branch of the Government, and too many important leaders in the legislative branch of our Government have a contempt for certain trusted executives of the President in the executive branch. In time of peace, such a situation is bad. In time of war, such a condition is intolerable and should not be allowed to continue. It is a real enemy of our war effort and could very well mean the difference between defeat and victory. Such a situation is very helpful to our enemies.

COMITY NEEDED

It is just as necessary that comity exist between the legislative and executive branches of our Government as for comity to exist between the two branches of Congress—the House and the Senate. Our parliamentary rules provide against a Member of one body of Congress making derogatory statements concerning Members of, or the other body of Congress, so the Houses of Congress are fully and amply protected for the purpose of maintaining that fine degree of relationship and friendship and comity that should exist between two branches of a legislative body. However, there is no such rule to protect against the differences that may exist between the legislative and the executive branches of our Government. Not even during wartime. Notwithstanding the fact there is not such a rule, the Members of the legislative branch should make every effort to see that there is a good relationship existing, and I think it just as incumbent upon the Executive and those in authority in the executive branch of our Government to see that a fine relationship exists between the executive branch and the legislative branch.

PUBLIC CALAMITY

Cases can be referred to in our parliamentary rules where speeches were stricken from the CONGRESSIONAL RECORD on the ground that they tended to create "unfriendly conditions between the two bodies, obstructive of wise legislation and little short of a public calamity."

If a public calamity can be caused by unfriendly conditions between the two Houses of Congress, certainly a public calamity can be caused by a contemptuousness between the two most important branches of our Government, the legislative and the executive.

UNITY NEEDED

I shall not discuss the charges that have been made against the executive branch of our Government because they have been discussed here on the floor of this House many, many times, possibly too often, possibly some will say not often enough, but I have not heard anything said that would place any part of that blame upon us. If we ask for an end to a bad condition between the two branches it is in order to accept some of the blame while doing so. I am not blaming the legislative branch of our Government for anything, it has been charged with numerous things that it is not guilty of, but I do think that the legislative branch should do everything possible in time of war to create unity between the executive and legislative branches of the Government. Whatever the sins of omission or commission are of these two branches should be forgotten during this war because we should have unity. I am not so interested in particular encroachments one upon the other as I am for us to make a new start during this war to last for the duration.

The cause of our troubles, the breach between the executive and the legislative has been caused, to my mind, for three substantial reasons.

ENCROACHMENTS ONE UPON THE OTHER FOR DECADES

One is that over a period of many decades the executive has been encroaching upon the prerogatives of the legislative, and the legislative has encroached upon the prerogatives of the executive. Each has encroached upon the prerogatives of the other. This has been going on for decades. It is not new. It is now coming to a head at a very unfortunate time, while we are engaged in a world war.

INAUGURATION OF THE NEW DEAL

Second, preceding our entrance into this war, the breach was caused or intensified by a fundamental change in our Government, by the inauguration of the New Deal. Now, in that case I personally believe, expressing my own personal views, that was intensified by reason of a minority refusing to accept the will and the wishes of a majority, which is the foundation stone of any democracy on earth, and I think they have continued to fight the will of the majority even in wartime while our sons are going upon foreign battlefields. I think a lot of our trouble has been caused by that, and in peacetime, all right, make changes; that is the democratic way to make changes, bring them up for discussion. But in time of war I think there can be an end to further discord caused by the inauguration of the New Deal.

ROOSEVELT HATERS

Third, during this war the breach was intensified by a determination that Mr.

Roosevelt should get little credit, if any, for the winning of the war, and an attitude on the part of many that indicates that they had rather suffer the country to lose the war than have Mr. Roosevelt win the war for them.

CONSTITUTION VERY PLAIN ABOUT LEGISLATIVE BRANCH

Now, under No. 1, about the encroachment upon the prerogatives of each other, may I invite your attention to Article I of the Constitution. The sections in that article create the legislative branch of our Government and define the functions and the duties and the powers and the obligations of the Representatives of the people who make the laws.

CONSTITUTION PLAIN ABOUT EXECUTIVE BRANCH

Very plain the Constitution is, and under article II it is just as plain about the executive branch of our Government. In other words, the legislative branch makes the laws and after they have been placed upon the statute books, the Executive is compelled to faithfully enforce those laws.

So our duties are separate and distinct and you can clearly see that if any attempt is made by one to encroach upon the powers and duties and prerogatives of the other, trouble is likely to result, if not now later on down the road. That is what has happened. It commenced a long time ago, but it is reaching a climax now at a very unfortunate time.

The President takes an oath that he will faithfully enforce the laws. We are not to enforce laws, we make them. Obviously, the President cannot enforce all these laws himself; that duty must be delegated by him to others. It is up to the Executive to appoint the ones that he wants to enforce the laws we pass. It is not up to the legislative to say that he should select any certain persons or individuals to enforce the laws. That is up to him. The duty and the responsibility rest upon his shoulders.

ECONOMIC DIRECTOR APPOINTED

Saturday the President of the United States took the longest step, the most far-reaching step that so far as my limited knowledge and information goes is much farther than any step that any leader of any democratic country on earth has ever taken at one time. In taking that step to fix wages and salaries and prices and rents and the hundreds of thousands and millions of things that are involved in that one order, he appointed what is known as an economic director to carry out his wishes. Therefore he has delegated that power to execute a law we passed to a man of his choice, the Honorable James F. Byrnes, of South Carolina, a gentleman in whom I have complete and full confidence, and I do not believe a better choice or selection could be made. But if I did not believe he was a good choice it would be my duty to follow Mr. Justice Byrnes because he has been selected by our Commander in Chief to enforce the law that we passed and it is not our duty to enforce it. If we were to insist upon the President selecting certain people to help Mr. Justice Byrnes or if we were to insist upon Mr. Justice Byrnes enforcing this law in some particular way, I think that we would be clearly going outside of our jurisdiction and authority. That is exactly what some of us have probably done too much of in the past.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I hope the gentleman will not interrupt me, because I want to finish. I have made some notes here and I would just like to cover the points I have jotted down. I am speaking extemporaneously and after I have finished the notes I shall be glad to yield in the hope that I can satisfactorily answer any question that may be asked. At least I shall try.

If we should as Members of Congress now attempt to tell Director Byrnes whom to appoint to assist him or to tell the President whom to appoint to assist him and attempt to tell the President how to enforce a law passed by the Congress, we would be going outside of our jurisdiction. This has been one of the greatest causes of disunity between the two branches of Government. We should leave all the enforcement up to the President, and that includes all such appointments, and we should expect him to, and I believe he will, carry out his oath to faithfully execute the laws.

Whether we are willing to admit this or not, there has been too much back-seat driving on the part of certain Members of Congress acting individually. We have all been guilty of it, I suspect, to an extent, whether large or small; and when I say back-seat driving, I suggest that we are getting into a field that belongs to the executive branch of our Government under the Constitution, and was never intended for us to get into. The President should be allowed to enforce that law without interference from the legislative branch of our Government. Mr. Justice Byrnes is the one selected to administer it. He happens to be satisfactory to practically everyone, I presume. It is not a difficult matter for one to say, and it requires no courage, that he is for Mr. Byrnes, because he is a good man, because everybody agrees with him, but it is quite different about a man that the President selects, about whom the President knows, and about whom you do not know, but who is unpopular, to say that you are not against him, but it is certainly our duty to follow the one selected by the Commander in Chief in time of war. There is one string on the important appointments by the President, and that is the string that the Senate has. He must be appointed by and with the advice and consent of the Senate. So, when the President makes an appointment and the Senate confirms it, so far as I am concerned, as a humble Member of this House, I feel that it is my duty to do my very best to go along with that man regardless of who he is.

I know that the appointment of Mr. Leon Henderson was a very unpopular appointment with many Members of Congress. A lot of Members did not like Mr. Henderson. They do not like the way in which he conducts his business. Notwithstanding that, I feel that it is my duty as a Member of this Congress to work with him and cooperate with the Commander in Chief for the purpose of carrying out his wishes, and his will in the administration and execution of the laws that we pass.

Of course, it is my personal belief that the President could have looked the country over and could not have found a man better qualified in every way to administer the price-control law than Leon Henderson. I think he has all that it takes. I admit that he goes about things differently from what I would, but at the same time he is a man who knows his business, and will get the job done. No one contends he does not have the ability to enforce the law. No one claims that he does anything against the public interest. Everyone who deals with Leon Henderson finds him to be fair and reasonable. He is satisfactory to the President, and is satisfactory to me. With anyone that the President appoints, some person will be able to claim possibly that he is not the right man.

Take, for instance, Mr. Donald Nelson, one of the best and ablest men in this Government. The President could not have appointed a better man for his place. Yet you hear people say that he is a big chain-store man, and that he has all kinds of chain-store executives down there in his department, and that they are trying to run this country so that the chain stores will have charge of it when this war is over. I do not believe that, and I am on the other side of the fence from Mr. Nelson on the national chain-store question. He believes in the national chain store honestly and conscientiously. I am just as honestly and conscientiously opposed to national chains. I would not object to regional chains, State chains, but I am opposed to national chain stores, but I do not believe those stories about Donald Nelson, and anyone who quotes such stories as that I think is quoting something calculated to cause disunity, and distrust, and is unwittingly committing sabotage against the war effort. I know that many people do not mean it that way, but it is a habit that we have gotten into in time of peace, to always criticize and condemn the people who do not believe as we do. I believe that Donald Nelson is big enough to throw aside these views, his economic beliefs, during the wartime and act as a great executive for the Commander in Chief in time of war, with the idea first of winning the war, and I shall continue to believe that, until I have convincing evidence that the contrary is true, and I do not believe that such evidence will ever be presented.

Take, for instance, Bill Jeffers. He had no more than been appointed by the President as the Rubber Administrator than somebody began to criticize him. Bill Jeffers is a big man, and he is bound to be, or he would not have been in the responsible position that he was in. As I say, he had no more than been appointed before some people said, Oh, the railroads dislike the truck competition and he is going to help the railroads against the trucks because he is a railroad man, and he is for the railroad company. I do not believe that. I believe

Bill Jeffers will not permit business connections to interfere with the performance of his duties. I believe that he will consider we are in war, and he will put winning of the war first. No one should try to sabotage his efforts by putting out or repeating such statements as that, because they are without foundation. Should the President decline to appoint anyone because he is a success in life and particularly in business.

This is a serious war that we are in, and any person who is not big enough to rise above his own business and his own particular views, and place the winning of the war first is not big enough to make a really good citizen in the smallest community in the land.

I believe the President has been somewhat hindered in his efforts to prosecute this war by Congress taking up too much of his time before Congressional committees, particularly investigating committees. When we take up the time of his executives, we take up his time, since the President does his work through them. We have not done it for the purpose of obstructing the President's efforts, not in the least, and we thought possibly we were helping him, and it is possible that we did bring out some helpful information, but I think we should be more careful about bringing an executive here before congressional investigating committees for the purpose of questioning him day in and day out, when he is engaged in the serious effort of helping the President win this war.

Mr. COX rose.

Mr. PATMAN. Oh, I hope the gentleman will not press his inquiry at this time, as I shall be very glad to yield later.

There was a time in the history of this country when a congressional committee, composed of members of the House and the Senate, actually brought a major general of the United States Army in from the field before a congressional committee, and made him tell what he expected to do with the large army that he had, and what his policy would be toward winning the war and things like that.

There are many people today who are advocating that we have a commission to run the war—nothing less, according to my opinion, than advocating the crippling of our war effort. We can have but one Commander in Chief, and whether anyone likes him or dislikes him, he will remain Commander in Chief (except by reason of death, resignation, or impeachment) until January 1945. So it is our duty to stand behind that Commander in Chief and help to win this war. I hope we have not reached the stage where, by reason of any hatred against the executive department that some people harbor because of economic questions or other questions, we would hamper or hinder the war effort by doing what was done by another Congress in another war in which generals were called before investigating committees of Congress. I say generals because more than one was so called.

So the conclusion on this point is if we leave the execution of the laws to the President and not encroach upon his duties, power, and authority, a long step will have been made in the direction of creating greater unity between the two branches of our Government, and thereby prevent a possibility of a national calamity.

The reasons under No. 2 that I gave about many people not being willing to forget opposition to the New Deal during this emergency, I shall not discuss, because of the lack of time. I hope to discuss them later on.

Under reasons No. 3, about people who do not want the President to have credit for the winning of this war. If this war is lost President Roosevelt will be charged with losing it. If it is won President Roosevelt will be given the credit for winning it. It is not possible for President Roosevelt to lose and the country and the people to win. It is just not possible. You cannot separate them that way.

Mr. COX. The gentleman does not mean that, does he?

Mr. PATMAN. If you will wait just a minute until I get through I will yield for any question the gentleman wants to ask and I hope I will be able to answer it satisfactorily. It is not the President's war but the responsibility for prosecuting it is upon the President.

The Germans and the Japanese, as well as the Italians, represent a formidable foe. We have a real war on our hands, yet if you were in a foreign country and were to read some of our daily newspapers, and I venture to say the CONGRESSIONAL RECORD on some days, you would probably think we were engaged in a civil war here among ourselves; that we are talking more against President Roosevelt and his executives and the people who are carrying out the laws that we enact than we are talking against the Japanese, the Germans, and the Italians. That is often true. You never hear of anyone in the countries of our enemies saying anything that will create disunity or be an attack upon their leaders.

I heard the Speaker of this House, Mr. RAYBURN, make this suggestion—after war was declared and a certain big public meeting was about to be held. He was criticized by some for making it, but it was a good statement and good advice. That advice was, "I hope that nothing is done or said at this meeting that will make headlines in Tokyo and Berlin."

It was a short statement, but it meant something. Too much has been done since that time and is being done every day that makes headlines in Tokyo and Berlin. If our enemies read the daily newspapers of this country every day they will read a lot that will meet with their approval.

Blunders are going to be made by both the executive and legislative branches of our Government in times of war or peace, and especially during war. I think it is the duty of each branch to be patient and tolerant toward each other and the duty of each, if possible, to see if unity and trust cannot be brought out of disunity and distrust.

There are several things that can be done which my time will not permit me to discuss, because I want to yield for questions.

How much time have I remaining, Mr. Speaker?

The SPEAKER pro tempore. The gentleman has 2½ minutes remaining.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

Mr. O'HARA. I have a special order for 20 minutes following the gentleman, but that is agreeable to me.

Mr. COX. I want to ask the gentleman to yield 5 minutes of his time to me.

Mr. O'HARA. That is perfectly satisfactory.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. I think we should be thankful that we have a man like President Roosevelt as Commander in Chief at a time like this. He is an outstanding citizen. I do not know of any better in our country. As President, I think he has made a good one. He has helped the poor man, and even against his own personal interests. A few days ago, last Saturday (his critics may note it was just before the election), he issued rules and regulations that will reduce salaries of everyone down to $25,000 per annum, including his own—66⅔-percent reduction of his own in addition to his private income—which is further evidence that he acts in the public interest regardless of his private interest.

Not only that, but as Commander in Chief he has not only his interest as President and as citizen but he has four fine sons of his own in hazardous service in the different branches of our armed forces; so he certainly has an interest there as a father as well as a President and as well as Commander in Chief, as well as being a citizen.

WAR WOULD NOT HAVE OCCURRED IF WE HAD FOLLOWED PRESIDENT ROOSEVELT'S ADVICE

If we the Congress had followed President Roosevelt's preparedness program and had followed his advice it is my opinion, speaking as one humble Member of this Congress, this war would not have occurred. I honestly believe that, but the same minority that is obstructing or hindering the President in the prosecution of this war is likewise responsible for our failing to prepare. They caused us to be wholly unprepared and at a great disadvantage.

We should do everything possible to create unity between these two different branches of our Government. Speaking for myself, if the President says he needs a law for the further prosecution of this war and needs it immediately, I as one Member of Congress will vote to give it to him because I believe it will be in the interest of the protection of the millions of young men who are now serving in the Army of our country. He was elected by the people the same as we were; he has an obligation to the people the same as we have; he is accountable to the people the same as we are, and it is our duty to back him up in this great emergency in time of war.

NO TIME FOR EVEN CONGRESS-AS-USUAL

It is no time for business-as-usual, or politics-as-usual, or even Congress-as-

usual. We must win this war first, and there is only one way to successfully prosecute the war, and that is to back up our Commander in Chief 100 percent, cultivate teamwork instead of disunity, praise accomplishments instead of showing hatred for the Commander in Chief, desist from sniping and refrain from engaging in activities and making statements that will lead our enemies to believe that we are in a civil war here in the United States, and more interested in destroying our President than we are in destroying Hitlerism.

I conclude as I commenced by saying that I am speaking for myself, my own views, placing my own interpretations, impugning the motives of and criticizing no one, and especially no Member of the Congress of the United States, because no man has a higher regard or greater respect for the Members of Congress than I. I have often defended Congress in the past and I will defend Congress any time in the future that the need should arise. No group or body of men on earth has been more unfairly attacked on occasions than Congress.

I shall be glad to yield now to the gentleman from Georgia for the questions he desires to ask me.

Mr. COX. I will get a few minutes myself. I thank the gentleman.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HALLECK. I very much appreciate what the gentleman has said about unity and coordination of purpose and cooperation between the executive and the legislative body of the Government the Congress; but I am wondering whether the gentleman thinks that much in the way of unity was contributed when after the President made a trip of 2 weeks throughout the country and found out, as many of us had already sensed, that a great many people in the country are pretty mad at Washington, he then came back to Washington and instead of assuming any portion of the responsibility himself, blamed it on: First, the Congress; second, the newspapers and radio; and third, subordinates in his own administration who had been appointed by him, men working under his own control.

NO TIME FOR EXECUTIVE AND LEGISLATIVE TO BE FIGHTING

Mr. PATMAN. I think both branches have gone too far. I think the executive has encroached upon the legislative, and I think the legislative has encroached upon the executive. I have not heard or seen many words from Congress generally that would have a tendency to pour oil upon the troubled waters. Perhaps we have said too little in that respect. Possibly the executive has done too little in that respect. We should all try to promote harmony and unity now of all times.

If there is any hatchet to be buried it should be buried now because nearly every family in America has from one to five or six sons going to war. They are going to bare their breasts to enemy bullets and give their very lives if necessary to save our country. This is no time for the legislative and the executive to be fighting one another.

Mr. HALLECK. One further question, if the gentleman will permit. I was much interested in the gentleman's statement of his position on administrative law. Do I understand the gentleman to take the position that an administrative agency created by the Congress is not in a measure responsible to the Congress for the administration of the law according to the legislative intent expressed in the law?

Mr. PATMAN. The gentleman will have to separate his question. One is an agency of Congress; the other is an agency of the Executive.

Mr. HALLECK. But does not Congress create the agency? The duty then falls upon the Executive to appoint the persons that are to man the agency and work in the agency, but is it not also true that the agency continues to be the agency of the Congress charged by us with administering the law that we put on the books? Does not the gentleman believe the Congress has a responsibility to see that the laws are administered according to the intent of Congress?

Mr. PATMAN. In cases where we pass a law and place its execution in the hands of the Executive, he executes it, and he is responsible for its faithful execution, but if we create an agency as an instrumentality of Congress the Congress will oversee its administration.

I am not so much concerned about what has happened in the past as I am about the future, and especially during this war.

We must build up trust and unity between the two most important branches of our Government instead of distrust and disunity.

We should fight our enemies and not fight among ourselves while we are doing it.

[Here the gavel fell.]

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Minnesota [Mr. O'HARA] is recognized for 30 minutes.

Mr. COX. Mr. Speaker, will the gentleman from Minnesota yield me 5 minutes?

Mr. O'HARA. I will.

Mr. BRADLEY of Michigan. Mr. Speaker, will the gentleman yield to permit a unanimous-consent request?

Mr. O'HARA. I yield for that purpose.

EXTENSION OF REMARKS

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. SHAFER] may have permission to extend his own remarks in the RECORD and include an editorial.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER pro tempore. The gentleman from Georgia is recognized for 5 minutes.

Mr. COX. Mr. Speaker, the address of the gentleman from Texas is a complete medley. To begin with, he exercised great tact in meeting an issue precipitated by a broadside attack on the Congress carried in the press a few days ago. He passed through a downpouring shower without getting a drop of water on him. In the remainder of his address he spoke somewhat in riddles. It was difficult to understand just what he meant, the points he intended to develop, where he was going, or what he was after. He did, however, wind up in his defense of the Congress by entering a confession and avoidance. The gentleman made certain statements that were so astounding that they ought to be answered, and I think answered now. The impression ought not to go out that he is speaking for the Congress.

The gentleman says in effect that for the duration of the war, freedom of speech, which guards all of our other freedoms, should be suspended. In other words, he counsels you and the Nation that no criticism should be indulged in of any agency set up by the President or any agency of the Congress for the duration of the war. He would muzzle the Congress, he would muzzle the press, he would shackle the Congress, he would shackle the press. Can you think of anything more astounding than that Congress should virtually close shop and cease to function for the duration of the war? In other words, not to be permitted to indulge in the practice of expressing its thoughts, its views, deprive us of the freedom of speech, and the press also deprived of its freedom.

Mr. Speaker, so far as I am concerned, I am not quarreling about having given the President all of the powers he has requested. I realize as all others realize that for the duration of the war a certain amount of one-man government must be carried on. As long as you preserve freedom of speech and freedom of the press, I am not going to worry very much about dictatorship during the war. But as far as saying that Congress shall not criticize, that we must accept and approve everything that is done, the suggestion astounds me.

Let me say that "willing hearts" is fine, "voluntary cooperation" is desirable, but these are not enough. We must all function as if this is our war as well as the President's war; we must know what our job is and do it, and every lick we strike must have its relationship to war. As highly as I regard the gentleman from Texas and respect his views ordinarily, I must challenge the statement he makes that this is the President's war and that the President will either lose it or win it. I have been told and given to understand, and I have interpreted what the President has said to mean, that this is everybody's war, and if we lose, it will be lost by the people as a whole and not by any one individually.

[Here the gavel fell.]

Mr. O'HARA. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota [Mr. O'HARA]?

Mr. PATMAN. Mr. Speaker, reserving the right to object, I want to seriously urge the gentleman to remember that

I did not make the statements that he is now saying. I did not say this was the President's war, I did not say it would interfere with free speech and I do not want to abolish Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota [Mr. O'HARA]?

There was no objection.

Mr. COX. Mr. Speaker, the country is terribly angry, but is it angry with Congress alone, and is Congress responsible for the things about which it is angry? The people of this country are angry because of the bad behavior of labor, and they are angry because of the insistence of coupling up reform with the war.

Let me ask you, Is Congress responsible for those things?—and I ask that seriously. Is it not generally believed by everyone that those things could have been prevented if Congress had been left to work its will? So far as labor is concerned, would not Congress have legislated against the racketeers and the gangsters that are striking against our defense and against our soldiers in the trenches, and even now striking against mothers in the hospitals who are seeking to cool the fevered brow of babies? Would not Congress have legislated on that subject long ago if it had been permitted to do so? And if the people are mad about it, is it fair to the Congress to be given all the blame?

On the other subject, of course, I know the general feeling of this House is that reform should be put aside until after the war is concluded. We must cease trying to make over America while America is in the throes of an awful war. As for myself, I do not want to strip myself of all my natural rights. I give the President equally as complete support in his war program as any other. I do not want to weaken his hand, I am not disposed to criticize, certainly I want to do nothing that will in any way embarrass him in carrying on the war; but this is still a free country and we ought to behave as a free people, conscious of our tremendous responsibilities and give aid to the limit of our capacity. That is what we are going to do. There was more milk and honey in the statement of the gentleman from Texas than I have ever seen mixed up in any one address.

Mr. O'HARA. Will the gentleman yield?

Mr. COX. I yield to the gentleman from Minnesota.

Mr. O'HARA. I was impressed by what the gentleman from Texas had to say about the groups and the causes of the attacks upon the Congress. The gentleman will agree with me that Congress has been very bitterly attacked?

Mr. COX. Of course, the Congress has been attacked. The Congress has enough sins of its own to answer for without having other burdens upon it. That should not be done and Members should not take this floor and enter a confession of all the charges made against the Congress.

Mr. O'HARA. I agree with the gentleman, but will the gentleman not agree with me that one of the elements that has been attacking Congress, which the gentleman from Texas did not mention, is that group which is more concerned about making this country over than they are of winning the war?

Mr. COX. I have been saying for a long time that the whole weakness in our war effort is due to the fact that there are those in and out of the Government who are insisting on carrying on reform and the making over of America while we are in an endeavor to save it. It is just a shameful sort of a thing to do. I am sorry my friend took the position that he did here on the floor. What he said is so unlike him or anything that I have ever heard him say. He pleases nobody, not even himself.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Mississippi.

Mr. RANKIN of Mississippi. I was very much interested in one statement made by the gentleman from Texas [Mr. PATMAN]. It has bothered me considerably. The gentleman from Georgia has not touched on it. The gentleman from Texas said that Congress had encroached on the President. I wonder what he meant by that statement.

Mr. COX. I had it in mind but I was rather disposed to let it go. At the time I wanted to ask the gentleman in what respect the legislative branch of the Government had ever encroached on the executive. I have been here 18 years, as long as the gentleman from Texas, and I have never seen the slightest evidence of it. The gentleman himself says that the executive has encroached upon the legislative branch. I have not the time to go into that.

[Here the gavel fell.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. O'HARA] is recognized for 30 minutes.

OUR WAR PROBLEMS

Mr. O'HARA. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and include therein certain quotations and editorials.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. O'HARA. Mr. Speaker, ever since the cowardly attack upon us by Japan on December 7, 1941, our country has been engaged in a desperate war. We are fighting for our very existence and freedom and our way of living. There is no compromise in this war. We must win.

We must continue to provide our armed forces with the necessary implements, munitions, and supplies, in adequate quantities, on time and wherever needed. Our Nation's war effort must continue until complete, decisive victory is achieved for the United States and our Allies.

The people of this country are a freedom-loving people. An early successful conclusion of this war is our goal. All must make sacrifices equally. It is imperative that we supply our own American boys and our Allies on the battlefronts with the necessary planes, tanks, ships, guns, munitions, and food. By united effort we will bring back to us those men in service and the victory and peace that we are fighting for.

We must have and therefore demand of the President the best and most efficient military and civilian leadership. Any mistakes, blunders, or incompetence fall alike upon all of us. We must eliminate waste and inefficiency.

We must have a united American people in order to win this war. This is no time for petty politics, or special groups or bloc demanding special privileges.

We must all give to the President our loyal, wholehearted, and patriotic support in this war. Our enemies seek by propaganda to destroy our unity. Those who create disunity are but giving aid and comfort to our enemies who would destroy us.

SEVENTY-SEVENTH CONGRESS

Mr. Speaker, the Seventy-seventh Congress has had to face as many difficult conditions and to make as difficult decisions as any Congress in our history. The Congress has faced, met, and decided many issues that were highly controversial. It has been subject to and has received much abuse, individually and collectively. It has been smeared, individually and collectively, by those who would attempt to destroy Congress—for by destroying Congress they would achieve the destruction of our form of government. Its maligners would destroy one of the two legislative bodies left in existence.

Permit me to state that prior to the attack upon our country at Pearl Harbor I did not want to see this country involved in war. It was my honest conviction to oppose those policies which would put into operation a course of action which would involve us in war. One of the pledges which I made to the people whom I have the honor to represent was that I would oppose those steps which would lead us into war. I believe that was the view of the overwhelming majority of the people of my district.

So far as it was humanly possible I kept that pledge.

As a veteran of 27 months' experience in World War No. 1, I have for years, by voice and pen, urged a stronger national defense. Both before Pearl Harbor and since I have voted for and supported every authorization and appropriation for our national defense.

Not so long ago Speaker RAYBURN, of this Congress, called the attention of the country to the fact that this, the Seventy-seventh Congress, has given the President every dollar of appropriations for national defense and every major law that he asked for.

It is very important to remember that in time of war the President as Commander in Chief of the Army and Navy, together with his advisers, is the sole authority on matters of military strategy, production of war materials, employment in defense plants, and all other policies relating to the country's war effort. Congress is not consulted on such matters. The President asks Congress for the money and the necessary authority to conduct the war program. This has been given him.

We of the minority of Congress have joined with the majority to grant every

request asked for by the President to conduct the war effort. We of the minority shall insist that our war effort be free from muddling and bungling, inefficiency, graft, waste, racketeering, and profiteering. We shall insist that all nonessential expenditures be eliminated or cut to the minimum. We shall insist when the war is over that our way of life and our system of government be restored to the people.

Our republican form of government with its three independent coordinated branches must be preserved and any encroachment upon individual freedom must be immediately removed when this war is over.

As one of the Representatives of this Congress it is my constitutional privilege and duty to offer constructive criticisms for the improvement of our war effort and to criticize when there are cases of graft, corruption, or inefficiency. I shall continue to oppose also any communistic and left-wing efforts and groups, whose sole purpose is to undermine our American system of government.

Mr. Speaker, it is one of my principal purposes in taking the floor today to state that many of these groups of left-wing un-Americans have been busy attacking Congress collectively and individually. There are those in my State, as there are in Washington, who are more concerned about making America over than they are about making America safe. The real purpose of their attacks is usually cleverly concealed.

SPREADING OF FALSE AND TWISTED PROPAGANDA

Some time ago, some of the Communist-controlled, left-wing, and parlor pink sheets started a program of propaganda to smear individual Members of Congress. These un-American groups purposely failed to publish a complete record of the Members selected for the "purge." The New York owned and controlled St. Paul Pioneer Press and Dispatch ran a series of articles upon the Minnesota Congressmen including myself.

A twisted, distorted version of a certain few votes was given. The fallacious inference in the headline of the story was that it was our "record," "thoroughly and impartially done" by one Gordon Black (a very mysterious person).

Nothing was said in these articles about the fact that these were but a few votes selected, and nothing was stated that the article was the distorted and twisted arguments of the writer of the articles. As an example of its lack of accuracy, I was charged with having voted against the bill to extend draftees' service. As a matter of fact when that vote was taken I was absent because of sickness, as the record shows.

No comments are made in these articles about my numerous votes in support of the war effort or of administration legislation.

This unfair and distorted attack by this New York owned and controlled newspaper, the St. Paul Pioneer Press and Dispatch, was answered by the editor of the Minnesota Farm Bureau News in the October 1, 1942, issue. The News said:

POLITICAL BLITZKRIEG BOOMERANGS

The would-be blitzkrieg on free-thinking Congressmen was short-fused dynamite. It blew up under those who tried to blast Minnesota Congressmen because they had voted for legislation favored by their constituents. Minnesota people believe that when a nation goes to war it should go on a war basis. Minnesota Congressmen did a pretty good job of reflecting these views. Most of them stood fast with the people by voting to knock out useless governmental services, relief setups that should have been closed out the day Pearl Harbor was attacked. The Minnesota congressional delegation had a better-than-average record on agricultural legislation, there were instances of wrong voting, of course, but the record as a whole was sound.

For various reasons, none of them very clear, sources in the East, in Washington, New York, and elsewhere, decided that Minnesota people were not intelligent enough or patriotic enough to elect the right kind of Congressmen. It was decided they should be wiped out in the Minnesota primary election. One of the methods used in trying to hatch their scheme was the preparation of a series of articles on the voting record of Minnesota Congressmen. For reasons which few people can understand, the St. Paul Dispatch carried the articles, which were so unfair that they helped rather than hindered the primary campaigns of their victims. Only one of the eight congressional candidates for reelection failed of renomination. The vote was a stinging rebuke to those in the East who tried to pull the stunt and should be a lesson to newspapers not to let political enthusiasms overshadow the ordinary standards of journalistic decency.

Let the people and the press of my district speak, as expressed in an article by the able editor of the Henderson Independent, answering this unfair attack:

A recent article published in one of the Twin Cities' large newspapers, attacks the record of our present Congressman, JOSEPH P. O'HARA, because of his isolationist stand before Pearl Harbor and for his failure to cooperate with the present administration on certain domestic issues since that time. The article referred to was supposed to have been an unbiased report of O'HARA's record in Washington, but the entire article smacks of destructive criticism. The article does not state what O'HARA should have done on the matters set out therein, but implies that O'HARA's actions were disloyal and unpatriotic. To those of us who live in the country and personally know our Congressman, this article struck us as unfair and prejudiced. We wonder if O'HARA will be given an opportunity to answer this article in the newspaper that printed it; and if an answer is written, will it be displayed on the front page in heavy type?

In our opinion Congressman O'HARA was keeping faith with his constituents when he voted against such measures as the lend-lease bill, the bill to arm seagoing freighters and the ship seizure bill. He was elected upon the platform that he would do all in his power to keep us out of war. It was his honest opinion and the opinion of his constituents that such measures would hasten America's entrance into the war. Perhaps the views of Congressman O'HARA and his constituents were wrong, nevertheless it was his duty as their Congressman to truly represent them, the people who elected him to Congress, and his record only shows that he kept his word with his people.

In our opinion Congressman O'HARA has shown that he is a brave and courageous man, and that he was not afraid to vote no, where it would have been much easier to follow the majority and vote yes. He has shown that he has a mind of his own and that he truly represents the people who elected him, and no one, no matter how highly placed, can make us believe that our Congressman is not a 100-percent American and a loyal and patriotic citizen.

I regret that time does not permit further riscussion of the type of propaganda circulated by those breeders of disunity, who apparently are interested more in causing disunity and in attempting to control the selection of rubber-stamp Congressmen who will represent only the views of these purveyors of disunity, than they are in winning the war.

THE PLIGHT OF SMALL BUSINESS

The backbone of this country is our so-called American middle class. Included in this classification are the small businessmen, who together with the farmers and laborers make up the great bulk of our democracy. Destroy any one of these groups and you destroy the balance in our system of government.

Many thousands of our small business concerns are going out of business because of the shortage of goods, and because of restrictions and priorities. Many of our automobile and tire dealers, plumbers, lumber dealers, jobbers, gasoline stations, are a few of the types who cannot convert to war production; and many of our retail merchants and some professional men are likewise affected. These groups must be kept alive and in business so far as possible, for if they are forced to close up, their communities will soon become ghost towns. These groups are making the same sacrifice to win the war as every other individual should. They continue to buy bonds, pay their taxes, and give their whole-hearted service to their country and their community. I shall continue to urge that every effort be made by this administration and Congress to keep small business in operation.

THE PROBLEMS OF INFLATION

Congress has passed upon two bills to curb inflation. I voted against the first so-called price control bill because I felt it was a sham and a farce and that it would not work. It did not work. I felt that the second price control bill, while not a perfect law, would with proper administration do a much better job.

It is the desire of everyone to prevent a disastrous inflation. The farmer is entitled to such a price for that which he sells as shall be sufficiently high to cover cost of production and a fair profit. Labor must have a fair and equitable wage. An uncontrolled rise beneficial to one group is the start of the spiral of inflation. However, you cannot place a price ceiling over one group without placing a ceiling over all groups, if there is an intention to stop inflation. To be fair there must be a ceiling on everything, including products and services, at such levels that take into consideration the cost of living and the cost of production. Uncontrolled governmental spending and the bidding up of prices by Federal policies must likewise be controlled to prevent inflation.

STRIKES

There has been a gradual increase of strikes in our war industries since Pearl Harbor. There were 27 strikes in January of this year, as compared to 229 in August—it is estimated that since January 1, 1942, strikes involving several hundred thousand men and a loss of more than 10,845,000 man-hours in the production of necessary war materials have occurred.

We at home must see to it that our fighting men are properly equipped and fed. The far-reaching effect of these strikes on our war effort and in supplying the needs of our fighting men has aroused the people of this country. Rightfully the people demand action of this administration to curb the racketeers and the saboteurs of our war effort.

The time has come for all of us to make sacrifices. These labor difficulties must be eliminated. This is no time to engage in strikes in our war industries! I know that the laboring men in America are as patriotic as any other group of individuals. They have been and are doing a splendid job to help win the war, as are the industries themselves. The labor racketeer and the labor saboteur must be eliminated.

The fall of France and her labor difficulties should be a lesson to us.

FOOD AND THE FARMER

It is apparent that in the near future there will be rationing for civilians of many of our food items such as beef, pork, butter, milk, poultry, and eggs. We must produce and supply the food necessary for our men in the armed forces and we have committed ourselves to give tremendous supplies of food to our Allies throughout the world.

The farmer has responded patriotically and whole-heartedly to the request of our Government to produce more food.

It is apparent, however, that next year there will be thousands and prehaps millions of idle acres of good farm land. It takes labor to plant and harvest the crops, till the soil, and to milk the cows, care for and feed the hogs, cattle, and poultry, and do the other work of the farm. There is a growing scarcity of essential farm labor. Thousands of boys and men from our farms have been drafted—many of these men should have been kept on farms to produce food. Much of our hired farm labor has been siphoned off the farms to higher-paid jobs in war industries. The farmer cannot compete with the labor price to these extremely highly paid war workers. Too many of our farmers have sold out and the dairy herds which they have taken a lifetime to accumulate have been sold upon the auction block or to the market to be slaughtered.

These farmers have been unable to continue because they cannot get the necessary competent farm labor at any price which they are able to pay, or have themselves been drafted.

Each farm is a small defense plant. Take away the necessary labor and that farm defense plant goes out of production either partially or completely. The farmer has been patriotically producing food and buying bonds, the same as you and I—but there is a limit to human endurance and capacity.

Almost a year ago, and many times since then, I have called to the attention of General Hershey, the head of our Selective Service, and to the attention of his aides, the picture as I saw it in our farm labor problem, and have urged a definite policy of saving the essential farm labor.

It has been suggested that girls, women, and old men from the cities be taken to the farms and trained in farm work. Let it be said here and now that the farmers' wives and daughters have been working with their menfolk in this hard farm labor. The proposal of bringing in untrained, inexperienced labor would not be an honest answer to the problem.

Without the necessary supply of food the war can be lost.

I shall continue to urge the administration to establish and carry out a definite policy on farm labor.

WIN THE WAR

Mr. Speaker, it is true that what we are all most concerned about is the winning of this war. It is a struggle for the freedom of a free people. There must be unity and teamplay. There must be a unity of our effort and of our purpose.

Let us be told the truth and the facts. Let us be honest each with the other.

Let us stand in this crisis shoulder to shoulder, that we may not lose the freedom that is ours. In order to write the kind of a peace that should be written we must first win the war.

Mr. Speaker, the days of the Seventy-seventh Congress have been filled with tremendous problems. As one serving his first term, my responsibilities to my people and to my country have been tremendous. I have endeavored to think and speak honestly and fairly. I have never for one instant forgotten my responsibility to the over 300,000 people whom I have the honor to represent. Their problems and the problems of my country have been my problems. So long as I remain a Member of the House of Representatives I shall continue to fight for what I think is right for my people, and for my country and its form of government.

SPECIAL ORDER

Mr. HOLLAND. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HOLLAND. Mr. Speaker, the opportune time to answer the gentleman from Georgia [Mr. COX] is now when his expression of thought is fresh in the minds of the Members of the House.

I believe that the gentleman from Georgia does not have a true picture of this war and the reason of the war in his mind.

The rise of Hitler, Mussolini, and Stalin to power is due to the fact that the people were dissatisfied with the status quo of the economic conditions and that government did nothing to correct them. They were willing to try anything to improve their living conditions as these conditions had reached an all-time low.

This caused the start of the war.

This war will be won when the people of the conquered countries and the people of Nazi Germany are convinced that democracy, as practiced in America, has something better to offer them than has Hitler or Mussolini.

Once this faith in democracy permeates into the conquered countries, and particularly into the Nazi minds, they will be willing to revolt—but they must be assured first that democracy works. When this happens the war will be speedily won. The war will never be won if we go back to the old reactionary days in America when a mule in the mine was placed on a higher scale and given more consideration than a miner.

I say to the gentleman from Georgia that these days can never come back into America, without destroying the ideals we are now fighting to preserve.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. HOLLAND. Not right now.

Mr. COX. What sort of days does the gentleman expect to come back to?

Mr. HOLLAND. I expect in America a democracy that works. An economic system that will bring security to every man, woman, and child.

Mr. COX. What would you call it?

Mr. HOLLAND. Call it what you may—we have started on it now. As we progress and go on it will get better and better.

This war will never be won if we go back to the days like we had in Pennsylvania when paid deputy sheriffs and coal and iron police were used to intimidate and enslave labor.

Yes; I have seen with my own eyes, those dark days of Pennsylvania when the coal and iron police have killed the striking miner who was merely asking for more food for his children.

We must rekindle the faith in democracy, a faith in America—and that will be accomplished when we know our Government is a strong government—a government in which the great mass of people know that they share in it and that they are always considered regardless of their financial standing.

When America kindles the faith—that faith will be so strong that it will carry into foreign lands now ruled by totalitarian government, and the people of these countries will overthrow the dictators that now exist and live as free men and women in a workable democracy.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HARE, for the remainder of the week, on account of business.

To Mr. VAN ZANDT (at the request of Mr. MICHENER), for 1 week, on account of official business.

SENATE ENROLLED BILL SIGNED

The Speaker announced his signature to an enrolled bill of the Senate of the following title:

S. 2584. An act to permit appointment of White House police, in accordance with the civil-service laws, from sources outside the

Metropolitan and United States Park Police forces.

ADJOURNMENT

Mr. HOBBS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 25 minutes p. m.) the House adjourned until tomorrow, Tuesday, October 6, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON PATENTS

The Committee on Patents of the House of Representatives will hold hearings beginning Tuesday, October 13, 1942, at 10 a. m., in the committee room, 1015 House Office Building, on H. R. 7620, a bill to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1955. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill for the relief of Capt. Richard Rothwell, United States Marine Corps; to the Committee on Claims.

1956. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to authorize the Secretary of the Interior to purchase logs, lumber, and other forest products; to the Committee on Indian Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 7638. A bill to restore and add certain public lands to the Uintah and Ouray Reservation in Utah, and for other purposes; without amendment (Rept. No. 2516). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CRAWFORD:

H. R. 7656. A bill to regulate rents of business property in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. HARTER:

H. R. 7657. A bill to authorize the placing of honor rolls in post offices; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. REES of Kansas introduced a bill (H. R. 7658) granting a pension to Raymond V. Johnson, which was referred to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII,

3359. Mr. SHORT presented a petition of sundry citizens of Howell County, Mo., petitioning consideration of their resolution with reference to Senate bill 860, which was referred to the Committee on Military Affairs.

SENATE

TUESDAY, OCTOBER 6, 1942

(Legislative day of Monday, October 5, 1942)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Edward B. Harris, vicar, Good Shepherd Episcopal Church, Washington, D. C., offered the following prayer:

O Lord God, who alone dost govern the affairs of men, guide, we beseech Thee, those to whom, in Thy providence, Thou has committed the government of this Nation. Grant to them special gifts of wisdom and understanding, of counsel, and strength, that, upholding what is right and following what is true, they may lead this Nation in the path of righteousness and honor, to the glory of Thy holy name. Through Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, October 5, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that on October 3, 1942, the President had approved and signed the act (S. 2689) to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863 (12 Stat. 798).

STABILIZATION OF NATIONAL ECONOMY

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the Executive order issued by the President on last Saturday providing for the stabilization of the national economy. I also ask consent that the statement emanating from the White House at the time the order was promulgated be printed following the order itself.

The VICE PRESIDENT. Is there objection?

There being no objection, the Executive order and statement were ordered to be printed in the RECORD as follows:

EXECUTIVE ORDER PROVIDING FOR THE STABILIZING OF THE NATIONAL ECONOMY

By virtue of the authority vested in me by the Constitution and the statutes, and particularly by the Act of October 2, 1942, entitled "An Act to Amend the Emergency Price Control Act of 1942, to Aid in Preventing Inflation, and for Other Purposes," as President of the United States and Commander in Chief of the Army and Navy, and in order to control so far as possible the inflationary tendencies and the vast dislocations attendant thereon which threaten our military effort and our domestic economic structure, and for the more effective prosecution of the war, it is hereby ordered as follows:

TITLE I. ESTABLISHMENT OF AN OFFICE OF ECONOMIC STABILIZATION

1. There is established in the Office for Emergency Management of the Executive Office of the President an Office of Economic Stabilization at the head of which shall be an Economic Stabilization Director (hereinafter referred to as the Director)

2. There is established in the Office of Economic Stabilization an Economic Stabilization Board with which the Director shall advise and consult. The Board shall consist of the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Bureau of the Budget, the Price Administrator, the Chairman of the National War Labor Board, and two representatives each of labor, management, and farmers to be appointed by the President. The Director may invite for consultation the head of any other department or agency. The Director shall serve as Chairman of the Board.

3. The Director, with the approval of the President, shall formulate and develop a comprehensive national economic policy relating to the control of civilian purchasing power, prices, rents, wages, salaries, profits, rationing, subsidies, and all related matters—all for the purpose of preventing avoidable increases in the cost of living, cooperating in minimizing the unnecessary migration of labor from one business, industry, or region to another, and facilitating the prosecution of the war. To give effect to this comprehensive national economic policy the Director shall have power to issue directives on policy to the Federal departments and agencies concerned.

4. The guiding policy of the Director and of all departments and agencies of the Government shall be to stabilize the cost of living in accordance with the act of October 2, 1942; and it shall be the duty and responsibility of the Director and of all departments and agencies of the Government to cooperate in the execution of such administrative programs and in the development of such legislative programs as may be necessary to that end. The administration of activities related to the national economic policy shall remain with the departments and agencies now responsible for such activities, but such administration shall conform to the directives on policy issued by the Director.

TITLE II. WAGE AND SALARY STABILIZATION POLICY

1. No increases in wage rates, granted as a result of voluntary agreement, collective bargaining, conciliation, arbitration, or otherwise, and no decreases in wage rates, shall be authorized unless notice of such increases or decreases shall have been filed with the National War Labor Board, and unless the National War Labor Board has approved such increases or decreases.

2. The National War Labor Board shall not approve any increase in the wage rates prevailing on September 15, 1942, unless such increase is necessary to correct maladjustments or inequalities, to eliminate substandards of living, to correct gross inequities, or to aid in the effective prosecution of the war

Provided, however, that where the National War Labor Board or the Price Administrator shall have reason to believe that a proposed wage increase will require a change in the price ceiling of the commodity or service involved, such proposed increase, if approved by the National War Labor Board, shall become effective only if also approved by the Director.

3. The National War Labor Board shall not approve a decrease in the wages for any particular work below the highest wages paid therefor between January 1, 1942, and September 15, 1942, unless to correct gross inequities and to aid in the effective prosecution of the war

4. The National War Labor Board shall, by general regulation, make such exemptions

from the provisions of this title in the case of small total wage increases or decreases as it deems necessary for the effective administration of this order.

5. No increases in salaries now in excess of $5,000 per year (except in instances in which an individual has been assigned to more difficult or responsible work), shall be granted until otherwise determined by the Director.

6. No decrease shall be made in the salary for any particular work below the highest salary paid therefor between January 1, 1942, and September 15, 1942, unless to correct gross inequities and to aid in the effective prosecution of the war.

7. In order to correct gross inequities and to provide for greater equality in contributing to the war effort, the Director is authorized to take the necessary action and to issue the appropriate regulations, so that insofar as practicable, no salary shall be authorized under title III, section 4, to the extent that it exceeds $25,000 after the payment of taxes allocable to the sum in excess of $25,000. Provided, however, that such regulations shall make due allowance for the payment of life-insurance premiums on policies heretofore issued, and required payments on fixed obligations heretofore incurred, and shall make provision to prevent undue hardship.

8. The policy of the Federal Government, as established in Executive Order No. 9017, of January 12, 1942, to encourage free collective bargaining between employers and employees is reaffirmed and continued.

9. Insofar as the provisions of clause (1) of section 302 (c) of the Emergency Price Control Act of 1942 are inconsistent with this order, they are hereby suspended.

TITLE III. ADMINISTRATION OF WAGE AND SALARY POLICY

1. Except as modified by this order, the National War Labor Board shall continue to perform the powers, functions, and duties conferred upon it by Executive Order No. 9017, and the functions of said board are hereby extended to cover all industries and all employees. The National War Labor Board shall continue to follow the procedures specified in said Executive order

2. The National War Labor Board shall constitute the agency of the Federal Government authorized to carry out the wage policies stated in this order, or the directives on policy issued by the Director under this order. The National War Labor Board is further authorized to issue such rules and regulations as may be necessary for the speedy determination of the propriety of any wage increases or decreases in accordance with this order, and to avail itself of the services and facilities of such State and Federal departments and agencies as, in the discretion of the National War Labor Board, may be of assistance to the board.

3. No provision with respect to wages contained in any labor agreement between employers and employees (including the shipbuilding stabilization agreements as amended on May 16, 1942, and the wage stabilization agreement of the building construction industry arrived at May 22, 1942) which is inconsistent with the policy herein enunciated or hereafter formulated by the Director shall be enforced except with the approval of the National War Labor Board within the provisions of this order. The National War Labor Board shall permit the shipbuilding stabilization committee and the wage adjustment board for the building construction industry, both of which are provided for in the foregoing agreements, to continue to perform their functions therein set forth, except insofar as any of them is inconsistent with the terms of this order.

4. In order to effectuate the purposes and provisions of this order and the act of October 2, 1942, any wage or salary payment made in contravention thereof shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purpose of any law or regulation, including the Emergency Price Control Act of 1942 or any maximum price regulation thereof, or for the purpose of calculating deductions under the revenue laws of the United States or for the purpose of determining costs or expenses under any contract made by or on behalf of the Government of the United States.

TITLE IV. PRICES OF AGRICULTURAL COMMODITIES

1. The prices of agricultural commodities and of commodities manufactured or processed in whole or substantial part from any agricultural commodity shall be stabilized, so far as practicable, on the basis of levels which existed on September 15, 1942, and in compliance with the act of October 2, 1942.

2. In establishing, maintaining, or adjusting maximum prices for agricultural commodities or for commodities processed or manufactured in whole or in substantial part from any agricultural commodity, appropriate deductions shall be made from parity price or comparable price for payments made under the Soil Conservation and Domestic Allotment Act, as amended, parity payments made under the Agricultural Adjustment Act of 1938, as amended, anad governmental subsidies.

3. Subject to the directives on policy of the Director, the price of agricultural commodities shall be established or maintained or adjusted jointly by the Secretary of Agriculture and the Price Administrator; and any disagreement between them shall be resolved by the Director. The price of any commodity manufactured or processed in whole or in substantial part from an agricultural commodity shall be established or maintained or adjusted by the Price Administrator, in the same administrative manner provided for under the Emergency Price Control Act of 1942.

4. The provisions of sections 3 (a) and 3 (c) of the Emergency Price Control Act of 1942 are hereby suspended to the extent that such provisions are inconsistent with any or all prices established under this order for agricultural commodities, or commodities manufactured or processed in whole or in substantial part from an agricultural commodity

TITLE V. PROFITS AND SUBSIDIES

1. The Price Administrator in fixing, reducing, or increasing prices, shall determine price ceilings in such a manner that profits are prevented which in his judgment are unreasonable or exorbitant.

2. The Director may direct any Federal department or agency including, but not limited to, the Department of Agriculture (including the Commodity Credit Corporation and the Surplus Marketing Administration), the Department of Commerce, the Reconstruction Finance Corporation, and other corporations organized pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, to use its authority to subsidize and to purchase for resale, if such measures are necessary to insure the maximum necessary production and distribution of any commodity, or to maintain ceiling prices, or to prevent a price rise inconsistent with the purposes of this order.

TITLE VI. GENERAL PROVISIONS

1. Nothing in this order shall be construed as affecting the present operation of the Fair Labor Standards Act, the National Labor Relations Act, the Walsh-Healey Act, the Davis-Bacon Act, or the adjustment procedure of the Railway Labor Act.

2. Salaries and wages under this order shall include all forms of direct or indirect remuneration to an employee or officer for work or personal services performed for an employer or corporation, including but not limited to, bonuses, additional compensation, gifts, commissions, fees and any other remuneration in any form or medium whatsoever (excluding insurance and pension benefits in a reasonable amount as determined by the Director); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employees to their employees. "Salaries" as used in this order means remuneration for personal services regularly paid on a weekly, monthly, or annual basis.

3. The Director shall, so far as possible, utilize the information, data, and staff services of other Federal departments and agencies which have activities or functions related to national economic policy All such Federal departments and agencies shall supply available information, data, and services required by the Director in discharging his responsibilities.

4. The Director shall be the agency to receive notice of any increase in the rates or charges of common carriers or other public utilities as provided in the aforesaid act of October 2, 1942.

5. The Director may perform the functions and duties, and exercise the powers, authority, and discretion conferred upon him by this order through such officials or agencies, and in such manner, as he may determine The decision of the Director as to such delegation and the manner of exercise thereof shall be final

6. The Director, if he deems it necessary, may direct that any policy formulated under this order shall be enforced by any other department or agency under any other power or authority which may be provided by any of the laws of the United States

7. The Director, who shall be appointed by the President, shall receive such compensation as the President shall provide, and within the limits of funds which may be made available, may employ necessary personnel and make provision for supplies, facilities, and services necessary to discharge his responsibilities.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *October 3, 1942.*

WHITE HOUSE STATEMENT

The text of the White House statement on price- and wage-control measures follows:

"The President, last night, immediately after signing the anti-inflation bill passed by Congress yesterday, instructed Price Administrator Henderson to fix rent ceilings throughout the entire United States in all areas, city and rural alike. A copy of this letter to the Price Administrator is attached.

"He also issued instructions to the Price Administrator to place ceilings immediately upon all agricultural commodities which were exempt, under the original Emergency Price Control Act, but which are no longer exempt under the statute passed yesterday.

"These commodities include chickens, eggs, cheese, butter, potatoes, and flour. A copy of the President's letter is attached hereto.

"MOVE WILL HELP WIN WAR

"The President issued the following statement with reference to the statute:

"'The Congress has done its part in helping substantially to stabilize the cost of living. The new legislation removes the exemption of certain foods, agricultural commodities, and related products from the price controls of the Emergency Price Control Act, with the result that I have today taken action to stabilize 90 percent of the country's food bill. It leaves the parity principle unimpaired; it reaffirms the powers of the Executive over wages and salaries; it establishes a floor for wages and for farm prices.

"'I am certain that from now on this substantial stabilization of the cost of living will assist greatly in bringing the war to a successful conclusion, will make the transition to peace conditions easier after the war, and will receive the wholehearted approval of farmers, workers, and housewives in every part of the country.'

"Today the President signed an Executive order relating to wages, salaries, profits, and farm prices. A copy of the Executive order is attached.

"The President today announced the appointment of Mr. Justice James F. Byrnes as the Director of Economic Stabilization. Mr. Justice Byrnes has resigned from the Supreme Court to accept this position.

"The President, in announcing the appointment of Justice Byrnes, said:

"'Justice Byrnes is one of the foremost authorities in governmental administration in the United States. He knows the economic problems of this country whether they concern labor, the farmer, the consumer, the small retail store, or the manufacturer. I would never have asked him to resign from the Supreme Court were it not for the fact that this job is one of the most important positions in this country. I know the American people can be sure that in keeping down the cost of living he will be fair to everyone.

"'This position calls primarily for judicial consideration. The organization will be small because the administrative action will be carried out by the existing agencies.

"'Justice Byrnes' patriotic action in accepting this appointment deserves the praise and commendation of all our citizens.'

"DETERMINED TO KEEP PRICES DOWN

"The President today addressed two letters to Leon Henderson, Administrator, Office of Price Administration, the texts of which follow:

"'I have signed the cost-of-living stabilization bill.

"'I wish that you would consult with the Secretary of Agriculture and immediately establish ceiling prices for eggs, chickens, butter, cheese, potatoes, flour, and such other foods as can be controlled under existing laws.

"'In line with my recent message to the Congress, you should consider present governmental payments to agricultural producers and subsidy payments in arriving at the minimum ceiling prices.

"'This Government is determined to use all of its powers to prevent any avoidable rise in the cost of living.

"'That part of the Nation which has not yet been designated within defense rental areas should now be so treated. We should make no distinction between city or country as to their participation in the total war effort. Certainly the contribution of agriculture to the effective prosecution of the war is clear. Therefore, our rural population equally deserves to have its rents stabilized.

"'I wish you would immediately issue appropriate orders to prevent rent increases on urban and rural dwellings. In such areas as you deem appropriate to reduce current rents, I am sure you will proceed to take such action as may be necessary.'"

PETITIONS

Petitions were presented, and referred as indicated:

By Mr. HATCH:

A petition of sundry citizens of Santa Fe County, N. Mex., praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. CAPPER:

A petition, numerously signed, of sundry citizens of Meade, Kans., praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

PROHIBITION OF LIQUOR SALES AND SUPPRESSION OF VICE AROUND MILITARY CAMPS—PETITIONS

Mr. WHEELER. I ask consent to present for appropriate reference and printing in the RECORD, without all the signatures attached thereto, a petition sent to me by 150 members and delegates of the Flathead County Federation of Women's Clubs, in session at Kalispell, Mont., praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments.

There being no objection, the petition was ordered to lie on the table and to be printed in the RECORD without all the signatures attached thereto, as follows:

KALISPELL, MONT., *September 30, 1942.*

Senator BURTON K. WHEELER,
Washington, D. C.

DEAR SENATOR WHEELER: As our Government has seen fit to conscript our young men into war service all over the world, we, the members and delegates of the Flathead County Federation of Womens Clubs in session this 30th day of September, in Kalispell, Mont., do urgently request that your active interest be given to the passage of Senate bill 860, that the young men now on these world fronts may be protected from the most vicious enemies they will confront, liquor and prostitution. They were selected because they were physically and mentally fit. Please use your good offices that they may be kept so.

We also demand that the huge amount of liquor now stored in our country by the distillers, be made available to the Government to use in furthering the war effort; and that war-time prohibition be enacted into law, both at home and wherever American troops are stationed.

IVY HARDIE,
President of Flathead County Federation of Women's Clubs.
MRS. GLEN BOYD,
Treasurer,
RHODA G. PROUGH,
Secretary; and sundry other members of the Women's Clubs.

Mr. MURRAY. Mr. President, I ask consent to present for printing in the RECORD and appropriate reference a very important petition from the Flathead County Federation of Women's Clubs, of Kalispell, Mont., dealing with a subject of grave consequence to the Nation.

There being no objection to its reception and reference, the petition presented by Mr. MURRAY (identical with the foregoing petition presented by Mr. WHEELER) was ordered to lie on the table.

Mr. REYNOLDS presented and asked to have printed in the RECORD and appropriately referred a letter in the nature of a petition signed by the pastors and adopted at a union service held by several churches of Albemarle, N. C., praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; and, there being no objection, the letter in the nature of a petition was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

SEPTEMBER 15, 1942.

Hon. ROBERT R. REYNOLDS,
Chairman, Senate Military Affairs Committee, Senate Office Building, Washington, D. C.

DEAR SENATOR REYNOLDS: We are writing to you, not personally, but officially, as chairman of the Senate Committee on Military Affairs.

At a union service of several churches of Albemarle, N. C., at the Central Methodist Church on September 6, the assembled congregation requested the pastors of the churches represented to write to you, stating ing that those present at the service desire you to present to the Senate of the United States the action voted by the congregation in favor of the prompt passage of Senate bill No. 860, or of protective legislation for our armed forces from the liquor and vice traffic similar to that which was enacted in 1917. You are also requested to read this action taken by the congregation on the floor of the Senate, that it may be incorporated in the CONGRESSIONAL RECORD.

Very truly yours,

R. Dwight Ware, pastor, Central Methodist Church; J. E. Yountz, pastor, Main Street Methodist Church; G. N. Dulin, pastor, First Street Methodist; Ben Joe Earp, pastor, Congregational Christian Church; C. D. Whiteley, Second Presbyterian Church; W. J. Brodley, pastor, First Baptist Church, Albemarle, N. C., president, Stanley County Ministerial Association; R. E. Watts, First Presbyterian Church; Geo. H. Rhodes, First Lutheran Church; W. B. Holmes, North Albemarle Baptist Church; George L. Hocutt, Norwood Baptist Church; T. S. Crutchfield, Fairview Baptist Church.

FARM LABOR—LETTERS AND PETITION FROM NORTH DAKOTA

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Ferdinand Manz, of Martin, N. Dak., dated October 3, 1942; a letter from J. W. Enger, of Oakes, N. Dak., dated October 3, 1942; and a petition signed by 14 citizens of Hannaford, N. Dak., dated February 20, 1942, all pertaining to the farm-labor problem. I ask that the letters and petition may be appropriately referred.

There being no objection, the letters and petition were referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

MARTIN, N. DAK., *October 3, 1942.*

Mr. WILLIAM LANGER,
Washington, D. C.

MY DEAR SENATOR LANGER: I will not write you a long story this time because you might not want to spend your time on a long letter. I only thank God that we have a man like you in Washington, who knows all about North Dakota. Do you know, my dear friend, that we are having a hard time getting help to get our crops threshed this fall? About 60 percent of our crops are not threshed yet on account of shortage of help. One of my sons has to leave the 13th of October, and the second son they want to take, too. That will leave me and a 15-year-old boy on a 5/4 farm with 350 acres of land to cultivate, and then all the cows to milk and hogs to feed, and I am not a healthy man. I have been ill for over 4 years. I have three boys, one 22 years of age and one 21 years of age and one 15 years old, and I have three girls, one 17 years

of age and one 13 and one 10 years of age, and these three, one boy, 15, and two girls are of school age and should by rights go to school. But how can I send them to school with all this work that is left for one sick man to do? I might have to sell out if my second son has to go to the Army. Many farmers have already sold out because they could not get any help on the farm. It takes a healthy man to do a good day's work on the farm, and I am sure you know this, too. I had a talk with our draft board, but they said there is nothing they can do. They all have to go, farm or no farm. This would break me right now if I would have to give up the farm and sell out. If there is anything that you can do for us farmers so that we could at least have one good boy or man on the farm so that the farm wouldn't get ruined. I wouldn't be able to farm one-half the land next year that I have farmed this year, and only one-half the cows will be milked next year, and I write not for me alone but for our whole State of North Dakota. If you can, please do something to leave at least one good boy or man on each farm.

I am your friend, with many thanks for whatever you have done for us and will do yet.

Sincerely,

FERDINAND MANZ.

OAKES, N. DAK., *October 3, 1942.*

Senator LANGER,

Washington, D. C.

DEAR BILL: Another group of farm boys leaves for the Army next week, 18 from this county, 7 of these have had flocks of poultry and cattle and hogs. They are selling all their breeding stock and are already hauling them to market rather than have some stranger take charge till they get back. You can't put kids and disabled old men in charge of livestock and tractor farming. If General Hershey don't wake up soon, it will be too late.

Some of you better show him what he has done or give him a ticket to the Northwest, so he can see that the Dakotas are not on the same basis as his home State. The farmers right now are more important than the Infantry. In the area that I cover something over 300 brood sows have been hauled to market since August 1.

I was out to a threshing rig yesterday and saw a half crew of farm boys, 13 to 16 years old, hauling bundles and these are the plain conditions all over the Northwest now. What will they do next spring? Farming and livestock raising in North Dakota will be reduced over 50 percent right now without taking any more men and it will take 3 to 4 years to replace them, and in some areas replacements are impossible. They better fill gaps with the R. O. T. C. and give them a taste of it before they mislead the farmers into battle.

Its O. K. to draft farm labor as Mr. Hershey has advised, but can you draft an inexperienced man to raise livestock when he don't know a white hog from a sheep?

Yours truly,

J. W. ENGER.

HANNAFORD, N. DAK., *February 20, 1942.*

Senator WILLIAM LANGER,

Washington, D. C.

DEAR SENATOR: We, the undersigned members of the Bartley-Helena Farmers Union, request that you urge Congress or the proper draft boards to defer drafting farm boy and other skilled farm workers for military service, as it would further cripple our already serious labor situation.

Sincerely,

J. M. LUNN AND OTHER CITIZENS.

REPORT OF THE COMMITTEE ON THE JUDICIARY

Mr. McCARRAN, from the Committee on the Judiciary, to which was referred the bill (S. 2729) to authorize the filing of a short form of notice in certain United States courts to serve as constructive notice of the interest of the Government in realty or personalty under facilities contracts, reported it with amendments and submitted a report (No. 1632) thereon.

INSPECTION OF MILITARY ESTABLISHMENT IN WESTERN HEMISPHERE

Mr. REYNOLDS. I ask permission to report an original resolution from the Committee on Military Affairs authorizing that committee or a subcommittee thereof to make such investigation and inspection of the Military Establishment in the Western Hemisphere as it deems advisable. It is a very brief resolution, reading as follows:

Senate Resolution 298

Resolved, That the Committee on Military Affairs, or any subcommittee thereof duly appointed by the chairman of the committee, hereby is authorized to visit, for the purposes of inspection, any part of the Military Establishment in the Western Hemisphere, the expenses incurred in pursuance thereof, not to exceed $———, to be paid from the contingent fund of the Senate.

Mr. President, in connection with the resolution I am now reporting, I wish at this time to inform the Members of the Senate that several months ago the Committee on Military Affairs deemed it advisable to appoint a subcommittee to investigate military establishments in the Alaskan Territory and the Aleutian Islands, extending westward toward Japan. We were very much interested in the organization of this subcommittee as we all realized that the Alaskan area and the area of the Aleutian Islands were of vast importance to the defense of the United States, particularly in view of the fact that, unfortunately, the Japanese, our enemies of the Orient, had succeeded in digging into several of the islands at the westernmost end of the Aleutian group.

I recognize the grave importance of that situation, Mr. President, for in 1938 I was in Alaska, all over Alaska, as far north in that vast Territory as Point Barrow, southward and westward out through most of the Aleutian Islands. At that time, as we all know, very few fortifications were to be found in that region, and many people, certainly those who visited Alaska, recognized that our fortifications were not adequate.

When these matters were brought to the attention of the Committee on Military Affairs, the committee was in perfect agreement that the subcommittee I have mentioned be appointed, and it was appointed, at this critical time, to make an investigation in the territory I have mentioned. Our colleague the junior Senator from Kentucky [Mr. CHANDLER] was named chairman of the subcommittee, and as it was constituted there were two other Senators—the able Senator from Oregon [Mr. HOLMAN] and the able Senator from Washington [Mr. WALLGREN].

The subcommittee went to Alaska, at Government expense, and spent several weeks visiting all parts of Alaska. They went as far northward as Nome, came down through the Bering Sea, and visited Juneau, the capital, Anchorage, Sitka, and Dutch Harbor, and they made extensive investigations in that particular neighborhood.

The subcommittee returned and filed a report, which is particularly important and will be found most interesting. The report was presented to the War Department, in whose possession it is at this time. A copy of the report is now in the hands of Colonel Watt, the representative of the War Department assigned to the Senate Committee on Military Affairs, and is open to any Senator who desires to examine it.

The members of the Committee on Military Affairs were so thoroughly impressed, and grateful to the Senator from Kentucky [Mr. CHANDLER] and the members of his subcommittee for the fine investigatory work they did, that a few days ago the full committee voted to extend the Chandler subcommittee, not for a definite period, but for such time as may be necessary to give them an opportunity to visit American outposts in the Western Hemisphere and make investigations and recommendations, if they see fit, in any instance, as the able Senators made after their Alaskan tour.

It is, of course, a hardship to call upon the able Senator from Kentucky and the members of his subcommittee, the Senator from Washington and the Senator from Oregon to carry on at this time, but we all recognize that in this war we have the most desperate kinds of enemies, and we believe that the investigation conducted by these Senators of the defenses of the United States, as well as the investigation recently made by the President of the United States, will be of benefit to our war program. So at this time, I report an original resolution from the Committee on Military Affairs.

We wish to thank the Senator from Kentucky and the members of his subcommittee for the very fine work they did, and we believe the American people are indebted to them for the action they brought about.

In conclusion, I may say that some of the best news we have had has come as a result of the bombardments and attacks made by our American flyers, and we all hope and pray that it will not be long before we have blasted the Japanese out of American territory.

The VICE PRESIDENT. Without objection, the resolution (S. Res. 298) reported by the Senator from North Carolina will be received and, under the rule, referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY:

S. 2825. A bill to accord privileges of free importation of articles consigned or adressed to an individual inside the United States as a gift by a member of its armed forces who is on duty outside of the United States; to the Committee on Finance.

By Mr. WALSH:

S. 2826. A bill for the relief of Capt. Richard Rothwell, United States Marine Corps; to the Committee on Naval Affairs.

By Mr. WALSH (for himself and Mr. CLARK of Missouri):

S. 2827. A bill to amend title 1 of Public Law No. 2, Seventy-third Congress, March 20, 1933, and the veterans regulations to provide for rehabilitation of disabled veterans, and for other purposes; to the Committee on Finance.

By Mr. JOHNSON of Colorado:

S. 2828. A bill for the relief of the Denver Livestock Exchange; to the Committee on Claims.

By Mr. WALLGREN:

S. 2829. A bill to eliminate certain lands from the Wapato Indian irrigation project, Yakima Reservation, Wash., cancel and adjust certain charges, and for other purposes; and

S. 2830. A bill to provide relief to the owners of former Indian-owned land within the Oroville-Tonasket irrigation district, Washington, and for other purposes; to the Committee on Indian Affairs.

AMENDMENTS TO THE REVENUE ACT OF 1942

Mr. LA FOLLETTE and Mr. THOMAS of Oklahoma each submitted several amendments, and Mr. DOWNEY, Mr. HATCH, Mr. McNARY, and Mr. TYDINGS each submitted an amendment, intended to be proposed by them, respectively, to the bill (H. R. 7378) to provide revenue, and for other purposes, which were severally ordered to lie on the table and to be printed.

Mr. McCARRAN submitted an amendment intended to be proposed by him to the bill (H. R. 7378) to provide revenue, and for other purposes, which was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 34, line 9, to strike out the period, insert a colon and the following: "*Provided further*, That this subsection shall not apply to issues of bonds, debentures, securities or other obligations by a State, or any political subdivision thereof, where such obligations are held by the State, or any duly constituted agency thereof operating solely within such State in the performance of its official duties, as security or investment."

AGRICULTURAL LABOR SHORTAGES IN THE WESTERN STATES

Mr. DOWNEY submitted the following resolution (S. Res. 299), which was referred to the Committee on Military Affairs:

Resolved, That a special committee of three Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete study and investigation with respect to (1) the existing shortage of Agricultural labor in the Pacific Coast and Rocky Mountain States and its effect upon the national health and security as related to the efficient and successful prosecution of the war effort, and (2) methods of relieving such shortage, including the obtaining and utilization of farm labor from Mexico and other Latin American countries. The committee shall report to the Senate, as soon as practicable, the results of its study and investigation together with its recommendations, if any, for legislation.

For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-seventh and Seventy-eighth Congresses, to employ such experts, and such clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $3,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INCREASED GASOLINE RATIONS FOR CERTAIN PERSONS

Mr. MAYBANK submitted the following resolution (S. Res. 300), which was referred to the Special Committee to Investigate the National Defense Program:

Resolved, That the special committee established pursuant to Senate Resolution 71, agreed to March 1, 1941, is authorized, in connection with its investigation under such resolution, to obtain such information with respect to the gasoline rationing program as it deems necessary with a view to ascertaining whether increased allotments can be made to persons who are not engaged in war activities but who are dependent for a livelihood upon the use of their automobiles, without endangering the war effort or interfering with the transportation of persons engaged in war activities.

CRITICISM OF THE PRESIDENT—EDITORIAL FROM PM

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks an editorial appearing in PM for today, on page 13. It expresses to some extent the feeling of a great many of us who have been and always intend to continue to be friends and supporters of the President.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From PM of October 6, 1942]

ON F. D. R. AND CRITICISM

I wanted to write this editorial last week. But I didn't, because criticism of the President is too serious a matter in times like these to be indulged in lightly.

Never before have I left a White House press conference feeling quite so depressed as on October 1. I didn't write an editorial then because I didn't want to go off half cocked. I wanted to sleep on it and think the thing over.

But after days of reflection I still feel the editorial should be written, because at that press conference the President disclosed a frame of mind that explains why so many things are going wrong in Washington without being corrected.

The President found fault with only three things in Washington. They were Congressmen who were investigating things they didn't understand; newspapermen writing things they didn't understand; and minor administration officials talking about things they didn't understand.

In other words, the clear implication was that all criticism of the administration and the way it was conducting the war was unwarranted and undeserved. That it came only from people who didn't understand, who didn't know the whole story, or who were hostile.

The President didn't name any names. But it sounded like he was aiming at such committees in Congress as the Truman and Gillette committees of the Senate, which have done really constructive jobs in disclosing how dollar-a-year men were sabotaging F. D. R.'s own program.

At first I thought the President was talking about the Patterson-McCormick papers and the David Lawrences, Mark Sullivans, and Peglers in his criticism of the press. But if it is the Truman and Gillette committees to which he objects, it also may be PM and other sympathetic papers which have tried to show the President who was failing him.

The President's only criticism of his administrative subordinates was that they were talking too much. This sounded like Donald Nelson, who twice has fired men who dared to disclose rotten conditions in the War Production Board, instead of firing the men responsible for the rotten conditions.

Ernest Lindley, one of the columnists most friendly to the President, also was disturbed by the President's attitude. But he tended to dismiss it as an "off day" which all men, even Presidents, sometimes have. Looking back on recent history, I'm afraid it's much more serious than that. I hope not.

The President's attitude may explain why he hasn't responded when his friends in Congress, the press, and in his own administration have pointed out tragic administrative mistakes by his subordinates.

The Truman committee, for instance, over and over again has pointed out conditions which were interfering with America's war effort. This committee is composed chiefly of men who have been friendly to the President, on both domestic and war issues. It is not out to hurt the President, but to help him.

On May 25 the Truman committee submitted a detailed report on the rubber situation, clearing up much of the confusion. It found America facing a rubber famine which required over-all gasoline rationing and many other drastic conservation steps.

This was a perfect opportunity for the President to follow through with Nation-wide gasoline rationing, which all authorities agreed was necessary. But, instead, the President snubbed the committee and confused the public with a press-conference statement the same day indicating that the rubber situation was not serious; that synthetic tires probably would be available in time to keep America's cars rolling.

Almost 4 months later the Baruch committee came up with the same recommendations the Truman committee had offered. The President hailed this as a constructive job and immediately adopted the recommendations. If the President had been willing to listen to friendly critics, he could have saved millions of pounds of irreplaceable rubber.

This is a typical example of what has been happening here for many months. Over and over again the President's friends have tried to tell him what was going wrong and who was responsible. The President almost never has responded. The same people are making the same kind of mistakes today.

Perhaps the President is so busy with other things, so unfamiliar with the facts in these controversies, that he is unable to distinguish between carping criticism and friendly, constructive criticism, and thus tends to discard all of it.

But whatever the cause, it is extremely important for the President's own good, and for the good of the country, for him to realize that much of the criticism is based on hard facts and that it is offered by those who consider themselves his best friends. It is offered by people who have faith in Franklin D. Roosevelt, the man who has done so much to make a better America.

NATHAN ROBERTSON.

COMMUNITY MOBILIZATION FOR HUMAN NEEDS—ADDRESS BY THE PRESIDENT

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a radio address delivered by the President on October 5, 1942, in connection with the 1942 Community Mobilization for Human Needs, which appears in the Appendix.]

PROSPECTIVE CROP SHORTAGES—LETTER FROM HARRY L. HOLMES

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD a letter addressed to him by Harry L. Holmes, of Medford, Oreg., relative to prospective crop shortages, which appears in the Appendix.]

BAD NEWS FROM INDIA—EDITORIAL FROM NEW YORK TIMES

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial entitled "Bad News From India," published in the New York Times of October 3, 1942, which appears in the Appendix.]

PREPARATION FOR THE FUTURE PEACE

[Mr. McNARY asked and obtained leave to have printed in the RECORD two articles dealing with preparation for the future peace, published in the Christian Science Monitor of September 14, 1942, and September 24, 1942, which appear in the Appendix.]

STATEMENT ON INDIA

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD a statement on India, signed by numerous American citizens, which appears in the Appendix.]

SHORT TEMPERS AND QUICK ANSWERS—EDITORIAL FROM CLOVIS (N. MEX.) NEWS-JOURNAL.

[Mr. HATCH asked and obtained leave to have printed in the RECORD an editorial entitled "Short Tempers and Quick Answers," published in the Clovis (N. Mex.) News-Journal of September 30, 1942, which appears in the Appendix.]

TO OUR NAVY EVERYWHERE

[Mr. LANGER asked and obtained leave to have printed in the RECORD a poem, entitled "To Our Navy Everywhere," written by D. W. B. Kurtz, Jr., and published in the McLean County Independent, of Garrison, N. Dak., which appears in the Appendix.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 2248. An act to amend the law relating to the care and custody of insane residents of Alaska, and for other purposes;

S. 2570. An act to provide for the sale by the Superintendent of Documents of copies of certain historical and naval documents printed by the Government Printing Office;

S. 2627. An act to amend the act approved August 27, 1940 (54 Stat. 864), entitled "An act increasing the number of naval aviators in the line of the Regular Navy and Marine Corps, and for other purposes";

S. 2676. An act to provide for medical care and funeral expenses for certain members of the Naval Reserve Officers' Training Corps;

S. 2677. An act to authorize an exchange of land at Mechanicsburg, Pa., between Edgar Eberly and the United States;

S. 2678. An act to amend the act approved March 2, 1933, by suspending the provisions relative to a Navy ration in kind, and for other purposes;

S. 2682. An act to authorize the Secretary of War to exchange certain lands of the United States located within the Fort De Russy Military Reservation, Oahu, T. H., for certain land at Barbers Point, Oahu, owned by the Territory of Hawaii;

S. 2685. An act to provide that promotions to higher grades of officers of the Army of the United States, or any components thereof, shall be deemed to have been accepted upon the dates of the orders announcing such promotions, and for other purposes; and

S. 2731. An act to suspend until June 30, 1945, the running of the statute of limitations applicable to violations of the antitrust laws.

The message also announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 2275. An act to amend section 10 of Public, No. 360, Seventy-seventh Congress, to grant national service life insurance in the cases of certain Army flying cadets and aviation students who died as the result of aviation accident in line of duty between October 8, 1940, and June 3, 1941; and

S. 2679. An act to authorize the transportation of dependents and household effects of personnel of the Navy, Marine Corps, Coast Guard, and Coast and Geodetic Survey, incident to secret or confidential orders, and for other purposes.

The message further announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 2655. An act to amend the Judicial Code to authorize the Chief Justice of the United States to assign circuit judges to temporary duty in circuits other than their own; and

S. 2751. An act to amend the act entitled "An act to establish a Women's Army Auxiliary Corps for service with the Army of the United States," approved May 14, 1942, to create the grade of field director in such corps, to provide for enrolled grades in such corps comparable to the enlisted grades in the Regular Army, to provide pay and allowances for all members of such corps at the same rates as those payable to members of the Regular Army in corresponding grades, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6013. An act to authorize the Secretary of War to transfer certain land to the Territory of Hawaii;

H. R. 7059. An act to amend section 385 of the Agricultural Adjustment Act of 1938, as amended, so as to facilitate farmers in the service of the United States receiving the benefits of the farm program;

H. R. 7151. An act to amend the First War Powers Act, 1941, by extending the authority to censor communications to include communications between the continental United States and any Territory or possession of the United States, or between any Territory or possession, and any other Territory or possession;

H. R. 7431. An act to permit the prepayment of the purchase price of certain housing sold to individuals by the Farm Security Administration, and for other purposes;

H. R. 7455. An act to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended, so as to enable Filipinos to qualify for service thereunder;

H. R. 7576. An act to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral; and

H. R. 7577. An act to amend the act approved July 24, 1941 (34 U. S. C., Supp. I, 350f), so as to adjust the pay status of enlisted personnel appointed to commissioned rank for temporary service, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 2584) to permit appointment of White House Police, in accordance with the civil-service laws, from sources outside the Metropolitan and United States Park Police forces, and it was signed by the Vice President.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 6013. An act to authorize the Secretary of War to transfer certain land to the Territory of Hawaii; to the Committee on Military Affairs.

H. R. 7151. An act to amend the First War Powers Act, 1941, by extending the authority to censor communications to include communications between the continental United States and any Territory or possession of the United States, or between any Territory or possession, and any other Territory or possession; to the Committee on the Judiciary.

H. R. 7455. An act to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended, so as to enable Filipinos to qualify for service thereunder; to the Committee on Commerce.

H. R. 7059. An act to amend section 385 of the Agricultural Adjustment Act of 1938, as amended, so as to facilitate farmers in the service of the United States receiving the benefits of the farm program; and

H. R. 7431. An act to permit the prepayment of the purchase price of certain housing sold to individuals by the Farm Security Administration, and for other purposes; to the Committee on Agriculture and Forestry.

H. R. 7576. An act to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral; and

H. R. 7577. An act to amend the act approved July 24, 1941 (34 U. S. C., Supp. I, 350f), so as to adjust the pay status of enlisted personnel appointed to commissioned rank for temporary service, and for other purposes; to the Committee on Naval Affairs.

REVENUE ACT OF 1942

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, House bill 7378.

The Senate proceeded to consider the bill (H. R. 7378) to provide revenue, and for other purposes, which had been reported from the Committee on Finance with amendments.

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Capper	Guffey
Andrews	Caraway	Gurney
Bailey	Chandler	Hatch
Ball	Chavez	Hayden
Bankhead	Clark, Idaho	Herring
Barbour	Clark, Mo.	Hill
Barkley	Connally	Holman
Bilbo	Danaher	Johnson, Calif.
Bone	Davis	Johnson, Colo.
Brewster	Downey	Kilgore
Brooks	Doxey	La Follette
Brown	Ellender	Langer
Bulow	George	Lee
Bunker	Gerry	Lucas
Butler	Gillette	McCarran
Byrd	Green	McFarland

McKellar	Radcliffe	Truman
McNary	Reed	Tunnell
Maloney	Reynolds	Tydings
Maybank	Rosier	Vandenberg
Millikin	Schwartz	Van Nuys
Murdock	Shipstead	Wagner
Murray	Smathers	Wallgren
Norris	Spencer	Walsh
Nye	Stewart	Wheeler
O'Daniel	Taft	White
O'Mahoney	Thomas, Idaho	Wiley
Overton	Thomas, Okla.	Willis
Pepper	Thomas, Utah	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from New York [Mr. MEAD], the Senator from Georgia [Mr. RUSSELL], and the Senator from South Carolina [Mr. SMITH] are necessarily absent.

Mr. McNARY. The following Senators are necessarily absent:

The Senator from Vermont [Mr. AUSTIN], the Senator from Ohio [Mr. BURTON], the Senator from Massachusetts [Mr. LODGE], and the Senator from New Hampshire [Mr. BRIDGES].

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

Mr. GEORGE. Mr. President, the Senate has before it the 1942 revenue bill. The report is on the desk of each Senator and in the back of the report is an index, which gives not only the numbers of the sections dealing with the various contents of the bill but the pages where they are to be found. I am sure each Senator will find this helpful in identifying any particular provision in the bill.

Mr. President, this tax bill represents the largest tax bill in our history. Public hearings before the Ways and Means Committee of the House began on March 3, and the bill came out of the House on July 20. The bill was referred to the Senate Committee on Finance on July 21, and hearings were begun before our committee on July 23 and concluded on August 14.

The hearings before the Ways and Means Committee embraced 3,596 pages, and the hearings before our committee are published in two volumes covering 2,362 pages. Senators can see the tremendous volume of testimony presented in connection with the bill.

The magnitude of the problem is shown in the bill itself, which embraces 575 pages. The length of time consumed in the preparation of this bill was due in large measure to a sincere effort to prevent the drastic increases from causing severe inequities and unduly interfering with our economy. The wartime rates which we are proposing make it imperative to eliminate, so far as possible, existing inequities. I know we have not succeeded in eliminating all inequities and hardships, but we have been successful in eliminating them in many instances.

The total Federal tax bill of the American people, including the additional taxes levied under this bill, will, according to the joint committee staff and the Finance Committee staff, exceed $26,000,000,000. If we add to this the $10,200,000,000 in State and local taxes, the total tax bill will aggregate $36,537,000,000. It is estimated that our national income at the end of the year will be approximately $110,000,000,000. Therefore the total tax bill of the American people amounts to approximately one-third of our national income.

Mr. President, I believe that the national income in World War No. 1 reached the peak of about $56,000,000,000. The highest tax collected during any year of the World War No. 1 period was a little less than $5,500,000,000.

In Canada the taxes for the fiscal year 1942–43 will amount to $1,567,000,000. In Great Britain the total revenue for the fiscal year ending March 31, 1943, is estimated to be $9,876,400,000. In Great Britain there are no local taxes corresponding to those levied by our States. In Canada the Provinces have given up income taxation for the duration. In the United States 34 States and the District of Columbia levy individual income taxes, with rates ranging from 1 to 15 percent. Thirty-three States levy corporation income taxes with rates ranging from 1 to 8 percent. Therefore in considering the increased burdens which we are imposing under this bill we must give some consideration to the income-tax burden levied in the several States.

Under this bill and existing law we will collect an estimated revenue of $20,054,000,000 from individual and corporate income and excess-profits taxes. Of this amount $10,790,300,000 will come from corporations, and $11,264,300,000 from individuals. Corporations, under this bill, will pay 48.9 percent of the total income taxes, and individuals 51.1 percent. In Great Britain 33 percent of the total revenue from income and profits taxes comes from corporations and 67 percent from individuals. In Canada 50.3 percent comes from individuals and 49.7 percent from corporations.

As a matter of fact, Mr. President, the true concept of an income tax is a tax on individuals, and if it were possible to look through the corporation and impose the tax on the individual we could approach a perfect income-tax system. The primary reason why the corporation should be taxed at all is, first, for the convenience of the Treasury in reaching into the corporation and collecting from the corporation taxes in large amounts. Second, because of the disposition of corporate management to withhold rather than to distribute all earnings; the withholding, to be sure, dictated by sound business reasons, or mere convenience, or for the purpose of avoiding, in some instances, the tax to the individual.

In Great Britain there are no local income taxes corresponding to those levied by our States, as I have already said. I have already called attention to the action taken by the Canadian Provinces during the war period. In framing this tax bill we had to exercise considerable care so as not to impose such a severe rate on corporations as to disrupt the national economy of the country or to jeopardize the war-production program.

When the bill reached us from the House the following taxes were levied upon corporations: An excess-profits tax of 90 percent, a normal tax rate of 24 percent, a surtax rate of 21 percent, or a combined normal and surtax rate of 45 percent.

A preponderance of the testimony of witnesses before our committee opposed such a high rate of corporate tax with respect to the normal earnings of corporations. The Treasury Department, which had advocated before the Ways and Means Committee a combined normal and surtax rate of 55 percent on corporations, made the same suggestions to our committee, with certain alleviating provisions to offset such rates. However, even with such alleviating provisions applied it was found that the effective rate would be 48.4 percent, which was well over the House rate. In deciding that the total normal and surtax rates should not exceed 40 percent, we gave careful study to the effect of such a rate upon our economy, and also considered the wartime rates levied by other countries insofar as such rates can furnish any possible correct guide to our committee.

It has frequently been said that Great Britain levies a normal rate of 50 percent upon corporations. While this is true, dividends from the normal earnings are not subject under the British law to a further normal tax in the hands of the individual shareholder. The British surtax does not apply to incomes of individuals of less than $8,000, and if the income of the individual shareholder is less than his exemptions, the British allow him a refund of the tax paid by the corporation. Under our system of taxation we allow the individual no credit for the tax paid by the corporation.

If we look at the first bracket of individual tax rates under this bill, we find that the total of normal and surtax rates is 19 percent. In addition, the 5 percent Victory tax raises this total to 24 percent. If we add to this the 40 percent imposed upon corporations, we have a total tax rate of 64 percent on individual dividend income as compared with the British rate of 50 percent with respect to individuals with less than $8,000 income.

Moreover, in Great Britain no State or local taxes are imposed. In Canada, as in this country, no credit is allowed the individual shareholder for income taxes paid by the corporation. This was one of the main reasons which influenced the Canadian minister against recommending a further increase in the normal rate upon corporations in Canada.

In Canada there is no surtax rate. The Canadian corporate rate is 40 percent, except where the 100-percent excess-profits tax rate applies. Corporations subject to the 100-percent excess-profits tax rate are subject to a normal rate of 30 percent.

Again it should be pointed out that in Canada the Provinces have given up the income-tax field for the duration of the war. The Canadian Minister of Finance in explaining in his budget message why the normal taxes should not be increased stated:

> Already the tax on profits that have not increased is heavy when we bear in mind that those profits, when distributed as dividends, are subject to all the personal income taxes in addition to the corporation taxes. This

involves, in effect, a discrimination against income earned in the form of corporate profits as distinct from other types of income, such as interest. Such discrimination may be justified, but I believe we have already gone far enough in that direction.

Secondly—

Said the Minister—

I proposed to increase the rate of taxes on excess profits, but not the flat rate of tax which applies to profits generally.

In fixing the excess-profits rate in the bill at 90 percent with a 10-percent post-war refund, we gave careful consideration to the conclusions of Mr. Donald Nelson, of the War Production Board, and others. Mr. Nelson made the following statement:

I shall not venture to suggest appropriate rates for an excess-profits tax. I am inclined to believe, however, that in order not to endanger efficiency in the production of armaments and essential civilian commodities, the tax should not take more than about 80 percent of additional profits.

If a higher rate is adopted notwithstanding its effects on efficiency, I should suggest that any amount which exceeds the 80-percent level be treated as a post-war credit, preferably in the form of a Government obligation with definite maturities.

Such a procedure would both preserve the necessary incentive and provide assistance in post-war reconversion. Insofar as the latter factor is the controlling consideration, the credit might be made dependent on the taxpayer's showing that corresponding expenditures had been made or were needed to reestablish peacetime operations.

England and Canada both have a 100-percent excess-profits tax with a 20-percent post-war refund payable after the war. Under our bill, we have a 90-percent excess-profits-tax rate, with a post-war refund of 10 percent. In a recent article appearing in the Business Front of Canada, of September 26, 1942, the following statement is made:

Because the corporation tax is in effect a flat levy on the income of rich and poor shareholders alike, its burden is felt most by those of limited income. These people, many of them retired or widowed, who had the faith in the industrial future of the Dominion to place part of their savings in dividend-paying stocks, are adversely affected by another factor.

In the same article, further complaint is made of the high rate of the excess-profits tax in Canada in the following language:

Taxpayers in general stand to benefit from a revision of present corporation income-tax legislation. The provision of a reasonable profit incentive would lead to low production costs. While this would be most important in war supplies it would be a factor in keeping down the cost of living, directly and through the amount of subsidy payments necessary to maintain established price ceilings.

The efficiency of our various corporations has been built up over a period of years by the profit motive. Failure to maintain this will cause a deterioration in our economic system which will be fully apparent only after irreparable damage has been done. Due to the disappearance of the patriotic stimulus with the conclusion of hostilities, and the accumulated inefficiencies engendered by our present taxes, Canadian industry will be ill-equipped to contend with the difficulties of changing from wartime to peacetime production.

By allowing a fair cash profit for both management and employee, as suggested above, we will have the benefit of maximum production at low cost during the war, and both industry and labor will be able to face the transition to a peacetime economy with reserves of working capital and purchasing power.

The maintenance of full employment after the war will depend upon a tremendous and continuous investment of new capital. If we are to avoid socialization of industry, the bulk of this capital must be provided by corporations and individual investors. It will be forthcoming, as in the past, only if there is reasonable assurance of profit to compensate for the risks involved. Under present company taxes, however, there is little inducement to explore new fields and develop new markets; and capital would tend to stagnate in bonds rather than in new stock ventures.

When the new Budget was first introduced last June, it provided that if a man's wife were gainfully employed he would lose his tax exemption as a married man. The prompt exodus of wives from factories threatened to seriously reduce war production and caused an immediate cancelation of this clause. It is unfortunate that the damage which results from minimizing the profit motive of corporations is not as readily seen as that in the case of individuals.

Our present 100-percent tax on higher earnings of corporations is plainly a case of being penny wise and pound foolish. By restoring a reasonable profit incentive we could stimulate the production of war materials, grant more equitable treatment to a large class of investors, and benefit all taxpayers by reducing war costs and placing our economy in a better position to face the difficulties of the post-war period.

I should also like to call attention to an inequity in our law with respect to the excess-profits tax, which is not present in either the Canadian or British excess-profits-tax laws.

In Great Britain, before the excess-profits tax applies, the net income must exceed 111.1 percent of the base-period earnings. In Canada, the net income must exceed 116.6 percent of its base-period earnings before the excess-profits tax applies. Under our law, we allow only 95 percent of the average earnings as a credit before the excess-profits-tax rates apply. Therefore, we are, in effect, subjecting 5 percent of the normal earnings of the corporation to our excess-profits tax. Personally I should like to see this 95-percent credit raised to 100 percent, so that we would not levy an excess-profits tax on the normal earnings of corporations.

I wish to summarize our corporate taxes under this bill, as follows:

	Existing law	House bill	Finance Committee bill
Normal tax:			
(1) Corporations with normal tax net incomes of not more than $25,000:	*Percent*	*Percent*	*Percent*
First $5,000	15	No change	No change
$5,000 to $20,000	17	No change	No change
$20,000 to $25,000	19	No change	No change
(2) Corporations with normal tax incomes of over $25,000	24	No change	No change
Surtax:			
(1) Corporations with surtax net incomes of not more than $25,000: First $25,000	6	10	10
(2) Corporations with surtax net incomes over $25,000	7	21	16
Excess-profits tax:			
First $20,000	35		
$20,000 to $50,000	40		
$50,000 to $100,000	45		
$100,000 to $250,000	50	10	90
$250,000 to $500,000	55		
Over $500,000	60		
Excess-profits credit:			
Invested-capital method:			
First $5,000,000 of invested capital	8	8	8
$5,000,000 to $10,000,000	7	7	7
$10,000,000 to $200,000,000	7	6	6
Over $200,000,000	7	5	5
Income method: Portion of average earnings in base period	95	95	95
Special exemption	$5,000	$10,000	$5,000
Maximum effective rate of corporate normal tax, surtax, and excess-profits tax	None	None	80
Post-war credit	None	None	10
Debt relief	None	None	(1)

[1] 40 percent of amounts paid in debt retirement during taxable year but not in excess of post-war credit.

That is a general statement of the corporate rate under existing law, under the House bill, and under the Senate Finance Committee bill.

Under the House bill, a flat rate of 90 percent was imposed upon the adjusted excess-profits net income of corporations, and no post-war credit was provided for. Your committee has provided for a post-war credit of 10 percent of the amount of the excess-profits tax paid. Under this provision in the bill, corporations will pay the full excess-profits tax not absorbed by current debt retirement. The amount representing the post-war credit will be credited to the taxpayer's account, to be satisfied in bonds payable after the war. Such bonds will mature on the last day of that calendar year, beginning after the date of cessation of hostilities in the present war, which is shown in the following table to be applicable to such bonds for such year:

Calendar year (beginning after cessation of hostilities) on last day of which bonds mature

Bonds purchased with the credit for any taxable year beginning—

Within the calendar year 1942	Second
Within the calendar year 1943	Third
Within the calendar year 1944	Fourth
After Dec. 31, 1944	Fifth

The cessation of hostilities is, under the Senate Finance Committee bill, to be based upon a proclamation of the President declaring hostilities to have ceased or upon a concurrent resolution of the two Houses of Congress declaring the cessation of hostilities.

The main reasons why a post-war credit is deemed essential are as follows:

First. With a high corporate tax, a post-war credit will give the corporation an immediate incentive to be more efficient in its operation and to keep its operating costs down to a reasonable minimum. One of the dangerous features about an excess-profits tax rate that is too high is that it not only provides no incentive to make profits, but it is an added inducement to create losses. There has been a tendency in the past on the part of some corporations even to scrap a portion of their inventories or otherwise increase their expenses so that their current income would not exceed their average earnings or invested-capital credit.

Second. It will provide more immediate revenue to the Government than would otherwise be secured under excessively high rates. The Government will have the use of the amount of this post-war credit during the period of the war without being required to pay interest thereon.

Third. It will provide the corporation with a post-war reserve to enable it to undertake the task of rehabilitation and readjustment to meet post-war conditions.

Fourth. By having a tendency to hold down costs, it will offset somewhat the effect of an unduly high excess-profits tax upon inflation. Under a too severe excess-profits tax, without a post-war credit, it may be possible for the corporation to justify many expenditures which will be deductible for tax purposes.

Our committee was very much in favor of providing debt relief for corporations. Under the House bill, no debt relief was provided.

The amount taken as a debt credit will reduce the amount of the post-war credit available to the taxpayer at the end of the war. The debt subject to the credit cannot exceed the amount of the indebtedness outstanding as of September 1, 1942. It also cannot exceed 40 percent of the net debt reduction of such debt at the close of the calendar year.

The following example will show how the plan operates: Assume a corporation is filing a return for the calendar year 1942. Its excess-profits tax for the year is $500,000 and its post-war credit is $50,000. Its debt situation is as follows:

Debts outstanding as of September 1, 1942, $100,000.

Debts outstanding as of December 31, 1942, $20,000.

Net debt reduction since September 1, 1942, $80,000.

Debt credit, 40 percent of $80,000, or $32,000.

The taxpayer in this case may, therefore, secure a credit against its excess-profits tax of $500,000 in the amount of $32,000, which will reduce the excess-profits tax to $468,000. However, its post-war credit in turn will thereby be reduced from $50,000 to $18,000, the difference between $32,000 and $50,000.

Our committee repealed the capital stock and declared excess-profits tax provisions. It was believed that the taxpayer would have difficulty in forecasting future earnings, especially at this time. The capital stock tax is computed on the taxpayer's declared value, which is estimated according to what it forecasts its future earnings might be for taxable years ending after the close of its capital stock tax year. The net effect of this repeal, according to Treasury estimates, will amount to a loss in revenue of 83.7 millions.

With respect to the taxation of mutual insurance companies other than life or marine, there was considerable objection to the House method. Under the House bill, mutual insurance companies other than life were to be taxed on the basis of their underwriting and investment income. Dividends to policyholders were deductible to the extent they were paid out of premiums received or surplus apportioned to policyholders. To the extent they were paid out of investment income, they were disallowed. Your committee carefully considered the House plan and various modifications in attempting to define and tax underwriting income in an equitable manner. It was finally decided to impose a tax upon mutual insurance companies other than life or marine upon whichever of the following two bases produced the greater tax:

First. A new investment income tax base to which the ordinary corporate rates would be applicable.

Second. A base consisting of the gross income from interest, dividends, rents, and net premiums less dividends to policyholders and wholly tax-exempt interest. To this base a rate of 1 percent would apply. Whichever tax was greater would be paid by the insurance companies.

The tax does not apply to corporations if the gross amount received during the taxable year from interest, dividends, rents, and premiums, including deposits and assessments, does not exceed $75,000. Therefore practically all the farmers' and other small and local mutual companies will not be required to file income-tax returns or pay income taxes. It is estimated that over 80 percent of all mutual companies will be exempt from filing returns under this provision.

Mutual marine insurance companies are taxable like stock insurance companies, with a deduction for dividends paid to policyholders as such. This is substantially the basis under which they are taxed under existing law.

Life insurance companies are taxable in the same manner as under the House bill, with one major exception. Under the House bill, capital gain or loss treatment was extended to life insurance companies with respect to assets acquired after the enactment of the revenue bill of 1942. Since the revenue from this source would be very small and the House provision would require life insurance companies to separate their assets according to date of purchase, your committee believed it advisable to return to the existing law and to ignore capital gains and losses in the treatment of life insurance companies.

NET LOSS CARRY-BACK

Our committee has allowed a carry-back to net operating losses for any taxable year beginning on and after January 1, 1942. The net operating loss may be carried back to the 2 preceding taxable years, but not to any taxable year beginning before January 1, 1941. The net loss which is not used as a carry-back may be carried forward for any taxable year to the 2 succeeding taxable years.

An example will make the application of this section clear:

A taxpayer has $600 net income for 1941 and $900 net income for 1942. In 1943 he has a net operating loss of $1,000. This net operating loss may be carried back to 1941, and will, therefore, reduce the income for that year to zero. The balance of this net loss—namely, $400—may be applied against the net income for 1942, and thereby reduce that net income for that year to $500.

We had a similar provision in the Revenue Act of 1918 when we allowed net operating losses for 1920 to be carried back and applied against the net income for the year 1918.

A somewhat similar relief is allowed under the bill in case of the unused credit allowed for excess-profits taxes.

WESTERN HEMISPHERE CORPORATIONS

Our American corporations trading in foreign countries within the Western Hemisphere are placed at a considerable disadvantage with corporations organized under the laws of other countries. In the case of corporations organized under the laws of other countries, there is no tax levied by the home country. In the case of our corporations, we subject them to the full American tax, with credit for the taxes paid to the foreign country.

To alleviate this situation somewhat, and to encourage our American corporations in doing business in the Western Hemisphere, we have provided that such corporations shall be relieved from the surtax if 95 percent of their income is from sources outside of the United States and if 90 percent of their income is from the active conduct of a trade or business.

Our committee gave considerable attention to the general relief provisions in connection with the excess-profits tax. With a rate as high as 90 percent, it is necessary that care be taken to prevent unforeseen hardships. The House provision on general relief was very broad and goes a long way toward accomplishing this objective. However, your committee made certain changes which it is believed will considerably improve the situation. In the first place, the general relief provision is made retroactive so as to apply to the taxable years 1940 and 1941. The committee has also made it clear that once the taxpayer's credit has been determined under the relief provision such credit may be used for all future years.

Under the House bill the relief provisions were not applicable unless the excess-profits tax exceeded 6 percent of the taxpayer's normal tax net income and unless the relief would diminish the excess-profits tax otherwise payable by more than 5 percent. Your committee did not believe it desirable to deny relief to those taxpayers merely because they did not come within these arbitrary limitations. Under the House bill there was

a provision that in determining the constructive average base period net income of the taxpayer no regard should be had to events or conditions affecting the taxpayer, the industry of which it is a member or taxpayer generally, occurring or existing after December 31, 1939.

Your committee has amended this provision so as to make it clear that it does not preclude an examination of a taxpayer coming into existence after December 31, 1939, or of a taxpayer the changes in the character of the business of which properly matured after such date. In granting relief under this section, the House bill permitted relief where there was a change in capacity for production or operation taking place in any taxable year ending after December 31, 1939, as a result of commitments made prior to January 1, 1940, binding the taxpayer to make the change. Your committee felt it was the purpose of the provision to afford relief to taxpayers who were committed to a course of action prior to January 1, 1940, and amended the provision accordingly.

Special relief is granted to mines under the Finance Committee bill in order to encourage the production of minerals in connection with the war effort. A special net loss carry-over for the years 1938 and 1939 is provided. The bill also provides a special deduction in computing the excess-profits net income where the production of the mines in excess of normal exceeds 5 percent of the estimated reserve.

Corporations engaged in mining of strategic metals are exempt from the excess-profits tax with respect to that part of their income coming from this source. Special relief is also provided for coal mines.

CAPITAL GAINS AND LOSSES

Your committee has made several changes in the House provision dealing with capital gains and losses.

The holding period for determining whether the taxpayer has realized a short- or long-term capital gain or loss has been reduced to 6 months. Therefore, gains or losses from assets held over 6 months are treated as long-term gains or losses, and gains or losses from assets held for 6 months or less are treated as short-term gains or losses. The maximum rate on long-term capital gains of 25 percent, as provided in the House bill, is retained, the rate under the present law being 15 percent. Capital losses cannot be applied against ordinary income, but a 5-year carry-over is allowed in which such losses can be applied against capital gains realized over such 5-year period. An exception is made in the case of the first $1,000 of excess capital loss, which can be applied against ordinary income in the case of individuals.

Under the House bill losses from the sale of real property and buildings were treated as capital losses, even though the property was used in the trade or business. Your committee has changed this rule with respect to buildings and real estate used in the trade or business. If the losses exceed the gains in such cases, such losses will be treated as ordinary losses. It is believed this change will be of material benefit to businesses which, due to depressed conditions, have been compelled to dispose of their plant and equipment.

WAR LOSSES

The committee gave considerable attention to the problem of property of taxpayers located within an enemy country or within an enemy controlled area. Such property is, for all practicable purposes, lost to the taxpayer and should be treated as a casualty loss. If the property was within an enemy country or an area controlled by the enemy at the outbreak of the war the loss may be considered to have occurred on the date of declaration of war against such enemy country by the United States. Thus property in Germany and Italy will be considered destroyed in 1941, as war was declared on December 7.

If the property is in an area coming under the control of an enemy country after the declaration of war against such country, it shall be deemed to have been destroyed or seized on any date which falls between the latest date, as established to the satisfaction of the Commissioner, on which such property may be considered as having already been destroyed or seized and the earliest date on which such property may be considered as having already been destroyed or seized. For example, suppose the military evacuation of an area is begun during the middle of December, and that fighting occurs in that area from that time until the middle of January, when the enemy finally establishes complete control. Such a taxpayer may treat his loss as occurring in either December or January.

AMORTIZATION OF EMERGENCY FACILITIES

Your committee accepted the provisions of the House bill dealing with the amortization of emergency facilities.

In addition, your committee inserted a provision which permits the taxpayer in case the proclamation of the President terminating the emergency is made before the completion of the facility to elect to use an amortization period beginning with the month in which the construction, reconstruction, erection, or installation of the emergency facility was begun and ending as of the end of the month within which such proclamation was issued. This will permit taxpayers who do not have any income in the period subsequent to the President's proclamation to revise their returns embraced in the period beginning with the construction of the facility and take the amortization in their returns for such period.

The two important changes made by the House in this provision of the tax bill should be noted. They were to make the provision applicable to individuals or partnerships, and also to move the date of the beginning of the construction of the facility back to January 1, 1940, instead of June 10, 1940. It will be recalled that the Senate originally provided that the date of the commencement of the construction of the facility should be January 1, 1940, but it was compromised in the conference on the 1940 bill.

RELIEF FOR INSTALLMENT-BASIS TAXPAYERS

Your committee has changed the provisions of the House bill granting relief for installment taxpayers if the average volume of credit extended to purchasers on the installment plan during the years 1938, 1939, 1940, and 1941 exceeds 125 percent of the volume of such credit extended in 1942 or subsequent years. The taxpayer is also given an opportunity to establish eligibility for relief in terms of outstanding accounts receivable as well as in those of the volume of credit extended to purchasers on the installment plan. In such cases the taxpayer is permitted to file amended returns on the accrual basis. This is limited to the excess-profits tax.

INCOME FROM LONG-TERM CONTRACTS

In the case of income from long-term contracts, your committee has amended the law to make it clear that where such income is thrown back into the base period years, it will have the effect of increasing the average earnings credit.

That was supposed to be the law, and it was so stated in the Finance Committee report on the passage of the Excess Profits Tax Act.

Relief has also been granted under the bill for taxpayers employing the last-in first-out method of inventory valuation.

PENSION TRUSTS

The Committee on Finance, upon the appointment of a subcommittee, made certain changes in the provisions of the House text dealing with pension trusts which, it is believed, will improve and protect the legitimate pension trusts.

FISCAL YEARS

As the bill passed the House it provided a special rule for corporations and individuals with fiscal years ending in 1942. Under the bill such a taxpayer was compelled to compute its income and tax both under the 1941 and 1942 laws, and pay as its tax the sum of the following:

First. That proportion of its tax for the fiscal year, computed under the 1941 law, which the number of months in 1941 bears to the full year, plus

Second. That proportion of its tax for the fiscal year, computed under the 1942 law, which the number of months in 1942 bears to the full year.

Considerable complaint was made that such a system required a computation of income under two different laws, and also penalized those taxpayers whose fiscal years had closed, when returns were filed, and when dividends had already been declared. It was also objected to on the ground that it was retroactive, as the Ways and Means Committee did not take final action on this matter until the latter part of June.

The Senate committee attempted to overcome this objection by applying the 1942 rates to that portion of any fiscal year ending after June 30, 1942. The computation of net income will still be made under the 1941 law, except that the adjusted excess-profits tax net income will be allowed in computing normal and surtax net income instead of the excess-profits tax.

INDIVIDUAL INCOME TAX

The bill further broadens the individual income-tax base by reducing the personal exemption for a married person, or head of a family, from $1,500 to $1,200, and in the case of a single person from $750 to $500. In this respect the pending bill is the same as that passed by the House. It is estimated that the reduction in personal exemptions will add approximately 7,000,000 new taxpayers.

The committee reduced the $400 credit allowed under existing law for each dependent to $300. The House made no change in existing law. Prior to the last World War no credit was allowed for dependents, and during the period 1917–20 a credit of $200 was allowed.

It should be noted, as all of us will realize, that the income-tax rates were much lower prior to World War No. 1, and even during World War No. 1, and during the period 1917 to 1920, and the credits allowed both to a single individual and to a married person were much greater than they are under existing law.

Since 1920 the credit has remained at $400, although during this period the personal exemptions have been drastically reduced. It is estimated that the reduction of credit for dependents from $400 to $300 will add approximately 600,000 new taxpayers. My recollection is that the Treasury estimated that it would result in a revenue increase of some $232,000,000.

NORMAL AND SURTAX RATES

The bill increases the existing 4-percent normal-tax rate to 6 percent, the same as provided by the House. The bill also makes no change in the surtax rates adopted by the House, which provided for increased surtax rates over those levied under existing law. The proposed rates range from 13 to 82 percent, the maximum rate of 82 percent being applicable to surtax net income in excess of $200,000, whereas the existing rates range from 6 to 77 percent, the 77-percent maximum rate applying only to surtax net incomes in excess of $5,000,000.

It will thus be seen that when the taxpayer reaches the bracket in which the 82-percent surtax rate is applicable, his total tax rate will be 6 percent plus the 82 percent, or 88 percent, and that that total rate is applied to all individuals whose incomes exceed $200,000.

The effect of these increased rates is shown by the burden tables contained in the committee report, beginning on page 17, which show the amount of tax under the existing law, the bill as it passed the House, and the bill as reported by the Finance Committee.

VICTORY TAX

The bill levies a victory tax of 5 percent on all income in excess of $624 received during the year by individuals from salaries, wages, and other compensation for personal services, dividends, interest, annuities, and net profit from business or profession.

This victory tax is estimated to yield a gross revenue of $3,600,000,000, of which amount $1,100,000,000 will be returned to the taxpayer as a post-war credit, or may be taken currently up to the extent of post-war credit, as a credit against the victory tax for debts incurred prior to September 1, 1942, payment of life insurance in force on or before September 1, 1942, or for the purchase of war bonds.

It is estimated that this tax will add an additional eighteen and one-half million taxpayers, who otherwise would pay no tax directly to the Federal Government. Without the victory tax, it is estimated, there will be twenty-seven and one-half million taxpayers. Thus, under the regular income tax and the victory tax there will be a total of 46,000,000 taxpayers.

In order to raise the large amount of additional revenue required it is necessary to reach down into the lower-income group, and in doing so I have felt it preferable to levy a tax such as the victory tax, rather than a general retail sales tax, which would have been necessary in order to raise this amount of additional revenue. For example, if we should confiscate all net income over $50,000, we would receive only approximately $600,000,000 of additional revenue, and under increased estate-tax rates, which, under the present law, in many instances are now higher than those levied in Canada and Great Britain, we would receive no immediate additional revenue.

No individual will be subject to the victory tax unless his income exceeds $624 a year, or $12 a week, whereas under a general retail sales tax individuals with incomes under $624 would be required to pay a tax on the food they consumed, the clothes they wore, and on other necessities of life. For these reasons I proposed the victory-tax provision contained in the pending bill.

The victory tax is a tax based upon ability to pay, whereas a general retail sales tax is a tax on consumption. For example, under the victory tax a person having a gross income of $100,000 will pay a gross victory tax of $4,968.80. To pay this amount of tax under a 5-percent general retail sales tax, it would be necessary for one with a gross income of $100,000 to spend $99,376 on articles subject to a retail sales tax. The adoption of a sales tax in lieu of the victory tax would mean the shifting of the tax from those best able to pay to those least able to pay.

Some have criticized the victory tax because the exemption of $624 applies alike to single and married persons with or without dependents. I might say, in passing, that if many more women must go into industry, those who believe in the victory tax may be considered as having made some contribution for the married women to find their places in the war program. Such objection is neither fair nor valid, since a differential is allowed as between taxpayers of different marital status in the amount of post-war credit allowed. For example, in the case of a single person the bill provides a post-war credit of 25 percent of the victory tax, but not to exceed $500. In the case of a married person the post-war credit allowed is 40 percent of the victory tax, but not to exceed $1,000, and 2 percent, but not to exceed $100, is allowed for each dependent.

The $624 exemption is provided for simplicity of administration, so that it will not place upon the employer, who is required to withhold this tax at the source from salaries and wages, the tremendous burden and expense that would be required under the 5 percent withholding provision contained in the House text.

The withholding of the victory tax at the source does not apply in the case of domestic servants, agricultural labor, or to those in the armed forces. These exemptions are made for simplicity of administration. Such employees, however, are not exempt from the victory tax, but it will be reported and paid at the time of filing their regular income-tax return, or a victory tax return.

Table 4 of the committee report, on page 12, shows the amount of the victory tax, post-war credit, and net victory tax on specified gross income. For example, a single person with a salary of $100 per month will pay $28.80. His post-war credit will be $7.20, leaving a net victory tax of $20.60, or a gross tax of 2.4 percent, and a net tax of 1.8 percent, as shown in table 5 on page 13.

This tax will apply to all incomes of the character described, and it will be applicable to the worker whose income is in excess of $12 per week, as it will be to the salary of a Senator of the United States or the salary of the President of the United States. In my opinion, this tax will be cheerfully borne by the American people, especially those in the lower income group, who already have demonstrated not only their willingness but their desire to contribute more directly to the war effort and to an early victory.

I am aware that there may be leaders in certain labor organizations who have and who will continue to attack the victory tax, but it is a much fairer tax on the poor man, or the man with a moderate income, than any sales tax that the Congress might impose. Moreover, there are but two ways of reaching the vast reservoir of national income which is in the hands of low-income producers, so-called, that is, either through a type of gross-income tax, adjusted as the victory tax is adjusted, or a sales tax. Let those who oppose the victory tax take their choice. They will get one or the other.

Mr. McNARY. Mr. President, I do not want to request the Senator from Georgia to yield if he desires to continue.

Mr. GEORGE. I am nearly through.

Mr. McNARY. I was simply going to ask the Senator whether the victory tax was a conception of the committee, or if it came from the Treasury Department.

Mr. GEORGE. It was presented by the committee. The committee also adopted a provision similar to the one imposed under the Revenue Act of 1938, which will permit the liquidation of personal holding companies, but it is restricted to personal holding companies, and, I may add, to domestic holding companies.

Your committee has provided relief for railroads in receivership or bankruptcy. In the case of reorganizations beginning after December 31, 1939, the basis of the property in the hands of the old company is carried forward to the new company. It should be noted also, Mr. President, that with respect not only to railroad corporations but to all corporations, a provision has been inserted in the pending bill which will permit a corporation to buy up its own securities without accounting for a gain and without the necessity, as in existing law, of declaring and showing that the corporation is in an unsound financial condition. It was very strongly urged upon the committee to give to the railroad companies of the country a deferred maintenance, but in lieu of the deferred maintenance we adopted the 2-year loss carry-back to which reference has already been made in this statement.

The Senate Finance Committee has also applied the Federal income tax to income from future issues of State and local securities, but does not provide for the taxation of outstanding issues. The immediate revenue from the taxation of future issues of such securities will not be great, but as the years pass the income tax on the income derived from these future issues will become greater.

Mr. President, there are many administrative provisions contained in the bill which I shall not take the time to discuss, and with respect to the miscellaneous taxes, the Senate must be referred to the tables on pages 56 and 57 of the committee report.

In closing this very brief statement, Mr. President, of such a long bill, I desire to say that the Ways and Means Committee of the House, especially the able chairman of that committee, deserves great credit for the making of many administrative and technical changes in our revenue laws which will relieve a great many inequities and hardships, and which, as I have already undertaken to point out, become of supreme importance as the tax rates advance.

Mr. President, certain subcommittees were appointed during the consideration of this bill, and the members of those subcommittees on pension trusts, on mines and mining, and on mutual insurance, are, of course, better prepared to discuss the matter with which they dealt, and will be highly pleased to answer any questions the Members of the Senate may wish to propound. Indeed, Mr. President, I feel that every member of the Finance Committee will be very glad to respond to any question asked by any Member of the Senate.

Mr. McNARY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Georgia yield to the Senator from Oregon?

Mr. GEORGE. I yield.

Mr. McNARY. I commend the Senator for his very excellent and clarifying speech on a bill which it is almost impossible for one to understand, without sufficient time carefully to study it. I think the Senator has rendered a very great service in clarifying some of the bill's provisions.

I desire to ask the Senator a question on the matter he discussed with respect to corporations. I understood the able Senator to say that corporations are permitted to deduct indebtedness in connection with the payment of taxes.

Mr. GEORGE. Will the Senator state his question again?

Mr. McNARY. I understood the Senator to say in his very able argument that corporations were permitted to make deductions of indebtedness in connection with the payment of taxes.

Mr. GEORGE. A corporation is permitted to deduct payments made on debt, that is in reduction of the net debt of the corporation, as set out in the bill, but not exceeding the post-war credit.

Mr. McNARY. What I want to know is whether that rule applies to individuals.

Mr. GEORGE. It does not apply to individuals, except to this extent: The victory tax, or the gross income tax, the 5 percent tax, does permit a post-war credit, and the post-war credit may be absorbed either by the payment of debts, the payment of life insurance, or may be taken up by a special bond to be issued by the Treasury. To that extent only is there a debt relief to individuals. Of course, under the regular income tax, interest paid on indebtedness is allowed as a deduction in computing income.

Mr. McNARY. Does the Senator think that is comparable treatment as between corporations and individuals?

Mr. GEORGE. I think it is comparable treatment, but the situation is not the same, I may say to the Senator. The Finance Committee at first agreed upon a combined normal and surtax rate of 45 percent for corporations, and 90 percent for excess-profits taxes. At that time it was decided to give to all corporations the post-war credit, that is against the excess profits and the surtax, but not the normal tax. As to individuals, there was no post-war credit provided. Later, during the deliberations of the committee, it was decided to reduce the normal and surtax rates from 45 to 40 percent, and to eliminate any post-war credit against the corporation surtax.

Let me now say that the reason—I previously tried to make it clear—for the post-war credit against excess-profits taxes is this: A tax of 100 percent is levied by both Canada and Great Britain. It is not working well, and complaint is lodged in both countries, although they give a post-war credit against the excess-profits tax of 20 percent, which has the effect of cutting back the excess-profits tax to 80 percent. Nevertheless, since the total of 100 percent is taken, it is found that the practice conduces to loose management, and a disposition to create expense to absorb the excess-profits tax, rather than to general economy in the war effort.

I should like to read to the Senator a statement taken from one of the leading Canadian publications on that point:

> The recent budget called for a tax on Canadian companies of 100 percent of their excess profits (that is, profits in excess of the annual average of the 1936–39 period)—
>
> The same base period as we have, but far more liberal—
>
> with a return of 20 percent at the end of the war. This is very similar to the corporation levy in effect in Great Britain where there is widespread agitation for revision. In the Australian Parliament legislation was recently introduced to allow corporations to retain a larger proportion of their earnings than at present permitted.
>
> In both countries there is considerable evidence that the present taxes have curtailed the profit motive to such an extent that there has been a marked decline in efficiency and in the volume of materials produced. The more liberal policy in the United States, as approved by the Senate Finance Committee, calls for a tax of 90 percent of excess profits and a return to the company at the end of the war of more than 10 percent of excess profits.

The article should have said a 10-percent tax credit, which is slightly different. I invite the Senator's attention to that statement because I think it is very, very important.

Mr. McNARY. Mr. President, may I propound another inquiry? Did the Senate committee give any thought to the taxation of tax-exempt securities?

Mr. GEORGE. It did, and recommended the taxation of all future issues, that is, all securities issued after January 1, 1943.

Mr. McNARY. Did the committee believe that it had no authority to tax securities heretofore issued?

Mr. GEORGE. There is a division of opinion in the committee upon that question, but it is obvious that the legal principle, with two important exceptions, which will be brought out in debate, is substantially the same. However, the majority of the committee was against the taxation of outstanding issues. It was contended—and I think with a great deal of plausibility and reason—that the owners of outstanding State and municipal securities purchased them in the faith that they were not subject to Federal income taxes, in reliance upon the decisions of the Supreme Court.

Mr. McNARY. My inquiry was directed particularly to the Federal issue of tax-exempt securities. There are Federal tax-exempt securities, are there not?

Mr. GEORGE. Not at this time. All Federal securities issued after March 1941 are subject to the income tax. There are some outstanding securities, of course, which are exempt from taxation.

Mr. McNARY. What is the total amount of outstanding securities exempt from taxation?

Mr. GEORGE. It is a relatively large sum, and yet not a large sum as compared with our total. My recollection is that the amount of marketable issues is around $35,000,000,000. Those are the securities which are wholly or partially tax exempt. The total tax exempt are less than $1,000,000,000. State and local securities outstanding as of June 30, 1941, amounted to $20,000,000,000.

Mr. McNARY. I appreciate that statement. The figure I have is $18,000,000,000.

Mr. GEORGE. It is somewhere around $35,000,000,000, so far as Federal obligations are concerned.

Mr. McNARY. I was curious to know whether the committee, in the great thought it exercised in getting the bill in shape, gave consideration to the taxation of such securities, amounting to $18,000,000,000.

Mr. GEORGE. The Senator means outstanding Federal bonds?

Mr. McNARY. Yes.

Mr. GEORGE. I do not believe that anyone would contend that we could tax those bonds, because the holders of the bonds have a contract with the Government of the United States, the taxing authority. Certainly I do not believe that anybody would want the Government to break faith with the purchasers of its own securities. This would violate the due-process clause of the fifth amendment.

I should like to complete the statement which I had only partially made with reference to outstanding State and municipal securities.

There is a point of view to the effect that such outstanding securities, as well as the future issues of State and municipal securities, are not subject to taxation by the Federal Government. That view can be very strongly supported. However, there is a very definite conviction on the part of most lawyers and jurists in the country, and of most of the people of the country, that, under decisions of the Supreme Court, not taking into account the trend in recent cases, State and municipal securities are not subject to taxation by the Federal Government. Therefore there was a very strong moral case, at least, in behalf of the holders of such securities, which had been issued and were outstanding.

Mr. McNARY. Does the language on page 31 of the bill refer to the item which the Senator has been discussing?

Mr. GEORGE. Yes.

Mr. McNARY. If that is reached today—and I think there is an order of the Senate to consider the committee amendments first—I should prefer to have that section go over until tomorrow.

Mr. GEORGE. I think we can accommodate the Senator.

Mr. McNARY. I make that request because of the absence of a few Members of the Senate who particularly desire to be present when that section is discussed.

Mr. GEORGE. I will accommodate myself to the Senator's request.

Mr. McNARY. I appreciate the kindness of the Senator.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. NORRIS. Will the Senator state what change, if any, is made in the bill in regard to the taxation of gifts, or exemption of gifts from the income tax?

Mr. GEORGE. Does the Senator refer to the gift tax?

Mr. NORRIS. Yes.

Mr. GEORGE. There is no change in the gift-tax sections of the existing law or the House bill, except that the House bill provided for a total lifetime exemption of $30,000.

Mr. NORRIS. In 1 year?

Mr. GEORGE. No; that is for the lifetime. It is cumulative.

Mr. NORRIS. What amount would be exempt in any one year?

Mr. GEORGE. The amount was cut from $4,000 to $3,000; so the largest nontaxable gift one may make in any one year to any one person would be $3,000 without reducing his lifetime exemption.

Mr. NORRIS. And the total amount of such exemption in the case of any one person is $30,000?

Mr. GEORGE. Thirty thousand dollars during his lifetime.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. TUNNELL. Is there any definition in the bill as to what is meant by personal holding companies?

Mr. GEORGE. Such a definition is in the existing law. So far as the definition of personal holding companies is concerned, the Senate bill makes no change, as I recall. There is a slightly different treatment of certain types of personal holding companies; but the definition of personal holding companies goes back to existing law. Neither the House bill nor the Senate committee amendment made any change.

Mr. TUNNELL. I observe that only the rate seems to have been changed, so I presume that the definition is dependent on some prior definition.

Mr. GEORGE. That is correct.

Mr. LEE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. LEE. I believe the Senator explained that the excess-profits-tax provision provides that the Government shall take 90 percent of the tax above 95 percent of the normal tax. Is that correct?

Mr. GEORGE. No; above the credit. There are two credits against the excess-profits tax under our law. That is substantially true in Great Britain and Canada, with varying degrees of emphasis. The first is a credit based on the invested capital, and the second is based on 95 percent of the average earnings of the corporation through a base period, which is fixed in the bill from 1936 to 1939, inclusive. In other words, if the corporation earned an average of $100,000 during the base period, its credit as against the excess-profits tax would be $95,000. If it were incorporated at $1,000,000, and were operating on the invested-capital basis, its credit would be 8 percent of its capital. I might also state that every corporation subject to the excess-profits tax is also entitled to an additional credit of $5,000.

Mr. LEE. Is there any limitation on the amount of profit which the corporation may have made previously? For example, suppose the corporation made a profit of 50 percent. Would the bill still tax only 90 percent or 95 percent of that?

Mr. GEORGE. It will tax 90 percent of the excess-profits net income for the taxable year in excess of the credits. The corporation has the election to take either the invested capital or its average earnings as a credit against the excess-profits tax. If it elects the average earnings method, it can take only 95 percent of its average earnings during the 4 years, 1936–39, as a credit.

Mr. LEE. If the average earnings have been excessive, we should have to reach them in another provision. This provision would not reach them. It would still allow the corporation 95 percent of such earnings.

Mr. GEORGE. The corporate rates have gone up from 18 percent in 1940 to 40 percent in 1942. The 40-percent rate on normal earnings, combined with the rate on surtax earnings, wil be applicable to the full year of operation in 1942.

Mr. OVERTON. Mr. President——

Mr. LEE. Mr. President, I should like to ask the Senator from Georgia a further question. I understood much of the explanation of the victory tax; but I wish the Senator at his own convenience would explain it again, in a very plain manner, so that I can fully understand the victory-tax proposal.

Mr. GEORGE. The victory tax is fully described in the report of the committee, on page 6. It is a tax of 5 percent of the victory tax net income in excess of $624 for each taxable year beginning after December 31, 1942. It does not apply to the current year; in other words, it will commence next January.

In the case of husband and wife filing a joint return, if the victory tax net income of one of the spouses is not less than $624, and that of the other is less than such sum, the aggregate specific exemption of both spouses is $624 plus the victory tax net income of the spouse having a victory tax net income of less than $624. The $624 exemption is given both to single and to married persons. That is a matter of convenience, and almost of necessity, I should say, because the victory tax is accompanied by a withholding tax. Five percent of the salaries, wages, and personal compensation of each taxpayer is to be withheld beginning January 1. Domestic servants, farm labor, and men in the armed forces are exempted from the withholding provision, for obvious reasons; but all are to be required to pay 5 percent upon the income—that is, upon the victory tax net income. The exemption of $624 will exempt privates in the Army from paying this tax.

Mr. LEE. What is the purpose of the proposal to return a part of the tax.

Mr. GEORGE. Let me say to the Senator that the chairman of the committee had a very strong desire, and has had for quite a long time, in view of the rapidly rising individual rates, to provide something for debt relief—that is, something which might be deducted when paid upon the principal of a debt, something to cover life insurance, including all types of insurance, of course, and something in the way of a post-war credit.

The $624 exemption is given to both the married person and the unmarried person; but in the case of the married taxpayer the post-war credit is higher than it is in the case of the single taxpayer. An effort was made in that way somewhat to equalize the deduction. It was thought by the committee that $624 would cover the cost of food to the average family, and perhaps a little more; but it was felt that $624 was low enough to reach by any special or added tax,

such as the victory tax; and so that exemption is given, and, of course, the exemption is available to every taxpayer.

Mr. LEE. Is the tax to be withheld from pay?

Mr. GEORGE. It is to be withheld at the source from wages, salaries, and personal compensation. It will be withheld from our salaries.

Mr. OVERTON and Mr. WILEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. GEORGE. I yield first to the Senator from Louisiana, who was the first to ask me to yield.

Mr. OVERTON. Mr. President, after the emergency arose, and before it was anticipated that as heavy a tax burden would be imposed upon the people as is represented by the pending bill, there were many individuals who contracted long-term obligations which they had every reason and prospect of being able to meet—as, for instance, in the purchase of homes or in the operation of a business or an industry. I desire to ascertain from the able senior Senator from Georgia whether any relief is proposed to be given to persons so circumstanced—individuals such as those I have mentioned.

Mr. GEORGE. So far as individuals are concerned, no relief is proposed except as provided under the victory tax, in connection with which the individual has a post-war credit. Let us take the case of a married man: He is entitled to a post-war credit of 40 percent of his tax, or $1,000, whichever is the lesser. He may take up that credit currently either by paying life insurance or by paying a pre-existing debt. To the extent that he does not take it up, of course he will get a refund after the war.

Let me say to the Senator from Louisiana that long ago I urged, and have since consistently urged, that in computing the tax both individuals and corporations be allowed a deduction of 10 percent or 15 percent from gross income in order to cover debt payments; and I think it necessary because of the very high rate of taxes under which we now live. I prefer the direct method of allowing a deduction in computing the tax—let us say a deduction of 15 percent available to individuals and corporations. I still think it is sound. I have to recognize the validity of the argument advanced by our friends in the Treasury when they state that that would considerably reduce the revenue. That, I have to confess, is true.

We did one thing in the bill to which I should call attention, and I think it an important matter: We allowed a deduction, in computing the tax of all taxpayers, of expenses for unusual medical costs, including, of course, additional hospitalization, nurse hire, medicines, and so forth, in excess of 5 percent of the net income of the taxpayer. In no event can the deduction exceed $2,500. That seemed to your committee to be a proper amendment to be inserted in our tax laws.

Mr. OVERTON. I think so.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. OVERTON. Mr. President, if the Senator will permit me to make a further observation, let me say that I quite agree with the view expressed by the Senator from Georgia that some provision should be made for deduction from the income of a certain percentage of debt payment; otherwise, by reason of the heavy taxes to be imposed by the bill, those who have contracted obligations may find it very difficult, if not impossible, to meet them. Of course, full relief could not be granted; but it occurred to me that some modicum of relief might be granted in such cases.

Mr. GEORGE. Some relief is granted to the individuals, so far as the victory tax is concerned, and to corporations, so far as the excess-profits tax is concerned; but it is not granted to the corporation which pays only the normal tax and surtax, for the reason, as I tried to explain, that the committee thought it wiser to drop the rate from 45 percent to 40 percent, and to allow a corporation to take care of its debts out of that reduced rate.

Mr. OVERTON. I thank the Senator.

Mr. WILEY and Mr. LANGER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and, if so, to whom?

Mr. GEORGE. I yield first to the Senator from Wisconsin.

Mr. WILEY. I listened very attentively to the explanation given by the distinguished Senator. I see there is nothing in the bill in respect to the suggestion of the President as to a limitation of $25,000 on incomes. Am I correct in that respect?

Mr. GEORGE. There is no limitation on salaries, but I should like to state that if anyone will apply to income the burden tables, which are to be found in the report, he will see that relatively few people in the United States will have salaries that will net them more than $25,000 a year.

Mr. WILEY. Probably that answers the further question I wish to ask.

Mr. GEORGE. That is to say, one would have to have a net income of more than $50,000, in order to have a $25,000 net income, after taxes.

Mr. WILEY. I wanted to follow my first question by another one. The bill applies to corporations the doctrine of excess profits. We have had a number of instances around Washington of men who directly, because of the war effort, have made tremendous sums. I see the committee has not applied the doctrine of excessive profits to the individual taxpayer.

Mr. GEORGE. We have increased the surtax rate to 13 percent in the first bracket, which is the $2,000 income bracket, and above the $200,000 income level; the rate is 82 percent.

Mr. WILEY. I understand that.

Mr. GEORGE. So that the 82-percent surtax plus the 6-percent normal gives 88 percent on all incomes in excess of $200,000.

Mr. DOWNEY. Mr. President, will the Senator yield for a comment?

Mr. WILEY. I should like to say a word further, if the Senator will permit me. As I understand, in the case of the excess-profits tax, a certain period of years when a normal income has been made is taken as the base. Now along comes the war, and, because of war activities, a corporation has made decidedly more money; so it is said it should be subject to an excess-profits tax.

We have known in this city of instances of employees of the Government who made $7,500 a year, but who left the positions they occupied for reasons satisfactory to themselves and became agents, or whatever one may wish to call it, and immediately their earnings went up to $200,000, $300,000, or perhaps $400,000 a year as a direct result of the war effort. It seems to me that such taxes should be provided as will let the people of this country know that men who, because of the war effort, have had their earnings so greatly increased, will pay their share of the war endeavor.

Mr. GEORGE. I understand that the Senator is suggesting the application of the excess-profits tax principle to individuals?

Mr. WILEY. Yes.

Mr. GEORGE. As well as to corporations?

Mr. WILEY. Yes, during the war period.

Mr. GEORGE. It is a rather difficult principle to apply to individuals. It would be very unjust in the case of a man who did not have any job at all in the base period and did not have any earnings to tax him at a very steep rate because he was earning something at this time.

Mr. WILEY. I appreciate that, but such a case might be covered by a reasonable limitation of $25,000 a year.

Mr. GEORGE. There are a great many difficulties. The question was discussed by the committee and the principle was suggested and advocated by the able Senator from Texas, but a majority of the committee took the contrary view. I think I may say on that point that the Treasury did not approve it.

Mr. WILEY. I should like to ask a further question. As I understand, the victory tax, as explained by the Senator, is applied to salaries and, indeed, to all income?

Mr. GEORGE. To all income except capital gains; it is not applied to capital gains.

Mr. WILEY. Then, as I understand, it would work in this way: For instance, in the case of a Senator of the United States, he would be entitled to a credit of $624, and the 5 percent would be deducted from his salary by the disbursing officer. Is that correct?

Mr. GEORGE. That is correct.

Mr. WILEY. I should like to know how it will apply, say, to an individual who has an income of $3,000 from bonds and securities. He will make a return, whatever it is, and pay the victory tax directly, just as in the case of his other taxes, will he not?

Mr. GEORGE. He will pay it as in the case of the other taxes in his regular tax returns. It will be an added tax.

Mr. DOWNEY. Mr. President——

Mr. GEORGE. I yield to the Senator from California.

Mr. DOWNEY. As I understood the Senator from Georgia, he stated that the combined regular and surtax reached a maximum of 82 percent in the highest bracket?

Mr. GEORGE. The combined normal and surtax on individuals reaches a maximum of 88 percent on all incomes in excess of $200,000.

Mr. DOWNEY. I should like to suggest that many States have income-tax structures already set up. I believe in the State of California it reaches a maximum of 15 percent; so that the combined State and Federal taxes would be confiscatory on all incomes in excess of $200,000.

Mr. GEORGE. It is rather severe. I call attention to the fact that the State income tax on individuals runs from 1 to 15 percent in more than 34 States, and, as I recall it, it runs from 1 to 8 percent on corporations in some 33 States. So in this bill a ceiling is provided—we were obliged to put it in—that, so far as Federal taxes are concerned, the effective tax which any individual could be required to pay or the effective tax liability could not exceed 90 percent of his net income. In the case of an income of a million dollars, it can readily be seen that when $900,000 is taken for taxes there is left $100,000. For the same reason we imposed a ceiling on corporate taxes, that is to say, there is a flat ceiling on the combined or the effective tax rate against corporations. That is not so material, for, in view of the fact that the 45 percent normal and surtax is reduced to 40 percent. There would be very few cases in which the ceiling would have to be applied; but the bill places a ceiling on the effective corporate rates as well as a ceiling on the effective individual rates. As the Senator from California knows, however, and as he has properly pointed out, that does not relieve the situation where a State income tax runs as high as 10 or 15 percent.

Mr. DOWNEY. Mr. President, will the Senator further yield?

Mr. GEORGE. I am glad to yield.

Mr. DOWNEY. There is one other issue I should like to have the Senator from Georgia clarify. I have no desire to appear as a champion of the wealthy man, but we all know that many wealthy men devote large sums to philanthropic purposes. Perhaps a man with an income of a million dollars has, through the years, been maintaining or helping maintain educational and other institutions. There has heretofore been in the law, as I understand, an exemption both for corporations and for individuals on account of charitable bequests. I understand that has been moderated in some way, but I am not quite clear how it has been done.

Mr. GEORGE. Is the Senator referring to charitable and religious or educational donations?

Mr. DOWNEY. Yes.

Mr. GEORGE. There has been a change made. An individual is entitled to a deduction for charitable contributions made within the taxable year up to 15 percent of his net income, computed without such deduction. That remains as in the existing law.

Corporations are permitted to deduct charitable contributions up to 5 percent of their net income, computed without such deductions. The committee made two important changes in the law, but without affecting the percentage that could be taken by way of deduction. In the case of corporations, under existing law a corporation cannot take a deduction for contributions to charitable or religious or other like purposes if the money is to be used outside the United States. We removed that limitation because there are at this time abundant reasons for many organizations, such as the Red Cross and others, spending money outside the United States.

We also did another thing which I think is important: Under existing law an individual may make a gift to the Government of the United States, to any State or to any political subdivision, the District of Columbia, or any Territory of the United States; but a corporation is forbidden to take a deduction of any gift made to the Federal Government or to any State. We have removed that limitation so that the corporation may make a gift to the Federal Government or to a State or to any political subdivision, the District of Columbia, or any Territory of the United States.

Mr. WILEY. Within the 15-percent limitation?

Mr. GEORGE. Within the 5-percent limitation as to corporations. There has been no change in the limitation. The 15-percent limitation as to the individual has not been changed.

Mr. DOWNEY. Mr. President, may I ask the Senator another question?

Mr. GEORGE. I yield.

Mr. DOWNEY. My recollection is that I read in the newspapers that the committee had contemplated some change in the 15-percent deduction for charitable purposes. Was such a change contemplated?

Mr. GEORGE. No; no such change was contemplated. There were some newspaper stories which might have led the Senator to conclude that that was proposed before the House Committee on Ways and Means, but not before the Senate Committee on Finance.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. GEORGE. I am glad to yield, and I am sorry I was not able to do so earlier.

Mr. LANGER. I wish to ask the Senator from Georgia how cooperative companies are treated.

Mr. GEORGE. Does the Senator mean nonprofit associations?

Mr. LANGER. Yes.

Mr. GEORGE. As to them we did not change the provision of existing law at all. Generally speaking, they are not subject to the corporate taxes imposed in the bill; but we made no change in the existing law. The only change made was with reference to mutual insurance companies.

Mr. LANGER. I was about to ask about that.

Mr. GEORGE. I referred to that in my general statement.

Mr. LANGER. That will cover an ordinary farm insurance company?

Mr. GEORGE. Oh, yes.

Mr. LANGER. The tax is 1 percent now?

Mr. GEORGE. Approximately 80 percent of the small farm mutuals are exempt under the provision, which does not impose a tax at all if the income from premiums, rents, interest, dividends, and so forth, does not exceed $75,000 in the taxable year.

Mr. LANGER. I should like to ask if the Senator will state his personal reaction to a situation which I shall outline. In the Northwest, as the Senator knows, there was a drought period which lasted 8, 9, or 10 years. The farmers in that region, of course, had to make feed and seed loans. Some owe for the past 10 or 11 years. The loans are owed to the United States Government. Thousands of farmers have such loans, and thousands more owe money to the Federal land bank. The land is mortgaged to the Government for really all it is worth. Would not the Senator think such cases would be in about the same class with the cases of corporations which have the 15-percent exemption?

Mr. GEORGE. They do not have a 15-percent exemption.

There are strong reasons why any taxpayer who is in debt should be allowed to make some deduction in computing his taxes for payments on the principal of his debt. Of course, he may pay his interest and have a deduction for interest payments under existing law. I very much wish to see something done to make it possible for a deduction to be allowed in the case of payments on principal, I may say to the Senator. Since our laws are general, it would have to apply to all debtor taxpayers; but in view of the very high rates in the pending bill, and with the very definite assurance that they must go still higher, there would be and is a great deal of justice in saying that in computing taxes there should be a deduction for debt payments.

Mr. LANGER. Seed and feed loans, would the Senator say?

Mr. GEORGE. Oh, yes; I would include any fixed indebtedness against any taxpayer, provided the debt were contracted in good faith, and prior to some fixed date, so that no fraud could be perpetrated on the revenue.

Mr. LANGER. Has the Senator any objection to my preparing an amendment and submitting it to him?

Mr. GEORGE. I should be very glad to consider it. I may say to the Senator, however, that during the study of the tax bill in the committee we did give some consideration to debt relief, and it was urged by several witnesses. Notably, former Governor Hobby, of Texas, appeared and made a rather strong statement for some relief to taxpayers who labored under the burden of a fixed debt which, under the high rates, they could not pay.

Mr. LANGER. But the debts about which I am speaking are owed to the Government itself.

Mr. GEORGE. Some relief is afforded in existing law in the case of commodity credit loans, and I believe the House has made some further change.

Mr. LANGER. That is the matter to which I have reference.

Mr. GEORGE. I do not recall exactly what change was made by the House in the existing law with reference to those loans. I should be very glad to consider the amendment referred to by the Senator.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. GREEN. I understand that in the pending bill there is proposed an amendment of existing law by which the tax provided by the existing law would be reduced. It seems strange to include such an amendment in a bill whose object is to increase the revenue. The item to which I have reference is a provision in the social-security law by which the tax will be increased 2 percent beginning with January 1, 1943. Under the present law the tax is fixed at 1 percent, and by the pending measure it is to be changed. May I ask the Senator what the explanation of the committee may be for such a change?

Mr. GEORGE. Under existing law the social security tax—to use the general term—is 1 percent against the employer and 1 percent against the employee, or a total of 2 percent. Under the operation of the law as it now exists the tax is to be stepped up, or doubled, beginning with January 1, 1943. An amendment was approved by the Senate Finance Committee freezing the tax, for 1943 only, at the existing level. That was done under the general assertion or statement of fact made by the Senator from Michigan [Mr. VANDENBERG], a member of the committee, on the floor of the Senate some days ago, to the effect that the social security reserves are now more than ample to meet any possible liability under the Social Security Act over a 5-year period, I believe it is, or a stated period, and that it would therefore be unnecessary to increase the tax on January 1, 1943.

Mr. GREEN. Was the basis of that statement investigated by the committee?

Mr. GEORGE. I think the facts were very well known to the committee. I do not think there is any dispute about the size of the present reserves and of the estimated liability under the Social Security Act. There was a view expressed in the committee—I may say that I expressed it myself—that the widening of the social-security law, and the increase of benefits under it, were contemplated, and that therefore we should not freeze the tax, or at least it was highly questioned whether we should freeze the tax at the present rate. However, since the tax to be imposed under the pending bill on the employer and the employee is high, and in view of the fact that the tax burden would be very great, and in view of the fact that the reserves to meet present liabilities under the existing law were ample, the Senator from Michigan offered an amendment to freeze the tax for 1943, and the committee adopted it. That would not preclude consideration of the whole social-security system, and the widening of the coverage and increases in benefits. Of course, if that were done, the law itself, by which the benefits were increased and coverage widened, would carry some provision for an appropriate rate to take care of the liability under it, and it would have the effect of superseding the committee amendment, even if the committee amendment were finally approved by the Senate.

Mr. GREEN. However, as I understand, it would preclude the expansion of the social-security service unless the present law were reenacted.

Mr. GEORGE. No. While I personally was not in favor of the amendment, and suggested that we should not put it in the bill, I do not think there is any doubt that the reserves are more than ample to meet any possible liability under the social-security law during the next 5-year period, that is to say, by allowing the rate to remain during 1943 at the present level. The freezing is to be applicable only to 1943. Thereafter, unless a further freezing process is provided, the rates would go up beginning with January 1, 1944. But so far as present benefits and possible liability are concerned, I do not think there is any question that the present reserves are ample to take care of them, because unemployment, as the Senator knows, is rapidly vanishing under the impact of the war effort.

Mr. GREEN. I thank the distinguished Senator from Georgia for his explanation. I should like to ask one further question. Did the change meet with the approval of the Treasury Department?

Mr. GEORGE. No; the Treasury did not approve it.

Mr. President, I now ask that the Senate proceed to consider the committee amendments.

Mr. McCARRAN. Mr. President, I should like to address a question to the Senator from Georgia. Sometime ago the Senator from Oregon [Mr. MCNARY] requested that the subject matter commencing on page 31 go over until tomorrow, if it were reached today. I take it that the request, as well as the reply, was broad enough to cover the entire subject of taxation of income from municipal and State securities.

Mr. GEORGE. The Senator from Nevada is correct. The Senator from Nevada addressed a letter to me as chairman of the committee in which he made inquiry whether the income derived from municipal bonds, or bonds issued by local taxation districts, when purchased and held by a State in its treasury, would be subject to the tax, and I replied assuring the Senator that in my opinion it would not in any event be subject to the tax.

Mr. MCNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Bankhead	Bone
Andrews	Barbour	Brewster
Bailey	Barkley	Brooks
Ball	Bilbo	Brown
Bulow	Hill	Reed
Bunker	Holman	Reynolds
Butler	Johnson, Calif.	Rosier
Byrd	Johnson, Colo.	Schwartz
Capper	Kilgore	Shipstead
Caraway	La Follette	Smathers
Chandler	Langer	Spencer
Chavez	Lee	Stewart
Clark, Idaho	Lucas	Taft
Clark, Mo.	McCarran	Thomas, Idaho
Connally	McFarland	Thomas, Okla.
Danaher	McKellar	Thomas, Utah
Davis	McNary	Truman
Downey	Maloney	Tunnell
Doxey	Maybank	Tydings
Ellender	Millikin	Vandenberg
George	Murdock	Van Nuys
Gerry	Murray	Wagner
Gillette	Norris	Wallgren
Green	Nye	Walsh
Guffey	O'Daniel	Wheeler
Gurney	O'Mahoney	White
Hatch	Overton	Wiley
Hayden	Pepper	Willis
Herring	Radcliffe	

The PRESIDING OFFICER. Eighty-six Senators having answered to their names, a quorum is present.

The clerk will proceed to state the committee amendments.

The first amendment of the Committee on Finance was, on page 10, line 13, after the word "interest", to strike out "rent, annuities, or royalties" and insert "or annuities."

The amendment was agreed to.

The next amendment was, on page 10, after line 13, under the subhead "The tax shall be—", at the top of the last column to the right, to strike out:

(1) Married person whose spouse does not make separate return or.

And insert:

(1) Married person whose spouse has no gross income or.

The amendment was agreed to.

The next amendment was, at the top of page 11, under the subhead "The tax shall be—", at the top of the last column to the right, to strike out:

(1) Married person whose spouse does not make separate return or.

And insert:

(1) Married person whose spouse has no gross income or.

The amendment was agreed to.

The next amendment was, on page 11, in the third item from the bottom in the last column to the right, to strike out the numeral "56" and insert "55."

The amendment was agreed to.

The next amendment was, on page 12, after the subhead "The tax shall be—", in the last column to the right, to strike out:

(1) Married person whose spouse does not make separate return or.

And insert:

(1) Married person whose spouse has no gross income or.

The amendment was agreed to.

The next amendment was, on page 13, under the subhead "The tax shall be—," at the top of the last column to the right, to strike out:

(1) Married person whose spouse does not make separate return or.

And insert:

(1) Married person whose spouse has no gross income or.

The amendment was agreed to.

The next amendment was, on page 13, line 3, after the word "income", to strike out "$440" and insert "$330."

The amendment was agreed to.

The next amendment was, on page 14, line 11, after "(B)" and the period, to insert "A payment to a wife which is includible under section 22 (k) or section 171 in the gross income of such wife shall not be considered a payment by her husband for the support of any dependent."

Mr. McNARY. Mr. President, that is new language inserted by the Senate Finance Committee. Will the chairman of the committee explain that provision?

Mr. GEORGE. The language is simply a transfer of old language. All it means is that alimony payments are not considered to be in support of dependents. The Senator from Oregon will see that the language on page 59, lines 7 to 10, is simply transferred to page 14 in the bill.

Mr. McNARY. So it originated in the House?

Mr. GEORGE. Yes; it is a House provision.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 14, beginning in line 11.

The amendment was agreed to.

The next amendment was, on page 15, line 3, before the word "tax", to strike out "his."

The amendment was agreed to.

The next amendment was, on page 16, line 11, after "reduced)", to insert a comma and the words: "and minus, in the case of a public utility, the credit for dividends paid on its preferred stock provided in section 26 (h). For the purposes of this subsection dividends received on the preferred stock of a public utility shall be disregarded in computing the credit for dividends received provided in section 26 (b)."

The amendment was agreed to.

The next amendment was, on page 16, line 19, after the word "corporation", to insert "(except a Western Hemisphere trade corporation as defined in section 109, and."

The amendment was agreed to.

The next amendment was, on page 17, at the beginning of line 6, before the words "per centum", to strike out "32" and insert "22."

Mr. LA FOLLETTE. Mr. President, I should like to ask the able chairman of the committee whether he desires at this time to go into the whole question of corporation taxes, or whether he prefers to proceed and pass over those amendments as to which there is substantial controversy, and dispose of the amendments with respect to which there is little or no controversy? The amendment now under consideration is the committee's proposal to reduce the combined rate on normal and surtax from the House rate of 45 percent to the Senate committee's rate of 40 percent. I desire to offer an amendment, but my amendment would be not only to the rate but also to the text of the bill. I desire merely to know what the Senator from Georgia prefers to do. Does he prefer to go through the bill today and take up the amendments as to which there is not much controversy and the technical amendments, and then go back over the bill for the consideration of amendments as to which there is greater controversy? What is his pleasure? I desire to accommodate myself in any way I can to relieve, insofar as possible, the onerous burden which I know rests upon the shoulders of the able Senator from Georgia.

Mr. GEORGE. Mr. President, I should prefer to go on with the bill and dispose of the amendments as to which there is no serious controversy.

Mr. LA FOLLETTE. That would be entirely satisfactory to me. I therefore ask that the pending amendment be passed over temporarily.

Mr. GEORGE. Let me suggest to the Senator from Wisconsin that any amendments which would not affect the amendment which he desires to offer might be disposed of.

Mr. LA FOLLETTE. I desire to change the brackets and also to change the rate. Therefore I ask that the committee amendment proposing a reduction in the rate may be passed over.

Mr. GEORGE. That amendment is on page 17, is it not?

Mr. LA FOLLETTE. On page 17, line 6.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. TYDINGS. I call attention to subsection (d) on page 209, entitled "Taxable years to which amendments applicable." I have been engaged in an effort to clarify the provision by way of an amendment, which I hope the committee chairman and other members of the committee will accept as being in line with the philosophy so far expressed in the amendment as printed; but I wish to carry it a little further in detail. When we reach that amendment, I should like to have it go over until I can confer with the chairman and other members of the committee to see if we cannot work it out without controversy on the floor.

Mr. GEORGE. I shall be very glad to do so if the Senator will call my attention to it.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 17, at the end of line 9, before the words "per centum", to strike out "21" and insert "16."

Mr. GEORGE. That amendment should also be passed over in accordance with the request of the Senator from Wisconsin [Mr. LA FOLLETTE].

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

The next amendment was, on page 18, line 7, after "section 710 (b))" and the period, to strike out "In the case of any corporation computing such tax under section 721 (relating to abnormalities in income in the taxable period), section 722 (relating to constructive average base period net income), or section 726 (relating to corporations completing contracts under the Merchant Marine Act of 1936), the credit shall be the amount of which the tax imposed by such subchapter is 90 percent." and insert "In the case of any corporation computing such tax under section 721 (relating to abnormalities in income in the taxable period), section 726 (relating to corporations completing contracts under the Merchant Marine Act of 1936), or section 731 (relating to corporations engaged in mining strategic minerals) the credit shall be the amount of which the tax imposed by such subchapter is 90 percent. For the purpose of the preceding sentence the term 'tax imposed by subchapter E of chapter 2' means the tax computed without regard to the limitation provided in section 710 (a) (1) (B) (the 80 percent limitation), without regard to the credit provided in section 729 (c) and (d) for foreign taxes paid, and without regard to the adjustments provided in section 734."

Mr. GEORGE. Mr. President, I ask the Senator from Wisconsin if he has any objection to the approval of this amendment.

Mr. LA FOLLETTE. No; I do not think that affects the matter with respect to which I propose to offer an amendment, because the amendment which I propose to offer has to do with corporation taxes.

Mr. GEORGE. Normal and surtax?

Mr. LA FOLLETTE. Normal and surtax.

Mr. GEORGE. I do not believe the pending amendment would affect it.

Mr. LA FOLLETTE. I am perfectly willing to accept the committee's proposal with regard to this provision.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 18, beginning in line 7.

The amendment was agreed to.

The next amendment was, on page 20, after line 10, to strike out:

(B) Subsection (b) (2) is amended to read as follows:

"(2) The amount of the net operating loss, if any, for the second preceding taxable year reduced by the excess, if any, of the net income (computed with the exceptions, additions, and limitations provided in subsection (d) (1), (2), (3), (4), and (5)) for the first preceding taxable year over the net operating loss for the third preceding taxable year."

The amendment was agreed to.

The next amendment was, on page 20, at the beginning of line 20, to strike out "(C)" and insert "(B)."

The amendment was agreed to.

The next amendment was, on page 20, at the beginning of line 24, to strike out "(D" and insert "(C)."

The amendment was agreed to.

The next amendment was, on page 21, line 24, before the words "per centum", to strike out "37" and insert "30."

Mr. GEORGE. This amendment refers to the tax on nonresident alien individuals. As I understand, the Senator from Wisconsin does not wish to have this amendment go over.

Mr. LA FOLLETTE. No.

The amendment was agreed to.

Mr. McNARY. Mr. President, I desire to propose a question to the able chairman of the committee. I should like to

have him help me find in the bill, which is as large as a book, the section referring to depletable resources. It is concealed somewhere in the bill.

Mr. GEORGE. Does the Senator refer to percentage depletion?

Mr. McNARY. The section I have in mind refers to depletable resources, and allowances made for depletion.

Mr. GEORGE. Does the Senator mean excessive depletion, or percentage depletion in the case of oil?

Mr. McNARY. I wish to offer an amendment at the appropriate time covering timber resources.

Mr. GEORGE. There is no appropriate place in the bill for it.

Mr. McNARY. I think there is.

Mr. GEORGE. That would be after the committee amendments are all out of the way.

Mr. McNARY. The Senator has more familiarity with the bill than I have, but probably insufficient familiarity to understand all its provisions.

Mr. GEORGE. The Senator from Georgia does not pretend to be able to understand all its provisions.

Mr. McNARY. I realize the modesty and truthfulness of the statement.

Mr. THOMAS of Oklahoma. The provision to which the Senator refers appears on page 129.

Mr. McNARY. I thank the Senator. The Senator from Oklahoma probably understands the bill. At any rate, if I should be absent from the floor today on official business when we reach that provision, I should like to have it go over, because I intend to offer an amendment to include timber resources within the provisions found on that page.

Mr. LA FOLLETTE. Mr. President, is the Senator interested in this question from the standpoint of resources which are being depleted at an excessive rate due to the demands of war?

Mr. McNARY. Yes.

Mr. LA FOLLETTE. In all probability the logical place for his amendment would be in connection with the provisions which the committee has incorporated with regard to excessive depletion resulting from the demands of war on mining property resources.

Mr. TAFT. Mr. President, the Senator will find that provision on pages 352, 353, and following.

Mr. GEORGE. Let me say to the Senator from Oregon that the Senate committee made no amendments in section 147 on page 129; so any amendment he desires to offer to that section, would, of course, properly come after the committee amendments are out of the way, if that is the point where his amendment is to be inserted.

Mr. McNARY. I have had the bill on my desk only 1 day, and at home only 1 evening. I speak now without full knowledge of its contents. I wish to determine the proper place in the bill for my amendment. I now advise the able Senator in charge of the bill that I shall offer the amendment to which I refer. The suggestion reached my desk only a few moments ago.

Mr. GEORGE. I think the Senator would probably desire to consider amending section 735, to be found on page 353. His amendment would seem appropriate there. If it is not appropriate there, of course, it could be offered at any appropriate place in the bill.

Mr. McNARY. I thank the Senator from Georgia and other Senators who were able to assist me.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 22, line 4, after the word "than", to strike out "$22,900" and insert "$15,400"; in line 7, after the word "than", to strike out "$22,900" and insert "$15,400"; and in line 11, after the word "than", to strike out "$22,900" and insert "$15,400."

The amendment was agreed to.

The next amendment was, on page 22, line 13, after the word "than", to strike out "$22,900" and insert "$15,400", and in line 16, after the word "thereof", to strike out "$22,900" and insert "$15,400."

The aendment was agreed to.

The next amendment was, on page 22, line 17, before the words "per centum", to strike out "37" and insert "30", and in line 21, before the words "per centum", to strike out "37" and insert "30."

The amendment was agreed to.

The next amendment was, on page 23, line 1, before the words "per centum", to strike out "37" and insert "30."

The amendment was agreed to.

The next amendment was, on page 23, line 10, before the words "per centum", to strike out "37" and insert "30."

The amendment was agreed to.

The next amendment was, on page 23, after line 10, to insert:

(b) Limitation on rate of withholding in certain cases: Section 143 (b) is amended by inserting before the period at the end of the first sentence the following: ": *Provided further*, That the deduction and withholding in the case of interest on bonds, mortgages, or deeds of trust or other similar obligations of a corporation, within the provisions of subsection (a) (1) of this section were it not for the fact that the maturity date of such obligations has been extended on or after January 1, 1934, and the liability assumed by the debtor exceeds 27½ per centum of the interest, shall not exceed the rate of 27½ per centum per annum."

The amendment was agreed to.

The next amendment was, on page 23, line 22, before the word "Subsection", to strike out "(b)" and insert "(c)."

The amendment was agreed to.

The next amendment was, on page 24, after line 4, to insert:

SEC. 110. Transfers of life insurance contracts, etc.

(a) Proceeds exempt to transferee: Section 22 (b) (2) (relating to annuities, etc.) is amended by inserting a period and the following new sentence before the semicolon at the end thereof: "The preceding sentence shall not apply in the case of such a transfer if such contract or interest therein has a basis for determining gain or loss in the hands of a transferee determined in whole or in part by reference to such basis of such contract or interest therein in the hands of the transferor."

The amendment was agreed to.

The next amendment was, on page 24, after line 14, to insert:

(b) Taxable years to which amendment applicable: The amendment made by this section shall be applicable with respect to taxable years beginning after December 31, 1940.

The amendment was agreed to.

The next amendment was, on page 24, after line 18, to strike out:

SEC. 110. Annuity trusts.

And insert:

SEC. 111. Income received from estates, etc., under gifts, bequests, etc.

The amendment was agreed to.

The next amendment was, on page 25, line 9, after the word "distribution", to strike out "of the amount thereof is to be made at intervals, to the extent that such amount" and insert "thereof is to be made at intervals, to the extent that it."

The amendment was agreed to.

The next amendment was, on page 25, after line 15, to strike out:

(b) Income of estate or trust: Section 162 (relating to net income of estates or trusts) is amended by inserting at the end thereof the following new subsection:

"(d) For the purposes of subsections (b) and (c), in cases where the amount paid or credited or to be distributed can be paid, credited, or distributed out of other than income or out of income other than income of the estate or trust for its taxable year, to the extent that the amount paid or credited or to be distributed to a legatee or beneficiary does not exceed the income allocable to such legatee or beneficiary it shall be considered as income of the estate or trust which is paid or credited or to be distributed."

The amendment was agreed to.

The next amendment was, on page 26, after line 2, to strike out:

(c) Payments or credits to which amendments applicable: The amendments made by this section shall be applicable only to income paid or accrued or to be distributed or amounts paid or credited or to be distributed after December 31, 1941.

The amendment was agreed to.

The next amendment was, on page 26, after line 7, to insert:

(b) Deduction of income to be distributed currently: Section 162 (b) (relating to deduction of income to be distributed currently) is amended to read as follows:

"(b) There shall be allowed as an additional deduction in computing the net income of the estate or trust the amount of the income of the estate or trust for its taxable year which is to be distributed currently by the fiduciary to the legatees, heirs, or beneficiaries, but the amount so allowed as a deduction shall be included in computing the net income of the legatees, heirs, or beneficiaries whether distributed to them or not. As used in this subsection, 'income which is to be distributed currently' includes income for the taxable year of the estate or trust which, within the taxable year, becomes payable to the legatee, heir, or beneficiary. Any amount allowed as a deduction under this paragraph shall not be allowed as a deduction under subsection (c) of this section in the same or any succeeding taxable year."

The amendment was agreed to.

The next amendment was, at the top of page 27, to insert:

(c) Trust income included in income of beneficiary, etc.: Section 162 (relating to net income of estates or trusts) is amended by striking out the period at the end of subsection (c) and inserting in lieu thereof a semicolon and the following new subsection:

"(d) Rules for application of subsections (b) and (c): For the purposes of subsections (b) and (c)—

"(1) Amounts distributable out of income or corpus: In cases where the amount paid, credited, or to be distributed can be paid, credited, or distributed out of other than income, the amount paid, credited, or to be distributed (except under a gift, bequest, devise, or inheritance not to be paid, credited, or distributed at intervals) during the taxable year of the estate or trust shall be considered as income of the estate or trust which is paid, credited, or to be distributed if the aggregate of such amounts so paid, credited, or to be distributed does not exceed the distributable income of the estate or trust for its taxable year. If the aggregate of such amounts so paid, credited, or to be distributed during the taxable year of the estate or trust in such cases exceeds the distributable income of the estate or trust for its taxable year, the amount so paid, credited, or to be distributed to any legatee, heir, or beneficiary shall be considered income of the estate or trust for its taxable year which is paid, credited, or to be distributed in an amount which bears the same ratio to the amount of such distributable income as the amount so paid, credited, or to be distributed to the legatee, heir, or beneficiary bears to the aggregate of such amounts so paid, credited, or to be distributed to legatees, heirs, and beneficiaries for the taxable year of the estate or trust. For the purposes of this paragraph 'distributable income' means either (A) the net income of the estate or trust computed with the deductions allowed under subsections (b) and (c) in cases to which this paragraph does not apply, or (B) the income of the estate or trust minus the deductions provided in subsections (b) and (c) in cases to which this paragraph does not apply, whichever is the greater. In computing such distributable income the deductions under subsections (b) and (c) shall be determined without the application of paragraph (2).

The amendment was agreed to.

The next amendment was, on page 28, after line 18, to insert:

"(2) Amounts distributable out of income of prior period: In cases, other than cases described in paragraph (1), if on a date more than 65 days after the beginning of the taxable year of the estate or trust, income of the estate or trust for any period becomes payable, the amount of such income shall be considered income of the estate or trust for its taxable year which is paid, credited, or to be distributed to the extent of the income of the estate or trust for such period, or if such period is a period of more than 12 months, the last 12 months thereof.

The amendment was agreed to.

The next amendment was, on page 29, after line 5, to insert:

"(3) Distributions in first 65 days of taxable year:

"(A) General rule: If within the first 65 days of any taxable year of the estate or trust beginning after January 1, 1942, income of the estate or trust, for a period beginning before the beginning of the taxable year, becomes payable, such income, to the extent of the income of the estate or trust for the part of such period not falling within the taxable year or, if such part is longer than 12 months, the last 12 months thereof, shall be considered, paid, credited, or to be distributed on the last day of the preceding taxable year. This subparagraph shall not apply with respect to any amount with respect to which subparagraph (A) applies."

The amendment was agreed to.

The next amendment was, on page 29, after line 20, to insert:

"(B) Payable out of income or corpus: If within the first 65 days of any taxable year of the estate or trust beginning after January 1, 1942, an amount which can be paid at intervals out of other than income becomes payable, there shall be considered as paid, credited, or to be distributed on the last day of the preceding taxable year the part of such amount which bears the same ratio to such amount as the part of the interval not falling within the taxable year bears to the period of the interval. If the part of the interval not falling within the taxable year is a period of more than 12 months, the interval shall be considered to begin on the date 12 months before the end of the taxable year."

The amendment was agreed to.

The next amendment was, on page 30, after line 11, to insert:

(d) Technical amendment: Section 164 (relating to different taxable years of estate or trust and beneficiary) is amended by striking out "beneficiary" and inserting in lieu thereof "legatee, heir, or beneficiary."

The amendment was agreed to.

The next amendment was, on page 30, after line 15, to insert:

(e) Taxable years to which amendments applicable: The amendments made by this section shall be applicable only with respect to taxable years beginning after December 31, 1941; except that in the case of income paid, credited, or to be distributed or amounts paid, credited, or to be distributed by an estate or trust the amendments made by this section shall be applicable only with respect to such income and such amounts paid, credited, or to be distributed on or after the beginning of the first taxable year of the estate or trust, as the case may be, beginning after December 31, 1941.

The amendment was agreed to.

Mr. GEORGE. Mr. President, beginning on page 31 there appears a clerical amendment. The original text is stricken out, and then follows an amendment providing for a tax on incomes from future issues of State and municipal securities. At the request of the senior Senator from Oregon [Mr. McNARY] I agreed that the amendment should go over. I now ask that it be passed over.

The PRESIDING OFFICER. Without objection, the amendment beginning on page 31, line 1, and continuing to page 38, through line 16, will be passed over.

Mr. GEORGE. That brings us to the amendment on page 38, beginning in line 17.

The next amendment was, on page 38, after line 16, to insert:

SEC. 113. Exclusion of pensions, annuities, etc., for disability resulting from military service.

Section 22 (b) (5) (relating to exclusions from gross income of compensation for injuries or sickness) is amended by inserting before the semicolon at the end thereof the following: ", and amounts received as a pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the armed forces of any country."

The amendment was agreed to.

The next amendment was, at the top of page 39, to strike out:

Sec. 112. Extension of period during which income from discharge of indebtedness excluded.

Section 22 (b) (9) (relating to exclusion from gross income of corporate income derived from discharge of indebtedness) is amended by striking out "beginning after December 31, 1942" and inserting in lieu thereof "beginning after December 31, 1945."

The amendment was agreed to.

The next amendment was, on page 39, after line 8, to insert:

Sec. 114. Exclusion of income from discharge of indebtedness.

(a) General rule: Section 22 (b) (9) (relating to exclusion from gross income of corporate income derived from discharge of indebtedness) is amended to read as follows:

"(9) Income from discharge of indebtedness: In the case of a corporation, the amount of any income of the taxpayer attributable to the discharge within the taxable year, of any indebtedness of the taxpayer or for which the taxpayer is liable evidenced by a security (as hereinafter in this paragraph defined) if the taxpayer makes and files at the time of filing the return, in such manner as the Commissioner, with the approval of the Secretary, by regulations prescribes, its consent to the regulations prescribed under section 113 (b) (3) then in effect. In such case the amount of any income of the taxpayer attributable to any unamortized premium (computed as of the first day of the taxable year in which such discharge occurred) with respect to such indebtedness shall not be included in gross income and the amount of the deduction attributable to any unamortized discount (computed as of the first day of the taxable year in which such discharge occurred) with respect to such indebtedness shall not be allowed as a deduction. As used in this paragraph the term 'security' means any bond, debenture, note, or certificate, or other evidence of indebtedness, issued by any corporation. This paragraph shall not apply to any discharge occurring before the date of enactment of the Revenue Act of 1939, or in a taxable year beginning after December 31, 1945."

Mr. WHITE. Mr. President, let me ask the Senator from Georgia whether the provision with respect to exclusion of income from the discharge of indebtedness is limited to corporations?

Mr. GEORGE. Yes; it is limited to them.

Mr. WHITE. It would not apply in the case of reduction of indebtedness by an individual?

Mr. GEORGE. No; it would have no application.

Mr. ROSIER. Mr. President, I should like to ask the Senator from Georgia a question. In section 113 an exemption is provided for income received from pensions for military service only. Is there in the bill a provision relating to income from other pensions, such as payments to retired teachers or payments to persons receiving other pension allowances?

Mr. GEORGE. I do not recall any provision in the bill applying to retirement payments to teachers. The provision now under consideration applies to pensions received by persons who engaged in active service in the armed forces. The amendment was offered by the Senator from Michigan.

Mr. VANDENBERG. Mr. President, the amendment applies solely to American residents who served in Allied armies in World War No. 1, and who now are living in the United States, and are receiving disability allowances from Canada or Great Britain. Pensions payments received by such persons are now to be deducted only in the same fashion and on the same basis as in the case of similar payments received by persons who served in branches of the armed services of the United States.

Mr. ROSIER. Of course, various industries and various States have pension systems.

Mr. VANDENBERG. The proposed amendment has nothing to do with any payments except those coming from abroad as pensions.

Mr. GEORGE. Pensions paid by a foreign government to a man injured while in the armed service.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 39, after line 8.

The amendment was agreed to.

The next amendment was, on page 40, after line 14, to insert:

(b) Railroad corporations—discharge of indebtedness in certain judicial proceedings: Section 22 (b) (relating to exclusions from gross income) is amended by inserting at the end thereof the following new paragraph:

"(10) Income from discharge of indebtedness of a railroad corporation: The amount of any income attributable to the discharge, within the taxable year, of any indebtedness of a railroad corporation, as defined in section 77m of the National Bankruptcy Act, as amended, to the extent that such income is deemed to have been realized by reason of a modification in or cancelation in whole or in part of such indebtedness pursuant to an order of a court in a receivership proceeding or in a proceeding under section 77 of the National Bankruptcy Act, as amended. In such case the amount of any income of the taxpayer attributable to any unamortized premium (computed as of the 1st day of the taxable year in which such discharge occurred) with respect to such indebtedness shall not be included in gross income and the amount of the deduction attributable to any unamortized discount (computed as of the 1st day of the taxable year in which such discharge occurred) with respect to such indebtedness shall not be allowed as a deduction. Paragraph (9) shall not apply with respect to any discharge of indebtedness to which this paragraph applies. This paragraph shall not apply to any discharge occurring in a taxable year beginning after December 31, 1945."

(c) Taxable years to which amendment applicable: The amendment made by subsection (b) shall be applicable to taxable years beginning after December 31, 1939.

Mr. VANDENBERG. Mr. President, I simply wish to observe in passing that this relief is extended exclusively to railroad corporations. It is generally agreed in the Finance Committee, and, I think, in the staff of the Treasury Department, that similar relief is justly and legitimately due to other corporations generally. It simply has been a physical impossibility, according to the Treasury, to develop the total text to cover the situation as a whole in time for consideration in the pending bill. I should like, however, to make it plain that there is general agreement that the relief should be universally extended and will be universally extended at the first available opportunity.

The PRESIDING OFFICER. The question is on agreeing to the amendment which has been stated.

The amendment was agreed to.

The next amendment was, on page 42, at the beginning of line 2, to strike out "(10)" and insert "(11)."

The amendment was agreed to.

The next amendment was, on page 42, at the end of line 18, to strike out "(10)" and insert "(11)."

The amendment was agreed to.

The next amendment was, on page 43, at the beginning of line 6, to strike out "(11)" and insert "(12)."

The amendment was agreed to.

The next amendment was, on page 46, after line 5, to strike out:

(12) Additional allowance for military and naval personnel: So much of the amount received during the present war by an individual in the military or naval forces of the United States as salary or compensation in any form from the United States for active service in such forces, as does not exceed $250 in the case of a single person and $300 in the case of a married person.

And in lieu thereof to insert:

(13) Additional allowance for military and naval personnel: So much of the amount received, before the termination of the present war as proclaimed by the President, by personnel below the grade of commissioned officer in the military or naval forces of the United States as salary or compensation in any form from the United States for active service in such forces during such war, as does not exceed $250 in the case of a single person and $300 in the case of a married person or head of a family. The determination, for the purposes of this paragraph, of the taxpayer's status in the armed forces and his family status shall be made as of the end of the taxable year.

The amendment was agreed to.

The next amendment was, on page 48, line 14, after the numeral "31", to strike out "1940" and insert "1938."

The amendment was agreed to.

The next amendment was, on page 48, after line 14, to insert:

Sec. 119. Last-in first-out inventory.

Section 22 (d) (relating to the use of the elective inventory method) is amended by adding at the end thereof the following new paragraph:

"(6) Involuntary liquidation and replacement of inventory:

"(A) Adjustment of Net Income and Resulting Tax: If, for any taxable year beginning after December 31, 1941, and prior to the termination of the present war as proclaimed by the President, the closing inventory of a taxpayer inventorying goods under the method provided in this subsection reflects a decrease from the opening inventory of such goods for such year, and if, at the time of the filing of the taxpayer's income-tax return for such year, the taxpayer elects to have the provisions of this paragraph apply and so notifies the Commissioner, and if, at the time of such election, it is established to the satisfaction of the Commissioner, in accordance with such regulations as the Commissioner may prescribe with the approval of the Secretary, that such decrease is attributable to the involuntary liquidation of such inventory as defined in subparagraph (B), and if the closing inventory of a subsequent taxable year, ending not more than 3 years after the termination of the present war as proclaimed by the President, reflects a replacement, in whole or in part, of the goods so previously liquidated, the net income of the taxpayer otherwise determined for the year of such involuntary liquidation shall be adjusted as follows:

"(i) Increased by an amount equal to the excess, if any, of the aggregate cost of such goods reflected in the opening inventory of the year of involuntary liquidation over the aggregate replacement cost; or

"(ii) Decreased by an amount equal to the excess, if any, of the aggregate replacement cost of such goods over the aggregate cost thereof reflected in the opening inventory of the year of the involuntary liquidation.

The taxes imposed by this chapter and by subchapter E of chapter 2 for the year of such liquidation and for all taxable years intervening between such year and the year of replacement shall be redetermined, giving effect to such adjustments. Any increase in such taxes resulting from such adjustments shall be assessed and collected as a deficiency, and any overpayment so resulting shall be credited or refunded to the taxpayer without interest.

"(B) Definition of Involuntary Liquidation: The term 'involuntary liquidation,' as used in this paragraph, means the sale or other disposition of goods inventoried under the method described in this subsection, either voluntary or involuntary, coupled with a failure on the part of the taxpayer to purchase, manufacture, or otherwise produce and have on hand at the close of the taxable year in which such sale or other disposition occurred such goods as would, if on hand at the close of such taxable year, be subject to the application of the provisions of this subsection, if such failure on the part of the taxpayer is due, directly and exclusively, (i) to enemy capture or control of sources of limited foreign supply; (ii) to shipping or other transportation shortages; (iii) to material shortages resulting from priorities or allocations; (iv) to labor shortages; or (v) to other prevailing war conditions beyond the control of the taxpayer.

"(C) Replacements: If, in the case of any taxpayer subject to the provisions of subparagraph (A), the closing inventory of the taxpayer for a taxable year, subsequent to the year of involuntary liquidation but prior to the complete replacement of the goods so liquidated, reflects an increase over the opening inventory of such goods for the taxable year, the goods reflecting such increase shall be considered, in the order of their acquisition, as having been acquired in replacement of the goods most recently liquidated (whether or not in a year of involuntary liquidation) and not previously replaced, and if the liquidation was an involuntary liquidation shall be included in the inventory of the taxpayer for the year of replacement at the inventory cost basis of the goods replaced.

"(D) Election Irrevocable: An election by the taxpayer to have the provisions of this paragraph apply, once made, shall be irrevocable and shall be binding for the year of the involuntary liquidation and for all determinations for subsequent taxable years insofar as they are related to the year of liquidation.

"(E) Adjustment in certain cases: If the adjustments specified in subparagraph (A) are, with respect to any taxable year, prevented, on the date of the filing of the income tax return of the taxpayer for the year of the replacement, or within 3 years from such date, by any provision or rule of law (other than this subparagraph and other than section 3761, relating to compromises), such adjustments shall nevertheless be made if, in respect of the taxable year for which the adjustment is sought, a notice of deficiency is mailed or a claim for refund is filed, as the case may be, within 3 years after the date of the filing of the income-tax return for the year of replacement. If, at the time of the mailing of such notice of deficiency or the

filing of such claim for refund, the adjustment is so prevented, then the amount of the adjustment authorized by this paragraph shall be limited to the increase or decrease of the tax imposed by this chapter and subchapter E of chapter 2 previously determined for such taxable year which results solely from the effect of subparagraph (A), and such amount shall be assessed and collected, or credited or refunded, in the same manner as if it were a deficiency or an overpayment, as the case may be, for such taxable year and as if, on the date of the filing of the income-tax return for the year of the replacement, 3 years remain before the expiration of the periods of limitation upon assessment or the filing of claim for refund for the taxable year. The tax previously determined shall be ascertained in accordance with section 734 (d). The amount to be assessed and collected under this paragraph in the same manner as if it were a deficiency or to be credited or refunded in the same manner as if it were an overpayment shall not be diminished by any credit or set-off based upon any item, inclusion, deduction, credit, exemption, gain, or loss, other than one resulting from the effect of subparagraph (A). Such amount, if paid, shall not be recovered by a claim or suit for refund, or suit for erroneous refund based upon any item, inclusion, deduction, credit, exemption, gain, or loss, other than one resulting from the effect of subparagraph (A)."

The amendment was agreed to.

The next amendment was, on page 55, line 6, after the word "support" and the period, to strike out "Installment payments discharging a part of an obligation the principal sum of which is, in terms of money or property, specified in the decree or instrument, shall not be considered periodic payments for the purposes of this subsection; an installment payment shall be considered a periodic payment for the purposes of this subsection if the amount thereof is 10 percent or more of such principal sum or if such principal sum is required, by the terms of the decree or instrument, to be paid within a period ending not more than 10 years from the date of such decree or instrument" and insert "Installment payments discharging a part of an obligation the principal sum of which is, in terms of money or property, specified in the decree or instrument shall not be considered periodic payments for the purposes of this subsection; except that an installment payment shall be considered a periodic payment for the purposes of this subsection if such principal sum, by the terms of the decree or instrument, may be or is to be paid within a period ending more than 10 years from the date of such decree or instrument, but only to the extent that such installment payment for the taxable year of the wife (or if more than one such installment payment for such taxable year is received during such taxable year, the aggregate of such installment payments) does not exceed 10 percent of such principal sum. For the purposes of the preceding sentence, the portion of a payment of the principal sum which is allocable to a period after the taxable year of the wife in which it is received shall be considered an installment payment for the taxable year in which it is received."

The amendment was agreed to.

The next amendment was, on page 58, line 8, after the word "by", to strike out "inserting before the semicolon at the end thereof a period and the following: 'This paragraph'" and insert "striking out the heading and inserting in lieu thereof

(2) Annuities, etc.
(A) In general."

And by inserting before the semicolon at the end of such paragraph (A) a period and the following: "This subparagraph."

The amendment was agreed to.

The next amendment was, on page 59, line 4, after "Supplement T", to strike out: "Section 401 (a) (2) (relating to the definition of 'dependent' for the purposes of Supplement T) is amended by inserting at the end thereof the following: 'A payment to a wife which is includible under section 22 (k) or section 171 in the gross income of such wife shall not be considered a payment by her husband for the support of any dependent'", and insert "For credit for dependents in case of optional tax, see amendment made by section 104 of this act."

The amendment was agreed to.

The next amendment was, on page 59, line 17, after "(A)", to strike out "171, and" and insert "and 171, and the last sentence of section 401."

The amendment was agreed to.

The next amendment was, on page 62, line 11, after "Section 24 (a)", to strike out "(relating to items not deductible) is amended by inserting before the period at the end thereof", and insert "(5) (relating to items not deductible) is amended by inserting after 'this chapter.'"

The amendment was agreed to.

The next amendment was, on page 62, after line 18, to strike out:

(c) Fees and administration expenses: Section 162 (relating to net income of estates and trusts) is amended by inserting at the end thereof the following new subsection:

"(e) Amounts allowable under section 812 (b) as a deduction in computing the net estate of a decedent shall not be allowed as a deduction under section 23 (a) (2) in computing the net income of the estate unless there is filed, within the time and in the manner and form prescribed by the Commissioner, a statement that the items have not been claimed or allowed as deductions under section 812 (b) and a waiver of the right to have such items allowed at any time as deductions under section 812 (b)."

The amendment was agreed to.

The next amendment was, on page 63, at the beginning of line 7, to strike out "(d)" and insert "(c)."

The amendment was agreed to.

The next amendment was, on page 63, at the beginning of line 14, to strike out "(e)" and insert "(d)."

The amendment was agreed to.

The next amendment was, on page 63, at the beginning of line 18, to strike out "(f)" and insert "(e)."

The amendment was agreed to.

The next amendment was, at the top of page 64, to insert:

Sec. 122. Deduction allowable to purchasers for State and local retail sales taxes.

Section 23 (c) (relating to deduction for taxes) is amended by inserting at the end thereof the following new paragraph:

"(3) Retail sales tax: In the case of a tax imposed by any State, Territory, District, or possession of the United States, or any political subdivision thereof, upon persons engaged in selling tangible personal property at retail, which is measured by the gross sales price or the gross receipts from the sale or which is a stated sum per unit of such property sold, or upon persons engaged in furnishing services at retail, which is measured by the gross receipts for furnishing such services, if the amount of such tax is separately stated, then to the extent that the amount so stated is paid by the purchaser (otherwise than in connection with the purchaser's trade or business) to such person such amount shall be allowed as a deduction in computing the net income of such purchaser as if such amount constituted a tax imposed upon and paid by such purchaser."

The amendment was agreed to.

The next amendment was, on page 64, after line 21, to insert:

Sec. 123. Deduction for stock and bond losses on securities in affiliated corporations.

(a) Stock losses:

(1)-In general: Section 23 (g) (relating to capital losses) is amended by inserting at the end thereof the following:

"(4) Stock in affiliated corporation: For the purposes of paragraph (2) stock in a corporation affiliated with the taxpayer shall not be deemed a capital asset. For the purposes of this paragraph a corporation shall be deemed to be affiliated with the taxpayer only if:

"(A) At least 95 percent of each class of its stock is owned directly by the taxpayer; and

"(B) More than 90 percent of the aggregate of its gross incomes for all taxable years has been from sources other than royalties, rents, dividends, interest, annuities, or gains from sales or exchanges of stocks and securities; and

"(C) The taxpayer is a domestic corporation."

(2) Technical amendment: Section 23 (g) (3) is amended by inserting before "subsection" the following: "paragraph (2) of."

(b) Bond, etc., losses: For losses on bonds, etc., of affiliated corporations, see amendment made to section 23 (k) by section 124 of this act.

The amendment was agreed to.

The next amendment was, on page 67, at the beginning of line 2, to insert "paragraphs (1), (2), and (4) of."

The next amendment was, on page 67, line 13, after the word "than", to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, on page 67, after line 17, to insert:

(5) Securities of affiliated corporations: Bonds, debentures, notes or certificates, or other evidences of indebtedness issued with interest coupons or in registered form by any corporation affiliated with the taxpayer shall not be deemed capital assets for the purposes of paragraph (2) and paragraph (1) shall apply with respect to such debt except that no such deduction shall be allowed under such paragraph with respect to any such debt which is recoverable only in part. For the purposes of this paragraph a corporation shall be deemed to be affiliated with the taxpayer only if:

"(A) At least 95 percent of each class of its stock is owned directly by the taxpayer; and

"(B) More than 90 percent of the aggregate of its gross incomes for all taxable years has been from sources other than royalties, rents, dividends, interest or annuities or gains from sales or exchanges of stock and securities; and

"(C) The taxpayer is a domestic corporation."

The amendment was agreed to.

The next amendment was, on page 69, line 1, after the word "for", to strike out "paragraph" and insert "clause."

The next amendment was, on page 69, line 6, after the word "ending", to strike out "before the end of the sixth month after" and insert "at the expiration of 6 months after the date on which."

The amendment was agreed to.

The next amendment was, on page 69, line 15, after the numeral "31", to strike out "1941" and insert "1942; the amendment inserting section 23 (k) (5) and amendments related thereto shall be applicable only with respect to taxable years beginning after December 31, 1941."

The amendment was agreed to.

The next amendment was, on page 69, line 23, to change the figure "150" to "171."

The amendment was agreed to.

The next amendment was, at the top of page 70, to insert:

Sec. 125. Corporate contributions to United States, etc., or for charitable use outside United States deductible.

The first sentence of section 23 (q) (relating to allowance of corporate charitable contributions) is amended to read as follows: "In the case of a corporation, contributions or gifts payment of which is made within the taxable year to or for the use of:

"(1) The United States, any State, Territory, or any political subdivision thereof or the District of Columbia, or any possession of the United States, for exclusively public purposes; or

"(2) A corporation, trust, or community chest, fund, or foundation, created or organized in the United States or in any possession thereof or under the law of the United States, or of any State or Territory, or of the District of Columbia, or of any possession of the United States, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes or for the prevention of cruelty to children, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation;

to an amount which does not exceed 5 percent of the taxpayer's net income as computed without the benefits of this subsection."

The amendment was agreed to.

The next amendment was, on page 75, line 10, after the word "include", to insert "any such obligation which constitutes stock in trade of the taxpayer or any such obligation of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or."

The amendment was agreed to.

The next amendment was, on page 77, line 1, after "169 (c)", to insert "(2)."

The amendment was agreed to.

The next amendment was, on page 79, after line 8, to insert:

Sec. 127. Deduction for medical, dental, etc., expenses.

(a) Allowance of deduction: Section 23 (relating to deductions from gross income) is amended by inserting at the end thereof the following new subsection:

"(x) Medical, dental, etc., expenses: Except as limited under paragraph (1) or (2) expenses paid during the taxable year, not compensated for by insurance or otherwise, for medical care of the taxpayer, his spouse, or a dependent specified in section 25 (b) (2) (A) of the taxpayer. The term 'medical care,' as used in this subsection, shall include amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body (including amounts paid for accident or health insurance).

"(1) A husband and wife who file a joint return may deduct only such expenses as exceed 5 percent of the aggregate net income of such husband and wife, computed without the benefit of this subsection, and the maximum deduction for the taxable year shall be not in excess of $2,500 in the case of such husband and wife.

"(2) An individual who files a separate return may deduct only such expenses as exceed 5 percent of the net income of the taxpayer, computed without the benefit of this subsection, and the maximum deduction for the taxable year shall be not in excess of $2,500 in the case of the head of a family, and not in excess of $1,250 in the case of all other such individuals."

(b) Items not deductible: Section 24 (a) (relating to items not deductible) is amended by striking paragraph 1 and inserting in lieu thereof the following:

"(1) Personal, living, or family expenses, except extraordinary medical expenses deductible under section 23 (x)."

(c) Charitable deductions: Section 23 (o) (relating to deduction for charitable and other contributions) is amended by striking the period at the end of the next to the last sentence and by inserting in lieu thereof the following: "or of subsection (x)."

(d) Compensation from insurance: Section 22 (b) (5) (relating to exclusion from gross income of compensation for injuries or sickness) is amended by striking out "Amounts received" and inserting in lieu thereof "Except in the case of amounts attributable to (and not in excess of) deductions allowed under section 23 (x) in any prior taxable year, amounts received."

The amendment was agreed to.

The next amendment was on page 81, after line 3, to insert:

Sec. 128. Losses of mining corporations for 1938 and 1939.

(a) Deduction for mining losses: Section 23 (relating to deductions) is amended by inserting at the end thereof the following new subsection:

"(y) Mining losses in 1938 and 1939: For the first taxable year beginning in 1940, in the case of a corporation which derive substantially all its income from the production of minerals, as defined in section 735, the exhaustion of which gives rise to an allowance for depletion under section 23 (m), the sum of—

"(1) The excess of the deductions for a taxable year beginning in 1938, allowed by the Revenue Act of 1938, over the gross income for such year, and

"(2) The excess of the deductions for a taxable year beginning in 1939, allowed by this chapter as originally enacted, over the gross income for such year.

"In either case, the computations shall be made with the exceptions and limitations provided in section 122 (d) without regard to its amendment by the Revenue Act of 1942."

(b) Technical amendment: Section 122 (c) (relating to net operating loss) is amended by inserting before the period at the end thereof a comma and the following: "and, in the case of corporations described in section 23 (y), such terms do not include any taxable year beginning before January 1, 1940."

(c) Taxable years to which amendments applicable: The amendments made by this section shall be effective with respect to taxable years beginning after December 31, 1939.

The amendment was agreed to.

The next amendment was, on page 82, after line 8, to insert:

Sec. 129. Deduction of certain amounts paid to cooperative apartment corporation.

Section 23 (relating to deductions from gross income) is amended by inserting at the end thereof the following new subsection:

"(z) Amounts representing taxes and interest paid to cooperative apartment corporation:

"(1) In general: In the case of a tenant-stockholder (as defined in paragraph (2)), amounts, not otherwise deductible, paid or accrued to a cooperative apartment corporation within the taxable year, if such amounts represent that proportion of the real estate taxes on the apartment building and the land on which it is situated, allowable as deductions under subsection (c), paid or incurred by the corporation, or of the interest paid or incurred by the corporation on its indebtedness contracted in the acquisition, construction, alteration, rehabilitation, or maintenance of such apartment building or in the acquisition of the land on which the building is located, which the stock of the corporation owned by the tenant-stockholder is of the total outstanding stock of the corporation, including that held by the corporation.

"(2) Definitions: For the purposes of this subsection—

"(A) Cooperative Apartment Corporation.—The term 'cooperative apartment corporation' means a corporation—

"(i) Having one and only one class of stock outstanding.

"(ii) All of the stockholders of which are entitled, solely by reason of their ownership of stock in the corporation, to occupy for dwelling purposes apartments in a building owned or leased by such corporation, and who are not entitled, either conditionally or unconditionally, except upon a complete or partial liquidation of the corporation, to receive any distribution not out of earnings and profits of the corporation, and

"(iii) Eighty percent or more of the gross income of which for the taxable year in which the taxes and interest described in paragraph (1) are paid or incurred is derived from tenant-stockholders.

"(B) Tenant-stockholder: The term 'tenant-stockholder' means an individual who is a stockholder in a cooperative apartment corporation, and whose stock is fully paid-up in an amount not less than an amount shown to the satisfaction of the Commissioner as bearing a reasonable relationship to the portion of the value of the corporation's equity in the building and the land on which it is situated which is attributable to the apartment which such individual is entitled to occupy."

The amendment was agreed to.

The next amendment was, on page 84, line 18, after the word "semicolon", to strike out "and the word 'or' at the end of paragraph (5)", and on page 84, after line 20, to strike out:

(6) Any amount paid or accrued on indebtedness incurred or continued to purchase or carry a single premium or fully paid-up life insurance or endowment contract; or

And in lieu thereof to insert:

(6) Any amount paid or accrued on indebtedness incurred or continued to purchase a single premium life insurance or endowment contract. For the purposes of this paragraph, if substantially all the premiums on a life insurance or endowment contract are paid within a period of 4 years from the date on which such contract is purchased, such contract shall be considered a single premium life insurance or endowment contract; or.

Mr. VANDENBERG. Mr. President, let me inquire, in what way would this amendment change existing law?

Mr. BYRD. The present law allows a deduction for the full amount of interest paid, but under the proposed amendment, as I understand, the interest, if used for the purpose of purchasing a single life insurance policy, would not be deductible.

Mr. VANDENBERG. I am not clear that the Finance Committee settled that question conclusively. A very strong case was certainly presented to the committee against the removal of this deduction. I suggest that the amendment go over for the day.

Mr. BYRD. That will be satisfactory.

Mr. VANDENBERG. I suggest that all of section 130 go over.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Without objection, all of section 130 will go over. The clerk will state the next amendment of the committee.

The next amendment was, on page 85, line 16, before the word "carrying" to strike out the word "other."

The amendment was agreed to.

The next amendment was, on page 86, line 1, after the word "exemption", to insert "and credit for dependents."

The amendment was agreed to.

The next amendment was, on page 86, line 20, after the word "amended", to strike out "by striking out '$750' and inserting in lieu thereof '$500'." and insert "to read as follows:"

Sec. 214. Credits against net income.

In the case of a nonresident alien individual the personal exemption allowed by section 25 (b) (1) of this chapter shall, except as hereinafter provided in the case of a resident of a contiguous country, be only $500. In the case of a nonresident alien individual residing in a contiguous country who is married and living with husband or wife or who is the head of a family, the personal exemption shall be that specified in section 25 (b) if such contiguous country allows to citizens of the United States not residing in such country who are married and living with husband or wife and to citizens of the United States not residing in such country who are heads of families the same personal exemption as that allowed citizens of such country who are married and living with husband or wife or who are heads of families, as the case may be. The credit for dependents allowed by section 25 (b) (2) shall not be allowed in the case of a nonresident alien individual unless he is a resident of a contiguous country.

The amendment was agreed to.

The next amendment was, on page 87, after line 19, to insert:

(b) Credit for dependents: Section 25 (b) (2) (A) (relating to credit for dependents) is amended by striking out "$400" and inserting in lieu thereof "$300."

Mr, BYRD. I ask that this amendment go over. It comes under the request of the Senator from Wisconsin [Mr. LA FOLLETTE].

The PRESIDING OFFICER. Without objection, the amendment will be passed over, and the clerk will state the next amendment of the committee.

The next amendment was, on page 89, line 6, after the word "inserting," to strike out "at the end thereof" and insert "after subparagraph (B)."

The amendment was agreed to.

The next amendment was, on page 89, line 13, before the word "times," to strike out "third" and insert "fourth."

The amendment was agreed to.

The next amendment was, on page 91, line 10, after the numeral "31", to strike out "1941" and insert "1939."

The amendment was agreed to.

The next amendment was, on page 91, after line 13, to insert:

Sec. 134. Credit for dividends paid on certain preferred stock.

Section 26 is amended by inserting at the end thereof the following new subsection:

"(h) Credit for dividends paid on certain preferred stock.

"(1) Amount of credit: In the case of a public utility, the amount of dividends paid during the taxable year on its preferred stock. The credit provided in this subsection shall be subtracted from the basic surtax credit provided in section 27.

"(2) Definitions: As used in this subsection and section 15 (a)—

"(A) Public utility: The term "public utility' means a corporation engaged in the furnishing of telephone service or in the sale of electric energy, gas, or water, if the rates for such furnishing or sale, as the case may be, have been established or approved by an agency or instrumentality of the United States or by a public utility or public service commission or other similar body of the District of Columbia or of any State or political subdivision thereof.

"(B) Preferred stock: The term 'preferred stock' means stock issued prior to September 1, 1942, which on September 1, 1942 and during the whole of the taxable year was nonvoting stock the dividends in respect of which were cumulative, limited to the same amount, and payable in preference to the payment of dividends on other stock."

Mr. BREWSTER. I ask that this amendment go over.

The PRESIDING OFFICER. Without objection, section 134 will be passed over. The next amendment of the committee will be stated.

The next amendment was, on page 98, line 17, after the word "amount," to strike out "which bears the same ratio to such net value as the estate tax bears to the amount of the net estate determined under section 812 (without deduction of the specific exemption provided in subsection (a) thereof) or section 861 (without deduction of the specific exemption provided in subsection (a) (4) thereof), whichever is applicable. For the purposes of this subparagraph, such net value shall in no case be considered greater than the amount of the net estate so determined" and insert "equal to the excess of the estate tax over the estate tax computed without including in the gross estate such net value."

The amendment was agreed to.

The next amendment was, on page 100, line 23, after the word "decedent", to insert "and the tax of the decedent shall be computed under such provisions for the taxable period of the decedent in which falls the date of his death"; on page 101, line 8, after the word "Code", to insert "or a corresponding provision of a prior revenue law"; in line 13, after the word "filed", to insert "and such assessment and collection may be made notwithstanding any provision of the internal revenue laws or any rule of law which would otherwise prevent such assessment and collection" and a period; in line 20, after the word "period", to insert "(except the taxable period of the decedent in which falls the date of his death)"; and in line 23, after the word "consent", to insert "and credit or refund may be allowed or made notwithstanding any provision of the internal revenue laws or any rule of law which would otherwise prevent such credit or refund"; on page 102, line 4, after the word "Code", to insert "or a corresponding provision of a prior revenue law"; and in line 6, after the word "overpayment", to insert, "If the application of this subsection to the taxable period of the decedent in which falls the date of his death results in a deficiency for such taxable period, and if the income tax of the decedent for such period was deducted in computing the net estate of the decedent under chapter 3 of the Internal Revenue Code or under a corresponding title of a prior revenue law, and if at the time such deficiency is assessed credit or refund of any resulting overpayment in respect of the taxes imposed by such chapter 3 or corresponding title upon such net estate is prevented by any provision of the internal revenue laws or by any rule of law, then the amount of such deficiency which is assessed and collected shall be reduced by the amount of such resulting overpayment under such chapter 3 or corresponding title which would be credited or refunded if credit or refund thereof were not so prevented."

The amendment was agreed to.

The next amendment was, on page 107, after line 15, to insert:

Sec. 137. Declaration that return made under penalties for perjury in lieu of oath.

(a) Declaration on returns: So much of the first sentence of section 51 (relating to requirement of individual returns) as reads as follows: "The following individuals shall each make under oath a return stating" is amended to read as follows: "The following individuals shall each make a return, which shall contain or be verified by a written declaration that it is made under the penalties of perjury, stating."

(b) Penalty: Section 145 (relating to penalties) is amended by inserting after subsection (b) the following new subsection:

"(c) Any individual who willfully makes and subscribes a return which he does not believe to be true and correct as to every material matter, shall be guilty of a felony, and, upon conviction thereof, shall be subject to the penalties prescribed for perjury in section 125 of the Criminal Code."

(c) Clerical amendments: Section 145 (c) is amended by striking out "(c)" and inserting in lieu thereof "(d)" and section 145 (d) is amended by striking out "(d)" and inserting in lieu thereof "(e)."

The amendment was agreed to.

The next amendment was, on page 108, after line 12, to insert:

Sec. 138. Employers' contributions to voluntary employees' beneficiary associations.

(a) Exemption: Section 101 (16) of the Internal Revenue Code, and of the Revenue Acts of 1938, 1936, and 1934, and section 103 (16) of the Revenue Acts of 1932 and 1928, are amended to read as follows:

"(16) Voluntary employees' beneficiary associations providing for the payment of life,

sick, accident, or other benefits to the members of such association or their dependents, if (A) no part of their net earnings inures (other than through such payments) to the benefit of any private shareholder or individual, and (B) 85 percent or more of the income consists of amounts collected from members and amounts contributed to the association by the employer of the members for the sole purpose of making such payments and meeting expenses."

(b) Retroactive effect: For the purposes of the Internal Revenue Code and the Revenue Acts of 1928, 1932, 1934, 1936, and 1938, the amendments made to the Internal Revenue Code and those acts by subsection (a) of this section shall be effective as if they were a part of the Internal Revenue Code and such revenue acts on the respective dates of their enactment.

(c) Amendments inapplicable to employment taxes: Such amendments shall not apply to the employment taxes imposed by subchapters A and C of chapter 9 of the Internal Revenue Code, or the corresponding provisions of a prior law.

Mr. DAVIS. I ask that this amendment go over.

The PRESIDING OFFICER. Without objection, section 138 will be passed over. The clerk will state the next amendment of the committe.

The next amendment was, on page 110, after line 8, to strike out:

(a) Personal services: In the case of compensation received for personal services rendered by an individual in his individual capacity, or as a member of a partnership, covering a period of 36 calendar months or more from the beginning to the completion of such services, and not less than 80 percent of which is (a) paid only on or after completion of such services and (b) required to be included in gross income of such individual for any 1 taxable year, the tax attributable to such compensation shall not be greater than the aggregate of the taxes attributable to such compensation had it been received in equal portions in each of the months included in such period.

And to insert:

(a) Personal services: If at least 80 percent of the total compensation for personal services covering a period of 36 calendar months or more (from the beginning to the completion of such services) is received or accrued in 1 taxable year by an individual or a partnership, the tax attributable to any part thereof which is included in the gross income of any individual shall not be greater than the aggregate of the taxes attributable to such part had it been included in the gross income of such individual ratably over that part of the period which precedes the date of such receipt or accrual.

The amendment was agreed to.

The next amendment was, on page 111, line 21, after the words "attributable to" to strike out "such part of the gross income of the taxable year as is not taxable as a gain from the sale or exchange of a capital asset held for more than 15 months shall not be greater than the aggregate of the taxes attributable to such part had it been received ratably over the period of 36 calendar months ending with the close of the taxable year", and to insert "the part of such gross income of the taxable year which is not taxable as a gain from the sale or exchange of a capital asset held for more than 6 months shall not be greater than the aggregate of the taxes attributable to such part had it been received ratably over that part of the period preceding the close of the taxable year but not more than 36 calendar months."

The amendment was agreed to.

The next amendment was, on page 112, after line 20, to strike out:

Sec. 129. Fiscal year taxpayers.

(a) Taxable period embracing years with different laws: The Internal Revenue Code is amended by inserting after section 15 the following new section:

"Sec. 16. Taxable years embracing calendar years with different laws.

"If a taxable year embraces portions of 2 calendar years, the tax shall be computed as provided in section 108. This section shall not apply to an insurance company subject to supplement G, a foreign personal holding company subject to supplement P, or a regulated investment company subject to supplement Q."

The amendment was agreed to.

The next amendment was, on page 113, after line 8, to strike out:

(b) Method of computing the tax: The Internal Revenue Code is amended by inserting after section 107 the following new section:

"Sec. 108. Taxable period embracing years with different laws.

"(a) General rule: If it is necessary to compute the tax for a period beginning in one calendar year (hereinafter in this section called 'first calendar year') and ending in the following calendar year (hereinafter in this section called 'second calendar year') and the law applicable to a taxable year beginning in the first calendar year (hereinafter in this section called 'first taxable year') is different from the law applicable (without regard to this section) to a taxable year beginning in the second calendar year (hereinafter in this section called 'second taxable year'), the tax under this chapter for such period shall be the sum of:

"(1) That portion of the tax for the entire period, determined under the law applicable to the first taxable year, which the portion of such period falling within such first calendar year is of the entire period; and

"(2) That portion of the tax for the entire period, determined under the law applicable to the second taxable year (except as provided in subsection (b)), which the portion of such period falling within the second calendar year is of the entire period.

"(b) Exceptions:

"(1) For the purpose of the computations required under subsection (a) (2) for a period beginning in the calendar year 1941 and ending in the calendar year 1942, the amendments made to the Internal Revenue Code by sections 110, 113, 117, and so much of section 119 as adds the last sentence to section 23 (k) (1) of this chapter and as adds paragraph (4) to section 23 (k) of this chapter; sections 120 and 122, and section 124 unless applicable to the first taxable year in accordance with the terms of such amendment; sections 126, 127, 130, 131, 133, 136, 137, 138, 141, 143, 144, and 149 of the Revenue Act of 1942 shall not be deemed to be applicable.

"(2) For the purpose of the computations required under subsection (a) (1) and (2), the amendments made by section 139 of the Revenue Act of 1942 shall be deemed applicable to taxable years beginning in 1941 and ending in 1942.

"(c) Net operating loss carry-over and unused excess profits credit: The net operating loss under section 122, and the unused excess profits credit under section 710 (c) (1), shall, for the purposes of subsection (a), be the sum of: (1) The same proportion of a net operating loss and an unused excess profits credit for the entire period, determined under the law applicable to the first calendar year, which the portion of such period falling within such calendar year is of the entire period; and (2) the same proportion of a net operating loss and an unused excess profits credit for the entire period, determined under the law applicable to the second calendar year, which the portion of such period falling within such calendar year is of the entire period."

(c) Taxes to which this section not applicable:

(1) Section 102 is amended by inserting at the end thereof the following new subsection:

"(g) Section 16 not applicable: Section 16 shall not apply in the computation of the tax imposed by this section."

(2) Section 505 is amended by inserting at the end thereof the following new subsection:

"(f) Section 16 not applicable: Section 16 shall not apply in the computation of the tax imposed by this subchapter."

(d) Excess-profits tax: Section 729 (a) (relating to laws made applicable) is amended by inserting at the end thereof the following new sentence: "In the application of section 108 to the computation of the tax imposed by this subchapter, in addition to the amendments made inapplicable for the purposes of the computations under subsection (a) (2) of such section, the amendment made by section 206 of the Revenue Act of 1942 shall not be deemed to be applicable."

Sec. 141. Certain fiscal year taxpayers.

(a) Computation of tax for year ending in 1942: The Internal Revenue Code is amended by inserting after section 107 the following new section:

"Sec. 108. Taxable years beginning in 1941 and ending after June 30, 1942.

"(a) General Rule: In the case of a taxable year beginning in 1941 and ending after June 30, 1942, the tax imposed by sections 11, 12, 13, 14, and 15 shall be—

"(1) Corporations: In the case of a corporation an amount equal to the sum of—

"(A) that portion of a tentative tax, computed without regard to section 141 of the Revenue Act of 1942, which the number of days in such taxable year before July 1, 1942, bears to the total number of days in such taxable year, plus

"(B) that portion of a tentative tax, computed as if the amendments made by sections 105 (a), (b), (c), (d), and (e) (1) of the Revenue Act of 1942 were applicable to such taxable year, which the number of days in such taxable year after June 30, 1942, bears to the total number of days in such taxable year.

"(2) Taxpayers other than corporations: In the case of a taxpayer other than a corporation, an amount equal to the sum of—

"(A) that portion of a tentative tax, computed without regard to section 141 of the Revenue Act of 1942, which the number of days in such taxable year before July 1, 1942, bears to the total number of days in such taxable year, plus

"(B) that portion of a tentative tax, computed as if the amendments made by sections 102 and 103 of the Revenue Act of 1942 were applicable to such taxable year, which the number of days in such taxable year after June 30, 1942, bears to the total number of days in such taxable year.

"(b) Special classes of taxpayers: This section shall not apply to an insurance company subject to supplement G, an investment company subject to supplement Q, or a Western Hemisphere Trade Corporation, as defined in section 109."

(b) Taxable years to which amendment applicable: The amendment made by this section shall be applicable to taxable years beginning in 1941 and ending after June 30, 1942.

The amendment was agreed to.

The next amendment was, on page 118, after line 11, to insert:

Sec. 142. Western Hemisphere trade corporations.

The Internal Revenue Code is amended by inserting after section 108 the following new section:

"Sec. 109. Western Hemisphere trade corporations.

"For the purposes of this chapter, the term 'western hemisphere trade corporation' means a domestic corporation all of whose business is done in any country or countries in North, Central, or South America, or in the West Indies, or in Newfoundland and which satisfies the following conditions:

"(a) If 95 percent or more of the gross income of such domestic corporation for the 3-year period immediately preceding the close of the taxable year (or for such part of such period during which the corporation was in existence) was derived from sources other than sources within the United States; and

"(b) If 90 percent or more of its gross income for such period or such part thereof was derived from the active conduct of a trade or business."

The amendment was agreed to.

The next amendment was, on page 119, after line 5, to insert:

Sec. 143. Nonrecognition of loss and determination of basis in case of certain railroad reorganizations.

(a) Nonrecognition of loss in railroad reorganizations: Section 112 (b) (relating to the recognition of gain or loss upon the sale or exchange of property) is amended by inserting at the end thereof the following new paragraph:

"(9) Loss not recognized on certain railroad reorganizations: No loss shall be recognized if property of a railroad corporation, as defined in section 77m of the National Bankruptcy Act, as amended, is transferred, after December 31, 1939, in pursuance of an order of the court having jurisdiction of such corporation—

"(A) in a receivership proceeding, or

"(B) in a proceeding under section 77 of the National Bankruptcy Act, as amended, to a railroad corporation, as defined in section 77m of the National Bankruptcy Act, as amended, organized or made use of to effectuate a plan of reorganization approved by the court in such proceeding. The term 'reorganization,' as used in this paragraph, shall not be limited by the definition of such term in subsection (g)."

(b) Basis of property acquired by certain railroad corporations: Section 113 (a) (relating to the basis of the property) is amended by inserting at the end thereof the following new paragraph:

"(20) Property acquired by railroad corporation: If the property of a railroad corporation, as defined in section 77m of the National Bankruptcy Act, as amended, was acquired after December 31, 1939, in pursuance of an order of the court having jurisdiction of such corporation—

"(A) in a receivership proceeding, or

"(B) in a proceeding under section 77 of the National Bankruptcy Act, as amended, and the acquiring corporation is a railroad corporation, as defined in section 77m of the National Bankruptcy Act, as amended, organized or made use of to effectuate a plan or reorganization approved by the court in such proceeding, the basis shall be the same as it would be in the hands of the railroad corporation whose property was so acquired. The term 'reorganization,' as used in this paragraph, shall not be limited by the definition of such term in section 112 (g)."

(c) Basis of property acquired pursuant to railroad reorganization under section 77b of the National Bankruptcy Act, as amended: Section 113 (a) (relating to the basis of the property) is amended by inserting at the end thereof the following new paragraph:

"(21) Property acquired by street, suburban, or interurban electric railway corporation: If the property of any street, suburban, or interurban electric railway corporation engaged as a common carrier in the transportation of persons or property in interstate commerce was acquired after December 31, 1934, in pursuance of an order of the court having jurisdiction of such corporation in a proceeding under section 77b of the National Bankruptcy Act, as amended, and the acquiring corporation is a street, suburban, or interurban electric railway engaged as a common carrier in the transportation of persons or property in interstate commerce, organized or made use of to effectuate a plan of reorganization approved by the court in such proceeding, then, notwithstanding the provisions of section 270 of chapter X of the National Bankruptcy Act, as amended, the basis, for any taxable year beginning after December 31, 1939, shall be the same as it would be in the hands of the corporation whose property was so acquired. The term 'reorganization', as used in this paragraph, shall not be limited by the definition of such term in section 112 (g)."

(d) Taxable years to which applicable: The amendments made by this section shall be applicable to taxable years beginning after December 31, 1939.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, I wish to make the same statement regarding this section that I made regarding a previous one. Here again relief is extended only to railroad reorganizations, although it is generally acknowledged in the Committee on Finance and in the Treasury staff that the relief should be universally extended to all corporations in kindred difficulty. The only reason why the provision is not included in the bill is that there was not time to perfect it, according to the Treasury statement. I wish to add, as I did before, that this provision certainly will have to be corrected in the near future, in the interest of simple justice.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 122, after line 9, to insert the following:

Sec. 144. Liquidation of personal holding companies in December 1942.

(a) Election as to recognition of gain on liquidation: Section 112 (b) (relating to nonrecognition of gain or loss) is amended by inserting at the end thereof the following new paragraph:

"(10) Election as to recognition of gain in certain corporate liquidations:

"(A) General rule: In the case of property distributed in complete liquidation of a domestic corporation which is a personal holding company, as defined in section 501, if—

"(i) The liquidation is made in pursuance of a plan of liquidation adopted after the date of the enactment of this act, whether the taxable year of the corporation began on, before, or after January 1, 1942; and

"(ii) The distribution is in complete cancelation or redemption of all the stock, and the transfer of all the property under the liquidation occurs within the month of December 1942—

then in the case of each qualified electing shareholder (as defined in subparagraph (C)) gain upon the shares owned by him at the time of the adoption of the plan of liquidation shall be recognized only to the extent provided in subparagraphs (E) and (F).

"(B) Excluded corporation: The term 'excluded corporation' means a corporation which at any time between September 1, 1942, and the date of the adoption of the plan of liquidation, both dates inclusive, was the owner of stock possessing 50 percent or more of the total combined voting power of all classes of stock entitled to vote on the adoption of such plan.

"(C) Qualified electing shareholders: The term 'qualified electing shareholder' means a shareholder (other than an excluded corporation) of any class of stock (whether or not entitled to vote on the adoption of the plan of liquidation) who is a shareholder at the time of the adoption of such plan, and whose written election to have the benefits of subparagraph (A) has been made and filed in accordance with subparagraph (D), but—

"(i) In the case of a shareholder other than a corporation, only if written elections have been so filed by shareholders (other than corporations) who at the time of the adoption of the plan of liquidation are owners of stock possessing at least 80 percent of the total combined voting power (exclusive of voting power possessed by stock owned by corporations) of all classes of stock entitled to vote on the adoption of such plan of liquidation; or

"(ii) In the case of a shareholder which is a corporation, only if written elections have been so filed by corporate shareholders (other than an excluded corporation) which at the time of the adoption of such plan of liquidation are owners of stock possessing at least 80 percent of the total combined voting power (exclusive of voting power possessed by stock owned by an excluded corporation and by shareholders who are not corporations) of all classes of stock entitled to vote on the adoption of such plan of liquidation.

"(D) Making and filing of elections: The written elections referred to in subparagraph (C) must be made and filed in such manner as to be not in contravention of regulations prescribed by the Commissioner with the approval of the Secretary. The filing must be within 30 days after the adoption of the plan of liquidation, and may be by the liquidating corporation or by the shareholder.

"(E) Noncorporate shareholders: In the case of a qualified electing shareholder other than a corporation—

"(i) There shall be recognized, and taxed as a dividend, so much of the gain as is not in excess of his ratable share of the earnings and profits of the corporation accumulated after February 28, 1913, such earnings and profits to be determined as of December 31, 1942, but without diminution by reason of distributions made during the month of December 1942; and

"(ii) There shall be recognized, and taxed as short-term or long-term capital gain, as the case may be, so much of the remainder of the gain as is not in excess of the amount by which the value of that portion of the assets received by him which consists of money, or of stock or securities acquired by the corporation after September 1, 1942, exceeds his ratable share of such earnings and profits.

"(F) Corporate shareholders: In the case of a qualified electing shareholder which is a corporation the gain shall be recognized only to the extent of the greater of the two following—

"(i) The portion of the assets received by it which consists of money, or of stock or securities acquired by the liquidating corporation after September 1, 1942; or

"(ii) Its ratable share of the earnings and profits of the liquidating corporation accumulated after February 28, 1913, such earnings and profits to be determined as of December

31, 1942, but without diminution by reason of distributions made during the month of December 1942."

(b) Basis of property acquired: Section 113 (a) (relating to basis) is amended by inserting at the end thereof the following new paragraph:

"(22) Property received in certain corporate liquidations: If the property was acquired by a shareholder in the liquidation of a corporation in cancelation or redemption of stock with respect to which gain was realized, but with respect to which, as the result of an election made by him under paragraph (10) of section 112 (b), the extent to which gain was recognized was determined under such paragraph, then the basis shall be the same as the basis of such stock canceled or redeemed in the liquidation, decreased in the amount of any money received by him, and increased in the amount of gain recognized to him."

(c) Technical amendment: Section 113 (a) (6) (relating to basis in case of tax-free exchanges) is amended by striking out "or 18" and inserting in lieu thereof "18, or 22."

The amendment was agreed to.

The next amendment was, on page 128, after line 12, to insert:

Sec. 146. Basis of property in case of optional value for estate tax purposes.

(a) Basis of property: Section 113 (a) (5) (relating to basis of property transmitted at death) is amended by adding at the end thereof the following new sentence: "In the case of an election made by the executor under section 811 (j), the time of acquisition of the property shall, for the purpose of this paragraph, be the applicable valuation date of the property prescribed by such section in determining the value of the gross estate."

(b) Property to which amendment applicable: The amendment made by this section shall be applicable only with respect to property includible in the gross estate of a decedent dying after the date of the enactment of this act.

The amendment was agreed to.

The next amendment was, on page 131, line 18, after the word "than", to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, on page 131, after line 20, to strike out:

(a) Termination of exclusion from gross income of earned income from sources without United States: Section 116 (relating to exclusions from gross income) is amended by striking out subsection (a) (relating to earned income from sources without the United States).

The amendment was agreed to.

The next amendment was, on page 132, after line 2, to insert:

(a) Exclusion of earned income from foreign sources: Section 116 (a) (relating to earned income from sources without the United States) is amended to read as follows:

"(a) Earned income from sources without the United States:

"(1) Foreign resident for entire taxable year: In the case of an individual citizen of the United States, who establishes to the satisfaction of the Commissioner that he is a bona fide resident of a foreign country or countries during the entire taxable year, amounts received from sources without the United States (except amounts paid by the United States or any agency thereof) if such amounts would constitute earned income as defined in section 25 (a) if received from sources within the United States; but such individual shall not be allowed as a deduction from his gross income any deductions properly allowable to or chargeable against amounts excluded from gross income under this subsection.

"(2) Taxable year of change of residence to United States: In the case of an individual citizen of the United States, who has been a bona fide resident of a foreign country or countries for a period of at least 2 years before the date on which he changes his residence from such country to the United States, amounts received from sources without the United States (except amounts paid by the United States or any agency thereof), which are attributable to that part of such period of foreign residence before such date, if such amounts would constitute earned income as defined in section 25 (a) if received from sources within the United States; but such individual shall not be allowed as a deduction from his gross income any deductions properly allocable to or chargeable against amounts excluded from gross income under this subsection."

(b) Taxable years to which amendment applicable: The amendment made by subsection (a) shall be applicable with respect to taxable years beginning after December 31, 1942, and so much of the amendment made by subsection (a) as inserts paragraph (2) in section 116 (a) shall also be applicable to taxable years beginning in 1942.

The amendment was agreed to.

The next amendment was, on page 133, after line 18, to strike out:

(b) Income received from United States: Section 251 (b) (relating to income from sources within possessions of the United States) is amended to read as follows:

"(b) Amounts received in United States or from Government of United States: Notwithstanding the provisions of subsection (a) there shall be included in gross income (1) all amounts received by such citizens or corporations within the United States, whether derived from sources within or without the United States, and (2) all amounts paid by the United States or by any agency thereof as compensation for labor or personal services, or under any contract with the United States or any agency thereof, except that any corporation receiving such amounts may elect, under rules and regulations prescribed by the Commissioner with the approval of the Secretary, not to be taxed under this section and to be treated as an includible corporation under section 141 (e) (4)."

(c) Definition of possession: Section 251 (d) (relating to definition of possession) is amended to read as follows:

"(d) Definition: As used in this section the term 'possession of the United States' includes only the Commonwealth of the Philippines and Puerto Rico."

The amendment was agreed to.

The next amendment was, on page 136, line 19, after the word "therein", to insert "and inserting in lieu thereof."

The amendment was agreed to.

The next amendment was, in the same line, to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, on page 138, line 9, after the word "than", to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, in line 11, after the word "than", to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, in line 17, to strike out "362, 363."

The amendment was agreed to.

The next amendment was, on page 140, line 23, after the word "Banks", to strike out "And Insurance Companies."

The amendment was agreed to.

The next amendment was, on page 141, line 1, after the word "Banks", to strike out "And Insurance Companies. For the purpose of this chapter, in the cases of (1) a life insurance company, as defined in section 201 (a), and (2)", and to insert "For the purposes of this chapter, in the case of."

The amendment was agreed to.

The next amendment was, on page 142, line 1, before the word "months", to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, in line 3, after the word "than", to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, in line 9, after the word "than", to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, in line 11, after the word "than", to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, on page 143, line 10, after the word "than", to strike out "15" and insert "6"; in line 13, after the word "than", to strike out "15" and insert "6"; and in line 17, after the word "than", to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, on page 145, line 1, after the word "than", to strike out "15" and insert "6."

The amendment was agreed to.

Mr. DANAHER. Mr. President, before we leave that section may I ask the Senator from Virginia [Mr. BYRD], who is temporarily in charge of the bill, to point out to me wherein reference is made to the rate under the capital gains and losses section? My recollection is that the rate was made 25 percent.

Mr. BYRD. It is on page 138, line 23, I will say to the Senator, and page 139, line 10. The maximum on long term capital gains is 25 percent.

Mr. DANAHER. I thank the Senator.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 145, line 3, after the ward "Property" to strike out "Improvements."

The amendment was agreed to.

The next amendment was, on page 145, after line 4 to strike out:

(a) Real property improvements treated as capital assets: Section 117 (a) (1) (relating to the definition of "capital assets"), is amended by striking out "or property, used in the trade or business, of a character which is subject to the allowance for depreciation provided in section 23 (l)," and inserting in lieu thereof "or property (other than buildings and similar real property improvements), used in the trade or business, of a character which is subject to the allowance for depreciation provided in section 23 (l)."

(b) Gains and losses from involuntary conversion and from the sale or exchange of certain depreciable property: Section 117 (relating to capital gains and losses) is amended by inserting at the end thereof the following new subsection:

"(j) Gains and losses from involuntary conversion and from the sale or exchange of certain depreciable property:

"(1) Definition of depreciable property: For the purposes of this subsection, the term 'depreciable property' means property

(other than buildings and similar real property improvements), used in the trade or business, of a character which is subject to the allowance for depreciation provided in section 23 (l), held for more than 15 months.

The amendment was agreed to.

The next amendment was, on page 146, after line 5, to insert:

(a) Real property not treated as capital asset: Section 117 (a) (1) (relating to the definition of "capital assets") is amended by inserting immediately before the semicolon at the end thereof a comma and the following: "or real property used in the trade or business of the taxpayer."

(b) Gains and losses from involuntary conversion and from the sale or exchange of certain property used in the trade or business: Section 117 (relating to capital gains and losses) is amended by inserting at the end thereof the following new subsection:

"(j) Gains and losses from involuntary conversion and from the sale or exchange of certain property used in the trade or business:

"(1) Definition of property used in the trade or business: For the purposes of this subsection, the term 'property used in the trade or business' means property used in the trade or business, of a character which is subject to the allowance for depreciation provided in section 23 (l), held for more than 6 months, and real property used in the trade or business, held for more than 6 months, which is not (A) property of a kind which would properly be includible in the inventory of the taxpayer if on hand at the close of the taxable year, or (B) property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business.

The amendment was agreed to.

The next amendment was, on page 147, line 9, after the words "exchanges of", to strike out "depreciable property" and insert "property used in the trade or business."

The amendment was agreed to.

The next amendment was, on the same page, line 15, after "thereof) of", to strike out "depreciable property" and insert "property used in the trade or business."

The amendment was agreed to.

The next amendment was, in line 17, to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, in line 21, to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, on page 148, line 7, after the words 'condemnation of", to strike out "depreciable property" and insert "property used in the trade or business."

The amendment was agreed to.

The next amendment was, in line 9, to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, on page 148, after line 10, to insert:

(c) Holding period of property acquired in exchange for property involuntarily converted:

(1) In general: Section 117 (h) (1) is amended by inserting after the period at the end thereof the following new sentence: "For the purposes of this paragraph, an involuntary conversion described in section 112 (f) shall be considered an exchange of the property converted for the property acquired."

(2) Taxable years to which applicable: The amendment made by paragraph (1) shall be applicable with respect to taxable years beginning after December 31, 1938.

The amendment was agreed to.

The next amendment was, on page 149, after line 4, to insert:

(e) Partial failure to replace property: The last sentence of section 112 (f) is amended to read as follows: "The gain, if any, shall be recognized to the extent of the money which is not so expended (regardless of whether such money is received in one or more taxable years and regardless of whether or not the money which is not so expended constitutes gain)."

The amendment was agreed to.

The next amendment was, on page 149, after line 22, to insert:

Sec. 155. Two-year carry-back of net operating losses.

(a) Determination of carry-back: Section 122 (b) (relating to the amount of the net operating loss carry-over), is amended to read as follows:

"(b) Amount of carry-back and carry-over—

"(1) Net operating loss carry-back: If for any taxable year beginning after December 31, 1941, the taxpayer has a net operating loss, such net operating loss shall be a net operating loss carry-back for each of the 2 preceding taxable years, except that the carry-back in the case of the first preceding taxable year shall be the excess, if any, of the amount of such net operating loss over the net income for the second preceding taxable year computed (A) with the exceptions, additions, and limitations provided in subsection (d) (1), (2), (4), and (6), and (B) by determining the net operating loss deduction for such second preceding taxable year without regard to such net operating loss.

"(2) Net operating loss carry-over: If for any taxable year the taxpayer has a net operating loss, such net operating loss shall be a net operating loss carry-over for each of the 2 succeeding taxable years, except that the carry-over in the case of the second succeeding taxable year shall be the excess, if any, of the amount of such net operating loss over the net income for the intervening taxable year computed (A) with the exceptions, additions, and limitations provided in subsection (d) (1), (2), (4), and (6), and (B) by determining the net operating loss deduction for such intervening taxable year without regard to such net operating loss and without regard to any net operating loss carry-back. For the purposes of the preceding sentence, the net operating loss for any taxable year beginning after December 31, 1941, shall be reduced by the sum of the net income for each of the 2 preceding taxable years (computed for each such preceding taxable year with the exceptions, additions, and limitations provided in subsec. (d) (1), (2), (4), and (6), and computed by determining the net operating loss deduction without regard to such net operating loss or to the net operating loss for the succeeding taxable year)."

(b) Amount of net operating loss deduction: Section 122 (c), relating to the amount of the net operating loss deduction, is amended by inserting in lieu of "amount of the net operating loss carry-over" the following: "aggregate of the net operating loss carry-overs and of the net operating loss carry-backs to the taxable year."

(c) Section 122 (e) is amended to read as follows:

"(e) No carry-back to year prior to 1941: As used in this section, the term 'preceding taxable year' and the term 'preceding taxable years' do not include any taxable year beginning prior to January 1, 1941."

(d) Limitation on interest on overpayment caused by a carry-back of loss or credit: Section 3771 (relating to interest on overpayments) is amended by inserting at the end thereof the following:

"(e) Claims based on carry-back of loss or credit: If the Commissioner determines that any part of an overpayment is attributable to the inclusion in computing the net operating loss deduction for the taxable year of any part of the net operating loss for a succeeding taxable year or to the inclusion in computing the unused excess profits credit adjustment for the taxable year of any part of the unused excess profits credit for a succeeding taxable year, no interest shall be allowed or paid with respect to such part of the overpayment for any period before the filing of a claim for credit or refund of such part of the overpayment or the filing of a petion with the Board, whichever is earlier."

(e) Effective date: The amendments made by this section shall be applicable only to taxable years beginning after December 31, 1940.

The amendment was agreed to.

The next amendment was, on page 153, in line 5, after the word "beginning", to insert "provided the records of the taxpayer are sufficient to permit an accurate computation of income for such years, and the taxpayer consents in writing to the assessment, within such period as may be agreed upon, of any deficiency for such years, even though the statutory period for the assessment of any such deficiency had expired prior to the filing of such consent."

The amendment was agreed to.

The next amendment was, on page 153, line 21, after the word "Facilities", to strike out "to persons other than corporations."

The amendment was agreed to.

The next amendment was, on page 154, line 15, after the words "expiration of", to strike out "three" and insert "six."

The amendment was agreed to.

The next amendment was, in line 19, before the word "Section", to insert "(1)."

The amendment was agreed to.

The next amendment was, on page 155, after line 12, to insert:

(2) Section 124 (d) is amended by inserting at the end thereof the following new paragraph:

"(6) In the case of a taxpayer which has not elected, in the manner prescribed in subsection (b), to take an amortization deduction with respect to an emergency facility, if the date of the proclamation referred to in paragraph (1) of this subsection is before the completion of such emergency facility, then the taxpayer may elect (in accordance with paragraph (4) of this subsection) the amortization deduction provided in subsection (a), using an amortization period beginning with the month in which the construction, reconstruction, erection, or installation of the emergency facility was begun and ending as of the end of the month within which such proclamation was issued or within which occurred the date specified in the certificate referred to in paragraph (1) of this subsection, whichever is the earlier."

The amendment was agreed to.

The next amendment was, on page 156, line 14, after the word "made", to insert "For the purposes of this section, the part of any facility which was constructed, reconstructed, erected, or installed by any

person after December 31, 1939, and not earlier than 6 months prior to the filing of an application for a certificate under subsection (f), and with respect to which part a certificate under subsection (f) has been made, shall be deemed to be an emergency facility, notwithstanding that the other part of such facility was constructed, reconstructed, erected, or installed earlier than 6 months prior to the filing of such application."

The amendment was agreed to.

The next amendment was, in line 25, after the word "any" to strike out "emergency."

The amendment was agreed to.

The next amendment was, on page 158, line 17, after the words "expiration of", to strike out "three" and insert "six."

The amendment was agreed to.

The next amendment was, on page 159, line 2, after the words "expiration of", to strike out "three" and insert "six."

The amendment was agreed to.

The next amendment was, in line 13, after "(3)", to insert "or subsection (d) (6)."

The amendment was agreed to.

The next amendment was, in line 21, after the words "expiration of", to strike out "nine" and insert "twelve."

The amendment was agreed to.

The next amendment was, on page 160, in line 4, to strike out "six" and insert "nine", and in line 6, to strike out "nine" and insert "twelve."

The amendment was agreed to.

The next amendment was, on page 161, line 13, after "extension", to strike out "to persons other than corporations."

The amendment was agreed to.

The next amendment was, in line 17, after "Chapter 1", to insert "Chapter 2B, or Chapter 2E."

The amendment was agreed to.

The next amendment was, at the top of page 162 to insert:

Sec. 158. War losses

(a) Losses from war taxation of property recovered, and basis of property: The Internal Revenue Code is amended by inserting after section 126 the following new section:

"Sec. 127. War losses

"(a) Cases in which loss deemed sustained, and time deemed sustained: For the purposes of this chapter—

"(1) Property not in enemy countries: Property destroyed or seized on or after December 7, 1941, in the course of military or naval operations by the United States or any other country engaged in the present war shall be deemed to have been destroyed or seized on a date chosen by the taxpayer in the manner provided in paragraph (4), which falls between—

"(A) The latest date, as established to the satisfaction of the Commissioner, on which such property may be considered as not destroyed or seized, and

"(B) The earliest date, as established to the satisfaction of the Commissioner, on which such property may be considered as having already been destroyed or seized.

For the purposes of this paragraph property within an area which comes under the control of a country at war with the United States after the date war with such country is declared by the United States shall be deemed to have been destroyed or seized in the course of military or naval operations by such country, and the date specified in subparagraph (A) shall not be later than the latest date determined by the Commissioner as the date on which such area was under the control of the United States or a country not at war with the United States, and the date specified in subparagraph (B) shall not be later than the earliest date determined by the Commissioner as the date on which such area may be considered under the control of the country which is at war with the United States.

"(2) Property in enemy countries: Property within any country at war with the United States, or within an area under the control of any such country on the date war with such country was declared by the United States, shall be deemed to have been destroyed or seized on the date war with such country was declared by the United States.

"(3) Investments referable to destroyed or seized property: Any interest in, or with respect to, property described in paragraph (1) or (2) (including any interest represented by a security as defined in sec. 23 (g) (3) or sec. 23 (k) (3)) which becomes worthless shall be considered to have been destroyed or seized (and the loss therefrom shall be considered a loss from destruction or seizure) on the date chosen by the taxpayer which falls between the dates specified in paragraph (1), or on the date prescribed in paragraph (2), as the case may be, when the last property (described in the applicable paragraph) to which the interest relates would be deemed destroyed or seized under the applicable paragraph. This paragraph shall apply only if the interest would have become worthless if the property had been destroyed. For the purposes of this paragraph, an interest shall be deemed to have become worthless notwithstanding the fact that such interest has a value if such value is attributable solely to the possibility of recovery of the property, compensation (other than insurance or similar indemnity) on account of its destruction or seizure, or both. Section 23 (g) (2) and (k) (2) shall not apply to any interest which under this paragraph is considered to have been destroyed or seized.

"(4) Choice of date: The taxpayer's choice of a date under paragraph (1) or (3) shall be effective only if made within such time and in such manner as may be prescribed by regulations prescribed by the Commissioner with the approval of the Secretary.

"(b) Amount of loss on destroyed or seized property: In the case of any property or interest in or with respect to property deemed to be destroyed or seized under subsection (a)—

"(1) The amount of the loss on account of such property or interest shall be determined with regard to any recoveries with respect thereto in the taxable year but without regard to any possibility of recovering such property or interest, or of receiving any compensation (other than insurance or similar indemnity) on account of such property or interest in the taxable year or in any future taxable year.

"(2) The taxpayer may choose to decrease the amount of the loss by all obligations or liabilities of the taxpayer with respect to such property or interest discharged or satisfied out of the property or interest upon its destruction or seizure, if the Commissioner is satisfied that such obligations or liabilities are so discharged or satisfied in a subsequent taxable year, or that the taxpayer is unable to determine whether or not such obligations or liabilities are in fact discharged or satisfied.

No loss shall be deemed to have been sustained upon the destruction or seizure of such property or interest to the extent that it is compensated for by the discharge or satisfaction of obligations and liabilities of the taxpayer out of such property or interest in the taxable year in which such destruction or seizure is deemed to have occurred. The taxpayer's choice under this subsection shall be effective only if made within such time and in such manner as may be prescribed by regulations prescribed by the Commissioner with the approval of the Secretary.

"(c) Recoveries included in gross income:

"(1) General rule: Upon the recovery in the taxable year of any money or property in respect of property considered under subsection (a) as destroyed or seized in any prior taxable year, the amount of such recovery shall be included in gross income to the extent provided in paragraph (2).

"(2) Amount of gain includible: The amount of the recovery of any money or property in respect of property considered under subsection (a) as destroyed or seized shall be an amount equal to the aggregate of such money and the fair market value of such property, determined as of the date of the recovery. To the extent that such amount plus the aggregate of the amounts of previous such recoveries do not exceed that part of the aggregate of the allowable deductions in prior taxable years on account of the destruction or seizure of property described in subsection (a) which did not result in a reduction of any tax of the taxpayer under this chapter, such amount shall not be includible in gross income and shall not be deemed gain upon the involuntary conversion of property as a result of its destruction or seizure. To the extent that such amount plus the aggregate of the amounts of previous such recoveries exceed that part of the aggregate of such deductions which did not result in a reduction of any tax of the taxpayer under this chapter and do not exceed that part of the aggregate of such deductions which did result in a reduction of any tax of the taxpayer under this chapter, such amount shall be included in gross income but shall not be deemed a gain upon the involuntary conversion of property as a result of its destruction or seizure. To the extent that such amount plus the aggregate of the amounts of previous such recoveries exceed the aggregate of the allowable deductions in prior taxable years on account of the destruction or seizure of property described in subsection (a), such amount shall be considered a gain upon the involuntary conversion of property as a result of its destruction or seizure and shall be recognized or not recognized as provided in section 112 (f). If for any previous taxable year the taxpayer chooses under subsection (b) to treat any obligations and liabilities as discharged or satisfied out of the property or interest described in subsection (a), and if such obligations and liabilities were not so discharged or satisfied, the amount of such obligations and liabilities treated as discharged or satisfied under subsection (b) shall be considered for the purposes of this section as a deduction by reason of this section which did not result in a reduction of any tax of the taxpayer under this chapter. For the purposes of this paragraph an allowable deduction for any taxable year on account of the destruction or seizure of property described in subsection (a) shall, to the extent not allowed in computing the tax of the taxpayer for such taxable year, be considered an allowable deduction which did not result in a reduction of any tax of the taxpayer under this chapter.

"(3) Restoration of value of investments referable to destroyed or seized property: For the purposes of paragraphs (1) and (2), the restoration in whole or in part of the value of any interest described in subsection (a) (3) by reason of any recovery of money or property in respect of property to which such interest related and which was considered under subsection (a) (1) or (2) as destroyed or seized shall be deemed a recovery of property in respect of property considered under subsection (a) as destroyed or seized.

"(d) Basis of recovered property: The unadjusted basis of property recovered in respect of property considered destroyed or seized under subsection (a) shall be deter-

mined under this subsection. Such basis shall be an amount equal to the fair market value of such property, determined as of the date of the recovery, reduced by an amount equal to the excess of the aggregate of such fair market value and the amounts of previous recoveries of money or property in respect of property considered under subsection (a) as destroyed or seized over the aggregate of the allowable deductions in prior taxable years on account of the destruction or seizure of property described in subsection (a), and increased by that portion of the amount of the recovery which under subsection (c) is treated as a recognized gain from the involuntary conversion of property. Upon application of the taxpayer, the aggregate of the bases (determined under the preceding sentence) of any properties recovered in respect of properties considered under subsection (a) as destroyed or seized may be allocated among the properties so recovered in such manner as the Commissioner may determine under regulations prescribed by him with the approval of the Secretary, and the amount so allocated to any such property so recovered shall be the unadjusted basis of such property in lieu of the unadjusted basis of such property determined under the preceding sentence.

"(e) Partial worthlessness of certain investments in destroyed or seized property:

"(1) Destruction or seizure of investment: If a taxpayer owns 50 percent of each class of stock of a corporation, if such corporation has property described in subsection (a) (1) or (2) deemed to be destroyed or seized, the adjusted basis for determining loss of which is at least 75 percent of the adjusted basis for determining loss of all such corporation's property, and if such corporation completely liquidates within 1 year after such property is deemed to be destroyed or seized, or within 6 months after the date of the enactment of the Revenue Act of 1942, whichever is the later, then that part of the loss by the taxpayer on such liquidation which would be attributable to the destruction or seizure of such property, as established to the satisfaction of the Commissioner, shall be treated for the purposes of this chapter as a loss by the taxpayer upon the destruction or seizure of the part of the stock of the taxpayer to which such loss is allocable. Such part of the stock of the taxpayer shall be treated for the purposes of subsections (b), (c), and (d) as property described in subsection (a) (3).

"(2) Application of paragraph (1): For the purposes of paragraph (1)—

"(A) In determining the adjusted basis of all the property of the corporation, there shall be excluded money in the United States, bank deposits, the right to receive money from any person not situated in a country at war with the United States or in a territory under the control of such a country, and obligations issued or guaranteed as to principal or interest by the United States, except that there shall not be excluded any such property which is destroyed or seized as described in subsection (a) within or before the taxable period.

"(B) The adjusted basis of property of such corporation shall be determined as of the date immediately preceding the first date on which any property was destroyed or seized, as described in subsection (a), or as of any later date falling within or before the taxable period on the basis of which such determination will produce a greater amount.

"(f) Determination of tax benefits: The determination as to whether and to what extent an allowable deduction on account of the destruction or seizure of property described in subsection (a) did or did not result in a reduction of any tax of the taxpayer under this chapter shall be made in accordance with regulations prescribed by the Commissioner with the approval of the Secretary."

(b) Taxable years to which amendments applicable: The amendments made by this section shall be applicable to taxable years beginning after December 31, 1940.

The amendment was agreed to.

The next amendment was, on page 172, after line 6, to insert:

Sec. 159. Recovery of unconstitutional Federal taxes.

Chapter 1 of the Internal Revenue Code is amended by inserting after section 127 the following new section:

"Sec. 128. Recovery of unconstitutional Federal taxes.

"Income (excluding interest) attributable to the recovery during the taxable year of a tax imposed by the United States which has been held unconstitutional, and in respect of which a deduction was allowed in a prior taxable year may be excluded from gross income for the taxable year, and the deduction allowed in respect thereof in such prior taxable year treated as not having been allowable, if—

"(a) The taxpayer elects in writing (at such time and in such manner as may be prescribed by regulations prescribed by the Commissioner with the approval of the Secretary) to treat such deduction as not having been allowable for such prior taxable year, and in addition to treat any tax (including interest with respect thereto) under chapter 2D or the corresponding provisions of a prior revenue law paid or incurred in respect of the recovery of such unconstitutional tax as having been paid or incurred in such prior taxable year, and

"(b) The taxpayer consents in writing to the assessment, within such period as may be agreed upon, of any deficiencies resulting from such treatment, even though the statutory period for the assessment of any such deficiency had expired prior to the filing of such consent."

The amendment was agreed to.

The next amendment was, on page 173, in lines 8 and 9, to strike out:

Sec. 141. Foreign tax credit on amount of subsidiary of foreign subsidiary.

The amendment was agreed to.

The next amendment was, on page 173, after line 9, to insert:

Sec. 160. Foreign tax credit.

(a) Choice of credit: Section 131 (a) (relating to allowance of credit for taxes of foreign countries and possessions of the United States) is amended to read as follows:

"(a) Allowance of credit: If the taxpayer chooses to have the benefits of this section, the tax imposed by this chapter, except the tax imposed under section 102 or section 450, shall be credited with:

"(1) Citizens and domestic corporations: In the case of a citizen of the United States and of a domestic corporation, the amount of any income, war-profits, and excess-profits taxes paid or accrued during the taxable year to any foreign country or to any possession of the United States; and

"(2) Resident of United States: In the case of a resident of the United States, the amount of any such taxes paid or accrued during the taxable year to any possession of the United States; and

"(3) Alien resident of United States: In the case of an alien resident of the United States, the amount of any such taxes paid or accrued during the taxable year to any foreign country, if the foreign country of which such alien resident is a citizen or subject, in imposing such taxes, allows a similar credit to citizens of the United States residing in such country; and

"(4) Partnerships and estates: In the case of any such individual who is a member of a partnership or a beneficiary of an estate or trust, his proportionate share of such taxes of the partnership or the estate or trust paid or accrued during the taxable year to a foreign country or to any possession of the United States, as the case may be.

"Such choice may be made or changed at any time prior to the expiration of the period prescribed for making a claim for credit or refund of the tax imposed by this chapter."

(b) Deduction denied if credit chosen: Section 23 (c) (1) (C) (relating to deduction from gross income for taxes) is amended to read as follows:

"(C) Income, war-profits, and excess-profits taxes imposed by the authority of any foreign country or possession of the United States, if the taxpayer chooses to take to any extent the benefits of section 131."

(c) The amendments made by subsections (a) and (b) shall be applicable with respect to taxable years beginning after December 31, 1940.

(d) Limit on credit in case of corporations: Section 131 (b) is amended to read as follows:

"(b) Limit on credit: The amount of the credit taken under this section shall be subject to each of the following limitations:

"(1) The amount of the credit in respect of the tax paid or accrued to any country shall not exceed the same proportion of the tax against which such credit is taken, which the taxpayer's net income from sources within such country bears to his entire net income, in the case of a taxpayer other than a corporation, or to the sum of the normal-tax net income and the amount of the credit for adjusted excess profits net income provided in section 26 (e), in the case of a corporation, for the same taxable year; and

"(2) The total amount of the credit shall not exceed the same proportion of the tax against which such credit is taken, which the taxpayer's net income from sources without the United States bears to his entire net income, in the case of a taxpayer other than a corporation, or to the sum of the normal-tax net income and the amount of the credit for adjusted excess profits net income provided in section 26 (e), in the case of a corporation, for the same taxable year."

The amendment was agreed to.

The next amendment was, on page 176, line 7, before the word "section", to insert "(e) Credit on account of subsidiary or foreign subsidiary."

The amendment was agreed to.

The next amendment was, on page 178, after line 9, to insert:

(b) Credit for taxes in lieu of income, etc., taxes: Section 131 (relating to credit for taxes of foreign countries and possessions of the United States) is amended by inserting at the end thereof the following new subsection:

"(h) Credit for taxes in lieu of income, etc., taxes: For the purposes of this section and section 23 (c) (1), the term 'income, war-profits, and excess-profits taxes' shall include a tax paid in lieu of a tax upon income, war-profits, or excess-profits otherwise generally imposed by any foreign country or by any possession of the United States."

The amendment was agreed to.

The next amendment was, on page 179, line 8, after the word "group", to strike out "the condition that the affiliated group (which, for consolidated income-tax return purposes, shall include corporations subject to the tax imposed by this chapter whether or not such corporations are includible for consolidated excess-profits-tax-return purposes"; in

line 14, after the word "which", to strike out "at any time"; and in line 25, after the word "group", to insert "In the case of a corporation which is not a member of the affiliated group after March 31, 1942, of the last taxable year of such group which begins before April 1, 1942, such corporation shall not be considered a member of the affiliated group for consolidated income-tax-return purposes for such year but shall be considered a member of such group for consolidated excess-profits-tax-return purposes for such year, and the consent required in the case of such corporation shall relate only to the consolidated excess-profits-tax regulations.

The amendment was agreed to.

The next amendment was, on page 180, line 20, after the word "liability" and the period, to insert "Such regulations shall prescribe the amount of the net operating loss deduction of each member of the group which is attributable to a deduction allowed for a taxable year beginning in 1941 on account of property considered as destroyed or seized under section 127 (relating to war losses), and the allowance of the amount so prescribed as a deduction in computing the net income of the group shall not be limited by the amount of the net income of such member."

The amendment was agreed to.

The next amendment was, on page 181, line 14, after the words "exemption of" to strike out "$10,000" and insert "$5,000."

The amendment was agreed to.

The next amendment was, on page 182, line 23, after "United States," to strike out the comma and the words "except corporations electing under section 251 (b) not to be taxed under such section."

The amendment was agreed to.

The next amendment was, on page 183, after line 4, to strike out:

(7) Personal service corporations.

(8) Personal holding companies as defined in section 501.

(9) For consolidated excess-profits-tax-return purposes, corporations exempt under section 727 from the tax imposed by Subchapter E of Chapter 2.

The amendment was agreed to.

The next amendment was, on the same page, after line 17, to strike out:

(g) Includible personal holding companies: If the common parent corporation of a group of corporations which would be an affiliated group were it not for the provisions of paragraph (8) of subsection (c) satisfies the stock ownership requirement provided in section 501 (a) (2), and the gross income of such group, determined under regulations prescribed under subsection (b), satisfies the gross income requirement provided in section 501 (a) (1), the several corporations of such group shall, despite the provisions of paragraph (8) of subsection (c), be considered as includible corporations for consolidated income-tax return purposes.

The amendment was agreed to.

The next amendment was, on page 186, after line 12, to insert:

(b) Section 14 (c) (relating to tax on foreign corporations) is amended—

(1) By striking out in paragraph (1) thereof "or having an office or place of business therein", and

(2) By striking out in paragraph (2) thereof "and not having an office or place of business therein."

The amendment was agreed to.

The next amendment was, on page 187, after line 15, to insert:

Sec. 163. Deductions for estate tax and income tax of estate.

(a) Double deductions denied: Section 162 (relating to net income of estates and trusts) is amended by inserting at the end thereof the following new subsection:

"(e) Amounts allowable under section 812 (b) as a deduction in computing the net estate of a decedent shall not be allowed as a deduction under section 23 except subsection (w), in computing the net income of the estate unless there is filed, within the time and in the manner and form prescribed by the Commissioner, a statement that the items have not been claimed or allowed as deductions under section 812 (b) and a waiver of the right to have such items allowed at any time as deductions under section 812 (b)."

(b) Taxable years to which amendment applicable: The amendment made by subsection (a) insofar as it relates to section 23 (a) (2) shall be applicable with respect to the same taxable years and the same revenue laws as the amendments made by section 121 (relating to nontrade or nonbusiness deductions) of this act, and the other provisions shall be applicable to taxable years beginning after December 31, 1941.

The amendment was agreed to.

The next amendment was, on page 188, after line 12, to strike out:

Sec. 144. Pension trusts.

(a) Exemption of trusts: Section 165 (relating to employees' trusts) is amended to read as follows:

"Sec. 165. Employees' trusts.

"(a) Exemption from tax: A trust forming part of a stock bonus, pension, or profit-sharing plan of an employer for the exclusive benefit of his employees shall not be taxable under this supplement and no other provision of this supplement shall apply with respect to such trust or to its beneficiary—

"(1) If contributions are made to the trust by such employer, or employees, or both, for the purpose of distributing to such employees the earnings and principal of the fund accumulated by the trust in accordance with such plan;

"(2) If under the trust instrument it is impossible for any part of the corpus or income to be (within the taxable year or thereafter) used for, or diverted to, purposes other than for the exclusive benefit of his employees;

"(3) In the case of a pension plan, if the trust or two or more trusts designated by the employer as constituting parts of such a plan, or in the case of a stock bonus plan if the trust or two or more trusts designated by the employer as constituting parts of such a plan, or in the case of a profit-sharing plan if the trust or two or more trusts designated by the employer as constituting parts of such a plan, benefit either—

"(A) Seventy percent or more of all of the employees, excluding employees who have been employed not more than a minimum period prescribed by the terms of the trust instrument, not exceeding 5 years, employees whose customary employment is for not more than 3 hours in any 1 day, and employees whose customary employment is for not more than 3 months in any calendar year, or

"(B) Such employees as qualify under a classification set up by the employer and found by the Commissioner not to be discriminatory in favor of employees who are officers, shareholders, persons whose principal duties consist in supervising the work of other employees, or highly compensated employees; and

"(4) If the contributions or benefits provided under the trust or all of the trusts constituting parts of a stock bonus, pension, or profit-sharing plan of an employer do not have the effect of discriminating in favor of any employee whose compensation is greater than that of other employees.

"(b) Taxability of beneficiary: The amount actually distributed or made available to any distributee by any such trust shall be taxable to him, in the year in which so distributed or made available, under section 22 (b) (2) as if it were an annuity the consideration for which is the amount contributed by the employee.

"(c) Treatment of beneficiary of trust not exempt under subsection (a): If an employees' trust does not satisfy the requirements of subsection (a) during the whole of its taxable year, contributions made by the employer shall be included in the gross income of an employee whose beneficial interest in such contribution is nonforfeitable for the taxable year of the beneficiary in which the contribution is made to the trust, or in case the interest of the beneficiary in the employer's contributions changes from a forfeitable interest to a nonforfeitable interest, in the taxable year of the beneficiary in which such change occurs."

(b) Deduction allowed employer: Section 23 (p) (relating to deduction for amounts paid to pension trusts) is amended to read as follows:

"(p) Compensation paid for personal services under a trust, annuity, or deferred-payment plan.

"(1) General rule: If compensation for personal services rendered is paid or accrued on account of any employee under a stock bonus, pension, profit-sharing, or annuity plan, or similar plan deferring the receipt of such compensation, then such compensation shall not be deductible under subsection (a) but shall be deductible, if deductible under subsection (a) without regard to this subsection, under this subsection but only to the following extent:

"(A) In the taxable year when paid, if the compensation is paid into a trust which is exempt under section 165 (a), in an amount not in excess of 5 percent of the compensation otherwise paid or accrued during the taxable year to the persons who are made the beneficiaries of the contributions paid into the trust. The excess over 5 percent of the amount so paid shall be deductible in equal parts over a period of 60 consecutive months beginning with the beginning of the first month of the year in which the payment is made to the trust.

"(B) In the taxable year when paid if the compensation is paid into a trust in a taxable year of the trust for which the trust is not exempt under section 165 (a) if the employee's rights to such compensation are nonforfeitable.

"(C) If any such compensation is paid through the purchase of an annuity contract for the benefit of an employee:

"(i) Subparagraph (A) shall apply to the deductibility of such compensation if the plan of deferred payment would be exempt under section 165 (a) if it constituted a trust instead of a plan for the purchase of annuity contracts,

"(ii) Subparagraph (B) shall apply to the deductibility of such compensation if the plan of deferred payment would not be exempt under section 165 (a) if it constituted a trust instead of a plan for the purchase of annuity contracts, provided the interest of the employee in such contract is nonforfeitable.

"(D) In the taxable year when paid, in cases not included in subparagraph (A), (B), or (C), if the employee's rights to such compensation are nonforfeitable.

"(E) If amounts are deductible under paragraph (A) or (C) (i) in connection with two or more trusts or one or more trusts and an annuity plan, the total amount deductible in a taxable year under such plans shall not exceed 5 percent of the compensation otherwise paid or accrued during the taxable year to the persons who are made the beneficiaries of the compensation paid into such trusts and for such annuity contracts. The excess over 5 percent of the amount so paid shall be deductible in equal parts over a period of 60 consecutive months beginning with the beginning of the first month of the year in which the payment is made to any of the trusts or for any annuity contract.

If there is no plan but the method of compensating for personal services has the effect of a stock bonus, pension, profit sharing, or annuity plan, or similar plan deferring the receipt of compensation, this paragraph shall apply as if there were such a plan.

"(2) Deductions under prior income tax acts: Any deduction allowable under section 23 (q) of the Revenue Act of 1928 (45 Stat. 802), or the Revenue Act of 1932 (47 Stat. 182), or the Revenue Act of 1934 (48 Stat. 691), under section 23 (p) of the Revenue Act of 1936 (49 Stat. 1661), or the Revenue Act of 1938 (52 Stat. 464), or the Internal Revenue Code for a taxable year beginning before January 1, 1942, which under such section was apportioned to any taxable year beginning after December 31, 1941, shall be allowed as a deduction in the years to which so apportioned to the extent allowable under such section if it had remained in force with respect to such year

"(3) Exemption of trusts under section 165: The provisions of paragraph (1) (A) and paragraph (2) of this subsection shall be subject to the qualification that the deduction under either such subparagraph or paragraph (2) shall be allowable only with respect to a taxable year (whether the year of payment or a subsequent year) of the employer ending within or with a taxable year of the trust with respect to which the trust is exempt from tax under section 165 (a). The provisions of paragraph (1) (C) of this subsection shall be subject to the qualification that the deduction under such subparagraph shall be allowable only with respect to a taxable year (whether the year of payment or a subsequent year) of the employer during the whole of which the annuity plan, if it had been a trust having the same taxable year as the employer, would have been a trust exempt from tax under section 165 (a)."

(c) Employees' annuities: Section 22 (b) (2) (relating to taxation of annuities) is amended as follows:

(1) By striking out the heading and inserting in lieu thereof the following:

"(2) Annuities, etc.

"(A) In general."

(2) By inserting at the end thereof the following new subparagraph:

"(B) Employees' annuities: If an annuity contract is purchased by an employer for an employee under a plan which would meet the requirements of section 165 (a) with respect to pension trusts if the trust device had been used instead of the employer purchasing the annuity contract, the employee shall include in his income the amounts received under such contract in the year received except that if the employee paid any of the consideration for the annuity, the annuity shall be included in his income as provided in subparagraph (A) of this paragraph. In all other cases, if the employee's rights under the contract are nonforfeitable except for failure to pay future premiums, the amount paid by the employer for such annuity contract shall be included in the income of the employee in the year in which the amount is paid, which amount together with any amounts paid by the employee shall constitute the consideration paid for the annuity contract in determining the amount of the annuity required to be included in the income of the employee under subparagraph (A) of this paragraph. If the right of the employee changes from a forfeitable to a nonforfeitable right, in lieu of including, under the preceding sentence, the amount paid by the employer in the income of the employee in the year in which the amount is paid, such amount shall be included in the income of the employee in the year in which the chang occurs."

(d) Taxable years to which amendments applicable: The amendments made by this section shall be applicable only with respect to taxable years beginning after December 31, 1941, except that a plan and the trust or trusts, or annuity contract or contracts, forming a part of a plan in existence on the date of enactment of this act shall be considered as satisfying the requirements of section 165 (a) of the Internal Revenue Code for the first taxable year to which that subsection, as amended by this act, is applicable if the plan and the trust or trusts, or annuity contract or contracts, forming a part of the plan by the last day of such first taxable year satisfy such requirements.

The amendment was agreed to.

The next amendment was, on page 197, after line 5, to insert:

SEC. 164. Pension trusts.

(a) Exemption of trusts: Section 165 (relating to employees' trusts) is amended to read as follows:

"SEC. 165. Employees' trusts.

"(a) Exemption from tax: A trust forming part of a stock bonus, pension, or profit-sharing plan of an employer for the exclusive benefit of his employees or their beneficiaries shall not be taxable under this supplement and no other provision of this supplement shall apply with respect to such trust or to its beneficiary—

"(1) If contributions are made to the trust by such employer, or employees, or both, for the purpose of distributing to such employees or their beneficiaries the earnings and principal of the fund accumulated by the trust in accordance with such plan;

"(2) If under the trust instrument it is impossible, at any time prior to the satisfaction of all liabilities with respect to employees and their beneficiaries under the trust, for any part of the corpus or income to be (within the taxable year or thereafter) used for, or diverted to, purposes other than for the exclusive benefit of his employees or their beneficiaries;

"(3) If the trust, or two or more trusts, or the trust or trusts and annuity plan or plans are designated by the employer as constituting parts of a plan intended to qualify under this subsection which benefits either—

"(A) Seventy percent or more of all the employees, or 80 percent or more of all the employees who are eligible to benefit under the plan if 70 percent or more of all the employees are elibigle to benefit under the plan, excluding in each case employees who have been employed not more than a minimum period prescribed by the plan, not exceeding 5 years, employees whose customary employment is for not more than 20 hours in any 1 week, and employees whose customary employment is for not more than 5 months in any calendar year, or

"(B) Such employees as qualify under a classification set up by the employer and found by the Commissioner not to be discriminatory in favor of employees who are officers, shareholders, persons whose principal duties consist in supervising the work of other employees, or highly compensated employees; and

"(4) If the contributions or benefits provided under the plan do not discriminate in favor of employees who are officers, shareholders, persons whose principal duties consist in supervising the work of other employees, or highly compensated employees.

"(5) A classification shall not be considered discriminatory within the meaning of paragraphs (3) (B) or (4) of this subsection merely because it excludes employees the whole of whose remuneration constitutes 'wages' under section 1426 (a) (1) (relating to the Federal Insurance Contributions Act) or merely because it is limited to salaried or clerical employees. Neither shall a plan be considered discriminatory within the meaning of such provisions merely because the contributions or benefits of or on behalf of the employees under the plan bear a uniform relationship to the total compensation, or the basic or regular rate of compensation, of such employees, or merely because the contributions or benefits based on that part of an employee's remuneration which is excluded from 'wages' by section 1426 (a) (1) differ from the contributions or benefits based on employee's remuneration not so excluded, or differ because of any retirement benefits created under State or Federal law.

"(6) A plan shall be considered as meeting the requirements of paragraph (3) of this subsection during the whole of any taxable year of an employer if on 1 day in each quarter it satisfied such requirements.

"(b) Taxability of beneficiary: The amount actually distributed or made available to any distributee by any such trust shall be taxable to him, in the year in which so distributed or made available, under section 22 (b) (2) as if it were an annuity the consideration for which is the amount contributed by the employee, except that if the total distributions payable with respect to any employee are paid to the distributee within 1 taxable year of the distributee on account of the employee's separation from the service, the amount of such distribution to the extent exceeding the amounts contributed by the employee, shall be considered a gain from the sale or exchange of a capital asset held for more than 6 months.

"(c) Treatment of beneficiary of trust not exempt under subsection (a): Contributions to a trust made by an employer during a taxable year of the employer which ends within or with a taxable year of the trust for which the trust is not exempt under section 165 (a) shall be included in the gross income of an employee for the taxable year in which the contribution is made to the trust in the case of an employee whose beneficial interest in such contribution is nonforfeitable at the time the contribution is made."

(b) Deduction allowed employer: Section 23 (p) (relating to deduction for amounts paid to pension trusts) is amended to read as follows:

"(p) Contributions of an employer to an employees' trust or annuity plan and compensation under a deferred-payment plan.

"(1) General rule: If contributions are paid by an employer to or under a stock bonus, pension, profit-sharing, or annuity plan, or if compensation is paid or accrued on account of any employee under a plan deferring the receipt of such compensation, such contributions or compensation shall not be deductible under subsection (a) but shall be deductible, if deductible under subsection (a) without regard to this subsection, under this subsection but only to the following extent:

"(A) In the taxable year when paid, if the contributions are paid into a pension trust, and if such taxable year ends within or with a taxable year of the trust for which the trust is exempt under section 165 (a), in an amount determined as follows:

"(i) An amount not in excess of 5 percent of the compensation otherwise paid or accrued during the taxable year to all the employees under the trust, but such amount may be reduced for future years if found

by the Commissioner upon periodical examinations at not less than 5-year intervals to be more than the amount reasonably necessary to provide the remaining unfunded cost of both the past and current service credits of all employees under the plan, plus

"(ii) Any excess over the amount allowable under clause (i) necessary to provide with respect to all of the employees under the trust the remaining unfunded cost of both their past and current service credits distributed as a level amount, or a level percentage of compensation, over the remaining future service of each such employee, as determined under regulations prescribed by the Commissioner with the approval of the Secretary, but if such remaining unfunded cost with respect to any three individuals is more than 50 percent of such remaining unfunded cost, the amount of such unfunded cost attributable to such individuals shall be distributed over a period of at least 5 taxable years, or

"(iii) In lieu of the amounts allowable under (i) and (ii) above, an amount equal to the normal cost of the plan, as determined under regulations prescribed by the Commissioner with the approval of the Secretary, plus, if past service or other supplementary pension or annuity credits are provided by the plan, an amount not in excess of 10 percent of the cost which would be required to completely fund or purchase such pension or annuity credits as of the date when they are included in the plan, as determined under regulations prescribed by the Commissioner with the approval of the Secretary, except that in no case shall a deduction be allowed for any amount (other than the normal cost) paid in after such pension or annuity credits are completely funded or purchased.

"(iv) Any amount paid in a taxable year in excess of the amount deductible in such year under the foregoing limitations shall be deductible in the succeeding taxable years in order of time to the extent of the difference between the amount paid and deductible in each such succeeding year and the maximum amount deductible for such year in accordance with the foregoing limitations.

"(B) In the taxable year when paid, in an amount determined in accordance with subparagraph (A) of this paragraph, if the contributions are paid toward the purchase of retirement annuities and such purchase is a part of a plan which meets the requirements of section 165 (a), (3), (4), (5), and (6), and if refunds of premiums, if any, are applied within the current taxable year or next succeeding taxable year toward the purchase of such retirement annuities.

"(C) In the taxable year when paid, if the contributions are paid into a stock bonus or profit-sharing trust, and if such taxable year ends within or with a taxable year of the trust with respect to which the trust is exempt under section 165 (a), in an amount not in excess of 15 percent of the compensation otherwise paid or accrued during the taxable year to the persons who are made the beneficiaries of the contributions paid by the employer under the stock bonus or profit-sharing plan. If in any taxable year beginning after December 31, 1941, there is paid into the trust, or a similar trust then in effect, amounts less than the amounts deductible under the preceding sentence, the difference shall be carried forward and be deductible in the succeeding taxable years in order of time, but the amount so deductible under this sentence in any such succeeding taxable year shall not exceed 15 percent of the compensation otherwise paid or accrued during such succeeding taxable year to the beneficiaries under the plan. In addition, any amount paid into the trust in a taxable year beginning after December 31, 1941, in excess of the amount allowable with respect to such year under the preceding provisions of this subparagraph shall be deductible in the succeeding taxable years in order of time, but the amount so deductible under this sentence in any one such succeeding taxable year, together with the amount allowable under the first sentence of this subparagraph shall not exceed 15 percent of the compensation otherwise paid or accrued during such taxable year to the beneficiaries under the plan. The term 'stock bonus or profit-sharing trust', as used in this subparagraph, shall not include any trust designed to provide benefits upon retirement and covering a period of years, if under the plan the amounts to be contributed by the employer can be determined actuarily as provided in subparagraph (A). If the contributions are made to two or more stock bonus or profit-sharing trusts, such trusts shall be considered a single trust for the purposes of applying the limitations in this subparagraph.

"(D) In the taxable year when paid, if the plan is not one included in paragraphs (A), (B), or (C), if the employees' rights to or derived from such employer's contribution or such compensation are nonforfeitable at the time the contribution or compensation is paid.

"(E) For the purposes of subparagraphs (A), (B), and (C), a taxpayer on the accrual basis shall be deemed to have made a payment on the last day of the year of accrual if the payment is on account of such taxable year and is made within 60 days after the close of the taxable year of accrual.

"(F) If amounts are deductible under subparagraphs (A) and (C), or (B) and (C), or (A) (B), and (C), in connection with two or more trusts, or one or more trusts and an annuity plan, the total amount deductible in a taxable year under such trusts and plans shall not exceed 25 per centum of the compensation otherwise paid or accrued during the taxable year to the persons who are the beneficiaries of the trusts or plans. In addition, any amount paid into such trust or under such annuity plans in a taxable year beginning after December 31, 1941, in excess of the amount allowable with respect to such year under the preceding provisions of this subparagraph shall be deductible in the succeeding taxable years in order of time, but the amount so deductible under this sentence in any one such succeeding taxable year together with the amount allowable under the first sentence of this subparagraph shall not exceed 30 per centum of the compensation otherwise paid or accrued during such taxable years to the beneficiaries under the trusts or plans. This subparagraph shall not have the effect of reducing the amount otherwise deductible under subparagraphs (A), (B), and (C), if no employee is a beneficiary under more than one trust, or a trust and an annuity plan."

If there is no plan but a method of employer contributions or compensation has the effect of a stock bonus, pension, profit-sharing, or annuity plan, or similar plan deferring the receipt of compensation, this paragraph shall apply as if there were such a plan.

"(2) Deductions under prior income-tax acts: Any deduction allowable under section 23 (q) of the Revenue Act of 1928 (45 Stat. 802), or the Revenue Act of 1932 (47 Stat. 182), or the Revenue Act of 1934 (48 Stat. 691), under section 23 (p) of the Revenue Act of 1936 (49 Stat. 1661), or the Revenue Act of 1938 (52 Stat. 464), or the Internal Revenue Code for a taxable year beginning before January 1, 1943, which under such section was apportioned to any taxable year beginning after December 31, 1942, shall be allowed as a deduction for the years to which so apportioned to the extent allowable under such section if it had remained in force with respect to such year,".

(c) Employees' annuities: Section 22 (b) (2) (relating to taxation of annuities) is amended by inserting at the end thereof the following new subparagraph:

"(B) Employees' annuities: If an annuity contract is purchased by an employer for an employee under a plan with respect to which the employer's contribution is deductible under section 23 (p) (1) (B), or if an annuity contract is purchased for an employee by an employer exempt under section 101 (6), the employee shall include in his income the amounts received under such contract for the year received except that if the employee paid any of the consideration for the annuity, the annuity shall be included in his income as provided in subparagraph (a) of this paragraph, the consideration for such annuity being considered the amount contributed by the employee. In all other cases, if the employee's rights under the contract are nonforfeitable except for failure to pay future premiums, the amount contributed by the employer for such annuity contract on or after such rights become nonforfeitable shall be included in the income of the employee in the year in which the amount is contributed, which amount together with any amounts contributed by the employee shall constitute the consideration paid for the annuity contract in determining the amount of the annuity required to be included in the income of the employee under subparagraph (A) of this paragraph."

(d) Taxable years to which amendments applicable: The amendments made by this section shall be applicable as to both the employer and employees only with respect to taxable years of the employer beginning after December 31, 1941, except that—

(1) In the case of a stock bonus, pension, profit-sharing, or annuity plan in effect on or before September 1, 1942,

(A) such a plan shall not become subject to the requirements of section 165 (a) (3), (4), (5), and (6) until the beginning of the first taxable year beginning after December 31, 1942,

(B) such a plan shall be considered as satisfying the requirements of section 165 (a) (3), (4), (5), and (6) for the period beginning with the beginning of the first taxable year following December 31, 1942, and ending December 31, 1943, if the plan satisfies such requirements by December 31, 1943,

(C) if the contribution of an employer to such a plan in the employer's taxable year beginning in 1942 exceeds the maximum amount deductible for such year under section 23 (p) (1), as amended by this section, the amount deductible in such year shall be not less than the sum of—

(i) The amount paid in such taxable year prior to September 1, 1942, and deductible under section 23 (a) or 23 (p) prior to amendment by this section, and

(ii) With respect to the amount paid in such taxable year on or after September 1, 1942, that proportion of the amount deductible for the taxable year under section 23 (p) (1), as amended by this section, which the number of months after August 31, 1942, in the taxable year bears to 12.

(2) In the case of a stock bonus, pension, profit sharing or annuity plan put into effect after September 1, 1942, such a plan shall be considered as satisfying the requirements of section 165 (a) (3), (4), (5), and (6) for the period beginning with the date such plan is put into effect and ending December 31, 1943, if the plan satisfies such requirements by December 31, 1943.

Mr. GEORGE. Mr. President, the Senator from Maryland [Mr. TYDINGS] asked that a portion of this pension trust amendment be passed over. If the amendment shall now be agreed to, I ask consent that it may be reconsidered

if the Senator wishes to make inquiry about it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 211, after line 9, to strike out:

SEC. 201. Life-insurance companies.

(a) Imposition of tax:

(1) In general: There shall be levied, collected, and paid for each taxable year upon the adjusted normal tax net income (as defined in section 202) and upon the adjusted corporation surtax net income (as defined in section 203) of every life insurance company taxes at the rates provided in section 13 or section 14 (b) and in section 15 (b).

(2) Normal tax and corporation surtax net income of foreign life insurance companies: In the case of a foreign life insurance company, the normal tax net income shall be the net income from sources within the United States minus the credit provided in section 26 (a), the credit provided in section 26 (b), and the credit for income subject to the tax imposed by subchapter E of chapter 2 provided in section 26 (e), and the corporation surtax net income shall be the net income from sources within the United States minus the credit provided in section 26 (b) (computed by limiting such credit to 85 percent of the net income reduced by the credit for income subject to the tax imposed by subchapter E of chapter 2 in lieu of 85 percent of the adjusted net income so reduced) and minus the credit for income subject to the tax imposed by subchapter E of chapter 2 provided in section 26 (e).

(3) No United States insurance business: Foreign life insurance companies not carrying on an insurance business within the United States shall not be taxable under this section but shall be taxable as other foreign corporations.

(b) Definition of a life insurance company: When used in this chapter, the term 'life insurance company' means an insurance company (other than a burial or funeral benefit company) engaged in the business of issuing life insurance and annuity contracts (including contracts of combined life, health, and accident insurance, and noncancellable contracts of health and accident insurance), for which the life insurance reserves (as defined in subsection (c) (2) plus the pro rata unearned premiums and the total unpaid losses on noncancellable health and accident policies comprise more than 50 percent of its total reserves. For the purpose of this subsection total reserves means life insurance reserves, unearned premiums, unpaid losses, and all other insurance reserves required by law.

(c) Other definitions: In the case of a life insurance company, when used in this section, section 202, and section 203—

(1) Gross income: The term "gross income" means the gross amount of income received during the taxable year from interest, dividends, rents, and gains from sales or exchanges of capital assets, acquired subsequent to December 31, 1941, to the extent provided in section 117.

(2) Life insurance reserves: The term "life insurance reserves" means amounts computed or estimated on the basis of recognized experience tables with interest assumed as a factor which, with accretions from interest, are set aside to mature or liquidate, either by payment or reinsurance, future unaccrued and contingent claims arising from life insurance contracts and noncancelable health and accident contracts. Such life insurance reserves, except in the case of policies covering life, health, and accident insurance combined in one policy issued on the weekly premium payment plan, continuing for life and not subject to cancelation, must also be required by law.

(3) Adjusted reserves: The term "adjusted reserves" means life insurance reserves computed by adding thereto an amount equal to 7 percent of that portion of such reserves as are computed on a preliminary term basis.

(4) Reserve earnings rate: The term "reserve earnings rate" means a rate computed by adding 2.1125 percent (65 percent of 3¼ percent) to 35 percent of the average rate of interest assumed in computing life insurance reserves. Such average rate shall be calculated by applying each assumed rate of interest to the mean of the amounts of the adjusted reserves computed at that rate at the beginning and end of the taxable year and dividing the sum of the products by the mean of the total adjusted reserves at the beginning and end of the taxable year.

(5) Reserve for deferred dividends: The term 'reserve for deferred dividends' means sums held at the end of the taxable year as a reserve for dividends (other than dividends payable during the year following the taxable year) the payment of which is deferred for a period of not less than 5 years from the date of the policy contract.

(6) Interest paid: The term "interest paid" means—

(A) All interest paid within the taxable year on its indebtedness, except on indebtedness incurred or continued to purchase or carry obligations (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation under this chapter, and

(B) All amounts in the nature of interest, whether or not guaranteed, paid within the taxable year on insurance contracts (or contracts arising out of insurance contracts) which do not involve, at the time of payment, life, health, or accident contingencies.

(7) Net income: The term "net income" means the gross income less—

(A) Tax-free interest: The amount of interest received during the taxable year which under section 22 (b) (4) is excluded from gross income;

(B) Investment expenses: Investment expenses paid during the taxable year. If any general expenses are in part assigned to or included in the investment expenses, the total deduction under this subparagraph shall not exceed one-fourth of 1 percent of the mean of the book value of the invested assets held at the beginning and end of the taxable year plus one-fourth of the amount by which net income computed without any deduction for investment expenses allowed by this subparagraph, exceeds 3¾ percent of the book value of the mean of the invested assets held at the beginning and end of the taxable year;

(C) Real estate expenses: Taxes and other expenses paid during the taxable year exclusively upon or with respect to the real estate owned by the company, not including taxes assessed against local benefits of a kind tending to increase the value of the property assessed, and not including any amount paid out for new buildings, or for permanent improvements or betterments made to increase the value of any property. The deduction allowed by this paragraph shall be allowed in the case of taxes imposed upon a shareholder of a company upon his interest as shareholder, which are paid by the company without reimbursement from the shareholder, but in such cases no deduction shall be allowed the shareholder for the amount of such taxes;

(D) Depreciation: A reasonable allowance, as provided in section 23 (l), for the exhaustion, wear, and tear of property, including a reasonable allowance of obsolescence;

(E) Capital losses: Losses from sales or exchanges of capital assets, acquired subsequent to December 31, 1941, to the extent provided in section 117;

(F) Bond premium deduction: The deduction for amortizable bond premium provided in section 125.

(d) Rental value of real estate: The deduction under subsection (c) (7) (C) or (c) (7) (D) of this section on account of any real estate owned and occupied in whole or in part by a life insurance company, shall be limited to an amount which bears the same ratio to such deduction (computed without regard to this subsection) as the rental value of the space not so occupied bears to the rental value of the entire property.

(e) Deductions of foreign exportations: In the case of a foreign corporation the deductions allowed in this section shall be allowed to the extent provided in Supplement I in the case of a foreign corporation engaged in trade or business within the United States.

(f) Double deductions: Nothing in this section or in section 202 or 203 shall be construed to permit the same items to be twice deducted.

(g) Health and accident insurance: The net income of a life-insurance company writing cancelable health and accident contracts shall be determined by adding to the net income computed under subsection (c) (7) of this section, 3¼ percent of the unearned premiums and unpaid losses on such contracts. For the purposes of this subsection such unearned premiums shall be considered to be not less than 25 percent of the net premiums written during the taxable year on such contracts.

SEC. 202. Adjusted normal tax net income.

(a) Definition: For the purposes of section 201, the term 'adjusted normal tax net income' means the normal tax net income minus the reserve and other policy liability credit provided in subsection (b).

(b) Reserve and other policy liability credit: As used in this section the term 'reserve and other policy liability credit' means an amount computed by multiplying the normal tax net income by a figure, to be determined and proclaimed by the Secretary for each taxable year based on such data with respect to life-insurance companies for the preceding taxable year as the Secretary considers representative for such year in accordance with the following formula: The ratio which (1) the aggregate of the sums of (A) 2 percent of the reserves for deferred dividends, (B) interest paid, and (C) the product of (i) the mean of the adjusted reserves at the beginning and end of the taxable year and (ii) the reserve earnings' rate bears to (2) the aggregate of the net incomes computed without any deduction for tax-free interest.

SEC. 203. Adjusted corporation surtax net income.

(a) Definition: For the purposes of section 201, the term 'adjusted corporation surtax net income' means the corporation surtax net income minus the reserve and other policy liability credit.

(b) Reserve and other policy liability credit: As used in this section, the term 'reserve and other policy liability credit' means an amount computed by multiplying the corporation surtax net income by the figure determined and proclaimed under section 202 (b).

The amendment was agreed to.

The next amendment was, on page 219, after line 14, to insert:

SEC. 201. Life-insurance companies.

(a) Imposition of tax:

(1) In general: There shall be levied, collected, and paid for each taxable year upon the adjusted normal-tax net income (as defined in section 202) and upon the adjusted

corporation surtax net income (as defined in section 203) of every life insurance company taxes at the rates provided in section 13 or section 14 (b) and in section 15 (b).

(2) Foreign life-insurance companies: A foreign life-insurance company carrying on a life-insurance business within the United States if with respect to its United States business it would qualify as a life-insurance company under subsection (b) shall be taxable in the same manner as a domestic life insurance company except that the determinations necessary for the purposes of this chapter shall be made on the basis of the income, disbursements, assets, and liabilities reported in the annual statement for the taxable year of the United States business of such company on the form approved for life insurance companies by the National Association of Insurance Commissioners.

(3) No United States insurance business: Foreign life-insurance companies not carrying on an insurance business within the United States shall not be taxable under this section but shall be taxable as other foreign corporations.

(b) Definition of life-insurance company: When used in this chapter, the term "life-insurance company" means an insurance company which is engaged in the business of issuing life insurance and annuity contracts (either separately or combined with health and accident insurance), or noncancelable contracts of health and accident insurance, and which has life-insurance reserves (as defined in subsection (c)(2)) plus unearned premiums and unpaid losses on noncancelable life, health, or accident policies not included in life-insurance reserves, comprising more than 50 percent of its total reserves. For the purpose of this subsection, total reserves means life-insurance reserves, unearned premiums and unpaid losses not included in life-insurance reserves, and all other insurance reserves required by law. For taxable years beginning after December 31, 1943, a burial or funeral-benefit insurance company engaged directly in the manufacture of funeral supplies or the performance of funeral services shall not be taxable under this section but shall be taxable under section 204 or section 207.

(c) Other definitions: In the case of a life-insurance company—

(1) Gross income: The term "gross income" means the gross amount of income received during the taxable year from interest, dividends, and rents.

(2) Life insurance reserves: The term "life insurance reserves" means amounts which are computed or estimated on the basis of recognized mortality or morbidity tables and assumed rates of interest, and which are set aside to mature or liquidate, either by payment or reinsurance, future unaccrued claims arising from life insurance, annuity, and noncancelable health and accident insurance contracts (including life insurance or annuity contracts combined with noncancelable health and accident insurance) involving, at the time with respect to which the reserve is computed, life, health, or accident contingencies. Such life insurance reserves, except in the case of policies covering life, health, and accident insurance combined in one policy issued on the weekly premium payment plan, continuing for life and not subject to cancelation and except as hereinafter provided in the case of assessment life insurance, must also be required by law. In the case of an assessment life insurance company or association the term 'life insurance reserves' includes sums actually deposited by such company or association with State or Territorial officers pursuant to law as guaranty or reserve funds, and any funds maintained under the charter or articles of incorporation of such company or association exclusively for the payment of claims arising under certificates of membership or policies issued upon the assessment plan and not subject to any other use.

(3) Adjusted reserves: The term "adjusted reserves" means life insurance reserves plus 7 percent of that portion of such reserves as are computed on a preliminary term basis.

(4) Reserve earnings rate: The term "reserve earnings rate" means a rate computed by adding 2.1125 percent (65 percent of 3¼ percent) to 35 percent of the average rate of interest assumed in computing life insurance reserves. Such average rate shall be calculated by multiplying each assumed rate of interest by the mean of the amounts of the adjusted reserves computed at that rate at the beginning and end of the taxable year and dividing the sum of the products by the mean of the total adjusted reserves at the beginning and end of the taxable year.

(5) Reserve for deferred dividends: The term "reserve for deferred dividends" means sums held at the end of the taxable year as a reserve for dividends (other than dividends payable during the year following the taxable year) the payment of which is deferred for a period of not less than 5 years from the date of the policy contract.

(6) Interest paid: The term "interest paid" means—

(A) All interest paid within the taxable year on indebtedness, except on indebtedness incurred or continued to purchase or carry obligations (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation under this chapter, and

(B) All amounts in the nature of interest, whether or not guaranteed, paid within the taxable year on insurance or annuity contracts (or contracts arising out of insurance or annuity contracts) which do not involve, at the time of payment, life, health, or accident contingencies.

(7) Net income: The term "net income" means the gross income less—

(A) Tax-free interest: The amount of interest received during the taxable year which under section 22 (b) (4) is excluded from gross income;

(B) Investment expenses: Investment expenses paid during the taxable year. If any general expenses are in part assigned to or included in the investment expenses, the total deduction under this subparagraph shall not exceed one-fourth of 1 percent of the mean of the book value of the invested assets held at the beginning and end of the taxable year plus one-fourth of the amount by which net income computed without any deduction for investment expenses allowed by this subparagraph, or for tax-free interest allowed by subparagraph (A), exceeds 3¾ percent of the book value of the mean of the invested assets held at the beginning and end of the taxable year;

(C) Real-estate expenses: Taxes and other expenses paid during the taxable year exclusively upon or with respect to the real estate owned by the company, not including taxes assessed against local benefits of a kind tending to increase the value of the property assessed, and not including any amount paid out for new buildings, or for permanent improvements or betterments made to increase the value of any property. The deduction allowed by this paragraph shall be allowed in the case of taxes imposed upon a shareholder of a company upon his interest as shareholder, which are paid by the company without reimbursement from the shareholder, but in such cases no deduction shall be allowed the shareholder for the amount of such taxes;

(D) Depreciation: A reasonable allowance, as provided in section 23 (1), for the exhaustion, wear and tear of property, including a reasonable allowance for obsolescence.

(d) Rental value of real estate: The deduction under subsection (c) (7) (C) or (c) (7) (D) of this section on account of any real estate owned and occupied in whole or in part by a life insurance company, shall be limited to an amount which bears the same ratio to such deduction (computed without regard to this subsection) as the rental value of the space not so occupied bears to the rental value of the entire property.

(e) Amortization of premium and accrual of discount: The gross income, the deduction provided in section 201 (c) (7) (A) and the credit allowed against net income in section 26 (a) shall each be decreased by the appropriate amortization of premium and increased by the appropriate accrual of discount attributable to the taxable year on bonds, notes, debentures, or other evidences of indebtedness held by a life-insurance company. Such amortization and accrual shall be determined (1) in accordance with the method regularly employed by such company, if such method is reasonable, and (2) in all other cases, in accordance with regulations prescribed by the Commissioner with the approval of the Secretary.

(f) Double deductions: Nothing in this section or in section 202 or 203 shall be construed to permit the same items to be twice deducted.

(g) Credits under section 26: For the purposes of this section, in computing normal tax net income and corporation surtax net income, the credits provided in section 26 shall be allowed in the manner and to the extent provided in sections 13 (a) and 15 (a)."

The amendment was agreed to.

The next amendment was, on page 227, in line 1, to insert:

Sec. 202. Adjusted normal-tax net income.

(a) Definition: For the purposes of section 201, the term "adjusted normal-tax net income" means the normal-tax net income minus the reserve and other policy liability credit provided in subsection (b) and plus the amount of the adjustment for certain reserves provided in subsection (c).

(b) Reserve and other policy liability credit: As used in this section the term 'reserve and other policy liability credit' means an amount computed by multiplying the normal-tax net income by a figure, to be determined and proclaimed by the Secretary for each taxable year. This figure shall be based on such data with respect to life-insurance companies for the preceding taxable year as the Secretary considers representative and shall be computed in accordance with the following formula: The ratio which (1) the aggregate of the sums of (A) 2 percent of the reserves for deferred dividends, (B) interest paid, and (C) the product of (i) the mean of the adjusted reserves at the beginning and end of the taxable year and (ii) the reserve earnings rate bears to (2) the aggregate of the excess of net incomes computed without any deduction for tax-free interest, over the adjustment for certain reserves provided in subsection (c).

(c) Adjustment for certain reserves: In the case of a life-insurance company writing contracts other than life insurance or annuity contracts (either separately or combined with noncancelable health and accident insurance), the term 'adjustment for certain reserves' means an amount equal to 3¼ percent of the unearned premiums and unpaid losses on such other contracts which are not included in life-insurance reserves. For the purposes of this subsection such unearned premiums shall not be considered to be less than 25 percent of the net premiums written during the taxable year on such other contracts.

The amendment was agreed to.

The next amendment was, on page 228, after line 9, to insert:

SEC. 203. Adjusted corporation surtax net income.

(a) Definition: For the purposes of section 201, the term "adjusted corporation surtax net income" means the corporation surtax net income minus the reserve and other policy liability credit and plus the adjustment for certain reserves provided in section 202 (c).

(b) Reserve and other policy liability credit: As used in this section, the term 'reserve and other policy liability credit' means an amount computed by multiplying the corporation surtax net income by the figure determined and proclaimed under section 202 (b).

The amendment was agreed to.

The next amendment was, on page 229, after line 1, to strike out "is amended by inserting after the word 'supplement' a comma and the words 'other than life insurance companies'," and inserting "is repealed".

The amendment was agreed to.

The next amendment was, on page 229, after line 4, to strike out:

SEC. 146. Insurance companies other than life or mutual.

And insert:

SEC. 166. Insurance companies other than life or mutual and mutual marine insurance companies.

The amendment was agreed to.

The next amendment was, on page 229, line 18, after the word "company", to insert "and every mutual marine insurance company."

The amendment was agreed to.

The next amendment was, on page 229, line 23, after the word "mutual", to insert "and foreign mutual marine"; and in line 25, after the word "company", to insert "and a foreign mutual marine insurance company".

The amendment was agreed to.

The next amendment was, on page 230, line 19, after the word "company", to insert "and foreign mutual marine insurance companies".

The amendment was agreed to.

The next amendment was, on page 230, after line 23, to strike out:

(b) Section 204 (c) (relating to deductions) is amended by striking out the period at the end thereof and inserting a semicolon and the following new paragraphs:

"(11) The increase during the taxable year in surplus apportioned to policy holders in their capacity as such. Any decrease during the taxable year in surplus apportioned to policy holders in their capacity as such shall be included in gross income;

"(12) Dividends and similar distributions paid to policy holders in their capacity as such;

"(13) The deductions allowed under paragraphs (11) and (12), and the inclusion in gross income under paragraph (11), shall be computed under, and limited to the amount which would be allowed if the taxpayer were taxable under, section 207, except that in determining such amount 'investment income available to pay dividends and similar distributions' shall be an amount which bears the same ratio to the amount ascertained under section 207 (b) (7) as the mean of the sum of (A) unearned premiums and unpaid losses on participating insurance and (B) surplus apportioned to policy holders at the beginning and end of the taxable year bears to the mean of the total ledger assets at the beginning and end of the taxable year."

And insert:

(b) Section 204 (b) (5) (relating to definition of premiums earned) is amended by striking out the semicolon at the end thereof and inserting a period and the following new sentence: "For the purposes of this subsection, unearned premiums shall include life insurance reserves, as defined in section 201 (c) (2), pertaining to the life, burial, or funeral insurance, or annuity business of an insurance company subject to the tax imposed by this section and not qualifying as a life insurance company under section 201 (b);"

(c) Section 204 (c) (relating to deductions) is amended as follows:

(1) by changing paragraph (5) to read:

"(5) Capital losses: Capital losses to the extent provided in section 117 plus losses from capital assets sold or exchanged in order to provide funds to meet abnormal insurance losses. Capital assets shall be considered as sold or exchanged in order to provide funds to meet abnormal insurance losses only to the extent that the gross receipts from their sale or exchange are not greater than the excess of insurance losses incurred during the taxable year over an amount computed by multiplying the premiums earned during the taxable year by the average of the ratios for the 5 preceding taxable years of insurance losses incurred to premiums earned. In the application of section 117 (e) for the purposes of this section, the net capital loss for the taxable year shall be the amount by which losses for such year from sales or exchanges of capital assets exceeds the sum of the gains from such sales or exchanges and whichever of the following amounts is the lesser:

"(A) The corporation surtax net income (computed without regard to gains or losses from sales or exchanges of capital assets); or

"(B) Losses from the sale or exchange of capital assets sold or exchanged to provide funds to meet abnormal insurance losses."

And (2) by striking out the period at the end thereof and inserting a semicolon and the following new paragraph:

"(11) Dividends and similar distributions paid or declared to policyholders in their capacity as such. The term 'paid or declared' shall be construed according to the method of accounting regularly employed in keeping the books of the insurance company";

(d) Section 204 is amended by adding at the end thereof the following new subsection:

"(f) Credits under section 26: For the purposes of this section, in computing normal tax net income and corporation surtax net income, the credits provided in section 26 shall be allowed in the manner and to the extent provided in sections 13 (a) and 15 (a)."

The amendment was agreed to.

The next amendment was, on page 234, after line 2, to strike out:

SEC. 147. Mutual insurance companies other than life.

(a) Exempt companies: Section 101 (11) is amended to read as follows:

"(11) Mutual hail, cyclone, casualty, liability, or fire insurance companies or associations (including interinsurers and reciprocal underwriters) writing insurance contracts solely on a mutual basis, if the mean of the ledger assets held at the beginning and end of the taxable year does not exceed $100,000."

(b) Taxable companies: Section 207 (relating to taxation of mutual insurance companies other than life), is amended to read as follows:

"SEC. 207. Mutual insurance companies other than life.

"(a) Imposition of tax: There shall be levied, collected, and paid for each taxable year upon the net income of every mutual insurance company (other than a life insurance company) the corporation surtax net income of which is over $50,000, a tax computed as follows:

"(1) Normal tax: A normal tax on the normal-tax net income, computed at the rates provided in section 13, or 48 percent of the amount by which the normal-tax net income exceeds $50,000, whichever is the lesser; plus

"(2) Surtax: A surtax on the corporation surtax net income, computed at the rates provided in section 15 (b), or 42 percent of the amount by which the corporation surtax net income exceeds $50,000, whichever is the lesser.

"(3) Ledger assets over $100,000 but less than $150,000: If the mean of the ledger assets held at the beginning and end of the taxable year is over $100,000 but less than $150,000, the tax under this subsection shall be an amount which bears the same proportion to the sum of the lesser amounts ascertained under paragraphs (1) and (2) as the excess over $100,000 of such mean of the ledger assets bears to $50,000.

"(4) Normal tax and corporation surtax net income of foreign mutual insurance companies other than life: In the case of a foreign mutual insurance company (other than a life insurance company), the normal-tax net income shall be the net income from sources within the United States minus the credit provided in section 26 (a), the credit provided in section 26 (b), and the credit for income subject to the tax imposed by subchapter E of chapter 2 provided in section 26 (e), and the corporation surtax net income shall be the net income from sources within the United States minus the credit provided in section 26 (b) (computed by limiting such credit to 85 percent of the net income reduced by the credit for income subject to the tax imposed by subchapter E of chapter 2 in lieu of 85 percent of the adjusted net income so reduced), and minus the credit for income subject to the tax imposed by subchapter E of chapter 2 provided in section 26 (e).

"(5) No United States insurance business: Foreign mutual insurance companies (other than a life insurance company) not carrying on an insurance business within the United States shall not be taxable under this section but shall be taxable as other foreign corporations.

"(b) Definition of income, etc.: In the case of an insurance company subject to the tax imposed by this section—

"(1) Gross income: 'Gross income' means the sum of (A) investment income as defined in paragraph (2), (B) underwriting income as defined in paragraph (4), and (C) all other items constituting gross income under section 22;

"(2) Investment income: 'Investment income' means the gross amount of income during the taxable year from interest, dividends, rents, and gains from sales or exchanges of capital assets to the extent provided in section 117, less (A) losses from sales or exchanges of capital assets to the extent provided in section 117, (B) investment expenses, (C) real estate expenses, (D) depreciation, and (E) interest paid;

"(3) Investment expenses, etc.: As used in this section the terms 'investment expenses,' 'real estate expenses,' 'depreciation,' and 'interest paid' shall have the same meaning, and shall be subject to the same limitations, as in section 201 (c) (7) (B), (C), and (D), section 201 (c) (6) (A), and section 201 (d) (relating to life insurance companies), but shall be computed as if the word 'paid' wherever it appears therein were 'paid or accrued';

"(4) Underwriting income: 'Underwriting income' means net premiums received during the taxable year on insurance contracts plus any decrease during such year in any

of the items specified in subparagraph (C) less:

"(A) Losses paid in excess of salvage and reinsurance recoverable;

"(B) Underwriting expenses and loss adjustment expenses paid or accrued;

"(C) The increase during the taxable year in any of the following items: (i) unearned premiums; (ii) unpaid losses; and (iii) surplus apportioned to policyholders;

"(D) Dividends and similar distributions paid to policyholders out of premium income and surplus apportioned to policyholders. Dividends and similar distributions paid to policyholders shall be considered to be paid out of premium income and surplus apportioned to policyholders only to the extent they exceed the sum of the investment income of the taxable year available to pay dividends and similar distributions in that year plus the investment income of the preceding taxable years (if beginning after December 31, 1941) available to pay such dividends and similar distributions in such years but not so used;

"(5) Net premiums received: 'Net premiums received during the taxable year on insurance contracts' means gross premiums (including premium deposits and assessments) written or received on insurance contracts less return premiums and premiums paid for reinsurance. Amounts returned where the amount is not fixed in the insurance contract but depends upon the experience of the company or the discretion of the management shall not be included in return premiums but shall be treated as dividends to policyholders under paragraph (4) (D);

"(6) Surplus apportioned to policyholders:

"(A) in general: 'Surplus apportioned to policyholders' means such portion of the surplus of the company as is held for distribution to policyholders before the expiration of 5 years after the termination of their policies in equitable proportion to the amount of the surplus contributed by each policyholder or group of policyholders and includes amounts set aside for the payment of dividends and similar distributions to policyholders. The amount of surplus apportioned to policyholders shall in no case be considered to exceed an amount which would leave unapportioned surplus equal to or less than the unapportioned surplus as of the beginning of the first taxable year which begins after December 31, 1941;

"(B) Limitation on amount includible: For the purposes of subparagraph (A), no amount shall be included in surplus apportioned to policyholders unless, under the provisions of the insurance contract, or by the bylaws of the company, the distribution of such amount is specifically required and the distribution is not at the discretion of the directors of the company. The fact that the distribution of an amount can be withheld in order to comply with requirements of State law, or may be subjected to lien or assessment to meet abnormal loss or decline in market value of assets, shall not prevent the inclusion of such amount in surplus apportioned to policyholders. In no case shall an amount held for more than five years from the termination of the policy be included in surplus apportioned to policyholders;

"(C) Special rule for taxable years beginning after December 31, 1941, and before January 1, 1945: For the purposes of subparagraph (A), for taxable years beginning after December 31, 1941, and before January 1, 1945, an amount shall be included in surplus apportioned to policyholders if includible under subparagraph (B) or if payable to policyholders under the established normal practice of the company;

"(7) Investment income available to pay dividends and similar distributions: 'Investment income available to pay dividends and similar distributions' means investment income for the taxable year (computed without regard to section 117 (d) and (e) less (A) an amount equal to 21 percent of the interest on obligations with respect to which a credit is allowable under section 26 (a) (relating to interest on certain obligations of the United States), and (B) an amount equal to 45 percent of so much of the investment income (computed with regard to section 117 (d) and (e)) as exceeds the sum of (i) the interest on obligations with respect to which a credit is allowable under section 26 (a), plus (ii) the interest on obligations described in section 22 (b) (4), plus (iii) the credit provided in section 26 (b) (relating to dividends received on stock of domestic corporations);

"(8) Net income: 'Net income' means the gross income as defined in paragraph (1) of this subsection less the following deductions:

"(A) All deductions as provided in section 23 to the extent not otherwise allowed;

"(B) The amount of the net operating loss deduction provided in section 23 (s) except that in computing such deduction the terms 'third preceding taxable year', 'second preceding taxable year', and 'first preceding taxable year' as used in section 122 shall not include any taxable year beginning before January 1, 1943; and

"(C) The amount of interest which under section 22 (b) (4) is excluded for the taxable year from gross income.

"(c) Deductions of foreign corporations: In the case of a foreign corporation the deductions allowed in this section shall be allowed to the extent provided in Supplement I in the case of a foreign corporation engaged in trade or business within the United States.

"(d) Double deductions: Nothing in this section shall be construed to permit the same item to be twice deducted."

The amendment was agreed to.

The next amendment was, on page 242, after line 8, to insert:

Sec. 167. Mutual insurance companies other than life or marine.

(a) Exempt companies: Section 101 (11) is amended to read as follows:

"(11) Mutual insurance companies or associations other than life or marine (including interinsurers and reciprocal underwriters) writing no insurance contracts other than mutual insurance contracts, if the gross amount received during the taxable year from interest, dividends, rents, and premiums (including deposits and assessments) does not exceed $75,000;".

(b) Taxable companies: Section 207 (relating to taxation of mutual insurance companies other than life) is amended to read as follows:

"Sec. 207. Mutual insurance companies other than life or marine.

"(a) Imposition of tax: There shall be levied, collected, and paid for each taxable year upon the income of every mutual insurance company (other than a life or a marine insurance company) a tax computed under paragraph (1) or paragraph (2) whichever is the greater:

"(1) If the corporation surtax net income is over $3,000 a tax computed as follows:

"(A) Normal tax: A normal tax on the normal-tax net income, computed at the rates provided in section 13 or section 14 (b), or 30 percent of the amount by which the normal-tax net income exceeds $3,000, whichever is the lesser; plus

"(B) Surtax: A surtax on the corporation surtax net income, computed at the rates provided in section 15 (b), or 20 percent of the amount by which the corporation surtax net income exceeds $3,000, whichever is the lesser.

"(2) If for the taxable year the gross amount of income from interest, dividends, rents, and net premiums, minus dividends to policy holders, minus the interest which under section 22 (b) (4) is excluded from gross income, exceeds $75,000, a tax equal to the excess of—

"(A) 1 percent of the amount so computed, or 2 percent of the excess of the amount so computed over $75,000, whichever is the lesser, over

"(B) the amount of the tax imposed under Subchapter E of Chapter 2.

This paragraph shall not apply with respect to which interinsurers or reciprocal underwriters.

"(3) Gross amount received over $75,000 but less than $125,000: If the gross amount received during the taxable year from interest, dividends, rents, and premiums (including deposits and assessments) is over $75,000 but less than $125,000, the amount ascertained under paragraph (1) and paragraph (2) (A) shall be an amount which bears the same proportion to the amount ascertained under such paragraph (1) or paragraph 2 (A), computed without reference to this paragraph, as the excess over $75,000 of such gross amount received bears to $50,000.

"(4) Foreign mutual insurance companies other than life or marine: In the case of a foreign mutual insurance company (other than a life or marine insurance company), the net income shall be the net income from sources within the United States and the gross amount of income from interest, dividends, rents, and net premiums shall be the amount of such income from sources within the United States.

"(5) No United States insurance business: Foreign mutual insurance companies (other than a life or marine insurance company) not carrying on an insurance business within the United States shall not be taxable under this section but shall be taxable as other foreign corporations.

"(b) Definition of income, etc.: In the case of an insurance company subject to the tax imposed by this section—

"(1) Gross investment income: 'Gross investment income' means the gross amount of income during the taxable year from interest, dividends, rents, and gains from sales or exchanges of capital assets to the extent provided in section 117;

"(2) Net premiums: 'Net premiums' means gross premiums (including deposits and assessments) written or received on insurance contracts during the taxable year less return premiums and premiums paid or incurred for reinsurance. Amounts returned where the amount is not fixed in the insurance contract but depends upon the experience of the company or the discretion of the management shall not be included in return premiums but shall be treated as dividends to policyholders under paragraph (3);

"(3) Dividends to policyholders: 'Dividends to policyholders' means dividends and similar distributions paid or declared to policyholders. The term 'paid or declared' shall be construed according to the method regularly employed in keeping the books of the insurance company;

"(4) Net income: The term 'net income' means the gross investment income less—

"(A) Tax-free interest: The amount of interest which under section 22 (b) (4) is excluded for the taxable year from gross income;

"(B) Investment expenses: Investment expenses paid or accrued during the taxable year. If any general expenses are in part assigned to or included in the investment expenses, the total deduction under this subparagraph shall not exceed one-fourth of 1 percent of the mean of the book value of the invested assets held at the beginning and end of the taxable year plus one-fourth of the amount by which net income computed

without any deduction for investment expenses allowed by this subparagraph, or for tax-free interest allowed by subsection (b) (4) (A), exceeds 3¾ percent of the book value of the mean of the invested assets held at the beginning and end of the taxable year;

"(C) Real-estate expenses: Taxes and other expenses paid or accrued during the taxable year exclusively upon or with respect to the real estate owned by the company, not including taxes assessed against local benefits of a kind tending to increase the value of the property assessed, and not including any amount paid out for new buildings, or for permanent improvements or betterments made to increase the value of any property. The deduction allowed by this paragraph shall be allowed in the case of taxes imposed upon a shareholder of a company upon his interest as shareholder, which are paid or accrued by the company without reimbursement from the shareholder, but in such cases no deduction shall be allowed the shareholder for the amount of such taxes;

"(D) Depreciation: A reasonable allowance, as provided in section 23 (l), for the exhaustion, wear, and tear of property, including a reasonable allowance for obsolescence;

"(E) Interest paid or accrued: All interest paid or accrued within the taxable year on indebtedness, except on indebtedness incurred or continued to purchase or carry obligations (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation under this chapter.

"(F) Capital losses: Capital losses to the extent provided in section 117 plus losses from capital assets sold or exchanged in order to provide funds to meet abnormal insurance losses. Capital assets shall be considered as sold or exchanged in order to provide funds to meet abnormal insurance losses only to the extent that the gross receipts from their sale or exchange are not greater than the excess of insurance losses incurred during the taxable year over an amount computed by multiplying the premiums earned during the taxable year by the average of the ratios for the 5 preceding taxable years of insurance losses incurred to premiums earned. In the application of section 117 (e) for the purposes of this section, the net capital loss for the taxable year shall be the amount by which losses for such year from sales or exchanges of capital assets exceeds the sum of the gains from such sales or exchanges and whichever of the following amounts is the lesser:

"(i) The corporation surtax net income (computed without regard to gains or losses from sales or exchanges of capital assets); or

"(ii) Losses from the sale or exchange of capital assets sold or exchanged to provide funds to meet abnormal insurance losses.

"(c) Rental value of real estate: The deduction under subsection (b) (4) (C) or (b) (4) (D) of this section on account of any real estate owned and occupied in whole or in part by a mutual insurance company other than life or marine, shall be limited to an amount which bears the same ratio to such deduction (computed without regard to this subsection) as the rental value of the space not so occupied bears to the rental value of the entire property.

"(d) Amortization of premium and accrual of discount: The gross amount of income during the taxable year from interest, the deduction provided in subsection (b) (4) (A), and the credit allowed against net income in section 26 (a) shall each be decreased by the appropriate amortization of premium and increased by the appropriate accrual of discount attributable to the taxable year on bonds, notes, debentures, or other evidences of indebtedness held by a mutual insurance company other than life or marine. Such amortization and accrual shall be determined (1) in accordance with the method regularly employed by such company, if such method is reasonable, and (2) in all other cases, in accordance with regulations prescribed by the Commissioner with the approval of the Secretary.

"(e) Deductions of foreign corporations: In the case of a foreign corporation the deductions allowed in this section shall be allowed to the extent provided in Supplement I in the case of a foreign corporation engaged in trade or business within the United States.

"(f) Double deductions: Nothing in this section shall be construed to permit the same item to be twice deducted.

"(g) Credits under section 26: For the purposes of this section, in computing normal tax net income and corporation surtax net income, the credits provided in section 26 shall be allowed in the manner and to the extent provided in sections 13 (a) and 15 (a)."

Mr. LA FOLLETTE. Mr. President, I invite the attention of the Senator from Georgia to the amendment beginning on page 242, line 9, under the heading "Exempt Companies." Beginning with line 13 the language is:

(11) Mutual insurance companies or associations other than life or marine (including interinsurers and reciprocal underwriters) writing no insurance contracts other than mutual insurance contracts—

And so forth. I should like to suggest to the Senator from Georgia the wisdom of striking out the words "writing no insurance contracts other than mutual insurance contracts." It was called to our attention during the discussion in the subcommittee that this language is subject to confused interpretation. It has been brought to my attention and I have conferred with Mr. Stam, of the joint committee staff, about it, and he sees no objection to those words being stricken. I therefore move to strike out, in line 15, the words "writing no insurance contracts other than mutual insurance contracts."

Mr. GEORGE. Mr. President, I have no objection to striking those words. There is some doubt about the language there used expressing precisely what is intended. That would put that feature of it in conference. The whole section might be in conference anyway. I have no objection to striking out those words.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin to the committee amendment on page 242, beginning in line 9.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 250, line 19, after the word "section", to strike out "204 (c) (12), and section 207 (b) (4) (D), relating to insurance companies", and insert "204 (c) (11) and 207 (a) (2) and (b) (3) (where the reference is to dividends of insurance companies paid to policyholders)."

The amendment was agreed to.

The next amendment was, on page 251, after line 15, to insert:

SEC. 170. Period for filing petition extended in certain cases.

(a) Period extended: Section 272 (a) (1) (relating to period for filing petition with Board of Tax Appeals) is amended by inserting at the end thereof the following new sentence: "If the notice is addressed to a person outside the States of the Union and the District of Columbia, the period specified in this paragraph shall be 150 days in lieu of 90 days."

(b) Effective date: The amendment made by this section shall be applicable with respect to notices of deficiency mailed after the date of the enactment of this act.

The amendment was agreed to.

The next amendment was, on page 253, line 6, after the numeral "(3)" to strike out "limitations" and insert "exceptions."

The amendment was agreed to.

The next amendment was, on page 258, line 19, after the word "trust" to insert "or which is a common trust fund or similar fund excluded by section 3 (c) (3) of such act from the definition of 'investment company' and is not included in the definition of 'common trust fund' by section 169."

The amendment was agreed to.

The next amendment was, on page 259, after line 8, to strike out:

(3) An amount not less than 90 percent of its net income for the taxable year, computed without regard to net long-term and net short-term capital gains, is distributed to its shareholders as taxable dividends during the taxable year; and

The amendment was agreed to.

The next amendment was, on page 262, after line 16, to strike out:

(5) For such year it complies with all rules and regulations prescribed by the Commissioner, with the approval of the Secretary, for the purpose of ascertaining the actual ownership of its outstanding stock.

And insert:

(4) If it files with its return for the taxable year an election to be a regulated investment company or has made such election for a previous taxable year which began after December 31, 1941.

The amendment was agreed to.

The next amendment was, on page 263, at the beginning of line 1, to strike out:

SEC. 362. Tax on regulated investment companies.

(a) Supplement Q net income: For the purposes of this chapter the term 'Supplement Q net income' means the adjusted net income, computed without the net operating loss deduction provided in section 23 (s), minus the basic surtax credit computed under section 27 (b) without the application of paragraphs (2) and (3). For the purposes of this subsection, the net income shall be computed without regard to section 47 (c).

(b) Imposition of tax: There shall be levied, collected, and paid for each taxable year upon the supplement Q net income of every regulated investment company a tax equal to 24 percent of the amount thereof.

SEC. 363. Surtax on regulated investment companies.

(a) Supplement Q surtax net income: For the purposes of this chapter the term "Supplement Q surtax net income" means the net income, computed without the net operating loss deduction provided in section 23 (s), minus the dividends paid during the taxable year increased by the consent dividends credit provided in section 28. For the purposes of this subsection the amount of dividends paid shall be computed in the same manner as provided in subsections (d), (e), (f), (g), (h), and (i) of section 27 for the

purpose of the basic surtax credit provided in section 27. For the purposes of this subsection, the net income shall be computed without regard to section 47 (c).

(b) Imposition of tax: There shall be levied, collected, and paid for each taxable year upon the supplement Q surtax net income of every regulated investment company a surtax equal to 21 percent of the amount thereof.

Sec. 364. Alternative tax on capital gains.

For the purpose of computing the alternative tax under section 117 (c) (1), the 25 percent tax imposed upon the amount by which the net long-term capital gain exceeds the net short-term capital loss shall not be in excess of 25 percent of the supplement Q surtax net income.

The amendment was agreed to.

The next amendment was, on page 264, after line 13, to insert:

Sec. 362. Tax on regulated investment companies.

(a) Earnings and profits: The earnings and profits of a regulated investment company for any taxable year beginning after December 31, 1941 (but not its accumulated earnings and profits) shall not be reduced by any amount which is not allowable as a deduction in computing its net income for such taxable year.

(b) Method of taxation of companies and shareholders: In the case of a regulated investment company which distributes during the taxable year to its shareholders as taxable dividends other than capital gain dividends an amount not less than 90 percent of its net income for the taxable year computed without regard to net long-term and net short-term capital gains, and complies for such year with all rules and regulations prescribed by the Commissioner, with the approval of the Secretary, for the purpose of ascertaining the actual ownership of its outstanding stock:

(1) Its Supplement Q net income shall be its adjusted net income (computed by excluding the excess, if any, of the net long-term capital gain over the net short-term capital loss, and without the net operating loss deduction provided in section 23 (s)) minus the basic surtax credit (excluding capital gain dividends) computed under section 27 (b) without the application of paragraphs (2) and (3). For the purposes of this paragraph, the net income shall be computed without regard to section 47 (c).

(2) Its Supplement Q surtax net income shall be its net income (computed by excluding the excess, if any, of the net long-term capital gain over the net short-term capital loss, and without the net operating loss deduction provided in section 23 (s)) minus the dividends (other than capital gain dividends) paid during the taxable year increased by the consent dividends credit provided by section 28. For the purposes of this paragraph and paragraph (5) the amount of dividends paid shall be computed in the same manner as provided in subsections (d), (e), (f), (g), (h), and (l) of section 27 for the purpose of the basic surtax credit provided in section 27. For the purposes of this paragraph the net income shall be computed without regard to section 47 (c).

(3) There shall be levied, collected, and paid for each taxable year upon its Supplement Q net income a tax equal to 24 percent of the amount thereof.

(4) There shall be levied, collected, and paid for each taxable year upon its Supplement Q surtax net income a tax equal to 16 percent of the amount thereof.

(5) There shall be levied, collected, and paid for each taxable year a tax of 25 percent of the excess, if any, of the net long-term capital gain over the sum of the net short-term capital loss and the amount of capital gain dividends paid during the year.

(6) A capital gain dividend shall be treated by the shareholders as gains from the sale or exchange of capital assets held for more than 6 months.

(7) A capital gain dividend means any dividend or part thereof which is designated by the company as a capital gain dividend in a written notice mailed to its shareholders at any time prior to the expiration of 30 days after close of its taxable year. If the aggregate amount so designated with respect to a taxable year of the company is greater than the excess of the net long-term capital gain over the net short-term capital loss of the taxable year, the portion of each distribution which shall be a capital gain dividend shall be only that proportion of the amount so designated which such excess of the net long-term capital gain over the net short-term capital loss bears to the aggregate amount so designated.

The amendment was agreed to.

The next amendment was, on page 267, line 17, after the words "case of", to strike out "regulated investment companies, as defined in" and insert "a corporation subject to the tax imposed by"; and in line 18, after the words "Supplement Q", to insert "(relating to regulated investment companies)."

The amendment was agreed to.

The next amendment was, on page 267, after line 20, to insert:

(c) Retroactive provisions relating to earnings and profits: For any taxable year beginning after December 31, 1935, and before January 1, 1942, of a corporation which filed an income tax return as a mutual investment company, the earnings and profits of such corporation for such taxable year (but not its accumulated earnings and profits) shall not be reduced by any amount which is not allowable as a deduction in computing its net income for such taxable year; except that this subsection shall not result in earnings and profits of the taxable year in excess of the aggregate of the distributions made by the corporation to its shareholders during the taxable year exclusive of the amounts, if any, which the corporation advised its shareholders to be nontaxable for Federal income-tax purposes.

The amendment was agreed to.

The next amendment was, on page 269, line 18, after the word "redemption", to insert "(except a distribution having the effect of a dividend)."

The amendment was agreed to.

The next amendment was, on page 270, line 23, after the numerals "79", to insert "k."

The amendment was agreed to.

The next amendment was, on page 273, line 16, after the numerals "79", to insert "k."

The amendment was agreed to.

The next amendment was, on page 274, after line 16, to insert:

(h) Basis: Section 113 (a) (17) is amended to read as follows:

"(17) Property acquired in connection with exchanges and distributions in obedience to certain orders of the Securities and Exchange Commission: If the property was acquired in a taxable year beginning before January 1, 1942, in any manner described in section 372 prior to its amendment by the Revenue Act of 1942, the basis shall be that prescribed in such section (prior to its amendment by such act) with respect to such property. If the property was acquired in a taxable year beginning after December 31, 1941, in any manner described in section 372 (other than subsection (a) (2)) after its amendment by such act, the basis shall be that prescribed in such section (after its amendment by such act) with respect to such property."

The amendment was agreed to.

The next amendment was, on page 275, after line 10, to strike out:

Sec. 153. Collection of tax at source.

(a) Requirement of collection at source: The Internal Revenue Code is amended by inserting after Supplement T of Chapter 1 the following new supplement:

"SUPPLEMENT U—COLLECTION OF TAX AT SOURCE ON DIVIDENDS, BOND INTEREST, AND WAGES

"Sec. 425. Definitions.

"As used in this supplement—

"(a) Pay roll period: The term 'pay roll period' means a period for which a payment of remuneration is ordinarily made to the employee by his employer.

"(b) Wages: The term 'wages' means all remuneration for services performed by an employee for his employer, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include remuneration paid (1) for services performed by a member of the military or naval forces of the United States, other than pensions and retired pay, (2) for agricultural labor (as defined in section 1426 (h)), (3) for domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, (4) for casual labor not in the course of the employer's trade or business, (5) for services as an employee of a nonresident alien individual, foreign partnership, or foreign corporation, if such individual, partnership, or corporation is not engaged in trade or business in the United States, (6) for services as an employee of a foreign government or any wholly owned instrumentality thereof, or (7) for services performed as an employee while outside the United States (as defined in section 3797 (a) (9)), unless the major part of the services performed during the calendar year by such employee for his employer are performed within the United States

"(c) Recipient: The term 'recipient of the income' means any person entitled to credit against the tax imposed by this chapter, the tax withheld and collected at the source under this supplement upon the dividends, bond interest, or wages of such person.

"(d) Bond: The term 'bond' means any bond, debenture, note, or certificate or other evidence of indebtedness issued by any corporation (including those issued by a government or political subdivision thereof, or any agency or instrumentality of any one or more of the foregoing), with interest coupons or in registered form; but shall not include any such evidence of indebtedness issued by a foreign government or any wholly owned instrumentality thereof or issued by a foreign corporation which is not engaged in trade or business in the United States.

"(e) Dividends: The term 'dividends' shall not include any dividends paid by a foreign corporation which is not engaged in trade or business in the United States.

"(f) Withholding agent: The term 'withholding agent' means any person required to withhold, collect, and pay the tax under section 426.

"(g) Employee: The term 'employee' includes (in addition to any individual who is a servant under the law of master and servant) any individual who performs service, of whatever nature, for a person (including the United States, a State, Territory, or any political subdivision thereof, or the Distric of Columbia, or any agency or instrumentality of any one or more of the foregoing), unless the service is performed by the individual in pursuit of his own independently established business. The term 'employee' also includes an officer of a corporation.

"(h) Employer: The term 'employer' includes any person for whom an individual performs any service, of whatever nature, as the employee of such person.

"SEC. 426. Tax collected at source.

"(a) Requirement of withholding: There shall be withheld, collected, and paid (except in the cases provided for in section 143) upon all dividends, bond interest, and wages of every person, to the extent that such dividends, interest, and wages are includible in gross income, a tax equal to 10 percent of (1) such dividends and interest, and (2) the excess of each payment of such wages over the withholding deduction allowable under this supplement; except that, for the calendar year 1943, such tax shall be 5 percent. As used in this subsection, the term 'person' shall not include any person (other than a partnership or a common trust fund) exempt from tax under this chapter or a corporation.

"(b) Withholding deduction:

"(1) In computing the tax required to be withheld from wages under subsection (a), there shall be allowed as a deduction against the wages paid for each pay-roll period an amount determined in accordance with the following schedule (which is based upon the credits allowed in section 25 (b) plus 10 percent of such credits):

"Pay-roll period	Single person (not head of family)	Married person or head of family	Each dependent
Weekly	$11.00	$26.00	$3.50
Biweekly	22.00	52.00	17.00
Semimonthly	23.00	55.00	18.00
Monthly	46.00	110.00	36.00
Quarterly	138.00	330.00	108.00
Semiannually	276.00	660.00	216.00
Annually	552.00	1,320.00	432.00

"(2) If a pay-roll period in respect of any wages is less than 1 week, the excess of the aggregate of the wages paid during each calendar week over the deduction allowed by this subsection for a weekly pay-roll period shall be used in computing the tax required to be withheld.

"(3) If a pay-roll period in respect of any wages, or any other period with respect to which wages are paid, is not otherwise specifically provided for in this subsection, the deduction allowable against each payment of such wages shall be the deduction allowable in the case of an annual pay-roll period divided by 365 and multiplied by the number of days in such period, including Sundays and holidays.

"(4) In any case in which wages are paid without regard to any pay-roll period or other period, the deduction allowable against each payment of such wages shall be the deduction allowable in the case of an annual pay-roll period divided by 365 and multiplied by the number of days (including Sundays and holidays) which have elapsed since the last payment of such wages during the calendar year or January 1 of such year, whichever last occurred.

"(5) The deduction allowable under this subsection in respect of any individual for any 12-month period shall not exceed the total deduction which would have been allowable under paragraph (1) if the only pay-roll period of such individual had been a weekly pay-roll period.

(c) Withholding where owner or amount is unknown: In any case in which the withholding agent is unable to determine the owner of the security or obligation in respect of which any dividend or bond interest is payable or the amount of any dividend, bond interest, or wages specified in subsection (a) which is includible in gross income, the Commissioner, under regulations prescribed by him with the approval of the Secretary, may authorize the tax to be withheld, collected, and paid.

"(d) Tax paid by recipient: If any tax required under this supplement to be withheld and collected is paid by the recipient of the income, it shall not be re-collected from the withholding agent; but such payment shall in no case relieve the withholding agent from liability for interest or additions to the tax otherwise applicable in respect of any tax imposed by this chapter.

"(e) Exempt individuals: No tax shall be withheld or collected pursuant to this supplement in the case of dividends or bond interest of an individual if there is filed with the withholding agent a certificate in such form and at such times as may be required under regulations prescribed by the Commissioner, with the approval of the Secretary, stating that the gross income of such individual (or, if such individual is a married person, the gross income of such individual and his spouse) for the taxable year in which such dividends or interest are includible in gross income will not exceed the credits allowed in section 25 (b).

"(f) Credit for tax withheld at source: The tax withheld and collected under this supplement shall not be allowed as a deduction either to the withholding agent or to the recipient of the income in computing net income; but the amount of the tax so withheld and collected shall be credited against the tax imposed by this chapter upon the recipient of the income.

"(g) Refunds: Where there has been an overpayment of tax under this section, any refund or credit made under the provisions of section 322 shall be made to the recipient of the income in respect of whom the tax was withheld; but, in any case in which such tax was not so withhold by the withholding agent, such refund or credit shall be made to the withholding agent.

"(h) Included and excluded wages: If the remuneration paid by an employer to an employee for services performed during one-half or more of any pay-roll period constitutes wages, all the remuneration paid by such employer to such employee for such period shall be deemed to be wages; but if the remuneration paid by an employer to an employee for services performed during more than one-half of any such pay-roll period does not constitute wages, then none of the remuneration paid by such employer to such employee for such period shall be deemed to be wages.

"SEC. 427. Rules for determination of withholding deduction.

"In determining the withholding deduction under section 426 (b)—

"(a) Definitions:

"(1) 'Married person' means a married person living with husband or wife.

"(2) 'Dependent' means a person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer if such dependent person is under 18 years of age or is incapable of self support because mentally or physically defective, excluding as a dependent, in the case of a head of a family, one who would be excluded under section 25 (b) (2) (B).

"(b) Determination of status: The determination of whether a person is living with husband or wife, is a head of a family, or has a dependent, shall be made as of the first day of any pay-roll period of such person in respect of which the withholding and collection of the tax is required under this supplement. Any change of status affecting the withholding deduction of such person shall take effect as of the first day of the first pay-roll period beginning after such change.

"(c) Married persons not living with husband or wife: A married person not a head of a family and not living with husband or wife shall be treated as a single person.

"(d) Husband and wife both employed: In the case of married persons, if both husband and wife receive wages each spouse shall be entitled to one-half of the deduction allowed a married person, except that if one of such spouses receives wages for casual services, no deduction shall be allowed such spouse, and the other spouse shall be entitled to the deduction allowed a married person.

"(c) Status unknown: Any person who fails to submit the information required by section 431 (relating to his status for the purpose of the withholding deduction) shall be treated as a single person.

"SEC. 428. Withholding agent.

"(a) Collection of tax: The tax required to be withheld by section 426 shall be collected by the person having control of the payment of such dividends, bond interest, or wages, by deducting such amount from such dividends, interest, or wages, as the case may be, as and when paid. As used in this subsection, the term 'person' includes officers and employees of the United States, or of a State, Territory, or any political subdivision thereof, or of the District of Columbia, or any agency or instrumentality of any one or more of the foregoing.

"(b) Indemnification of withholding agent: Every person required to withhold and collect any tax under this supplement shall be liable for the payment of such tax, and shall not be liable to any person for the amount of any such payment.

"(c) Adjustments: If more or less than the correct amount of tax is withheld or paid for any quarter in any calendar year, proper adjustments, with respect both to the tax withheld or the tax paid, may be made in any subsequent quarter of such calendar year, without interest, in such manner and at such times as may be prescribed by regulations made by the Commissioner, with the approval of the Secretary.

"SEC. 429. Return and payment by withholding agent.

"Returns, payment, and records: In lieu of any time prescribed for the return and payment of the tax imposed by this chapter, every person required to withhold and collect any tax under section 426 shall make a return and pay such tax on or before the last day of the month following the close of each quarter of each calendar year. Every such person shall keep such records and render under oath such statements with respect to the tax so withheld and collected as may be prescribed by the Commissioner, with the approval of the Secretary.

"SEC. 430. Receipts.

"(a) Wages:

"(1) General rule: Every employer shall furnish to each employee—

"(A) In respect of his period of employment during the calendar year, on or before February 15 of the succeeding year, or, if his employment is terminated before the close of such calendar year, on the day on which the last payment of wages is made to him, and

"(B) With each payment of wages made to such employee during the calendar year in respect of which tax is withheld,

a written statement showing the period of employment covered by the statement, the wages paid by the employer to such employee for such period, and the amount of the tax withheld and collected under this supplement in respect of such wages.

"(2) Employers of eight or more: Notwithstanding the provisions of paragraph (1), if, under regulations prescribed by the Commissioner with the approval of the Secretary, the nature and experience of the business is such that an employer may reasonably be expected to employ on each of some 20 days during the calendar year, each day being in a different calendar week, eight or more individuals for some portion of the day (whether or not at the same moment of time) such employer shall furnish each employee in respect of his period of employment during such calendar year, on or before February 15

of the succeeding year, or, if his employment is terminated before the close of such calendar year, on the day on which the last payment of wages is made to him, a written statement showing the period of employment covered by the statement, the wages paid by the employer to such employee for such period, and the amount of the tax withheld and collected in respect of such wages.

"(b) Dividends and bond interest: Every person required to withhold and collect a tax in respect of dividends or bond interest shall furnish a statement to the person to whom such dividends or bond interest are paid, at the time payment is made, showing the amount of the tax so withheld and collected.

"(c) Regulations: The statements required to be furnished by this section shall be furnished at such other times, shall contain such other information, and shall be in such form as the Commissioner with the approval of the Secretary may by regulations prescribe.

"Sec. 431. Withholding deduction certificates.

"On or before the close of the first pay-roll period—

"(1) In respect of which the withholding and collection of the tax is required under this supplement,

"(2) In each calendar year thereafter, and

"(3) After the commencement of employment with a different employer,

every employee shall furnish to his employer signed statements relating to his status for the purpose of computing his withholding deduction. Such statements shall also be furnished by the employee on or before the close of any pay-roll period during which a change in his status occurs. Such statements shall be made at such other times, shall be made on such forms, and shall contain such information as the Commissioner, with the approval of the Secretary, may by regulations prescribe.

"Sec. 432. Penalties.

"(a) Penalties applicable to withholding agents—

"(1) Penalties for fraudulent receipt or failure to furnish receipt: In lieu of any other penalty provided by law (except the penalty provided by paragraph (2) of this subsection), any person required under the provisions of section 430 to furnish a receipt in respect of tax withheld pursuant to this supplement who willfully furnishes a false or fraudulent receipt, or who willfully fails to furnish a receipt in the manner, at the time, and showing the information required under section 430, or regulations prescribed thereunder, shall for each such failure, upon conviction thereof, be fined not more than $1,000, or imprisoned for not more than 1 year, or both.

"(2) Additional penalty: In addition to the penalty provided by paragraph (1) of this subsection, any person required under the provisions of section 430 to furnish a receipt in respect of tax withheld pursuant to this supplement who willfully furnishes a false or fraudulent receipt, or who willfully fails to furnish a receipt in the manner, at the time, and showing the information required under section 430, or regulations prescribed thereunder, shall for each such failure be subject to a civil penalty of not more than $50.

"(3) Failure of withholding agent to file return: In case of any failure to make and file return required by this supplement, within the time prescribed by law or prescribed by the Commissioner in pursuance of law, unless it is shown that such failure is due to reasonable cause and not due to willful neglect, the addition to the tax provided for in section 291 shall be not less than $5.

"(b) Penalties applicable to recipients:

"(1) Penalty for fraudulent withholding deduction certificate or failure to furnish withholding deduction certificate: Any individual required to supply information to his employer under the provisions of section 431, or regulations prescribed under the authority thereof, who willfully supplies false or fraudulent information, or who willfully fails to supply information relating to a change of status which would decrease the withholding deduction, shall, in lieu of the penalty provided in section 145 (a), upon conviction thereof, be fined not more than $500, or imprisoned for not more than 1 year, or both.

"(2) Penalty for fraudulent exemption certificate: Any individual who willfully supplies false or fraudulent information in an exemption certificate filed pursuant to the provisions of section 426 (e), or regulations prescribed under the authority thereof, shall, in lieu of the penalty provided in section 145 (a), upon conviction thereof, be fined not more than $500, or imprisoned for not more than 1 year, or both."

(b) Special classes of taxpayers: Section 4 is amended by adding at the end thereof the following new subsection:

"(m) Withholding of tax at source on dividends, bond interest, and wages: Supplement U."

(c) Credit for taxes withheld at source: Section 32 is amended to read as follows:

"Sec. 32. Taxes withheld at source.

"The amount of tax withheld at the source under section 143, 144, or 426 shall be allowed as a credit against the tax."

(d) Payment of tax in installments: Section 56 (b) is amended to read as follows:

"(b) Installment payments:

"(1) Corporations: In the case of a corporation, the taxpayer may elect to pay the tax in four equal installments, in which event the first installment shall be paid on the date prescribed for the payment of the tax by the taxpayer, the second installment shall be paid on the fifteenth day of the third month, the third installment on the fifteenth day of the sixth month, and the fourth installment on the fifteenth day of the ninth month, after such date.

"(2) Individuals: In the case of a taxpayer other than a corporation, the taxpayer may elect to pay the tax in four installments, in which event the first installment shall be in an amount equal to 10 percent of his surtax net income plus one-fourth of the amount by which the tax imposed by this chapter (computed without regard to the credit provided in section 32) exceeds such 10 percent of his surtax net income. The amount of the first installment as computed hereunder shall be reduced by the amount of the credit provided in section 32; and, in case such credit is equal to or in excess of the amount of the first installment as computed hereunder but is less than the tax imposed by this chapter (computed without regard to such credit), such credit shall constitute the first installment. The first installment shall be paid on the date prescribed for the payment of the tax by the taxpayer, and the balance of the tax in three equal installments, in which case the second installment shall be paid on the fifteenth day of the third month, the third installment on the fifteenth day of the sixth month, and the fourth installment on the fifteenth day of the ninth month, after such date.

"(3) Special rule: In the case of a taxable year beginning after December 31, 1942, and before January 1, 1944, the first installment shall be in an amount (in lieu of the amount provided in paragraph (2) of this subsection) equal to 5 percent of his surtax net income plus one-fourth of the amount by which the tax imposed by this chapter (computed without regard to the credit provided in section 32) exceeds such 5 percent of his surtax net income.

"(4) Supplement T taxpayer: In the case of an individual taxpayer who makes his return and pays his tax under Supplement T, the taxpayer may elect to pay the tax in four equal installments, in which event each installment shall be in an amount equal to one-fourth of the excess of the tax imposed by this chapter over the credit provided in section 32. The first installment shall be paid on the date prescribed for the payment of the tax by the taxpayer, the second installment shall be paid on the fifteenth day of the third month, the third installment on the fifteenth day of the sixth month, and the fourth installment on the fifteenth day of the ninth month, after such date.

"(5) Nonpayment of installment: If any installment is not paid on or before the date fixed for its payment, the whole amount of the tax unpaid shall be paid upon notice and demand from the collector."

(e) Foreign tax credit: Section 131 is amended by adding at the end thereof the following new subsection:

"(h) Tax withheld at source: For the purposes of this supplement the tax imposed by this chapter shall be the tax computed without regard to the credit provided in section 32 (tax withheld at source)."

(f) Estates and trusts: Supplement E of chapter 1 is amended by adding at the end thereof the following new section:

"Sec. 173. Tax withheld at source:

"The amount allowed as a credit by section 32, for tax withheld at the source, shall be apportioned between the trust or estate and the beneficiaries under regulations prescribed by the Commisisoner with the approval of the Secretary. The amount of such credit shall not be allowed to a common trust fund but a proportionate share thereof shall be allowed to each participant in such fund."

(g) Partnerships: Supplement F of Chapter 1 is amended by adding at the end thereof the following new section:

"Sec. 191. Tax withheld at source.

"The amount allowed as a credit by section 32, for tax withheld at the source, shall not be allowed to a partnership, but a proportionate share of such credit shall be allowed to each partner."

(h) Refunds and credits:

(1) Section 322 (a) is amended to read as follows: "(a) Authorization.

"(1) Overpayment: Where there has been an overpayment of any tax imposed by this chapter, the amount of such overpayment shall be credited against any income, war profits, or excess-profits tax or installment thereof then due from the taxpayer, and any balance shall be refunded immediately to the taxpayer.

"(2) Excessive withholding: Where the amount of the tax withheld at the source under Supplement U exceeds the tax imposed by this chapter (after allowance of the credit provided by section 31 and the credit provided by section 32 for tax withheld at source under section 143), the amount of such excess shall be credited against any income tax or installment thereof then due from the taxpayer, and any balance thereof shall be refunded immediately to the taxpayer.

"(3) Refunds of $50 or less: If the receipts provided for in section 430 are filed with the individual's return under this chapter, and the amount of the tax as shown by such receipts to have been withheld and collected at the source exceeds the tax shown on the return, computed without regard to the credit allowable for the tax withheld and collected under Supplement U and adjusted for any errors appearing on the face of the return, the amount of such excess shall be refunded immediately if it does not exceed $50: *Provided, however,* That if such refund is made within 6 months after (A) the last day prescribed by law for the filing of such

return, or (B) the fifteenth day of the third month following the close of such individual's taxable year, whichever is later, no interest shall be allowed."

(2) Section 322 (e) is amended to read as follows:

"(e) Presumption as to payment: For the purposes of this section, any tax actually withheld and collected at the source under supplement U shall, in respect of the recipient of the income (as defined in section 425 (c)), be deemed to have been paid by him on the fifteenth day of the third month following the the close of his taxable year in which such tax was so withheld and collected.

"(f) Tax withheld at source: For refund or credit in case of withholding agent, see sections 143 (f) and 426 (g)."

(i) Credits against supplement T tax: Section 403 is amended to read as follows:

"Sec. 403. Credit against tax not allowed.

"Section 31 (relating to foreign tax credit) shall not apply with respect to the tax imposed by this supplement."

(j) Prohibition of administrative review of Commissioner's decision: Section 3790 is amended by inserting "(a)" before the first paragraph and by adding the following new subsection:

"(b) The allowance by the Commissioner under the provisions of section 322 (a) (3) of a refund of tax withheld at source (including interest thereon, if any), shall not be subject to review by any other administrative or accounting officer, employee, or agent of the United States."

(k) Cross references:

(1) Payment of tax: Section 56 (f) is amended to read as follows:

"(f) Tax withheld at source: For requirement of withholding tax at source, see sections 143, 144, and supplement U."

(2) Penalties: Section 145 (d) is amended by inserting "(1)" before the first paragraph and by adding the following new paragraph:

"(2) For additional penalties for fraudulent receipts or failure to furnish receipts required by section 430, for fraudulent withholding deduction certificates or failure to furnish such certificates as required by section 431, and for fraudulent exemption certificates filed under section 426 (f), see section 432."

(3) Minimum penalty for failure to file return: Section 291 is amended by inserting "(a)" before the first paragraph and by adding the following new subsection:

"(b) For minimum addition to the tax for failure of withholding agent to make and file return required by Supplement U, see section 432 (a) (3)."

(4) Interest on overpayments: Section 3771 is amended by adding at the end thereof the following new subsection:

"(e) Tax withheld at source: For date of payment in respect of tax withheld at source under Supplement U, see section 322 (e)."

(l) Effective date: The provisions of this section, except subsections (d) and (i), shall take effect on January 1, 1943, and shall be applicable to all dividends, bond interest, and wages (as defined in Supplement U) paid on or after such date; and the provisions of subsections (d) and (i) shall take effect on January 1, 1944.

The amendment was agreed to.

The next amendment was, on page 298, at the beginning of line 1, to insert:

Sec. 174. Temporary income tax on individuals.

(a) The Internal Revenue Code is amended by inserting at the end of Chapter 1 the following new subchapter:

"SUBCHAPTER D—VICTORY TAX ON INDIVIDUALS

"PART I—RATE AND COMPUTATION OF TAX

"Sec. 450. Imposition of tax.

"There shall be levied, collected, and paid for each taxable year beginning after December 31, 1942, a victory tax of 5 percent upon the victory tax net income of every individual (other than a nonresident alien subject to the tax imposed by section 211 (a)).

"Sec. 451. Victory tax net income.

"(a) Definition: The term 'victory tax net income' in the case of any taxable year means (except as provided in subsection (c)) the gross income (other than gains from the sale or exchange of capital assets as defined in section 117 and other than interest allowed as a credit against net income under section 25 (a) (1) and (2)) for such year minus the sum of the following deductions:

"(1) Expenses: The expenses allowable as a deduction by section 23 (a) (1) and (2).

"(2) Interest: Interest allowable as a deduction by section 23 (b), if the indebtedness in respect of which such interest is allowed was incurred in carrying on any trade or business, or was incurred for the production or collection of income, or for the management, conservation, or maintenance of property held for the production of income.

"(3) Taxes: Amounts allowable as a deduction by section 23 (c), to the extent such amounts are paid or incurred in connection with the carrying on of a trade or business, or in connection with property used in the trade or business, or in connection with property held for the production of income.

"(4) Losses: Losses (other than losses from the sale or exchange of capital assets allowable as a deduction under section 23 (e) (1), subject to the limitation provided in section 23 (h).

"(5) Bad debts.—The amount allowable by section 23 (k) (1).

"(6) Depreciation.—The amount allowable by section 23 (l).

"(7) Depletion.—The amount allowable by section 23 (m) and (n).

"(8) Pension trusts.—The amount allowable by section 23 (p).

"(9) Net operating loss: The net operating loss deduction allowable by section 23 (s).

"(10) Amortization: The amount allowable by section 23 (t).

"(11) Alimony: The amount allowable by section 23 (u).

"(12) Special deduction: The amount allowable by section 120.

"(13) Estates and trusts: In the case of an estate or trust, the amount allowable by subsection (a) of section 162 in addition to the amounts allowable by subsections (b) and (c) of such section.

"(b) Items not deductible: The deductions allowed by subsection (a) shall be subject to the limitations contained in section 24 and Supplement J and, in the case of nonresident aliens subject to the victory tax, shall be subject to the limitations contained in Supplement H.

"(c) Supplement T taxpayer: If for any taxable year a taxpayer makes his return and pays his tax under Supplement T, the term 'victory tax net income' means the gross income for such year.

"(d) Basis for determining loss: The basis for determining the amount of deduction for losses sustained, to be allowed under paragraph (4) of subsection (a), and for bad debts, to be allowed under paragraph (5) of subsection (a), shall be the adjusted basis provided in section 113 (b) for determining the loss from the sale or other disposition of property.

"(e) Rule applicable to participants in a common trust fund: In the case of a participant in a common trust fund, he shall in respect of the common trust fund income include in computing his victory tax net income, whether or not distributed and whether or not distributable, only his proportionate share of the ordinary net income or the ordinary net loss of the common trust fund, computed as provided in section 169 (d).

"(f) Rule applicable to partners: In the case of an individual carrying on business in partnership, he shall in respect of the partnership income include in computing his victory tax net income, whether or not distribution is made to him, only his distributive share of the ordinary net income or the ordinary net loss of the partnership, computed as provided in section 183 (b).

"Sec. 452. Specific exemption.

"In the case of every individual there shall be allowed as a credit against the victory tax net income a specific exemption of $624. In the case of a husband and wife filing a joint return under section 51 (b), if the victory tax net income of one spouse is less than $624, the aggregate specific exemption of both spouses shall be limited to $624 plus the victory tax net income of such spouse.

"Sec. 453. Credit against victory tax.

"(a) Allowance of credit: There shall be allowed as a credit against the victory tax for each taxable year:

"(1) The amount paid by the taxpayer during the taxable year as premiums on life insurance, in force on September 1, 1942, upon his own life, or upon the life of his spouse, or upon the life of any dependent of the taxpayer specified in section 25 (b) (2) (A); and the amount paid during the taxable year as premiums on life insurance which is a renewal or conversion of such life insurance in force on September 1, 1942, to the extent that such premiums do not exceed the premiums payable on such life insurance in force on September 1, 1942.

"(2) The amount by which the smallest amount of indebtedness of the taxpayer outstanding at any time during the period beginning September 1, 1942, and ending with the close of the preceding taxable year, exceeds the amount of indebtness of the taxpayer outstanding at the close of the taxable year.

"(3) The amount by which the amount of obligations of the United States owned by the taxpayer on the last day of the taxable year exceeds the greater of (A) the amount of such obligations owned by the taxpayer on December 31, 1942, or (B) the highest amount of such obligations owned by the taxpayer on the last day of any preceding taxable year ending after December 31, 1942. As used in this paragraph (i) the term 'owned by the taxpayer' shall include the amount of the obligations owned solely by the taxpayer and one-half of the amount of the obligations owned jointly by the taxpayer with another, but shall not include such obligations acquired by the taxpayer by gift, or inheritance, or otherwise than by purchase; (ii) the term 'obligations of the United States' means such obligations of the United States as the Secretary may by regulations prescribe, and as are purchased in such manner and under such terms and conditions as he may specify; and (iii) the term 'amount of obligations of the United States' means the amount paid for such obligations.

"(b) Limitation on credit: The amount of such credit for the taxable year shall not exceed the amount of the post-war credit or refund allowed by section 454 for such taxable year.

"Sec. 454. Post-war credit or refund of victory tax.

"(a) Allowance of credit: As soon as practicable after date of cessation of hostilities in the present war (as defined in section 475 (b)), the following amount of the victory tax paid for each taxable year beginning after December 31, 1942, shall be credited against any income tax or installment thereof then due from the taxpayer, and any balance shall be refunded immediately to the taxpayer:

"(1) In the case of a single person or a married person not living with husband or wife, 25 percent of the victory tax or $500, whichever is the lesser.

"(2) In the case of the head of a family, 40 percent of the victory tax or $1,000, whichever is the lesser. In the case of a married

person living with husband or wife where separate returns are filed by each spouse, 40 percent of the victory tax or $500, whichever is the lesser. In the case of a married person living with husband or wife where a separate return is filed by one spouse and no return is filed by the other spouse, or in the case of a husband and wife filing a joint return under section 51 (b), only one such credit shall be allowed and such credit shall not exceed 40 percent of the victory tax or $1,000, whichever is the lesser.

"(3) For each dependent specified in section 25 (b), excluding as a dependent, in the case of a head of a family, one who would be excluded under section 25 (b) (2) (B), 2 percent of the victory tax or $100, whichever is the lesser.

"(b) Change of status: If for any taxable year the status of the taxpayer (other than a taxpayer who makes his return and pays his tax under Supplement T) with respect to his marital relationship or with respect to his dependents, changed during the taxable year, the amount of the credit or refund provided by this section for such taxable year shall be apportioned, under rules and regulations prescribed by the Commissioner with the approval of the Secretary, in accordance with the number of months before and after such change. For the purpose of such apportionment a fractional part of a month shall be disregarded unless it amounts to more than half a month in which case it shall be considered as a month.

"(c) Status of Supplement T taxpayer: If for any taxable year a taxpayer makes his return and pays his tax under Supplement T, for the purpose of the credit or refund provided by this section, his status for such year with respect to his marital relationship or with respect to his dependents shall be determined in accordance with the provisions of section 401.

"(d) Period of limitation: No post-war credit or refund of any part of the victory tax provided in this section shall be allowed or made after 7 years from the date of cessation of hostilities in the present war, unless claim for credit or refund is filed before the expiration of such date. No interest shall be allowed on such credits or refunds.

"(e) Limitation of credit: The post-war credit or refund allowed by this section shall be reduced by the amount of any credit allowed under section 453.

"Sec. 455. Returns.

"(a) Individual returns: Every individual having a gross income in excess of $624 for the taxable year shall make, under regulations prescribed by the Commissioner with the approval of the Secretary, a return, which shall contain or be verified by a written declaration that it is made under the penalties of perjury, stating specifically the items of his gross income and the deductions and credits allowed under this subchapter.

"(b) Fiduciary returns: Every fiduciary (except a receiver appointed by authority of law in possession of part only of the property of an individual) shall make, under regulations prescribed by the Commissioner with the approval of the Secretary, a return under oath, for any individual, estate, or trust for which he acts, if the gross income of such individual, estate, or trust is in excess of $624 for the taxable year, stating specifically the items of gross income and the deductions and credits allowed under this subchapter. The provisions of section 142 (b) shall be applicable with respect to any return required to be made under this subsection.

"Sec. 456. Limitation on tax.

"The tax imposed by section 450 (victory tax), computed without regard to the credits provided in sections 453, 454, and 466 (f), shall not exceed the excess of 90 percent of the net income of the taxpayer for the taxable year over the tax imposed by sections 11 (normal tax) and 12 (surtax), computed without regard to the credits provided in sections 31, 32, and 466 (f).

"PART II—COLLECTION OF TAX AT SOURCE ON WAGES

"Sec. 465. Definitions.

"As used in this part—

"(a) Pay-roll period: The term 'pay-roll period' means a period for which a payment of wages is ordinarily made to the employee by his employer.

"(b) Wages: The term 'wages' means all remuneration for services performed by an employee for his employer, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include remuneration paid (1) for services performed as a member of the military or naval forces of the United States, other than pensions and retired pay, (2) for agricultural labor (as defined in section 1426 (h)), (3) for domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, (4) for casual labor not in the course of the employer's trade or business, (5) for services as an employee of a nonresident alien individual, foreign partnership, or foreign corporation, if such individual, partnership, or corporation is not engaged in trade or business in the United States, (6) for services as an employee of a foreign government or any wholly owned instrumentality thereof, or (7) for services performed as an employee while outside the United States (as defined in section 3797 (a) (9)), unless the major part of the services performed during the calendar year by such employee for his employer are performed within the United States.

"(c) Withholding agent: The term 'withholding agent' means any person required to withhold, collect, and pay the tax under section 466.

"(d) Employee: The term 'employee' includes (in addition to any individual who is a servant under the law of master and servant) any individual who performs service, of whatever nature, for a person (including the United States, a State, Territory, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing), unless the service is performed by the individual in pursuit of his own independently established business. The term 'employee' also includes an officer of a corporation.

"(e) Employer: The term 'employer' includes any person for whom an individual performs any service, of whatever nature, as the employee of such person.

"Sec. 466. Tax collected at source.

"(a) Requirement of withholding: There shall be withheld, collected, and paid upon all wages of every person, to the extent that such wages are includible in gross income, a tax equal to 5 percent of the excess of each payment of such wages over the withholding deduction allowable under this part. This subsection and subsection (c) shall not be applicable in any case provided for in section 143, except in the case of wages paid to residents of a contiguous country who enter and leave the United States at frequent intervals.

"(b) Withholding deduction:

"(1) In computing the tax required to be withheld under subsection (a), there shall be allowed as a deduction against the wages paid for each pay-roll period an amount determined in accordance with the following schedule:

Pay-roll period:	*Withholding deduction*
Weekly	$12
Biweekly	24
Semimonthly	26
Monthly	52
Quarterly	$156
Semiannually	312
Annually	624

"(2) If a pay-roll period in respect of any wages is less than 1 week, the excess of the aggregate of the wages paid during each calendar week over the deduction allowed by this subsection for a weekly pay-roll period shall be used in computing the tax required to be withheld.

"(3) If a pay-roll period in respect of any wages, or any other period with respect to which wages are paid, is not otherwise specifically provided for in this subsection, the deduction allowable against each payment of such wages shall be the deduction allowable in the case of an annual pay-roll period divided by 365 and multiplied by the number of days in such period, including Sundays and holidays.

"(4) In any case in which wages are paid by an employer without regard to any pay-roll period or other period, the deduction allowable against each payment of such wages shall be the deduction allowable in the case of an annual pay-roll period divided by 365 and multiplied by the number of days (including Sundays and holidays) which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

"(5) The deduction allowable under this subsection in respect of any individual for any calendar year shall not exceed the total deduction which would have been allowable under paragraph (1) if the only pay-roll period of such individual had been an annual pay-roll period.

"(c) Wage bracket withholding:

"(1) At the election of the employer, if his pay-roll period with respect to an employee is weekly, biweekly, semimonthly, or monthly, there shall be withheld, collected, and paid upon the wages of such employee a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be withheld under subsection (a):

For weekly pay-roll period			For biweekly pay-roll period		
If the wages are over	But not over	The amount of tax to be withheld shall be	If the wages are over	But not over	The amount of tax to be withheld shall be
$12	$16	$0.10	$24	$30	$0.10
16	20	.30	30	40	.50
20	24	.50	40	50	1.00
24	28	.70	50	60	1.50
28	32	.90	60	70	2.00
32	36	1.10	70	80	2.50
36	40	1.30	80	100	3.30
40	50	1.60	100	120	4.30
50	60	2.10	120	140	5.30
60	70	2.60	140	160	6.30
70	80	3.10	160	180	7.30
80	90	3.60	180	200	8.30
90	100	4.10	200	220	9.30
100	110	4.60	220	240	10.30
110	120	5.10	240	260	11.30
120	130	5.60	260	280	12.30
130	140	6.10	280	300	13.30
140	150	6.60	300	320	14.30
150	160	7.10	320	340	15.30
160	170	7.60	340	360	16.30
170	180	8.10	360	380	17.30
180	190	8.60	380	400	18.30
190	200	9.10	400	420	19.30
200	------	$9.40 plus 5% of the excess over $200.	420	440	20.30
			440	460	21.30
			460	480	22.30
			480	500	23.30
			500	------	$23.80 plus 5% of the excess over $500.

For semimonthly pay-roll period			For monthly pay-roll period		
If the wages are over	But not over	The amount of tax to be withheld shall be	If the wages are over	But not over	The amount of tax to be withheld shall be
$26	$30	$0.10	$52	$60	$0.20
30	40	.40	60	80	.90
40	50	.90	80	100	1.90
50	60	1.40	100	120	2.90
60	70	1.90	120	140	3.90
70	80	2.40	140	160	4.90
80	100	3.20	160	200	6.40
100	120	4.20	200	240	8.40
120	140	5.20	240	280	10.40
140	160	6.20	280	320	12.40
160	180	7.20	320	360	14.40
180	200	8.20	360	400	16.40
200	220	9.20	400	440	18.40
220	240	10.20	440	480	20.40
240	260	11.20	480	520	22.40
260	280	12.20	520	560	24.40
280	300	13.20	560	600	26.40
300	320	14.20	600	640	28.40
320	340	15.20	640	680	30.40
340	360	16.20	680	720	32.40
360	380	17.20	720	760	34.40
380	400	18.20	760	800	36.40
400	420	19.20	800	840	38.40
420	440	20.20	840	880	40.40
440	460	21.20	880	920	42.40
460	480	22.20	920	960	44.40
480	500	23.20	960	1,000	46.40
500	------	$23.70 plus 6% of the excess over $500.	1,000	------	$47.40 plus 5% of the excess over $1,000.

"(d) Withholding where amount is unknown: In any case in which the withholding agent is unable to determine the amount of any wages which is includible in gross income, the Commissioner, under regulations prescribed by him with the approval of the Secretary, may authorize the tax to be withheld, collected, and paid.

"(e) Tax paid by recipient: If any tax required under this part to be withheld and collected is paid by the recipient of the income, it shall not be re-collected from the withholding agent; but such payment shall in no case relieve the withholding agent from liability for interest or additions to the tax otherwise applicable in respect of the tax imposed by this chapter.

"(f) Credit for tax withheld at source: The tax withheld and collected under this part shall not be allowed as a deduction either to the withholding agent or to the recipient of the income in computing net income; but the amount of the tax so withheld and collected shall be allowed as a credit against the tax imposed by this chapter upon the recipient of the income. Such credit shall be allowed first against the victory tax imposed by section 450 (adjusted for the credit allowed by section 453) and the excess of such credit, if any, over the victory tax, so adjusted, shall be allowed against the tax imposed by sections 11 and 12 or section 400, as the case may be.

"(g) Refunds: Where there has been an overpayment of tax under this part, any refund or credit made under the provisions of section 322 shall be made to the recipient of the income; but, in any case in which such tax was not so withheld by the withholding agent, such refund or credit shall be made to the withholding agent.

"(h) Included and excluded wages: If the remuneration paid by an employer to an employee for services performed during one-half or more of any pay-roll period constitutes wages, all the remuneration paid by such employer to such employee for such period shall be deemed to be wages; but if the remuneration paid by an employer to an employee for services performed during more than one-half of any such pay-roll period does not constitute wages, then none of the remuneration paid by such employer to such employee for such period shall be deemed to be wages.

"Sec. 467. Withholding agent.

"(a) Collection of tax: The tax required to be withheld by section 466 shall be collected by the person having control of the payment of such wages by deducting such amount from such wages as and when paid. As used in this subsection, the term 'person' includes officers and employees of the United States, or of a State, Territory, or any political subdivision thereof, or of the District of Columbia, or any agency or instrumentality of any one or more of the foregoing.

"(b) Indemnification of withholding agent: Every person required to withhold and collect any tax under this part shall be liable for the payment of such tax, and shall not be liable to any person for the amount of any such payment.

"(c) Adjustments: If more or less than the correct amount of tax is withheld or paid for any quarter in any calendar year, proper adjustments, with respect both to the tax withheld or the tax paid, may be made in any subsequent quarter of such calendar year, without interest, in such manner and at such times as may be prescribed by regulations made by the Commissioner, with the approval of the Secretary.

"Sec. 468. Return and payment by withholding agent.

"In lieu of the time prescribed in sections 53 and 56 for the return and payment of the tax imposed by this chapter, every person required to withhold and collect any tax under section 466 shall make a return and pay such tax on or before the last day of the month following the close of each quarter of each calendar year. Every such person shall include with the final return for the calendar year a duplicate copy of each receipt required to be furnished under section 469. Every such person shall also keep such records and render under oath such statements with respect to the tax so withheld and collected as may be required under regulations prescribed by the Commissioner, with the approval of the Secretary.

"Sec. 469. Receipts.

"(a) Wages: Every employer required to withhold and collect a tax in respect of the wages of an employee shall furnish to each such employee in respect of his employment during the calendar year, on or before January 31 of the succeeding year, or, if his employment is terminated before the close of such calendar year, on the day on which the last payment of wages is made, a written statement showing the period covered by the statement, the wages paid by the employer to such employee during such period, and the amount of the tax withheld and collected under this part in respect of such wages.

"(b) Regulations: The statements required to be furnished by this section shall be furnished at such other times, shall contain such other information, and shall be in such form as the Commissioner, with the approval of the Secretary, may by regulations prescribe.

"(c) Extension of time: The Commissioner, under such regulations as he may prescribe with the approval of the Secretary, may grant to any employer a reasonable extension of time (not in excess of 30 days) with respect to the statements required to be furnished to employees on the day on which the last payment of wages is made.

"Sec. 470. Penalties.

"(a) Penalties for fraudulent receipt or failure to furnish receipt: In lieu of any other penalty provided by law (except the penalty provided by subsection (b) of this section), any person required under the provisions of section 469 to furnish a receipt in respect of tax withheld pursuant to this part who willfully furnishes a false or fraudulent receipt, or who willfully fails to furnish a receipt in the manner, at the time, and showing the information required under section 469, or regulations prescribed thereunder, shall for each such failure, upon conviction thereof, be fined not more than $1,000, or imprisoned for not more than 1 year, or both.

"(b) Additional penalty: In addition to the penalty provided by subsection (a) of this section, any person required under the provisions of section 469 to furnish a receipt in respect of tax withheld pursuant to this part who willfully furnishes a false or fraudulent receipt, or who willfully fails to furnish a receipt in the manner, at the time, and showing the information required under section 469, or regulations prescribed thereunder, shall for each such failure be subject to a civil penalty of not more than $50.

"(c) Failure of withholding agent to file return: In case of any failure to make and file return required by this part, within the time prescribed by law or prescribed by the Commissioner in pursuance of law, unless it is shown that such failure is due to reasonable cause and not due to willful neglect, the addition to the tax provided for in section 291 shall not be less than $5.

"PART III—EXPIRATION DATE AND DEFINITIONS

"Sec. 475. Definitions.

"(a) Net income: When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof, the term 'net income' shall be construed to mean 'victory tax net income' for the purposes of this subchapter.

"(b) Date of cessation of hostilities in the present war: As used in this subchapter, the term 'date of cessation of hostilities in the present war' means the date on which hostilities in the present war between the United States and the governments of Germany, Japan, and Italy cease, as fixed by proclamation of the President or by concurrent resolution of the two Houses of Congress, whichever date is earlier, or in case the hostilities between the United States and such governments do not cease at the same time, such date as may be so fixed as an appropriate date for the purposes of this subchapter.

"Sec. 476. Expiration date.

"The taxes imposed by this subchapter shall not apply with respect to any taxable year commencing after the date of cessation of hostilities in the present war."

(b) Classification of provisions: Section 3 is amended by adding at the end thereof the following new paragraph:

"Subchapter D: Victory tax on individuals, divided into parts and sections."

(c) Rates of tax on citizens of certain foreign countries: Section 103 is amended by striking out "and 362" and inserting "362, and 450"; and by striking out "or 362" and inserting "362, and 450."

(d) Foreign tax credit:

Section 131 is further amended by adding at the end thereof the following new subsection:

"(i) Tax withheld at source: For the purposes of this supplement the tax imposed by this chapter shall be the tax computed without regard to the credit provided in section 32 and section 466 (f)."

(e) Refunds and credits:

(1) Section 322 (a) is amended to read as follows:

"(a) Authorization:

"(1) Overpayment: Where there has been an overpayment of any tax imposed by this chapter, the amount of such overpayment shall be credited against any income, war-profits, or excess-profits tax or installment thereof then due from the taxpayer, and any balance shall be refunded immediately to the taxpayer.

"(2) Excessive withholding: Where the amount of the tax withheld at the source under part II of subchapter D exceeds the tax imposed by this chapter (after allowance of

the credits provided by sections 31, 32, and 453), the amount of such excess shall be credited against any income tax or installment thereof then due from the taxpayer, and any balance thereof shall be refunded immediately to the taxpayer."

(2) Section 322 (e) is amended to read as follows:

"(e) Presumption as to date of payment: For the purposes of this section, any tax actually withheld and collected at the source under Part II of Subchapter D shall, in respect of the recipient of the income, be deemed to have been paid by him on the fifteenth day of the third month following the close of his taxable year in which such tax was so withheld and collected; except that in the case of a nonresident alien individual, it shall be deemed to have been paid by him on the fifteenth day of the sixth month following the close of his taxable year.

"(f) Tax withheld at source: For refund or credit in case of withholding agent, see sections 143 (f) and 466 (g)."

(f) Cross references:

(1) Payment of tax: Section 56 (f) is amended to read as follows:

"(f) Tax withheld at source: For requirement of withholding tax at source, see sections 143, 144, and part II of subchapter D."

(2) Credits against tax: The Internal Revenue Code is amended by adding after section 33 the following new sections:

"Sec. 34. Credits against victory tax.

"For credits against victory tax, see sections 453, 454, and 466 (f).

"Sec. 35. Credit for tax withheld on wages.

"For credit against the tax for tax withheld on wages, see section 466 (f)."

(3) Penalties: Section 145 (d) is amended by inserting "(1)" before the first paragraph and by adding the following new paragraph:

"(2) For additional penalties for fraudulent receipts or failure to furnish receipts required by section 469, see section 470."

(4) Minimum penalty for failure to file return: Section 291 is amended by inserting "(a)" before the first paragraph and by adding the following new subsection:

"(b) For minimum addition to the tax for failure of withholding agent to make and file return required by part II of subchapter D, see section 470 (c)."

(5) Interest on overpayments: Section 3771 is amended by adding at the end thereof the following new subsection:

"(e) Tax withheld at source: For date of payment in respect of tax withheld at source under part II of subchapter D, see section 322 (e)."

(g) Effective date: The provisions of this section shall take effect on January 1, 1943, and shall be applicable to all wages (as defined in part II of subchapter D) paid on or after such date.

Mr. DOWNEY. Mr. President, I intend to offer an amendment to subchapter D, entitled "Victory Tax On Individuals." I, therefore, ask that this amendment be passed over until tomorrow.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

Mr. GEORGE. Mr. President, may I ask the Senator the nature of the amendment which he proposes to offer?

Mr. DOWNEY. The nature of the amendment is to lift the exemption to $100 a month, apply the 5-percent victory tax up to $200 a month, and increase the tax to 10 percent over $200 a month; to provide that all the sum paid shall be refundable after the war in bonds; also to provide that all payments on insurance and on encumbrances upon homes and farms may be deducted before computation of the tax.

Mr. GEORGE. I presume it would be in the nature of a substitute.

Mr. DOWNEY. I do not believe it would be entirely so.

Mr. Rice is now preparing the amendment, and he is endeavoring to preserve as much of the withholding tax and the other portions of the bill as possible, and to make the amendment as simple as possible.

Mr. GEORGE. Then, I think we had better let the committee amendment go over. I thought perhaps some parts of the amendment could be disposed of.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

The clerk will state the next amendment of the committee.

The next amendment was, on page 324, line 10, after the word "company", to strike out "subject to the supervision of State authority having supervision over financial institutions", and insert "under State supervision".

The amendment was agreed to.

The next amendment was, on page 324, line 19, after the word "corporation", to strike out "subject to the supervision of State authority having supervision over financial institutions."

The amendment was agreed to.

The next amendment was, on page 325, line 11, after "December 31" to strike out "1938" and insert "1941, except that if a taxpayer, within the time and in the manner and subject to such regulations as the Commissioner with the approval of the Secretary prescribes, elects to have such amendments apply retroactively to all taxable years of the taxpayer beginning after December 31, 1938, and not beginning after December 31, 1941, such amendments shall be applicable to such taxable years."

The amendment was agreed to.

The next amendment was, on page 326, line 1, after the numerals "1942", to strike out "In determining for the purposes of section 141 (e) (8) and (9) the gross income of a corporation within the requirement prescribed by section 501 (a) (1), there shall be disregarded any income resulting from transactions between such corporation and other corporations which are members of the affiliated group."

The amendment was agreed to.

The next amendment was on page 326, after line 7, to insert:

Sec. 184. Computation of undistributed subchapter A net income.

(a) Section 504 (relating to deductions from subchapter A net income) is amended by adding at the end thereof the following:

"(d) Amounts distributed before January 1, 1944, in redemption of preferred stock outstanding before January 1, 1934 (including any preferred stock issued after January 1, 1934, in lieu of such previously outstanding preferred stock), if such distributions are made by a corporation the aggregate of whose gross sales and gross receipts arising from manufacturing, commercial, processing, and service operations during the 4-year period immediately before January 1, 1934, exceeded the aggregate of its gross receipts from dividends, interest, royalties, annuities, and gains from the sale or exchange of stock or securities during such period."

(b) The amendment made by this section shall be applicable to taxable years beginning after December 31, 1940.

The amendment was agreed to.

The next amendment was, on page 329, line 6, after the word "dividends", to strike out "not tax free and."

The amendment was agreed to.

The next amendment was, on page 336, line 15, after the word "within", to strike out "90-days" and insert "6 months"; in line 17, after the word "such", to strike out "90-day" and insert "6-month"; and in line 21, after the word "such", to strike out "90-day" and insert "6-month."

The amendment was agreed to.

The next amendment was, on page 337, after line 19, to insert "Part I—Excess Profits Tax Amendments."

The amendment was agreed to.

The next amendment was, on page 338, line 2, after "(a)", to insert "(1)"; at the beginning of line 4, to strike out "(a) Imposition" and insert "(1) General rule"; and in line 8, after the words "equal to", to strike out "90 percent of the amount thereof" and insert "whichever of the following amounts is the lesser:".

The amendment was agreed to.

The next amendment was, on page 338, after line 10, to insert:

(A) Ninety percent of the adjusted excess-profits net income, or

(B) An amount which when added to the tax imposed for the taxable year under chapter 1 (other than section 102) equals 80 percent of the corporation surtax net income, computed under section 15 or supplement G, as the case may be, but without regard to the credit provided in section 26 (e) (relating to income subject to the tax imposed by this subchapter).

The next amendment was, on page 338, after line 20, to insert:

Sec. 203. Certain fiscal year taxpayers.

(a) Computation of tax for year ending in 1942: Section 710 (a) (relating to imposition of excess-profits tax) is amended by inserting at the end thereof the following new paragraph:

"(3) Taxable years beginning in 1941 and ending after June 30, 1942: In the case of a taxable year beginning in 1941 and ending after June 30, 1942, the tax shall be an amount equal to the sum of—

"(A) That portion of a tentative tax under this subchapter, computed without regard to section 203 of the Revenue Act of 1942, which the number of days in such taxable year before July 1, 1942, bears to the total number of days in such taxable year, plus

"(B) That portion of a tentative tax under this subchapter, computed as if the amendments made by sections 105 (c), 105 (d), 202, and 205 of the Revenue Act of 1942 were applicable to such taxable year, which the number of days in such taxable year after June 30, 1942, bears to the total number of days in such taxable year."

(b) Taxable years to which amendment applicable: The amendment made by this section shall be applicable to taxable years beginning in 1941 and ending after June 30, 1942.

The amendment was agreed to.

The next amendment was, on page 339, after line 20, to strike out:

Sec. 203. Specific exemption.

(a) Amount of exemption: Section 710 (b) (1) (providing a specific exemption of $5,000) is amended to read as follows:

"(1) Specific exemption: A specific exemption of $10,000, and in the case of a mutual insurance company other than life a specific exemption of $50,000;".

(b) Cases in which no return required: Section 729 (b) (2) (relating to amount where no return required) is amended by striking out "$5,000" and inserting in lieu

thereof "$10,000, or, in the case of a mutual insurance company other than life, is not greater than $50,000."

Mr. LA FOLLETTE. Mr. President, I ask that the amendment to section 203 be passed over.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

The next amendment was, on page 340, after line 7, to insert:

Sec. 204. Two-year carry-back of unused excess profits credit.

(a) Technical amendment: Section 710 (b) (3), relating to the deduction of the excess profits credit carry-over, is amended by striking out "excess profits credit carry-over" and by inserting in lieu thereof "unused excess profits credit adjustment."

(b) Carry-back of unused credit: Section 710 (c) (relating to the determination of the excess profits credit carry-over) is amended to read as follows:

"(c) Unused excess profits credit adjustment:

"(1) Computation of unused excess profits credit adjustment: The unused excess profits credit adjustment for any taxable year shall be the aggregate of the unused excess profits credit carry-overs and unused excess profits credit carry-backs to such taxable year.

"(2) Definition of unused excess-profits credit: The term 'unused excess-profits credit' means the excess, if any, of the excess-profits credit for any taxable year beginning after December 31, 1939, over the excess profits net income for such taxable year, computed on the basis of the excess-profits credit applicable to such taxable year. For such purpose the excess-profits credit and the excess profits net income for any taxable year beginning in 1940 shall be computed under the law applicable to taxable years beginning in 1941. The unused excess-profits credit for a taxable year of less than 12 months shall be an amount which is such part of the unused excess-profits credit determined under the first sentence of this paragraph as the number of days in the taxable year is of the number of days in the 12 months ending with the close of the taxable year.

"(3) Amount of unused excess-profits credit carry-back and carry-over.

"(A) Unused excess-profits credit carry-back: If for any taxable year beginning after December 31, 1941, the taxpayer has an unused excess-profits credit, such unused excess-profits credit shall be an unused excess-profits credit carry-back for each of the 2 preceding taxable years, except that the carry-back in the case of the first preceding taxable year shall be the excess, if any, of the amount of such unused excess-profits credit over the adjusted excess-profits net income for the second preceding taxable year computed for such taxable year (i) by determining the unused excess-profits credit adjustment without regard to such unused excess-profits credit, and (ii) without the deduction of the specific exemption provided in subsection (b) (1).

"(B) Unused excess profits credit carry-over: If for any taxable year beginning after December 31, 1939, the taxpayer has an unused excess profits credit, such unused excess profits credit shall be an unused excess profits credit carry-over for each of the two succeeding taxable years, except that the carry-over in the case of the second succeeding taxable year shall be the excess, if any, of the amount of such unused excess profits credit over the adjusted excess profits net income for the intervening taxable year computed for such intervening taxable year (i) by determining the unused excess profits credit adjustment without regard to such unused excess profits credit or to any unused excess profits credit carry-back, and (ii) without the deduction of the specific exemption provided in subsection (b) (1). For the purposes of the preceding sentence, the unused excess profits credit for any taxable year beginning after December 31, 1941, shall first be reduced by the sum of the adjusted excess profits net income for each of the two preceding taxable years (computed for each such preceding taxable year (i) by determining the unused excess profits credit adjustment without regard to such unused excess profits credit or to the unused excess profits credit for the succeeding taxable year, and (ii) without the deduction of the specific exemption provided in subsection (b) (1)).

"(4) No carry-back to year prior to 1941: As used in this subsection, the term 'preceding taxable year' and the term 'preceding taxable years' do not include any taxable year beginning prior to January 1, 1941."

(c) Taxable years to which amendments applicable: The amendments made by this section shall be applicable only to taxable years beginning after December 31, 1940.

The amendment was agreed to.

The next amendment was, on page 344, after line 3, to strike out:

(a) Section 711 (a) (relating to excess profits net income) is amended by adding after "section 13 (a) (2)," first appearing therein the words "and, in the case of a life insurance company, for any taxable year beginning after December 31, 1941, the adjusted normal-tax net income, as defined in section 202 (a), minus 3¼ percent of the unearned premiums and unpaid losses on cancelable health and accident insurance contracts."

And insert:

(a) Section 710 (a) (relating to imposition of excess profits tax) is amended by inserting at the end thereof the following new paragraph:

"(4) Mutual insurance companies.—In the case of a mutual insurance company other than life or marine, if the gross amount received from interest, dividends, rents, and premiums (including deposits and assessments) is over $75,000 but less than $125,000, the tax imposed under this section shall be an amount which bears the same proportion to the amount ascertained under this section, computed without reference to this paragraph, as the excess over $75,000 of such gross amount received bears to $50,000."

(b) Section 711 (a) (1) (relating to excess profits credit computed under income credit) is amended by inserting at the end thereof the following new paragraph:

"(H) Life insurance companies.—In the case of a life insurance company, there shall be deducted from the normal tax net income, the excess of (1) the product of (i) the figure determined and proclaimed under section 202 (b) and (ii) the excess profits net income computed without regard to this subparagraph, over (2) the adjustment for certain reserves provided in section 202 (c)."

The amendment was agreed to.

The next amendment was, on page 345, after line 14, to strike out:

(J) In the case of a life-insurance company, the reserve and other policy liability credit shall be reduced by 50 percent thereof.

And insert:

(J) In the case of a life-insurance company, there shall be deducted from the normal tax net income, 50 percent of the excess of (1) the product of (i) the figure determined and proclaimed under section 202 (b) and (ii) the excess profits net income computed without regard to this subparagraph, over (2) the adjustment for certain reserves provided in section 202 (c).

The amendment was agreed to.

The next amendment was, on page 346, in line 17, after the words "amount of the", to strike out "life insurance" and insert "adjusted"; at the beginning of line 19, to insert "or annuity"; and in line 20, after the word "insurance", to insert "or annuity."

The amendment was agreed to.

The next amendment was, on page 346, after line 23, to strike out:

(e) Specific exemption: For specific exemption of mutual insurance companies other than life, see amendment made by section 203 of this act.

(f) Returns: For return requirement of mutual insurance companies other than life, see amendment made by section 203 of this act.

The amendment was agreed to.

The next amendment was, on page 348, after line 15, to strike out:

(c) Excess profits credit carry-over: Section 710 (c) (1) (defining the unused excess-profits credit) is amended by inserting at the end thereof the following new sentence: "For such purpose, in the case of taxable years beginning after December 31, 1941, the excess-profits credit and the excess-profits net income for any taxable year beginning in 1940 or in 1941 shall be computed under the law applicable to taxable years beginning in 1942."

The amendment was agreed to.

The next amendment was, on page 349, line 10, after the words "more than", to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, on page 349, after line 10, to insert:

(b) Retirement of long-term bonds: Section 711 (a) (1) (C) is amended by striking out "18 months" and inserting in lieu thereof "6 months."

The amendment was agreed to.

The next amendment was, on page 349, line 20, after the words "more than", to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, on page 349, after line 20, to insert:

(d) Retirement of long-term bonds: Section 711 (a) (2) (E) is amended by striking out "18 months" and inserting in lieu thereof "6 months."

The amendment was agreed to.

The next amendment was, on page 350, line 6, after the words "more than", to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, on page 350, after line 6, to insert:

(f) Retirement of long-term bonds: Section 711 (b) (1) (C) is amended by striking out "18 months" and inserting in lieu thereof "6 months."

The amendment was agreed to.

The next amendment was, on page 350, line 25, after "January 1", to strike out "1941" and insert "1943."

The amendment was agreed to.

The next amendment was, on page 351, line 4, after the words "more than", to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, on page 351, after line 4, to insert:

Sec. 208. Retroactive treatment of involuntary conversions as capital transactions.

Effective with respect to taxable years beginning after December 31, 1939, but not beginning after December 31, 1941, the second sentence of section 711 (a) (1) (B),

section 711 (a) (2) (D), and section 711 (b) (1) (B) is amended to read as follows: "There shall be excluded the excess of the recognized gains from the sale, exchange, or involuntary conversion (as a result of destruction in whole or in part, theft or seizure, or an exercise of the power of requisition or condemnation or the threat or imminence thereof) of property held for more than 18 months which is of a character which is subject to the allowance for depreciation provided in section 23 (l) over the recognized losses from the sale, exchange, or involuntary conversion of such property. For the purposes of this subparagraph, section 117 (h) (1) and (2) shall apply in determining the period for which the taxpayer has held property which is of a character which is subject to the allowance for depreciation provided in section 23 (l)."

The amendment was agreed to.

The next amendment was, on page 352, at the beginning of line 1, to insert:

SEC. 209. Nontaxable income from exempt excess output of mining and from bonus income of mines, etc.

(a) Income credit: Section 711 (a) (1) (relating to excess profits credit computed under income credit) is amended by inserting at the end thereof the following new subparagraph:

"(I) Nontaxable income of certain industries with depletable resources: In the case of a producer of minerals, as defined in section 735, there shall be excluded nontaxable income from exempt excess output of mines and nontaxable bonus income provided in section 735."

(b) Invested capital credit: Section 711 (a) (2) (relating to excess profits credit computed under invested capital credit) is amended by inserting at the end thereof the following new subparagraph:

"(K) Nontaxable income of certain industries with depletable resources: In the case of a producer of minerals, as defined in section 735, there shall be excluded nontaxable income from exempt excess output of mines and nontaxable bonus income provided in section 735."

(c) Nontaxable income: Subchapter E of Chapter 2 is amended by inserting after section 734 the following new section:

"SEC. 735. Nontaxable income from certain mining operations.

"(a) Definitions: For the purposes of this section, section 711 (a) (1) (I), and section 711 (a) (2) (K)—

"(1) Excess output: The term 'excess output' means the excess of the units of metal, coal, or nonmetallic substance in the minerals recovered from the operation of a mineral property for the taxable year over the normal output from such property.

"(2) Normal output: The term 'normal output' means the average annual units of metal, coal, or nonmetallic substance in the minerals recovered from the operation of a mineral property in the taxable years beginning after December 31, 1935, and not beginning after December 31, 1939, of the person owning such property (whether or not the taxpayer) (hereinafter called 'base period.)' The average annual units of metal, coal, or nonmetallic substance recovered shall be computed by dividing the aggregate of the units recovered during the base period by the number of months for which the property was in operation during the base period and by multiplying the amount so ascertained by 12. Any property which was in operation for less than 6 months during the base period shall, for the purposes of this section, be deemed not to have been in operation during the base period.

"(3) Mineral property: The term 'mineral property' means a mineral deposit, the development and plant necessary for the extraction of the deposit, and so much of the surface of the land as is necessary for purposes of such extraction.

"(4) Minerals: The term 'minerals' means ores of the metals, coal, and such nonmetallic substances as abrasives, asbestos, asphaltum, barytes, borax, building stone, cement rock, clay, crushed stone, feldspar, fluorspar, fuller's earth, graphite, gravel, gypsum, limestone, magnesite, marl, mica, mineral pigments, peat, potash, precious stones, refractories, rock phosphate, salt, sand, silica, slate, soapstone, soda, sulfur, and talc.

"(5) Normal unit profit: The term 'normal unit profit' means the average profit for the base period per unit of metal, coal, or nonmetallic substance in the minerals recovered from the mineral property during such period, determined by dividing the net income with respect to minerals recovered from the mineral property (computed with the allowance for depletion computed in accordance with the basis for depletion applicable to the current taxable year) during the base period by the number of units of metal, coal, or nonmetallic substance in the minerals recovered from such property during the base period.

"(6) Estimated recoverable units: The term 'estimated recoverable units' means the estimated number of units of metal, coal, or nonmetallic substances in the estimated recoverable minerals from the mineral property at the end of the taxable year plus the excess output for such year. All estimates shall be subject to the approval of the Commissioner, the determinations of whom, for the purposes of this section, shall be final and conclusive.

"(7) Exempt excess output: The term 'exempt excess output' for any taxable year means a number of units equal to the following percentages of the excess output for such year:

"100 percent if the excess output exceeds 50 percent of the estimated recoverable units;

"95 percent if the excess output exceeds 33⅓ but not 50 percent of the estimated recoverable units;

"90 percent if the excess output exceeds 25 but not 33⅓ percent of the estimated recoverable units;

"85 percent if the excess output exceeds 20 but not 25 percent of the estimated recoverable units;

"80 percent if the excess output exceeds 16⅔ but not 20 percent of the estimated recoverable units;

"60 percent if the excess output exceeds 14⅔ but not 16⅔ percent of the estimated recoverable units;

"40 percent if the excess output exceeds 12½ but not 14⅔ percent of the estimated recoverable units;

"30 percent if the excess output exceeds 10 but not 12½ percent of the estimated recoverable units;

"20 percent if the excess output exceeds 5 but not 10 percent of the estimated recoverable units.

"(b) Nontaxable income from exempt excess output: For any taxable year for which the excess output of mineral property which was in operation during the base period exceeds 5 percent of the estimated recoverable units from such property, the nontaxable income from exempt excess output for such year shall be an amount equal to the exempt excess output for such year multiplied by the normal unit profit, but such amount shall not exceed the net income (computed with the allowance for depletion) attributable to the excess output for such year. For any taxable year, the nontaxable income from exempt excess output of a coal mining or iron mining property which was in operation during the base period shall be an amount equal to the excess output of such property for such year multiplied by one-half of the unit net income from such property for such year; and for such purpose 'unit net income' means the amount ascertained by dividing the net income from the coal or iron recovered from the property during the taxable year by the number of units of coal or iron recovered from such property in such taxable year.

"(c) Nontaxable bonus income: The term 'nontaxable bonus income' means the amount of the income derived from bonus payments made by any agency of the United States Government on account of the production in excess of a specified quota of a mineral product the exhaustion of which gives rise to an allowance for depletion under section 23 (m), but such amount shall not exceed the net income attributable to the output in excess of such quota.

"(d) Rule in case income from excess output includes bonus payment: In any case in which the income attributable to the excess output includes bonus payments (as provided in subsection (c)), the taxpayer may elect, under regulations prescribed by the Commissioner with the approval of the Secretary, to receive either the benefits of subsection (b) or subsection (c) with respect to such income as is attributable to excess output above the specified quota."

(d) Retroactive exclusion of nontaxable bonus income: The amendments made by this section inserting section 711 (a) (1) (H), section 711 (a) (2) (K), and section 735 (c), to the extent that they relate to nontaxable bonus income, shall be applicable to taxable years beginning after December 31, 1940.

Mr. GEORGE. Mr. President, I think it is in this section that the Senator from Oregon [Mr. McNARY] had in mind offering an amendment. He wished to offer a provision with respect to timber depletion. I ask that this amendment be passed over. I do not know what amendment the Senator from Oregon is going to offer, but the portion of the bill in which I assume he is interested extends through line 8 on page 358.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

Mr. HATCH. Mr. President, the amendments are being acted upon so rapidly that I am not quite sure just what has happened. On page 358, I desire to offer an amendment including fluorspar and potash. I should like to know whether, if the amendment has gone over, I shall have an opportunity to offer my amendment at a later time.

Mr. LA FOLLETTE. Mr. President, let me suggest that there may be some confusion arising from the fact that the page numbers are being referred to instead of the section numbers. It would seem to me that if the matter mentioned by the Senator from Oregon relates to the excessive depletion of timber due to the demands of war, certainly section 735, beginning at the top of page 353, and going down through line 8 on page 358, should be passed over.

Mr. HATCH. That is what I was endeavoring to ascertain. If all of the section has been passed over, it would be open to amendment.

Mr. LA FOLLETTE. I think the whole section should be passed over, so that the Senator from Oregon [Mr. McNARY] and the Senator from New Mexico. [Mr. HATCH] may be able to proffer any amendment they may desire to offer.

Mr. McKELLAR. Mr. President, I, too, hope the amendment will be passed over,

because I have an amendment which I desire to offer to the section.

The PRESIDING OFFICER. Without objection, the amendment beginning on page 353, line 1, will be passed over.

The next amendment of the committee will be stated.

The next amendment was, on page 358, after line 8, to insert:

Sec. 210. Credit for dividends received in computation of excess profits net income in connection with invested capital credit.

(a) Section 711 (a) (2) (A) is amended to read as follows:

"(A) Dividends received: The credit for dividends received shall apply, without limitation, to all dividends on stock of all corporations, except that no credit for dividends received shall be allowed with respect to dividends (actual or constructive) on stock of foreign personal holding companies or dividends on stock which is not a capital asset."

(b) The amendment made by subsection (a) shall be effective as of the date of enactment of the Excess Profits Tax Act of 1940.

The amendment was agreed to.

The next amendment was, on page 362, line 20, after the word "section", to strike out the numerals "217", and insert "227."

The amendment was agreed to.

The next amendment was, on page 362, after line 20, to insert:

Sec. 214. Base period net income of lowest year in base period.

Section 713 (e) (1) (relating to exclusion of deficit year from computation of average base period net income) is amended to read as follows:

"(1) By computing the aggregate of the excess profits net income for each of the taxable years of the taxpayer in the base period, reduced by the sum of the deficits in excess profits net income for each of such years. If the excess profits net income (or deficit in excess profits net income) for one taxable year in the base period divided by the number of months in such taxable year is less than 75 percent of the aggregate of the excess profits net income (reduced by deficits in excess profits net income) for the other taxable years in the taxpayer's base period divided by the number of months in such other taxable years (herein called 'average monthly amount') the amount used for such one year under this paragraph shall be 75 percent of the average monthly amount multiplied by the number of months in such one year, and the year increased under this sentence shall be the year the increase in which will produce the highest average base period net income."

The amendment was agreed to.

The next amendment was, on page 367, after line 2, to insert:

Sec. 218. Deficit in earnings and profits of another corporation.

(a) Addition to equity invested capital of transferee: Section 718 (a) is amended by inserting at the end thereof the following new paragraph:

"(7) Deficit in earnings and profits of another corporation: In the case of a transferee, as defined in subsection (c) (5), an amount, determined under such paragraph, equal to the portion of the deficit in earnings and profits of a transferor attributable to property received previously to such day."

(b) Reduction of equity invested capital of transferor: Section 718 (b) is amended by inserting at the end thereof the following new paragraph:

"(5) Deficit in earnings and profits transferred to another corporation: In the case of a transferor, as defined in subsection (c) (5), an amount, determined under such paragraph, equal to the portion of the deficit in earnings and profits of the transferor attributable to property transferred previously to such day."

(c) Earnings and profits of transferor and transferee: Section 718 (c) (relating to rules for determining invested capital) is amended by inserting at the end thereof the following new paragraph:

"(5) Deficit in earnings and profits—Earnings and profits of transferor and transferee: If a corporation (hereinafter called 'transferor') transfers substantially all its property to another corporation formed to acquire such property (hereinafter called 'transferee'), if—

"(A) The sole consideration for the transfer of such property is the transfer to the transferor or its shareholders of all the stock of all classes (except qualifying shares) of the transferee. (In determining whether the transfer is solely for stock, the assumption by the transferee of a liability of the transferor or the fact that the property acquired is subject to a liability shall be disregarded);

"(B) The basis of the property, in the hands of the transferee, for the purposes of this subsection, is determined by reference to the basis of the property in the hands of the transferor;

"(C) The transferor is forthwith completely liquidated in pursuance of the plan under which the acquisition of the property is made; and

"(D) Immediately after the liquidation the shareholders of the transferor own all such stock;

for the purposes of this subchapter, in computing the equity invested capital for any day after the date of the acquisition of the property, the earnings and profits or deficit in earnings and profits of the transferee and the transferor shall be computed as if, immediately before the beginning of the taxable year in which such transfer occurs, the transferee had been in existence and sustained a recognized loss and the transferor had realized a recognized gain, equal to the portion of the deficit in earnings and profits of the transferor attributable to such property."

The amendment was agreed to.

The next amendment was, on page 369, after line 13, to insert:

Sec. 219. Amortizable bond premium on certain Government obligations.

The first sentence of section 720 (d) (relating to increase in excess profits net income where Government obligations treated as admissible assets) is amended to read as follows: "If the excess profits credit for any taxable year is computed under section 714, the taxpayer may in its return for such year elect to increase its normal-tax net income for such taxable year by an amount equal to the amount of the interest on, reduced by the amount of the amortizable bond premium under section 125 attributable to, all obligations held during the taxable year which are described in section 22 (b) (4) any part of the interest from which is excludible from gross income or allowable as a credit against net income."

The amendment was agreed to.

The next amendment was, on page 370, after line 4, to insert:

Sec. 220. Abnormalities in income in taxable period.

(a) Rule for computations: Section 721 (c) and (d) (relating to computation of tax in case of abnormalities in income in the taxable period) is amended to read as follows:

"(c) Computation of tax for current taxable year: The tax under this subchapter for the taxable year, in which the whole of such abnormal income would without regard to this section be includible, shall not exceed the sum of:

"(1) The tax under this subchapter for such taxable year computed without the inclusion in gross income of the portion of the net abnormal income which is attributable to any other taxable year, and

"(2) The aggregate of the increase in the tax under this subchapter for the taxable year (computed under paragraph (1)) and for each previous taxable year which would have resulted if, for each previous taxable year to which any portion of such net abnormal income is attributable, an amount equal to such portion had been included in the gross income for such previous taxable year.

"(d) Computation of tax for future taxable year: The amount of the net abnormal income attributable to any future taxable year shall, for the purposes of this subchapter, be included in the gross income for such taxable year.

"(1) The tax under this subchapter for such future taxable year shall not exceed the sum of—

"(A) The tax under this subchapter for such future taxable year computed without the inclusion in gross income of the portion of such net abnormal income which is attributable to such year, and

"(B) The decrease in the tax under this subchapter for the previous taxable year in which the whole of such abnormal income would, without regard to this section, be includible which resulted by reason of the computation of such tax for such previous taxable year under the provisions of subsection (c); but the amount of such decrease shall be diminished by the aggregate of the increases in the tax under this subchapter for the future taxable year as computed under subparagraph (A) and for the taxable years intervening between such previous taxable year and such future taxable year which have resulted because of the inclusion of the portions of such net abnormal income attributable to such intervening years in the gross income for such intervening years.

"(2) If, in the application of subsection (c), net abnormal income from more than 1 taxable year is attributable to any future taxable year, paragraph (1) of this subsection shall be applied with respect to such future taxable year in the order of the taxable years from which the net abnormal income is attributable beginning with the earliest, as if the portion of the net abnormal income from each such year was the only amount so attributable to such future taxable year, and (except in the case of the portion for the earliest previous taxable year) as if the tax under this subchapter for the future taxable year was the tax determined under paragraph (1) with respect to the portion for the next earlier previous taxable year.

"(3) If in the application of paragraph (1) to any future taxable year it is determined that the decrease in tax computed under paragraph (1) (B) with respect to the net abnormal income, a portion of which is included in the gross income for the future taxable year, does not exceed the aggregate of the increases in tax computed under paragraph (1) (B) with respect to such net abnormal income, then the portions of such net abnormal income attributable to taxable years subsequent to such future taxable year shall not be included in the gross income for such subsequent taxable years. For the purpose of computing the tax under this subchapter for a taxable year subsequent to the future taxable year, the portion of net abnormal income attributable to the future taxable year shall not be included in the gross income for such future taxable year to the extent that the inclusion of such portion of net abnormal income in the gross income for such

future taxable year did not result in an increase in tax for such future taxable year by reason of the provisions of paragraph (1).

"(e) Application of section: This section shall be applied only for the purpose of computing the tax under this subchapter as provided in subsections (c) and (d), and shall have no effect upon the computation of base period net income. For the purposes of subsections (c) and (d):

"(1) Net abnormal income means the aggregate of the net abnormal income of all classes for 1 taxable year.

"(2) Under regulations prescribed by the Commissioner with the approval of the Secretary, the tax under this subchapter for previous taxable years shall be computed as if the portions of net abnormal income for each previous taxable year for which the tax was computed under this section were included in the gross income for the other previous taxable years to which such portions were attributable.

"(3) If both subsections (c) and (d) are applicable to any current taxable year, subsection (d) shall be applied without regard to subsection (c), and subsection (c) shall be applied as if the tax under this subchapter, except for subsection (c), was the tax computed under subsection (d) and as if the gross income and the other amounts necessary to determine the adjusted excess profits net income were those amounts which would result in the tax computed under subsection (d).

"(f) Abnormal income from exploration, etc.: If by reason of taking into account, in determining constructive average base period net income under section 722, exploration, discovery, prospecting, research, or development of tangible property, patents, formulae, or processes, or any combination of the foregoing, extending over a period of more than 12 months, such constructive average base period net income is higher than it would be without such taking into account, only such portion of the income in the taxable year resulting from such activity which is of a class described in subsection (a) (2) (C) as is attributable to another taxable year under this subchapter shall be deemed attributable to a year other than the taxable year."

(b) Taxable years to which amendments applicable: The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1939.

Mr. BREWSTER. Mr. President, let the amendment go over.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

Mr. GEORGE. Mr. President, let me inquire of the Senator from Maine what particular section he has asked to have go over?

Mr. BREWSTER. Section 220. That is the one dealing with excess profits, and in it there are certain changes in phraseology the significance of which is not very clear.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on page 375, at the end of line 24, after the numerals "1939", to change the period to a comma and insert "except that, in the cases described in the last sentence of section 722 (b) (4) and in section 722 (c), regard shall be had to the change in the character of the business under section 722 (b) (4) or the nature of the taxpayer and the character of its business under section 722 (c) to the extent necessary to establish the normal earnings to be used as the constructive average base period net income."

The amendment was agreed to.

The next amendment was, on page 378, line 8, after the words "as a result of", to strike out "commitments made prior to January 1, 1940, binding the taxpayer to make the change" and insert "a course of action to which the taxpayer was committed prior to January 1, 1940."

The amendment was agreed to.

The next amendment was, on page 380, after line 4, to strike out:

"(d) Limitation on application of general rule: The constructive average base period net income determined under subsection (a) shall not be used for any taxable year unless—

"(1) The tax under this subchapter for such taxable year computed without reference to this section, exceeds 6 percent of the taxpayer's normal tax net income for such year computed without the credit provided in section 26 (c) (relating to adjusted excess profits net income); and

"(2) The tax under this subchapter for the taxable year computed by using the constructive average base period net income determined under subsection (a) (but without regard to subsection (c)) would be less than 95 percent of the tax for the taxable year computed without reference to this section.

"(e) Extent of reduction of tax under this section: The tax under this subchapter, determined with the use of the constructive average base period net income determined under subsection (a), shall not be less than either—

"(1) The amount of such tax, determined without regard to this subsection but with the use of the constructive average base period net income determined under subsection (a), plus 5 percent of the tax so determined, or

"(2) 6 percent of the taxpayer's normal tax net income, computed without the credit provided in section 26 (e) (relating to adjusted excess profits net income).

The amendment was agreed to.

The next amendment was, on page 381, line 12, after the words "section 710 (a)", to strike out "(3" and insert "(2)."

The amendment was agreed to.

The next amendment was, on page 381, line 15, after the word "return" and the comma, to insert "or if the application relates to a taxable year beginning after December 31, 1939, but not beginning after December 31, 1941, within 6 months after the date of the enactment of the Revenue Act of 1942."

The amendment was agreed to.

The next amendment was, on page 382, line 10, after the words "filing of the return", to insert "or if the application relates to a taxable year beginning after December 31, 1939, but not beginning after December 31, 1941, within 6 months after the date of the enactment of the Revenue Act of 1942."

The amendment was agreed to.

The next amendment was, on page 383, after line 12, to insert:

"(f) Mining corporations: In the case of a taxpayer to which section 711 (a) (1) (H) or section 711 (a) (2) (K) applies, if its constructive average base period net income is established under this section, there shall also be determined a fair and just amount to be used as normal output and normal unit profit for the purposes of section 735."

The amendment was agreed to.

The next amendment was, on page 384, after line 13, to strike out:

(c) Abnormal income for the taxable year: Section 721 (a) (1) (relating to abnormalities in income in the taxable period) is amended by adding at the end thereof the following new sentence: "Income of a class derived from any activity of the business which is taken into account in the determination of a constructive average base period net income under section 722 shall not constitute 'abnormal income' for the purposes of this section."

The amendment was agreed to.

The next amendment was, at the top of page 385, to strike out:

"(d) Special division of Board: The determinations and redeterminations by the Board provided for in this section shall be made by a special division of the Board which shall be constituted by the Chairman and consist of not less than three members of the Board. Such determinations and redeterminations shall not be reviewable by the Board, and the decisions of such division making such determinations and redeterminations shall be deemed decisions of the Board."

And insert:

"(d) Review by special division of Board: The determinations and redeterminations by any division of the Board involving any question arising under section 721 (a) (2) (C) or section 722 shall be reviewed by a special division of the Board which shall be constituted by the Chairman and consist of not less than three members of the Board. The decisions of such special division shall not be reviewable by the Board, and shall be deemed decisions of the Board."

The amendment was agreed to.

The next amendment was, on page 385, after line 17, to strike out:

(e) Bonus income of industries with depletable reserves:

(1) Income credit: Section 711 (a) (1) (relating to excess profits credit computed under income credit) is amended by inserting at the end thereof the following new subparagraph:

"(H) Bonus income: There shall be excluded income derived from bonus payments made by any agency of the United States Government on account of the production in excess of a specified quota of a product the exhaustion of which gives rise to an allowance for depletion under section 23 (m)."

(2) Invested capital credit: Section 711 (a) (2) (relating to excess profits credit computed under invested capital credit) is amended by inserting at the end thereof the following new subparagraph:

"(K) Bonus income: There shall be excluded income derived from bonus payments made by any agency of the United States Government on account of the production in excess of a specified quota of a product the exhaustion of which gives rise to an allowance for depletion under section 23 (m)."

The amendment was agreed to.

The next amendment was, on page 386, line 16, after the word "basis", to insert the words "and other."

The amendment was agreed to.

The next amendment was, on page 386, line 18, after the words "after section", to strike out the numeral "734", and insert "735."

The amendment was agreed to.

The next amendment was, on page 386, after line 19, to insert "And taxpayers with income from long-term contracts."

The amendment was agreed to.

The next amendment was, on page 386, after line 21, to strike out:

"(a) Election to accrue income: In the case of any taxpayer computing income from installment sales under the method provided by section (a), if such taxpayer establishes that the average volume of credit extended to purchasers on the installment plan in the 4 preceding taxable years was more than 125 percent of the volume of such credit extended to such purchasers in the taxable year, it may elect, in its first return for the taxable year, for the purposes of the tax imposed by this subchapter, to compute, pursuant to regulations prescribed by the Commissioner with the approval of the Secretary, its gross income from installment sales on the basis of the taxable period for which such income is accrued, in lieu of the basis provided by section 44 (a). Such election shall be irrevocable when once made and shall apply also to all subsequent taxable years, and the gross income from installment sales for each taxable year before the first year with respect to which the election is made but beginning after December 31, 1939, shall be adjusted for the purposes of this subchapter to conform to such election. In making such adjustments, no amount shall be included in computing excess profits net income for any excess profits tax taxable year on account of installment sales made in taxable years beginning before January 1, 1940.

And insert:

"(a) Election to accrue income: In the case of any taxpayer computing income from installment sales under the method provided by section 44 (a), if such taxpayer establishes, in accordance with regulations prescribed by the Commissioner with the approval of the Secretary, that the average volume of credit extended to purchasers on the installment plan in the 4 taxable years preceding the first taxable year beginning after December 31, 1941, was more than 125 percent of the volume of such credit extended to such purchasers in the taxable year, or the average outstanding installment accounts receivable at the end of each of the 4 taxable years preceding the first taxable year beginning after December 31, 1941, was more than 125 percent of the average of such accounts receivable at the end of the taxable years, or if the taxpayer was not in existence for 4 previous taxable years, the taxable years during which the taxpayer was in existence, in either case including only such years for which the income was computed under the method provided in section 44 (a), it may elect, in its return for the taxable year, for the purposes of the tax imposed by this subchapter, to compute, in accordance with regulations prescribed by the Commissioner with the approval of the Secretary, its income from installment sales on the basis of the taxable period for which such income is accrued, in lieu of the basis provided by section 44 (a). Except as hereinafter provided, such election shall be irrevocable when once made and shall apply also to all subsequent taxable years, and the income from installment sales for each taxable year before the first year with respect to which the election is made but beginning after December 31, 1939, shall be adjusted for the purposes of this subchapter to conform to such election. In making such adjustments, no amount shall be included in computing excess profits net income for any excess profits tax taxable year on account of installment sales made in taxable years beginning before January 1, 1940. If the taxpayer establishes, in accordance with regulations prescribed by the Commissioner with the approval of the Secretary, that in a taxable year subsequent to the year with respect to which an election has been made under the preceding provisions of this subsection it would not be eligible to elect such accrual method, the taxpayer may in accordance with such regulations elect in its return for such year to abandon such accrual method. Such election shall be irrevocable when once made and shall preclude any further elections under this subsection. For the taxable year for which the latter election is made and subsequent taxable years, income shall be computed in accordance with section 44 (c)."

The amendment was agreed to.

The next amendment was, on page 389, after line 16, to insert:

"(b) Election on long-term contracts: In the case of any taxpayer computing income from contracts the performance of which requires more than 12 months, if it is abnormal for the taxpayer to derive income of such class, or, if the taxpayer normally derives income of such class but the amount of such income of such class includible in the gross income of the taxable year is in excess of 125 percent of the average amount of the gross income of the same class for the 4 previous taxable years, or, if the taxpayer was not in existence for 4 previous taxable years, the taxable years during which the taxpayer was in existence, it may elect, in its return for such taxable year for the purposes of this subchapter to compute, in accordance with regulations prescribed by the Commissioner with the approval of the Secretary, such income upon the percentage of completion method of accounting. Such election shall be irrevocable when once made and shall apply to all other contracts the performance of which requires more than 12 months. The net income of the taxpayer for each year prior to that with respect to which the election is made shall be adjusted for the purposes of this subchapter to conform to such election. Income described in this subsection shall not be considered abnormal income under section 721.

Mr. WHITE. Mr. President, a few moments ago my colleague the junior Senator from Maine [Mr. BREWSTER] asked that a certain section be passed over. I desire to call attention to the proposed new subparagraph (b), on page 389, and to ask if it is not related to the same subject in which my colleague was interested.

Mr. BREWSTER. If that be so, I shall be deeply interested in the amendment, and I thank the Senator for calling my attention to it.

Mr. WHITE. Therefore, Mr. President, I ask that subparagraph (b), beginning on page 389, be passed over.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

The next amendment was, on page 390, line 16, after the words "in subsection (a)", to insert "or subsection (b), as the case may be."

The amendment was agreed to.

The next amendment was, on page 390, line 18, after the word "taxpayer", to strike out "to change its method of computing income from installment sales" and insert "under subsection (a) or subsection (b), as the case may be."

The amendment was agreed to.

The next amendment was, on page 391, line 6, after the word "tax", to insert "imposed by chapter 1 and this subchapter."

The amendment was agreed to.

The next amendment was, on page 391, line 8, after the words "subsection (a)", to insert "or subsection (b), as the case may be."

The amendment was agreed to.

The next amendment was, on page 391, line 22, after the words "subsection (a)", to insert "or subsection (b), as the case may be."

The amendment was agreed to.

The next amendment was, on page 392, line 2, after the words "subsection (a)", to insert "or subsection (b), as the case may be."

The amendment was agreed to.

The next amendment was, on page 392, after line 3, to insert:

(e) Retroactive application of general relief provisions: The amendments made by this section to section 722 shall be applicable with respect to taxable years beginning after December 31, 1939.

(f) Technical amendment: Section 721 (a) (2) (B) (relating to abnormalities on account of long-term contracts) shall not apply with respect to any taxable year beginning after December 31, 1941.

The amendment was agreed to.

The next amendment was, on page 392, after line 11, to strike out:

Sec. 214. Exemption of regulated investment companies.

The amendment was agreed to.

The next amendment was, on page 392, after line 13, to insert:

Sec. 222. Exempt corporations.

(a) Not exempt if consolidated returns filed: So much of section 727 as reads "The following corporations shall be exempt from the tax imposed by this subchapter" is amended to read as follows: "The following corporations, except a member of an affiliated group of corporations filing consolidated returns under section 141, shall be exempt from the tax imposed by this subchapter."

(b) Personal service corporation not exempt if consolidated return filed: Section 725 (b) (relating to exemption of personal service corporations) is amended by inserting at the end thereof the following new sentence: "Such corporation shall not be exempt for such year if it is a member of an affiliated group of corporations filing consolidated returns under section 141."

The amendment was agreed to.

The next amendment was, on page 393, after line 3, and before the words "Section 727 (c)", to insert:

(c) Exemption of regulated investment companies.

The amendment was agreed to.

The next amendment was, on page 393, after line 9, to insert:

Sec. 223. Excess profits tax returns.

(a) Section 729 (b) (1) (relating to double computation on returns) is repealed.

(b) Section 712 (c) (relating to disclaimer of excess profits credit) is repealed.

(c) The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1939.

The amendment was agreed to.

The next amendment was, on page 394, after line 2, to insert:

Sec. 225. Exemption from tax of mining of certain strategic minerals.

(a) Exemption: Subchapter E of chapter 2 is amended by inserting after section 730 the following new section:

"Sec. 731. Corporations engaged in mining of strategic minerals.

"In the case of any domestic corporation engaged in the mining of antimony, chromite, manganese, nickel, platinum, quicksilver, sheet mica, tantalum, tin, tungsten, or vanadium, the portion of the adjusted excess

profits net income attributable to such mining in the United States shall be exempt from the tax imposed by this subchapter. The tax on the remaining portion of such adjusted excess profits net income shall be an amount which bears the same ratio to the tax computed without regard to this section as such remaining portion bears to the entire adjusted excess profits net income."

(b) Taxable years to which amendment applicable: The amendment made by this section shall be applicable to taxable years beginning after December 31, 1940.

The amendment was agreed to.

The next amendment was, on page 394, after line 22, to insert:

Sec. 226. Amendments to section 734.

Section 734 is amended to read as follows:

"Sec. 734. Adjustment in case of position inconsistent with prior income-tax liability.

"(a) Definitions: For the purposes of this section—

"(1) Taxpayer: The term 'taxpayer' means any person subject to a tax under the applicable revenue act.

"(2) Income tax: The term 'income tax' means an income tax imposed by chapter 1 or chapter 2A of this title; title I and title IA of the Revenue Acts of 1938, 1936, and 1934; title I of the Revenue Acts of 1932 and 1928; title II of the Revenue Acts of 1926 and 1924; title II of the Revenue Acts of 1921 and 1918; title I of the Revenue Act of 1917; title I of the Revenue Act of 1916; or section II of the act of October 3, 1913; a war-profits or excess-profits tax imposed by title III of the Revenue Acts of 1921 and 1918; or title II of the Revenue Act of 1917; or an income, war-profits, or excess profits tax imposed by any of the foregoing provisions, as amended or supplemented.

"(3) Prior taxable year: A taxable year beginning after December 31, 1939, shall not be considered a prior taxable year.

"(4) The term 'predecessor of the taxpayer' means—

"(A) A person which is a component corporation of the taxpayer within the meaning of section 740; and

"(B) A person which on April 1, 1941, or at any time thereafter, controlled the taxpayer. The term 'controlled' as herein used shall have the same meaning as 'control' under section 112 (h), and

"(C) Any person in an unbroken series ending with the taxpayer if subparagraph (A) or (B) would apply to the relationship between the parties.

"(b) Circumstances of adjustment:

"(1) If—

"(A) In determining at any time the tax of a taxpayer under this subchapter an item affecting the determination of the excess profits credit is treated in a manner inconsistent with the treatment accorded such item in the determination of the income-tax liability of such taxpayer or a predecessor for a prior taxable year or years, and

"(B) The treatment of such item in the prior taxable year or years consistently with the determination under this subchapter would effect an increase or decrease in the amount of the income taxes previously determined for such taxable year or years, and

"(C) On the date of such determination of the tax under this subchapter correction of the effect of the inconsistent treatment in any one or more of the prior taxable years is prevented (except for the provisions of section 3801) by the operation of any law or rule of law (other than section 3761, relating to compromises),

then the correction shall be made by an adjustment under this section. If in a subsequent determination of the tax under this subchapter for such taxable year such inconsistent treatment is not adopted, then the correction shall not be made in connection with such subsequent determination.

"(2) Such adjustment shall be made only if there is adopted in the determination a position maintained by the Commissioner (in case the net effect of the adjustment would be a decrease in the income taxes previously determined for such year or years) or by the taxpayer with respect to whom the determination is made (in case the net effect of the adjustment would be an increase in the income taxes previously determined for such year or years) which position is inconsistent with the treatment accorded such item in the prior taxable year or years which was not correct under the law applicable to such year.

"(3) Burden of proof: In any proceeding before the Board or any court the burden of proof in establishing that an inconsistent position has been taken (A) shall be upon the Commissioner, in case the net effect of the adjustment would be an increase in the income taxes previously determined for the prior taxable year or years, or (B) shall be upon the taxpayer, in case the net effect of the adjustment would be a decrease in the income taxes previously determined for the prior taxable year or years.

"(c) Method and effect of adjustment:

"(1) The adjustment authorized by subsection (b), in the amount ascertained as provided in subsection (d), if a net increase shall be added to, and if a net decrease shall be subtracted from, the tax otherwise computed under this subchapter for the taxable year with respect to which such inconsistent position is adopted.

"(2) If more than one adjustment under this section is made because more than one inconsistent position is adopted with respect to 1 taxable year under this subchapter, the separate adjustments, each an amount ascertained as provided in subsection (d), shall be aggregated, and the aggregate net increase or decrease shall be added to or subtracted from the tax otherwise computed under this subchapter for the taxable year with respect to which such inconsistent positions are adopted.

"(3) If all the adjustments under this section, made on account of the adoption of an inconsistent position or positions with respect to one taxable year under this subchapter, result in an aggregate net increase, the tax imposed by this subchapter shall in no case be less than the amount of such aggregate net increase.

"(4) If all the adjustments under this section, made on account of the adoption of an inconsistent position or positions with respect to a taxable year under this subchapter (hereinafter in this paragraph called the current taxable year), result in an aggregate net decrease, and the amount of such decrease exceeds the tax imposed by this subchapter (without regard to the provisions of this section) for the current taxable year, such excess shall be subtracted from the tax imposed by this subchapter for each succeeding taxable year, but the amount of the excess to be so subtracted shall be reduced by the reduction in tax for intervening taxable years which has resulted from the subtraction of such excess from the tax imposed for each such year.

"(d) Ascertainment of amount of adjustment: In computing the amount of an adjustment under this section there shall first be ascertained the amount of the income taxes previously determined for each of the prior taxable years for which correction is prevented. The amount of each such tax previously determined for each such taxable year shall be (1) the tax shown by the taxpayer, or by the predecessor, upon the return for such prior taxable year, increased by the amounts previously assessed (or collected without assessment) as deficiencies, and decreased by the amounts previously abated, credited, refunded, or otherwise repaid in respect of such tax; or (2) if no amount was shown as the tax by such taxpayer or such predecessor upon the return, or if no return was made by such taxpayer or such predecessor, then the amounts previously assessed (or collected without assessment) as deficiencies, but such amounts previously assessed, or collected without assessment, shall be decreased by the amounts previously abated, credited, refunded, or otherwise repaid in respect of such tax. There shall then be ascertained the increase or decrease in each such tax previously determined for each such year which results solely from the treatment of the item consistently with the treatment accorded such item in the determination of the tax liability under this subchapter. To the increase or decrease so ascertained for each such tax for each such year there shall be added interest thereon computed as if the increase or decrease constituted a deficiency or an overpayment, as the case may be, for such prior taxable year. Such interest shall be computed to the fifteenth day of the third month following the close of the excess-profits tax taxable year with respect to which the determination is made. There shall be ascertained the difference between the aggregate of such increases, plus the interest attributable to each, and the aggregate of such decreases, plus the interest attributable to each, and the net increase or decrease so ascertained shall be the amount of the adjustment under this section with respect to the inconsistent treatment of such item.

"(e) Interest in case of net increase or decrease:

"(1) If an adjustment under this section results in a net decrease, or more than one adjustment results in an aggregate net decrease, the portion of such net decrease or aggregate net decrease, as the case may be, subtracted from the tax which represents interest shall be included in gross income of the taxable year in which falls the date prescribed for the payment of the tax under this subchapter.

"(2) If an adjustment under this section results in a net increase, or more than one adjustment results in an aggregate net increase, the portion of such net increase or aggregate net increase, as the case may be, which represents interest shall be allowed as a deduction in computing net income for the taxable year in which falls the date prescribed for the payment of the tax under this subchapter."

The amendment was agreed to.

The next amendment was, on page 402, after line 4, to strike out:

(a) Amendments to Supplement A: Supplement A of chapter 2E is amended to read as follows:

"Supplement A: Excess profits credit based on income.

And insert:

(a) Amendments to section 740: Section 740 is amended to read as follows:

The amendment was agreed to.

The next amendment was, on page 405, line 1, after the word "section", to strike out "741, and section 742", and insert "742, and section 743."

The amendment was agreed to.

The next amendment was, on page 405, line 3, after the words "subsection (a)", to strike out:

For the purposes of computing, for any taxable year beginning after December 31, 1941, the excess-profits credit of such component corporation or of an acquiring corporation of which the acquiring corporation in such transaction is not a component, no account shall be taken of the net income, capital addition, or capital reduction of such component corporation before such transaction, or of the net income, capital addition, or capital reduction before such transaction, of its component corporations in any transaction before such transaction.

And insert:

"(1) Except as provided in paragraph (2), for the purpose of computing, for any taxable year beginning after December 31, 1941, the excess profits credit of such component corporation or of an acquiring corporation of which the acquiring corporation in such transaction is not a component, except in the application of sections 713 (f) and 742 (h) (other than the limitation on the amount of average base period net income or Supplement A average base period net income, as the case may be, determined thereunder), no account shall be taken of the excess profits net income of such component corporation for any period before the day after such transaction, or of the excess profits net income for any period before the day after such transaction of its component corporations in any transaction before such transaction, and no account shall be taken of the capital addition or capital reduction of such component corporation either immediately before such transaction or for any prior period, or of the capital addition or capital reduction either immediately before such transaction or for any prior period of its component corporations in any transaction before such transaction.

"(2) In case such transaction occurred in a taxable year of such component corporation beginning after December 31, 1941, for the purpose of computing the excess profits credit of such component corporation for such taxable year, the amount of its average base period net income or Supplement A average base period net income, as the case may be, shall be limited to an amount which bears the same ratio to such average base period net income or Supplement A average base period net income, as the case may be (computed without regard to this paragraph but with the application of paragraph (1) in case of a prior transaction described in subsection (a) with respect to such component corporation or a component corporation thereof), as the number of days in such taxable year before the day after such transaction bears to the total number of days in such taxable year.

For the purposes of section 742, in the case of a corporation which is a component corporation in a transaction described in subsection (a), in computing for any taxable year the Supplement A average base period net income of the acquiring corporation in such transaction or of a corporation of which such acquiring corporation becomes a component corporation, no account shall be taken of the excess profits net income of such component corporation for any period beginning with the day after such transaction.

The amendment was agreed to.

The next amendment was, on page 408, at the beginning of line 16, to strike out "741" and insert "742"; and at the end of the line, to strike out "742" and insert "743."

The amendment was agreed to.

The next amendment was, on page 408, in line 21, at the end of the line, to strike out "741" and insert "742."

The amendment was agreed to.

The next amendment was, on page 408, after line 23, to insert:

(b) Termination of section 741: Section 741 shall not apply to any taxable year beginning after December 31, 1941.

(c) Amendments to section 742: Section 742 is amended to read as follows:

The amendment was agreed to.

The next amendment was, on page 411, line 15, after the words "shall be", to strike out "placed on an annual basis by dividing by the aggregate of the number of days in such taxable years and multiplying by three hundred and sixty-five" and insert: "adjusted to such extent as the Commissioner, under regulations prescribed by him with the approval of the Secretary prescribes as necessary in order that such base period year shall reflect income for a period of 12 months. For the purposes of this section, a taxable year of a component corporation beginning within the base period which also begins with or within the taxable year of the acquiring corporation in which the acquisition occurred, or which also begins with or within the same base period year with which or within which began such taxable year of the acquiring corporation, shall be considered a taxable year of the acquiring corporation, and such taxable year shall be considered to have begun in the base period year with which or within which such taxable year of the acquiring corporation began."

The amendment was agreed to.

The next amendment was, on page 412, line 8, after the semicolon and the word "and", to strike out:

By subtracting from such sum, if for 2 or more years of the base period there was a minus amount, the sum of the minus amounts, excluding the greatest.

And insert:

"(1) If the tax under this subchapter is being computed for a taxable year not beginning after December 31, 1941, by subtracting from such sum, if for 2 or more years of the basis period there was a minus amount, the sum of the minus amounts, excluding the greatest; or

"(2) If the tax under this subchapter is being computed for a taxable year beginning after December 31, 1941, by subtracting from such sum the sum of the minus amounts. If the amount used under the preceding sentence for the lowest year is less than 75 percent of the sum of the plus amounts reduced by the sum of the minus amounts for the other years in the base period divided by three, the amount which shall be used for such lowest year shall be 75 percent of the amount last ascertained.

The amendment was agreed to.

The next amendment was, on page 414, line 11, after the words "such corporation", to strike out "(except a corporation which became a component corporation of an acquiring corporation before the beginning of the acquiring corporation's first taxable year which began in 1940)."

The amendment was agreed to.

The next amendment was, on page 414, line 16, after the word "shall", to insert "(except in the case of a corporation which became a component corporation of its acquiring corporation before the beginning of the acquiring corporation's first taxable year which began in 1940)."

The amendment was agreed to.

The next amendment was, on page 414, after line 21, to insert:

(A) In the case of any such corporation to which paragraph (2) is not applicable.

The amendment was agreed to.

The next amendment was, on page 415, line 1, after the numerals "1940", to strike out "plus, in case it became, in such first taxable year but on a day in any other such corporation's taxable year beginning in 1939, an acquiring corporation with respect to such other corporation, the daily invested capital of such other corporation for such day."

The amendment was agreed to.

The next amendment was, on page 415, after line 16, to insert:

"(2) In case the transaction by which a corporation became a component corporation of its acquiring corporation occurred in the last taxable year of such component corporation beginning in 1939 but on a day in a taxable year of such acquiring corporation beginning in 1940, the excess profits net income of such component corporation for each base period year described in paragraph (1) shall be an amount equal to 8 percent of the excess of—

"(A) The daily invested capital of such component corporation for such day, over

"(B) An amount equal to the same percentage of such daily invested capital as would be applicable under section 720 in reduction of the average invested capital of such component corporation for the 12-month period ending with the preceding day if such 12-month period constituted a taxable year and such section had been applicable to such taxable year.

The amendment was agreed to.

The next amendment was, on page 416, line 14, after the numerals "1940", to strike out "its and such other corporation's excess profits net income for each base period year described in paragraph (1) shall be determined in accordance with regulations prescribed by the Commissioner with the approval of the Secretary" and insert "the amounts computed under subparagraphs (A) and (B) of paragraphs (1) and (2) with respect to such corporations shall be adjusted, under regulations prescribed by the Commissioner with the approval of the Secretary, to such extent as may be necessary to prevent the excess profits net income of such corporations for the base period years described in paragraph (1) from reflecting money or property having been paid in by either of such corporations to the other for stock or as paid-in surplus or as a contribution to capital, or from reflecting stock of either having been paid in for stock of the other or as paid-in surplus or as a contribution to capital. For the purposes of this paragraph, stock in either such corporation which has in the hands of the other corporation a basis determined with reference to the basis of stock previously acquired by the issuance of such other corporation's own stock shall be deemed to have been paid in for the stock of such other corporation."

The amendment was agreed to.

The next amendment was, on page 418, line 19, after the word "Secretary", to insert "For the purposes of this paragraph, stock which has in the hands of the taxpayer or first corporation, as the case may be, a basis determined with reference to the basis of stock previously acquired by the issuance of the taxpayer's or first corporation's, as the case may be, own stock, shall be considered as having been acquired in consideration of the issuance of the taxpayer's or first corporation's, as the case may be, own stock."

The amendment was agreed to.

The next amendment was, on page 421, after line 17, to insert:

(d) Amendments to section 743: Section 743 is amended to read as follows.

The amendment was agreed to.

The next amendment was, on page 422, line 1, after the word "section", to strike out the numerals "741" and insert "742."

The amendment was agreed to.

The next amendment was, on page 424, after line 5, to strike out:

"Sec. 743. Foreign corporations.

"The term 'corporation' as used in this Supplement does not include a foreign corporation."

The amendment was agreed to.

The next amendment was, on page 424, line 25, after the word "that", to insert "(1) the last sentence of section 740 (c), as added by subsection (a) of this section shall be applicable to the computation of the tax for all taxable years beginning after December 31, 1939, and (2)."

The amendment was agreed to.

The next amendment was, on page 425, at the beginning of line 9, to insert "and except that referred to in clause (1)"; in line 11, after the word "shall", to insert "also"; and in the same line, after the word "applicable", to insert "to the computation of the tax for taxable years beginning after December 31, 1939."

The amendment was agreed to.

The next amendment was, on page 425, after line 13, to strike out:

Sec. 217. Amendments to Supplement B.

(a) Termination of Supplement B: Supplement B of chapter 2E (relating to highest bracket amount and invested capital) shall not apply to any taxable year beginning after December 31, 1931.

(b) Repeal of section 751: Section 751 (relating to determination of property paid in, etc., in certain cases) is repealed as of the date of its enactment.

And insert:

Sec. 228. Termination of Supplement B.

(a) Retroactive repeal of section 752:

(1) Section 752 (relating to highest bracket amount) is repealed as of the date of enactment of the Second Revenue Act of 1940.

(2) Section 710 (a) (2) (relating to application of highest bracket amount in computing tax) is repealed as of the date of enactment of the Second Revenue Act of 1940.

(b) Sections 750 and 751 (relating to determination of property paid in, etc., in certain cases) shall not apply with respect to any taxable year beginning after December 31, 1941.

The amendment was agreed to.

The next amendment was, on page 426, after line 18, to strike out:

"(a) Definitions: For the purpose of this section—

"(1) Exchange: The term 'exchange' means an exchange, to which section 112 (b) (3), (4), or (5), or so much of section 112 (c), (d), or (e) as refers to section 112 (b) (3), (4), or (5), or to which a corresponding provision of a prior revenue law, is or was applicable, by one corporation of its property wholly or in part for stock or securities of another corporation, or a transfer of property by one corporation to another corporation after December 31, 1917, the basis of which in the hands of such other corporation is or was determined under section 113 (a) (8) (B), or would have been so determined had such section been in effect.

"(2) Transferee upon an exchange: The term 'transferee upon an exchange' means a corporation which upon an exchange acquires property in exchange, wholly or in part, for its stock or securities, or which acquires property from another corporation after December 31, 1917, the basis of which in its hands is or was determined under section 113 (a) (8) (B), or would have been so determined had such section been in effect."

And insert:

"(a) Definitions, etc.: For the purposes of this section—

"(1) 'Exchange', 'transferor', and 'transferee': The term 'exchange' means a transaction by which one corporation (hereinafter called 'transferee') receives property of another corporation (hereinafter called 'transferor') and the basis of the property received, in the hands of the transferee, for the purposes of section 718 (a) is determined by reference to the basis in the hands of the transferor.

"(2) Determination of basis of property received: The basis, in the hands of the transferee, of the property of the transferor received by the transferee upon the exchange shall be determined in accordance with section 718 (a).

The amendment was agreed to.

The next amendment was, on page 428, line 11, after the word "basis", to strike out "(for determining loss)."

The amendment was agreed to.

The next amendment was, on page 429, line 6, after the word "basis", to strike out "(for determining loss)."

The amendment was agreed to.

The next amendment was, on page 429, after line 8, to strike out:

"Sec. 761. Transactions in liquidation.

"(a) Definition of liquidating transaction: As used in this section, the term 'liquidating transaction' means:

"(1) The complete liquidation of another corporation under section 112 (b) (6) or the corresponding provision of a prior revenue law, or

"(2) The liquidation of another corporation, or a transaction having the effect of liquidating in whole or in part, some or all of the stock of another corporation—

"(A) if a gain or loss in whole or in part is not recognized either in a consolidated income or excess profits tax return or because of the provisions of section 112 (b) (4) or (5), or so much of section 112 (c) to (e), inclusive, as refers to section 112 (b) (4) or (5), or the corresponding provision of a prior revenue law, and

"(B) if the property received by the taxpayer has a basis described in section 113 (b) (2) (A).

"(b) Adjustment of equity invested capital: If property is received by the taxpayer in a liquidating transaction, the equity invested capital for each day following the transaction shall be adjusted as follows:

"(1) If the stock of the transferor which is in effect canceled upon such liquidating transaction is determined to have been acquired by the issuance of stock in transactions in which gain or loss in whole or in part was not recognized, there shall be included, in lieu of the amounts determined to be otherwise includible in the equity invested capital of the taxpayer with respect to such stock, the amount determined to be necessary to reflect the equity invested capital and the deficit in earnings and profits, if any, of the transferor with respect to such stock.

"(2) If such stock of the transferor is determined not to have been acquired by the issuance of stock in transactions in which gain or loss in whole or in part was not recognized, the equity invested capital of the taxpayer shall be adjusted to the extent necessary to reflect in its accumulated earnings and profits and its earnings and profits for the taxable year the portion of the earnings and profits or the deficit in earnings and profits, as the case may be, of the transferor accumulated subsequent to the date which is determined to be the date of acquisition by the taxpayer of control (or, with respect to stock acquired subsequent to the acquisition of control, the date of acquisition of such stock) of the transferor and determined to be attributable to such stock. For the purposes of the computations under this paragraph, the basis of the property held by the transferor or its predecessor at the time of the acquisition of control (or of acquisition of the stock in the case of property determined to be attributable to stock acquired since the acquisition of control) which is attributable to such stock shall be, in lieu of the basis prescribed by section 113 or the corresponding provision of a prior revenue law, an amount determined by reference to the adjusted basis for determining loss upon a sale or exchange of such stock in the hands of the taxpayer or a predecessor. The basis so assigned shall apply, in lieu of the basis otherwise prescribed in computing any amount (determined by reference to the basis of such property in the hands of the transferor) entering into the computation of the equity invested capital of the taxpayer or any other corporation computing equity invested capital by reference to the equity invested capital of the taxpayer. For the purposes of this paragraph the adjusted basis for determining loss upon a sale or exchange of such stock shall be determined without regard to any adjustment authorized by the last sentence of section 113 (a) (11) which is already reflected in the earnings and profits or deficit in earnings and profits attributable to such stock.

"(c) Mergers and consolidations: In determining the amount of the adjustments under subsections (a) and (b), if a corporation owned stock in another corporation, and

"(1) such corporations are merged or consolidated in a statutory merger or consolidation, or

"(2) such corporations are parties to a liquidating transaction which results in the liquidation of such stock in a manner similar to that resulting from a statutory merger or consolidation,

for the purposes of this section such stock shall be considered to have been acquired by the corporation resulting from the merger, consolidation, or transaction, and the properties attributable thereto received by it in liquidation of such stock.

"(d) Determinations: Any determination which is required to be made under this section shall be made in accordance with regulations which shall be prescribed by the Commissioner with the approval of the Secretary."

And insert:

"Sec. 761. Invested capital adjustment at the time of tax-free intercorporate liquidations.

"(a) Definition of intercorporate liquidation: As used in this section, the term 'intercorporate liquidation' means the receipt (whether or not after December 31, 1941) by a corporation (hereinafter called the 'transferee') of property in complete liquidation of another corporation (hereinafter called the 'transferor'), to which

"(1) The provisions of section 112 (b) (6), or the corresponding provision of a prior revenue law, is applicable or

"(2) A provision of law is applicable prescribing the nonrecognition of gain or loss in whole or in part upon such receipt (including a provision of the regulations applicable to a consolidated income or excess-profits tax return but not including section 112 (b) (7), (9), or (10) or a corresponding provision of a prior revenue law),

but only if none of such property so received is a stock or a security in a corporation the stock or securities of which are specified in the law applicable to the receipt of such property as stock or securities permitted to be received (or which would be

permitted to be received if they were the sole consideration) without the recognition of gain.

"(b) Definition of plus adjustment and minus adjustment: For the purposes of this section—

(1) Plus adjustment: The term 'plus adjustment' means the amount, with respect to an intercorporate liquidation, determined to be equal to the amount by which the aggregate of the amount of money received by the transferee in such intercorporate liquidation, and of the adjusted basis at the time of such receipt of all property (other than money) so received, exceeds the sum of—

"(A) The aggregate of the adjusted basis of each share of stock with respect to which such property was received; such adjusted basis of each share to be determined immediately prior to the receipt of any property in such liquidation with respect to such share, and

"(B) The aggregate of the liabilities of the transferor assumed by the transferee in connection with the receipt of such property, of the liabilities (not assumed by the transferee) to which such property so received was subject, and of any other consideration (other than the stock with respect to which such property was received) given by the transferee for such property so received.

"(2) Minus adjustment: The term 'minus adjustment' means the amount, with respect to an intercorporate liquidation, determined to be equal to the amount by which the sum of—

"(A) The aggregate of the adjusted basis of each share of stock with respect to which such property was received; such adjusted basis of each share to be determined immediately prior to the receipt of any property in such liquidation with respect to such share, and

"(B) the aggregate of the liabilities of the transferor assumed by the transferee in connection with the receipt of such property, of the liabilities (not assumed by the transferee) to which such property so received was subject, and of any other consideration (other than the stock with respect to which such property was received) given by the transferee for such property so received exceeds the aggregate of the amount of the money so received and of the adjusted basis, at the time of receipt, of all property (other than money) so received.

"(3) Rules for application of paragraphs (1) and (2): In determining the plus adjustment or minus adjustment with respect to any share, the computation shall be made in the same manner as is prescribed in paragraphs (1) and (2) of this subsection, except that there shall be brought into account only that part of each item which is determined to be attributable to such share.

"(c) Rules for the application of this section:

"(1) Stock having cost basis: The property received by a transferee in an intercorporate liquidation attributable to a share of stock having in the hands of the transferee a basis determined to be a cost basis, shall be considered to have, for the purposes of subsection (b), an adjusted basis at the time so received determined as follows:

"(A) The aggregate of the property (other than money) held by the transferor at the time of the acquisition by the transferee of control of the transferor (or, if such share was acquired after the acquisition of such control, at the time of the acquisition of such share, or, if such control was not acquired, at the time immediately prior to the receipt of any property in the intercorporate liquidation in respect of such share) shall be deemed to have an aggregate basis equal to the amount obtained by (i) multiplying the amount of the adjusted basis at such time of such share in the hands of the transferee by the aggregate number of share units in the transferor at such time (the interest represented by such share being taken as the share unit), and (ii) adjusting for the amount of money on hand and the liabilities of the transferor at such time.

"(B) The basis which property of the transferor is deemed to have under subparagraph (A) at the time therein specified shall be used in determining the basis of property subsequently acquired by the transferor the basis of which is determined with reference to the basis of property specified in subparagraph (A).

"(C) The basis which property of the transferor is deemed to have under subparagraphs (A) and (B) at the time therein specified shall be used in determining all subsequent adjustments to the basis of such property.

"(D) The property so received by the transferee shall be deemed to have, at the time of its receipt, the same basis it is deemed to have under the foregoing provisions of this paragraph in the hands of the transferor, or in the case of property not specified in subparagraph (A) or (B), the same basis it would have had in the hands of the transferor.

"(E) Only such part of the aggregate property received by the transferee in the intercorporate liquidation as is attributable to such share shall be considered as having the adjusted basis which property is deemed to have under subparagraphs (A), (B), (C), and (D) of this paragraph.

"(2) Basis of stock not a cost basis: The property received by a transferee in an intercorporate liquidation attributable to a share of stock having in the hands of the transferee a basis determined to be a basis other than a cost basis shall, for the purposes of subsection (b), be considered to have, at the time of its receipt, the basis it would have had had the first sentence of section 113 (a) (15) been applicable.

"(3) Definition of control: As used in this subsection, the term 'control' means the ownership of stock possessing at least 80 percent of the total combined voting power of all classes of stock entitled to vote and the ownership of at least 80 percent of the total number of shares of all other classes of stock (except nonvoting stock which is limited and preferred as to dividends), but only if in both cases such ownership continues until the completion of the intercorporate liquidation.

"(d) Adjustment of equity invested capital: If property is received by the transferee in an intercorporate liquidation, in computing the equity invested capital of the transferee for any day following the completion of such intercorporate liquidation—

"(1) with respect to any share of stock in the transferor having in the hands of the transferee, immediately prior to the receipt of any property in such intercorporate liquidation, a basis determined to be a cost basis, the earnings and profits or deficit in earnings and profits of the transferee shall be computed as if on the day following the completion of such intercorporate liquidation the transferee had realized a recognized gain equal to the amount of the plus adjustment in respect of such share, or had sustained a recognized loss equal to the amount of the minus adjustment in respect of such share;

"(2) with respect to any share of stock in the transferor having in the hands of the transferee, immediately prior to the receipt of any property in such intercorporate liquidation, a basis determined to be a basis other than a cost basis, there shall be treated as an amount includible in the sum specified in section 718 (a) the amount of the plus adjustment with respect to such share, or as an amount includible in the sum specified in section 718 (b) the amount of the minus adjustment with respect to such share.

"(e) Invested capital basis: The adjusted basis which property received by the transferee in an intercorporate liquidation is considered to have under the provisions of subsection (c) at the time of its receipt shall be thereafter treated as the adjusted basis, in lieu of the adjusted basis otherwise prescribed, in computing any amount, determined by reference to the basis of such property in the hands of the transferee, entering into the computation of the invested capital of the transferee, or of any other corporation the computation of the invested capital of which is determined by reference to the basis of such property in the hands of the transferee.

"(f) Statutory mergers and consolidations: If a corporation owns stock in another corporation and such corporations are merged or consolidated in a statutory merger or consolidation, then for the purposes of this section and section 718 such stock shall be considered to have been acquired (in such statutory merger or consolidation) by the corporation resulting from the statutory merger or consolidation, and the properties of such other corporation attributable to such stock to have been received by such resulting corporation as a transferee from such other corporation as a transferor in an intercorporate liquidation.

"(g) Determinations:

"(1) Regulations: Any determination which is required to be made under this section (including determinations in applying this section in cases where there is a series of transferees of the property and cases where the stock of the transferor is acquired by the transferee from another corporation, and the determinations of the basis and adjusted basis which property or items thereof have or are considered to have) shall be made in accordance with regulations which shall be prescribed by the Commissioner with the approval of the Secretary. If the transferor or the transferee is a foreign corporation, the provisions of this section shall apply to such extent and under such conditions and limitations as may be provided in such regulations.

"(2) Application to liquidation extending over long period: The Commissioner is authorized to prescribe rules similar to those provided in this section with respect to the days within the period beginning with the date on which the first property is received in the intercorporate liquidation and ending with the day of its completion; and the extent to which, and the conditions and limitations under which, such rules are to be applicable."

The amendment was agreed to.

The next amendment was, on page 441, after line 21, to strike out:

(b) Retroactive application of rules on exchanges: The amendment made by this section inserting section 760 shall be applicable to taxable years beginning after December 31, 1939.

The amendment was agreed to.

The next amendment was, on page 442, after line 17, to insert:

(d) Optional retroactivity of amendments to 1940 and 1941: The amendment made by this section inserting section 761 shall also be applicable in the computation of the tax for all taxable years beginning after December 31, 1939, if the taxpayer, within the time and in the manner and subject to such regulations as the Commissioner, with the approval of the Secretary prescribes, elects to have such amendment apply and in such case the provisions of section 718 (a) (5), section 718

(b) (4), and section 718 (c) (4) shall not apply in such computations.

The next amendment was, on page 443, after line 3, to insert:

PART II—POST-WAR REFUND OF EXCESS-PROFITS TAX

Sec. 250. Post-war refund of excess-profits tax.

Subchapter E of chapter 2 is amended by inserting at the end thereof the following new part:

"PART III—POST-WAR REFUND OF EXCESS PROFITS TAX

"SEC. 780. Post-war refund of excess-profits tax.

"(a) In general: The Secretary of the Treasury is authorized and directed to establish a credit to the account of each taxpayer subject to the tax imposed under this subchapter, for each taxable year beginning after December 31, 1941, and not beginning after the date of cessation of hostilities in the present war, of an amount equal to 10 percent of the tax imposed under this subchapter for each such taxable year.

"(b) Application of credit to purchase of bonds: Within 3 months after the payment of the amount of the excess profits tax shown on the return for a taxable year to which subsection (a) applies, if the payment is made before 3 months before the date of maturity of bonds for such year under subsection (c), there shall be issued to and in the name of the taxpayer bonds of the United States in an aggregate amount equal to 10 percent of the tax paid in respect of which a credit is provided under subsection (a), and the credit established under subsection (a) for such taxable year is hereby made available for the purchase of such bonds.

"(c) Terms and maturity of bonds: The bonds provided for in subsection (a) shall be issued under the authority and subject to the provisions of the Second Liberty Bond Act, as amended, and the purposes for which bonds may be issued under such act are extended to include the purpose for which bonds are required to be issued under this section. Such bonds shall bear no interest, shall be nonnegotiable, shall not be transferable by assignment, pledge, or otherwise, and shall be redeemable after the date of cessation of hostilities in the present war and before maturity (at the option of the United States) in whole or in part upon 3 months' notice. Such bonds for any taxable year to which this section applies shall mature on the last day of that calendar year, beginning after the date of cessation of hostilities in the present war, which is shown in the following table to be applicable to such bonds for such year:

Calendar year (beginning after cessation of hostilities) on last day of which bonds mature

Bonds purchased with the credit for any taxable year beginning—

Within the calendar year 1942	Second.
Within the calendar year 1943	Third.
Within the calendar year 1944	Fourth.
After Dec. 31, 1944	Fifth.

"(d) Exemption of proceeds from tax: The proceeds of any such bond upon redemption shall not be included in gross income.

"(e) Date of cessation of hostilities in the present war: As used in this section, the term 'date of cessation of hostilities in the present war' means the date on which hostilities in the present war between the United States and the governments of Germany, Japan, and Italy cease, as fixed by proclamation of the President or by concurrent resolution of the two Houses of Congress, whichever date is earlier, or in case the hostilities between the United States and such governments do not cease at the same time, such date as may be so fixed as an appropriate date for the purposes of this section.

"SEC. 781. Special rules for application of section 780.

"(a) Effect of deficiencies: If a deficiency in respect of the excess profits tax for any taxable year for which a credit is provided in section 780 (a) is paid by the taxpayer before 3 months before the date of maturity of the bonds for such year, an amount of such credit equal to 10 percent of the excess of the tax imposed by this subchapter on the basis of which the deficiency was determined, over the tax imposed by this subchapter as previously computed and paid shall be available, as provided in section 780 (b), for the purchase of bonds as provided under such section, and there shall be issued to the taxpayer bonds under such section in an amount equal to such excess and with the same maturity as in the case of bonds issued with respect to the taxable year with respect to which the deficiency is determined.

"(b) Effect of refunds: If an overpayment of the tax imposed by this subchapter for any taxable year for which a credit is provided in section 780 (a) is refunded or credited to the taxpayer under the internal revenue laws, the credit, if any, provided in such section then existing in favor of the taxpayer shall be reduced by an amount equal to 10 percent of the excess of the tax imposed by this subchapter on the basis of which such tax (in respect of which the internal revenue refund or credit was made) was previously computed and paid, over the tax imposed by this subchapter as determined in connection with the determination of the amount of the overpayment. In such a case, if such credit provided in section 780 (a) is less than the amount by which it is required to be reduced, or if there is no such credit then existing in favor of the taxpayer, the excess of such amount over the amount of such credit, if any, shall be carried forward as a charge against the taxpayer to be applied in reduction of a subsequent credit under section 780 (a); and if no such subsequent credit is made in favor of the taxpayer, the amount of such charge (without interest) shall be paid by the taxpayer to the United States or the amount of bonds previously issued to the taxpayer under section 780 (b) shall be adjusted on account of such charge.

"(c) Tax payments after cut-off date: In the case of a payment of the tax imposed by this subchapter shown on the return for any taxable year for which a credit is provided in section 780 (a), or the payment of a deficiency in respect of such tax for any such taxable year, after the date prescribed in section 780 (b) or 781 (a) but before the date of maturity of the bonds with respect to such taxable year under section 780 (c), the amount of the credit under section 780 (a) for such taxable year attributable to such payment shall, so far as practicable, be available, as provided in section 780 (b), for the purchase of bonds as provided under such section, and, so far as practicable, there shall be issued to the taxpayer bonds under such section with the same maturity as bonds issued with respect to such taxable year. To the extent that it is not practicable to issue bonds against such amount of the credit, the taxpayer shall be paid in cash. In case after the date of maturity of the bonds of any taxable year under section 780 (c) there is any credit under section 780 (a) remaining in favor of the taxpayer, attributable to such year, such remainder shall be paid to the taxpayer in cash.

"(d) Limitation: The credit under section 780 (a) for any taxable year shall not be greater than the excess of the amount of the tax paid under this subchapter to the United States (and not credited or refunded under the internal revenue laws) in respect of such year over the amount of tax which would be payable to the United States if the excess-profits tax rate were 81 percent, or if the limitation of section 710 is applicable if the amount determined under such section were reduced by 10 percent.

"SEC. 782. Regulations.

"The Secretary of the Treasury is authorized to prescribe, from time to time, such rules and regulations as may be necessary to carry out the preceding provisions of this part.

"SEC. 783. Credit for debt retirement.

"(a) General rule: An amount equal to 40 percent of the amounts paid during the taxable year in repayment of the principal of indebtedness shall be allowed as a credit against the tax for such year imposed by this subchapter.

"(b) Limitations: The credit under subsection (a) with respect to any taxable year shall in no event exceed whichever of the following amounts is the lesser—

"(1) The amount of the post-war credit, provided for in section 780 (a), for the taxable year, computed without its reduction on account of the debt repayment credit for the taxable year.

"(2) An amount equal to 40 percent of the amount by which the smallest amount of indebtedness during the period beginning September 1, 1942, and ending with the close of the preceding taxable year exceeds the amount of indebtedness as of the close of the taxable year.

"(3) In case such taxable year begins in 1942 prior to September 2, 1942, and ends after September 1, 1942, an amount equal to 40 percent of the amount by which the amount of indebtedness as of September 1, 1942, exceeds the amount of indebtedness as of the close of the taxable year.

"(4) In case such taxable year ends before September 1, 1942, zero."

No interest shall be allowed or paid by the United States on account of any overpayment of tax attributable to any credit allowed under this section.

"(c) Reduction of credit and of bonds outstanding under section 780: If a credit is allowed for debt repayment in a taxable year pursuant to this section, the amount of such credit or refund shall be deducted from the credit under section 780 (a) and the amount of bonds issued under section 780 shall, to the extent necessary, be correspondingly adjusted.

"(d) Definition of indebtedness: For the purposes of this section the term 'indebtedness' means any indebtedness of the taxpayer or for which the taxpayer is liable evidenced by a bond, note, debenture, bill of exchange, certificate, or other evidence of indebtedness, mortgage, or deed of trust."

Mr. DANAHER. Mr. President, I call the attention of the Senator from Georgia to interesting language in lines 14 and 15, on page 443, and ask if he chooses to interpret for us some relationship of that language to a given date. It will be noticed the Secretary of the Treasury is authorized to create a post-war credit, and it is further to be perceived that the post-war credit will not be allowed for any year, "beginning after the date of the cessation of hostilities in the present war." Is there contemplated the establishment of a definite date by proclamation of the President or by concurrent resolution of the Congress, or is the date somehow to be fixed?

Mr. GEORGE. The Senator will find it is fixed on page 445, line 4, in the paragraph headed "Date of cessation of hostilities in the present war." It is to be fixed "by proclamation of the President, or by concurrent resolution of the two Houses of Congress, whichever date is earlier."

Mr. DANAHER. That definition will relate back to section 780?

Mr. GEORGE. Yes.

Mr. DANAHER. And run right through it?

Mr. GEORGE. Yes.

Mr. DANAHER. I thank the Senator.

Mr. LA FOLLETTE. Mr. President, I ask that section 780, beginning on page 443 and section 781 on page 445——

The PRESIDING OFFICER. The Chair will state the sections to which the Senator refers are parts of section 250.

Mr. LA FOLLETTE. Yes, they are parts of section 250. I think I will ask to have that section passed over. I will state to the Senator from Georgia that it affects an amendment which I desire to offer to the corporate structure. Therefore, I ask that this section may be passed over, in order that amendments which I may desire to offer and which would be related to the post-war credit provision may be considered.

The PRESIDING OFFICER. Without objection, section 250 will be passed over.

The next amendment reported by the committee will be stated.

The next amendment was, on page 450, after line 5, to strike out:

TITLE III—CAPITAL STOCK AND DECLARED VALUE EXCESS PROFITS TAXES

TITLE III—TERMINATION OF CAPITAL STOCK AND DECLARED VALUE EXCESS PROFITS TAXES

Sec. 301. Capital stock tax.

(a) Technical amendment: Section 1200 (a) and (b) (relating to rate of capital stock tax) are amended by striking out the word "adjusted" wherever occurring therein.

(b) Annual declaration of value: Section 1202 (relating to declaration of value) is amended to read as follows:

"Sec. 1202. Declared value.

"(a) Declaration of value: The declared value shall be the value as declared by the corporation in its return for the year (which declaration of value cannot be amended). The value declared by the corporation in its return shall be as of the close of its last income tax taxable year ending with or prior to the close of the capital stock tax taxable year (or as of the date of organization in the case of a corporation having no income tax taxable year ending with or prior to the close of such declaration year).

"(b) Credit for China Trade Act corporations: For the purpose of the tax imposed by section 1200 there shall be allowed in the case of a corporation organized under the China Trade Act, 1922, 42 Stat. 849 (U. S. C., 1940 ed., title 15, ch. 4), as a credit against the declared value of its capital stock, an amount equal to the proportion of such declared value which the par value of the shares of stock of the corporation, owned on the last day of the taxable year by (1) persons resident in China, the United States or possessions of the United States, and (2) individual citizens of the United States or China wherever resident, bears to the par value of the whole number of shares of stock of the corporation outstanding on such date. For the purposes of this subsection shares of stock of a corporation shall be considered to be owned by the person in whom the equitable right to the income from such shares is in good faith vested; and as used in this subsection the term 'China' shall have the same meaning as when used in the China Trade Act, 1922."

(c) Returns: The last sentence of section 1203 (b) (2) relating to extensions of time for filing capital stock tax returns) is amended to read as follows: "With respect to the years ended June 30, 1941, and June 30, 1942, the extension may be for not more than 90 days."

(d) Prior returns effective: If a return for the year ended June 30, 1942, is filed under chapter 6 of the Internal Revenue Code, with out regard to the amendment thereof as made by this act, the adjusted declared value reported by the corporation on such return (whether or not correct) shall constitute the declared value for the purposes of such chapter 6, as amended by this act, unless a different value is declared on a subsequent return for such year received within the prescribed filing period.

(e) Effective date: This section shall be effective only with respect to the year ended June 30, 1942, and succeeding years.

The amendment was agreed to.

The next amendment was, on page 452, after line 14, to strike out:

Sec. 302. Declared value excess-profits tax.

(a) Technical amendments:

(1) Section 600 (relating to rate of declared value excess-profits tax) is amended by striking out the word "adjusted" wherever occurring therein.

(2) Section 601 (relating to declared value) is amended by striking out the word "adjusted" wherever occurring therein.

(b) Effective date. This section shall be effective only with respect to income-tax taxable years ending after June 30, 1942, and succeeding years.

The amendment was agreed to.

The next amendment was, at the top of page 453, to insert:

Sec. 301. Capital stock tax terminated.

The capital stock tax imposed by section 1200 shall not apply to any taxpayer in respect of the year ending June 30, 1942, or any succeeding year.

The amendment was agreed to.

The next amendment was, on page 453, after line 4, to insert:

Sec. 302. Declared value excess-profits tax terminated.

The declared value excess-profits tax imposed by section 600 shall not apply to any taxpayer in respect of any income-tax taxable year ending after June 30, 1942.

The amendment was agreed to.

The next amendment was, on page 454, line 11, after the words "using the," to insert "adjusted."

The amendment was agreed to.

The next amendment was, on page 455, after line 15, to insert:

(c) Taxable years to which amendments applicable. The amendments made by this section shall be applicable to taxable years beginning after December 31, 1939.

The amendment was agreed to.

The next amendment was, on page 455, after line 19, to strike out:

Sec. 304. Technical amendments made necessary by change in base for corporation tax.

Section 602 (relating to net income for purposes of the declared value excess-profits tax) is amended to read as follows:

"Sec. 602. Net income.

"For the purposes of this subchapter the net income shall be the same as the net income for income tax purposes for the year in respect of which the tax under section 600 is imposed, computed without the deduction of the tax imposed by section 600, but with a credit against net income equal to the credit for dividends received provided in section 26 (b) of chapter 1."

The amendment was agreed to.

The next amendment was, on page 456, after line 16, to insert:

(a) Transfers of community property in contemplation of death, etc.: Section 811 (d) (relating to revocable transfers) is amended by adding at the end thereof the following new paragraph:

"(5) Transfers of community property in contemplation of death, etc.: For the purposes of this subsection and subsection (c), a transfer of property held as community property by the decedent and surviving spouse under the law of any State, Territory, or possession of the United States, or any foreign country, shall be considered to have been made by the decedent, except such part thereof as may be shown to have been received as compensation for personal services actually rendered by the surviving spouse or derived originally from such compensation or from separate property of the surviving spouse."

The amendment was agreed to.

The next amendment was, on page 458, at the beginning of line 5, to strike out "(b)" and insert "(c)."

The amendment was agreed to.

Mr. NORRIS. Mr. President, I should like to ask the Senator from Georgia what is meant by the words on page 458, in line 8, reading "Section 811 (f) (relating to powers of appointment)."

What appointment does that mean?

Mr. GEORGE. Broadly speaking, it is the power to determine who shall take property at a particular time or at the date of death. It is the power to dispose of the property which is sometimes taxable as an estate, and sometimes taxable as a gift. These sections have to do with the power to dispose of property.

Mr. NORRIS. I do not understand the meaning of the words "powers of appointment." To what appointments do they refer? Do they refer to an administrator or executor or someone having to do with an estate?

Mr. GEORGE. It has to do with the grant of the power to convey property to a particular person.

Mr. NORRIS. Contained in a will?

Mr. GEORGE. In a will or deed of trust. That is what is meant. There were some amendments made to that section but not on page 458. On page 459, it will be seen that the following words are used:

(A) A power to appoint within a class which does not include any others than the spouse of the decedent, spouse of the creator of the power, descendants of the decedent or his spouse"—

And so forth. Then, there are some subsequent amendments made to this particular section 403.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on page 459, after line 10, to strike out "decedent, descendants of the decedent or his spouse", and insert "decedent, spouse of the creator of the power, descendants of the decedent or his spouse, descendants (other than the decedent) of the creator of the power or his spouse."

The amendment was agreed to.

The next amendment was, on page 460, after line 2, to strike out:

If a power to appoint is exercised to any extent by creating another power to appoint, such first power shall not be considered excepted under subparagraph (A) or (B) from the definition of power of appointment.

And insert:

If a power to appoint is exercised by creating another power to appoint, such first power shall not be considered excepted under subparagraph (A) or (B) from the definition of power of appointment to the extent of the value of the property subject to such second power to appoint. For the purposes of the preceding sentence the value of the property subject to such second power to appoint shall be its value unreduced by any precedent or subsequent interest not subject to such power to appoint.

The amendment was agreed to.

The next amendment was, on page 462, line 8, after the word "estate," to insert "determined under section 935 (c), or section 861, as the case may be. If there is more than one such person the executor shall be entitled to recover from such persons in the same ratio."

The amendment was agreed to.

The next amendment was, on page 462, after line 11, to strike out:

(d) Powers with respect to which amendments not applicable: The amendments made by this section shall not apply with respect to a power to appoint, created on or before the date of enactment of this act, which is not exercisable in favor of the decedent, his estate, his creditors, or the creditors of his estate if such power to appoint was released by the decedent before 2 years after the date of enactment of this act or if such power to appoint was exercised by the decedent on or before the date of enactment of this act, and shall not apply with respect to a power to appoint released on or before the date of the enactment of this act.

And insert:

(1) The amendments made by this section shall not apply with respect to a power to appoint, created on or before the date of the enactment of this act, which is other than a power exercisable in favor of the decedent, his estate, his creditors, or the creditors of his estate, unless such power is exercised after the date of the enactment of this act.

(2) The amendments made by this section shall not become applicable with respect to a power to appoint created on or before the date of enactment of this act, which is exercisable in favor of the decedent, his estate, his creditors, or the creditors of his estate, if at such date the donee of such power is under a legal disability to release such power, until 6 months after the termination of such legal disability. For the purposes of the preceding sentence, an individual in the military or naval forces of the United States shall, until the termination of the present war, be considered under a legal disability to release a power to appoint.

(3) The amendments made by this section shall not apply with respect to a power to appoint released on or before the date of the enactment of this act.

The amendment was agreed to.

The next amendment was, on page 464, line 6, after the word "extent", to insert "of the excess over $40,000."

The amendment was agreed to.

The next amendment was, on the same page, line 23, after the word "transfer", to insert "for the purposes of clause (B) of this paragraph, the term 'incident of ownership' does not include a reversionary interest."

The amendment was agreed to.

The next amendment was, on page 465, after line 23, to insert:

(b) Liability of life insurance beneficiaries: Section 826 (c) (relating to apportionment of liability of beneficiaries) is amended to read as follows:

"(c) Liability of life insurance beneficiaries: Unless the decedent directs otherwise in his will, if any part of the gross estate upon which tax has been paid consists of proceeds of policies of insurance upon the life of the decedent receivable by a beneficiary other than the executor, the executor shall be entitled to recover from such beneficiary such portion of the total tax paid as the proceeds in excess of $40,000 of such policies bear to the sum of the net estate and the amount of the exemption allowed in computing the net estate, determined under section 935 (c). If there is more than one such beneficiary the executor shall be entitled to recover from such beneficiaries in the same ratio."

The amendment was agreed to.

The next amendment was, on page 466, line 22, after the word "if", to strike out "on such date the decedent possessed no" and insert "at no time after such date the decedent possessed an."

The amendment was agreed to.

The next amendment was, on page 467, line 5, after the word "new", to strike out "sentence" and insert "sentences."

The amendment was agreed to.

The next amendment was, on page page, line 7, after the word "in", to strike out "paragraph" and insert "paragraphs."

The amendment was agreed to.

The next amendment was, on page 472, line 25, after the word "in", to strike out "net" and insert "total."

The amendment was agreed to.

The next amendment was, on page 474, line 17, after the word "in", to strike out "net" and insert "total."

The amendment was agreed to.

The next amendment was, on page 477, line 19, after the word "if", to strike out "such disclaimer becomes irrevocable" and insert "the disclaimer is made."

The amendment was agreed to.

The next amendment was, on page 478, line 4, after the word "if", to strike out "such disclaimer becomes irrevocable" and insert "the disclaimer is made."

The amendment was agreed to.

The next amendment was, on page 481, line 13, after the word "section", to strike out "407" and insert "405 (c)."

The amendment was agreed to.

The next amendment was, on page 482, after line 7, to insert:

Sec. 413. Period for filing petition extended in certain cases.

(a) Period extended: Section 871 (a) (1) (relating to period for filing petition with Board of Tax Appeals) is amended by inserting at the end thereof the following new sentence: "If the notice is addressed to an executor outside the States of the Union and the District of Columbia the period specified in this paragraph shall be 150 days in lieu of 90 days."

(b) Effective date: The amendment made by this section shall be applicable with respect to notices of deficiency mailed after the date of the enactment of this act.

The amendment was agreed to.

The next amendment was, on the same page, after line 19, to strike out:

Sec. 413. Specific exemption.

(a) Amount of exemption: Section 935 (c) (relating to the exemption for the purposes of the additional estate tax) is amended by striking out "$40,000" and inserting in lieu thereof "$60,000."

(b) Technical amendment: The first sentence of section 826 (c) (relating to liability of life insurance beneficiaries) is amended by striking out ", in excess of $40,000."

The amendment was agreed to.

The next amendment was, on page 484, line 2, after the word "individual", to strike out "descendants of such individual or his spouse" and insert "spouse of the creator of the power, descendants of such individual or his spouse, descendants (other than such individual) of the creator of the power or his spouse."

The amendment was agreed to.

The next amendment was, on page 484, after line 17, to strike out:

If a power to appoint is exercised to any extent by creating another power to appoint, such first power shall not be considered excepted under paragraph (1) or (2) from the definition of power of appointment.

And insert:

If a power to appoint is exercised by creating another power to appoint, such first power shall not be considered excepted under paragraph (1) or (2) from the definition of power of appointment to the extent of the value of the property subject to such second power to appoint. For the purposes of the preceding sentence the value of the property subject to such second power to appoint shall be its value unreduced by any precedent or subsequent interest not subject to such power to appoint.

The amendment was agreed to.

The next amendment was, on page 485, after line 4, to strike out:

(b) Powers with respect to which amendments not applicable: The amendments made by this section shall not apply with respect to a power to appoint, created on or before the date of enactment of this act, which is not exercisable in favor of the individual, his estate, his creditors, or the creditors of his estate if the power to appoint was released by such individual before 2 years after the date of enactment of this act or if the power to appoint was exercised by such individual on or before the date of enactment of this act, and shall not apply with respect to a power to appoint released on or before the date of the enactment of this act.

And insert:

(b) Powers with respect to which amendments not applicable:

(1) The amendments made by this section shall not apply with respect to a power to appoint, created on or before the date of enactment of this act, which is other than a power exercisable in favor of the donee of the power, his estate, his creditors, or the creditors of his estate, unless such power is exercised after the date of enactment of this act.

(2) The amendments made by this section shall not become applicable with respect to a power to appoint, created on or before the date of enactment of this act, which is exercisable in favor of the donee of the power, his estate, his creditors, or the creditors of his estate, if at such date the donee of such power is under a legal disability to release such power, until 6 months after the termination of such legal disability. For

the purposes of the preceding sentence, an individual in the military or naval forces of the United States shall, until the termination of the present war, be considered under a legal disability to release a power to appoint.

The amendment was agreed to.

The next amendment was, on page 486, at the beginning of line 16, to strike out "(c) Community Property. All gifts of community property" and insert "(d) Community Property. All gifts of property held as community property under the law of any State, Territory, or possession of the United States, or any foreign country."

The amendment was agreed to.

The next amendment was, on page 487, line 13, after the word "gifts", to strike out "in trust or."

The amendment was agreed to.

The next amendment was, on page 488, after line 17, to insert:

Sec. 456. Period for filing petition extended in certain cases.

(a) Period extended: Section 1012 (a) (1) (relating to period for filing petition with Board of Tax Appeals) is amended by inserting at the end thereof the following new sentence: "If the notice is addressed to a donor outside the States of the Union and the District of Columbia, the period specified in this paragraph shall be 150 days in lieu of 90 days."

(b) Effective date: The amendment made by this section shall be applicable with respect to notices of deficiency mailed after the date of the enactment of this act.

Mr. NORRIS. Mr. President, I should like to ask the Senator from Georgia whether the amendments we have been considering on these latter pages, particularly on page 483, are applicable to the question I asked the Senator earlier in the day about the gift taxes. Specifically, I think the Senator said that the bill provides for taxes to be levied on gifts, that the exemption was decreased from $4,000 to $3,000, and that the total amount of the gifts in the life of any person could not exceed $30,000. Am I right about that?

Mr. GEORGE. The aggregate gifts within the lifetime of a taxpayer shall not exceed $30,000.

Mr. NORRIS. When I asked the Senator the question I had in mind—and I am thinking of it now—that if these amendments all became law no one would get any exemption from the payment of gift taxes if his gifts amounted to more than $30,000 during his entire life, and they could not exceed $3,000 in any one year.

Mr. GEORGE. They could not exceed $3,000 to any one person. Under the gift tax law the taxpayer may make a gift of not more than $3,000 to any one person.

Mr. NORRIS. Could he make as many gifts as he pleased?

Mr. GEORGE. As many as he wished; but there is a limitation on the aggregate of the gifts he may make during his lifetime.

Mr. NORRIS. That would be $30,000?

Mr. GEORGE. Thirty thousand dollars; the Senator is correct.

Mr. NORRIS. I should like to call the attention of the Senator, and I hope of the Senate, to the peculiar kind of gifts about which I happen to know personally, made by a great many persons, who make presents of what are ordinarily known as baby bonds, which mature in 10 years. Such a practice is very desirable from any point of view, it seems to me. It enables a man of wealth to give away his property and not to have to pay a tax when he does it. He is giving it away in a charitable spirit, perhaps, which is very exemplary. At the same time, it increases the sale of the so-called baby bonds.

I know of one who is giving away a certain amount of that kind of bonds to various persons, mostly children, who will be from 18 to 22 years of age at the time of the maturity of the bonds. The result is the sale of a great many bonds on the part of the Government, the particular bonds to which I have referred, which the Government is making strenuous efforts to sell. At the same time, the bonds will provide for those to whom they are given at a time when they will be reaching maturity, and probably would like to go to college, or perhaps to be married. It will afford them an income at a time of life when they may be starting in business. It is very desirable that a person of wealth, who wishes to dispose of his property in that way, may be able to do it when his action is not defeating the object of the law, which is to prevent very large gifts and the entailment of property from father to son. It is a practice which, it seems to me, we as legislators should not restrict. We should give ample opportunity for such a practice to be continued. Such gifts have very beneficial results. If the owner of the property desires, it gives him an opportunity to divide his property into amounts comparatively small. If the pending bill shall become the law, such a gift may not exceed $3,000 in any one year.

As I have said, I have personal knowledge of one instance of a person buying a certain number of these bonds every month, and giving them away to younger people, who will receive payment on them 10 years from the time they were purchased. If this purchaser were limited to $30,000 as the total amount on which he could have exemption during his lifetime, it would be impossible for him to exceed $30,000 in such gifts. It seems to me people should be encouraged to make that kind of a gift, rather than discouraged.

In other words, Mr. President, a law was enacted for the payment of a tax on gifts. The real object of the law was to prevent a man of great wealth from entailing his property, and giving it away from year to year, so that his beneficiaries could escape taxation under the inheritance tax law.

I am inclined to believe that if the amendments I have been discussing become law, we will curtail very greatly the beneficent practice to which I have referred. A man may wish to make a gift to someone which will mature at a time when the beneficiary will have reached an age when he will need money to start in business or obtain an education.

Mr. McKELLAR. Will the Senator yield?

Mr. NORRIS. I yield.

Mr. McKELLAR. Would not the same result be obtained by merely excepting gifts of the particular kind of bonds to which the Senator has referred?

Mr. NORRIS. I should think so.

Mr. McKELLAR. That would be a better way to reach the objective the Senator has in mind. The law, seeking to prevent large gifts by the imposition of taxes, is proper, generally speaking, but I can see that making an exception would add largely to the sale of bonds.

Mr. NORRIS. The result which would follow from such an exception would be very desirable, especially at the present time, when we are straining heaven and earth to promote the sale of Government bonds. It would afford an opportunity for men of large means, who would like to help young people to obtain a college education, perhaps, to provide them with an income at a time when the need would arise.

If we do not provide for such an exception as has been suggested by the Senator from Tennessee, we may bring to an end a practice which I think has been growing among many people who desire, from patriotic motives, to serve the Government by the purchase of bonds. They are able to do some good with their money by making it available to young men and women who may need it to get a start in life, at a time when the money will be needed to enable them to get an education, to go into business, or for other worth-while purposes, as the bonds mature.

For instance, let us say that such a purchaser starts by giving a young man or a young woman one bond every month, and keeps it up for 10 years. In so doing he makes it possible for the beneficiary to receive an income of $25 a month, and keep the capital intact all the time, if the law remains unchanged. In 10 years he would have a bond maturing every month in the amount of $100. He could keep $25, and put the $75 right back into another bond, or he could take $100 a month and make no further investment. The possibilities are very great to induce people to economize, to be thrifty, and at the same time help the Government materially in its effort to win the war.

I should like to ask the Senator from Georgia if he would be willing to accept an amendment which would, with any restrictions he wishes to impose, make this section inapplicable to cases in which gifts are made of bonds of the class to which I have referred.

Mr. GEORGE. I think perhaps I misunderstood the Senator when he propounded his inquiry. Either he misunderstood me or I misunderstood him.

Under the gift-tax law there is an exclusion of $30,000, but the donor may give $3,000 to any one person in any one year without paying a tax. So, if a man has four children under 10 years of age, he could give to each of them $30,000 in the course of 10 years. He could give $3,000 each year to each child, or $12,000 to the four children. I perhaps misled the Senator unintentionally, but $30,000 is the basic exclusion in the gift-tax law. So

that if I correctly understand the situation a man may give $3,000 each to 10 children in 1 year without paying any gift tax on the gift. That is, the man has a basic exclusion of $30,000. I think perhaps I unwittingly led the Senator into a wrong conclusion.

Mr. NORRIS. Mr. President, I should like to call the attention of the Senator to the limitation of $30,000, which still applies to any one person's total donation, as I understand. The donor never could, in any subsequent year, give a total of more than $30,000 without being compelled, of course, to pay taxes on the excess over that amount. It seems to me that a man who wants to follow the course I have briefly outlined, and give away more than $30,000——

Mr. GEORGE. Mr. President, if I may make it clear to the Senator, the donor may give $3,000 to 10 persons in 1 year.

Mr. NORRIS. He could give no more after he gave away that amount without paying a tax. He would have reached his $30,000 limit.

Mr. GEORGE. Oh, yes, he still would have his $30,000 exclusion. The amount representing that exclusion might be given away to one child, for instance, in one year, or that child might receive as much as $3,000 each year for 10 years without the donor paying a tax on it.

Mr. NORRIS. He would not be confined to gifts to his own family, although it might be very well for a person to make gifts to members of his family.

Mr. GEORGE. The $30,000 exclusion may be given to any one person. Three thousand dollars may be given each year for 10 years to the same person.

Mr. NORRIS. I do not have a clear understanding of the situation. The Senator says a total of $30,000 may be given, but that only $3,000 may be given in any one year to any one person.

Mr. GEORGE. Three thousand dollars may be given in any one year, yes.

Mr. NORRIS. To any one person?

Mr. GEORGE. To any one person.

Mr. NORRIS. But if a man wanted to help a larger number of worthy poor people, and at the same time help the Government by buying the Government's bonds, he could not give away more than $30,000 without being obliged to pay a tax. That would limit him very greatly.

Mr. GEORGE. He could give away $3,000 to each of 10 persons under this bill without paying a tax.

Mr. NORRIS. Yes; I think he could. But if he wanted to engage in a large program which he might have in mind, he would not be able to do so without paying a tax on his total gifts. We certainly ought not to tax a man for making a charitable investment of that kind, one which I think everyone would like to see made as often as possible, which at the same time would result in helping the Government.

Mr. GEORGE. Of course, the gift tax is inserted in our income-tax law largely for the purpose of protecting the estate. Otherwise the estate could be dissipated before it ever became taxable.

Mr. NORRIS. Oh, yes.

Mr. GEORGE. The estate has to be preserved through the gift tax.

Mr. NORRIS. The incentive which moved Congress to pass the law was to prevent men of great wealth from avoiding the payment of estate taxes by giving away their property to their children or to other persons or institutions to which they expected to give all their property at their death.

Mr. GEORGE. The limitation, I think the Senator will find, is $3,000 to any one person in any 1 year; $30,000 is an exclusion.

Mr. NORRIS. Yes. More than $30,000 cannot be given away without payment of the gift tax.

Mr. GEORGE. I may have misled the Senator, and I am trying to correct it. The $30,000 is an exclusion. The donor can give $3,000 each year for 10 years to one person.

Mr. NORRIS. Then, I misunderstood the Senator.

Mr. GEORGE. Yes; I am responsible for that. Three thousand dollars can be given away each year to the same person, but not more than $3,000 to one person within the taxable year. I would not be in favor of permitting gifts to be made to one person of large amounts of money without a tax being applied. I think $3,000 is sufficient.

Mr. GEORGE. Then, under the law I do not think there is any difficulty. The taxpayer can give away War bonds, and the gift will be determined on the present value of the bonds, not on their maturity value 10 years hence.

Mr. NORRIS. A $100 bond can be bought at present for $75. That bond becomes due in 10 years. The real investment upon which the tax would be levied in that case would be $75, and not $100.

Mr. GEORGE. I think the Senator is correct.

The PRESIDING OFFICER. The next amendment of the Finance Committee will be stated.

The next amendment was, in "Title V—Amendments to prior revenue acts and miscellaneous provisions", on page 490, line 4, after the word "additional", to strike out "credit" and insert "credits."

The amendment was agreed to.

The next amendment was, on the same page, after line 9, to strike out:

(2) The term "undistributed net income" means the adjusted net income minus the sum of (A) the dividends paid credit provided in section 27, (B) the credit provided in section 26 (c), relating to contracts restricting dividends, and (C) except in cases where section 26 (c) (1) is applicable, the deficit credit provided in section 26 (f).

The amendment was agreed to.

The next amendment was, on the same page, after line 16, to insert:

"(2) The term 'undistributed net income' means the adjusted net income minus the sum of (A) the dividend paid credit provided in section 27, (B) the credit provided in section 26 (c) relating to restrictions on payment of dividends, (C) except in cases where section 26 (c) (1) is applicable, the deficit credit provided in section 26 (f), and (D) the redemption credit provided in section 26 (g)."

(2) Section 26 (c) of the Revenue Act of 1936 (relating to credits of corporations) is amended by amending the heading to read as follows: "(c) Restrictions on Payment of Dividends.—"; and by amending paragraph (3) to read as follows:

"(3) Deficit corporations: In the case of a corporation having a deficit in accumulated earnings and profits as of the close of the preceding taxable year, the amount of such deficit, if the corporation is prohibited by a provision of a law or of an order of a public regulatory body from paying dividends during the existence of a deficit in accumulated earnings and profits, and if such provision was in effect prior to May 1, 1936.

"(4) Double credit not allowed: If more than one of the credits provided in the foregoing paragraphs (1), (2), and (3) apply, then the paragraph which allows the greatest credit shall be applied; and, if the credit allowable under each paragraph is the same, only one of such paragraphs shall be applied."

The amendment was agreed to.

The next amendment was, on page 491, line 19, before the word "section" to insert "(3)", and in line 21, after the word "new", to strike out "subsection" and insert "subsections."

The amendment was agreed to.

The next amendment was, on page 492, after line 12, to insert:

(g) Stock redemption credit: An amount equal to the portion of the recognized gain, realized within the taxable year and prior to March 3, 1936, from the sale or other disposition of a capital asset, which, pursuant to a contract, was distributed prior to such date to shareholders in redemption in whole or in part of preferred stock and which is not otherwise allowable as a credit under any other provision of this section or section 27.

The amendment was agreed to.

The next amendment was, on page 494, line 13, after the words "tax of", to strike out "4" and insert "8."

The amendment was agreed to.

The next amendment was, on page 494, line 22, after the words "United States" to strike out "and if the insurer is a nonresident alien individual, or a foreign partnership, or a foreign corporation, and if such policy or other instrument is not signed or countersigned by an officer or agent of the insurer in a State, Territory, or District of the United States within which such insurer is authorized to do business, a tax of 1 cent on each dollar or fractional part thereof, of the premium charged" and to insert in lieu thereof the following: "if the insurer is a nonresident alien individual, or a foreign partnership, or a foreign corporation, unless such policy or other instrument is signed or countersigned by an officer or agent of the insurer in a State, Territory, or District of the United States within which such insurer is authorized to do business, or unless the insurer is subject to tax under section 201, a tax of 1 cent on each dollar or fractional part thereof, of the premium charged."

The amendment was agreed to.

The next amendment was, in section 503 on page 496, line 19, in the headline, after the word "Bar", to strike out "To Suit Against United States" and to insert "In Other Suits."

The amendment was agreed to.

The next amendment was, on page 497, after line 10, to strike out:

Sec. 504. Change of name of Board of Tax Appeals.

(a) United States Tax Court: Effective on the day after the date of enactment of this Act, section 1100 (relating to status of Board of Tax Appeals) is amended by inserting at the end thereof the following

new sentence: "The Board shall be known as the United States Tax Court and the members thereof shall be known as the presiding judge and the judges of the United States Tax Court."

(b) Powers, tenure, etc., unchanged: The jurisdiction, powers, and duties of the United States Tax Court, its divisions and its officers and employees, and their appointment, including the designation of its officers, and the immunities, tenure of office, powers, duties, rights, and privileges of the presiding judge and judges of the United States Tax Court shall be the same as by existing law provided in the case of the Board of Tax Appeals. The Commissioner shall continue to be represented by the same counsel in the same manner before the Court as he has heretofore been represented in proceedings before the Board of Tax Appeals and the taxpayer shall continue to be represented in accordance with rules of practice prescribed by the Court. No qualified person shall be denied admission to practice before such Court because of his failure to be a member of any profession or calling.

(c) References: All references in any statute (except this section), or in any rule, regulation, or order, to the "Board of Tax Appeals" or to the "Board" when used in the sense of "Board of Tax Appeals", or to the "member", "members", or "chairman" thereof shall be considered to be made to the United States Tax Court, the judge, judges, and presiding judge thereof, respectively.

The amendment was agreed to.

The next amendment was, on page 499, after line 16, to strike out:

Sec. 506. Suspension of period for computation of interest in case of certain foreign taxpayers.

Notwithstanding any other provision of law, in determining the amount of interest with respect to income tax for taxable years beginning after December 31, 1939, in the case of nonresident alien individuals subject to the provisions of section 211 (a) or section 211 (c) and of foreign corporations subject to the provisions of section 231 (a) of the Internal Revenue Code, there shall be excluded the period beginning with the date of enactment of this act and ending with the fifteenth day of the sixth month following the month in which the present war is terminated as proclaimed by the President, if, during such period, payment of such tax was prevented due to restrictions imposed with respect to such individuals or corporations by any foreign country.

The amendment was agreed to.

The next amendment was, on page 500, after line 8, to strike out:

Sec. 507. Stamp tax in connection with transactions under orders of Securities and Exchange Commission.

Section 1808 is amended by changing the designation of subsection (g) to (h) and by inserting the following new subsection:

The amendment was agreed to.

The next amendment was, on page 500, after line 14, to insert:

Sec. 505. Miscellaneous amendments to stamp-tax provisions.

(a) Bonds, etc., issued by receiver: Section 1801 (relating to stamp tax on issuance of corporate obligations) is amended by inserting at the end thereof the following new sentence: "Obligations described in this section issued by any receiver, trustee in bankruptcy, assignee, or other person, having custody of property, or charge of the affairs, of any corporation, shall, for the purposes of this chapter, be deemed to be issued by the corporation."

(b) Transfers by operation of law:

(1) Section 1802 (relating to the stamp tax on sales and transfers of capital stock) is amended by inserting at the end thereof the following new subsection:

"(c) Transfers by operation of law: No delivery or transfer under subsection (b) not otherwise exempt shall be exempt because effected by operation of law. The tax under such subsection shall not be imposed upon any delivery or transfer—

"(1) From a decedent to his executor or administrator.

"(2) From a minor to his guardian, or from a guardian to his ward upon attaining majority.

"(3) From an incompetent to his committee or similar legal representative, or from a committee or similar legal representative to a former incompetent upon removal of disability.

"(4) From a bank, trust company, financial institution, insurance company, or other similar entity, or nominee, custodian, or trustee therefor, to a public officer or commission, or person designated by such officer or commission or by a court, in the taking over of its assets, in whole or part, under State or Federal law regulating or supervising such institutions, nor upon redelivery or retransfer by any such transferee or successor thereto.

"(5) From a bankrupt or person in receivership due to insolvency to the trustee in bankruptcy or receiver, from such receiver to such trustee, or from such trustee to such receiver, nor upon redelivery or retransfer by any such tansferee or successor thereto.

"(6) From a transferee under paragraphs (1) to (5), inclusive, to his successor acting in the same capacity, or from one such successor to another.

"(7) From a foreign country or national thereof to the United States or any agency thereof, or to the government of any foreign country, directed pursuant to the authority vested in the President by section 5 (b) of the Trading With the Enemy Act (40 Stat. 415), as amended by the First War Powers Act (55 Stat. 838).

"(8) From trustees to surviving, substituted, succeeding, or additional trustees of the same trust.

"(9) Upon the death of a joint tenant or tenant by the entireties, to the survivor or survivors.

No exemption shall be granted under this subsection unless the delivery or transfer is accompanied by a certificate setting forth such facts as the Commissioner, with the approval of the Secretary, may by regulation prescribe."

(2) Section 3481 (relating to sales and transfers of bonds) is amended by inserting at the end thereof the following new subsection:

"(b) Transfers by operation of law: No delivery or transfer under subsection (a) not otherwise exempt shall be exempt because effected by operation of law. The tax under subsection (a) shall not be imposed upon any delivery or transfer—

"(1) From a decedent to his executor or administrator.

"(2) From a minor to his guardian, or from a guardian to his ward upon attaining majority.

"(3) From an incompetent to his committee or similar legal representative, or from a committee or similar legal representative to a former incompetent upon removal of disability.

"(4) From a bank, trust company, financial institution, insurance company, or other similar entity, or nominee, custodian, or trustee therefor, to a public officer or commission, or person designated by such officer or commission or by a court, in the taking over of its assets, in whole or part, under State or Federal law regulating or supervising such institutions, nor upon redelivery or retransfer by any such transferee or successor thereto.

"(5) From a bankrupt or person in receivership due to insolvency to the trustee in bankruptcy or receiver, from such receiver to such trustee, or from such trustee to such receiver, nor upon redelivery or retransfer by any such transferee or successor thereto.

"(6) From a transferee under paragraphs (1) to (5), inclusive, to his successor acting in the same capacity, or from one such successor to another.

"(7) From a foreign country or national thereof to the United States or any agency thereof, or to the government of any foreign country, directed pursuant to the authority vested in the President by section 5 (b) of the Trading With the Enemy Act (40 Stat. 415), as amended by the First War Powers Act (55 Stat. 838).

"(8) From trustees to surviving, substituted, succeeding, or additional trustees of the same trust.

"(9) Upon the death of a joint tenant or tenant by the entireties, to the survivor or survivors.

No exemption shall be granted under this section unless the delivery or transfer is accompanied by a certificate setting forth such facts as the Commissioner, with the approval of the Secretary, may by regulation prescribe."

(c) Stamp tax exemption of cooperative banks, etc.: Section 1808 (c) (relating to exemption from stamp tax of stocks and bonds of building and loan associations, etc.) is amended by inserting after the words "building and loan associations" a comma and the words "savings and loan associations, cooperative banks, and homestead associations."

(d) Stamp tax exemption of railroad and corporate reorganizations in bankruptcy, etc.: Section 1808 (e) and (f) (relating to exemption of railroad and corporate reorganizations) are amended to read as follows:

"(e) Corporate reorganizations and reorganization of railroads: The provisions of sections 1801, 1802, and 1821 (b) of this chapter and the provisions of sections 3481 and 3482 of chapter 31 shall not apply to the issuance, transfer, or exchange of securities, or the making, delivery, or filing of conveyances to make effective any plan of reorganization or adjustment—

"(1) confirmed under the act entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, as amended,

"(2) approved in an equity receivership proceeding in a court involving a railroad corporation, as defined in section 77 (m) of such act, or

"(3) approved in an equity receivership proceeding in a court involving a corporation, as defined in section 106 (3) of such act,

if the issuance, transfer, or exchange of securities, or the making, delivery, or filing of instruments of transfer or conveyances, occurs within 5 years from the date of such confirmation or approval."

(e) Exemptions in connection with certain orders of the Securities and Exchange Commission and in the case of common trust funds: Section 1808 (g) (cross reference) is amended by striking out "(g)" and inserting in lieu thereof "(h)" and by inserting immediately before such subsection the following new subsections:

"(g) Orders of the Securities and Exchange Commission: The provisions of sections 1801, 1802, and 1821 (b) of this chapter and the provisions of sections 3481 and 3482 of chapter 31 shall not apply to the issuance, transfer, or exchange of securities, or making or delivery of conveyances, to make effective any order of the Securities and Exchange Commission as defined in section 373 (a) of chapter 1: *Provided*, That (1) the order of

the Securities and Exchange Commission in obedience to which such issuance, transfer, or exchange of securities, or conveyances are made recites that such issuance, transfer, or exchange, or conveyances are necessary or appropriate to effectuate the provisions of section 11 (b) of the Public Utility Holding Company Act of 1935, 49 Stat. 820 (U. S. C., title 15, sec. 79k (b)), (2 such order specifies and itemizes the securities and other property which are ordered to be issued, transferred, exchanged, or conveyed, and (3) such issuance, transfer, or exchange, or conveyance is made in obedience to such order."

"(g) Common trust funds: The provisions of section 1802 (a) shall not apply to the issue of shares or certificates of a common trust fund, as defined in section 169."

(f) Exemption of United States, etc., from stamp tax: Section 1809 (a) (relating to persons liable for payment of stamp tax) is amended by inserting at the end thereof the following new sentence: "The United States or any agency or instrumentality thereof shall not be liable for the tax with respect to an instrument to which it is a party, and affixing of stamps thereby shall not be deemed payment for the tax, which may be collected by assessment from any other party liable therefor."

(g) Transfer of bonds on reorganization taxable: Section 3481 (a) (relating to imposition of transfer tax) is amended by striking out: "*Provided further*, That the tax shall not be imposed on deliveries or transfers of bonds in connection with a reorganization (as defined in section 112 of the Revenue Act of 1932, 47 Stat. 196) if any of the gain or loss from the exchange or distribution involved in the delivery or transfer is not recognized under the income tax law applicable to the year in which the delivery or transfer is made:".

(h) Transfers, etc., with respect to which amendments applicable—

(1) The amendment of section 1801 by subsection (a) of this section shall be applicable to obligations issued after the date of the enactment of this act.

(2) Section 1802 (c) and section 3481 (b) added by subsection (b) of this section shall be applicable to deliveries and transfers on or after the thirtieth day after the date of the enactment of this act.

(3) The amendment of section 1808 (c) made by subsection (c) of this section shall be applicable to stocks and bonds issued or transferred after the date of the enactment of this act.

(4) The amendment of section 1808 (e) and (f) made by subsection (d) of this section shall be applicable to the issuance, transfer, or exchange of securities, or the making, delivery, or filing of conveyances, after the date of the enactment of this act. Section 267 of the National Bankruptcy Act (U. S. C. Title 11, section 667) and any other provision of Federal law insofar as it confers exemption from stamp tax with respect to the issuance, transfer, or exchange of securities, or the making, delivery, or filing of conveyances, after 5 years from the date of confirmation or approval of the plan of reorganization or adjustment, shall be inapplicable to the issuance, transfer, or exchange of securities, or the making, delivery, or filing of conveyances, after the date of the enactment of this act.

(5) (A) Section 1808 (f) added by subsection (e) of this section shall be applicable to the issuance, transfer, or exchange of securities, or the making or delivery of conveyances, after the date of the enactment of this act.

(B) Section 1808 (g) as added by subsection (e) of this section shall be applicable to shares and certificates issued after the date of the enactment of this act.

(6) The amendment of section 1809 (a) made by subsection (f) of this section shall be applicable to instruments to which the United States or any agency or instrumentality thereof becomes a party after the date of the enactment of this act.

(7) The amendment of section 3481 (a) made by subsection (g) of this section shall be applicable to deliveries or transfers after the date of the enactment of this act.

The amendment was agreed to.

The next amendment was, on page 510, after line 4, to strike out:

"(a) Individuals: The period of time after December 6, 1941, during which an individual is outside the Americas (if outside for more than 90 days continuously), or is within any locality in the Americas which the Commissioner determines is besieged or occupied by any foreign government with which the United States is at war, and the next 90 days thereafter, shall be disregarded in determining, under the internal revenue laws, in respect of any tax (including any interest, penalty, additional amount, or addition to the tax):

"(1) the amount of any interest required to be paid, whether in respect of taxes, credits, or refunds;

"(2) the application of penalties, additional amounts, and additions to tax;

"(3) the amount of any credit or refund; and

"(4) whether any of the following acts was performed within the time prescribed therefor:

"(A) filing any income, estate, or gift tax return;

"(B) payment of any income, estate, or gift tax or any installment thereof or of any other liability to the United States in respect of any such tax;

"(C) allowance of a credit or refund of any tax;

"(D) filing a petition with the Board of Tax Appeals for redetermination of a deficiency, or for review of a decision rendered by the Board;

"(E) filing a claim for credit or refund of any tax;

"(F) bringing a suit upon any such claim for credit or refund;

"(G) assessment of any tax;

"(H) giving or making any notice or demand, for the payment of any tax or with respect to any liability to the United States in respect of any tax;

"(I) collection, by the Commissioner or the collector, by distraint or otherwise of the amount of any liability in respect of any tax;

"(J) bringing suit (civil or criminal), by the United States or any officer on its behalf, in respect of any liability in respect of any tax; and

"(K) any other act required or permitted under the internal revenue laws specified in regulations prescribed under this section by the Commissioner with the approval of the Secretary.

"(b) Other taxpayers and other circumstances: In cases to which subsection (a) does not apply, the Commissioner may under such regulations as he prescribes, with the approval of the Secretary, apply such provisions to persons in such circumstances that,

"(1) By reason of any individual being outside the Americas or by reason of any locality (within or without the Americas) being besieged or occupied, as determined by the Commissioner, by any foreign government with which the United States is at war, or

"(2) By reason of an individual in the military or naval forces of the United States being outside the States of the Union and the District of Columbia,

it is impossible or impracticable to perform any act specified under paragraph (4) of such subsection.

The amendment was agreed to.

The next amendment was, on page 512, after line 15, to insert:

"(a) Individuals: The period of time after December 6, 1941, during which an individual is continuously outside the Americas (if such period is longer than 90 days), and the next 90 days thereafter, shall be disregarded in determining, under the internal revenue laws, in respect of any tax liability (including any interest, penalty, additional amount, or addition to the tax) of such individual—

"(1) Whether any of the following acts was performed within the time prescribed therefor:

"(A) filing any return of income, estate, or gift tax (except income tax withheld at source and income tax imposed by chapter 9 or any law superseded thereby);

"(B) payment of any income, estate, or gift tax (except income tax withheld at source and income tax imposed by chapter 9 or any law superseded thereby) or any installment thereof or of any other liability to the United States in respect thereof;

"(C) filing a petition with the Board of Tax Appeals for redetermination of a deficiency, or for review of a decision rendered by the Board;

"(D) allowance of a credit or refund of any tax;

"(E) filing a claim for credit or refund of any tax;

"(F) bringing a suit upon any such claim for credit or refund;

"(G) assessment of any tax;

"(H) giving or making any notice or demand, for the payment of any tax, or with respect to any liability to the United States in respect of any tax;

"(I) collection, by the Commissioner or the collector, by distraint or otherwise, of the amount of any liability in respect of any tax;

"(J) bringing suit by the United States, or any officer on its behalf, in respect of any liability in respect of any tax; and

"(K) any other act required or permitted under the internal revenue laws specified in regulations prescribed under this section by the Commissioner with the approval of the Secretary;

"(2) The amount of any credit or refund (including interest).

"(b) Other taxpayers and other circumstances: In any case to which subsection (a) does not apply in which it is determined by the Commissioner, under regulations prescribed by him with the approval of the Secretary, that—

"(1) By reason of an individual being outside the Americas, or

"(2) By reason of any locality (within or without the Americas) being an area of enemy action or being an area under the control of the enemy, as determined by the Commissioner, or

"(3) By reason of an individual in the military or naval forces of the United States being outside the States of the Union and the District of Columbia,

it is impossible or impracticable to perform any one or more of the acts specified in subsection (a), then in determining, under the internal-revenue laws whether such act was performed within the time prescribed therefor, in respect of any tax liability (including any interest, penalty, additional amount, or addition to tax) affected by the failure to perform such act within such time, and in determining the amount of any credit or refund (including interest) affected by such failure, there shall be disregarded such period after December 6, 1941, as may be prescribed by such regulations.

The amendment was agreed to.

The next amendment was, on page 515, line 11, after the words "shall not", to strike out "include or."

The amendment was agreed to.

The next amendment was, on the same page, line 17, after the word "individual", to strike out "entitled to the benefits of subsection (a) or (b)" and to insert "with respect to whom a period of time is disregarded under this section."

The amendment was agreed to.

The next amendment was, on page 517, line 4, after "(2)", to strike out "Whereabouts of individual unknown" and to insert "Action taken before ascertainment of right to benefits."

The amendment was agreed to.

The next amendment was, on the same page, line 19, after "subsection (a)", to strike out "(4)" and to insert "(1)."

The amendment was agreed to.

The next amendment was, on page 518, after line 1, to strike out:

"(2) When individual ceases to be outside Americas or within a locality besieged or occupied: In the case of any act specified in subsection (a) (4) (G), (H), (I), or (J), any individual outside the Americas or within a locality in the Americas besieged or occupied by a foreign government with which the United States is at war shall not, if he returns to the Americas or leaves such locality after the date of enactment of this section, be deemed to have returned to the Americas or ceased to be within such locality before the date upon which the Commissioner receives from such individual a notice thereof in such form as the Commissioner with the approval of the Secretary, shall by regulations prescribe. A similar rule shall be applied in the case of a member of the military or naval forces of the United States who is entitled to the benefits of this section by reason of being outside the States of the Union and the District of Columbia.

And to insert in lieu thereof the following:

"(2) When individual ceases to be outside Americas or within an area of enemy action: For the purpose of determining whether any act specified in subsection (a) (1) (G), (H), (I), or (J) was performed within the time prescribed therefor, if any period of time is disregarded under this section by reason of any individual being outside the Americas or within an area of enemy action or control, such individual shall not, if he returns to the Americas or leaves such area after the date of enactment of this section, be deemed to have returned to the Americas or ceased to be within such area before the date upon which the Commissioner receives from such individual a notice thereof in such form as the Commissioner, with the approval of the Secretary, shall by regulations prescribe. A similar rule shall be applied in the case of a member of the military or naval forces of the United States with respect to whom a period of time is disregarded under this section by reason of being outside the States of the Union and the District of Columbia."

The amendment was agreed to.

The next amendment was, on page 519, line 16, after the word "Qualifies" and the period, to strike out "In the case of any act specified in subsection (a) (4) (G), (H), (I), or (J)" and to insert in lieu thereof "For the purpose of determining whether any act specified in subsection (a) (1) (G), (H), (I), or (J) was performed within the time prescribed therefor."

The amendment was agreed to.

The next amendment was, on page 520, after line 16, to strike out:

The amendments made by this section shall not be construed to shorten any period fixed under the provisions of section 13 or 14 of the act approved March 7, 1942 (Public Law 490—77th Cong.), or section 513 of the Soldiers' and Sailors' Civil Relief Act of 1940 (54 Stat. 1190, U. S. C., title 50, Appendix, sec. 573) within which any act may be done, except that any action or proceeding authorized under section 3804 (d) (1) of the Internal Revenue Code, as well as any other action or proceeding authorized by law in connection therewith, may be taken, begun, or prosecuted without regard to the period so fixed.

The amendment was agreed to.

The next amendment was, on page 521, after line 2, to insert:

(1) Public law 490, Seventy-seventh Congress: The amendments made by this section shall not be construed to shorten any period fixed under the provisions of section 13 or 14 of the act approved March 7, 1942 (Public Law 490, 77th Cong.), within which any act may be done, except that any action or proceeding authorized under section 3804 (d) (1) of the Internal Revenue Code, as well as any other action or proceeding authorized by law in connection therewith, may be taken, begun, or prosecuted without regard to the period so fixed.

(2) Soldiers' and Sailors' Civil Relief Act of 1940:

(A) The amendments made by this section shall not be construed to shorten any period fixed under the provisions of section 513 of the Soldiers' and Sailors' Civil Relief Act of 1940 within which any act may be done, except that any action or proceeding authorized under section 3804 (d) (1) of the Internal Revenue Code, as well as any other action or proceeding authorized by law in connection therewith, may be taken, begun, or prosecuted without regard to the period so fixed.

(B) Article II of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, is amended by adding at the end thereof the following new section:

"SEC. 207: Section 205 of this act shall not apply with respect to any period of limitation prescribed by or under the internal revenue laws of the United States."

(C) The Soldiers' and Sailors' Civil Relief Act of 1940, as amended, is amended by adding at the end thereof the following new section:

The amendment was agreed to.

The next amendment was, on page 522, after line 10, to insert:

"SEC. 701. Notwithstanding any other provision of this act, any application to a court for relief under this act in respect of any tax (including any interest, penalty, additional amount, or addition to the tax) imposed by the United States may be made only to a court of competent jurisdiction of the United States."

Mr. OVERTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. OVERTON. Does the amendment just now considered include the subject matter on page 534, beginning in line 6 and extending to line 21 on page 540?

The PRESIDING OFFICER. The amendment just acted upon extends from line 3 on page 521 to and including line 10 on page 522.

Mr. OVERTON. Does it extend to the subject matter from page 534 to page 540?

The PRESIDING OFFICER. No. The subject matter dealt with on those pages has not as yet been reached.

Mr. GEORGE. Mr. President, I wish to say that the Senator from Missouri [Mr. CLARK] gave notice in committee, I think, that he desired to offer an amendment to section 701, on page 522.

Mr. VANDENBERG. That is the section relating to soldiers' and sailors' civil relief.

Mr. CLARK of Missouri. I do desire to offer an amendment, Mr. President. I do not have the amendment prepared as yet.

Mr. GEORGE. I was going to suggest that the amendment be passed over.

Mr. CLARK of Missouri. I appreciate the suggestion, and shall prepare the amendment and offer it later.

Mr. GEORGE. I ask that the amendment beginning in line 11 on page 522, and ending in line 16 of the same page, be passed over.

The PRESIDING OFFICER. Without objection, the amendment on page 522, from line 11 to line 16, will be passed over.

The next amendment of the Finance Committee will be stated.

The next amendment was, on page 522, after line 16, to insert the following:

(c) Retroactive effect: The provisions of sections 3804 and 3805, as added by subsection (a) of this section, shall be effective as if they were enacted on December 7, 1941; except that the phrase "date of enactment of this section," when used in subsections (d) (3) and (e) (2) and (3) of section 3804, means the date of enactment of this act. Any amount of interest, penalty, additional amount, or addition to the tax otherwise allowable as a refund or credit under the internal-revenue laws (including sections 3805 and 3804, except subsection (d) (2)) may be refunded or credited without regard to section 3804 (d) (2). No interest shall be allowed or paid by the United States upon any amount refunded or credited by reason of this subsection.

The amendment was agreed to.

The next amendment was, on page 523, after line 4, to insert:

Sec. 507. Mitigation of effect of disallowance of reimbursement on contracts with the United States.

Chapter 38 is amended by inserting at the end thereof the following new section:

"Sec. 3805. Mitigation of effect of disallowance of reimbursement on contracts with the United States.

"(a) Reduction of reimbursement for prior taxable year: In the case of a cost-plus-a-fixed-fee contract between the United States or any agency thereof and the taxpayer, if an item for which the taxpayer has been reimbursed is disallowed as an item of cost chargeable to such contract and, in a taxable year beginning after December 31, 1941, the taxpayer is required to repay the United States or any agency thereof the amount disallowed or the amount disallowed is applied as an offset against other amounts due the taxpayer, the amount of the reimbursement of the taxpayer under the contract for the taxable year in which the reimbursement for such item was received or was accrued (hereinafter referred to as 'prior taxable year') shall be reduced by the amount disallowed. The amount of the repayment or offset shall not constitute a deduction for the year in which paid or incurred. The foregoing provisions of this subsection shall not apply in respect of any contract if the taxpayer shows to the satisfaction of the Commissioner that a different method of accounting for the amount of the repayment or disallowance clearly reflects income, and in such a case the repayment or disallowance shall be accounted for with respect to the taxable year provided

for under such method, which for the purposes of subsections (b), (c), and (d) shall be considered a prior taxable year.

"(b) Credit against repayment on account of disallowance:

"(1) General rule: There shall be credited against the amount disallowed the amount by which the tax for the prior taxable year under chapter 1, chapter 2A, chapter 2D, and chapter 2E is decreased by reason of the application of subsection (a).

"(2) Credit for barred year: If at the time of the repayment or offset described in subsection (a), refund or credit of tax under chapter 1, chapter 2A, chapter 2D, or chapter 2E, for the prior taxable year, is prevented (except for the provisions of section 3801) by any provision of the internal-revenue laws other than section 3761, or by rule of law, the amount by which the tax for such year under such chapters is decreased by the application of subsection (a) shall be computed under this paragraph. There shall first be ascertained the tax previously determined for the prior taxable year. The amount of the tax previously determined shall be (A) the tax shown by the taxpayer upon his return for such taxable year, increased by the amounts previously assessed (or collected without assessment) as deficiencies, and decreased by the amounts previously abated, credited, refunded, or otherwise repaid in respect of such tax; or (B) if no amount was shown as the tax by such taxpayer upon his return, or if no return was made by such taxpayer, then the amounts previously assessed (or collected without assessment) as deficiencies, but such amounts previously assessed, or collected without assessment, shall be decreased by the amounts previously abated, credited, refunded, or otherwise repaid in respect of such tax. There shall then be ascertained the decrease in tax previously determined which results solely from the application of subsection (a) to the prior taxable year. The amount so ascertained, together with any amounts collected as additions to the tax or interest, as a result of subsection (a) not having been applied to the prior taxable year shall be the amount by which such tax is decreased.

"(3) Interest: In determining the amount of the credit under this subsection no interest shall be allowed with respect to the amount ascertained under paragraph (1) or paragraph (2); except that if interest is charged by the United States or the agency thereof on account of the disallowance for any period before the date of the repayment or offset, the credit shall be increased by an amount equal to interest on the amount ascertained under either such paragraph at the same rate and for the period (prior to the date of the repayment or offset) as interest is so charged.

"(c) Credit in lieu of other credit or refund: If a credit is allowed under subsection (b) with respect to a prior taxable year no other credit or refund under the internal-revenue laws founded on the application of subsection (a) shall be made on account of the amount allowed with respect to such taxable year. If the amount allowable as a credit under subsection (b) exceeds the amount allowed under such subsection, the excess shall, for the purposes of the internal-revenue laws relating to credit or refund of tax, be treated as an overpayment for the prior taxable year which was made at the time the repayment or offset was made."

The amendment was agreed to.

The next amendment was, on page 526, after line 22, to insert:

Sec. 503. Amendment to the Public Salary Tax Act of 1939.

(a) Exemption of certain compensation for period before 1939: Section 203 of the Public Salary Tax Act of 1939 is amended by designating the present language contained therein as subsection (a) and by adding at the end thereof a new subsection to read as follows:

"(b) Any amount of income tax (including interest, additions to tax, and additional amounts) for taxable years beginning after December 31, 1938, to the extent attributable to compensation for personal service rendered in a taxable year beginning prior to January 1, 1939 (other than compensation received as a pension, retirement pay, or similar allowance), as an officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality of any one or more of the foregoing—

"(1) shall not be assessed; and

"(2) if assessed, the assessment shall be abated and any amount collected in pursuance of such assessment shall be credited or refunded in the same manner as in the case of an income tax erroneously collected, if the Commissioner of Internal Revenue, under regulations prescribed by him with the approval of the Secretary of the Treasury, finds that assessment of such tax, or disallowance of a claim for credit or refund, except for title I of this act, would result in the application of the doctrines in the cases of *Helvering* v. *Therrell* (303 U. S. 218), *Helvering* v. *Gerhardt* (304 U. S. 405), and *Graves et al.* v. *New York ex rel. O'Keefe* (306 U. S. 466), extending the classes of officers and employees subject to Federal taxation."

(b) Effective date of amendment: The amendment made by this section shall be effective as of the date of enactment of the Public Salary Tax Act of 1939.

The amendment was agreed to.

Mr. GEORGE. Mr. President, the amendment on page 528, beginning in line 6, dealing with taxation of obligations of the United States and its instrumentalities, should go over, in connection with the taxation of income on municipal and State bonds. The next amendment should also go over. Sections 509 and 510 should go over.

The PRESIDING OFFICER. The amendment on page 528, beginning in line 6, and the amendment on page 531, beginning in line 13, will be passed over.

The next amendment of the Finance Committee will be stated.

The next amendment was, on page 532, after line 13, to insert:

Sec. 511. Joint Committee on Compulsory Saving.

(a) There is hereby established a committee to study methods of financing the war, to be composed of (1) five members of the Committee on Finance of the Senate, to be appointed by the President of the Senate; (2) five members of the Committee on Ways and Means of the House of Representatives, to be appointed by the Speaker of the House of Representatives; and (3) the Secretary of the Treasury. A vacancy in the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as the original selection. A majority of the committee shall constitute a quorum, and the powers conferred upon them by this section may be exercised by a majority vote.

(b) It shall be the duty of the committee to make a full and complete study and investigation of all plans for compulsory savings, and other plans, by which money may be raised to assist in the conduct of the war and the avoidance of inflation and plans for payment currently of taxes. The committee shall report to the President and to the Congress the results of its study, together with its recommendations, on or before December 1, 1942.

(c) The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to employ such experts and such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena, or to testify when summoned under the authority of this section.

(d) The committee is authorized to utilize the services, information, facilities, and personnel of the departments and agencies of the Government.

(e) There is hereby authorized to be appropriated the sum of $10,000, or so much thereof as may be necessary, to carry out the provisions of this section.

(f) All authority conferred by this section shall terminate upon the submission of the committee's final report.

The amendment was agreed to.

Mr. OVERTON. Mr. President, the next amendment begins in line 6, on page 534. I ask that all the provisions in reference to the abolition of the Board of Review and transfer of jurisdiction to Board of Tax Appeals may be passed over in order that I may submit an amendment. I think the amendment extends to line 18, on page 540.

The PRESIDING OFFICER. Without objection, the amendment beginning on page 534, line 6, will be passed over.

The next amendment will be stated.

The next amendment was, on page 540, after line 18, to insert:

Sec. 513. Definition of military or naval forces of the United States.

Section 3797 (a) (15) is amended to read as follows:

"(15) Military or naval forces of the United States: The term 'military or naval forces of the United States' includes the Marine Corps, the Coast Guard, the Army Nurse Corps, female, the Women's Army Auxiliary Corps, the Navy Nurse Corps, female, and the Women's Reserve branch of the Naval Reserve."

The amendment was agreed to.

The next amendment was, on page 541, after line 2, to insert:

Sec. 514. Joint Committee on Internal Revenue Taxation—power to obtain data.

Chapter 48 (relating to joint committee) is amended by adding at the end thereof the following new section:

"Sec. 5012. Additional powers to obtain data.

"(a) The Joint Committee on Internal Revenue Taxation or the chief of staff of such joint committee, upon approval of the chairman or vice chairman, is authorized to secure directly from the Bureau of Internal Revenue (including the assistant general counsel for the Bureau of Internal Revenue), or directly from any executive department, board, bureau, agency, independent establishment, or instrumentality of the Government, information, suggestions, data, estimates, and statistics, for the purpose of making investigations, reports, and studies relating to internal revenue taxation.

"(b) The Bureau of Internal Revenue (including the assistant general counsel for the Bureau of Internal Revenue), executive departments, boards, bureau, agencies, independent establishments, and instrumentalities are authorized and directed to furnish such information, suggestions, data, estimates, and statistics directly to the Joint Committee on Internal Revenue Taxation

or to the chief of staff of such joint committee, upon request made pursuant to this section."

Mr. BARKLEY. Mr. President, I ask that the matter included in section 514, on page 541, be passed over for future consideration.

The PRESIDING OFFICER. Without objection, section 514 will be passed over.

The clerk will state the next amendment of the committee.

The next amendment was, on page 543, after line 2, to strike out:

(2) Returns: Any person required by this subsection to pay any floor stocks tax shall, on or before the first day of the third month following the effective date of Title VI of the Revenue Act of 1942, under such regulations as the Commissioner, with the approval of the Secretary, shall prescribe, make a return and pay such tax.

And insert:

(2) Returns: Under such regulations as the Commissioner with the approval of the Secretary shall prescribe, every person required by paragraph (1) to pay any floor stocks tax shall, on or before the end of the thirtieth day following the effective date of Title VI of the Revenue Act of 1942 make a return and shall, on or before the first day of the third month following such effective date, pay such tax.

The amendment was agreed to.

The next amendment was, on page 544, after line 7, to insert:

(e) Exemption of imported alcohol for industrial purposes:

(1) Amendment to internal revenue code: Part II of subchapter C of chapter 26 (relating to industrial alcohol) is amended by inserting at the end thereof the following new section:

"Sec. 3125. Importation of alcohol for industrial purposes.

"(a) Importation without payment of internal-revenue tax: Under regulations to be prescribed by the Commissioner, with the approval of the Secretary, and subject from the time of its withdrawal from customs custody to all the applicable provisions of this part, alcohol of 160 proof, or greater, may be imported into the United States and be withdrawn, in bond, from customs custody, without payment of the internal-revenue tax imposed by section 2800 upon the act of importing such alcohol, for transfer to industrial alcohol plants, alcohol bonded warehouses, and denaturing plants for redistillation or denaturation and withdrawal, or withdrawal without redistillation or denaturation, tax free or tax paid, as the case may be, for all the purposes authorized by this part. If such alcohol is withdrawn from the said industrial alcohol plants, alcohol bonded warehouses, or denaturing plants for beverage purposes, there shall be paid upon such withdrawal an additional tax equal to the duty which would have been paid had such spirits been imported for beverage purposes, less the duty already paid thereon.

"(b) Withdrawal tax free for use of United States: Alcohol may be withdrawn from customs custody by the United States or any governmental agency thereof for its own use, free of internal-revenue tax, under such regulations as may be prescribed."

(2) Effective date of subsection: Notwithstanding section 601, this subsection shall take effect on the day following the date of enactment of this act.

(f) Drawback if distilled spirits used for certain purposes: Section 3250 (relating to taxation of distilled spirits) is amended by inserting at the end thereof the following new subsection:

"(1) Manufacturers or producers of designated nonbeverage products:

"(1) In general: Any person using fully tax-paid distilled spirits in the manufacture or production of medicines, medicinal preparations, food products, flavors, or flavoring extracts which are unfit for use for beverage purposes and are sold or otherwise transferred for use for other than beverage purposes, shall, upon payment of a special tax of $100 per annum, be eligible for drawback as hereinafter provided for.

"(2) Requirements: Such person shall register annually with the Commissioner; keep such books and records as may be necessary to establish the fact that distilled spirits purchased by him and fully tax-paid were used in the manufacture or production of medicines, medicinal preparations, food products, flavors, or flavoring extracts which were unfit for use for beverage purposes, and were sold or otherwise transferred for use for other than beverage purposes; and shall be subject to such rules and regulations in relation thereto as the Commissioner, with the approval of the Secretary, shall prescribe to secure the Treasury of the United States against frauds.

"(3) Investigative powers of Commissioner: The Commissioner, for the purpose of ascertaining the correctness of any claim filed under this subsection is authorized, by any officer or employee of the Bureau of Internal Revenue, including the field service, designated by him for that purpose, to examine any books, papers, records, or memoranda bearing upon the matters required to be alleged in the claim, and may require the attendance of the person filing the claim or of any officer or employee of such person, or the attendance of any other person having knowledge in the premises, and may take his testimony with reference to any matter covered by the claim, with power to administer oaths to such person or persons.

"(4) Drawback: A drawback at the rate of $3.75 on each proof gallon shall be allowed on distilled spirits tax-paid and used as provided in this subsection and be due and payable quarterly upon filing of a proper claim with the Commissioner. No claim under this subsection shall be allowed unless filed with the Commissioner within the 3 months next succeeding the quarter for which the drawback is claimed.

Sec. 603. Fermented malt liquors.

The amendment was agreed to.

The next amendment was, on page 548, line 2, after the word "gallons", to strike out:

The tax imposed by this subsection shall not apply to the retail stocks of fermented malt liquors held by a person on premises as to which such person has incurred occupational tax as a retail dealer in liquors or a retail dealer in malt liquors for the period beginning on July 1, 1942, and as to which no other occupational tax with respect to dealing in distilled spirits, wines, or malt liquors, has been incurred by such person for a period beginning on such date.

"(2) Returns: Every person required by paragraph (1) to pay any floor stocks tax shall, on or before the first day of the third month following the effective date of title VI of the Revenue Act of 1942, under such regulations as the Commissioner with the approval of the Secretary shall prescribe, make a return and pay such tax.

And insert:

"(2) Returns: Under such regulations as the Commissoner with the approval of the Secretary shall prescribe, every person required by paragraph (1) to pay any floor stocks tax shall, on or before the end of the 30th day following the effective date of title VI of the Revenue Act of 1942 make a return and shall, on or before the 1st day of the third month following such effective date, pay such tax.

The amendment was agreed to.

The next amendment was, on page 549, line 19, after the word "on", to strike out "sparkling" and insert "artificially carbonated"; and in line 21, after the word "out" to strike out "'7 cents' and inserting in lieu thereof '10 cents'; and by striking out."

Mr. LA FOLLETTE. Mr. President, I ask that the amendment in lines 19 to 23, on page 549, be passed over.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

The next amendment was, on page 550, at the beginning of line 9, to strike out "(over the defense tax rates)."

The amendment was agreed to.

The next amendment was, on page 550, after line 10, to strike out:

"(b) Returns: Every person required by subsection (a) to pay any floor stocks tax shall, on or before the first day of the third month following the effective date of Title VI of the Revenue Act of 1942, under such regulations as the Commissioner, with the approval of the Secretary, shall prescribe, make a return and pay such tax.

And insert:

"(b) Returns: Under such regulations as the Commissioner with the approval of the Secretary shall prescribe, every person required by subsection (a) to pay any floor stocks tax shall, on or before the end of the thirtieth day following the effective date of Title VI of the Revenue Act of 1942 make a return and shall, on or before the first day of the third month following such effective date, pay such tax.

The amendment was agreed to.

The next amendment was, on page 551, after line 9, to strike out:

Sec. 605. Tobacco, cigars, cigarettes, and cigarette papers and tubes.

(a) Rate on smoking tobacco: Section 2000 (a) (2) is amended by striking out "18 cents per pound" and inserting in lieu thereof "18 cents per pound on chewing tobacco, and 24 cents per pound on smoking tobacco."

The amendment was agreed to.

The next amendment was, on page 551, after line 22, to strike out:

"(1) Cigars: On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, 75 cents per thousand;

"On cigars made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, if manufactured or imported to retail at not more than 2½ cents each, $2.50 per thousand;

"If manufactured or imported to retail at more than 2½ cents each and not more than 4 cents each, $3.50 per thousand;

"If manufactured or imported to retail at more than 4 cents each and not more than 6 cents each, $5.00 per thousand;

"If manufactured or imported to retail at more than 6 cents each and not more than 8 cents each, $7.00 per thousand;

"If manufactured or imported to retail at more than 8 cents each and not more than 11 cents each, $10.00 per thousand;

"If manufactured or imported to retail at more than 11 cents each and not more than 15 cents each, $13.50 per thousand;

"If manufactured or imported to retail at more than 15 cents each and not more than 20 cents each, $18.00 per thousand;

"If manufactured or imported to retail at more than 20 cents each and not more than 30 cents each, $25.00 per thousand;

"If manufactured or imported to retail at more than 30 cents each, $35 per thousand;

And insert:

"(1) Cigars: On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, 75 cents per thousand;

"On cigars made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, if manufactured or imported to retail at not more than 2½ cents each, $2.00 per thousand;

"If manufactured or imported to retail at more than 2½ cents each and not more than 4 cents each, $3.00 per thousand;

"If manufactured or imported to retail at more than 4 cents each and not more than 6 cents each, $4.00 per thousand;

"If manufactured or imported to retail at more than 6 cents each and not more than 8 cents each, $7.00 per thousand;

"If manufactured or imported to retail at more than 8 cents each and not more than 15 cents each, $10.00 per thousand;

"If manufactured or imported to retail at more than 15 cents each and not more than 20 cents each, $15.00 per thousand;

"If manufactured or imported to retail at more than 20 cents each, $20.00 per thousand.

Mr. DANAHER. Mr. President, I respectfully ask that this portion of section 605 be passed over.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

Mr. GEORGE. Mr. President, I do not believe that the portion of the section on page 554, after line 11, is involved in the Senator's request. Let me ask the Senator from Connecticut whether his request includes the amendment on page 554, after line 11.

Mr. DANAHER. According to the copy which I hold in my hand, what I am really interested in is on page 551, after line 22, and on pages 552 and 553, extending through line 2, on page 554, with reference to cigars.

Mr. GEORGE. I thought so.

Mr. DANAHER. In my copy, that is comprehended within section 605.

Mr. GEORGE. The Senator is correct.

Mr. DANAHER. All I am interested in is the part which deals with cigars. The Senator may recall that I mentioned the subject in committee.

Mr. GEORGE. I recall. As I understand, the Senator has no objection to proceeding with the amendment on page 554 with regard to rates on cigarettes, cigarette papers, and tubes?

Mr. DANAHER. No; I have no objection to action on that amendment. I am interested only in discussing briefly, at some time the rates on cigars, which have already been made the basis of much discussion in the committee, as every member of the committee knows.

The PRESIDING OFFICER. Will the Senator state again that part of section 605 which he wishes to pass over?

Mr. DANAHER. Beginning in line 23, on page 551, and extending through line 7, on page 554.

The PRESIDING OFFICER. Without objection, that part of the section will be passed over.

The clerk will state the next amendment of the committee.

The next amendment was, on page 554, after line 11, to strike out:

(d) Rates on cigarette papers and tubes: Section 2000 (d) is amended to read as follows:

"(d) Cigarette paper: There shall be levied collected, and paid upon cigarette paper made up into packages, books, sets or tubes, made up in or imported into the United States and sold or delivered by the manufacturer or importer to any person (other than to a manufacturer of cigarettes for use by him in the manufacture of cigarettes intended for sale or consumption), the following taxes:

"On each package, book, or set containing not more than 25 papers or tubes, one-half cent;

"Containing more than 25 papers or tubes, one-half cent for each 25 papers or tubes or fractional part thereof."

The amendment was agreed to.

The next amendment was, on page 555, line 2, after the word "upon", to strike out "smoking tobacco"; and in line 21, after the word "having", to strike out "tobacco."

The amendment was agreed to.

The next amendment was, on page 556, after line 15, to insert:

(c) Exportation of cigarette papers and tubes free of internal revenue tax: Section 2197 (b) (relating to tax-free exportation of tobacco) is amended by striking out "or cigarettes" and inserting in lieu thereof "cigarettes, or cigarette papers or tubes."

The amendment was agreed to.

The next amendment was, on page 557, line 15, after the word "paid", to insert "except that in the case of each international telegraph, cable, or radio dispatch or message the rate shall be 10 percent"; and in line 19, after the word "tax", to strike out "shall be based shall be the sum of all such charges", and insert "at each of the rates in this subparagraph shall be based shall be the sum of all such charges at that rate."

The amendment was agreed to.

The next amendment was, on page 560, after line 9, to strike out:

(4) Photographic apparatus: Cameras (except cameras weighing more than 4 pounds exclusive of lens and accessories) and lenses, photographic apparatus and equipment, and any apparatus or equipment designed especially for use in the taking of photographs or motion pictures or in developing, printing, or enlarging photographs or motion pictures, 25 percent; unexposed photographic films (including motion-picture films but not including X-ray film), photographic plates and sensitized paper, 15 percent.

And insert:

(4) Photographic apparatus: Cameras and lenses, photographic apparatus and equipment, and any apparatus or equipment designed especially for use in the taking of photographs or motion pictures or in developing, printing, or enlarging photographs or motion pictures, 10 percent; unexposed photographic films (including motion picture films but not including X-ray film), photographic plates and sensitized paper, 15 percent. No tax shall apply under this subparagraph with respect to sensitized paper for use in the reproduction of drawings, records, and other documents for industrial or commercial purposes.

The amendment was agreed to.

The next amendment was, on page 561, at the beginning of line 12, to insert "(a) increase in rate."

The amendment was agreed to.

The next amendment was, on page 561, after line 16, to insert:

(b) Exemption of members of armed forces of United Nations from tax on transportation of persons, etc.: Section 3469 (f) (2) (relating to exemptions from the tax on transportation of persons) is amended by inserting after the words "uniform of the United States" a comma and the following: "or to members of the military or naval forces of any of the other United Nations traveling in uniform of such nation."

The amendment was agreed to.

The next amendment was, on page 563, line 16, after the word "instruments", to insert "to watches designed especially for use by the blind."

The amendment was agreed to.

The next amendment was, on page 563, after line 23, to strike out:

Sec. 614. Exempt leases of water coolers.

Section 3405 (a) (relating to sales, etc., of cooling, etc., units) is amended by inserting at the end thereof the following new sentence: "The term 'sale' as defined in section 3440 shall not include the lease or renewal of a lease of a water cooler leased by a manufacturer, producer, or importer prior to October 1, 1941."

And insert:

Sec. 614. Refrigerators, refrigerating apparatus, and air-conditioners.

Section 3405 is amended to read as follows:

"Sec. 3405. Tax on mechanical refrigerators and self-contained air-conditioning units.

"There shall be imposed on the following articles (including in each case parts or accessories therefor sold on or in connection with the sale thereof) sold by the manufacturer, producer, or importer a tax equivalent to 10 percent of the price for which sold:

"(a) Refrigerators: Household type refrigerators (for single or multiple cabinet installations) having, or being primarily designed for use with, a mechanical refrigerating unit operated by electricity, gas, kerosene or gasoline.

"(b) Refrigerating apparatus: Cabinets, compressors, condensers, evaporators, expansion units, absorbers, and controls for, or suitable for use as parts of or with, household type refrigerators of the kind described in subsection (a) except when sold as component parts of complete refrigerators or refrigerating or cooling apparatus.

"(c) Air-conditioners: Self-contained air-conditioning units."

The amendment was agreed to.

The next amendment was, on page 565, after line 20, to insert:

(a) Increase in rate on gambling devices: Section 3267 (a) (2) and (3) (relating to rate of tax on gambling devices) is amended by striking out "$50" and inserting in lieu thereof "$100."

The amendment was agreed to.

The next amendment was, on page 566, line 15, after the word "cents", to insert "and if the only prize dispensed is merchandise and not cash or tokens"; and after line 17, to strike out:

(b) List of special taxpayers: Section 3267 is amended by adding at the end thereof the following new subsection:

"(c) List of special taxpayers: With respect to the year beginning July 1, 1942, the provisions of section 3275 (relating to a list of

special taxpayers) shall not be applicable to persons who have paid special tax with respect to coin-operated gaming devices as defined in clause (2) of subsection (b)."

(c) Effective date of amendments: The amendments made by this section shall be applicable to the year beginning July 1, 1942, except that no tax shall be payable with respect to an article, not taxable under section 3267 of the Internal Revenue Code before its amendment by this section for any period before the effective date of this title.

And insert:

(c) Effective date of amendments: The amendments made by this section shall be first applicable as follows:

(1) In the case of machines the rate of tax on which is increased, to the year beginning July 1, 1943.

(2) In the case of machines not subject to tax prior to such amendments, no tax shall be payable with respect to any period before the effective date of this title.

(3) In the case of machines if the limitation on the amount of the prize dispensed is 5 cents, to the year beginning July 1, 1942.

The amendment was agreed to.

The next amendment was, on page 567, after line 19, to strike out:

Sec. 618. Tax on pari-mutuel wagering.

Chapter 10 is amended by inserting at the end thereof the following new subchapter:

"SUBCHAPTER D—TAX ON PARI-MUTUEL WAGERING

"Sec. 1730. Tax.

"There shall be levied, assessed, collected, and paid on the conducting of pari-mutuel or totalizator wagering on any racing or other sporting event a tax in an amount equal to 5 percent of the total amount wagered and received into, on and after the effective date of this title, the pari-mutuel or totalizator pool, to be paid by the person conducting or having control of such pari-mutuel or totalizator pool.

"Sec. 1731. Returns and payment of tax.

"Every person liable to tax under section 1730 shall make returns under oath in duplicate and pay the tax to the collector for the district in which is located his principal place of business or, if he has no principal place of business in the United States, then to the Collector at Baltimore, Md. Such returns shall contain such information and be made at such times and in such manner as the Commissioner, with the approval of the Secretary, may by regulations prescribe. The tax shall, without assessment by the Commissioner or notice from the collector, be due and payable at the time so fixed for filing the return.

"Sec. 1732. Other laws applicable.

"All provisions of law, including penalties, applicable in respect of the taxes imposed by section 1700 shall, insofar as applicable and not inconsistent with the provisions of this subchapter, be applicable in respect to the tax imposed by section 1730."

The amendment was agreed to.

The next amendment was, on page 569, after line 19, to strike out:

Sec. 621. Transportation of property.

(a) Chapter 30 is amended by inserting at the end thereof the following new subchapter:

"SUBCHAPTER E—TRANSPORTATION OF PROPERTY

"Sec. 3475. Transportation of property.

"(a) Tax: There shall be imposed upon the amount paid within the United States after the effective date of this section for the transportation, on or after such effective date, of property by rail, motor vehicle, water, or air from one point in the United States to another, a tax equal to 5 percent of the amount so paid, except that, in the case of coal, the rate of tax shall be 5 cents per long ton. Such tax shall apply only to amounts paid to a person engaged in the business of transporting property for hire, including amounts paid to a freight forwarder, express company, or similar person, but not including amounts paid by a freight forwarder, express company, or similar person for transportation with respect to which a tax has previously been paid under this section. In the case of property transported from a point without the United States to a point within the United States the tax shall apply to the amount paid within the United States for that part of the transportation which takes place within the United States. The tax on the transportation of coal shall not apply to the transportation of coal with respect to which there has been a previous taxable transportation.

"(b) Exemption of Government transportation: The tax imposed under this section shall not apply to amounts paid by or to the United States or any agency or instrumentality of the United States for the transportation of property.

"(c) Returns and payment: The tax imposed by this section shall be paid by the person making the payment subject to the tax. Each person receiving any payment specified in subsection (a) shall collect the amount of the tax imposed from the person making such payment, and shall, on or before the last day of each month, make a return, under oath, for the preceding month, and pay the taxes so collected to the collector in the district in which his principal place of business is located, or if he has no principal place of business in the United States, to the collector at Baltimore, Md. Such returns shall contain such information and be made in such manner as the Commissioner with the approval of the Secretary may by regulations prescribe.

"(d) Extensions of time: The Commissioner may extend the time for making returns and paying the taxes collected, under such rules and regulations as he shall prescribe with the approval of the Secretary, but no such extension shall be for more than 90 days.

"(e) Registration: Every person engaged in the business of transporting property for hire, including freight forwarders, express companies, and similar persons, shall, on or before the sixtieth day after the effective date of this section, or within 60 days after first engaging in the business of transportation of property for hire, register his name and his place or places of business with the collector in the district in which is located the principal place of business of such person. Every such person who fails to register within the period specified shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $50."

(b) Technical amendment: Section 3471 (a) and (b) are amended by striking out "or subchapter C" wherever occurring therein and inserting in lieu thereof "subchapter C, or subchapter E."

(c) Effective date of section: The amendments made by this section shall take effect on the first day of the first month which begins more than 30 days after the date of the enactment of this act.

The amendment was agreed to.

The next amendment was, on page 572, after line 11, to insert:

Sec. 620. Exemption from processing tax of palm oil used in manufacture of iron or steel products.

Section 2477 (relating to definition of first domestic processing) is amended to read as follows:

"Sec. 2477. First domestic processing defined.

"For the purposes of this chapter, the term 'first domestic processing' means the first use in the United States, in the manufacture or production of an article intended for sale, of the article with respect to which the tax is imposed, but does not include the use of palm oil in the manufacture of iron or steel products, or tin plate or terne plate, or any subsequent use of palm oil residue resulting from the manufacture of iron or steel products, or tin plate, or terne plate."

The amendment was agreed to.

The next amendment was, on page 573, at the beginning of line 1, to insert:

Sec. 621. Cabaret tax.

Section 1700 (e) (1) (relating to rate of cabaret tax) is amended to read as follows:

"(1) Rate: A tax equivalent to 5 percent of all amounts paid for admission, refreshment, service, or merchandise, at any roof garden, cabaret, or other similar place furnishing a public performance for profit, by or for any patron or guest who is entitled to be present during any portion of such performance. The term 'roof garden, cabaret, or other similar place' shall include any room in any hotel, restaurant, hall, or other public place where music and dancing privileges or any other entertainment, except instrumental or mechanical music alone, are afforded the patrons in connection with the serving or selling of food, refreshment, or merchandise. A performance shall be regarded as being furnished for profit for purposes of this section even though the charge made for admission, refreshment, service, or merchandise is not increased by reason of the furnishing of such performance. No tax shall be applicable under subsection (a) (1) on account of an amount paid with respect to which tax is imposed under this subsection."

The amendment was agreed to.

The next amendment was, on page 573, after line 21, to insert:

Sec. 622. Sale and use of toilet preparations by beauty parlors, etc.

Section 2402 (b) is amended to read as follows:

"(b) Beauty parlors, etc. For the purposes of subsection (a), the sale of any article described in such subsection to any person operating a barber shop, beauty parlor, or similar establishment for use in the operation thereof and not for resale, shall be considered a sale at retail. The use in such operation of any article described in subsection (a) purchased by such person on or after the effective date of section 622 of the Revenue Act of 1942 for resale, shall be considered a sale at retail by such person at the time the article is first set apart for such use and at a price equivalent to the amount paid by him for the article."

The amendment was agreed to.

The next amendment was, on page 574, after line 10, to insert:

Sec. 623. Tax-free retail sales at post exchanges and ships' service stores.

Section 2406 (relating to tax-free sales of furs, jewelry, and cosmetics) is amended by changing the period at the end thereof to a semicolon, and adding thereto the following:

"(c) by a post exchange or ship's service store, operated under regulations of the War or Navy Department, to a member of the military or naval forces of the United States or to a member of the military or naval forces of any of the other United Nations, when in uniform, and delivered to him on the premises of the post exchange or ship's service store for his exclusive use."

The amendment was agreed to.

The next amendment was, on page 574, after line 22, to insert:

TITLE VII—SOCIAL SECURITY TAXES

Sec. 701. Automatic increase in 1943 rate not to apply.

(a) Clauses (1) and (2) of section 1400 of the Federal Insurance Contributions Act

(Internal Revenue Code, sec. 1400) are amended to read as follows:

"(1) With respect to wages received during the calendar years 1939, 1940, 1941, 1942, and 1943, the rate shall be 1 percent.

"(2) With respect to wages received during the calendar years 1944 and 1945, the rate shall be 2 percent."

(b) Clauses (1) and (2) of section 1410 of such act (Internal Revenue Code, sec. 1410) are amended to read as follows:

"(1) With respect to wages paid during the calendar years 1939, 1940, 1941, 1942, and 1943, the rate shall be 1 percent.

"(2) With respect to wages paid during the calendar years 1944 and 1945, the rate shall be 2 percent."

Mr. BARKLEY. Mr. President, I ask that the amendment on page 574, beginning in line 23, under the heading "Social security taxes," be passed over.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

That completes the committee amendments, with the exception of those passed over.

Mr. McNARY. Mr. President, I submit an amendment which I ask to have printed and lie on the table.

The PRESIDING OFFICER. The amendment submitted by the Senator from Oregon will be printed and lie on the table.

Mr. McNARY. Mr. President, I appeal to the able Senator in charge of the bill, as I have appealed on previous occasions to our eminent majority leader, that he agree to a recess at this time until tomorrow. We have made tremendous progress today.

Mr. GEORGE. Mr. President, I have no objection. We began work at 11 o'clock, and we have covered all the committee amendments except certain controversial amendments which have been passed over. I do not know how many amendments may be offered from the floor.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. McFARLAND in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations in the Navy, which were referred to the Committee on Naval Affairs.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

By Mr. VAN NUYS, from the Committee on the Judiciary:

Anton J. Lukaszewicz, of Wisconsin, to be United States marshal for the eastern district of Wisconsin;

Harold E. Stafford, of Hawaii, to be third judge of the First Circuit, Circuit Courts, Territory of Hawaii; and

John A. Matthewman, of Hawaii, to be fifth judge of the First Circuit, Circuit Courts, Territory of Hawaii.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the executive calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc, and that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc; and without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 3 o'clock and 47 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, October 7, 1942, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate, October 6 (legislative day of October 5), 1942:

IN THE NAVY

Rear Admiral John H. Towers to be a vice admiral in the Navy, for temporary service, to rank from the 6th day of October 1942.

Rear Admiral John S. McCain to be Chief of the Bureau of Aeronautics in the Department of the Navy, with the rank of rear admiral, for a term of 4 years, effective upon the relinquishment of that office by Rear Admiral John H. Towers.

Capt. Albert C. Read to be a rear admiral in the Navy, for temporary service, to rank from the 22d day of December 1941.

Capt. Elliott Buckmaster to be a rear admiral in the Navy, for temporary service, to rank from the 16th day of May 1942.

Capt. Charles P. Mason to be a rear admiral in the Navy, for temporary service, to rank from the 16th day of May 1942.

Capt. DeWitt C. Ramsey to be a rear admiral in the Navy, for temporary service, to rank from the 16th day of May 1942.

Capt. Alfred E. Montgomery to be a rear admiral in the Navy, for temporary service, to rank from the 29th day of May 1942.

Capt. Arthur C. Davis to be a rear admiral in the Navy, for temporary service, to rank from the 20th day of July 1942.

Capt. Frank D. Wagner to be a rear admiral in the Navy, for temporary service, to rank from the 25th day of July 1942.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 6 (legislative day of October 5), 1942:

POSTMASTERS

ILLINOIS

Arthur M. Hetherington, Harrisburg.
Emil J. Johnson, Moline.

MISSISSIPPI

Ida F. Thompson, Dio.
Allen A. Edwards, Richton.

NEVADA

Lem S. Allen, Fallon.

TENNESSEE

Bernard R. Duncan, Linden.
Harry Robinson, Signal Mountain.

HOUSE OF REPRESENTATIVES

TUESDAY, OCTOBER 6, 1942

The House met at 12 o'clock noon.

Dr. T. L. Holcomb, executive secretary of the Baptist Sunday School Board of the Southern Baptist Convention, Nashville, Tenn., offered the following prayer:

O Lord, our Lord, how excellent is Thy name in all the earth. From childhood we have been taught to pray. We pause, therefore, in the midst of this busy day to seek Thy presence. We would be still and know that Thou art God. We pray for our Nation, from the Chief Executive to the humblest citizen. Bless our armed forces. Speed the day when peace should be established in the earth, grounded upon justice for all.

Heavenly Father, bless these representatives of the people in the performance of their duties. Grant unto each strength and wisdom to match the trying days through which the world is passing. These blessings we ask with the forgiveness of our sins, in Jesus' name. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks and include two editorials, one from the Washington Post of Sunday last and one from the Evening Star of yesterday.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, on Friday last I asked unanimous consent to extend my remarks in the RECORD by the inclusion of a speech by Admiral Moreell. The Public Printer has informed me that it is two-thirds of a page longer than is usually granted. It will cost $120 extra. I ask unanimous consent that the speech be printed, nevertheless.

The SPEAKER. Is there objection?

There was no objection.

UNIFORM SYSTEM OF BANKRUPTCY

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7121) to amend an act entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, and acts amendatory thereof and supplementary thereto," with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The Clerk will report the title of the bill and the Senate amendment.

The Clerk reported the title of the bill and read the Senate amendment, as follows:

Page 22, after line 21, insert:

"ARTICLE X—TERMINATION OF JURISDICTION

"SEC. 755. The jurisdiction conferred upon any court by this chapter shall not be exercised by such court after November 1, 1945, except in respect of any proceeding initiated by filing a petition under section 710 hereof on or before November 1, 1945."

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. As

I understand the amendment, it is simply limiting the bill to 3 years.

Mr. McLAUGHLIN. That is correct.

Mr. MARTIN of Massachusetts. I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Senate amendment was agreed to.

LEAVE TO ADDRESS THE HOUSE

Mr. McLEAN. Mr. Speaker, at the conclusion of all business on the calendar today, and any other special orders, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that at the conclusion of the day's business and other special orders I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I asked and received unanimous consent to extend my remarks in the RECORD, including an address. Later I found that the address went beyond two pages allowed for extraneous matter and will cost $120 extra. I ask unanimous consent that the address be printed, nevertheless.

The SPEAKER. Is there objection?

There was no objection.

DENATURALIZATION OF CERTAIN CITIZENS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

[Mr. DICKSTEIN addressed the House. His remarks appear in the Appendix.]

CHICAGO

Mr. SABATH. Mr. Speaker, last Sunday, in glancing over some newspapers, I was pleasantly surprised when I observed a prominent headline in the Philadelphia Record, which I quote:

PHILADELPHIA SOLDIERS GET A BREAK—THEY LIVE IN SWANKY CHICAGO HOTELS

"This is the Army—a la Chicago," some 30 Philadelphia privates are writing to the folks at home this week.

Because these men have just been stationed at the Army Air Forces Technical School, occupying two of Chicago's largest—and, of late, ritziest—hotels, the Stevens and the Congress.

No sleeping in cold bunks, no listening to the flap of a tent on a windy night for these lucky men. They're living in the hotels and attending classes in Chicago's historic convention hall, the Coliseum, which was taken over by the Army in August.

This is the first time that I can recall when a large metropolitan newspaper has given Chicago favorable mention; during prohibition days and the regime of Mayor "Big Bill" Thompson, I concede that conditions were not as they should have been, yet they were not half so bad as painted. However, I am glad to say that up to Thompson's Republican administration, Chicago had a splendid city administration and political reputation under the managements of the Carter H. Harrisons—father and son—administrations for a period of 22 years, when the city, including its suburbs, developed and grew from 500,000 to 4,000,000 in population. Carter H. Harrison, Jr., especially during the latter part of his 5 terms, endeavored to and succeeded in making Chicago the best-governed city in the United States and, therefore, sensing the probability of prohibition, he eliminated questionable drinking places, cafes, gardens, and resorts. Unfortunately, his efforts were not appreciated and resulted in the election of "Big Bill" Thompson as mayor, which again proves the axiom, "It is better to leave well enough alone."

Mr. Speaker, since the Thompson administration and the elimination of its misrule, the Democratic mayors have rebuilt the fair name of Chicago and none of these mayors has done more toward the upbuilding and improvement of the city and its conditions than our present mayor, Hon. Edward J. Kelly. Under his leadership and due to his untiring efforts, which are being recognized and appreciated not only by the people of Chicago but by hundreds of thousands of visitors, Chicago can again claim honors and hold first rank as one of the cleanest and best-governed cities in the United States.

Mr. Speaker, as I have stated, this is the first time that I can recollect that a metropolitan paper has had a good word to say about our fair city. Chicago is not only the hub, but the rail, the air, and the water transportation center of the United States—the world's greatest inland city, hugging one of the world's greatest inland seas. It has plenty of space for continuous growth, and living conditions there surpass those of any other city in our country. At the present time, under the direction of Mayor Kelly, it is extending the genuine hand of hospitality and is furnishing recreational facilities and enjoyments to the members of our armed forces in such measure as to obtain the commendation of municipalities of every section of the country, some of which are following its recreational service men's program, and it is being extolled and complimented by the relatives of the boys to whom it has accorded the best of wholesome entertainment and comfort. Service centers, amusement and recreational places, have been established, and they are regularly visited by the 60,000 or more men in training at the Great Lakes Naval Training Station and at Fort Sheridan, Ill., as well as the large number of Air Force trainees who are housed in the finest hotels in Chicago located on Michigan Boulevard, facing Lake Michigan, where in the summer time they can enjoy the splendor of Lake Michigan and its refreshing breezes.

Mr. Speaker, I compliment the Philadelphia Record on its friendly write-up of the advantages and comforts offered by my city to the Air Force trainees who hail from the City of Brotherly Love. Articles of this kind will serve to encourage and promote a still larger and better enlistment in the various branches of our armed forces, to the acceleration of our national effort.

AMENDING THE HATCH ACT

The SPEAKER. The unfinished business before the House is the bill S. 2471.

Mr. HOBBS. Mr. Speaker, I move the previous question on the pending amendment and the bill to final passage.

Mr. HOFFMAN. Well, Mr. Speaker, I have another amendment on the Clerk's desk.

The SPEAKER. The question is on the motion of the gentleman from Alabama [Mr. HOBBS.]

The previous question was ordered.

The SPEAKER. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN.]

The amendment was rejected.

The SPEAKER. The question is on the third reading of the Senate bill.

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. Is not my amendment in order?

The SPEAKER. The amendment has not been offered.

Mr. HOFFMAN. I am offering it now.

The SPEAKER. It cannot be offered now. The previous question has been ordered on one amendment offered by the gentleman and the bill to final passage.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan be permitted to offer his amendment notwithstanding.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Michigan.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 1, in line 7, strike out the balance of the section and insert in lieu thereof the following words and figures:

"Nothing in sections 2, 9 or 12 of this act shall be deemed to prohibit or to make unlawful the doing of any act by any bona fide instructor in any school, college, or university, maintained in whole or in part, either by the Federal Government, the State, any political subdivision thereof, or by any religious denomination."

The SPEAKER. Does the gentleman desire to be heard on the amendment?

Mr. HOFFMAN. I do, Mr. Speaker.

The SPEAKER. The gentleman is recognized for 5 minutes.

Mr. HOFFMAN. Mr. Speaker, it has been said that the purpose of the bill, S. 2471, is to permit instructors in public institutions of learning to engage in political activities. Let the amendment be limited to that purpose. This amendment which I have offered in lieu of the provision contained in S. 2471 will accomplish that purpose.

It reads as follows:

Nothing in sections 2, 9, or 12 of this act shall be deemed to prohibit or to make unlawful the doing of any act by any bona fide instructor in any school, college, or university, maintained in whole or in part, either

by the Federal Government, the State, any political subdivision thereof, or by any religious denomination.

That opens the door to all your teachers, to all your instructors in your universities, colleges, and schools. This pending amendment as set in by the committee opens the door to everyone who receives payment in whole or in part for anything they do, from any State or any political subdivision of any State. Now, if you want to repeal the Hatch Act, all right, go ahead. Bring in a bill for that purpose, but do not do something indirectly which we do not have the courage to do directly.

This amendment takes out of the Hatch Act every employee of every State and every municipality engaged in educational or research work who receives any part of his compensation from that State or municipality. That is what it does. The gentleman from Michigan [Mr. MICHENER] suggested yesterday that I did not know what this was all about, so we took time overnight and I read it several times. There is no mistake about it. That is just exactly what it does.

Now, we got caught with our shirts unbuttoned, if you want to put it that way, with this pension-for-Congressmen legislation. This renegotiation bill that was brought in here and passed by unanimous consent; it went through because we thought it was an act to prevent fraud, excess profits, and would save the Government money. Now we have on our hands demands that that law be amended so as to prevent injustice, so as to prevent the Government itself losing money. We passed the Social Security Act for the purpose of creating a fund to pay benefits specified in that act. Now we find that they have on hand more money than they need. Over in the Senate, Senator VANDENBERG has offered an amendment to cut that tax down, but letters from my district show that the Treasury is already collecting the money which they do not need, except as they want to spend it for some purpose outside the act.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield for a question.

Mr. HALLECK. As I read the amendment, institutions, establishments, agencies, or systems to be exempted are strictly limited by the preceding use of the words "educational or research."

Mr. HOFFMAN. Yes? If anyone on this floor can point out to me an agency of the State, or municipality, or the Federal Government, that is not engaged in either research or educational work, I should like to know what it is. Every single thing that a Government official or agency does is along the line of educational work, that is, in the opinion of those operating that agency. This amendment opens wide the gate; yes, you take down the fence all around the barn on this thing and let everybody go through and engage in political activity, if the work is educational, or in the nature of research, and the employee is paid in whole or in part by the State or a political subdivision. If that is the purpose of this bill, why not do just that and tell the folks? The Hatch bill, if my memory serves me correctly, was driven through by public opinion and by the campaign of the newspapers; they forced it through. If we do not want it, let us repeal it; but let us not put any more sneak legislation through, pretending it is for one purpose when as a matter of fact it is for something else.

Mr. HOBBS. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, there is no need for any heat on this subject; we are all striving toward the same end. I am delighted that the distinguished gentleman from Michigan favors the objective of the bill, which is the same as the gentleman declares his amendment to have.

I wish to point out, however, the fact that the sole purpose of this bill, which is espoused by every educator in this land, approximately 70 percent of whom are now exempt from the operation of the Hatch Act, is to grant to the minority of teachers and research experts the same exemption from 3 of the 20 sections of the Hatch Act now enjoyed by the unmuzzled majority of their professions. When the original Hatch Act and the 1940 amendment thereof were enacted it was the expressed opinion of the distinguished author and almost everyone else that this discriminated-against minority was not covered by the restrictions of either piece of legislation. But since then three attorneys general of States have held otherwise. So, this bill would further amend the Hatch Act to make its meaning clear and in accord with the true legislative intent. Every teacher in the United States is pleading for the removal of this discrimination.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. In just a moment, if you please, sir. The sole question is whether we will do it by the passage of this bill as drawn and passed by the Senate, or if we should experiment, on the spur of the moment, by adopting an amendment which may or may not accomplish the purpose.

Now I am delighted to yield to the distinguished gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. As a matter of fact, this bill was introduced many months ago. There were extensive hearings in the Senate; the matter was thoroughly considered in the committee, and the Senate committee after that type of consideration reported it to the Senate and the Senate passed the bill unanimously.

Mr. HOBBS. That is right, sir.

Mr. MICHENER. There is no thought that any construction could be given to the bill as suggested by the gentleman from Michigan [Mr. HOFFMAN]. If I thought this bill could possibly be interpreted as the gentleman from Michigan reads it, I certainly would not support it.

Mr. HOBBS. The gentleman is correct in his interpretation of the bill, in my opinion. Our colleague the gentleman from Michigan [Mr. HOFFMAN] is mistaken.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. Before doing so, may I interject just this thought: This bill changes only 3 out of 20 sections of the Hatch Act, as amended. It does not affect in the slightest degree any wholly Federal employee; they are still under the ban of the Hatch Act.

If the Hoffman amendment now pending is adopted it would remove—listen to this—it would remove the strictures of the Hatch Act, or 17 sections thereof, from those who are employed by the Federal Government to teach in universities, colleges, or schools. We do not want that; we want every strictly Federal agent subject to the terms of the Hatch Act if we meant business when we passed it.

Now I take pleasure in yielding to the distinguished majority leader.

Mr. McCORMACK. And the word "educational" as used in the bill reported out of the committee has a definite legal and practical construction. The fears of the gentleman from Michigan are unfounded in view of the fact that the words used in this bill have a definite construction which is clearly understood.

Mr. HOBBS. Of course, and the gentleman from Michigan, brilliant as he is and honest as he is, is simply mistaken in believing that his amendment will accomplish the result that these words do accomplish; and these words, every one of them, have been under the microscope of the study of both committees for months.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I shall be delighted to yield to the distinguished gentleman from Kentucky.

Mr. ROBSION of Kentucky. Would this include the teachers of the vocational education set-up throughout the country, a Federal agency?

Mr. HOBBS. If they are federally paid teachers and no part of their compensation comes from a State, county, or other subdivision of a State, they would be within the coverage of the Hatch Act.

Mr. ROBSION of Kentucky. There is just one other question I should like to ask the gentleman, a question that has caused some concern among those who favor the Hatch Act: Would this permit teachers in the public schools and colleges to make speeches and take part actively in the classroom in political controversy over issues and over candidates?

Mr. HOBBS. That is, of course, a disputed question, but the position which the committee, of which the gentleman asking the question is a distinguished and honored member, took is that every school board controls its teachers, that there is not a school board that does not interdict such practices as the gentleman hypothesizes. There is not a State of the American Union that does not have a law on that subject; and this bill amply protects the rights of teachers, but it leaves the school and college boards of control and the States to guard against abuses of the right of freedom of speech.

[Here the gavel fell.]

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that the gentleman

may have 2 additional minutes. I want to ask one question.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. HOFFMAN]?

There was no objection.

Mr. HOFFMAN. Will the gentleman yield?

Mr. HOBBS. I shall be delighted to yield to the gentleman from Michigan.

Mr. HOFFMAN. Is the gentleman aware of the fact that in Michigan, instructors in the C. I. O. are paid or were paid in part by the State and that they are teaching the doctrine of repealing the poll tax?

Mr. HOBBS. I have no such information, sir.

Mr. HOFFMAN. Well, that is true.

Mr. HOBBS. I think, however, that is within their privilege so long as they do not teach it in the public schools or colleges.

Mr. WALTER. Will the gentleman yield?

Mr. HOBBS. I am always happy to yield to the gentleman from Pennsylvania.

Mr. WALTER. Do not the hearings disclose fully and exactly what it is intended to cover through the language contained in this amendment?

Mr. HOBBS. Yes, sir; they certainly do, and it is perfectly clear that the intent of the distinguished gentleman from Michigan is accomplished by the words which his amendment would change. Therefore, we ask that his amendment be voted down.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. HOBBS. I gladly yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is it not true that every institution, establishment, agency, or system must be either educational or research, and that those words are modified by the two words "educational" and "research"?

Mr. HOBBS. Yes, sir; or by the words "religious," "philanthropic," or "cultural."

Mr. COX. Will the gentleman yield?

Mr. HOBBS. I am pleased to yield to the gentleman from Georgia.

Mr. COX. I would like to inquire if the gentleman's committee gave any consideration whatever to the thought of bringing in a bill repealing the Hatch Act in its entirety?

Mr. HOBBS. I may say to the distinguished gentleman that such action is not germane to the consideration of this bill. There are many members of the committee who would favor that, as would many Members of the House, but there was no consideration given that in this connection because it was not germane to the consideration of this bill.

[Here the gavel fell.]

Mr. RANKIN of Mississippi. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I shall vote for this bill. I think it is a step in the right direction. In my opinion, the Hatch Act has resulted in confusion.

Someone has said that America's four great national luxuries are tobacco, newspapers, baseball, and politics.

I see no reason why we should attempt to deprive any part of our people of any one of those luxuries so long as they do no material harm. Besides, whenever you prevent a teacher from discussing political questions in the classroom you close the mouth of that teacher. He is likely to become fearful that he might be charged with criticizing the political views of some crackpot who wants to change our form of government or reorganize our way of life.

Many of our teachers in this country seem to be so afraid now that they do not teach American history. I was shocked to learn the other day that 92 percent of the colleges of this country do not require any knowledge of American history as an entrance requirement to those institutions. So, if you are going to muzzle the school teachers of this country, it might have a very adverse effect.

Many people are so badly scared now that we cannot get them to go to the polls to vote. We had the smallest percentage of voters participate in the primaries this year that we ever had before. Many people stayed away because they did not want to be accused of political activities, for fear they or some of their people might suffer for it.

Mr. Speaker, above all things we should maintain, as the gentleman from Georgia [Mr. COX] said on yesterday, freedom of speech, freedom of assembly, and freedom of the press, those great fundamental rights that are embodied in the Bill of Rights. We are not fighting to bring some foreign form of government to this Nation. We are not fighting to destroy the Constitution of the United States and the Bill of Rights, we are not fighting to wipe out our way of life and all the progress made by the Anglo-Saxon race in the building up of the common law, the Bill of Rights, the Declaration of Independence, and the Constitution of the United States. We are fighting to maintain those things, and, in my humble opinion, the Hatch Act has done more harm than good, especially where it has intimidated people in the classrooms or elsewhere, who are not supposed to know the law because they are not lawyers, but who are actually afraid to express their views for fear they will be criticized by somebody in authority who wants them to teach something else.

Mr. Speaker, I am, therefore, going to vote against the amendment offered by the gentleman from Michigan, and I shall vote for the bill. The only regret is that the bill does not say that the "Hatch Act is hereby repealed," and to that extent, at least, let the American people resume their normal way of life.

[Here the gavel fell.]

The SPEAKER. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was rejected.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

WILLIAM H. LINHART

The Clerk called the first bill on the Private Calendar, H. R. 6337, for the relief of William H. Linhart.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the immigration and naturalization laws William H. Linhart shall be considered (1) to have been lawfully admitted to the United States on December 15, 1913, as an alien for permanent residence; (2) to have been dwelling in the United States on November 20, 1916, when his father, John Linhart, was naturalized a citizen of the United States; and (3) to have been, at Eastport, Idaho, on October 17, 1928, lawfully admitted to the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRY (HEINZ) GABRIEL

The Clerk called the next bill, S. 1216, for the relief of Henry (Heinz) Gabriel.

There being no objection, the Clerk read the bill, as follows.

Be it enacted, etc., That in the administration of the immigration and naturalization laws Henry (Heinz) Gabriel, of Washington, D. C., shall be held and considered to have been lawfully admitted to the United States for permanent residence on November 26, 1926, the date the said Henry (Heinz) Gabriel was admitted to the United States for temporary residence.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreferance category of the first available German immigration quota.

The bill was ordered to be read the third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. WILLIAM LEO

The Clerk called the next bill, H. R. 4800, for the relief of Mrs. William Leo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any provision of the immigration or naturalization laws to the contrary—

(a) The Secretary of State is authorized and directed to cause to be issued to Mrs. William Leo, wife of a citizen of the United States, an immigration visa entitling her to immediate admission to the United States for permanent residence; and

(b) The said Mrs. William Leo shall be eligible to become a citizen of the United States.

With the following committee amendment:

On page 1, beginning in line 3, strike out all after the enacting clause and insert the following: "That in the administration of the immigration and naturalization laws, Mrs. William Leo, the Canadian native-born wife of an American citizen, may be admitted to the United States for permanent residence if she is found to be admissible under

the immigration laws other than those relating to inadmissibility because of racial ineligibility."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRY ANGELL

The Clerk called the next bill, H. R. 6254, for the relief of Henry Angell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws of the United States of America, Henry Angell shall be considered as having been lawfully admitted to the United States at the port of New York, in the State of New York, during the month of October 1913, for permanent residence, and that he may become naturalized as a citizen of the United States of America, without any period of residence being required after the filing of his declaration of intention in such behalf.

With the following committee amendment:

On page 1, beginning in line 3, strike out all after the enacting clause and insert the following: "That in the administration of the immigration and naturalization laws the Attorney General is hereby directed to cancel forthwith the outstanding warrant of arrest in the case of the alien Henry Angell or Hajm Engel, alias Henryk Engel, and is also directed not to issue any further such warrant in the case of this alien insofar as such warrant may be based on the unlawful entry of the alien into the United States prior to the enactment of this act. Hereafter, for the purpose of the immigration and naturalization laws, the said alien shall be deemed to have been lawfully admitted into the United States for permanent residence at the port of New York on October 15, 1913."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAX DELFINER AND HIS WIFE EVY (EWA)

The Clerk called the next bill, S. 2276, for the relief of Max Delfiner and his wife Evy (Ewa).

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that this bill be recommitted to the Committee on Immigration and Naturalization for further study.

The SPEAKER pro tempore (Mr. COOPER). Is there objection to the request of the gentleman from New York?

There was no objection.

GEORGE HARRISON OUTERBRIDGE

The Clerk called the next bill, H. R. 4353, for the relief of George Harrison Outerbridge.

Mr. MOTT, Mr. CASE of South Dakota, and Mr. GORE objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

CONSTANTINOS DARDAS

The Clerk called the next bill, H. R. 2370, for the relief of Constantinos Dardas.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GORE. I object, Mr. Speaker.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Constantinos Dardas shall be held and considered to have been lawfully admitted to the United States for permanent residence on August 21, 1939, at Ellis Island, N. Y. Upon enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the nonpreference category of the quota during the current year.

With the following committee amendments:

On page 1, line 7, after "York", insert "if he is admissible under the immigration laws other than those relating to quotas."

On page 1, line 10, strike out "nonpreference" and all of line 1 on page 2 and insert "quota for Greece during the first year that the said Greek quota is available."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FREDA UTLEY

The Clerk called the next bill, H. R. 3776, for the relief of Freda Utley.

Mr. ALLEN of Louisiana and Mr. GORE objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

PENSIONS TO CERTAIN DEPENDENTS OF VETERANS OF THE CIVIL WAR

The Clerk called the next bill, H. R. 7482, granting increase of pensions to certain dependents of veterans of the Civil War.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws—

The name of Emma Grace Bence, widow of Lyel B. Bence, late of Company A, One Hundred and Eighty-sixth Regiment, New York Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Lulu H. Powers, widow of Rodney M. Powers, late of Troop H, Second Regiment United States Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Cornelia Hunton, widow of Jefferson D. Hunton, late of the Fourth Battery, Maine Light Artillery, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Maria Eberhardt, widow of Jacob Eberhardt, late of Company F, Sixty-first Regiment, New York Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Sarah C. Powell, widow of Aaron C. Powell, late of Company D, One Hundred and Ninety-ninth Regiment, Pennsylvania Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Hannah Casler, widow of Henry Casler, late of Company C, Tenth Regiment, Michigan Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Nora C. Fetterhoff, former widow of Frank Gorton, late of Company G, One Hundred and Twenty-first regiment, New York Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Margaret C. Mills, widow of Franklin G. Mills, late of Company D, One Hundred and First Regiment, Pennsylvania Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Mary A. Crossett, widow of Willis H. Crossett, late of Company B, Tenth Regiment, Vermont Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Mary Hart, widow of Martin Hart, late of Company F, Fifty-first Regiment, Ohio Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Almira Hemenway, widow of Thomas F. Hemenway, late of Company C, One Hundred and Twenty-third Regiment, Ohio Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAYEE JONES

The Clerk called the next bill, S. 1143, for the relief of Dayee Jones.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Roy Vernon Jones, lieutenant, One Hundred and Sixteenth Observation Squadron, National Guard of the United States, who was killed in line of duty in active service on the 21st day of October 1940, shall be deemed to have made application for and to have been granted $10,000 national service life insurance, and to have designated his wife, Dayee Jones, as beneficiary thereof, and the Administrator of Veterans' Affairs is authorized and directed to pay the beneficiary of such insurance in installments as provided in the National Service Life Insurance Act of 1940. There is hereby appropriated out of any money in the Treasury not otherwise appropriated, such sum as is necessary to meet the payments herein authorized: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

G. C. BARCO AND W. G. KNOWLES

The Clerk called the next bill, S. 1220, for the relief of G. C. Barco and W. G. Knowles.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General of the United States is hereby authorized and directed to cancel the judgment in favor of the United States against G. C. Barco and W. G. Knowles, of West Palm

Beach, Fla., as sureties on a forfeited bail bond in a criminal proceeding against Courtney Hardin in the United States District Court for the Southern District of Florida.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROCK HILL STONE & GRAVEL CO., OF ST. LOUIS, MO.

The Clerk called the next bill, S. 1853, for the relief of the Rock Hill Stone & Gravel Co., of St. Louis, Mo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Rock Hill Stone & Gravel Co., the sum of $3,766.13. The payment of such sum shall be in full satisfaction of the claim of the Rock Hill Stone & Gravel Co. against the United States for the value of one Northwestern gasoline caterpillar crane belonging to said company, which was demolished by falling from the quarry incline road to the quarry floor of the Rock Hill quarry while being operated by Federal Works Progress Administration employees in St. Louis County, Mo., on September 10, 1938: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. REITA M. LARY

The Clerk called the next bill, S. 2099, for the relief of Mrs. Reita M. Lary.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GORE. I object, Mr. Speaker.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Reita M. Lary, of Denver, Colo., the sum of $1,266.16, representing compensation for the accrued leave due her husband, Howard N. Lary, who died on August 6, 1941, while he was an employee of the Securities and Exchange Commission in its regional office at Denver, Colo.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARILLA C. GRAY

The Clerk called the next bill, S. 2190, for the relief of Mrs. Marilla C. Gray.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Marilla C. Gray, of Dadeville, Ala., as successor in interest to the Dadeville Cotton Oil Co., of Dadeville, Ala., the sum of $4,298.95, in full satisfaction of all claims against the United States for compensation for the production of cotton linters produced by said company during the period January 1, 1919, to July 31, 1919, inclusive, pursuant to a contract with DuPont American Industries, agent of the United States Ordnance Department: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARA WROBLISKI

The Clerk called the next bill, S. 2191, for the relief of Clara Wrobliski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clara Wrobliski, of Salem, Oreg., the sum of $2,334.20 in full settlement of all claims against the United States for personal injuries sustained on July 27, 1941, when the car which she was driving struck a partially open traffic-control gate in the Siuslaw National Forest, State of Oregon: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BAYARD M. ATWOOD

The Clerk called the next bill, S. 2203, for the relief of Bayard M. Atwood.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the limitations of time in sections 15 to 20, inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of Bayard M. Atwood, of Phoenix, Ariz., and the Employees' Compensation Commission is hereby authorized and directed to receive and consider his claim if filed within 6 months of the approval of this act for disability alleged to have been sustained in the performance of his duties as United States Soil Conservation Service camp superintendent at Safford, Ariz., in March 1940.

With the following committee amendment:

Page 2, after line 3, change the period to a colon and insert "*Provided*, That no benefits shall accrue prior to the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES H. LANE

The Clerk called the bill (S. 2264) conferring jurisdiction on the United States District Court for the District of Connecticut to hear, determine, and render judgment upon the claim of James H. Lane.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the District of Connecticut to hear, determine, and render judgment, as though the United States were suable in tort, upon the claim of James H. Lane, of Mason's Island, Mystic, Conn., for damages resulting from property damage and personal injuries sustained by him on April 10, 1941, by reason of being struck by a United States mail truck at Linden and Pine Streets in Providence, R. I.: *Provided*, That the judgment, if any, shall not exceed $5,000.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year from the effective date of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, appeals therefrom, and payment of any judgments thereon shall be in the same manner as in the cases over which such court has jurisdiction under the provisions of paragraph 20 of section 24 of the Judicial Code, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

RUTH D. AND HENRY L. BRITTINGHAM

The Clerk called the bill (S. 2273) for the relief of Ruth D. and Henry L. Brittingham.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ruth D. Brittingham, of Washington, D. C., the sum of $5,499.20 and to Henry L. Brittingham, of Washington, D. C., the sum of $3,084.40, in full settlement of all claims against the United States for personal injuries and property damage sustained by them when the automobile in which they were riding was struck by a United States Army truck on August 2, 1941, while traveling along United States Highway No. 113, near Dover, Del.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection

with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

LILLIAN LABAUVE LINNEY

The Clerk called the bill (S. 2317) for the relief of Lillian LaBauve Linney.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lillian LaBauve Linney, widow of Fred C. Linney, deceased, the sum of $5,000, in full settlement of all claims against the United States for the death of her husband, the said Fred C. Linney, who died September 19, 1941, as a result of injuries sustained on September 17, 1941, when the car in which he was riding was struck by an Army truck at the intersection of College Avenue and Johnson Street, in the Parish of Lafayette, State of Louisiana: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out "$5,000" and insert "$7,117.50."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ISABELLE FULLER

The Clerk called the bill (S. 2420) for the relief of Isabelle Fuller.

The SPEAKER pro tempore. Is there objection?

Mr. GORE. Mr. Speaker, I object.

The SPEAKER pro tempore. Is there further objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Isabelle Fuller, Orlando, Fla., the sum of $500, in full satisfaction of her claims against the United States for reimbursement of medical and hospital expenses incurred by her and for compensation for personal injuries sustained by her as the result of the automobile driven by her husband, H. H. Fuller, and in which she was riding as a passenger, having been struck by a United States Army truck in Orlando, Fla., on December 13, 1940: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ANGELA SKEOCH

The Clerk called the bill (S. 2506) for the relief of Angela Skeoch.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Angela Skeoch, of Frederiksted, Saint Croix, Virgin Islands, the sum of $2,500, in full settlement of her claim against the United States for personal injuries sustained when the automobile in which she was riding was struck by a United States Army truck on the Christiansted-Frederiksted Main Highway near Christiansted, Saint Croix, Virgin Islands, on March 1, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

IRVING COWEN

The Clerk called the bill (H. R. 5177) for the relief of Irving Cowen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay the sum of $5,000 to Irving Cowen, of Dallas, Tex., for personal injury by reason of the negligent driving of a Civilian Conservation Corps autotruck driver which resulted in injuries of a permanent nature seriously impairing his earning ability: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Line 4, after the word "pay", strike out all the language down to and including the word "ability" in line 8, and insert in lieu thereof ", out of any money in the Treasury not otherwise appropriated the sum of $750 to Irving Cowen, of Dallas, Tex., in full settlement of all claims against the United States for personal injuries sustained when the automobile he was driving was struck by a truck operated in connection with the Civilian Conservation Corps on March 12, 1940, in Yukon, Okla."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MRS. SEBASTIAN EGER

The Clerk called the bill (H. R. 5283) for the relief of Mrs. Sebastian Eger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Sebastian Eger, of McKeesport, Pa., the sum of $5,000, in full settlement of all claims against the United States for personal injuries sustained when the car in which she was riding was struck by a United States Army ambulance on February 27, 1940, near Hyattstown, Md.

With the following committee amendments:

Line 6, strike out the figures "$5,000" and insert in lieu thereof "$2,000 and to Sebastian Eger, of McKeesport, Pa., the sum of $612.85."

Line 8, strike out the words "she was" and insert in lieu thereof "they were."

Line 8, after the word "injuries" and before the word "sustained", insert "and property damage."

Line 10, strike out the word "Hyattstown" and insert in lieu thereof "Clarksburg,".

Line 10, strike out the period after Maryland and insert ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Amend the title so as to read: "A bill for the relief of Mr. and Mrs. Sebastian Eger."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

HOME INSURANCE CO.

The Clerk called the bill (H. R. 5651) for the relief of the Home Insurance Co. and the American Insurance Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Home Insurance Co. the sum of $297.42, and to the American Insurance Co. the sum of $3,644.25. The payment of such sums shall be in full settlement of all claims of said companies against the United States by reason of their being required, by the terms of policies issued to Frank Hall, New Paris, Ohio, to pay such sums to the said Frank Hall upon the destruction by fire, on or about February 18, 1939, of real and chattel property belonging to him. Such fire resulted from the actions of an agent or agents of the Soil Conservation Service, United States Department of Agriculture.

With the following committee amendments:

Line 7, strike out the figures "$3,644.25" and insert in lieu thereof "$3,544.25."

At the end of the bill, add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any

agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EAST COAST SHIP AND YACHT CORPORATION

The Clerk called the bill (H. R. 5702) for the relief of the East Coast Ship & Yacht Corporation, of Noank, Conn.

Mr. HALLECK and Mr. MOTT objected; and the bill was recommitted to the Committee on Claims.

H. L. BLEXRUD

The Clerk called the bill (H. R. 5840) for the relief of H. J. Blexrud.

Mr. MOTT and Mr. CASE of South Dakota objected; and the bill was recommitted to the Committee on Claims.

MRS. MAUDE C. MASSEY, OCALA, FLA.

The Clerk called the bill (H. R. 5884) for the relief of Mrs. Maude C. Massey, Ocala, Fla.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Maude C. Massey, widow of Como D. Massey, of Ocala, Fla., the sum of $5,000 in full satisfaction of her claim against the United States for the death of Como D. Massey, who was killed instantly as the result of an accident to the car in which he was riding on May 19, 1937, which was struck and turned over by a truck of the Civilian Conservation Corps of Camp P 75, Foley, Fla., because of the negligent operation by an employee of the United States: *Provided*, That no part of the amount appropriated by this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 1, strike out the words "because of the negligent operation by an employee of the United States" and insert "on United States Highway No. 19, near Perry, Fla."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ALFRED LEE POYNOR

The Clerk called the next bill, H. R. 5961, for the relief of Alfred Lee Poynor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alfred Lee Poynor, of Maynard, Ark., the sum of $5,988.36, in full satisfaction of all claims against the United States for personal injuries sustained by him while riding in a truck operated by an employee of the Civilian Conservation Corps, and/or Soil Conservation Service, near the town of Maynard, Randolph County, Ark., on or about July 31, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent shall be paid to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact or collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$5,988.36, and insert "$4,988.36."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE FIDELITY & CASUALTY CO., OF NEW YORK

The Clerk called the next bill, H. R. 5980, for the relief of the Fidelity & Casualty Co. of New York.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Fidelity & Casualty Co. of New York the sum of $747.73. Such sum represents the expenses incurred by said company in the repair of damage to a Packard club sedan, owned by B. H. Brewster, president of the Baugh & Sons Co., Baugh & Sons Co., and the Baugh Chemical Co., on October 30, 1939, when the automobile was damaged by a United States Government mail truck operated by the Post Office Department. The payment of such sum shall be in full settlement of all claims of such company against the United States on account of such accident.

With the following committee amendment:

Line 6, starting with the figures "$747.73" strike out the remainder of the bill and insert in lieu thereof the following: "$697.73 and to the Baugh Chemical Co., of Baltimore, Md., the sum of $50 in full settlement of all claims against the United States for property damage sustained to an automobile insured by the Fidelity & Casualty Co. of New York, and owned by the Baugh Chemical Co., when it collided with a truck operated in connection with the Post Office Department, at the intersection of Fallsway and Monument Street, Baltimore, Md., on October 30, 1939: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of the Fidelity & Casualty Co. and the Baugh Chemical Co."

MR. AND MRS. WERNER M. BERTELSON AND ELLEN W. SESSIONS

The Clerk called the next bill, H. R. 6061, for the relief of Mr. and Mrs. Werner M. Bertelson and Ellen W. Sessions.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Werner M. Bertelson the sum of $2,553.25, and to Ellen W. Sessions the sum of $822.50, in full settlement of all claims against the Government of the United States for the loss of their personal effects when same were destroyed by the fire that burned the Alaska Railroad Hotel at Healy Forks, Alaska, on May 9, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$2,553.25" and insert "$2,400."

Page 1, line 7, strike out "$822.50" and insert "$700."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SHIRLEY JONES

The Clerk called the next bill, H. R. 6176, for the relief of Shirley Jones.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Shirley Jones, the sum of $894.40 in full and final settlement of any and all claims against the Government for personal injuries suffered by her when the automobile in which she was riding was struck by a Navy ambulance on June 19, 1941, at the intersection of Pacific Highway and Rosecrans Street, San Diego, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered

in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out the word "Government" and insert "United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEE WATTS

The Clerk called the next bill, H. R. 6286, for the relief of Lee Watts.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,090.50 to Lee Watts, of Irvindale, Calif., in full settlement of all claims against the United States for personal injuries sustained by him as a result of a collision between the automobile in which he was riding and a United States Army truck, license number United States Army 2015216, said collision occurring on July 29, 1941, on Highway 99, immediately south of Tulare, Calif.: *Provided*, That no part of the amount appropriated in this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$2,090.50" and insert "$3,115.50."

Page 1, line 8, after the word "injuries", insert the words "and property damage."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARDEN CONSTRUCTION CO., INC.

The Clerk called the next bill, H. R. 6379, for the relief of the Marden Construction Co., Inc.

Mr. CASE of South Dakota and Mr. MOTT objected; and the bill, under the rule, was recommitted to the Committee on Claims.

CHARLES S. SMITH

The Clerk called the next bill, H. R. 6380, for the relief of Charles S. Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles S. Smith, of Washington, D. C., the sum of $191.67. Such sum shall be accepted in full settlement of all claims against the United States for services rendered as an employee of the Department of Agriculture from September 11, 1934, to September 25, 1934, for which he has not heretofore been compensated.

With the following committee amendment:

Page 1, at the end of the bill, change the period to a colon and insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERSONNEL OF THE NATIONAL PARK SERVICE

The Clerk called the next bill, H. R. 6388, for the relief of certain personnel of the National Park Service, Department of the Interior, on account of loss of personal property as a result of a fire on August 13, 1940, at Yellowstone National Park, Wyo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum as may be certified by the Secretary of the Interior as necessary to reimburse National Park Service personnel on account of loss, damage, or destruction of personal property of such personnel as a result of a fire on August 13, 1940, at Yellowstone National Park, Wyo.: *Provided*, That no claim shall be settled or paid hereunder which has been or may be settled and paid under the provisions of existing law or unless the Secretary of the Interior shall certify that said property so damaged, lost, or destroyed was reasonable, useful, necessary, and proper for such personnel to have in their possession while engaged in public service at the time of such loss, damage, or destruction: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

After the word "Appropriated", in line 5, strike out all the language down to and including the words "*Provided further*," in line 8, page 2, and insert in lieu thereof "to William S. Chapman the sum of $775.98; to Clyde Gilbert the sum of $707.50; to Paul Scherbel the sum of $32.75; and to Frank Childs the sum of $110.58 in full settlement of all claims against the United States for the loss, damage, or destruction of personal property as a result of a fire on August 13, 1940, at Yellowstone National Park, Wyo.: *Provided*."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill for the relief of William S. Chapman, Clyde Gilbert, Paul Scherbel, and Frank Childs."

ESTATE OF EMILY KRAFT

The Clerk called the next bill, H. R. 6591, for the relief of the estate of Emily Kraft, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Eastern District of New York to hear, determine, and render judgment, as if the United States were suable in tort, upon the claim of Otto Kraft, of Forest Hills, N. Y., for the death of his wife, Emily Kraft, who was killed as a result of the personal injuries sustained by the said Emily Kraft on June 17, 1940, when a United States Army airplane crashed against the home in which she resided; that as a result of the crash, gas sprayed from the plane, igniting Mrs. Kraft, causing her death: *Provided*, That judgment, if any, shall not exceed a total sum of $20,000.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act, not withstanding the lapse of time or any statue of limitations. Proceedings for the determination of such claim, appeals therefrom, and payment of any judgment thereon, shall be in the same manner as in the cases over which such court has jurisdiction under the provisions of paragraph twentieth of section 24 of the Judicial Code, as amended.

With the following committee amendment:

Strike out all the language after the enacting clause and insert in lieu thereof "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated the sum of $7,500 to the estate of Emily Kraft, deceased, in full settlement of all claims against the United States as reimbursement of expenses and compensation for the death of Emily Kraft on June 17, 1940, when a United States Army airplane crashed against the home in which she was residing in Forest Hills, N. Y.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

M. RAY WALDRON

The Clerk called the next bill, H. R. 6619, for the relief of M. Ray Waldron.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 to 20, inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (U. S. C., 1934 edition, title 5, secs. 767 and 770), are hereby waived in favor of

M. Ray Waldron, who allegedly was partially disabled as the result of an injury received March 30, 1940, while employed by Post Office Department as an employee in the post office at Troy, Idaho, and his claim for compensation is authorized to be considered and acted upon under the remaining provisions of such act, as amended, if he files such claim with the United States Employees' Compensation Commission not later than 6 months after the date of enactment of this act: *Provided*, That no benefits hereunder shall accrue prior to the approval of this act.

With the following committee amendment:

Page 1, line 3, strike out the figure "17" and insert in lieu thereof the figure "15."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MILDRED G. GORDON

The Clerk called the next bill, H. R. 6721, for the relief of Mildred G. Gordon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mildred G. Gordon, of Oakland, Calif., the widow of John Gordon, late chief gunner, retired, United States Navy, the sum of $2,106.50. Such sum represents the amount expended for medicines, hospital expenses, and funeral expenses of said John Gordon, plus an amount equal to 6 months' pay at the rate received by the said John Gordon at the time of his death. The said Mildred G. Gordon is equitably entitled to such sums by reason of the fact the said John Gordon was erroneously ordered to inactive duty.

With the following committee amendment:

At the end of the bill strike out the period, insert a colon and the following: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. C. BAKER

The Clerk called the next bill, H. R. 6751, for the relief of J. C. Baker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. C. Baker, of Alicia, Ark., the sum of $5,000, in full satisfaction of his claim against the United States for personal injuries sustained by him as the result of an accident caused by the negligent operation of a Work Projects Administration's truck and/or the negligent operation of an automobile by a member of the United States Marine Corps, near Alicia on or about February 28, 1940: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent shall be paid to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact or collect, withhold or receive any sum of the amounts appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

The amendments are as follows:

Line 6, strike out the figures "$5,000" and insert in lieu thereof the figures "$3,500."

Line 7, strike out the words "his claim" and insert in lieu thereof "all claims."

Line 10, strike out "and/or the negligent operation of an automobile by a member of the United States Marine Corps."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LLOYD A. EMICK

The Clerk called the next bill, H. R. 6817, for the relief of Lloyd A. Emick.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lloyd A. Emick, of 421 Market Avenue South, Canton, Ohio, the sum of $10,000, in full settlement of all claims against the United States for personal injuries and resulting damage sustained when he was struck at the intersection of Market Street South and Fourth Street Southwest in the city of Canton, Ohio, on the 14th day of February 1941, by a mail truck being driven and operated by an employee of the Post Office Department in the course of his employment: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out "$10,000" and insert in lieu thereof "$3,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

TOURS APARTMENT HOTEL

The Clerk called the next bill, H. R. 6841, for the relief of the Tours Apartment Hotel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Tours Apartment Hotel, of Des Moines, Iowa, the sum of $699.25. The payment of such sum shall be in full settlement of all claims against the United States for losses sustained on account of the erroneous issuance of United States Savings bonds of series C–1938 and D–1939.

With the following committee amendment:

At the end of the bill, strike out the period and insert ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

G. F. ALLEN

The Clerk called the next bill, H. R. 6990, for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to allow credit in the accounts of the following officers of the Division of Disbursement, Treasury Department, not to exceed the amounts stated: G. F. Allen, chief disbursing officer, Treasury Department, $4,876.47; J. R. Elliott, former disbursing clerk, Treasury Department, Juneau, Alaska, $41; C. E. Naghel, former disbursing clerk, Treasury Department, Juneau, Alaska, $82.60; and W. K. Trought, former disbursing clerk, Treasury Department, Manila, P. I., $23.25, suspended or disallowed, together with the amounts of any additional payments which have been or may be suspended or disallowed, in the said accounts more than 3 years after such payments were made: *Provided*, That the Secretary of the Treasury shall certify that in his opinion there is no evidence of fraud on the part of the chief disbursing officer and the other individuals making such payments.

With the following committee amendment:

At the end of the bill insert the following:

"SEC. 2. No charge shall be made against the certifying officer responsible for the certification of vouchers pursuant to the provisions of Executive Order No. 6166, dated June 10, 1933, and any charge heretofore made against any such officer shall be removed, for the amount of any payment for which credit shall be allowed under section 1 of this act, where the head of the department or establishment concerned, or his duly authorized representative, shall certify to the Comptroller General of the United States that the payment appears to have been made without fraud on the part of the certifying officer.

"SEC. 3. The Comptroller General of the United States is authorized and directed to allow credit in the accounts of Victor M. Lenzer, former special disbursing agent, Treasury Department, Paris, France, for sums aggregating not to exceed $44.66, representing items disallowed in his accounts by General Accounting Office Certificate of Settlement of Account No. G–1169862Tc dated April 23, 1941.

"SEC. 4. The Comptroller General of the United States is hereby authorized and directed to remove the charges of $2.14 and $17.50 raised against J. J. Madigan, a certifying officer of the Public Works Administration, as evidenced by decision of the Acting Comptroller General of the United States (B-12296) dated October 2, 1940, addressed to the Federal Works Administrator, Federal Works Agency, and General Accounting Office Notice of Settlement of Claim, Certificate No. US-7726-FWA (PWA) dated January 10, 1941, respectively: *Provided*, That the Federal Works Administrator, or his duly authorized representative, shall certify to the said Comptroller General that the payments appear to have been made without fraud on the part of the certifying officer.

"SEC. 5. The Comptroller General of the United States is hereby authorized and directed to remove the charges of $277.20 raised against W. H. Webb, a certifying officer of the United States Coast Guard, as evidenced by decision of the Comptroller General of the United States (A-90520) dated August 25, 1939, addressed to the Secretary of the Treasury: *Provided*, That the Secretary of the Treasury shall certify to the said Comptroller General that the payments appear to have been made without fraud on the part of the certifying officer.

"SEC. 6. The Comptroller General of the United States is authorized and directed to allow credit in the accounts of H. T. Tate and W. A. Julian, for sums of not to exceed $284.40 and $17,150.46, respectively, representing unavailable items in their accounts as former Treasurer and Treasurer of the United States: *Provided*, That any recoveries heretofore or hereafter made in respect to any of the foregoing items, may, in the discretion of the Comptroller General of the United States, be applied to offset unavailable items of a similar character hereafter arising in the accounts of the former Treasurer and Treasurer, respectively, upon a showing that such unavailable items have occurred without fraud on the part of the former Treasurer or Treasurer.

"SEC. 7. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $506.82, which amount shall be credited to the Treasurer's account in order to adjust shortages on account of overpayment and payment by the cashier's office of a Government check on a forged endorsement."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAVID E. CLARK

The Clerk called the next bill, H. R. 7149, for the relief of David E. Clark.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to David E. Clark, Wrens, Ga., the sum of $5,000. The payment of such sum shall be in full settlement of all claims against the United States by the said David E. Clark for damages as a result of personal injuries received by him on March 2, 1942, when he was shot while working on his farm by soldiers passing in a motor convoy: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$5,000" and insert "$3,713.50."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

O. R. MAXFIELD

The Clerk called the next bill, S. 2279, for the relief of O. R. Maxfield.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to O. R. Maxfield, of 111 South First Street, Temple, Tex., the sum of $552.52, in full satisfaction of his claim against the United States for damages sustained by said O. R. Maxfield as a result of a mistake in connection with the price quoted on 18 sets of plot equipment for infiltrometers built and furnished by O. R. Maxfield to the Department of Agriculture, Soil Conservation Service, at Beltsville, Md., and Asheville, N. C., on July 17, 1940, and August 6, 1940, under purchase order No. 5239-40SCS, dated June 19, 1940: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VERNON VAN ZANDT

The Clerk read the next bill, S. 2551, for the relief of Vernon Van Zandt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the status of Vernon Van Zandt, M. D., 947 West Eighth Street, Los Angeles, Calif., as a United States medical officer, the payments made to him as fees for medical treatment furnished by him during the period from July 16, 1934, to May 1, 1937, inclusive, to employees of the Government entitled to medical care and treatment under the Employees' Compensation Act of September 7, 1916, as amended, be, and the same are hereby, validated.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay to Dr. Vernon Van Zandt, out of any moneys in the Treasury not otherwise appropriated, a sum equal to the total amount refunded by him on account of the payments validated by section 1 hereof.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CLAUD TUCK AND DARRELL CLAUD TUCK, A MINOR

The Clerk called the next bill, H. R. 7480, for the relief of Mrs. Claud Tuck and Darrell Claud Tuck, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 15 to 20, inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Mrs. Claud Tuck and Darrell Claud Tuck, a minor: *Provided*, That the United States Employees' Compensation Commission is hereby authorized and directed to consider their claim under the provisions of the act of February 15, 1934 (48 Stat. 351), as amended, in the same manner as it would if Claud Tuck, deceased, had, on May 23, 1938, been regularly employed by the Works Progress Administration: *Provided further*, That claim hereunder shall be filed within 6 months after the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EARL CARBAUH

The Clerk called the next bill, H. R. 7177, for the relief of Earl Carbauh.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of section 7 of the act of May 29, 1930, chapter 349 (46 Stat. 474; U. S. C., title 5, sec. 735), and the provisions of section 7 (b) of the act of January 24, 1942 (56 Stat. 16), shall not apply to Earl Carbauh in connection with his employment as chorister in the chapel at the United States Soldiers' Home after having been retired from the Post Office Department on an annuity under the provisions of section 8 (a) of the act of June 16, 1933, chapter 101 (48 Stat. 305; U. S. C., title 5, sec. 736a).

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following: "That notwithstanding any other provision of law Earl Carbauh, an employee of the Post Office Department retired under the provisions of section 8 (a) of the act of June 16, 1933 (48 Stat. 305; U. S. C., title 5, sec. 736 (a)), shall not be required to reimburse the United States for any annuity payments received by him during the period of his employment at the United States Soldiers' Home as a chorister from July 1, 1935, to April 1, 1942."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

D. A. SULLIVAN & SONS, INC.

The Clerk called the next bill, H. R. 7061, for the relief of D. A. Sullivan & Sons, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of D. A. Sullivan & Sons, Inc., for reimbursement of increased labor costs incurred in the performance by said company of lump-sum contracts W-6101-qm-127 and W-6101-qm-150, dated August 23 and September 21, 1940, respectively, covering the construction and completion of temporary housing at Fort Devens, Mass., and to allow in full and final settlement of the claim the sum of not to exceed $14,481.87. The increased labor costs were incurred as a result of the performance at the same time of a

cost-plus-a-fixed-fee contract by another contractor at the same project, under which contract it was necessary to pay wage rates higher than the minimum rates established under said lump-sum contracts, thus requiring the lump-sum contractor to increase its wages in order to prevent its employees from quitting and going to work for the contractor under the cost-plus-a-fixed-fee contract. There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated the sum of $14,481.87, or so much thereof as may be necessary, for the payment of said claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF MARLIN CROFT, DECEASED

The Clerk called the next bill, H. R. 6993, for the relief of the estate of Marlin Croft, deceased.

The SPEAKER pro tempore (Mr. COOPER). Is there objection to the present consideration of the bill?

Mr. GORE. Mr. Speaker, I object.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Marlin Croft, deceased, the sum of $5,000. The payment of such sum shall be in full settlement of all claims against the United States by the said estate of Marlin Croft, deceased, on account of the death of the said Marlin Croft, who sustained personal injuries on September 9, 1939, when he was struck by a Government-owned Chevrolet sedan automobile, Federal license No. 71949, which automobile was being operated by an employee of the Office of Indian Affairs in the Department of the Interior of the United States Government in connection with his employment by the Government. Said injuries resulted in the death sometime thereafter of the said Marlin Croft: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$5,000" and insert "$1,480.75."

Page 1, line 8, after "United States", insert "and its employees."

Page 2, line 7, after the word "act", insert the following: "shall be paid to the legal representative of the said estate until said representative shall cause to be executed and placed on record in the District Court of the Eleventh Judicial District in and for the county of Cook, State of Minnesota, a release of the judgment rendered by that court in the case *Fred Croft as Special Administrator of the Estate of Marlin Croft, decedent*, v. *Charles J. Evans: Provided further*, That no part of the amount appropriated in this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAROLYN D. GRIFFIN

The Clerk called the next bill, H. R. 6970, for the relief of Carolyn D. Griffin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of section 10 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to consider the claim of Carolyn D. Griffin in behalf of herself and children, because of the death of her husband, Walton C. Griffin, as the result of injuries sustained while employed as a clerk in the post office at Dalton, Ga., said death having occurred on January 27, 1942, while the said Walton C. Griffin was being hospitalized on account of an injury sustained on October 5, 1929.

The Commission is further authorized and directed to receive and consider any necessary amendment or amendments to said claim if filed within 6 months after the enactment of this act.

With the following committee amendment:

Page 1, line 3, strike out "section 10" and insert in lieu thereof "sections 10 and 11."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. P. R. YAGER

The Clerk called the next bill, H. R. 6907, for the relief of Mrs. P. R. Yager.

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. P. R. Yager, of Stanley, Va., the sum of $650, in full settlement of all claims against the United States for personal injuries sustained on July 4, 1941, when the automobile in which she was riding was struck by a truck operated in connection with the National Park Service, Department of the Interior, on the Gordonsville Turnpike, about seven miles east of Stanley, Va.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$650" and insert in lieu thereof "$683."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

N. C. LLOYD

The Clerk called the next bill, H. R. 6893, for the relief of N. C. Lloyd.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to N. C. Lloyd, Elopia, Wash., the sum of $1,100. The payment of such sum shall be in full settlement of all claims against the United States for the loss of certain cattle owned by the said N. C. Lloyd which were poisoned during the period from September 27, 1941, to October 3, 1941, through the negligence of employees of the Bureau of Entomology and Plant Quarantine of the Department of Agriculture in handling arsenical cricket control materials on land on which such cattle were pastured.

With the following committee amendment:

Page 2, line 2, change the period to a colon and add the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK NOVAK AS GUARDIAN OF LORRAINE NOVAK

The Clerk called the next bill, H. R. 6781, for the relief of Frank Novak, as guardian of Lorraine Novak, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to Frank Novak, as guardian of Lorraine Novak, a minor, of New York, N. Y., in full settlement of all claims against the United States for personal injuries suffered by her in front of premises 414–416 East Seventy-seventh Street, in the city and State of New York, on January 28, 1942, as the result of the negligence of employees of the Work Projects Administration: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$10,000 to Frank Novak as" and insert in lieu thereof "$4,500 to the legal."

Page 1, strike out lines 9 and 10 and line 1, page 2, and insert in lieu thereof the following: "sustained on January 28, 1942, when she was severely burned by steam as the result of project operations."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of the legal guardian of Lorraine Novak, a minor."

Mr. CASE of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CASE of South Dakota. In connection with the next bill, the committee has proposed to offer a committee amendment. Will it be in order before the committee amendment is offered to offer a substitute amendment changing the amount further?

The SPEAKER pro tempore. Yes; such an amendment would be in order.

ANNE BERBIG AND ALFRED E. BERBIG, JR.

The Clerk called the next bill, H. R. 6558, for the relief of Anne Berbig and Alfred E. Berbig, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Anne Berbig, of Jamaica, N. Y., the sum of $10,151 and to Alfred E. Berbig, Jr., of the same place, the sum of $2,384, in full settlement of all claims against the United States for personal injuries and property damage sustained by the said Anne Berbig and Alfred E. Berbig, Jr., as the result of an accident on November 28, 1940, at Woodbridge, N. J., involving a motor vehicle in the service of the United States Army: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,151" and insert in lieu thereof "$4,000."

Mr. CASE of South Dakota. Mr. Speaker, I offer a substitute amendment for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota as a substitute for the committee amendment: Page 1, line 6, strike out "$10,151" and insert in lieu thereof "$2,500."

The substitute amendment for the committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the further committee amendments.

The Clerk read as follows:

Committee amendments:

Page 1, line 8, strike out "$2,384" and insert in lieu thereof "$1,000."

Page 1, line 9, strike out "and property damage."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HEIRS OF JOHN W. ADAMS

The Clerk called the next bill, H. R. 6491, for the relief of the heirs of John W. Adams.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the administrator of the estate of John W. Adams, of Southampton Township, Cumberland County, Pa., the sum of $19,893.96, for distribution as part of the personal estate of the said John W. Adams. The payment of such sum shall be in full settlement of all claims against the United States for damages arising out of the death of the said John W. Adams, who was fatally injured on April 26, 1941, when he was struck while walking along the edge of a dirt road known as Huckleberry Lane in such Southampton Township by a truck in the service of the National Youth Administration.

With the following committee amendments:

On page 1, line 7, strike out "$19,893.96, for distribution as part of the personal estate of the said John W. Adams. The payment of such sum shall be" and insert in lieu thereof "$4,000."

At the end of the bill insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANKLIN E. LUDWIG, MARY TAYLOR, AND FRANK A. TAYLOR

The Clerk called the next bill, H. R. 6283, for the relief of Franklin E. Ludwig, Mary Taylor, and Frank A. Taylor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $350 to Franklin E. Ludwig, of Ozone Park, N. Y.; the sum of $135 to Mary Taylor, of Richmond Hill, N. Y.; and the sum of $50 to Frank A. Taylor, of Richmond Hill, N. Y., in full settlement of all claims against the United States for personal injuries and property damage suffered by them when the automobile in which they were riding was struck by an Army ambulance, bearing license No. W717, at the intersection of Liberty Avenue and One Hundred and Nineteenth Street, in Queens, N. Y., on the 8th day of February 1941 at 12:10 p. m.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CATHERINE ARTHUR

The Clerk called the next bill, H. R. 6078, for the relief of Catherine Arthur.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to Catherine Arthur, of Baltimore, Md., in full settlement of all claims against the United States for personal injuries received as the result of being struck by an automobile being driven by a special-delivery messenger of the Baltimore post office on July 23, 1940, in front of 2564 Wilkens Avenue, Baltimore, Md.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

On page 1, line 5, strike out "$10,000" and insert "$4,184.38."

In line 6, strike out "Catherine" and insert "Katherine S."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Katherine S. Arthur."

MICHAEL-LEONARD SEED CO.

The Clerk called the next bill, H. R. 6016, for the relief of Michael-Leonard Seed Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Michael-Leonard Seed Co., Sioux City, Iowa, the sum of $140. Such sum represents the freight charges incurred by said company in connection with the reshipment of certain smooth brome seed which, on September 29, 1938, at Noyes, Minn., was denied entry into the United States solely by reason of negligence on the part of employees of the United States Department of Agriculture.

With the following committee amendments:

On page 1, line 10, after "States", strike out the remainder of line 10 and all of line 11.

At the end of the bill, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000: *Provided further*, That the acceptance of the above sum shall be in full settlement of all claims against the United States."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. GUYER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Emporia Gazette.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

PRIVATE CALENDAR

BIG PORCUPINE DAM, FORT PECK PROJECT, MONTANA

The Clerk called the next bill, H. R. 5624, for the relief of certain claimants against the United States who suffered property losses as a result of the failure of the Big Porcupine Dam on the Fort Peck project, Montana.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. GORE. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 1869, be considered in lieu of the House bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the claimants hereinafter named the sums hereinafter specified, in full satisfaction of their respective claims against the United States for compensation for property losses or damages sustained by them as a result of the failure of the Big Porcupine Dam on the Fort Peck project, Montana: Nashau Booster Club, $700; Walter Collins, $345.80; Martin Kaminski, $150; Susie Ihnat, $280; Edmond N. Golphense, $300; Alexander Hamilton, $183.50; Edward T. Blue, $345; Charles H. Brocksmith, $229.10; Rose L. Brocksmith, $1,212.15; Norman Brocksmith, $191.60; Emma Collins, $1,499.48; Andrew Levandoski and Tom Levandiski, $6,000; Joe Ihnat, $670; John Etchart, $6,350; Floyd DeLay, $1,000; Zetta Michel, $800; Theodore Aaberg, $144.40; Lawrence Alvin, $137; Lawrence Benson, $45; Tony Bengochea, $250; James Kell, $120; George Kugler, $58.50; Walter Kusek, $273; Jetta Lebert, $89; Alfred Lee, $218.80; Lutheran Church, $102; Dean B. McKee, $221; Sadie McPherson, $170.50; John B. Martin, $48; E. A. Meek, $37; Anna Michel, $525; Martin Milsten, $127.75; Myrtle Olson, $102; Dick Opland, $388; L. M. Ormseth, $120; Nels Peterson, $169.08; H. Merle Priest, $110; Robert Rawe, $95.90; Della Sevier, $106; H. H. Bissell, $67.75; Will Bohne, $37; Margaret Camburn, $84.75; Fred Desonia, $58.10; Dora K. Dykstra, $100; Adolph Ellingson, $28; George Fisher, $40; Robert Glunz, $85; Marvel Hammond, $156.50; Elmer Hauger, $647; Mabel Hinerman, $89; J. D. Irwin, $182.05; Peter James, $66; Luther Johnson, $65; Elizabeth Skugrud, $52; Ruth Smith, $261; Webb Southerland, $116; Myrtle Stenbakken, $238; John Storkson, $175; Minnie Sunkel, $453; Arthur C. Swanson, $113; M. Tihista, $310; John A. Wigdahl, $41; Great Northern Railway Co., $1,903.98; and Wallace Levandoski and Dorothy Levandoski, $364.

SEC. 2. No part of the amount appropriated in this act for payment to any claimant in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim of such claimant, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 5624) was laid on the table.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I desire to thank the Committee on Claims for reporting out unanimously my bill (H. R. 5624) which provides for compensating many farmers and the Great Northern Railroad for damages which they sustained by reason of the faulty construction of the Porcupine Dam, built by the Government as part of the irrigation system of the Fort Peck major dam. This bill will afford substantial relief to those people who suffered as a consequence of the flooding of their lands, and I want to also thank the members of the House for cooperating in the passing of this bill. It is one of the most worthy and meritorious private bills that it has been my lot to secure the passage of since I have been here as a Member of the House. While this costs the Government something, at the same time it will serve as a reminder that we must construct dams of this character in such formidable manner so that occurrences of this kind will be rare. I requested that the companion bill in the Senate be substituted for my bill as it had already passed the Senate.

GLENN A. PIKE

The Clerk called the next bill, H. R. 3478, for the relief of Glenn A. Pike.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Glenn A. Pike the sum of $246, being the amount of his claim for personal injuries incurred August 29, 1939, when he was struck by a United States mail truck, which accident occurred in Denver, Colo.

With the following committee amendments:

On page 1, line 6, strike out "$246, being the amount of his claim for personal injuries" and insert in lieu thereof "$100 in full settlement of all claims against the United States for personal injuries and medical expenses."

At the end of the bill insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LLEWELLA J. WELSH

The Clerk called the next bill, H. R. 1883, for the relief of Llewella J. Welsh.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Llewella J. Welsh, Scranton, Pa., the sum of $359.33. Such sum shall be in reimbursement for total expenses incurred by the said Llewella J. Welsh in connection with a trip from Scranton, Pa., to Seattle, Wash., and return, made in June 1939. On or about May 27, 1939, the said Llewella J. Welsh was offered a position by the Alaska Railroad as nurse in its hospital at Anchorage, Alaska. The day before she left Scranton, en route to Anchorage, the said Llewella J. Welsh was notified for the first time that she must submit to a physical examination. Following such examination given in Seattle, Wash., she was rejected for such position with the Alask. Railroad.

With the following committee amendment:

Page 1, line 6, after the figures "$359.33", strike out the period and the following: "Such sum shall be in reimbursement for total" and insert in lieu thereof "in full settlement of all claims against the United States for."

Page 1, line 10, after the year "1939", strike out the period and the remainder of the bill and insert in lieu thereof: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILSON N. YOST

The Clerk called the next bill, H. R. 2217, for the relief of Wilson N. Yost.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, the United States Employees' Compensation Commission is hereby authorized and directed to receive and consider, if filed within 1 year after the approval of this act, the claim of Wilson N. Yost, rural free delivery 3, Wolfe City, Tex., for disability alleged to have been incurred by him prior to January 13, 1938, while an enrollee of the Civilian Conservation Corps, and to determine said claim upon its merits.

With the following committee amendments:

Page 1, line 10, strike out "one year" and insert "six months."

At the end of the bill insert "*Provided*, That no benefits shall accrue prior to the enactment of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CECIL HIGGINBOTHAM

The Clerk called the next bill, H. R. 3113, for the relief of Cecil Higginbotham.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to Cecil Higginbotham, in full settlement of all claims against the Government of the United States arising out of injuries sustained by him and caused by the negligent operation of an automobile truck driven by Dyse Adams, attached to United States soil conservation, Civilian Conservation Corps, Camp Ross, Ross County, Ohio, while acting within the scope of his employment, on Ohio United States Highway Route No. 23, 1.6 miles north of the city of Chillicothe, Ohio, on October 17, 1939.

With the following committee amendments:

Line 5, starting with the figures "$10,000", strike out the remainder of the bill and insert in lieu thereof "$400 to Cecil Higgenbottom; the sum of $950 to Mrs. Cecil Higgenbottom; and the sum of $132.71 to Basil Hall; in full settlement of all claims of Cecil Higgenbottom against the United States for personal injuries sustained when the automobile in which he was riding was struck by a truck operated in connection with the Civilian Conservation Corps on United States Highway No. 23, near Chillicothe, Ohio, on October 17, 1939: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Amend the title so as to read: "A bill for the relief of Cecil Higgenbottom, Mrs. Cecil Higgenbottom, and Basil Hall."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended.

RUDOLF KLIGLER (ROBERT E. ARDEN)

The Clerk called the next bill, H. R. 6938, for the relief of Rudolf Kligler (Robert E. Arden).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Attorney General be, and he hereby is, authorized and directed to record the lawful admission for permanent residence of Rudolf Kligler (Robert E. Arden) as of February 28, 1934, the date on which he was admitted temporarily to the United States, any immigration and naturalization laws to the contrary notwithstanding.

Upon the the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the current nonpreference category of the quota under which Rudolf Kligler (Robert E. Arden) as a native of Austria properly belongs.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MINNIE C. SANDERS

The Clerk called the next bill, S. 2461, for the relief of Minnie C. Sanders.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Minnie C. Sanders, of the township of Union, Union County, N. J., the sum of $1,500, in full satisfaction of her claim against the United States for compensation for personal injuries sustained by her when she was struck by a Government motorcycle on the West Point Military Reservation, West Point, N. Y., on June 3, 1940: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES H. KOCH

The Clerk called the next bill, S. 2717, for the relief of Charles H. Koch.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles H. Koch, of Minneapolis, Minn., the sum of $397.31, in full satisfaction of his claim against the United States Government for reimbursement for funeral expenses incurred by him in connection with the funeral and burial of the remains of Curtis Herman Koch, late seaman, second class, United States Naval Reserve, erroneously believed by claimant at the time to be those of his son, Charles Herbert Koch, apprentice seaman, United States Navy: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRUSCON STEEL CO.

The Clerk called the next bill, H. R. 6015, for the relief of Truscon Steel Co.

Mr. MOTT and Mr. CASE of South Dakota objected, and, under the rule, the bill was recommitted to the Committee on Claims.

MRS. J. R. BENNETT

The Clerk called the next bill, H. R. 7263, for the relief of Mrs. J. R. Bennett.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. J. R. Bennett, of Lonoke, Ark., the sum of $5,000, in full settlement of all claims against the United States for the death of her husband, J. Robert Bennett, and expenses incident thereto, who was shot and killed September 12, 1937, while serving as night marshal of the city of Lonoke, Ark., and while attempting, in the performance of his official duties, to capture bandits who had immediately prior thereto robbed the United States post office at Lonoke, Waldo, Clarendon, and Lewisville, Ark.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM J. TEPSIC

The Clerk called the next bill, S. 2364, for the relief of former First Lt. William J. Tepsic, One Hundred and Seventy-sixth Field Artillery.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to vacate the court-martial sentence of dismissal imposed upon First Lt. William J. Tepsic, One Hundred and Seventy-sixth Field Artillery, as a result of which he ceased to be an officer of the Army at midnight December 14, 1941.

SEC. 2. The President is further authorized to reinstate the said William J. Tepsic as a first lieutenant of the Army, effective as of December 15, 1941, and to issue such commissions and documents as may be necessary in connection with such reinstatement and to indicate upon the records of the War Department that the sentence of dismissal above referred to has been vacated.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. The Clerk will call the first omnibus bill.

The Clerk called the bill (H. H. 6532) for the relief of sundry claimants and for other purposes.

The Clerk read as follows:

Be it enacted, etc.—

Title I—(H. R. 1375. For the relief of Mr. and Mrs. Samuel Azer.) By Mr. WALTER

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Samuel Azer, of Nesquehoning, Carbon County, Pa., the sum of $1,445, which sum shall be in full satisfaction of all claims against the United States for damage to property of said Mr. and Mrs. Samuel Azer as the result of the blasting operations on a Works Progress Administration project: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 9, strike out "$1,445" and insert "$750"; and on page 2, line 1, after the word "project", insert "on May 19, 1939."

Mr. CASE of South Dakota. Mr. Speaker, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: Page 1, strike out all of title I.

Mr. CASE of South Dakota. Mr. Speaker, this title proposes to pay damages of $750 to parties for the loss of some stucco on their building. It is alleged that this was loosened or deteriorated because of some blasting carried on by the Works Progress Administration. The Works Progress Administration recommend against the bill, stating that although the project blaster did set off two blasts, these blasts were very light, while at the same time or about the same time there was a charge of dynamite set off in the Lehigh Coal & Navigation property, located much nearer the residence of the claimants. So there is no clear-cut agreement which dynamite, if either, was responsible for the damage. It is further contended by the W. P. A. that the probable cause of the damage was not that of blasting but rather the age and poor quality of the stucco. The exterior stucco work on the house was a rough pebble, which is not regarded as satisfactory for long life. The house had been built 13 years before. It is very doubtful if damage showing up in stucco 13 years old should be attributed to blasting of the Works Progress Administration. In view of these facts and the further fact that the investigators for the W. P. A. have recommended against this legislation, I think the title should be stricken from the omnibus bill.

Mr. WALTER. Mr. Speaker, I rise in opposition to the amendment. For those of you who are members of the bar this would present the sort of case that you would enjoy very much to try, in view of the fact that the claim in this case is a clear-cut question of fact in which all of the facts are on one side. The W. P. A. blaster, as was entirely natural, denied that the charges that he set off were sufficiently severe to damage the property of the claimants, Mr. and Mrs. Samuel Azer. However, it is admitted by this blaster and by everybody else in this matter that the blasts were set off at the time the stucco along the side of this house fell off. Had the charges been as light as this blaster said they were, we would not be here today considering this claim. Fortunately for the people who suffered as a result of the negligence of this blaster, he went further and said that at the time he set off his light charges, the Lehigh Coal & Navigation Co. was blasting from the colliery nearby. I say that is fortunate, because as a result of this statement it was proved beyond any peradventure of doubt that the blaster was coloring his story just a bit in order to save his job, because the uncontradicted records of the Lehigh Coal & Navigation Co. disclose that on the day this charge was set off the colliery was shut down. There is no dispute about that. The blaster attempts to cover up his own negligence and his own misconduct by saying that he heard the blasts set off at the colliery on a day it was closed down. That being the fact, is it not fair for us to conclude that this charge was too strong and that it was the sort of charge that was improperly set off as close as it was to the home of these people? They claim $1,450, and their claim was based on the estimate they received from three reputable contractors as to the cost to put their home back in the condition it was at the time this blast was set off.

Mr. PITTENGER. Will the gentleman yield?

Mr. WALTER. I yield.

Mr. PITTENGER. As a matter of fact, this investigation was a one-sided investigation by W. P. A. officials, and the other side had no chance in it.

Mr. WALTER. There is no doubt about that. But fortunately this blaster, in order to try to protect himself, went further than he should have gone when he attributed this damage to the negligence of a coal company that was not operating on the day the blast was set off.

I respectfully suggest that this is the type of case where the citizens should be reimbursed, and I ask that the amendment offered by the gentleman from South Dakota [Mr. CASE] be rejected.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from South Dakota [Mr. CASE].

The amendment was rejected.

The SPEAKER. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 1, line 9, strike out "$1,445" and insert "$750."

Page 2, line 1, after the word "project", insert "on May 19, 1939."

The committee amendments were agreed to.

The Clerk read as follows:

Title II—(H. R. 2650. To confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of H. Herfurth, Jr., Inc.) By Mr. SMITH of Virginia.

That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon, notwithstanding the lapse of time or any provision of law to the contrary, the claim of H. Herfurth, Jr., Inc., for reimbursement for loss of salvage material and additional costs incurred by such company as a subcontractor in the performance of a contract with the Department of the Treasury for the construction of the agriculture Extensible Building, dated ———— (contract No. ————). The general contractor in such contract has assigned all claims against the United States on account of such loss and costs to the said H. Herfurth, Jr., Inc. Such suit shall be brought within 1 year from the date of enactment of this act.

SEC. 2. There is authorized to be appropriated such sum as may be necessary to pay the amount of any judgment rendered pursuant to this act.

With the following committee amendments:

Page 2, line 16, after the word "upon", strike out the words "notwithstanding the lapse of time or any provision of law to the contrary."

Line 19, after the word "for", insert the words "the alleged."

Line 23, after the word "dated", insert "May 16, 1932" and within the parenthesis after the word "numbered", insert "T1sa-3167."

Page 3, line 4, strike out section 2.

The committee amendments were agreed to.

The Clerk read as follows:

Title III—(H. R. 2899. For the relief of Myrtle C. Radabaugh.) By Mr. KNUTSON

That the United States Employees' Compensation Commission be, and it is hereby, authorized and directed to receive and consider the claim of Myrtle C. Radabaugh, on account of the death of her husband, Claud Clair Radabaugh, which is alleged to have resulted from an injury sustained by him during the year 1935 while working as a rural mail carrier from Long Prairie, Minn., under the provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, except that the time limitations in sections 15 to 20, inclusive, of said act are hereby waived: *Provided*, That such claim be filed within 6 months after the passage of this act: *And provided further*, That no benefits shall accrue prior to the approval of this act.

Title IV—(H. R. 194. For the relief of the Upham Telephone & Electric Co., Upham, N. Dak.) By Mr. BURDICK

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Upham Telephone & Electric Co., Upham, N. Dak., the sum of $2,047.50. The payment of such sum shall be in full settlement of all claims against the United States for damages sustained by the said Upham Telephone & Electric Co. on account of the acquisition by the United States, for the Lower Souris Migratory Water-

fowl Refuge, situated near Upham, N. Dak., of lands the former occupants of which were serviced by such company.

With the following committee amendments:

Page 4, line 8, strike out "$2,047.50" and insert "$1,000."

Line 14, after the word "company", insert *"Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The Clerk read as follows:

Title V—(S. 97. For the relief of the legal guardian of Joy Montgomery, a minor)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Joy Montgomery, a minor, of Hampton, Tenn., the sum of $500 in full satisfaction of her claim against the United States for injuries sustained by her as a result of being struck by a Civil Conservation Corps truck near Hampton, Tenn., on January 21, 1935: *Provided,* That before any payment is made under this act the parents of Joy Montgomery shall first release Hugh G. Pierce, the driver of the Government truck, from payment of the judgment rendered against him in the circuit court of Carter County, Tenn., on June 13, 1936: *Provided further,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Title VI—(S. 103. For the relief of Caffey Robertson-Smith, Inc.)

That the Secretary of Agriculture be, and he is hereby, authorized and directed to pay, out of any funds available for carrying out the provisions of section 32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935, as amended, the sum of $9,348.86, to Caffey Robertson-Smith, Inc., of Memphis, Tenn., in full satisfaction of its claims against the United States for payments for the exportation of certain quantities of cotton at the rates in effect at the time of the sales thereof for export, notices of such sales having been given prior to December 6, 1939, but the payments therefor having been withheld for the reason that the said Caffey Robertson-Smith, Inc., did not promptly file a bond supporting the agreement of compliance, dated August 1, 1939, which it entered into in connection with the cotton and cotton products export program of the Department of Agriculture for the fiscal year 1940: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Title VII—(S. 174. For the relief of Lyle L. Bressler)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lyle L. Bressler the sum of $124.45 for reimbursement in the payment of his salary disallowed during the months of July, August, and September 1934, while employed in the Grand Teton National Park, Wyo.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 7, line 8, after the figures, insert "in full settlement of all claims against the United States."

Page 7, line 9, after the word "reimbursement", strike out the words "in the payment."

The committee amendments were agreed to.

The Clerk read as follows:

Title VIII—(S. 317. For the relief of Monroe Short)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Monroe Short, of Wise County, Va., the sum of $5,000, in full satisfaction of his claims against the United States for compensation for the deaths of his sons, Kermit Short and Victor Short, who were killed, on June 9, 1939, as the result of being struck by a bolt of lightning which was carried to the house of the said Monroe Short, a local fire warden, by unconnected telephone wires installed by enrollees of the Civilian Conservation Corps, such wires not having been grounded: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guil"y of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Title IX—(S. 1033. Conferring jurisdiction upon the Court of Claims of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representatives of the estate of Robert Lee Wright)

That jurisdiction is hereby conferred upon the Court of Claims of the United States of America, notwithstanding the lapse of time or the statute of limitations, to hear, examine, adjudicate, and render judgment under the act of June 25, 1910 (36 Stat. L., ch. 423, p. 851), as amended July 1, 1918, or any other enabling statute of the United States, on the claim of Willie Crockett Wright, as administratrix of the estate of Robert Lee Wright, deceased, or his successor, as the legal representative of the estate of said decedent, for the infringement of Letters Patents Nos. 1,374,703 and 1,374,707, granted to the said decedent on the 12th day of April 1921, by the unlicensed use of or the manufacture by or for the United States of certain ordnance projectiles and fuzes covered by said letters patents within a lawful period from the 12th day of April 1921, the said date of grant of said patents by the United States Patent Office, and preceding and following the 23d day of August 1921, the date of filing of a suit No. A-248 brought by said decedent in the United States Court of Claims under said patents; and further conferring jurisdiction upon the Court of Claims of the United States to revive, nunc pro tunc, hear, examine, and render judgment in said suit No. A-248 on the cause of infringement as a cause of action, and to grant such further relief as to the court may seem just, proper, and equitable in the premises, without regard to any election of cause of action made by the claimant in said suit or prejudice against the claimant of any previous judgment of said court rendered in said suit on contract as an elected cause of action.

SEC. 2. That from any decision in any suit prosecuted under the authority of this act an appeal may be taken by either party as is provided by law in other cases.

Title X—(S. 305. For the relief of Mrs. Felix Belanger)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Felix Belanger, of Billings, Mont., the sum of $2,914.50, in full satisfaction of her claim against the United States for reimbursement of medical and hospital expenses and for compensation for personal injuries sustained by her as the result of being struck by a revolving door at the United States post office in Billings, Mont., on November 4, 1939: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Title XI—(H. R. 3773. To confer jurisdiction on the Court of Claims of the United States to hear, determine, and render judgment upon the claim of John L. Alcock.) By Mr. MEYER of Maryland

That (a) jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, determine, and render judgment on the claim of John L. Alcock, of Baltimore, Md., for loss and/or damage, if any, sustained by him by reason of the action of officers of the Signal Corps and/or the Spruce Production Division of the War Department in promulgating the order refusing to permit further shipments under his contracts and foreign orders for the shipment and delivery from February to December 1918 of 6,000,000 feet of spruce and fir lumber for the use of the British Army in the prosecution of the World War, and by reason of their action in directing the canceling of his contracts with the American mills for the production and shipment of said 6,000,000 feet of lumber. The Court of Claims shall hear, determine, and render judgment on the claim, notwithstanding the executory character of such con-

tracts and that there had been no delivery of title to claimant under his contracts with the American mills, and shall measure the losses and/or damages, if any, by the difference between what claimant would have received from the foreign purchasers on delivery of the lumber, free on board cars at the mills, and the amount he had agreed to pay the American mills free on board cars at mills.

(b) The Court of Claims in the adjudication of the said claim is authorized in its discretion to use, in addition to any evidence that may be offered in any suit which may be brought under this act, the pleadings and evidence in the case of *John L. Alcock & Company* v. *the United States* (61 Ct. Cls. 312), and in the case of *John L. Alcock & Company* v. *the United States* (No. J–567), decided April 4, 1932.

(c) Suit hereunder may be instituted at any time within 4 months after the approval of this act, notwithstanding lapse of time or any statute of limitations, and proceedings therein shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent that further proceedings, under the call of omnibus private claims bills, be dispensed with.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. THOMASON. Mr. Speaker, a few days ago the gentleman from Michigan [Mr. CRAWFORD] read from a letter which he said he had received from Texas, in which the author of the letter made the charge that the Army was shooting some of its horses and burning its tires. I doubted the accuracy of that statement and took the matter up with Gen. Brehon Somervell, lieutenant general, commanding headquarters of the Services of Supply. I have a letter from him on that subject bearing date of October 1 which I ask unanimous consent to insert in the RECORD at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The letter referred to follows:

WAR DEPARTMENT,
HEADQUARTERS, SERVICES OF SUPPLY,
Washington, D. C., October 1, 1942.

Hon. R. E. THOMASON,
House of Representatives,
Washington, D. C.

DEAR MR. THOMASON: Reference is made to your communication of September 30, inclosing a marked copy of page 7604 of the CONGRESSIONAL RECORD of September 29, 1942, regarding Mr. Crawford's remarks relative to the disposition of horses and tires belonging to the Government.

The Inspector General has recommended a revision of the present regulation regarding the disposition of animals to the effect that animals unfit for further military service, because of permanent physical disability due to disease, injury, old age, or for other good and sufficient reason, such as marked viciousness, unmanageability, and unsuitability, will be recommended to the Quartermaster General for transfer to other Government agencies for clearance to sell. The purpose of this recommendation is to make animals, unfit for military use, available to farmers and others to whom they may be of service.

Since the War Department regulations provide that condemnation of Government property shall be made only after careful examination by responsible authorities and that only unserviceable and obsolete articles having no salable or usable value will be destroyed, it seems highly improbable that the incident, to which reference is made, occurred in the manner in which it is related. However, your communication and a copy of the enclosure from the CONGRESSIONAL RECORD are being forwarded to the commanding general of the Eighth Service Command, Fort Sam Houston, San Antonio, Tex., for appropriate investigation and report.

You may be assured that your interest in this matter is appreciated and when a report is received you will be further informed.

If at any time I can be of service to you, please do not hesitate to call upon me.

Sincerely yours,

BREHON SOMERVELL,
Lieutenant General, Commanding.

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein correspondence from the California Dairy Association.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from New Jersey [Mr. MCLEAN], is recognized for 10 minutes.

THE CONGRESS AND REVENUE BILLS

Mr. McLEAN. Mr. Speaker, in times like these it is most desirable that the three coordinate branches of the Government work together in cooperation and in harmony. It is unfortunate, therefore, that the Secretary of the Treasury should indulge in such statements as were credited to him yesterday. It is reported he said that in addition to the money to be raised by the pending tax bill an additional $6,000,000,000 would be necessary. He said further that he had the way to do it and he was prepared to present the program "to them"—meaning Congress—"as soon as they are ready to receive us." This indicates that Congress has some knowledge of his ideas and delay is being caused by the failure to invite him to present them. Any such suggestion must take us all by surprise.

The Secretary of the Treasury knows that revenue bills originate in the House of Representatives. He also knows that in the ordinary course of procedure the President sends to the Congress a message outlining the necessary revenue requirements. He also knows that the practice has grown up for the Secretary of the Treasury, in lieu of a Presidential message, to make his suggestions direct to the Committee on Ways and Means. No such communication is pending covering the latest statement from the Treasury.

The statement of the Secretary of the Treasury made yesterday puts the Congress in the position of delaying the raising of necessary revenue. The announcement states that in addition to the amount provided by the pending tax bill $6,000,000,000 more must be raised. It leaves the impression that the Secretary of the Treasury has the means for raising this additional revenue, and it states very definitely that he is waiting to be called by the Congress to present his program. I resent the inference.

What the people of the country want now is the enactment of a tax bill that will give them knowledge of how much revenue must be provided and what their obligations are going to amount to. Any program the Secretary of the Treasury has in mind which is in addition to the bill now pending should be included, or it should be authorized by a supplemental measure with such reasonable promptness that the two laws may be considered as one. It is unfair to keep the people in suspense, especially those engaged in business and who handle necessary and important financial obligations.

The Secretary of the Treasury has been at fault in many of the delays incident to the enactment of tax legislation, and this in spite of the fact that he has been advocating taxation as a means of preventing inflation. All the experts agree that taxation is fundamental in the control of inflation and must be of considerable help in the performance of the stabilization program inaugurated last week. The Secretary of the Treasury should have been so diligent in his obligations to the country that a more complete financial program could have been made a part of the stabilization program. It is one of the seven points that the President emphasized.

Mr. TREADWAY. Mr. Speaker, will the gentleman yield?

Mr. McLEAN. I yield.

Mr. TREADWAY. Was any intimation given that there was to be another sum as large as the one proposed by this morning's press before the completion of the present bill?

Mr. McLEAN. So far as I know, the only intimation we ever had of that was what came this morning except that the Secretary has been constantly saying this bill would not produce enough and that we would have to have more, but how much more or when it would be necessary I believe he has never stated.

Mr. TREADWAY. Mr. Speaker, would the gentleman care to yield further?

Mr. McLEAN. I yield.

Mr. TREADWAY. Can the gentleman give us any explanation as to why there was a delay up to the 3d of March from last fall in bringing in the present recommendation by the Treasury?

Mr. McLEAN. I am not sufficiently in the confidence of the Treasury or the

Secretary to answer the gentleman's question definitely. All I do know is that from the latter part of the year until the 3d of March the Committee on Ways and Means was ready, prepared, and anxious to proceed with the tax program.

Mr. TREADWAY. And expecting to hear from the Treasury Department in reference to the recommendations of the Bureau?

Mr. McLEAN. That is the way I understand it.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. McLEAN. I yield.

Mr. CRAWFORD. When the gentleman used the expression "the proposal" or something along that line in the bill now being considered in the other body did he have in mind having the rates of what we may call "the addition" apply back to January 1, 1942, or would he have them take effect on January 1, 1943? Would the gentleman care to express himself on this point?

Mr. McLEAN. I have never believed that sound business or good judgment justified a retroactive tax, yet the practice has been to have many retroactive taxes. These are very unfair to the taxpayer. What the Secretary now has in mind he does not disclose. He says that he is willing to come as soon as "they are ready to receive us." If the Secretary of the Treasury, having knowledge that we need additional revenue, does not come to the Congress and make that fact known, he 's guilty of conduct akin to nonfeasance in office.

Mr. CRAWFORD. I think the gentleman's remarks in reference to making the complete approach a part of the stabilization plan is just as pertinent as anything could possibly be at this particular moment. I cannot understand why the Secretary of the Treasury failed to include that.

Mr. McLEAN. It should have been included before we embarked upon the stabilization program because as a result of any additional taxes that are enacted and were not in contemplation at that time the whole job of stabilization may have to be done all over again, as I understand the economics of the situation.

Mr. TREADWAY. The gentleman is in thorough accord with the idea that we should complete consideration of the present tax bill in the very near future and just as soon as the Senate passes the bill he would expect it to go to conference?

Mr. McLEAN. I am not only in entire accord with that but I am absolutely convinced, as the communications come to me indicate, that is the demand of the people of the country.

Mr. TREADWAY. I agree with the gentleman.

Mr. McLEAN. The people want the tax bill passed and they want it passed promptly. I do not advocate delay in the passage of that bill in order that the Secretary's new program may be included in it but I do offer the suggestion that it should be taken up immediately so that it can be done with reasonable continuity and considered as one and the same measure.

Mr. TREADWAY. Would it not be fair also for the Secretary of the Treasury to take the Congress into his confidence as to what he has in mind to raise the extra $6,000,000,000 on top of the present bill?

Mr. McLEAN. It is an obligation of the executive departments to bring to the Congress the needs of the Government. The Secretary of the Treasury knows our patriotic, hard-working, and able chairman of the Committee on Ways and Means. It so happens that he does not belong to my party; but if I understand his patriotism and his desires correctly, it is that all of the needs of the country should be provided for and provided promptly. I know that all the Secretary of the Treasury has to do, if he wants to come to the Congress and make known his new program, is to communicate with the chairman of the Committee on Ways and Means, and he will be quickly heard and intelligently listened to, and his program will be given full and prompt consideration.

Mr. BOEHNE. Will the gentleman yield?

Mr. McLEAN. I yield to the gentleman from Indiana [Mr. BOEHNE].

Mr. BOEHNE. I may say to the distinguished gentleman from New Jersey, a member of the committee, that there are many men on the committee and outside of the committee who are in perfect agreement with that particular thought.

Mr. TREADWAY. The gentleman has referred to the chairman of the Committee on Ways and Means. Has the gentleman in the course of his remarks brought in any reference to an alleged interview with that chairman in this morning's press?

Mr. McLEAN. I have not; no.

Mr. TREADWAY. It appears in the press this morning, I may say to the gentleman, that the chairman of the Committee on Ways and Means, the gentleman from North Carolina [Mr. DOUGHTON], did not approve of the remarks of the Secretary of the Treasury being printed before he knew about the subject matter himself.

Mr. McLEAN. Mr. Speaker, I address myself to this subject because the burden for progress in any future tax program that he has in mind rests upon the Secretary of the Treasury and because of my desire to direct the attention of the country to the fact that the Ways and Means Committee is ready and willing at all times to consider his proposals. If we need additional revenue, it is his duty to act now. The people want a tax bill enacted promptly, and we should provide in the pending bill or by a promptly enacted supplement to it all of the financing that may be needed for the period before us that we can reasonably contemplate.

[Here the gavel fell.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

FOR WHAT ARE WE FIGHTING?

Mr. HOFFMAN. Mr. Speaker, our people are asking two questions. For what are we fighting? When will this war end and the boys come home? The answer to the second depends upon the answer to the first. If the sole purpose of the fighting is to defeat our enemies, make our Nation and our armed forces so strong, efficient, and well-equipped that no enemy will dare attack us, then the war will be over, our men will return when victory is ours.

If the purpose of this war be to establish and maintain throughout the world the four freedoms and a form of government approved by certain groups advocating "Union Now"; then the war will stretch on indefinitely, and we will always have fighting men in other lands.

Are we fighting for the preservation of our Nation or are we fighting for social reform throughout the world? Those who furnish the material, the money, to carry on the war are entitled to an answer. The farmers who feed the civilian population and the armies are entitled to an answer. Those who do the fighting and the dying are entitled to an answer. The one hundred and thirty and more million people of these United States are entitled to an answer.

We once fought a war to end all wars, and it is now said we failed because we did not then go further, bring under our dominion all the enemies who then opposed us and impose upon all other governments and peoples a super-government of our own making.

No one can find fault with the desire to end throughout the world all strife, all war. The idea is not a new one. Christ preached "peace on earth, good will toward man," and Christians ever since have hoped and prayed and worked toward that end. Nor do I wish to be charged as one of little faith, but if Christ and Christianity over a period of almost 2,000 years has not brought world peace, I doubt the ability of the New Deal to bring about that desirable condition through the waging of another war.

It is quite true that we are a great people, rich in resources, prosperous and strong, but once before in the history of this old world of ours a people grew conceited, egotistical, thought they could bring the millennium. They gathered together, proposing to make all the peoples of one kin. They proposed to build a tower which would reach even unto heaven. But the Lord God did not approve of their proposal, and while prior to the beginning of their enterprise they had all spoken one tongue, he caused a confusion of tongues to come upon them, and the Tower of Babel was never completed.

There is still confusion of tongues throughout the world. There is more than a confusion of tongues among the New Dealers and here in Washington. There are still conflicting views, ideals, and objectives throughout the world. There are still different theories as to the best manner or method of social and economic life. There is little reason to believe that a world union of all people can be successfully organized under one form of government. "Love thy neighbor as thyself" is an ideal toward which we can all strive, but there is little reason to believe that the confusion of tongues created at the Tower of Babel can now be overcome and brotherly love be established throughout the world by the sword.

In a world whose history is a record of successive wars there is reason to doubt the success of a war to end war.

Perhaps some nation, perhaps some people will always want to exercise the freedom not only of speech but the freedom to fight when and where and with whom they will.

There is a saying among poultrymen that a man should not count his chickens before they are hatched. Foolish would be the bridge player who would make his bid while the cards are being shuffled. Foolish the farmer who would estimate his crop before the seed has begun to sprout.

Why not wait until the war has been won before dividing the earth's surface and people among the victors and determining the form of government which shall be given to all?

Our boys who have gone to the wars have gone, and they are fighting, for home and fireside, for the preservation of our national existence, for our own freedom from oppression of foes within or without. Distracting our attention and hampering and hindering the war effort are those who now advocate the surrender of our independence, the substitution for our Declaration of Independence of a declaration of interdependence upon other nations, the hauling down of the Stars and Stripes, the hoisting of an international flag.

DO NOT HAUL DOWN THE STARS AND STRIPES

Under that flag we have grown to national manhood. Generation after generation of American heroes have fought and died while it waved them on. To talk now of another flag, another form of government, but lessens the morale of our people.

During the past few years powerful political and financial groups have been advocating that at the end of this war—yes; even before the war has been won—we surrender our national independence and become subjected to the control and domination of other nations. One of these organizations is known as Federal Union, Inc. Another is World Fellowship, Inc. Both have for their objective the establishment of a superworld government. One wants the United States to become a part of the united states of the world. The other advocates we join and be a part of the united nations of the world. Full-page ads in eastern papers have been printed advocating the adoption of this scheme. One of those ads printed in the Washington Evening Star of January 5, 1942, reads, in part, as follows:

IN UNION NOW LIES POWER TO WIN THE WAR AND THE PEACE—A PETITION

That the President of the United States submit to Congress a program for forming a powerful union of free peoples to win the war, the peace, the future;

That this program unite our people, on the broad lines of our Constitution, with the people of Canada, the United Kingdom, Eire, Australia, New Zealand, and the Union of South Africa, together with such other free peoples, both in the Old World and the New, as may be found ready and able to unite on this federal basis;

We welcome President Roosevelt's conferences with Prime Minister Churchill and the "declaration of united nations."

* * * * *

Now the responsibility is ours either to create or defer too long that "common community or state" whose importance Mr. Churchill stressed in the Senate December 26.

Organizing the democracies effectively in a union need take no longer than organizing them in an ineffective alliance or supreme war council, and will safeguard their national rights far more securely and equally. There already exist carefully studied concrete plans for just the kind of emergency union that we need. These plans provide for representation responsible to the people and in proportion to self-governing population. They work out the details and assure the American people a majority in the union congress at the start.

THE SOVIET STATES HAVE A COMMON GOVERNMENT

Those who would pull down our flag and run up in its place the symbol of Union Now graciously tell us that, in the beginning, we are to have a majority vote in this new supergovernment. They fail to tell us that, shortly, outvoted by the more numerous peoples of Russia, the British Empire, China, India, and others, we would become but a vassal state.

We gain from the fact that all the Soviet republics are already united in one government, as are also all the Chinese-speaking people, once so divided. Surely we and they must agree that union now of the democracies wherever possible is equally to the general advantage.

Union Now advocates suggest—in fact, they insist—that we now accept, as full partners and as participants, not only in the carrying on of the war but in our domestic affairs, in our daily lives, the people of India, the people of China, in fact all the peoples of all the world. It may be that they are now our Allies but with that fact there exists no reason why in our domestic affairs or policies we should become intermingled. The advertisement continues:

Let us begin now a world united states.

30,000,000 AMERICANS FAVOR UNION

Thirty million American adults, according to the December Fortune survey, already believe the United States "after the war" should "join a union of democracies in all parts of the world to keep order."

The surest way to shorten and to win this war is also the surest way to guarantee to ourselves, and our friends and foes, that this war will end in a union of the free. The surest way to do all this is for us to start that union now.

What they demand is that we surrender our independence; forget the Declaration of Independence and substitute in its place a declaration of interdependence. Haul down the Stars and Stripes and run up the flag of Union Now. That is the plea these men are making.

On January 29, 1942, to me as to Members of the Senate and other Congressmen, from World Fellowship, Inc., came propaganda asking that I support a joint resolution to be offered on the President's birthday January 30, 1942, as, and I quote:

A present to Him, to us, to the world.

The word "him" is capitalized. A proposal for a birthday gift which the President should have lost no time in condemning.

That resolution proposed, as step 1, among other things:

That the Congress of the United States of America does hereby solemnly declare that all peoples of the earth should now be united in a commonwealth of nations to be known as the United Nations of the World, and to that end it hereby gives to the President of the United States of America all the needed authority and powers of every kind and description without limitations of any kind that are necessary in his sole and absolute discretion to set up and create the Federation of the World a world peace government under the title of the United Nations of the World, including its constitution and personnel and all other matters needed or appertaining thereto to the end that all nations of the world may by voluntary action become a part thereof under the same terms and conditions.

If you are an American citizen, willing to make the needed sacrifices to win this war, if you believe in the independence of our Nation, what do you think of this proposed grant of authority to the President of the United States to set up a united nations of the world? Why should Congress grant to the President of the United States power to create a new world government, United Nations of the World, of which we would be a part?

By what stretch of the imagination can it be assumed that we, the people of the United States, have the right, or, for that matter, the power to set up a world government entitled "United Nations of the World," and to write and prescribe a constitution and to pick the officers of such a government?

This proposed joint resolution contains this further provision:

There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the sum of $100,000,000 or so much thereof as may be necessary to be expended by the President in his sole and absolute discretion to effectuate the purposes of this joint resolution.

Consider this language. This organization asks, in this time of war, when every dollar is needed to support the Army, the Navy, and the air force, for an appropriation of $100,000,000 to be expended by the President of the United States, without accounting to anyone in any manner, for the purpose of establishing a United Nations of the World.

The resolution contains this further language, immediately following the foregoing:

And in addition the sum of $1,000,000,000 for the immediate use of the United Nations of the World under its constitution as set up and created by the President of the United States of America as provided in this joint resolution.

This drive to destroy our national independence has not ended. Day after day there comes to my office propaganda advocating that we before the war is won, and in any event after the war has been won, join in some kind of a superworld government wherein we would have but a part. Hitler and his allies are fighting to destroy our independence. Hitler is

fighting to establish a world supergovernment. We are fighting to prevent the accomplishment of that purpose. Why then should we here at home fail to oppose vigorously and to the limit of our power those who seek to destroy our national existence, subject us, in part at least, after the war is over, to the control of other nations?

Of late we have been hearing a great deal about the rebuilding of the war-torn countries of Europe when the war is over. Vice President WALLACE it was who advocated the policy of the American farmer furnishing a pint or was it a quart of milk a day to every inhabitant of the world. Already planning boards in Washington are devising ways and means of spending the American taxpayers' money in the rehabilitation of the war-destroyed lands and cities. Already young men in Federal service are being instructed in the art of governing and setting up governments in the lands we are to conquer and to occupy. Already we have been told that this war will not end, that our men are not coming home when the victory has been won, but that when victory comes we shall then have not a treaty of peace but an armistice during which we must police the conquered countries. An armistice of uncertain duration. An armistice which shall last until we have established in the conquered lands the four freedoms. We are being told that while this armistice lasts, while we are establishing these four freedoms and making the people to whom we have given these four freedoms like it, our armed forces shall remain and those countries shall be policed by American boys.

A world conquest, is it not? A dream wherein we and those in charge of our Government acting alone, or perhaps in conjunction with officials of other governments, shall establish and shall maintain a world dictatorship under the more agreeable name of United States of the World or United Nations of the World.

Are we fighting to maintain our national independence? Are we fighting to win a victory and to make ourselves a nation secure from all enemies, or are we fighting to establish a supergovernment under which the United States of America shall be not only the arsenal of democracy but the treasury of the world, the granary of the people of the world, the food reservoir of the world, where the taxpayers of the United States of America shall furnish the money for international armies, for international boondoggling?

Win this war we must, but we should remember the truth of the saying, "For what shall it profit a man, if he shall gain the whole world, and lose his own soul?" What shall we have gained, if, after we have won this war, we have sacrificed our national existence, put at the mercy of a population which far outnumbers us, and will outvote us, the existence of the four freedoms of our constitutional government?

Let us do our utmost to support our fighting men. Let us do our utmost to defeat our enemies. Let us assert our every effort to preserve our independence, our national existence. Let us win the war—a complete and final victory—then bring the boys home to rebuild their lives and fortunes, our national life, here make secure the citadel of freedom. Let us follow the practical course of fighting a war, winning a war, making ourselves so strong, so powerful, that no enemy—no combination of enemies—will dare attack us or interfere with our national policies.

The SPEAKER pro tempore. Under a previous order of the House, the Chair recognizes the gentleman from New York [Mr. DICKSTEIN] for 15 minutes.

Mr. TREADWAY. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Massachusetts.

PERMISSION TO ADDRESS THE HOUSE

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. TREADWAY]?

There was no objection.

Mr. TREADWAY. Mr. Speaker, I appreciate the courtesy of the gentleman from New York [Mr. DICKSTEIN].

Mr. Speaker, in the course of his remarks a few minutes ago the gentleman from New Jersey [Mr. MCLEAN] said he had not quoted the remarks made by the chairman of the Ways and Means Committee when this announcement was made yesterday by Secretary Morgenthau in reference to the new $6,000,000,000 tax bill.

I hold in my hand a press account quoting the remarks made by the gentleman from North Carolina [Mr. DOUGHTON], and I read as follows:

Representative DOUGHTON, Democrat, of North Carolina, chairman of the House Ways and Means Committee, said:

"I'm a little surprised that the Secretary has taken up his tax program in the press before taking it up with me. Of course, if the Treasury lays down a concrete proposal we'll consider it."

DOUGHTON was asked how long it might take to work out a new bill. He returned a snappish answer.

"We aren't a group of bureaucrats who can just put a tax bill together and dish it out to the country," he said.

[Here the gavel fell.]

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York [Mr. DICKSTEIN] for 15 minutes.

ENEMY ALIENS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and include therein certain excerpts from a newspaper on the drive to sell war bonds.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, much has been said in this country about enemy aliens. I think it is poor policy to charge every alien with being an enemy. I recall that in the last war the persons we designated as enemy aliens were those whom we refused to accept in the armed forces of the United States, or such aliens as were in our opinion and in the opinion of the War Department dangerous to our Army, Navy, and Marine Corps.

The term "enemy aliens" has now spread throughout the country, and some law-abiding aliens through no fault of their own—just because of the country of their birth—are penalized. They are forced to change their whole mode of life and have to go to bed by 7 or 8 o'clock as they are not allowed to be out on the street after that time. I do not believe that is a very healthy state of affairs for this country.

For instance, there are a number of very fine people of Italian and German ancestry born in this country, whose parents are still aliens. Since the war began, Il Progresso Italo-Americano, a newspaper published in both Italian and English, and Corriere D'America, have campaigned 100 percent for the Allies and have been responsible for selling among their subscribers—many of whom are technically enemy aliens—almost $4,000,000 worth of bonds. The editor of Il Progresso, Generoso Pope, last Wednesday called a number of people of Italian blood together and in less than 20 minutes they sold $2,500,000 worth of bonds.

ROLL OF HONOR OF MEN WHO BOUGHT AND PLEDGED TO BUY WAR BONDS AT RALLY

The following is a list of the businessmen and associates of Mr. Generoso Pope who attended the party he gave at the Hotel Biltmore during the week, and who pledged and bought more than $2,000,000 worth of War Bonds. This list does not include the previous amount published through the columns of this newspaper for the past several months. The final total shows only the total reached at Mr. Pope's party.

In our next week's issue we will continue publication of the names and the amount of purchase of all those individuals, groups, associations, clubs, and organizations who are buying War bonds and stamps. Last week's total showed that this newspaper had reached $2,817,387.50. Today's total of over $2,000,000 is in addition to the latter figure.

Buy your War Bonds and Stamps today—help America win this war and thereby help yourself, your family, and your future. Join the roll of honor. Send us your name and the amount of War Bonds you have bought or pledged and we will be glad to publish it.

Generoso Pope	$100,000
G. Pope Industries	100,000
Employees of Il Progresso, Il Corriere d'America & Bonds purchased through both newspapers	423,100
Employees of Colonial Sand & Stone, Co., Inc	145,500
Italian Benevolent Institute	150,000
B. Turecamo	100,000
Charles Vachris	75,000
Tully & DiNapoli, Inc., Employees	50,000
G. Schimenti	30,000
Daniel Scocozza, Consolidated Carting Co	30,000
Saul L. Epstein	30,000
Dr. Sante Piracci	25,000
Frank Pagliaro	25,000
Mitchell Paper Stock Co	25,000
Arc Electric Construction Co., Inc., C. Rao, president	25,000
Knickerbocker Fireproofing Co., Inc., Knickerbocker Concrete Arch Construction Co., Inc	25,000
Henry Fried	25,000
Metropolitan News Co	25,000
Joseph C. Lembo	20,000
Frank Mascali	15,000

Harry Lieberwitz	$15,000
Edwin L. Keating	15,000
Concrete Steel & Wire Co., Inc., Wm. F. LaMorte	15,000
Fireproof Products Co., Inc., Wm. F. LaMorte	15,000
Louis P. Barba	10,000
Lido Belli	10,000
Anthony Campagna	10,000
Consolidated Haulage Corporation	10,000
George Fried	10,000
Jacob I. Goodstein	10,000
Anthony Grace	10,000
Charles Hertzig	10,000
M. M. Hirson	10,000
Charles Mascali	10,000
Philip Melvin	10,000
Ralph A. Meola	10,000
Barney Monte	10,000
Thomas Morell	10,000
Ernest Muccini	10,000
August Nicoletti	10,000
Frank Pacifico	10,000
Vito Picone	10,000
Michael A. Scaturchio	10,000
William Tomasello	10,000
Rocco A. Jacovina	10,000
J. Cahill	8,000
Paul Alfieri	5,000
Joseph Ammirati	5,000
Peter Arcamone	5,000
E. Bishop	5,000
Frank B. Carbone	5,000
Gaspare M. Cusumano	5,000
C. D'Agostino	5,000
Daniel D'Andrea	5,000
Mark D'Andrea	5,000
Pasquale Dario and Irving Klein	5,000
Michael DeBiasio	5,000
Samuel DiFalco	5,000
Di Falco, Field & DiGiovanna	5,000
A. DiGiovanna	5,000
Vincent DiNapoli	5,000
Arturo Egitto, secretary N. U. I. A.	5,000
I. C. Falbo	5,000
Frank Garofalo and friend	5,000
Philip Giordano	5,000
Vincent Giordano	5,000
J. M. Hoffman	5,000
Michael R. Iorio	5,000
Samuel Kaufman	5,000
Frank L. Kelly	5,000
William F. LaMorte	5,000
Angelo A. Mastrangelo	5,000
Gus Micheleto	5,000
Durando Miller	5,000
Charles J. Morrello	5,000
Salvatore Naclerio	5,000
Angelo Napoli	5,000
New York Cinders	5,000
Gilbert Paneth	5,000
Henry Paul	5,000
Charles Pavarini	5,000
Louis Petrillo	5,000
Strong Mix Co., Inc., employees	5,000
Jos. Sulton	5,000
Edmund Tully	5,000
Samuel Weinberg	5,000
Dr. Joseph LiBassi	5,000
Ira Drazin	5,000
V. Foscat, Inc	5,000
Joseph Mascioli	5,000
Paul P. Rao	5,000
Mario Galletta	5,000
Vincenzo Rossini	5,000
Frederick Starr	5,000
V. Mandese	5,000
A. J. Neiss	5,000
Catherine G. Cahill	4,000
Louis Barnett	2,500
D. R. Belsole	2,500
Hon. S. Dickstein	2,500
Nicholas DiMenna & Sons	2,500
Robert A. Doncourt	2,500
Tim McGlynn	2,500
D. Pasquariello	2,500
L. Azzarone	2,000
Joseph Formica	2,000
A. Bartolotta, Barnaby Concrete Corporation	1,000
Dominick Boracci	$1,000
Briguglio & Gaddy, Inc	1,000
Joseph Cippolone	1,000
A. Loewentheil	1,000
Michael Mascali	1,000
Nicholas Minier	1,000
A. Mitchell	1,000
Salvotore M. Pino	1,000
Nicholas H. Pinto	1,000
Edward Ponis	1,000
Michael Stramiello	1,000
Nicholas Trabucci	1,000
Joseph Pirozzi	500
Mary Cosgrove	250
Total	2,010,910

I want to congratulate Mr. Pope and his newspapers for the fine campaign they put on. The result was very gratifying.

Mr. Speaker, no doubt we are all acquainted with the fact that there are more than 500,000 American soldiers of Italian origin in the armed forces of the United States. I have made a check, and I find that of this number approximately 75,000 have parents who are not yet citizens. Under the present law the parents of these boys in our armed forces are classified as enemy aliens. In some instances a parent may have two, or three, or more sons in the armed forces of the United States, yet despite the fact that he has been here many years he is labeled an enemy alien and, if he happens to be in an area like California, has to keep off the streets after 7 o'clock and stay home with the lights out until the following dawn, when he again may appear on the streets. I say such a penalty is unjust and not warranted, and is not conducive to unity in this country. It seems to me the Department of Justice should do something about that situation.

I attempted to have a study made by my Committee on Immigration and Naturalization to bring about a segregation of the good and bad aliens. I brought this resolution to the floor on the 18th of June. To my great amazement and surprise, the gentleman from Mississippi, who seems to see red every time the word "alien" is mentioned, started a filibuster and convinced almost 200 Members of Congress that that should not be done, as it would open the door to new immigrants. Of course, there was absolutely no basis for such a statement, but he succeeded in confusing the issue and the resolution was defeated. I saw some of my own friends on this floor vote with the gentleman from Mississippi. This action deprived my committee, which is responsible for the laws dealing with naturalization, of an opportunity to make that study.

We have a lot of bad aliens in this country but we also have a great number of good aliens. The purpose of that resolution was to determine by legislation not by Executive order, just who are the good aliens, and to do away with a lot of red tape that now entangles these fine people whose sons and daughters are fighting for our freedom.

I recall that that vote was about 200 to 98.

The committee proposed further to determine the question of dual nationality. There are thousands of citizens today who hold certificates of citizenship but some of them have no right to such certificates. I am glad that the Attorney General, Mr. Biddle, has finally adopted a policy, which I think will help greatly, of canceling the citizenship papers of all bundists who were members of the bund in the last several years. Their numbers run into many thousands, perhaps 100,000 or 200,000. They are people who have come to this country in the last 10 years and obtained their citizenship papers solely for the purpose of protection and not for the purpose of becoming part of our country.

When our committee brought up the resolution I mentioned we were hopeful that we would be able to study all of these problems and propose some legislation to Congress to protect our soldier boys in our armed forces from the poison that is being spread throughout this country by a lot of so-called citizens who, in our opinion, should be deprived of their citizenship.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman.

Mr. EDWIN ARTHUR HALL. I want to say in connection with the gentleman's statement about parents who have boys in the service but are looked upon as aliens, I think that is an intolerable situation, and as asinine a situation as could possibly be realized, and I am in hearty agreement with the gentleman's position in that respect.

Mr. DICKSTEIN. I thank the gentleman for his contribution.

It would be in keeping with the finest traditions of American legislation if we saw fit to finally segregate the bad alien from the good alien and to give the good alien an opportunity to become a citizen without too much red tape. It is almost impossible for many a law-abiding alien to become a citizen today because of the difficult questions propounded. In addition to their difficulty there is no uniformity in these questions and it is up to the various judges to determine who is qualified. There ought to be a more uniform system of naturalization requirements. So, Mr. Speaker, it seems to me that in this time of stress and in this time of need for cooperation between all factions in this country, we ought to remove this stigma from persons who are in this country legally, but have been labeled "enemy aliens" when in truth and in fact some of them, I know, are just as loyal as many of us here today. Not only have they sons and daughters in the service, but they themselves are doing everything in their power to help us win this war. They are buying all the bonds they can scrape up money for and yet we have them labeled as "enemy aliens."

I say to you, Mr. Speaker, we must protect our democratic way of life at the home front. We must know everyone who is helping those who are trying to destroy us, but if we want peace in this country and cooperation from all factions, we cannot segregate and pick on any particular group of people by calling them enemy aliens or bad aliens. If they are bad we ought to remove them from our cities and States and we ought to put them where they will harm no one, but there are millions of aliens who by reason of certain conditions cannot

become citizens, but whose children were born here and are now fighting, and some of them dying, in defense of this country. Yet we so label a mother who has brought up four or five children in this country, because she had no opportunity to go to school and answer all these questions asked in the courts, because she had to work day and night to bring up these children so that democracy might survive and so she could give her sons to this country. We label her as an enemy alien, and as I pointed out in the beginning of my remarks, in some sections of the country such an alien is not allowed to leave his house after 7 or 8 o'clock at night or otherwise he will be arrested as an enemy alien.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. RABAUT. I read a newspaper article yesterday about a woman in Pennsylvania who is classified as an alien, although her husband is a citizen and she has given six boys to the war. She has tried, two or three times, to acquire citizenship and she cannot do so on account of a lack of understanding of certain things, but what was in her heart was certainly demonstrated by the fact that she has given these boys to the service and she also said, "I have one more son and I am going to see if he will not go; maybe, then, they will make me a citizen."

Mr. DICKSTEIN. I am very grateful to my colleague for that splendid contribution. I think that is the sentiment of every American, and that was the sentiment of our committee when we brought up our resolution. I am sure we could have done a great job if you would have given us the necessary authority. But it is not too late yet if this Congress is willing to cooperate in remedying this unjust situation.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include a newspaper article and other extraneous comments.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include an editorial from a Brooklyn newspaper.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DEWEY] may extend his own remarks in the RECORD on the pending legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to insert as a part of my remarks this afternoon a list of the subscribers to the War bonds at this Italian dinner last Wednesday.

The SPEAKER pro tempore. Is there objection?

There was no objection.

THE POLL TAX

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and revise and extend my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HOBBS. Mr. Speaker, yesterday Senator O'MAHONEY introduced Senate Joint Resolution 164, relating to the qualifications of voters. This is the time-honored, this is the right way, this is the considerate way for Americans in Congress assembled to legislate. This is the way that has become approved by repeated use with reference to removing disqualifications to vote, and it is the way that the Constitution itself provides. We of the opposition have no quarrel with any man who would support the submission of such a constitutional amendment, for it is his inalienable right to do so, if after due consideration he determines that he should. But on the same issue, as presented by the anti-poll-tax bills, we are oath-bound to support and maintain the Constitution of the United States, and therefore we debase ourselves when we ignore or override the Constitution, which leaves the fixing of qualifications for voting to the States exclusively.

Senator O'MAHONEY has taken the first step in the only right way for all who would kill the poll tax. I cannot follow his leadership in this instance, but I applaud and commend him for this demonstration of it.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an interesting news item relating to 14 young men who enlisted in the Marine Corps, in my district.

The SPEAKER pro tempore. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HANCOCK, on account of illness.

ENROLLED BILLS SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5719. An act to abolish the Guilford Courthouse National Military Park Commission, and for other purposes;

H. R. 6601. An act to reorganize the system of land offices and land districts in Alaska; and

H. R. 7152. An act to amend the Nationality Act of 1940 to preserve the nationality of citizens residing abroad.

BILL PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on Friday, October 2, 1942, present to the President, for his approval, a bill of the House of the following title:

H. R. 7565. An act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 53 minutes p. m.) the House adjourned until tomorrow, Wednesday, October 7, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

The Committee on World War Veterans' Legislation will hold an executive session on Wednesday, October 7, 1942, at 10 a. m., in the committee room, 356 House Office Building.

COMMITTEE ON THE JUDICIARY

The Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary will conduct hearings on H. R. 7356, to amend section 75 (a) of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, at 10 a. m., on Friday, October 9, 1942, room 346, House Office Building.

COMMITTEE ON PATENTS

The Committee on Patents of the House of Representatives will hold hearings beginning Tuesday, October 13, 1942, at 10 a. m., in the committee room, 1015 House Office Building, on H. R. 7620, a bill to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

1957. Under clause 2 of rule XXIV, a letter from the Archivist of the United States, transmitting a list of papers recommended to him for disposal by certain agencies of the Federal Government, was taken from the Speaker's table and referred to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FULMER: Committee on Agriculture. S. 2775. An act to amend the act of March 5, 1942, relating to the planting of guayule and other rubber-bearing plants; with amendment (Rept. No. 2517). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COSTELLO:

H. R. 7659 (by request). A bill to give wartime rank to retired officers of the military and naval forces; to the Committee on Military Affairs.

By Mr. LANE:

H. R. 7660. A bill to amend the Social Security Act, as amended, to restrict the residence requirements that a State may impose as a condition of eligibility for old-age assistance under a State plan for old-age assistance; to the Committee on Ways and Means.

By Mr. RANKIN of Mississippi:

H. R. 7661. A bill to amend title I of Public Law No. 2, Seventy-third Congress, March 20, 1933, and the veterans regulations to provide for rehabilitation of disabled veterans, and for other purposes; to the Committee on World War Veterans' Legislation.

H. R. 7662. A bill to provide for vocational rehabilitation and the return to civil employment of certain persons disabled under circumstances entitling them after discharge or separation from the military or naval forces of the United States to a pension or retirement pay; to the Committee on World War Veterans' Legislation.

By Mr. JOHNSON of Oklahoma:

H. R. 7663. A bill to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; to the Committee on Military Affairs.

By Mr. LANE:

H. R. 7664. A bill to confer the same rights, privileges, and benefits upon members of the merchant marine who serve after September 26, 1941, and during the present war as are conferred upon members of the armed forces of the United States who serve during the present war; to the Committee on the Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. STEVENSON:

H. R. 7665. A bill granting a pension to Amanda M. Evert; to the Committee on Invalid Pensions.

By Mr. LELAND M. FORD:

H. R. 7666. A bill for the relief of Cecil Ray Murphy; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3360. By Mr. KRAMER: Petition of the League of California Cities, voicing opposition to the taxation by the Federal Government of the income derived from State and local securities either as to outstanding or future issues; to the Committee on Ways and Means.

3361. By Mr. SPRINGER: Petition of 130 citizens, representing more than 60 counties in the State of Indiana, urging the support of all Indiana Members in Congress for House bill 7432 or Senate bill 2690, for the purpose of establishing a Pharmacy Corps in the Army of the United States; to the Committee on Military Affairs.

SENATE

WEDNESDAY, OCTOBER 7, 1942

(Legislative day of Monday, October 5, 1942)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Harry L. Bell, minister, Columbia Heights Christian Church, Washington, D. C., offered the following prayer:

Thy Word, O God, is a lamp unto our feet and light upon our pathway. Today we are conscious of the need of that light. We are gathered in this bright room, the sun is high in the heavens, yet how dark is our world! All the good things for which we have prayed and worked, in which we have steadfastly believed, seem to be lost in darkness. We are groping our way. As the little child in the midnight darkness finds reassurance and strength, reaching out and touching the hand of father or mother, may we be strengthened as through the dark we reach and find Thy hand.

Let not the light of our faith be extinguished! Keep it burning brightly in our hearts, our homes, our Nation, the world. Though the moral world of righteousness, love, and brotherhood seems to be blacked out, keep the pilot light of Thy truth and good will burning in our hearts. And when the night is done, when the carnage is over and morning dawns, establish Thy rule in every land.

Bless, Thou, the deliberations of this body this day and not only this day but through every day, that Thy will may be done in our hearts as it is in heaven above. In His name we pray. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday October 6, 1942, was dispensed with, and the Journal was approved.

TRANSPORTATION OF DEPENDENTS AND HOUSEHOLD EFFECTS OF CERTAIN PERSONNEL

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2679) to authorize the transportation of dependents and household effects of personnel of the Navy, Marine Corps, Coast Guard, and Coast and Geodetic Survey, incident to secret or confidential orders, and for other purposes, which were, to strike out all after the enacting clause over to and including "expense.", in line 20, page 2, and insert "That officers and enlisted men of the Navy, Marine Corps, and Coast Guard, and the reserve components thereof when on active duty, of grades entitling them to transportation of dependents and household effects on change of stations, ordered to or from duty under secret or confidential orders or orders from which the names or locations of the ships or stations involved are omitted for reasons of security shall, upon application of such personnel or their dependents, be entitled to transportation for their dependents and household effects, including packing, crating, and unpacking thereof, from their stations or places of storage in the United States to any other points in the United States, and from such points to new stations in the United States to which such personnel may be subsequently ordered for duty, under such regulations as the Secretary of the Navy may prescribe: *Provided*, That the wives of such personnel, or such other responsible persons as may be designated by the officials named in the next following proviso, may execute such certificates as may be required and which are filed with, and relate to, vouchers in connection with the transportation of dependents or household effects: *Provided further*, That in lieu of copies of orders to or from duty under secret or confidential orders or orders from which the names or locations of the ships or stations involved are omitted for reasons of security, a certification of the Chief of Naval Personnel, Commandant of the Marine Corps, Commandant of the Coast Guard, or such subordinates as they may designate, that the personnel concerned have been so ordered shall constitute authority for the payment of mileage and for the transportation of dependents and household effects authorized herein, and any certificate or certification authorized by this act shall be final and conclusive upon the accounting officers of the Government: *And provided further*, That under such regulations as the Secretary of the Navy may prescribe, claims for reimbursement may be submitted by and payments made to personnel concerned or their dependents for any authorized travel performed by dependents at their own expense."

And on page 2, lines 21 and 22, to strike out "December 8, 1941" and insert "October 1, 1940."

Mr. WALSH. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

NATIONAL SERVICE LIFE INSURANCE FOR CERTAIN AVIATION CADETS AND STUDENTS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2275) to amend section 10 of Public, No. 360, Seventy-seventh Congress, to grant national service life insurance in the cases of certain Army flying cadets and aviation students who died as the result of aviation accident in line of duty between October 8, 1940, and June 3, 1941, which were, on page 2, line 1, to strike out "Air Corps", and insert "Navy or."

Amend the title so as to read: "An act to amend section 10 of Public, No. 360, Seventy-seventh Congress, to grant national service life insurance in the cases of certain Navy or Army flying cadets and aviation students who died as the result of aviation accident in line of duty between October 8, 1940, and June 3, 1941."

Mr. CLARK of Missouri. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Butler	George
Bailey	Byrd	Gerry
Ball	Capper	Gillette
Bankhead	Caraway	Green
Barbour	Chandler	Guffey
Barkley	Chavez	Gurney
Bilbo	Clark, Idaho	Hatch
Bone	Clark, Mo.	Hayden
Brewster	Connally	Herring
Brooks	Danaher	Hill
Brown	Davis	Holman
Bulow	Downey	Johnson, Calif.
Bunker	Doxey	Johnson, Colo.
Burton	Ellender	Kilgore

La Follette	O'Daniel	Thomas, Okla.
Langer	O'Mahoney	Thomas, Utah
Lee	Overton	Truman
Lodge	Pepper	Tunnell
Lucas	Radcliffe	Tydings
McCarran	Reed	Vandenberg
McFarland	Reynolds	Van Nuys
McKellar	Rosier	Wagner
McNary	Schwartz	Wallgren
Maloney	Shipstead	Walsh
Maybank	Smathers	Wheeler
Millikin	Smith	White
Murdock	Spencer	Wiley
Murray	Stewart	Willis
Norris	Taft	
Nye	Thomas, Idaho	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from New York [Mr. MEAD], and the Senator from Georgia [Mr. RUSSELL] are necessarily absent.

Mr. McNARY. The following Senators are necessarily absent:

The Senator from Vermont [Mr. AUSTIN] and the Senator from New Hampshire [Mr. BRIDGES].

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PURCHASE OF LOGS, LUMBER, AND OTHER FOREST PRODUCTS

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to authorize the Secretary of the Interior to purchase logs, lumber, and other forest products (with an accompanying paper); to the Committee on Indian Affairs.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Departments of War, Navy, Interior (5), and Agriculture (17); administrative office of the United States courts, The National Archives, and Federal Trade Commission which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking toward their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

REPORT OF THE COMMITTEE ON NAVAL AFFAIRS

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (H. R. 7577) to amend the act approved July 24, 1941 (34 U. S. C., Supp. I, 350f), so as to adjust the pay status of enlisted personnel appointed to commissioned rank for temporary service, and for other purposes, reported it without amendment and submitted a report (No. 1633) thereon.

RECOMMITTAL AND REPORT OF A BILL—DEFINITION OF REAL PROPERTY EXEMPT FROM TAXATION IN THE DISTRICT

On motion by Mr. McCARRAN, the bill (S. 2804) to define the real property exempt from taxation in the District of Columbia, was recommitted to the Committee on the District of Columbia; and, subsequently, Mr. McCARRAN, from the Committee on the District of Columbia, to which the foregoing bill was recommitted, reported it with additional amendments and submitted a report (No. 1634) thereon.

BILLS AND A JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GREEN:

S. 2831. A bill permitting the naturalization of certain persons not citizens whose husbands, sons, or daughters have served with the land or naval forces of the United States; to the Committee on Immigration.

By Mr. CLARK of Missouri:

S. 2832. A bill to amend Veterans Regulation No. 10, as amended;

S. 2833. A bill to amend Veterans Regulation No. 10, as amended, and for other purposes; and

S. 2834. A bill to define misconduct, for compensation and pension purposes, as limited to felonious misconduct; to the Committee on Finance.

By Mr. BAILEY:

S. 2835. A bill authorizing the temporary appointment or advancement of commissioned officers of the Coast and Geodetic Survey in time of war or national emergency, and for other purposes; to the Committee on Commerce.

(Mr. JOHNSON of Colorado introduced Senate bill 2836, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

(Mr. THOMAS of Utah introduced S. J. Res. 165, which was referred to the Committee on the Library, and appears under a separate heading.)

CONTINUATION OF PAY OF PERSONS IN THE ARMED FORCES FOR 6 MONTHS AFTER TERMINATION OF THE WAR

Mr. JOHNSON of Colorado. Mr. President, I have the honor to ask consent to introduce for appropriate reference a bill to continue the pay of persons serving in the armed forces of the United States for 6 months after the termination of the present conflict. I am glad to say that the three great service organizations—the D. A. V., the V. F. W., and the American Legion—are in complete agreement on this measure.

There being no objection, the bill (S. 2836) to continue the pay of all persons serving in the armed forces of the United States for 6 months after the termination of the present conflict was read twice by its title and referred to the Committee on Military Affairs.

MONUMENT TO SUN YAT-SEN, FIRST PROVISIONAL PRESIDENT OF THE CHINESE REPUBLIC

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to introduce a joint resolution for appropriate reference, and also that an accompanying statement be printed in the RECORD in connection with the resolution.

The VICE PRESIDENT. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered.

The joint resolution (S. J. Res. 165) to authorize the erection of a monument to Sun Yat-sen was read twice by its title and referred to the Committee on the Library.

The statement presented by Mr. THOMAS of Utah is as follows:

October 10 is a day important in China; and because China is important in the life and plans of every American, the day is important for us in the United States also.

Just as we look back to July 4, 1776, as the symbolic beginning of the United States of America, so China looks back to October 10, 1911, as the symbolic beginning of the Chinese Republic.

And as we look back to George Washington as the father of our country, so today, 450,000,000 Chinese people look back on Sun Yat-sen as the father of their nation.

Because of the spiritual kinship of Sun Yat-sen and his philosophy of democracy with our own democratic ideals, and because of the similarity of the struggle of China to achieve a republic with our own struggle nearly two centuries ago, it is my belief that Sun Yat-sen should become increasingly known in American life, a figure whose inspiration, wisdom, courage, and achievements should serve as an example and stimulus to every American, young and old.

As a token of the esteem in which he is held, I believe it fitting and valuable that here in the Nation's Capital we should have, in some public place, an enduring mark of that esteem. I have therefore introduced today a resolution providing for the erection of a statue of Sun Yat-sen, to stand with the statues of other great leaders and to be a living reminder of the contribution of Dr. Sun to democracy.

I appreciate that during the fighting of the war there may be a justifiable delay in the actual erection of this statue in order that every immediate physical effort in our Nation be dedicated to creating the materials to winning the war for China as well as for ourselves. But I believe that this anniversary of the birth of the Chinese Republic, which finds us for the first time linked in active partnership with our sister republic is an appropriate occasion for the Congress of the United States to determine upon this tribute, so that at some early future day the provision now on paper may become a reality in marble.

To many of us in the United States there is something a little strange about the customs and the living habits, as well as the problems of China. But these are not nearly as strange as are the customs, living habits, and problems of the people of the United States at the time in its history comparable to this time in Chinese history. Were we to be transported to the United States in the year 1807, we would feel very strange indeed in rubbing shoulders with the Americans of that time. Yet in 1807 the United States had existed exactly as long as the Chinese Republic has existed today. And once the outer strangeness of mingling with the Americans of 1807 had worn off, we would find the basic sameness in ideals and in democratic goals which Americans find today when they contemplate the ideals and goals of the Chinese people. I had occasion to say in the Senate, on the occasion of the anniversary of the death of Sun Yat-sen last March that "I am not alone in believing in this time of war crisis that our country would have been better off during the last generation if our schools had taught our growing citizens a great deal more than they did about the Eastern Hemisphere. Had our people, for example, been more familiar with the designs of the war lords of Japan, with the pattern of militarism and unswerving loyalty to the ideals of conquest, subjugation, and ruthless despotism, our Nation would undoubtedly have followed our leaders more wholeheartedly in steps to prevent what is now happening in the Pacific.

"Moreover, had our people become more familiar with the magnificent rebirth of China, with its epoch-making turn to political democracy under the leadership of Sun Yat-sen, our national realization of the bonds linking us to China would have led us into far greater support and encouragement than we gave, and into far more active collaboration in helping that great new Republic to repel the barbarous invaders from Tokyo."

I said also upon that occasion: "Sun Yat-sen is bound to remain in history as one of the great who has contributed to the advancement of the welfare of mankind. Sun Yat-sen's formula, the Three Peoples' Principles, constitutes a program to bring forth a united China, a democratic China, and a Chinese government established to promote the welfare of the people of China.

"Persons wonder why it is that China and the United States are such natural allies. Have we not in the Three Peoples' Principles, a restatement of the objectives of our founding fathers when they established our Union?

"The Thirteen Colonies were brought together to make a strong government. This marked the birth of the American Nation. The republican form of government was guaranteed to all of the States in the Union. That constituted America's guaranty of democracy. And the Constitution provides for the general welfare of the people.

"Thus China and America are natural allies in the attainment of liberty for persons and a government of the people which will act as the peoples' agent. The importance of China's position in the present war to save democracy cannot be overemphasized. Her fight and ours are indeed identical."

But October 10 has a double significance for the Chinese people. Because of the vicissitudes and struggles to establish the Republic in the years following 1911, the revolutionary principles of democracy and the unification of China were not fully accomplished. But in 1928 came what is termed the second revolution, which brought forth the present Government of China under the leadership of Generalissimo Chiang Kai-shek. And October 10 stands as the symbolic date of the establishment of that Government which today is standing firm against Japan, not only for her own salvation but for the salvation of all the United Nations. It is appropriate, therefore, that in celebrating the holiday tomorrow, which is the tenth in China, we pay a tribute to the great Generalissimo and to his accomplishments for his Nation and for ours. A heroic figure, cast in the mold of greatness, he has led his Nation through travails of ruthless invasion, of superior force, of attempts at conquest, and has emerged with a nation unified as never before and grown stronger day by day.

I look forward to the day when the multitudes of Americans who make pilgrimages to the city of Washington will have the experience of standing before the statue of Sun Yat-sen which is provided for in the bill which I have introduced, and standing before that statue, will feel a thrill of excitement and of affection for what that statue symbolizes.

AMENDMENTS TO THE REVENUE ACT OF 1942

Mr. BUTLER submitted an amendment, and Mr. McKELLAR and Mr. SMITH each submitted several amendments intended to be proposed by them, respectively, to the bill (H. R. 7378) to provide revenue, and for other purposes, which were severally ordered to lie on the table and to be printed.

Mr. BURTON. Mr. President, I submit an amendment to section 112 of the pending bill (H. R. 7378) to provide revenue, and for other purposes, and ask that it be printed, and lie on the table if we do not reach this section today, but I shall call up the amendment if we do reach the section affected today.

The VICE PRESIDENT. The amendment submitted by the Senator from Ohio will lie on the table and be printed.

ADDRESS BY SENATOR AUSTIN ON THE SENATE'S SHARE IN FORMULATION OF FOREIGN POLICY.

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD an address on the subject of the Senate's share in formulation of foreign policy, delivered by him at the annual forum of the Foreign Policy Association, Inc., New York, October 3, 1942, which appears in the Appendix.]

STATEMENT BY PETROLEUM COORDINATOR ICKES ON THE PROBLEM OF PETROLEUM PRODUCTION

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD a statement on the problem of petroleum production, made by Hon. Harold L. Ickes before the war minerals subcommittee of the Senate Committee on Public Lands and Surveys, on October 7, 1942, which appears in the Appendix.]

MANPOWER IN THE WAR—ARTICLE BY SAMUEL GRAFTON

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an article on the use of manpower in the war written by Samuel Grafton, and published in the Washington Star of Tuesday, October 6, 1942, which appears in the Appendix.]

FLIGHT BY LIEUTENANT GENERAL ARNOLD FROM AUSTRALIA TO BOLLING FIELD

Mr. BUNKER. Mr. President, last Friday afternoon at 4:15 o'clock Lt. Gen. Henry H. Arnold, Chief of the Army Air Forces, whose career in military aviation dates back more than 30 years, landed at Bolling Field, D. C., 77 hours and 14 minutes after he left Brisbane, Australia. He and his crew traversed the distance to San Francisco in less time than it had ever before been traveled by man.

The landing here, fittingly, was on the twenty-fifth anniversary of the founding of Bolling Field, one of the oldest Army airfields in America.

General Arnold was awarded the Distinguished Service Medal and members of his crew were presented with the Air Medal, properly and promptly.

The incidents of that day, as recorded by the press and radio, are reassuring. They denote America's efficiency in the air. They bespeak the kind of leadership in which the American people can have confidence.

In General Arnold we find an officer who shares the hazards and risks of war right along with his men—an officer quick to share the glories of accomplishment with his subordinates.

After a 22,000-mile tour of the Pacific theater, General Arnold brought back word that "our fighter planes are doing a splendid job" and that "our bombers are in a class by themselves, with almost no combat losses."

From Col. Lewis R. Parker, Bolling Field commandant and veteran pilot, on the same day, in an anniversary radio speech, came assurances from home:

We are playing our part in the building of a fighting machine that can and will successfully safeguard the heritage of our Nation. We are training men to prosecute the grim business of war and, at the same time, fit themselves better for the tasks that will come when they return to civilian life.

The Army is training men for the present, and also for the future.

These are the assurances for which the people of America are looking.

A SQUARE DEAL FOR THE FARMER

Mr. LEE. Mr. President, those of us who represent the farm States have never asked anything for the farmer which has not likewise been enjoyed by the nonfarm population.

We argued that the first price-control bill specifically exempted wages, and therefore should not apply to farm commodities.

In the debate on the floor of the Senate, I presented the following argument on January 8, 1942:

Mr. LEE. The bill specifically exempts labor. Why is that?

* * * * *

The farmer who works his farm is paid his wages in terms of the commodities he sells. It takes a man-hour of labor to produce 1 pound of lint cotton. If cotton is selling at 17 cents a pound, all that is received by the farmer who produces the cotton is 17 cents an hour. He does not really receive that much net, because he must deduct from the 17 cents the cost of a number of things.

So what I have difficulty in understanding is why we should exempt the industrial worker and his wage pay but bring the agricultural worker under the law. Why not exempt both of them?

Now, Mr. President, we have just passed a second price-control law which covers wages as well as farm prices. It was only after long debate and considerable effort on the part of those of us who represent agricultural States that we succeeded in writing into this law a requirement that the cost of farm labor shall be considered in determining maximum farm prices.

During the debate on this measure on September 22, 1942, I used the following illustration to prove that the cost of farm labor must be considered in determining farm prices if the farmer is to get a square deal:

Let me illustrate the problem in this way. The result to the farmer would not be the same. For example, if the farmer raises a bushel of wheat, and wheat is selling at $1.25 a bushel, and overalls are $1.25 a pair, he can trade a bushel of wheat for a pair of overalls. Let us say that is parity. Then let us assume the cost of all labor increases 100 percent. Overalls would then sell at $2.50 and the price of wheat, due to parity, would rise to $2.50 a bushel. The farmer would still be able to trade a bushel of wheat for a pair of overalls; but the cost of producing the bushel of wheat when the farmer received $1.25 for it was 50 cents, whereas now, because of the increased cost of labor, the cost of producing a bushel of wheat is $1, so he is out 50 cents for the same overalls.

In other words, the farmer would not actually be receiving parity unless consideration were given to the cost of producing the farm commodity, which cost certainly includes farm labor.

Mr. President, the wage-hour law placed a floor under industrial wages. Therefore, it seemed only fair and right that we place a floor under farm prices.

This we have done by providing in the recent price-control law that farmers be

given loans on their commodities up to 90 percent of parity.

In opposing an amendment to strike out this provision on September 30, 1942, I said:

Mr. President, I rise to oppose the Lucas amendment. The effect of this amendment is to nullify the provision of the resolution which guarantees a price floor to farm commodities at 90 percent of parity. This floor is already well below parity. Therefore, why should we lower it still more?

And later in the debate I said:

Mr. President, I shall vote against the pending amendment. The joint resolution as it stands is acceptable to those who will have to administer it, and I will not yield to any further whittling down of the farmer's prices.

In any fair administration of the law, the Executive is bound to take into consideration the congressional intent. While the administration did not want a rigid, nonflexible law, yet the congressional intent is very clear on the point that the cost of farm labor shall be considered when determining maximum prices.

Let me quote from section 3 of the law itself:

That modifications shall be made in maximum prices established for any agricultural commodity * * * in any case * * * where by reason of increased labor or other costs to the producers of such agricultural commodity * * * the maximum prices so established will not reflect such increased costs.

Again, in the same section, the law reads as follows:

That in fixing price maximums for agricultural commodities * * * adequate weighting shall be given to farm labor.

Therefore it is evident that it is not only the intent of Congress that farm labor costs shall go into the consideration of maximum prices, but it is actually the law.

Mr. President, it is a rare thing when a bill as controversial as the price-control bill is passed by Congress with such unanimity. There was not even a single dissenting vote in the Senate.

At one time it looked as though Congress and the President were deadlocked. Yet out of that situation there came a law which gives the President the power to control inflation, and at the same time it gives the farmer a square deal.

This indeed is a great victory for the democratic processes during a national crisis.

I ask leave to have printed in the RECORD as a part of my remarks a telegram I have received from Mr. Tom W. Cheek, president of the Oklahoma Farmers' Union, and a letter I have just received from Mr. Ira M. Finley, president of the Oklahoma division of the General Welfare Federation of America.

There being no objection, the telegram and letter were ordered to be printed in the RECORD, as follows:

OKLAHOMA CITY, OKLA.,
September 24, 1942.

Senator JOSH LEE,
Senate Office Building,
Washington, D. C.:

Our organization is supporting the President's seven-point program to prevent inflation by bringing farm prices and labor into a balance at parity.

TOM W. CHEEK,
President of Oklahoma Farmers' Union.

LABOR'S VOICE,
Oklahoma City, October 3, 1942.

Senator JOSH LEE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I want to extend to you the genuine appreciation of the entire membership of my State organization. You have again demonstrated your progressive and statesmanlike position on a great public question.

It is our opinion that the price-control controversy was one between the food speculators, the Farm Bureau on one side and the working farmers, the American workers, and the vast majority of the public on the other side.

In spite of the seditious sniping of the controlled daily press, the general public was not fooled by the straw man that was set up by the anti-Roosevelt forces in an effort to discredit the President under the guise of protecting the farmer.

It is the first time the United States Chamber of Commerce and their counterpart, the Farm Bureau, has ever lost sleep over the plight of that working farmer, who has heretofore been denied a chance.

Under the new legislation sponsored by the President, supported by the junior Senator of Oklahoma, the working farmer is not only given an even break with the corporation farms but, on account of doing his own work with the hands of his wife, his children, and himself, he now has an advantage.

In other words, you have helped to save thousands of farm homes and build others.

Sincerely your friend,

IRA M. FINLEY,
President, Oklahoma Division,
General Welfare Federation of America.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 97. An act for the relief of the legal guardian of Joy Montgomery, a minor;

S. 103. An act for the relief of Caffey Robertson-Smith, Inc.;

S. 305. An act for the relief of Mrs. Felix Belanger;

S. 317. An act for the relief of Monroe Short;

S. 1033. An act conferring jurisdiction upon the Court of Claims of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representatives of the estate of Robert Lee Wright;

S. 1149. An act for the relief of Dayee Jones;

S. 1216. An act for the relief of Henry (Heinz) Gabriel;

S. 1220. An act for the relief of G. C. Barco and W. G. Knowles;

S. 1853. An act for the relief of the Rock Hill Stone and Gravel Co. of St. Louis, Mo.;

S. 1869. An act for the relief of certain claimants against the United States who suffered property losses as a result of the failure of the Big Porcupine Dam on the Fort Peck project, Mont.;

S. 2099. An act for the relief of Mrs. Reita M. Lary;

S. 2190. An act for the relief of Mrs. Marilla C. Gray;

S. 2191. An act for the relief of Clara Wrobliski;

S. 2264. An act conferring jurisdiction upon the United States District Court for the District of Connecticut to hear, determine, and render judgment upon the claim of James H. Lane;

S. 2273. An act for the relief of Ruth D. and Henry L. Brittingham;

S. 2279. An act for the relief of O. R. Maxfield;

S. 2304. An act for the relief of former First Lt. William J. Tepsic, One Hundred and Seventy-sixth Field Artillery;

S. 2420. An act for the relief of Isabelle Fuller;

S. 2461. An act for the relief of Minnie C. Sanders;

S. 2506. An act for the relief of Angela Skeoch;

S. 2551. An act for the relief of Vernon Van Zandt; and

S. 2717. An act for the relief of Charles H. Koch.

The message also announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 174. An act for the relief of Lyle L. Bressler; and

S. 2471. An act to amend the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, with respect to its application to officers and employees of educational, religious, eleemosynary, philanthropic, and cultural institutions, establishments, and agencies, commonly known as the Hatch Act.

The message further announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 1203. An act for the relief of Bayard M. Atwood; and

S. 2317. An act for the relief of Lillian LaBauve Linney.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 7121) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 194. An act for the relief of the Upham Telephone & Electric Co., Upham, N. Dak.;

H. R. 1375. An act for the relief of Mr. and Mrs. Samuel Azer;

H. R. 1883. An act for the relief of Llewella J. Welsh;

H. R. 2217. An act for the relief of Wilson N. Yost;

H. R. 2370. An act for the relief of Constantinos Dardas;

H. R. 2650. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of H. Herfurth, Jr., Inc.;

H. R. 2899. An act for the relief of Myrtle C. Radabaugh;

H. R. 3113. An act for the relief of Cecil Higgenbottom, Mrs. Cecil Higgenbottom, and Basil Hall;

H. R. 3478. An act for the relief of Glenn A. Pike;

H. R. 3773. An act to confer jurisdiction on the Court of Claims of the United States to hear, determine, and render judgment upon the claim of John L. Alcock;

H. R. 4800. An act for the relief of Mrs. William Leo;

H. R. 5177. An act for the relief of Irving Cowen;
H. R. 5283. An act for the relief of Mr. and Mrs. Sebastian Eger;
H. R. 5651. An act for the relief of the Home Insurance Co. and the American Insurance Co.;
H. R. 5884. An act for the relief of Mrs. Maude C. Massey, Ocala, Fla.;
H. R. 5961. An act for the relief of Alfred Lee Poynor;
H. R. 5980. An act for the relief of the Fidelity and Casualty Co. and the Baugh Chemical Co.;
H. R. 6016. An act for the relief of Michael-Leonard Seed Co.;
H. R. 6061. An act for the relief of Mr. and Mrs. Werner M. Bertelson and Ellen W. Sessions;
H. R. 6078. An act for the relief of Katherine S. Arthur;
H. R. 6176. An act for the relief of Shirley Jones;
H. R. 6254. An act for the relief of Henry Angell;
H. R. 6283. An act for the relief of Franklin E. Ludwig, Mary Taylor, and Frank A. Taylor;
H. R. 6286. An act for the relief of Lee Watts;
H. R. 6337. An act for the relief of William H. Linhart;
H. R. 6380. An act for the relief of Charles S. Smith;
H. R. 6388. An act for the relief of William S. Chapman, Clyde Gilbert, Paul Scherbel, and Frank Childs;
H. R. 6491. An act for the relief of the heirs of John W. Adams;
H. R. 6558. An act for the relief of Anne Berbig and Alfred E. Berbig, Jr.;
H. R. 6591. An act for the relief of the estate of Emily Kraft, deceased;
H. R. 6619. An act for the relief of M. Ray Waldron;
H. R. 6721. An act for the relief of Mildred G. Gordon;
H. R. 6751. An act for the relief of J. C. Baker;
H. R. 6781. An act for the relief of the legal guardian of Lorraine Novak, a minor;
H. R. 6817. An act for the relief of Lloyd A. Emick;
H. R. 6841. An act for the relief of the Tours Apartment Hotel;
H. R. 6893. An act for the relief of N. C. Lloyd;
H. R. 6907. An act for the relief of Mrs. P. R. Yager;
H. R. 6938. An act for the relief of Rudolf Kligler (Robert E. Arden);
H. R. 6970. An act for the relief of Carolyn D. Griffin;
H. R. 6990. An act for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes;
H. R. 6993. An act for the relief of the estate of Marlin Croft, deceased;
H. R. 7061. An act for the relief of D. A. Sullivan & Sons, Inc.;
H. R. 7149. An act for the relief of David E. Clark;
H. R. 7177. An act for the relief of Earl Carbauh;
H. R. 7263. An act for the relief of Mrs. J. R. Bennett;
H. R. 7480. An act for the relief of Mrs. Claud Tuck and Darrell Claud Tuck, a minor; and
H. R. 7482. An act granting increase of pensions to certain dependents of veterans of the Civil War.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 5719. An act to abolish the Guilford Courthouse National Military Park Commission, and for other purposes;
H. R. 6601. An act to reorganize the system of land offices and land districts in Alaska; and
H. R. 7152. An act to amend the Nationality Act of 1940 to preserve the nationality of citizens residing abroad.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 194. An act for the relief of the Upham Telephone & Electric Co., Upham, N. Dak.;
H. R. 1375. An act for the relief of Mr. and Mrs. Samuel Azer;
H. R. 1883. An act for the relief of Llewella J. Welsh;
H. R. 2217. An act for the relief of Wilson N. Yost;
H. R. 2650. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of H. Herfurth, Jr., Inc.;
H. R. 2899. An act for the relief of Myrtle C. Radabaugh;
H. R. 3113. An act for the relief of Cecil Higgenbottom, Mrs. Cecil Higgenbottom, and Basil Hall;
H. R. 3478. An act for the relief of Glenn A. Pike;
H. R. 3773. An act to confer jurisdiction on the Court of Claims of the United States to hear, determine, and render judgment upon the claim of John L. Alcock;
H. R. 5177. An act for the relief of Irving Cowen;
H. R. 5283. An act for the relief of Mr. and Mrs. Sebastian Eger;
H. R. 5651. An act for the relief of the Home Insurance Co. and the American Insurance Co.;
H. R. 5884. An act for the relief of Mrs. Maude C. Massey, Ocala, Fla.;
H. R. 5961. An act for the relief of Alfred Lee Poynor;
H. R. 5980. An act for the relief of The Fidelity & Casualty Co. and the Baugh Chemical Co.;
H. R. 6016. An act for the relief of Michael-Leonard Seed Co.;
H. R. 6061. An act for the relief of Mr. and Mrs. Werner M. Bertelson and Ellen W. Sessions;
H. R. 6078. An act for the relief of Katherine S. Arthur;
H. R. 6176. An act for the relief of Shirley Jones;
H. R. 6283. An act for the relief of Franklin E. Ludwig, Mary Taylor, and Frank A. Taylor;
H. R. 6286. An act for the relief of Lee Watts;
H. R. 6380. An act for the relief of Charles S. Smith;
H. R. 6388. An act for the relief of William S. Chapman, Clyde Gilbert, Paul Scherbel, and Frank Childs;
H. R. 6491. An act for the relief of the heirs of John W. Adams;
H. R. 6558. An act for the relief of Anne Berbig and Alfred E. Berbig, Jr.;
H. R. 6591. An act for the relief of the estate of Emily Kraft, deceased;
H. R. 6619. An act for the relief of M. Ray Waldron;
H. R. 6721. An act for the relief of Mildred G. Gordon;
H. R. 6751. An act for the relief of J. C. Baker;
H. R. 6781. An act for the relief of the legal guardian of Lorraine Novak, a minor;
H. R. 6817. An act for the relief of Lloyd A. Emick;
H. R. 6841. An act for the relief of the Tours Apartment Hotel;
H. R. 6893. An act for the relief of N. C. Lloyd;
H. R. 6907. An act for the relief of Mrs. P. R. Yager;
H. R. 6970. An act for the relief of Carolyn D. Griffin;
H. R. 6990. An act for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes;
H. R. 6993. An act for the relief of the estate of Marlin Croft, deceased;
H. R. 7061. An act for the relief of D. A. Sullivan & Sons, Inc.;
H. R. 7149. An act for the relief of David E. Clark;
H. R. 7177. An act for the relief of Earl Carbauh;
H. R. 7263. An act for the relief of Mrs. J. R. Bennett; and
H. R. 7480. An act for the relief of Mrs. Claud Tuck and Darrell Claud Tuck, a minor; to the Committee on Claims.
H. R. 2370. An act for the relief of Constantinos Dardas;
H. R. 4800. An act for the relief of Mrs. William Leo;
H. R. 6254. An act for the relief of Henry Angell;
H. R. 6337. An act for the relief of William H. Linhart; and
H. R. 6938. An act for the relief of Rudolf Kligler (Robert E. Arden); to the Committee on Immigration.
H. R. 7482. An act granting increase of pensions to certain dependents of veterans of the Civil War; to the Committee on Pensions.

REVENUE ACT OF 1942

The Senate resumed the consideration of the bill (H. R. 7378) to provide revenue, and for other purposes.

Mr. DAVIS. Mr. President, yesterday I asked that the amendment of the committee inserting section 138, employers' contributions to voluntary employees' beneficiary associations, be passed over. I have read the amendment and am in accord with it, and I move that the committee amendment be agreed to.

Mr. LA FOLLETTE. What is the request, Mr. President?

The VICE PRESIDENT. The Senator is referring to the committee amendment on page 108, line 13.

Mr. DAVIS. It is a proposal to insert section 138, covering employers' contributions to voluntary employees' beneficiary associations.

The VICE PRESIDENT. Does the Senator from Wisconsin have objection?

Mr. LA FOLLETTE. I have no objection.

The VICE PRESIDENT. The question is on agreeing to the amendment on page 108, beginning with line 13.

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the first amendment of the committee passed over, which appears on line 6, page 17.

The CHIEF CLERK. On page 17, line 6, it is proposed to strike out "32" and to insert "22", so as to read:

(2) Surtax net incomes over $25,000 but not over $50,000: Upon corporation surtax net incomes over $25,000, but not over $50,000, $2,500, plus 22 percent of the amount of the corporation surtax net income over $25,000.

Mr. LA FOLLETTE. Mr. President, in order to clarify the parliamentary situation, by the consent of the Senator from Georgia and the Senate, I should like to be permitted to offer an amendment which is in the nature of a substitute for the committee amendment on page 17, line 6, and also proposes to amend the House text on page 17, lines 3 to 10. I

ask unanimous consent that I may proceed in this manner.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin?

Mr. GEORGE. I have no objection, Mr. President.

The VICE PRESIDENT. The clerk will state the amendment for the information of the Senate.

The CHIEF CLERK. It is proposed to strike out lines 3 to 10, inclusive, on page 17, and insert in lieu thereof the following:

(2) Surtax net incomes over $25,000: Upon corporation surtax net incomes over $25,000, $2,500, plus 26 percent of the corporation surtax net income over $25,000.

Mr. LA FOLLETTE. Mr. President, the people of the country and their elected representatives face the most difficult fiscal and tax crisis in the written history of the world. We have already appropriated or authorized contracts in excess of $200,000,000,000. Our Federal expenditures for the current fiscal year will, in all probability, exceed $77,000,000,000. Being confronted with this situation, it becomes imperative that we exercise the great plenary power of taxation to the best of our combined judgment in order that we may, if it be humanly possible, maintain the credit of our great Government, and levy this crushing burden upon the people and upon corporations in proportion to their ability to carry it. Any other course, Mr. President, falls short of the statesmanship which this critical hour in the history of our Republic should call forth.

I realize that in a situation of this kind, confronted with appropriations and expenditures of astronomical proportions, the judgment of honest, patriotic men will differ, but as I see it, it is an hour when each and every one of us must present our frank views and our honest convictions in the hope that in that sound democratic process which results from the clash of differing opinions we may hammer out on the anvil of legislative and administrative government a tax program which will strengthen and support our Nation through the dark years which lie ahead.

I differed, Mr. President, with my colleagues upon the Finance Committee in the particular amendment which is now before us. They proposed to reduce the taxes upon corporations below those adopted and passed by the House of Representatives. The Treasury of the United States, through the Secretary and through the general counsel, urged upon both the Ways and Means Committee and the Senate Finance Committee a maximum combined corporate rate of 55 percent. I supported that rate in the committee, but I am not proposing to offer it here. I am offering an amendment which is a compromise between the Treasury recommendation and the action of the House of Representatives.

Mr. President, as I stated at the outset, it is obvious that men will differ as to the appropriate burden which can be placed upon corporations and still not impair their functioning as a vital part of our producing economy in time of war. I personally am convinced, after the best study of which I am capable, that corporations can bear the rates which are proposed in this amendment.

I am convinced of it because I feel certain, after discussing at great length with the representatives of the Treasury their reasons for having recommended a combined normal and surtax rate of 55 percent, that they, too, only made such recommendations after careful consideration and investigation which convinced them that the corporations under present circumstances could carry that much of a burden.

We must realize that when we relieve the burden in one place it must inevitably be transferred to some other, and that has been the net effect of the action of the Finance Committee. It recommends to the Senate a bill which proposes to reduce the total tax upon corporations under that adopted by the House of Representatives, and to place that burden upon individuals—individuals who, in my opinion, are not in any position to carry the increased load which is asked of them. I do not propose this morning to go into that question. I expect to discuss it at greater length when we reach the question of individual rates. But I do desire to bring this point home, if I can, to my colleagues in the Senate. Mr. President, we must determine our policies in this situation on the basis that the war may last for several years. Any other course will lead to disaster. If the war should terminate sooner than we expect, no harm will come from our having planned for a long war; but if the war should last longer than we anticipate and plan for, only disaster can be our lot.

Mr. President, in a long war the incidence and burden of taxation under these staggering rates become of increasing importance. We have reached the point where unjust taxation will hurt the morale of our people. It is vital, if we are to maintain morale in the dark years ahead, that the burdens of this war should be equitably distributed. The Finance Committee proposes to reduce corporate taxes and to increase the burden upon the lowest income groups to the point where their health and efficiency will be impaired, and thus we will find it more difficult to secure manpower replacements for our armed forces and for our industrial and agricultural production.

Mr. President, the total net income of corporations reporting net incomes has increased 146 percent from 1939 to 1942. In dollars this increase has amounted to $9,915,000,000. The taxes to be collected from corporations in 1942 at existing rates are estimated at $7,600,000,000. The estimated increase in corporation taxes in the Senate bill, excluding the post-war credit, amounts to $1,482,500,000. The total corporation taxes under the Senate committee's version of the bill amounts to $9,082,500,000. This, I wish to emphasize, is $832,500,000 short of recovering the total increase in net income of corporations since 1939 as I have just indicated.

Let me now come to a comparison of this proposal with the House bill and the Senate bill. Under the House bill the increase over existing law, insofar as the net revenue effect is concerned, amounts to $1,968,200,000 from corporations. It must be borne in mind, however, that the House bill provides no post-war credit. It provides no debt relief. It has, in other words, none of the relief provisions which the Finance Committee, after due consideration, unanimously believed these high rates required.

In the Senate bill the net revenue effect in increase over existing law amounts to $842,500,000. The net revenue effect of the proposal which I am offering, if combined with another amendment which I would offer if this amendment were agreed to, would be $1,011,200,000 over existing law, or a gain over the Senate bill of $168,700,000.

Mr. President, this proposal involves another issue. The Senate committee's version of the bill, as I view it, increases the burden upon the smaller corporations. It does so by providing that they may have only a $5,000 specific credit insofar as their excess-profits tax is concerned. If my amendment should be adopted, I would urge the Senate to resist the amendment which appears later in the bill striking out the House provision which grants a specific credit of $10,000 against the excess-profits tax. This can be done, Mr. President, as I have pointed out, and at the same time we will gain $167,000,000 in the net effect of the revenue over the existing law. This will mean that 8,300 of the smaller corporations will be given additional benefit as a result of this increased specific exemption against the excess-profits tax.

I may say, Mr. President, that the estimates which I have given to the Senate are predicated likewise upon a 10-percent post-war credit against normal, surtax, and excess-profits taxes, insofar as corporations are concerned. This will result in building up for the corporations a much more substantial post-war credit than is provided in the Senate Finance Committee's version of the bill. I wish to point out that under the Senate committee's version of the bill there is provided a post-war credit which will amount, according to the Treasury estimates, to $271,500,000.

The amendment which I am proposing would create a post-war credit of $660,000,000. It is estimated that the Finance Committee's proposal would result in corporations getting only $300,000,000 of debt-retirement credit, as against $385,000,000 under the proposal which I am discussing.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SPENCER in the chair). Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. I do not find in the pending amendment any provisions for debt relief or post-war credit. How does the Senator intend to achieve the results described?

Mr. LA FOLLETTE. I have already asked to open up this question so that I can amend the House text. The other provisions occur later in the bill, and I should have to offer additional amend-

ments to make those adjustments. For example, in order to provide that the post-war credit shall apply against the total corporation tax, I should have to amend a portion of the bill which is near the end of the bill; but I am trying to present this question as a whole. I think I am entitled to do so, because, after all, it is a total program for corporation taxation.

Mr. VANDENBERG. I quite agree to that; but it occurs to me that a vote on this particular amendment would scarcely do the Senator's program justice.

Mr. LA FOLLETTE. I do not quite know how I could achieve it all at once. As the Senator realizes, in the Finance Committee we can always get along by saying, "I have a proposal which involves a whole arm full of propositions. I tie them all together. Are you for it or against it?" However, on the floor of the Senate, where we must proceed under parliamentary rules, it is rather difficult to achieve that result.

I am simply saying that the estimates to which I have referred are predicated on the assumption that this amendment would prevail and that the amendment granting post-war credit against total corporation taxes would prevail. Thus I obtain the estimates, as the Senator will see, as to the various effects so far as the post-war credit is concerned.

Mr. VANDENBERG. Are the other amendments printed and available?

Mr. LA FOLLETTE. They are.

Mr. VANDENBERG. I think they should be before all Senators, so that the Senator can do justice to his presentation.

Mr. LA FOLLETTE. I thank the Senator.

Mr. President, I do not believe it is necessary to belabor the point. It must be obvious to every Senator that the greater the post-war credit the greater cushion we provide for corporations, and thus for the national economy, against the post-war adjustment period.

Mr. LEE. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. LEE. I hope the Senator will indulge me for a few questions.

Mr. LA FOLLETTE. I shall be glad to answer them if I can.

Mr. LEE. The Senator has offered an amendment. Specifically, what is that amendment?

Mr. LA FOLLETTE. My amendment proposes to change the corporation rates, so that the maximum combined normal and surtax rate would equal 50 percent, in contrast to the Senate committee's recommendation that the total should be 40 percent.

Mr. LEE. In other words, the amendment would increase the rate of the corporation tax?

Mr. LA FOLLETTE. That is correct. In effect, it would increase the surtax rate, because the House bill, the Finance Committee's recommendation, and my proposal all call for a so-called normal corporation tax of 24 percent. The controversy comes over how high the surtax rate should be. The House provided a surtax rate which would make the maximum combined rate equal 45 percent. The Treasury recommended a maximum combined rate of 55 percent. My amendment would provide a maximum combined rate of 50 percent.

Mr. LEE. Does the Senator's amendment apply to the excess-profits tax provision?

Mr. LA FOLLETTE. The whole program would have something to do with the excess-profits tax, because I propose to make the post-war credit apply not only to the excess-profits tax, but to the surtax and the normal tax as well. I am sure the Senator understands that all corporations with net income, except those which have specific exemptions, pay the normal and the surtax rate. Then, if they have an excess-profits tax, they calculate it according to one or the other of two alternative methods, either the base period method or the invested capital method.

Mr. LEE. I understand that. The reason I asked the question was to find out to which method the amendment would apply.

Mr. LA FOLLETTE. I am not proposing to increase the rate of 90 percent on excess profits, because I think everyone will agree—at least I am certainly willing to agree—that that rate is as high as anybody should propose to go. The Treasury and nearly everyone else agree that if the 90 percent rate is to remain in the bill there must be relief provisions. That is the reason for the debt-retirement provision and the post-war credit provision.

Mr. LEE. Yesterday the Senator from Oregon [Mr. MCNARY] raised the question of debt payment. Does the Senator propose an amendment to change that provision?

Mr. LA FOLLETTE. This proposal, like the others, would permit the utilization of post-war credit by a corporation to the extent of 40 percent of its debt payment in any one year, but in no case, of course, to exceed the accumulated post-war credit. In other words, if a corporation had $100,000 of debts to pay, assuming that it had a $40,000 post-war credit, it could utilize the $40,000 of post-war credit in meeting its $100,000 debt payment.

Mr. LEE. I thank the Senator.

Mr. LA FOLLETTE. Let me say to the Senator that in my opinion the creation of a post-war credit is the only feasible means—at least the only equitable means—of giving any debt relief to corporations. Otherwise we should be confronted with the unfortunate alternative of extending benefits and assistance to corporations which may have had a very extravagant and unfortunate fiscal policy, and not extending the same benefits and privileges to a corporation which may have conducted its fiscal affairs on a very sound basis. However, when we create a post-war credit, we can allow corporations which are in an unfortunate position insofar as their debt is concerned to utilize the post-war credit without discriminating against corporations which have adopted a more thrifty and frugal policy.

Mr. LEE. Just before I entered the Chamber the Senator gave some very interesting figures with respect to the income of corporations, how much of that income the tax proposed by the committee would take, and how much the tax which the Senator proposes would take. I wonder if the Senator would be kind enough to repeat those figures. I did not catch all of them.

Mr. LA FOLLETTE. Is the Senator asking me for the difference in the yield from corporations, as between my proposal and the Senate committee's proposal?

Mr. LEE. Yes.

Mr. LA FOLLETTE. These figures are computed from the standpoint of the net revenue effect. Obviously we cannot count the post-war credit, because that will either be used for debt retirement or ultimately returned to the corporation. So when I use the term "net revenue" all those things have been deducted, and I am considering the question purely from the standpoint of what is actually in the Treasury "for keeps," in the sense that the Treasury does not have to give back other dollars to replace some of those collected.

The net revenue effect of the House bill from corporation taxes is an increase over existing law of $1,968,200,000. Let me repeat that there are no relief provisions in the House bill.

The net revenue effect of the Senate committee proposal is an increase from corporations, compared to existing law, in an amount of $842,500,000.

This proposal, combined with a $10,000 specific exemption to help the smaller corporations against the excess-profits tax, and providing a 10 percent post-war credit against the normal, the surtax, and the excess-profits tax combined, would produce $168,700,000 more than the Senate Finance Committee's proposal. Its net revenue effect altogether represents an increase over the existing law of $1,011,200,000. The net revenue effect of the House bill, without any relief provisions, is an increase of $1,968,200,000 over existing law.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. As I understand, the Senator is now applying a total normal and surtax rate of 50 percent.

Mr. LA FOLLETTE. That is correct.

Mr. VANDENBERG. Against which there would be a 10-percent post-war credit.

Mr. LA FOLLETTE. Yes.

Mr. VANDENBERG. So the effective net rate which the Senator is proposing is 45 percent; is that correct?

Mr. LA FOLLETTE. Yes. To all intents and purposes the proposed rate would have the same net effect as the House rate without any post-war credit.

Mr. VANDENBERG. That is what I was attempting to indicate.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. BROWN. There will be before the Senate really three issues. The first is the La Follette amendment. If the La Follette amendment is adopted, that will settle the question. If it is defeated, then there will still be two issues; that is, the

45-percent House rate and the Senate committee amendment.

Mr. LA FOLLETTE. That is correct.

Mr. BROWN. Those are the three issues which would be before the Senate.

Mr. LA FOLLETTE. Those are the three issues; but what I want to emphasize again is the fact that under my proposal it would be possible to extend the post-war credit so that it would apply to all corporate taxes. It would build up a larger post-war credit than would the Senate Finance Committee's proposal which only proposes to grant a post-war credit to corporations that pay excess-profits taxes.

Mr. GEORGE. Mr. President——

Mr. LA FOLLETTE. I gladly yield to the Senator from Georgia.

Mr. GEORGE. The Senator from Wisconsin knows very well that we put into the bill a provision for the appointment of a committee to study the whole question of post-war credits; and he also knows very well, does he not, that if we are to have any post-war compulsory loans or post-war credits the program must be integrated with the individual and corporate rates. Would it not be very much wiser, purely as a matter of justice to the committee or to the special committee or subcommittee which is to be appointed, to proceed to consider these rates without now trying to inject into the bill any question of post-war savings? That is the real reason why we did it.

I do not agree with the Senator on his 50-percent tax on corporations.

Mr. LA FOLLETTE. I know that.

Mr. GEORGE. But at the same time it may be that when we provide for post-war credits or compulsory loans we shall be obliged to go to 50 percent, and we may have to go up 10 percent on the tax on individuals. Certainly, if we get anything like the compulsory loan that the Treasury is obliged to have we shall have to increase rates on individuals and corporations for that purpose; and at that time the question of post-war credits or credits for debt payments can very properly be taken into consideration.

In all good faith the committee has given consideration to the question of rates, and, as the Senator very well knows, it has done so over a period of days and weeks; and in all good faith the Treasury should recognize the fact that the committee gave honest consideration to its recommendations about the rates. The committee did not agree with it as to a rate of 55 percent or 50 percent; and although we did at first take the 45 percent rate on certain post-war credits, we finally decided that the post-war credits should go out insofar as the surtax was concerned, and that the rate itself should go down to 40 percent.

I am not complaining, but it seems to me that when a committee honestly works for many weeks over these questions, even the Treasury of the United States should recognize that the Congress is the policy-making body, and should not undertake in any way to upset what the committee has done after it has given patient and honest consideration to every question which the Senator from Wisconsin is now bringing back into consideration on the floor. I do not think it is conducive to sound legislation, and I am not interested in any political adornments to the bill. I have not proceeded on that theory, and I shall not do so.

Mr. LA FOLLETTE. Mr. President, I do not know what the Senator from Georgia is referring to; but if he is inferring that I am acting here in behalf of the Treasury, I wish to disabuse his mind and that of every other Senator on that point. I have always been able to stand on my own feet, and when I am no longer able to do so I hope I shall be summarily retired from this body.

The Senator from Georgia and I have sat side by side for weeks in deliberations on the bill. I have tried to cooperate with him in shortening consideration of the measure. I have tried to cooperate with every other member of the committee; but every Senator on the committee will bear me out when I state that I said again and again, and I so indicated by my votes, that I intended to raise these issues again on the floor of the Senate. That has always been my policy in the committee.

Let us be entirely frank about it, Mr. President. The Finance Committee is a very conservative committee of the Senate. We cannot find one that is more so. I represent on that committee what I choose to call a liberal or progressive point of view. I am in the minority. I think my colleagues will say that I take my drubbings in the committee in good spirit; but it does not necessarily follow that because I am run over in the committee I shall be silenced and denied my opportunity to present here what I think are important and necessary amendments in connection with the bill.

Mr. GEORGE. Mr. President, I am not suggesting that the Senator does not have a right to bring them up, and I am not suggesting that he should be silent. I am pointing out to the Senator that he himself agreed to an amendment providing for the appointment of a committee to consider the whole question of post-war credits and compulsory savings. Such an amendment is in the bill.

Mr. LA FOLLETTE. Yes, Mr. President; I agreed to that in the committee when I saw that the Finance Committee was determined to postpone consideration of this vital issue; but I am not reflecting on those who are to be appointed upon the committee when I say in all frankness that I do not expect to see any report from that committee by the 1st of December. Too often since I have been a member of the Finance Committee have I been met in the committee and on the floor with the statement that there was some other time when the matter at hand was to be considered. Look at what has happened to the subcommittee and the recommendations of the subcommittee of the Senator from Michigan. It worked for many long months on the question of taxation of exempt interest. What has ever happened to that committee? I have been assured again and again that there would be a general revision of the income tax laws, that we were going to revise our revenue structure, and I have always urged and welcomed it; but it has never happened. It is still a structure that grew like Topsy; and the higher the rates and the more crushing the burden, the more important and vital the inequities become to the people.

Mr. President, I respect every member of the Finance Committee. I respect the sincerity of its members; I respect their honesty of conviction. I respect their patriotism. But, with all due respect to that committee, Mr. President, it is the Senate of the United States which must decide these issues, not the committee alone. If the time ever comes when the committees of Congress are to absorb all responsibility and to make pleas upon the floor of the Senate that the Senate should follow them because they have worked hard, then, I say, we might as well do away with Senate consideration of measures, and report them here from committees, and pass them as a pro forma matter.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. BROWN. I am sure that the Senator meant to compliment the subcommittee of which the Senator from Michigan is a member.

Mr. LA FOLLETTE. I was citing it as an example of a subcommittee which had worked hard, but which, to my certain knowledge, has been promised on no less than three separate occasions when we refrained from urging the proposition here on the floor of the Senate that it would be taken care of in the next tax bill; but it never has been.

Mr. BROWN. I disagree with the Senator as to that. We had three major propositions. One was the taxation of public salaries, State and Federal. The second was the taxation of income of Federal judges. The third was the taxation of outstanding municipal bonds. Two of those propositions have been written into law, and I am very happy to say that the third proposition—not to the satisfaction of the Senator from Wisconsin or to the satisfaction of the Senator from Michigan—was finally approved by the Senate Finance Committee; and it is my sincere hope that the Senate will agree to and that the House will concur in the amendment which the Finance Committee adopted—that is, that we shall tax all future issues of municipal bonds.

Mr. LA FOLLETTE. Mr. President, I still say that the Senator from Michigan and his subcommittee are Exhibit No. 1 of the device of avoiding an issue by saying that we shall have a committee which will take care of the situation in the near future.

It would do no harm, let me say to the Senate, to let my amendment go into the law; for with it in the law there would be all the more inducement for the committee to conclude its deliberations and to make its report.

In addition, Mr. President, let me say that, so far as my post-war credit amendment is concerned, it cannot be enacted too soon, when we consider how long the pending measure has been under discussion in the House and in the Sen-

ate. The House started last March; and here it is the 7th day of October, and the bill has not yet been passed by the Senate.

We are now in such a fiscal situation that, in my opinion, we cannot afford further delay. Delay simply invites trouble.

In conclusion, Mr. President, I may say that in deciding on this issue Members of the Senate will have to determine whether they believe in establishing a post-war credit of more substantial proportions while at the same time requiring corporations to furnish a larger share of the increased burden of the pending bill. In my judgment, that is what it boils down to, coupled, I may emphasize, with a proposal which would grant to the smaller corporations twice as much relief against the excess-profits tax as the Senate committee recommends. According to the estimates furnished me, this would mean that an additional 8,300 corporations would receive the benefit of a specific exemption against the excess-profits credit.

Mr. TAFT. Mr. President, I have the greatest respect for the opinion of the Senator from Wisconsin and share his feeling as to the general burden of taxation. I do not think that the Senate Committee on Finance is a conservative committee in any sense, except in its desire to keep the country going and provide the very best possible economic background for the success of our efforts in the present war; and that is the purpose of the rate which has been agreed upon.

There are many things in the bill with which I do not agree, and yet it seems to me the general question of the burden of corporate taxation has been settled in a reasonable and fair way. The Senator proposes, in effect, to increase on corporations the tax of 40 percent on normal earnings, which the Senate committee recommends, to a net 45 percent, as I understand, or to a gross 50 percent, of which 5 percent would be returned to the corporation after the war. I myself am not very much in favor of the post-war credit idea; but the question as to whether it should be 50 percent with 5 percent returned to the corporation, or 45 percent is, perhaps, not so very important. The question is, Shall the rate be more than 40 percent on normal earnings?

As I understand, what we do with a corporation is to take all its earnings and divide them into two classes. We say that this much is normal earnings; we determine what the normal earnings are and say that all earnings over that amount are excess earnings. We then apply the 40-percent rate to the normal earnings, and we apply the 90-percent rate, with a kick-back, to the excess earnings. That means that after we have determined what a corporation was earning in normal times, we go to them and say, "We will take 40 percent of that away from you in the form of taxation." If formerly, as in the case of public utilities, we were allowing them a 6-percent return as a perfectly normal controlled return, after we apply this tax, they will get only 4 percent instead of 6 percent, which they would have normally received, assuming that there are no excess earnings of any kind.

The Joint Committee on Taxation from the beginning has maintained that the corporate tax rate should not be over 40 percent. The Treasury has maintained that it should be 55 percent. After considerable discussion, the House fixed it at 45 percent, and the Senate committee decided that, considering the whole picture, 40 percent was fair.

We have a problem of financing the war. Assuming this year we are going to spend $77,000,000,000 out of a national income of $120,000,000,000, it is fairly clear that we cannot possibly pay the whole $77,000,000,000 by taxation without impoverishing the Nation. There is a point beyond which taxation cannot go. The plan suggested by the Secretary of the Treasury yesterday, proposing to take $30,000,000,000 in taxes, means that he will have to borrow $45,000,000,000. This bill involves increasing the yield from taxation by seven or eight billion dollars. But the larger problem is, How are we going to borrow the forty-five or fifty billion dollars?

What we do here is not going to make that problem very much easier; in fact, I cannot see that it makes very much difference whether we raise a billion dollars more or a billion dollars less by taxation, because it is only a small part of the total problem, and we have to determine in taxing individuals and in taxing corporations whether we are going to impose such a burden that more harm will be done than if we raise the money by borrowing. It is a question of degree; there is no great question of principle involved in the question whether we shall tax corporations $8,000,000,000 or $9,000,000,000. It is a question of degree, I admit; no one can be sure that he is right; and yet I feel confident that we would be endangering production and endangering the safety of the Nation if the burden were made too great.

However, whatever the proper degree may be, recurring for a moment to the bond question, I say that is more important even than the question of taxation. I wish to call attention to the fact that it is a problem entirely within the jurisdiction of the Treasury and one on which, up to date, they have practically failed to carry out an effective policy.

I should like to refer to a few figures. In 1918 we financed the entire war through taxes and through bonds sold to the people, except for about $3,000,000,000 and again in 1919 except for about $3,000,000,000. In other words, we avoided serious currency inflation because we succeeded in having the people put their savings into the necessary bonds; and the only gap, the only amount that the commercial banks were called upon to pay, was about $3,000,000,000 in each of those 2 years.

Today, in 1942, we are calling upon the commercial banks to buy six and a half billion dollars of bonds, and in 1943, according to every plan the Secretary of the Treasury has proposed, he is going to call on the commercial banks to buy $25,000,000,000 of bonds. In other words, the effort to find money in a way which will avoid inflation, the effort to get people to put their savings which they cannot put into goods into bonds, has almost completely broken down.

The most important thing we have before us is the compulsory savings plan to try to get money for bonds, but, in addition to that, it seems to me that even before we go to that the problem of raising money by voluntary contributions should be pressed to a far greater extent than the Secretary of the Treasury has pressed it.

Mr. DOWNEY. Mr. President——

Mr. TAFT. I yield to the Senator from California.

Mr. DOWNEY. The distinguished Senator from Ohio has just criticized the result of the Treasury bond-selling campaign in this war as compared to the last one, and in support of his criticism he has shown the greater amount of borrowings from commercial banks which will be necessary under this program than during the last war. Does not the Senator think that a better measure as to the respective merits of the bond-selling programs of the two periods would be the amount of bonds sold by the Treasury in the last war and the amount of bonds sold by the Treasury at this time? I think, if the Senator makes such a comparison, he will see that we have sold bonds just as well or better at this period than we sold them the other period.

Mr. TAFT. I will give the Senator the comparison. In the year 1918 we sold otherwise than to commercial banks $4,000,000,000 in bonds, and in the year 1919 we sold $19,000,000,000 in bonds, whereas in the year 1941 we sold only $4,400,000,000 in bonds outside the banks, and in the year 1942 we have only sold $15,000,000,000 in bonds outside the commercial banks, or $3,000,000,000 less than we sold in 1919, when the national income was just half what it was in the year 1941.

So I think I have answered the Senator's question. We have succeeded in selling a good many more bonds to the banks than we did at that time, because, of course we made the banks take them.

Mr. BROWN. Mr. President——

Mr. TAFT. I yield to the Senator from Michigan.

Mr. BROWN. I do not think the Senator's figures correctly picture the situation, unless he gives the tax figures in conjunction with them. Taxes in 1919 were not nearly so high as they were in 1941.

Mr. TAFT. The Senator is correct, but they were almost as high as in 1941, for in 1919 there were eight and a half billion dollars net receipts and in 1941 $9,300,000,000, whereas in 1942 they will be twelve and a half billion dollars, and we expect to raise $20,000,000,000 or more in 1943; but the nonbanking purchases of Government securities now estimated for the year 1943 are only $19,000,000,000 as compared to $19,000,000,000 in 1919.

It is fairly obvious that if we want to get all the extra money which is available because of governmental expenditures, we will have to induce the people to put their money into bonds, and I believe that if we inaugurate a campaign somewhat similar to those inaugurated

during the last World War, we can sell twice as many bonds as we are selling under the present plan.

I merely wish to make the point that the bond end of the present financing is even more important than the taxing end, and that even under the plan of the Secretary of the Treasury we cannot possibly raise more than about 40 percent of the money from taxes. Whether we raise 40 percent or 38 percent is insignificant, in my mind, in comparison with the question whether we are imposing a fair burden, and one which will not seriously derange corporation life, the machinery of business, and the individual standards of living in this country.

I might say that the bank holdings of Government bonds, which means bonds which have not been sold to the people—the market where they should be sold—increased $900,000,000 in the first 3 weeks in September. They have increased $5,000,000,000 since April. That $5,000,000,000 is the creation of purchasing power out of thin air. We take it from the banks and they create that much in the way of deposits on the books, and those deposits are passed on to people and are available to them for spending.

The difficulty from taxing too heavily is obvious. It destroys incentive. It is all very well to say that people should be patriotic. The fact is that if they are to lose money on a farming operation, or a business operation, or any other operation, if they are to involve themselves in debt which may wreck their economy, they naturally do not go on. They know they could not go on very long, anyway, before they would find the bankruptcy court. Too great taxation may wreck the country, and may wreck the entire success of the war.

Now I wish to refer to the question of corporations.

Mr. BROWN. Mr. President, before the Senator leaves the question of purchases by banks, I recall that he and I discussed this question on the floor of the Senate on a previous occasion, but I think the RECORD should show that so-called commercial banks, such as the banks chartered by the Federal Government, the national banks, are pretty largely savings banks as well as commercial banks. My own judgment is that in the State of Michigan, particularly outside the great cities, approximately half the liabilities of national banks are in the form of savings accounts, and, insofar as the purchases referred to are made out of savings accounts, they are not inflationary. Insofar as they are made out of commercial accounts, I agree that they are. I am in general agreement with the proposition which the Senator from Ohio lays down, but I want the RECORD to show that a considerable amount of the deposits in so-called commercial banks are savings deposits, and insofar as bonds are purchased out of savings, such purchases are not inflationary.

Mr. TAFT. Mr. President, I question the Senator's conclusion. I have not the figures at hand to answer his statement, but I know the figures I gave do not include the purchases of savings banks. As to the savings departments of commercial banks, I think the figure would be very small. The increase in those savings deposits might not be over one or two billion dollars in a year, and we are asking banks to take $25,000,000,000 of bonds this year. So, while the suggestion of the Senator may be partially based on facts, certainly it affects a very small percentage of the figures I have given.

I should like to review for a moment the over-all picture of what we have done. I do not guarantee these figures, but they will give roughly an idea of where we are coming out.

My figures show that we will raise about $23,000,000,000 in taxes a year when we get through with the program. Of that amount, under the Senate committee bill, we will raise approximately $9,000,000,000 from corporations and will raise approximately $10,000,000,000 from individual incomes. We will raise about $524,000,000 from estate and gift taxes, about $2,400,000,000 from liquor and tobacco taxes, $447,000,000 from automobile and gasoline taxes, and about $775,000,000 from other sales taxes.

Out of the total corporation income, estimated for this year at approximately $17,000,000,000, we are taking in taxes nine billion, or somewhat more than half the total corporation net income. Of the total of $95,000,000,000 of individual net income, we are taking about $10,000,000,000. It is not quite a fair comparison, because of course the corporation figure is a net figure, and the individual net income figure is after certain deductions, but not after the deduction of living expenses. Nevertheless, the comparative burden on the corporations is very great.

Furthermore, all the corporations are owned by individuals who receive the benefit of corporation earnings through the distribution of dividends. In addition to taxing the corporation earnings when they are received, we also tax them when they are distributed to individuals.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. VANDENBERG. I do not think the Senator can overemphasize the point he is now making, because we will never get $10,000,000,000 from individual taxpayers by means of the pending tax bill if we rob the corporations of the country of their chance to maintain a normal dividend policy. That is my great fear in attempting to go further than we have gone in the Senate committee bill. I remember that in a hearing before the committee we were told at one time that 155 of the leading manufacturing corporations of the country would find 73 percent of their net income absorbed by the House rate. When we speak of 155 corporations, the reference has no particular impact on the public conscience, because "155 corporations" sounds like 155 abstract units with which we can do what we please and it does not make much difference. But I took the trouble to ask at the source of that information what those 155 corporations represented by way of stock ownership, and I discovered that in dealing with the 155 leading corporations we are dealing with 2,408,000 stockholders, and that 47 percent of the dividends of those 155 leading corporations goes to people with incomes under $5,000 a year.

The Senator is therefore completely justified when he suggests that when we are discussing corporate taxes we are really discussing the very bone and sinew of the subsistence of millions and millions of people of the country who can go nowhere else for their existence.

Mr. TAFT. The Senator has made the point I was discussing better than I could make it.

Corporate taxation is double taxation. We once gave a credit to individuals who received dividends because they had already paid a tax on them, and then we took it away. So today no credit is allowed, and there is clearly double taxation. If we impose upon corporations so heavy a tax that we force them to reduce their dividends, as the tax now proposed would do, it will be placing a very heavy tax upon corporate stockholders. We may not care about the wealthy corporate stockholders, but there are many people who in old age derive their income from corporations in which they have invested their money, and which they have perhaps served throughout their lives. Those people are likely to find, before they begin to pay their individual income tax, that their dividends have been cut in half, before the individual tax rates are applied. So, unless we eliminate some part of this double taxation, it seems to me that to take even as much as 40 percent makes the total tax extremely unfair to those who have invested in common stocks as against those who have invested in bonds, real estate, or property of any other kind.

Mr. VANDENBERG. Will the Senator yield again?

Mr. TAFT. I yield.

Mr. VANDENBERG. Further, in line with what the Senator and I have been discussing about how the impact of corporation taxes, as affecting dividends, goes down into the very lowest income group brackets of the country, and into the mass rank and file of the land, I call attention to the following interesting statistics: Eighty percent of General Motors 396,000 stockholders own less than 50 shares apiece. Seventy-five percent of 750,000 stockholders in the American Telephone & Telegraph Co. own less than 25 shares apiece. We are dealing with the mass of our people when we are dealing with the ownership of corporations.

Mr. TAFT. I think it should be said that wages have not been decreased. In fact, the Government has, if anything, pursued the policy of increasing wages. Certainly the total amount of wages has greatly increased. Farm income has greatly increased. There seems to be no particular reason why we should decrease dividends on normal profits, and this is merely a question of normal profits. So far as excess profits are concerned, we take 90 percent of them. But the normal profits have been made in time of peace, and I can see no more reason for reducing the dividend of those who have saved their money and put it into that form of investment, than for reducing wages or prices. The situation of people receiving wages, of farmers receiving

prices, as well as of individuals receiving dividends, should be dealt with by an income tax on their individual incomes, and those incomes should be reduced as much as we think can be done in an equitable way, but there seems to be no reason for discriminating against the people who happen to be living, in old age or otherwise, on dividends received from investments which they may have made.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. HOLMAN. I should like to know how 40 percent was determined as the dividing line. Does that represent the highest tax which in the judgment of the committee could be imposed at this time and still permit the corporations to continue in business?

Mr. TAFT. That is approximately the division. No one can say absolutely that there is one point beyond which corporations cannot continue in business. This is as far as we thought we could go. Last year it was 31 percent. We raised it then from 24 to 31 percent. Now we are raising it to 40 percent. Personally I think that is too high. After all, this is a tax on a business machine. That machine must continue to operate. The important thing is to keep the machine in operation, to keep it going, to encourage it to go on, to encourage it to produce the things which are necessary for war.

As a matter of fact, it is not a question of individual earnings. If, as the Senator from Georgia [Mr. GEORGE] said yesterday, we could attribute to individuals the earnings made by corporations, and tax only individual earnings, whether they are distributed or not, that would be a much more logical system of taxation than we now have. We find it convenient, however, to take money from the business machine. It is easier to get it as it goes by. It serves the purpose of preventing excess profits, and so we get it there. But we certainly do not want to impose a tax at a rate which will discourage the operation of that machine, because in the end the question is not one of corporate burden; the question is one of what is the burden on individuals.

Mr. GEORGE. Mr. President, will the Senator yield to me at that point?

Mr. TAFT. I yield to the Senator from Georgia.

Mr. GEORGE. I think the Senator from Ohio is quite right in discussing the question from the only point of view from which one can approach the question properly. I pointed out yesterday in my brief statement that even in the lowest brackets the normal and surtax rates on individuals are now 19 percent, plus 5 percent victory tax, making 24 percent, and to add 40 percent to that makes a tax of 64 percent upon every dollar of dividend income the taxpayer receives. To increase it to 50 percent would increase the actual rate on the individual in the lowest brackets who received a single dollar of dividend income, to 74 percent. To my mind that is the decisive thing which should be kept in consideration in addition to the other matters which the Senator from Ohio has ably brought to the attention of the Senate. The figures I gave apply only in the lowest brackets. There are, by and large, several million persons in the United States who receive a great part of their actual income from dividends on the stock of various kinds of corporations.

Mr. TAFT. Mr. President, I might say that the total of dividends paid in the United States is not a tremendous factor. It was $4,000,000,000 in 1940 out of a national income of approximately $80,000,000,000. It was estimated to be about $5,000,000,000 in 1941. The Treasury estimates that it will be $4,700,000,000 in 1942 under this bill. Personally I think it will be much less in 1943 for the reason that the tremendous activity which is going on in connection with the war requires corporations to keep a large amount of the money with which to make improvements, to extend their plants, to pay their debts, and to do a great many things which are not necessary in times of normal activity.

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

Mr. TAFT. I yield.

Mr. BARKLEY. I think it is true that of the total amount of dividends paid in 1940 and 1941 and of those which are estimated to be paid this year, 29 percent is received by persons whose annual income is less than $5,000.

Mr. TAFT. I am glad to have the Senator's statement of the exact figures on that question.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BROWN. I should like to put in the RECORD the figure which the Senator from Ohio and I were disputing some time ago as to the amount of so-called commercial deposits in all banks of the United States, including National, State, Federal Reserve, and private banks, and the total amount of so-called savings deposits. I have in my hand the report for the year ending October 31, 1941, the last available report of the Comptroller. The so-called commercial deposits are $50,602,000,000. The total amount of time deposits is $27,000,000,000. In other words, the time deposits in all banks in the United States are somewhat over 33 percent of the total.

Mr. President, I think that very well bears out my contention that the Senator should deduct the bond purchases which are made out of savings deposits by commercial banks and other banks.

Mr. TAFT. Mr. President, I still maintain that a very small proportion of the additional $30,000,000,000 of bonds which is going to be sold to banks next year will come out of those savings. I shall be glad to make a more complete study of the question and submit the figures tomorrow when I have had the opportunity to examine the figures submitted by the Senator from Michigan. I think the amount of bonds sold for commercial account is very much greater than two-thirds of the total amount of bonds sold to the banks.

Mr. President, the general answer made by the Treasury to the fears expressed by those who think the corporations will be hampered, is that they are going to make so much more money this year that they will have more money left after this tax than they have today. That is not quite true, but roughly speaking, I personally would be in favor of a much lower tax than 40 percent, except for the fact that there is much greater activity, and undoubtedly there is much greater income. Roughly speaking, in 1940 the corporations' income, before taxes, was $9,000,000,000, and they paid two and a half billion dollars in taxes. So they had six and one-half billion dollars left in 1940, out of which they paid $4,000,000,000 in dividends.

In 1941 their income, before taxes, was closer to $15,000,000,000, and they paid taxes of $6,600,000,000, leaving about $8,400,000,000 after taxes, of which they paid $5,000,000,000 in dividends.

For 1942 there are a number of estimates, but, roughly speaking, it is estimated that corporation profits are going to be about $17,000,000,000, and that the tax will be $9,700,000,000, leaving a total income of about $7,300,000,000 under our bill. Under the House bill only about $6,300,000,000 would remain out of $17,000,000,000 of income. Under the Senate bill there will be a billion dollars less than there was in 1941, but more than there was in 1940, and probably more than there was in any other year in recent times. I think it will be enough.

But we must remember that in a business activity which is two or three times greater than it was in 1940 and 1939, the corporations require much more money. It is a practical impossibility today to sell bonds or stocks. If a corporation wishes to expand its plant it must take money out of earnings, and it must have the earnings. If a corporation borrows money to expand its plant, and has to pay its debts, it must get the money from earnings. While possibly we can reduce the net income of corporations from $8,400,000,000, which it was in 1941, to $7,300,000,000 without creating difficulty, I think that is as far as we ought to go. If we go below that figure I think we will not leave enough to keep the machine oiled and greased.

Mr. President, we have to remember that war profits are distributed most unequally. Some people make much money. A great many corporations are not making any money at all or are losing money. We cannot simply take an average and say, "This is the average, and so we ought to get that average." If we could do that with individuals it would be nice. "Out of an income of $95,000,000,000 everyone ought to cut his income one-third, and so we will simply take $30,000,000,000 from that total." That is a nice theory, but when we come to do it we will find that it is all right with respect to Mr. A, but it imposes an unendurable hardship on Mr. B; it forces him into poverty, whereas before he was in fairly reasonable condition of living. We simply cannot take averages. So if we step in and take on the average over 50 percent of the net income of corporations, and if we take $9,000,000,000 out of $17,000,000,000, some corporations may have plenty left, but there will be a great many that will not have enough left.

I think it is a question of judgment. I do not know how far we ought to go,

but I say that the taking of an additional $1,000,000,000 out of a total estimate of $17,000,000,000 of income is not justified in view of the fact that it will endanger the entire operation of our business system, and I believe the tax ought to stay at 40 percent. The committee has reached that judgment after hearing witnesses from all over the country and after hearing from the Treasury, and I believe the committee's decision ought to stand.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). The question is on the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. BYRD. Mr. President, I wish to state very briefly my reasons for opposing the amendment offered by the Senator from Wisconsin. The existing tax on corporations, normal and surtax, is 31 percent. The amendment proposed by the Senator from Wisconsin would increase this tax to 50 percent. That would be an increase of 66 percent in the tax.

The bill as reported by the Senate Finance Committee increases the excess-profits tax to about 90 percent from a graduated tax of 35 percent on the first $20,000 to 60 percent on profits over $500,000—which is an average excess-profits tax of about 50 percent. This is nearly double. In addition, the bill as reported by the Senate Finance Committee would change the excess-profits credits so that corporations with larger investments would receive less excess-profits credits than they have heretofore received.

I believe that we should give consideration to the fact that when we unduly and excessively increase the taxes on corporations we prevent them from paying dividends, and thereby reduce the taxable income of individual taxpayers. If the amendment of the Senator from Wisconsin were adopted, the average taxation of the average corporation would be 56 percent. In other words, taking all the net income of the corporations of the country, 56 percent would be consumed by taxation.

We must remember, Mr. President, that a corporation may make a substantial profit and not have a cash profit. The profit may be in inventories. It may be used for necessary plant expansion, and other matters of that kind, or for debt payment. So if by excessive taxation we prevent a corporation from building up its inventory or paying its debt obligations, or improving its plant facilities, we eventually destroy it. Members of the Finance Committee will remember that time after time during the long hearings which were held officials of corporations came before the committee and stated that if the House bill were adopted many corporations could not pay the obligations which they have legally incurred for debts, expansion, or for other purposes. Let us recall that the House bill is 5 percent less in the normal and surtax combined rate than the amendment proposed by the Senator from Wisconsin.

Dividends received by individual taxpayers from corporations are not exempt, even from the normal tax. That exemption was removed some time ago. Therefore, if the amendment of the Senator from Wisconsin were adopted it would prevent many corporations from paying their normal dividends, and loss would occur by reason of the fact that the dividends in the hands of individuals would be reduced and therefore not taxed. Worse than that, many corporations would be forced out of business.

The corporate structure of the business of this country is the foundation-stone upon which the private business enterprise system is established. Destroy the corporations of the country and you destroy the business enterprise system of America. I am not thinking, as some of my colleagues appear to think, that a corporation is one great single entity. A corporation is composed of thousands of stockholders. As I recall, the American Telephone & Telegraph Co. has 600,000 stockholders. Six hundred thousand persons own the American Telephone & Telegraph Co., with a very small average ownership. We are not punishing an abstract corporation when we place excessive and burdensom taxation, larger than they can bear, upon the corporations of this country. We are punishing the average individual American citizen who owns stock in those corporations; and a great proportion of our citizens do own stock in various corporations.

There are about 500,000 corporations in America, and we have no way to ascertain the exact effect upon each individual corporation of the excessive taxation which it is now proposed to place upon them. Some wealthy corporations which are in good financial condition and out of debt, and which have a large invested capital, can perhaps pay excessive taxation and still survive; but the smaller corporations, corporations which are in debt, and which are forced to make substantial yearly, or perhaps monthly, payments in accordance with their debt obligations, cannot survive if the taxation is made too excessive.

I believe that nothing would be lost and much would be gained by so arranging the corporate tax rates that the average corporation—and I speak of the smaller corporations, those which have debts and which have not access to the markets for the sale of bonds to finance their enterprises—may meet its obligations. The war effort would be vastly promoted if the taxation on corporations were made moderate. The Treasury would lose little, if anything, because profits made by corporations may be declared in the form of dividends, and those dividends in the hands of individuals who own stock of the corporations would be taxed.

If an individual in the higher brackets receives a dividend from a corporation he must pay a much higher tax to the United States Government than would the corporation if the corporation itself in the first instance paid the tax. Under the terms of the bill the average American citizen who has an income of $25,000 would be permitted to retain $15,000 of it. That is not so bad; but he would be permitted to retain only $6,000 of the next $25,000 which he makes. Of the third $25,000 he would be permitted to retain only $5,000. Of the fourth $25,000 he would be permitted to retain only $4,000. Of the second $100,000 which he makes he would be permitted to retain only $9,000. So an American citizen who makes an income of $100,000 would be permitted to retain $30,000. From the second $100,000 he would pay 91 percent to the Treasury of the United States. I am not objecting to that. I think that is necessary.

The point I am trying to make is that if a man in the $100,000 bracket should receive a dividend from a corporation he would pay a tax of 91 percent on that dividend. Thereby, as a general principle, the Government would receive more revenue than if the dividend was not declared and taxed under the corporation taxation, which, as I have stated, is an average of 56 percent as proposed by the Senator from Wisconsin.

Mr. President, I hope that the amendment offered by the Senator from Wisconsin will not prevail, because in my firm judgment, if it should prevail many of the smaller corporations of the country would be forced out of business.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to file my individual views from the Committee on Finance concerning House bill 7378 (Pt. 2 of Rept. No. 1631).

The PRESIDING OFFICER. Without objection, it is so ordered and the views will be printed.

Mr. LA FOLLETTE. I also ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the table from which I have read in discussing this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. LA FOLLETTE. Mr. President, I wish to say a few words before the vote is taken.

This is not a question of punitive taxation. I venture to say that if this country were not in the dire fiscal situation which now confronts it no Senator would support the rates which are provided in the bill for individuals, corporations, and estates. The only reason we are driven to this situation is the astronomical character of the expenditures which we are forced to make. Therefore, each Senator must exercise his own judgment as to how far we can go in the taxation of all sources of revenue; for when we have gone as far as we dare go, we shall be far short of the absolutely essential revenue in order that the Government may carry on the war expenditures which have already been authorized and contracted for.

Mr. President, I have no desire to hurt corporations. I realize their importance in our economy. No Senator is more anxious than I to preserve the free enterprise system. However, I say that if we fail in our duty to levy taxes, the free-enterprise system will be doomed. We must have the courage to tax and tax and tax; for the only other alternative is to shove bonds down the throats of the Federal Reserve banks and start the printing presses. When we do that, Mr. President, our corporate structure is gone; our democracy is gone; and everything for which we are fighting is finished.

This is not an issue involving the question whether we are for or against corporations. As I said before, I recognize their importance in our economy. However, at this time we must tax up to the point where our judgment says we may go, and no further.

My proposal is less than the Treasury recommended. In effect, it is no more than the House of Representatives has proposed. Does anyone think that the able committee in the House or the majority in the House of Representatives is out to destroy the free enterprise system by excessive taxation upon corporations? I say that anyone who takes such a position does not know the members of that committee or the Members of the House of Representatives.

As I previously stated, this is a question of judgment. The proposal which I have offered would in effect impose no greater tax upon corporations than would the proposal contained in the House bill.

Let it be said that in considering the total burden to be imposed upon corporations we have provided for repeal of the so-called capital-stock tax, that guessing game in which corporations have had to indulge.

They would thereby be relieved of $290,000,000 of taxes. In consideration of that, Mr. President, I think that the corporations of the country would welcome an increase in their normal taxes and surtaxes.

As a matter of fact, a poll taken by the Industrial Conference Board showed that corporations were willing to have their rates increased as much as 2½ percent in order to get rid of the excess-profits capital-stock tax.

It should also be borne in mind that the pending bill provides liberal relief provisions, which I support because I think we must try to make the tax structure equitable. In section 722 the bill goes a long way in extending relief to corporations—relief which, I say, is justified, but which nevertheless will result in their paying less taxes than they otherwise would pay.

So, Mr. President, as I said before, it comes to a question of judgment. In reaching the conclusion that the amendment should be agreed to I have been motivated only by a desire to serve the best interests of our common government in time of war, and I am not indulging, as the Senator from Georgia suggested, in any political maneuver or any effort to adorn the bill with political ornaments. I think my record here for nearly 17 years denies any such charge better than I can do by any form of words.

EXHIBIT A

CORPORATION TAXES

Estimated revenue effect, at levels of income estimated for calendar year 1942, of alternative proposals of Senator La Follette revising corporation income and excess-profits taxes, compared with revenue effect of H. R. 7378 as reported by the Senate Finance Committee, Oct. 2, 1942, and as passed by the House of Representatives, July 20, 1942

[In millions of dollars]

	Increase or decrease (−) over yield of present law				Increase or decrease (−) La Follette proposal A over yield of—		Increase or decrease (−) La Follette proposal B over yield of—		Increase or decrease (−) proposal A over proposal B
	La Follette proposal—		H. R. 7378—						
	A[1]	B[2]	As reported by Senate Finance Committee	As passed by House of Representatives	H. R. 7378 as reported by Senate Finance Committee	H. R. 7378 as passed by House of Representatives	H. R. 7378 as reported by Senate Finance Committee	H. R. 7378 as passed by House of Representatives	
Corporation taxes:									
Income and excess-profits taxes:									
Income tax	893.2	994.4	45.1	383.4	848.1	509.8	949.3	611.0	−101.2
Excess-profits tax	2,095.6	1,919.7	2,116.4	2,315.8	−21.4	−220.8	−196.7	−396.1	175.3
Declared value excess-profits tax	−107.5	−107.5	−107.5	−58.5		49.0		49.0	
Total income and excess-profits taxes (gross)	2,880.7	2,806.6	2,054.0	2,640.7	826.7	240.0	752.6	165.9	74.1
Post-war credit:									
Debt retirement credit	−385.0	−385.0	−360.0		−85.0	−385.0	−85.0	−385.0	
Net post-war refund	−667.8	−660.4	−271.5		−396.3	−667.8	−388.9	−660.4	−7.4
Total post-war credit	−1,052.8	−1,045.4	−571.5		−481.3	−1,052.8	−473.9	−1,045.4	−7.4
Total income and excess-profits taxes (net)	1,827.9	1,761.2	1,482.5	2,640.7	345.4	−812.8	278.7	−879.5	66.7
Capital stock tax	−290.0	−290.0	−290.0	−51.5		−238.5		−238.5	
Total corporation taxes	1,537.9	1,471.2	1,192.5	2,589.2	345.4	−1,051.3	278.7	−1,118.0	66.7
Decrease in individual income tax[3]	−476.0	−460.0	−350.0	−621.0	−126.0	145.0	−110.0	161.0	−16.0
Net revenue effect	1,061.9	1,011.2	842.5	1,968.2	219.4	−906.3	168.7	−957.0	50.7

[1] (A) Income and excess-profits tax base same as reported by Senate Finance Committee; (B) increase maximum surtax rate to 26 percent; (C) allow post-war credit equal to 10 percent of total income and excess-profits taxes.

[2] (A) Allow specific credit of $10,000 for excess-profits tax; (B) increase maximum surtax rate to 26 percent; (C) allow post-war credit equal to 10 percent of total income and excess-profits taxes.

[3] At rates and exemptions (including net Victory tax) as reported by Senate Finance Committee.

Treasury Department, Division of Research and Statistics, Oct. 6, 1942.

Mr. LA FOLLETTE. I ask for the yeas and nays on my amendment.

The yeas and nays were not ordered.

Mr. LA FOLLETTE. Mr. President, I ask that I may be given the courtesy of a record vote.

Mr. BARKLEY. Mr. President, I hope Senators will give the Senator from Wisconsin a yea-and-nay vote on the amendment.

The yeas and nays were ordered.

Mr. GEORGE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GEORGE. Is the question on agreeing to the amendment of the Senator from Wisconsin?

The PRESIDING OFFICER. The question is on the amendment of the Senator from Wisconsin, and on that question the yeas and nays have been demanded and ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the senior Senator from Delaware [Mr. HUGHES] and will vote. I vote "nay."

The roll call was concluded.

Mr. BYRD. The senior Senator from Virginia [Mr. GLASS] is detained from the Chamber by illness. If present, he would vote "nay."

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] is absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from New York [Mr. MEAD], and the Senator from Washington [Mr. WALLGREN] are detained on official business.

The Senator from Georgia [Mr. RUSSELL] is necessarily absent.

Mr. McNARY. I announce that the Senator from Vermont [Mr. AUSTIN] and the Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] are necessarily absent.

The Senator from Kansas [Mr. REED] and the Senator from Minnesota [Mr. SHIPSTEAD] are unavoidably detained. If the Senator from Minnesota [Mr. SHIPSTEAD] were present, he would vote "yea."

The result was announced—yeas 9, nays 75, as follows:

YEAS—9

Bone	La Follette	Pepper
Downey	Langer	Smathers
Hill	Lee	Wheeler

NAYS—75

Aiken	George	Nye
Bailey	Gerry	O'Daniel
Ball	Gillette	O'Mahoney
Bankhead	Green	Overton
Barbour	Guffey	Radcliffe
Barkley	Gurney	Reynolds
Bilbo	Hatch	Rosier
Brewster	Hayden	Schwartz
Brooks	Herring	Smith
Brown	Holman	Spencer
Bulow	Johnson, Calif.	Stewart
Bunker	Johnson, Colo.	Taft
Burton	Kilgore	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Truman
Caraway	McFarland	Tunnell
Chandler	McKellar	Tydings
Chavez	McNary	Vandenberg
Clark, Mo.	Maloney	Van Nuys
Connally	Maybank	Wagner
Danaher	Millikin	Walsh
Davis	Murdock	White
Doxey	Murray	Wiley
Ellender	Norris	Willis

NOT VOTING—12

Andrews	Glass	Russell
Austin	Hughes	Shipstead
Bridges	Mead	Tobey
Clark, Idaho	Reed	Wallgren

So Mr. LA FOLLETTE's amendment was rejected.

The PRESIDING OFFICER. The question recurs on the committee amendment to be found on page 17, line 6, to strike out "32" and insert "22."

Mr. McCARRAN rose.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. McCARRAN. Mr. President, while this motion is pending I do not care to be heard on it, but on another item that comes up I desire to be heard.

The PRESIDING OFFICER. The question is on the committee amendment on page 17, line 6.

Mr. LA FOLLETTE. I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

Mr. LA FOLLETTE. I ask for a division.

On a division, the amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on the committee amendment to be found on page 17, lines 9 and 10, to strike out "21" and insert "16."

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The CHIEF CLERK. On page 31——

Mr. GEORGE. Mr. President, the amendment is one that will occasion some debate, probably considerable debate. I should like to have action with reference to one or two other amendments which were carried over before we take up the one on page 31.

The third amendment reserved or carried over is on pages 84 and 85, according to my information, relating to interest on single-premium life insurance. The Senator from Michigan asked that that be carried over.

Mr. VANDENBERG. Mr. President, the Senator is correct; I asked that it go over yesterday because it seemed to me that the amendment did not reflect the decision made by the Finance Committee. It is impossible, however, to work out a correction at the moment on the floor, and I am quite willing to have the matter surveyed in conference because I know the able Senator from Georgia entirely shares my view affecting this matter. Am I correct?

Mr. GEORGE. The Senator is correct. I have identically the same view. I have examined the amendment, and I find that the whole provision is in conference, so that the conferees will be free to make any correction if there is any error in the text as approved.

Mr. VANDENBERG. Under those circumstances, I have no further objection to action on the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 84, line 18, after the word "semicolon", it is proposed to strike out "and the word 'or' at the end of paragraph (5)", and on page 84, after line 20, to strike out:

(6) Any amount paid or accrued on indebtedness incurred or continued to purchase or carry a single premium or fully paid-up life insurance or endowment contract; or

And in lieu thereof to insert:

(6) Any amount paid or accrued on indebtedness incurred or continued to purchase a single premium life insurance or endowment contract. For the purposes of this paragraph, if substantially all the premiums on a life insurance or endowment contract are paid within a period of 4 years from the date on which such contract is purchased, such contract shall be considered a single premium life insurance or endowment contract; or.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment passed over.

The CHIEF CLERK. On page 87, line 20——

Mr. GEORGE. Mr. President, that amendment might occasion debate. I do not know who asked that it go over.

The PRESIDING OFFICER. The Chair is informed that the Senator from Virginia [Mr. BYRD] asked that it go over. Does the Senator from Virginia desire to be heard on the amendment?

Mr. BYRD. I ask that it go over. I am under the impression that it is a part of the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE], is it not? I was told by the clerk of the committee, sitting next to me, when I was acting in the temporary absence of the Senator from Georgia, that it was a part of the amendment of the Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, I feel there is some confusion about it. I did not ask that the amendment go over.

Mr. GEORGE. I thought if we might dispose of it before taking up another one, it would be well.

The PRESIDING OFFICER. The question is on the committee amendment on page 87, which will be stated.

The CHIEF CLERK. On page 87, after line 20, it is proposed to insert:

(b) Credit for dependents: Section 25 (b) (2) (A) (relating to credit for dependents) is amended by striking out "$400" and inserting in lieu thereof "$300."

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

Mr. GEORGE. Mr. President, I think we should recur to the second amendment which went over which is the amendment on page 31 relating to the taxation of State and municipal securities.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the top of page 31 it is proposed to strike out:

SEC. 111. Amendments to conform Internal Revenue Code with the Public Debt Act of 1941.

(a) Postal savings certificates: Section 22 (b) (4) (relating to the exclusion of tax-free interest from gross income) is amended by inserting after the words "other than postal savings certificates of deposits" the following: "to the extent they represent deposits made before March 1, 1941."

(b) United States obligations: Section 25 (a) (1) is amended to read as follows:

"(1) Interest on United States obligations: The amount received as interest upon obligations of the United States, if such interest is included in gross income under section 22, and if, under the act authorizing the issue of such obligations, as amended and supplemented, such interest is exempt from normal tax."

(c) The amendments made by this section shall be effective as of March 1, 1941.

And insert:

SEC. 112. Exemption of interest on public obligations.

(a) Section 22 (b) (4) (relating to exclusion from gross income of tax-free interest) is amended to read as follows:

"(4) TAX-FREE INTEREST: To the extent provided in section 116 (b), interest upon obligations issued by (A) the United States, or any agency or instrumentality thereof; or (B) a State, Territory, or possession of the United States, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing. Every person owning any of the obligations enumerated in clause (A) or (B) shall, in the return required by this chapter, submit a statement showing the number and amount of such obligations owned by him and the income received therefrom, in such form and with such information as the Commissioner may require."

(b) (1) Sections 25 (a) (1) and (2) (relating to credits of individual for normal tax) are amended to read as follows:

"(1) Interest on United States obligations: The amount received as interest upon an obligation of the United States, if such interest is included in gross income under section 22 and if, under the act authorizing the issue of such obligation, as amended and supplemented, such interest is exempt from normal tax.

"(2) Interest on obligations of agencies or instrumentalities of the United States: The amount received as interest upon an obligation of an agency or instrumentality of the United States, if such interest is included in gross income under section 22 and if, under the act authorizing the issue of such obligation, as amended and supplemented, such interest is exempt from normal tax."

(2) Section 26 (a) (relating to credit of corporations for interest on obligations of the

United States and its instrumentalities) is amended to read as follows:

"(a) Interest on obligations of the United States: The amount received as interest upon obligations of the United States, or of any agency or instrumentality thereof, which is allowed to an individual as a credit for purposes of normal tax by section 25 (a) (1) or (2)."

(3) The amendments made by this subsection shall be effective as of March 1, 1941.

(c) Section 116 (relating to exclusions from gross income) is amended by inserting after subsection (a) a new subsection to read as follows:

"(b) Tax-free interest.—

"(1) Interest upon obligations issued (A) before March 1, 1941, by the United States, or any agency or instrumentality thereof, to the extent it is wholly exempt from the taxes imposed by this chapter under the acts authorizing the issuance of such obligations, as amended and supplemented, including interest upon postal savings certificates of deposit made prior to March 1, 1941; or (B) before January 1, 1943, by a State, Territory, or possession of the United States or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing: *Provided, however*, That this subsection shall not be considered to exempt from taxation interest includible in gross income for any taxable year beginning before January 1, 1942, under the Internal Revenue Code, or any prior revenue act.

"(2) For the purposes of this subsection:

"(A) An obligation shall be considered to have been issued after a particular date, if any part of the payment therefor is received by the obligor after such date, or if delivery thereof is made by the obligor after such date.

"(B) Obligations which merely replace lost, mutilated, defaced, or destroyed obligations, or obligations of larger or smaller denominations, and obligations in registered form or with coupons which merely replace obligations with coupons or in registered form, shall be treated as if they were the obligations replaced.

"(3) For the purposes of clause (B) of paragraph (1) of this subsection:

"(A) If the terms of an obligation issued before January 1, 1943, the maturity of which on the date of enactment of the Revenue Act of 1942 (hereinafter called 'enactment date') or the date of issue, whichever is later, is later than December 31, 1942, are, after enactment date, changed so as to increase the principal amount or interest rate or to extend the maturity, then such obligation shall (as to interest accruing for any period after the date of the change or December 31, 1942, whichever is later) be considered as issued after such later date.

"(B) In the case of an obligation issued after the enactment date and before January 1, 1943, such obligation shall (as to interest accruing for any period after December 31, 1942) be considered as issued after December 31, 1942, if any part of the proceeds of the issue of which the obligation is a part, or if any obligation of the issue, is devoted to the retirement or refunding of an obligation the maturity of which on enactment date was later than June 30, 1943. For the purposes of this subparagraph, June 30, 1943, shall be considered the maturity, on enactment date, of an obligation the interest on which ceases to run before July 1, 1943, by reason of such obligation being called for redemption in accordance with the terms thereof as they existed on enactment date.

"(4) For the purposes of clause (B) of paragraph (1) of this subsection, if an obligation is issued after December 31, 1942 (hereinafter called 'refunding obligation'), and if—

"(A) The issue of which it is a part (hereinafter called 'new issue') is issued for the purpose of refundng one or more obligations (hereinafter called 'refunded obligations'); and

"(B) All refunded obligations have the same exemption expiration date, as defined in subparagraph (J); and

"(C) No obligations, other than those of the new issue, have been issued for the purpose of refunding any of the refunded obligations; and

"(D) The aggregate principal amount of the new issue is not in excess of the aggregate principal amount of the refunded obligations; and

"(E) Interest on each of the refunded obligations ceases (by reason of such obligation being called for redemption in accordance with the terms thereof as they existed on enactment date, or the date of issue, whichever is later) to run upon a date not more than 7 months after the date upon which interest on the refunding obligation begins to run; and

"(F) Interest on each of the refunded obligations, for the period at the end of which it ceases to run by reason of such call for redemption, is considered as interest on an obligation issued before January 1, 1943; and

"(G) The refunding obligation, in its terms, states the exemption expiration date of, and identifies, the refunded obligations; and

"(H) The interest rate on the refunding obligations for any period ending on or before the exemption expiration date of the refunded obligations is not higher than the interest rate which any of the refunded obligations had, or would (if such obligation had not been called for redemption) have had, for the corresponding period,

Then the refunding obligation shall be considered as issued before January 1, 1943, as to so much of the interest as accrues for any period ending before or on the exemption expiration date of the refunded obligations, and shall be considered as issued after December 31, 1942, as to the remainder of such interest. For the purposes of this paragraph—

"(I) Several obligations shall be considered as one issue, only if each is identical with all the others in maturity, interest rate, terms and conditions, and recitals, but the fact that the denominations differ, or that some are registered and some in coupon form shall be disregarded.

"(J) 'Exemption expiration date' means—

"(i) With respect to a refunded obligation issued before January 1, 1943, the date of maturity which the obligation had on December 31, 1942;

"(ii) With respect to a refunded obligation issued after December 31, 1942, the date as of which interest thereon would (if the obligation had not been called for redemption) have ceased to be considered as interest on an obligation issued before January 1, 1943."

Mr. McCARRAN. Mr. President, I call up an amendment which I have sent to the desk. I am inclined to believe that this matter will be quite promptly disposed of in view of a letter which I received from the chairman of the Committee on Finance. I ask that the amendment be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 34, line 9, it is proposed to strike out the period, insert a colon and the following: *"Provided further*, That this subsection shall not apply to issues of bonds, debentures, securities or other obligations by a State, or any political subdivision thereof, where such obligations are held by the State, or any duly constituted agency thereof operating solely within such State in the performance of its official duties, as security or investment."

Mr. McCARRAN. Mr. President, I desire to modify the amendment by adding after the word "agency", in line 6, the words "commission, or instrumentality."

The PRESIDING OFFICER. The amendment is in control of the Senator from Nevada. He has a right to modify his amendment.

Mr. McCARRAN. I so modify it.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Nevada, as modified.

Mr. GEORGE. Mr. President, I do not think the amendment is needed. Under the amendment included in the bill by the Senate Finance Committee I am sure that the interest on bonds held by a State in its treasury, such as described, the amendment would not be taxable. From that point of view, I fully agree that there is no objection to the amendment.

There is, however, a question in my mind. By exempting certain securities held in a State treasury there might be an inference that other securities which are likewise exempt or would be exempt if the Senate Finance Committee amendment becomes the law would be subject to the tax. In other words, by excluding certain bonds and securities, there might be an inference that certain others which I do not think are subject to this tax if approved by the Congress finally, would be subject to it by excluding some without excluding all.

It is rather difficult to exclude all. It seems to me there might be an inference that some of the others might be subject to the tax. I have discussed the matter with the Senator from Ohio, who is interested in it, and with some of the other Members of the Senate. Now the Senator from Nevada has broadened his amendment somewhat, and it may take care of the situation.

Mr. McCARRAN. That was my view.

Mr. GEORGE. Is that the Senator's purpose?

Mr. McCARRAN. That is my purpose in broadening the amendment.

Mr. TAFT. Mr. President, my difficulty is that I do not think anybody maintains that we can possibly tax a State. I do not see why we should deny that we are trying to tax a State. The question in connection with municipal bonds is that you are taxing an individual's income and the mere fact that it comes from the State should not exclude it from being considered as his income; but now nobody is maintaining that we should tax a State on bonds it holds itself.

My difficulty is that we have in Ohio a teachers' retirement fund and a workmen's compensation fund. Whether they are covered by the exact words as originally written in the bill I do not know, but it is also true that we are not taxing municipal bonds in the hands of any charitable organization. It is not proposed to tax municipal bonds in the hands of anyone who is exempt under the Internal Revenue Code. If we are to

exclude States and their agencies, we should go on and list all the exempt institutions which are now exempt from the Federal income tax.

It seems to me that by saying we are not taxing States and agencies of States it is implied that we are taxing somebody else who should not be subject to tax. I have had letter after letter from teachers in Ohio with regard to the possibility of taxing the teachers' retirement fund. I do not know whether the teachers' retirement fund is an agency of the State, or could be said to fall within the definition of the proposed act. I know it is not subject to tax under the Federal income-tax law, and that is all I want to know about it. I do not like to exclude someone and thereby imply that perhaps we are taxing others who should also be exempt.

Mr. GEORGE. Mr. President, the income tax applies only to incomes realized and enjoyed by persons, natural or artificial. A State is not a person in that sense at all, I may say to the Senator from Nevada, and therefore the amendment proceeds on the assumption, by inference, at least, that a State may be subject to a tax. A State is not subject to a tax and cannot be subject to a tax. I think it would be better not to press the amendment, because it certainly is unnecessary in the bill before us and might, for that reason, perhaps, with respect to some securities issued by some political subdivision of a State, raise an implication that they are subject to taxation.

Mr. McCARRAN. Mr. President, the colloquy which has taken place is exactly what I sought to bring about in order to secure clarification. In other words, I sought to have written into the bill the understanding and the policy which was to be expressed by the Senate with reference to the language contained in the bill. The colloquy which has occurred has served the exact purpose I had in mind. I am offering the amendment, and I ask that it be printed, but I shall not press it further, in view of the understanding had.

The PRESIDING OFFICER. The RECORD may show that the Senator withdraws his amendment.

Mr. McCARRAN. I ask that it be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Without objection, it is so ordered.

The amendment is as follows:

On page 34, line 9, strike out the period, insert a colon and the following: *"Provided further,* That this subsection shall not apply to issues of bonds, debentures, securities, or other obligations by a State, or any political subdivision thereof, where such obligations are held by the State, or any duly constituted agency, commission, or instrumentality thereof operating solely within such State in the performance of its official duties, as security or investment."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 31.

Mr. HAYDEN. Mr. President, I desire to speak briefly in opposition to the adoption of the committee amendment. I preface my remarks by asking to have included in the RECORD a concurrent memorial passed by the legislature of my State in May of this year opposing putting into the pending bill a provision that the income from State and municipal securities be taxed.

The PRESIDING OFFICER. Is there objection?

There being no objection, the memorial was ordered to be printed in the RECORD, as follows:

House Concurrent Memorial 1

A concurrent memorial objecting to legislation by Congress for the taxing of municipal bonds

To the Congress of the United States:

Your memorialist respectfully represents:

According to advices concerning the proceedings of the Congress, the deliberations of its committees, and the expressions of certain Members, consideration is being given to the imposition of a tax on the bonds of local governmental units or municipalities.

Adoption of this proposal would place upon most local units if not all of them, and particularly upon cities and towns, a most serious burden, without compensating advantages.

The financial structures of many cities and towns are already laboring under serious stresses, which would be brought to the breaking point by the adoption of the proposed policy.

The imposition of a tax on municipal bonds, it would seem unnecessary to point out, would greatly impair the market for such securities, making financing difficult, and in many cases impracticable. When sold securities would be sold at great sacrifice, and thus load upon the taxpayers an additional burden. Receipts from the sale of securities being reduced, the cost of essential improvements or installations would mount. The financial problems of many cities and towns would become insurmountable, and bankruptcy might very easily result.

Furthermore, the infliction of a tax upon municipal bonds would amount to an extension or expansion of the power of Congress to tax far beyond the thoughts or dreams of the makers of the Constitution, and afford an all-time demonstration of the literal accuracy of the adage that the power to tax is the power to destroy. Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, earnestly prays:

1. That the Congress of the United States turn a deaf ear to any and all proposals looking to the imposition of a tax on municipal bonds and securities.

Passed the house, April 23, 1942.

Passed the senate, April 25, 1942.

Approved by the Governor, May 4, 1942.

The PRESIDING OFFICER. The memorial will lie on the table.

Mr. HAYDEN. Mr. President, nearly 20 years ago this very question was pending in the House of Representatives, and at that time I had occasion to address the House on the subject. I wish to read to the Senate just one paragraph from what I said on January 23, 1923, because I think it states the substance of the argument. I then said:

I fully appreciate the desire of the great majority of our citizens that the owners of no form of wealth shall escape taxation. It was this same desire that induced many States to impose a tax on mortgages. The result was a positive injury to the borrowers, because since no one is compelled to make a loan the interest rate was raised to offset the tax. The owner of a mortgage does not pay the tax, and neither will the owner of any taxable security issued by the United States or by authority of any State. The tax will be passed on to the borrower, either through the purchase of the security below par or by increasing the rate of interest. In other words, those who have money to loan will always find a way to obtain a net return for its use which equals the current rate of interest, and no law ever passed has effectively changed this fundamental economic fact.

Mr. President, it is inconceivable to me that we can make taxable a security issued by a State, a municipality, or the Federal Government, without inevitably occasioning an increase in the rate of interest which the State or the municipality or the Federal Government must pay. So in the long run nothing is gained by such a provision. For that reason I am opposed to the adoption of the amendment.

I understand that there are other provisions in the bill, in addition to the particular one now under consideration, which would have to be corrected, but that the main issue can be determined by the rejection of the committee amendment now pending.

Mr. BURTON. Mr. President, I concur in what the Senator from Arizona has just said, but I believe that in order to reach that issue, if we wish to defeat the committee amendment insofar as it relates to future issues of securities by States and municipalities, we should adopt an amendment in the form of that which I have placed on the desk at the recommendation of the legislative counsel. This amendment will come on page 34, line 1, to strike out the provision "before January 1, 1943," so that the section would then exempt income from State and municipal securities without that limitation. My amendment would further strike out beginning on line 23, page 34, all the language down to and including line 16, on page 38. This is the provision to exempt certain refunding issues, which would not be necessary if the other step is taken exempting all issues.

The reason for adopting this procedure is simply that there is some language in the first part of section 112 which should probably remain in it in order to take care of the changed situation which has arisen as to taxation of Federal securities. I believe my amendment directly raises the issue that we wish to raise without omitting noncontroversial matters. If my amendment to the proposed committee amendment shall be adopted, it will mean that securities issued at any time hereafter or heretofore are still exempt. That, I believe, is the contention of the Senator from Arizona. I therefore offer my amendment, which is on the desk, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed on page 34, line 1, to strike out "before January 1, 1943", and to strike out, beginning with line 23, page 34, the following:

(3) For the purposes of clause (B) of paragraph (1) of this subsection:

(A) If the terms of an obligation issued before January 1, 1943, the maturity of which on the date of enactment of the Revenue Act of 1942 (hereinafter called enactment date) or the date of issue, whichever is later, is later than December 31, 1942, are, after enactment date, changed so as to increase the principal amount or interest rate or to extend the maturity, then such obligation shall (as to in-

terest accruing for any period after the date of the change or December 31, 1942, whichever is later) be considered as issued after such later date.

(B) In the case of an obligation issued after the enactment date and before January 1, 1943, such obligation shall (as to interest accruing for any period after December 31, 1942) be considered as issued after December 31, 1942, if any part of the proceeds of the issue of which the obligation is a part, or if any obligation of the issue, is devoted to the retirement or refunding of an obligation the maturity of which on enactment date was later than June 30, 1943. For the purposes of this subparagraph, June 30, 1943, shall be considered the maturity, on enactment date, of an obligation the interest on which ceases to run before July 1, 1943, by reason of such obligation being called for redemption in accordance with the terms thereof as they existed on enactment date.

(4) For the purposes of clause (B) of paragraph (1) of this subsection, if an obligation is issued after December 31, 1942 (hereinafter called refunding obligation), and if—

(A) The issue of which it is a part (hereinafter called new issue) is issued for the purpose of refunding one or more obligations (hereinafter called refunded obligations); and

(B) All refunded obligations have the same exemption expiration date, as defined in subparagraph (J); and

(C) No obligations, other than those of the new issue, have been issued for the purpose of refunding any of the refunded obligations; and

(D) The aggregate principal amount of the new issue is not in excess of the aggregate principal amount of the refunded obligations; and

(E) Interest on each of the refunded obligations ceases (by reason of such obligation being called for redemption in accordance with the terms thereof as they existed on enactment date, or the date of issue, whichever is later) to run upon a date not more than 7 months after the date upon which interest on the refunding obligation begins to run; and

(F) Interest on each of the refunded obligations, for the period at the end of which it ceases to run by reason of such call for redemption, is considered as interest on an obligation issued before January 1, 1943; and

(G) The refunding obligation, in its terms, states the exemption expiration date of, and identifies, the refunded obligations; and

(H) The interest rate on the refunding obligations for any period ending on or before the exemption expiration date of the refunded obligations is not higher than the interest rate which any of the refunded obligations had, or would (if such obligation had not been called for redemption) have had, for the corresponding period,

then the refunding obligations shall be considered as issued before January 1, 1943, as to so much of the interest as accrues for any period ending before or on the exemption expiration date of the refunded obligations, and shall be considered as issued after December 31, 1942, as to the remainder of such interest. For the purposes of this paragraph—

(I) Several obligations shall be considered as one issue, only if each is identical with all the others in maturity, interest rate, terms and conditions, and recitals, but the fact that the denominations differ, or that some are registered and some in coupon form shall be disregarded.

(J) "Exemption expiration date" means—

(i) With respect to a refunded obligation issued before January 1, 1943, the date of maturity which the obligation had on December 31, 1942;

(ii) With respect to a refunded obligation issued after December 31, 1942, the date as of which interest thereon would (if the obligation had not been called for redemption) have ceased to be considered as interest on an obligation issued before January 1, 1943.

Mr. BURTON. Mr. President, I believe the outstanding feature of the committee amendment as proposed to the Senate is that it would produce substantially no income to the Federal Government. It levies no tax whatever on outstanding municipal and State securities. I believe that it should not levy a tax on them, but as it stands it brings out clearly the fact that no present benefit will inure to the Federal Government in the way of income by the adoption of the committee amendment. That is important today, because what we are primarily seeking to do in this tax bill is to raise money for the Federal Government. This proposal of the committee would not do it. If we tax the income only from future issues of State and municipal bonds—it was developed in the hearings that it might amount to a return to the Federal Government of only from $3,000,000 to $5,000,000 a year for the next few years—it probably would not amount to anything really substantial for 10 years. It will take about 20 or 30 years before there will again build up issues of State and municipal securities corresponding substantially to the amounts now outstanding. Therefore, as a war measure, it does not at all serve the Federal Government, yet it carries with it every bit of the detriment to the States and municipalities that has been involved in preceding amendments of this kind that have been presented to and voted down in the Congress.

Mr. THOMAS of Oklahoma. Will the Senator yield?

Mr. BURTON. I yield.

Mr. THOMAS of Oklahoma. Is it not a fact that if this amendment shall be adopted and become a part of the pending measure, it will have the effect of causing the value of existing outstanding bonds to appreciate, and will cause the new issues to become depreciated as they are issued?

Mr. BURTON. I think you could say that, for I believe the committee amendment would operate in this way: Those now holding tax-exempt securities would find that there was an extra premium on their securities, because there would be so few of them, and there could be no more of them. Therefore, if anything, that would unjustly enrich them further than is now being done, if it can be regarded as unjust enrichment.

On the other hand, for the future issues of our States and municipalities, it would mean that the States and municipalities would be forced to add additional sums to their future interest rates to meet the market at that time, that market undoubtedly would require higher interest payments to cover the income taxes that holders of the new bonds would be forced to pay. The proposal, therefore, would carry the full detriment of higher interest rates payable by the municipalities and the States without giving the Federal Government any immediate benefit to make up for this.

This effort to tax income from State and municipal securities has been made in the past, because there were some who did not want the bondholders to escape Federal taxes on that income. Let me point out that the proposed committee amendment would not cure the defect at all as to outstanding bonds, and let me also point out that those bondholders now in possession of tax-exempt bonds are already paying something to the States and cities from which they bought them, in lieu of income taxes on them. This is because the holders either bought the bonds at a premium which they regarded equivalent to the income exemptions, or they are receiving a lower rate of interest on the bonds in recognition of the fact of the tax exemption.

Therefore, those who are now holding these bonds are already paying, by virtue of their original purchase price or of the low income which they receive from the bonds, what is the rough equivalent to a tax in favor of the municipalities and States which issued the bonds. They do not, in fact, therefore, really get the net advantage that they generally are supposed to get when it is said that they are escaping taxation.

Mr. President, I have been impressed by the fact that this question has been argued many times. I have also been impressed by the conclusions reached, and I wish, first of all, to cite briefly certain authorities on this very point from the Congress, from the Supreme Court, and from civic organizations.

Since 1913 the Congress each year has in effect passed upon this question, because in each revenue act it has expressly excluded these issues from taxation. This has been done repeatedly and should clearly represent the considered views of the Congress.

In 1918 and 1924 the provision was voted down on the floor of the House. In each of the last 4 years the House Committee on Ways and Means has refused to report it favorably, although extensive hearings were held in 1939 and again in 1942. As recently as September 19, 1940, the Senate voted down the proposal 44 to 30, and many of those 44 Senators are Members of this body today.

From the point of view of constitutionality, there have been interesting and extended arguments to the effect that it is not constitutional for the Federal Government to tax the income received from State and municipal securities. I believe it is not constitutional. I believe the measure now before us for consideration is not constitutional. The argument advanced by those supporting the constitutionality of this measure goes to great lengths. I wish merely to point to the fact that a decision of the Supreme Court clearly holds this to be unconstitutional, and that decision has not been overruled or modified in this particular. The committee, therefore, is asking us to act in direct conflict with the Supreme Court of the United States on the assumption that we can get the Supreme Court to reverse itself.

On this point I cite the *Pollock cases*, decided in 1895 (157 U. S. 429 and 158 U. S. 601).

In those cases the court, although divided upon other points, unanimously

denied the Federal power to tax local obligations. That ruling still stands.

There have come before the Supreme Court new laws which tax the salaries of employees of cities and States or which tax the contractor's receipts from a city or a State. The decisions which have upheld those laws have in each case distinguished such taxes from the tax in question. The reason why the Court distinguishes them was well pointed out by the then Solicitor General Robert H. Jackson, now on the Supreme Court. He is reported to have explained in his argument to the court the difference between the taxation of public salaries and interest on Government securities. He explained it was apparent that when a tax deals with a debtor and creditor relationship it is the borrower who is burdened, which distinguishes it from the case of a tax which deals with the salary of the employee. When you tax a borrower and creditor relation, the next time the borrower offers his securities to the public his cost is increased. He is dealing with an open market. It is now regarded, and it was so regarded in the early cases, that the Federal Government cannot directly or otherwise tax a State or a municipality. That is recognized as law, and when you tax the income from a State's or city's own obligation you are doing that very thing. That is the point of the Pollock cases, which expressly passed on the issue in 1895.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. MAYBANK. I agree thoroughly with what the Senator from Ohio has just said, and I wish to express the hope that the committee amendment will be defeated.

Mr. President, having served as Governor of South Carolina I know the evil result which would follow if the Federal Government should undertake to place a tax on State and municipal bonds. I may say that I have seen the interest rate reduced from 6 percent to 1⅜ percent by reason of the fact that certain bond issues were not taxable. Reduction in interest rates on municipal bonds has followed reduction in rates on State bonds in the South for the same reason. We have been able to improve our State, and many of its cities and school districts through our bond issues. No taxes can be raised to help the war effort by reason of the adoption of the committee amendment. Therefore I am opposed to it.

Mr. WILLIS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Burton	Ellender
Austin	Butler	George
Bailey	Byrd	Gerry
Ball	Capper	Gillette
Bankhead	Caraway	Green
Barbour	Chandler	Guffey
Barkley	Chavez	Gurney
Bilbo	Clark, Idaho	Hatch
Bone	Clark, Mo.	Hayden
Brewster	Connally	Herring
Brooks	Danaher	Hill
Brown	Davis	Holman
Bulow	Downey	Johnson, Calif.
Bunker	Doxey	Johnson, Colo.
Kilgore	Nye	Thomas, Idaho
La Follette	O'Daniel	Thomas, Okla.
Langer	O'Mahoney	Thomas, Utah
Lee	Overton	Truman
Lodge	Pepper	Tunnell
Lucas	Radcliffe	Tydings
McCarran	Reed	Vandenberg
McFarland	Reynolds	Van Nuys
McKellar	Rosier	Wagner
McNary	Schwartz	Wallgren
Maloney	Shipstead	Walsh
Maybank	Smathers	Wheeler
Millikin	Smith	White
Murdock	Spencer	Wiley
Murray	Stewart	Willis
Norris	Taft	

The PRESIDING OFFICER. Eighty-nine Senators having answered to their names, a quorum is present.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. McCARRAN. In support of the statement made by the able Senator from Ohio, with whose position I am in entire accord, I desire at this time to have printed in the RECORD a telegram which I sent to the State auditor of Nevada, and the State auditor's reply thereto, which supports the Senator's amendment in its entirety.

There being no objection, the telegram and letter were ordered to be printed in the RECORD, as follows:

SEPTEMBER 28, 1942.

DONALD LA RUE,
State Auditor, Carson City, Nev.:

Please write me air mail full detailed statement as to transactions by which bonds or other securities issued by municipalities, counties, or other legal subdivisions of Nevada come into the treasury of the State of Nevada and are held by the treasury of the State of Nevada as investments. I am trying to get full detail that I may present complete statement to the Senate for the elimination from taxation of bond issues put out by municipalities, etc., in Nevada and other States and held in the treasury of Nevada and other States as investments. Please confer with Dan Sullivan, industrial insurance commission, and have him air mail me fully at once on same subject. Would appreciate your giving me advantages and disadvantages this plan of use or bonds.

Kindest regards.

PAT McCARRAN.

STATE AUDITOR,
Carson City, Nev., Sept. 28, 1942.

The Honorable PAT McCARRAN,
The United States Senate,
Washington, D. C.

DEAR SENATOR McCARRAN: Reply is made to your telegram of today requesting detailed information as to the acquisition of State and municipal bonds by the treasury of the State of Nevada.

What is true in regard to Nevada I believe is likewise true in most of the 48 States, as I believe that all States have certain trust funds, the income of which is used for educational and various charitable purposes.

To mention by name some of the trust funds held by the Nevada State treasurer: State permanent school fund, public school teachers' retirement fund, university 90,000-acre grant fund, Nevada surety bond trust fund, Nevada Industrial Commission trust fund, and numerous other educational trust funds in connection with the University of Nevada. Most of these latter are in the form of bequests to the university for the purpose of using the income from such bequests for the assistance of worthy students in obtaining funds to acquire an education.

I think that in practically every instance that the investment of these trust funds must be, by stipulation of the grantor, either securities of the United States Government or securities of the various States and their political subdivisions.

The manner in which these funds acquire bonds, is, as a general rule, by purchase on the open market as the funds become available for investment, although in the case of all bonds issued by the State of Nevada, the legislature, in authorizing the issue, has specified that they be sold to the State of Nevada for the investment of the various trust funds, in this way eliminating open-market competition in these particular issues. This does not, of course, apply to the bonds issued by any of the State's political subdivisions, as in the latter cases the State is required to bid against the banks and brokerage houses.

In recent years, with the downward trend in interest rates, the income from these trust funds has naturally been reduced, although the full effect of the reduction has not yet been felt for the reason that the State still holds a fair proportion of the older bonds which carry the higher rates of interest. These bonds, of course, are maturing every year and are being replaced by the lower yield issues and within a short time our portfolios will undoubtedly contain only the low yield issues.

This income, as before stated, being used for educational and charitable purposes, regulates by its size, the amount of such educational and charitable work that can be done. For instance, if the rate on the $3,000,000 invested by the State permanent school fund were reduced from, say 3 percent to 2 percent, the State distributive school fund would receive 33⅓ percent less income and the educational work done by the schools would either have to be curtailed a like amount or the deficit would have to be met by increased taxation.

The taxation of the income by the Federal Government would have exactly the same effect, as it would reduce the income exactly the amount of the tax.

The foregoing gives consideration only to the matter of the Federal Government collecting an income tax from the States on the income from its trust funds. However, my understanding is that the proposed legislation now before Congress goes even further and contemplates the taxation of the income of all bonds issued by States and political subdivisions regardless of by whom such securities are owned. Of course, the effect of the passage of such legislation would be that the State or political subdivision issuing the bonds would have to pay a rate of interest which would be higher by the exact amount of the tax levied by the Federal Government.

As an example, we might take the United States Treasury issue of 2 percent bonds which are due in 1950 and callable in 1948. There are two such issues now outstanding, on one of which the income is taxable and the other nontaxable. The nontaxable bond sells today in the open market for 104.5 while the taxable bond sells for 101.7 making the net return to the investor about the same in either case. Similarly if the State of Nevada or one of its political subdivisions were to make an offering of its bonds on a basis of taxable income and the prevailing rate of interest for nontaxable bonds was 2 percent, the State would probably be required to pay the purchaser of the bonds a rate of interest of 2¼ or 2½ percent, and the difference in the interest rate would, of course, again have to be met by the local taxpayer.

In the final analysis, the taxpayer, considering him as a whole over the entire United States, has made no gain by the fact that the Federal Government has taxed the income from bonds issued by the States or political subdivisions, as the amount that he may have saved in Federal taxes will have to be paid by him in local taxes; no new money has been created or new source of income has been tapped.

On the other hand, speaking of the taxpayer as a resident of Nevada, for instance, he has actually lost by the procedure of Fed-

eral taxation of such securities for the reason that he is required to shoulder a disproportionate load of the debt of the United States should his State become somewhat heavily indebted in local bond issues.

If there is any further information that I can furnish you, please call upon me freely.

I might add, just as a matter of information, that the State permanent school fund represents a bond investment at the present time of approximately $3,000,000; the Nevada Industrial Commission bond fund represents an investment of approximately $3,700,000, and various other trust funds of the State will probably represent an additional $1,000,000.

As requested in your telegram, I am also referring the matter to Dan Sullivan with the request that he write direct to you on the subject.

Very truly yours,

D. G. LARUE,
State Auditor.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. LANGER. I wish to place in the RECORD at this point a telegram which I received from the superintendent of the Grafton, N. Dak., Light and Water Department, in support of the amendment proposed by the Senator from Ohio.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

GRAFTON, N. DAK., *October 6, 1942.*
Senator WILLIAM LANGER,
Washington, D. C.:

Grafton's municipal electric light plant is strongly opposed to the provision of the present tax bill providing for taxation of municipal bonds and asks that you fight the same with your vote and influence when it comes up for consideration in the Senate.

GRAFTON LIGHT AND WATER DEPARTMENT,
By L. R. RONEY, *Superintendent.*

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. ELLENDER. I do not know that more could be said on the subject than what has already been stated by the distinguished Senator from Ohio [Mr. BURTON], and the distinguished Senator from Arizona [Mr. HAYDEN]. There is no doubt that if the Federal Government taxes income from State and municipal bonds the public as a whole will have to pay for it by way of greater interest rates on future bond issues. In view of the fact that we can expect large increases in income taxes by the Federal Government in order to pay for the war, it will be very difficult for any municipality or State government to finance itself. The uncertainties of Federal income rates in the future will cause interest rates on State and municipal bonds to rise beyond reason and that in turn is bound to increase their difficulty of financing.

Mr. President, in support of the amendment offered by the Senator from Ohio I desire to have incorporated in the RECORD, following my remarks, a telegram from Hon. Sam H. Jones, Governor of the State of Louisiana, a telegram from Hon. Robert S. Maestri, mayor of New Orleans, a letter addressed to me from Willard E. Givens, executive secretary, National Education Association of the United States, with a letter attached thereto and addressed to Congressman ROBERT DOUGHTON; a letter from Francis P. Burns, city attorney of New Orleans; a letter from William R. Barrow, of Barrow, Leary & Co., investment securities brokers, of Shreveport, La.; a telegram from the Louisiana Municipal Association; a letter from Jess S. Cave, commissioner of public finance, city of New Orleans; a telegram from W. G. Bowdon, mayor of Alexandria, La.; and a letter from John McW. Ford, commissioner, department of accounts and finance, city of Shreveport.

There being no objection, the letters and telegrams were ordered to be printed in the RECORD, as follows:

BATON ROUGE, LA., *September 21, 1942.*
Hon. ALLEN J. ELLENDER,
United States Senator:

As I am unalterably opposed to taxation of future issues of State and municipal bonds, because it will increase the cost of local government and encroach upon the rights of the sovereign States to finance themselves, I ask you to vote to strike this provision from the current revenue bill. I would appreciate your taking leadership in floor fight to beat this proposal and thus protect the States and cities.

SAM H. JONES,
Governor of Louisiana.

NEW ORLEANS, LA., *September 18, 1942.*
United States Senator ALLEN J. ELLENDER,
Senate Office Building,
Washington, D. C.:

I hope you will continue your good work opposing the taxation of municipal bonds by the United States Government.

ROBERT S. MAESTRI,
Mayor of New Orleans.

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES,
Washington, D. C., September 16, 1942.
Senator ALLEN J. ELLENDER,
United States Senate,
Washington, D. C.

MY DEAR SENATOR ELLENDER: Enclosed herewith please find copy of letter sent by National Education Association to Chairman DOUGHTON, of the House Committee on Ways and Means, opposing taxation of State and municipal securities.

Very truly yours,

WILLARD E. GIVENS.

MARCH 24, 1942.

Hon. R. L. DOUGHTON,
Chairman, Ways and Means Committee,
House of Representatives,
Washington, D. C.

DEAR CHAIRMAN DOUGHTON: I write to express the opposition of the National Education Association to one of the revenue proposals of the United States Treasury Department, now before your committee for consideration. This is a proposal to eliminate the exemption from taxation, under the Federal income-tax law, of the income from State and local government (including school district) bonds. As an organization which is interested in the financing of public services from State and local revenues, the National Education Association opposes this legislation on two main grounds:

1. It would increase the cost of borrowing by State and local governments at a time when other costs of these governments are already rising and when their revenue outlook is uncertain.

2. It would represent an unjustifiable interference by the Federal Government in the financial affairs of the States and municipalities.

These objections are further discussed in the following paragraphs.

In hearings before your committee on March 3, 1942, Mr. Randolph Paul testified that, on the basis of Treasury studies, the spread between present interest rates on State and municipal tax-exempt securities and the rates which would have to be paid on such securities after the elimination of the tax exemption would be from one-fourth to one-half of 1 percent. Estimates from other usually reliable sources have placed this increase in interest rates somewhat higher. I am, of course, in no position to judge the accuracy of the various estimates. It should be noted, however, that a rise to 3½ percent of the interest rate on a 3-percent bond would increase the cost to the issuing government of financing that bond by about 17 percent. On this basis the increase in the cost of borrowing by State and local governments would seem to be appreciable. Such increased costs would have to be met by higher tax rates levied on the rank and file of State and local taxpayers—taxpayers who will also be called upon to carry the burden of heavily increased Federal taxation.

This increased cost of financing Government borrowing would come at a time when all other Government costs are likewise rising and when the revenue outlook for States and municipalities is, to say the least, uncertain. It seems possible that, within the next few years, revenues of State and local governments may not only fail to rise sufficiently to meet increases in costs of materials and personnel but may actually be reduced below their present level. Thus the Department of Finance of the State of Illinois reports that in 1941 35 percent of all sales subject to the retailer's occupation tax, which in part contributes to the support of public schools in that State, consisted of sales of commodities which have since been taken off the market by Federal Government action. Increased Federal income-tax rates are certain, sooner or later, to curtail State income tax yields. From a number of States the National Education Association has received estimates of reduced State tax revenues in 1943 ranging from 10 percent to 50 percent of 1941 or 1942 yields. Should serious reductions in State revenue become general, in the face of rising costs, the Federal Government might be called upon to give financial aid to the support of State and local public services. This would probably more than offset any income to the Federal Treasury gained through the taxation of securities now exempt.

The National Education Association realizes that winning the war is, and should be, the prime objective of all units of Government. It believes that State and local governments should cheerfully accept the burden of the added services which they are required to perform in connection with the war and should cooperate with the Federal program in every essential particular, but it also believes that the Federal Government has a responsibility for the protection of its political subdivisions from unnecessary interference in the performance of their normal functions.

The National Education Association does not consider the removal of the tax exemption from State and municipal bonds as essential to winning the war. On the contrary, it views this proposal as one more unwarranted step in the tightening of Federal control over State and local fiscal operations and the centralization of financial power at Washington. The prevalent trend in this direction is to some extent undoubtedly unavoidable in view of the war emergency, but for this very reason authority of State and local governments should be safeguarded as far as possible from any unnecessary encroachment.

I understand that the Treasury Department's stated reason for favoring the Federal taxation of State and municipal bonds is that it would eliminate the possibility of tax avoidance by wealthy individual investors in such bonds. I am informed, however,

that a very large proportion of these bonds is held, not by individual investors but by insurance companies, foundations, and semi-public agencies, types of organizations which may be said to render a public service.

Thank you for this opportunity to express our opinion in opposition to the proposal to tax State and local bonds.

Most cordially yours,

WILLARD E. GIVENS.

LAW DEPARTMENT,
CITY OF NEW ORLEANS,
September 23, 1942.

Hon. ALLEN J. ELLENDER,
United States Senator,
Washington, D. C.

DEAR SENATOR ELLENDER: I have been advised that the Senate Finance Committee has agreed to a report which will recommend that future municipal bond issues be subject to Federal income tax.

From my experience as city attorney I desire to state that if Congress does levy in the future an income tax on municipal bond issues it will seriously affect the abilities of municipalities to raise funds by bond issues, and at the same time will impose an added burden on the taxpayers who have to pay taxes to support such municipal bond issues.

I will not take up any more of your time in discussing this matter, but I am simply writing to state that if this proposed income-tax levy is not defeated it will have a disastrous effect on future municipal financing.

With expressions of my respect, I am,

Sincerely yours,

FRANCIS P. BURNS,
City Attorney.

BARROW, LEARY & CO.,
Shreveport, La., September 22, 1942.

Senator ALLEN J. ELLENDER,
Senator JOHN OVERTON,
Senate Office Building,
Washington, D. C.

GENTLEMEN: It is my understanding that the Senate committee has agreed to recommend to the Senate the Treasury's proposal to make future issues of State and municipal bonds subject to Federal income tax and that it is likely that the matter will come to a vote in the Senate sometime soon.

I am, therefore, taking this means of urging both of you gentlemen to oppose the passage of such a provision in the revenue act, not on the grounds that it makes any difference to the investment dealer because the dealer makes his profit in the turnover and not in the interest to be received. I urge your opposition on the grounds that the passage of such a proposal would be a further step toward the undermining of State and local government and would constitute further surrender of local rights to the Federal Government. The additional revenue to the Federal Government, according to the statisticians, will be substantially less than the additional property taxes that will have to be paid by local taxpayers, so that the cry of soaking the rich is a false cry in this case.

I have discussed this proposal with many of the local businessmen, who agree with that attitude, none of whom own any municipal bonds to my knowledge.

I should like very much to hear from each of you indicating your attitude on this proposal.

Respectfully yours,

WM. R. BARROW.

BATON ROUGE, LA., *September 16, 1942.*

Senator ALLEN J. ELLENDER,
United States Senate,
Senate Office Building:

The Louisiana Municipal Association reiterates their opposition to the Federal taxation of future issues of municipal bonds. Please place this protest in the records at the hearings.

Mrs. HENRY JASTREMSKI,
Secretary-Treasurer, Louisiana Municipal Association.

DEPARTMENT OF PUBLIC FINANCE,
CITY OF NEW ORLEANS,
September 15, 1942.

Senator ALLEN J. ELLENDER,
Senate Building, Washington, D. C.

DEAR SENATOR: Again the problem of deciding between the Treasury Department of the United States Government and the interests of the various States and municipalities making up the Government as to the double tax, being done by placing taxes upon present and future bond issues of the States and municipalities, has arisen. This issue will come up before the Senate, I understand, in the near future.

I believe that it would be a serious mistake to handicap the States and the municipalities by taxing their bond issues as is proposed by the Treasury Department.

I hope you will see your way clear to continue your opposition to this legislation. I would appreciate it if you will advise me as to your present opinion upon this subject.

Cordially,

JESS S. CAVE,
Commissioner of Public Finance.

ALEXANDRIA, LA., *September 23, 1942.*

ALLEN J. ELLENDER,
United States Senate,
Washington, D. C.:

Understand Finance Committee will recommend that income on all future State and municipal bond issues be subject to Federal income tax. Urge that you exert every effort to defeat measure on floor. Such policy is arbitrary usurpation of State rights and will lead to bankruptcy of smaller municipalities which for generations have had to rely on tax exemption in marketing their securities.

W. G. BOWDON,
Mayor of Alexandria.

CITY OF SHREVEPORT,
DEPARTMENT OF ACCOUNTS AND FINANCE,
Shreveport, La., September 18, 1942.

Hon. ALLEN J. ELLENDER,
Senator, Senate Office Building,
Washington, D. C.

DEAR ALLEN: I have already congratulated you through our mutual friend, your campaign manager, Elward Wright. But here it is again, because not only are you to be congratulated but so are the people of your native State, Louisiana. More power to you.

Now, again it looks like this good United States Senate of which you are a Member is still considering the possibility of taxing future issues of State and municipal securities. I have already addressed you several letters on this subject so do not deem a repetition of the whys and wherefores necessary for its being defeated. But, I do again ask that you exert every possible effort to see that this is not accomplished.

Seriously, Allen, city governments throughout these United States for the last quarter of a century have been the forgotten children not only of the States but now the National Government. If the National Government and the States keep on lambasting the cities and making it more and more impossible for them to operate as this democracy of ours expects them to operate there can be but one end—bankruptcy. And when you bankrupt your cities, you are in reality destroying the goose that lays the largest golden egg in tax avails, not only for the State but for the Nation.

So, I once more earnestly urge that you do your level best to prevent the enactment of a law that will tax future issues of State and municipal securities.

Thanking you, I am

Sincerely your friend,

JNO. McW. FORD,
Commissioner of Accounts and Finance.

Mr. ELLENDER. Those letters and telegrams cite many reasons for not taxing the income from future State and municipal bonds. They are from persons of experience and much weight should be given to their views.

Mr. President, I desire to thank the distinguished Senator from Ohio [Mr. BURTON] for permitting me to interrupt him and affording me the opportunity of placing these data in the RECORD.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. TUNNELL. I desire to say that I heartily concur in the amendment offered by the Senator from Ohio [Mr. BURTON]. I have received a number of communications from my State, particularly from municipalities, as well as from the Governor of the State, in support of the amendment, and hope it will be agreed to.

Mr. BURTON. Mr. President, at the time the absence of a quorum was suggested, I was presenting an argument in support of my amendment, and I wish to point out the parliamentary situation in order that there may be no misunderstanding. The committee amendment before the Senate is section 112 of the bill. The effect of it is to exempt from taxation only those State and municipal securities which are issued before January 1, 1943. My amendment to this proposed committee amendment is now pending before the Senate. My amendment seeks to strike out from the committee amendment the words "before January 1, 1943", so that all State and municipal securities will continue to be exempt, as they are now. Therefore, in order to support the exemption of the State and municipal securities it will be necessary to vote "yea" on my pending amendment. I think there was a little confusion on that point at the time the Senator from South Carolina spoke.

Resuming the argument, I wish to point out that the Congress has passed upon this point several times. The Supreme Court has held the committee proposal unconstitutional and has not reversed itself on the point. I believe that the case is sound and clear that the proposed Federal taxation of the income from State and municipal securities is unconstitutional, as amounting to a Federal tax and burden upon the borrowing power of our States and municipalities.

Third. As a matter of authority, I wish to call attention to the kind of witnesses who appeared before the Senate committee and favored continuance of the exemption of State and municipal securities. Included among those witnesses were not only many representatives of States and cities, but also of the American Bar Association; the American Municipal Association; several State leagues of municipalities; the Municipal Finance Officers' Association; the United States Conference of Mayors; the National Edu-

cation Association; and the American Federation of Labor. Professor Lutz, professor of public finance at Princeton, and Professor Fairchild, professor of economics at Yale, also appeared.

Therefore, we have the support not only of previous action by the Congress and of the Supreme Court of the United States, but also of leading students of this matter who were impartial in their consideration of the question. This is in addition to the substantially unanimous opinion of those who have had closest experience with this subject in our States and cities.

There are at least seven distinct points of importance in this matter. I shall not attempt to reargue all seven points, because the Senate has previously had this question before it. I shall mention five, and argue two, which I believe to be particularly conclusive on the issue.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. OVERTON. I am somewhat confused as to the effect of the Senator's amendment. Under existing law income derived from State and municipal bonds is exempt from Federal taxation. As I understand the Senator's amendment, he is undertaking to amend the committee amendment only in one particular.

Mr. BURTON. Let me explain it in this way——

Mr. OVERTON. If the Senator's amendment were adopted, as I understand, the existing law would apply, and income from State and local securities would be exempt from Federal taxation.

Mr. BURTON. If my amendment is adopted income from such securities will remain exempt.

Mr. OVERTON. In its entirety?

Mr. BURTON. In its entirety. As the Senator from Louisiana points out, the law now is that such securities are exempt; but the committee amendment is before the Senate. The committee amendment provides that only such securities as are issued before January 1, 1943, shall be exempt. Therefore, I move to strike out the words "before January 1, 1943." That would keep them all exempt whether issued before or after January 1, 1943. The reason I do not simply oppose the whole committee amendment is that there are other provisions in section 112 which relate to Federal securities, and which are not related to this issue.

Mr. OVERTON. I am very much in favor of the Senator's amendment.

Mr. BURTON. I appreciate the Senator's question. I hope we may have a clear understanding of the issue, because it is easy to misunderstand the parliamentary situation.

To refer briefly to the specific points which are at issue: First, the claim is frequently made that tax-free State and local securities result in widespread tax evasion. I believe that that situation is generally exaggerated and misunderstood. The reason I say that is because it is difficult to determine who holds such securities in large amounts.

As a matter of fact, the estate tax records of the Treasury show, for the years 1926 to 1939, that only 6 percent of the capital in all estates of over $50,000 in value, was invested in State and local issues. The 1940 records show a still lower percentage, thereby making it clear that the percentage of these securities in the personal estates of the country is not as large as is generally supposed.

One reason for this is obvious. Many of these securities are held by public trust funds, sinking funds, bank reserves, insurance companies, and depositaries, which either are entirely exempt themselves, or are at least not subject to the series of rising brackets of income tax that apply to individuals.

The second point I wish to make is that the bondholder who buys such bonds does not escape a substantial equivalent of the burden of income taxation. As I stated a moment ago in answer to a question, he indirectly pays to the local government that issues its bonds to him the market value of the exemption he receives. When he buys a bond at a low rate of interest he is foregoing a higher rate of interest, which would have to be added if he were to receive the same net income from the bond after paying a Federal income tax on that income.

Third. The reverse of this is seen when the experts estimate what would be the effect of the Senate committee's amendment. The situation is most interesting. What would be the effect of adopting the Senate committee amendment? Of course, it would apply only to future issues; but in order to make it clear, let us visualize the situation 20 years from now as applied to issues then outstanding and of about the same face value as the issues now outstanding.

The highest estimate of income tax to the Federal Government from these securities which I have seen is somewhere between $150,000,000 and $200,000,000 a year. At the present time, of course, the tax yield actually would be nothing under the proposed committee amendment. Ten years from now the yield would be a fraction of the figure which I have given. During the war, therefore, there would be no substantial gain to the Federal Government from the point of view of income taxes, because there are to be comparatively few State and local issues to be sold.

An interesting point arises when the experts estimate what would happen on any future issue that is offered to the public. Naturally, the buying public would then estimate the amount of income tax it would have to pay, and what should be added to the interest in order to justify the purchase of such bonds. The estimates vary, but they come together at an average guess of about a 1-percent increase in the interest rate to be paid on the bonds. Even though such increase be a little less than 1 percent, or if it be a little more than 1 percent, the point is clear; it is an added burden on the State or municipality issuing the bond.

If we visualize a full $20,000,000,000 of such securities outstanding and visualize a 1-percent increase in interest rates on them, we have an annual increase of $200,000,000 in interest to be paid by the State and municipal governments which issue such securities. So, any way we put it, if the Federal Government is to gain between $150,000,000 and $200,000,000 in income taxes, the States and cities will lose approximately $100,000,000, $125,000,000, $150,000,000, or perhaps $200,000,000 in local taxes to pay the interest that will be used by some bondholders in paying income taxes on their income from the bonds.

Where do the local taxes come from to pay this increased interest? They do not come from the income-tax evaders. A so-called income-tax evader will simply hold his bond and draw the interest to make up his income taxes. This interest will be paid to him by the real estate taxpayers of our States, cities, and villages. Therefore, to the extent that this added interest charge reaches back to the small real-estate taxpayer, instead of being a progressive tax paid by the higher brackets of income taxation, it will be a regressive tax paid by many a little fellow who must pay real-estate taxes to furnish the revenue to pay the increased interest on the bonds. It goes to the Federal Government from the local real-estate taxpayer, routed through his city and through the holder of the city bonds. It will be an added Federal tax, and the State or city will receive the blame for it and the real-estate taxpayer rather than the bondholder will be paying most of it.

Fourth. This tax on future issues could become an entering wedge for later extending it to outstanding issues.

Fifth. I have mentioned the constitutional argument. Of course, the constitutional argument remains absolutely sound so long as the Supreme Court stands on its present decision. It applies to future as well as to outstanding issues.

I now wish to mention what I regard as one of the most important arguments on the merits against the committee amendment. I base this upon municipal experience in time of depression. What occurred in the years from 1919 to 1922, and between 1932 and 1934, may occur again. Interest rates on municipal and State securities will not then be low. They will be high.

One of the most informative statements made before the Senate Finance Committee was the statement made by an expert, Mr. Carl H. Chatters, executive director of the Municipal Finance Officers' Association of the United States. He took the time to tabulate the issues which were put out by cities in the United States from 1919 to 1922, at an interest rate of 5¾ percent or more. He then pointed out that if 1 percent were added to this 5¾ percent these cities would have to pay an interest rate of 6¾ percent. Under many State constitutions and statutes this would make the issue unlawful because exceeding 6 percent. In addition, the burden would be so great that it would render the municipal security unmarketable even though lawful.

Those figures are impressive. In 1919, in 38 States there were 753 municipalities

which issued $64,000,000 of bonds at a rate of 5¾ percent or more.

In 1920, in 44 States, 1,239 municipalities issued bonds at 5¾ percent or more, to the extent of $347,000,000.

In 1921, in 45 States, 2,009 municipalities issued $467,000,000 of bonds at 5¾ percent and up.

In 1922, in 42 States, 1,820 municipalities issued $139,000,000 of bonds at 5¾ percent and up.

If 1 percent were added to the interest rates on those issues at a time when such municipalities were experiencing the greatest difficulty in meeting those demands of local self-government, which comes closest to the life of the American citizen, it would have forced the rate to 6¾ percent or more, and the financing power of these many municipalities of America would have been destroyed.

In 1932, at another time of high interest rates, in 37 States 486 municipalities issued $136,000,000 of bonds at 5¾ percent or more. As the situation progressed beyond that point and the interest rate during the depression tended to go beyond 5¾ percent, resulting in inability to sell the issues, what happened? The Federal Government bought the issues or financed the municipalities.

In 1933, however, there still were 281 municipalities in 34 States that issued $44,000,000 of bonds at 5¾ percent or more.

In 1934, in 28 States 172 municipalities issued $20,000,000 of bonds at 5¾ percent or more.

The tragedy I point out is that if today we add 1 percent—or, with the higher income-tax rate, even 2 percent—to make up for the income taxes which may be involved, we confront our municipalities, and especially our small towns and villages, with an impossible rate of interest. They would not be able to finance their issues. This would lead toward the federalization of financing in our country through purchase of such bonds by the United States Government if they were to be sold at all. That, I believe, is a fundamental danger to the financing process of any post-war period, and we are to have another post-war period some day. This post-war period will be upon us even before the Federal Government had derived any substantial income from the future taxation of income from municipal issues.

My final point is the general undesirability of Federal influence upon local finances. Even in normal times this would throw the smaller community upon the Federal Government for the reason I have indicated.

Furthermore, if the Federal Government can thus tax the income from municipal securities, it can classify that taxation so as to tax certain municipalities or certain kinds of organizations or certain kinds of income. It could place one rate of tax on one kind of municipalities and then exempt the income from the securities of some other types of local government. If the Federal Government has the power to tax income from municipalities in that way, it can tax it in such degree and manner as it wishes. We should then find the Federal Government thereby having the opportunity to discriminate between communities of the United States which they wish to finance and those that they may not wish to finance. We would then be in more danger than ever from the effects of Federal bureaucracy.

No step that we take now should be taken in a direction which would permit the increase of Federal control over local government. To my mind it is perfectly clear that in these times Federal control of local government inevitably merely spells "bureaucracy," which has in it many of the vices of dictatorship itself. On the other hand local control over local communities spells independence and is filled with the vital virtues upon which free government is built.

The issue today is on agreeing to the amendment which I have presented. I hope it will be agreed to so that, at this time, we shall not subject our States and cities to added Federal taxation, and so that at this time we shall not attempt to override the Constitution as it has been interpreted for half a century by the Supreme Court, especially under a plan whereby the Federal Government would receive hardly one additional cent of income for the needs of the present emergency.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. GREEN. I understood at least one of the Senator's arguments to be that if the income from bonds of States and municipalities were made subject to taxation, such bonds would not sell so advantageously, so that the burden of making up the difference would fall on the small taxpayers, and that therefore it is in the interest of the small taxpayers that the income from such bonds be tax exempt. Did I correctly understand the Senator?

Mr. BURTON. That is precisely the argument on the financial basis. Any taxation on income from municipal bonds would require that a higher rate of interest be paid, and that added cost would be borne by the municipal taxpayer, who is the small taxpayer.

Mr. GREEN. The same argument would require that income from the bonds of the Federal Government be exempt from taxation.

Mr. BURTON. The Federal Government can do as it wishes with the income from its own securities; it can levy a tax payable to itself from the interest on its bonds and then use that tax to pay that interest on similar bonds if it wants to do so. But I am arguing about Federal taxation of income from securities issued by local communities which obtain their interest funds from a different source of taxation, principally real estate taxes.

Mr. GREEN. Would the Senator's amendment advocate the exemption from taxation of income from Federal bonds?

Mr. BURTON. I was willing to concur in the taxation of income from Federal bonds.

Mr. GREEN. But the Senator's present amendment does not argue for that; does it?

Mr. BURTON. No; the present amendment has no relation to the taxation of income from Federal securities. That point has been settled; it remains settled. The Federal Government can tax itself and can turn the money thus received over several times if it wishes to do so; but I believe it is fundamentally unsound for it to undertake the taxation of the income from securities issued by States and cities.

Mr. GREEN. Does the Senator believe it fundamentally unsound for the Federal Government to exempt from taxation the income from Federal bonds?

Mr. BURTON. That matter is not before the Senate. Personally, I was willing to concede that interest from future issues of Federal bonds be taxed. Such taxation is now authorized on future issues of Federal bonds.

Mr. GREEN. In the interest of the taxpayers, in other words, all Federal bonds should be exempt from taxation; is that the point?

Mr. BURTON. No; that does not follow at all. The interest on Federal bonds is not paid out of real estate taxes. The added interest which goes to make up the income tax of the holder of Federal bonds does not come from real estate taxation.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. VANDENBERG. I should like to ask the Senator about one phase of the matter. Let us eliminate for the moment the question of constitutional and State sovereignty. Is it not true that, with our tremendously increased individual income taxes, the tax-exempt coupon on a municipal bond is now about to acquire an utterly exaggerated, exorbitant, and unprecedented value in the hands of the individual taxpayer?

Mr. BURTON. The Senator refers to income from outstanding bonds and also from future bonds; does he?

Mr. VANDENBERG. I refer to any tax exemption for income from a State or municipal bond. Is not that exemption about to acquire a totally abnormal and exaggerated value as the result of the new tax bill?

Mr. BURTON. Of course, there is an abnormality in it; but referring to the part of the Senator's question which relates to the question before the Senate as to taxation of income from future bond issues of States and municipalities, let me say that the effect would be that the interest to be paid by the local taxpayer on the bonds to be issued by his city, if not tax-exempt, may well be forced up more than 1 percent, in order to make it possible to market the securities to purchasers who will have to pay the higher income taxes of the future. The effect of that would be even more damaging on the small villages and communities than would be the case now when the present income taxes would force the interest rates up only about 1 percent.

Mr. VANDENBERG. I am asking the Senator to come back to the question of profiteering from the war. It seems to me that day after tomorrow, after the tax bill becomes effective, the tax-exempt

municipal bond or State bond coupon would be the recipient of a profiteering value directly resulting from the war.

Mr. BURTON. I believe the Senator from Michigan overlooks the fact that such bonds are sold in the open market; and when a person buys such a bond he buys it at a tremendously low rate of interest and thereby indirectly pays a tax to the local community, or he buys it at a premium and thereby pays the equivalent of a tax to the issuer of the bond.

Mr. VANDENBERG. That is true on the average, but the moment we get into the higher brackets of the income tax is it not true that the individual who will confront the utterly burdensome high rates would obtain an exaggerated, abnormal, and unjustified value from such exemption?

Mr. BURTON. That is why I emphasized the point that the Treasury's estate-tax records show that only 6 percent of the capital value of estates of over $50,000 were represented by securities of this kind. The great volume of such securities actually is in the hands of trust companies and other concerns which do not pay a graduated income tax. Therefore, there is a small group; and as one witness said to the committee, it amounts to "burning down the whole barn in order to catch a few mice." The collection of this proposed tax would upset the whole doctrine relative to taxation of income from securities issued by municipal and State governments.

Mr. VANDENBERG. I have always shared the view of the Senator from Ohio upon this subject, but when in respect to the new tax bill I confronted the increased increment in value, an increment increasing directly as a result of the war effort, and when I also confronted the fact that we are going down into the last brackets and are literally taking the shirt off the back of the low-income taxpayer, I confess that it seemed to me that at least as to future issues that was a loophole which could not consistently be ignored.

Mr. BURTON. Let me say to the Senator that the thing he should be talking about is something he is not talking about at all—the taxation of outstanding tax-exempt securities. During the period of the war only a small number of State and municipal securities have been issued—and not to exceed $3,000,000 or $5,000,000 in Federal income taxes can be derived from them.

Mr. VANDENBERG. The Senator is absolutely correct in the statement which he has just now made. The only reason why I oppose the taxation of existing obligations is because I think that would be a violation of a moral obligation. So, all I can do is to propose that we commence taxation of future issues.

Mr. BURTON. Let me point out to the Senator the moral obligation that exists as to future issues. I believe that their taxation would be a blow to the very foundation of local government in America. To tax income from these future issues is to subject all local communities to greater interest costs on their securities, and ultimately it will place those costs on the persons receiving small incomes. We should not upset or destroy our local governments.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. DANAHER. The Senator has made an exceedingly able argument. If he has failed to cover any point in support of the position which he has taken, let me say that it was not pressed upon the committee. I desire to congratulate the Senator from Ohio.

However, he will recognize that this problem is a highly vexatious one. I desire to ask the Senator from Ohio if there is an income tax in his State.

Mr. BURTON. There is not.

Mr. DANAHER. Is there a tax levied by the State of Ohio in any way upon the holder in that State of the bond of another State?

Mr. BURTON. I think there is.

Mr. DANAHER. Will the Senator state what that is, please?

Mr. BURTON. I think it is a tax which is measured by the rate of income on the particular bond. It is in the nature of a property tax measured by the income derived from the property.

Mr. DANAHER. Is it not a fact that most States which do have State income taxes do tax the income derived by holders of municipal issues of other States?

Mr. BURTON. I do not know. I think that may be true. I have not experienced that.

Mr. WILEY. Mr. President, I can answer that question, if the Senator from Ohio will yield to me.

Mr. BURTON. I yield to the Senator from Wisconsin.

Mr. WILEY. That is absolutely the fact in Wisconsin. There, not only is the income from bonds of municipalities of the State taxed, but also the income from bonds of municipalities of other States.

Mr. DANAHER. I thank the Senator.

Mr. BURTON. However, that would not be a sufficient reason, in my mind, to justify the Federal Government's undertaking the taxation of its States, its subdivisions.

Mr. DANAHER. Mr. President, will the Senator state whether the bonds of given States in the hands of decedents—persons who die in those States—are subject to Federal taxation through the estate tax?

Mr. BURTON. I think they are.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BURTON. I yield to the Senator from Texas.

Mr. CONNALLY. The Senator from Ohio has already answered the Senator from Connecticut. Of course, they are subject to estate taxes and inheritance taxes. The Senator from Connecticut asked about one State taxing the bonds of another State. States can do that. New York State, for instance, taxes the income from bonds of my State and bonds of other States that are owned in New York; and I assume that some States levy ad valorem taxes on them in the hands of holders, just as they levy an ad valorem tax on a bond or note.

However, that is not at all on a parity with the Federal Government's taxing the securities issued by instrumentalities of a State. Under our dual system no inhibition was placed on a State's taxing the bonds of other States.

Mr. AUSTIN. There was no reason for doing so.

Mr. CONNALLY. As just now suggested by the able senior Senator from Vermont, with his usual keen, analytical mind, in the Constitutional Convention, there was no occasion for putting in such a prohibition.

Many Senators will not agree with me on this point, but I am one of the old-fashioned fellows who believes that the Federal Government has no authority to tax the instrumentalities of a State.

There is no more potent instrumentality of any governmental organization than the taxing power. It goes right to the life and the heart of any political system. If the Federal Government can, by a process of taxation, lay a burden on one of the States or all the States, it can unbalance the dual system which we enjoy.

If I may make one further comment, I shall not bother the Senators longer. For the Federal Government or for a State to tax public bond issues is the greatest economic fallacy, if the question be analyzed, which can be found in this tax bill or anywhere in our statutes. I challenge anybody who will go to the facts and the record to deny that when we undertake to tax the income of public bonds issued by cities, towns, and States, it will be found that the interest rate which the taxpayers of the States and municipalities will have to pay by reason of the existence of the tax will be many times the return to the Federal Government. It simply means the people of the States will have to pay more taxes and the Federal Government will get a little smidging of income from it. Statistics prove that to be so.

This matter was under consideration in the House some years ago. At that time I went into it in great detail. I took the records of the Federal Treasury Department, and at least proved to my entire satisfaction that these elemental things were absolutely and undeniably true.

Mr. BURTON. I thank the Senator from Texas for his remarks.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. BURTON. I am still in a colloquy with the Senator from Connecticut.

Mr. DANAHER. So far as I am concerned, I should be happy to yield to the Senator from Michigan, because I know the point that he wishes to discuss.

Mr. BROWN. I have not participated in this colloquy, but I should not want the fact that I had not done so to be taken as an indication that we on this side are not going to say anything about this matter, for we intend fully to discuss it, and particularly the point which the Senator from Texas just brought out. I

have figures and statistics showing the very slight additional burden that would be occasioned upon the taxpayers of cities such as Baltimore, New York, Cleveland, and other places. I would not like the statement the Senator from Texas has just made to go unchallenged. We intend fully to discuss the question. I shall not participate in the debate now, but I want the Senator from Texas and other Senators to know that the question will be debated and we shall undertake to refute the figures he has just given.

Mr. CONNALLY. Of course, I shall be glad to hear the Senator from Michigan when he undertakes to discuss this matter, but when he admits the slight increase in the tax rate he admits the case all the way through, because it is not the tax at the moment that is going to affect the bond buyer, but it is the potential tax. He does not know what it may be when he buys the bond. So when the Senator says it will increase it somewhat or increase it slightly, it seems to me he is cutting the ground from under the position of those who share his view. I have high respect for the Senator from Michigan. He has worked hard on this subject and deserves a great deal of credit of having expended much sweat and much energy in a bad cause.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BURTON. I yield to the Senator from Tennessee.

Mr. McKELLAR. I desire to ask the Senator what is the amount of taxes involved in this particular item? It is very small, is it not?

Mr. BURTON. That is an interesting question. The committee amendment provides that only those bonds issued before January 1, 1943, shall be exempt. Therefore, the tax will apply only to those issued after January 1, 1943. It is obvious that at the present time municipalities and cities are restraining themselves from authorizing capital issues of bonds. So income to the Federal Government will come only as the coupons of new bonds are collected by their owners and the income tax is then collected from such owners. The estimate I found in the testimony before the committee was that during the first several years the Federal Government might get from three to five million dollars a year; in about 10 years that might be built up by a substantial issue of State and municipal bonds, and in 20 or 30 years such bond issues might about reach the point where they are now. So, looking at the maximum point 20 or 30 years from now, when there might be $20,000,000,000 of these bonds outstanding at that time, the Federal Government might be collecting, it is estimated, between $150,000,000 and $200,000,000, but for the present, and during the war practically nothing, as was stated in the testimony, or almost a negligible amount.

Mr. McKELLAR. Would the Senator say that the purpose of the amendment is largely to establish the principle of the Federal Government taxing municipal, State, and county bonds?

Mr. BURTON. It seems to me it is entirely that, because there would be no money forthcoming to the Federal Government at this time. It may be even an opening wedge to try to tax outstanding issues.

Mr. McKELLAR. I thank the Senator.

Mr. DANAHER. Mr. President, will the Senator yield further?

Mr. BURTON. I yield.

Mr. DANAHER. In the course of the Senator's research did he make inquiry into the question whether or not our Federal income-tax would adhere against the income a State employee received from salaries or wages?

Mr. BURTON. I think it has been made perfectly clear that when we passed a statute taxing the salary of municipal employees that tax was placed on the individual, and the Supreme Court has upheld such a tax. But the point I emphasize is that Robert H. Jackson, then Solicitor General of the United States, in the case of *Graves* v. *New York ex rel. O'Keefe* (reported in 306 U. S. 466), argued the case and explained to the Court the difference between the taxing power in the case of salaries, as such, and in the case of Government securities, and explained it was apparent that when one deals with a creditor-debtor relationship the borrower is the one who is burdened. Accordingly, if the borrower is burdened, that means that the Governmental issuing body, namely, the State or city, is being taxed. Therein lies the distinction which the Supreme Court has not yet overruled, and I trust it will not do so.

Mr. DANAHER. The Senator has had wide municipal experience in his distinguished career as mayor of one of our great cities. Has he, in the course of his background work preparatory to coming to the Senate, inquired into the general sources from which State and municipal issues draw their funds? From what particular type of investors are the funds drawn? Are they drawn from insurance companies, or banks, or trust funds?

Mr. BURTON. I believe it is not questioned that, at least, a majority, and some estimate over 60 percent, of the outstanding issues of State and municipal securities, are held by public trust funds, sinking funds, bank reserves, insurance companies, or depositaries that are either exempt from income taxation or at least exempt from the graduated income tax.

Mr. DANAHER. Would it not be a natural thing to expect that if the tax exemption now accorded such securities were removed the block of such securities held by such institutions would be in very small amounts?

Mr. BURTON. In proportion to the extent to which they could absorb them and use them properly. They do not buy them for tax evasion. They buy them because they want them in their portfolios. That same situation would exist and not be greatly affected by this action; they still would buy large quantities of them.

Mr. DANAHER. Since they would be looking for long-term securities, the general probabilities are they could afford to handle them if the rate would make it economically feasible.

Mr. BURTON. If they should see that the Federal Government is taking unto itself, or is being permitted to take unto itself, a new interference with municipal and State securities, they might not have the same confidence in the stability of these bonds they had before, especially in the case of the bonds of the smaller communities. May I emphasize that the villages, and the small communities of 5,000, 10,000, 25,000, or 50,000 people in America which need to issue bonds, issue them in competition with the securities of the whole country? The reason they are able to sell their securities is largely because they have a little something extra to offer, and I do not know why the Congress, in the exercise of its judgment seeking to safeguard the development of America's smaller communities, should not continue to give them this natural advantage which they have had for 150 years.

Mr. DANAHER. Would the Senator have the idea of expanding the language of the committee amendment to include the taxation of all outstanding issues which have been traded in ever since the Treasury announced its intention of seeking to impose this particular tax?

Mr. BURTON. From the point of view of the municipalities, of course, the bonds already issued do not affect their future problems; those bonds are over the dam; however, there is involved a moral obligation and I believe a constitutional obligation. I go one step further than the Senator from Michigan. I recognize both the moral obligation and the constitutional obligation not to interfere with the relationship which has been established, especially in view of the fact that when the purchasers purchased those bonds in the very price charged them they paid a premium in reliance upon the statute and the Constitution.

Mr. DANAHER. That particular argument, let me say to the Senator, does not appeal to me. I do not see how they have any right to buy a tax exemption just because no right to tax has been asserted. There was not any tax on the income of the Senator from Ohio before 1913, but that did not mean he had a right to think he would be forever exempt. I do not see any merit to the contention.

Mr. BURTON. The merit I point out is that in decisions of the Supreme Court running from 1895 it was held that under the Constitution of the United States the Federal Government could not tax the income from one of these securities, and I think people had a right to rely upon the Supreme Court of the United States.

Mr. DANAHER. I think they did, and that is exactly where the whole problem turns. It is a matter of policy. It is not a matter of law at all; it is a matter of policy.

I think the Senator from Ohio has done a magnificent job in reviewing the incidence of what may be done in the event the Senate committee amendment shall prevail, and I applaud what he offered to us for our consideration, but I still say that the question of tax exemption as a matter of constitutionality can be resolved—and let us assume for present purposes that it can be—in favor

of the Government's right to tax insofar as it taxes income in the hands of the owner of the security. All that remains then is a matter of policy, and it does seem to me that, as the Senator said to the Senator from Michigan when he posed to him the question of how far in logic he would go, either we should not tax future issues at all, or we should tax both future issues and all outstandings which have been traded in ever since those who acquired them in the open market this year, let us say, were put on notice that this particular tax exemption was likely to be removed.

Certainly there will not be any equity in favor of such a person. Let me say to the Senator from Ohio that the course of the bond market demonstrates that all those issues this very year, in the prospectus, in notices of investment banking houses, and the like, have been carrying the notice, "These issues at the present time"—and I emphasize "at the present time"—"are being offered tax exempt," showing they knew, and the buyers were put on notice, that the likelihood existed of our removing the tax-exempt status of the income to the individual from municipals. It is a most important question, and I wish to thank the Senator from Ohio again.

Mr. BURTON. I am grateful to the Senator from Connecticut for his expression.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. McKELLAR. Following up the question I asked a few moments ago, I should like to say that I have always been inclined to the view that the doctrine that the power to tax is the power to destroy applies in such a case as this, and that it is unconstitutional to tax the bonds of the States, cities, and counties. Waiving that for the moment, I ask the Senator awhile ago whether there would be any real return from this tax under the present law, whether it amounted to anything in the emergency, and the Senator replied, as I recall, that it would amount to only several million dollars, that a very small number of millions of dollars would be recovered.

Mr. BURTON. If we win the war within a couple of years, we will get practically nothing under it during the war.

Mr. McKELLAR. So that under the present circumstances it is not a war measure at all?

Mr. BURTON. That is correct.

Mr. McKELLAR. But it is largely an effort to establish a policy of taxing State, municipal, and county bonds.

Mr. BURTON. It seems to be a most unfortunate time to try an experiment of that kind.

Mr. McKELLAR. It is a most unfortunate time to try such an experiment. If we were considering a bill providing for taxation of the interest on all bonds because of the war necessity, we would be confronted by a very different question, so far as I am concerned, because I might resolve constitutional doubts in favor of the Government at such a time as this.

I think all of us would naturally be inclined to resolve any reasonable doubt as to the right of the Federal Government to tax in favor of the Government, if it were necessary to have the money in order to win the war, because that comes before everything. But if the tax assessed, as stated by the Senator, would amount to only a million or two million dollars—if it would amount to anything, it seems to me a matter of very doubtful propriety to attempt to enact such an amendment as that proposed. For that reason I shall support the amendment presented by the Senator from Ohio, to strike certain provisions from the committee amendment.

Mr. BURTON. The Senator has stated the issue before the Senate precisely as it is.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. LANGER. I wish to be sure that I understand the situation to which the Senator has made reference.

Let us assume that a millionaire buys $1,000,000 worth of bonds. If the amendment proposed by the Senator should be agreed to, the purchaser of these bonds would pay no tax upon them?

Mr. BURTON. If a millionaire buys $1,000,000 worth of State securities, his income from them would not be subject to Federal taxation. He would have paid a price or a premium for them which would recognize the low rate of interest which the State was paying on the bonds.

Mr. LANGER. The final result is, however, that he can have $1,000,000 invested in this type of security and not pay one penny of tax.

Mr. BURTON. That is correct. The State, however, would get the benefit of a lower rate of interest and he would receive a lower rate of return from the State.

Mr. LANGER. I understand that, but as a matter of fact he does not pay any taxes at all on those securities?

Mr. BURTON. Not on the income from the securities.

Mr. LANGER. If a farmer had 10 head of cattle or calves he would pay a tax on them.

Mr. BURTON. He would have to pay an increased local tax to pay the interest on the bond that was bought by the millionaire if the millionaire were taxed on the bond interest.

Mr. LANGER. Yes; but in an ordinary sense is it not true that the big-interest men who own large hotels and great institutions would benefit the same as the man who had a little cottage? Is not that true?

Mr. BURTON. They would pay real-estate taxes and the small owner of real estate is the one who is hurt by any increase in the rate of taxes on his municipal securities.

Mr. LANGER. That may not be true if the majority of the real estate is owned by a big trust company, for instance.

Mr. BURTON. If there is a community in which a majority of the residents are millionaires it is not in the United States.

Mr. LANGER. The Senator knows that in an average town the so-called best property in the town is held by the so-called vested interests. Is not that true? It is true in Cleveland.

Mr. BURTON. The vested interests include also the many holders of small properties. I do not believe that the majority of real estate taxes in Cleveland are paid by wealthy people. They are paid by everybody who owns property there. The thing we try to guard against all the time is the regressive effect of taxes imposed at equal rates upon the little fellow as well as the big fellow.

Mr. LANGER. Regardless of that, they do pay a tax.

Mr. BURTON. Yes.

Mr. LANGER. And if the amendment offered by the Senator from Ohio is agreed to, he does not pay.

Mr. BURTON. If he is a real-estate owner, large or small, he does not have to pay an increase in his tax to meet an increase in his State or city bond interest that would have to be added to pay the bondholder's income tax on the interest.

Mr. LANGER. I thank the Senator.

Mr. BURTON. I wish to conclude with a statement of the parliamentary situation. In order that State and municipal securities may remain exempt, it will be necessary to adopt the amendment which I have offered.

Mr. DAVIS. Mr. President, at the outset, I desire to say that I do not own nor am I interested in municipal bonds.

I wish to speak briefly concerning one of the most unusual features of this measure—the taxation of future issues of municipal bonds. More than 9,000 municipalities have expressed opposition to this proposal. In my own State it has been opposed by the League of Third Class Cities, the Pennsylvania State Association of Township Commissioners, the Pennsylvania Association of Boroughs, the county supervisors, the Pennsylvania State School Directors Association and many other State organizations.

This is the first time any congressional action has been taken looking toward the taxation of municipal issues. If passed, it will mean that the Federal Government is taxing our schoolhouses, our public halls, our local institutions. It is understandable why the National Education Association is opposed to this action.

The amount of revenue that can be realized this year from the taxation of future municipal issues is exceedingly small—almost negligible, I might say, in view of the large sums required to meet the present emergency. Moreover, there will be substantially no revenues from this source for many years to come.

It will require from 20 to 30 years to replace with taxable issues the $19,000,000,000 of outstanding issues which would remain tax immune. Moreover, the normal replacement of those $19,000,000,000 would undoubtedly be delayed. Many States, municipalities, subdivisions, and agencies will be unable to issue bonds if the income is taxable. That means that the volume of future issues will be cut substantially. Moreover, a large proportion of the existing outstanding State and municipal bonds is held by the States, cities, and their subdivisions in

sinking funds and similar State portfolios.

Let us take a hypothetical case, for example. Let us suppose that the Commonwealth of Pennsylvania, which has $205,000,000 of its own bonds outstanding, holds $25,000,000 in its own sinking funds, pension, and retirement funds. If the Senate passes this bill and makes future issues taxable, the Commonwealth of Pennsylvania will first sell its outstanding and existing tax-immune obligations, held in its own sinking funds, to the general public in order to obtain funds without issuing taxable bonds. Multiply this example in our cities and counties and the number of such bonds which the States and cities can release for sale as tax-exempt bonds is tremendous. In all, the cities and counties of the Commonwealth of Pennsylvania have outstanding $1,300,000,000 in existing tax-immune bonds. A fair proportion of those bonds, also, are held in the city and county sinking funds, and they, too, could be released for sale to the public so that the State, cities, and counties could delay for a not inconsiderable period the time when they would have to issue taxable municipal bonds.

It can be demonstrated that the Treasury Department's argument, that tax-immune bonds permit wholesale tax avoidance, is a grossly exaggerated myth. For instance, in 1939, when the Senator from Michigan [Mr. BROWN] headed a special Senate committee to study this very problem, the Treasury Department produced as one of its experts, Prof. Kossuth Williamson, a professor from Wesleyan University at Middletown, Conn. At that time the witness stated (hearings before Special Committee on Taxation, 76th Cong., 1st sess., 1939, at p. 527):

> Sample studies have been made of the composition of estates probated in recent years and estimates have been made by the Treasury Department and others as to distribution of the ownership of the existing tax-exempt securities. These studies suggest that there has been no great flight by the rich from other investments to tax-exempt securities, and that, in fact, the bulk of these securities are held by governments, institutions, corporations, banks, and insurance companies, not subject to the surtax. Almost all of the increase of governmental debt of recent years has, according to the Twentieth Century Fund, been taken up by credit institutions.

This cool and deliberate statement—which contradicts the Treasury's argument—was made by an economist brought to Washington to testify by the Treasury Department—not by the opposition.

Mr. President, it is important that the Senate fully understand that when Professor Williamson appeared as a Treasury expert he followed, in point of time, Dr. Harley L. Lutz, professor of public finance, Princeton University. Dr. Lutz appeared as a witness for the States and cities in opposition to the tax and he testified on this same subject of tax avoidance.

> And all of the evidence that we can get from estate-tax returns, which is evidently throwing light upon the distribution of securities in the estates, that have been filed back to 1926, would indicate that there is a very small proportion of the trust estates, or those whose estates have passed through the mill in the last 2 years, invested in any kind of tax-exempt securities.
>
> Put that together with the figures that have just been brought out, and the ownership of tax-exempt securities becomes an incidental matter. A man does not become rich by buying tax-exempt securities, and, as his estate increases, he seeks to diversify it more or less, and he buys Federal, local, or State bonds, for one purpose or another, and while one of those objectives may be the diminution of tax, nevertheless, it is not the only purpose. So these people do not own all of those tax-exempt securities.
>
> The percentages are given in the report of the distribution of these estates, and, as I recall it, from all estates it is something like 5 percent plus on the net of the gross estates over a million dollars, and it is 9½ percent and a fraction for those under $1,000,000.

Nor is this all. This same Treasury Department expert, Professor Williamson, whose testimony before the Senate committee in 1939 I quoted before, had more to say on this same subject in March 1941. At that time, writing in the Annals of the American Academy, he said:

> The extent of evasion by the rich, through tax exempts has been exaggerated by opponents of tax exemption * * * whatever the explanations, experience so far does not support the contention that tax exemption nullifies the progressive feature of the income tax or that the progressive income tax and tax exemption cannot exist together.

I think my colleagues will draw the full implication from Professor Williamson's testimony and writings. When he appeared as a Treasury witness he said:

> There has been no great flight by the rich from other investments to tax-exempt securities.

Two years later, writing on his own, he states the proposition even more positively. He says that the tax evasion feature of tax-exempt bonds has been exaggerated by the Treasury Department.

I see the pattern of the Treasury Department's future action. Once they succeed in ramming this provision down the throats of this Congress they will be back here within 2 months pleading with you and me to tax outstanding bonds in order that they may obtain additional Federal revenues. They will remind us again of the all too familiar taxpayers, Mr. A, Mr. B, and Mr. C, who are receiving from $600,000 to $800,000 in tax-free municipal interest.

Then having opened the door by taxing future and outstanding issues, it will be simple for the Treasury Department to urge us to impose corporate taxes on the revenues of municipalities, and all proprietary functions of State and municipal government.

DISASTROUS EFFECTS ON LOCAL GOVERNMENT

Now let us look at the picture from the side of the States and cities. The representatives of more than 9,000 municipalities have been before congressional committees on a number of occasions during the past 4 years. They have produced experts whose experience in municipal finance is unquestioned even by the Treasury Department. These State and municipal experts—and I may add, they were not here to grind their own personal axes—have said that in their opinion the elimination of the tax-immune feature of State and municipal bonds will require the States and cities to pay anywhere from 90 points up to as much as 175 points more in interest rates. For instance, I find that the comptroller of the city of New York estimated that in his opinion the taxation of future issues of New York City's bonds would increase that city's interest rates by at least 1¼ percent. In all, they produced some 20 or more experts from near and far. They had fiscal officers from the large States, like Henry Long, the commissioner of corporations in Massachusetts, and men from small cities and counties in my own State, like Norman A. Peil, of Easton. One of their witnesses, the late Morris Tremaine, comptroller of the State of New York, probably had issued more bonds than any one in the country except the Federal Government. When all the testimony of these men is boiled down we find a pretty general agreement that the increase in interest rates, resulting from the tax, would probably be about 1 percent, an increase in State and local borrowing costs of 33 percent on a 3-percent municipal bond.

I could cite figures for every State and city in this country and drive home to every Member of this body the enormousness of the increased burden which the Treasury Department asks us to place on our States and cities. In my own Commonwealth a 1 percent increase of interest rates would ultimately add $150,000,000 each year to our present burden. Of that, $130,000,000 will have to be borne by the cities and counties of the Commonwealth of Pennsylvania.

Think of it, $150,000,000 additional interest costs each year in my State alone. Mr. President, who do you suppose will bear that burden? Who do you suppose will bear the brunt of this Treasury-inspired proposal? I will tell you. It will be the real estate taxpayer, the home owner, and the rent payer, the man in the anthracite mines, the farmer, small merchants, and the great mass of all small home owners through the length and breadth of the Commonwealth of Pennsylvania. Let me show how this proposal will affect tax rates. If interest costs go up 1 percent, local real-estate-tax rates in some of our Pennsylvania cities, for example, will increase by as much as $1.60 per $1,000 in Philadelphia; $1.35 per $1,000 in Pittsburgh; and $1.10 per $1,000 in Harrisburg.

We all know that 90 percent of State and local revenues are derived from real-estate taxes—that the humblest person, the person who does not earn enough to pay income taxes, pays some part of the real-estate taxes in his rent. These people will be compelled to assume an additional burden if we increase the costs of State and local government by taxing municipal securities.

That is how the proposed tax on municipal bonds will reach down into the pockets of all our citizens, and while you and I know that our people can ill afford to take an increase in State and local taxes at this time, I want to point out

that there are even more important and far-reaching consequences of this proposal.

In our own Commonwealth we constructed at least two outstanding toll projects which are now filling a vital military need. I refer to the Pennsylvania Turnpike and the Philadelphia-Camden Bridge. I need hardly tell you, Mr. President, how our war effort would be impeded without these two vital highway links, and yet it is fair to say, on the basis of expert testimony, that neither the Pennsylvania Turnpike nor the Philadelphia-Camden Bridge could have been built if the bonds issued for those purposes had been subject to Federal income tax.

No less an authority than Carl Chatters, the executive director of the Municipal Finance Officers Association of the United States and Canada—a nonprofit organization composed of municipal fiscal officers throughout the country—testified before the Senate Finance Committee that if State and municipal bonds had been taxable in the past, many of them could not have been sold.

He testified that for 7 years in the periods between 1919 to 1922 and 1923 to 1934 many thousands of municipal issues, running into the hundreds of millions of dollars were sold at coupon rates of 5¾ percent or higher. He testified that had the bonds sold at those rates been taxable, then interest rates would have exceeded 6 percent and in some cases would have reached as high as 6½ percent or 7 percent, and he further testified that the history of municipal borrowing shows that bonds are not sold, but are usually withdrawn from the market if the rates exceed 6 percent. Mr. Chatters said:

> Municipalities cannot pay too high interest rates, for if they do the citizens or the creditors or both will suffer. In general, a community cannot safely devote more than 25 percent of its revenue to debt service. When it does the public services must suffer or the community stands to default on its obligations. The usual "ceiling" on interest rates has come to be accepted as 6 percent by the general consensus of State legislatures, fiscal experts, and public officials.

Mr. President, I think the individual Members of the Senate should not overlook the importance of Mr. Chatters' testimony. In my own State, in the period of Mr. Chatters' study, there were only some 31 issues, amounting to a little over $1,000,000 which were sold at coupon rates of 5¾ percent or more. In Wisconsin, though, there were some 83 sales totaling $17,000,000; in Ohio some 1,717 sales, totaling $163,000,000; in Idaho some 181 issues, totaling more than $14,000,000; in Indiana 299 sales, totaling close to $22,000,000, and so on, down through the roll call of all the States.

In other words, there was not a single State in the Union which did not have to sell municipal bonds at coupon rates of 5¾ percent or more in the period following the last war—1919 to 1922—and the depression of the 1930's—1932 to 1934. I can hazard a guess that the same difficulties will confront the States and cities in the not-too-distant future. If then State and municipal money rates rise to 5¾ percent or better, it can readily be foreseen that municipal financing will be ruined if the bonds are taxed and the rates increased by another 1 percent. It is true there are some who have argued that such a result would be beneficial. They would like to see State and municipal spending curtailed. Those who do so lose sight of the fact that the vast bulk of State and municipal financing is essential and not the result of profligate spending.

I urge the Senate to reject the Treasury proposal to tax future issues of municipal bonds on the grounds that:

First. The taxation of future issues of municipal bonds will produce substantially no revenues for 20 or 30 years;

Second. There is no evidence of a wholesale tax avoidance by any large body of municipal bondholders;

Third. The over-all effects of the adoption of this tax would be disastrous to State and municipal government, because it would increase the cost of local government substantially; because it would vest control of municipal financing in the hands of Federal administrative officials; because it would hamper State and municipal post-war financing; because it would make it impossible for many States and cities to finance essential operations; and because the measure would at best be of doubtful constitutional validity; and

Finally, because the Treasury's proposal to tax municipal bonds would open the door to the taxation not only of outstanding State and municipal bonds but the very revenues of the States and cities themselves.

Mr. President, for all these reasons I shall vote for the amendment offered by the junior Senator from Ohio [Mr. BURTON].

Mr. MALONEY. Mr. President, because I have received many communications from municipal officers in my State and from State officials as well, urging that I oppose this proposal of the Senate Finance Committee, I wish to make a very brief statement explaining why I shall support the committee.

The argument has been made, and will undoubtedly again be made in this debate, that this proposal is a trespass upon State rights. I dispute that contention. The statement is also made that the amount of revenue involved is small. I shall not discuss that feature at length either, because I know that the distinguished chairman of the committee and the able Senator from Michigan [Mr. BROWN] have prepared figures and will show the special advantages allowed to wealthy men under the prevailing practice. I think it is interesting to note that time and again the illustrious predecessor of the able Senator from Michigan, the late Senator Couzens, was among the leading advocates of such a proposal as is now before us. Himself an extremely wealthy man, and one who had invested considerable money in municipal and State securities, he was among the leading advocates of that which the committee now proposes.

Mr. President, I should like to lay one ghost. The argument is made again and again that we are taking away the rights and powers of the States, or that we propose to do so. Such is not the case.

This is not a new proposal offered because of the war, as has been suggested; and I do not think that it is fair to make the argument that we should not attempt it because in the next several years it will not raise enough money to make it worth while. This proposal has been offered again and again over a period of years. Long before we ever dreamed that we would get into the war some of us advocated wiping out the tax-exemption privileges that go with this type of security. If we do not do so now, and delay it a few years longer because of the war, we shall be that much further away from taking what I regard as proper action.

Mr. President, we are simply saying to the States and the municipalities that, "So long as the condition now prevailing exists you are trespassing upon the rights of the Federal Government and the masses of American taxpayers." All we seek to say by the enactment of this language is that "You may not tell certain taxpayers of the country that they may escape their Federal obligations and avoid payment of income taxes." There is no trespass upon State rights. This is not a tax upon the States. This does not in any way inflict a penalty upon the States. This language would do no more than say to every individual citizen of the United States that he shall pay his share of the income-tax bill.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. BURTON. Will the Senator comment on the decision of the Supreme Court in the Pollock case, in which the Court held such a tax to be unconstitutional, and said that the direct effect of a tax of this kind would operate on the power to borrow before it is exercised?

Mr. MALONEY. As the Senator knows, I am not a lawyer. I am not familiar with the Pollock case, and I cannot comment on it. Will the Senator tell me when that case was decided?

Mr. BURTON. It was decided in 1895 by a unanimous decision of the Supreme Court.

Mr. MALONEY. Let me read from the sixteenth amendment to the Constitution of the United States:

> The Congress shall have power to lay and collect taxes on incomes, from whatever source derived.

Does the Senator wish to comment upon that language?

Mr. BURTON. In the cases of *Brushaber* v. *Union Pacific Railroad* (240 U. S. 1) and *Evans* v. *Gore* (253 U. S. 245), the Supreme Court pointed out that the sixteenth amendment did not change the law. The sixteenth amendment was not an attempt to change the law, but to provide that thereafter income taxes should not be regarded as direct taxes, and therefore should not be apportioned among the several States in accordance with population. It removed that restriction.

Mr. MALONEY. The Senator is correct. That is a part of what the sixteenth amendment did; but the language seems quite clear to me. I find no difficulty in understanding the words "from whatever source derived."

The point I am trying to make, in an effort to offset the States' rights argument which has been made, and which, I presume, will be made again in this debate, is that we propose to do no more than discontinue a subsidy heretofore granted by the Federal Government to the States of the Union, through which it is made more inviting for their securities customers to buy the bonds of the States and municipalities than those of corporations.

Mr. President, I am very much opposed to the amendment offered by the Senator from Ohio [Mr. BURTON]. I do not see how we are in any sense trespassing upon or interfering with States' rights. We are—I hope, at long last—demanding that the Federal Government have the complete right to say to every income taxpayer, or potential income taxpayer, "You cannot be excused from the payment of income taxes because of the desire of State officers that you buy State bonds."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. BURTON].

Mr. BROWN. Mr. President, as Senators know, this issue has been before the Congress for a long time. Since the adoption of the income tax in 1913 practically every Secretary of the Treasury, including, I believe, Mr. Ogden Mills, who was Mr. Hoover's Secretary of the Treasury, has urged this reform in our tax procedure. I know that the great Senator from Virginia [Mr. GLASS] has long advocated it. He advocated it when he was Secretary of the Treasury. I believe that the last four Presidents of the United States have urged this reform in our tax procedure. The Congress has considered it several times. In 1933 it passed a bill taxing the interest on State and municipal bonds.

In its platforms of 1932 and 1936—I do not recall as to the platform of 1940—the Democratic Party urged this reform in the Federal tax system. In 1936 the so-called Frank report, written by the late Glenn Frank, who was for a long time president of the University of Wisconsin, urged that the Republican Party adopt this principle.

I believe that practically all the impartial students of taxation have advocated it. Some of those from the colleges and universities who appeared before our special committee and before the Finance Committee, particularly Professor Lutz, of Princeton, were hired advocates for the Association of State Attorneys General, and various municipal associations. A few authorities who are not hired men are opposed to this reform, but I think it fair to say that the great bulk of expert and scientific authority is in favor of it.

With that preliminary statement, I wish to spend a very few minutes upon the constitutional aspect of this question. I shall not spend much time on the so-called immunity rule, further than to say that it has been greatly abused. I believe that some decisions by the Supreme Court can be very justly criticized. I cite just one to show how far the immunity rule has gone. In the case of Burnet against Coronado Oil & Gas Co., involving school lands in the State of Oklahoma, an arrangement was entered into between the Coronado Oil & Gas Co. and the representatives of the school authorities of the State of Oklahoma.

By the terms of the agreement, seven-eighths of the money from the oil went to the Coronado Oil & Gas Co., and one-eighth went to the school funds of the State of Oklahoma. The Commissioner of Internal Revenue attempted to tax the profits, the seven-eighths, which went to the Coronado Oil & Gas Co. That company resisted on the ground that this resulted in a tax upon the State of Oklahoma. There was no attempt to tax the returns, the one-seventh, which went into the school funds of the State of Oklahoma; all that the Government tried to tax was the seven-eighths received by the Coronado Oil & Gas Co., a private corporation with no connection whatsoever with the Government of the United States, or with the government of the State of Oklahoma, or with the school system of the State of Oklahoma. Nevertheless, the courts held that under the immunity rule the Coronado Oil & Gas Co., because the oil came from State land, was immune from Federal taxation on its seven-eighths of the income from State lands.

I repeat that the question as to the one-eighth which went into the State primary-school fund was not involved at all; the Government did not try to tax that.

Four judges dissented in that case, which was decided in 1932. Some 5 or 6 years later, in the Mountain Producers Corporation case, involving the same question, the Court, in a 5-to-4 decision, reversed the Coronado case. Thus justice was finally done, and since that time the immunity rule has been considerably scaled down.

On the constitutional question involved we have these underlying general facts: In the sixteenth amendment—that is, the income-tax amendment—which I think was adopted in 1913, it is provided in substance that income from whatever source derived is taxable by the Federal Government.

During the Civil War there arose a tax problem similar to that which presents itself to any government in a great emergency. Five different income-tax laws were passed during the Civil War period. Each one of those income-tax laws taxed all income from whatever source derived. That was the exact language of the statute. From 1862 to, I think, 1869, when Civil War income taxation was done away with, the income from State and municipal bonds was taxed. No one asserted that the Federal Government did not have the right to tax it. No litigation was instituted. Everyone paid the tax. There was a practical construction of the statute, a practical disregard of the so-called immunity rule, and everyone agreed that the income from, or interest on, municipal bonds and State bonds was taxable.

Such was the condition until 1893 or 1894, sometime in the early nineties, when, because of the necessities of the moment, because of the need for greater revenue, another Federal income-tax law was enacted. That law provided for the taxation of incomes from whatever source derived. Based upon the Treasury practice and upon the experience under the Civil War acts, the Commissioner of Internal Revenue taxed individuals upon income derived from public obligations. That gave rise to one of the most famous cases decided by the Supreme Court in its history, the case of Pollock against Farmers' Loan & Trust Co. The issue in the case—and I shall confine my statement to the issue which is concerned here—was this: The bank, I believe, paid the income tax upon its corporate profits, based upon income received from State and municipal bonds. Pollock, my recollection is, was a stockholder in the bank, and he got into court upon the theory that the officers of the bank or the bank itself had illegally and unconstitutionally paid out of its profits taxes upon the income from municipal bonds. I believe that the suit was in the nature of an injunction; but that point is not important.

The issue upon that subject as presented to the Supreme Court of the United States was: Has the Federal Government under the Constitution the power to tax income from municipal bonds in the hands of the Farmers' Loan & Trust Co.?

It has been some time since I closely looked into the matter; but I think I am correct in my general statement.

That issue was presented to the Supreme Court, and upon that issue the Court held unanimously that interest on the bonds could not be taxed, because of the immunity rule. Of course, at that time there was no sixteenth amendment. That case was decided in 1895, I believe, just before the close of the nineteenth century.

Immediately throughout the United States there arose a hue and cry against the decision in the Pollock case. Of course, it struck down not only the taxation of municipal bonds, but all income taxation.

There immediately arose, throughout the country, particularly in the Midwest, a great demand for a constitutional amendment which would permit the taxation of income. After a number of years, after a great many legislatures had petitioned the Congress to adopt such an amendment, after public discussions by such great scholars as Professor Seligman, Professor Ely, Professor Commons, and other great liberal educators and authorities of that day, Congress submitted to the several States the sixteenth amendment. I think that the distinguished senior Senator from Nebraska [Mr. NORRIS] was in Congress at the time.

After the measure was thoroughly debated in the Congress the sixteenth amendment was adopted, and was submitted to the various States for ratification.

In the eastern part of the United States, the section of the country in which opposition to the amendment was the most bitter, there developed a great contest. The Governor of New York was Charles Evans Hughes, lately Chief Justice of the Supreme Court of the United States. The attorneys in the Pollock case, a Mr. Choate and Mr. Guthrie, were

probably among the half dozen or dozen foremost lawyers in the United States. They had won the Pollock case. They were hired by the financial interests in the city of New York who were opposed to the ratification of the sixteenth amendment. They appeared before the Governor of New York, and they appeared before the appropriate committee of the New York State Legislature. Senators will find in the record of the debate in September 1940, when this question was last before the Senate, the statements of Mr. Guthrie and Mr. Choate to the New York State Legislature, in which they said there was absolutely no question that if the sixteenth amendment were ratified the rule in the Pollock case against taxation of income from municipal and State bonds would be abrogated.

There is no question but that the issue was squarely presented to the American people. They called attention to the fact that the four or five Civil War statutes and the statutes of the early nineties which refer to income from whatever source derived as being taxable, were almost identical in terms with the phraseology of the sixteenth amendment which says that income shall be taxed from whatever source derived.

It was argued to the New York State Legislature that, if the sixteenth amendment were ratified as it was adopted by the Senate, there could be no question that State and municipal bonds would be subject to the Federal power to tax under that amendment. Governor Hughes was opposed to the taxation of State and municipal bonds. He sent a message to the legislature stating that there could be no question, if the sixteenth amendment were ratified as written, but that it would give undoubted power to the Federal Government to tax the interest on State and municipal bonds.

I ask unanimous consent, Mr. President, that an extract from the message sent by Governor Hughes to the New York Legislature be printed in the RECORD at this point in my remarks.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

> But the power to tax incomes should not be granted in such terms as to subject to Federal taxation the incomes derived from bonds issued by the State itself, or those issued by municipal governments organized under the State's authority. To place the borrowing capacity of the State and of its governmental agencies at the mercy of the Federal taxing power would be an impairment of the essential rights of the State which, as its officers, we are bound to defend.
>
> You are called upon to deal with a specific proposal to amend the Constitution, and your action must necessarily be determined not by a general consideration of the propriety of a just Federal income tax, or of giving to the Federal Government the power to lay such a tax, but whether or not the particular proposal is of such a character as to warrant your assent.
>
> This proposal is that the Federal Government shall have the power to lay and collect taxes on incomes "from whatever source derived."
>
> It is to be borne in mind that this is not a mere statute to be construed in the light of constitutional restrictions, express or implied, but a proposed amendment to the Constitution itself which, if ratified, will be in effect a grant to the Federal Government of the power which it defines.
>
> The comprehensive words "from whatever source derived," if taken in their natural sense, would include not only incomes from ordinary real or personal property, but also incomes derived from State and municipal securities.

Mr. BROWN. The State Legislature of New York followed the advice of Governor Hughes and refused to ratify the amendment. Shortly thereafter there occurred an election, and in that election the Democratic platform upon which soon-to-be Gov. John A. Dix stood, condemned the action of the New York Legislature in refusing to ratify the sixteenth amendment, and said if the Democrats were in control of the government of the State of New York they would ratify the sixteenth amendment. The Democrats won, and the legislature promptly ratified the sixteenth amendment.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. McKELLAR. The sixteenth amendment reads as follows:

> The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States and without regard to any census or enumeration.

Under that language does the Senator think that the income received by States and counties and municipalities by way of taxation would be taxable?

Mr. BROWN. I certainly do not. That is the precise point where the immunity rule logically comes in. State and municipal income as such is not taxable, but, if the Senator will bear with me for a few moments, I will show him that incidental taxes are constantly levied by the States against the Federal Government and by the Federal Government against State and municipal governments, and there have been repeated decisions to the effect that that may be done.

Mr. McKELLAR. That is in the case of national banks——

Mr. BROWN. Sales taxes, for instance.

Mr. McKELLAR. And where it is permitted by law, is it not?

Mr. BROWN. No; it is a refinement of the immunity rule. But my position is——

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. CLARK of Missouri. It is true, is it not, that moneys raised by States and municipalities by taxation are not income in any accepted sense of the term income, and, therefore, not within the purview of the sixteenth amendment to the Constitution?

Mr. BROWN. The Senator is correct about that.

The same general discussion which occurred with respect to the ratification of the sixteenth amendment by the New York State Legislature occurred in many other States in the Union. In a great many States the amendment was ratified without any particular discussion. Some Governors disagreed with the construction that was placed upon the amendment by Governor Hughes; but since New York was the largest State in the Union, and since the financial interests were located there, it was the most important State with respect to this matter, and since its newspapers are the most widely read of those of any other State in the Union, great importance was attached to the action of the New York State Legislature.

I think no one can read the record without being forced to the conclusion that the sixteenth amendment was adopted not only in New York but throughout the United States with full knowledge of the fact that the amendment contained almost the identical phraseology which was the subject of discussion in the Pollock case, the phraseology under which bonds had been taxed from 1861 or 1862 down to the time of the Pollock case.

I wish to say to Members of the Senate that my own rather exhaustive investigation of this matter, extending now over a period of approximately 4 years as chairman of the special committee in charge, has convinced me that there could be no other result, if the question of the right and power of the Federal Government to tax these bonds were presented to the Supreme Court of the United States. I shall not take the time of the Senate to discuss the immunity rule, because, so far as I am concerned personally, I think there can be no doubt of our right and power to tax on the basis of the sixteenth amendment.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BURTON. In connection with the discussion of the sixteenth amendment I should not like to leave the record in the shape in which it now is, particularly in view of the formal statement of the American Bar Association that it regards the proposal as unconstitutional and that proceedings should be by constitutional amendment. I wish particularly to call attention to the material which was before the house of delegates of the American Bar Association in March 1941, in which the following quotation was made from Senator Borah, who argued the issue on the floor of the Senate and who was supported by Senator Norris Brown, the author of the constitutional amendment. Senator Borah said:

> The words "from whatever source" add nothing to the force of the amendment. It would, in constitutional parlance, be just the same if it said "to lay and collect taxes on incomes without apportionment," for who could then say that you would not have the right to lay taxes upon all incomes? The present taxing power would not be a particle stronger if it stated "to lay and collect taxes upon all property from whatever source."

Then, Senator Borah, who at that time was one of our great constitutional lawyers, said:

> To construe the proposed amendment so as to enable us to tax the instrumentalities of the State would do violence to the rules laid down by the Supreme Court for a hundred years, wrench the whole Constitution from its harmonious proportions, and destroy

the object and purpose for which the whole instrument was framed.

Senator Norris Brown supported him, indeed I understand Senator Elihu Root and Professor Seligman did likewise. The case has since come before the Supreme Court in several cases, and Mr. Justice Hughes did not agree with Governor Hughes on the issue.

Mr. BROWN. I do not think the Senator can say that Mr. Justice Hughes disagreed with Governor Hughes, for the case was not presented to the Court during the time he was a member of it.

The attitude of the Supreme Court on the issue stemmed largely, as I recall, from the case of Evans against Gore, in which a very different question was placed before the Court, that is, the right of the Federal Government to tax the salary of Federal judges. In the decision, purely by way of dicta, the Court threw in an observation to the effect that the sixteenth amendment did not authorize the taxation of bonds of municipalities. The question was never decided.

I wish to say to the Senator from Ohio that I have read the debate in 1909, I think it was, on the question of the submission of the sixteenth amendment, which was submitted in 1909 and formally ratified in 1913, and never during the course of the debate was any reference made by any Senator to the legislative interpretation of the language which was written into the sixteenth amendment. It is amazing that that great debate should have taken place without any discussion of the Civil War statutes, and without any discussion of the statute upon which the Pollock case itself was decided. Everyone was talking about income taxes generally, and the greatest struggle was over the power of the Federal Government to tax incomes at all. The municipal bond proposition was a secondary part of the great fight, just as it was the secondary question in the Pollock case. But there can be no doubt the question was decided in the Pollock case, and there can be no question that Governor Hughes and other Governors emphasized the fact that the proposed amendment did empower the Federal Government to tax the income from the securities of municipalities.

Mr. President, with these observations on the legal side, I wish to give a few examples of the evil we are trying to correct by the adoption of the amendment.

Mr. BURTON. Mr. President, will the Senator permit just one further interruption, in order that it may appear in the RECORD?

Mr. BROWN. I yield.

Mr. BURTON. In the minority views of the special committee on taxation of governmental securities and salaries, presented by the Senator from Vermont [Mr. AUSTIN] and Senator Burke, after making their study of the situation, they included one statement which I think might appropriately appear in the RECORD at this point. On page 1 of the minority views, part 2 of report 2140, they said:

> The shocking argument that the sixteenth amendment, in effect, granted to the Federal Government what the Department of Justice itself is pleased to describe as the supreme power to tax the States is as unsupported by the facts and the history of its adoption as it is directly contrary to the decisions of the Supreme Court that rejected it when it was first suggested.

Mr. BROWN. Mr. President, I thank the Senator for the statement. The committee to which he referred decided 4 to 2, as I recall, upon that question, the four holding that the legislation was not only necessary, but constitutional.

I wish to give a few examples of the evil we are trying to correct. The Secretary of the Treasury wants to go much further than I would go. He wants to have all outstanding municipal bonds, as well as future issues, taxed. I declined to go along with that proposition, as did the Finance Committee.

There is very sound argument for the position of the Secretary of the Treasury, at least with respect to a part of his contention. I think, and I believe the majority of the Finance Committee is of opinion, that there is something in the nature of a contract, at least by acquiescence, on the part of the Federal Government, not to tax these bonds, and that it would be unfair to tax bonds issued by States and municipalities, and which were purchased by the investing public upon the theory and understanding that such bonds were not to be taxed.

The great mass of these bonds were issued at a time when there was no contemplation of the enormous increase in personal income taxes which has occurred since. There is some justification for the Secretary's position on that ground.

If it were possible to draw a line of demarcation and say, "We will give you the immunity, in this income taxation, with respect to taxes as they were at the time the bonds were issued, or as to taxes such as might be reasonably contemplated in the future," that would be all right, but where we have the income tax multiplied two, three, or four times—I do not know what the figure is—they being so very much greater than was contemplated before, the holders of these bonds have an unconscionable advantage. But I cannot draw the line of demarcation. I asked the Treasury to find some way of doing it, and they can present no plan which would do the job fairly and reasonably.

I am standing on the position my committee took, that it is better to start this reform now, when everyone who would buy a bond from this time on would know it was taxable; and that is the position the Finance Committee took.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. McKELLAR. If the income from all municipal bonds were taxed, instead of just the income from bonds issued in the future, how much did the Treasury estimate would be the income derived from the taxation upon the income from municipal bonds just as they are now, under the rates provided in the bill?

Mr. BROWN. I have an estimate that under the income tax rates proposed by the Treasury it would be $275,000,000 a year.

Mr. McKELLAR. It seems to me it would be very unwise to take this step during the present crisis. We are now engaged in a war. We need all the money we can get, and we extend ourselves to find sources of revenue. I would not at all hesitate to put a tax on all bonds if that step were necessary to enable us to win the war, but the wisdom of exempting the bonds that are now outstanding and merely taxing those which will be issued in the future, seems to me exceedingly doubtful. I cannot see how that would at all be helpful in financing the war effort.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. TYDINGS. I would imagine that where securities are now outstanding, which, under the recall clause, are recalled before the date of maturity so that they may be refinanced at a lower rate of interest, the bonds so issued of the category I have described would be considered as new bonds themselves, even though they were anticipated prior to the date of their maturity.

Mr. BROWN. I think the Senator is correct in his observation, and I have no doubt that the situation to which the Senator from Tennessee refers would be greatly alleviated by the course which the municipalities would take as suggested by the Senator from Maryland.

I should like to agree with the suggestion made by the Senator from Tennessee if I could square it with my own ideas of fairness, but it is very difficult for me to do so.

The Senator from Wisconsin has had in mind the offering of an amendment to cover outstanding issues. In his speech in Cleveland some months ago, the Secretary of the Treasury squarely came out for that kind of taxation, and I may say that, among other things, the Treasury appears to be at considerable odds with the Finance Committee with respect to the issue.

Mr. McKELLAR. I can readily understand how there could be a difference of opinion about a matter of that kind, because the bonds were issued when no tax was imposed upon them, and when none was contemplated, so far as I know.

Mr. BROWN. That is the difficulty.

Mr. McKELLAR. But the amendments offered by the committee would result in little or no revenue, and the main object of the pending bill is to raise revenue in support of the war effort, and it seems to me it is not wise to bring this issue up at the present time. We can easily get rid of the constitutional question by deferring it until it may arise in connection with a proposed constitutional amendment.

Mr. BROWN. I will say to the Senator from Tennessee, in answer to his argument, which is very good, I readily grant, that today we are paying about one-third of our war expenses out of current income, with no progress whatsoever being made toward reduction of debt but, on the contrary, piling it up.

Mr. McKELLAR. I will say to the Senator that the proportion is not quite as great as he has stated. It is a high proportion, however.

Mr. BROWN. I think the Senator from Georgia is correct in his statement that the pending tax bill will bring in very much more than $26,000,000,000, the amount which was estimated by the Treasury.

Mr. McKELLAR. I think the Senator's statement is correct.

Mr. BROWN. If we are spending $75,000,000,000, in round figures, we are paying about one-third of the cost of the war out of current income. Where are we going to get the rest? We are going to get it out of the taxes which will be assessed against this generation, the next generation, and the generation following. We want to now establish a rule of fairness and justice in taxation that will not permit this wide avenue of escape on the part of wealthy people from paying their just share of the taxes, and any tax reform which we may now institute will have its greatest effect in future years, when most of the municipal issues now outstanding will have been paid, and new issues, which will be fully taxable, will bear their fair share of the burden.

Mr. McKELLAR Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. McKELLAR. I can understand the argument of the Senator from Michigan, and it is persuasive. On the other hand, the great argument which is made in favor of taxing the incomes from State, county, and municipal bonds, is that there is a tremendous sum of money which now goes absolutely untaxed, the income on $18,000,000,000 of such bonds. That is an exceedingly persuasive argument in itself. It was made on the floor of the Senate today. As I understand the committee amendment, it leaves that $18,000,000,000 absolutely free of taxes, so far as this measure is concerned.

Mr. BARKLEY Mr. President——

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Michigan yield to the Senator from Kentucky?

Mr. BROWN. I yield.

Mr. BARKLEY. It is not accurate to say that $18.000,000,000 is free from taxation. It is the income from the $18,000,000,000 worth of outstanding bonds which is free from taxation.

Mr. McKELLAR It was my intention to refer to the income from the amount.

Mr. BARKLEY. The amount of outstanding municipal, State, and county bonds is about $18,000,000,000, and it is the income from that which is proposed to be dealt with.

Mr. BROWN. I recently read the testimony of Professor Lutz, who is an authority on the subject, who said those bonds represented a principal amount of more than $19,000,000,000.

Mr. BARKLEY. My statement related to the previous statement, that there is that much money escaping taxation.

Mr. President, with regard to the question asked by the Senator from Maryland [Mr. TYDINGS] as to what effect the taxation of future issues of municipal bonds would have upon bonds which are falling due, which have to be refunded——

Mr. TYDINGS. I mean before their maturity.

Mr. BARKLEY. Under the bill they would not be taxed until their maturity, and when refunding bonds are issued in lieu of them. The subcommittee of which the Senator from Michigan [Mr. BROWN] was the chairman found, I think, in its investigation that the difference in the interest rates which these municipal bonds would have to bear if they were taxed as other issues of bonds are taxed would be about 1¼ percent.

Mr. BROWN. I wish to beg the Senator's pardon in respect to that. I made that statement in answer to a question asked me by the Senator in committee. I corrected that statement, but the correction does not appear in the RECORD. The testimony was not 1¼ percent, but one-quarter of 1 percent. The estimate of Professor Lutz, who was, one might say, the advocate of the other side, was about six-tenths of 1 percent. The Treasury estimate was three-eighths of 1 percent.

Mr. BARKLEY. As I recall the statement made before the committee at its recent hearings it was one-half of 1 percent, and I was contrasting that statement with the Senator's statement of 1¼ percent, which he said he later corrected.

Mr. BROWN. Yes, I corrected it.

Mr. BARKLEY. I did not hear or see the correction.

Mr. BROWN. It was a slip of the memory.

Mr. BARKLEY. At any rate, whatever the figure may be—assuming that those who purchased these bonds, at the time they purchased them were actuated in accepting a lower rate of return by reason of the nontaxability of the bonds and the income, I suppose we might assume that on the reissue of these bonds, which would be taxable, any investor, whether the old holder who would purchase refunding bonds, or new purchasers of refunding bonds, would have to be willing to accept a lower rate of interest on his investment based upon the fact that it would be taxable thenceforward. If he were not willing to do that, of course, the increase, whatever it might be—perhaps one-half of 1 percent—would have to be added to the interest which the municipal bonds would bear, and inasmuch as interest on these bonds, as well as the face value, can only be paid by public revenues derived from taxation, of course, it would mean that the local community would have to tax itself to a greater extent in order to raise even one-half of 1 percent more interest on the bonds than it would when the bonds are exempt from taxation.

Mr. BROWN. There is no doubt about that.

Mr. BARKLEY. I think we ought to keep in mind the fact that the higher the rate of Federal taxation—and it must go higher than it is now, as we all realize—the larger must be the interest rate on local bonds when they are reissued, if the investor takes into consideration what he will be required to pay out in the way of taxes upon them, if we are to assume that they are to become taxable for all purposes, local and national.

The city in which I live has a tax rate of about $3 on $100. That is about what the municipal bonds of that city bear in interest. Those bonds are issued for the purpose of building schoolhouses, to build streets, to build sewer systems, and for all sorts of public improvement. Such improvements could not be made without the issue of bonds, without the borrowing of money. If all those bonds are taxable as other property is taxable, they would pay in taxes about $3 per $100, which is about 3 percent of their face value, and that is the interest rate which they bear. In that event, we know that in order to issue bonds upon a basis comparable with those which are now outstanding, the rate of interest would have to be 6 percent, and the community would have to increase its own local taxation to pay the higher rate of interest.

The amendment involved here, which the Senator from Michigan is discussing, of course does not go to the extent of providing, and, of course, it could not, for local taxation of bonds issued in any community, but if the principle of taxation with respect to a municipal bond is logical in one sense of the word it is logical in all senses of the word, and the holder of such a bond ought to be required to pay taxes not only upon the income but upon the face value of his bond.

Mr. BROWN. Mr. President, I would call the attention of the Senator from Kentucky to the figures of the advocate for the Association of State Attorneys General. At the invitation of the Senator from Maryland [Mr. TYDINGS] about a year ago I addressed the Baltimore Real Estate Board upon this subject, and this morning I referred to my remarks on that occasion. I got some figures relative to Baltimore and nearby cities at that time, and I particularly direct the attention of the Senator from Ohio [Mr. BURTON] to this matter. These are the figures of Professor Lutz, of Princeton, who I should say was the hired advocate for those who oppose this measure. He says that New York City, in 1936, had a tax rate of $27.14 per $1,000. He estimates that if the State and municipal bonds are taxable, that rate will be increased by the tremendous sum of 87 cents. In other words, New York's tax rate would move up from $27.14 per $1,000 to $28.01 per $1,000, an infinitesimal figure to pay for tax adjustment.

It must be remembered in this controversy that the one who pays his taxes to the city of New York and the State of New York is the same individual who pays income taxes to the United States. What he is interested in is his total tax bill. From the standpoint of the individual this controversy revolves, I think, entirely around this question. Shall we permit this tremendous tax advantage, which I will outline and give a few examples of shortly, to those with large incomes? Shall we give these benefits to great estates, or shall we establish absolute tax justice in the United States without exemptions to any class?

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. CLARK of Missouri. I do not wish to interrupt the Senator's discourse, but if this is a convenient place, I should like to make a reference to a suggestion made

by the Senator from Tennessee a moment ago.

Mr. BROWN. I shall be glad to have the Senator from Missouri proceed.

Mr. CLARK of Missouri. As the Senator from Michigan knows, I have always been in favor of taxing income, not only from future issues of State and municipal bonds but also from the outstanding issues. I have always believed that the language of the sixteenth amendment, when it says, "incomes from whatever source derived," means exactly what it purports to mean. Therefore, I have always been in favor of taxing both the outstanding and the future issues; and I am more in favor of taxing both of them now, than I have ever been before, because with the taxation of Government securities, with the gradual increased taxing of income from other bonds and other investments, it seems to me that unless these hitherto exempt securities are taxed, it will mean unjust enrichment for the holders of the present securities, and an unfair and unearned premium on the State and municipal bonds to be issued in the future.

I call attention of the Senator to the fact that when the matter was submitted to the Finance Committee as to whether we should even go into the question of taxing outstanding bonds, whether we should even open the hearings to testimony on that subject, the vote, I think, was 15 to 1 in the committee against going into that question, and I was the only member of the committee present who voted in favor of going into that subject, and might have been one of two or three who might have voted in favor of a tax on outstanding securities.

Mr. BROWN. Let me say to the Senator from Missouri that that was one of the very few sessions of the Finance Committee which I missed. Had I been there I would have joined the Senator from Missouri.

Mr. CLARK of Missouri. Several members were absent. I think I was the only one present who voted for going into the question. Therefore, Mr. President, the sentiment of the committee on this subject having been overwhelmingly demonstrated, those of us who were in favor of taxing outstanding as well as future issues, in order to do the best we could to establish this principle, joined with the other members of the committee in reporting the amendment for taxing future issues of State and municipal bonds. It is not what we wanted, but it seems to be the best we have any prospect of getting. I prepared an amendment, as did the Senator from Wisconsin [Mr. LA FOLLETTE], to tax outstanding issues, but in view of the nature of the contest I believe it is better not to offer that amendment. If the Senator from Wisconsin offers his amendment, it is my intention to vote for it.

I cannot too strongly emphasize, Mr. President, that with rapidly rising taxes—and we all know that they will rise higher—and with the taxation of Government issues, if we permit this exemption to exist as to future State and municipal issues, we shall give to such issues a much greater premium than anybody has ever heretofore contemplated. It affords a reservoir to which those with great fortunes who desire insurance against rising taxes and who do not want to play their part as citizens in the general effort of the United States, will resort.

Mr. BROWN. Does the Senator care to refer to the rather remarkable case of my immediate predecessor in the Senate, the late Senator Couzens?

Mr. CLARK of Missouri. Yes.

Mr. BROWN. Senator Couzens took a most high-minded attitude in regard to this subject. When he was elected to the Senate he came to the conclusion that, as an extremely wealthy man, he should have no interest in any corporate enterprise or any property interest which could conflict in the slightest degree with the interest of the United States. For that reason, and for none other, he invested the major part of his fortune in tax-exempt bonds, because they are the obligations of the governments of the States and municipalities. During his tenure in the Senate, from 1922 to 1936, he repeatedly urged upon the Senate the full taxation of Federal, State, and municipal obligations. That was an example of a wealthy man with a most high-minded attitude toward this question.

Mr. CLARK of Missouri. I believe that the attitude of Senator Couzens did him great credit.

Mr. BROWN. No man fought more valiantly for the amendment which I believe the Senator from Missouri offered, or at least supported, in 1933, for taxation of outstanding municipal bonds.

Mr. CLARK of Missouri. It was adopted in the Senate by nearly 20 votes.

Does not the Senator agree that, with the increase in taxes, the increase in all forms of income, and the taxation of Federal Government securities, the necessity for closing this reservoir of tax exemption is greater today than it ever was before? It seems to me that we are making a present, in the form of a premium, of unjust enrichment to the holders of State and municipal bonds.

Mr. BROWN. It seems to me that the argument made by the Senator from Tennessee is that because, in the past, we have not had the courage to face the question, and because these advantages have grown up and now exist, we should not do anything in this critical time to prevent that evil in the future.

Mr. CLARK of Missouri. One Senator told me this morning that a city in his State had recently issued some municipal bonds at a premium of 146 percent, or 46 percent above the face value of the bonds.

Mr. BROWN. I have some figures along that line.

Mr. CLARK of Missouri. That simply means that some rich persons are anxious to find insurance against increasing taxes. Under our present tax structure the only way anybody can find insurance against rising taxes and exemption from participation in the war effort with his money is by investment in State and municipal securities.

Mr. BROWN. At this point let me put in the RECORD a little of the testimony of the Secretary of the Treasury before the Finance Committee. He cited the case of a typical wealthy citizen. It was not a single case; there are many others like it. I should like to have Senators understand this point. This is an actual case.

This individual has a net taxable income of $975,000, just $25,000 less than $1,000,000. Of that income $668,000 was wholly exempt because it was in the form of interest on State and municipal bonds. Because of the exemption, his tax would be $243,000. If he had not owned tax-exempt bonds, his tax, instead of being $243,000, would be $832,000.

Let me repeat that. He had an income of $975,000, of which $668,000 was wholly exempt from Federal income taxation. His net income tax under the present bill would be $243,000. If the bonds which he possessed were not tax-exempt, his tax would be $832,000. In other words, he was more than half a million dollars better off by reason of tax exemption.

The Secretary of the Treasury says that under the bill the holder of 3-percent tax-exempt municipal bonds, who has a taxable income of $100,000, has the equivalent in income from investment in fully taxable United States Steel bonds, yielding more than 17 percent.

Of course, $100,000 is a tremendous income to the average man, to Senators, and to middle-class persons, but it is not an extraordinary income for a great many persons in the United States. A man with a taxable income of $100,000, based upon 3-percent municipal securities, is as well off as he would be if he could buy a United States Steel Corporation bond bearing more than 17 percent interest.

There can be no real question about our constitutional right to remedy this tremendous evil and close this large loophole in our tax structure. I cannot understand how the legislative authority can fail to do its full duty with respect to this question.

Mr. LEE. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from Oklahoma.

Mr. LEE. It has been argued that if we allow the income from State and municipal bonds to be taxed it will merely mean increasing the interest on such bonds. In testifying before the Senator's committee several years ago, Under Secretary Hanes testified that the increased interest which it would be necessary to add to such bonds would be from one-half to one-quarter of 1 percent.

Mr. BROWN. The Senator is correct.

Mr. LEE. I cited a case in my State of Oklahoma, involving school bonds. Schools have an appeal to all of us. The argument is made that we are laying an additional burden on school children. I took the case of the sale of $1,000,000 worth of school bonds to finance a school. Suppose the $1,000,000 worth of bonds were purchased by a man having an income of $500,000. The school bonds would bear 3 percent interest. Every year the Government would lose on those bonds $21,197.77 in income taxes. The additional interest, figured at the highest rate estimated by Under Secretary Hanes, would be $3,750. Sub-

tracting the additional cost of interest from what the Government would lose each year, we have $17,447.77, which the Government would lose every year on those school bonds. If the bonds were issued on a 20-year basis, multiplying that figure by 20 would give a figure of $348,955.40, which would be lost on the issue of $1,000,000 worth of school bonds if the income from those bonds were tax exempt. I submit that a good many school bells could be kept ringing for $348,955.40.

Mr. BROWN. I thank the Senator from Oklahoma.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from Tennessee.

Mr. STEWART. A few moments ago the Senator made an observation which made me think that perhaps the proof taken before the committee might indicate that investments of this character had drifted into the estates of wealthy persons. Is there any evidence which shows any sort of a break-down of the figures?

Mr. BROWN. Yes. That is a subject which I was just about to reach.

Mr. STEWART. Do life-insurance companies hold any appreciable amount of such securities?

Mr. BROWN. Yes; they hold a considerable quantity. My recollection is that, of $20,000,000,000 tax-exempt securities, individuals hold $7,800,000,000, insurance companies $2,100,000,000, commercial banks $3,700,000,000, and other corporations—I assume that means ordinary industrial corporations—$500,000,000. There is in the hands of governments $4,800,000,000 worth of State and local securities which, of course, are totally tax exempt.

I want to give the Senator the other figures, because he put his finger right on the subject matter which I was about to reach. These figures are just as important as the ones I have just now given. It is often stated that this evil is not a very great one. Professor Lutz, of Princeton, argued before the committee in effect that, while the logic was correct, it did not amount to very much.

In 1938—these figures are a little old, they are based upon the argument I made 2 years ago—in estates of from $500,000 to $1,000,000, approximately 10 percent of holdings were in wholly tax-exempt securities. When we consider estates of over $5,000,000—and a good many estates are over that figure—we find that 44 percent were in the form of totally tax-exempt bonds. That is an amazing figure. It is fair to deduce from that figure that 44 percent of the income-producing property in the hands of every wealthy person in the United States, was in the form of wholly tax-exempt bonds. That is the figure for 1938.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. BROWN. I yield to my friend, the Senator from Connecticut.

Mr. DANAHER. Does the Senator from Michigan care to express an opinion as to what he thinks will happen to the market for all outstanding issues previously in the hands of taxpayers if we agree to the amendment as reported by the Finance Committee?

Mr. BROWN. The question the Senator from Connecticut asks me is one which has always disturbed me very much. As with any other legislative matter, difficulties arise. The difficulties are not nearly as great as they would be if no legislation were enacted; but there is no question that as the outstanding securities become scarcer the demand for them will be greater, and consequently the value of the securities will rise, and an unconscionable profit will be obtained from them. However—and I think I am correct in this respect—the increment in the value of the bonds, that is, in the case of a bond bought at $100 and sold at $140, would be taxable as a capital gain. The expert from the Treasury Department who is here advises me that I am correct in that respect. Of course, that increment would be subject to Federal income taxation.

Mr. DANAHER. Mr. President, will the Senator yield there?

Mr. BROWN. I yield.

Mr. DANAHER. I have laid on the Senator's desk some language to which I should ask him to give his attention, to be inserted on page 34, line 5. Suppose after the word "foregoing", we were to insert the words "except such obligations which were acquired by the taxpayer after February 1, 1942." The section then would read—and I go back to the top of the page, line 1:

or (B) before January 1, 1943, by a State, Territory, or possession of the United States or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing, except such obligations which were acquired by the taxpayer after February 1, 1942.

Let me point out to the Senator from Michigan that, were we to interpolate those words at that point, we should do this much: We should say that not only do we intend to tax the income from local securities issued after January 1, 1943, but, in addition to that, all outstanding securities which have been acquired since the arbitrary date of February 1, 1942.

That provision would apply not only to securities which are outstanding at the present time or which have been outstanding since February 1, 1942, but to all that hereafter may be traded in. Consequently, such a provision would prevent the enormous windfall to the holders of presently outstanding exempt securities.

Does the Senator understand my point?

Mr. BROWN. I do.

Mr. BARKLEY. Mr. President——

Mr. BROWN. Before yielding to the majority leader, I should like to make a brief comment, and I want the Senator from Connecticut to be certain that I follow his reasoning and purposes. The idea would be to prevent, by this provision, the making of sales and the obtaining of profits which would inure to holders of presently outstanding bonds by reason of the probable future increases in value of bonds now outstanding. Is that the point?

Mr. DANAHER. Precisely; and let me say to the Senator from Michigan that we have had testimony before the committee and on the floor of the Senate to the effect that approximately 60 percent of all tax-exempt securities are now in the hands of corporations, tax-exempt institutions and corporations. The very wealthy would be the ones to drain them out of the hands of institutions, such as charitable institutions, which today are tax-exempt. Not only would the towns, municipalities, counties, and States receive no benefit whatever, but neither should we be able to tax the increment in the hands of the sellers. Obviously, the point then is that all such securities traded in after February 1, 1942, no matter how old they are, no matter how long they had been outstanding, would, in the hands of the future taxpayer, be subject to taxation.

Mr. BROWN. I think—and I am addressing myself particularly to the chairman of the committee, whose subagent I am in this matter—that the Senator from Connecticut has added a very valuable suggestion relative to the amendment.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BARKLEY. I should like to make this comment: The character and terms of the bonds are not changed in any respect by a purchase or transfer from a present owner to another owner. Undoubtedly, we can tax a capital gain which grows out of an increase in the value of a municipal bond; if it is bought at 80 and sold at par, we can tax the 20 percent gain.

Mr. BROWN. There is no doubt about that.

Mr. BARKLEY. Yes; there is no question about it.

Mr. BROWN. We can tax it as a capital gain.

Mr. BARKLEY. That is correct; we can tax it as a capital gain.

The question is whether we want to create two kinds of outstanding bonds, one kind made up of those which have not been transferred, but which still are in the hands of the original purchasers, and another kind made up of those which may have been transferred since February 1 of this year.

Personally, I doubt the wisdom of setting up two different categories of outstanding bonds; because by the tax on capital gains we can reach the increment about which the Senator from Connecticut has been talking. The interest rate does not change; the income from the bond itself does not change, no matter who holds it. When we can reach the increase or capital gain on the bond, if such a purchase would be induced by the nontaxability of the bond, it seems to me it is a very serious question whether we want to set up two kinds of outstanding bonds, and to say that the income from one shall be taxable, and that the income from the other shall not be taxable, depending upon whether Bill Jones or Tom Smith had to sell his, and Ike Stevenson bought it, since the last day of last February.

Mr. DANAHER. Mr. President, will the Senator yield to me?

Mr. BROWN. Before yielding to the Senator from Connecticut I want to answer the Senator from Kentucky for a moment. Perhaps the Senator from Connecticut has the same idea which I have.

Mr. DANAHER. I, too, want to answer the Senator from Kentucky.

Mr. BROWN. The Senator from Kentucky would be correct, in my judgment, if the increment or increase in the value of the bonds were taxed as income. However, since it is taxable as a capital gain, not as income, the effect would be this, if the Senator from Connecticut will pardon me for a moment, in those cases in which the individual's net tax rate, let us call it, for want of a better term, were below or equal to the rate on capital gains—and it is my recollection that the rate on capital gains is 25 percent, is it not? I ask the Senator from Georgia if the rate on capital gains is 25 percent.

Mr. GEORGE. Yes; it is 25 percent.

Mr. BROWN. In cases in which the individual's net tax rate is at or below that rate, the argument of the Senator from Kentucky would be correct; but in cases in which it is above 25 percent, the argument of the Senator from Kentucky would not be true——

Mr. BARKLEY. Of course, that is true.

Mr. BROWN. That is the evil the Senator from Connecticut is trying to meet. In the case of holders of municipal bonds, in my estimation a great majority of them will be taxed at rates very much above 25 percent.

Mr. BARKLEY. Of course, the same statement is true with respect to any kind of property, where there is an exchange and a capital gain results. It depends on the bracket in which the taxpayer falls.

Mr. BROWN. That is true, but I just fear that without the amendment of the Senator from Connecticut the increase in value which Senators like the Senator from Montana, the Senator from Tennessee, and the Senator from New Mexico fear would result, would come about. I have no authority whatsoever to accept the amendment, that being up to the Senator from Georgia [Mr. GEORGE], but it seems to me it has sufficient merit to warrant taking it to conference and endeavoring to work it out. It does strike at a possible evil which would arise from the enactment of the committee amendment without the inclusion of the amendment of the Senator from Connecticut.

Mr. DANAHER. Mr. President, will the Senator yield further?

Mr. BROWN. I yield.

Mr. DANAHER. Let me point out further to the Senator from Michigan that under the pending bill, and the rates we are providing, if an individual has an income, let us say, of a million dollars, we will take approximately $900,000 of that income. What are we to tell the people of this country with reference to that man's going out and bidding up tax-exempt securities, wherever he can do so? While it is true that the present holder would pay a capital-gains tax on the gain which inures to him from the increased price of the bond, the amendment would enable us from now on to tax the income from that bond in the hands of its new owner.

Mr. BROWN. I will support the Senator's argument by pointing out that in the case which Secretary Morgenthau gave us, of the man with the income of $975,000, his rate would be very close to 90 percent. Of course, he would gain the advantage between the 25-percent-capital-gain rate and the approximately 90 percent personal-income-tax rate.

Mr. BARKLEY. How many of these $900,000 men are there in this country compared with the holders of five, ten, and fifteen thousand dollars worth of local bonds, held by women, and trustees for small estates? It is all right to hold up a horrible example of some one with a million dollars who can invest it in municipal bonds; it is an entirely different matter to take a census of the small people who hold these municipal bonds, the income from which is the only income they have with which to sustain themselves.

I appreciated the illustration brought to the committee by the Secretary of the Treasury, but I do not know whether there is another one in the United States, out of all the 130,000,000 people, who fits into the pattern of that horrible example, by comparison with all the hundreds of thousands of others who hold only a small amount of municipal bonds, and who would be affected by what we do here.

Mr. BROWN. Let me remind the Senator that there are a great many people in the United States who are worth $5,000,000, and if 44 percent of their assets are in the form of totally tax-exempt bonds, a considerable tax income would be lost without the amendment presented by the Senator from Connecticut.

Mr. BARKLEY. If the amendment is to be accepted by the chairman of the committee, the word "which" should be changed to "as."

Mr. BROWN. Yes, I thank the Senator.

Mr. MAYBANK. Mr. President, I should like to ask the Senator how the horrible case he cited would be affected by the language of the committee amendment without the amendment of the Senator from Connecticut?

Mr. BROWN. In the case I have cited, the amendment suggested by the Senator from Wisconsin would take care of it. With respect to the amendment suggested by the Senator from Connecticut to the amendment of the committee, there would be a considerable gain to the Federal Treasury, but the committee amendment could not cover that.

The point in bringing that out is that but for our failure in 1918, when the House took this matter up, and in 1933, when the Senate passed a measure of this kind, this evil would not have existed. What I am trying to do, in furthering the committee amendment, is to prevent a situation of this kind from occurring in the future, when it will be greatly magnified because of the greatly increased Federal income taxes which will be levied upon our people.

Mr. McFARLAND. Will the Senator yield?

Mr. BROWN. I yield.

Mr. McFARLAND. What effect would the amendment have on refunding bonds?

Mr. BROWN. The statute would cover that. All bonds that are issued prior to January 1, 1943, to refund an obligation maturing prior to June 30—I believe the date is—would be subject to the present law, and not subject to tax. In the case of a refunding obligation issued after December 31, 1942, such obligation will generally be exempt from taxation until the maturity date of the obligation refunded. Let me say to the Senator from Arizona that I was not familiar with the date and I first believed that we ought to give a little more time to the municipalities. In other words, I believe it would be wise to make the date December 31, 1943, or January 1, 1944. I think it would be in the interest of justice to do so.

Mr. LEE. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. LEE. I wish to comment on the amendment proposed by the Senator from Connecticut. I personally belong to a group which favors taxing incomes from whatever source derived. I think that when the people ratified the sixteenth amendment, authorizing the Congress to levy and collect taxes on income from whatever source derived, they thought they were doing just what the amendment provided. Therefore, I think we should tax income derived from outstanding bonds. But if we cannot do that, then the next best thing, I believe, would be to accept the amendment of the Senator from Connecticut, which is designed to prevent the sudden and unreasonable rise in prices of outstanding tax-exempt securities, because there is no doubt that the people with money who desire to escape taxation are going to start bidding against each other and buy these securities at whatever price they will have to pay for an exemption.

It was argued by the Senator from Kentucky, the able majority leader, that it is only a small evil. However, I submit that when we are dealing with fundamental principles, the size of the evil to be corrected should not be an argument in its defense. We are trying to lay down the fundamental principle that there shall be no special privilege to any special class. An exemption in taxation is a special privilege to a special class, and that is the rich class. Poor people cannot buy bonds. They do not have the money with which to buy them. The average person can buy a very limited amount of them.

A few moments ago the Senator from Michigan cited an example of a man with an income of $1,000,000. To him a 3-percent bond, if it is tax exempt, is worth more than a 17-percent bond on which he has to pay a tax. In other words, the tax-exempt privilege is worth more than 14 percent interest to a rich man. How much is it worth to a man with an income of $5,000?

Mr. BROWN. Practically nothing.

Mr. LEE. It is worth two-tenths of 1 percent to a man with an income of $5,000.

The principle of exemption from taxation is a special privilege to a special

class. I think we now have an opportunity to wipe it out for all time, and I hope we will do so and not leave a single vestige of it for the next generation to have to fight.

Mr. DANAHER. Will the Senator yield?

Mr. BROWN. I thank the Senator from Oklahoma for his statement, and I yield to the Senator from Connecticut.

Mr. DANAHER. Let me point out to the Senator from Oklahoma what a long stride forward it would be if we should adopt an amendment substantially in the language I have suggested to the Senator from Michigan.

In the first place we have the President asking that all income from wages and salaries be reduced to $25,000, after taxes. Remember that that point is stressed—"after taxes." That means that an individual is entitled to earn an income of approximately $55,000 before taxes. So that a person does not have to have a $100,000 income to be interested in the question we are considering. All he has to have is an income of $30,000 over and above the $25,000 ceiling, and he can well bid on possibly $15,000,000,000 of tax-exempt securities in order to acquire some of them, and, acquiring tax-exempt securities, he will not have to lose anything on account of the limitation placed under the presidential order.

Take another aspect of the matter. The institutions, charitable trusts, the banks, or other holding units which today have approximately 60 percent, or about $12,000,000,000, of these tax-exempt securities, can create a reservoir into which there can be diverted vast sums of money seeking tax exemption.

The reason, let me say to the Senator from Oklahoma [Mr. LEE] for taking the arbitrary date of February 1, 1942, is that it takes account of the argument that it would be inequitable to tax the income in the hands of the original holders, who had acquired the securities in good faith, relying upon a then apparent tax exemption. That equity, I think, is entitled to be regarded. I think we ought in good conscience to regard it. But from February 1, 1942, forward everyone in this country has been put on notice that these securities were to be considered as a possible basis for tax in the pending tax bill. The Secretary of the Treasury announced his intention of doing so, and he went before the House Ways and Means Committee and so recommended. As a matter of fact, issues have been traded in in the open market—of course, they are all over-the-counter securities—under advertisements which carry the words "at present tax-exempt." So it was that this market has enjoyed the prospective speculative advantage of tax exemption, which this Congress would now guarantee, if we do not adopt some such language as that contained in the amendment and reach the matter in that way.

Mr. BROWN. I thank the Senator from Connecticut.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. STEWART. I should like to ask the Senator from Michigan a question. Before we drifted into the debate on outstanding securities, we were discussing the committee amendment, which provides for taxation of future bond issues, as I understand.

Mr. BROWN. Yes.

Mr. STEWART. I did not understand the Senator to make a statement as to how much revenue the amendment which is actually under discussion would produce annually.

Mr. BROWN. I trust the Senator from Tennessee and the Senate will realize how difficult it is to give an estimate on that subject. Because of our financial stringency, the amount of municipal bonds being issued at the present time is very much less than ordinary. When this matter was before the special committee in 1939 my recollection is—and I think I am correct—that the first year it would be a relatively small amount and that it would go up gradually to more than $300,000,000 per year when the full effect of taxes then imposed was effective on municipal bond interest. Various estimates have been made at the present time. I think the Senator from Ohio [Mr. BURTON] said something like $5,000,000. The revenue, it must be conceded, is not highly important. It is a question of tax justice, and it is a question which is important and grows in importance through the years. I say to the Senate now that in the payment of the Federal debt, which Senators know will extend far, far into the future—we do not know how far—the elimination now of this tax exemption will be a tremendous factor in aid to the Treasury of the United States.

Mr. STEWART. The full $300,000,000 which the Senator referred to would take into consideration the taxation on the income of practically all outstanding bonds when they should be reached?

Mr. BROWN. Yes.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. WHEELER. My own view is that if future bond issues are to be taxed we ought to tax bonds issued in the past as well. So far as I am concerned, I should be glad to vote to place a tax upon tax-exempt bonds.

It has been said that we owe a moral obligation not to tax past issues of such bonds. I do not agree with that statement. Now, when we are in an emergency such as that which exists today, which everyone recognizes, there is no reason in the world why the United States Government should not tax bonds which are now exempt from taxation, when they are now held by many of the large corporations and by rich people of the country for the sole purpose of avoiding taxation. That is where the iniquity lies. Why should bonds which are to be issued in the future be picked out for taxation, and those which have hitherto been issued remain exempt? Such discrimination is beyond my comprehension.

Mr. BROWN. The sooner we start the better.

Mr. WHEELER. This is the opportunity to start such taxation, at a time when we need money from taxes as badly as we do today. This is one way to get at the man who is avoiding payment of taxes at the present time. We are increasing taxes on the poor man. We are placing a tax upon everyone who has an income of more than six or seven hundred dollars a year. Under the circumstances why should we stand here and argue that as a moral proposition we should not tax a man who owns a billion dollars' worth of tax-exempt securities, or half a billion dollars worth, or a million dollars worth? I cannot comprehend such an argument. I simply say that when we are increasing the tax on the little fellow we should not hesitate to tax the big fellow who holds tax-exempt securities.

Mr. BROWN. Mr. President, it seems to me that the Senator from Montana, to use a trite illustration, strains at a gnat and swallows a camel. The evil of presently outstanding tax-exempt bonds will dwindle year by year, and probably in 20 to 30 years will be entirely gone. But in using that as an argument for voting against this proposition, which seems to me to be a totally illogical argument, the Senator overlooks the fact that through the years to come these bonds will more and more come into the taxable field, and that over the years the big thing to do is to tax the future issues.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. HATCH. The Senator from Montana [Mr. WHEELER] has just been called from the Chamber. I had just been talking with the Senator from Montana about this very proposition before he made his inquiry of the Senator from Michigan. I am quite sure the Senator from Montana did not mean that what he said should be used as an argument against the contention made by the Senator from Michigan.

Mr. BROWN. I am glad the Senator from New Mexico feels that way.

Mr. HATCH. I am quite sure that is correct. He desired to add to, and not to take from.

Mr. BROWN. I thank the Senator from New Mexico.

Mr. STEWART. Mr. President, will the Senator yield to me for an observation?

Mr. GEORGE rose.

Mr. BROWN. I apologize to Senators; but I am very tired from the efforts of the past 3 weeks. I have been on my feet for a long time. I have two points to make; but I yield first to the Senator from Tennessee. Then I shall yield to the Senator from Georgia.

Mr. STEWART. Mr. President, much has been said about the taxation of outstanding securities; and an effort has been made to couple that idea with the taxation of future issues. I am unable to see the equities of the arguments which have been made in that direction, for this reason. I wish to make this observation, and then I shall not disturb the Senator further.

During the past 10 years, especially since the Roosevelt administration began, there has been activity throughout the entire Nation, encouraged by the Government itself in the beginning, after the Works Progress Administration was established, looking toward the erection of public buildings and the issuance of bonds for that purpose, for the reason

that it was desirable to create jobs or work for the unemployed throughout the country. Practically every village and hamlet which could do so under any sort of authority of law issued bonds for the purpose of building gymnasiums, schoolhouses, courthouses, sewer systems, streets, and what not. Practically every small village or hamlet today has outstanding bonds. I have seen a great many of such bonds, as have other Senators. Many of them have printed on the face of them these words, in substance:

This bond is exempt from Federal, State, municipal, or county tax.

Even if they do not have those words printed on the face of them, it has always been the custom that the Federal Government would not undertake to tax the securities of State, municipal, or county governments.

That is the custom which has grown up. Regardless of how evil it may be for us to permit the condition to exist, and to permit the wealth of the country to drift into tax-exempt securities, nevertheless, it is a condition with which we have to deal.

If we undertake to enact legislation to tax outstanding bonds, the result will not be to force those who have a vast amount of wealth invested in such securities to pay the tax. In my opinion the result will be that the city, the county, or the State which issues the bonds will have to increase the tax rate to meet the payment of the income tax levied upon the holders of such bonds, for the reason that the bond is a contract between the holder thereof and the municipality which issues it. The municipality, county, or State could be forced to levy taxes upon the people who live and own property within its jurisdiction, to pay the amount of tax which might be levied by such an amendment. So the tax would not be paid by the man who has a vast amount of wealth, and who comes within the category mentioned by the Senator from Michigan. He would not be the one who would pay In the end the burden would simply be dumped back upon the taxpayers who live within the various jurisdictions.

It might be wise to stop this practice in the future, but I think it would be highly inequitable and improper for the Federal Government itself to set a precedent by placing a tax upon bonds which have been outstanding for 5, 10, 15, or 20 years. The question of future issues is an entirely different question.

Mr. LEE. Mr. President, I should like to ask the Senator from Tennessee a question.

Mr. BROWN. Just a moment.

I wish the Senator from Tennessee to know that our special committee, which was created by the Senate, came to the conclusion which the Senator from Tennessee expresses. I have not changed my own opinion that it would be inequitable to tax the income from presently outstanding State or municipal bonds. I am ready to give consideration to the suggestion of the Senator from Connecticut [Mr. DANAHER], which would reach the inequitable rise in the value of outstanding securities which would be occasioned by the passage of the bill and the consequent steady decline in the amount of outstanding tax-free municipal bonds. I believe that the Senator from Connecticut has made a valuable suggestion.

Mr. LEE. Mr. President, will the Senator yield?

Mr. BROWN. Does the Senator from Georgia still wish to have me yield?

Mr. GEORGE. Yes.

Mr. BROWN. I yield first to the Senator from Georgia.

Mr. GEORGE. The Senator from Tennessee and other Senators have called attention to the moral issue which is involved. Undoubtedly municipal and State bonds have been sold and purchased in the honest belief that the income from such bonds was not subject to taxation.

However, there is another consideration which it seems to me makes it inadvisable to consider the amendment offered by the Senator from Connecticut [Mr. DANAHER]. I do not believe he is present.

There can be no possible reciprocity between the States and the Federal Government with respect to any bonds which the Federal Government has already issued and sold. Since March of last year they have been subject to all Federal taxes; but Federal bonds are not subject to State taxes.

Mr. BROWN. New issues are subject to Federal taxes, but not issues theretofore outstanding.

Mr. GEORGE. Outstanding issues could not be subject to State taxes for the reason that, as I recall, they carry the provision that they are exempt from State taxes. Therefore the Federal Government itself could not subject to State taxation its own securities heretofore issued and outstanding.

Mr. BROWN. A constitutional question would be involved.

Mr. GEORGE. Yes; because of the fifth amendment, it seems to me, that it could not do so. It therefore seems to me that all the reasons, and certain legal objections, reinforce the considerations which persuaded the committee in the first instance to undertake to tax only future issues. That seems to me to be the sounder position to take.

I know that what the Senator from Connecticut [Mr. DANAHER] and other Senators have pointed out is likely to occur. If we should tax future issues it would ultimately give to the holders of outstanding bonds a certain increase in value. There is not much doubt about that. I should like to see the condition reached, but I do not believe it can be done in good faith, because if we are to tax State bonds we ought to be able to say to the States, "You may tax all our bonds." I do not see how we can take the position that we are to protect Federal bonds against State taxes. In other words, the principle ought to be kept perfectly consistent. We can do it so far as future issues are concerned. On the whole that seems to me to be the better view.

Mr. BROWN. I thank the Senator for his observations.

Mr. ROSIER. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. ROSIER. I should like to call attention to the principle behind this question. I do not wish to debate the question, because it has been thoroughly discussed.

We built up our institutions and made our public improvements through the taxing and bonding power of the States and municipalities. The proposal under discussion is a direct strike at the financial economy of the States and municipalities.

The point I wish to make is that for many years the Federal Government has been gradually encroaching upon and preempting to itself all the taxable sources which heretofore have met the expenses of the States. If that tendency continues, the States will come to the Federal Government and demand support for many of their institutions.

With all the encroachments in taxation upon the States and municipalities we cannot continue to carry on our State school systems, our public roads systems, and our other public improvements when the Federal Government comes in and takes charge of all the sources of revenue. If we continually drive, by way of Federal taxation, to take over the sources of revenue which the States have heretofore had for building public institutions, what will be the conclusion? I am putting the question squarely before the Senate. We shall have to give a great deal of Federal aid to the States for the activities which they have heretofore carried on for themselves.

That is something to keep in mind in all of this drive in the matter of Federal taxation. If you take all the revenue, you must support our institutions. That is the point I am making.

Mr. BROWN. I thank the Senator.

Mr. LEE. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from Oklahoma.

Mr. LEE. If there has been one thing which seems to have been decided by the courts it is that a tax on income is not a tax on the source of the income. A tax on a man's salary from whatever source derived is a tax on that man and on his income, not a tax on the source from which he derives his income. Therefore, I cannot see why the Federal Government has not a right to tax a man's income from whatever source derived, without it being argued that we are taxing the State and local bonds.

In support of that point I wish to read the following words of Associate Justice Stone, of the Supreme Court:

The present tax is a non-discriminatory tax on income applied to salaries at a specified rate. It is not in form or substance a tax on the Home Owners' Loan Corporation or its property or income, nor is it paid by the Corporation or the Government from their funds. It is lodged upon income which becomes the property of the taxpayer when received as compensation for his services, and the tax lodged upon the privilege of receiving it is paid from his private funds, and not from the funds of the Government either directly or indirectly. The theory which once won a qualified approval, that

a tax on income is legally or economically a tax on its source, is no longer tenable.

Therefore, Mr. President, I maintain that if we tax a man's income from State and local bonds we are not taxing the State and local bonds, but we are taxing that man's income. When he puts the money in his pocket it is commingled with any other funds he may have. It becomes part of his funds, his money; and we are taxing that man.

I think that point has been well established; and there is no use in arguing that the Federal Government is taxing the State or the State's bonds or taxing the municipality or the municipality's bonds.

Mr. BROWN. I thank the Senator.

Mr. AUSTIN. Mr. President——

Mr. BROWN. Mr. President, I shall ask Senators to allow me to make two points which I can make in about 10 minutes. I have been on my feet a long time, and have been very generous in yielding. I should like to proceed now. Undoubtedly the able Senator from Vermont has been lying low a long time, ready to argue on the proposition; but he will not be the only one to argue on the subject; so I ask the Senator to permit me to continue. Tomorrow, when perhaps I shall not be as tired as I am now, I shall endeavor to answer the Senator's questions.

I notice that the junior Senator from Ohio [Mr. BURTON] was on his feet before I made my announcement. I should be glad to yield to him if he desires to ask a question; but I trust that he will not make a speech or propound a long question.

Mr. BURTON. Mr. President, if I may have the permission of the Senator from Michigan, I wish to add in respect to the point made and the quotation read by the junior Senator from Oklahoma [Mr. LEE] a reference to about five lines from the language of Chief Justice Hughes, language which makes a distinction which the Senator probably did not make. The language appears in the decision in the case of *James* v. *Dravo Contracting Company* (302 U. S. 134), a case decided in 1937.

Chief Justice Hughes said:

> There is no ineluctable logic—

Which means no insurmountable logic; I did not know what the word meant, and I had to look it up—

> which makes the doctrine of immunity with respect to Government bonds applicable to the earnings of an independent contractor rendering services to the Government. That doctrine recognizes the direct effect of a tax which "would operate on the power to borrow before it is exercised."

Chief Justice Hughes then proceeds to quote from the Pollock case, saying that when we tax the salary of an individual we are taxing the individual, but when we tax the interest on a bond, we are taxing the borrower, because it is the borrower who will have to pay increased interest on his bonds the next time he tries to borrow.

Mr. BROWN. Mr. President, I wholly and totally disagree with the Senator from Ohio and with the expression by the former Chief Justice of the United States. The tax is not upon the borrower. The tax is upon the man who loans the money, the one who holds the bonds.

I have two propositions to discuss, and then I shall be through. I was about to point out the infinitesimal rise in the tax burden on the cities.

For the city of New York, which in 1936 had a tax rate of $27.14 a thousand, it is estimated there would be an increase of 87 cents a thousand, which is infinitesimal. That is the estimate of Mr. Lutz, the economist for the State's attorney general, who was opposing this proposition.

The Treasury experts estimated that upon a $27.14-tax rate the increase would be 23 cents a thousand; in other words, at the highest, the New York City tax rate would rise from $27.14 to $27.37 per thousand, a rise of 23 cents.

For the city of Baltimore, which in 1936 had a tax rate of $21.69, Professor Lutz estimated that the increase would be 50 cents a thousand, or that, instead of a rate of $21.69, the rate would be $22.19. The Treasury estimated that the highest increase would be 17 cents a thousand, or from $21.69 to $21.86.

Mr. President, what would the States receive? No one has yet mentioned the fact that this proposition would be a reciprocal one, that when we subject the obligations of municipalities, States, counties, and cities to Federal taxation we submit all Federal bonds hereafter issued to the taxing power of the States.

Mr. BONE. That is not in the bill; is it?

Mr. BROWN. Yes; it is in the bill—that we submit to income taxation on the part of the State governments all the Federal obligations.

Who would come out best on that proposition? We notice that according to the testimony of the attorney for the association opposed to the bill, which has carried on the fight from the beginning, about 50 cents on a $20 property tax rate would be the increased burden to the municipalities; and we should subject to State taxation the income from over $90,000,000,000 of Federal bonds to be issued in the immediate future.

Mr. WHEELER. Mr. President, will the Senator yield to me for just a moment?

Mr. BROWN. I yield.

Mr. WHEELER. I simply wish to say that I was extremely doubtful about the matter, and I thought I should vote against the committee amendment; but the argument the Senator has made in showing how little the amendment would mean to the cities has convinced me that I was wrong in my viewpoint, and I shall vote with the committee on the amendment.

Mr. BROWN. I thank the Senator from Montana. I hope many other Senators will follow his splendid example.

Mr. President, when we subject all future issues of Federal bonds to State income taxation, and when it is remembered that 33 States and the District of Columbia now have income taxation, and that undoubtedly many more will have income taxation when this proposition is placed before the States of the Union, we find that there will be very little difference between the two.

Twenty billion dollars is a pretty fair estimate of the issues of States and municipalities in the next 20 years. Let me ask the Senator from Georgia, since it has slipped my mind, what is the debt limit?

Mr. GEORGE. The bonded debt limit?

Mr. BROWN. Yes.

Mr. GEORGE. We did not take the lid off, but I have forgotten exactly how far we did raise it.

Mr. BROWN. I remember the Senator from Michigan suggested a couple of years ago that it be raised to $65,000,000,000. My recollection is that it is now $125,000,000,000.

Mr. GEORGE. I believe it is $125,000,000,000.

Mr. BROWN. No one doubts at the present time that that $125,000,000,000 of indebtedness will have to be issued before we pay for the war, and the difference between the $90,000,000,000 now outstanding and what is added to it in the future will be subjected to State taxation.

Now my final point. I know the attitude of the representatives of the States, cities, counties, and school districts. They are against the amendment. They have their problem, and it is a difficult one. All those who are charged with the responsibility for the levying of taxes at the present hour have a most difficult task.

The tremendous labors of the Committee on Ways and Means and of the Committee on Finance on the pending tax bill for the past 8 or 9 months demonstrate that very clearly. But I think that in this matter we have to look at the greater public good. I do not look at this entirely as a matter of revenue raising. It is a matter of tax justice as between taxpayers, and in my judgment every man who votes against the amendment today will be charged—I do not say justly—with having voted to continue a tremendous advantage for men in the higher income-tax brackets. The Senator from Oklahoma has repeatedly urged that point. It is true that our present tax system has in it a tremendous loophole. This, in my judgment, is the greatest of all. We want to close it now for all future issues of municipal bonds.

Mr. President, there has been before the special committee of which I am chairman and before the Committee on Finance of the Senate, no opposition of substance to this proposal, other than from the Association of State Attorneys General, represented by some of the ablest and most high-powered advocates I have ever encountered. That is where the opposition comes from.

How about the American people? Some time ago the Gallup poll tested out this question, and the returns in favor of Federal taxation of future issues of municipal bonds and taxation by the States of future issues of Federal bonds were overwhelmingly in favor of the proposal.

Seven hundred editorials were gathered by the Department of Justice upon this subject matter. Six hundred of those 700 editorials were strongly in favor

of the taxation of future issues of State bonds by the Government, and in favor of the future taxation of Federal bonds by the State governments.

Fortune magazine, in a recent issue, found that over 77 percent of business executives—a great many of whom would be the chief beneficiaries of the existing order as against the proposal we have before us—are in favor of the elimination of this tremendous loophole in our tax structure for the future.

I close, Mr. President, by reminding the Senate that many of the Secretaries of the Treasury of later years, including Ogden Mills, and the present Secretary, urged this reform; that the last four Presidents, including the present President, sent messages to the Congress in favor of the change; that the minority party, acting on the Frank report made to its 1940 convention, went on record as being strongly in favor of the elimination of any further issues of tax-exempt bonds. The Democratic Party, in convention assembled, under the leadership of the majority leader, the able Senator from Kentucky, who was chairman of the convention, demanded in its platform in solemn language that there be not further issues of tax-exempt bonds.

If the minority adheres to the platform upon which the Republican Party went to the American people, it cannot do anything but vote for the pending amendment. If we of the majority, all of us here, who ran upon the platform of the Democratic Party, want to stand by what I consider to be a solemn and binding obligation, we must vote for the amendment, because we told the American people that if we were given command of the Government of the United States we would once and for all close to a great many people in the United States this means of escape from fair and reasonable taxation.

Mr. President, I sincerely trust that the Finance Committee amendment, which was adopted deliberately and after careful consideration, will be adopted by the Senate.

AMENDMENT OF THE ACT TO PREVENT PERNICIOUS POLITICAL ACTIVITIES

The PRESIDING OFFICER (Mr. HILL in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 2471) to amend the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, with respect to its application to officers and employees of educational, religious, eleemosynary, philanthropic, and cultural institutions, establishments, and agencies, commonly known as the Hatch Act.

Mr. HATCH. Mr. President, on behalf of the chairman of the Committee on Privileges and Elections [Mr. GREEN] I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

Mr. BROWN. Mr. President, the bill to which the Senator from New Mexico has referred was sponsored by me. Let me ask the Senator from New Mexico if his purpose in requesting that the bill be sent to conference is to take up the matter of an amendment offered on the floor of the House by which newspaper editors were granted certain immunity from the provisions of the law?

Mr. HATCH. That is exactly my purpose. I have nothing else in mind.

Mr. BROWN. I thank the Senator, and state that I am perfectly satisfied to have the bill go to conference.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. McNARY. I had been informed earlier by the able Senator from Michigan that a motion would be made to accept the House amendments, thereby ending the controversy.

Mr. BROWN. If the Senator will permit, I did so state to the Senator from Oregon, but the Senator from New Mexico, whose act—the Hatch Act—is affected by this amendment, spoke to me and said he would like to have a further opportunity to go into the question of an amendment offered by Representative CREAL, of Kentucky, and adopted by the House. I wish to say to the Senator that I am perfectly willing to follow the course suggested by my distinguished friend the Senator from New Mexico.

Mr. McNARY. In view of that statement, I have no objection.

The PRESIDING OFFICER. The question is on the motion of the Senator from New Mexico [Mr. HATCH].

The motion was agreed to; and the Presiding Officer appointed Mr. GEORGE, Mr. HATCH, and Mr. AUSTIN conferees on the part of the Senate.

ASSIGNMENT OF CIRCUIT JUDGES

The PRESIDING OFFICER (Mr. HILL in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 2655) to amend the Judicial Code to authorize the Chief Justice of the United States to assign circuit judges to temporary duty in circuits other than their own, which was, on page 1, line 9, after the word "shall", to insert "upon the request of the senior district judge."

Mr. DANAHER. I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. O'MAHONEY, Mr. CONNALLY, and Mr. DANAHER conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

George Wadsworth, of New York, a Foreign Service officer of class 1, to act as diplomatic agent and consul general near the Government of the Republic of Lebanon, at Beirut, and near the Government of the Republic of Syria, at Damascus.

By Mr. WALSH, from the Committee on Naval Affairs:

Sundry officers for promotion (temporary service) in the Marine Corps;

Rear Admiral John H. Towers to be a vice admiral in the Navy, for temporary service, to rank from the sixth day of October 1942; and

Rear Admiral John S. McCain to be Chief of the Bureau of Aeronautics in the Department of the Navy, with the rank of rear admiral, for a term of 4 years, effective upon the relinquishment of that office by Rear Admiral John H. Towers.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER (Mr. HILL in the chair). If there be no further reports of committees, the clerk will state the nominations on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of John A. Matthewman, of Hawaii, to be fifth judge of the first circuit, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Harold E. Stafford, of Hawaii, to be third judge of the first circuit, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Anton J. Lukaszewicz to be United States marshal for the eastern district of Wisconsin.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc and that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc, and, without objection, the President will be notified of all nominations this day confirmed.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 54 minutes p. m.) the Senate took a recess until tomorrow, Thursday, October 8, 1942, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 7 (legislative day of October 5), 1942:

THE JUDICIARY

CIRCUIT COURTS, TERRITORY OF HAWAII

John A. Matthewman, to be fifth judge of the First Circuit, Circuit Courts, Territory of Hawaii.

Harold E. Stafford, to be third judge of the First Circuit, Circuit Courts, Territory of Hawaii.

UNITED STATES MARSHAL

Anton J. Lukaszewicz, to be United States marshal, for the eastern district of Wisconsin.

POSTMASTERS

ARIZONA

Fagan B. Richardson, Ash Flat.
George C. Wright, Clifton.
John E. Wagner, Jerome.

ARKANSAS

Otis H. Parham, Bald Knob.
Thomas B. Gatling, Bearden.
W. Ernest King, Clarksville.
J. Dot Fortenberry, Imboden.
James T. Alderson, Malvern.
Guy Stephenson, Monticello.
Claude M. Farish, Morrilton.
James H. Nobles, Parkdale.

MASSACHUSETTS

Charles H. McGrath, Randolph.

NEW MEXICO

Josephine Lorenzo, Dawson.

HOUSE OF REPRESENTATIVES

WEDNESDAY, OCTOBER 7, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou eternal God, what manner of love Thou hast bestowed upon us that we should be called Thy children. As Thou hast loved us, so teach us to love Thee. This day some will go forth on land, sea, and air, burdened with heavy missions and responsibilities; some fathers will be bowed down with unspeakable cares; some mothers, dismayed and wondering, will cry out: "Dear Lord, what of the night?" As Gethsemane lost its sting through prayer, blessed Master, Thou who didst walk with the questioning disciples to Emmaus, bring them to a restful knowledge that their sufficiency is in Thee.

O Thou who didst unveil the face of that One who seemeth human and divine and revealed all that is truest in a God of infinite love, give us beauty for ashes and the garment of praise for heaviness. Fill our hearts with holy duties until there shall be small room for unholy doubts. Grant that our faith may not be displaced or wasted by part misunderstanding, depression, or inaction, but that we may be enabled to strain upward in the might and inspiration of a power which bulwarks the throne of our beings with truth and good will to all men. The Lord be praised for this thoroughfare which closes on the twilight and opens on the dawn. In the name of our glorified Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from North Dakota [Mr. ROBERTSON], may have permission to revise and extend his remarks and include an editorial from a local paper.

The SPEAKER. Is there objection?

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my remarks by including a condensation from a chapter of a novel written by Charles Dickens in 1857, which gives a prophetic description of New Deal Washington.

The SPEAKER. Is there objection?

There was no objection.

Mr. WORLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein an article.

The SPEAKER. Without objection it is so ordered.

There was no objection.

JAMES C. PETRILLO AND WALTER P. REUTHER

Mr. COX. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my remarks and include therein two brief newspaper clippings.

The SPEAKER. Is there objection?

There was no objection.

Mr. COX. Mr. Speaker, on the 3d of the present month the Times-Herald carried an account to the effect that Mr. Petrillo bars bond-sale music. This brief statement sets forth a situation which is intolerable. In other words, it indicates that Mr. Petrillo has sufficient power to block the Treasury Department in an endeavor to sell bonds.

The other statement calls attention to the fact that Mr. Nelson has offered to Mr. Walter P. Reuther a very responsible position in the W. P. B.

I call the attention of the House to the fact that Mr. Reuther is the gentleman who led the sit-down strikes and who has otherwise been a dreadful disturbance in public affairs for a great many years.

The articles referred to are as follows:

[From the Washington Times-Herald of October 3, 1942]

PETRILLO BARS BOND SALE MUSIC—TREASURY DENIED USE OF QUARTET

NEW YORK, October 2.—Stopping War bond rally radio concert music is the latest feat of James C. Petrillo and the American Federation of Labor Musicians' Federation he heads.

The Treasury Department, it was revealed today, was forced to abandon the presentation of a specially prepared musical program over a network of frequency modulation stations because of objections by Local 802 of the American Federation of Musicians.

The Treasury had accepted the offer of the Perole String Quartet to play free for a series of concerts designed to take advantage of the greater fidelity of transmission inherent in the frequency modulations system. That Government agency's plea for "clearance" of the program was denied by the union, however, on grounds that the frequency modulation stations, still in experimentation and virtually without commercial programs to support them, did not use any musicians on a regular basis.

William Feinberg, secretary of the local, said the union had informed the Treasury that the quartet could volunteer its services to any station it chose providing the station ordinarily employed some musicians. He said that the frequency modulation broadcasters did not maintain staff orchestras common to the standard stations.

Treasury officials decided that rather than make an issue of the case the simpler thing to do was to make other arrangements, although it meant the sacrifice of the Government's first major effort to stimulate the sale of War bonds and stamps via the medium of frequency modulation.

[From the Washington Post of October 2, 1942]

TWO OFFERED HIGH POSTS WITH WAR PRODUCTION BOARD—W. P. REUTHER, UNITED AUTOMOBILE WORKERS OFFICIAL; W. G. MARSHALL, WESTINGHOUSE EXECUTIVE, PROFFERED JOBS

The War Production Board yesterday made offers of top labor jobs to two men as part of its program to set up machinery for greater labor participation in War Production Board, it was learned authoritatively.

One offer went to Walter P. Reuther, vice president of the Congress of Industrial Organizations, United Automobile Workers, who was asked to become head of a labor requirements division by War Production Board Vice Chairman Ferdinand Eberstadt, in charge of program determination. The other one went to William G. Marshall, vice president of Westinghouse Electric Manufacturing Co., who was asked to act as chairman of the proposed five-man labor-management committee which will set policy for the war production drive.

NO ANSWER AS YET

Neither has indicated whether he will accept the posts, it is understood.

Earlier, War Production Board Chairman Donald M. Nelson told a press conference that the Nation's output of munitions was "spotty again" in September. Figures on September achievements are not expected to be ready until late this month.

At the same time, Nelson announced that production will be more completely scheduled during the first quarter of next year with a view to putting 75 percent of the production program on an "allocation and schedule basis" during the second quarter of 1943, as forecast exclusively in the Washington Post.

REPEATS PLEDGES

Nelson also repeated previous pledges to appoint labor officials to key War Production Board posts.

As for the iron and steel branch, it is understood that Harold Ruttenberg, research director of the Congress of Industrial Organizations steel workers, is being considered as a possible candidate.

If Marshall accepts the production-drive job he will head a committee including John Green, president of the Congress of Industrial Organizations Industrial Union of Marine and Shipbuilding Workers; Frank Fenton, organizational director of the American Federation of Labor; and Otto Seyferth, head of the Muskegon Machine Co., Muskegon, Mich., it was learned.

REUTHER'S ROLE EXPLAINED

Eberstadt explained the role he wants Reuther to play at a meeting of War Production Board's labor policy committee, it was learned. He told the group, composed of three American Federation of Labor and three Congress of Industrial Organizations representatives, that he wanted a labor official on his staff to give him the benefit of labor's viewpoint in making major policy decisions, it was reported. The members of the policy committee were understood to have been well satisfied with Eberstadt's proposal.

PERMISSION TO ADDRESS THE HOUSE

[Mr. RANKIN of Mississippi addressed the House. His remarks appear in the Appendix.]

ADJOURNMENT

Mr. COX. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 12 minutes p. m.) the House adjourned until tomorrow, Thursday, October 8, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

The Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary will conduct hearings on H. R. 7356, to amend section 75 (a) of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, at 10 a. m., on Friday, October 9, 1942, room 346, House Office Building.

COMMITTEE ON PATENTS

(Tuesday, October 13, 1942)

The Committee on Patents of the House of Representatives will hold hearings beginning Tuesday, October 13, 1942, at 10 a. m., in the committee room, 1015 House Office Building, on H. R. 7620, a bill to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

1958. Under clause 2 of rule XXIV, a letter from the Attorney General of the United States transmitting a draft of a proposed bill to amend the Criminal Code so as to punish anyone injuring a party, witness, or juror on account of his having acted as such, was taken from the Speaker's table and referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAY: Committee on Military Affairs. S. 2442. An act to authorize the Secretary of War to approve a standard design for a service flag and a service lapel button; without amendment (Rept. No. 2518). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and a resolution were introduced and severally referred as follows:

By Mr. LEA:

H. R. 7667. A bill to authorize the charging of tolls for the passage or transit of Government traffic over the Golden Gate Bridge; to the Committee on Interstate and Foreign Commerce.

By Mr. LECOMPTE:

H. R. 7668. A bill to amend the act entitled "An act for the incorporation of the American Legion," as amended, and matters relating thereto; to the Committee on the Judiciary.

By Mr. VOORHIS of California:

H. R. 7669. A bill to provide deferment under the Selective Service Act for men with dependents employed in agriculture; to the Committee on Military Affairs.

By Mr. WELCH:

H. R. 7670. A bill to authorize the charging of tolls for the passage or transit of Government traffic over the Golden Gate Bridge; to the Committee on Interstate and Foreign Commerce.

By Mr. RAMSPECK:

H. Res. 550. Resolution to authorize the Committee on the Civil Service to investigate various activities in the departments and agencies of the Government; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. McGEHEE introduced a bill (H. R. 7671) for the relief of Capt. Richard Rothwell, United States Marine Corps, which was referred to the Committee on Claims.

SENATE

THURSDAY, OCTOBER 8, 1942

(Legislative day of Monday, October 5, 1942)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Paul V. Yinger, pastor, Cleveland Park Congregational Church, Washington, D. C., offered the following prayer:

They that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run and not be weary; they shall walk and not faint.—Isaiah 40: 29–31.

Let us pray:

In Thy presence alone, Father of Life, we see the light of truth. Thou art the Creator and the Life Giver. In Thy hands are held the fragments of our little days. We need each morning Thy sustaining strength, and every night Thy renewing spirit.

Until we see ourselves as Thy creatures our years are as grass. Unless Thy love surrounds us, a great dread commands us.

Be to us, then, O God, a bulwark in times of stress, a source of high-encircling courage, a fountain in the heat of the day, and a haven from all false fears.

Keep our minds this day from every partial loyalty. Make us sensitive to every influence of Thy spirit. May the worthy leanings of our hearts find ready expression, by Thy grace.

Hear our words and discern our thoughts, and give us of Thyself. In Christ's name we pray. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, October 7, 1942, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting several nominations in the Army was communicated to the Senate by Mr. Miller, one of his secretaries.

USE OF GOVERNMENTAL SILVER—NOTICE OF HEARING

Mr. MALONEY. Mr. President, as chairman of the Subcommittee on Coinage and Philippine Currency of the Banking and Currency Committee of the Senate, I desire to give notice, through the CONGRESSIONAL RECORD, that I am calling a hearing to consider Senate bill S. 2768, to authorize the use for war purposes of silver held or owned by the United States, to be held on Wednesday, October 14, 1942, in the Banking and Currency Committee room.

This notice is given for the convenience of interested parties who may desire to appear and be heard.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	O'Daniel
Austin	Gillette	O'Mahoney
Bailey	Green	Overton
Ball	Guffey	Pepper
Bankhead	Gurney	Radcliffe
Barbour	Hatch	Reed
Barkley	Hayden	Reynolds
Bilbo	Herring	Rosier
Bone	Hill	Schwartz
Brewster	Holman	Shipstead
Brooks	Johnson, Calif.	Smathers
Brown	Johnson, Colo.	Smith
Bulow	Kilgore	Spencer
Bunker	La Follette	Stewart
Burton	Langer	Taft
Butler	Lee	Thomas, Idaho
Byrd	Lodge	Thomas, Okla.
Capper	Lucas	Thomas, Utah
Caraway	McCarran	Truman
Chandler	McFarland	Tunnell
Chavez	McKellar	Tydings
Clark, Idaho	McNary	Vandenberg
Clark, Mo.	Maloney	Van Nuys
Connally	Maybank	Wagner
Danaher	Mead	Wallgren
Davis	Millikin	Walsh
Downey	Murdock	Wheeler
Doxey	Murray	White
Ellender	Norris	Wiley
George	Nye	Willis

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from New York [Mr. MEAD], and the Senator from Georgia [Mr. RUSSELL] are necessarily absent.

Mr. McNARY. I announce that the Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] are necessarily absent.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

APPRAISAL OF ASSETS AND LIABILITIES OF THE COMMODITY CREDIT CORPORATION

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, which, with the accompanying report, was referred to the Committee on Banking and Currency, and the communication was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, October 8, 1942.

MY DEAR MR. PRESIDENT: I have the honor to transmit herewith for the information of the Congress a letter dated September 4, 1942, from the Secretary of the Treasury transmitting, pursuant to the provisions of the act approved March 8, 1938 (52 Stat. 107), as amended, an act to maintain unimpaired the capital of the Commodity Credit Corporation at $100,000,000 and for other purposes, an appraisal of all the assets and liabilities of the said Corporation as of March 31, 1942. On the basis of such appraisal the Commodity Credit Corporation has deposited in the Treasury the sum of $27,815,513.68.

During the fiscal year 1938, it was necessary for the Congress to appropriate $94,285,404.73 to maintain unimpaired the capital of the Commodity Credit Corporation, and it was necessary for the Congress to appropriate for the fiscal years 1939 and 1941 further amounts of $119,599,918.05 and $1,637,445.51, respectively. The payment, made by the Corporation in the fiscal year 1940, amounting to $43,756,731.01, together with the payment for the fiscal year 1942 of $27,816,513.68, results in net expenditures by the Congress for the last 5 years amounting to $143,950,523.60.

The policy adopted by the Congress and incorporated in the act approved March 8, 1938, as amended, providing for an annual appraisal of the assets of the Commodity Credit Corporation, makes it possible to include in each annual Budget the expenditures necessary to support the program which the Corporation is engaged upon or the receipts which the Government receives from that activity.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Hon. HENRY A. WALLACE,
President of the Senate,
Washington, D. C.

[Attachment.]

EXECUTIVE COMMUNICATIONS

The VICE PRESIDENT laid before the Senate the following communications, which were referred as indicated:

COLLISION CLAIMS, NAVY DEPARTMENT (S. Doc. No. 251)

A communication from the President of the United States, transmitting an estimate of appropriation to pay claims for damages by collision or damages incident to operation of naval vessels, amounting to $2,266.99; to the Committee on Appropriations and ordered to be printed.

DAMAGE CLAIMS, WAR DEPARTMENT (S. Doc. No. 252)

A communication from the President of the United States, transmitting an estimate of appropriation to pay claims for damages due to military operations, amounting to $1,567; to the Committee on Appropriations and ordered to be printed.

DAMAGES TO PRIVATELY OWNED PROPERTY (S. Doc. No. 253)

A communication from the President of the United States, transmitting estimates of appropriations to pay claims for damages to privately owned property, amounting to $68,283.50; to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED AGAINST THE GOVERNMENT BY DISTRICT COURTS (S. Doc. No. 254)

A communication from the President of the United States, transmitting, pursuant to law, records of judgments rendered against the Government by United States district courts, amounting to $11,500.67; to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED BY THE COURT OF CLAIMS (S. Doc. No. 255)

A communication from the President of the United States, transmitting, pursuant to law, a list of judgments rendered by the Court of Claims, amounting to $322,612.58; to the Committee on Appropriations and ordered to be printed.

CLAIM ALLOWED BY THE GENERAL ACCOUNTING OFFICE (S. Doc. No. 256)

A communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation for the payment of a claim allowed by the General Accounting Office, amounting to $3.85; to the Committee on Appropriations and ordered to be printed.

CLAIMS ALLOWED BY THE GENERAL ACCOUNTING OFFICE: PHILIPPINE TRAVEL PAY (S. Doc. No. 257)

A communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation, amounting to $17,738.86, for the payment of claims allowed by the General Accounting Office relating to certain Philippine travel pay in connection with the War with Spain; to the Committee on Appropriations and ordered to be printed.

SCHEDULE OF CLAIMS ALLOWED BY THE GENERAL ACCOUNTING OFFICE (S. Doc. No. 258)

A communication from the President of the United States, transmitting, pursuant to law, a schedule of claims allowed by the General Accounting Office, amounting to $632,301.58; to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF JUSTICE (S. Doc. No. 259)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, fiscal year 1943, for the Department of Justice, amounting to $225,000; to the Committee on Appropriations and ordered to be printed.

DEFICIENCY AND SUPPLEMENTAL ESTIMATES, INTERIOR DEPARTMENT (S. Doc. No. 260)

A communication from the President of the United States, transmitting deficiency and supplemental estimates, fiscal years 1942 and 1943, for the Department of the Interior, amounting to $11,501,500, together with a draft of a proposed provision pertaining to existing appropriations; to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION RELATING TO EXISTING APPROPRIATIONS, INTERSTATE COMMERCE COMMISSION (S. Doc. No. 261)

A communication from the President of the United States, transmitting a draft of a proposed provision relating to existing appropriations, fiscal year 1943, for the Interstate Commerce Commission; to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, LIBRARY OF CONGRESS (S. Doc. No. 262)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, Library of Congress, fiscal year 1943, amounting to $20,000; to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION PERTAINING TO EXISTING APPROPRIATIONS, DEPARTMENT OF COMMERCE (S. Doc. No. 263)

A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to existing appropriations, Department of Commerce, for the fiscal year ending June 30, 1943; to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, TREASURY DEPARTMENT (S. Doc. No. 264)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department, fiscal year 1943, amounting to $1,200,000; to the Committee on Appropriations and ordered to be printed.

PETITIONS

Mr. TYDINGS presented petitions of sundry citizens of the State of Maryland, praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments, which were ordered to lie on the table.

NEW YORK CONFERENCE ON TAXATION AND INFLATION—SEVEN-POINT TAX PROGRAM

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a letter dated at Washington, D. C., October 7, 1942, from Martin Popper, executive secretary of the National Lawyers Guild, and also an enclosure with the letter headed "New York conference on taxation and inflation—Seven-point tax program for victory."

There being no objection, the letter, with its enclosure, was ordered to lie on the table and to be printed in the RECORD, as follows:

NATIONAL LAWYERS GUILD,
Washington, D. C., October 7, 1942.

DEAR SENATOR: The tax bill introduced by the Senate Finance Committee would soak the poor, benefit the prosperous, and injure production. Instead of recapturing the record-high profits of corporations and adequately taxing incomes and inheritances of the wealthy, the Finance Committee prefers to extract the essential vitamins from the lunch boxes of our production soldiers. At a time when equality of sacrifice is a military necessity for victory, the Finance Committee proposes the most punitive soak-the-poor tax bill in America's history, while favoring the privileged few.

Although the cost of living has risen above 17 percent since January 1, 1941, the Senate Finance Committee proposes to lower the 1941 personal exemptions 20 percent for married couples, 33⅓ percent for single persons, and 33⅓ percent for dependents. The meager exemptions under existing law would be cut to submarginal levels—from $1,500 to $1,200 for married persons; from $750 to $500 for individuals; and from $400 to $300 for dependents. The starting income-tax rate of 10 percent would be practically doubled, starting at 19 percent on the first dollar of taxable income. These changes in the regular income tax would add $885,000,000 in taxes to the income classes of $2,000. On top of this, the so-called Victory tax, which hits all gross incomes above $12 a week, would extract an additional $632,000,000 from those whose average income is $2,200 or less—based on the Office of Price Administration statistics on 1942 national income. The "gross injustice tax" coupled with the drastic reductions in personal exemptions to submarginal levels would take more than a billion and a half in additional taxes from the low-income groups who can hardly maintain a decent standard of living at present.

Existing income-tax exemptions and dependency credits must not be lowered; the so-called Victory tax, which is a camouflaged sales tax, must be rejected, for such unjust taxation would seriously hamper the war effort by depriving our production soldiers of the calories needed for efficient production.

The proposed taxation on corporate profits is inadequate and should be increased. The tax bill would leave corporations about $10,000,000,000 after taxes—or more than twice what they had left after taxes in 1939, the last pre-war year.

Special privileges and loopholes should be eliminated and thereby raise another billion in revenue from ability-to-pay sources. All income from Government securities should be taxed, percentage depletion granted oil and mining companies should be eliminated, and mandatory returns should be required.

At a conference on taxation and inflation, held in New York City on September 26, and

attended by several hundred delegates representing bar, labor, civic, and consumer organizations, a seven-point tax program was adopted to raise the billions in revenue needed for victory based on principles which would fit into the pattern of a democracy paying the tax costs of this people's war for survival.

A copy of the program is enclosed. We urge you to adopt the seven-point program advocated by the conference in substitution for the Finance Committee's tax bill.

Respectfully yours,

MARTIN POPPER,
Executive Secretary,
National Lawyers Guild.

NEW YORK CONFERENCE ON TAXATION AND INFLATION — SEVEN-POINT TAX PROGRAM FOR VICTORY

One of the key planks in the President's seven-point victory program calls for a fair and equitable tax program to help stabilize the cost of living and raise the billions in tax revenue we need for victory this year.

But a small minority of Congressmen, dominating the congressional committees framing tax legislation, has thus far succeeded in scuttling the democratic ability-to-pay proposals urged by the President. This minority, in betrayal of the public interest, has flatly refused to put an end to special privileges and loopholes in our tax law, has failed to recapture wartime profits, has refused to support sufficiently heavy taxes on the comfortable and upper-bracket incomes, and has instead adopted a soak-the-poor tax policy.

On top of this, poll-tax Senator George of Georgia has produced a so-called Victory tax to hit all incomes above $12 a week of both married and single taxpayers, regardless of the number of dependents. The 5 percent gross income tax, which has won the approval of the Senate Finance Committee, deserves its more popular name, the "Gross Injustice Tax." Actually, it is a camouflaged sales tax dressed up in income-tax language, which will cast the heaviest burden on those who produce the weapons of war. Such taxation would undermine the standard of living of our production soldiers, impair the morale of the American people, and impede war production. The Victory tax would indeed contribute to victory—victory for the Axis.

The cornerstones of a people's Victory-tax program for America at war should be:

1. Excess war profits should be recaptured by an effective excess-profits tax at the rate of 90 percent on all profits above 4 to 5 percent of invested capital, and a special tax of 72½ percent on profits below 4 to 5 percent of capital and in excess of average 1936–39 profits.

2. Higher rates should be imposed on ordinary income of corporations, above the 45 percent voted by the House and the 40 percent voted by the Senate Finance Committee.

3. Heavy increases should be made in individual income-tax rates, with the present $1,500 and $750 exemptions retained, and a $25,000 ceiling on incomes, after taxes.

4. Special privileges should be abolished which now grant tax shelters to recipients of tax-free interest from governmental securities, which give oil and mining industries unreasonably high depletion allowances, and which provide comfortable and large incomes with an avenue of tax-escape via separate returns.

5. An integrated estate and gift tax system should be adopted, with a single exemption of $20,000 and a single set of graduated rates drastically increased for all brackets.

6. The demagogic Victory tax which can only contribute to victory for the Axis must be rejected as must be a sales tax or other tax burdens on the already heavily taxed low-income groups.

7. An equitable pay-as-you-earn income tax plan, which rules out the inequitable and unsound Ruml plan favoring the wealthy, should be adopted by granting to low-income groups exemptions or credits on their 1942 incomes, and commencing on January 1, 1943, a system of withholding at the source the tax on wages, salaries, corporation dividends, and corporation bond interest.

In this desperate war for survival, the rejection of this sound tax program can only serve to give aid and comfort to the enemy. A grave responsibility rests on Congress to see that the new revenue act is fashioned so as to strengthen the unity of our people, to mobilize the maximum production of tanks, ships, and war material, not to retard such production—never forgetting that a production soldier, deprived of sufficient calories by oppressive taxation, cannot effectively produce war materials.

The policy and principles upon which this seven-point tax program are based would fit into the pattern of a democracy paying the tax costs of this people's war for survival. It would fit into the struggle against inflation and the battle to keep the Nation's morale at its highest peak. It would create a powerful instrument for victory.

NATIONAL LAWYERS GUILD.
SEPTEMBER 26, 1942.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

S. 2822. A bill for the relief of William Kovatis; without amendment (Rept. No. 1635).

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on October 7, 1942, that committee presented to the President of the United States the enrolled bill (S. 2584) to permit appointment of White House Police, in accordance with the civil-service laws, from sources outside the Metropolitan and United States Park Police forces.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. CLARK of Missouri introduced Senate bill 2837, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. TYDINGS:

S. 2838. A bill to place the office of the Secretary of the Territory of Alaska under the classified civil service; to the Committee on Territories and Insular Affairs.

By Mr. REYNOLDS:

S. 2839. A bill for the relief of J. C. Munn; to the Committee on Claims.

By Mr. THOMAS of Idaho:

S. 2840. A bill to provide for the waiver of the payment of premiums on Government life insurance during the period the insured is captured or interned by the enemy; to the Committee on Finance.

By Mr. THOMAS of Oklahoma:

S. 2841. A bill for the relief of W. Cooke; to the Committee on Indian Affairs.

AMENDMENT OF ACT INCORPORATING THE AMERICAN LEGION—EXTENSION OF MEMBERSHIP

Mr. CLARK of Missouri. Mr. President, in 1919 Congress granted a charter to an organization known as the American Legion, composed of veterans of the first World War. Since that time the organization has grown to be the largest and greatest servicemen's organization in the world.

At the recent national convention of the American Legion at Kansas City the organization decided to open its ranks and invite men who had served in the armed forces of the United States in the present war to become members of the organization. For that purpose it is necessary that the Congress amend the charter granted to the Legion in 1919, and on behalf of the American Legion, and as one of the original incorporators of that organization, it gives me pleasure to ask consent to introduce a bill for the purpose.

There being no objection, the bill (S. 2837) to amend the act entitled "An act to incorporate the American Legion," approved September 16, 1919, so as to extend membership eligibility therein to certain American citizens, honorably discharged from the active military or naval forces of the United States, or of some country allied with the United States during World War No. 2, was read twice by its title and referred to the Committee on the Judiciary.

AMENDMENTS TO THE REVENUE ACT OF 1942

Mr. LA FOLLETTE, Mr. OVERTON, Mr. SMITH, and Mr. TAFT each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 7378) to provide revenue, and for other purposes, which were severally ordered to lie on the table and to be printed.

LYLE L. BRESSLER

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 174) for the relief of Lyle L. Bressler, which were on page 1, line 6, after "$124.45," to insert "in full settlement of all claims against the United States", and on the same page, line 6, to strike out "in the payment."

Mr. O'MAHONEY. I move that the Senate concur in the amendments of the House. The amendments are merely technical.

The motion was agreed to.

BAYARD M. ATWOOD

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2203) for the relief of Bayard M. Atwood, which was, on page 2, line 3, after "1940", to insert a colon and "*Provided*, That no benefits shall accrue prior to the enactment of this act."

Mr. HAYDEN. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

LILLIAN LaBAUVE LINNEY

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2317) for the relief of Lillian LaBauve Linney, which was, on page 1, line 7, to strike out "$5,000" and insert "$7,117.50."

Mr. ELLENDER. I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ELLENDER, Mr. STEWART, and Mr. BREWSTER conferees on the part of the Senate.

AMENDMENT OF WOMEN'S ARMY AUXILIARY CORPS ACT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2751) to amend the act entitled "An act to establish a Women's Army Auxiliary Corps for service with the Army of the United States," approved May 14, 1942, to create the grade of field director in such corps, to provide for enrolled grades in such corps comparable to the enlisted grades in the Regular Army, to provide pay and allowances for all members of such corps at the same rates as those payable to members of the Regular Army in corresponding grades, and for other purposes.

Mr. REYNOLDS. I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. REYNOLDS, Mr. THOMAS of Utah, Mr. JOHNSON of Colorado, Mr. AUSTIN, and Mr. GURNEY conferees on the part of the Senate.

IMPENDING SHORTAGE OF FUEL OIL IN NEW ENGLAND

Mr. LODGE. Mr. President, in September, I addressed a letter to the President of the United States regarding the unification of the petroleum problem. I ask that my letter and the President's reply be printed in the RECORD as a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SEPTEMBER 4, 1942.

Hon. FRANKLIN D. ROOSEVELT,
President of the United States,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: Only the seriousness of the problem would justify me in taking your precious time with a letter, and I would not think of doing so unless the matter about which I write carried such a grave threat to our program for the production of weapons.

I refer to the impending shortage of fuel oil in New England. This shortage will not only threaten the health of all people who must live in a cold-weather climate but it menaces the many industries in this section which need fuel oil in order to manufacture weapons. The seriousness of these two dangers must not be minimized. In studying this question and in conferring with the numerous agencies of the Government having to do with it, I have been led to the conclusion that, while the shortage is real, its effects could be considerably reduced if two principal things were done:

First. Unify the control of this problem under one head instead of distributing the authority, as is now the case, among a number of different Federal agencies.

Second. Institute a Nation-wide rationing or conservation plan so that amounts of fuel oil now being used for nonessential purposes in other parts of the country could be made available to this section.

In order to accomplish this purpose I have drafted legislation which confers additional authority on the Executive. I enclose a copy of the bill and would be deeply obliged to get your reaction.

I recognize that legislative action is slow and that many of the things embodied in this bill could be done by you without legislation. I hope that you will take cognizance of this important matter and act early so as to avert the dangers which threaten New England and which have such grave implications to the Nation as a whole.

With assurances of my esteem and high regard,

Faithfully and respectfully yours,
H. C. LODGE, Jr.

THE WHITE HOUSE,
Washington, October 1, 1942.

MY DEAR SENATOR LODGE: I have read with much interest your letter of September 4, and the enclosed copy of S. 2716, a bill to establish a National Petroleum Administration, which you have introduced in the Senate.

I share your view that governmental control and direction of the problem of petroleum supply should be centralized in a single agency. An intensive study has been under way for some time to determine the type of organization best suited to accomplish this objective and so designed as to fit into the over-all pattern of organization of the war agencies. A decision on this matter may be expected within the near future.

Since statutory powers already exist to create, by Executive order, an agency with adequate power and responsibility to deal with the oil problem, I do not think that new legislation in this field is necessary at this time.

Steps have already been taken to ration fuel oil in the States on the Atlantic seaboard and in the Midwest in order to distribute the available supplies equitably among all affected. Affirmative action has also been taken to increase both the production of fuel oil and the ability of our transportation system to move such oil to the areas of shortage.

I have been assured by the agencies that are primarily concerned that there will be adequate fuel-oil supplies for all military and essential industrial requirements, and that all possible measures are being effected to minimize the shortage of fuel oil for civilian consumption.

I appreciate your interest in this matter, and I am glad to have had the opportunity to express to you my views on it.

Sincerely yours,
FRANKLIN D. ROOSEVELT.

Hon. H. C. LODGE, Jr.,
United States Senate.

THE UNWARRANTED ASSAULT ON AGRICULTURE—ARTICLE BY SENATOR LA FOLLETTE

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article entitled "The Unwarranted Assault on Agriculture," written by himself and published in the Progressive of October 5, 1942, which appears in the Appendix.]

SENATOR SMATHERS—EDITORIAL FROM THE DAILY WORLD, OF ATLANTIC CITY, N. J.

[Mr. BUNKER asked and obtained leave to have printed in the RECORD an editorial entitled "Senator SMATHERS: Pro and Con—Eight Reasons Why Senator WILLIAM H. SMATHERS Should Be Reelected," published in the Daily World, of Atlantic City, N. J., October 6, 1942, which appears in the Appendix.]

STABILIZATION OF THE COST OF LIVING—PRICE OF COTTON

Mr. BANKHEAD. Mr. President, I wish to address myself to the junior Senator from Michigan [Mr. BROWN], and ask him about a matter connected with the recent anti-inflation stabilization bill.

There has been much uncertainty in cotton circles, and among cotton farmers, about the effect of the new law and its administration so far as the price of the cotton which is now coming to market, the present crop, is concerned. Since the passage of the bill the price of cotton has dropped as a result of this uncertainty, based upon reports that the maximum price, or the ceiling, might be reduced, directly or indirectly, and that the parity price might be changed, directly or indirectly.

As a result of the circulation of these reports throughout the Cotton Belt, the price of cotton has dropped about $2 a bale, which, of course, with a 14,000,000-bale crop, means a $28,000,000 loss to the cotton farmers, and unless the facts about this matter are established, the drop in the price may continue, with consequent additional loss to the farmers.

During the consideration of the bill we all understood that the maximum prices provided in the act of October 2 were to control. Briefly, but so that the RECORD will show the facts, I wish to point out that section 3 provides that, so far as agricultural commodities are concerned—

> No maximum price shall be established or maintained under authority of this act or otherwise * * * below a price which will reflect to the producers of such agricultural commodity, the higher of the following prices: First, parity as determined by the Secretary of Agriculture; second—
>
> The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials).

During the period referred to the price of cotton was above parity, although it is now below parity. The Senator from Michigan was actively in charge of the bill during its consideration. He was in close contact with the administration the whole time the bill was pending before the Senate, and probably has been since, and in order that the matter may be adjusted for the benefit of the public, and especially everyone connected with the cotton business in any way, so that the producers will know what to do about it, I wish to ask the Senator whether there is any intention of trying in any way to reduce the maximum price of cotton or the parity price of cotton.

Mr. BROWN. Mr. President, in the various discussions we have had there was what I considered to be a very strong indication that no movement is contemplated on the part of those in charge of the administration of the act which would justify the decline in prices which occurred on the cotton market during the last 2 or 3 days. I think it was inevitable that markets generally would react unfavorably to the passage of the bill, because the act definitely prevents future increases in prices. That reaction was quite clearly demonstrated upon the various exchanges of the country. But it is my own judgment that, so far as the actual situation is concerned, and so far as concerns the contemplation of those in charge of its administration, those price declines were without justification, and could not be attributed in any way to governmental action.

Furthermore, the parity floor—and I call it a floor when we consider it as a bottom limitation—is unquestionably the law, and so far as I know—and I think I do know—there is nothing contemplated under the so-called highest-price-to-producers clause in the act which would justify these downward movements in the price of cotton.

Mr. BANKHEAD. I should like to ask one further question. As I stated, the Senator was one of the active authors and managers of the bill, and he has been in contact with the departments. In the Senator's judgment, is it safe for the farmers to assume, and to act upon the assumption, that during the present marketing season there will be no reduction in the maximum price of cotton, or in the parity price?

Mr. BROWN. Certainly no such representations were made to me by those who will be in charge of the administration of this bill. I am not in any way trying to prejudge the actions of the economic stabilization chief, but that was the understanding when we passed the bill.

Mr. BANKHEAD. And since?

Mr. BROWN. Yes.

Mr. LANGER. Mr. President, I wish to say in connection with the matter now under discussion that I noticed in the press that yesterday Mr. Byrnes issued an order for the making of loans at only 85 percent of parity on wheat and corn. Perhaps the Senator from Michigan also saw that statement in the press.

Mr. BROWN. I anticipated that such an order would be made. I have not seen it.

Mr. LANGER. The Senator remembers that we discussed the matter of parity in that connection on the Senate floor.

Mr. BROWN. Yes.

Mr. LANGER. As I understand, there is no chance by way of conference with those in charge of the administration of the act of getting the loan provision up to 90 percent.

Mr. BROWN. Oh, yes; I should say there was some chance. Under the bill as it passed both Houses, the President may fix such loans at any figure between 85 and 90 percent of parity. That is a matter entirely discretionary with the President of the United States.

Mr. LANGER. In view of the fact that the Senator from Michigan is a Democrat, and quite close to those in power, I wonder if I could get the Senator to use his good offices to have the loan figure raised. I say that in view of the fact that I received a letter this morning from a farmer named William L. Zimmermann, of Amenia, N. Dak., from which I gather that conditions there seem to be worse than ever. I wonder if the Senator would not use his good efforts and influence along that line.

Mr. BROWN. Mr. President, I may say that I have enough trouble with the farmers in Michigan and do not want to take on the farmers of the Dakotas also. I will say to the Senator from North Dakota that, of course, it was my own view, and I used whatever influence I possessed to bring about a result whereby the President would have discretionary authority as to making feed loans between 85 and 90 percent. I will say to the Senator that I think, with his persuasive ability, he can certainly present that matter fairly to those in charge in the administration; and if there is anything I can do to assist the Senator, I shall be glad to do so.

Mr. LANGER. Would the Senator accompany me sometime and talk to those in charge of the administration of the matter?

Mr. BROWN. I hope to go back to Michigan to campaign within the next 2 or 3 days, but sometime I shall be glad to assist the Senator from North Dakota.

Mr. LANGER. I thank the Senator very much.

Mr. SMITH. Mr. President, I should like to address a question to the Senator from Michigan [Mr. BROWN]. In view of the discretion lodged with the powers that be, does the Senator have the impression that benefit payments and other payments made to the farmers from the Treasury will be included in parity and, therefore, will be deductible from any maximum price?

Mr. BROWN. That subject, I will say, has been beyond my ken in this matter. It is a matter which, as the Senator from South Carolina knows, came from his Committee on Agriculture and Forestry and not from the Committee on Banking and Currency, and, of course, the Appropriations Committee has considerable to do with it. I myself know of no contemplated changes in the present status. Of course, I am unable to bind anyone in that respect.

Mr. SMITH. The reason I asked the question is that it was reported in the newspapers that an Executive order was issued which provided that benefit payments, such as those made for plantings for certain soil improvements, and so forth, would be included in the maximum price, because such benefit payments were said to be included in parity. I simply wanted to know if the matter was clear to all those who are dealing in wheat and cotton and corn.

Mr. BROWN. I am not a sufficient authority on that subject to give the Senator any assurance which could be binding upon anybody.

Mr. SMITH. I think the main thing which is disturbing the trade is that the authorities are going to calculate all the little checks which are sent to the farmers for benefit payments, and include those payments in the maximum price, which will subtract to that extent from the maximum price.

Mr. BROWN. I should say generally that my understanding is that the present status is to be maintained. The present marketing season is so far advanced that I understand, from talks I have had—and I cannot bind anybody on that precise point—that the present status "as is" is to be maintained.

Mr. SMITH. God grant it may be, but I have my doubts.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 97. An act for the relief of the legal guardian of Joy Montgomery, a minor;

S. 103. An act for the relief of Caffey Robertson-Smith, Inc.;

S. 305. An act for the relief of Mrs. Felix Belanger;

S. 317. An act for the relief of Monroe Short;

S. 1033. An act conferring jurisdiction upon the Court of Claims of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representatives of the estate of Robert Lee Wright;

S. 1143. An act for the relief of Dayee Jones;

S. 1216. An act for the relief of Henry (Heinz) Gabriel;

S. 1220. An act for the relief of G. C. Barco and W. G. Knowles;

S. 1853. An act for the relief of the Rock Hill Stone & Gravel Co., of St. Louis, Mo.;

S. 1869. An act for the relief of certain claimants against the United States who suffered property losses as a result of the failure of the Big Porcupine Dam on the Fort Peck project, Montana;

S. 2099. An act for the relief of Mrs. Reita M. Lary;

S. 2190. An act for the relief of Mrs. Marilla C. Gray;

S. 2191. An act for the relief of Clara Wrobliski;

S. 2248. An act to amend the law relating to the care and custody of insane residents of Alaska, and for other purposes;

S. 2264. An act conferring jurisdiction upon the United States District Court for the District of Connecticut to hear, determine, and render judgment upon the claim of James H. Lane;

S. 2273. An act for the relief of Ruth D. and Henry L. Brittingham;

S. 2275. An act to amend section 10 of Public, No. 360, Seventy-seventh Congress, to grant national service life insurance in the cases of certain Navy or Army flying cadets and aviation students who died as the result of aviation accident in line of duty between October 8, 1940, and June 3, 1941;

S. 2279. An act for the relief of O. R. Maxfield;

S. 2364. An act for the relief of former First Lt. William J. Tepsic, One Hundred and Seventy-sixth Field Artillery;

S. 2420. An act for the relief of Isabelle Fuller;

S. 2461. An act for the relief of Minnie C. Sanders;

S. 2506. An act for the relief of Angela Skeoch;

S. 2551. An act for the relief of Vernon Van Zandt;

S. 2570. An act to provide for the sale by the Superintendent of Documents of copies of certain historical and naval documents printed by the Government Printing Office;

S. 2627. An act to amend the act approved August 27, 1940 (54 Stat. 864), entitled "An act increasing the number of naval aviators in the line of the Regular Navy and Marine Corps, and for other purposes";

S. 2676. An act to provide for medical care and funeral expenses for certain members of the Naval Reserve Officers' Training Corps;

S. 2677. An act to authorize an exchange of land at Mechanicsburg, Pa., between Edgar Eberly and the United States;

S. 2678. An act to amend the act approved March 2, 1933, by suspending the provisions relative to a Navy ration in kind, and for other purposes;

S. 2679. An act to authorize the transportation of dependents and household effects of personnel of the Navy, Marine Corps, Coast Guard, and Coast and Geodetic Survey, incident to secret or confidential orders, and for other purposes;

S. 2682. An act to authorize the Secretary of War to exchange certain lands of the

United States located within the Fort De Russy Military Reservation, Oahu, T. H., for certain land at Barbers Point, Oahu, owned by the Territory of Hawaii;

S. 2685. An act to provide that promotions to higher grades of officers of the Army of the United States, or any components thereof, shall be deemed to have been accepted upon the dates of the orders announcing such promotions, and for other purposes;

S. 2717. An act for the relief of Charles H. Koch;

S. 2731. An act to suspend until June 30, 1945, the running of the statute of limitations applicable to violations of the antitrust laws; and

H. R. 7121. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

REVENUE ACT OF 1942

The Senate resumed the consideration of the bill (H. R. 7378) to provide revenue, and for other purposes.

The VICE PRESIDENT. The pending question is the amendment proposed by the Senator from Ohio [Mr. BURTON] on page 34, line 1, to strike out "before January 1, 1943", and beginning on line 23, page 34, to strike out all down to and including line 16 on page 38.

Mr. AUSTIN. Mr. President, I shall reduce what I have to say so as to be as brief as possible, for my views have been expressed many times in fundamental opposition to every attempt to exert what is claimed to be a supreme power possessed by the Federal Government over the several States to interfere by way of taxation with the power of the State to maintain its government. This so-called reform, which would constitute a change in the very character of our Federal system, arises, as all such changes in past history have arisen, upon a tax bill. Monarchs whose tyranny has cost them their heads have caused changes of government in the search for new sources of revenue. Thus Charles I lost his head. When the Thirteen Colonies, and the little republic of Vermont, revolted against the mother country it was over this very subject of taxation—the search for new revenue, a search which involved the attempted exertion of a claimed supreme power. I deny the power; and, if it existed, I should deny the wisdom of exercising it. I shall vote for the amendment offered by the Senator from Ohio [Mr. BURTON] because for the time being it would stem this effort which has been made repeatedly since 1913.

Let us not forget in passing that we live under two governments; one is the Government of the United States, whose geographical boundaries we know; the other is the government of the States from which we come to this body, and we know that geographically they occupy exactly the same territory as does the Government of the United States. In other words, we have two loyalties, and we have been able to maintain practically the same form of government for 150 years because we were morally and intellectually competent to adhere to both loyalties at the same time.

One of the instrumentalities by which we have prevented encroachments either way, by the States upon the Central Government, and by the Central Government upon the States, has been the Senate of the United States. Our very character involves the obligation and the high duty on our part to stand for freedom by means of sustaining the position of the several States of the Union.

Let us not forget our importance in this immediate situation. The people of this country may change the Constitution by amendment adopted by a two-thirds vote of Congress and ratified by three-fourths of the several States. But can we take away the representation of any State on that basis? Can we reduce the representation of any State in this body by an amendment of the Constitution in that way? Ah, no. That representation can be changed only by the vote of every State in the Union. There is a reason for it. The reason is to give to this body the obligation, the duty, and the high privilege of standing here against all the other departments of Government to stop any such change in the relationship between the Federal Government and the States which would impair the ability of the States to maintain themselves.

I sense this duty keenly—perhaps more keenly in the present circumstances than if we were not in war, and perhaps more keenly than I have sensed it at any time during the long period I have served on committees having to do with this precise question. I know from experience in the Senate that for the duration of the war we are called upon to centralize in the Federal Government powers which in time of peace we would not think of relinquishing. I know that our danger from the inside, our danger in the name of successful prosecution of the war, is that we will not stop in this centralization.

Immediately, the proposal is not so much a question of revenue. We all know that that is not likely to be the consequence of the adoption of the proposal of the Committee on Finance. The paramount danger is the threat to change the form of government. We are asked to change something entirely fundamental.

We have maintained our federalism largely upon the pillars of the independence of the several States. I venture to say that there is not a single institution under the Constitution which is so strong and powerful a safeguard to the liberties and the free institutions of this country as the degree of independence enjoyed by the several States. Certainly, if we destroy those bulwarks of State power and extend the authority of the Federal Government, a great Government centralized at Washington, we shall no longer have the watchful guardianship of the several States to prevent the overexertion of that power at Washington and its extension in a single standardized form to localities entirely remote from each other, with entirely different and distinct needs in the administration of their local affairs.

Mr. President, this statement might be prolonged; I do not intend to prolong it; but I desire to emphasize that I am more concerned about this so-called reform and more apprehensive of the fundamental consequences of reversing the position which this country has held for 150 years in maintaining the Federal system instead of a soviet than I am about the question of obtaining revenue.

How can we know that this enactment would be serious enough in practical results to interfere with, impede, and affect injuriously the exercise of government by the several States? We have plenty of evidence of it. We should not be in doubt for a moment. The evidence is in the RECORD.

I listened attentively to the debate yesterday. I noted one of the claims made by the distinguished Senator from Michigan [Mr. BROWN], who is sponsoring this particular reform. He cited the example of New York City and said that so far as obtaining revenue to conduct the affairs of the city is concerned, the increased cost of government would amount to only 86 cents for each thousand dollars of assessed valuation. Only! Let us consider what that means.

The Senator's one-half of 1 percent change in the interest rate was based upon old testimony of 1939 before the special committee on which he and I and other Senators served. All the experts in State and municipal finance who appeared before the distinguished Committee on Finance were agreed, and those who appeared before the House Ways and Means Committee in March of this year were agreed, that at the present time the increase in the cost of local financing would be 1 percent in the interest rate. That is quite different from one-half of 1 percent. It sounds small, but let us assume that a municipal bond carries an interest rate of 3 percent; what is the practical result? An increase of 1 percent in the case of an interest rate of 3 percent means an increase of a third in cost.

Let us assume that the increase in the interest rate is only one-half of 1 percent. In that event there would be an increase in actual cost of 16½ percent on a bond paying 3 percent.

We are talking about interest rates. Let us consider the question in a light which is more favorable to the view which I take of this matter, and assume that the increased cost would be what some of the experts have claimed it would be, namely, 1½ percent. What would be the result in the case of a bond which pays only 3 percent interest? There would be an increase in cost of 49 percent. How would that affect the financing of cities? We know how it would affect it.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SMATHERS in the chair). Does the Senator from Vermont yield to the Senator from Texas?

Mr. AUSTIN. I yield.

Mr. CONNALLY. The increase would be not for 1 year but for the life of the bonds—perhaps 20, 30, or 40 years.

Mr. AUSTIN. I thank the Senator from Texas for his observation. He is exactly correct. I was about to call attention to what that means in dollars.

The increased interest cost involved in this proposal to which the Senator from Michigan referred as infinitesimal

in its effect upon the financing of New York City would eventually amount to approximately $30,000,000 a year. This is conservative, because I have figured it on the basis of 1-percent increase in the municipal interest rate, whereas Comptroller McGoldrick of New York estimates the actual increased cost at 1½ percent, which would reflect an increased interest cost of $45,000,000 a year. Is that infinitesimal?

Let us not forget, in passing, that we are using this fact as it bears upon the importance of this reform upon the functions of government of the city. Mayor LaGuardia testified that had Federal taxes been imposed upon the bond issues of the city of New York it could never have completed its recent $300,000,000 subway unification plan. It could never have financed the Battery-Brooklyn tunnel.

Is it an important function of government that is being meddled with here under the claim of supreme power? Mind you, Mr. President, that is the way it is presented. The proponents of the proposal do not ask New York City to consent to the proposed taxation. They cannot do so. They do not ask the State of New York to consent to it. They cannot do so. They assume supreme authority and power. In that sense there is not even the mere diffused infection of reciprocity because we, exercising our duty as the legislature of the Federal Government, permit taxation. We consent to it in this very bill.

So, on the one hand, we have consent by the Federal Government to taxation of its issues, and on the other hand we have the assertion by us of supreme power to take away from the several States the power to consent to the taxation of their issues. It is a supremely important issue. It goes to the depths of government. It changes the relationship between the States and the Nation, a change which never should occur by a mere act of Congress. The people should directly participate in so fundamental a change as that.

Mr. CONNALLY. Mr. President, will the Senator yield for just a moment?

Mr. AUSTIN. I yield.

Mr. CONNALLY. Will the Senator permit me to interrupt him for about a minute in order to detail a little episode which occurred some years ago relative to the matter under discussion?

Mr. AUSTIN. Yes; I should be glad to have the Senator do so.

Mr. CONNALLY. At the time of the occurrence of the episode to which I shall refer I was a Member of the House. I went home, and in traveling about in my district I went to a town of about 1,500 people. A lawyer who lived there was a very close friend of mine; and he said to me, "Tom, why don't you people get rid of these tax exemptions on securities? The rich fellows are hiding their money. It is awful, and you should stop it."

I said, "Wait a moment. Are you a member of the school board here?"

"Yes," he said.

I said, "You recently built a new schoolhouse, did you not?"

He said, "Yes."

Then I asked him, "How much did it cost?"

He replied, "$40,000."

"Did you pay for it with bonds?"

"Yes," he said.

Then I explained to him that, according to my view, and according to the testimony in the House, the interest rate on those bonds would be increased 1 percent—if that is the fact. When I finished explaining to him that his 40-year bonds probably would bear one-half percent or 1 percent increased interest over the period, he said, "My God; don't do that. I did not understand the thing. I did not understand about it."

Mr. AUSTIN. Yes; it is quite different. The emotional appeal which has been used in this case is frequently employed when we face a fundamental barrier which can be surmounted only by sweeping the people off their feet by means of appealing to their emotions. As a matter of fact, such an emotional appeal is founded on a fallacy, on something which is not true; and if I have time to do so, I shall show that to be the case.

What is true, and what is absolutely unanswerable, is the proposition that the function with which we are meddling here is necessary to the existence of the States and to the existence of the municipalities. The function with which we are meddling is the most important function they have. Without it they cannot live and have their being. If it be said that we are not taking it away, that we are only reaching up on it and using it in order to get new revenue for the Federal Government, still it is an effort to bring about a fundamental reform, because at the minimum the Federal Government would be given control. If the Federal Government could impose a tax of one-half of 1 percent as a charge to be added to the cost of State and municipal financing, when it wanted to do so it could impose a tax of 5 percent.

The question is a fundamental one of right and wrong. I do not have to see the proposal of the committee in writing in order to know that it is unconstitutional. The constitutionalism which runs through all free governments is involved. We cannot maintain a Federal system of united States if we permit the Central Government to impinge upon this fundamental function of which is necessary to the survival of the States.

It is the immunity from interference on both sides which has kept us sound, solid, and stable for 150 years. No other government on earth is so old in point of character as is the Government of the United States, which great men across the seas regarded in its dawning as an experiment in free government. To be sure it is an experiment. Never for a moment can we, as Senators of the United States, regard it as being otherwise. Day after day we face it.

Never before have we been confronted by a more serious outlook than that which we face at the present moment. Can we win this war if we destroy the ability and sovereign right of the several States to finance highways and other public works necessary for the health of the civilian communities? When we consider the necessity for maintenance of training camps and for caring for the health of our troops, we must arrive at the conclusion that the several States are as much a factor as is the Federal Government in maintaining the facilities to protect the health and morals—I am not talking about morale, I am referring to morals—and the training of our troops that are to do battle for us. Therefore, is it not impinging upon the war effort to begin now this novel thing, this entirely new thing, of breaking down the separation between two governments that occupy the same geographical location? We can completely smash a government by means of the power of taxation. There is nothing equal to it except invasion.

Is this matter important? Is this a function which affects the very existence of the municipalities?

There are in the record some figures showing how the proposed increase in cost, which has been kissed off as infinitesimal, would affect the financing of cities. The figures appear in the record: For Baltimore, an increase of $1,360,000 a year; for Detroit, an increase of $3,500,000 a year; for Philadelphia, $5,200,000 a year; for Jersey City, $680,000 a year; and for Trenton, $195,000 a year.

I do not want to weary the Members of the Senate by citing further figures on this point, but in the consideration of this matter I know of nothing more important than to pin down one fact or one principle and that is that the function concerned is a function necessary to the existence of the States and of the municipalities.

In Alexandria, Va., across the river from Washington, a little event occurred which pointed out the issue. We are not dealing with polemics; we are not speculating relative to this matter. We are dealing with known facts, with experience. Alexandria, Va., had pending a bond issue of $750,000 when Secretary Morgenthau made his Cleveland speech on January 21, 1942. The bids, already prepared in municipal bond houses, were on a 2-percent basis. Immediately after the Secretary asked for a Federal tax on outstanding bonds—a proposal which differed from the present one only in principle—the bids jumped 7 points, or $70 a bond. Just think of it—a loss to the city of $52,500 in premiums alone; $52,500 out of $750,000.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. OVERTON. It is a fallacious conception that by imposing the proposed Federal tax on future bond issues of States and municipalities the tax burden would be borne by the purchasers and holders of such bonds. I think that the argument of the able Senator from Vermont, who has made a very close study of the issue, is in itself the answer; but before he concludes his argument I wish he would make it very clear that the burden would not be imposed on the purchasers and holders of the taxed securities, but would be borne by the taxpayers upon whom taxes are levied in

order to pay for the bonds and the interest on them.

Mr. AUSTIN. Mr. President, the mere assertion of that claim by the senior Senator from Louisiana is, to me, all that is necessary; for I know of his experience and study of these matters, and I know that he is well qualified to express that opinion.

I take what he says to be the fact. I am thoroughly convinced of it. Moreover, not only would the added cost of obtaining funds for municipalities fall directly upon the landowners who bear the burden of taxes in the several States and municipalities, but something else might result which in itself would be sufficient reason for us to support the amendment offered by the junior Senator from Ohio [Mr. BURTON]. It is that this proposed additional burden might prevent or stop beneficent activities in behalf of the citizens in countless communities throughout this great land.

I say "might result." The record of the hearings is full evidence that it would so result, and it is the finest proof in the world that the additional burden of financing would fall upon the inhabitants of the community. If that burden happens to be the stoppage of their public activities, such as the maintenance of their schools, the support of their highways, and all the other necessary public institutions, the inhabitants must bear that burden in more than one way. The record, I say, is full of proof of the accuracy of my statement.

Consider Professor Schimmel's testimony. Professor Schimmel has not been called a paid witness; Professor Schimmel is vouched for by the distinguished Senator from Michigan. No reflections have been cast upon him. What did he say about the effect of this reform in our Government? On page 1562 of the hearings before the Ways and Means Committee of the House of Representatives he says:

> I want to point out to you that we already have in Michigan three or four measurable results of the fear of taxation of municipal bonds.

Merely the fear of it arising out of a speech, but a speech of a responsible officer of the Government of the United States. He says further:

> Last January there was well developed in the city of Royal Oak a refunding program for $4,000,000 of bonds, which would have reduced the interest rate on the debt of that community by at least one-half of 1 percent.

Mr. President, the debt of the community falls directly on the inhabitants, and no one pays it except the poor fellow who pays taxes on his farm or his home or on other property which happens to be taxed according to the system in effect in every State.

> When the announcement was made by the Treasury Department concerning the taxation of municipal bonds that whole refunding program was abandoned—
>
> "Abandoned"—
>
> with the result that on July 1, when the next coupon comes due in Royal Oak that city will have to pay at least one-half of 1 percent more than might have been paid if the refunding program had not been disturbed by the fear of taxation of municipal securities.

Now, let me testify. There is across Lake Champlain a bridge which was built by one of the corporations which is within the scope of the proposal in this bill. It is a municipal corporation in every sense, except that its members are the inhabitants of the State of New York on one end of the bridge and of the State of Vermont on the other end. Those two States entered into a compact, as we always supposed States had a right to do, subject to the approval by the Federal Government, for a refinancing of the bond issue by which that bridge was built and maintained, a refinancing scheme which would reduce the annual cost of maintenance by a lowering of the interest rate on the bond issue. The compact was sent to Congress, and what do we find? It was referred to a committee which has a penchant upon the subject of the reform of the Government in this regard, and when it came out of that committee, was the compact between those two States approved? Oh, no; the committee reformed it, and wrote a few words into the bill that would make the interest on the new bonds taxable. Then what happened? Immediately my people at home said to me, "Do not allow that bill to pass. We will continue to pay the old rate of interest and lose this annual benefit rather than to permit this reform of Government to take place over our heads or with our consent." I have objected to the consideration of that bill ever since, and when it comes up I give notice I want to be present. I hope that the good sense of the Senate will prevent its passage through this body with that provision in it.

Mr. President, I have spoken longer than I had intended and certainly too long on this one subject. I commend to the attention of those who will follow me the remainder of the testimony of this great witness as to what has happened in Michigan in the attempt to finance or refinance activities of the municipalities of that great Commonwealth. It is all one way. Either the burden was assumed with full knowledge that it was an additional cost which the taxpayer must pay, or they held up their hands and said, "We will stop; we will not go ahead; we cannot finance," and they said that on a mere threat. While I have been speaking telegrams have been coming to me. One of them is from David M. Wood, of New York, and it reads:

> Supplementing earlier wire, I am advised following necessary refunding operations will be prevented by pending bill: Philadelphia, Pa., $141,000,000; Rochester, N. Y., $12,000,000; Buffalo, N. Y., $18,000,000; Yonkers, N. Y., several million.

I have had similar telegrams from other places, notably from my own city of Burlington, Vt., and also from the attorney general of Vermont.

Mr. President, I wish to leave this point and go on to something else. What I am trying to do is to clear the decks for the main issue. I have tried to meet the contention to which I listened all day yesterday that the additional burden placed upon the inhabitants of this country would be infinitesimal. I have undertaken to show that, in dollars and cents, it is of great magnitude, and in consequences upon the administration of government it is fatal. The efforts to finance which I have pointed out failed because of the threat involved in the pending bill.

What are we to do? I say that when there comes an issue such as this, involving a change in the form of our Government by the mere exertion of the power of legislation, we are here, as Senators representing our several States, to assure them absolutely that it shall not pass.

There was another claim made here yesterday which relates to reciprocity, so-called. What a fallacy! There is no reciprocity proposed in the pending bill. I am well aware of both places in the bill where the question of taxation of Federal securities and State and municipal securities occurs, and I am familiar with the terms. I say it is not a reciprocal proposition at all, and it cannot be made so.

While the Federal Government may not be taxed by the States without its consent—and by this proposal it proposes to give it—on the other hand, the States in the future are to be completely subject to the taxing power of the Federal Government by the exertion of the supreme authority. That is not reciprocity. In order to have reciprocity, the vis-à-vis must get together and agree. There must be the consideration of assent by one in order that assent may be granted by the other. There is no reciprocity if this bill with this proposal in it is crammed down the throats of the people of the United States.

It will not make any difference how much the Federal Government offers to them by way of waiving its immunity. That is not a consideration which is negotiated and accepted by the inhabitants, without which there can be no reciprocity.

There would not be reciprocity on the economic theory, because there are 14 States of the Union which do not have any income-tax law. What earthly good would it be to them for the Federal Government to say, "You can tax the income on our bonds"? To them it would be a zero benefit economically and it would be at the cost of all they have to pay if they continue to provide financially for their own institutions and their own government.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. VAN NUYS in the chair). Does the Senator from Vermont yield to the Senator from Kentucky?

Mr. AUSTIN. I yield.

Mr. BARKLEY. There is the question of reciprocity between a State which, through its legislature, might levy a tax upon the income from Federal bonds, and the Federal Government, in the enjoyment of a reciprocal right to levy a tax upon State bonds. How does it affect bonds of political subdivisions less than a State, none of which, so far as I know, levies an income tax?

Mr. AUSTIN. I thank the Senator. He suggests an excellent thought. I had it in mind, but it escaped me for the moment.

Every municipality, every county, which is less than a State in jurisdiction

and authority, is disabled to tax the income of Federal bonds, no matter how magnanimous the Federal Government might be in its offer. So that in addition to the 14 States which are disabled to enjoy reciprocity economically, all the counties and municipalities are in the same group.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. AUSTIN. In a moment I shall be glad to have the Senator's help.

In the States which have income-tax laws, all save one tax at a rate so much less than the rate at which the Federal Government taxes that the balance would be very seriously against the economic interest of the States, if we entered into such a reciprocal arrangement as has been suggested. I now yield to the Senator from Louisiana.

Mr. OVERTON. The Senator has covered the argument I was about to make. Necessarily the rate of taxation on income in a State is very much less, and must necessarily be less, than that levied by the Federal Government, because if the rate corresponded with the rate levied by the Federal Government, there would be nothing left.

Mr. AUSTIN. I thank the Senator for his suggestion. There is no element of reciprocity in this proposal; there is no quid pro quo that is worthy of consideration.

Mr. CONNALLY. If there could be reciprocity, would it not result in the Treasury having to pay higher rates on Federal bonds also?

Mr. AUSTIN. I believe it would. I think that would be the immediate effect. As to what might happen if changes were made in State statutes to lift their tax rate, I cannot speculate, but what I say, and what I think the Senator from Texas believes, is that even if it were reciprocal, it would be folly. If we as Senators had the chance to say, "My State agrees to this," on the basis of wisdom it would be entirely wrong to do so, because immediately we would break the most important line separation between the two governments, which should be well and clearly identified in order to maintain this Federal system, as we have maintained it for 150 years, with all its strength and with all its beneficence and with all its opportunities to the youth of America.

Mr. BARKLEY. Will the Senator yield for another question?

Mr. AUSTIN. I yield.

Mr. BARKLEY. Going a little further than when I interrogated the Senator a few moments ago in regard to the ability of political subdivisions of States to levy taxes upon incomes from Federal bonds, I think no one will question the assertion that they cannot do it. Nor can they, as I understand, levy an ad valorem tax upon a bond which any taxpayer may hold within a county in a State. We all know the methods of assessment. The county tax assessor or the city tax assessor comes around once a year and takes a list of all our property, including real estate and personal property.

In the taking of such a list for taxation he cannot include Federal bonds. So there is not only no income tax upon the income from them which accrues to a county, or a State, or a school district which has issued bonds in order to build a modern schoolhouse, but such subdivisions cannot levy an ad valorem tax on the value of Federal bonds. Am I correct?

Mr. AUSTIN. I believe that to be true.

Mr. BARKLEY. That is my impression. I would not wish to be dogmatic about it without looking into it a little further, but my impression is that they cannot levy an ad valorem tax upon the face value of the bonds which have been issued by the Government of the United States.

Mr. AUSTIN. I believe that to be true; I am not certain about it.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. McKELLAR. To my mind, providing an entering wedge for the National Government to tax securities of States, counties, and cities at will—with full power, supreme power, as the Senator has said, to tax——

Mr. AUSTIN. The power has to be supreme on that theory advanced.

Mr. McKELLAR. Giving such power would be the greatest blow to our dual system of government ever undertaken, and might destroy it.

Mr. AUSTIN. I thank the Senator from Tennessee. If I had the opportunity and power to try to destroy the United States as a Federal system, I would choose nothing more quickly than the power to tax the revenues of the several States.

If it is admitted for a moment that the taxation of the interest on the bonds of municipalities and of the several States is an added burden upon the taxes of the States, then the whole case is admitted. If we undertake to say that the Government can do that by the exertion of supreme power, then the Government has, in principle—or lack of principle—exactly the same power to reach in and take the revenues, all sources of life, of the several States.

What was it that Lenin said? He should be a good guide. He knew how to make a Soviet. Lenin said:

> Give me the power to control credit, and I will control government.

Lenin proved it. That is what we confront, consciously or not. I do not accuse any Member of this body of wanting to change our form of government into a soviet, but I do say that one of the evil aspects of this proposal is that it takes the most important step toward wiping out the line of separation between governments which exist within the same geographical boundaries and upon whose existence freedom depends.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. MALONEY. Did I correctly understand the Senator to say that by the amendment of the committee it is proposed that we tax State revenues?

Mr. AUSTIN. No. The Senator misunderstood me.

Mr. MALONEY. I am sorry. That is the understanding I had from what the Senator said.

Mr. AUSTIN. I say that once we have admitted, by our assenting to this proposition, that there is a power in the Federal Government to tax the income from municipal bonds and State issues, we have gone the whole length, in principle; we have admitted the supreme character of the power to tax so that the Federal Government could step in and take the revenues directly.

Why do I say that? I say it because the function of obtaining revenue for the maintenance of State and municipal governments is indispensable and essential. It makes very little difference where it comes from, or what the source of the revenue may be. In principle the effect of removing that power, or the intrusion upon that power by some other government, such as the one in Washington, is to take, not by consent, but to take by control, the very life of the State or municipality.

Mr. MALONEY. Would the Senator be willing to admit that the practice is in effect the payment of a subsidy by the Federal Government?

Mr. AUSTIN. A subsidy? No. Mr. President, I view it from the other end. The States existed before the Federal Government was created. The Federal Government has nothing except what the States gave to it, either expressly or by implication. The States never surrendered to the Federal Government the power to tax their domestic issues, or the income from them.

So I say that the States would not get a subsidy from the Federal Government. If the Federal Government now says by way of an invitation, or at least a solatium, "We will let you tax our bonds," that is not a subsidy; it is in the nature of something else which I shall not characterize.

Mr. MALONEY. Mr. President, will the Senator yield further?

Mr. AUSTIN. Yes.

Mr. MALONEY. Does not the Senator believe that the rights of the States, to which he has just referred, were given to the Federal Government by the States themselves under the sixteenth amendment of the Constitution?

Mr. AUSTIN. Oh, no, Mr. President; I entirely disagree with that. I will discuss that question presently.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. McKELLAR. I wanted to ask the Senator a question on that very point, and, if he will permit me, I shall do so at this time, in order that he may refer to it later in his speech. Yesterday it was argued by the distinguished Senator from Michigan [Mr. BROWN] that under the sixteenth amendment the Federal Government has the full power to tax all incomes, citing the words of the amendment itself—"from whatsoever source derived." If we carry that doctrine to its legitimate end, if that language would give the power to tax obligations of the States, counties, and cities, by the same token, and by the use of the same words, the Federal Government would have the power to tax the income of States, counties, and cities.

Mr. AUSTIN. Yes.

Mr. McKELLAR. Of course, if the words in question mean all the income, without regard to where it comes from, when the States, counties, and cities obtain their income through taxation, the Federal Government—simply to carry out the application of that doctrine—could impose a tax on all the income of all States, counties, and cities.

Mr. AUSTIN. Yes; that is true. Later, if I shall not have worn Senators out, I shall discuss the question of the sixteenth amendment and what it means. I realize that there is great disagreement among us about what it means, and I do not think I am more nearly correct than anyone else, but I believe I have a right to stand on my convictions about it, and that is what I shall present. I do not presume to try to convince anyone else. The Members of this body, as I observed when I first came to the Senate, are individuals of fine background, excellent training, and high character, and when they have convictions I doubt the capacity of anyone to change them. Indeed, I thought when I first came here that it would be impossible for these 96 individualists to agree on any legislation.

Mr. President, there is one other thing about which I wish to speak before I come to the subject of the sixteenth amendment, and that is argument made with respect to "loopholes." Really the "loophole argument" is the flimsiest part of this claim. The idea that it is in the public interest to destroy the holdings by men and institutions of Government bonds and disperse them like the seeds of the milkweed and to advance that idea in support of a reform in our system of Government strikes me as flimsy as milkweed.

Mr. President, the facts, however, do not justify the claim that there is a loophole there. No one has risen in all these years in the discussion of this question to deny, and probably no one will in this discussion deny, that on the average the holdings of municipal and State or local bonds by estates over a period of 10 years is more than 6 percent of all the holdings of such estates which were examined by the experts. The estates are classified as having above $50,000 in assets, but the classification is broken down again and again, so that in the record there are three different classifications.

An examination of all the estate-tax returns filed with the Treasury Department in the calendar years 1927 to 1937, inclusive, reveals somewhat startling figures. These are not selected estates, nor a sampling, but are all the estates reported for tax purposes during those 11 years. During the period noted there were 3,044 estates having a net worth of $1,000,000 or more. There were 105,499 estates of less than $1,000,000 net. Of the estates above $1,000,000, totaling over ten and one-half billion dollars, the following were the percentages of investments:

Wholly exempt Federal bonds, 3.69 percent. I repeat that figure—3.69 percent. Partially exempt Federal bonds, 1.12 percent. State and local bonds, 9.81 percent. Taxable corporate bonds, 4.80 percent. Corporation capital stocks, 55.23 percent.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. AUSTIN. Yes.

Mr. BROWN. That adds up to about 15 percent for tax-exempt bonds in the hands of the holders to which the Senator refers.

Mr. AUSTIN. Does it make any difference to the Senator that that is so?

Mr. BROWN. Yes; I think that shows a substantial part of the property to be in tax-exempt bonds.

Mr. AUSTIN. So far as I know there are other items which should be included.

Mr. BROWN. I simply wanted to bring out——

Mr. AUSTIN. There are not included real estate and other items which go into the total.

Mr. BROWN. I wanted to be sure that the Senate knew that there were Federal-tax exempts, State-tax exempts, and partially tax exempts in that list, and that together they amounted to 15 percent of the total.

Mr. AUSTIN. Oh, without doubt. I have another list to read also.

For estates less than $1,000,000, totalling $22,000,000,000, the following were the ratios—we are dealing with stocks and bonds, and not with real estate and other properties:

Wholly exempt Federal bonds, 1.05 percent; partially exempt Federal bonds, 2.46 percent; State and local bonds, 3.61 percent; taxable corporate bonds, 8.46 percent; corporation capital stocks, 36.14 percent.

Let me read the list of the average for all estates—and this covers them all over a period of 11 years—and then see if this is a big loophole, if this is a loophole which makes it necessary to reform the Government, to change the relationships between the Federal Government and the several States in order to plug the gap, without regard to the benefits which the inhabitants of the United States enjoy through the turning of this money into public works, schools, churches, and all the educational and benevolent institutions of this country. This is the average for all estates:

Full exempt Federal bonds, 1.90 percent; partially exempt Federal bonds, 2.03 percent; State and local bonds, 5.63 percent. We have called it, I would say in passing, 6 percent. Many an expert has testified before several different committees which considered this matter, that it was about 6 percent, and I presume that figure is about correct.

Mr. BROWN. Mr. President, will the Senator yield again?

Mr. AUSTIN. Yes.

Mr. BROWN. I did not quite understand to what years the figures apply.

Mr. AUSTIN. They represent the average for the 11 years 1927 to 1937.

Mr. BROWN. The Senator from Vermont will concede that whatever evil there may be—I am not asking him to concede that there is any evil in it because he probably would not—the benefit which the holder of such bonds receives is greatly increased by the extreme rise in income taxation since 1937 and 1938, when those figures were given.

Mr. AUSTIN. Mr. President, I do not agree with the theory of soak the rich and disperse the poverty. I do not belong to that school at all.

The other two items in that table are: Taxable corporate bonds, 7.27 percent, and corporate capital stocks, 42.35 percent.

Mr. President, let us assume—considering it in the light most favorable to the proponents—that this is a big loophole, and that because it is a loophole we should make the reform, and that we should now tax future issues of bonds of municipalities and States, what would we have done for the public welfare? Put it into effect, and what will we have done? We will have exaggerated that which the Senator from Michigan says is an evil. Thereby we will have lifted the value of all those old stocks and bonds, their competition with these new ones will be so remarkably advantageous, that instantly we pass this measure we lay in the laps of those who constitute the loophole a magnificent gift. If we are opposed to that, Mr. President, let us not create that relative disparity between future bonds and old ones. The unearned increment will be greatly increased if we adopt the proposal of the committee to tax future bonds and leave outstanding bonds untaxed. Is not that clear?

Suppose we should cover the whole list. What would we have done? Would we have lifted up any poor fellow who is now already saddled with taxes which are extremely difficult for him to pay? Would he get any of it? Not a cent. On the contrary, he would get the consequences of the lack of market for municipal and State securities, and he would pay through the nose, if he could. He would supply the deficiency with taxes levied upon his farm. He would be the one who would lose. In other words, we would indeed share the poverty, spread it, and increase it. We would not help matters by this effort to tear down the existing situation. We would not spread the bonds around among the poor. We would spread on them the added burden of increased cost of municipal financing.

Mr. BONE. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield to the Senator from Washington.

Mr. BONE. The Senator was reading some interesting figures from the records. I wonder if his figures show where the larger part of the municipal securities are held? I think most Senators are interested in learning where they ultimately come to repose.

Mr. AUSTIN. This particular statement does not show, but I know that other statements contain information along that line. I cannot lay my hand on them at the moment; but my recollection is that municipal securities are largely held by eleemosynary institutions and trusts. Does the Senator's question relate to where they are held geographically?

Mr. BONE. I was not referring to that so much as to the types of people or institutions holding them.

Mr. AUSTIN. The principal holders are trusts. Some are held by individuals who no longer care to make the adventure of life. We once had a man in the Senate who felt that as a matter of good faith to the Government of the United States he ought not to be engaged in

business through the ownership of common stocks and equities. He voluntarily gave up the right to profit by being the owner of equities and exercising control over the management of businesses, and put the principal part of his estate in Government bonds. He was not typical of the average private citizen. So long as a man has energy he does not want to retire to his rocking chair. He will put his money in ventures. He will buy equities. He will buy common stocks in sufficiently large quantities to enable him to exert some power over the policies of the institutions in which he has invested. So long as he believes that he has the physical energy and intelligence to justify his remaining in business, he will stay in business. He will not retire and invest his savings in public issues, which offer a limited income and no opportunity whatever to exercise the gifts which are greater than wealth.

Mr. BONE. Does the Senator object to interruptions?

Mr. AUSTIN. Certainly not.

Mr. BONE. I seek information.

Mr. BROWN. Mr. President, will the Senator yield to me so that I may answer the question of the Senator from Washington?

Mr. AUSTIN. I yield.

Mr. BROWN. The figures which the Senator seeks are in the statement which I made yesterday. Roughly, there are about $20,000,000,000 of such securities outstanding. I think the correct figure is $19,500,000,000—$7,800,000,000 are in the hands of individuals, $2,100,000,000 are in the hands of insurance companies, $3,700,000,000 are in the hands of banks, $500,000,000 are in the hands of ordinary industrial corporations, and there are almost $5,000,000,000 in the hands of governments. Of course, those in the hands of governments would not be taxable.

Mr. BONE. Does the Senator mean that governments have bought back their own securities?

Mr. BROWN. Yes.

Mr. AUSTIN. Many of them are nontaxable because they are in the hands of eleemosynary institutions.

Mr. BONE. I do not wish to interrupt the genial Senator from Vermont if he objects to interruptions.

Mr. AUSTIN. I welcome them.

Mr. BONE. I recall an experience in my State some time ago; and I try to keep that experience and others in mind in an endeavor to vote correctly on this proposal. I do not wish to ruin municipalities or individuals by my vote if I can avoid it.

A few months ago my city made an offer of light and power bonds of the revenue variety, with which the Senator from Vermont is familiar. They represent a common type of security. In that section of the country—and I suppose the same practice obtains in other places—when bonds are tendered the bid is on the interest rate, the bonds being sold at par.

The city obtained a bid of 1.74, or an interest rate of 1.74 percent. As I recall, that is lower than the interest rate on any Government security of long maturity. It was an ideal bid, and the city sold $4,000,000 worth of light and power bonds on that basis. They were straight revenue bonds.

Subsequently the city needed more money in the development of its municipal power system and it made a further offer of $4,000,000. However, in the interim there had been discussion about taxing municipal securities. Nothing was done, but there was general discussion preliminary to this character of legislation.

It is interesting to note the change in the next bid. The bid on the second $4,000,000 was made in the light of the impending possibility, it seemed, of legislation of this kind, and that bid was 2.2 instead of 1.74.

Yesterday I heard some of the arguments. The Senator from Oklahoma [Mr. LEE] quoted a decision of the Supreme Court in which one of the Justices said that this was not a tax on a municipality or a public body, but rather a tax on the individual.

That is both true and untrue. The Senator from Ohio [Mr. BURTON] later read an extract from an opinion of Justice Hughes which I think more clearly states the legal issue involved. If we tax such bonds the result is an increase in the bid price on the interest rate. That is immediately reflected back in an additional burden which the people of the city, county, or State must pay. To that extent I believe it is a burden. I do not know whether that is an argument or not, but it certainly is a fact.

Mr. AUSTIN. It is an argument which tends to prove that we are dealing with an essential function of Government.

Mr. BONE. I have talked with many lawyers who are dispassionate about this subject and who have no illusions. They do not care very much how we raise our money. They believe that we must raise it, but they regard this particular procedure as washing one hand with the other. I believe that is the expression which some of them have used. It is like taking money out of one pocket and putting it into the other. The Government has unlimited power to tax. It can clamp an income tax on the people of my State and obtain all it wishes from them by an income tax.

I am wrestling with this problem in my own mind, and wondering if the pending proposal is not a variant of the income tax. As a money raiser I believe that the benefits of the proposal to tax the income from municipal securities are more apparent than real. I do not know that it would serve the purpose which those who believe in it think it would serve.

Mr. AUSTIN. In the first place, I believe that the proposal before us would not now produce revenue of any consequence. In the long run, say 20 years from now, when events will have sufficiently changed the situation so that there will be a larger volume of income to tax, I believe that even then there will be no benefit to the States and separate communities. In fact, I believe there will be a greater loss then than there is now.

Mr. BONE. I should like to refer to another angle. If the Senator does not wish to have me interrupt him, I shall not do so.

Mr. AUSTIN. I am very pleased to have the Senator's contribution.

Mr. BONE. I think perhaps this discussion will be helpful to all of us. A number of men have talked to me about this angle. Perhaps Senators may be a little confused about it, because of lack of precise knowledge.

In this bill there is a reciprocal arrangement, under which the States may tax Government securities.

Mr. AUSTIN. It is not reciprocal. I do not believe the Senator has heard my argument on the question.

Mr. BONE. I have not. I do not wish to argue the question, because, frankly, I am not sufficiently well informed about the technical aspects.

Mr. AUSTIN. It is not reciprocal, because there is no agreement. On the one hand the Federal Government says to the States, "I will take." The States do not say to the Federal Government, "You may take; we give you permission to take."

Mr. BONE. We have no State income tax in my State, so it is probable that my State, as a State, could not, through the income tax, reach the income from Federal bonds.

Mr. AUSTIN. I have already pointed that out. There are 14 such States.

Mr. BONE. Many municipal and State issues are sold in the State of Washington. I presume the same thing applies to other States. The point which has always bothered me is, Where do those issues go? If they were held by the people of the State of Washington, that would be one thing.

I believe that many of such issues come to repose in the portfolios of institutions such as the Senator from Vermont mentioned. They go into banks and are sold to investors all over the country. The light and power bonds of my State were taken up by eastern syndicates, and I could not buy one in Seattle or Tacoma. I think they went to the East. Even if the proposed arrangement were wholly reciprocal, how much good would it do?

Mr. AUSTIN. On that point, a study of the Treasury Department's own estate-tax records throughout the period from 1926 to 1939, inclusive, shows that only 6 percent of the capital in all estates over $50,000—and that represents a large class—has been invested in State and local bonds. Think of it. We are really straining ourselves to bring about a momentous change.

Mr. BONE. In my opinion, the fallacy of the argument of the Senator from Oklahoma [Mr. LEE], yesterday, when he was quoting a Supreme Court Justice, lies in the fact that if we have to pay more interest on our municipal, State, and local bonds, which are issued for sewer projects, to increase the fire department, or to take care of some other public function, I, as a private citizen, have to pay more taxes in order to carry the added interest rate. I do not happen to own any of such bonds.

Mr. AUSTIN. It is a burden.

Mr. BONE. It is a burden on me, whether I own any of the bonds or not. I think there is a great advantage in the cities having as small a burden as possible to carry in the interest rate. Therefore it becomes important to know how much the Federal Government

might realize from the proposal and whether there is enough compensation in it to justify it.

Mr. AUSTIN. The claim and the evidence indicate about $3,000,000 to begin with.

Mr. BONE. Three million dollars a year?

Mr. AUSTIN. Yes. With a large tax bill such as the pending one, of course, that is a relatively small amount.

However, as I said at the outset, the amount of money which the Federal Government would obtain if the provision were incorporated in the bill makes no difference in my conviction that the proposed step is absolutely the wrong one to take from a governmental point of view. I think it is wrong in principle.

Mr. BONE. Of course, when even we allow reciprocal taxation we get into a mad race; and it involves what I know has been regarded rather cautiously by many lawyers in times past, letting down the bars and letting governments tax one another. It might lead to a very peculiar situation. I cannot analyze it to its ultimate conclusion to suit myself or to know what the correct answer is; but I have had some misgivings about taxing municipal bond issues. I think there are misgivings in the minds of many of the people of the country. Not long ago I heard a radio broadcast which left the impression that an astronomical amount of such securities is outstanding. Of course, I know that a man receiving only 1¾ percent interest on bonds would have to have a great many of them in order to receive from them a large income. If he had $1,000,000 of them, he would receive a little over $17,000 a year as interest. A man would have to have a tremendously large estate in order to receive a large income from bonds bearing such a rate of interest.

Mr. AUSTIN. I think that the loophole argument is the most ridiculous one which has been advanced in support of the proposal. One of the witnesses who favored the proponent's view of the matter, Professor Williamson, has recently written that the extent of evasion by the rich through tax exemption has been exaggerated. In all events, I say that the evil consequences of the proposal so far outweigh the controversial issues as to how large a loophole may be involved, that, as has frequently been said, it amounts to a recommendation to burn down the barn in order to catch a few mice, as the Senator from Ohio said yesterday.

I believe that the most competent study which has yet been made of the holdings of State and municipal bonds is that made by Carl H. Chatters, executive director of the Municipal Finance Officers Association, in the Annals of the American Academy of Political and Social Science, in March 1941, in which he said—and this is directly on the point made by the Senator from Washington:

> According to my own estimates, individuals with annual incomes of $5,000 or more own $3,500,000,000 of State and municipal bonds.

If we assume an average rate of interest of 3 percent on the bonds, that means that the total amount of income which conceivably may be considered is $105,000,000 a year. Thus, the total individual income subject to tax which is in dispute here as a possible loophole amounts to only three-quarters of 1 percent of the national income, based on a national income of $120,000,000,000.

So, when we come to take a practical view and examine into the matter, we find that the loophole argument, which is that some persons are escaping taxation by means of ownership of tax-exempt securities, and which is the argument relied upon as the most important of all—in fact, from the special studies which the special committee made, I received the impression that the loophole argument was really the cause of the beginning of the movement—is the poorest sort of an emotional argument. The application of the committee's proposal would not benefit anyone, but would add to the burdens of the poor man, the man who owns his home, the man who owns an equity in a farm, and everyone else who would have to answer for the added burden of the cost of government of a town. He is the man who would have to bear the burden.

Who would receive any benefit from it? The Federal Government? Well, at the present time $3,000,000 is a very small amount.

Mr. BONE. We have been forcing down interest rates so rapidly in recent years that I wonder whether we shall be able to float securities very freely if reductions in interest rates continue. I do not know; perhaps there is a great deal of idle money, and perhaps men would rather have it tied up.

Let me suggest a problem: A little town wants to build a sewer. It is not a very wealthy town, and the only way to get the money is by means of a bond issue. It cannot tax the people enough to obtain the cash with which to pay for the sewer. It has to sell bonds. Under the committee proposal, the buyer of the bond would not know what he would be liable to be taxed in years to come; he would not know what the rate would be in years to come. Therefore, he would be tempted to bid up the interest rate on the bonds, if they were sold as they are sold in my State.

Mr. AUSTIN. That is the point. In other words, it would be upon the credit power of the governing body a burden which would fall before the exercise of the power, as the Supreme Court has held in a string of cases since 1913.

Mr. BONE. Of course, the buyers would want to hedge against the future; and therefore the small town would get "stuck," if I may use a vulgarism, with taxes that would be in the future. The man who would buy the bonds would be uncertain as to what he would have to pay; so he would hedge, take out some insurance, and bid up the interest rate before he would buy the bond. If all purchasers were in that frame of mind, the communities would have to pay a great deal more interest, and, under the circumstances I have mentioned, the purchasers of the bonds would manage to pass on to the community the added cost. That is why I think that, after all, it is a matter of washing one hand with the other. If all the money comes to repose in the Treasury of the United States, no one is helped very much, but the little communities will have had to pay a little more interest.

Mr. AUSTIN. I do not know whether it is washing hands or dirtying them.

Mr. BONE. I do not know how the Senator prefers to characterize it.

Mr. AUSTIN. I have the feeling which the Senator from West Virginia [Mr. ROSIER] stated so well yesterday when he said that what local governments are confronting if we continue to follow this leadership and trend is such a condition as that they will have to come on bended knees to the Federal Government and get their money there, or go without, and be deprived of their public works, their schoolhouses, their hospitals, their colleges, and their other eleemosynary institutions; they would no longer be independent and competent to take care of themselves, but would have to come to the supreme power, and ask for the necessary money.

Mr. ROSIER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. WALLGREN in the chair). Does the Senator from Vermont yield to the Senator from West Virginia?

Mr. AUSTIN. I yield.

Mr. ROSIER. I am not a statesman. I have simply been a student. I have been very much interested in the debate. I think it is a curious circumstance that the greatest debate on the tax bill should be about a matter which will not produce any revenue. [Laughter.]

Mr. AUSTIN. That is because something other than taxes is involved.

Mr. ROSIER. Those out in the country would think that when Senators were discussing the tax bill they would be deeply involved in some phase of it which would impose a large tax on someone or raise a great deal of money; but we have had almost 2 days' debate about a phase of the bill which all agree would not produce very much money for years to come.

So, the intriguing thing about the whole discussion, to me, is the principle back of it. There is no question that a great issue lies back of all the debate; and I desire to compliment the Senators who have participated in it. I think the Senator from Ohio [Mr. BURTON] showed that he had given great study and thought to the question, and the Senator from Michigan [Mr. BROWN] certainly presented a masterly argument on his side of the question. Now the Senator from Vermont is presenting a very able argument. To me, as a student, the question is intensely interesting and I have listened attentively.

The issue back of the argument is the relation between the taxing power of the Federal Government and the taxing power of the States and the various communities of the States. That is a vital thing.

Take my State, for example: A few years ago, under a tax-limitation amendment to our constitution, the municipalities of the State found themselves practically unable to raise funds to carry on their municipal activities. We set up a State liquor system. Back in the old

days the municipalities used to raise a considerable portion of their funds from licenses, but when the State liquor system was set up the State took all the profits. The communities and towns had to maintain order and take care of all the drunks, but the State took all the money derived by way of profits from the liquor business. In our State legislature we have had a fight for the last two sessions as to whether the State should be compelled to make a refund to the municipalities out of the profits collected on the sale of liquor.

The principle involved in this debate is, What shall be the relation of municipalities, counties, and States to the Federal Government in the matter of imposing, collecting, and distributing their taxes? For that reason, I think that, while it revolves around a proposal that does not mean any great additional revenue, it does involve a problem which is extremely vital to the operation of our Government. I compliment all the Senators who have taken part in the debate, which I have followed with great interest.

Mr. AUSTIN. Mr. President, I now wish to advert to the question of the Senator from Connecticut regarding the effect of the sixteenth amendment. As I recall, he asked me if I did not think that the people of the several States and of the United States agreed that the Federal Government could invade the States and tax the income of municipal bonds and State bonds and other securities; and I said "No."

I wish to say, as a preface, that if the Constitution did not set up a system by which the States could be distinct and separate sovereignties, having the need of a separate source of revenue for their existence, and the problem was confronting us here today of creating a government, I would say that, on the ground of policy, if on no other, we ought to provide an immunity from invasion of the States by the Federal Government and from invasion of the Federal Government by the States with respect to this vital function of the maintenance of the separate governments through revenues collected by them, or borrowed by them, or obtained in any way by which they could be obtained. In other words, what I am trying to convey is that upon ethical grounds, upon common sense, upon political grounds, I am opposed to the waiving of this immunity from taxation by each other, which, throughout the life of our country, has always existed on the part of the States and on the part of the Federal Government.

Mr. President, I shall not weary the Senate by reviewing numerous cases and discussing what they hold and the language in which the holding was couched. This work has been beautifully done already by the Senator from Ohio. But I ask anyone who is sufficiently interested in that element of the discussion to turn to the table of leading cases in the content table of the views of the minority, submitted by me as Report No. 2146, part II, Seventy-sixth Congress, third session, Special Committee on Taxation of Government Securities and Salaries created by Senate Resolution 303 of the Seventy-fifth Congress.

There practically on one page—there are four cases cited on the next page—are listed cases and decisions by the Supreme Court of the United States which include decisions rendered after the adoption of the sixteenth amendment and continuing down to the time the report was submitted. There is also for convenience, set forth in a line or two, a catch phrase from each of those cases which shows what it held bearing on this point. From the report it will not take 5 minutes to get a bird's-eye view of the history of this jurisprudence since the sixteenth amendment was adopted, and from it any man of reason, any man who is not so blind that he cannot see, must observe that the highest authority there is on questions of constitutionality, the Supreme Court of the United States, which was created particularly and uniquely for the purpose of construing the Constitution of the United States, has repeatedly and continuously held that the sixteenth amendment did not give any authority or extended scope of taxation. No new power whatever was considered; none was granted. Up to the time when the sixteenth amendment was adopted, Congress had just the same powers as the sixteenth amendment sought to confer, but when Congress tried to exercise them with respect to a tax which was not apportioned among the several States it bumped into trouble, and it was to escape that difficulty that the sixteenth amendment was adopted. The emphasis should be on the "without apportionment" clause of the sixteenth amendment, wholly and entirely, for that is its meaning as held by the Supreme Court repeatedly.

I like to use the National Life Insurance Co. case because the National Life Insurance Co. is a Vermont corporation, and I have personal acquaintance with the men who handled the case. They were friends of mine, and I was familiar with it when it was being tried. In that case the decision again asserted—and I quote this line:

> The United States may not tax State or municipal securities.

Could anything be plainer than that?

Mr. CONNALLY. Mr. President, will the Senator yield there?

Mr. AUSTIN. I yield to the Senator from Texas.

Mr. CONNALLY. The State of Vermont or the State of Texas, or any other State, in order to function as a State, must have a State capitol building, must it not?

Mr. AUSTIN. Yes, indeed.

Mr. CONNALLY. If, however, the State's efforts to provide the building must result in the issuance of bonds, and if the bonds are taxed by the Federal Government, is not the Federal Government then taxing a supposed sovereign for the right to exist?

Mr. AUSTIN. It is, and it is laying a burden upon the credit of the sovereign State before the credit power is exercised. That is one of the reasons why it is an invasion of a function which is exclusively that of the State and one that is absolutely necessary to its existence.

Mr. LUCAS. Mr. President——

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Vermont yield to the Senator from Illinois?

Mr. AUSTIN. I yield.

Mr. LUCAS. Can the able Senator from Vermont tell me whether or not the Congress in the past has ever attempted to levy or has levied a tax on municipal issues?

Mr. AUSTIN. Yes, and the question brings me to state the proof as to how the sixteenth amendment has been interpreted in actual practice. Good lawyer that he is, the Senator from Illinois recognizes that there is nothing that has more probative force in the construction of a constitutional provision than the current interpretation made of it by its authors and by those who first put it into effect, and certainly by the courts which have passed upon it ever since it was ratified.

Since 1913, when the sixteenth amendment was ratified, Congress has year after year and session after session virtually reiterated the principle that the United States may not tax State or municipal securities, and put its seal of approval on the principle by repeatedly and expressly providing, in every tax bill, that the income from such securities should be exempt from taxation. So we have the highest authorities on earth, we have the Congress of the United States, and we have the Supreme Court of the United States, unvaryingly, without a single break from 1913, when Article XVI of the amendments was ratified, down to the present time, respecting and consolidating the positions of the several States of the Union in respect of the most important and necessary function of government, namely, the raising of revenues for its existence.

Mr. LUCAS. I am not sure that I made myself clear. Yesterday when the Senator from Michigan [Mr. BROWN] was debating this very important revenue measure he made a statement in which he said, as I recall, that at one time in the history of this Nation legislation was enacted by which municipal securities were taxed. That is what I was referring to primarily. I know exactly what has been done since the sixteenth amendment was ratified, and I agree with everything the able Senator from Vermont has said. I did not have an opportunity to question the Senator from Michigan upon that point, and I am wondering whether or not the Senator from Vermont is familiar with the statement that was made, and familiar with the legislation referred to, if there was any.

Mr. AUSTIN. Mr. President, the question being asked me in that form, I should not feel like answering it directly, because I certainly do not know of the history to which reference is made. I do know that section 22 (b) (4) of the Revenue Code has for all these years exempted from taxation the income from bonds of States and political subdivisions of States. I do know that that is the best evidence of the view of the Congress of the United States of the meaning of article 16 of the amendments to the Federal Constitution.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BARKLEY. I think the Senator from Illinois and the Senator from Vermont will find that during the Civil War there was levied a general income tax, for war purposes, which included a tax on the income from municipal bonds. It was subsequently repealed, and, as I recall, never got into the courts at all, to be passed upon by the Supreme Court of the United States. But such a tax was levied for a few years, as I recall, beginning during the Civil War.

Mr. AUSTIN. I thank the Senator from Kentucky. I have observed that his memory is one of the phenomenal things about him, and he is a man whose capacity and character I greatly admire for other reasons also.

Mr. BARKLEY. I thank the Senator from Vermont.

Mr. LUCAS. As was stated by the Senator from Kentucky, that law was passed during the Civil War or immediately following the Civil War, and was primarily and solely for war purposes.

Mr. BARKLEY. Yes.

Mr. LUCAS. After the war was over and the purpose had been served, the Congress of the United States repealed the law before the Supreme Court had ever had an opportunity to pass upon the validity of the legislation.

Mr. BARKLEY. I think that is the fact.

Mr. LUCAS. Assuming that to be true, the provision now proposed is not to be enacted for any war purpose, but it is a principle which those sponsoring it are attempting to enact as legislation which will remain upon the statute books for all time, at least until it is repealed, or until it is passed upon by the Supreme Court of the United States and held not to be constitutional. In other words, as I follow the trend of the debate, there is very little to be gained, from the standpoint of raising revenue, by taxing the income from municipal issues, but the effort is now to fasten a principle not heretofore enacted into legislation to stand for all time to come.

Mr. AUSTIN. The Senator is correct.

Mr. LUCAS. To my mind there is a very serious question as to what should be done. I have attempted, in my limited way, to follow the debates on the subject, and I certainly do not want to do anything by my vote which may result in an encroachment upon the powers of the States.

Mr. AUSTIN. I submit that we should exert ourselves to protect the States.

Mr. LUCAS. I am inclined to agree with the Senator that we should do so. On the other hand, I desire to make it clear that I do not want to do a single thing in connection with any proposed legislation coming before the Congress of the United States that will thwart the war effort one iota, and I know that the Senator from Vermont does not want to do that either.

Mr. AUSTIN. Of course not.

Mr. LUCAS. That is constantly in my mind as I attempt to make a decision upon the very important question before us. If I thought for one moment that the proposed amendment would aid the war effort, and at the same time not seriously cripple the municipalities in any way, I would not hesitate for a moment to vote for the amendment. That question is hanging in the balance at the present time. I seriously doubt, from what I have heard from both the proponents and the opponents of the proposed legislation, that the benefits which we would derive, from the standpoint of revenue to help in the war effort, would be sufficient to justify overturning the great principle involved.

I thank the Senator for allowing me to make this brief statement.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BURTON. It seems to me that the statement the Senator from Illinois made was in the nature of a suggestion that perhaps the constitutionality of taxing income from municipal bonds had not been passed upon by the Supreme Court. It has expressly been passed upon. The taxation of interest on such bonds has been held to be unconstitutional, and I believe the clearest way to bring that into the RECORD is to quote briefly from an opinion delivered by Chief Justice Hughes, in the case of Willcuts against Bunn, in 1930. In that case he referred briefly to the matter now under discussion. He first referred to a case in which a State had attempted to tax Federal securities wherein it had been held by Chief Justice Marshall that such action was an intrusion of the State government on the Federal Government, Chief Justice Marshall had said:

> The right to tax the contract to any extent, when made, must operate upon the power to borrow, before it is exercised, and have a sensible influence on the contract. The extent of this influence depends on the will of a distinct government. To any extent, however inconsiderable, it is a burden on the operations of government. * * * The tax on Government stock is thought by this Court to be a tax on the contract, a tax on the power to borrow money on the credit of the United States, and, consequently, to be repugnant to the Constitution.

That decision held that a tax by a State upon Federal stock was unconstitutional.

Chief Justice Hughes then continued, reading from page 227, volume 282, of the United States Reports, as follows:

> This language was applied by the court in *Pollock* v. *Farmers' Loan & Trust Co.*, supra (157 U. S. at p. 586), in holding invalid Federal taxation "on the interest" from municipal securities.

That was a unanimous decision rendered by the Supreme Court in 1895, and it stands unchanged to this day.

It has been the law of the United States, as interpreted by the Supreme Court, that the Constitution precisely prohibits a statute such as the one now being proposed by the Committee on Finance.

Mr. AUSTIN. Was the Senator reading from the Dravo case?

Mr. BURTON. No, I was reading from the case of Willcuts against Bunn.

Mr. AUSTIN. That is a later case than the Dravo case, is it not?

Mr. BURTON. The decision in the case which I have read was rendered in 1930. I think the Dravo case was decided in 1937.

Mr. AUSTIN. The Dravo case is a later case. I shall later call attention to the language in the Dravo case. It is very applicable to the point the Senator from Illinois raised in his question.

Mr. LUCAS. I want to take the opportunity of thanking the Senator from Ohio for quoting the decision in the Willcuts case. As I listened to it, it seemed to be on all fours with the holding in the Pollock case.

Mr. BURTON. There is no question about the Pollock cases. There are two of them. The decision is on all fours. It It was recognized repeatedly in dicta. The court goes to great length to point out that they were not at that time overruling the former decision, or passing upon the issue now being discussed.

Mr. LUCAS. The decision in the Pollock case was handed down in 1895. That was a great many years ago, and we have been progressing since that time, and I take it that the proponents of the proposal now before us are hoping that the Supreme Court will overturn the decision of 1895. I do not know whether that argument has been made upon this floor, but apparently, if the Senator was correct in quoting the language, as I know he was, it is apparent that the Supreme Court will have to reverse itself in the event the proposed legislation is adopted and finally reaches the Supreme Court.

Mr. BURTON. That is clear, it will have to reverse itself, and the Court in several cases—and I dare say the Senator from Vermont can call attention to them—has directly commented on that fact.

Mr. AUSTIN. Mr. President, I referred to many of the decisions, though I do not believe to all. There have been about 30 decisions rendered since 1913 holding uniformly the same way, that this immunity is vital and that the Federal Government may not tax State and municipal bonds. The application was made in the case of James against Dravo Contracting Co. in 1937.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BROWN. Do the Senator from Ohio and the Senator from Vermont state that the Supreme Court has, since the decision in the Pollock case, passed on the question of whether or not income from municipal bonds is taxable by the Federal Government? If so, how did the question arise?

Mr. AUSTIN. Mr. President——

Mr. BROWN. There is only one answer which the Senator can make, and it is no. It never has passed upon the question.

Mr. AUSTIN. I think I shall have to read some cases to the Senate. If the Senator from Michigan asserts that the Supreme Court has not passed on this question since the Pollock case, let me read a few cases, and then let the Senator from Michigan make his own argument. The Senator made that claim yesterday. I was astounded then and am astounded now that the Senator should imply what he does imply. I will leave it to the Court, and read the language of the Court. Then the Senator

may do what he pleases with the language when he comes to respond.

Mr. BROWN. Will the Senator permit me——

Mr. AUSTIN. I yield.

Mr. BROWN. How could the Court pass on the question when no attempt has been made to impose the tax since 1895?

Mr. AUSTIN. I will read the language of the Court. I know of no better answer to the Senator from Michigan than the language of the Supreme Court of the United States. I am reading from page 28 of the minority report to which I referred before. I read from the case of *James* v. *Dravo Contracting Co.* (302 U. S. 134) the following language:

> There is no ineluctable logic which makes the doctrine of immunity with respect to Government bonds applicable to the earnings of an independent contractor rendering services to the Government. That doctrine recognizes the direct effect of a tax which "would operate on the power to borrow before it is exercised" (*Pollock* v. *Farmers' Loan & T. Co.*, * * * supra) and which would directly affect the Government's obligation as a continuing security. Vital considerations are there involved respecting the paramount relations of the Government to investors in its securities and its ability to maintain its credit—considerations which are not found in connection with contracts made from time to time for the services of independent contractors.

Reflect for a moment upon what the Court said in 1869. Remember I have been reading from a decision in 1937. I now turn back the pages to 1869. The Court then held:

> It may be admitted that the reserved rights of the States, such as the right to pass laws, to give effect to laws through executive action, to administer justice through the courts, and to employ all necessary agencies for legitimate purposes of State government, are not proper subjects of the taxing power of Congress.

Mr. LUCAS. Will the Senator repeat the last paragraph?

Mr. AUSTIN. Yes.

> It may be admitted that the reserved rights of the States, such as the right to pass laws, to give effect to laws through executive action, to administer justice through the courts, and to employ all necessary agencies for legitimate purposes of State government, are not proper subjects of the taxing power of Congress.

Mr. President, from that day to this the Supreme Court has unequivocally upheld the doctrine of State immunity in no less than 34 decisions extending down to and including the most recently decided cases. The 34 cases are listed in the brief submitted to Congress by the attorneys general of the States entitled "Constitutional Immunity of State and Muncipal Securities—A Legal Defense of the Continued Integrity of the Powers of the States," pages 60 to 62.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. LUCAS. As I understand, when that decision was written there was no legislation upon the statute books affecting the taxation of municipal securities.

Mr. AUSTIN. In 1869? I do not know.

Mr. LUCAS. I was wondering how the case got before the Court, and what caused the Court to make the decision which it made.

Mr. AUSTIN. I have digested that somewhere, but I cannot immediately find it.

Mr. LUCAS. I ask the question simply in view of what the Senator from Michigan said a moment ago.

Mr. BROWN. Mr. President, will the Senator yield to me for a moment?

Mr. AUSTIN. I yield.

Mr. BROWN. In the first place, the Dravo case was one which very strongly supports the position taken by the Senator from Michigan instead of that taken by the Senator from Ohio [Mr. BURTON] and the Senator from Vermont [Mr. AUSTIN] in this respect——

Mr. LUCAS. Mr. President, I am simply an innocent bystander trying to ascertain the facts.

Mr. BROWN. The controversy there was over a tax imposed by the State of West Virginia upon the gross receipts of a contractor having a Government contract to build——

Mr. AUSTIN. Is the Senator speaking about the Pollock case?

Mr. BROWN. No; the Dravo case. The case involved the right of the State of West Virginia to tax the gross receipts obtained from the Federal Government by a contractor who, under a contract with the War Department, built certain dams and locks in a river in West Virginia. By a 5-to-4 decision the Court held that notwithstanding the fact that the cost to the Government of the United States was increased by reason of the State tax upon the gross receipts of the contractor, it was nevertheless a valid tax. The Senator from Vermont cannot find any cases—there are not any—since the Pollock case, a case which will, in my judgment, be clearly overruled, and which I think is overcome by the sixteenth amendment, wherein the question of the right of the Government to tax bonds of a municipality or a State was submitted to the Supreme Court of the United States. The question never has been submitted since the Pollock case, because there has been no opportunity to do so. We have never attempted to tax such bonds.

Mr. AUSTIN. Yes, Mr. President, that is the turn which this sort of logic takes. The Court has not passed upon that point as the only or the direct issue necessary in order to decide the case. Those who present such an argument can get away with that all right, but they cannot get away from the well-considered reasoning of the Court which held time after time, in spite of the fact that it was not necessary to a decision of the case, that the Federal Government could not tax the income on the securities of States and municipalities.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BROWN. The Senator will remember that in Evans against Gore, the Supreme Court of the United States held that the salary of a Federal judge could not be taxed. The Senator will recall that very recently the Supreme Court reversed its decision in Evans against Gore, in the light of a much more reasonable basis of reasoning, in my judgment, and held that the salary of a Federal judge could be taxed. Precisely the same reasoning stands back of the power of the Federal Government to tax the income on municipal bonds.

Mr. AUSTIN. Mr. President, I cannot understand how the Senator from Michigan can face the language of the Supreme Court in decision after decision and make the arguments which he makes here in favor of this type of reform in government. There is not any doubt of this language in the National Life Insurance Co. case:

> It is settled doctrine that directly to tax the income from securities amounts to taxation of the securities themselves.

There is a breach between the word "themselves" and what I now read—

> Also that the United States may not tax State or municipal obligations.

My recollection is that in the National Life Insurance Co. case the Court passed directly upon the question of the power to tax State or municipal securities. Some of the bonds in the portfolio of the National Life Insurance Co. were of this character.

Mr. LUCAS. Mr. President, in what year was that case decided?

Mr. AUSTIN. It is the case of *National Life Insurance Co.* v. *United States* (227 U. S. 508), decided in 1928.

In Evans against Gore, a case in which Mr. Justice Vandevanter rendered the opinion holding that the salary of a Federal judge could not be taxed for the reason that it would be a diminution of his salary, the decision was based on another ground, as Senators can see; but he also passed upon the question which we are discussing, and said, after carefully examining the sixteenth amendment, that the situation was not remedied by the words "from whatever source derived," no new power being granted by the amendment.

There is no way of arguing around that. That was the reasoning of the Court, and if reason does not appeal to us, what is the use of debating the question.

The opinion in the Willcuts case, to which the Senator from Ohio referred, was written by Chief Justice Hughes. He distinguished between taxation of a municipal bond itself and taxation of the income, and approved the Pollock case. What is the use of arguing that the Pollock case was decided before the sixteenth amendment was adopted, and therefore does not apply, when decisions which were rendered after the sixteenth amendment was adopted refer to the Pollock decision and give it stability and active force? Is there no power at all in reason?

Mr. BURTON. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BURTON. I have before me the opinion in the Willcuts case. I read one sentence from the opinion by Chief Justice Hughes, on page 227. After distinguishing the case before the Court, he said:

> But it does not follow, because a tax on the interest payable on State and municipal bonds is a tax on the bonds and therefore forbidden, that the Congress cannot impose a nondiscriminatory excise tax upon the profits derived from the sale of such bonds.

In the case before the court, Chief Justice Hughes said that profits derived from the sale of such bonds might be taxed, but in reaching the conclusion he said:

> But it does not follow, because a tax on the interest payable on State and municipal bonds is a tax on the bonds and therefore forbidden—

It seems to me that the opinion of the Chief Justice is clear. He thought that the Pollock case was in effect, and that such a tax was forbidden.

Mr. AUSTIN. That is what he said about it. I take his word for it. I think he said what he meant, and meant what he said, no matter what this debate may provoke.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BROWN. The question in the Willcuts case did not involve the interest on bonds at all.

Mr. AUSTIN. No. That is plain. We understand that.

Mr. BROWN. A man had some municipal bonds, which he sold at a profit of some $760. The question was whether the profit was taxable. The Supreme Court held that it was taxable.

Mr. AUSTIN. At the same time, it held that the income was not taxable.

Mr. BROWN. The Court went on to say, as it has said on a number of occasions, that in its judgment the rule in the Pollock case still applied. I have never contended anything else; but the Senator from Vermont and the Senator from Ohio are too good lawyers not to know that it is a cardinal principle that a court speaks not through its opinions, but through its decisions. Since 1896, when the Pollock case was decided, it has not decided a case involving the power of the Federal Government to tax a municipal bond.

Mr. AUSTIN. Mr. President, I take issue with that last statement of absolutism regarding the decisions of the Court. I say that when the Court refers to the Pollock case and reaffirms it in a subsequent case, it adds to the strength and the moral authority of the principles of the Pollock case, and shows that those principles are in effect today, after the adoption of the sixteenth amendment, even though the Pollock case was decided before the sixteenth amendment was adopted. That is the value of those cases.

I now invite attention to another case, that of *Helvering* v. *Mountain Producers' Corporation* (303 U. S. 376). This case was decided in 1938. The Chief Justice rendered the opinion. In that case he took up the Pollock case. The immunity from taxation of such bonds was distinguished, and the Pollock case was reaffirmed.

How far are we going with this? We are about to make a decision of the greatest importance. By our vote on the amendment of the Senator from Ohio we are to say, after full consideration and debate, whether we now stand for freedom, as our predecessors have stood for 150 years, or whether we are to break down one of its most essential protectors and bastions.

We are now about to decide by our vote whether we think we are wise enough to overrule the repeated decisions of the Congress relating to the sixteenth amendment—repeated every year since that amendment was adopted in 1913—and now do away with the immunity which the States and municipalities enjoy by virtue of constitutionalism—an immunity not expressed directly in the Constitution but expressed in the lives of our people as represented by the Congress of the United States and the Supreme Court of the United States. In time of war are we to stand for freedom by maintaining freedom's bastions, or are we to vote against it by opening the door to further centralization of power and removal of the protection which the States have enjoyed against encroachment upon a function which is absolutely essential to their existence? For my part, I shall support the amendment of the Senator from Ohio.

Mr. THOMAS of Utah obtained the floor.

Mr. GEORGE. Mr. President, will the Senator from Utah permit me to dispose of one brief matter and then suggest the absence of a quorum?

Mr. THOMAS of Utah. I yield.

Mr. GEORGE. Mr. President, the next amendment passed over is on page 91, after line 13, under the heading "Credit for dividends paid on certain preferred stock." The Senator from Maine [Mr. BREWSTER], the Senator from Alabama [Mr. BANKHEAD], and other Senators have brought the situation to the attention of the committee, and after conference with the staff and with the Treasury representative, we are of the opinion that the proposed amendment to the committee amendment ought to be adopted. The amendment to the amendment would simply strike out the word "nonvoting" in the committee amendment. It has been discovered that under the constitutions and laws of some of the States a strictly preferred stock is given certain voting privileges. Moreover, the Securities and Exchange Commission has required the insertion of a limited voting privilege in the issuance of some preferred stocks.

If that is the only feature of this particular amendment which caused it to be passed over, I am ready, with the consent of the Senate, to accept the amendment to the amendment, and let it go to conference. Is that agreeable to the Senator from Michigan?

Mr. BROWN. Mr. President, I am very happy to learn that the Senator has accepted the amendment to the amendment, because the situation in Michigan is similar to that in Alabama, Maine, and other States. I think the amendment to the amendment would add very much to the provision, and would carry out my own original idea in presenting it to the Finance Committee.

Mr. GEORGE. Mr. President, I ask unanimous consent for the present consideration of the committee amendment on page 91, after line 13, which has previously been passed over.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 91, after line 13, it is proposed to insert:

SEC. 134. Credit for dividends paid on certain preferred stock.

Section 26 is amended by inserting at the end thereof the following new subsection:

"(h) Credit for dividends paid on certain preferred stock.—

"(1) Amount of credit: In the case of a public utility, the amount of dividends paid during the taxable year on its preferred stock. The credit provided in this subsection shall be subtracted from the basic surtax credit provided in section 27.

"(2) Definitions: As used in this subsection and section 15 (a)—

"(A) Public utility: The term 'public utility' means a corporation engaged in the furnishing of telephone service or in the sale of electric energy, gas, or water, if the rates for such furnishing or sale, as the case may be, have been established or approved by an agency or instrumentality of the United States or by a public utility or public service commission or other similar body of the District of Columbia or of any State or political subdivision thereof.

"(B) Preferred stock: The term 'preferred stock' means stock issued prior to September 1, 1942, which on September 1, 1942, and during the whole of the taxable year was nonvoting stock the dividends in respect of which were cumulative, limited to the same amount, and payable in preference to the payment of dividends on other stock."

The PRESIDING OFFICER. Is there objection to the present consideration of the amendment? The Chair hears none.

Mr. GEORGE. Mr. President, I offer an amendment to the amendment on page 92, line 15, after the word "was", to strike out "nonvoting."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. GEORGE. I now suggest the absence of a quorum, before the Senator from Utah [Mr. THOMAS] begins his address.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	O'Daniel
Austin	Gillette	O'Mahoney
Bailey	Green	Overton
Ball	Guffey	Pepper
Bankhead	Gurney	Radcliffe
Barbour	Hatch	Reed
Barkley	Hayden	Reynolds
Bilbo	Herring	Rosier
Bone	Hill	Schwartz
Brewster	Holman	Shipstead
Brooks	Johnson, Calif.	Smathers
Brown	Johnson, Colo.	Smith
Bulow	Kilgore	Spencer
Bunker	La Follette	Stewart
Burton	Langer	Taft
Butler	Lee	Thomas, Idaho
Byrd	Lodge	Thomas, Okla.
Capper	Lucas	Thomas, Utah
Caraway	McCarran	Truman
Chandler	McFarland	Tunnell
Chavez	McKellar	Tydings
Clark, Idaho	McNary	Vandenberg
Clark, Mo.	Maloney	Van Nuys
Connally	Maybank	Wagner
Danaher	Mead	Wallgren
Davis	Millikin	Walsh
Downey	Murdock	Wheeler
Doxey	Murray	White
Ellender	Norris	Wiley
George	Nye	Willis

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. BROWN. Mr. President, I ask unanimous consent that at this point in the RECORD there be printed the opinion of the Department of Justice on the constitutionality of the issue now before the Senate—the right of the Federal Government under our income-tax laws to tax the income from bond issues of State and municipal governments.

For the benefit of the Members of the Senate I desire to emphasize the conclusions reached by the Department:

The foregoing and an abundance of similar evidence permitted the conclusion to be reached in our study that the preponderant understanding of the States at the time of the ratification of the sixteenth amendment was that its adoption would in all probability carry with it the power to tax the income from State and municipal bonds.

We should like to reiterate, however, that the constitutionality of the proposed legislation does not depend exclusively upon the acceptance of our construction of the sixteenth amendment, namely, that the words "from whatever source derived" mean exactly what they say, and as so interpreted clearly embrace income from Government securities. With full confidence, the validity of our conclusion may rest upon the basic proposition previously discussed that no implied constitutional immunity from Federal taxation attaches to interest received from State and municipal obligations.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,
Washington, April 14, 1942.

HON. RANDOLPH E. PAUL,
Tax Adviser to the Secretary of the Treasury, Washington, D. C.

DEAR MR. PAUL: On June 24, 1938, Hon. James W. Morris, Assistant Attorney General in charge of the Tax Division of the Department of Justice, transmitted to the Honorable Herman Oliphant, general counsel of the Treasury Department, a comprehensive study of the constitutional aspects of the taxation of Government bondholders and employees. Copies of this study were also made available to the appropriate congressional committees.

You have requested our opinion on the constitutionality of the proposal by your Department to subject to Federal income tax the interest received hereafter on outstanding and future issues of State and municipal bonds, with special emphasis on legal developments subsequent to the publication of our study. We are pleased to comply with your request and submit the following views.

In our earlier study we expressed the following conclusion:

"It is believed that there can no longer be found in the decisions of the Supreme Court any rule of continuing authority which would raise a constitutional prohibition against applying the Federal income tax to State bondholders, officers, and employees."

You are no doubt aware that since that time the decisions of the Supreme Court on the question of constitutional tax immunity have all served to reinforce and confirm that conclusion. The trend toward a limitation of such immunity, which had developed when we published our study in 1938, has continued without interruption to the present date.

We are, of course, no longer concerned with the power of the Federal Government to tax the income of State officers and employees. The decision of the Supreme Court in *Graves* v. *N. Y. ex rel. O'Keefe* (306 U. S. 466), and the enactment of the Public Salary Tax Act of 1939, have removed that problem from the field of controversy. Taxation by both State and Federal Governments of the salaries of public employees is now an accepted incident of our fiscal system. The only remaining question is whether the income received from State and municipal obligations may be subjected to Federal taxation. In our view, the answer is as clear and certain as the solution of any legal problem can ever be prior to a final determination of the precise issue by the Supreme Court. It is our considered opinion that the Congress does have the power to tax such income.

It is, of course, true that the Supreme Court concluded in *Pollock* v. *Farmers' Loan & Trust Co.* (157 U. S. 429, 158 U. S. 601) that a Federal tax could not validly be imposed upon income derived from municipal obligations. That decision was based upon the theory that a tax on income was a tax upon the source from which the income was derived. Thus, a tax on the income from municipal bonds was the equivalent of a tax upon the bonds themselves, and, therefore, an unconstitutional burden upon the power to borrow. However, this reasoning has been completely discredited in later opinions of the Supreme Court. With the destruction of the premise of the Pollock case, its conclusion must also fall.

"The theory, which once won a qualified approval, that a tax on income is legally or economically a tax on its source, is no longer tenable * * *," said the Supreme Court in March 1939, in *Graves* v. *N. Y. ex rel. O'Keefe* (306 U. S. 480). Less than a year earlier in *Helvering* v. *Gerhardt* (304 U. S. 405), the Court had sustained a Federal tax upon the salaries received by employees of the Port of New York Authority. The claimed immunity, if allowed, would in the Court's opinion (p. 424) have imposed "to an inadmissible extent a restriction upon the taxing power which the Constitution has granted to the Federal Government." The imposition of a State tax upon the salary of a Federal employee was similarly held in the O'Keefe case not to place an unconstitutional burden upon the employing sovereign. *Collector* v. *Day* (11 Wall. 113), another landmark decision like the Pollock case, was thus overruled. The express denial in the O'Keefe case that a tax on income was the equivalent of a tax upon the source represented no new thought but was rather a reiteration of a principle which had been applied in the court's prior decision in *New York ex rel. Cohn* v. *Graves* (300 U. S. 308), and in *Hale* v. *State Board* (302 U. S. 95). There, too, it had been recognized that "income is not necessarily clothed with the tax immunity enjoyed by its source."

The opponents of the pending proposal urge that it would produce an unconstitutional "interference" with State governments. Translated into practical terms, the interference complained of is merely the increased cost of future public borrowing which might be occasioned by the tax. It is significant that this increased cost involves no discriminatory burden. Rather, it represents the effect of placing income from private and public sources upon the same plane of equality. The absence of any element of discrimination would be helpful in sustaining the constitutionality of the proposed tax.

Until the Supreme Court handed down its decision in *Alabama* v. *King & Boozer* on November 10, 1941 (314 U. S. 1), there was room for the view that, despite the decisions affecting public employees a constitutional immunity from taxation might possibly be accorded to Government bondholders. Mr. Justice Stone had stated in the O'Keefe opinion, page 486, that there was no basis "for the assumption that any * * * tangible or certain economic burden is imposed on the Government concerned as would justify" a decision that the tax upon the employee's salary was invalid.

On the other hand, it is no doubt true that the issuing government would bear a part of the economic burden of an income tax imposed upon the bondholder. Nevertheless, this Department did not attach to the statement of Mr. Justice Stone the significance urged for it by those who have opposed the legislation now suggested. The recent decision in Alabama against King & Boozer confirms our view. It is now clearly established that the validity of a tax upon bond interest will not be affected by the increased likelihood that the economic burden will in some measure be passed on to the Government.

The question in the Alabama case was whether an Alabama sales tax, which was to be collected from the buyer, was unconstitutional in its application to purchases made by a contractor engaged by the United States under a cost-plus-a-fixed-fee contract. It was quite clear, of course, that the entire burden of the tax would be borne by the Government. In fact, the Government had agreed with the contractor that State taxes, if valid, would constitute part of the cost of the project and would be assumed and borne by the Government. Hence there was no uncertainty as to the economic effect of the tax as in the earlier case of *James* v. *Dravo Contracting Co.* (302 U. S. 134), which involved a lump-sum contract The Supreme Court nevertheless sustained the State exaction. In the course of its opinion the Court made the following observation (pp. 8–9):

"So far as such a nondiscriminatory State tax upon the contractor enters into the cost of the materials to the Government, that is but a normal incident of the organization within the same territory of two independent taxing sovereignties. The asserted right of the one to be free of taxation by the other does not spell immunity from paying the added costs, attributable to the taxation of those who furnish supplies to the Government and who have been granted no tax immunity."

Thus, the Supreme Court finally laid to rest the theory that an economic burden in terms of increased governmental costs invalidates a tax. The earlier opinions in *Panhandle Oil Co.* v. *Knox* (277 U. S. 218), and *Graves* v. *Texas Co.* (298 U. S. 393), were held untenable so far as they supported the contrary conclusion.

A decision which supports State taxation of Federal cost-plus-a-fixed-fee contractors would operate at least equally to sustain a Federal tax imposed upon State bondholders. Both relationships rest upon contract; one involves the furnishing of supplies and services, the other money. The tax in each instance would increase the cost of governmental operation: In the case of the State tax on the Federal contractor, to the full extent of the tax exacted; in the case of the State bondholders, to some extent which is difficult of precise ascertainment. Paraphrasing the language of the Supreme Court in the Alabama case, we may therefore conclude that so far as a nondiscriminatory Federal income tax upon a holder of a State obligation enters into the cost of borrowing, that is but a normal incident of the organization within the same territory of two independent taxing sovereigns.

What has been said thus far as to the power of the Federal Government to impose a tax upon income received from State obligations applies with equal force to all interest hereafter received whether upon future issues or upon outstanding obligations. No constitutional question as to the validity of a retroactive tax is involved. (See *United*

States v. *Hudson* (299 U. S. 498), and cases cited therein.) The proposed tax reaches only future income, and is therefore entirely prospective in operation. It possesses the same constitutional validity as the income tax imposed by the Public Salary Tax Act of 1939 upon the income received after 1938 by all Federal judges, irrespective of the date of their appointment to office.

The assumption, which was formerly prevalent that interest received upon State securities was immune from Federal taxation, is analogous to the assumption of many years standing that under *Evans* v. *Gore* (253 U. S. 245), an income tax upon the salaries of Federal judges would be unconstitutional as a diminution of their compensation. The salaries of some Federal judges were made subject to the income-tax laws by the Revenue Act of 1932, which required that all compensation received by judges taking office after June 6, 1932, the effective date of the act, be included in gross income. Judges who had taken office prior to June 6, 1932, were thus given a statutory tax immunity. In the case of the bondholder, express statutory exemption was included in the act of October 3, 1913, and this provision was repeated in later acts. With the realization that tax immunity of judges who had taken office prior to June 6, 1932, was not a constitutional requirement, the Congress, by the Public Salary Tax Act of 1939, took the final step to remove it. The present proposal to tax future income of all State securities is therefore consistent with the procedure and objective of the Public Salary Tax Act of 1939. A further illustration of the application of the income-tax laws to future income arising out of transactions which were closed before the particular taxing provision was adopted may be found in *Burnet* v. *Wells* (289 U. S. 670). The grantor of an irrevocable trust was there held constitutionally taxable upon the trust income although the trust had been created before the enactment of the statute imposing the tax.

There is no constitutional basis for contending that income hereafter received upon outstanding State bonds must be free from Federal taxation because the obligations were issued and purchased on that implied or expressed understanding. The Federal Government was not a party to such contracts and the power of the Congress to enact a revenue measure is not fettered by any agreement between individuals or between an individual and a State. There are many illustrations of this proposition. Thus, in *Louisville & Nashville R. R.* v. *Mottley* (219 U. S. 467), an act of Congress which prohibited the enforcement of certain contracts for transportation was upheld, although applied to a preexisting contract. In *New York* v. *United States* (257 U. S. 591), an order of the Interstate Commerce Commission which increased an intrastate railroad rate was upheld even though the State charter had provided that a lesser rate should be charged by the company. See also *Norman* v. *B. & O. R. Co.* (294 U. S. 240).

It accordingly appears that no objection on constitutional grounds can be successfully raised against the proposal to tax the income hereafter received upon outstanding State obligations. Indeed, the assistant secretary of the Conference on State Defense has admitted that if Federal taxation of income arising out of future issues of State bonds is constitutional, "there remains no constitutional bar to Federal taxation of the income received from the bonds now outstanding." (Tax Immunity and the Revenue Bond, by Daniel B. Goldberg, a printed memorandum distributed by the Conference on State Defense, March 1940.)

The Department's study of 1938, referred to above, reached a second and alternative conclusion that irrespective of the weakened vitality of the Pollock case and *Collector* v. *Day*, there is sound basis for a construction of the sixteenth amendment which would remove the immunity of the State bondholder and officer. We there examined at length the history of the ratification of the amendment and presented as exhibits the evidence which would support that conclusion. Accordingly, we refrain from entering into that phase of the problem in detail. One brief observation, however, seems appropriate.

At the hearings last month before the Committee on Ways and Means of the House of Representatives reference was made to the fears expressed in 1910 by then Governor Hughes, of New York, that the proposed sixteenth amendment would authorize the taxation of interest received from State and municipal obligations. Reference was also made to the subsequent assurances of Senator Root and Senator Borah leading to the conclusion that the amendment was adopted by the legislatures of all the States with the views of the latter two in mind. The statements of Governor Hughes and of Senators Root and Borah, and of many others, were gathered and commented upon in our study. It is significant that a large number of public officials (some agreeing and others disagreeing with the construction placed upon the amendment by Governor Hughes) urged that if the Hughes construction was correct, it furnished an additional ground for the adoption of the amendment. Among these was Frederick M. Davenport, to whom Senator Root's letter had been addressed, and Senator Brown, of Nebraska, who was the father of the joint resolution submitting the amendment to the States. It is also significant that the New York Legislature rejected the amendment in 1910 after the message of Governor Hughes, but ratified it subsequently under the administration of Gov. John A. Dix, who vigorously championed the broadest interpretation of the amendment.

The foregoing and an abundance of similar evidence permitted the conclusion to be reached in our study that the preponderant understanding of the States at the time of the ratification of the sixteenth amendment was that its adoption would in all probability carry with it the power to tax the income from State and municipal bonds.

We should like to reiterate, however, that the constitutionality of the proposed legislation does not depend exclusively upon the acceptance of our construction of the sixteenth amendment, namely, that the words "from whatever source derived" mean exactly what they say, and as so interpreted clearly embrace income from Government securities. With full confidence, the validity of our conclusion may rest upon the basic proposition previously discussed that no implied constitutional immunity from Federal taxation attaches to interest received from State and municipal obligations.

Very truly yours,

SAMUEL O. CLARK, JR.,
Assistant Attorney General.

Mr. THOMAS of Utah. Mr. President, there are times in the history of our country which become epochal in relation to various things which the Government has done. I deem the action of the Senate Finance Committee in reporting two propositions almost epochal insofar as they will affect, and affect for the better, the taxing habits of our Government.

Despite what has just now been said by the Senator from Vermont, I have felt, and I think others have felt with me, that when the people spoke for the sixteenth amendment they asked for and they received a power which Congress had at first been denied, and that that power; granted under the authority of the Constitution, through the amending power, was meant for universal application in the ordinary sense in which I use that term. I do not mean that something from which no tax returns can be gained should be taxed merely in order to make taxes universal. I think it is perfectly proper and in keeping with the income-tax theory to permit the ordinary exemptions.

However, certainly the words "from whatever source derived" meant something. I have been told that every word in our Constitution is important, and especially important to constitutional lawyers, and that sometimes the weight of each word is equal to that of all other words. Of course, that is a fallacious statement, and no one would argue it.

However, we all know that an income tax had been attempted and had been denied by the High Court on constitutional grounds; that the sixteenth amendment was adopted in order to overcome a decision of the Supreme Court; and that with the adoption of the sixteenth amendment there was a change and a development of the American taxing powers.

The pending bill provides for a reduction of the exemptions so as to make it possible for the Federal Government to bring about taxation of income from municipal bonds and securities. It provides for a tax on gross income—a tax which, as I view the subject, is the most just of all taxes, because it is levied universally, without deductions, and without preferences. I hope and trust that this new proposal will become law, and that it may become a fundamental part of our income-tax procedure as time goes on. I say that, not as a constitutional lawyer, for I am not a constitutional lawyer, but as a matter of ordinary fairness as between individuals.

The sixteenth amendment was no sooner adopted than immediately the taxing power given Congress under the amendment started to be narrowed, and we soon learned that we could tax income from whatever source derived except judges' salaries; that we could tax income from whatever source derived unless it happened to be salaries of State officials or those receiving their money from State taxes; that we could tax income from whatever source derived unless it happened to be from a bond or security issued by a State or by a subdivision of a State. Gradually, through litigation, through contest, the words "from whatever source derived" were modified by condition after condition. Of course, if the fundamental theory in a democracy that people and things should be treated on the basis of equality is not accepted, then the narrowing of the taxing range seems logical to the man who likes special privilege; it seems logical to a person who believes that some should give and others should not; it seems logical to those who entertain the theory of taxation that there should be those who should not pay their just share of the burden.

Even when I was a beneficiary of tax interpretations I could never understand why my pay should not be taxed when the pay of a fellow professor in a neighboring institution was taxed.

I cannot even now understand the basis on which certain deductions are allowed. I cannot understand why—and this, perhaps, is an argument in favor of a tax on gross income—if I give a dime to somebody who needs it badly, I cannot be allowed a deduction in computing my tax, but if I give the dime to an intermediate agency, then I can be allowed the deduction, although the person who is to be the beneficiary will probably receive only 9 percent of the dime. That is one of the simple things to which, of course, great courts, and especially great lawyers who read decisions over and over again, never pay attention.

Mr. BROWN. Mr. President, will the Senator permit an interruption there, to allow me to interpolate a quotation from an editorial in the New York Times which says almost the same thing the Senator is now saying?

Mr. THOMAS of Utah. I should be glad to have the Senator do so, but I did not read the editorial.

Mr. BROWN. It is so close to what the Senator has stated that I think it buttresses and supports his argument. This was said at the time the sixteenth amendment was under consideration. Would the Senator mind if I read it?

Mr. THOMAS of Utah. I should be glad to have it read.

Mr. BROWN. The New York Times in an editorial published on March 2, 1910, said:

> The question regarding the constitutional amendment enabling the Federal Government to lay a tax on incomes "from whatever source derived" is not a question regarding the conflict of laws, or for the construction of an obscure statute, involving difficult question of principle. It is a question addressed to the man in the street regarding the adoption of a new policy as to which his views should and will prevail. It is a question without roots in the past and looking wholly to the future. The Supreme Court perhaps might listen patiently to such an argument as Senator Root's, but the men in the street will pay no attention to it, and should not.
>
> It is not a question for the Supreme Court. One man is theoretically as competent as another under universal suffrage to say whether the proposed constitutional enablement of the taxation of incomes from all sources means that incomes from some sources are not included, because they were not included when the Constitution was worded differently. The votes and the intelligence of the common people will and should settle this question. Indisputably they think and have a right to think that the proposition is that Congress may tax all incomes. The four words mean the same after the 4,000 words of Senator Root's argument are digested as before, and cannot be made to mean anything different, except by technicalities which can only prevail at the cost of defeating the people's will.
>
> * * * * *
>
> It is only necessary to find the meaning of a few easy words, and they are to be understood with the same freedom of natural and spontaneous interpretation as would be used in the case of private and personal interest. Only trouble can be made by substituting other words assumed to be equivalent, and arguing as though they were in the act, or that the meaning is otherwise because it ought to be otherwise. Millions will, through their Representatives, vote on the income tax who will never see Senator Root's argument, and who ought not to be troubled with it, their own interpretation of the language being the very thing in question. To argue that some sources of income will not be taxable because they ought not to be taxable, or because they have not been taxable before, is beside the point.

Mr. THOMAS of Utah. I thank the Senator, and I appreciate his reading from the editorial. I know that that is the way it looks to the man in the street. I do not for a moment discount the type of deduction made by the man in the street, because our Government operates as a result of the deductions of its citizens. Men do not go to the ballot box and weigh every argument in favor of this man or that man. They vote in favor of the man who they think better represents their ideas of the American system of government.

I said in the beginning of my remarks that, either consciously or unconsciously, we have done remarkable things which have produced the real evolution in the development of our constitutional scheme. Those things have been done as the result of certain stimuli. I think that the two recommendations of the Finance Committee, which I am now discussing, come as the result of long study and because that committee has consistently tried to make the income tax a fair and a just tax, and these two additions will make it a fair tax and a more just tax.

The argument, Mr. President, about our Federal system, about the destruction of sovereignty, about destroying the rights of our cities and of our States by taxing a person's income which is received from a State bond, does not appeal strongly to me. We sometimes say we are taxing State bonds; but there is no tax on the bond itself; the tax is on the individual income derived from the bond. There is a difference, and we should not allow our words to be confused in that manner.

It has been stated so many times that our Government would be destroyed by some act that I marvel that it is able to exist at all. Consider what has been done within the last 5 or 6 years in merely getting rid of various exemptions. In each instance the same argument was used that is now presented; yet the Federal Government has not been destroyed, the powers of the State legislatures have not been disturbed, and the power of Congress has not been greatly developed; but there is more justice in the land and there is a better understanding in regard to the fundamentals of our constitutional system. Every time the Federal Government has stepped forward with some great act which has made the continuous development of our country possible, we have been met with the same sort of argument. Lincoln thought that if we could fight to save the Union surely we could spend a little money to build a railway in order to keep the country knit together. Some contended that was unconstitutional. Consider the road program; think of the argument back in Jackson's time, think of the argument in Wilson's time, that such a program was unconstitutional and that the States would be destroyed if the Federal Government stepped in and built a road in a State without the State's consent. Of course, it got the State's consent.

What would have become of our automobile industry, indeed, would we have had any automobile industry, if it had not been for the statesmanship of those men who resolved an impossible situation? Some States could not build roads. How, in the wide world, could the State of Nevada, with its meager population and wealth, build a road connecting California and Utah, for example, without some kind of Federal assistance? Who would use the road that went across Nevada—would it be merely the people of Nevada? No. Roads are built for all the people.

Mr. President, the American Union cannot be destroyed by uniting the people. That is physically impossible.

I stand for these two proposals advanced by the Finance Committee because they are a step forward in the taxing process.

We were told by President Buchanan that the Federal Government could not help the States in their educational programs, and he vetoed the Federal land-grant act; but a greater statesman took the place of President Buchanan and signed the measure which brought into existence the Federal land-grant colleges.

Was the Union destroyed because some new States and new Territories were allowed to educate their people on the same basis with the richer communities? What would our Government have been, what would have become of this Federal organization which, it is said, is now going to be destroyed again because the Congress of the United States suggests that John Doe, who owns a city bond, shall pay an income tax on the interest he derives from the bond, just as he pays an income tax upon the dividend of some corporation situated in the same city which issues the bond?

How is the Federal system to be destroyed in that way? What is our Federal system? Is it a loosely knit organization made up of 48 separate States like 48 blocks which can be picked up and divided and thrown around? That is not a reasonable conception of the Federal Government.

I think no man understands better than I do the contribution to the science of government and the art of politics made by the master minds who framed our Federal system, and the great theory there should be one government dealing with those affairs which were common to all the people, and a separate government dealing with those affairs which were common to just a few people. That is the essence of the Federal system. One division as dependent upon the other.

When the fourteenth amendment to the Constitution of the United States was written, what a wonderful epoch was begun by bringing into existence a definition of American citizenship. The fourteenth amendment is generally looked upon as an amendment which gave us a false doctrine in regard to persons, but it is an amendment which makes it possible ultimately for the poorer persons in the poorer and the weaker States who are underprivileged because of the places where they live, to share as American citizens should share rights and privileges equally because of their citizenship.

Probably the definition of citizenship was quite accidental, because those who wrote the amendment were thinking of other things; but it is the most statesmanlike, most forward looking notion, so far as the science of government is concerned, that can be found in any of the constitutional schemes of the world, because it gives us a key to something which Webster thought could not be done and which Calhoun thought could not be done. Both those men in this very body debated with the same logic. That sovereignty is indivisible, and that it must be one, and therefore must be in the national government, was contended by Webster. That sovereignty is indivisible, and must be one, therefore must be in the States, was contended by Calhoun. We know both statements to be fallacious. It is possible to divide sovereignty on a cooperative basis, and the fourteenth amendment says that "All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and"—and here duality comes into our scheme—"and of the State wherein they reside."

Mr. President, we have now, through these great mediums set up by the American Government, a key to governmental organization as large as we want to make it without in any sense destroying the individual or without in any sense destroying the community. That is the genesis of the American Constitution, and that is what has come as a result of growth in the American Constitution. That is what is in the American Constitution, because the fathers in writing the Constitution established, as Marshall proclaimed, a document which was to last through the ages, not to last so ironbound that it would destroy itself, not even to grow under the idea which became dominant after we got away from Newton's balance theory and accepted as our great fundamental Darwin's theory of growth. We want to go even further than that, and we can go even further than that, because in the philosophy of citizenship enunciated by the fourteenth amendment we have a new idea about politics and a new ideal of government, government which can expand itself and take care of any evolution which may come.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I am glad to yield.

Mr. LANGER. I noted the distinguished Senator just mentioned politics. Yesterday the statement was made on the floor of the Senate that both the Democratic Party and the Republican Party in 1940 had planks in their platforms declaring in favor of taxing the income from State and municipal bonds. I therefore secured copies of the platforms, and have before me both the Republican and the Democratic platforms. After reading the plank in the Democratic platform I do not see how any Democratic Senator can help voting against the Burton amendment. This is the plank:

> To encourage investment in productive enterprise, the tax-exempt privileges of future Federal, State, and local bonds should be removed.

I read it again:

> To encourage investment in productive enterprise, the tax-exempt privileges of future Federal, State, and local bonds should be removed.

The distinguished Senator from Vermont [Mr. AUSTIN] said this morning that people had not voted on this question. Mind you, the Republican Party did not have any plank like this at all. They had no plank dealing with the subject. But the people of the United States—and I, myself, heard it mentioned from the platforms during the campaign—depended upon this plank, and thought that at last the income from the $18,000,000,000 of bonds was going to be taxed. Yet, with amazement, I listened yesterday, as I have this morning, to Democratic Senators arguing against taxing such income, when, as a matter of fact, they were elected upon this very plank.

In my judgment, if the Senator will give me one more minute, it is exactly on a parallel with what happened here some months ago, when Wendell Willkie was before the Committee on Foreign Relations and was interrogated, as all will remember, by the distinguished Senator from Missouri [Mr. CLARK], and was asked about the various speeches he had made. It will be remembered that he said, "It was just campaign oratory."

Mr. BALL. Mr. President, will the Senator from Utah yield?

Mr. THOMAS of Utah. I yield.

Mr. BALL. I have heard the statement just made by the Senator from North Dakota repeated so many times that I am tired of hearing it. I was in the committee hearing when Mr. Willkie was questioned, and what the Senator has repeated is not a correct quotation.

Mr. LANGER. I will say to the distinguished Senator from Minnesota that before I rose on the floor today I consulted the distinguished Senator from Missouri [Mr. CLARK], who, I am sorry to note, is not present. I particularly inquired of him as to exactly what had been said, and he replied that Mr. Willkie not only said, in response to his interrogation, what I have quoted, but that when the Senator from North Dakota [Mr. NYE] repeated the question, Mr. Willkie made the same statement. I was not a member of the committee, but my information on the subject was received from the Senator from Missouri [Mr. CLARK] only a few moments ago.

Mr. President, it does not make any difference to me. I am neither a Republican nor a Democrat. However, I am interested in the amendment under consideration. The Republican Party of North Dakota had in its State platform almost identically the same language that is in the Democratic national platform, and I, for one, believe in living up to the platforms we run on. I believe the people have a right to depend on the platforms which the various political parties adopt, and, so far as I am concerned, I intend to carry out the pledge I made to my people and vote against the amendment.

Mr. BURTON. Mr. President, will the Senator from Utah yield?

Mr. THOMAS of Utah. I yield.

Mr. BURTON. I should like to comment briefly upon the statement which has just been made by the Senator from North Dakota in connection with what he read from the Democratic platform. I assume he will not regard me as being bound by that platform.

Mr. LANGER. I stated that it was not in the Republican platform. I understand the Senator from Ohio is a Republican.

Mr. BURTON. That is correct. In interpreting the Democratic platform, I believe that the members of the Democratic Party intend to abide by the Constitution of the United States, and, therefore, even though they may have placed that plank in their platform, not fully appreciating at the time its effect upon local governments, I think it may be properly assumed that they expect to proceed in a constitutional manner, and, under the decisions of the Supreme Court, the amendment presented by the committee is unconstitutional. If they wished to proceed in the manner indicated in their platform, then they would proceed by way of proposing a constitutional amendment.

Mr. LANGER. I agree to that. They can do it either way. If they adopt the amendment here and the Supreme Court holds it to be unconstitutional, then certainly they would go ahead and submit a constitutional amendment.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. BROWN. I call attention to the fact that, as I stated yesterday, although I did not have the exact language at hand, the Republican program committee, headed by the late Dr. Glenn Frank, in its report to the Republican National Convention used the following language:

> We favor elimination of all tax exemptions of future issues of Federal, State, and municipal securities.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. BURTON. The report to which the Senator from Michigan referred was a report of a committee to the convention. The convention did not adopt that report on that point, but even that committee, I think, in its report, advocated only procedure by a constitutional amendment. The committee, of which the Senator from Michigan was chairman, which made an investigation some time ago of this matter, reported to the Senate a measure providing for taxation of State tax-exempt securities, I believe the Senator said, by a vote of 4 to 2, but when the measure came before the Senate, the Senate itself voted against such taxation by a vote of 44 to 30.

Mr. THOMAS of Utah. Mr. President, I am glad the Senator from Ohio brought up the constitutional question, not because I propose to answer it, but because I desire to tell of an incident. I think the Senator will grant that if we are acting unconstitutionally today, we probably acted unconstitutionally when we did away with other exemptions, actions which have been sustained by the courts

by reversals or at least by an evolution of the Court's idea of the Federal system.

In 1937 I had a discussion with the chairman of the Senate Judiciary Committee. He had introduced an amendment to the Constitution providing for overcoming the various exemptions in regard to bonds. I took the stand that a constitutional amendment was not necessary. I do not believe that a constitutional amendment is ever necessary to overcome a decision of the Supreme Court. Since its creation the Supreme Court has heard and considered only real causes.

Through its whole history it has refused to go into the field of advisory opinion. Every decision handed down by the Supreme Court is a decision dealing with a particular case. It is true that the dicta and the words of the judges in arguing the decisions have become the dominating thought, but those dicta have not become the dominating law of our land. If they had we would have had confusion worse confounded, and it would be impossible for any court to overcome a previous decision, because it would find itself engaged in such conflict of logic that it would forget the cause before it.

Mr. President, we all revere Justice Marshall, who wrote the opinion in the McCulloch versus Maryland case, but in that case he happened to make a statement which has been made the foundation for more false argument than probably anything else that Marshall ever said. He handed down a truism, a truism soon misquoted, a truism which is valid only to a certain extent, a truism which is utterly invalid in the experience of the United States.

The power to tax—

He said—

involves the power to destroy.

Soon politicians and judges were quoting Marshall's words as—

The power to tax is the power to destroy.

We know that taxation has been used in our own Government to destroy. But if, as argued, American liberty and the American federal system, the sovereignty of the free States, had depended upon a truism which is valid only to a certain extent, our Government would have hung by a thread so thin and so narrow that it would have disintegrated long ago. If the power to tax is the power to destroy, the States would have been destroyed time and time again.

Back in the last war I happened to be on a State pay roll. I would buy a railroad ticket and would not have to pay a tax. I would buy gasoline for a State car and did not have to pay the gasoline tax. I would buy tires for the State car and did not have to pay a tax on the tires. There were exemptions, exemptions, exemptions, simply because someone—not a court—but someone made a ruling that we dare not get into that field—we dare not—because Marshall away back in the McCulloch case said:

The power to tax is the power to destroy.

No, Mr. President, he did not say that. He said:

The power to tax involves the power to destroy.

Now we have changed all those things without destroying the sovereignty of the States. We have provided for the taxation of State salaries without destroying the power of the States. The only thing left is the taxing of the income on tax-exempt bonds.

Mr. President, what municipality in the United States is going to be destroyed if we start taxing John Doe because he receives some money from a municipal bond? Name the town, name the city, name the State. By a stretch of the imagination one can assume, I suppose, that all States and all cities are operated entirely on borrowed money; but they are not. Taxation of such income does not interfere with the taxing power of the local taxing units. It does not interfere with the taxing power of the cities. The argument is fallacious, just as fallacious as it has always been, when it has been put forth to stop some kind of improvement on the score that the power of the States would be destroyed.

Mr. President, in the past 4 or 5 years we have gone forward with a type of cooperation between the States and the Federal Government which may be spoken of as a system of borrowing money from the Federal Government instead of from private concerns. At any rate, most of the public-works program of the last several years has been built upon a cooperative system. There is no doubt that that system will be continued, first, because it represents an evolutionary notion.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. BAILEY. I should like the Senator to discuss the proposition that taxation of income derived from State or municipal securities is taxation of the State or the municipality. I waive the question of the power to tax being the power to destroy. Is not the taxation of such income taxation of the city? I will give the Senator an illustration. A city issues its bonds, which are nontaxable, and sells them at a premium or at a very low rate of interest. But let us say the city issues its bonds and that the income from them is taxable. The purchaser will not pay the premium, or else the interest rate is increased. In either event the people of the city or the people of the State issuing the securities are required to pay higher taxes in order to pay the increased interest on the bonds or the difference on the principal if the bond is sold below par. What strikes me is that we are dealing here with an indirect tax on the cities, the counties, and the States of this country. That is not the power to destroy, but where is it in accord with our system of dual government, if we do have a dual government? There are some vestiges of it left. How do we reconcile that policy with our system of government? That is my question.

Mr. THOMAS of Utah. Mr. President, all I have said up to the present time has been an argument which could be used in answering the Senator from North Carolina. I will not repeat what I have heretofore said. I am glad the Senator calls it simply an indirect tax instead of a direct tax.

Mr. BAILEY. I should like to make the record straight on that point. All Federal taxes are indirect. We will make no progress by making a distinction. If we levied a direct tax it would have to be apportioned among the States under the Constitution. For that reason there are no direct taxes levied by the Federal Government.

Mr. THOMAS of Utah. Mr. President, if I had a share of bank stock which paid me a dividend, and my State took some of the dividend money in taxation, that would not be a tax upon the bank.

Mr. BAILEY. Does the Senator dispute the fact that a tax upon the income of a city security or a State security is a tax which is a taking by a Federal act from the city or the State, as the case may be?

Mr. THOMAS of Utah. It is taking State money, I grant, but we tax salaries of State officials, and that money comes out of taxes imposed by the State.

Mr. BAILEY. But the State is not under necessity in that case. It does not have to raise the salaries. That is a matter of discretion with the State. The State issues bonds of necessity. They are issued for necessary purposes. The city issues bonds of necessity. It does not do so by choice; it is because of necessity, by reason of the growth of the city, for the construction of water works, and so on.

Mr. THOMAS of Utah. I cannot understand the logic of the Senator. Surely it is just as necessary to pay the salary of the governor of the State. His salary may be paid with money raised from the sale of bonds, but I hope no State does so.

Mr. BAILEY. I know that the Senator is a very able scholar and a thoroughly reasonable man. He draws a distinction between taxing the income from a bond issued by a State and taxing the salary of the Governor of a State. We take nothing from the State when we levy a tax on the salary of the Governor. If the salary is $10,000 and we take $4,000, the State continues to pay $10,000 for the services of the Governor. But when the State issues a bond, if the bond is subject to taxation, every purchaser knows it. The State must then sell the bond for less or pay a greater rate of interest. It is a case of necessity.

Mr. THOMAS of Utah. Granted; but I have sold bonds, and I have carried in the same portfolio bonds of this district and bonds of that city. I was not able to sell them on an equality. Let us take the State of Utah and compare it with the great State of Virginia, for example. Under the Senator's theory, in Utah we must pay more for money raised from the sale of bonds because, in theory, the man to whom the bonds are sold——

Mr. BAILEY. My very able friend sees the difference, without reflecting on a State, between a man with good security

and a man with none. I do not think the Senator's analogy will go very far.

Mr. THOMAS of Utah. But it holds in practice. Whenever a Senator says that when a State sells its bonds at a lower price than the price at which some other State sells bonds, that is a tax upon the people of that community, then I think my logic is just as valid as his. It is not a tax. It is because the bond is not worth as much.

Mr. BAILEY. I will not detain the Senator longer in his argument; but I should like to say that it does not appeal to me as being valid. Take the case of a man who has very little credit. Even in the District of Columbia, under the operations of a system devised by what we call the Sage Foundation, men pay as much as 32 percent for money. That is perfectly oppressive, hopeless, and outrageous. I do not approve it. Another man, a very able man, whose credit is good with everybody, obtains money at 1 or 2 percent. There is a difference in condition. There is no element of taxation. There is no element of compulsion. That is one of the unfortunate things due to differences in the conditions of men.

Consider the whole body of State, municipal, and county securities. There are others to come. There are schools to be built—and we have not gone as far in that direction as we must go—water lines to be laid, sewers to be built, and sanitary facilities to be established. They are comprised in the whole social fabric of municipal and State government. I have always thought that the States have a far greater social function than has the Federal Government. That is my doctrine; and that was the doctrine of this country until Mellon against Massachusetts, in 1922.

Suppose we should authorize the levying of the proposed tax. Immediately every State and every city would increase its interest rate, or reduce the premium. In any event, the effect would be a tax upon the State or the city. What is proposed by the bill is a taking by act of Congress. That troubles me very greatly. I do not like to see people escape taxation. The wealthy man who buys the bond of my city of Raleigh does not thereby escape Federal taxation. The city of Raleigh gets the benefit of it, and the people of the city of Raleigh are the people of the U. S. to that extent.

The argument about favoring the rich will not hold water. All we do is to permit the States, cities, and counties of the country to finance themselves; and the people of those States, cities, and counties get the benefit of it. It is universal in its application.

That, to my mind, is the nub of the trouble. If the Senator can clear it up, I shall not contend with him beyond the point where he convinces me.

Mr. THOMAS of Utah. Mr. President, I cannot be clear as to what is in any man's mind, especially after listening to the arguments of the Senator from North Carolina. However, other factors enter into the prices of bonds, and into the interest rates.

Mr. BAILEY. Of course, there are other things; but once we enact the proposed legislation, this factor will be constant.

Mr. THOMAS of Utah. Mr. President, without wishing to prolong the argument, let me say that if this year I buy a $100 bond which pays 5 percent, and next year buy one which pays only 3 percent, I realize that there is a difference. We are talking about different things. Incidentally, I did not say a word about taxing the rich, and I never do so, because my theory of the income tax is that it ought to be universal. That is one of the arguments which I put forward. That is why I favor the gross income tax. It is fair. I think of the person who is taxed. All the logic in the world cannot remove the fact that the income tax is on the person who receives the income, and not upon the bond, regardless of the consequences upon the bond.

Let us suppose that I own a $100 municipal bond, and a $100 bond of a corporation within that municipality, each of them paying me 5 percent interest. On the one I pay a Federal tax, and on the other I pay no Federal tax. If we change the illustration and consider two persons, one of whom owns the municipal bond, and the other the bond of the corporation, we have one person who is exempt from taxation. Each receives exactly the same amount.

As I understand the sixteenth amendment—not as a great jurist would see it, probably, and not as a judge would see it in handing down a particular opinion—the theory was to permit the Federal Government to tax the income of persons everywhere, from whatever source derived. That is the way I read the sixteenth amendment.

Mr. BAILEY. That may be the current view, but it is not the view to which we have all been accustomed. The sixteenth amendment says that the Congress shall have the power to tax incomes from whatever source derived; but I have previously contended—and the contention is satisfactory to me—that that amendment must be read in connection with the whole Constitution. I think it can be contended with reason and force that it was never intended that we should tax the securities of cities, counties, or States as though they were corporations. I think the Senator is unfortunate in undertaking to put them in the same category. The United States Steel Corporation is a corporation engaged in an industry. However, a State is a body corporate engaged in government. That is the great difference. I have heard many a man say that a city should be conducted like a corporation; that a city is a corporation, and all the citizens are stockholders. That is a very superficial view. It may make an illustrative appeal to an audience; but a corporation is one thing and a government is another.

I do not believe the Senator is safe in undertaking to proceed on the idea that there is an analogy in the matter of taxation, at any rate, between taxing income from the securities of a corporation and taxing the securities of a city, which is in corporate form, but which is infinitely more than a corporation. The Senator will agree with me that there is involved in a city all that is involved in the concept of government; but in a corporation there is involved merely the concept of managing a special interest.

Mr. THOMAS of Utah. However, through legal definition most cities are corporations.

Mr. BAILEY. Cities are incorporated, but that does not make them corporations.

Mr. THOMAS of Utah. I agree with the Senator. I should go very much further and say that no two city corporations are organized exactly alike. They are complex corporations; and therefore a rule about taxation may work in one community and may not work in another, because of the very complexity of the make-up. In one city there may be a city waterworks, a city streetcar system, and various other facilities owned by the city, which makes all the difference in the world.

Mr. BAILEY. There is a difference between imposing a burden on a corporation or business and imposing a burden upon a unit of government. We are dealing with a proposed action which is tantamount to a tax on another unit of government. It strikes me that that is the hurdle which we must all get over.

Mr. THOMAS of Utah. I will help the Senator over it by asking a question. Of course, I know that the Senator from North Carolina does not want to be convinced.

Mr. BAILEY. Let me say that I want to be convinced. I voted for the section. I have had a great deal of trouble in my mind about it. I have run into this very obstacle.

So I say to the Senator that he misunderstands me. I should like to be convinced. I should like to walk out of this chamber with a clear mind that I have done right. So if the Senator will convince me, I should like to have him do so.

Mr. THOMAS of Utah. Mr. President, I realize that I cannot convince the Senator. I realize, from the laughter all around me by my associates in the Senate that I have been put in a box, and that I cannot move out of it.

I believe that if the Senator from North Carolina thinks about the matter he will realize that by agreeing to the committee amendment the Congress of the United States would not be the imposer of a direct burden upon the municipalities. Any man who handles municipal bonds and who goes from bank to bank trying to find the high bidder, and who finally gets a bid that is 2 percent less, realizes that he does not get the bid which is 2 percent less as a result of any act of the Congress of the United States or of the Government of the United States. The burden which is imposed upon the taxpayer who buys the bonds is imposed by the banker or by the buyer of the bonds himself, and not by any act of the Government.

If, for instance, we assume that we shall be able to sell the bonds at a somewhat lower price, as we do, because the Federal Government says that the income from the bond issued by the instrumentality will not be taxed, of course that is valid. The purchaser pays more money for the bond because he can sell it for more money, and so on, and so forth. However, the Federal Government is not in the least responsible for that situation, and historically it is not legally responsible. It would be responsible for abolishing that advantage, and it is its abolition which I think is just.

Mr. BAILEY. Mr. President, let us consider a bond which yields 2½ percent net. Let us say it is a city bond. If we were to impose a tax upon it, so that it would yield 2¼ percent or 2 percent or 1¾ percent, according to the income of the purchaser, because we have graduated rates, immediately the purchaser would bid less for the bond unless the city raised the rate. There is the act of imposition. The starting point there is what the Federal Government did. The Senator will agree with me that the bond might sell at 2½ percent; the rate of return might vary with the war news.

However, here is the constant factor: If, as soon as the proposed tax is imposed upon the income from it, it sells at 2½ percent, at once the number of buyers in the market is reduced. At once we reduce the number of such buyers, and at once we reduce the par value. That is reflected either in selling at a premium or in selling below par.

I think that situation is what actuated the committee in heretofore exempting the income from bonds previously issued. The banks and insurance companies are filled with them. They have been the great purchasers of such bonds. If we take the income from past issues of bonds, we imperil the capital of thousands of banks and we injure a great many insurance companies. However, that is behind us.

Now we go forward and run directly into the proposition that any tax which may be levied under the authority of the bill which is before us will be reflected in an increased burden upon the city, the county, or the State, and that will be a burden upon the people of the city, the county, or the State, and by no means a burden upon any wealthy man who buys the bond.

Mr. THOMAS of Utah. I am sorry that the Senator used that last sentence if he was answering me, because I made no argument about what the wealthy man would make.

Mr. BAILEY. I was responding to the general argument; I did not hear the Senator from Utah say anything about it. That is the general argument.

I shall not interrupt the Senator another time; but now I should like to say that I think it was the Secretary of the Treasury, Mr. Andrew Mellon, who first recommended such a tax. I have not seen the report, but it was before the committee. He made a report, as alleged, that it would be unfortunate for the Federal Government to stand by and to permit a great body of tax-free securities to be outstanding for people to buy and thereby escape taxes. Mr. Mellon was an able financier. I understand that he made $100,000,000 or $200,000,000. Of course, I do not profess to be in any such class.

However, I think he was mistaken. I do not think we are proposing to take money from wealthy men by way of taxation. I do think that we are proposing to necessitate additional burdens of taxation upon the people who would have to bear them—the people of the cities, the counties, and the States.

That is the point which struck me; but I assure the Senator that if he can convince me, I hope he will do so. I am open to conviction. I should dislike to think that my mind was closed.

Mr. THOMAS of Utah. No one can convince the Senator if he accepts his logic in regard to the imposition of a burden; but I do not accept the logic in regard to the imposition of a burden so far as one being imposed by the Congress of the United States is concerned.

Mr. BAILEY. I beg the Senator's pardon. If I lay a tax on United States Steel it can pass on the burden to the purchasers of steel. If I lay a tax on a city bond the city must pass on the burden to the people of the city. I think it is the imposition of a burden.

I assure the Senator that I shall not further interrupt him.

Mr. THOMAS of Utah. I thank the Senator most heartily.

Mr. President, I have somewhat lost the trend of my thought, because I was referring to only two points, and I had no idea that I should speak at such length.

I have commended the Senate Finance Committee for reporting the two propositions; I have done so on the simple basis that the trend of the taxing habits of the United States in regard to income taxes has been to narrow the exemptions. I continue that line of discussion on the theory that the more universal the tax the better the tax from a democratic standpoint; the fewer the exemptions the better the tax from a democratic standpoint; the fewer the exemptions the less opportunity for special privilege, special consideration, and special write-offs.

The problem about which the Senator from North Carolina has been talking is a problem, not in law, but in simple government. It is a governmental process: Shall we maintain a taxing system which in theory is supposed to be equal and universal—with a graduated scale, of course—but which in fact is not? That is the question. The tax is imposed upon the individual, the receiver of the income. I still stand by the theory of the amendment "from whatever source derived." I think it is valid; I think it is proper.

It is because of the exemptions which have been made, it is because of the write-offs, it is because of the various amounts which can be subtracted from this man's income but which cannot be subtracted from that man's income, that I have always maintained that a fair, square, and just income tax is one levied upon gross income. Therefore, I repeat what I said in the beginning, that, from the standpoint of the growth and development of the taxing process, the Finance Committee has done a remarkable thing by recommending a gross income tax.

I started to tell of an incident of which I was reminded by the Senator from Ohio when he asked whether the Congress should proceed constitutionally or not. Of course, the Congress should proceed constitutionally; that is the only way in which it can proceed; but Congress does things in a different way today than they were done before, and the Supreme Court has changed its view as to the constitutionality of questions time and time again. I have never held that it took a constitutional amendment to overcome a decision of the Supreme Court.

We have adopted constitutional amendments to overcome such decisions, and the Sixteenth Amendment is one of them, but I believe that, as a theory of government, as a theory of logic, such a procedure is sometimes unnecessary. Therefore, in 1937, after the argument of the chairman of the Judiciary Committee, who said that the only way we could overcome various exemptions would be by constitutional amendment, I said if we could get another review of the question by the court we could overcome the exemptions by decision, because the court as then constituted would not stand by the Evans case and some of the other cases. I, therefore, submitted an amendment to the tax act of 1937, providing for a tax on gross incomes. I jokingly told the Members of the Senate who were members of the Judiciary Committee that I was going to write into the law the Constitution of the United States, and I quoted in my amendment the provision that there should be levied upon all incomes, from whatever source derived, and before any deductions were made one-half of one percent.

Of course, no one supported the amendment. To me it sounded like a simple amendment, Mr. President, but after the amendment was offered and was sent to the legislative counsel, when it came back it covered 29 full printed pages. That is how complex our taxing system has become; that is how disintegration has been setting in, and that is, in a little way, what is actually happening.

Since the adoption of the sixteenth amendment we have undertaken to tax income from whatever source derived, except in the case of the salaries of judges, and of State employees, and except in the case of bonds of certain kinds. The tendency of those exemptions was to narrow the taxing field. The first requirement of any government, if it is to grow and to build itself up, is to widen the taxing field constantly and everlastingly. It is an old truism that government must not tax that which produces but that which is produced, because when the capital structure is taxed ultimately the ability to pay taxes is destroyed.

Mr. BONE. Mr. President——

The PRESIDING OFFICER (Mr. SPENCER in the chair). Does the Senator from Utah yield to the Senator from Washington?

Mr. THOMAS of Utah. I am glad to yield.

Mr. BONE. Since we adopted the income-tax amendment to the Constitution—the sixteenth amendment—has the Supreme Court of the United States attempted to interpret the words "from whatever source derived" to afford a basis for the argument that the Federal Government cannot tax, for example, income from certain securities, or was that decision prior to the enactment of the present income tax law? I do not recall at the moment.

Mr. THOMAS of Utah. I cannot answer that question because I am not familiar with the decisions, but in deciding the Evans case I am sure that the Court brought in other parts of the Constitution instead of the sixteenth amendment, and I am sure that the practice which grew up after the last war, when the income tax became important, was developed entirely upon the fallacious interpretation of the decision in the Pollock case.

Mr. BONE. I never could follow the reasoning of the Court. It seems to have proceeded on some theory of contract, because the constitutional provision was too plain for words, that income, from whatever source derived, might be taxed. That does not require any interpretation, it seems to me. The people adopted that constitutional provision. So I have never been able to see the weight of the argument which has been advanced, that we have no inherent power to tax income. I think it is a matter of policy rather than of power.

I have not heard all the Senator's argument, but I assume it to be that Congress has the power by legislation to tax income from whatever source derived. It seems to me there can be no question about that, and I should like to see that particular principle of law laid at rest for once and for all, for I think that the theory which has been advanced that under the sixteenth amendment we cannot tax income from any source is fallacious.

Mr. THOMAS of Utah. I think the Senator from Michigan has a better answer to the Senator's question than I have, and I will ask him to reply to the Senator.

Mr. BROWN. The case of *Evans* v. *Gore* (253 U. S. 245, 1920) was a case involving the salary of a Federal judge. In that case the sixteenth amendment was referred to incidentally, but the basis of the decision in the Gore case was that the salary of a judge, under the constitutional provision, may not be diminished during the term for which he was appointed. The court held—I think erroneously—that the taxing of the salary of the judge was a diminishment.

Mr. BONE. That was a refinement of reasoning. It did not lower his salary; it merely taxed it after it came into his possession.

Mr. BROWN. It taxed it just as the salaries of all other citizens are taxed.

Mr. THOMAS of Utah. As a result of the decision, the average man on the street said that the judges were taking care of themselves.

Mr. BROWN. Very recently the case of Evans against Gore was overruled in *O'Malley* v. *Woodrough* (307 U. S. 272; 1939)—directly overruled and stated by the court to be overruled.

Mr. BONE. It seems to me, in the light of the clearly demonstrated viewpoint of the Supreme Court as presently constituted, that the court would never hold that we could not tax the salary of anyone. We are not certainly diminishing any man's salary by taxing it after it comes into his possession; we have not lowered his salary, but merely made him contribute the expense of running the Government and conducting the war. As to the principle of taxing income from municipal securities, I know a great many very persuasive arguments may be made on both sides of the question, and I listened with a great deal of interest to the argument of our friend the Senator from Vermont [Mr. AUSTIN], who probably presented as forcefully as anyone could the viewpoint that has been expressed many times by attorneys for municipal corporations, who have doubted the wisdom of such a tax for reasons apparent to every lawyer, but I think it is time to lay at rest the question of whether or not we can tax income from any source derived which is now exempt under the law.

Mr. THOMAS of Utah. I should like to see it laid at rest, because I know what was in the minds of the American people when they adopted the amendment.

Mr. BONE. That is correct.

Mr. THOMAS of Utah. Debating societies have talked about the income tax and discussed the great injustice which had been done to our Government because of the Supreme Court decision. We know the various theories in regard to the income tax which were brought into the argument in that case. It was stated that the tax would destroy our Government, destroy the Federal system, destroy everything that was good. We know of the argument made before the Supreme Court of the United States by a great jurist wherein he used words which shook the Nation, that the income tax was a communistic device and would bring about a change in the American standard of living for which the people would not stand. Such arguments make one laugh today, and yet the same argument is being advanced against the last step in the effort to overcome the extremely great injustice in regard to the spread of taxation.

Mr. BONE. Mr. President, will the Senator yield further?

Mr. THOMAS of Utah. I am glad to yield.

Mr. BONE. I do not believe that I am overstating the attitude of mind of the average man, but from my recollection of the argument advanced at the time the legislatures of the various States of the Union voted on the income-tax amendment which was proposed to them, I think I am only stating the truth, when I say that 999 out of every 1,000 human beings who read about it and talked about it believed sincerely that when their State approved the amendment it gave the Congress the right to tax incomes in this country from whatever source derived.

That was the overwhelming view, that was the belief people honestly cherished about it, and it came with a great shock to find that some incomes were not to be taxed.

Mr. THOMAS of Utah. If the Senator will read the statement of the Governor of my State to the legislature in recommending that the amendment be not ratified, he will find that he argued in just the way the Senator has argued, that the levying of an income tax should be reserved as a system of taxation by the States; that the ratification of the amendment would take away certain powers from the States which they then had; and that if income from whatever source derived were taxed by the Federal Government, the States would never be able to impose a State income tax.

Mr. BONE. That argument is advanced now.

Mr. THOMAS of Utah. It did not destroy the Union—although Utah voted against the amendment, I am sorry to say.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. THOMAS of Utah. I am glad to yield.

Mr. NORRIS. Suppose one were going to write an amendment which would give the authority to tax as is proposed in the committee amendment, I wish the Senator would tell the Senate what language he could use which would be plainer, in the effort to bring about that result, than the language of the sixteenth amendment itself, "from whatever source derived." Could the Senator think of anything that would be more comprehensive? Is there a possibility of any man framing words in the English language so as better to express the idea that power was given to tax all instrumentalities, than by the language of the sixteenth amendment itself?

Mr. THOMAS of Utah. The implication in the question of the Senator from Nebraska cannot be answered. There is no way of describing any source in language broader than "whatever source."

Mr. NORRIS. Then it follows that it cannot be done, and if the Senators who say we have no right to impose that kind of a tax are correct, it is impossible to frame an amendment which would give us that right.

Mr. THOMAS of Utah. It would mean it would be useless to reduce laws to writing.

Mr. NORRIS. Certainly.

Mr. THOMAS of Utah. It would mean, further, that if we interpreted it loosely, even as it has been interpreted by the courts, the Constitution would become meaningless.

Mr. NORRIS. Absolutely.

Mr. THOMAS of Utah. And the Constitution becomes purposeless if, for example, we decided every constitutional question according to the last decision,

instead of going back to the original document itself.

Mr. President, just one more word. Appeal has been made for the preservation of freedom and for the preservation of our Federal system. I do not know how to answer that kind of an argument. I have been reading the history of the United States covering the last 150 years, and each time our Government has moved forward in an expansion of its constitutional powers, the destruction of liberty has been predicted, and the destruction of the Federal Government has been prophesied. Yet we all know that, man for man, the American citizen today is much ahead of the citizen of the United States 150 years ago.

We know that, State for State, each State is stronger than it was then, even in a comparative sense. We know that the scheme of our constitution has so progressed that today the people of the United States realize that the constitution is the companion of the American people in accomplishing their political and social ends.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. LANGER. During the course of the Senator's remarks I asked him a question and made a statement which was disputed by the junior Senator from Minnesota [Mr. BALL], in regard to what Mr. Wendell Willkie said during a hearing before the Committee on Foreign Relations of the United States Senate. Because of the fact that there has arisen a question of veracity between the Senator from Missouri [Mr. CLARK] and the junior Senator from Minnesota [Mr. BALL], I have secured a copy of the report of the hearing to which I have referred, and will quote from it.

Under date of February 11, 1941, Mr. Willkie appeared before the committee, and a colloquy took place, from which I will cite the part that is material to the present discussion:

Mr. WILLKIE. You said he would not get us into war.

Senator CLARK of Missouri. No; I made no such promise for the President.

Mr. WILLKIE. As to the statement about the President, in the course of the campaign I made a great many statements about him. He was my opponent, you know.

Senator CLARK of Missouri. You would not have said anything about your opponent you did not think was true, would you?

Mr. WILLKIE. Oh, no; but occasionally in moments of oratory in campaigns we all expand a little bit.

A short time later the Senator from North Dakota [Mr. NYE] interposed. The following colloquy ensued, which appears on page 905 of the printed volume of hearings:

Senator NYE. In the same vein, at about the same time you remarked:

"I believe we should keep out of war at all hazards."

Mr. WILLKIE. Yes; and I think this bill provides the method of keeping out of war.

Senator NYE. You stated further:

"We are being edged toward war by an administration which is alike careless in speech and in action."

I think you have already discussed your present views on that score.

Mr. WILLKIE. Yes, sir.

Senator NYE. One more assertion of yours, that of October 30:

"On the basis of his—"

That is, Roosevelt's—

"past performance with pledges to the people, you may expect we will be at war by April 1941, if he is elected."

Mr. WILLKIE. You asked me whether or not I said that?

Senator NYE. Do you still agree that that might be the case?

Mr. WILLKIE. It might be. It was a bit of campaign oratory.

I submit, Mr. President, that that part of the Democratic platform which was adopted in 1940, on the 15th day of July, in which it was said to the people of America:

To encourage investment in productive enterprise, the tax-exempt privileges of future Federal, State, and local bonds should be removed—

was a definite pledge made by the Democratic Party to the people of America.

Mr. THOMAS of Utah. Mr. President, may I ask the Senator from North Dakota, since he has brought political parties into the debate, if there is any party in any State, or in the Nation, that would put into a platform a pledge that they expected to maintain this exemption and expect to get anywhere with the American people?

Mr. LANGER. They did, and they were elected. They were elected on the pledge which they made in their platform that they would take away the privilege of tax exemption from the rich.

Mr. THOMAS of Utah. Yes, and the Republican Party would have said the same thing, but it remained silent on the subject. It did not dare say the opposite, did it? Is there any party in the United States that would go before the people on a platform making the opposite declaration?

Mr. LANGER. I do not know about that. I know the Republican Party was silent on the subject.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. CLARK of Missouri. I have been informed that a few moments ago, while I was temporarily absent from the floor, the Senator from Minnesota [Mr. BALL] denied that Wendell Willkie had made a statement before the Committee on Foreign Relations of the Senate when it had under consideration the lease-lend bill——

Mr. CONNALLY. What difference does it make whether Willkie said it or not?

Mr. CLARK of Missouri. It makes some difference. The Senator from Minnesota undertook to question the statement of fact, particularly a statement in which I understand I was quoted.

Mr. President, the fact of the matter is that Mr. Willkie made the statement which has been attributed to him, not once, but twice, in the Committee on Foreign Relations, once in answer to a question by me, and some time later in answer to a question by the Senator from North Dakota [Mr. NYE]. There is no question about what Mr. Willkie said, and if the Senator from Minnesota was present and failed to hear it, I am sure he was the only one in the large company which was present at the hearing who did fail to hear it. Not only that but it was quoted the next day in every newspaper in the United States and was made the subject of considerable editorial comment througout the country.

I had nothing to do with injecting this question into the discussion here today, but I take this opportunity to call attention to the fact that on the same day, in the same hearing, on numerous occasions Mr. Willkie made a statement which was diametrically opposed to the statements which he has been making recently concerning a second front, when he predicted and asserted that a second front would not be necessary, that if we would merely send a few medium and heavy bombers, Germany could be bombed into submission in very short order, without any expeditionary force whatever being necessary.

Mr. GEORGE. Mr. President, if there is a question of what Mr. Willkie said, the Senator from Missouri is within his rights to have the RECORD speak the facts, but I believe that the passage of the pending tax bill is more important than what Mr. Willkie said during the last campaign, or what he is saying at the present time. I am sure of one thing, that Mr. Willkie furnishes so much text that if we undertake to debate it here we will not finish before the next Presidential election.

Mr. WALSH. Mr. President, I ask to have inserted in the RECORD a few of the many messages I have received from officials of the State of Massachusetts, including the commissioner of corporations and taxation, representing the Governor, and the mayor of Boston, in opposition to taxing the income from State and municipal bonds, which telegrams express my views on the pending question.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

BOSTON, MASS., *August 5, 1942.*

HON. DAVID I. WALSH,
United States Senator,
Washington, D. C.:

I strenuously urge your opposition to tax on municipal bonds. Such a tax would have serious effect on Boston's financial condition. Boston's views have been made known to Senate committee through Charles J. Fox, city auditor.

MAURICE J. TOBIN,
Mayor of Boston.

BOSTON, MASS., *July 27, 1942.*

HON. DAVID I. WALSH:

Your attention is respectfully directed to fact that Massachusetts, in fact all New England, will be very seriously handicapped if proposal to tax income from State and municipal securities is permitted to be made a part of Federal revenue bill. The structure of financing both because of constitutional as well as statutory limitations prevents many municipalities from borrowing without advantage of tax exemption, and in many instances even though borrowing could be had increased cost for the money because of abolition of tax exemption would cause communities of Massachusetts to suffer much by way of increased expenditures, and a sum far in excess of what Federal Government possibly

could gain for authority to tax. Examination of inheritance-tax returns here in Massachusetts demonstrates in so-called large estates there is practically no volume of tax-exempt securities; carrying out suggestion that at least so far as Massachusetts is concerned rich do not go to the purchase of tax-exempt securities. There is indication however in respect to borrowing, which have been canceled and the places to which interest on the bonds are forwarded that tendency in Massachusetts is for the institutions—educational, charitable, and religious—to gather in municipal and State bonds and not individuals or corporations of great wealth or influence. In my opinion it would be very definitely of injury to Massachusetts if such a propcsal as that of taxing State and municipal securities was made a part of Federal revenue program. It is urged that you oppose such enactment in interest of Massachusetts.

HENRY E. LONG,
Commissioner of Corporation and Taxation.

MASSACHUSETTS COLLECTORS AND TREASURERS' ASSOCIATION,
September 17, 1942.

The Massachusetts Collectors' and Treasurers' Association, organized some 35 years ago and representing the treasurers and collectors of the 351 municipalities in Massachusetts, in regular meeting assembled on this, the 17th day of September 1942, unanimously went on record as opposed to any congressional enactment which will make possible the taxing by the Federal Government of the interest from securities issued or to be issued by the State or its political subdivisions.

The secretary of the association, who attaches his signature hereto, was specifically instructed to call to the attention of the Members of the House of Representatives and the Senate of the United States the opposition of the association and its members to the passage of such legislation. In their opinion such an act would be detrimental to the well-being of Massachusetts and its cities and towns and would disregard that which has made it possible for Massachusetts and its cities and towns to give to its inhabitants through the years a form of benefit which has not been exceeded by any State in the Union. The inability of many municipalities to borrow, the extra cost to them, and the certainty that many things which should be constructed after the war cannot be undertaken if such a restriction is imposed upon them is more serious in the minds of the association than can be expressed in words as Massachusetts and its political subdivisions are strongly of opinion that, just as taking away their ability to tax, to affect in any way the borrowing of the State or its political subdivisions is comparable to destroying the sovereignty which they are anxious to maintain as well as the ability to furnish through their credit the very best by way of benefits to the individual inhabitants of Massachusetts whether expressed through State expenditure or through that of the cities and towns.

It is the opinion of the treasurers and collectors of Massachusetts that a vote to permit the taxing of interest from State and political subdivision securities will be a direct attack on the ability of the State and its political subdivisions to function as they have in the past and that such action is as unwarranted and unneeded as it is unwise and undesirable.

Because of the seriousness of this situation, the Massachusetts Collectors and Treasurers' Association addresses this, its first resolution of this kind in the whole period of its 35 years' existence, to the Members of Congress from this Commonwealth and urges, because the situation is important enough to pass a resolution, that every possible step be taken to defeat the enactment of such legislation to the end that there will be no change in the policy which has proven wise through the years and which has been of extreme help to the continuity of activities by the cities and towns.

Respectfully submitted by order of the Massachusetts Collectors and Treasurers' Association representing the treasurers and collectors of the 351 cities and towns of Massachusetts.

NATHANIEL M. NICHOLS,
Secretary.

CITY OF WORCESTER, MASS.,
AUDITING DEPARTMENT,
September 21, 1942.

Hon. DAVID I. WALSH,
United States Senate,
Washington, D.C.

DEAR SENATOR WALSH: I am greatly disappointed to learn that the Senate Finance Committee has again voted to include the taxation of future issues of municipal and State bonds in the current revenue bill now being prepared for presentation to the Senate as a whole.

It is deplorable that a government that is attempting to raise eight billions in the proposed tax bill to support a war for freedom in all its phases, including constitutional rights, should include in the bill taxation that directly violates those rights.

Moreover, the Federal tax gain as a result of taxing bonds may be fifty millions, approximately only one-half of 1 percent of total, certainly a picayune revenue to attempt to recover in defiance of certain fundamental principles of our democracy.

Such enactment will add to the cost of local government without providing any substantial compensation revenues for the Federal Government. The fiscal freedom of State and local government is in great danger; also, a probable failure of government to survive the additional burden of increased taxes.

Massachusetts occupies an outstanding position among the other States in her sound financial structure, and that of her cities and towns, and I believe the proposed legislation would do more to endanger her standing than any other possible act of the Government.

As a financial official of the second largest city in Massachusetts, I earnestly ask you to vote against the inclusion of taxation of municipal and State bonds.

I hope I shall hear from you with the assurance that you will vote against a violation of State right.

Sincerely yours,
HENRY A. ALLEN, *City Auditor.*

CITY OF BOSTON,
AUDITING DEPARTMENT,
City Hall, September 15, 1942.

Hon. DAVID I. WALSH,
Senate Chamber,
Washington, D. C.

DEAR SENATOR WALSH: The proposal to levy a tax on the income from future issues of municipal securities will place a heavier burden on cities and towns within this Commonwealth than on any other municipalities within the country. This is due to the fact that since taxes are not due and payable until November 1, our cities and towns for 10 months of the year must finance ordinary maintenance requirements by the issuance of revenue anticipation loans. According to the latest "Statistics of Municipal Finances" issued by Mr. Waddell the 39 cities of the Commonwealth in the year 1939 issued roughly $125,000,000 temporary notes. This is an item of borrowing which municipalities in other sections of the country do not face.

Another item of borrowing peculiar to Massachusetts is that in connection with relief payments. Under current statutory provisions municipalities are required to provide in their current budgets amounts equal to a fixed percentage of the prior year's welfare expenditures. When this requirement has been satisfied they are privileged to borrow the balance of their estimated relief expenditures. In 1939 borrowings of this character were slightly in excess of $14,000,000.

Treasury officials have claimed that the taxation of future issues will place no great immediate burden on municipalities since for the duration of the war municipal borrowings for capital improvements will be necessarily curtailed. This argument entirely overlooks the two peculiar types of borrowing already pointed out and makes no allowance for the problems which will be faced by municipalities at the close of the war. If our cities and towns are to participate in the post-war program of public works they should not be faced with the added interest burden which everyone agrees will develop if the income from municipal securities is to be subject to Federal income tax. It is a matter of record that the tax rates of Massachusetts municipalities are among the highest in the country. In the interest of the owners of real and personal property in this State I trust you will see your way clear to oppose the proposal to tax municipal securities when it reaches the floor of the Senate and thus prevent the imposition of an added tax burden on our local taxpayers.

Sincerely yours,
CHARLES J. FOX,
City Auditor.

Mr. SMITH. Mr. President, I do not wish to detain the Senate, but I feel it my duty to express my appreciation of the speech made by the Senator from Vermont [Mr. AUSTIN].

I am surprised that the argument concerning the power of the Federal Government to tax incomes derived from bonds issued by municipalities and States has revolved around the question of the money involved. That does not concern me. I think the powers of the sovereign States, which are coordinate with the Federal Government in our dual form of government, should be kept inviolate. The State governments have the right to pass laws and levy taxes, and they feel that they are entities of the Government, and have a right to issue bonds, and to carry on their business as they see fit.

Mr. President, I have observed with a great deal of uneasiness the gradual encroachments of the Central Government upon the States. Every move we make is along that line. I am glad the Senator from Vermont made the speech he did today upholding the rights of the States, the counties, and the municipalities, which have developed so wonderfully in our country. I would rather risk the chance of having the country kept on an even keel through the continuance of the power reserved in the 48 States, in their sovereign capacity, than having this body undertake to keep the Government on an even keel. Our people have elected us to this body, and are looking to us to interpret the Constitution, and to deal fairly with them. Do we take into consideration the powers reserved in the States? I doubt very seriously

whether a great percentage of the membership of this body has seriously studied the Constitution and the decisions of the Supreme Court with respect to that twilight zone which lies between the reserved and the delegated powers.

Mr. President, I consider the committee amendment, which would grant to the Federal Government the power to tax securities of States which are now tax exempt, to involve one of the most serious questions to come before the Senate. It is not a question of dollars and cents. It is a question of exercising what the people of the States consider to be their rights and their powers. To impose a tax on their instrumentalities of course curtails their power. I shall never vote to permit the Government of the United States to exercise such power, to usurp the power over the States.

I felt particularly uplifted when the argument in favor of States' rights was made today by the Senator from Vermont. I used to believe that we had three coordinate branches of government, the legislative, the judicial, and the executive. It seems to me that the power of government has been narrowed down now almost to one branch, and I shall not be a party to contributing to such narrowing of power.

I am amazed that Senators should stand on the floor of the Senate and argue over the words of the sixteenth amendment, "from whatever source derived." We can argue that language to a reductio ad absurdum.

Mr. President, I stand here today trying to keep inviolate, so far as it is in my power to do so, the right of the States to exercise the power they have heretofore had, the power held by them up to the present time, to attend to their own affairs and not be overlorded by a great central government. I believe in State rights. I believe in individualism. I cannot understand why Senators, for the sake of obtaining a little tax revenue, will endeavor to destroy the very essence of our dual form of government. State legislatures are rapidly becoming more nominal adjuncts to Washington. The people of the States are not paying much attention to their legislatures any more. They are more and more looking to Washington. In Washington we have handed out benefits to the tune of several billion dollars. I do not know whether that action is constitutional or not. However, the Constitution of the United States now seems to be obsolete. Every move we make is a move to discredit it.

I am greatly concerned about the trend which the argument in the Senate has taken, that in order to obtain certain taxes the splendid system of State government shall be destroyed.

I hope we can vote on the Senate committee amendment today, and that it will be rejected and that the amendment of the Senator from Ohio [Mr. BURTON] will be adopted.

Mr. LEE. Mr. President, I rise to speak for a few minutes in opposition to the Burton amendment, or rather, I shall speak in support of the committee amendment, which proposes to withdraw the special privilege of tax exemption from local and State bonds. In 1909 the Senate, by a vote of 77 to 0, passed a joint resolution which later resulted in the adoption of the sixteenth amendment.

The House passed the legislation by a vote of 318 to 14. Then the sixteenth amendment was referred to the States for ratification, the first States ratifying it in 1909 and the last States ratifying it in 1913. All but 3 of the 48 States in the Union ratified the sixteenth amendment.

The sixteenth amendment to the minds of the people in the streets, to the minds of the people on the farms, carried only one meaning, and that is the meaning contained in the language of the amendment itself, which is one of the short amendments. The language is:

> The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

That language is so plain that the people of the country understood it to mean that if the amendment were adopted Congress would have power to lay and collect taxes on incomes from whatever source derived. There was no quibble over the meaning of the language at that time. The people of the States sent their Representatives and Senators to the State legislatures with instructions to vote for that amendment, believing that they would thereby stop up the last loophole which permitted tax dodging. The people understood the language. It was only after the lawyers got hold of it and began to split hairs over it that it began to have several faces and several different meanings.

Mr. President, I wish to illustrate my point. In my section of the country the preachers representing different denominations sometimes have denominational debates, which are sometimes called religious debates, and those debates wax warm. One time they were having a debate on the subject of baptism. The debate took place under a brush arbor and great crowds were gathered. The discussion was about a preacher named Philip who was hitchhiking his way along the road. He saw a eunuch of great authority riding along in a chariot. Philip thumbed a ride and the eunuch picked him up. Philip noticed the eunuch was reading in the Bible from Isaiah. After some discussion the eunuch decided he wanted to be baptized, and this is the language describing what occurred:

> And as they went on their way they came unto a certain water and the eunuch said, See, here is water; what doth hinder me to be baptized?
>
> And Philip said, If thou believest with all thine heart, thou mayest. And he answered and said, I believe that Jesus Christ is the Son of God.
>
> And he commanded the chariot to stand still: and they went down both into the water, both Philip and the eunuch; and he baptized him.

The point of debate was who baptized who. One of the debaters raised the question that by the language of the Scripture one could not tell who baptized who, because the Scripture says—

> And he baptized him.

Another debater, who wanted to prove that Philip baptized the eunuch, saw a little colored boy sitting on the fence nearby and he called him.

Of course it scared the little fellow at first, and he turned a few shades lighter, but finally he climbed down off the fence and came to the platform on which the debaters sat. The preacher invited him to come to the platform, which he did, and said to the boy, "Now sit down and listen." So the preacher read this passage of the Scripture to him. Then he read it to him again, and said, "Now son, in your mind who was it that was baptized?" The little boy answered back without hesitation, "Well, I do not know, sir, but I think it was the man who wanted to be."

I use that to illustrate the simplicity of language when one wants to understand it, and the people wanted to understand the sixteenth amendment when it said:

> The Congress shall have power to lay and collect taxes on incomes, from whatever source derived.

It has been argued in this debate that when we lay a tax on a man's income, simply because it comes from a local or State bond, we are taxing the local government or taxing the State. Has it ever been argued, by the same token, that when we tax the income of the farmer—if any poor farmer ever had enough income to reach up into the income-tax brackets—we are laying a tax on the farm? If we are, it is unconstitutional, because such a tax is an ad valorem tax, and the Federal Government has no power to levy a tax on a man's farm.

Has it ever been argued that when we tax a lawyer's income we are levying a tax on the practice of law? Has it ever been argued that when we tax the income of a merchant we are laying a tax on the merchant's grocery business? It has not. When he receives an income, it is identified as his. He puts it in the bank, and he is taxed according to that income.

It is argued that by this amendment we are trying to lay a burden on the communities and States. No such thing is true. We are merely trying to withdraw a special exemption, because as things stand today the States and communities are the only authorities which can issue bonds which are tax exempt.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. CONNALLY. Under the Senator's construction of the sixteenth amendment, does he contend that the language "from whatever source derived" includes any income from any source?

Mr. LEE. That is what it says.

Mr. CONNALLY. Is that what the Senator construes it to mean?

Mr. LEE. That is what it says. Of course I do.

Mr. CONNALLY. Does the Senator contend that under that language the Government could tax a township in Oklahoma which receives $100,000 in taxes from the people? That is income to the township. Could the Federal Government tax that income, or income received in the form of taxes by a drainage dis-

trict, a school district, or a road district? The sixteenth amendment says "from whatever source derived."

Mr. LEE. It says that Congress shall have power to lay the tax. If Congress should lay the tax, I suppose it would have the right to collect it; but I do not think Congress would lay such a tax.

Mr. CONNALLY. Why not, if the Senator wants to tax everything?

Mr. LEE. I do not want to tax everything. Would the Senator vote to lay such a tax? Such a tax measure would first have to pass through the Congress.

Mr. CONNALLY. Of course. The Senator says that the Federal Government could tax the annual taxes raised in a township or city. Would he favor such a tax?

Mr. LEE. No.

Mr. President, I believe in equality. One of the things which made the tax collector in ancient history very unpopular was the inequity of taxation. The people are willing to pay taxes if they know that the taxes are levied in all fairness.

Let me illustrate the situation as it is today. I made a few computations with respect to Oklahoma. A married man living in Oklahoma who operates a store and has an income of $5,000 has to pay income taxes amounting to $146.22. A man living beside him who has an income of $5,000 from tax-exempt securities, State or local bonds, does not pay a thin dime. Is that fair? Do the people approve that? I do not think so.

Again, if a married man living in Oklahoma has an income of $10,000 from the rental of apartment houses and other properties after he has paid his property and paving tax, he pays an income tax of $737.85; but if a man living next to him has an income of $10,000 from school bonds which he has purchased, he does not pay a thin dime. Do the people approve that? I think not. I know they do not.

Again, if a married man living in Oklahoma has an income of $50,000 derived from the oil business in my State, he pays an income tax amounting to $11,132.41. If right beside him there lives a man who has an income of $50,000 from State bonds, he does not pay a thin dime. Does any Senator think that the people approve that? Did not the people have that situation in mind when they sent their State representatives to the State legislatures to vote for the sixteenth amendment to give Congress the power to lay and collect taxes on incomes from whatever source derived? I think they had exactly that in mind.

Take another example. We say we do not have a capital levy, but I maintain that an ad valorem tax is a capital levy. If a farmer does not make enough from his farm to pay the ad valorem tax, what happens? The tax assessments accumulate until he loses his farm. His farm is taken. His capital is levied upon and taken; yet, as was pointed out by the Senator from Michigan [Mr. BROWN] a man in the same community may have an income of several million dollars, 44 percent of which is from tax-exempt securities, on which he does not pay a dime of tax. However, the poor farmer who does not have enough income to get into the income-tax brackets has his farm taken away from him because he cannot pay the taxes on it, when there are others in the same community with him who enjoy the special privilege of exemption.

I have heard two Senators make the statement that "I am not one who proposes to soak the rich." I am not either; but neither do I propose to give the rich a special exemption. I submit that this offers the rich a special exemption. Did any Senator ever hear of a poor man buying an issue of community bonds, school bonds, State bonds, water bonds, or sewer bonds? Did any Senator ever hear of a day laborer buying such bonds? Have we ever heard of any poor people buying such bonds?

Suppose a man has an income of $5,000, and he buys some 3-percent tax-exempt bonds. To him the exemption privilege is worth two-tenths of 1 percent. The Senator from Michigan pointed out yesterday that to a man with an income of $100,000 a tax-exempt bond bearing 3 percent interest is worth more than a taxable bond bearing 20 percent. Yet we are told that the exemption privilege is not worth anything to the rich. I ask Senators to answer that argument.

Mr. President, from 1909 to 1913 the people approved a fair and equitable taxing plan for taxing the people according to their incomes and their ability to pay. Congress passed the bill. The House passed it by a vote of 318 to 14, and the Senate by a vote of 77 to 0. Forty-five of the 48 States approved it, and it became law. Then it was nullified by judicial decision. The court said that it did not mean what it said. Those who today are opposing the withdrawal of this special privilege believe that the court then was right, but a later court, acting upon a case involving the salary of an employee of the Home Owners' Loan Corporation, reversed that decision, giving the Congress the power to lay taxes upon income from the Federal Government and from States.

As has been pointed out, our Democratic Party said in its 1940 platform:

> To encourage investment in productive enterprize the tax-exempt privileges of future Federal, State, and local bonds should be removed.

I do not see how any member of the Democratic Party can repudiate that plank in the platform, that pledge and promise to the people.

Furthermore, President Roosevelt, in his message to Congress on April 25, 1938, said:

> Whatever advantages this reciprocal immunity may have had in the early days of this Nation have long ago disappeared. Today it has created a vast reservoir of tax-exempt securities in the hands of the very persons who equitably should not be relieved of taxes on their incomes.

He thereby recognized that the rich have a special advantage.

> Both the States and the Nation are deprived of revenues which could be raised from those best able to supply them.

Later in his message President Roosevelt said:

> Tax exemptions through the ownership of Government securities of many kinds, Federal, State, and local, have operated against the fair or effective collection of progressive surtaxes. Indeed, I think it is fair to say that these exemptions have violated the spirit of the tax law itself by actually giving greater advantages to those with large incomes than those with small incomes.

He later said:

> I therefore recommend to the Congress that effective action be promptly taken to terminate these tax exemptions for the future.

That was the request of the President of the United States in 1938. We still have not complied with it. In my opinion, here is the chance, the last chance we shall have, to comply with his request and to terminate the tax exemptions. In this crisis, when we are so badly in need of additional revenues, when we are so desperately seeking every reservoir from which we might raise income with which to pay for this war, I am amazed and surprised to find in the Senate opposition to taxing a man's income regardless of its source.

This is our last opportunity, in my opinion, to close this one loophole, to stop this last inequity, to remove this special privilege to a special class.

The argument has been advanced that there is nothing of a reciprocal agreement as between the local communities and the Federal Government, that there is no reciprocity. However, let me remind the Members of the Senate that the local communities can tax the property in those communities, and that the Federal Government does not try to tax the property in those communities. With respect to the States, the Federal Government has offered, and is willing to have, reciprocity of taxation.

The identity of the source of the income is lost when the individual receives the income. Does the individual have three or four different bank accounts, and when he places the money in the bank does he say, "The money in this account came from bonds, the money in that account came from labor, the money in the other account came from investments"? No, indeed. He has one account, in which he deposits all his income; and on that income he is subject, by all the laws of equity and fairness, to pay the same tax that I pay and that John Q. Citizen pays and that all others pay. The people expect us to levy the tax accordingly, and certainly so now, when we are in need of revenue with which to pay for the war.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio [Mr. BURTON].

Mr. AUSTIN. Mr. President, I arise to request unanimous consent that I be allowed to have a certain matter printed in the RECORD. During my remarks an interrogatory was propounded by the Senator from Illinois which I was unable to answer, but which the distinguished majority leader, the Senator from Kentucky, was able to answer, showing that

in 1861 the Congress levied a direct tax upon the income of the citizens of the several States.

The secretary of the minority has brought to my attention an important statute which seems to me to have a bearing upon the conscience of the Congress with respect to the matter, and perhaps indicating the vigilance of the States in respect to it. It is Twenty-six United States Statutes at Large, page 822, chapter 496, an act to credit and pay to the several States and Territories and the District of Columbia all moneys collected under the direct tax levied by the act of Congress approved August 5, 1861. I ask unanimous consent to have a copy of the statute printed in the RECORD, because it includes not merely the States, the Territories, and the District of Columbia, but also the inhabitants who paid the tax, when they could be ascertained.

I see that the Senator from Illinois is in the Chamber. I am glad he is here, so that he will know about this act of Congress passed in 1891 recognizing the principle of immunity, and restoring what had been collected by the tax law of 1861.

Mr. President, I renew my request to have the statute printed in the RECORD as a part of my remarks.

There being no objection, the statute was ordered to be printed in the RECORD, as follows:

Chapter 496

An act to credit and pay to the several States and Territories and the District of Columbia all moneys collected under the direct tax levied by the act of Congress approved August 5, 1861

Be it enacted, etc., That it shall be the duty of the Secretary of the Treasury to credit to each State and Territory of the United States and the District of Columbia a sum equal to all collections by set-off or otherwise made from said States and Territories and the District of Columbia or from any of the citizens or inhabitants thereof or other persons under the act of Congress approved August 5, 1861, and the amendatory acts thereto.

SEC. 2. That all moneys still due to the United States on the quota of direct tax apportioned by section 8 of the act of Congress approved August 5, 1861, are hereby remitted and relinquished.

SEC. 3. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to reimburse each State, Territory, and the District of Columbia for all money found due to them under the provisions of this act; and the Treasurer of the United States is hereby directed to pay the same to the Governors of the States and Territories and to the Commissioners of the District of Columbia, but no money shall be paid to any State or Territory until the legislature hereof shall have accepted, by resolution, the sum herein appropriated, and the trusts imposed, in full satisfaction of all claims against the United States on account of the levy and collection of said tax, and shall have authorized the governor to receive said money for the use and purposes aforesaid: *Provided*, That where the sums, or any part thereof, credited to any State, Territory, or the District of Columbia, have been collected by the United States from the citizens or inhabitants thereof, or any other person, either directly or by sale of property, such sums shall be held in trust by such State, Territory, or the District of Columbia for the benefit of those persons or inhabitants from whom they were collected, or their legal representatives: *And provided further*, That no part of the money collected from individuals and to be held in trust as aforesaid shall be retained by the United States as a set-off against any indebtedness alleged to exist against the State, Territory, or District of Columbia in which such tax was collected: *And provided further*, That no part of the money hereby appropriated shall be paid out by the governor of any State or Territory or any other person to any attorney or agent under any contract for services now existing or heretofore made between the representative of any State or Territory and any attorney or agent. All claims under the trust hereby created shall be filed with the governor of such State or Territory and the Commissioners of the District of Columbia, respectively, within six years next after the passage of this act; and all claims not so filed shall be forever barred, and the money attributable thereto shall belong to such State, Territory, or the District of Columbia, respectively, as the case may be.

SEC. 4. That it shall be the duty of the Secretary of the Treasury to pay to such persons as shall in each case apply therefor, and furnish satisfactory evidence that such applicant was at the time of the sales hereinafter mentioned the legal owner, or is the heir at law or the devisee of the legal owner of such lands as were sold in the parishes of St. Helena and St. Luke's in the State of South Carolina, under the said acts of Congress, the value of said lands in the manner following, to wit: To the owners of the lots in the town of Beaufort, one-half of the value assessed thereon for taxation by the United States direct-tax commissioners for South Carolina; to the owners of the lands which were rated for taxation by the State of South Carolina as being usually cultivated, $5 per acre for each acre thereof returned on the proper tax-book; to the owners of all other lands, $1 per acre for each acre thereof returned on said tax book: *Provided*, That in all cases where such owners, or persons claiming under them, have redeemed or purchased said lands, or any part thereof, from the United States, they shall not receive compensation for such part so redeemed or purchased; and any sum or sums held or to be held by the said State of South Carolina in trust for any such owner under section 3 of this act shall be deducted from the sum due to such owner under the provisions of this section: *And provided further*, That in all cases where said owners have heretofore received from the United States the surplus proceeds arising from the sale of their lands, such sums shall be deducted from the sum which they are entitled to receive under this act. That in all cases where persons, while serving in the Army or Navy or Marine Corps of the United States, or who had been honorably discharged from said service, purchased any of said lands under section 11 of the act of Congress approved June 7, 1862, and such lands afterward reverted to the United States, it shall be the duty of the Secretary of the Treasury to pay to such persons as shall in each case apply therefor, or to their heirs at law, devisees, or grantees, in good faith, and for valuable consideration, whatever sum was so paid to the United States in such case. That before paying any money to such persons the Secretary of the Treasury shall require the person or persons entitled to receive the same to execute a release of all claims and demands of every kind and description whatever against the United States arising out of the execution of said acts, and also a release of all right, title, and interest in and to the said lands. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000, or so much thereof as may be necessary to pay for said lots and lands, which sum shall include all moneys in the Treasury derived in any manner from the enforcement of said acts in said parishes, and not otherwise appropriated. That section 1063 of the Revised Statutes is hereby made applicable to claims arising under this act without limitation as to the amount involved in such claim: *And provided further*, That any sum or sums of money received into the Treasury of the United States from the sale of lands bid in for taxes in any State under the laws described in the first section of this act in excess of the tax assessed thereon shall be paid to the owners of the land so bid in and resold, or to their legal heirs or representatives.

Approved, March 2, 1891.

Mr. O'MAHONEY. Mr. President, it is my purpose to support the amendment offered by the Senator from Ohio [Mr. BURTON], and I desire very briefly to state to the Senate my reasons for so doing.

As I view the question, it is not at all a question of constitutionality. I have no personal doubt at all that the Congress has the power to tax incomes from whatever source derived, and that such power includes the power to tax income derived from State, municipal, and county bonds.

As I see it, Mr. President, the question is purely a realistic one: Are we now to levy a tax for the purpose of raising money with which to win the war and to pay for the war, or are we to endeavor to change the system of taxation? If it were a matter of raising money with which to pay for the war, my vote might be different from what it will be; but an examination of the facts clearly demonstrates that there is no possibility of raising any substantial sum by the proposed method.

Mr. President, it is an easy thing to assume that the wealthy people of the country have tremendous incomes from which could be drawn, and should be drawn, large sums to help finance the Government, particularly in this crisis. Of course, there are large incomes; but the significant fact which seems to me to have been utterly overlooked is that in the aggregate the incomes of the very wealthy are but a drop in the bucket.

I hold in my hand a press release which was issued by the Secretary of the Treasury on Friday, October 2, 1942, giving the figures for taxable and nontaxable individual income and defense-tax returns for 1940, filed during the year 1941. The significant revelation to be found in the statement from the Treasury is that during the year 1940, 1,866 persons had a net income of between $100,000 and $150,000; only 626 persons had a net income of from $150,000 to $200,000; 273 persons had an income of from $200,000 to $250,000; 167 persons had an income of from $250,000 to $300,000; 166 persons had an income of from $300,000 to $400,000; 86 persons had an income ranging from $400,000 to $500,000; 79 persons had an income ranging from $500,000 to $750,000; 33 persons had an income ranging between $750,000 and $1,000,000; 28 persons had an income ranging between $1,000,000 and $1,500,000; 8 persons had an income ranging between $1,500,000 to $2,000,000; 6 persons had an income ranging between $2,000,000 and $3,000,000; 4 persons had an income ranging between $3,000,000 and $4,000,000; 2 persons had an income ranging between $4,000,000 and $5,000,000; and 1 person had an income of $5,000,000 and over.

Mr. President, if my arithmetic is correct, that means that in 1940 there were

3,345 persons who had an income of $100,000 or more.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LUCAS. Is that gross income or net income?

Mr. O'MAHONEY. It is net income, as figured before the deduction of personal exemptions.

Mr. President, this is the significant fact: If the entire income of those 3,345 persons were to be totaled it would be found to amount to $691,424,000. In other words, if we were to take, not the normal tax and the surtax, but the entire income of every individual in the United States receiving $100,000 or more, the total receipts to the Treasury would be only a little more than $691,000,000, and we are spending at the rate of $6,000,000,000 a month.

To me it seems perfectly obvious that it is not worth $691,000,000 to the Treasury of the United States to cut off the preferential treatment which, by the existing law, we give to the political subdivisions of the United States, the States, the counties, and the cities.

I am not concerned about the amount of taxes which may be paid by the wealthy, Mr. President, but I am tremendously concerned that the States, the cities, and the counties of the United States shall not be deprived of this preferential treatment. I believe that the present law grants a preference, certainly, but it is a preference granted to local political subdivisions which sadly need it in a time when counties and cities, and even States, are turning to the Federal Treasury, with its tremendous deficit, for money with which to do the things which they cannot do without such assistance. It seems to me to be of the utmost importance that we should maintain the present situation and that we should do nothing to jeojardize it. Very little is to be gained by withdrawing this preferential treatment.

Mr. President, there are in the United States about as many counties as there are individuals receiving these huge incomes. I am not thinking of the individuals with the huge incomes, but I am thinking of the counties and of the market they will have and which they should have for their securities.

It was a perfectly amazing discovery to me when I found that, as a matter of fact, the wealthy in the United States receive only a very small proportion of the total income. During the studies of the Temporary National Economic Committee we published a monograph, Monograph No. 3, entitled "Who Pays the Taxes?" On page 7 of the monograph is to be found a diagram showing the disposition and distribution of consumer income in the United States for 1938–39. This makes, what is to me, a very amazing revelation. All the people in the United States who received income of $20,000 a year, and over, constitute only three-tenths of 1 percent of all recipients of income, and they received only 9 1/10 percent of the total income. I should have imagined that the total income of all those receiving $20,000 or more would amount to a perfectly amazing proportion. I thought it could not possibly be less than one-fourth or one-third of the total income of the United States, but that is not the fact; it is less than 10 percent.

Mr. LEE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LEE. Do the Senator's figures include nontaxable income, as well as taxable income?

Mr. O'MAHONEY. Yes; this study was made under the auspices of the T. N. E. C., in cooperation with the W. P. A., and we endeavored to find the total income.

Mr. LEE. Including the tax-exempt income?

Mr. O'MAHONEY. Oh, yes; that is my understanding. For example, let us refer to those in the next bracket, who receive incomes of $15,000 to $20,000 a year. They constitute only two-tenths of 1 percent of the number of consumer units in the United States, and their total aggregate income is only 2.3 percent of the total income of the United States.

If we were to go to the other end of the scale and take, for example, those who receive between $2,000 and $3,000 a year—a very modest income—we would find that they constitute 11.2 percent of the number of consumer units, so-called. Their income amounts to 17.4 percent of the total. In other words, the total aggregate income of persons receiving between $2,000 and $3,000 a year is almost twice as much as the total aggregate income of all the persons receiving $20,000 or more a year.

Let us take the same situation with respect to the figures given out a few days ago by Secretary Morgenthau. According to his statement 393,844 persons filed income-tax returns showing incomes between $4,000 and $5,000, for a total of $1,742,796,000. In other words, the number of taxpayers in this small group which represents incomes of between $4,000 and $5,000 a year received in the aggregate more than twice, indeed, almost three times, as much as all those who received incomes of $100,000 or more.

Mr. President, I ask that I may be permitted to put these tables in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Distribution and disposition of consumer income

A. CONSUMER UNITS AND INCOME

[By income brackets]

Income brackets	Percent of consumer units	Percent of aggregate income received
I. Under $500	17.0	3.4
II. $500 to $1,000	29.5	14.4
III. $1,000 to $1,500	22.1	17.6
IV. $1,500 t $2,000	13.1	14.6
V. $2,000 to $3,000	11.2	17.4
VI. $3,000 to $5,000	4.6	11.0
VII. $5,000 to $10,000	1.5	7.0
VIII. $10,000 to $15,000	.4	3.2
IX. $15,000 to $20,000	.2	2.3
X. $20,000 and over	.3	9.1

[Net income classes and money figures in thousands of dollars]

	Taxable and nontaxable returns by net income classes	Number of returns	Net income	Personal exemption	Credit for dependents	Earned income credit	Total tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Taxable individual returns:						
	With net income:						
1	Under 1 (estimated)	528,784	482,599	393,993	376	48,260	1,771
2	1 under 2 (estimated)	2,905,086	4,094,796	2,330,981	53,832	409,480	57,156
3	2 under 2.5 (estimated)	914,050	2,083,858	1,288,998	26,594	208,386	24,601
4	2.5 under 3 (estimated)	912,174	2,504,204	1,593,632	98,844	250,420	24,673
5	3 under 4 (estimated)	1,014,623	3,474,787	1,831,912	273,230	335,628	45,372
6	4 under 5 (estimated)	393,844	1,742,796	703,116	144,756	157,156	32,515
7	5 under 6	217,751	1,189,297	384,342	89,191	99,728	27,998
8	6 under 7	128,902	832,567	224,733	55,183	66,824	24,049
9	7 under 8	83,395	622,841	143,596	35,223	47,800	22,554
10	8 under 9	58,473	496,429	99,807	24,421	36,454	21,308
11	9 under 10	44,686	423,513	76,132	18,685	30,386	21,146
12	10 under 11	33,701	353,174	57,001	14,013	24,550	19,998
13	11 under 12	26,843	308,273	45,261	11,071	20,856	19,375
14	12 under 13	21,217	264,818	35,601	8,615	17,519	18,317
15	13 under 14	17,548	236,548	29,431	7,261	15,345	17,778
16	14 under 15	14,831	214,794	24,877	6,120	13,626	17,441
17	15 under 20	47,289	813,235	78,762	19,413	44,093	80,995
18	20 under 25	24,258	540,085	40,221	9,896	23,126	72,930
19	25 under 30	13,920	379,737	22,899	5,534	13,417	65,135
20	30 under 40	14,792	508,221	24,198	5,849	14,497	109,369
21	40 under 50	7,464	331,895	12,123	2,874	7,533	87,730
22	50 under 60	4,155	226,908	6,802	1,621	4,264	69,518
23	60 under 70	2,548	164,712	4,118	1,004	2,651	56,327
24	70 under 80	1,625	121,329	2,641	696	1,704	45,315
25	80 under 90	1,176	99,408	1,882	426	1,218	39,578
26	90 under 100	781	73,956	1,260	313	802	31,328
27	100 under 150	1,866	223,988	2,939	643	1,880	105,337
28	150 under 200	626	107,300	1,015	220	610	56,649
29	200 under 250	273	60,839	426	97	257	33,484
30	250 under 300	167	45,625	282	59	153	26,405
31	300 under 400	166	56,863	273	62	154	34,317
32	400 under 500	86	38,893	144	26	69	23,462
33	500 under 750	79	46,696	122	20	68	28,556
34	750 under 1,000	33	27,474	50	14	27	17,582
35	1,000 under 1,500	28	33,445	44	8	18	21,219
36	1,500 under 2,000	8	13,614	13	2	6	9,589
37	2,000 under 3,000	6	14,079	8	(32)	5	10,028
38	3,000 under 4,000	4	13,443	7	2	3	10,594
39	4,000 under 5,000	2	8,090	4	1	2	6,282
40	5,000 and over	1	5,075	2	(32)	1	3,994
41	Total	7,437,261	23,279,203	9,463,548	916,107	1,898,980	1,440,967
42	With no net income	46	2,551	67	5	34	473
43	Total, taxable returns	7,437,307	23,276,652	9,463,615	916,112	1,899,014	1,441,440

Mr. O'MAHONEY. Mr. President, I wish to remark that the point of the issue before us is simply this: We are not voting for or against a substantial income to the Federal Treasury; we are not voting for or against the extremely wealthy; we are voting directly on the question whether the political subdivisions of the United States shall continue to have a market for their securities, which is protected by the law.

At a time, Mr. President, when power in the United States and all over the world is being constantly centralized, I think it is the supreme duty of every person who believes in maintaining the principle of local government and local authority to support local authority by preserving the law as it now stands.

Mr. LA FOLLETTE. Mr. President, we shall never have an equitable tax system in this country until the privilege of tax exemption is withdrawn from the municipal, county, and State levels of government. It is true in time of peace, with low income-tax rates insofar as individuals are concerned. In time of war, with the rates in the pending bill going to 87.4 percent on the top bracket, this haven of refuge for the wealthy taxpayer becomes a form of special privilege. It is like a cancer eating at the vitals of the democratic process.

I have been amazed as I have sat through the debate today, to hear on the one hand that Senators are opposed to the committee amendment because it does not tax the income from existing and outstanding tax-exempt securities, and on the other hand to hear Senators say that they cannot support the committee amendment because it does not raise any revenue for the war. I am to some extent caught on the horns of that dilemma myself. I have voted in the Senate time and time again for placing a tax on the income from so-called tax-exempt securities, because I have no shadow of a doubt that the Federal Government has the power to tax them and because I have always believed that the income-tax system could never be just or equitable with this island of refuge for the wealthy taxpayer. But, Mr. President, in time of war it becomes absolutely essential that we remove these special privileges.

I have prepared an amendment which provides for the taxation of the income from outstanding securities. I am sorry I am not in a position to offer it now, so as to give an opportunity to vote for it to those who have risen in this debate and said that if there was only some revenue involved they would be delighted to vote for the amendment.

The time has come when we should make a beginning in this direction, even if we cannot succeed in achieving the whole objective. Let no man doubt that with appropriations and contract authorizations now already exceeding $200,000,000,000, the time will come when if the committee amendment is enacted into law, revenue will be obtained from an income tax levied on securities which are now tax-exempt.

It is estimated that, if we were to tax the income derived from so-called tax-exempt securities under the pending bill, we would secure $225,000,000 of additional revenue. If we defeat the amendment offered by the Senator from Ohio [Mr. BURTON] and begin to remove this privilege, the time will come when those who are sweating to pay the interest and the principal upon this gigantic indebtedness will be relieved by reason of this tax exemption having been withdrawn.

I have been very much surprised to hear ardent advocates of Federal aid for this, that, and the other thing rise on the floor of the Senate and say that the proposal contained in the committee amendment is an assault upon the rights of the States. Yesterday, one Senator who, like myself, is an ardent advocate of Federal aid for vocational education, rose on the floor of the Senate and said that he was opposed to the committee amendment because it would enable the Federal Government to secure revenue from the securities issued by his State for the support of education.

Mr. President, I say you cannot have your cake and eat it, too. Either the States must assume full responsibility for meeting all the problems which go with modern society, or they must yield up an obsolete, an outworn, an unjustified special privilege.

At this time, Mr. President, when the Government is engaged in a struggle for its very life, to have special pleaders surround the corridors of the Capitol asking for a retention of special privilege is discouraging to me. This is a time when municipalities, counties, and States are no longer burdened by the problems of unemployment, and, therefore, they are no longer in the position where they must utilize their resources for vast public improvements. On the contrary, the Federal Government is shouldering the full cost of putting in the utilities for the vast defense housing program which is being constructed, part of which is permanent in character, and is being built by private enterprise, and which will inure to the benefit of the communities in which it is being built. For them to come here and attempt to overwhelm the Congress by their concerted drive against this proposal is to me a shocking indication that even in this dire hour of the Nation's necessity selfish interests and those who desire to retain special privilege are not conscious of the situation which confronts the people and their Government.

I said in connection with another amendment, and I venture to repeat it now, that we are in the most desperate fiscal and financial crisis that any nation in the written history of the world has ever faced. It is no answer, Mr. President, to say that a particular amendment will raise only $225,000,000, or that it will raise only $150,000,000. I recognize that as against the vast expenditures which we are making, any particular amendment may seem to shrink into insignificance, but if we follow that rule, we will never in the aggregate adopt a sufficiently heavy tax program to enable the Government to weather the fiscal storm and to maintain its credit. We must have the courage to strike down these special privileges, not only for the purpose of removing them as special privileges, but also for the purpose of strengthening the fiscal program of the Government for a long and desparate war.

There are today approximately $20,000,000,000 of tax-exempt securities outstanding. Under the existing law the Government is losing an estimated $184,000,000. Under the rates in the present bill the income loss will be $225,000,000 a year. This is a large slice of income, and if the Burton amendment is defeated, and the principle of the Senate committee is adopted, ultimately the taxpayers of this country, who are forced to pour their hard-earned dollars into the Treasury, will be assisted by those who are escaping their fair share of taxes because of the tax-exemption privilege these bonds have.

Mr. President, I wish to point out also that as the income-tax rates have risen, the statistics of the Treasury Department show that those in the upper brackets have been accumulating more and more of their income from this tax-exempt source.

In this connection I point out that in 1928, net estates over $100,000 and under $200,000 had only 1.6 percent in tax-exempt securities income. In 1940 that income had risen to 3.1 percent.

In 1928 estates of $1,000,000 and over derived 6.2 percent of their income from tax-exempt securities. By 1940 that figure had risen to 15.1 percent.

These are the most recent figures obtainable, but I venture the assertion that if we could know what they are today under present tremendously increased rates, we would find that this tendency of the rich and those in the upper brackets to accumulate more and more of these securities has gone on apace, and with the constantly rising tax rate, unless we check this privilege, the situation will become all the more aggravated.

Mr. President, it has been said here that one cannot cite the cases of a few individuals and prove any theory. I hold in my hand a table appearing in the hearings of the House committee. The table shows the incomes of 25 individuals. It shows the total amount of their incomes. It shows the total amount of income derived from tax-exempt securities, and it shows their savings under the rates proposed by the Treasury. I shall read only a few of these items at random, but I do not think they are untypical of those with large incomes.

Let me say, before I quote from this table, in response to the arguments advanced by the Senator from Wyoming [Mr. O'MAHONEY] that for the very reason that a large part of the percentage of the national income is in the lower brackets, we should remove the tax-exemption privilege from those who are in the upper brackets. Otherwise that portion of the load is dumped on those with the least ability to carry the burden.

Individual No. 1 has State and local interests amounting to $221,000. His taxable net income from other sources is $601,000. His total income is $823,800.

The revenue loss to the Treasury from tax exemption under the rates proposed is $195,000.

Individual No. 8 in the table has State and local interests of $820,000. He has taxable net income of $835,000. He has a total income of $1,656,000. His tax-exempt interest is $605,000. His taxable interest is $1,251,000. The revenue loss from the tax exemption is $646,000. Under the bill as reported from the committee the revenue loss would be $722,000.

Individual No. 21 on the list has State and local interests amounting to $1,083,000. His taxable net income from other sources is $4,321,000. His total income is $5,405,000. His tax-exempt interest is $3,380,000. His taxable interest is $4,251,000. The revenue loss from the tax exemption is $871,000. The revenue loss under the bill as reported from the committee would be $953,000.

Mr. LEE. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. LEE. Does the argument that the principle is minimized because there are only a few of such inequities appeal to the Senator?

Mr. LA FOLLETTE. Mr. President, I have just said that, on the contrary, the very fact that there are relatively few cases is more reason for removing the exemption.

The exemption amounts to a considerable sum of money, for the Treasury has estimated that under the rates proposed by the Finance Committee, if we were to tax the income derived from so-called tax-exempt securities, we would secure an additional amount of $225,000,000 a year. That is not "hay" in anybody's language, regardless of the deficit which we face.

Mr. President, I ask unanimous consent that the two tables to which I have referred, together with the appendix following the statement of my individual views, be incorporated in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits A, B, and C.)

Mr. LA FOLLETTE. Mr. President, we have not hesitated to interfere with the lives of individuals in this war. We have exercised the plenary power which government possesses. We have reached into every home in America, and by the long arm and power of the Government we have taken the flower of the young manhood of America and put it into uniform. We are sending it overseas to die on foreign shores, on 42 fronts. Did we inquire, Mr. President, whether we were taking any privileges away from those young men? We did not. We assured them, however, that they were being sent abroad to fight for the fundamental principles upon which this Government was predicated. Those principles include the principle of equality among men.

I do not wish to have anything I say seem invidious; but today I have heard legalistic arguments about whether we have the right to eliminate this special privilege or not, in the face of an opinion by the Assistant Attorney General of the United States, an opinion by the General Counsel of the Treasury Department, and opinions rendered by able Members of this body to the effect that we do have the power.

Mr. President, there may be doubt in the minds of some upon this question. There is none in my own mind. I have always believed that the sixteenth amendment struck down the Pollock case for good. Be that as it may, let us assume that one takes the other position. If he is fair-minded at all he must admit, it seems to me, that there is a grave question of constitutional power involved. If so, let us resolve it in favor of striking down special privilege when we are taking the lives of young men to defend this Nation. Let us permit the Supreme Court to decide this question, rather than conduct a legalistic argument here.

Mr. President, I speak with feeling. I hope that I am not exceeding the bounds of propriety in debate, but I feel deeply on this question. I feel deeply because I think the time has come, if this democracy is to survive, when we must demonstrate that we have the courage to strike down special privilege at a time when young men by the millions are about to be asked to die for the preservation of this Government. Do you think the young man coughing up his guts on the Sahara Desert feels that he is getting a square deal when one man can get $750,000 of tax exemption from a special privilege?

Mr. President, I fear this will be a long war. The question of the morale of the people will ultimately determine whether or not this Government survives. The only way we can maintain morale when the casualty notices descend upon the homes of America like snow in a Montana blizzard is to maintain equality of sacrifice so far as it is humanly possible under the circumstances.

I will give up anything I have in this world to maintain democracy, to maintain this Government, and I think the young men of this country are ready, willing, and anxious to give up everything they have. However, in all fairness they should know that those who are here on the home front—the soldiers of democracy in positions of power—have the courage to insist that in this war there shall be equality of economic sacrifice as well as of flesh and blood.

EXHIBIT A

TABLE No. 2.—*State and local government securities as a percent of gross estate, by size classes of net estate, estate tax returns filed in 1928–40*

Filing year	Net estate [1] (in thousands of dollars)				
	100 under 200	200 under 300	300 under 500	500 under 1,100 [2]	1,100 and over
	State and local government securities as percent of gross estate [3]				
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
1928	1.6	2.3	2.7	4.3	6.2
1929	1.6	1.8	2.2	4.5	6.0
1930	1.4	2.4	3.0	3.6	7.3
1931	1.9	2.5	4.2	4.8	9.2
1932	2.2	2.6	5.0	8.3	13.3
1933	2.9	5.1	6.6	11.2	21.9
1934	3.4	4.4	5.8	10.0	23.9
1935	3.6	5.7	6.7	11.0	14.4
1936	3.0	5.4	6.3	8.2	12.5
1937	3.1	5.3	5.7	9.2	11.4
1938	2.9	4.4	5.3	8.0	16.1
1939	3.2	4.4	7.1	11.6	22.7
1940	3.1	3.6	6.2	8.8	15.1

[1] Before specific exemption.
[2] Includes securities of Territories and insular possessions.
[3] Gross estate includes tax-exempt insurance.
Source: Compiled from Statistics of Income.

EXHIBIT B

TABLE No. 4—*Tax liability assuming interest from State and local government securities (a) tax-exempt and (b) taxable under present and proposed individual income-tax rates, for 25 selected individuals*

[In thousands of dollars]

Case	State and local interest	Taxable net income from other sources [1]	Total income	Present rates		Proposed rates [2]			
				Tax liability		Revenue loss from tax exemption	Tax liability		Revenue loss from tax exemption
				Interest exempt	Interest taxable		Interest exempt	Interest taxable	
1	221.9	601.9	823.8	424.2	595.7	171.5	504.4	699.6	195.3
2	236.2	207.9	444.1	120.4	301.2	174.8	157.0	364.9	207.9
3	260.4	148.9	409.3	87.0	276.8	189.8	106.2	334.9	228.6
4	230.9	1,337.5	1,568.4	999.2	1,181.6	182.4	1,151.1	1,354.3	203.2
5	226.9	1,081.0	1,307.9	796.8	975.8	179.2	925.3	1,125.0	199.7
6	215.0	147.8	362.8	83.6	241.8	158.0	105.4	294.0	188.6
7	349.5	144.2	493.7	82.6	339.6	257.0	101.1	407.9	306.8
8	820.7	835.6	1,656.3	605.0	1,251.6	646.6	710.0	1,432.2	722.2
9	162.7	249.8	412.5	158.1	279.2	121.1	194.5	337.7	143.2
10	351.7	275.1	626.8	175.9	442.7	266.8	216.2	525.7	309.5
11	330.7	373.6	704.3	249.9	503.0	253.1	303.5	594.5	291.0
12	773.0	765.1	1,538.1	549.4	1,157.7	608.3	647.4	1,327.6	680.2
13	668.7	305.9	974.6	198.6	712.8	514.2	243.3	831.7	588.4
14	817.4	288.9	1,106.3	186.6	817.2	630.6	229.0	948.2	719.3

[1] Exclusive of net long-term capital gains and losses.
[2] As included in Senate Finance Committee version of H. R. 7378, Victory tax excluded.

TABLE No. 4—*Tax liability assuming interest from State and local government securities (a) tax-exempt and (b) taxable under present and proposed individual income-tax rates, for 25 selected individuals*—Continued

[In thousands of dollars]

Case	State and local interest	Taxable net income from other sources [1]	Total income	Present rates		Proposed rates [2]			
				Tax liability		Revenue loss from tax exemption	Tax liability		Revenue loss from tax exemption
				Interest exempt	Interest taxable		Interest exempt	Interest taxable	
15	394.6	376.6	771.2	250.7	553.2	302.5	304.7	651.9	347.3
16	296.5	603.0	899.5	423.2	653.0	229.8	593.7	764.6	260.9
17	404.3	100.1	504.4	94.8	395.3	300.5	116.0	471.4	355.4
18	316.3	915.1	1,231.4	666.8	915.8	249.0	780.0	1,058.3	278.3
19	313.4	278.7	592.1	179.2	416.6	237.4	220.0	495.7	275.8
20	356.5	135.4	491.9	75.1	336.9	261.8	94.8	407.6	312.8
21	1,083.7	4,321.4	5,405.1	3,380.3	4,251.3	871.0	3,776.9	4,730.6	953.7
22	172.6	170.7	343.3	102.2	227.2	125.0	125.2	276.8	151.6
23	226.2	166.9	393.1	99.5	264.5	165.0	121.9	329.6	198.7
24	314.8	331.7	646.5	217.5	457.3	239.8	265.5	542.5	277.0
25	424.8	218.9	643.7	136.2	366.3	230.1	184.9	558.8	373.9
Total	9,969.4	14,441.7	24,411.1	10,348.8	17,914.1	7,565.3	12,088.0	20,857.0	8,769.3

[1] Exclusive of net long-term capital gains and losses.
[2] As included in Senate Finance Committee version of H. R. 7378, Victory tax excluded.
Source: Income items from returns on Form 1040 for 1940.

EXHIBIT C

OPINION OF ASSISTANT ATTORNEY GENERAL SAMUEL O. CLARK, JR., ADDRESSED TO RANDOLPH E. PAUL

DEPARTMENT OF JUSTICE,
Washington, April 14, 1942.

Hon. RANDOLPH E. PAUL,
Tax Adviser to the
Secretary of the Treasury,
Washington, D. C.

DEAR MR. PAUL: On June 24, 1938, Hon. James W. Morris, Assistant Attorney General in charge of the Tax Division of the Department of Justice, transmitted to the Honorable Herman Oliphant, General Counsel of the Treasury Department, a comprehensive study of the constitutional aspects of the taxation of Government bondholders and employees. Copies of this study were also made available to the appropriate congressional committees.

You have requested our opinion on the constitutionality of the proposal by your Department to subject to Federal income tax the interest received hereafter on outstanding and future issues of State and municipal bonds, with special emphasis on legal developments subsequent to the publication of our study. We are pleased to comply with your request and submit the following views.

In our earlier study we expressed the following conclusion:

"It is believed that there can no longer be found in the decisions of the Supreme Court any rule of continuing authority which would raise a constitutional prohibition against applying the Federal income tax to State bondholders, officers, and employees."

You are no doubt aware that since that time the decisions of the Supreme Court on the question of constitutional tax immunity have all served to reinforce and confirm that conclusion. The trend toward a limitation of such immunity, which had developed when we published our study in 1938, has continued without interruption to the present date.

We are, of course, no longer concerned with the power of the Federal Government to tax the income of State officers and employees. The decision of the Supreme Court in *Graves* v. *New York ex rel. O'Keefe* (306 U. S. 466), and the enactment of the Public Salary Tax Act of 1939, have removed that problem from the field of controversy. Taxation by both State and Federal Governments of the salaries of public employees is now an accepted incident of our fiscal system. The only remaining question is whether the income received from State and municipal obligations may be subjected to Federal taxation. In our view, the answer is as clear and certain as the solution of any legal problem can ever be prior to a final determination of the precise issue by the Supreme Court. It is our considered opinion that the Congress does have the power to tax such income.

It is, of course, true that the Supreme Court concluded in *Pollock* v. *Farmers' Loan & Trust Co.* (157 U. S. 429; 158 U. S. 601) that a Federal tax could not validly be imposed upon income derived from municipal obligations. That decision was based upon the theory that a tax on income was a tax upon the source from which the income was derived. Thus, a tax on the income from municipal bonds was the equivalent of a tax upon the bonds themselves, and, therefore, an unconstitutional burden upon the power to borrow. However, this reasoning has been completely discredited in later opinions of the Supreme Court. With the destruction of the premise of the Pollock case, its conclusion must also fall.

"The theory, which once won a qualified approval, that a tax on income is legally or economically a tax on its source, is no longer tenable * * *," said the Supreme Court in March 1939, in *Graves* v. *New York ex rel. O'Keefe* (306 U. S. 480). Less than a year earlier in *Helvering* v. *Gerhardt* (304 U. S. 405) the Court had sustained a Federal tax upon the salaries received by employees of the Port of New York Authority. The claimed immunity, if allowed, would in the Court's opinion (p. 424) have imposed "to an inadmissible extent a restriction upon the taxing power which the Constitution has granted to the Federal Government."

The imposition of a State tax upon the salary of a Federal employee was similarly held in the O'Keefe case not to place an unconstitutional burden upon the employing sovereign. *Collector* v. *Day* (11 Wall. 113), another landmark decision like the Pollock case, was thus overruled. The express denial in the O'Keefe case that a tax on income was the equivalent of a tax upon the source represented no new thought but was rather a reiteration of a principle which had been applied in the Court's prior decision in *New York ex rel. Cohn* v. *Graves* (300 U. S. 308) and in *Hale* v. *State Board* (302 U. S. 95). There, too, it had been recognized that "income is not necessarily clothed with the tax immunity enjoyed by its source."

The opponents of the pending proposal urge that it would produce an unconstitutional "interference" with State governments. Translated into practical terms, the interference complained of is merely the increased cost of future public borrowing which might be occasioned by the tax. It is significant that this increased cost involves no discriminatory burden. Rather, it represents the effect of placing income from private and public sources upon the same plane of equality. The absence of any element of discrimination would be helpful in sustaining the constitutionality of the proposed tax.

Until the Supreme Court handed down its decision in *Alabama* v. *King & Boozer* on November 10, 1941 (314 U. S. 1), there was room for the view that, despite the decisions affecting public employees, a constitutional immunity from taxation might possibly be accorded to Government bondholders. Mr. Justice Stone had stated in the O'Keefe opinion (p. 486) that there was no basis "for the assumption that any * * * tangible or certain economic burden is imposed on the government concerned as would justify" a decision that the tax upon the employee's salary was invalid. On the other hand, it is no doubt true that the issuing government would bear a part of the economic burden of an income tax imposed upon the bondholder. Nevertheless, this Department did not attach to the statement of Mr. Justice Stone the significance urged for it by those who have opposed the legislation now suggested. The recent decision in *Alabama* v. *King & Boozer* confirms our view. It is now clearly established that the validity of a tax upon bond interest will not be affected by the increased likelihood that the economic burden will in some measure be passed on to the Government.

The question in the Alabama case was whether an Alabama sales tax, which was to be collected from the buyer, was unconstitutional in its application to purchases made by a contractor engaged by the United States under a cost-plus-a-fixed-fee contract. It was quite clear, of course, that the entire burden of the tax would be borne by the Government. In fact, the Government had agreed with the contractor that State taxes, if valid, would constitute part of the cost of the project and would be assumed and borne by the Government. Hence there was no uncertainty as to the economic effect of the tax as in the earlier case of *James* v. *Dravo Contracting Co.* (302 U. S. 134), which involved a lump-sum contract. The Supreme Court nevertheless sustained the State exaction. In the course of its opinion the Court made the following observation (pp. 8–9):

"So far as such a nondiscriminatory State tax upon the contractor enters into the cost of the materials to the Government, that is but a normal incident of the organization within the same territory of two independent taxing sovereignties. The asserted right of the one to be free of taxation by the other does not spell immunity from paying the added costs, attributable to the taxation of those who furnish supplies to the Government and who have been granted no tax immunity."

Thus, the Supreme Court finally laid to rest the theory that an economic burden in terms of increased governmental costs invalidates a tax. The earlier opinions in *Panhandle Oil Co.* v. *Knox* (277 U. S. 218), and *Graves* v. *Texas Co.* (298 U. S. 393), were held untenable so far as they support the contrary conclusion.

A decision which supports State taxation of Federal cost-plus-a-fixed-fee contractors would operate at least equally to sustain a Federal tax imposed upon State bondholders. Both relationships rest upon contract; one involves the furnishing of supplies and services, the other money. The tax in each instance would increase the cost of governmental operations: In the case of the State tax on the Federal contractor, to the full extent of the tax exacted; in the case of the State bondholders, to some extent which is difficult of precise ascertainment. Paraphrasing the language of the Supreme Court in the Alabama case, we may therefore conclude that so far as a nondiscriminatory Federal income tax upon a holder of a State

obligation enters into the cost of borrowing, that is but a normal incident of the organization within the same territory of two independent taxing sovereigns.

What has been said thus far as to the power of the Federal Government to impose a tax upon income received from State obligations applies with equal force to all interest hereafter received whether upon future issues or upon outstanding obligations. No constitutional question as to the validity of a retroactive tax is involved. See *United States* v. *Hudson* (299 U. S. 498), and cases cited therein. The proposed tax reaches only future income, and is therefore entirely prospective in operation. It posseses the same constitutional validity as the income tax imposed by the Public Salary Tax Act of 1939, upon the income received after 1938 by all Federal judges, irrespective of the date of their appointment to office.

The assumption, which was formerly prevalent that interest received upon State securities was immune from Federal taxation, is analogous to the assumption of many years standing that under *Evans* v. *Gore* (253 U. S. 245), an income tax upon the salaries of Federal judges would be unconstitutional as a diminution of their compensation. The salaries of some Federal judges were made subject to the income-tax laws by the Revenue Act of 1932, which required that all compensation received by judges taking office after June 6, 1932, the effective date of the act, be included in gross income. Judges who had taken office prior to June 6, 1932, were thus given a statutory tax immunity. In the case of the bondholder, express statutory exemption was included in the act of October 3, 1913, and this provision was repeated in later acts. With the realization that tax immunity of judges who had taken office prior to June 6, 1932, was not a constitutional requirement, the Congress, by the Public Salary Tax Act of 1939, took the final step to remove it. The present proposal to tax future income of all State securities is therefore consistent with the procedure and objective of the Public Salary Tax Act of 1939. A further illustration of the application of the income-tax laws to future income arising out of transactions which were closed before the particular taxing provision was adopted may be found in *Burnet* v. *Wells* (289 U. S. 670). The grantor of an irrevocable trust was there held constitutionally taxable upon the trust income although the trust had been created before the enactment of the statute imposing the tax.

There is no constitutional basis for contending that income hereafter received upon outstanding State bonds must be free from Federal taxation because the obligations were issued and purchased on that implied or expressed understanding. The Federal Government was not a party to such contracts and the power of the Congress to enact a revenue measure is not fettered by any agreement between individuals or between an individual and a State. There are many illustrations of this proposition. Thus, in *Louisville & Nashville R. R.* v. *Mottley* (219 U. S. 467), an act of Congress which prohibited the enforcement of certain contracts for transportation was upheld, although applied to a preexisting contract. In *New York* v. *United States* (257 U. S. 591), an order of the Interstate Commerce Commission which increased an intrastate railroad rate was upheld even though the State charter had provided that a lesser rate should be charged by the company. See also *Norman* v. *B. & O. R. Co.* (294 U. S. 240).

It accordingly appears that no objection on constitutional grounds can be successfully raised against the proposal to tax the income hereafter received upon outstanding State obligations. Indeed, the assistant secretary of the Conference on State Defense has admitted that if Federal taxation of income arising out of future issues of State bonds is constitutional, "there remains no constitutional bar to Federal taxation of the income received from the bonds now outstanding." (Tax Immunity and the Revenue Bond, by Daniel B. Goldberg, a printed memorandum distributed by the Conference on State Defense, March 1940.)

The Department's study of 1938, referred to above, reached a second and alternative conclusion that irrespective of the weakened vitality of the Pollock case and *Collector* v. *Day*, there is sound basis for a construction of the sixteenth amendment which would remove the immunity of the State bondholder and officer. We there examined at length the history of the ratification of the amendment and presented as exhibits the evidence which would support that conclusion. Accordingly, we refrain from entering into that phase of the problem in detail. One brief observation, however, seems appropriate.

At the hearings last month before the Committee on Ways and Means of the House of Representatives, reference was made to the fears expressed in 1910 by then Governor Hughes, of New York, that the proposed sixteenth amendment would authorize the taxation of interest received from State and municipal obligations. Reference was also made to the subsequent assurances of Senator Root and Senator Borah leading to the conclusion that the amendment was adopted by the legislatures of all the States with the views of the latter two in mind. The statements of Governor Hughes and of Senators Root and Borah, and of many others, were gathered and commented upon in our study.

It is significant that a large number of public officials (some agreeing and others disagreeing with the construction placed upon the amendment by Governor Hughes) urged that if the Hughes construction was correct, it furnished an additional ground for the adoption of the amendment. Among these were Frederick M. Davenport, to whom Senator Root's letter had been addressed, and Senator Brown, of Nebraska, who was the father of the joint resolution submitting the amendment to the States. It is also significant that the New York Legislature rejected the amendment in 1910 after the message of Governor Hughes, but ratified it subsequently under the administration of Gov. John A. Dix, who vigorously championed the broadest interpretation of the amendment.

The foregoing and an abundance of similar evidence permitted the conclusion to be reached in our study that the preponderant understanding of the States at the time of the ratification of the sixteenth amendment was that its adoption would in all probability carry with it the power to tax the income from State and municipal bonds.

We should like to reiterate, however, that the constitutionality of the proposed legislation does not depend exclusively upon the acceptance of our construction of the sixteenth amendment, namely, that the words "from whatever source derived" mean exactly what they say, and as so interpreted clearly embrace income from Government securities. With full confidence, the validity of our conclusion may rest upon the basic proposition previously discussed that no implied constitutional immunity from Federal taxation attaches to interest received from State and municipal obligations.

Very truly yours,

SAMUEL O. CLARK, Jr.
Assistant Attorney General.

Mr. GEORGE. Mr. President, this question has been debated in the United States since before 1909. Thirty-three years ago last July the two branches of the Congress submitted the sixteenth amendment to the several States. Its ratification, of course, followed. During all the intervening years the question of the wisdom and power of taxing State and municipal bonds has been before the American people. It is a question on which almost every American has his opinion. He certainly has had no lack of opinion in the press and from the platform. The debate in this body during the greater part of yesterday and all of today has been of an exceptionally high order.

Two questions were presented to the Finance Committee again this year, as they were also presented to the Ways and Means Committee of the other House:

First, whether the income derived from State and municipal bonds should be taxed; second, if it were not deemed wise or just to tax the income derived from such bonds outstanding, should the income from future issues of State and municipal bonds be taxed?

There is a question of power; that is quite true. It has often been debated. I myself have in the past entertained the view that the power of Congress to tax income derived from State and municipal bonds was involved in great doubt. I now have no serious doubt that the Supreme Court will hold that the Congress has the power to tax income derived from State and municipal bonds.

Mr. President, conceding the power, the question is whether it is wise to impose the tax on the income from State and municipal bonds. That is a debatable question. It is a question on which reasonable minds may differ. I grant that. I cannot believe that we have not the power, and I cannot believe that it is wrong to tax the income from State and municipal bonds. That, to my mind, seems to be the big question. I shall go as far as anyone will go in trying to maintain the business machine upon which the country must depend—and by that I mean the whole business machine, from the humblest individual to the largest organization which we permit to exist. I shall go as far as anyone will go in maintaining the business machine upon which we depend, upon which we shall depend when the war ends, and upon which the men who are fighting must depend in order to find a job when they return.

Mr. President, I think that is a short-sighted policy which would break down the business machine and which would let the returning soldiers find no work and no employment, but find a period of stagnation through which they would have to pass, after this war shall have ended.

So, Mr. President, paraphrasing the expression "Keep 'Em Flying," I am willing to "Keep Business Trying." It is essential to the life of America to keep business trying—that is, by giving to business a fair treatment, although not relieving it of its proper and fair burdens, of course.

Looking at the matter from the broad and national point of view, I cannot see why the position I have just stated is not the position which should be taken by the National Government, by every State, by every municipality, and by every taxing district. It will not break down the business machine, it will not destroy the opportunity for men to find jobs after the war ends and when the

soldiers come marching home, it will not break down the business machine, it will not destroy it, to tax income from every source from which men derive it; and to do so will not break down the cities, the States, or the municipalities, nor will it seriously interfere with their ability to finance themselves. With taxes as high as they are, and as high as they must go, there must inevitably be a great scramble to secure every outstanding tax-exempt bond or partially tax-exempt bond and every such bond which hereafter will be issued.

So, Mr. President, it seems to me that whatever may have been our judgment in the past, and however we may have been committed to it, the proposal to tax income derived from State and municipal bonds issued after January 1, 1943, not only squares itself with the principle of equity, which we like to think underlies all democracy and is in a sense the soul and spirit of democracy, but prevents anyone, whether he be relatively poor, only moderately rich, or very rich, from finding a shelter under which he could take refuge at a time when his country, in sheer defense of the American system of free institutions and of human liberty, is straining every nerve, taxing to the utmost every citizen, to find the money which, plus what we may be able to borrow and will be able to borrow without breaking down our economic system, will make it possible for us to finance ourselves through the war.

I feel that I should ask myself but one question, and that is, Is it right to tax the income from State and municipal bonds? If it is right, I am willing to let the Supreme Court say whether we have the power, for its decisions are sufficiently involved in doubt as to justify me in concluding that the Court will resolve the doubt in favor of the validity of such an act.

So, Mr. President, I express the hope that the Senate will vote down the amendment offered by the distinguished junior Senator from Ohio. Let us stop now at least the future issuance of State and municipal bonds the income from which will be exempted from our Federal income tax.

In this hour the Federal Government is supreme. It must always be able to protect its revenues against possible curtailment by means of bonds which may be issued in great volume before this war ends, or immediately upon its conclusion.

So, I think it right to avoid the possibility of such curtailment, and I believe that to do so will comport with the equity about which we talk, and which all of us really favor and support under our system of Government.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Bilbo	Burton
Austin	Bone	Butler
Bailey	Brewster	Byrd
Ball	Brooks	Capper
Bankhead	Brown	Caraway
Barbour	Buiow	Chandler
Barkley	Bunker	Chavez
Clark, Idaho	La Follette	Reynolds
Clark, Mo.	Langer	Rosier
Connally	Lee	Schwartz
Danaher	Lodge	Shipstead
Davis	Lucas	Smith
Downey	McCarran	Spencer
Doxey	McFarland	Stewart
Ellender	McKellar	Taft
George	McNary	Thomas, Idaho
Gerry	Maloney	Thomas, Okla.
Gillette	Maybank	Thomas, Utah
Green	Mead	Truman
Guffey	Milliken	Tunnell
Gurney	Murdock	Vandenberg
Hatch	Murray	Van Nuys
Hayden	Norris	Wagner
Herring	O'Daniel	Wallgren
Hill	O'Mahoney	Walsh
Holman	Overton	White
Johnson, Calif.	Pepper	Wiley
Johnson, Colo.	Radcliffe	Willis
Kilgore	Reed	

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment of the Senator from Ohio [Mr. BURTON].

Mr. GEORGE. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, may we have the amendment offered by the Senator from Ohio [Mr. BURTON] stated?

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to strike out on page 34, line 1, the words "before January 1, 1943," and beginning on line 23, page 34, to strike out all down to and including line 16 on page 38, as follows:

(3) For the purposes of clause (B) of paragraph (1) of this subsection:

(A) If the terms of an obligation issued before January 1, 1943, the maturity of which on the date of enactment of the Revenue Act of 1942 (hereinafter called "enactment date") or the date of issue, whichever is later, is later than December 31, 1942, are, after enactment date, changed so as to increase the principal amount or interest rate or to extend the maturity, then such obligation shall (as to interest accruing for any period after the date of the change or December 31, 1942, whichever is later) be considered as issued after such later date.

(B) In the case of an obligation issued after the enactment date and before January 1, 1943, such obligation shall (as to interest accruing for any period after December 31, 1942) be considered as issued after December 31, 1942, if any part of the proceeds of the issue of which the obligation is a part, or if any obligation of the issue, is devoted to the retirement or refunding of an obligation the maturity of which on enactment date was later than June 30, 1943. For the purposes of this subparagraph, June 30, 1943, shall be considered the maturity, on enactment date, of an obligation the interest on which ceases to run before July 1, 1943, by reason of such obligation being called for redemption in accordance with the terms thereof as they existed on enactment date.

(4) For the purposes of clause (B) of paragraph (1) of this subsection, if an obligation is issued after December 31, 1942 (hereinafter called "refunding obligation"), and if—

(A) The issue of which it is a part (hereinafter called "new issue") is issued for the purpose of refunding one or more obligations (hereinafter called "refunded obligations"); and

(B) All refunded obligations have the same exemption expiration date, as defined in subparagraph (J); and

(C) No obligations, other than those of the new issue, have been issued for the purpose of refunding any of the refunded obligations; and

(D) The aggregate principal amount of the new issue is not in excess of the aggregate principal amount of the refunded obligations; and

(E) Interest on each of the refunded obligations ceases (by reason of such obligation being called for redemption in accordance with the terms thereof as they existed on enactment date, or the date of issue, whichever is later) to run upon a date not more than 7 months after the date upon which interest on the refunding obligation begins to run; and

(F) Interest on each of the refunded obligations, for the period at the end of which it ceases to run by reason of such call for redemption, is considered as interest on an obligation issued before January 1, 1943; and

(G) The refunding obligation, in its terms, states the exemption expiration date of, and identifies, the refunded obligations; and

(H) The interest rate on the refunding obligations for any period ending on or before the exemption expiration date of the refunded obligations is not higher than the interest rate which any of the refunded obligations had, or would (if such obligation had not been called for redemption) have had, for the corresponding period,

then the refunding obligation shall be considered as issued before January 1, 1943, as to so much of the interest as accrues for any period ending before or on the exemption expiration date of the refunded obligations, and shall be considered as issued after December 31, 1942, as to the remainder of such interest. For the purposes of this paragraph—

(I) Several obligations shall be considered as one issue, only if each is identical with all the others in maturity, interest rate, terms and conditions, and recitals, but the fact that the denominations differ, or that some are registered and some in coupon form shall be disregarded.

(J) "Exemption expiration date" means—

(i) With respect to a refunded obligation issued before January 1, 1943, the date of maturity which the obligation had on December 31, 1942;

(ii) With respect to a refunded obligation issued after December 31, 1942, the date as of which interest thereon would (if the obligation had not been called for redemption) have ceased to be considered as interest on an obligation issued before January 1, 1943.

Mr. BURTON. Mr. President, merely that I may be sure that I understand correctly the parliamentary situation, and that the Senate does, I understand that the law now provides that income from all State and municipal securities shall be exempt from taxation. The committee proposes an amendment to limit that exemption to those securities which were issued or will be issued before January 1, 1943. My amendment is to strike out that date, and to strike out the limitation, and therefore to leave the situation as it is at present. If my amendment shall be voted up, the situation will remain as it is now, and municipal and State bonds will remain exempt.

The VICE PRESIDENT. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the senior Senator from Virginia [Mr.

GLASS], who would vote as I intend to vote. I vote "nay." I am advised that if present and voting the Senator from New Hampshire [Mr. BRIDGES] would vote "yea."

The roll call was concluded.

Mr. HILL. The Senator from Virginia [Mr. GLASS] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are detained on official business.

The Senator from Georgia [Mr. RUSSELL] and the Senator from New Jersey [Mr. SMATHERS] are necessarily absent.

I announce the following pairs on the pending question:

The Senator from Maryland [Mr. TYDINGS], who would vote "nay," with the Senator from North Dakota [Mr. NYE], who would vote "yea."

The Senator from Montana [Mr. WHEELER], who would vote "nay," with the Senator from New Hampshire [Mr. TOBEY], who would vote "yea."

Mr. McNARY. The Senator from New Hampshire [Mr. BRIDGES], the Senator from North Dakota [Mr. NYE], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The result was announced—yeas 52, nays 34, as follows:

YEAS—52

Austin	Gerry	Radcliffe
Bailey	Gillette	Reynolds
Ball	Gurney	Rosier
Bankhead	Hayden	Schwartz
Barbour	Hill	Smith
Bilbo	Holman	Spencer
Bone	Johnson, Calif.	Stewart
Brewster	Johnson, Colo.	Thomas, Idaho
Brooks	Lodge	Thomas, Okla.
Bunker	Lucas	Tunnell
Burton	McCarran	Van Nuys
Butler	McFarland	Wallgren
Caraway	McKellar	Walsh
Chavez	McNary	White
Connally	Maybank	Wiley
Davis	Millikin	Willis
Doxey	O'Mahoney	
Ellender	Overton	

NAYS—34

Aiken	Green	Norris
Barkley	Guffey	O'Daniel
Brown	Hatch	Pepper
Bulow	Herring	Reed
Byrd	Kilgore	Shipstead
Capper	La Follette	Taft
Chandler	Langer	Thomas, Utah
Clark, Idaho	Lee	Truman
Clark, Mo.	Maloney	Vandenberg
Danaher	Mead	Wagner
Downey	Murdock	
George	Murray	

NOT VOTING—10

Andrews	Nye	Tydings
Bridges	Russell	Wheeler
Glass	Smathers	
Hughes	Tobey	

So Mr. BURTON'S amendment to the amendment of the committee was agreed to.

The VICE PRESIDENT. The question recurs on the committee amendment on page 31, beginning in line 1, as amended.

The amendment, as amended, was agreed to.

Mr. GEORGE. Mr. President, I assume that the action just taken by the Senate will make it unnecessary to act upon two amendments which were passed over. The first is on page 528, "Section 509. Taxation of obligations of United States and its instrumentalities." That is a provision by which the United States would give consent to the taxation, under an income tax, of interest upon obligations, and dividends, earnings or other income from shares, certificates, stock, or other evidence of ownership of United States-owned corporations, and so forth. It would also apply to the second amendment passed over, beginning in line 13, on page 531, and ending in line 13, on page 532, which is section 510. Both amendments were passed over, but the action to be taken on them would seem to be determined by the vote already taken by the Senate. I therefore ask that the two amendments be disposed of today.

The VICE PRESIDENT. The question is on agreeing to the amendment beginning in line 6, on page 528, and ending in line 12, on page 531.

The amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment, beginning in line 13 on page 531 and ending in line 13, on page 532.

The amendment was rejected.

The VICE PRESIDENT. The next committee amendment will be stated.

The next amendment was, on page 298, beginning in line 1, "Section 174. Temporary income tax on individuals."

Mr. McNARY. Mr. President, I call attention of the able Senator in charge of the bill and the Democratic leader to an understanding we had a few days ago.

Mr. GEORGE. Mr. President, I remember it; and if it is agreeable to the majority leader, I suggest that the Senate now take a recess until tomorrow.

STIMULATION OF OIL PRODUCTION

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram which I received this morning from the Honorable Wayne Johnson, of the War Production Board, who sat in a hearing of the Committee on Public Lands and Surveys, which was considering ways and means of stimulating the production of oil in the United States. Mr. Johnson has suggested a possible amendment to the revenue act.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *October 7, 1942.*

Hon. JOSEPH C. O'MAHONEY,

Senate Committee on Public Lands:

After listening to the testimony taken before your subcommittee yesterday and after receiving a report on the testimony today, it seemed to me that the suggestions thus far submitted to bring about the necessary exploitation of existing prospective and unknown deposits of oil and gas were too general in their application. In order to avoid a similar threatening shortage in 1918 the Congress adopted a reward for the bringing in of new wells. To be sure the situation today due to critical materials and changes in the industry make the law and regulations as then adopted not entirely appropriate for the present situation but it gives a guiding principle. I wrote the regulations under the 1918 act and subsequently saw the administration of the act work perfectly and with modifications it could be equally or more effective today. My suggestion is: That in the case of mines, oil and gas wells brought into production by the taxpayer on or after November 1, 1942, and not included in a square surface area of 40 acres having as its center the mouth of a well producing oil and gas in commercial quantities the depletion allowance shall be based upon the fair market value of the property at the date brought to production or within 30 days thereafter; such allowance in all the above cases to be made in accordance with the annual production limited to the estimated life of the property under rules and regulations to be prescribed by the Commissioner of Internal Revenue with the approval of the Secretary which allowance shall not be less than the 27½ percent otherwise provided in the present revenue act.

In the absence of a stronger showing than has already been made I am opposed to general price increases but I do think the areas now where production and consumption are practically in balance and the possibility of a shortage is more imminent such as the Rocky Mountain States and West Coast States that new production obtained after November 1, 1942, should receive a higher price due to greater costs and as a further stimulant to production. There is no accounting problem really involved in such a price increase because the runs to the pipe lines are always measured and the wells where oil is used on the property have settling tanks which are gaged each day.

Neither of these proposals would affect the Treasury's revenue because they have to do with new production so they would not impair the present estimated revenue returns, would stimulate the production of highly critical and much needed raw materials and produce additional revenue as well. These recommendations are given in brief and I would be glad to submit a detailed and completed written recommendation if the proposals are of interest to the committee and are not found objectionable by Government agencies and Henderson as I have not had a chance to consult with anyone about them.

Discussion of these principles certainly cannot harm the situation and it seems to me offers a tried solution without involving subsidies which are difficult to administer and general price increases which would be very difficult to justify.

WAYNE JOHNSON,
War Production Board.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting several nominations in the Army and the Army Specialist Corps, which was referred to the Committee on Military Affairs.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

By Mr. REYNOLDS, from the Committee on Military Affairs:

Sundry citizens for appointment in the Army Specialist Corps, established by an Executive order; and

Sundry officers for appointment, by transfer, and/or promotion in the Regular Army.

By Mr. BONE, from the Committee on Patents:

Vernon I. Richard, to be examiner in chief, Board of Appeals, United States Patent Office; and

Ernest F. Klinge, to be examiner in chief, Board of Appeals, United States Patent Office.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nominations on the calendar.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of George Wadsworth, of New York, to act as diplomatic agent and consul general of the United States of America near the Government of the Republic of Lebanon, at Beirut, and near the Government of the Republic of Syria, at Damascus.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the postmaster nominations are confirmed en bloc.

THE NAVY

The legislative clerk read the nomination of John H. Towers, to be vice admiral for temporary service, to rank from October 6, 1942.

Mr. WALSH. I ask that the nomination be confirmed.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John S. McCain, to be Chief of the Bureau of Aeronautics, with the rank of rear admiral, for a term of 4 years, effective upon the relinquishment of that office by Rear Admiral John H. Towers.

Mr. WALSH. I ask that the nomination be confirmed.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. WALSH. I ask that the nominations in the Marine Corps be confirmed en bloc.

The VICE PRESIDENT. Without objection, the Marine Corps nominations are confirmed en bloc.

That completes the calendar.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations this day confirmed.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 11 o'clock tomorrow.

The motion was agreed to; and (at 4 o'clock and 56 minutes p. m.) the Senate took a recess until tomorrow, Friday, October 9, 1942, at 11 a. m.

NOMINATIONS

Executive nominations received by the Senate October 8 (legislative day of October 5), 1942:

APPOINTMENTS IN THE ARMY SPECIALIST CORPS

Leland Grisier Gardner, executive officer, Legislative and Liaison Division, War Department, Special Staff, $5,600.

Hugh McKittrick Jones, principal personnel procurement officer, field service, Seventh Service Command, Army Specialist Corps, $5,600.

Melvin James Snyder, principal administrative officer, Engineer Corps, Services of Supply, New York, N. Y., $5,600.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 8 (legislative day of October 5), 1942:

DIPLOMATIC AND FOREIGN SERVICE

George Wadsworth, to act as diplomatic agent and consul general of the United States of America near the Government of the Republic of Lebanon, at Beirut, and near the Government of the Republic of Syria, at Damascus.

IN THE NAVY

PROMOTION IN THE TEMPORARY SERVICE

John H. Towers to be vice admiral for temporary service.

IN THE MARINE CORPS

PROMOTIONS IN THE TEMPORARY SERVICE, IN THE MARINE CORPS

To be major generals

Emile P. Moses
Harry Schmidt
Ralph J. Mitchell

To be brigadier generals

Earl C. Long
Pedro A. del Valle
Francis P. Mulcahy
Louis E. Woods
Field Harris

POSTMASTERS

CALIFORNIA

Gilbert G. Vann, Arbuckle.
Jacob Golden Land, Feather Falls.
Paul W. McGrorty, McCloud.
John Carlos Rose, Milpitas.
Robert L. Turner, Mojave.
Julia M. Ruschin, Newark.
Lindsey L. Burke, Norwalk.
Charles A. Turner, Oceanside.
Icy June Murphy, Project City.
George H. Treat, San Andreas.
Louis J. McNeill, Tuolumne.

KANSAS

Clarence O. Masterson, Wilmore.

MONTANA

Oren D. Clement, Livingston.

OREGON

Euna Pearl Burke, Astoria.
Robert H. Fox, Bend.
Glen C. Smith, Independence.
Winifred G. Wisecarver, McMinnville.

DEPARTMENT OF THE NAVY

John S. McCain to be Chief of the Bureau of Aeronautics, with the rank of rear admiral, for a term of 4 years.

HOUSE OF REPRESENTATIVES

THURSDAY, OCTOBER 8, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord God Almighty, help us to accept our task without bitterness or censure, to be grateful for all the privileges we enjoy, and to face our world with confidence and with an earnest spirit. We pray, dear Lord, for emancipation from everything that holds men down, from the bondage of matter, purifying our souls as a temple, for freedom from egotism, keeping before us the Christ, the One whose character is manhood in magnitude. Grant unto us the grace to know that life is a fleeting shadow and enable us to discern that the true realm is in the life of the immortal soul.

Open the hearts of all our people to be more bountiful, to spare themselves less and less for the sake of others. We pray that our country may set the example to all the world not only in generosity and outward prosperity but in justice and in national honor, in nobility and truth, so that the cause of this world may become the cause of our Nazarene Teacher. In His holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2275. An act to amend section 10 of Public, No. 360, Seventy-seventh Congress, to grant national service life insurance in the cases of certain Army flying cadets and aviation students who died as the result of aviation accident in line of duty between October 8, 1940, and June 3, 1941;

S. 2679. An act to authorize the transportation of dependents and household effects of personnel of the Navy, Marine Corps, Coast Guard, and Coast and Geodetic Survey, incident to secret or confidential orders, and for other purposes.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2471) entitled "An act to amend the act entitled 'An Act to prevent pernicious political activities', approved August 2, 1939, as amended, with respect to its application to officers and employees of educational, religious, eleemosynary, philanthropic, and cultural institutions, establishments, and agencies, commonly known as the Hatch Act," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GEORGE, Mr. HATCH, and Mr. AUSTIN to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2655) entitled "An act to amend the Judicial Code to authorize the Chief Justice of the United States to assign circuit judges to temporary duty in circuits other than their own," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHONEY, Mr. CONNALLY, and Mr. DANAHER to be the conferees on the part of the Senate.

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of Au-

gust 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of the Interior.
3. Department of the Navy.
4. Department of War.
5. Administrative Office of the United States Courts.
6. Federal Trade Commission.
7. The National Archives.

GUAYULE RUBBER

Mr. FULMER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2775) to amend the act of March 5, 1942, relating to the planting of guayule and other rubber-bearing plants.

The Clerk read the title of the bill.

Mr. MICHENER. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. FULMER. May I state to the House that a representative of the Department came before our committee and stated that they were getting along nicely with this program but found they had about 132,000 pounds of seed instead of 20,000, and that therefore they needed additional acreage; so the bill carries a provision for 500,000 acres of land instead of 75,000, as originally provided for. It also carries a provision permitting them to buy nursery land and certain buildings in connection with the operation of the program. Practically all of this large acreage will be used under lease and utilize farmers and farm labor and machinery in that area to carry on the program.

Mr. KINZER. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. KINZER. The action of the committee on this measure was unanimous.

Mr. FULMER. Yes; that is true. They have had some labor trouble in carrying out the original program, especially with farmers, in that farmers under the California labor laws operate on a 10-hour day. We have amended this bill so as to eliminate that trouble.

Mr. MICHENER. This bill has passed the Senate.

Mr. FULMER. Yes.

Mr. MICHENER. And there are no House amendments except the one relating to labor.

Mr. FULMER. Just the amendment relating to labor, increased acreage, the right to buy administrative sites, and water rights.

Mr. MICHENER. Did the chairman of the Committee on Agriculture read the statement appearing in an Associated Press dispatch in yesterday's paper containing a speech made by Vice President WALLACE in reference to the rubber situation in the United States?

Mr. FULMER. Yes; I read his speech.

Mr. MICHENER. Will this bill interfere with the program as outlined by the Vice President in connection with the production of rubber in this country?

Mr. FULMER. May I say to the gentleman from Michigan that this bill has nothing whatsoever to do with the matter about which Mr. WALLACE spoke; in other words, Mr. WALLACE was speaking about what might happen after the war. I understand he advocates going to other countries to get our rubber instead of producing it ourselves. This should be a matter for consideration after the war. What we should do is to produce all the rubber we can at this time from any source possible. I am hoping we will continue to produce rubber in this country after the war. The bottleneck we are now experiencing in the rubber situation was caused by our dependence on foreign sources for rubber instead of producing rubber in this country.

Mr. WOODRUFF of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. WOODRUFF of Michigan. It seems to me, Mr. Speaker, we ought in every instance where possible to produce every strategic material necessary in time of war. If any country has ever had an example of the asininity of depending on countries on the other side of the world for things we must have in times of national emergency we have had it.

Mr. FULMER. I agree thoroughly with the statements and views of the gentleman. He will find that practically every major bottleneck we have had or that we are now having in connection with our war effort was brought about because of not doing the things we could have been doing in this country and because we permitted certain selfish groups to control the rubber business.

Mr. MICHENER. The reason I reserved the right to object was to air this matter a little. In the article to which I referred the Vice President makes it clear that after the war we must purchase as much as we can of rubber from other countries producing it. He does not seem to have the feeling that we should build up a permanent rubber industry at this time that will compete with or interfere with the good-neighbor policy after the war. If this be true, I am wondering whether or not we are carrying out his theory by proceeding with the development of United States produced rubber in this country even for use during the war.

Mr. FULMER. I am very fearful that Mr. WALLACE is speaking the mind of a certain group who had had a monopoly on the rubber proposition prior to the war and who are hell bent on going back to their first love after the war.

When certain witnesses appeared before our committee and we asked them why they did not do the job themselves instead of selling out to the Government, their reply was that the Government could do it better than they could. This is the first time I have ever heard a business concern make such a statement.

In the meantime I said, "We will go into this and spend a lot of money, but what about after the war?" "Oh, it will be out of the window then," was the reply. But I am hoping we will not only continue this program in growing this shrub but any other shrub that will produce rubber and that we will continue to produce synthetic rubber out of alcohol and any other products of this country from which we can produce rubber after the war.

Mr. TREADWAY. Will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. The gentleman is speaking of not having done certain things that we ought to have done. Of course, this is not within the jurisdiction of his committee, but may I ask the gentleman, does he not believe that included in the category that he has referred to is the fact that we had shipped thousands of tons of scrap iron to Japan previously to the declaration of war and now are anxious to get some of our own?

Mr. FULMER. We could go into many of these problems. I had that up over 10 or 15 years ago. We reported a sugar bill some time ago and did not get anywhere. Now, we are rationing sugar. But that is all water over the dam. We have a bill here that we want to pass and whether I am in Congress or not I hope after this war that the people of this country will demand that we do those things that our people are capable of doing and taking care of the interests of this country instead of other countries.

Mr. JOHNSON of Illinois. Will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Illinois.

Mr. JOHNSON of Illinois. Regarding the plan proposed by Mr. WALLACE as given in the press of yesterday and this morning, that is a long way off. He talks about developing plantations down in South America, but that is not going to get us rubber within the next couple of years. We have hope of getting considerable rubber from guayule that has been talked of for several years, and which was produced successfully for about 20 years, but they could not compete at times with the British and Dutch monopoly. I am for this bill because expert testimony before the committee indicates that because of a peculiar substance in the guayule, which can be taken out, it is ideally adapted for reclaimed rubber for recapping, and we are going to have to get along with a lot of reclaimed rubber for a long time.

Mr. SABATH. Will the gentleman yield.

Mr. FULMER. I yield to the gentleman from Illinois.

Mr. SABATH. Having favored this legislation, I would like to ask the chairman of the Committee on Agriculture a question. It has developed that they have produced more seed or plants than they originally anticipated?

Mr. FULMER. That is correct.

Mr. SABATH. It is for that purpose that additional money is required and additional acreage to plant the additional seed?

Mr. FULMER. That is correct.

Mr. SABATH. How much acreage is recommended or urged and how much more money is needed?

Mr. FULMER. The first bill provided for 75,000 acres. Under this bill we provide for 500,000 acres on the basis that they have instead of 20,000 pounds of

seed about 132,000 pounds of seed with the prospect of getting a larger number of plants or seed from plants that they already have growing.

Mr. SABATH. Has there been any evidence introduced or that has come before the committee, or any information, relative to the Russian Government and that it has volunteered to submit to us and let us have their method of raising rubber, which was done about a year and a half ago, and nothing has been done about it in accepting the kind offer to aid us in the rubber situation?

Mr. FULMER. In connection with this program we bought out a corporation that had all of the inside secrets and information that were turned over to our Government for the purpose of breeding producing guayule plants.

Mr. SABATH. Is that the same plant they are growing in Russia, or is this the plant that they grow in Mexico?

Mr. FULMER. In California; and they are growing a lot of it in Mexico and some in the State of Texas. They are also planting seed produced in Russia as well as other plants.

Mr. SABATH. That is what I had in mind, whether it is the same plant that is growing in Mexico that they are growing in Russia or if the Russian plant has not perhaps proven to be a better rubber-producing plant than even the one that we have taken over.

Mr. FULMER. It is generally thought that the seed that we are now getting from Russia will produce really more rubber than the guayule plant.

Mr. SABATH. That has been my understanding, and I want to know why it had not been accepted years ago. If it had been, the chances are we could have been more advanced, and there would not be the shortage of rubber that exists now.

Mr. FULMER. May I state to the gentleman I referred to the fact a few moments ago that we have not been interested in doing those things in this country, because of the monopolistic controls of certain groups buying and importing cheap rubber. And millions have been spent in this country by our people, but out of all of the research and the money we have spent in this country, very little has been done by the departments or our people to produce rubber in this country.

Mr. RABAUT. Will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Michigan.

Mr. RABAUT. As I understand it, the seed from our own plants are going to be used in the southern part of the country?

Mr. FULMER. That is right.

Mr. RABAUT. The Russian plant will grow farther north in this country?

Mr. FULMER. It will grow in several other States where other shrubs will not grow.

Mr. POAGE. Will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Texas.

Mr. POAGE. I think it should be stated that the representative of the Department of Agriculture who appeared before our committee a couple of days ago told us that under the terms of this bill they will be able to experiment with our plant and seed and the seed that they can get from Russia. He said that they now have 7,000 pounds of seed of the kok-sagyz plant, or Russian dandelion, which they are now planning to put into the ground this season all along the northern border of the United States.

The terms of this bill will also enable them to engage in the planting of substantial quantities of goldenrod in the southeastern part of the United States. This bill not only covers guayule, of which we speak because we have more of it than of anything else, but the original legislation authorized and this bill authorizes an expansion of the growth of any of the rubber-producing plants, including the kok-sagyz and the goldenrod.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. What program is being followed with reference to reducing the rubber from the juice that you take from this plant? Is the production of rubber from the juice that comes from this plant actually being worked into the rubber program along with this other synthetic operation?

Mr. FULMER. I am not sure just what they are doing along that special line, but we were told that within about a year, especially within 2 years, they would be producing a number of tons of rubber through the processing of this shrub.

Mr. CRAWFORD. I am seeking information on this matter now—I am not objecting—but I should like to ask how they can produce the rubber from these plants unless the War Production Board and the other powers-that-be work into the plant expansion program the necessary equipment to do the processing.

Mr. FULMER. I understand, that they have some of those plants already in this area where we are producing these shrubs. I think that as a part of the program, and certainly they will go into the processing of the shrubs, with those in authority, otherwise they would not be putting all this money into the program.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. FULMER. I yield to the gentleman from California, who had been and is still deeply interested.

Mr. ANDERSON of California. In answer to the inquiry of the gentleman from Michigan, may I say that I visited the project while I was in California. There is a plant there now ready to harvest 500 acres of guayule this fall, from which they expect to process between 1,000,000 and 1,500,000 pounds of refined rubber. That will go into combination with synthetic products to make rubber for use in the war effort.

Mr. CRAWFORD. I think this point is just as important as can be in connection with this bill. My question is, Is the Rubber Administrator, Mr. Jeffers, taking into consideration the flow from this acreage which you now propose to expand so that the products of those acres will go into the synthetic rubber production? In other words, if no plants are being planned to process these plants, what are you going to do with them after they are harvested? What are you going to do with the liquid that comes from the plant.

Mr. FULMER. I agree with the gentleman. However, I am unable to give the gentleman definite information, but certainly, with this agency of the Government handling this problem, there must be some understanding whereby they will be able to process the many tons that they will be able to produce.

Mr. CRAWFORD. Frankly, I do not think there is. If the gentleman will read the Baruch report, I think he will find that there is not any understanding about it.

Mr. ANDERSON of New Mexico. Mr. Speaker, will the gentleman yield?

Mr. FULMER. I yield to the gentleman from New Mexico.

Mr. ANDERSON of New Mexico. I wonder if this bill still makes provision for the planting of guayule and these other plants outside the limits of the continental United States?

Mr. FULMER. The bill provides for employment of people from other countries, but I do not believe there is anything in this bill about going into any other country for producing this or any other shrubs.

Mr. ANDERSON of New Mexico. Is there any way it can be restricted so some of the States like west Texas, New Mexico, and Arizona, can get some of these plantings? They were all transferred to Mexico on the first planting.

Mr. FULMER. We were told by the representative from the Department that any plant that would grow in any other States and produce rubber would be planted, that they were going into this matter in an extensive way, and that they have other seeds to be planted that would produce better in some of the other States, perhaps, than this shrub.

Mr. ANDERSON of New Mexico. But they did not do it. Is there any way of protecting that situation?

Mr. FULMER. I imagine that will take time. The gentleman can take that up with the Department. I am sure they will be very glad to confer with the gentleman about it.

Mr. THOMASON. Mr. Speaker, will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Texas.

Mr. THOMASON. I concur in what my colleague the gentleman from New Mexico has said about guayule and the rubber problem.

I am glad to note that there is now more interest being manifested in the growth, development, and processing of the guayule plant, because I think it a field of great possibilities. I admit that it offers little for the immediate future, but over the years, I think the program deserving of our support.

I might add that some years ago at the town of Marathon, Tex., there was a mill built for the processing of guayule produced in that section and just across the Rio Grande in old Mexico, but, of course, on account of the low prices of rubber the factory later went into bankruptcy. However, I think there are marvelous

possibilities for this industry and that is what the Department of Agriculture and the experts say. All possible assistance and cooperation, in my judgment, ought to be given for the development of the guayule plant in those sections of our country, notably along the Mexican border in west Texas, New Mexico, and Arizona, in order to encourage further experimentation. There are many places in west Texas where this plant grows wild. More experimental stations and beds should be installed. The people in that section should be encouraged.

Mr. FULMER. I agree with the gentleman.

Mr. LUDLOW. Mr. Speaker, will the gentleman yield?

Mr. FULMER. I yield to the gentleman.

Mr. LUDLOW. How does it happen that such a miscalculation was made as to the available quantity of seed?

Mr. FULMER. Because of the misinformation about the amount of seed that would be available. From the plants that had been put out they found they could get a sufficient quantity of seed to plant a larger acreage. This total acreage will not be planted immediately, but this is to give them a leeway for next year and the next year, so they can utilize all of the seed possible so as to produce as quickly as possible as much rubber as possible.

Mr. MICHENER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (2) of the first section of the act entitled "An act to provide for the planting of guayule and other rubber-bearing plants and to make available a source of crude rubber for emergency and defense uses," approved March 5, 1942, is amended by striking out the word "seventy-five" and inserting in lieu thereof the words "five hundred"; and by striking out the words "and land for nurseries" before the semicolon at the end of such paragraph and inserting in lieu thereof the following: "land for nurseries and administrative sites, and water rights."

SEC. 2. Paragraph (3) of the first section of such act is amended by inserting after the first semicolon the following: "to acquire water rights; to erect necessary buildings on leased land where suitable land cannot be purchased".

SEC. 3. Paragraph (4) of the first section of such act is amended by inserting after the first semicolon the following: "to purchase guayule shrub".

SEC. 4. Paragraph (8) of the first section of such act is amended by striking out the words "of seventy-five" and inserting in lieu thereof the words "not in excess of five hundred."

SEC. 5. Section 2 (a) of such act is amended by inserting after the words "citizens of" the word "other"; and by striking out the words "in the Western Hemisphere."

SEC. 6. Section 2 of such act is amended by adding at the end thereof the following new subsection:

"(e) In carrying out the provisions of this act the Secretary shall have all of the authority conferred upon him by the act entitled 'An act to facilitate and simplify the work of the Forest Service,' approved January 31, 1931."

With the following committee amendments:

Page 3, at the end of section 6, add the following new wording:

"(f) The Secretary may lease at reasonable rentals structures erected by the Government with essential facilities for such periods as such structures and facilities are not required for the purposes of this act; and any part of land or structures with essential facilities acquired by lease, deed, or other agreement pursuant to this act, which are not required or suitable for the purposes of the act during the period the United States is entitled to possession thereof may be leased or subleased at a reasonable rental; and any surplus water controlled by the United States on land owned or leased by the United States for the purposes of this act may be disposed of at reasonable rates."

Page 2, line 19, change the word "subsection" to "subsections."

Page 6, add a new section, to read as follows:

"SEC. 7 Section 2 (a) of such act is amended by inserting after the words "as amended." the following new wording: '(Sec. 321 to 324, inclusive, and sec. 325a of title 40 of the United States Code (1940 ed.) shall not apply to any nursery, planting, cultivating, or harvesting operations conducted pursuant to this act.)' "

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

(Mr. MYERS of Pennsylvania, Mr. RAMSAY, and Mr. WHITE asked and were given permission to revise and extend their own remarks in the RECORD.)

THE TAX BILL

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, the progress being made in the Senate toward final action on the tax bill is most gratifying. I hope that within the next 2 weeks the completed measure can be placed before the President for signature, so that the taxpayers of the country may know what their tax burden will be on this year's income. While there will be a number of differences between the House and Senate bills to be adjusted in conference, there should be no difficulty in coming to an agreement.

There is one item in the Senate bill which I am sure will meet with the approval of the great majority of the workers and businessmen of the country, and that is the amendment freezing the social-security pay-roll tax at 1 percent for another year. Under existing law, it would otherwise automatically increase to 2 percent on both employers and employees on January 1 next. There is no justification for this increase in view of the fact that the present tax is building up the reserve fund to a figure twice as great as that contemplated under the law. According to official figures, the reserve on June 30 was $3,229,000,000. Under the law, it is only supposed to be three times the highest annual benefit payments in the next 5 years, which would result in a figure of $1,395,000,000. To increase the rate to 2 percent would build up a reserve fund out of all proportions to that contemplated under the law, and unnecessarily burden wage earners and business concerns already subject to heavy taxation for war purposes.

It is wrong, in my opinion, to use social-security trust funds and pay-roll taxes for other than social-security purposes. Once we start this practice there is no telling where it will end. I hope the House conferees will accept the Senate amendment to freeze the rate of tax at 1 percent for another year.

EXTENSION OF REMARKS

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Michigan [Mr. HOFFMAN] may be permitted to extend his remarks in the RECORD and to include a letter from a constituent and his response thereto.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PRICE CONTROL

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. WOODRUFF of Michigan addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and to include an address given by Hon. John C. Page, Commissioner of Reclamation, before the annual convention of the South Dakota Reclamation Association.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

PROPOSED SCRAPPING OF CERTAIN RAILROAD LINES IN ILLINOIS

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks in the RECORD and to include a telegram.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. ARENDS addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the Washington Post of October 6.

The SPEAKER. Is there objection?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial.

The SPEAKER. Is there objection?

There was no objection.

NATIONAL NEWSPAPER WEEK

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNYDER. Mr. Speaker, beginning October 1 the free press of America observed National Newspaper Week. The significance of this event is that we still enjoy freedom of speech and that those who voice this freedom for us on the printed page can celebrate their independence in the wholesome, enterprising American way.

Twelve thousand papers participated in this observance—more free journals than in all the balance of the world—and their broadsides for liberty are certain to shake the nerves of those bloody Axis tyrants who stifle free speech and would enslave all mankind. I am sure my colleagues join me in congratulating the American press and in wishing success to their every endeavor.

In this connection I should like to call attention to the patriotic efforts put forth by practically all the editors of the country weeklies and the daily papers in the smaller cities. They are faced by a shortage of labor caused by so many of their young men joining our armed forces and not a few suffer a serious decrease in revenues.

You will recall that Congress last year appropriated a few thousand dollars for the War Department to furnish a mat service to country papers describing our preparations for defense. Thousands of papers representing every State in the Union joined in the patriotic response. Up to September 1 nearly 400,000 mats depicting the activities of our soldiers had been used.

The other day Major General Surles, Chief of the War Department Bureau of Public Relations, received a letter from an editor saying that he and his staff had been working daytime helping farmers thresh their wheat and got out his paper at night. Freedom of the press will be preserved as long as we have men like that.

EXTENSION OF REMARKS

Mr. CLEVENGER. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the Denver Post of October 1.

The SPEAKER. Is there objection?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter to the editor of the Binghamton (N. Y.) Press.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDERSON of New Mexico. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial published on September 30, in the Clovis (N. Mex.) News-Journal.

The SPEAKER. Is there objection?

There was no objection.

WAGE RAISES IN AUTOMOTIVE INDUSTRY

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

[Mr. FADDIS addressed the House. His remarks appear in the Appendix.]

FUEL OIL IN KANSAS

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

IT JUST DOESN'T MAKE SENSE

Mr. CARLSON. Mr. Speaker, it is a simple matter for the Office of Price Administration to issue a blanket order reducing the use of fuel oil from 25 to 33⅓ percent in various sections of the United States. This sounds fair but the effect is very impractical. Out in the oil-producing and oil-refining areas there is a large surplus of fuel oil. The home owners in these communities have been ordered to make the same reduction as those in the East where there is an actual and real shortage. They have also been asked to convert their oil burners so they can use coal. Here is the practical effect of these orders in the oil-refining areas. In the Middle West the potential production for fuel oil is much greater than the amount of oil that can be consumed and shipped with present transportation facilities. In other words, this area is going to be rationed on fuel oil at a time when it is impossible to dispose of the fuel oil produced in this section. The potential production capacity in the Middle West is approximately 6,000,000 barrels, and it is estimated that the area now uses about 2,000,000 barrels and ships out another million barrels annually. In many sections it is necessary to transport coal hundreds of miles in order to provide the heat that will be necessary by the conversion. It requires the use of much labor and strategic material to make this conversion. More than that, we are advised there is an actual coal shortage. From a practical standpoint these orders should be so written that fuel oil could be used without limitation where there is a surplus of it. Any other order just does not make sense.

THE SOVEREIGN STATES AND THEIR FEDERAL GOVERNMENT

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOBBS. Mr. Speaker, the Constitution of the United States, as its preamble declares, was written "in order to form a more perfect Union"—not a Union that would undermine and eventually destroy the States but a perpetual Union of the States, for the States, and by the States.

The Supreme Court of the United States in the case of *Texas* v. *White* (7 Wallace 725) has this to say:

> The Constitution in all its provisions looks to an indissoluble Union composed of indestructible States.

In the view of the Constitution, then, the preservation of the States is just as important as of the Union.

If you will read Madison's Notes on the Constitutional Convention again, to refresh your recollections, you will see that the prime idea, voiced again and again throughout those months of debate, was that while more power than that which was granted the Federal Government by the Articles of Confederation was necessary in order that it might perform the few functions entrusted to it, yet, concentration of power in "the general government" was to be dreaded and fought as any other form of creeping death.

The founding fathers repeatedly expressed the conviction that a powerful Federal bureaucracy would prove just as much of a tyrant as George III.

They were certain that the weakening of the sovereign rights of the States would inevitably destroy the Nation.

Already encroachments have been made into the exclusive political territory of the States. Now, the anti-poll-tax bills are the wooden horse by means of which it is hoped to capture the citadel of the chief right of each of the States—control over its own elections and the fixing of the prerequisite qualifications of its own voters.

If we love our Nation this citadel must be held.

EXTENSION OF REMARKS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address by Mr. Wheeler McMillen.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

[Mr. JOHNSON of Oklahoma addressed the House. His remarks appear in the Appendix.]

WENDELL WILLKIE

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and extend my remarks and include a short editorial from the Columbus Commercial Dispatch, published at Columbus, Miss., and also one from the Daily News, published in Washington, D. C.

The SPEAKER. Is there objection?

There was no objection.

[Mr. RANKIN of Mississippi addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. ELIOT] may extend his own remarks and include therein an editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. RODGERS of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to extend my remarks on a bill introduced today.

The SPEAKER. Is there objection?

There was no objection.

SECOND SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL, 1943

Mr. CANNON of Missouri, from the Committee on Appropriations, reported the bill (H. R. 7672, Rept. No. 2519) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1943, and for other purposes, which was read a first and second time and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. TABER reserved all points of order.

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7672) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1943, and for other purposes. Pending that motion I would ask the gentleman from New York [Mr. TABER] what arrangement we can make for the control of time.

Mr. TABER. Mr. Speaker, I should suggest 3 hours of general debate, to be equally divided.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent, pending my motion, that general debate on this bill shall be limited to not to exceed 3 hours, one-half the time to be controlled by the gentleman from New York [Mr. TABER] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7672, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Missouri [Mr. CANNON] is recognized for 1½ hours.

Mr. CANNON of Missouri. Mr. Chairman, I ask to be notified when I have consumed 20 minutes.

The CHAIRMAN. The gentleman from Missouri is recognized for 20 minutes.

Mr. CANNON of Missouri. Mr. Chairman, the committee submits the second supplemental national defense appropriation bill for the fiscal year 1943. So far as we are now advised, it is the last appropriation bill of the session, the last appropriation bill of the Congress, and the last appropriation bill of the calendar year.

The bill carries an aggregate appropriation of $6,236,956,621, a decrease of $115,464,960 below the Budget estimates.

Ninety percent of the appropriations provided by the bill is for the Navy Department, submitted in title I.

The general appropriations, all of which, with the exception of three minor items, are for the prosecution of the war, are submitted in the second title.

With the adoption of this bill Congress provides a total appropriation and contract authority for expenditures for war purposes in the fiscal years 1941, 1942, and 1943, to date, of $222,000,000,000, exclusive of the net outlay from funds of Government corporations. With the latter added, the figure is estimated at $230,000,000,000. When we have passed this bill Congress will have granted in direct appropriations and contractual authority for the conduct of the war a total of $222,000,000,000. It is difficult to visualize the extent of that amount but its magnitude can be dimly appreciated when we understand that the estimated total national income for the calendar year 1942, which is the largest in the history of the Nation and vastly larger than the total national income for the years immediately preceding, was at the rate of $112,000,000,000 a year based on estimates made for the second quarter of the year and the total of all individual incomes for the entire year is estimated at $117,000,000,000. The national wealth, according to the latest figures available, as estimated for the calendar year 1938 is $309,500,000,000. In other words, we have made available for the national defense and for war purposes in three fiscal years an amount nearing twice the estimated national income and an amount considerably more than two-thirds of the entire last estimated wealth of the United States.

The war program expenditure also involves estimated public borrowings for the fiscal year 1943, on the basis of present and pending tax legislation of $60,000,000,000, in addition to the amount which we expect to derive from all Government revenues.

Expenditures, of course, are not simultaneous with appropriations. The war expenditures by months—cash drawn from the Treasury—beginning with January 1942 started at $2,100,000,000. They increased each calendar month until we spent in the month of September just closed, for war purposes, a total of $5,384,000,000. This indicates an increase at an average rate in excess of $400,000,000 per month for the months since January. The increase in war expenditures in September over August was approximately $500,000,000. At this rate we may expect to be expending in the war effort at a monthly rate of over $6,000,000,000 before New Year's Day next.

As a result of these increasing disbursements the gross public debt on September 30, 1942, amounted to $86,500,000,000, and it is estimated that by June 30, 1943, the public debt will have advanced to $140,000,000,000.

However, the increase is on war expenditures, not on nondefense expenditures. We are expending a steadily decreasing amount for nonwar purposes. In computing nondefense expenditures interest on the public debt is excluded because the increase in that direction is caused by the defense effort and the prosecution of the war. In the fiscal year 1942 we spent for nondefense purposes $5,125,000,000. For the fiscal year 1943 it is estimated we shall spend only $4,194,000,000. Accordingly, the decrease in nonwar expenditures during the year 1943 under those for the year 1942, exclusive of interest on the public debt, is approximately $931,000,000.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to my colleague from Missouri.

Mr. NELSON. Am I right in holding that notwithstanding these vast expenditures, whatever they may finally amount to, it will cost much more to lose this war than to win it?

Mr. CANNON of Missouri. There can be no comparison between the draft upon our national income and national resources should we lose the war and the comparatively infinitesimal amount we are providing for the prosecution of the war.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I notice that in the hearings under the section relating to the War Manpower Commission testimony was placed before the committee to the effect that the Department of Agriculture reports present trends as indicating that more than one million farm workers will leave the farms for industry and the armed forces by next July and that not only must they be replaced but an additional 300,000 must be added to meet the increased food program. In view of the recent discussion we had during the consideration of the Price Control Act I am wondering how it will be possible for the farmers to employ 1,300,000 additional people unless consideration is given to the cost of farm labor in competition with wages paid in industry.

Mr. CANNON of Missouri. The gentleman touches on one of the important problems of the war, and if he will permit I will take it up in detail when we reach that item in the discussion of the bill.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Was I correct in understanding the gentleman to say that within a year we shall probably reach $6,000,000,000 per month expenditure for war?

Mr. CANNON of Missouri. Before New Year's Day we shall be expending for war purposes more than $6,000,000,000 per month.

Mr. CRAWFORD. My mind has been running this way: That in July we spent about $4,400,000,000, in August $4,800,000,000, in September $5,200,000,000, and on the first day of this month at the rate of $8,200,000,000 per month. It seems to me the production schedule and the step-up in the service charges will take us past $6,500,000,000 before the end of this year and probably up to $8,000,000,000 by June 30 of next year. I want to be set straight on that.

My inquiry was that I understood the gentleman to say that within a year we shall probably reach—according to the estimates submitted to the committee, monthly expenditures will reach $6,000,000,000 per month.

Mr. CANNON of Missouri. Before New Year's Day—before January 1.

Mr. CRAWFORD. I misunderstood the gentleman.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I understood the gentleman to state that he estimated the national wealth based upon 1938 income to be $309,000,000,000. I am wondering whether the gentleman has any estimated value of the national wealth as of 1942?

Mr. CANNON of Missouri. We were unable to secure such an estimate. This data was supplied by the Legislative Reference Bureau, of the Congressional Library, which had at hand no complete figures later than those for 1938. That estimate was prepared by the National Industrial Conference Board.

Mr. WHITTINGTON. It is quite evident, is it not—and is the gentleman not of the opinion—that the national wealth based upon the income of the Nation for the current year is largely in excess of $309,000,000,000?

Mr. CANNON of Missouri. I have failed to make myself clear. National income is not necessarily indicative of national wealth. They are interdependent but the terms are not synonymous. Unquestionably the national wealth of the United States in 1942 is greater than it was in 1938, but 1938 is the latest year for which we have complete data on which to base such estimates. Incidentally, while we this year enjoy the largest national income in our history, we are burning up vast assets in the holocaust of war. Our large income is to some extent offset by extracrdinary expenditures. The consumption, the wastage of war in the conflagration now raging is a huge draft on our national wealth.

Mr. JOHNS. If the gentleman will permit, it is also a fact that for the month of September this year we paid out in interest on our obligations over $225,000,000.

Mr. CANNON of Missouri. The interest on the national debt increases, of course, in proportion as the debt increases, although the interest rate has been reduced to the lowest rate at which money has ever been borrowed in time of war by this or any other Government.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Michigan.

Mr. RABAUT. The gentleman referred to the destruction of our national wealth due to the war. This is true so far as the destruction of national wealth, in raw materials, is concerned, except for some manufactured war products; but our percentage of destruction is not to be compared with the destruction being suffered by our allies and by our enemies, in developed products.

Mr. CANNON of Missouri. That is true. All European and Asiatic nations immediately engaged in the war long since passed into national bankruptcy.

Mr. SNYDER. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Pennsylvania.

Mr. SNYDER. In 1933, I believe our national income was about $40,000,000,000 but now it will average around $115,000,000,000 this year. I think the agency that figured out our national wealth at $309,000,000,000 if it would figure on the same basis today would have something like $500,000,000,000.

Mr. CANNON of Missouri. It would be pure surmise on my part as I have been unable to secure from any official source estimates for any year subsequent to 1938, but considering the rapid increase in national income in recent years the gentleman's suggestion seems at least plausible. Of course, the Government's wealth and the Nation's wealth, though to some extent related, are two entirely different entities. In considering national wealth, liabilities by one group are counterbalanced by the fact that the same obligations are the assets of another group. As one eminent authority recently expressed it, "We owe the money to ourselves." But in estimating the Government's wealth it is necessary to charge against gross assets all liabilities. That is, subtract the national debt from national assets.

Mr. SNYDER. I understand that the OPA gave these figures for the national wealth, is that right?

Mr. CANNON of Missouri. I trust the figures are accurate. The committee has been unable to secure estimates of national wealth for any year later than 1938. It is, perhaps, possible that, as the gentleman's authority estimates, the $309,000,000,000 we possessed in 1938 has grown to $500,000,000,000 by this time, although an increase of approximately 66 percent in 4 years would appear to be rather improbable.

Mr. WHITTINGTON. Do I understand from the gentleman that he intended to say that the net national wealth based upon 1938 income is $309,000,000,000?

Mr. CANNON of Missouri. The only statement we can make with any certainty—the only figures we can submit as based upon officially established figures—is that in 1938 the total estimated national wealth was $309,500,000,000.

Mr. WHITTINGTON. My question was based upon the statement made a few minutes ago that the national wealth includes assets as well as liabilities; hence I assume the national wealth based upon the 1938 income, as stated by the gentleman, was a net over and above our liabilities of $309,000,000,000?

Mr. CANNON of Missouri. If that process of estimating was used, that would be the case. However, I do not know what method was pursued in arriving at this estimate.

Mr. CRAWFORD. I think we are getting a little confused now. This national wealth that has been referred to, as I understand it, is not based upon 1938 income; it is based upon 1938 appraised value?

Mr. CANNON of Missouri. Exactly.

Mr. CRAWFORD. I want to clear that up.

Mr. CANNON of Missouri. National wealth and national income are two entirely different matters. Naturally, under normal conditions, the greater the national wealth the larger the national income. And, normally, the larger the income for any one year the greater the national wealth for the next succeeding year. But great national wealth may produce only a moderate national income. And a large national income does not necessarily result in larger national wealth. The two are as separate and distinct as the wealth and income of an individual.

Mr. CRAWFORD. Exactly.

Mr. CANNON of Missouri. However, this discussion is beside the point. The illustration was used merely to give some definite idea of the extent of the cost of the war. It is merely a yardstick to indicate the rate at which we are appropriating money in financing the war program.

Mr. KEEFE. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Wisconsin.

Mr. KEEFE. As I understand the gentleman, in response to the question asked by the gentleman from Mississippi, he indicated that the figure of $309,500,000,000 is a net figure.

Mr. CANNON of Missouri. That was the estimated national wealth in 1938.

Mr. KEEFE. If that is the estimated national wealth, then it must represent what the wealth is and not figure the obligations on top of that figure. That is what I am trying to get at.

Mr. CANNON of Missouri. The gentleman is correct. However, it is a matter of no great moment. The citation was for the purpose of visualizing, by comparison, the rate of war expenditures. The national debt was estimated at $309,500,000,000 for 1938, the latest year on which complete data is available, and total appropriations and contract authority for national defense and war purposes, including funds in the pending bill, but excluding use of funds of Government corporations, amount to $222,000,000,000. The figures provide an approach to a vague conception of the vast amounts consumed by the Moloch of war; $309,500,000,000 is the estimated total national wealth of the United States in 1938.

Mr. KEEFE. The RECORD ought to be cleared up because that is an important thing, it seems to me, and will be used and will be cited, and unless it is cleared up in this RECORD so as to give some degree of accuracy to what the gentleman meant to say, we will all misinterpret the gentleman's speech.

Mr. CANNON of Missouri. Mr. Chairman, I ask to be notified when I have consumed 20 additional minutes.

All estimates of national wealth are necessarily vague concepts. There is in each case a varied approach, depending on the economists who undertake the estimate. Generally speaking, national wealth refers to physical properties using tax assessments, corporate reports, and other related data. No account is taken of resources of manpower, technical or professional skills, and other valuable considerations which are really a part of a nation's wealth. Any figure on national wealth is dependent, therefore, to a large degree on the definition assigned to national wealth and on what sort of yardstick can fairly be used in appraisal or the value of the components defined as "national wealth." With a wide difference of formulas on the part of experts and wide variance in bases of computation there is frequently a wide variance in figures and estimates.

The one matter which concerns us here is that the amount of war expenditures for the last 3 years is in excess of two-thirds of what an eminent authority estimated the national wealth to be in 1938.

Mr. WILLIAM T. PHEIFFER. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. WILLIAM T. PHEIFFER. The question has frequently been asked me, and I do not know of a better authority in the House than the gentleman, with regard to the approximate saturation point in spending in connection with the war effort. I understand that the last figure available shows that in August, I believe it was, our expenditures were approximately four and one-half billion dollars. Can the gentleman, or does the gentleman care to, estimate just how high that monthly figure will go in connection with the present production program, and how far it can go?

Mr. CANNON of Missouri. There is a limit to the point which monthly expenditures can rise, a limitation fixed by the facilities for expenditure. With amounts which we have appropriated available, expenditures will rise as rates of production rise.

Mr. WILLIAM T. PHEIFFER. I did not understand the gentleman.

Mr. CANNON of Missouri. We can appropriate any amount that the Congress chooses to appropriate, but the fact we have appropriated that amount does not mean we can expend that amount. The expenditures depend upon facilities, such as plants, materials, labor, and incidental items, and the size of our armed forces. The monthly rate will have to go well above $6,000,000,000 in this fiscal year because the total Treasury expenditure for the fiscal year 1943 for war purposes is $74,000,000,000 which is an average of more than $6,500,000,000 for each month. With September expenditures, and those for the earlier months of the fiscal year less than $6,000,000,000, the gentleman can see that the monthly rate will have to rise considerably higher than $6,000,000,000 in the later months in order to attain the total estimated for the year.

Mr. Chairman, adverting to the provisions of the bill in detail, 68 percent of the entire amount carried by this bill—that is, $3,822,000,000—is for naval aviation.

In that connection, I should like to discuss briefly a question which is just at this time attracting considerable attention, the question as to the relative efficiency of American aircraft. It is a rather important question, and a matter of grave concern to the Nation. It involves not only the question as to whether we are efficiently administering expenditure and production but it is of vital concern in its influence on national morale.

You can well understand the reaction of the American aviators at the front when informed through the press and over the radio that they are being sent up in mortal combat in machines relatively less efficient than those which they must meet in the air. You can understand the reaction of men in training throughout the country today when told with some apparent authority that when their period of training is completed they will be expected to take up equipment which lacks the finer qualities of the aircraft they are expected to outmaneuver, outclimb, and outfight in their first flight under fire.

You can understand the effect on morale, in the homes from which these men come, when they are told that the United States Government is ordering up their boys in deficient craft to meet in the air planes that are better designed, better constructed, and better equipped than those which their sons are flying.

Because of the implications of these press and radio reports, I will take the liberty of discussing in some detail the question of the relative efficiency of American planes.

I am glad to say that supplementary evidence adduced by congressional committees investigating this subject indicate that earlier testimony reflecting on the American aircraft was misleading, and that recent reports greatly modify the conclusions previously released.

As a matter of fact, the latest information from the most authoritative sources indicates that, on the contrary, American aircraft are superior to any aircraft which our armed forces will meet in battle today.

In support of that statement I should like to read a letter I have just received from General Marshall, Chief of Staff. I addressed an inquiry to him on September 21. He delayed his answer until October 2 in order to make an exhaustive investigation and submit an authoritative report. He says in this letter:

> It is not generally realized that there is no satisfactory all-purpose airplane.

I think that is where the error was made in these conclusions so widely disseminated. There is no all-purpose airplane. There are fighter planes, bomber planes, pursuit planes; planes designed for short-distance flights across the British Channel, planes built for longer distance flights, from the American mainland to the various theaters of war; aircraft for operation at high altitudes, and aircraft for operation at lower altitudes. There are aircraft designed for operation in the heat of subtropical deserts and others for operation at temperatures prevailing above the Arctic Circle. So it stands to reason that no one plane could be best adapted to all such conditions.

General Marshall says further:

> and that no single design of fighter plane possesses the characteristics of a variety of enemy plane types. Aircraft are designed for specific functions, determined by the nature of their contemplated employment.

He then takes up in detail various planes mentioned in published reports as outclassing our own aircraft. He mentions the Spitfire in particular.

It was said in one report that when American aviators entered the fight from English airports, instead of going up in their own ships they went up in Spitfires. It was taken for granted immediately that the Spitfire was therefore a plane much superior to anything we were producing at the time.

Although General Marshall does not mention it, we are advised that the determining reason why American aviators in their first battles used Spitfires instead of American aircraft was that their own installations had not yet been made and all ground forces and materials available at the time were for Spitfires only. We had not yet established our ground facilities to an extent sufficient to support our own aircraft in the air and they naturally took Spitfires, for which there was ample provision both in replacements, supplies, and ground crew efficiency.

Since that time we have been using our own planes, and with great success. General Marshall, in discussing the Spitfire, says:

> The Spitfire was designed to fight over the British Isles and on short flights across the channel. It is therefore a lightweight plane having a limited cooling device and a limited fuel capacity.

Then he takes up the subject of bombers.

> The British bombers were built for night operations. Therefore they have light armor and limited gun installations, giving them a large bomb-load capacity. Our Air Forces are planned to operate as balanced teams in continuous mass attacks against the enemy. We cannot localize for a particular theater. We are involved in the Aleutians, the Arctic Circle, and the Tropics, and in England, Egypt, India, and China. The typical balanced air force includes fighter teams, generally subdivided into three categories, P–39s and P–40s, designed for low- and medium-altitude fighting and for close cooperation with ground troops; fast-climbing, high-altitude P–38 interceptors; and P–47 high-speed, top-cover fighters, designed to support our offensive bombardment operations to the limit of fighter range. * * *
>
> Public discussions of this subject have failed to recognize the merits of a good fighting plane as contrasted with a good flying plane. This has been particularly true concerning the Japanese Zero.

The Japanese Zero has been frequently cited as a superior plane. It was said to have superior maneuverability and climbing power, and therefore our planes which we are providing for our men in the Pacific theater were inferior and operated at a disadvantage.

General Marshall goes into a discussion specifically of the Japanese Zero plane. He says:

The Zero plane * * * has excellent flying characteristics. It has an extremely rapid rate of climb and good ceiling, and is highly maneuverable. However, as a fighting machine—

And, of course, that is the issue on which the whole matter turns, not whether they are flyers, but whether they are fighters—General Marshall says:

As a fighting machine it lacks in certain important characteristics, high speed, fire power, leak-proof tanks, and armor protection for the pilot and vital parts of the aircraft. Its record in combat with our fighters and bombers has demonstrated its tactical inferiority.

This is the real criterion by which planes must, in the end, be judged. The final and determining test is its operation in actual combat, and General Marshall tells us here that in actual combat the planes in which we are sending up our men in the Pacific theater are superior to the Japanese Zero, judged by the number of planes emerging from conflict.

General Marshall further says:

The importance of the distinction between flying machines and fighting machines is indicated by a statement in a report I have just received from an experienced Army pilot, whom I sent on a special mission to New Guinea and the Solomons to observe air activity. He said, "I have talked to many, but cannot find a single fighter pilot who would voluntarily fly a Zero in combat against our P-40 or P-39, or who would prefer our fighters stripped."

There is the answer. Anyone who entertains any apprehension about sending up our men in our own machines may be reassured by the fact that not a single man we have sent up would trade the machine with which we have equipped him for any machine he has met in actual combat in the air on any front.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I may say that in the deliberations of the subcommittee on the War Department appropriations bill we had an opportunity to talk to one of those returned flyers and the committee asked him the question, "Would you trade the greater armor and firepower of the ship which you have been flying for the maneuverability of the Zero fighter at low altitudes if it meant you had to give up the armor and the firing power?" He said absolutely that he would prefer to have the armor and the firing power, and I believe it was the committee's conviction that if we were to ask our men to fly in the Zero planes we would soon have a lot of complaints about having put them in flying coffins.

Mr. CANNON of Missouri. The testimony which the gentleman cites and which was given before his committee is conclusive. It is by actual participants and from the actual theater of war. No evidence could be more convincing. It corroborates in every respect the conclusion reached by General Marshall in this letter.

General Marshall further says that battle reports from each of the nine areas in which American aircraft are engaged contain ample testimony that the United States Army Air Forces have fine fighting machines. In fact, he says the present "box score" is too good and that it may lead to false hopes in the future, since it is entirely possible that these very favorable combat results may not be uninterruptedly maintained, although there is every reason to believe that they will.

He further says that the recent criticisms directed against our aircraft inevitably will have a disturbing effect upon the morale of the fighting spirit of young pilots, which will reduce their efficiency and endanger their lives, and, Mr. Chairman, that is the reason for giving so much time to this question at this time. It is particularly in point in view of the present wide discussion of the matter. These reports have been disseminated throughout the country generally, and in refutation General Marshall states that the criticism has usually been irresponsible and without regard to battle reports of losses, and has ignored the development of planes for particular theaters or types of operations. That, he says, does not offset the serious harm done to the fighting morale of our forces, but has added considerably to the task of the Army in meeting the hazards of critical situations in almost every corner of the globe.

In order to convey the full import of General Marshall's letter, I quote it in full. It is as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF STAFF,
Washington, October 2, 1942.

Hon. CLARENCE CANNON,
House of Representatives.

DEAR MR. CANNON: I have your letter of September 21 requesting me to comment on the quality of our combat aircraft.

It is not generally realized that there is no satisfactory all-purpose airplane, and that no single design of fighter plane possesses the characteristics of a variety of enemy plane types. Aircraft are designed for specific functions, determined by the nature of their contemplated employment.

The Spitfire was designed to fight over the British Isles and on short flights across the channel. It is, therefore, a light-weight plane, having a limited cooling device and a limited fuel capacity. The British bombers were built for night operations. Therefore, they have light armor and limited gun installations, giving them a large bomb-load capacity. Our Air Forces are planned to operate as balanced teams in continuous mass attacks against the enemy. We cannot localize for a particular theater. We are involved in the Aleutians, the Arctic Circle, and the tropics, and in England, Egypt, India, and China. The typical balanced Air Force includes fighter teams, generally subdivided into three categories: P-39's and P-40's, designed for low and medium altitude fighting and for close cooperation with ground troops; fast-climbing, high-altitude P-38 interceptors; and P-47 high-speed top-cover fighters, designed to support our offensive bombardment operations to the limit of fighter range.

The P-47 is just now coming into quantity production. The P-39 and P-40 have already demonstrated their worth. Their combat records show a consistent fighting superiority over Japanese planes which is being increased as the experience level of our pilots improves. For the month of August a total of 75 enemy planes were destroyed against a loss of 15 of our ships. Our P-39s destroyed 19 enemy planes in combat, losing 4. For the same period, P-40s destroyed 18 enemy planes, losing 2. In the period from August 14 through September 14, P-39s destroyed 20 enemy planes in combat with a loss of 5, and the P-40s destroyed 14 enemy planes in combat, losing 1.

Public discussions of this subject have failed to recognize the merits of a good fighting plane as contrasted with a good flying plane. This has been particularly true concerning the Japanese Zero, which has excellent flying characteristics. It has an extremely rapid rate of climb and good ceiling, and is highly maneuverable. However, as a fighting machine it lacks in certain important characteristics, high speed, fire power, leak-proof tanks, and armor protection for the pilot and vital parts of the aircraft. Its record in combat with our fighters and bombers has demonstrated its tactical inferiority.

The importance of the distinction between flying machines and fighting machines is indicated by a statement in a report I have just received from an experienced Army pilot, whom I sent on a special mission to New Guinea and the Solomons to observe air activities. He said, "I have talked to many, but cannot find a single fighter pilot who would voluntarily fly a Zero in combat against our P-40 or P-39, or who would prefer our fighters stripped." Also, General Kenney, commander in chief of Allied air forces in the Southwest Pacific, recently stated that, "In all my travels I haven't yet met an American or Australian pilot who would trade his Kittyhawk fighter (P-40) for a Zero."

Since the American P-40 fighter plane does not possess the maneuverability or the fast rate of climb of the Zero, it has been the object of considerable criticism. However, judged on the basis of demonstrated combat efficiency, the P-40 is greatly superior to the Zero in fire power, ruggedness, and invulnerability to enemy fire. It has self-sealing tanks, armor plate, rugged construction, and heavy fire power. These fighting features add weight to a fighter aircraft, decreasing its rate of climb, limiting its ceiling and reducing its maneuverability. Such factors were considered when the plane was designed for its specific combat mission. That it is fulfilling its mission is indicated by the record of one of our fighter groups in the Southwest Pacific which shows that it has destroyed 49 enemy Zero fighters with a loss of only 5 of our fighter pilots.

United States combat experience with the P-38 and the P-47 is too limited to form conclusive judgment as to their combat value. There has, however, been nothing to indicate that they will be any less effective in their respective fields than the P-40 and P-39.

With respect to our bombers, the B-17 and B-24 are today demonstrating the foresight and aeronautical skill of American aircraft designers. In daylight operations over Europe and in the southwest Pacific the B-17 has apparently demonstrated that it is the most powerful and effective bombardment airplane at this time. Its ability to destroy enemy installations and its great defensive power in repeated combats with the Japanese Zeros and the latest German Focke-Wulf fighters have proved its superiority in high-altitude daylight precision bombing.

Battle reports from each of the nine areas in which American aircraft are engaged contain ample testimony that the United States Army Air Forces have fine fighting machines. In fact, the present "box score" is too good. It may lead to false hopes for the future, since it is entirely possible that these very favorable combat results may not be uninterruptedly maintained

The recent criticisms directed against our aircraft inevitably have a disturbing effect on the morale and fighting spirit of young pilots which will reduce their efficiency and endan-

ger their very lives. That the criticism has usually been irresponsible and without regard to the battle reports of losses and has ignored the development of planes for particular theaters or types of operations does not offset the serious harm done to the fighting morale of our forces and has added considerably to the task of the Army in meeting the hazards of critical situations in almost every corner of the globe.

Faithfully yours,

G. C. MARSHALL,
Chief of Staff.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Georgia.

Mr. PACE. And the gentleman has concluded with that particular subject matter?

Mr. CANNON of Missouri. Yes. I now pass on to the provision for the War Manpower Commission.

Mr. PACE. I notice on page 22 of the bill an appropriation for guayule production, authorizing the planting of 25,000 additional acres. The House this morning passed the bill authorizing the planting of up to 500,000 acres. Might not this language be construed as a limitation, and should it not be stricken from the bill in order that the bill which the House passed this morning, a Senate bill, may be acted upon freely, without this limitation?

Mr. CANNON of Missouri. I am very glad the gentleman has brought up that proposition. No additional authority, either in funds or in extension of limitation will be of any avail, because this increase was made in response to the fact that we have 60 tons more of seed than we expected. No matter how much more latitude was given us in this bill, we could not utilize it, because we are planting every seed that we have. We are increasing our acreage to 88,000, and we could not plant more because no more seed is available.

Mr. PACE. Of course, that was not the testimony before our committee this week, when we reported out the bill which was passed this morning, authorizing an increase to 500,000 acres. I am afraid that this language in the appropriation bill might be construed as a limitation upon the Senate bill which we passed this morning and simply make the suggestion and the gentlemen can reconcile it in his own mind

Mr. CANNON of Missouri. I understand the gentleman's position. There is no occasion for such apprehension. We propose to use every facility available for the production of rubber.

I pass on now to the specific discussion of title I of the bill.

FLOOR USE—NAVY TITLE

Title I of the bill applies exclusively to the Navy, including the Marine Corps and the Coast Guard. It makes available an additional amount of $5,595,388,308, all for the fiscal year 1943, save $6,820,000 for meeting actual deficiencies incurred in the fiscal year which closed last June 30.

There has been appropriated heretofore for the Navy for the current 1943 fiscal year $14,254,779,974. This bill, as presented, would raise that amount to $19,843,348,282.

We find it necessary to supplement previously appropriated funds because of four main considerations:

First. Commissioning additional fleet units, patrol craft, and aircraft.

Second. A larger Marine Corps organization.

Third. New legislation.

Fourth. Aviation augmentation.

The last is responsible for considerably more than half of the additional sum proposed, but I mention it last because I wish to speak about it last.

Regarding enlarged operating forces, I may say that it is now planned to increase by 1,281 before the close of the fiscal year the number of vessels that will be in operation by the Navy; that it is planned to have in operation more than double the number of naval airplanes contemplated by previous appropriations, and that the Coast Guard plans to have in operation upward of 3,000 additional small craft of various types.

These enlarged programs entail a much larger force of officers and men than we have provided for heretofore, and the added cost on that account, directly and indirectly, runs into very substantial figures. The additional amount, including the added cost of new legislation touching pay and allowances of those heretofore appropriated for, is approximately $968,000,000. The bill carries, in all, directly in consequence of the new pay and allowances legislation, roundly $461,000,000. That sum includes the Navy, Marine Corps, and Coast Guard.

It has been deemed expedient to increase appreciably the man strength of the Marine Corps. I should say that it is patent to all that this organization has a big job cut out for it, and it certainly has demonstrated its capacity to cope with tough situations. The additional personnel and equipment therefor, plus a reserve of the latter, and including over $83,000,000 because of the new legislation touching pay and allowances, accounts for $454,000,000 of the total carried by the bill.

Another matter we have before us in consequence of recently enacted legislation is a proposal to make it possible for the Navy Department to initiate the procurement of the very considerable amount of naval ship tonnage authorized in Public Laws 665 and 666, each approved last July 9. There is involved 500,000 tons of aircraft carriers, 500,000 tons of cruisers, 900,000 tons of destroyers and destroyer escort vessels, 200,000 tons of auxiliary vessels, and 1,000 small craft of various categories. The cost of the whole program has been estimated as $9,510,000,000. This bill carries no money for such construction. It permits work to start, any immediate expense to be charged to currently available ship construction funds.

I shall turn now to aviation. Additional airplanes, additional operating planes, widely separated operating areas, and defense aid are the principal contributing factors to the total additional amount of $3,822,000,000. Of such total amount, $2,862,000,000 is allocated to the procurement of 14,611 additional program airplanes, costing all the way for complete planes, including spares and spare parts, from $15,215 for the primary trainer to $721,820 for 4-engine patrol bombers.

Upon delivery, scheduled to run through June 1944, these additional planes will be subject to assignment by the Munitions Assignment Board to such theaters as may be specified to implement the decisions of the combined Chiefs of Staff. They are not all, necessarily, for Navy operation.

This program is before us now largely in the interest of maintaining full utilization of production capacity; to enable the Department and industry to program output for several months ahead, considering completions in the interim, and it has the approval of the War Production Board.

The Navy's airplane objective is 27,500 program airplanes. Commencing with the fiscal year 1940, we have appropriated thus far for 36,939 program airplanes for the Navy. The excess, substantially added to by the instant program, is justified by the fore place aviation has assumed in the war, to heavy wastage under war conditions—a very unpredictable factor, and to the known and unknown demands of our Allies.

Despite the fine reports on the performance of Navy types, improved and more effective planes are entering the production stage, and these additional planes, we are advised, are of the most advanced models that can be produced in the period over which the construction will be spread, that is, through June 1944.

I think that pretty well covers the salient features of the appropriation phases of the Navy title. I desire, however, to call attention to the fact that, at the Department's instance, we have included in the bill authority to employ naval funds appropriated since March 11, 1941, to the extent of $3,000,000,000, for rendering aid to our Allies in conformity with the authorization contained in Public Law 11, approved March 11, 1941. Including contractual authority of $2,011,400,000, authority heretofore has been granted to divert $6,418,000,000 of naval appropriations to lend-lease purposes.

My time has expired. I will take just a minute to refer to the provision for the Manpower Commission. To it has been delegated activities formerly exercised by the United States Employment Service, the employment functions of the Social Security Board, the National Youth Administration, the Apprentice Training Service, and the Training Within Industry Service, all from the Federal Security Agency. The Commission, ably administered by Chairman McNutt, is one of the important agencies for the prosecution of the war. We are beginning to realize that one of the pressing problems of the war involves the shortage of labor, the difficulty of providing manpower for factories, plants, and all branches of production, especially the production of food and fiber, the shortage of labor on the farm.

We are beginning to realize the imperative necessity of taking care of the work back of the front. It has been estimated that from 6 to 18 men are required

back of the lines to support 1 man at the front. We are discovering an alarming and rapidly increasing stringency in farm labor, a stringency which is already materially decreasing the supplies of agricultural products. It is a problem which faces all nations at war, a problem which Germany is solving by the impressment of labor from subjected peoples.

Notwithstanding this need for farm labor the committee eliminated the amount provided for farm replacement, not because the need of farm labor was not fully realized, but because the provision here offered does not meet the situation. The expenditure of this money offers no solution of the problem. There is no practical reason to hope for a material increase in the supply of effective farm labor under the expenditure proposed.

The real solution of the problem of farm labor is not in bringing outside men to the farm, but in the retention on the farm of the experienced men already there. The man who comes in from the outside, from the city, even from other sections, is not accustomed to standards of farm living; he is invariably inexperienced, unaccustomed, and uninformed, and unadaptable to farm operations, a profession which requires more careful training and education, in my opinion, than any other human avocation. You cannot train a farmer in 6 months, hardly in 6 years. You cannot bring in a man and make him an effective farm producer on short notice or through the agency of some employment agency.

The solution of this problem is to keep on the farm the men already there, men who are thoroughly familiar with farm practices and acquainted with local conditions, men who have been farming from their youth up and who are experienced and proficient in producing food in greater quantity and at less expense than any other men you can bring in to supplant them.

The plan of taking away from the farm and putting into the Army essential men on the farm and then trying to fill their places from the outside is utterly idiotic. It lacks every element of economy. The average man on the farm works a maximum of 96 hours a week. When you take him off the farm and put him in the factory he works a maximum of 45 hours a week. You are trading 96 hours' labor for 45 hours of labor and getting less in both volume and value of production. Clearly the way to conserve labor on the farm is to keep the labor you have there. Some provision should be made immediately for the exemption of essential men on the farm by requiring a certificate or clearance from their local board.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Missouri.

Mr. NELSON. In this connection is it not true that we may expect little or no relief until General Hershey and his staff issues some definitely, easily understood directions to the local draft boards? The average farm boy, fearing that he will be regarded as yellow, will not ask exemption. As I understand, no large appropriation has been made looking to the possibility of the farmer securing help through agencies which are able to supply help from the cities. I fully agree with that. It is folly to expect an untrained man to come from the city to the farm and earn his keep.

Mr. CANNON of Missouri. Or even with economy from one farming section to other farming sections of the country.

Mr. NELSON. Exactly. Just one day this week I read a letter written by a farmer, published in the New York Times, which told of his experience in trying to secure help through one of the city agencies. He said he had been able to secure three men, after making application. One of those men was an epileptic, another had just gotten out of an insane asylum, and the third was a confirmed drunkard. He said, "That is the experience I have had in trying to secure help through agencies such as supply help from the cities."

Mr. CANNON of Missouri. The gentleman accurately summarizes the situation.

Mr. NELSON. This question of farm labor comes directly home to me today, as my nephew, son of my brother, with whom I operate the home farm, reports at Jefferson Barracks. Educated in the Missouri College of Agriculture, and now devoting his entire time to farm work, this young man asked no exemption, no deferment. The only additional help on the farm is colored help, brought by automobile each morning from town and taken back at the close of the day. With the gasoline and tire situation, this soon must stop. My farm is not an exception; rather is it the rule. I repeat, as was said to General Hershey a few days ago, that instructions should immediately go out to the local boards if the farmer is to produce the food required in 1943. These boards, rightly fearing criticism, as well they may, do not dare suggest deferments when the draftee does not ask such.

Mr. CANNON of Missouri. Unless immediate steps are taken to exempt essential farm labor a critical shortage in food is imminent. There is no time to lose. Every day the farms are losing men indispensable to the production of the quantities of food designated as necessary to successful prosecution of the war.

Mr. Chairman, I regret that my time has expired. Let me say in conclusion that the outlook presented to the committee by those in a position to testify are on the whole most encouraging. Notwithstanding the handicap of a 10-year start by hostile powers we are producing in quantities and quality of war material unequalled by all enemy nations combined. We are rapidly gaining in air power. Our forces are being mobilized, trained, fed, clothed, and equipped more rapidly and more effectively than in any previous war. There is a notable lack of maladministration, misfeasance, mistakes, and the minor scandals usually attending the mobilization of such huge numbers as are under arms today.

The committee especially commends the work of Chairman Nelson, Chairman McNutt, Secretary Wickard, Secretary Patterson, Secretary Forrestal, General Hershey, Director Eastman, Coordinator Rockefeller, Chairman Davis, and others who testified before the committee in the hearings on the pending bill.

The CHAIRMAN (Mr. BECKWORTH). The time of the gentleman from Missouri [Mr. CANNON] has expired.

Mr. CANNON of Missouri. I yield at this time to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, we are presenting here a bill totalling $6,200,000,000, practically all of which is connected in one way or another with the activities that have come from the war, or to provide for the armed forces of the United States.

There is a very considerable appropriation for the construction of additional airplanes for the Navy. There is a very large sum for additional operations of the Bureau of Aeronautics in the Navy and for additional seamen and officer personnel to man the ships of the fleet that will be coming into commission.

There is not any question but what we have got to provide whatever is necessary to carry on the war activities to the limit. We always have brought in those activities with a unanimous report. There is no difference between what has happened before with reference to those activities and what is happening now. As a matter of fact, with reference to the nonmilitary activities, they have been so reduced in the committee that an agreement has been arrived at amongst the members of the deficiency appropriations committee, so that there is no conflict with reference to this bill in the deficiency appropriations committee.

There are many items that stagger one. The appropriations for military activities or things like that, such as housing, the Manpower Commission, the Office of War Information, and the guayule proposition, have been handled by the committee unanimously. I am going to be perfectly frank with you. I do not believe the guayule will produce the rubber that we are going to need. It may contribute a little bit. It looks as if the cost would be pretty high, but it is hardly for us to say at this time that we shall not embark upon a program which tends to contribute very substantially to the war effort if it should possibly work out.

I believe the funds we have provided will call for the production of all the guayule plants that could possibly be put out with the seed that is going to be available.

There are some things under the Manpower Commission with reference to training programs that I have doubts about. The subcommittee handling funds for the Labor Department and Federal Security recommended against one item of $136,000 which our committee has allowed. I believe it is not going to be a success. As to this particular item I am putting the Manpower Commission on the spot to go ahead and do the job rather than to monkey around. I hate to see too much of that sort of thing. There has been in some of the Manpower Commission's activities, especially with reference to the handling of farm labor and the placement of farm labor, a bad record.

The further we get into that sort of thing the worse we are going to be off. There is a very substantial cut provided in their activities. I am hoping this cut will be made effective and that there will not be any more of that incompetent handling of that situation. There is not any sense in sending people to farms to work who are not able to work. There is not any sense in sending people to farms to work who are not going to make a real effort and try to do a job; nor is there any sense in sending a lot of people out on farms to work who are totally unfitted for that kind of job, who have neither the strength nor the character to do the work that needs to be done upon the farms.

With the passage of this bill there will be appropriated about $220,000,000. Our spending with reference to that has already reached, as the gentleman from Missouri stated, $5,200,000,000 a month. He estimated it would reach $6,000,000,000 by the end of the calendar year. I am inclined to believe it will go at least that far. It may seem a strange thing for me to say, but I hope it will go further, and that we shall get more production out of our factories, more of our men into service just as rapidly as possible so that the efforts of our military and naval leaders to bring the war to a victorious conclusion may be more effective. The only way we can bring the war to a speedy conclusion is by a speed-up of our expenditure programs. Frankly, I think there has been too much development of different agencies which have conflicting authority.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 10 additional minutes.

I think there has been too much of a spreading out of the war activities into too many commissions and agencies with conflicting authority. I think too much money is being spent for liaison officers to smooth out kinks between these commissions and agencies. I think we might better take—and I think this would be the President's greatest contribution to the war effort at this time—the very best lawyers available and put them to work on the job of cleaning up these conflicting authorities and eliminating a good many of these employees and agencies that are rubbing against the speeding up of the war effort.

Every single combination of letters that might be gotten together has been used to describe some governmental agency or other except that favorite combination of the boys of my youth, "P. D. Q." That is what America wants with reference to this war effort, a simplifying of it and a speeding-up; that is what we need if we are going to have victory before the world is all worn out.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield at that point?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. Would the gentleman be willing to name in detail any of those combinations of letters that he would recommend being eliminated at this time?

Mr. TABER. We could eliminate the N. Y. A. We could eliminate W. P. A. We could consolidate a lot of this stuff under the Manpower Commission and the War Production Board where they have conflicting authority. We could get rid of a great many of these outfits. There was a job done last Saturday, and frankly I was pleased with it: The setting up of the office with reference to the fixing of prices and that sort of thing under former Associate Justice Byrnes. I hope only that Mr. Byrnes is allowed to go ahead and run the job; but that results in a duplication of authority, because we still have the O. P. A. and their operations under Mr. Henderson, which should have been moved under Mr. Byrnes.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield further?

Mr. TABER. I yield.

Mr. TREADWAY. Could the gentleman give the House any idea as to what actual saving such consolidation as he is recommending would bring about?

Mr. TABER. No one can tell anything about what savings may be had on anything at the present time. It is absolutely impossible to check those activities that are operating directly upon the war effort without slowing down the war effort, but enormous sums could be saved. The most important result that would ensue would be an increase in efficiency in production for the war effort and getting rid of the waste which is going on and which is hurting our situation. There are some other things which I think should be called to the committee's attention.

Some time ago we passed an act providing for the renegotiation of contracts. We are going to be in a lot of trouble over it before we get through unless the departments are a little more careful about the way they operate. There is not a small business in my territory that has any war orders but what is scared to death over that situation. They are having inspectors on their necks all the time and they are expecting that after they get through paying an income tax on whatever profits they make they will have somebody come around and want to renegotiate their contract and take away from them a large portion of what they have already paid out in taxes and leave them high and dry.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. RABAUT. I understand they have set the time within which such a contract could be renegotiated under the system they have inaugurated to a period of 3 years after the termination of the war. There just is not any sense to it.

Mr. TABER. There is not a bit of sense to it.

What justice is there in saying they can renegotiate these contracts after these people have paid income taxes and excess profits rates? Such a course would put them in bankruptcy. I may say to the committee that most of the cases in which renegotiation appears to be justified are cases where mass production has resulted in lower costs rather than the contract's being excessive to start with. These are the only cases the Under Secretary of the Navy was able to call to our attention. These things ought perhaps to have attention, but they ought to have attention before these people get their money and before the income tax is paid. If they continue as they are we shall not have anybody to work for the Government.

Mr. RABAUT. There is another thing, if the gentleman will yield further; I understand they investigate and renegotiate each contract even though there be a similar contract on another job, which is just a waste of manpower.

Mr. TABER. It is.

Mr. COLE of New York. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. COLE of New York. On the subject of renegotiation of contracts, of course I concur in the gentleman's thought, but is it not a fact that the provision relating to renegotiation was placed in an appropriation bill?

Mr. TABER. It was.

Mr. COLE of New York. That being so, I wonder why the Appropriations Committee did not give some thought to it in connection with the measure before us this afternoon.

Mr. TABER. It was legislation, and, if I may be permitted to say so, I think the chairman of the committee and the ranking Members on the majority side and on the minority side are very reluctant to bring in here legislation with reference to anything that does not absolutely have to be brought in in connection with the appropriation that we are providing. We do not feel it is our duty to settle legislation that is on the books.

Mr. CANNON of Missouri. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. CANNON of Missouri. I would like to corroborate what the gentleman has said. It is the established policy of our committee to in no way encroach upon the jurisdiction of any legislative committee of the House.

Mr. COLE of New York. But the original renegotiation was legislation upon an appropriation bill.

Mr. TABER. It was on an appropriation bill; yes. That was not brought on the floor by the committee, however; it was put in on the floor while the bill was being read, and it was offered on the floor as an amendment.

Mr. COLE of New York. And, of course, subject to a point of order.

Mr. TABER. Yes; it was subject to a point of order, although I do not think the language that was offered in the House was subject to a point of order.

Mr. TREADWAY. Will the gentleman yield further?

Mr. TABER. I yield to the gentleman.

Mr. TREADWAY. It is my understanding, and I may be in error, that the objection to the renegotiation of these contracts is being taken up as an item in the taxation bill now before the Senate.

Mr. TABER. That may be so. They would have jurisdiction to pass on that.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 10 additional minutes.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. On the subject of changes in the law on renegotiation of contracts, it is my understanding this matter is under consideration in the other body and that hearings have been held on the subject of amending the existing statute. In fact I have here two copies of the printed hearings of a subcommittee of the Senate Committee on Finance and at those hearings Under Secretary Patterson appeared and made definite recommendations for amendment to the existing statute.

It may be recalled that the details of the renegotiation statute which has been subject to criticism were experimental when placed in the bill by the other body. It will be remembered that the Congress and the country were horrified at some of the things that were being uncovered in excessive profits. Some action, sharp action, was called for. At the time this statute was adopted, I stated and others stated that it was merely a step in the direction of controlling excess profits and that the Congress should bring in something more comprehensive and more mature at a later date.

In spite of the imperfections in its initial form, this renegotiations statute, officials have testified, will save the Government and the taxpayers upward of $2,000,000,000 this year. Today, the Treasury Department, as well as the War Department, is on record as opposing its repeal. They agree, however, that changes should be made in the statute and have made specific recommendations to that end. These recommendations, as I understand it, are to be offered to the revenue bill in the other body and will probably come over here, as the gentleman from Massachusetts has suggested, in the conference report.

Those amendments as suggested cover the following:

First, they would place a limit to the period during which the Government may require renegotiation. I believe they are suggesting the fiscal year following the contract as the period during which the negotiation can be conducted. That will answer this problem of uncertainty, which has been mentioned as the principal criticism of the present statute.

The second change would provide that when a contract has been once renegotiated it may not again be renegotiated.

The third suggestion will be that there be an over-all renegotiation for all Army, Navy, and Maritime Commission contracts that a given contractor may have in a given period. So that he may not have piece-meal consideration of overhead costs.

A fourth proposal is elimination of renegotiation on contracts under $250,000.

Those amendments go directly to the objections that have been raised to the detail in the original statute.

Mr. RABAUT. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. RABAUT. I have had some talk with the gentleman from South Dakota [Mr. CASE], the author of the original amendment presented in the House, the language of which was revised in the Senate, and the amendment emerged from the conference in the form in which it now exists. I am glad that the gentleman from New York has brought up the subject, because I want to go on record today that if the Senate does not consider the matter fully, after the first of the year I, as a member of this Committee on Deficiency Appropriation, will ask that the matter be taken up in our own committee.

Mr. TREADWAY. Will the gentleman yield further?

Mr. TABER. I yield to the gentleman.

Mr. TREADWAY. It seems to me that the explanation of the gentleman from South Dakota covers the ground quite fully, and I repeat the remark I previously made that brought up his suggestion that this subject is under consideration in the Senate now as the result of a report from the Finance Committee of the Senate in connection with the tax bill. I agree with the gentleman fully that the renegotiation item should be very carefully considered when it reaches here on account of the tremendous objections that are raised against it throughout the country.

Mr. TABER. I think undoubtedly we will get some legislation in the tax bill that will help the situation. I want to see the Government protected. On the other hand, I do not want to see the contractors placed in a position where they are absolutely unable to survive.

Mr. RABAUT. The reason I made my former statement is because, if we are to go by the word we receive from the newspapers, it will not be in the tax bill.

Mr. TABER. We hope it will be left in.

Mr. RABAUT. If they do not leave it in there, we should take it up in this body.

Mr. TREADWAY. As one member of the Ways and Means Committee, I want to go on record as thoroughly approving the effort to include some rearrangement of that item in the tax bill when it comes back to us, because there has been such a tremendous objection on the part of all contractors as to the uncertainty of the contracts, which is not a fair thing.

Mr. CASE of South Dakota. May I state further that day before yesterday I talked with Senator MCKELLAR, who has been very much interested in this matter. He stated to me, as a matter of fact, that the report of the subcommittee embodying specific amendments would be presented during the consideration of the measure in the other body.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. COLE of New York. This is not on the subject of renegotiation of contracts, but there is another subject matter here to which I should like to direct the gentleman's attention. I refer to page 9 of the bill, section 103, referring to defense aid.

Mr. TABER. An amendment was adopted in the committee to that proposition. As will be seen on page 21 of the committee report, it provides that "ships may be leased, and shall be disposed of in no other manner," for periods not beyond the termination of the existing national emergency. That is the way it reads as brought here by the committee.

Mr. COLE of New York. As I understand, section 103 of this bill modifies or changes the provisions of the Lend-Lease Act.

Mr. TABER. With reference to certain of these articles, yes; that is, it limits it in a certain way. With this amendment, it provides that these ships may be leased to other countries, but they shall not be disposed of in any other manner.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 6 additional minutes.

Mr. COLE of New York. The bill has two provisos, one limiting the amount of articles or services to $3,000,000,000. The report, I notice, shows that already $6,000,000,000 has either been spent or contracted. What effect does this limitation of $3,000,000,000 have upon the $6,000,000,000?

Mr. TABER. That would relate to the things that are authorized to be done in section 103, that is, it permits the President, as I understand it, to use in the lease-lend operations things that have been appropriated under other than direct lease-lend appropriations to the amount of an additional $3,000,000,000.

Mr. WIGGLESWORTH. If the gentleman will yield, as I understand, it simply increased the maximum that is available for this purpose.

Mr. TABER. For lease-lend, out of things that have been appropriated for in other than direct lease-lend items.

Mr. COLE of New York. Does that mean, then, that this $3,000,000,000 is in addition to the $6,000,000,000 already authorized and contracted?

Mr. TABER. There is a good deal more than $6,000,000,000 lease-lend money heretofore authorized, probably $62,000,000,000.

Mr. COLE of New York. I am quoting from the report of the committee.

Mr. TABER. That may be out of those other appropriations, where items are not specifically appropriated for lease-lend.

Mr. WIGGLESWORTH. I think the figure of $6,000,000,000 is again a maximum figure that has been authorized heretofore, insofar as the Navy alone is concerned.

Mr. TABER. This is the picture: For lease-lend we have made direct appropriations of about $13,000,000,000, as I understand. We had a lot of Army money under consideration in which we authorized approximately $22,000,000,000 of different things for lease-lend. However, those were specific items, and the authorization that was carried in the bills related to those particular items. I think altogether the total lease-lend authorization will run approximately $62,000,000,000. This is just an amount in addition to the items that have heretofore been appropriated.

Mr. COLE of New York. Is it a limitation?

Mr. TABER. It is an additional authorization.

Mr. COLE of New York. Then it is $3,000,000,000 in addition to the $6,000,000,000?

Mr. TABER. It is in addition to the amount previously authorized.

Mr. COLE of New York. May I ask the gentleman further for an interpretation of the second proviso, limiting the transfer of ships for periods not beyond the national emergency? First, what kind of ship is contemplated, and second, what effect does this provision have upon ships already transferred to foreign countries?

Mr. TABER. It has no effect on ships already transferred to foreign countries. It simply limits the operations with reference to ships after the adoption of this bill.

Mr. COLE of New York. Then it will mean that no longer can we sell ships or give them away to any South American country or member of the United Nations?

Mr. TABER. I think that is true.

Mr. COLE of New York. Under the gentleman's interpretation, the word "ship" would mean any kind of surface craft?

Mr. TABER. I think it would.

Mr. COLE of New York. Whether auxiliary or combatant?

Mr. TABER. Yes.

Mr. CANNON of Missouri. If the gentleman will yield, it is understood, of course, that this relates only to naval vessels. That is the only provision which remains in the bill.

Mr. TABER. Section 103 relates entirely to naval vessels and could apply to nothing else, of course.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman has referred to the direct appropriations and authorizations of transfer under lend-lease. In the sixth report to the Congress by the President on lend-lease operations, under date of September 11, I think the gentleman will find that, including all those various approaches, the total amounts to approximately $62,900,000,000.

Mr. TABER. That may be correct. I did not have the figure in my head. I was just using an offhand recollection.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, this bill carries an appropriation of about $26,000,000 for the Office of War Information, and it is in connection with that item in the bill that I wish to speak. I have not made a profound study of our war information policy, and I do not pose as an expert on the subject. I do feel, however, that there are some things that ought to be said in regard to the subject.

I have no desire to be critical of Mr. Elmer Davis, the Director of the Office of War Information. I wish him luck in a very difficult task. I realize that what I have to say will deal with but a small part of the job which has been assigned to Mr. Davis.

I quote the following portion of a statement by Mr. Davis as shown on page 383 of the hearings:

Mr. DAVIS. * * * Mr. Chairman, Executive Order 9182, which established this Office on June 13 last, defined as its primary purpose the facilitation of the development of an informed and intelligent understanding, at home and abroad, of the status and progress of the war effort, and of the war policies, activities, and aims of the Government.

It has often been true that the people of our country have not known what to believe in regard to the war situation. They have been confused, bewildered, and disturbed. Government officials who have been charged with giving them information have, in my opinion, often given them the wrong information. There has been a desire to please the public which has, in my judgment, resulted in giving helpful information to our enemies.

Our people do not want to know the facts in regard to military secrets. They have, however, been critical of the confusing nature of much of the information which has been given them in regard to a number of matters. They were disgusted with the conflicting nature of the information which was given them over a period of months in regard to synthetic rubber. They have been bewildered by statements which have been made to them during the last few months in regard to rationing of first one product and another. During the past few months they have read so many statements in regard to the draft and the Selective Service Act they have hardly known what to believe. They have wanted the clear-cut and definite truth in regard to these matters, but they have not been clamoring for public statements in regard to military secrets.

Mind you, I do not believe in withholding the brutal truth from the people if the truth can be made known without helping the cause of our enemies.

I think that Mr. Davis and all others in the Government, including Members of Congress, should strive toward a more careful handling of war information. I think the people are being given too much information rather than too little—that is, of a type which may be helpful to our enemies. Information given through the press and radio of our own country is, naturally, available to all those against whom we fight.

I frankly believe that Mr. Davis and those who have to do with this program of information have permitted too much information to be given to this country, which in turn is given to our enemies.

I may be in error, but I do not see any reason why we should tell our enemies in Tokyo and Berlin, for example, how many men we have in our Army. That has been done. Insofar as I know, the American people were not clamoring for this information.

I do not think we should tell our enemies how many soldiers we have abroad. That has been done. This information may have helped our enemies, but it did not help our own people at home.

I was present upon one occasion when a high Army officer was asked the question, "How many men do we have abroad?" The information was not given, and it was stated that such information was of the greatest military significance.

I do not mean to be critical of anyone. I am merely expressing my own views with the hope that some good may be accomplished. Sometime ago we were told through the press and radio—and I am not criticizing the press and radio, for they publish only what they are permitted to publish—just how many tanks we were making per month in this country. We have told our enemies how many planes we are making per month, and we have given them some pretty good information regarding the various types of planes which are available, and innumerable details regarding other matters.

We have told our enemies about the strong points and the weak points of our airplanes. Tokyo and Berlin have not favored us with any such information. Whatever information we get about them we have to get the hard way.

Some of the steps which we have taken tend to rob us of the element of surprise, an element which military men say is of the greatest importance in war.

We told our enemies that our medium tank was defective in that the 75-mm gun would not revolve in such a way that it could be fired toward the front, the back, and toward each side. We put elaborate pictures in the various national magazines showing just how we were improving our tanks. It seems to me that it would have been soon enough for the enemy to learn of the improvement in our weapon when he met it on the battlefield.

If our enemies are clever, and they are, they can certainly make valuable use of the voluminous information we have given them as to our war effort.

A coach of a football team would become very unpopular indeed if he should give the opposing team before the Saturday game information regarding the weaknesses and the strength and the secret weapons and plays of his team.

Mind you, I am not critical of any newspaper. The papers print what they are permitted to print and the press on the whole has done a good job. I am not critical of any radio commentator. The commentators say what they are permitted to say, within certain limits, and on the whole they have done a good job.

I am not courting anybody's favor, but I want to digress for a moment to say a word of commendation in regard to the press. Each week I see a large number of the daily and weekly newspapers, particularly those published in west Texas. In every issue it is apparent that the publishers are doing everything in their power to help win the war. And most newspapers have lost business by reason of the war. Their space is given with liberality and without stint to every type of war program. It is given, not sold. Frequently some of the smaller papers take up a majority of their space in publicizing some type of war program. Much space is given to War stamp and bond campaigns, to scrap drives for rubber and metal, to all kinds of food programs and innumerable other things.

The general public perhaps does not realize the magnitude of the job which the press of the country is doing. I am more familiar with the west Texas press. I do not doubt but that an equally good job is being done in other areas of our Nation.

Referring again to the subject of war information, I recall a trip which some

of the members of the Appropriations Committee made in August to Detroit and Buffalo and other defense-plant areas. I was in the group. We were in the district so ably represented by our colleague on the committee from Detroit, Mr. RABAUT.

At one of the Curtiss-Wright plants we came upon a cargo plane, known as the Commando, which was being built by Curtiss-Wright Co. We were told that 21 such planes would convey more cargo than 4,000 trucks operating on the Burma Road. We were very much impressed with the plane, and we were given considerable information about it, the information about the plane being given to us in the strictest confidence. But 2 days thereafter Life magazine came out, and I have no stones to throw at Life magazine because it prints what it is permitted to print, with several large pictures of the Commando planes. The dimensions of the plane were given. It was pictured from the inside and outside. The specially designed door of the plane was shown and on the ground outside the plane a number of soldiers and certain military equipment—a tank and a jeep—were shown. It was stated that the capacity of the plane was a military secret, but that the reader would be able to figure out that the plane would carry the men and objects pictured.

I do not know of any good that these pictures did our country, but I can imagine that the engineers of our enemies could make helpful use of them. Such procedure to my mind is utterly absurd and dangerous to the public welfare, and it ought to be stopped.

I hope that Mr. Davis will use some of the $26,000,000 provided for in this bill to stop the policy of giving valuable information to Tokyo and Berlin. I realize that Mr. Davis is not the final authority in some of these matters, that he cannot control the public utterances of high officials, but I hope that he can furnish the leadership and the necessary coordination for a saner and safer program of war information.

I am reminded of the public controversy which has been going on in regard to cargo planes. We have told our enemies that we did not have a particular type of cargo plane, but they now know that we are going to have two or three of them in a stated number of months. I am afraid that we will never surprise them with a big raid made possible by the use of cargo planes for supply.

I could go on at length pointing out illustrations to back up the idea which I am trying to develop. The ones I have used are not especially good. I think each of you will be able to recall other examples, more pointed perhaps than the ones I have mentioned, of our contribution to the enemy of information which the enemy should not have and which the American public does not demand. I would hate to think that in trying to pamper and please our own people we would give out information that would take the life of American fighting men in the theaters of war. There can be no doubt but that certain information has been given out which has upon occasion placed our fighting men in a precarious position at the hands of the enemy.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. MAHON. I believe in freedom of speech and freedom of the press, but in wartime we must exercise every reasonable precaution and a high degree of discretion. Nobody in wartime has a right to say anything or print anything which may unnecessarily endanger the lives of the men in uniform who carry the flag and fight for our existence as a Nation.

I have made these remarks with the hope that they would be helpful. Certain information must be given our people—certain facts should be published to all the world. I would not be able to decide in every case just what facts should be published and what facts should be withheld. I realize the difficulties which confront Mr. Davis and others connected with this problem in the Executive Branch of the Government. I wish them well. They deserve the cooperation of the Congress and of the people.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. MAHON. Yes.

Mr. RABAUT. There is much to what the gentleman says about information getting to the enemy, but if the gentleman will turn to the hearings on page 392 under the caption "Authority of Office of War Information in relation to control of information," he will see that Mr. Davis spoke as follows:

> We are instructed to coordinate the information work of all the Federal departments.

The chairman had asked:

> To begin with, I would like to ask Mr. Davis what is the authority of the Office of War Information in its relation to the control of information in the War and Navy Departments on the one hand and other departments of the Government on the other hand.

I don't want to take up the time of the gentleman to read this, but Mr. Davis tells that all the information is submitted to them and they have to O. K. the information. I don't think it is quite right to place the blame on his office.

Mr. MAHON. Oh, I am not blaming Mr. Davis. I am blaming the Army and the Navy and everybody who has to do with it. I am blaming also the Congress.

Mr. RABAUT. Maybe the authorities in their information are too lax.

Mr. MAHON. I think we have all been too lax, and I think it is time to quit being too lax. That is the object of this speech. I am not throwing stones at anybody.

Mr. RABAUT. I am very pleased that the gentleman mentioned Detroit, which is the hub of the arsenal of democracy.

Mr. MAHON. I thank my friend.

Of course, the gentleman knows that a large portion of this money will not be used in connection with some of the matters I have discussed. It is a big program having to do with propaganda and information on an international scale. I have just touched one angle of the subject, and I hope my remarks will not be misunderstood.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. BRADLEY].

Mr. BRADLEY of Pennsylvania. Mr. Chairman, the matter, which I am about to discuss is not only a problem of my own district, but inasmuch as it also concerns the war and the prosecution of the war, it is also of interest to the Congress, and as we are today debating an appropriation bill, the major items of which are for the Naval and Military establishments and the war effort, I think it is incumbent upon me to direct the attention of the House to some startling and almost incredible facts.

The Republican Party in my district has nominated against me a gentleman named John R. K. Scott, a well-known criminal lawyer of Pennsylvania. For many years his name has been a household word in connection with famous criminal trials in the courts of Philadelphia. This gentleman served in Congress prior to and during the First World War. My attention was first directed to this by Republicans living in my district, men actively identified with the Republican Party, who were chagrined and disappointed with the action of the leaders of the Republican Party in forcing this man upon them as a candidate, in view of what they termed was his terrible record in Congress during the First World War, in the years 1917 and 1918. At first I could not believe the information which they gave me, because of their disapproval of him as a candidate. Consequently, I checked every CONGRESSIONAL RECORD, for every day on which a session was held in the 4 years this gentleman served here in Washington. I was surprised and astounded, as you will be when you learn the facts. The whole 4 years is a record of lack of attention to congressional duties and continued absence during debates and on votes. But it is the war period in particular that is shocking to an almost unbelievable degree, because that was at a time when American boys were fighting and giving their lives and when they needed the support of Congress.

Out of 145 quorum calls during the war period covering debates on war measures, he was absent 135 times—present only 10. Out of a total of 186 record aye-and-nay votes, he was absent and not voting on 147. Most of these measures were directly connected with the prosecution of the war—bills for the Army, appropriations for the Navy, measures to put rifles and ammunition in the hands of the boys overseas, bills to construct battleships, legislation to provide revenue to pay for implements of war, acts to curb excess war profits. It made no difference. He was rarely if ever interested enough to be in Washington to even attend the sessions of Congress. Last week in this House we passed legislation to curb the increasing cost of living. During this gentleman's term in the war Congress of 1917–18, he showed no more interest in legislation for food conservation and control of inflation than he did in the other measures for the prosecution of the war. It is hard to believe that any Member of Congress, at a time when the future of the country was at stake and when American boys were dying on foreign soil, would show such a disregard

for his duties and such a callousness with respect to what he owed to those who were fighting for the country. My friends, I am a veteran of the First World War and I could hardly believe the facts and statistics which the CONGRESSIONAL RECORD shows. But here they are. I have a complete compilation of the gentleman's record. I offer it to any Member of the House to check up and verify as to its accuracy. Any Member, Republican or Democrat, is privileged to check the days and dates and circumstances; if there is any error, I perhaps gave the gentleman the benefit of the doubt rather than otherwise. If I would call out the record on each bill considered, I would simply be repeating "absent," "not voting," without end. My difficulty, and yours will be, if you consult the records, was to find days when he was here and measures upon which he voted. It is probably the worst record ever made by a Member of Congress since the birth of our Republic. I will repeat the figures so that you can realize their full import. Out of 145 quorum calls he was absent 135 times. Out of 186 record votes he was absent and failed to vote 147 times. He started this remarkable record on April 19, 1917, in the first month of the war, the first vote on a war measure after the declaration of war against Germany, a bill recommended by the Navy Department for additional officers, he was absent and not voting. From there on it was almost continually the same story. The exception was when he was present and when he did vote. This went on from 1917 to 1919. He concluded his congressional career in the same manner that he commenced it. The last bill to be considered while he was a Member was one to authorize the payment of allotments to enlisted men. He was absent and not voting.

The post-office employees at that time were endeavoring to secure passage of legislation to increase their salaries to enable them to meet the high cost of living incident to the war. On every debate and every vote on this legislation he was conspicuous by his absence. Congress at that time passed legislation authorizing national banks to contribute to the Red Cross for its war work. On five roll calls during debate on that measure he was likewise absent, and also absent when the bill was voted upon and passed. Measures for conserving fuel, a problem similar to one of today, found him also uninterested and absent. The bill granting women suffrage—the right to vote—was also passed by that Congress. On some of the votes and amendments to this bill he was again absent. He failed to vote also on pension bills for Spanish-American War veterans.

I am told this gentleman is relying on the apathy and lack of interest in this election on the part of people in my district to enable him to be elected to this war Congress. He is hoping that the people, mentally occupied with the anxieties and worries incident to the war, will perhaps fail to exercise their franchise. I want the mothers and fathers of the boys who have been called into the military and naval service, and who will be called upon to make every sacrifice, to know of the record of this gentleman who has the effrontery to again run for Congress after his failure to keep faith with the boys in the previous World War. I want them to know that after he voted for the declaration of war in 1917, from that time on he did little else about it. I want the friends of these boys, the friends of their parents, the patriotic citizens, Republicans and Democrats alike, of my district, who are themselves making every sacrifice to help win the war and get our boys home again, to know of this terrible record. Twenty-five years ago this gentleman was in the full vigor and health of manhood. If he failed so miserably then, what can be expected of him now? I want them to know also that he does not live in our district. He is not even a resident of Philadelphia. He lives in a county outside Philadelphia, where he has a fine estate. He will have no interest in the problem of the district; and, judging from his past record, he will have no interest in problems of the war and will not be bothered much about supporting our boys in the service.

This record is a challenge to every man and woman in the Third Congressional District, which I represent. This attempt to force a man with a record like this on the people is already resented by Republicans and Democrats alike who are acquainted with the facts. Representation of this kind is what destroys free government and paves the way for dictatorship. It is up to the voters of our district to make sure the boys from our own district, the boys from our own State, and all American boys get better support in this war than they did from this gentleman in the last. If half the membership of Congress at that time had been like the gentleman, we would have lost that war, and thousands of American boys wou'd have been left without rifles or ammunition to defend themselves against the enemy.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. I yield to my colleague from Pennsylvania.

Mr. EBERHARTER. I want to thank the gentleman for giving us the benefit of this information. He has done the House a service. My only hope is that all the people of this congressional district can be advised of this record, because I think it a very sad commentary on the patriotism of any Member of Congress, during a time of emergency, such as the First World War, to absent himself from his duties in such a manner as indicated by the record which the gentleman has made available to the membership of this House. I trust the people of the district concerned will have the message given us today by the gentleman now representing the Third District of Pennsylvania, and I hope everyone considers it seriously. I hope it is widely distributed. If it is I think there is no question but what the people of that district will show the proper result at the proper time.

Mr. BRADLEY of Pennsylvania. I thank the gentleman for his statement.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, this bill, as has been pointed out, carries a total of about $6,237,000,000 in direct appropriation and $9,510,000,000 in contract authorizations. It is below the Budget estimate to the extent of about $115,465,000 and brings the total for the war effort since July 1, 1940, including appropriations and contract authorizations, to the tremendous figure of $222,000,000,000.

A very large percentage of the total carried by the bill is for the Navy Department, $5,595,000,000 in appropriations and $9,510,000,000 in contract authorizations.

Much of this requirement for the Navy is explained by the increase in the Navy both on the ocean and in the air and by appropriations for new items of legislation not heretofore covered.

The largest single item is, of course, the item of $3,822,000,000 for the Bureau of Aeronautics to provide for 14,600 or more planes under the present objective of the Navy of 27,500 planes. All the money we have heretofore appropriated for this purpose with a very small exception required for changes has been obligated. Production under this request can begin immediately in existing capacity; deliveries can be commenced as early as March 1; advance orders are, of course, essential.

I am supporting the bill and particularly the recommendations for the Navy, in respect to which I am sure there is no dispute, as absolutely essential to the prosecution of the war effort.

I want to make a few observations, however, in reference to several of the items in title II of the bill.

BUREAU OF ECONOMIC WARFARE

You will find a change in language in reference to the Bureau of Economic Warfare to permit additional activities, among others the designation of special assistants to our Ambassadors for the purpose of coordinating activities of the Bureau and doing informational work for it. When this agency came before us about 3 months ago you will recall that the Congress reduced its request from $13,800,000 to $12,000,000 on the representation that many of the activities of the Bureau were in duplication of the activities of other Bureaus, or in the well-known land of dreams. The additional activities contemplated here are estimated to cost about $600,000. Yet the agency now tells us this amount can be absorbed in the $12,000,000 allowed 3 months ago.

OFFICE OF DEFENSE TRANSPORTATION

The Office of Defense Transportation will receive $5,200,000, primarily for the purpose of the conservation and maximum use of the 5,000,000 trucks in the country, of the 150,000 motor busses in the country, and of all the railroad cars in the country.

In reference to the oil problem on the eastern seaboard Mr. Eastman indicates a saving of some 170,000 cars a year as a result of the work of this agency. He further states that 70,000 tank cars are now carrying into the rationed area in the East as many as 850,000 barrels of oil a day, a figure believed to be impossible

a few weeks ago, and that he hopes to be able to better this figure considerably as a result of concentration points for delivery and the use of barges and trucks.

INTERCOASTAL WATERWAY

In this same general connection the intercoastal waterway from Apalachee Bay to Corpus Christi is of interest. It is urged by both the War Department and the Petroleum Coordinator, and we are assured that it will help materially in getting the oil from the Gulf producers to Pittsburgh by way of the Mississippi and Ohio Rivers, to Port St. Joe, Fla., and the pipe line there and to the new pipe line being constructed across Florida via Carabella.

It will increase the capacity of the waterway from 20 to 30 percent and the new pipe line will provide a capacity of about 38,000 barrels per day.

OFFICE OF WAR INFORMATION

Just a word also in reference to the Office of War Information, for which an appropriation of $25,000,000 is recommended, in addition to the sum roughly of $10,000,000 already received during the current fiscal year from the emergency funds of the President or to be received through funds heretofore appropriated for the Office of Government Reports.

The objective of this agency, as has been reported, is "an informed understanding, both at home and abroad, of the status of the program for the war effort and of the policies, activities, and aims of the Government." Its activities are tremendously important—they extend all the way from the Middle East to San Francisco.

OWI has absorbed the Office of Facts and Figures, the Office of Government Reports, the Donovan set-up in part and the Information Division of the Office for Emergency Management. It has both a domestic set-up and an overseas set-up. It acts through the press, the radio, the motion pictures and every other medium of publicity.

Among its special duties are included the duty to approve all Federal war radio and motion-picture programs, the duty to coordinate all Federal war informational activities, and the duty—note this duty—"to curtail or eliminate any Federal information service, program, or release that is either wasteful or not related to the prosecution of the war effort."

We have talked about the need of the latter duty a good deal first and last in this House. You will remember that a couple of years ago the Bureau of the Budget and the Post Office Department figures showed there were no less than a billion pieces of penalty mail handled in a single year, and that there were no less than 35,000 publicity agents giving whole or part time to the publicity of the Federal Government at a cost excluding the cost of mailing of $27,700,000. Mr. Davis reports that penalty mail is two or three times as large again now, and that the Post Office Department is concerned about it.

Mr. Davis also tells us that about a week or two ago O. W. I. discontinued or curtailed about 500 Government publications at a saving to Uncle Sam of about $1,200,000.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Has the gentleman had an opportunity to look over the list of those publications which have been discontinued?

Mr. WIGGLESWORTH. A list was submitted to the committee. Some of the publications looked comparatively immaterial to me; some of them were more material. I want to emphasize, however, that 500 publications at a saving of $1,200,000 is a pretty small beginning as compared with the figures I have just given of a billion pieces of penalty mail a year, back in 1940, a figure said to have doubled or trebled since that time. I hope this beginning will be followed up by real progress along this line.

Mr. CASE of South Dakota. I may say to the gentleman that I was interested in the announcement and the sending down of the list of the publications. I was impressed about the same as the gentleman from Massachusetts, that it was only a beginning. I could not see where the services of the Government in the prosecution of the war effort would be injured in the slightest by the curtailment that was accomplished, and it occurred to me that many others that were limited in number might be abolished altogether.

Mr. WIGGLESWORTH. I agree with the gentleman, and I think many millions of dollars could be saved in this field if the agency carries out its duties properly in this respect.

WAR MANPOWER COMMISSION

The work of the War Manpower Commission and the way it is handled is of absolutely vital importance to the country. This bill carries a recommendation of $10,302,000 for this agency in addition to the sum which it received at the end of June under the first supplemental national defense appropriation bill.

In considering that bill I quoted Chairman McNutt's statement to the effect that the work of the Commission at that time was wholly that of "coordination and direction," except in respect to the so-called roster of scientific and specialized personnel. For that work of coordination and direction he was given a force of 1,047 to coordinate the work of 10 agencies and an appropriation of $3,281,000, more or less.

Since then certain additional functions have been turned over to the Commission, including those of the United States Employment Service, the National Youth Administration, and two training services, and the Commission through the U. S. E. S. is seeking to complete the national occupational inventory, to collect labor market data to extend the farm placement service and to deal with additional nonagricultural placements.

The request divides itself into three parts. First, for the work of the Manpower Commission proper, second for the work of the United States Employment Service, and third, for apprentice-training work. Your committee has recommended $1,813,000 for the first item, some $8,304,000 for the second item, and $186,000 for the third item.

Included in the work which the Commission now contemplates is a tremendous expansion including 12 regional offices and 120 area offices, which among other things plan to do a large amount of inspection work for the purpose of determining that labor is efficient and working to maximum capacity in the plants throughout this country.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. WIGGLESWORTH. Mr. Chairman, I question very much the need of this exhaustive work of inspection, particularly in view of the fact that W. P. B. among other agencies is also going into the identical plants for the purpose of inspection.

It seems to me we have a general tendency to send inspectors from agency after agency into identical manufacturing plants where, assuming that the work of all is necessary, it might well be handled by one individual instead of by several.

I want to point out also that included in the manpower set-up are a dozen "minority specialists," provision for an increase from 3 to 12 informational specialists, some more housing and transportation specialists, and other personnel of doubtful necessity.

I feel, as I stated in June, that there is great danger this agency will undertake to carry out functions which are both unnecessary and a duplication of those which other agencies are already doing or can do better.

I may mention in passing, that I have received a very earnest plea from a responsible agency in my district that the induction and allocation to defense plants within the war manpower field be left in the hands of the selective-service boards rather than in the hands of the United States Employment Service. The letter states that from the observation of its authors representatives of the U. S. E. S. are often nonresidents, and ill-equipped to do a real job in the place where they are sent. They mention specific examples of inefficient work that has, in fact, been done. They add that from their observation the Selective Service boards have been completely familiar with all local problems and have been doing a first-class job.

I realize the vital importance of a proper job in the manpower field. Opinion must be reserved until we know what the actual plans for this agency are. I feel that those plans are of the utmost importance, because if they are not drawn properly and administered properly instead of being constructive they can be highly destructive.

FEDERAL COMMUNICATIONS COMMISSION

There is one other agency to which I want to refer, and that is our old friend, the Federal Communications Commission, for which there is recommended here $559,000, roughly, in addition to approximately $7,437,000 which they have already had for this fiscal year.

The money is requested to allow the Commission to investigate the personnel of international and domestic foreign-language broadcast stations, to continue the survey of telegraph service, to make

a survey of the foreign language program service, to make a study of the labor supply in the communications industry, to do work in the so-called inter-American communications field, and to make a very substantial enlargement of their offices at Kingsville, Tex., San Francisco, Portland, Oreg., London, and here in Washington. It includes a director of a foreign broadcast intelligence service.

There has been for years, as you know, a lot of smoke around the activities of this agency and around its relationship with the networks which it is supposed to control.

Incidentally, I want to mention in passing that it appears that the Commission has appointed Mr. Russell Clevenger as the head of its publicity force at this time, a man who formerly was publicity agent for Broadcast Music, Inc., which was entirely owned by the networks and their stations, as I understand it.

What I want to call your attention to chiefly is a series of questions and answers appearing on pages 312 and 313 of the committee hearings.

It has been my understanding from sources believed to be reliable that serious charges have been leveled at members or former members of the Commission, charges which if established, would have shown solicitation by members or past members of the Commission from licensees or applicants before the Commission in exchange for the promise of influence; charges which, if established, would have shown the receipt of remuneration and the apparent effect of the remuneration in the action of the Commission; charges which, if established, would have shown the subsequent connection of one or more of those referred to with corporations authorized to engage in or to manage licensees engaged in broadcasting; and that as a result of these charges the Commission ordered a full inquiry back in January, an amended order in very similar terms, omitting the name of the individual primarily involved, being issued during the month of June last.

It has further been my understanding that Mr. John D. Farnham, of Chicago, was appointed as a special counsel under the Commission to examine into these charges, that he did examine into them fully, and that he conducted several days of hearings during the month of June.

Because of the time that has elapsed without any definite word as to the outcome of this investigation, I asked Mr. Fly four questions when he was before the committee. I want to quote those questions and his answers, and also to give you what I understand from sources that I believe to be reliable what the record would show in each instance.

I asked him first:

Did Mr. Farnham report to you that former Commissioner Pickard's conduct had been such as to justify the Commission in finding that his conduct while in office had been grossly improper?

Mr. Fly replied:

I do not recall the precise language used, but it did reflect a critical attitude toward certain of the actions of Commissioner Pickard.

I understand that the record would in fact show that Mr. Farnham reported that in his advocacy of a certain network's stations at a time when Pickard was anticipating an early association with that network, his actions with respect to certain reallocations would clearly justify the Commission in finding that his conduct in office to be grossly improper.

Second, I asked Mr. Fly:

Did Mr. Farnham also report that charges had been made against another former member of your Commission of receiving financial gratuities from a licensee or licensees?

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 additional minutes to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. Mr. Fly replied:

Well, rather than a charge I think that was just a rumor.

I understand that the record would show that Mr. Farnham reported that from several independent sources charges have been made to the Commission investigators that an ex-Commissioner, while a member of the Commission, had accepted favors from a network which included financial emoluments in return for favorable official treatment on his part.

Third, I asked Mr. Fly:

Did he also report to you that one of your licensees had admitted under oath that he had mysteriously turned over to his attorney some $4,000 worth of United States Government bonds, his personal property, in order to acquire certain facilities which he had asked the Commission for and that he had a list of the five members of the Commission who would or had voted favorably in his case?

Mr. Fly said:

He reported an oral conversation, but not in sworn testimony, roughly to that effect.

Mr. WIGGLESWORTH. It was an admission under oath, was it?

Mr. FLY. No; that statement was not made under oath. At the time he testified under oath the statement was much narrower than that.

I understand that the record will show that Mr. Farnham reported that temporary authority to operate at night was given to a licensee; that subsequently the licensee was advised by his attorney that the time had come to pay off those who had voted favorably; that he in fact paid to his attorney $1,000 in cash and $4,000 in Government bonds; that he produced a notebook in which were written the names of the seven members of the Commission, against five of which was written the word "yes," against one of which was written "absent, not voting," and against another one of which was written "present not voting," or words to that effect.

I further understand that Mr. Farnham reported that when subsequently asked to make the same statement under oath the licensee made a somewhat similar statement, but denied being told that the money was to go to the Commissioners and stated that he had destroyed the notebook, the book subsequently making its appearance, the particular leaf in question having been destroyed.

Finally, I asked Mr. Fly:

I understand that you testified before a Senate committee as a result of a report which he made to you, I assume, in connection with the work you refer to, that you expected that criminal action would be taken against the officers of one of the networks.

Mr. FLY. No; I never so indicated.

Mr. WIGGLESWORTH. You never made a statement to that effect?

Mr. FLY. No, sir; I would not make such a statement to that effect. I doubt that I would make such a prediction, and, as a matter of fact, I should not make such a prediction in advance of the facts, and I did not have any basis for such a statement in that case.

We must, of course, accept Mr. Fly's statement in this connection. My understanding has been, and I thought from reliable sources, that Mr. Fly did, in fact, testify before the committee, that an officer or officers of one of the networks had been involved in matters under investigation and that criminal action might result.

In conclusion, Mr. Chairman, I want to say that I am not posted as to the details of this investigation, but it does appear from the record that Mr. Morris Ernst, the attorney for the New York Evening Post, was appointed what might be termed "counsel for the defense" after Mr. Fly had been asked if he had any objection to the appointment and had indicated that he had not. It does appear that Mr. Farnham may have been eased out of the picture, although still a consultant. He is no longer special attorney.

I want also to state that when the stenographer's record went to the F. C. C. someone in that agency attempted to delete the entire set of questions and answers which you will find on the pages I have referred to.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman from Massachusetts 2 additional minutes.

Mr. WIGGLESWORTH. I have no knowledge as to whether these charges are true or false, but I understand on reliable authority that they have been made. They are most serious in character. If there is any foundation for them at all they certainly increase the volume of smoke around the activities of the Commission and afford further justification for a thorough-going investigation.

I think the Commission owes it to itself, to Congress, and to the public to clear the situation up at the earliest possible moment.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. In the report filed by the Chairman of the Appropriations Committee, I believe on June 29, 1942, it is shown that the total amount that had been voted by Congress in appropriations and contractual authority, including the R. F. C. loans and so forth, amounted to $228,000,000,000.

Mr. WIGGLESWORTH. Is that for the war period since July 1, 1940?

Mr. ROBSION of Kentucky. Since June 30, 1940. This report after adding to it $6,300,000,000, states that up to this time there has been voted appropriations or contract authority amounting to $222,000,000,000, but it excludes the loan of funds of the Reconstruction Finance Corporation.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ROBSION of Kentucky. That brings me to the question, What was the amount of the loan of funds to the Reconstruction Finance Corporation? I assume that is what makes the difference. I believe at that time the amount was around $12,000,000,000.

Mr. WIGGLESWORTH. I think the gentleman is right in his reconciliation of the figures. I have not in mind what the R. F. C. loan figure is at the moment.

Mr. TABER. It is upward of $25,000,000,000, but a lot of it evaporates out of these appropriations, so no one can tell just how much it will run.

Mr. ROBSION of Kentucky. Now, my next question is whether the $9,510,000,000 of contract authorizations mentioned on page 2 of the committee report is included in the $222,000,000,000.

Mr. WIGGLESWORTH. Yes; I think that includes all appropriations and contract authorizations, including those in this bill.

Mr. ROBSION of Kentucky. Then the total amount is $222,000,000,000, including the $9,000,000,000.

Mr. WIGGLESWORTH. Exclusive of the R. F. C. figures to which the gentleman just referred.

[Here the gavel fell.]

Mr. MAHON. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made today.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I ask unanimous consent to extend my remarks and include the report handed to me by Senator WALSH regarding the renegotiating of war contracts.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TREADWAY. Mr. Chairman, during the colloquy this morning in which the gentleman from New York and the gentleman from Michigan were engaged, I suggested we ought to find out definitely what the Senate had in mind to do in connection with the tax bill. I went over to the Senate and interviewed the chairman of the subcommittee, Senator WALSH, who gave me permission to use the report that they will make in connection with the matter of the renegotiating of war contracts. They are prepared before the close of the consideration of the tax bill to introduce at least 10 amendments covering these very points, and the principal point is the limitation of time when the negotiations can be brought about, and also the amounts for which those negotiations are permitted.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. RABAUT. Will it shorten the period of time?

Mr. TREADWAY. I believe the amendment suggested by the subcommittee reduces it to 1 year after the close of the contract.

Mr. RABAUT. That is, 3 years after the close of the war?

Mr. TREADWAY. Instead of that, making that a feature of it.

Mr. RABAUT. Very good.

Mr. TREADWAY. And it seems that the suggestions offered by the subcommittee are practically agreed on. They are agreed on by the full Finance Committee, and undoubtedly the opinion of the Senate has been secured, so that they will be adopted at the proper time when the tax bill is under consideration.

Mr. RABAUT. I wish to commend the gentleman for his alertness.

Mr. TREADWAY. I thank the gentleman, because it is of great interest to contractors in my district, and that is why I wanted to follow up the point made this morning with reference to the feeling of disapproval by the people of the country in regard to these war contracts.

RENEGOTIATING WAR CONTRACTS

On April 28, 1942, section 403 of the Sixth Supplemental National Defense Appropriation Act of 1942 (Public 528) became effective and imposed upon the War and the Navy Departments and the Maritime Commission the duty of eliminating excessive profits in war contracts made by them, by a process of renegotiation. It provided that every contract and every subcontract made by every prime contractor should contain a provision for such renegotiation without regard to whether, in the judgment of the Secretary of these Departments, such a provision was necessary or appropriate.

The term "renegotiation" was defined as (in the opinion of many lawyers) authorizing a Secretary to fix a contract price regardless of agreement with a contractor or subcontractor. The Government departments named in the law have interpreted the statute as contemplating something more than the reduction of contract prices found to be excessive; the statute imposes a clear duty upon the Secretary to recapture such excess profits where they have been paid to contractors. In other words, the statute would impose upon the Secretary the duty of recovering excessive profits as well as the duty of reducing unreasonable prices.

There are other fundamental objections of a controversial nature which your committee has not had time to deal with and which relate to the question of whether or not the statutue should be repealed and some other statute controlling profits be substituted.

They may be stated as follows:

(1) The statute is unfair to the contractor in that it permits the Government to obtain relief from a bad bargain while denying the same right to the other party to the contract;

(2) The statute leaves contractors uncertain with respect to their profits and thereby impairs their ability to obtain bank credits and to establish policies with respect to dividends and reserves;

(3) The failure of the statute to fix standards for determining what are excess-profits makes it difficult to obtain uniformity of treatment between contractors similarly situated; and

(4) The statute removes the incentive for efficient operation by giving the contractor his cost plus a percentage over cost, and by treating the efficient and inefficient alike.

However, one of the principal objections which is recognized both by the Government agencies and by the contractors is that the statute is phrased in general terms and does not successfully cover or settle any of the questions that have arisen in practice. It is now proposed to amend this law so as to eliminate, as far as possible, these uncertainties, and practically all amendments recommended seek to accomplish this objective.

The subcommittee, therefore, is of the opinion that certain amendments should be adopted to section 403 of the Sixth Supplemental National Defense Appropriation Act of 1942 (sec. 403 of Public, 528). Their purpose is to remove many of the serious administrative difficulties which the departments of the Government have experienced in the administration of this law, and eliminate some doubts and uncertainties and make the statute more flexible and workable as a means of reducing excessive profits, prices, and costs.

AMENDMENTS

1. Section 403 (a) (1) of Public 528 defines the term "Department" to include War Department, Navy Department, and Maritime Commission. This new amendment will include the Treasury Department. The Treasury Department embraces the Procurement Department of the Government which does much contracting for lend-lease materials. It is therefore deemed desirable that the effort to prevent excessive profits should be applicable to this Department of the Government.

2. Subsection (a) (4) merely defines the term "excessive profits," there being no clear definition of what this term means in the original law.

3. Subsection (a) (5) defines the term "subcontract." Originally there was a difference of opinion between the Army, on the one hand, and the Navy and Maritime Commission on the other, as to the extent and scope of the definition of "subcontract." A final agreement has been reached between these Departments of the Government and the term "subcontract" is now defined as meaning—"any purchase order or agreement to perform all or any part of the work, or to make or furnish any article, required for the performance of another contract or subcontract. The term 'article' includes any material, part, assembly, machinery, equipment, or other personal property."

The original difference between the Army definition and the definition proposed by the Navy and Maritime Commission was whether or not the negotiators should have authority in the matter of redetermining the prices of ordinary commercial articles. The Army felt there was no reason for renegotiation in the case of articles to which price ceilings were applicable, as they are in the case of nearly all commercial articles. The Maritime Commission and the Navy Department pointed out that price ceilings were fixed on the basis of unit price. The Government and contractors purchase these units of given commercial articles, but their purchases are in such large volume that they are able to obtain a much lower price than the price ceiling. The Navy and the Maritime Commission believed they should have the right to inquire and to determine whether or not even the cost, when at a lower-than-ceiling price, does not embrace excessive profits. The language of the amendment finally agreed to includes the commercial articles named.

4. Subsection (b), (2) and (3) makes it clear that no contractor will be compelled to reimburse the Treasury for excessive profits determined until he has received his contract price from the Government. Of course, there was no doubt that if excess profits were found to exist before the contract price was

paid, a deduction could be made from the contract price.

5. The amendments to subsection (b) (3) have two additional purposes: (i) While the present statute appears to require the Government to withhold money from a subcontractor, such withholding is normally impossible because the Government owes nothing to the subcontractor. The amendment therefore requires the prime contractor to withhold sums for the account of the Government in subcontract cases. (ii) The present law only permits the insertion in the subcontracts made by the prime contractors of provisions similar to those required by the statute in the case of prime contracts. The amendment would permit the insertion of such contract provisions in any subcontract at the discretion of the Secretary.

6. The first part of subsection (b) (4) makes it clear that prime contractors are only liable for reductions in the contract prices of their subcontracts where the prime contractor receives the benefit of the price reduction.

7. The second part of subsection (b) (4) permits the Secretary to fix the period or periods for renegotiation and in this way prescribe a statute of limitations. If he believes the provisions of the contract are otherwise adequate to prevent excessive profits, he may restrict renegotiation to a portion of the contract or he may make the contract price firm during a specified period or periods, and he may provide that the contract price in effect during such period or periods shall not be subject to renegotiation. The inflexible provisions of the present law make it difficult, if not impossible, to make firm prices for limited periods. It is felt that the power to make firm prices for very limited periods is essential in negotiating target prices which afford the contractor an incentive to reduce his costs.

8. A new sentence has been added at the end of subsection (c) (1) which expressly permits renegotiation of some or all of a contractor's contracts as a group. This procedure has been found to be more administratively practical where a contractor holds a very large number of contracts.

9. Subsection (c) (2) has been revised to relieve a surety under a contract from liability for excessive profits thereon, as was done under the Vinson-Trammel Act. The subsection has been further revised expressly to authorize the offset of excess-profits taxes paid against the excessive profits covered by the renegotiation statute. Although such offset has been in effect, administratively, it has been thought desirable to write it into the law. Contractors will thus be assured that there will be no possibility of a double penalty for excess profits; once through the excess-profits tax and again through renegotiation.

10. Subsection (c) (3) authorizes the making of final agreements between the Government and a contractor or subcontractor which will be binding upon both parties and will preclude reopening or renegotiation at a later date. This provision should remove fears which have been expressed that the present law authorizes an infinite number of renegotiations with respect to the same fiscal period and that contractors are thus precluded from learning with certainty of their financial position until long after the war.

11. Subsection (c) (4) enables a contractor or subcontractor of his own motion to obtain a clearance from liability for excessive profits under the statute. It is provided that he may file financial statements for any prior fiscal year or years, and unless within 1 year thereafter, or within such shorter period as may be prescribed, renegotiation has been commenced, the contractor or subcontractor will automatically be relieved of liability for excessive profits in respect of such fiscal year or years.

12. Subsection (c) (5) limits the time within which renegotiation of any particular contract or subcontract may be commenced to one year after the close of the fiscal year within which a contract or subcontract is completed. No such provision is contained in the present law and as a result a contract already completed may be renegotiated at any time before 3 years after the end of the war. This amendment will enable contractors to ascertain their final liabilities as rapidly as possible.

The subsection, in the interests of good administration, also limits renegotiation to cases in which the aggregate sales to the Government by the contractor or subcontractor exceed $100,000 for his fiscal year.

13. A new subsection (i) has been added to the present statute permitting exemption from renegotiation in the case of certain limited types of contracts.

(a) Government contracts: Contracts between the War, Navy, and Treasury Departments and the Maritime Commission, and any other Federal or local agency or any foreign government, are completely exempted.

(b) Raw materials: Any contract or subcontract for raw materials is also completely exempted. Raw materials are defined as "the product of a mine, oil, or gas well, or other mineral or natural deposit, or timber which has not been processed, refined, or treated beyond the first form or stage suitable for industrial use." All the departments concerned agreed, on the grounds of administrative simplicity, that contracts and subcontracts for raw materials should be exempted.

(c) Contracts or subcontracts to be performed outside the continental United States or Alaska, may be exempted in the discretion of the department concerned: It would obviously be extremely difficult to require renegotiation in the case of a foreign contractor performing work in a foreign territory.

(d) Contracts where the profits can be determined with reasonable certainty when the price is established: The Secretary of the department concerned is authorized, in his discretion, to exempt such contracts. Examples of the types of contracts covered by this provision are agreements for personal services, for the purchase of real property, perishable goods, or commodities (the minimum price for the sale of which has been fixed by a public regulatory body), leases and license agreements, and agreements, the period of performance of which will not exceed 30 days.

(e) Target price contracts: If, in the opinion of the Secretary, the provisions of the contract are otherwise adequate to prevent excessive profits, a portion of the contract may be exempted from renegotiation during a specified period or periods.

14. Subsection (j) clarifies present provisions of the law to assure those temporarily and intermittently employed by any department concerned, that they are not precluded from prosecuting a claim against the United States in their private capacity if such a claim does not arise from any matter directly connected with the governmental employment of such person, and if such claim is not prosecuted during the period such person is employed by the Government.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. STARNES].

Mr. STARNES of Alabama. Mr. Chairman, I think the greatest good which resulted from the recent tour of the President throughout the country inspecting war plants is that he obtained first-hand knowledge of the fact the people of the United States are not complacent with respect to the war effort. The people of the United States know that war is our first order of business, and it will be our first order of business until we have crushed the power of Hitler and Hirohito to disturb the peace and security of the world. This is information the advisers of the President should have known all along. The Members of Congress have been thoroughly cognizant of the fact. The people are not complacent in respect to the outcome of the war or the conduct of the war. They are not complacent with respect to the sabotage which has hindered the production of munitions, material, and implements for the successful waging of this war. As an instance of that I call attention of the House at this time to an incident about which the people have been aroused, and about which, until quite recently, the administrative branch of the Government has seemed to show very little concern. I shall read to the House a United Press dispatch from Cleveland, Ohio, under date of October 2, 1942:

UNITED STATES INVESTIGATING TWO ALIEN CONGRESS OF INDUSTRIAL ORGANIZATIONS AIDES IN WILDCAT STRIKES

CLEVELAND, October 2.—United States District Attorney Don C. Miller said today his office was investigating the activities of two brothers, alien Congress of Industrial Organizations leaders involved in numerous wildcat strikes in Cleveland war plants.

The brothers—David Balint, 35, local president of the United Steel Workers Union, and Alex Balint, 30, regional director of the Mine, Mill, and Smelter Workers Union—are natives of Austria-Hungary and consequently are considered enemy aliens.

The Federal investigation was announced after William F. Donovan, president of the Cleveland Industrial Union Council (Congress of Industrial Organizations), said he was "damned sick and tired of the Balints."

"They've tried my patience long enough," Donovan said. "The Government agency with the proper authority should do something."

Thirty-five members of David Balint's union at the Ferro Machinery & Foundry Co.'s core-making division walked out yesterday in violation of a contract. They demanded a 15-percent wage increase.

The Mine, Mill, and Smelter Workers, to which Alex Balint belongs, interrupted war production for 4 days at the Aluminum Co. of America's Cleveland plants last week to enforce demands for wage adjustments and other grievances.

Mr. Chairman, the names of Alex and David Balint are very familiar to the members of the special committee investigating un-American activities. On August 15, 1938, one of the foremost labor leaders of the United States of America, a man with a long and honorable record as a citizen and labor leader, appeared before the committee and testified under oath that these two men, David Balint and Alex Balint, were among 59 Communist Party leaders sent to the 1937 convention of the S. W. O. C., to implant and inculcate the Communist Party program into that convention's proceedings and program if possible.

I point out to the House that Alex Balint is the same individual who, in June 1941, was in charge of the strike at the Aluminum Co. of North America, in Cleveland, at a time when it was very fashionable among the Communists to slow up production and retard our defense efforts through strikes. Alex Balint came to Washington to appear before the Mediation Board concerning

this vital strike. While he was here I subpoenaed him to appear before the special committee on un-American activities, and questioned him concerning his background and affiliations. I think it will be of interest to the House to learn he admitted under oath that he was an alien, that he had been here for 21 years without becoming an American citizen, and had been convicted and served a term for stealing an automobile in Chicago. When questioned by me as to whether or not he was a Communist, at first he refused to answer. However, at this hearing we received the testimony of three other persons, who had formerly been associated with Mr. Balint, stating they knew him to be a member of the Communist Party.

Mr. Chairman, I am at a loss to understand why action has not been taken against the Balints at an earlier date. I sincerely hope that the United States district attorney, Don C. Miller, will take immediate action on the complaint of Mr. Donovan, for I am sure the American people, in times like these, desire firm and speedy handling of an enemy alien criminal Communist thwarting our war effort by wildcat strikes in a vital industry.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield.

Mr. CRAWFORD. If I understand the gentleman correctly, the Dies committee has long ago exposed the operations of these particular brothers?

Mr. STARNES of Alabama. On August 15, 1938, we first exposed them and again in June 1941, when Alex Balint came here to Washington and appeared as a member of a committee to mediate the strike differences in the Aluminum Co.'s plant at Cleveland with the then War Mediation Board.

Mr. CRAWFORD. I wanted that to go into the RECORD, because I have grown sick and tired of getting letters from people criticizing me for having supported the Dies committee, which has been uncovering activities of that kind.

Mr. STARNES of Alabama. I thank the gentleman for his contribution.

I think it might be of interest to call to the attention of the House at this time the record of the War Labor Board with respect to handling strikes as they affect war industries. I will insert in my remarks the record on strikes, not since Pearl Harbor, because I think that is hardly proper, but since the War Labor Board. The Congress and the people should give fullest cooperation and backing in building a sound public sentiment which would help the rank and file of labor, which unquestionably is sound and patriotic to the core, and to the loyal upright leadership in labor in ridding organized labor of its criminal and racketeering element. These racketeers and criminals are more interested in furthering their own gains than in winning the war. This applies particularly to Alex and Dave Balint, whose country, Hungary, is now furnishing Hitler with soldiers to fight against Russia.

How can we accomplish this end? This is a practical question. How can the country help labor clean its household in the face of the policy of appeasement and vacillation practiced by the War Labor Board? This Board has a sorry record for promoting peaceful relations and increased production. By rewarding unauthorized strikes with increased wages and a closed shop with a check-off system it has promoted strikes, discord, and spotty production. Furthermore, by its wage formula it has been the strongest inflationary factor in the cost of the war and the cost of living to every American citizen.

[Here the gavel fell.]

Mr. STARNES of Alabama. Mr. Chairman, I ask unanimous consent to revise and extend my remarks by inserting therein the number of strikes per month in war industries from January 1942, the month in which the War Labor Board was set up, down to and including July 1942.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The list referred to is as follows:

1942:

January (first month of War Labor Board)	27
February	50
March	66
April	91
May	144
June	192
July	222

Mr. STARNES of Alabama. These were only war industries strikes. It does not include "flash" strikes, "quickies," "slow-downs," or group illness "that only a wage raise can cure."

A second table presented herewith is a record compiled by the Labor Department with reference to the number of strikes and the man-days lost by months since the War Labor Board was set up.

1942	Strikes	Man-days lost
January	155	390,000
February	190	425,000
March	240	450,000
April	310	375,000
May	375	325,000
June	350	550,000
Total	1,520	2,455,000

Do you suppose our sons and brothers at Bataan, the Coral Sea, Midway, and Aleutians were helped or feel proud of this record? Do you know of anyone who benefited thereby except racketeering leadership in labor, Hitler, and Hirohito?

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I am inclined to think that the section of this bill which will concern the people of the country more in the next 6 months than any other is that which gives more funds to the War Manpower Commission.

Correspondence that comes to my desk indicates that the greatest confusion that exists in the country today arises out of the confusing and conflicting statements that are issued by the officials of the Selective Service System and the War Manpower Commission. Some of those statements are in conflict as between the two set-ups. Some of the statements that are in conflict are within the individual set-ups, the War Manpower Commission or the Selective Service System.

I have an editorial which appeared in the Omaha World-Herald, which is a good illustration of this situation. It is receiving wide circulation throughout the Midwest. The editorial reads as follows:

MENTAL INERTIA

A letter comes from a Nebraska farmer. He is a member of a local draft board. He is a Democrat. Three times he has voted for Mr. Roosevelt for President and was a vigorous supporter of his pre-Pearl Harbor policies. While his name cannot be used, what he has to say is interesting. He writes:

"On looking over yesterday's World-Herald I notice that Hershey is on record as saying before the congressional committee that 'the local boards are a little bit slow in reclassifying so as to retain the farm labor at home.'

"The dirty buck-passing (censored and deleted by the editor).

"He hasn't the guts to tell Congress that he is increasing our quotas 50 percent, 100 percent, to 150 percent. He alone is to blame. Every time we meet to reclassify it is because we are compelled to take deferred men out of this class and place them in A-1 in order to fill his quotas.

"Our big trouble is that with the 40-hour week in industry we have three men doing the work of two, and the two men on the farm working 80 hours a week doing the work of three.

"From Hershey to the lowest clerk in the draft business they are all well paid. The draft board works without pay, as it should, and must take all the contumely and kicks from the public, and also it seems, from Hershey.

"The draft boards in the farm regions are compelled to strip our farms of labor—even of owner-operators. And then war industry and big business come along with their offers of unheard-of high wages and skim off what is left.

"How, I ask you, are we going to produce the food to feed our women and children, our workers and soldiers, our Allies who are in desperate need of it? And how, without food, are we going to win the war?"

That same complaint is made, that same question is asked, from the farm lands and rural communities throughout the imperiled Republic.

To denounce the "greedy" farmer is not a sufficient answer. It is rather an indication of mental inertia.

Wake up, Washington!

Now, personally, I think General Hershey was misquoted in the remarks attributed to him. I looked up his statement as reported in the papers of September 28, and I found it in a Washington paper, as follows:

I admit that our local boards have been a bit slow in reclassifying farm labor to hold it on the farm, but that is being corrected as rapidly as possible. * * * I have always contended that farm labor is the most difficult to replace. I have written Secretary Wickard asking him to classify the segments of agriculture as essential and nonessential.

Which indicates, perhaps, that General Hershey is more sympathetic than the farmer's letter would suggest. Nevertheless, the statement does make it hard for the local board, which is struggling with a very practical problem—how to keep farms from being abandoned

while they fill the calls for quotas. Every Member from an agricultural district knows that his papers today are filled with announcements of sales by men who are compelled to give up farming and to go into the Army, or of other farmers who are throwing up the sponge and quitting because they cannot get labor.

Now, the testimony that was offered before the committee, at page 465 of the hearings, shows as follows:

> The Department of Agriculture reports that present trends indicate that more than a million farm workers will leave the farms for industry and the armed forces by next July. Not only must these workers be replaced but an additional 300,000 must be added to the regular agricultural labor force to meet the increased food-production program. In order to meet the demands for agricultural labor, it will be necessary to locate and utilize persons who have not heretofore been considered as a part of our available supply. This will include the employment of persons now engaged on farms of marginal productivity, women, youths, and, where necessary, the importation of Mexican agricultural workers.

That means, in short, that 1,300,000 agricultural workers must be supplied and they must come from new sources. Such investigation as we have been able to make would indicate that the War Manpower Commission expects to supply these 1,300,000 additional farm workers needed by taking men from some sections of the country and transplanting them to other sections, from South to North and from East to West, or by taking them from the cities and transplanting them to the farms, without regard to their personal ability or their adaptability for what they are expected to do.

Previous speakers, I believe the gentlemen from Missouri who have spoken, alluded to the fact that intelligent farming and stock raising require some experience and training. Certainly that is true in the care of livestock, and the Nation is urging the livestock men and the dairymen to increase their production of meat and dairy products. Yet they find their best hands taken by the Army and Navy or lured to the cities by wages with which they cannot compete.

Nothing is needed in the United States today more than a clear-cut, properly balanced policy on the proper use of our manpower.

Of course, it is going to take soldiers and sailors and aviators to win this war. We have got to win it by fighting. Nothing, however, is undermining the morale of the people more than the conflicting policies followed by draft boards in various parts of the country and the conflicting statements of public officials dealing with the subject. Some of this confusion grows out of the reporting of a single sentence out of somebody's statement, I am sure, but even that could not happen if there were a fixed and settled policy, uniform for the entire country. Men in like circumstances should be treated equally. That is a cardinal principle in the idea of universal service.

It may be recalled that I drew attention to this problem in remarks on this floor last June. At that time I called upon the War Manpower Commission and the Selective Service System to get together on a national draft policy with regard to taking men from essential industries. Some of them will have to be taken, no doubt, but the same principles should guide boards in every county of the country. It is all very well to say, "Leave it to the local boards," but that makes the local boards, unpaid, hard-working men giving long hours of their time, it makes these men the butt of unwarranted criticism when some official comes out with a statement that seems at variance with what a particular board may have done in a given instance.

Evidence that this need of a settled policy came to me yesterday in a statement of recommendations adopted by officers of six livestock associations meeting at Chadron, Nebr., September 29. The organizations were the Nebraska Stock Growers, the Sandhills Feeder Cattle Producers, the South Dakota Stock Growers, the Western South Dakota Wool Growers, and the South Dakota Livestock Committee.

A statement issued by them said:

> Nearly all of the single men of draft age have been taken. Those that were deferred are now going. Married men are being called, and in the great majority of cases this means the abandonment of herds and ranches and a very large reduction in the numbers of livestock that can be maintained. This occurs in spite of the fact that many of these communities have contributed more than their full percentage of men for the military service. To take more will mean a disproportionate draft upon our manpower.

During the past 2 weeks the Greater South Dakota Association has been conducting a county-by-county survey of the farm and ranch labor situation in South Dakota. I read a few typical reports:

> Huron trade area: Estimated 500 farmers in Beadle County will have to reduce crop acreages for a total reduction of 78,400 acres out of 439,593.
>
> Codington County: 600 farms will cut acreage 50 percent. Livestock will probably hold up.
>
> Brown County: 1,000 farms reducing crop acreage about 20 percent. Milk and cream expected to fall about 20 percent.
>
> Fall River: 200 farms to cut acres 25 percent. Cattle and sheep down 10 percent. No reduction in milk and cream.
>
> Lawrence County, Spearfish area: Estimated 75 percent of sheep raisers and small percent of hog and cattle men will have to curtail production. Dairy products off 30 percent.
>
> Meade County: Practically no ewe lambs will be kept over for breeding. Several bands of 100 to 1,000 head have been dispersed by young men who are entering the Army. Older men believe it will be impossible to get help.

And so I could go on. In Perkins County, sheep, it is estimated, will be down 40 percent; cattle, 25; and hogs, 20 percent. I have the reports for more than 60 counties in the State and they run about alike. It may be that the brains in the Manpower Commission will be able to figure out some way to create a sheepman overnight, but on a proposition like that, most ranchers will be from Missouri. They know that the care of livestock calls for some knowledge of livestock.

Moreover, it calls for help that is willing to work at any hour of the day or night, in all kinds of weather. Indeed, the heaviest and hardest work in lambing season often comes when the weather is the roughest. Help that works by the clock on a 40-hour week is worth nothing on a sheep ranch, even if the rancher could pay wages competitive with war industries, which he cannot.

The testimony which I cited from the hearings spoke of the need for replacing 1,300,000 laborers on the farms of the country. How is the farmer going to pay that labor? Some of it represents boys taken from his family who were not receiving any regular wages. All of it represents labor that was not getting an hourly wage comparable to that paid in the shipyards and in defense plants. And none of it got time and a half for overtime with double time for Saturday afternoons and Sundays.

I wish the thoughtless critics who harped and carped about a farm bloc recently would answer that question. How is the farmer going to pay those 1,300,000 workers, even if you find them? How is he going to pay them unless the prices of what he has to sell are permitted to take in a labor cost which he did not have before?

I regret that this entire question of the proper selection and assignment of manpower is not before the Congress for a thorough-going consideration at this time. This is the time it should be considered. Here we are appropriating funds for an expansion of the activities of the Manpower Commissioners, but there is nothing settled here as to the principles which should guide their activity. There is nothing done here to compel the Manpower Commission and the Selective Service people to agree upon a uniform policy with regard to the drafting of farm labor throughout the country. There is nothing done here to insure that the policy will be based upon a sound determination of the Nation's military needs and its capacity to meet production requirements on the farm and in the factory.

I close my remarks by reading recommendation No. 4, in the statement adopted by the six livestock organizations to which I have already referred. It says, and I think this is the nub of the situation:

> We urge that the highest authorities in Washington, having to do with manpower and the Selective Service, convey to the proper State and local officials explicit instructions regarding the administration of the draft with reference to essential workers on the farms and ranches, and then see that these instructions are observed.

During my recent visit in South Dakota I talked with many members of local draft boards. I know something of the torture they have been getting. They, however, are going to stick to their unpaid jobs and do the best they can. I am sure, however, that they would welcome the announcement of a clear-cut, uniform policy for the country and the assurance that, having been announced, it would not be modified or clouded by the off-hand statement of some official with a big title.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 6 minutes to the gentleman from Michigan [Mr. CRAWFORD].

A TRILLION-DOLLAR COUNTRY?

Mr. CRAWFORD. Mr. Chairman, if I read the committee report correctly, and understand the discussion here today, it appears that we have now approached one-quarter of a trillion dollars. I now refer to the $222,000,000,000 mentioned in the committee's report and the $25,000,000,000 Reconstruction Corporation activities mentioned by the gentleman from New York [Mr. TABER].

And here we are dealing with appropriations and authorizations with which to finance this current global war. We have moved from tens of millions of dollars into billions of dollars, and now we enter an era where it will certainly be in order to discuss the fiscal problems of this country in terms of trillions. That is a sufficient shock, it seems to me, to cause this country, this Congress, and our people generally to sit up and take notice.

If I understand the picture correctly, the member banks of our Federal Reserve System, which constitute less than one-half of the commercial banks of this country will, by June 30, 1943, hold in their portfolios around $75,000,000,000 of Government securities. Based upon the circulation statement issued by the Treasury as late as August 31, 1942, there was $13,200,000,000 of currency in circulation. If this figure be added to the projected demand deposits of the commercial banks of the country after this Government financing takes place it appears the banks have in the way of demand deposits and currency in circulation, approximately $135,000,000,000. And if there is applied to this volume of demand deposits and currency outstanding the present velocity of turn-over or spending, that we shall generate a national income of around $250,000,000,000, or another almost one-quarter of a trillion dollars. That has to do with the taxation now under consideration, and that which will have to be considered next year. According to the revised Budget estimates of April 24, 1942, the net Budget deficit for the fiscal year 1943 without allowance for the additional revenues of pending or proposed tax legislation will be about $56,000,000,000. This deficit will be reduced by about $4,000,000,000 if a bill yielding the same revenues as H. R. 7378 in the form in which it passed the House of Representatives should be enacted in the immediate future. It is my hope that H. R. 7378 when finally enacted by the Senate and by the House through the conference report will yield substantially more revenue than the figure I have just mentioned.

If we are to avoid inflation, the deficit remaining after such increases in taxation as Congress sees fit to provide must be financed out of the savings of individuals and the savings and uninvested accumulations of corporations. The exact form which these savings take is unimportant as long as they result in a reduction of consumer expenditure and do not destroy the financial fabric of the individuals and the business institutions of this country.

In January 1941 I appeared before the Ways and Means Committee and pointed out at that time that in due course we would have to consider legislation having to do with enforced savings. We have reached that hour in the history of our people and our country. We shall no longer be able to dodge the issue. Appropriations such as we are considering here today and such as we shall have to continue to consider in this global effort will, in my opinion, certainly move us to a $225,000,000,000 direct Federal interest-bearing debt by June 30, 1944, and will carry us into new fields of savings and investments such as the American people have never before experienced.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. HINSHAW. I am curious to know whether the gentleman has made any estimate as to what the annual cost will be for the servicing and retirement of the public debt after this war is over.

Mr. CRAWFORD. On the basis of a $225,000,000,000 interest-bearing debt as of July 1, 1944, multiply that by 2½ percent, assuming that such low interest rates are in existence at that time, based upon the projections now being made by the Treasury Department and you will have the answer. In other words I see ahead of us a fixed service charge of no less than $6,000,000,000 per annum which we, the American people, will have to pay. That is the cost of carrying the debt incident to the war which has been appropriated and authorized since June 1940 and which, mind you, started out in May 1940—I believe it was May 16, 1940, to be exact—when we had our message up here from the President asking that we initiate a $4,000,000,000 defense job and which has moved on up now to over $225,000,000 000.

Mr. HINSHAW. How much would the gentleman retire per annum?

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I yield the remainder of my time to the gentleman from Ohio [Mr. YOUNG].

Mr. YOUNG. This supplemental national defense appropriation bill is of transcendent importance to our citizens, who are intent upon winning this war as speedily as is possible.

This appropriation of more than $6,000,000,000 for our all-out war effort—much of it for naval aviation—is more money than was necessary for the total annual expenditures of our Government in time of peace.

I am here today actively supporting this important bill, which means so much to my citizens whose dear ones are serving in the armed forces of this Nation. I want to call attention to the fact that Ohio has two Congressmen at Large and that we elect but one on November 3. The other Congressman at Large, the gentleman from Ohio [Mr. BENDER] is apparently not sufficiently interested in this legislation to be here today. He is in Ohio talking with his political supporters in Columbus and speaking at a meeting. It seems to me that every Member of Congress should be interested in legislation carrying with it such an expenditure as this.

The power of the purse is a most important power remaining in the Congress of the United States.

It is vital to our war effort that this important national defense appropriation bill be voted on and passed now.

[Here the gavel fell.]

The Clerk read as follows:

BUREAU OF AERONAUTICS

Aviation, Navy, 1943, including technical books and periodicals for use in the Bureau of Aeronautics and in the field, $3,822,000,000, of which $820,000 for the procurement of helium shall be available for transfer to the Bureau of Mines.

Mr. STARNES of Alabama. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall support this bill, of course, as I have every other measure for the successful prosecution of this war. No nation can be successful in a major combat today which does not have complete control of the air in the theater of operations. It is necessary both for the Army and the Navy to have control of the air in order to win, but I am wondering whether it is the part of wisdom on our part to establish a huge land-based air program for the Navy in the United States. I feel that this is a duplication which is useless and unnecessary. I think it is just as useless and unnecessary for the Navy to build up a huge land-based airplane program as it would be for the Army of the United States to attempt to build 100 carriers for operation on the high seas and to operate an Army air force from a carrier fleet.

We are faced now with the serious problem of obtaining a sufficient amount of raw material to process into our own Army air program. The Army land-based airplanes were chiefly responsible for the magnificent victories of Coral Sea, the Aleutian Islands, and Midway over the Japanese Fleet, but it does not follow that it is necessary for the Navy to build up a huge land-based airplane program. I regret very much to see that policy being inaugurated at this particular time, because I feel very strongly that the Army Air Force needs all of the aluminum and raw material necessary to carry out its program of providing a sufficient number for us to obtain the necessary superiority of air in every theater of operations and destroy on the high seas the surface fleets of our enemies.

Mr. HINSHAW. Will the gentleman yield?

Mr. STARNES of Alabama. I yield to the gentleman from California.

Mr. HINSHAW. I listened to the figure of $3,000,000,000 for 14,000 airplanes, and I made a rough division. I find that the price per airplane is something over $200,000, indicating, as the gentleman states, that they are to be very large and probably land-based airplanes. Does the gentleman know of any means of communication or consultation between the Army and Navy in order to determine a joint policy as between the two of them for the determination of what type of plane shall be provided and for what purposes?

Mr. STARNES of Alabama. I do not know of any, and I do not know whether or not such consultation has been held

or any joint action has been agreed upon, I may say to the gentleman from California. I am pointing out what seems to me to be the lack of wisdom in adopting a policy here which certainly leads to duplication, and it cannot be anything else, a duplication of effort on the part of our two armed services, a duplication which is unnecessarily expensive, time killing, and very unwise at this critical time.

[Here the gavel fell.]

The pro forma am ndment was withdrawn.

The Clerk read as follows:

FEDERAL SECURITY AGENCY

HOWARD UNIVERSITY

Salaries: For an additional amount, fiscal year 1943, for payment in full or in part of the salaries of the officers, professors, teachers, and other regular employees of the university, $6,800.

Mr. RABAUT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time to say a word about the plea that the Honorable Paul McNutt, Chairman of the Manpower Commission, made in behalf of the Employment Service for additional sums to adjust the salaries of the field employees to the Federal classification level. It seems that this Service has had a turnover in a 3-month period of some 3,000 employees. Their wage scale today is based not on the Federal rate but on the State rate. Personally, I am very much in favor of increasing the appropriation to give this group the sum to which, in my judgment, they are justly entitled.

While I am on this subject, may I say that something should be done in this House toward giving relief to other Federal employees. With the increase in the cost of living in most cities of any size amounting in some cases to 17 percent, and with deductions being made from their salaries for buying bonds, a great hardship is being inflicted on these faithful servants of the Government. I voiced my sentiments concerning this matter, especially as far as it concerns postal employees, on a previous occasion. I am not a member of the committee that has these matters in charge, but I feel that it is the duty of the House and the Congress before many more days pass to give attention to this all-important subject.

The Clerk read as follows:

EMERGENCY RUBBER PROJECT

For an additional amount for the "Emergency rubber project," including the objects specified under this head in the Second Deficiency Appropriation Act, 1942, and in addition thereto the use of Government motor equipment for the transportation of laborers from points of assembly to the sites of the projects and return, fiscal year 1943, $19,000,000: *Provided*, That the Secretary of Agriculture, in connection with the appropriations herein and heretofore made for such project, is authorized to plant, or contract for the planting of, not to exceed 25,000 acres of guayule in areas in the Western Hemisphere in addition to the acreage permitted under the provisions of paragraph (1), section 1, of the act of March 5, 1942 (Public Law 473).

Mr. ANDERSON of California. Mr. Chairman, I make a point of order against the proviso on page 23, starting on line 22 and ending on line 3 of page 24.

Mr. CANNON of Missouri. I wonder if the gentleman will reserve his point of order for a minute.

Mr. ANDERSON of California. Yes.

Mr. CANNON of Missouri. I also wonder if the gentleman understands the result of the point of order being sustained. Of course, the paragraph is subject to a point of order. I shall make no objection on that point. However, does the gentleman understand that if the point of order is sustained and the paragraph goes out, only 75,000 acres can then be planted?

Mr. ANDERSON of California. No; I beg the gentleman's pardon. The House this morning approved a Senate bill increasing this acreage from 75,000 to 500,000.

Mr. CANNON of Missouri. That is true; but this appropriation does not apply to the new law. The new law cannot affect it in any way. This appropriation, as the gentleman will note, is specifically tied to the original act.

Mr. ANDERSON of California. May I ask the chairman of the committee this question, then: If it is found possible with the additional supply of seed that has been furnished by the guayule project this year to plant in excess of 100,000 acres, what provision can then be made if this proviso covering 25,000 acres is left in the bill?

Mr. CANNON of Missouri. There will be another appropriation bill in which that can be taken into consideration. I might suggest to the gentleman, too, that in view of the fact that the authorization was just agreed to this morning and that we had no information on it at the time this bill was drawn, if he wishes this to go to another body and secure consideration there, the matter can be adjusted in this bill instead of waiting for another bill.

Mr. ANDERSON of California. Can I depend on the committee on this side to assist me in this regard?

Mr. CANNON of Missouri. The gentleman can never depend on what any committee may do, of course.

Mr. ANDERSON of California. I am afraid that is true.

Mr. CANNON of Missouri. However, I am certain the gentleman understands our sympathetic interest in the matter.

I suggest to the gentleman that if it is agreeable to him, not to insist on the point of order at this time, and that he take up the matter with the Department of Agriculture and the powers that be in another body.

Mr. ANDERSON of California. That is agreeable to me.

Mr. Chairman, I withdraw the point of order.

The Clerk concluded the reading of the bill.

Mr. CANNON of Missouri. Mr. Speaker, I move that the Committee do now rise and report the bill back to the House, without amendment, with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. COOPER) having assumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee, having had under consideration the bill (H. R. 7672) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1943, and for other purposes, had directed him to report the same back to the House with the recommendation that the bill do pass.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. CANNON of Missouri, a motion to reconsider the vote by which the bill was passed was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2203. An act for the relief of Bayard M. Atwood.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2751) entitled "An act to amend the act entitled 'An act to establish a Women's Army Auxiliary Corps for service with the Army of the United States' approved May 14, 1942, to create the grade of field director in such corps, to provide for enrolled grades in such corps comparable to the enlisted grades in the Regular Army, to provide pay and allowances for all members of such corps at the same rates as those payable to members of the Regular Army in corresponding grades, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. REYNOLDS, Mr. THOMAS of Utah, Mr. JOHNSON of Colorado, Mr. AUSTIN, and Mr. GURNEY to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2317) entitled "An act for the relief of Lillian La Bauve Linney," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. STEWART, and Mr. BREWSTER to be the conferees on the part of the Senate.

GENERAL PERMISSION TO EXTEND REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill in general debate today may have 5 legislative days within which to revise and extend their remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

WOMEN'S ARMY AUXILIARY CORPS

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2751) to amend the act entitled "An act to establish a Women's

Army Auxiliary Corps for service with the Army of the United States", approved May 14, 1942, to create the grade of field director in such corps, to provide for enrolled grades in such corps comparable to the enlisted grades in the Regular Army, to provide pay and allowances for all members of such corps at the same rates as those payable to members of the Regular Army in corresponding grades, and for other purposes.

The Clerk read the title of the bill.

Mrs. ROGERS of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell me what this is?

Mr. MAY. This is the bill relating to the Women's Army Auxiliary Corps, in which, I am sure, the gentlewoman from Massachusetts is interested.

Mrs. ROGERS of Massachusetts. I am very much interested in it. And I hope the Senate did not agree to the House amendment. I like the bill as it passed the Senate which granted some needed positions.

Mr. MAY. The Senate has disagreed to the House amendment, and we are simply asking to go to conference.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and, without objection, appoints the following conferees: Messrs. MAY, THOMASON, HARTER, ANDREWS, and SHORT.

EXTENSION OF REMARKS

Mr. HARNESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an editorial entitled "Neo-Liberal Illusion: That Collectivism Is Liberty" appearing in the Saturday Evening Post issue of October 10, 1942.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a magazine article written by me entitled "Elections in Wartime."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I have two unanimous-consent requests; first, I ask unanimous consent to revise and extend the remarks I made today and to include certain excerpts from the committee hearings; and second, that my colleague the gentleman from Massachusetts [Mr. TREADWAY] may extend his own remarks in the RECORD and include therein a report of a Senate subcommittee with regard to renegotiation of contracts.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FUEL OIL IN NEW ENGLAND

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, New England is getting less than 70 percent of its supply of heating oil for this month, whereas the rest of the eastern seaboard is getting 90 percent. I earnestly hope the President will appoint one man as head of a well-coordinated oil industry, in order that we can fix the responsibility, so that one man will be charged with authority and see that the oil gets in to us. It has been a very sad case of neglect, not intentional of course, but still of neglect. It is just as important in winning the war as rubber. We have a rubber czar. We should have an oil czar. I believe Secretary Ickes could take care of the situation if the President gave him full authority to act.

EXTENSION OF REMARKS

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix.

The SPEAKER pro tempore. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HOOK, indefinitely, on account of important business.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet Monday next.

The SPEAKER pro tempore. Is there objection?

Mr. MICHENER. Mr. Speaker, I reserve the right to object. Will the majority leader please give us some idea as to the program for next week?

Mr. McCORMACK. Mr. Speaker, the only thing on the program for next week is the poll tax bill, and that will occupy Monday and Tuesday. That is, if the committees are discharged and the rule adopted on Monday. Of course it will be debated on Tuesday.

Mr. MICHENER. And it will not be debated on Monday?

Mr. McCORMACK. I understand there is 20 minutes of debate on the question of discharge.

Mr. MICHENER. Mr. Speaker, as I understand the rule, it seems to be in order to immediately move to consider. If that is correct, then it is in order immediately to take up the matter for consideration. There is a question here as to whether or not this bill can be taken up under the general rules of the House on Monday or whether it must lay over until the next day. There are those who say it must lay over for a day and others who say it may be taken up immediately.

The SPEAKER pro tempore. The Chair will be pleased to reply to the gentleman from Michigan. Under the resolution (H. Res. 110) before the Committee on Rules on which the Rules Committee will be discharged, if the discharge motion is adopted, it is provided that upon the day succeeding the adoption of the resolution a special order be and is hereby created by the House of Representatives for the consideration of the bill H. R. 1024, a public bill, and so forth.

Mr. MICHENER. My misunderstanding is due to the fact that the discharge rule provides that from the time you call up the matter if no other rule like this is interjected, the proceeding is continued then without interruption?

The SPEAKER pro tempore. The gentleman is correct in that. The difference here being by reason of the provision of the resolution.

Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ENROLLED BILL SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 7121. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 97. An act for the relief of the legal guardian of Joy Montgomery, a minor;

S. 103. An act for the relief of Caffey Robertson-Smith, Inc.;

S. 305. An act for the relief of Mrs. Felix Belanger;

S. 317. An act for the relief of Monroe Short;

S. 1033. An act conferring jurisdiction upon the Court of Claims of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representatives of the estate of Robert Lee Wright;

S. 1143. An act for the relief of Dayee Jones;

S. 1216. An act for the relief of Henry (Heinz) Gabriel;

S. 1220. An act for the relief of G. C. Barco and W. G. Knowles;

S. 1853. An act for the relief of the Rock Hill Stone & Gravel Co., of St. Louis, Mo.;

S. 1869. An act for the relief of certain claimants against the United States who suffered property losses as a result of the failure of the Big Porcupine Dam on the Fort Peck project, Montana;

S. 2099. An act for the relief of Mrs. Reita M. Lary;

S. 2190. An act for the relief of Mrs. Marilla C. Gray;

S. 2191. An act for the relief of Clara Wrobliski;

S. 2248. An act to amend the law relating to the care and custody of insane residents of Alaska, and for other purposes;

S. 2264. An act conferring jurisdiction upon the United States District Court for the District of Connecticut to hear, determine, and render judgment upon the claim of James H. Lane;

S. 2273. An act for the relief of Ruth D. and Henry L. Brittingham;

S. 2275. An act to amend section 10 of Public, No. 360, Seventy-seventh Congress, to grant national service life insurance in the cases of certain Navy or Army flying cadets and aviation students who died as the result of aviation accident in line of duty between October 8, 1940 and June 3, 1941;

S. 2279. An act for the relief of O. R. Maxfield;

S. 2364. An act for the relief of former First Lt. William J. Tepsic, One Hundred and Seventy-sixth Field Artillery;

S. 2420. An act for the relief of Isabelle Fuller;

S. 2461. An act for the relief of Minnie C. Sanders;

S. 2506. An act for the relief of Angela Skeoch;

S. 2551. An act for the relief of Vernon Van Zandt;

S. 2570. An act to provide for the sale by the Superintendent of Documents of copies of certain historical and naval documents printed by the Government Printing Office;

S. 2627. An act to amend the act approved August 27, 1940 (54 Stat. 864), entitled "An act increasing the number of naval aviators in the line of the Regular Navy and Marine Corps, and for other purposes";

S. 2675. An act to provide for medical care and funeral expenses for certain members of the Naval Reserve Officers' Training Corps;

S. 2677. An act to authorize an exchange of land at Mechanicsburg, Pa., between Edgar Eberly and the United States;

S. 2678. An act to amend the act approved March 2, 1933, by suspending the provisions relative to a Navy ration in kind, and for other purposes;

S. 2679. An act to authorize the transportation of dependents and household effects of personnel of the Navy, Marine Corps, Coast Guard, and Coast and Geodetic Survey, incident to secret or confidential orders, and for other purposes;

S. 2682. An act to authorize the Secretary of War to exchange certain lands of the United States located within the Fort De Russy Military Reservation, Oahu, T. H., for certain land at Barbers Point, Oahu, owned by the Territory of Hawaii;

S. 2685. An act to provide that promotions to higher grades of officers of the Army of the United States, or any components thereof, shall be deemed to have been accepted upon the dates of the orders announcing such promotions, and for other purposes;

S. 2717. An act for the relief of Charles H. Koch; and

S. 2731. An act to suspend until June 30, 1945, the running of the statute of limitations applicable to violations of the anti-trust laws.

ADJOURNMENT

Mr. McCORMACK Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock p. m.) the House, under the order heretofore adopted, adjourned until Monday, October 12, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

The Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary will conduct hearings on H. R. 7356, to amend section 75 (a) of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, at 10 a. m., on Friday, October 9, 1942, room 346, House Office Building.

COMMITTEE ON PATENTS

The Committee on Patents of the House of Representatives will hold hearings beginning Tuesday, October 13, 1942, at 10 a. m., in the committee room, 1015 House Office Building, on H. R. 7620, a bill to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON of Missouri: Committee on Appropriations. H. R. 7672. A bill making supplemental appropriations for the national defense for the fiscal year ending June 30, 1943, and for other purposes; without amendment (Rept. No. 2519). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANKIN of Mississippi: Committee on World War Veterans' Legislation. H. R. 7661. A bill to amend title I of Public Law No. 2, Seventy-third Congress, March 20, 1933, and the Veterans Regulations to provide for rehabilitation of disabled veterans, and for other purposes; without amendment (Rept. No. 2521). Referred to the Committee of the Whole House on the state of the Union.

Mr. ANDERSON of California: Committee on Naval Affairs. H. R. 6839. A bill to provide for the appointment in the Naval and Marine Corps Reserve of persons with physical disabilities, and for other purposes; with amendment (Rept. No. 2522). Referred to the Committee of the Whole House on the state of the Union.

Mr. JENKS of New Hampshire: Committee on Naval Affairs. S. 2381. An act to provide that certain provisions of law relating to the Navy shall be held applicable to the personnel of the Coast Guard when that service is operating as a part of the Navy; with amendment (Rept. No. 2523). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RAMSAY: Committee on Immigration and Naturalization. H. R. 6677. A bill for the relief of Ronald Leroy Chen; with amendment (Rept. No. 2520). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. ROGERS of Massachusetts:

H. R. 7673. A bill to provide medical and hospital treatment and domiciliary care for members of the Women's Army Auxiliary Corps on a parity with members of the Women's Reserve of the Navy; to the Committee on Military Affairs.

By Mr. ROBINSON of Utah:

H. R. 7674. A bill to aid in the conservation of rubber by the prohibition of speeding; to the Committee on the Public Lands.

By Mr. SPRINGER:

H. R. 7675. A bill to amend the act entitled "An act to incorporate the American Legion," approved September 16, 1919, so as to extend membership eligibility therein to certain American citizens, honorably discharged from the active military or naval forces of the United States or of some country allied with the United States during World War No. 2; to the Committee on the Judiciary.

By Mr. SUTPHIN:

H. R. 7676. A bill to provide that the United States shall pay the tuition for the education at public schools for children of members of the armed forces of the United States who are stationed outside any public-school district; to the Committee on Military Affairs.

By Mr. SCRUGHAM:

H. R. 7677. A bill to amend the act entitled "An act to incorporate the American Legion," approved September 16, 1919, so as to extend membership eligibility therein to certain American citizens, honorably discharged from the active military or naval forces of the United States, or of some country allied with the United States during World War No. 2; to the Committee on the Judiciary.

By Mr. JONKMAN:

H. R. 7678. A bill to increase the pay and allowances of members of the Army Nurse Corps; to the Committee on Military Affairs.

By Mr. MAY:

H. R. 7679. A bill to provide for payment of certain travel costs of dependents of military and civilian personnel of the Army and the War Department on a mileage basis in order to promote efficiency and economy in such payments; to the Committee on Military Affairs.

By Mr. MURDOCK:

H. R. 7680. A bill to provide for the giving of preference to ex-service men of the first and second World Wars in approving applications for entry to public lands on reclamation projects; to the Committee on Irrigation and Reclamation.

By Mr. SHANLEY:

H. J. Res. 348. Joint resolution in recognition of the four hundred and fiftieth anniversary of the discovery of America by Christopher Columbus; to the Committee on the Library.

By Mr. BROOKS:

H. Res. 551. Resolution authorizing the President of the United States to appoint a commission of five members to study and survey departments for purpose of assuring Nation an adequate food supply; to the Committee on Expenditures in the Executive Departments.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FLANNAGAN:

H. R. 7681. A bill for the relief of Mattie Boyd; to the Committee on Claims.

H. R. 7682. A bill granting a pension to Mrs. Martha C. Frizzell; to the Committee on Invalid Pensions.

By Miss SUMNER of Illinois:

H. R. 7683. A bill for the relief of the estate of Richard McClure and others; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII,

3362. Mr. MARTIN of Iowa presented a petition of D. G. Peterson, recording secretary, Swedish Baptist conference of Iowa, Davenport, Iowa, urging the passage of Senate bill 860 for the protection of our Army and Navy against the insidious influence of vice and intoxicating liquors, etc., which was referred to the Committee on Military Affairs.

SENATE

FRIDAY, OCTOBER 9, 1942

(Legislative day of Monday, October 5, 1942)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Reverend Edward Randolph Welles, rector, Christ Church, Alexandria, Va., offered the following prayer:

Almighty God, in these difficult days when so urgent a responsibility rests upon the people of this land in the waging of a war for the welfare of all mankind, guide, we beseech Thee, with Thy sure and certain wisdom, the leaders to whom

is entrusted the authority of government, and more especially the Members of the Senate, that they may always prove themselves men of conscientious thought and determined action—true statesmen in the eyes of this world and the next. Keep them ever mindful of their high calling to serve Thee, the God of freedom, by furthering the freedom of their fellow men, and, in Thy good time, reward them richly for their labor. Through Jesus Christ, our Lord and Leader. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, October 8, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that on October 6, 1942, the President had approved and signed the joint resolution (S. J. Res. 129) to remove certain limitations on the cost of construction of Army and Navy living quarters.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	O'Mahoney
Austin	Gillette	Overton
Bailey	Guffey	Pepper
Ball	Gurney	Radcliffe
Bankhead	Hatch	Reed
Barbour	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Schwartz
Bone	Holman	Shipstead
Brewster	Johnson, Calif.	Smith
Brooks	Johnson, Colo.	Spencer
Brown	Kilgore	Stewart
Bulow	La Follette	Taft
Bunker	Langer	Thomas, Idaho
Burton	Lee	Thomas, Okla.
Butler	Lodge	Thomas, Utah
Byrd	Lucas	Truman
Capper	McCarran	Tunnell
Caraway	McFarland	Tydings
Chandler	McKellar	Vandenberg
Chavez	McNary	Van Nuys
Clark, Idaho	Maloney	Wagner
Clark, Mo.	Maybank	Wallgren
Connally	Mead	Walsh
Danaher	Millikin	Wheeler
Davis	Murdock	White
Downey	Murray	Wiley
Doxey	Norris	Willis
Ellender	Nye	
George	O'Daniel	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Rhode Island [Mr. GREEN], the Senator from Georgia [Mr. RUSSELL], and the Senator from New Jersey [Mr. SMATHERS] are necessarily absent.

Mr. McNARY. The Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] are necessarily absent.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

EXECUTIVE COMMUNICATIONS

The VICE PRESIDENT laid before the Senate the following communications, which were referred as indicated:

CLAIMS FOR DAMAGES TO PRIVATELY OWNED PROPERTY (S. DOC. NO. 265)

A communication from the President of the United States, transmitting estimates of appropriations submitted by the War Department to pay claims for damages to privately owned property, in the sum of $16,284.77 (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

CLAIMS ALLOWED BY THE GENERAL ACCOUNTING OFFICE (S. DOC. NO. 266)

A communication from the President of the United States, transmitting, pursuant to law, certain claims allowed by the General Accounting Office, amounting to $2,200.48 (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

SCHEDULE OF JUDGMENT RENDERED BY THE COURT OF CLAIMS (S. DOC. NO. 267)

A communication from the President of the United States, transmitting, pursuant to law, a schedule of a judgment rendered by the Court of Claims, amounting to $86,622.38 (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate or presented and referred as indicated:

By the VICE PRESIDENT:

A letter in the nature of a memorial from Glen Hanlon, living in the vicinity of Elyria, Ohio, remonstrating against the drafting of farmers and farm labor under the Selective Service System; to the Committee on Military Affairs.

By Mr. CAPPER:

A resolution adopted by the Presbyterian Guild, of Wakeeney, Kans., favoring the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. VANDENBERG:

A petition of sundry citizens of Pontiac, Mich., praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

REPORT OF THE COMMITTEE ON COMMERCE

Mr. BAILEY, from the Committee on Commerce, to which was referred the bill (H. R. 7455) to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended, so as to enable Filipinos to qualify for service thereunder, reported it without amendment and submitted a report (No. 1636) thereon.

INSPECTION OF MILITARY ESTABLISHMENT IN WESTERN HEMISPHERE

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably with amendments Senate Resolution 298, which previously had been reported from the Committee on Military Affairs. I ask unanimous consent for the present consideration of the resolution.

The VICE PRESIDENT. The resolution will be stated for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 298) reported by Mr. REYNOLDS, from the Committee on Military Affairs, on October 6, 1942, authorizing an inspection of the Military Establishment in the Western Hemisphere.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. McNARY. Mr. President, may I ask the distinguished Senator from Illinois who reported the resolution and what is its purpose?

Mr. LUCAS. I will say to the able Senator from Oregon the resolution was reported unanimously on October 6 by the Committee on Military Affairs and proposes that the same committee that recently visited the Aleutian Islands and Alaska be given the power and authority to inspect certain military camps in the Caribbean and Panama Canal defense areas, as I understand.

Mr. McNARY. The results of the work of that committee have indicated that they did a splendid job, and, relying upon those results, I have no objection to the present consideration of the resolution.

Mr. LUCAS. I thank the Senator from Oregon.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The amendments reported by the Committee to Audit and Control the Contingent Expenses of the Senate were, on page 1, line 4, after the word "inspection", to insert "during the present session of Congress", and in line 6, after the dollar sign, to insert "3,000", so as to make the resolution read:

Resolved, That the Committee on Military Affairs, or any subcommittee thereof duly appointed by the chairman of the committee, hereby is authorized to visit, for the purposes of inspection during the present session of Congress, any part of the Military Establishment in the Western Hemisphere, the expenses incurred in pursuance thereof, not to exceed $3,000, to be paid from the contingent fund of the Senate.

The amendments were agreed to.

The resolution as amended was agreed to.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on October 8, 1942, that committee presented to the President of the United States the following enrolled bills:

S. 97. An act for the relief of the legal guardian of Joy Montgomery, a minor;

S. 103. An act for the relief of Caffey Robertson-Smith, Inc.;

S. 305. An act for the relief of Mrs. Felix Belanger;

S. 317. An act for the relief of Monroe Short;

S. 1033. An act conferring jurisdiction upon the Court of Claims of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representatives of the estate of Robert Lee Wright;

S. 1143. An act for the relief of Dayee Jones;

S. 1216. An act for the relief of Henry (Heinz) Gabriel;

S. 1220. An act for the relief of G. C. Barco and W. G. Knowles;

S. 1853. An act for the relief of the Rock Hill Stone & Gravel Co., of St. Louis, Mo.;

S. 1869. An act for the relief of certain claimants against the United States who suffered property losses as a result of the failure of the Big Porcupine Dam on the Fort Peck project, Montana;

S. 2099. An act for the relief of Mrs. Reita M. Lary;

S. 2190. An act for the relief of Mrs. Marilla C. Gray;

S. 2191. An act for the relief of Clara Wrobliski;

S. 2248. An act to amend the law relating to the care and custody of insane residents of Alaska, and for other purposes;

S. 2264. An act conferring jurisdiction upon the United States District Court for the District of Connecticut to hear, determine, and render judgment upon the claim of James H. Lane;

S. 2273. An act for the relief of Ruth D. and Henry L. Brittingham;

S. 2279. An act for the relief of O. R. Maxfield;

S. 2364. An act for the relief of former First Lt. William J. Tepsic, One Hundred and Seventy-sixth Field Artillery;

S. 2420. An act for the relief of Isabelle Fuller;

S. 2461. An act for the relief of Minnie C. Sanders;

S. 2506. An act for the relief of Angela Skeoch;

S. 2551. An act for the relief of Vernon Van Zandt;

S. 2570. An act to provide for the sale by the Superintendent of Documents of copies of certain historical and naval documents printed by the Government Printing Office;

S. 2627. An act to amend the act approved August 27, 1940 (54 Stat. 864), entitled "An act increasing the number of naval aviators in the line of the Regular Navy and Marine Corps, and for other purposes";

S. 2676. An act to provide for medical care and funeral expenses for certain members of the Naval Reserve Officers' Training Corps;

S. 2677. An act to authorize an exchange of land at Mechanicsburg, Pa., between Edgar Eberly and the United States;

S. 2678. An act to amend the act approved March 2, 1933, by suspending the provisions relative to a Navy ration in kind, and for other purposes;

S. 2682. An act to authorize the Secretary of War to exchange certain lands of the United States located within the Fort De Russy Military Reservation, Oahu, T. H., for certain land at Barbers Point, Oahu, owned by the Territory of Hawaii;

S. 2685. An act to provide that promotions to higher grades of officers of the Army of the United States, or any components thereof, shall be deemed to have been accepted upon the dates of the orders announcing such promotions, and for other purposes;

S. 2717. An act for the relief of Charles H. Koch; and

S. 2731. An act to suspend until June 30, 1945 the running of the statute of limitations applicable to violations of the antitrust laws.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. TAFT introduced Senate bill 2842, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

By Mr. SHIPSTEAD:

S. 2843 (by request). A bill to authorize the Secretary of the Interior to purchase logs, lumber, and other forest products; to the Committee on Indian Affairs.

UTILIZATION OF MANPOWER RESOURCES

Mr. TAFT. Mr. President, I ask unanimous consent to introduce a bill for appropriate reference. It provides for the more effective utilization of the Nation's manpower resources. I introduce it at the present time because I believe it deals with the most serious question which now confronts the Nation, the problem of manpower. The bill provides for the making of a definite plan to provide manpower not only for the Army, but for agriculture, war industry and other essential civilian activities. It is based on the idea of voluntary recruiting. I do not believe that the time has yet come when we can adopt a system of forced labor in the factories and on the farms, and I doubt if that time will ever come. Furthermore, I am convinced that the problem can be dealt with by proper planning and administration without force, and I am equally convinced that there can be a complete failure, as there now is in some other fields, through incompetent administration, even if compulsory powers are given. The bill provides for the recruiting of necessary labor, the payment of expenses and transportation for such workers and their families and property, to the place where they are needed, and even for the purchase of their homes and farms when the transfer is probably permanent.

The bill creates a new Office of Manpower Director. It abolishes the present War Manpower Commission and transfers the whole Selective Service System and the United States Employment Service to the new agency. The local administration will be based upon the present draft boards which have done such a magnificent job, but provides for much more definite regulations to guide their decisions. The bill provides a definite priority in which men shall be drafted. In general, it follows the present plan of the Selective Service System, but postpones the drafting of married men over 30 with children until all the men without dependents are taken. It provides for the deferment of men with dependents who are engaged in essential civilian activities, like agriculture, until after men in a similar status are drafted who are not engaged in such essential activities. It thereby provides a certain amount of compulsory persuasion.

The bill provides for the drafting of boys of 19, but not those of 18, and it provides for the deferment of boys of 19 until they have finished their current school year. Finally, it provides that the Director shall determine the number of men who should complete their education in regularly accredited colleges or professional schools in order that there may be available for the armed forces and for essential civilian activity a sufficient number of men having educational qualifications. It provides that such men shall be selected on the basis of competitive examination, and shall be extended essential financial aid, if necessary, to enable them to complete their education.

Mr. President, I request that this bill be referred to the Committee on Military Affairs. There is no more important question to be determined than this, and I hope that the most careful consideration will be given to it.

The VICE PRESIDENT. Without objection, the bill of the Senator from Ohio will be received and referred as requested by him.

The bill (S. 2842) to provide for the more effective utilization of the Nation's manpower resources, and for other purposes, was read twice by its title and referred to the Committee on Military Affairs.

AMENDMENTS TO THE REVENUE ACT OF 1942

Mr. DANAHER, Mr. LA FOLLETTE, Mr. McKELLAR, Mr. O'MAHONEY, and Mr. RADCLIFFE each submitted an amendment, and Mr. WALSH submitted two amendments, and Mr. GEORGE submitted several amendments, intended to be proposed by them, respectively, to the bill (H. R. 7378) to provide revenue, and for other purposes, which were severally ordered to lie on the table and to be printed.

PROPOSAL TO ESTABLISH A REHABILITATION SERVICE

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read:

To the Congress of the United States:

We are going to win this war but the winning will require the best efforts of every individual. Among those who are already making full contribution are those physically handicapped people who have been rehabilitated. Upward of a million persons are now waiting for services of the type that only a fully developed rehabilitation program can give them. We know that there is nothing wrong with the spirit of these people, but without special assistance they may become a social as well as an economic liability. With an adequate program in their behalf, they will become a national asset ready to serve in war industries, agriculture, and in other essential occupations.

In addition, the increasing participation of this Nation in the war is resulting in an increase in military casualties and will result in a greater increase. Because of the tremendous strides in medical science during the past two decades, a much larger proportion of these casualties will be nonfatal and will require rehabilitation service.

Our present provisions in this field are inadequate to meet this task. They need to be strengthened and standardized through the creation under the Federal Security Administrator of a rehabilitation service. Provision should be made not only for persons now handicapped but also for persons disabled while members of the armed forces and for the increasing number of accident cases that are accompanying the rapid expansion of our war industries. In order to secure the most effective utilization of the capabilities of the physically handicapped it is important that a single rehabilitation service be established for both veterans and civilians.

Veterans, after receiving the benefits and services provided by the Veterans' Administration would be certified to the

Rehabilitation Service for vocational rehabilitation whenever this is indicated. While the present plan for Federal-State cooperation should be preserved in this field of training, where it has chiefly operated, the rehabilitation service should look after the other aspects of this problem and discharge what is plainly a Federal responsibility—the provision of service to all persons whose disability grows out of the conduct of the war.

Such legislation should permit the establishment of a program adequate to our present needs and should at the same time provide the experience and personnel which will be able to meet such additional burdens as the war may bring.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *October 9, 1942.*

The VICE PRESIDENT. The message will be referred to the Committee on Education and Labor.

Mr. LA FOLLETTE. Mr. President, a bill introduced in the House by Representative BARDEN, of North Carolina, and in the Senate by myself attempts to deal with the subject matter to which the President's message refers. I ask unanimous consent that Senate bill 2714 be printed in the RECORD at this point, following the President's message.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill (S. 2714) to provide for the vocational rehabilitation of individuals suffering from war-connected or other disabilities—introduced in the Senate by Mr. LA FOLLETTE on August 13, 1942—was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act shall have as its purpose the vocational rehabilitation of war disabled individuals and of other disabled individuals who can be made available for work.

TITLE I.—VOCATIONAL REHABILITATION OF DISABLED INDIVIDUALS

SEC. 101. There is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this title. Except with respect to rehabilitation services provided under the Blind Vocational Rehabilitation Act, the sums made available under this section shall be used for the vocational rehabilitation of war disabled individuals, for the vocational rehabilitation (except rehabilitation training) of other disabled individuals, and for the administrative expenses of the State boards of vocational education in carrying out the purposes of this title and the provisions of the Cooperative Rehabilitation Training Act. Such sums shall also be available for the making of studies, investigations, and reports regarding the vocational rehabilitation of disabled individuals and for all other administrative expenses of the Federal Security Administrator (hereinafter called the Administrator) incident to the duties imposed by this title and the Cooperative Rehabilitation Training Act, including personal services and training of personnel, rent in the District of Columbia and elsewhere, purchase and exchange of lawbooks, other books of reference, and periodicals; purchase, exchange, and repair of typewriters and other equipment; purchase (including exchange), operation, maintenance, and repair of motor-propelled passenger-carrying vehicles; attendance at meetings of educational associations and other organizations when specifically authorized by the Federal Security Administrator; traveling and other necessary and actual expenses of consultants called in by the Administrator while away from their homes; miscellaneous supplies, postage, on foreign mail, printing and binding. Section 3709 of the Revised Statutes shall not apply to any purchase from appropriations made available under this section when the aggregate amount involved does not exceed $300.

SEC. 102. (a) The Administrator shall from time to time certify to the Secretary of the Treasury for payment to each State which has a plan approved pursuant to the Cooperative Rehabilitation Training Act such amounts as he determines to be the necessary cost to such State under the plan of providing war-disabled individuals (except with respect to rehabilitation services provided under the Blind Vocational Rehabilitation Act), certified to the State for rehabilitation training by the Administrator, with such training during the period for which such payment is to be made. The Administrator's determination shall be based on an estimate of the number of war-disabled individuals who will receive rehabilitation training under the State's plan, the cost of proper and efficient administration of such plan, and such other factors as he finds relevant.

(b) Out of the sums appropriated therefor, the Secretary of the Treasury shall, upon receiving a certification under subsection (a) of this section, pay, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, to the State, at the time or times fixed by the Administrator, the amount so certified.

SEC. 103. Whenever the Administrator, after reasonable notice and opportunity for hearing to the State board of vocational education finds that in the administration of its plan there is (1) a failure to comply substantially with any regulation or instruction of the Administrator with respect to the rehabilitation training of war-disabled individuals, or (2) a failure to afford reasonable cooperation with other Federal and State agencies providing rehabilitation or other benefits to war-disabled individuals, the Administrator shall notify such State board that further payments will not be made to the State under this title until he is satisfied that there will no longer be any such failure. Until he is so satisfied, the Administrator shall make no further certification to the Secretary of the Treasury with respect to such State under this title.

SEC. 104. To the extent the Administrator finds necessary in any State because of the inadequacy or unavailability of services and facilities for rehabilitation training, he may provide the services and facilities needed for the rehabilitation training of war-disabled individuals of such State.

SEC. 105. In order to carry out the purposes of this title utilization shall be made by the Administrator of the available facilities and services of units of the Federal Security Agency to the extent feasible without in any way impairing the efficiency of their regular functions, and utilization may be made of the available facilities and services of other Federal departments and agencies through agreement between the Administrator and the heads of such other Federal departments and agencies, and payment therefor shall be made by check to such unit, department, or agency, either in advance or as reimbursement, from sums appropriated pursuant to section 101 of this title.

SEC. 106. In administering the provisions of this title the Administrator may enter into agreements or cooperative working arrangements with public agencies and private persons, agencies, or institutions, within the United States, its Territories and possessions, to utilize their services and facilities and to compensate them for such use. The Administrator may delegate to any officer or employee, or to any agency, of the United States or of any State, or of any political subdivision thereof or Territory or possession of the United States such of his powers and duties, except the promulgation of regulations, as he finds necessary for carrying out the purposes of this title.

SEC. 107. In the selection of cases to be served, in the character of service to be provided, and in the general administration of this title there shall be no discrimination for or against any individual eligible for the benefits of this act because of sex, race, creed, color, national origin, or membership or nonmembership in an industrial, fraternal, or private organization of any kind.

SEC. 108. Eligibility of a disabled individual for rehabilitation training shall not depend upon his financial status, but money appropriated pursuant to section 101 of this act shall not be available for other services and facilities for the vocational rehabilitation of any individual until his need for financial assistance in such matters shall have been duly investigated and demonstrated. Such investigation shall give full consideration to the eligibility of the individual for benefits from compensation and other forms of insurance and, in the case of veterans, to all forms of veterans' benefits, and also to the probable earning capacity of the individual in the work for which he is being rehabilitated.

SEC. 109. When used in this title—

(a) The term "disabled individual" means any individual who has attained the age of 16 years and who by reason of a physical defect or infirmity, whether congenital or acquired by accident, injury, or disease, is, or may be expected to be, totally or partially incapacitated for remunerative occupation.

(b) The term "war disabled individual" means a disabled individual whose disability proximately resulted from a personal injury or disease incurred while he was a member of the armed forces of the United States or the Army of the Philippines, or whose disability proximately resulted from a war injury.

(c) The term "war injury" means a personal injury sustained after December 6, 1941, proximately resulting from a war-risk hazard, and includes any disease proximately resulting from such personal injury; in the case of a civilian defense worker, it also includes a personal injury sustained by such worker after December 6, 1941, while in the performance of his duty as such worker, or disease incurred by him which was proximately caused by his performance of such duty after such date; in the case of a civilian detained by the enemy whose detention commenced after December 6, 1941, it also includes a persons' injury or disease proximately resulting from such detention.

(d) The term "war-risk hazard" means any hazard arising after December 6, 1941, and prior to the end of the present war, from—

(1) The discharge of any missile (including liquids and gas) or the use of any weapon, explosive, or other noxious thing by an enemy or in combatting an attack or an imagined attack by an enemy; or

(2) Action of the enemy, including rebellion or insurrection against the United States or any of its Allies; or

(3) The discharge or explosion of munitions intended for use in connection with the national war effort (except with respect to the employee of a manufacturer or processor of munitions during the manufacture or processing thereof, or while stored on the premises of the manufacturer or processor); or

(4) The collision of vessels in convoy or the operation of vessels or aircraft without running lights or without other customary peacetime aids to navigation; or

(5) The operation of vessels or aircraft in a zone of hostilities or engaged in war activities.

(e) The term "civilian defense worker" means any civilian (except a person who is paid by the United States, or any department, agency, or instrumentality thereof, for services as a civilian defense worker) who is en-

gaged in the Aircraft Warning Service, or is a member of the Civil Air Patrol, or is a member of the United States Citizens Defense Corps in the protective services engaged in civilian defense, as such protective services are established from time to time by regulation or order of the Director of the Office of Civilian Defense, or is registered for a course of training prescribed and approved by said Director for such protective services.

(f) The term "State" means the several States, Alaska, Hawaii, Puerto Rico, the District of Columbia, and the Virgin Islands.

(g) The term "vocational rehabilitation" means the rendering of a disabled individual fit to engage in a remunerative occupation and his placement in employment, including, where needed, physical restoration or repair, medical examination and care, prosthetic and other devices, physical and occupational therapy, training, placement in employment, and other appropriate services.

(h) The term "rehabilitation training" means any training given to render a disabled individual fit for employment.

SEC. 110. This title may be cited as the "War Disabled Vocational Rehabilitation Act."

TITLE II—AMENDMENTS TO VOCATIONAL REHABILITATION LAWS

SEC. 201. The act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920, as amended (29 U. S. C., ch. 4), may be cited as the "Cooperative Rehabilitation Training Act."

SEC. 202. Effective July 1, 1943, the Cooperative Rehabilitation Training Act is amended to read as follows:

"SEC. 1. (a) In order to provide for the rehabilitation training of individuals certified to the States for such training by the Federal Security Administrator (hereinafter called the 'Administrator'), there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this act. The sums made available under this section shall be used for making payments to States in accordance with the provisions of this act for the rehabilitation training of disabled individuals (except with respect to services provided under the Blind Vocational Rehabilitation Act) who are not eligible for such training under the War Disabled Vocational Rehabilitation Act.

"(b) All money expended under the provisions of this act from appropriations authorized by subsection (a) of this section shall be upon the condition that the State shall, through its legislature—

"(1) Accept the provisions of this act;

"(2) Designate the State board of vocational education as the sole agency for the administration, supervision, and control of the State plan;

"(3) Appoint its State treasurer (or if there be no State treasurer, the officer of the State exercising similar functions) as custodian of funds received under this act from the Federal Government and direct him to receive and provide for the proper custody of such funds;

and upon the further condition—

"(4) That for each dollar of Federal money expended for rehabilitation training (exclusive of money expended for the rehabilitation training of war disabled individuals or blind individuals and exclusive of administrative expenses incurred by the State board of vocational education) there shall be expended by the State under the administration, supervision, and control of the State board at least 50 cents for the same purposes;

"(5) That no money expended under the plan shall be used by any institution for handicapped individuals except for rehabilitation training of such individuals entitled to the benefits of this act as shall be determined by the Administrator;

"(6) That the State board shall annually submit to the Administrator for approval plans for the rehabilitation training of disabled individuals showing (A) the plan of administration and supervision of the work; (B) such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Administrator shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Administrator to be necessary for the proper and efficient administration of the work; and (C) the policies and methods of carrying on the work;

"(7) That the State board shall make an annual report to the Administrator on or before September 1 of each year of the work done in the State and on the receipts and expenditures of money under the provisions of this act;

"(8) That no portion of any money authorized to be appropriated by this act for the benefit of the States shall be applied, directly or indirectly, to the purchase, preservation, erection, or repair of any building or buildings, or for the purchase or rental of any land for administrative purposes;

"(9) That all rehabilitation training provided under the administration, supervision, and control of the State board shall be available under such rules and regulations as the Administrator shall prescribe, to any civil employee of the United States disabled while in the performance of his duty.

"(c) The Administrator shall approve any plan which fulfills the conditions specified in subsection (b) of this section, except that he shall not approve any plan which he finds contains such restrictions with respect to the expenditure of funds under such plan as would (1) substantially increase the costs of rehabilitation training in the State, or (2) seriously impair the effectiveness of the State plan in carrying out the purposes of this act.

"(d) The Administrator shall from time to time estimate the amount to be paid to each State under the provisions of this act, such estimate to be based on (1) a report filed by the State containing its estimate of the total sum to be expended for rehabilitation training during the period for which such estimate is made, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such period, and if such amount is less than one-third of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived; (2) a report filed by the State containing its estimate for such period of the administrative expenses to be incurred by the State board of vocational education in carrying out its functions under such State plan for rehabilitation training; (3) records showing the number of individuals in the State needing rehabilitation training; and (4) such other investigation as the Administrator may find necessary.

"SEC. 2. To facilitate the operation of State plans under this act the Administrator is hereby authorized to enter into agreements with State boards to furnish to such boards in connection with operations financed in part from funds appropriated pursuant to this act, on a cost basis, services and facilities established by the Administrator or procured by him from other Federal departments and agencies. Payment for such services and facilities shall be made by check to the department or agency furnishing them, either in advance or as reimbursement, from funds appropriated pursuant to this act, and adjustment with respect to such cost shall be made by deducting an amount equal to such cost from payments made to such State from funds so appropriated.

"SEC. 3. (a) The Administrator shall have power to cooperate with State boards in carrying out the purposes and provisions of this act and is hereby authorized to make and establish such rules, regulations, and standards as may be necessary or appropriate to carry into effect the provisions of this act, and to cooperate, for the purpose of carrying out the provisions of this act, with such public and private agencies as he may deem advisable. It shall be his duty (1) to examine plans submitted by the State boards and approve the same if believed to be feasible and found to be in conformity with the provisions and purposes of this act and the rules, regulations, and standards established by him; (2) to ascertain annually whether the several States are using or are prepared to use the money received by them in accordance with the provisions of this act; (3) to certify from time to time to the Secretary of the Treasury the name of each State which has accepted the provisions of this act and is complying therewith, together with the amount which such State is entitled to receive under the provisions of this act for the period for which certification is made; (4) to deduct in determining the amount of subsequent certifications with respect to any State, whenever any portion of the fund paid it has not been expended for the purpose provided for in this act, a sum equal to such portion; (5) to withhold certification of moneys to any State whenever he shall determine that moneys previously paid it are not being expended for the purposes and conditions of this act; and (6) to require the replacement (by withholding subsequent allotments) of any portion of the moneys received by the custodian of any State under this act that by any action or contingency is diminished or lost.

"(b) The Administrator may delegate to any officer or employee, or to any department or agency, of the United States such of his powers and duties, except the promulgation of regulations, as he deems necessary to carry out the purposes of this act.

"SEC. 4. Out of the sums appropriated therefor the Secretary of the Treasury, upon certification of the Administrator as provided in this act, shall pay, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, to the custodian of each State appointed as herein provided, at the time or times fixed by the Administrator, the amount so certified. The money so received by the custodian for any State shall be paid out on the requisition of the State board as reimbursement for services already rendered or expenditures already incurred and approved by said State board, and shall not be subject to any other control except such rules, regulations, and standards as are established by the Administrator. The Administrator shall make an annual report to the Congress on or before December 1 of each year on the administration of this act and shall include in such report the reports made by the State boards on the administration of their plans and on the expenditure of the money paid to the States.

"SEC. 5. The Administrator is hereby authorized and empowered to receive such gifts and donations from either public or private sources as may be offered unconditionally. All moneys received as gifts or donations shall be paid into the Treasury of the United States, and shall constitute a permanent fund, to be called the 'Special fund for vocational rehabilitation of disabled individuals', to be used under the direction of the Administrator to defray the expenses of providing and maintaining courses of vocational rehabilitation in special cases including the payment of necessary expenses of individuals undergoing training. A full report of all gifts and donations offered and accepted, together with the names of the donors and the respective amounts contributed by each, and all disbursements therefrom shall be submitted annually to Congress by the Administrator.

"SEC. 6. As used in this act—

"(a) The term 'disabled individual' means any individual who has attained the age of 16 years and who by reason of a physical defect or infirmity, whether congenital or acquired by accident, injury, or disease, is, or may be expected to be, totally or partially incapacitated for remunerative occupation.

"(b) The term 'rehabilitation training' means any training given to render a disabled individual fit to engage in a remunerative occupation.

"(c) The term 'Administrator' means the Federal Security Administrator.

"(d) The term 'State' means the several States, the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

"(e) The term 'State board' means the State board for vocational education in a State."

SEC. 203. If any State cannot fully comply with the conditions of the Cooperative Rehabilitation Training Act, as herein amended, under State law and if the legislature of such State has not met in due course after the date of enactment of this act and been in session for 60 days prior to July 1, 1943, such State may secure the benefits of the Cooperative Rehabilitation Training Act if it complies therewith to the extent possible until the legislature of such State meets in due course after the enactment of this act and has been in session 60 days.

SEC. 204. (a) Effective with respect to the period commencing immediately upon the enactment of this act, so much of the first section of the Cooperative Rehabilitation Training Act as reads as follows: "(1) That for each dollar of Federal money expended there shall be expended in the State under the supervision and control of the State board at least an equal amount for the same purpose" is amended to read as follows: "(1) That, for the period ending June 30, 1943, for each dollar of Federal money expended for vocational rehabilitation (exclusive of administrative expenses incurred by the State board of vocational education) there shall be expended by the State under the administration, supervision, and control of the State board at least 50 cents for the same purpose, except that in the case of any State found by the Administrator to be financially unable to meet this requirement he may reduce the foregoing ratio of required State expenditures for such State, for such period or periods and to such extent as he finds necessary."

(b) There are hereby authorized to be appropriated for the fiscal year ending June 30, 1943, such sums, in addition to the sums already authorized to be appropriated for such purpose, as may be necessary to carry out the provisions of the Cooperative Rehabilitation Training Act.

SEC. 205. Effective July 1, 1943, (a) sections 1, 2, 3, 4, 5, and 7 of the act entitled "An act to provide for the vocational rehabilitation of disabled residents of the District of Columbia, and for other purposes" (45 Stat. 1260; 31 D. C. Code 501-505, 507), are amended by deleting the words "Federal Board for Vocational Education" and "board" wherever they appear and substituting therefor, respectively, the words "Board of Vocational Education" and "Board", and by deleting the words "vocational rehabilitation" wherever they appear and substituting therefor the words "rehabilitation training";

(b) Clause (2) of section 2 of such act is amended to read as follows: "(2) the term 'rehabilitation training' means any training given to render a disabled resident fit to engage in a remunerative occupation."

SEC. 206. Effective July 1, 1943, the provisions of the Cooperative Rehabilitation Training Act, as herein amended, are accepted for the District of Columbia and its Board of Vocational Education is directed to do all things necessary to comply with the conditions specified in such provisions for the receipt of funds authorized to be appropriated under section 202 (a) thereof.

SEC. 207. Effective July 1, 1943, section 6 of the act entitled "An act to provide for the vocational rehabilitation of disabled residents of the District of Columbia, and for other purposes," as amended (45 Stat. 1260; 50 Stat. 69; 31 D. C. Code 506), is further amended to read as follows:

"SEC. 6. For the purpose of carrying out the provisions of this act there is authorized to be appropriated to the Board of Vocational Education a sum not to exceed $50,000 for each fiscal year: *Provided*, That no such appropriations of Federal funds shall be available for expenditure except when matched by appropriations of District of Columbia funds at least equal to 50 percent of such Federal funds, which appropriations are hereby authorized."

SEC. 208. Effective July 1, 1943, the following acts or parts of acts are repealed:

(a) Section 5 of the act entitled "An act to extend the provisions of certain laws to the Territory of Hawaii," approved March 10, 1924 (43 Stat. 18; 29 U. S. C. 45).

(b) Section 2 of the act entitled "An act to extend the provisions of certain laws relating to vocational education and civilian rehabilitation to Puerto Rico," approved March 3, 1931 (46 Stat. 1489; 29 U. S. C. 45a).

(c) Section 531 of the Social Security Act, as amended (49 Stat. 633; 53 Stat. 1381; 29 U. S. C. 45b).

TITLE III—VOCATIONAL REHABILITATION OF BLIND PERSONS

SEC. 301. There are hereby authorized to be appropriated for each fiscal year such amounts as may be necessary to enable the Federal Security Administrator (hereinafter called the "Administrator") to provide for the vocational rehabilitation of blind persons and for their placement and supervision in employment, including physical rehabilitation, training of special rehabilitation agents, and special vocational training for blind persons; and in providing such vocational rehabilitation the Administrator shall have all the powers and duties given him, with respect to war-disabled individuals, under title I of this act. The sums made available under this section shall also be available for all administrative expenses of the Administrator in carrying out the provisions of this title, including personal services and rent in the District of Columbia and elsewhere, purchase and exchange of lawbooks, other books of reference, and periodicals; purchase, exchange and repair of typewriters and other equipment, purchase (including exchange), operation, maintenance, and repair of motor-propelled passenger-carrying vehicles; attendance at meetings of educational associations and other organizations when specifically authorized by the Administrator; traveling and other necessary and actual expenses of consultants called in by the Administrator while away from their homes; miscellaneous supplies, postage on foreign mail, printing and binding. Section 3709 of the Revised Statutes shall not apply to any purchase from appropriations made available under this section when the aggregate amount involved does not exceed $300.

SEC. 302. As used in this title the term "blind person" means any citizen of one of the States, Territories, or possessions who has attained the age of 16 years and who is within the geographical limits of the United States, its Territories or possessions, and who has not more than 20/200 of visual acuity in the better eye with correcting lenses; or visual acuity greater than 20/200 but with a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20°. Such blindness shall be certified by an ophthalmologist.

SEC. 303. This title may be cited as the "Blind Vocational Rehabilitation Act."

OUR WORLD WAR FOR INDEPENDENCE—ADDRESS BY SENATOR BURTON

[Mr. BURTON asked and obtained leave to have printed in the RECORD an address on the subject Our World War for Independence, delivered by him at the annual meeting of the National Association of Public School Business Officials, at Cleveland, Ohio, October 6, 1942, which appears in the Appendix.]

ADDRESS BY ACTING SECRETARY OF STATE SUMNER WELLES BEFORE NATIONAL FOREIGN TRADE CONVENTION

[Mr. BROWN asked and obtained leave to have printed in the RECORD the address delivered by Acting Secretary of State Sumner Welles before the National Foreign Trade Convention, Boston, Mass., on October 8, 1942, which appears in the Appendix.]

THE NEGRO AND THE WAR—EDITORIAL IN CHARLOTTE (N. C.) OBSERVER

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an editorial entitled "The Negro and the War," published in the Charlotte (N. C.) Observer of September 4, 1942, which appears in the Appendix.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed the bill (S. 2775) to amend the act of March 5, 1942, relating to the planting of guayule and other rubber-bearing plants, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House insisted upon its amendment to the bill (S. 2751) to amend the act entitled "An act to establish a Women's Army Auxiliary Corps for service with the Army of the United States," approved May 14, 1942, to create the grade of field director in such corps, to provide for enrolled grades in such corps comparable to the enlisted grades in the Regular Army, to provide pay and allowances for all members of such corps at the same rates as those payable to members of the Regular Army in corresponding grades, and for other purposes, disagreed to by the Senate, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAY, Mr. THOMASON, Mr. HARTER, Mr. ANDREWS, and Mr. SHORT were appointed managers on the part of the House at the conference.

The message further announced that the House had passed a bill (H. R. 7672) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1943, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 7672) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1943, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

REVENUE ACT OF 1942

The Senate resumed the consideration of the bill (H. R. 7378) to provide revenue, and for other purposes.

The VICE PRESIDENT. The pending question is the Victory-tax amendment, which will be stated.

The CHIEF CLERK. On page 298, beginning with line 1, it is proposed to insert a new section, as follows:

SEC. 174. Temporary income tax on individuals.

(a) The Internal Revenue Code is amended by inserting at the end of chapter 1 the following new subchapter:

"SUBCHAPTER D—VICTORY TAX ON INDIVIDUALS

"PART I—RATE AND COMPUTATION OF TAX

"SEC. 450. Imposition of tax.

"There shall be levied, collected, and paid for each taxable year beginning after December 31, 1942, a Victory tax of 5 percent upon the Victory tax net income of every individual (other than a nonresident alien subject to the tax imposed by sec. 211 (a)).

"SEC. 451. Victory tax net income.

"(a) Definition: The term 'Victory tax net income' in the case of any taxable year means (except as provided in subsec. (c)) the gross income (other than gains from the sale or exchange of capital assets as defined in sec. 117 and other than interest allowed as a credit against net income under sec. 25 (a) (1) and (2)) for such year minus the sum of the following deductions:

"(1) Expenses: The expenses allowable as a deduction by section 23 (a) (1) and (2).

"(2) Interest: Interest allowable as a deduction by section 23 (b), if the indebtedness in respect of which such interest is allowed was incurred in carrying on any trade or business, or was incurred for the production or collection of income, or for the management, conservation, or maintenance of property held for the production of income.

"(3) Taxes: Amounts allowable as a deduction by section 23 (c), to the extent such amounts are paid or incurred in connection with the carrying on of a trade or business, or in connection with property used in the trade or business, or in connection with property held for the production of income.

"(4) Losses: Losses (other than losses from the sale or exchange of capital assets) allowable as a deduction under section 23 (e) (1), subject to the limitation provided in section 23 (h).

"(5) Bad debts: The amount allowable by section 23 (k) (1).

"(6) Depreciation: The amount allowable by section 23 (l).

"(7) Depletion: The amount allowable by section 23 (m) and (n).

"(8) Pension trusts: The amount allowable by section 23 (p).

"(9) Net operating loss: The net operating loss deductions allowable by section 23 (s).

"(10) Amortization: The amount allowable by section 23 (t).

"(11) Alimony: The amount allowable by section 23 (u).

"(12) Special deduction: The amount allowable by section 120.

"(13) Estates and trusts: In the case of an estate or trust, the amount allowable by subsection (a) of section 162 in addition to the amounts allowable by subsections (b) and (c) of such section.

"(b) Items not deductible: The deductions allowable by subsection (a) shall be subject to the limitations contained in section 24 and supplement J and, in the case of nonresident aliens subject to the Victory tax, shall be subject to the limitations contained in supplement H.

"(c) Supplement T taxpayer: If for any taxable year a taxpayer makes his return and pays his tax under supplement T, the term 'Victory tax net income' means the gross income for such year.

"(d) Basis for determining loss: The basis for determining the amount of deduction for losses sustained, to be allowed under paragraph (4) of subsection (a), and for bad debts, to be allowed under paragraph (5) of subsection (a), shall be the adjusted basis provided in section 113 (b) for determining the loss from the sale or other disposition of property.

"(e) Rule applicable to participants in a common trust fund: In the case of a participant in a common trust fund, he shall in respect of the common trust fund income include in computing his Victory tax net income, whether or not distributed and whether or not distributable, only his proportionate share of the ordinary net income or the ordinary net loss of the common trust fund, computed as provided in section 169 (d).

"(f) Rule applicable to partners: In the case of an individual carrying on business in partnership, he shall in respect of the partnership income include in computing his Victory tax net income, whether or not distribution is made to him, only his distributive share of the ordinary net income or the ordinary net loss of the partnership, computed as provided in section 183 (b).

"SEC. 452. Specific exemption.

"In the case of every individual there shall be allowed as a credit against the Victory tax net income a specific exemption of $624. In the case of a husband and wife filing a joint return under section 51 (b), if the Victory tax net income of one spouse is less than $624, the aggregate specific exemption of both spouses shall be limited to $624 plus the Victory tax net income of such spouse.

"SEC. 453. Credit against Victory tax.

"(a) Allowance of credit: There shall be allowed as a credit against the Victory tax for each taxable year:

"(1) The amount paid by the taxpayer during the taxable year as premiums on life insurance, in force on September 1, 1942, upon his own life, or upon the life of his spouse, or upon the life of any dependent of the taxpayer specified in section 25 (b) (2) (A); and the amount paid during the taxable year as premiums on life insurance which is a renewal or conversion of such life insurance in force on September 1, 1942, to the extent that such premiums do not exceed the premiums payable on such life insurance in force on September 1, 1942.

"(2) The amount by which the smallest amount of indebtedness of the taxpayer outstanding at any time during the period beginning September 1, 1942, and ending with the close of the preceding taxable year, exceeds the amount of indebtedness of the taxpayer outstanding at the close of the taxable year.

"(3) The amount by which the amount of obligations of the United States owned by the taxpayer on the last day of the taxable year exceeds the greater of (A) the amount of such obligations owned by the taxpayer on December 31, 1942, or (B) the highest amount of such obligations owned by the taxpayer on the last day of any preceding taxable year ending after December 31, 1942. As used in this paragraph (i) the term 'owned by the taxpayer' shall include the amount of the obligations owned solely by the taxpayer and one-half of the amount of the obligations owned jointly by the taxpayer with another, but shall not include such obligations acquired by the taxpayer by gift, or inheritance, or otherwise than by purchase; (ii) the term 'obligations of the United States' means such obligations of the United States as the Secretary may by regulations prescribe, and as are purchased in such manner and under such terms and conditions as he may specify; and (iii) the term 'amount of obligations of the United States' means the amount paid for such obligations.

"(b) Limitation on credit: The amount of such credit for the taxable year shall not exceed the amount of the post-war credit or refund allowed by section 454 for such taxable year.

"SEC. 454. Post-war credit or refund of Victory tax.

"(a) Allowance of credit: As soon as practicable after date of cessation of hostilities in the present war (as defined in sec. 475 (b)), the following amount of the Victory tax paid for each taxable year beginning after December 31, 1942, shall be credited against any income tax or installment thereof then due from the taxpayer, and any balance shall be refunded immediately to the taxpayer:

"(1) In the case of a single person or a married person not living with husband or wife, 25 percent of the Victory tax or $500, whichever is the lesser.

"(2) In the case of the head of a family, 40 percent of the Victory tax or $1,000, whichever is the lesser. In the case of a married person living with husband or wife where separate returns are filed by each spouse, 40 percent of the Victory tax or $500, whichever is the lesser. In the case of a married person living with husband or wife where a separate return is filed by one spouse and no return is filed by the other spouse, or in the case of a husband and wife filing a joint return under section 51 (b), only one such credit shall be allowed and such credit shall not exceed 40 percent of the Victory tax or $1,000, whichever is the lesser.

"(3) For each dependent specified in section 25 (b), excluding as a dependent, in the case of a head of a family, one who would be excluded under section 25 (b) (2) (B), 2 percent of the Victory tax or $100, whichever is the lesser.

"(b) Change of status: If for any taxable year the status of the taxpayer (other than a taxpayer who makes his return and pays his tax under Supplement T) with respect to his marital relationship or with respect to his dependents, changed during the taxable year, the amount of the credit or refund provided by this section for such taxable year shall be apportioned, under rules and regulations prescribed by the Commissioner with the approval of the Secretary, in accordance with the number of months before and after such change. For the purpose of such apportionment a fractional part of a month shall be disregarded unless it amounts to more than half a month in which case it shall be considered as a month.

"(c) Status of Supplement T taxpayer: If for any taxable year a taxpayer makes his return and pays his tax under Supplement T, for the purpose of the credit or refund provided by this section, his status for such year with respect to his marital relationship or with respect to his dependents shall be determined in accordance with the provisions of section 401.

"(d) Period of limitation: No post-war credit or refund of any part of the Victory tax provided in this section shall be allowed or made after 7 years from the date of cessation of hostilities in the present war, unless claim for credit or refund is filed before the expiration of such date. No interest shall be allowed on such credits or refunds.

"(e) Limitation of credit: The post-war credit or refund allowed by this section shall be reduced by the amount of any credit allowed under section 453.

"SEC. 455. Returns.

"(a) Individual returns: Every individual having a gross income in excess of $624 for the taxable year, shall make, under regulations prescribed by the Commissioner with the approval of the Secretary, a return, which shall contain or be verified by a written declaration that it is made under the penalties of perjury, stating specifically the items of his gross income and the deductions and credits allowed under this subchapter.

"(b) Fiduciary returns: Every fiduciary (except a receiver appointed by authority of law in possession of part only of the property of an individual) shall make, under regulations prescribed by the Commissioner with the approval of the Secretary, a return under oath, for any individual, estate, or trust for which he acts, if the gross income of such individual, estate, or trust is in excess of $624 for the taxable year, stating specifically the items of gross income and the deductions

and credits allowed under this subchapter. The provisions of section 142 (b) shall be applicable with respect to any return required to be made under this subsection.

"SEC. 456. Limitation on tax.

"The tax imposed by section 450 (Victory tax), computed without regard to the credits provided in sections 453, 454, and 466 (f), shall not exceed the excess of 90 percent of the net income of the taxpayer for the taxable year over the tax imposed by sections 11 (normal tax) and 12 (surtax), computed without regard to the credits provided in sections 31, 32, and 466 (f).

"PART II—COLLECTION OF TAX AT SOURCE ON WAGES

"SEC. 465. Definitions.

"As used in this part—

"(a) Pay-roll period: The term 'pay-roll period' means a period for which a payment of wages is ordinarily made to the employee by his employer.

"(b) Wages: The term 'wages' means all remuneration for services performed by an employee for his employer, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include remuneration paid (1) for services performed as a member of the military or naval forces of the United States, other than pensions and retired pay, (2) for agricultural labor (as defined in sec. 1426 (h)), (3) for domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, (4) for casual labor not in the course of the employer's trade or business, (5) for services as an employee of a nonresident alien individual, foreign partnership, or foreign corporation, if such individual, partnership, or corporation is not engaged in trade or business in the United States, (6) for services as an employee of a foreign government or any wholly owned instrumentality thereof, or (7) for services performed as an employee while outside the United States (as defined in sec. 3797 (a) (9)), unless the major part of the services performed during the calendar year by such employee for his employer are performed within the United States.

"(c) Withholding agent: The term 'withholding agent' means any person required to withhold, collect, and pay the tax under section 466.

"(d) Employee: The term 'employee' includes (in addition to any individual who is a servant under the law of master and servant) any individual who performs service, of whatever nature, for a person (including the United States, a State, Territory, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing), unless the service is performed by the individual in pursuit of his own independently established business. The term 'employee' also includes an officer of a corporation.

"(e) Employer: The term 'employer' includes any person for whom an individual performs any service, of whatever nature, as the employee of such person.

"SEC. 466. Tax collected at source.

"(a) Requirement of withholding: There shall be withheld, collected, and paid upon all wages of every person, to the extent that such wages are includible in gross income, a tax equal to 5 percent of the excess of each payment of such wages over the withholding deduction allowable under this part. This subsection and subsection (c) shall not be applicable in any case provided for in section 143, except in the case of wages paid to residents of a contiguous country who enter and leave the United States at frequent intervals.

"(b) Withholding deduction.—

"(1) In computing the tax required to be withheld under subsection (a), there shall be allowed as a deduction against the wages paid for each pay-roll period an amount determined in accordance with the following schedule:

Pay-roll period:	*Withholding deduction*
Weekly	$12
Biweekly	24
Semimonthly	26
Monthly	52
Quarterly	156
Semiannually	312
Annually	624

"(2) If a pay-roll period in respect of any wages is less than 1 week, the excess of the aggregate of the wages paid during each calendar week over the deduction allowed by this subsection for a weekly pay-roll period shall be used in computing the tax required to be withheld.

"(3) If a pay-roll period in respect of any wages, or any other period with respect to which wages are paid, is not otherwise specifically provided for in this subsection, the deduction allowable against each payment of such wages shall be the deduction allowable in the case of an annual pay-roll period divided by 365 and multiplied by the number of days in such period, including Sundays and holidays.

"(4) In any case in which wages are paid by an employer without regard to any pay-roll period or other period, the deduction allowable against each payment of such wages shall be the deduction allowable in the case of an annual pay-roll period divided by 365 and multiplied by the number of days (including Sundays and holidays) which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

"(5) The deduction allowable under this subsection in respect of any individual for any calendar year shall not exceed the total deduction which would have been allowable under paragraph (1) if the only pay-roll period of such individual had been an annual pay-roll period.

"(c) Wage bracket withholding.—

"(1) At the election of the employer, if his pay-roll period with respect to an employee is weekly, biweekly, semimonthly, or monthly, there shall be withheld, collected, and paid upon the wages of such employee a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be withheld under subsection (a):

For weekly pay-roll period			For biweekly pay-roll period		
If the wages are over—	But not over—	The amount of tax to be withheld shall be—	If the wages are over—	But not over—	The amount of tax to be withheld shall be—
$12	$16	$0.10	$24	$30	$0.10
16	20	.30	30	40	.50
20	24	.50	40	50	1.00
24	28	.70	50	60	1.50
28	32	.90	60	70	2.00
32	36	1.10	70	80	2.50
36	40	1.30	80	100	3.30
40	50	1.60	100	120	4.30
50	60	2.10	120	140	5.30
60	70	2.60	140	160	6.30
70	80	3.10	160	180	7.30
80	90	3.60	180	200	8.30
90	100	4.10	200	220	9.30
100	110	4.60	220	240	10.30
110	120	5.10	240	260	11.30
120	130	5.60	260	280	12.30
130	140	6.10	280	300	13.30
140	150	6.60	300	320	14.30
150	160	7.10	320	340	15.30
160	170	7.60	340	360	16.30
170	180	8.10	360	380	17.30
180	190	8.60	380	400	18.30
190	200	9.10	400	420	19.30
200	------	$9.40 plus 5 percent of the excess over $200.	420	440	20.30
			440	460	21.30
			460	480	22.30
			480	500	23.30
			500	------	$23.80 plus 5 percent of the excess over $500.

For semimonthly pay-roll period			For monthly pay-roll period		
If the wages are over—	But not over—	The amount of tax to be withheld shall be—	If the wages are over—	But not over—	The amount of tax to be withheld shall be—
$26	$30	$0.10	$52	$60	$0.20
30	40	.40	60	80	.90
40	50	.90	80	100	1.90
50	60	1.40	100	120	2.90
60	70	1.90	120	140	3.90
70	80	2.40	140	160	4.90
80	100	3.20	160	200	6.40
100	120	4.20	200	240	8.40
120	140	5.20	240	280	10.40
140	160	6.20	280	320	12.40
160	180	7.20	320	360	14.40
180	200	8.20	360	400	16.40
200	220	9.20	400	440	18.40
220	240	10.20	440	480	20.40
240	260	11.20	480	520	22.40
260	280	12.20	520	560	24.40
280	300	13.20	560	600	26.40
300	320	14.20	600	640	28.40
320	340	15.20	640	680	30.40
340	360	16.20	680	720	32.40
360	380	17.20	720	760	34.40
380	400	18.20	760	800	36.40
400	420	19.20	800	840	38.40
420	440	20.20	840	880	40.40
440	460	21.20	880	920	42.40
460	480	22.20	920	960	44.40
480	500	23.20	960	1,000	46.40
500	------	$23.70 plus 5 percent of the excess over $500.	1,000	------	$47.40 plus 5 percent of the excess over $1,000.

"(d) Withholding where amount is unknown: In any case in which the withholding agent is unable to determine the amount of any wages which is includible in gross income, the Commissioner, under regulations prescribed by him with the approval of the Secretary, may authorize the tax to be withheld, collected, and paid.

"(e) Tax paid by recipient: If any tax required under this part to be withheld and collected is paid by the recipient of the income, it shall not be re-collected from the withholding agent; but such payment shall in no case relieve the withholding agent from liability for interest or additions to the tax otherwise applicable in respect of the tax imposed by this chapter.

"(f) Credit for tax withheld at source: The tax withheld and collected under this part shall not be allowed as a deduction either to the withholding agent or to the recipient of the income in computing net income; but the amount of the tax so withheld and collected shall be allowed as a credit against the tax imposed by this chapter upon the recipient of the income. Such credit shall be allowed first against the Victory tax imposed by section 450 (adjusted for the credit allowed by sec. 453) and the excess of such credit, if any, over the Victory tax, so adjusted, shall be allowed against the tax imposed by sections 11 and 12 or section 400, as the case may be.

"(g) Refunds: Where there has been an overpayment of tax under this part, any refund or credit made under the provisions of section 322 shall be made to the recipient of the income; but, in any case in which such tax was not so withheld by the withholding agent, such refund or credit shall be made to the withholding agent.

"(h) Included and excluded wages: If the remuneration paid by an employer to an employee for services performed during one-half or more of any pay-roll period constitutes wages, all the remuneration paid by such employer to such employee for such period shall be deemed to be wages; but if the remuneration paid by an employer to an employee for services performed during more than one-half of any such pay-roll period does not constitute wages, then none of the remuneration paid by such employer to such employee for such period shall be deemed to be wages.

"SEC. 467. Withholding agent.

"(a) Collection of tax: The tax required to be withheld by section 466 shall be collected by the person having control of the payment of such wages by deducting such amount from such wages as and when paid. As used in this subsection, the term 'person' includes officers and employees of the United States, or of a State, Territory, or any political subdivision thereof, or of the District of Columbia, or any agency or instrumentality of any one or more of the foregoing.

"(b) Indemnification of withholding agent: Every person required to withhold and collect any tax under this part shall be liable for the payment of such tax, and shall not be liable to any person for the amount of any such payment.

"(c) Adjustments: If more or less than the correct amount of tax is withheld or paid for any quarter in any calendar year, proper adjustments, with respect both to the tax withheld or the tax paid, may be made in any subsequent quarter of such calendar year, without interest, in such manner and at such times as may be prescribed by regulations made by the Commissioner, with the approval of the Secretary.

"SEC. 468. Return and payment by withholding agent.

"In lieu of the time prescribed in sections 53 and 56 for the return and payment of the tax imposed by this chapter, every person required to withhold and collect any tax under section 466 shall make a return and pay such tax on or before the last day of the month following the close of each quarter of each calendar year. Every such person shall include with the final return for the calendar year a duplicate copy of each receipt required to be furnished under section 469. Every such person shall also keep such records and render under oath such statements with respect to the tax so withheld and collected as may be required under regulations prescribed by the Commissioner, with the approval of the Secretary.

"SEC. 469. Receipts.

"(a) Wages: Every employer required to withhold and collect a tax in respect of the wages of an employee shall furnish to each such employee in respect of his employment during the calendar year, on or before January 31 of the succeeding year, or, if his employment is terminated before the close of such calendar year, on the day on which the last payment of wages is made, a written statement showing the period covered by the statement, the wages paid by the employer to such employee during such period, and the amount of the tax withheld and collected under this part in respect of such wages.

"(b) Regulations: The statements required to be furnished by this section shall be furnished at such other times, shall contain such other information, and shall be in such form as the Commissioner, with the approval of the Secretary, may by regulations prescribe.

"(c) Extension of time: The Commissioner, under such regulations as he may prescribe with the approval of the Secretary, may grant to any employer a reasonable extension of time (not in excess of 30 days) with respect to the statements required to be furnished to employees on the day on which the last payment of wages is made.

"SEC. 470. Penalties.

"(a) Penalties for fraudulent receipt or failure to furnish receipt: In lieu of any other penalty provided by law (except the penalty provided by subsection (b) of this section), any person required under the provisions of section 469 to furnish a receipt in respect of tax withheld pursuant to this part who wilfully furnishes a false or fraudulent receipt, or who wilfully fails to furnish a receipt in the manner, at the time, and showing the information required under section 469, or regulations prescribed thereunder, shall for each such failure, upon conviction thereof, be fined not more than $1,000, or imprisoned for not more than 1 year, or both.

"(b) Additional penalty: In addition to the penalty provided by subsection (a) of this section, any person required under the provisions of section 469 to furnish a receipt in respect of tax withheld pursuant to this part who wilfully furnishes a false or fraudulent receipt, or who wilfully fails to furnish a receipt in the manner, at the time, and showing the information required under section 469, or regulations prescribed thereunder, shall for each such failure be subject to a civil penalty of not more than $50.

"(c) Failure of withholding agent to file return: In case of any failure to make and file return required by this part, within the time prescribed by law or prescribed by the Commissioner in pursuance of law, unless it is shown that such failure is due to reasonable cause and not due to wilful neglect, the addition to the tax provided for in section 291 shall not be less than $5.

"PART III—EXPIRATION DATE AND DEFINITIONS

"SEC. 475. Definitions.

"(a) Net income: When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof, the term 'net income' shall be construed to mean 'Victory tax net income' for the purposes of this subchapter.

"(b) Date of cessation of hostilities in the present war: As used in this subchapter, the term 'date of cessation of hostilities in the present war' means the date on which hostilities in the present war between the United States and the Governments of Germany, Japan, and Italy cease, as fixed by proclamation of the President or by concurrent resolution of the two Houses of Congress, whichever date is earlier, or in case the hostilities between the United States and such Governments do not cease at the same time, such date as may be so fixed as an appropriate date for the purposes of this subchapter.

"SEC. 476. Expiration date.

"The taxes imposed by this subchapter shall not apply with respect to any taxable year commencing after the date of cessation of hostilities in the present war."

(b) Classification of provisions: Section 3 is amended by adding at the end thereof the following new paragraph:

"Subchapter D: Victory tax on individuals, divided into parts and sections."

(c) Rates of tax on citizens of certain foreign countries: Section 103 is amended by striking out "and 362" and inserting "362, and 450"; and by striking out "or 362" and inserting "362, and 450."

(d) Foreign tax credit.—

Section 131 is further amended by adding at the end thereof the following new subsection:

"(i) Tax withheld at source: For the purposes of this supplement the tax imposed by this chapter shall be the tax computed without regard to the credit provided in sections 32 and section 466 (f)."

(e) Refunds and credits.—

(1) Section 322 (a) is amended to read as follows:

"(a) Authorization.—

"(1) Overpayment: Where there has been an overpayment of any tax imposed by this chapter, the amount of such overpayment shall be credited against any income, war-profits, or excess-profits tax or installment thereof then due from the taxpayer, and any balance shall be refunded immediately to the taxpayer.

"(2) Excessive withholding: Where the amount of the tax withheld at the source under part II of subchapter D exceeds the tax imposed by this chapter (after allowance of the credits provided by sections 31, 32, and 453), the amount of such excess shall be credited against any income tax or installment thereof then due from the taxpayer, and any balance thereof shall be refunded immediately to the taxpayer."

(2) Section 322 (e) is amended to read as follows:

"(e) Presumption as to date of payment: For the purposes of this section, any tax actually withheld and collected at the source under part II of subchapter D shall, in respect of the recipient of the income, be deemed to have been paid by him on the 15th day of the 3d month following the close of his taxable year in which such tax was so withheld and collected; except that in the case of a nonresident alien individual, it shall be deemed to have been paid by him on the 15th day of the 6th month following the close of his taxable year.

"(f) Tax withheld at source: For refund or credit in case of withholding agent, see sections 143 (f) and 466 (g)."

(f) Cross references.—

(1) Payment of tax: Section 56 (f) is amended to read as follows:

"(f) Tax withheld at source: For requirement of withholding tax at source, see sections 143, 144, and part II of subchapter D."

(2) Credits against tax: The Internal Revenue Code is amended by adding after section 33 the following new sections:

"SEC. 34. Credits against Victory tax.

"For credits against Victory tax, see sections 453, 454, and 466 (f).

"SEC. 35. Credit for tax withheld on wages.

"For credit against the tax for tax withheld on wages, see section 466 (f)."

(3) Penalties: Section 145 (d) is amended by inserting "(1)" before the first paragraph and by adding the following new paragraph:

"(2) For additional penalties for fraudulent receipts or failure to furnish receipts required by section 469, see section 470."

(4) Minimum penalty for failure to file return: Section 291 is amended by inserting "(a)" before the first paragraph and by adding the following new subsection:

"(b) For minimum addition to the tax for failure of withholding agent to make and file return required by part II of subchapter D, see section 470 (c)."

(5) Interest on overpayments: Section 3771 is amended by adding at the end thereof the following new subsection:

"(e) Tax withheld at source: For date of payment in respect of tax withheld at source under part II of subchapter D, see section 322 (e)."

(g) Effective date: The provisions of this section shall take effect on January 1, 1943, and shall be applicable to all wages (as defined in part II of subchapter D) paid on or after such date.

Mr. GEORGE. Mr. President, I have received a letter from the President of the United States which I wish to have read at the desk. It is with reference to the amendment freezing the social-security tax.

The VICE PRESIDENT. Without objection, the letter will be read.

The Chief Clerk read as follows:

THE WHITE HOUSE,
Washington, October 3, 1942.

Hon. WALTER F. GEORGE,
Chairman, Senate Finance Committee,
United States Senate.

MY DEAR SENATOR: I note that the Senate Finance Committee has tentatively included in the pending tax bill an amendment by Senator VANDENBERG freezing the present rates of contributions for old-age and survivors' insurance, instead of permitting them to increase automatically on January 1, 1943, as provided by law.

This amendment is causing considerable concern to many persons insured under the old-age and survivors' insurance system. The

financial obligations which will have to be met in paying benefits amply justify the increase in rates. A failure to allow the scheduled increase in rates to take place under present favorable circumstances would cause a real and justifiable fear that adequate funds will not be accumulated to meet the heavy obligations of the future and that the claims for benefits accruing under the present law may be jeopardized.

In 1939, in a period of underemployment, we departed temporarily from the original schedule of contributions, with the understanding that the original schedule would be resumed on January 1, 1943. There is certainly no sound reason for departing again under present circumstances. Both employment and the income from which contributions are made are at a very high point—the highest since the inauguration of the system. In fact, the volume of purchasing power is so great that it threatens the stability of the cost of living. The increase in rates at the present time is not only in accord with the necessities of the social-security system itself, but at the same time would contribute to the noninflationary financing of the rapidly mounting war expenditures. The accumulation of additional contributions would be invested in United States Government securities and would thereby assist in financing the war.

This is the time to strengthen, not to weaken, the social-security system. It is time now to prepare for the security of workers in the post-war years. As soon as the Congress has disposed of the pending tax bill I am planning to submit a comprehensive program for expanding and extending the whole social-security system along the lines laid down in my Budget message last January. This program would involve substantial further increases in rates of contribution.

This is one case in which social and fiscal objectives, war and post-war aims are in full accord. Expanded social security, together with other fiscal measures, would set up a bulwark of economic security for the people now and after the war and at the same time would provide anti-inflationary sources for financing the war.

In the light of these considerations, I suggest the desirability of permitting the increase in the rates of contribution of old-age and survivors' insurance to go into effect on January 1, 1943, as provided in existing law.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. DOWNEY. Mr. President, I herewith submit a perfecting amendment to the committee amendment now pending before the Senate. The perfecting amendment applies to part 1 of the provision relating to the Victory tax on individuals.

The VICE PRESIDENT. The amendment offered by the Senator from California to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment, beginning on line 1, page 298, it is proposed to strike out all down to and including line 11, on page 307, and to insert in lieu thereof the following:

SEC. 174. Temporary income tax on individuals.

(a) The Internal Revenue Code is amended by inserting at the end of chapter 1 the following new subchapter:

"SUBCHAPTER D—VICTORY TAX ON INDIVIDUALS

"PART I.—RATE AND COMPUTATION OF TAX

"SEC. 450. Imposition of tax.

"There shall be levied, collected, and paid for each taxable year beginning after December 31, 1942, upon the Victory tax net income of every individual (other than a nonresident alien subject to the tax imposed by section 211 (a)) the Victory tax shown in the following table:

"If the Victory tax net income is:	The Victory tax shall be:
Over $1,200 but not over $2,400	5 percent of the Victory tax net income.
Over $2,400	$60, plus 10 percent of excess over $2,400.

"SEC. 451. Victory tax net income.

"(a) Definition: The term 'Victory tax net income' in the case of any taxable year means (except as provided in subsection (c)) the gross income (other than gains from the sale or exchange of capital assets as defined in sec. 117 and other than interest allowed as a credit against net income under sec. 25 (a) (1) and (2)) for such year minus the sum of the following deductions:

"(1) Expenses: The expenses allowable as a deduction by section 23 (a) (1) and (2).

"(2) Interest: Interest allowable as a deduction by section 23 (b), if the indebtedness in respect of which such interest is allowed was incurred in carrying on any trade or business, or was incurred for the production or collection of income, or for the management, conservation, or maintenance of property held for the production of income.

"(3) Taxes: Amounts allowable as a deductions by section 23 (c), to the extent such amounts are paid or incurred in connection with the carrying on of a trade or business, or in connection with property used in the trade or business, or in connection with property held for the production of income.

"(4) Losses: Losses (other than losses from the sale or exchange of capital assets) allowable as a deduction under section 23 (e) (1), subject to the limitation provided in section 23 (h).

"(5) Bad debts: The amount allowable by section 23 (k) (1).

"(6) Depreciation: The amount allowable by section 23 (l).

"(7) Depletion: The amount allowable by section 23 (m) and (n).

"(8) Pension trusts: The amount allowable by section 23 (p).

"(9) Net operating loss: The net operating loss deduction allowable by section 23 (s).

"(10) Amortization: The amount allowable by section 23 (t).

"(11) Alimony: The amount allowable by section 23 (u).

"(12) Special deduction: The amount allowable by section 120.

"(13) Estates and trusts: In the case of an estate or trust, the amount allowable by subsection (a) of section 162 in addition to the amounts allowable by subsections (b) and (c) of such section.

"(b) Items not deductible: The deductions allowable by subsection (a) shall be subject to the limitations contained in section 24 and Supplement J and, in the case of nonresident aliens subject to the Victory tax, shall be subject to the limitations contained in Supplement H.

"(c) Supplement T taxpayer: If for any taxable year a taxpayer makes his return and pays his tax under Supplement T, the term 'Victory tax net income' means the gross income for such year.

"(d) Basis for determining loss: The basis for determining the amount of deduction for losses sustained, to be allowed under paragraph (4) of subsection (a), and for bad debts, to be allowed under paragraph (5) of subsection (a), shall be the adjusted basis provided in section 113 (b) for determining the loss from the sale or other disposition of property.

"(e) Rule applicable to participants in a common trust fund: In the case of a participant in a common trust fund, he shall in respect of the common trust fund income include in computing his Victory tax net income, whether or not distributed and whether or not distributable, only his proportionate share of the ordinary net income or the ordinary net loss of the common trust fund, computed as provided in section 169 (d).

"(f) Rule applicable to partners: In the case of an individual carrying on business in partnership, he shall in respect of the partnership income include in computing his Victory tax net income, whether or not distribution is made to him, only his distributive share of the ordinary net income or the ordinary net loss of the partnership, computed as provided in section 183 (b).

"SEC. 452. Specific exemption.

"In the case of every individual there shall be allowed as a credit against the Victory tax net income a specific exemption of $1,200. In the case of a husband and wife filing a joint return under section 51 (b), if the Victory tax net income of one spouse is less than $1,200, the aggregate specific exemption of both spouses shall be limited to $1,200 plus the Victory tax net income of such spouse.

"SEC. 453. Credit against Victory tax.

"(a) Allowance of credit: There shall be allowed as a credit against the Victory tax for each taxable year:

"(1) The amount paid by the taxpayer during the taxable year as premiums on life insurance, in force on October 1, 1942, upon his own life, or upon the life of his spouse, or upon the life of any dependent of the taxpayer specified in section 25 (b) (2) (A); and the amount paid during the taxable year as premiums on life insurance which is a renewal or conversion of such life insurance in force on October 1, 1942, to the extent that such premiums do not exceed the premiums payable on such life insurance in force on October 1, 1942.

"(2) The amount by which the smallest amount of indebtedness of the taxpayer outstanding at any time during the period beginning October 1, 1942, and ending with the close of the preceding taxable year, exceeds the amount of indebtedness of the taxpayer outstanding at the close of the taxable year.

"(3) The amount by which the amount of obligations of the United States owned by the taxpayer on the last day of the taxable year exceeds the greater of (A) the amount of such obligations owned by the taxpayer on December 31, 1942, or (B) the highest amount of such obligations owned by the taxpayer on the last day of any preceding taxable year ending after December 31, 1942. As used in this paragraph (i) the term 'owned by the taxpayer' shall include the amount of the obligations owned solely by the taxpayer and one-half of the amount of the obligations owned jointly by the taxpayer with another, but shall not include such obligations acquired by the taxpayer by gift, or inheritance, or otherwise than by purchase; (ii) the term 'obligations of the United States' means such obligations of the United States as the Secretary may by regulations prescribe, and as are purchased in such manner and under such terms and conditions as he may specify; and (iii) the term 'amount of obligations of the United States' means the amount paid for such obligations.

"(b) Limitation on credit: The amount of such credit for the taxable year shall not exceed the amount of the Victory tax imposed by section 450 for such taxable year.

"SEC. 454. Post-war credit or refund of Victory tax.

"(a) Allowance of credit: As soon as practicable after date of cessation of hostilities in the present war (as defined in section 475 (b)), the amount of the Victory tax paid for each taxable year beginning after December 31, 1942, shall be credited against any income tax or installment thereof then due from the taxpayer, and any balance shall be refunded immediately to the taxpayer.

"(b) Period of limitation: No post-war credit or refund of any part of the Victory tax provided in this section shall be allowed

or made after 7 years from the date of cessation of hostilities in the present war, unless claim for credit or refund is filed before the expiration of such date. No interest shall be allowed on such credits or refunds.

"(c) Limitation of credit: The post-war credit or refund allowed by this section shall be reduced by the amount of any credit allowed under section 453.

"SEC. 455. Returns.

"(a) Individual returns: Every individual having a gross income in excess of $1,200 for the taxable year, shall make, under regulations prescribed by the Commissioner with the approval of the Secretary, a return, which shall contain or be verified by a written declaration that it is made under the penalties of perjury, stating specifically the items of his gross income and the deductions and credits allowed under this subchapter.

"(b) Fiduciary returns: Every fiduciary (except a receiver appointed by authority of law in possession of part only of the property of an individual) shall make, under regulations prescribed by the Commissioner with the approval of the Secretary, a return under oath, for any individual, estate, or trust for which he acts, if the gross income of such individual, estate, or trust is in excess of $1,200 for the taxable year, stating specifically the items of gross income and the deductions and credits allowed under this subchapter. The provisions of section 142 (b) shall be applicable with respect to any return required to be made under this subsection.

"SEC. 456. Limitation on tax.

"The tax imposed by section 450 (Victory tax), computed without regard to the credits provided in sections 453, 454, and 466 (f), shall not exceed the excess of 90 percent of the net income of the taxpayer for the taxable year over the tax imposed by sections 11 (normal tax) and 12 (surtax), computed without regard to the credits provided in sections 31, 32, and 466 (f)."

Mr. DOWNEY. Mr. President, I shall impose upon the Senate for only a brief period of time to state the nature and purpose of my amendment.

In the first place, the proposed 5-percent Victory tax begins to operate upon all incomes, both of individuals who are single, and individuals who are married, after an exemption of $624. The perfecting amendment would lift the exemption to $100 a month, or $1,200 a year.

Mr. President, it seems so obvious to me that a nation which is engaged in fighting for the four freedoms throughout the world should restrain itself from taking, by a 5-percent Victory tax, money away from individuals and families, who now have not enough to live on in decency, so long as there is an untaxed source of money in higher incomes. I know it is useless for me to argue that proposition and I will not impose upon my colleagues long to do so. Senators will have made up their minds on this issue by long years of thinking and observation. I desire to say only, that if we hope to preserve the morale of all the Nation, and particularly of the one-third of the country whose family income is below $100 a month, we had better convince that one-third of the Nation that we, who have larger and more generous incomes ample for every comfort and every luxury, are willing to make far more substantial sacrifices than we have made up to the present before we call upon them.

Mr. President, let me point out that already the inflation, an indirect result of the war effort, has increased the cost of living by some 20 percent. That reduces the effective income of $100 a month to $80, and that of $75 to $60, and we may well expect that that increased cost of living will sadly burden to almost a starvation point many persons in the lower-income groups as the war proceeds.

Mr. President, the perfecting amendment provides that in all incomes from $1,200 a year to $2,400 a year the tax shall be 5 percent, as is now set forth. On all incomes in excess of $2,400 a year the Victory tax will be increased to 10 percent. So that I estimate, for the benefit of the Senate, without very accurate or authoritative figures, that the perfecting amendment, by relieving from any tax all individuals and families who have incomes below $1,200 a year, and increasing to 10 percent the tax on incomes above $2,400, will increase the revenue derived by this particular tax from one and one-half billion dollars to $2,000,000 over the present estimated yield.

Mr. SCHWARTZ. Mr. President——

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from California yield to the Senator from Wyoming?

Mr. DOWNEY. I yield.

Mr. SCHWARTZ. I was wondering if the Senator could give us some specification as to the number of persons within the respective groups to which he has referred. Possibly that could be ascertained by an inspection of the table offered in the Senate yesterday by the senior Senator from Wyoming [Mr. O'MAHONEY].

Mr. DOWNEY. I can furnish the distinguished Senator from Wyoming with the best figures I have been able to obtain. There is some difference of opinion among the economists in the departments in Washington about these figures, but these are the best I could find. The total estimated income for this year will be about $111,000,000,000 or $112,000,000,000. All those earning $1,250 a year or less will receive only $10,000,000,000, or about 9 percent of that amount, but they comprise almost 13,000,000 families and individuals, living alone, almost 35 percent of the people in the United States.

The average income of that great unfortunate group in the wealthy United States is about $750 a family, a sum upon which no family in America, unless under peculiar conditions, can exist in any decency.

Mr. SCHWARTZ. What I had particularly in mind was the demonstration of what amount would be produced by the Senator's amendment.

Mr. DOWNEY. This is almost nothing more than a guess; but the best figures I have are that by exempting the incomes of all our citizens from $624 to $1,200, we take about $20,000,000,000 out of the range of the Victory tax. The 10-percent rate on incomes over $2,400 would apply to about $50,000,000,000 of income, making an increase in the total yield of about $1,500,000,000.

Mr. SCHWARTZ. I thank the Senator.

Mr. DOWNEY. Mr. President, while I very cheerfully, energetically, and enthusiastically voted with the distinguished Senator from Wisconsin [Mr. LA FOLLETTE] to increase the tax on corporate yields, he, as well as the rest of us, must now bow to the dictum of Congress that for the present at least we are not going to tax the net profits of corporations at any higher figure; nor probably are we going to raise the individual rate to higher levels.

That brings me to the second point of my perfecting amendment, and the reason for it. I feel confident that Congress should, in the future, provide for additional revenue by enforced savings rather than taxation and so my amendment would require that all the money yielded by the Victory tax should be refundable as a saving after the war. In other words, the perfecting amendment would transform the 5-percent Victory tax amendment wholly into a provision for enforced savings. Under the terms of the bill as it is now drafted 40 percent of the sum paid by the taxpayer under the Victory tax would be returned to him if he were married, and 25 percent if he were single. The bill also provides that amount may be used as an offset for payment of premiums on life insurance, and payment of debts.

Mr. President, it is very probable that we are entering a period of intense hardship, and tragic sacrifice for the great masses of the American people perhaps for 5, 10, 15, or 20 years, or perhaps for the rest of our lives. By this time next year all of us will be making sacrifices beyond anything that most of us now conceive.

We are fighting for a great ideal. Let us hope that it is practical. We are fighting to bring the four freedoms to the teeming hordes of Africa, Asia, and Europe. Let us pray that we may be successful. I am committed to that kind of a crusade so long as the American leaders are idealistic and courageous enough to pursue it. But let us not forget that we have in the United States 130,000,000 people who shortly will see ahead of them nothing but insecurity and sacrifice. The average man who is now 45, 50, or 55 years of age will have his standard of living reduced to the point where he cannot even give his family proper medical attention, or his children education, or properly live his life. That prospect does not face us here, but it faces 50 or 60 percent of the American people.

As this war passes into the years many men will feel a sense of disillusionment and discouragement which may result in the break-down of the national morale. I think we should at least give the average man something to hope for. We should say to the man whom we propose to strip of almost two-thirds of his income from now on—because that is what it will ultimately mean—"You will at least have the opportunity to save for some security for yourself." We should say to him that if and when this brutal, unhappy, and desperate period is over, and we successfully emerge, he will have something to show for his loyal sacrifices—not something to show in distant corners of the world, but something to show in relation to his own well-being and security.

The American people—and I sometimes think some Members of Congress—do not seem to realize to what we have committed ourselves. The next calendar year the War Production Board expects a national income of at least $120,000,000,000, and it is proposed to devote two-thirds of that, or $80,000,000,000, to the production of war goods and services. The economists are now looking ahead, and believe that 3 or 4 years from now we can produce $150,000,000,000 of national wealth, and that more than $100,000,000,000 of it—perhaps 70 percent of it—will be diverted to the war effort. As I understand, we are now committed, in the minds of our military and economic leaders, to the employment of 10,000,000 more men in war industries before July 1, and four or five million more men in the military service by the end of next year.

If anything of that kind is accomplished—and perhaps it is necessary—I say that that means the reduction of civilian commerce and industry to the point of unparalleled sacrifice and hardship for the great mass of our people. The wealthy man will not be seriously affected. I sympathize with the man of riches who has to give up the major part of his income to this war; but I do not shed any tears for him, because he will have plenty of meat to eat, plenty of clothes, and a good place to live. However, the coming years will bear so hard upon the average American that I for one want to give that man something to hope and work for. So far as I am concerned—and I believe that I speak the will and wish of 90 percent of the American people—future taxes should be transformed into enforced savings, and those savings returned, at the discretion of the Government, after the war is over.

I have no doubt that many of my colleagues will say, "That would be a very happy thing to do, but you would destroy the Nation by a great expanding debt."

Mr. President, I may shock certain Senators; but the noted economists of the Nation are now almost a unit in agreeing not only that our economy could function as well with a national debt of $250,000,000,000 or $300,000,000,000, but that in many ways such a great national debt would be an advantage to us. I know that that statement will meet with ridicule from many congressional leaders. Nevertheless, I say to distinguished Senators that that is the opinion of some of the greatest economists in the United States who have made a lifetime study of economics and have finally come to an understanding of modern economics.

I should like to direct the attention of the distinguished Senators to the trenchant and powerful words of Mr. Macaulay, who, a long time ago, knew more about the principles, burdens, and virtues of a public debt than do many of our modern leaders. Mr. Macaulay used the following language in referring to David Hume, Adam Smith, and other economists who were certain that England was going into a collapse because of an increasing public debt:

> The prophets of evil were under a double delusion. They erroneously imagined that there was an exact analogy between the case of an individual who is in debt to another individual and the case of a society which is in debt to a part of itself; and this analogy led them into endless mistakes about the effect of the system of funding.
>
> They were under an error not less serious touching the resources of the country. They made no allowance for the effect produced by the incessant progress of experimental science, and by the incessant efforts of every man to get on in life.
>
> They saw that the debt grew; and they forgot that other things grew as well as the debt. * * * They greatly overrated the pressure of the burden: They greatly underrated the strength by which the burden was to be borne.

Mr. President, despite all the gloomy prognostications of orthodox and conservative economists that our national production could not exceed $80,000,000,000, $90,000,000,000, or $100,000,000,000 a year, under the impetus of war it is now apparent that within a few years we can rapidly expand it to $150,000,000,000. I ask Senators whether they would rather have a national debt of $250,000,000,000, under which we should be paying 2 percent interest a year, or $5,000,000,000, that $5,000,000,000 to be subtracted from the $150,000,000,000; or, as in the time of Hoover, a situation in which the public debt was being rapidly reduced, and we sank to a national income of $40,000,000,000 or $50,000,000,000.

Mr. President, this Nation has now so much in the way of resources and wealth that a $250,000,000,000 debt would not be the slightest burden upon us. What effect would it have? It would mean that out of a national income of $125,000,000,000 or $150,000,000,000 a few billion dollars a year would be set aside by the Government to go principally to the people who are making the sacrifice in this war. Would that hurt anyone? It would not. As Macaulay pointed out, there is a vital difference between the debt of a society due from all to a part and that of an individual who owes another individual. As a matter of fact, if after the war we had to pay $5,000,000,000 of interest on the national debt, assuming we maintained full employment, that burden would not hurt us. It would strengthen the savings structure of our investments and banks. It would provide a reservoir for savings. It would allow distribution to those of our people who make heavy sacrifices during this war so that after the war they could have some margin of security.

Mr. President, I shall not speak longer upon that particular phase of the amendment. I say only that what I am now saying is recognized as valid by almost every outstanding economist in the United States. Mr. President, let me say this: Like it or not, we are going to come to some tremendous debt. We had better cease to be afraid of it, understand its principles, and then operate under it with entire safety. The Victory tax, I believe, as I have read the newspaper statements emanating from our Finance Committee, has been measured out partially to check inflation, and I have heard the distinguished and able senior Senator from Georgia, who has the pending bill under his charge, say repeatedly that the great danger of inflation came from the fact that we were pouring out into this Nation tens of billions of dollars without any counterbalancing consumers' goods and services.

I am wholly in agreement with the able and eloquent statement made by the Senator from Georgia on that subject; and, Mr. President, in order to show how extremely precarious our position would be, let me say that if next calendar year or this fiscal year we pour out $75,000,000,000 in military production, and recapture only approximately $25,000,000,000 by the Federal Government, we still shall have left in this Nation some $50,000,000,000 of excess purchasing power.

Under a capitalistic economy we generate our incomes in the production of wealth, and usually the wealth which has generated those incomes is then available for purchase by the incomes which were dispersed in its production. But now, Mr. President, we have gone into a totally different position. We intend to put out $75,000,000,000 in the near future, and later far more than that, in the production of military goods and services which will not come back upon the market for purchase. To the extent that we recapture that $75,000,000,000 by taxes there will be no problem. To the extent that we recapture the balance by savings, enforced or voluntary, there will be no problem. The ideal thing to do, the thing we ought to do, the thing we should do if we had the courage, is to balance our national books; and any man in public life who realizes that principle and does not stand for it is not expressing the best that is in him. When our Chief Executive and our governmental leaders call for a national war production of $75,000,000,000 or $80,000,000,000 or $100,000,000,000, it becomes his duty and their duty to call for taxes or savings of some kind in an equal amount; because, Mr. President, exactly to the extent that we weakly fail to retake any portion of that war income by savings or taxes, so we allow ourselves to be led into inflation.

I realize that the present and proposed taxes, including the Victory tax, and also including State, city, and county taxes, will take nearly 40 percent of the national income; but we are committed, by our words, deeds, and plans, to putting into the war effort 65 percent or 70 percent of the national income. I realize that we can not go much further in taxation without breaking down the national morale; and, therefore, I say that the Victory tax, however, it is passed, however it shall now become a law, should be made the foundation of an enforced savings program so that our people may, during this dreadful war period, at least hope that by their sacrifices they are gaining some security for the peaceful and plenteous days which all of us hope will come afterward.

Mr. President, just one other point on my perfecting amendment, and I shall be done. As I see it, the principal reason now for increased taxes or savings is to prevent inflation. If we borrow $25,000,000,000 or $30,000,000,000 from the commercial banks next year, as is at present contemplated, that would create new purchasing power for which there would be no counterbalancing wealth. I take

it that the principal reason for the Victory tax and for taxes from now on is to gather into the control of the Federal Government the excess purchasing power of the Nation. I take that viewpoint at least in my amendment, Mr. President; and, therefore, I have provided that so far as any payments on life-insurance policies are concerned, such payments shall not be subject to this particular tax. I make the same kind of provision in relation to the payment of all debts. Why is that logical? Because, presumably and generally, to the extent that a man pays premiums on life insurance, the money so paid passes into Government bonds anyway; and under the theory which I am discussing the person who is maintaining his life-insurance policy by continuing to pay the premiums on it should be given the right to continue to do so, because his payments are what we term deflationary. The same thing is true concerning an individual who owns a home or farm that is mortgaged. In 90 percent of the cases the payment which he makes upon his debt is deflationary because that payment generally goes into sources where it is retired and ceases to be purchasing power.

Consequently, Mr. President, I think that likewise as we go along the road of taking 65 percent or 70 percent of the national income for war purposes, every effort should be made to assist the individual to the fullest extent that can be done without injury to society. To allow the individual who makes payments out of his income that result in deflation instead of inflation thereafter to deduct those payments from his income before the tax is assessed would not tend to create inflation but would tend to help millions of individuals.

Mr. President, in closing I should like simply to say this, if I may do so, for the ears of the distinguished senior Senator from Georgia, who has the pending bill in charge, and the other Senators who are members of the Finance Committee: We are facing an era of greatest sacrifice and discouragement for the American people. We are all beginning to believe that this era may last indefinitely. I, for one, do believe that from now on, while we must begin rapidly to take in an amount of national income equal to war expenditures, the method of recapture by our Government should be one of enforced savings, rather than of increased taxes.

I feel confident in saying, Mr. President, from having talked to hundreds of persons, that national morale and national well-being will be furthered by that kind of a program.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California to the committee amendment.

Mr. GEORGE. Mr. President, the amendment offered by the Senator from California to the committee amendment is substantially the Victory tax except that it levies a 5-percent tax on incomes up to $2,400 and a tax of $60 plus 10 percent on all incomes above $2,400; and except, further, that it gives an exemption of $1,200 to all taxpayers subject to the tax, and provides for the return of the entire net tax collected or paid within the year as a post-war credit.

Certainly I shall not quarrel with the distinguished Senator from California on the post-war credit or the compulsory savings feature of his amendment, except to say, Mr. President, that the committee, after it had finished its public hearings and while in executive session was asked to consider a compulsory savings plan, and, after discussion and rather careful consideration of the problem, the committee felt that we had not given sufficient study to the compulsory savings plan or compulsory loan to justify action by the committee. So there was inserted in the bill a provision creating a special committee to study the question of compulsory savings or loans and to make its report by December 1, as I recall, of the current year. Therefore, this question will be back before us; it is unavoidable; and no one, I am sure, wishes to avoid consideration of compulsory loans.

It has seemed to me all the while, and it seems to me now, that either the Treasury can elect to get a maximum tax, that is, the highest possible tax, or it can elect to ask for a high tax plus compulsory loans. The level already reached by our national debt, and the current monthly expenditures at this moment, make it impossible for a tax within itself to meet the obligations incurred as a result of this war. Therefore, we are faced with compulsory savings.

I should like to state to the Senator from California and to the Senate that with the deduction of $1,200 in the Victory tax there would be the same deduction that is provided under the House bill and under the Senate bill, and, therefore, there would not be reached any earners or persons with incomes which would not be reached under the bill as it stands. If we are going to depart during this war, as an emergency matter, from the concept which has run through our tax system, that is to say, imposing a tax on net income, there would seem to me to be little or no purpose to the pending proposal if no one would be reached who was not subject to the net income-tax provisions of the bill as passed by the House and as reported to the Senate. In other words, if it would not bring in additional taxpayers; if it would not reach the vast number of income producers who will not pay taxes on net income, there would seem to be very little reason in departing from the net-income system and going to the gross-income system in collecting a tax.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from California.

Mr. DOWNEY. I desire to state to the distinguished Senator from Georgia that representatives of the Treasury Department told me that the 5-percent Victory tax would bring in only $300,000,000 from the group having incomes of less than $1,200 a year. So, while the Senator is undoubtedly correct in saying that we will not reach that group unless we have this particular kind of a tax, I want to point out that the amount of money which would be raised by reaching that group would hardly seem to justify the hardship which would be imposed upon them.

Mr. GEORGE. I do not agree that there is a hardship imposed except the hardship of high taxes; I freely admit that there is no ground for the argument about that; but the amendment offered by the distinguished Senator from California provides the same exemption that is provided in the net income tax. Therefore, he reaches the same people. Therefore, it seems to me, there could be no reason why we would go to a gross income tax in order even to impose a savings tax at this time.

I do not say the amendment does not have great merit as a compulsory savings plan, and I am quite sure that the special committee of the Ways and Means Committee and of the Finance Committee, to which the Secretary of the Treasury himself is added, will give consideration to this and every other compulsory savings plan which is suggested to it or which may be developed by the committee itself when it enters upon its duties. So, Mr. President, I hope that the Senate will not agree to the amendment offered by the Senator from California.

Mr. DANAHER. Mr. President, the distinguished chairman of the Committee on Finance, back in the middle of August, appointed a special committee to study the subject of a withholding tax and also the related so-called Ruml plan. The subcommittee consisted of the Senator from Missouri [Mr. CLARK], the Senator from Rhode Island [Mr. GERRY], and myself.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	O'Mahoney
Austin	Gillette	Overton
Bailey	Guffey	Pepper
Ball	Gurney	Radcliffe
Bankhead	Hatch	Reed
Barbour	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Schwartz
Bone	Holman	Shipstead
Brewster	Johnson, Calif.	Smith
Brooks	Johnson, Colo.	Spencer
Brown	Kilgore	Stewart
Bulow	La Follette	Taft
Bunker	Langer	Thomas, Idaho
Burton	Lee	Thomas, Okla.
Butler	Lodge	Thomas, Utah
Byrd	Lucas	Truman
Capper	McCarran	Tunnell
Caraway	McFarland	Tydings
Chandler	McKellar	Vandenberg
Chavez	McNary	Van Nuys
Clark, Idaho	Maloney	Wagner
Clark, Mo.	Maybank	Wallgren
Connally	Mead	Walsh
Danaher	Millikin	Wheeler
Davis	Murdock	White
Downey	Murray	Wiley
Doxey	Norris	Willis
Ellender	Nye	
George	O'Daniel	

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. DANAHER. Mr. President, at the time to which I was referring when the absence of a quorum was suggested,

among the witnesses who appeared before the subcommittee was the Commissioner of Internal Revenue, Mr. Helvering. He outlined to us from the administrative standpoint the difficulties inherent in the Treasury's proposal for a withholding tax, which appears in the bill as it passed the House under the subtitle of "Supplement U." He told us that it would take about 11,000 additional employees to administer the withholding-tax provisions alone.

Previously there had been adduced before the committee testimony from representatives of industry that there would be an enormous effect on their personnel problem were the withholding tax imposed. When Mayor LaGuardia appeared before us testifying as to the situation from the standpoint of a municipality, he told us that New York City has 165,000 employees, and he said it would cost the city of New York $200,000 to make the necessary mechanical changes in the accounting and check machine phase of administration alone, and that it would cost approximately $200,000 additional to make the withholding deductions. There were many similar statements indicating that from the administrative standpoint, the withholding tax possessed in and of itself many undesirable features which would be most costly to industry and most exacting so far as the employees are concerned.

There were those of us, nonetheless, who felt, out of our experience with people, that the average individual would be simply incapable of saving enough money out of each pay check or each salary payment to have on hand the accumulation necessary to meet the taxes to be imposed upon him under the high rates levied by the bill.

In addition, Mr. President, we know that there will be earned the coming year at least $36,000,000,000 which will pay not one single cent of revenue toward the cost of the war—$36,000,000,000, Mr. President, an enormous sum, which will be tax exempt.

I refer further to the testimony of Mayor LaGuardia, for it was from what he said at the time of his appearance before the committee in public session that there germinated what I choose to call an idea.

I quote from Mayor LaGuardia:

> I see very little possibility of continuing to put 10 percent of one's income in savings, in War stamps, or War bonds. When you get into these schedules here and the tax is taken out of the salary, it just is not there to invest in bonds. Now, if I may suggest, I think perhaps the rate might be increased a little bit, perhaps 1 percent and 25 percent of the amount paid returned to the taxpayer in a nontaxable, nontransferable, nonattachable, and nonassignable certificate, payable say a year or a year and a half after the war. Otherwise, we will find ourselves in a position with millions of men unemployed, with no income, the revenue will diminish and no reserve. Now, we must pay for the war, of course, but we must be thinking also of what is going to happen after this war is over. There is going to be a condition here that is more frightful to me than the war itself.

The mayor continued as follows:

> • • • That is why I urge this committee to give very serious consideration in providing some reserve through this very medium that you have before you, in first getting a certain amount which we need for the war without interest charges, and at the same time providing that reserve that we necessarily must have, because none of these groups, until you get to the very high income, will be able to provide any reserve or any saving under these rates.

Mr. President, we knew that in the State of Ohio there existed a feasible and workable sales tax which measured, at lease in part, some return to the consumer who received a prepaid sales-tax stamp incident to his purchase. The idea of a sales tax per se was abhorrent to many members of the committee because it failed to take into account the low-income groups whose submarginal earnings already were inadequate, and, in many instances, under the President's program are to be raised. Therefore, Mr. President, if we were to take into account the exigencies of the situation and give some regard to the testimony of experts who appeared before the committee, it seemed to the members of the committee that, following the suggestion in the idea germinated by Mayor LaGuardia, we might be able to develop a plan which would in substantial measure take into account all factors.

Mr. DOWNEY. Mr. President, will the Senator from Connecticut yield?

Mr. DANAHER. I yield.

Mr. DOWNEY. I desire to congratulate the able Senator from Connecticut upon his very clarifying and interesting statement. With his consent, I should like to make one comment upon certain figures which he has given, which, though undoubtedly correct, might be somewhat misleading.

In a previous statement made by me I presented certain figures which had been furnished me, showing that about 13,000,000 of our families received monthly incomes of less than $100 each, receiving a total annual amount of only $10,000,000,000, and the distinguished Senator has spoken of the fact that $36,000,000,000 of national income will this year totally escape taxation under the income-tax law.

I desire to point out that the great bulk of the $36,000,000,000 will be represented by exemptions taken by individuals who pay an income tax, many of them in the higher brackets.

Mr. TAFT. Mr. President, will the Senator from Connecticut yield?

Mr. DANAHER. I yield.

Mr. TAFT. I am sorry to have to say that the Senator from California is entirely wrong in his figures. The estimates upon which the tax bill is based show that the total net income of the people of the United States is $95,000,000,000. Of that amount, $36,000,000,000 is not returned at all under the net-income tax. It is not in the form of exemptions or anything else.

In addition to that, there is represented by exemptions, $28,000,000,000. So under the bill as passed by the House, without the Victory tax, $64,000,000,000 of the total net income of $95,000,000,000 does not pay one cent of tax, and I do not think that under a net-income tax provision it ever will pay any tax.. The net-income tax is not an effective method of reaching that great volume of income, and the result is that the entire amount of about $9,000,000,000 that we are going to get by the imposition of a net-income tax, falls on $31,000,000,000 out of $96,000,000,000, or one-third of the total net income of the people of the United States. I might add that the calculations used by me were made from data furnished by the Treasury and found on pages 10 and 11 of the data on the proposed revenue bill of 1942, so I do not think there can be any substantial question among the economists of the Government—or any other economists of the United States—about the reliability of the figures which I have used.

Mr. DOWNEY. Mr. President, will the Senator from Connecticut yield?

Mr. DANAHER. I yield.

Mr. DOWNEY. I desire to say to both the distinguished Senator from Ohio and the distinguished Senator from Connecticut that if I have made an incorrect statement I will check my figures and then make the necessary corrections for the RECORD. The figures which I have stated were just now given directly to me by a representative of the Treasury Department, and if he is in error, I will check and so report. I must admit that my mind is left totally ignorant of how $36,000,000,000 of net national income could possibly escape taxation under the proposed law.

Mr. TAFT. The Senate bill is slightly different from the one passed by the House in that we have reduced the exemptions for dependents from $400 to $300, and that makes a difference in the net income provision. I have not rechecked the figures, but under the bill as it passed the House, which is substantially the same as the Senate committee bill, 26,900,000 people will make income-tax returns in 1943. That is only one-half of the income receivers of the country. The other 27,000,000 people, who do not make any returns under the income-tax law, have this $36,000,000,000 of income. That is how it is accounted for. Personally I have great difficulty in understanding why there can be so many people who do not make returns, but that is the result of all the figures which have been presented to the committee.

Mr. DANAHER. Mr. President, in an effort to take into account the urgent need of the Government for revenue, particularly if the war be protracted to the point where annually there will be available to the Treasury many billions of dollars of interest-free borrowings, and at the same time reach as many as possible of those who otherwise would contribute nothing because of being exempt for whatever reason—and I do not enter into that subject which has been adverted to by my colleagues—it seemed to the subcommittee that a possible substitute could be considered. I drew up the nucleus of a plan and submitted it to the Treasury for analysis. I shall ask presently that I be permitted to cause the Treasury analysis to be printed in full in the RECORD to the end that adequate study material may be available to us. I do not intend to pursue my substitute plan at this time. I do not intend to offer it either as a substitute for the

amendment submitted by the Senator from California [Mr. DOWNEY] or for the committee amendment.

Mr. President, we have already seen fit to create, through the Senate Finance Committee, a joint study committee which will include Members of our body and Members of the other House, to consider all possible methods and manners of achieving compulsory savings, and to that body what I choose to say now will ultimately be committed. I go into it at all only to the end that my colleagues will know something of the effort which the Finance Committee has made in coming to grips with the problem which confronts us.

Mr. President, it is by no means merely a matter of revenue that is involved. We must face the fact that the inflationary factors at large are vast. As against a constantly dwindling supply of consumer goods the increase in personal income of income recipients in this country—vastly enhanced over previous years—is competing, is bidding for that dwindling supply of goods. Since the production of the country is being geared to a wartime production, there is no measure of the income being received by the producers of that amount of production. Obviously, if in this country we were producing entirely for civilian consumption, we would not be threatened with inflation in any degree, for the production would keep pace with the income, and the supply would measure the demand, and therefore, Mr. President, there would be no threat to our economic structure. But the dislocations of wartime produce a very different situation.

Moreover, it is imperative that we realize that in the rehabilitation postwar period the dangers of inflation are equally as vast, if not more so, than they are now, for the simple reason that our Nation will have been passing through an exhausting experience, and the supply of consumer goods now available will not even be in existence. Moreover, we will not be replacing them during the war. Priorities, allocations to the war effort, industries geared entirely to the production of war materials, all are the factors, Mr. President, which bring about that particular dearth of an adequate supply of consumer goods.

Therefore, it seemed advisable to us that we try to take into account the desirability of making available to the post-war citizen, especially the one who will be thrown out of work in the rehabilitation period, some fund upon which he may fall back, some savings to which he can turn. Thus, if we could facilitate an orderly transition through the rehabilitation period by affording the citizen an opportunity to draw on his own savings he would be provided with funds when he most needs them.

Above all, Mr. President, if we could make every individual citizen in the United States a bondholder, if we could make every individual citizen in the United States the possessor of a stake in our economic structure, it would follow that the forces which would otherwise tend to repudiate the ultimate post-war debt would be mitigated. Obviously, if at the end of this war we find some $200,000,000,000 of necessary War-bond financial output concentrated in the hands of comparatively a few people—say 4 or 5 or 6 percent, or let us say 10 percent, if you choose—the fact remains, Mr. President, that all the remaining people of the country will be unwilling to tax themselves the enormous sums which will be required to amortize those outstanding funds and to pay interest and service charges on them. Unless all citizens have some interest in that particular economic structure, an unfortunate condition will result.

Again, Mr. President, if we could take into account some mechanism by which the citizen would be funded as against the income tax, if, as, and when it became due, to permit him a method of acquiring means in advance of meeting that tax when due, we would enhance his opportunity of meeting the demands upon him.

Therefore, Mr. President, there was submitted to the committee, and to various economists and to the Treasury, a proposal of which the following points are the essence:

In the first place, each retailer in this country would be required to buy stamps at the post office in his local community, or at his bank, if his bank chose to render the service, and the retailer would pay cash for the stamps. In every community to that extent we would utilize existing agencies for the collection of the funds which would support this plan. The funds would be remitted by the bank or the post office to the Treasury in exactly the same form that War Savings stamps or War Savings bonds today are accounted for. There would be needed no additional 11,000 employees to administer any such plan.

In the second place, Mr. President, the retailer would take those stamps into his store, and as each customer came to the store to make a purchase he would pay the usual purchase price for any article and, in addition, 10 percent of the purchase price. A 10-cent article, in other words, would cost 11 cents. A movie actress, who wished to spend $1,500 for a mink coat, would pay Uncle Sam $150 for the privilege of spending her own money.

Mr. President, measured against the normal and the estimated retail sales in a given year, the income to the Treasury annually would be between $5,500,000,000 and $6,100,000,000. In return for the 10 percent paid by the consumer the retailer would issue a savings stamp, much on the order of what is done at this minute in the State of Ohio, where a prepaid sales-tax receipt is issued to a customer. The difference, though, fundamental at this point, is that the plan suggested does not comprehend a tax, it does not contemplate a tax. It does contemplate an assessment by each individual on his own spending. If an individual had $1,000 a year to spend, he would pay $100, or 10 percent, for the privilege of spending it, but Uncle Sam, Mr. President, would be given annually the benefit of an enforced saving at the rate of 10 percent of every individual spending.

In the third place, this particular stamp would be accumulated in a stamp album book just as our children are permitted and encouraged now to affix their own War Savings stamps in an album. The album could be identified by the social-security number of the holder. It could be identified by the signature of the holder. It would be nontransferable. It would be nonassignable. It would be nonnegotiable, except through our own fiscal agency established for the purpose, which might be the collector of internal revenue or his deputies in any of the cities, or the post office in each community. When $25 worth of stamps had been accumulated in the album, measuring 10 percent of $250 of purchases, the album of stamps representing the $25 would be exchangeable for a bond, equally nonnegotiable and noninterest bearing. However, the bond could be refunded by the Treasury after the war. It could be refunded in such amounts as the Government might find feasible. It could be refunded at such rates in any given year as the Treasury might find economically desirable.

This particular mechanism not only would operate to drain off excess consumer purchasing power now, but would have an important bearing on regulation of the flow of the return of consumer purchasing power in the post-war period. The bond would not carry interest until after the war. At that time the bond could be made fully negotiable if we chose. It could be made fully interest-bearing, at whatever reasonable and proper rate we might decide upon. The bond would have the additional advantage that, as income tax installments became due from each member of the consumer public who owed an income tax, the bond, at the rate of $25, could be surrendered on account, in payment of the income tax.

It seems to some of us that there would be many advantages in such a plan. The general substance of the idea had substantial support in the committee. One advantage is that it would operate constantly as an automatic brake on spending. A person who had $5 and wished to spend it for a particular item would consider very carefully whether he wished to spend 50 cents additional for the privilege of spending the $5. At the same time, unlike a sales tax, which would have a tendency to discourage savings, or to cause people to live in part from capital, and thus reduce the amount of savings otherwise available for War bond purchases, this particular plan would give the individual consumer something for his money.

All of us must remember that people used to walk blocks out of their way to do business with the old United Cigar Stores, simply for the reason that they would get certificates which they could save until they had 100 of them, and then they could turn them in for perhaps a dozen razor blades. People will do that when they know that they are getting something for their money. What the individual consumer receives may be trivial or great, depending on the extent of his desire for a given article.

Another thing which comes to my mind, to illustrate the feasibility of this idea, is the old S. & H. green trading stamp

or merchandising system. I dare say most of us remember when such a system was in force in most of our towns. The individual consumer would have a book, and as against each of the purchases made by subscribers to the S. & H green trading stamp system, a stamp would be issued and pasted in the book. When the individual had saved 800 such stamps, he might receive an ashtray, or something of that kind. He received something for his expenditure.

It is common experience, particularly in the field of the industrial worker, that when he earns $35 a week he lives on $35 a week. When hard times come and he works half-time and earns $18, somehow or other the wife in that family knows how to budget, and the family lives on $18 a week. Similarly, people gear their living to their income, as we all know as a matter of common experience.

So the 10-percent assessment in the nature of compulsory savings would not only be an automatic brake on savings, but would give the Government the interest-free use of billions of dollars annually, operate as an anti-inflation factor, provide a post-war rehabilitation fund, and make everybody a bondholder, because a person could not spend even 10 cents without having to acquire a 1-cent savings stamp.

The Treasury analyzed the proposal and submitted its analysis to the committee. I ask unanimous consent that the analysis be printed in full in the RECORD at this point in my remarks.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF SENATOR DANAHER'S SAVINGS-STAMP PLAN PROPOSED AS A SUBSTITUTE FOR A WITHHOLDING TAX

I. SUMMARY OF PROPOSAL

1. The primary purpose of the plan is to provide a substitute for a withholding tax which would be easier to administer than the latter. A secondary purpose is to introduce a certain measure of compulsory lending to the Federal Government.

2. Under the plan all consumers would be required to pay to retailers an amount equal to 10 percent of the retail sales price of all articles purchased.[1] In return, consumers would receive savings stamps which would be exchangeable for non-interest-bearing, nontransferable savings bonds. Stamps would be purchased by retailers from post offices and internal-revenue collectors' offices.

3. The stamps or bonds could be used in payment of income tax or retained until the end of the war and, at that time, redeemed or exchanged for interest-bearing bonds.

4. Two principal advantages are claimed for the plan:

a. Funds would be obtained currently without the extensive administrative problems of the withholding tax.

b. A substantial amount of additional lending would be forced and inflationary tendencies reduced.

5. Administrative personnel and expense would be kept to a minimum, since retailers would come to post offices or internal-revenue offices to buy stamps and, thus, no field force or audit staff of any kind would be provided. Evasion would be prevented, it is claimed, by giving consumers the right to sue retailers and receive substantial damages if retailers are not properly selling the stamps.

II. ANALYSIS OF PROPOSAL

A. Nature of the proposal

Senator DANAHER's plan involves three essential elements. It would introduce a tax element; perform certain functions of a withholding tax; and effectuate a certain amount of compulsory lending. These elements are discussed in turn.

1. Resemblance to Tax

A considerable tax element exists in the "assessment" in spite of the refund feature.[2] The fact that the stamps or bonds, while receivable at face value at any time in payment of income tax, do not bear interest for the duration of the war introduces a substantial tax element. A compulsory loan without interest constitutes a compulsory investment plus a 100-percent income tax on the normal income from the investment. The amount of the tax involved in carrying a noninterest-bearing investment would be greater the longer the investment was held. The tax would bear with greatest severity on individuals having income below the income tax exemption unable to liquidate their holdings of stamps or bonds in payment of income tax, and compelled, therefore, to hold them until redemption or to sell them at a discount while in the transferable stamp form.[3] The tax would bear with less severity on individuals able to utilize part or all of their stamps and bonds in payment of income tax.

2. Resemblance to Withholding Tax

The plan, if administered adequately, would have effects in some respects similar to collection at source of income tax. Persons subject to income tax would credit against their annual tax liability the stamps or bonds accumulated on the basis of payments made throughout the year concurrently with spending of income. The plan would differ from the proposed withholding tax in three respects: (a) the time of collection would be concurrent with spending rather than receipt of income; (b) purchases rather than income in excess of specified exemptions would be the base against which the rate would be applied; and (c) "excess payments," payments in excess of the individual's income tax liability, would be refundable only after an indefinite period of time (or partially and indirectly through resale of stamps).

3. Compulsory Lending Features

Nominally the plan introduces compulsory lending. Actually, compulsory lending would be limited in amount, since, under the plan, it would be restricted to those "assessments" which could not be liquidated by payment of income tax or sales of stamps. To the extent that the plan would operate as a method of precollecting income tax, compulsory lending would not result.

B. Criticism of proposal

1. Undesirable Tax Features

As a tax the measure would impose an unfair burden on the lower income groups who would either carry the stamps and bonds to maturity with the consequent carrying loss or sell the stamps at a discount. In the latter case, the loss to the poor would finance a tax reduction for the well-to-do. The tax element involved for persons paying income tax would be insignificant, since they could unload their stamps or bonds quarterly at face value. Such a measure fails to meet the requirements of a sound tax. It would vary widely and erratically with factors affecting the stamp discount (e. g., the probable course and fortunes of the war). In addition to being uncertain, its incidence would be unfair and uneven in its application. Furthermore, the loss to sellers of stamps would not bring a corresponding gain to the Government (as would a forced loan without interest) since the discount would merely provide a tax reduction for certain income-tax payers.

2. Undesirable Character as a Withholding Device

The plan would be substantially less adequate, particularly for incomes of $5,000 to $10,000 and above, than the proposed withholding tax. Retail spending by persons in these income groups would tend to be less than the withholding tax base, namely, income in excess of specified exemptions. The plan would operate as a substitute for collection at source only for incomes above the income-tax exemption level. For those below this level, the plan would impose a net additional burden, and, in this respect, it would differ from a withholding tax.

3. Inadequacy as a Compulsory Lending Measure

The plan is inadequate in its compulsory lending features. It would involve no compulsory lending for persons paying income tax in excess of 10 percent of their retail spendings. For persons with lower income-tax liability, the transferability of stamps would provide an easy way substantially to avoid the curtailment of current consumption intended by the compulsory lending feature. Decreases in consumption imposed on the lower income groups because of losses on stamp sales would tend to be offset by gains in disposable income to those obtaining a tax reduction through purchase of the stamps at discount. The residue of compulsory lending not liquidated through tax payment credits probably would not be significant. Furthermore, the plan's limited requirements for compulsory lending would also tend to be compensated by decreases in voluntary saving. For example, those individuals favorably circumstanced because of tax-exempt income or imputed income (low money living costs, etc.), but having little or no income-tax liability, might reduce voluntary lending in such a way as to offset the compulsory lending.

In operation the proposal would have the serious political disadvantage of introducing the use of the term "compulsory lending" without compensating advantages. A subsequent plan with substantial compulsory lending as its main objective would have the political disadvantage of apparent duplication.

4. Transferability and Black-Market Dealings in Stamps

Under the plan, personal bonds would be registered and nonnegotiable. It appears, however, that the stamps would be negotiable. In any case it would be difficult if not

[1] It is not entirely clear what the scope of the "assessment" would be. Inclusion of some consumer services, such as repair, fabrication, and laundry services, would broaden the scope of the tax and lessen some administrative difficulties. Exclusion of casual sales, such as sales by farmers, would probably be necessary from an administrative standpoint, although some inequity and unfair competition might result. Since the plan is intended as a withholding and compulsory lending plan for individuals, sales of materials, industrial and agricultural machinery and equipment, fuel, supplies, and building materials to be used in production would probably be excluded. It would not be feasible to exclude all sales to businesses, however, since many articles are used for both production and consumption purposes, and final use cannot be determined at time of sale.

[2] The argument stated in the proposal, that the payment is not a tax, but an "assessment levied upon himself by each purchaser," presumably in view of the degree of option with respect to the amount of spending, cannot be given serious consideration.

[3] In case of stamp sales at discount, the loss to the seller would not bring a corresponding gain to the Government, and, therefore, these losses would not be in the nature of a tax.

impossible to prevent transfer of the stamps.[4] It would appear, therefore, that the nonnegotiable feature of the bonds is nullified to the extent that stamps are not exchanged for bonds.[5] Since the income-tax liability of the well to do probably would exceed considerably their own accumulations of stamps, they would have substantial incentive to enter the market for stamps offered by the poor. Since the stamps would be of no immediate value to the poor, many would be willing to sell them at a substantial discount in order to maintain their current consumption at as high a level as possible.

A market organization for dealings in stamps would arise. The present value of the stamps would tend to be the face value discounted. The period of time expected to elapse before refund would vary with the course and fortunes of war. Market discounts and quotations would reflect speculative opinion. Discount quotation would reveal to the taxpayer the present worth of his stamp and would indicate clearly how much of the 10 percent assessment actually was tax. The rich would buy the stamps at a discount and turn them over to the Government at face value. It would seem undesirable to base the incidence of taxes on war contingencies or link Government tax policy with this kind of speculative market.

C. Anti-inflationary effects

Some anti-inflationary effect would be obtained from the withholding features of the measure. Collection of payments at the time of spending of income would move income-tax collections forward in point of time. From the viewpoint of timing income-tax collections the plan would operate about the same as a withholding tax. Quantitatively, however, the anti-inflationary effect would depend on the adequacy of retail spendings as compared with income in excess of specified exemptions as a basis for a flat-rate collection. It appears that the measure would result in small, if not insignificant, additions to Government funds and the amount of net additional lending induced by the plan, if transfer of stamps is possible, would not significantly affect consumer spending.[6]

Since the amount of compulsory savings accumulated under the plan would be comparatively small,[7] the proposal would not create a significant backlog of consumer purchasing power to be released in the post-war period.[8]

D. Administrative difficulties

1. Problems of Interpretation

Especially because of the need for exemption of as many sales to business firms as possible, there would arise many questions of interpretation as to whether or not the assessment applies to particular sales. An administrative staff would be required to handle these problems.

2. Collection

In view of the large number of retailers involved, collectors' officers and post offices probably could not handle sales of the stamps to retailers without additions to personnel.

3. Administration

Efficient administration could not be obtained without field investigations and a certain amount of auditing of retailers' accounts. There are several sources of evasion unless the retailers are checked:

a. Many retailers would be making sales for which no stamps would be required, such as sales of materials used in production, sales to governments, sales less than 15 cents in amount, and sales of industrial and agricultural machinery, etc. It is likely that some retailers would fail to sell stamps in all cases of sales of assessable articles by indicating to consumers that certain sales were not subject to assessment.

b. Retailers could buy stamps back from their customers and resell them. Especially in the case of consumers having no income-tax obligations, the stamps would be worth considerably less than their face value and retailers would have little difficulty in reacquiring them. As indicated above, it would be virtually impossible to prevent transfer of stamps even if transference were made illegal.

c. In the case of small transactions, the value of the stamps would be so low that some consumers might not bother to take them. Retailers could reissue such stamps, or, realizing the attitude of the consumers in such cases, simply would not offer them unless the consumer asked for them.

d. In all cases a retailer stands to gain through increased sales if he fails to apply the "assessment," and the consumer stands to gain by paying less. There is thus always incentive present for both parties to a transaction to seek to avoid payment of the "assessment." Under such circumstances, it is inevitable that stamps will often not be sold, unless there is some means of checking on retailers' sales.

The larger retailers would not be likely to avoid sale of stamps. However, a very substantial number of small retailers probably would do so. The protests of the larger stores would undoubtedly bring demand for better enforcement to prevent evasion.

It is claimed that evasion would be prevented by giving consumers the right to sue retailers and thus obtain damages if the retailer did not require purchase of stamps. Such provisions are of very doubtful utility. The ordinary consumer would not take the trouble to sue, especially in the case of small neighborhood retailers. In many cases the consumer would have much more to gain over a period of time by avoiding payment of the assessment than by suing and drying up the source of assessment avoidance. In many cases it would be difficult to prove that stamps were not given.

The only satisfactory solution would be the establishment of audit of retailers' accounts to insure that retailers were selling stamps of proper amount in relation to total sales volume. By means of repurchase of stamps by retailers and failure of stores to require purchase of stamps could be fairly well eliminated. However, field and office forces necessary to accomplish effective enforcement apparently would need to be as large, if not larger, than those required for administration of a withholding tax.

4. Cost of Stamps

Considerable expense would be involved in printing, distributing, and collecting the tremendous number of stamps that would be necessary.

Mr. DANAHER. Interestingly enough, Mr. President, when the fact of our consideration of this proposal became bruited about various newspapers made reference to it. Within a very short time I received letters from persons in various parts of the country, each of whom assured me that he had devised this plan or a similar plan. To all such persons I send greetings. [Laughter.]

I claim no patent for this proposal. I disclaim any connivance or collusion with any such persons, either in the genesis or the development of the suggestion. I had never seen any such plan. So far as I am concerned, and so far as the subcommittee is concerned, the plan was born from the testimony and the points made by the experts who appeared before us.

I may add, Mr. President, that representatives of the Brookings Institution, appearing in their official capacity, were gracious and cooperative enough to analyze the proposal and to appear before the subcommittee and give it their endorsement. Furthermore, several of the Nation's leading economists have voiced their approval of the general idea.

Mr. President, I shall shortly conclude. One Senator has asked me to repeat the statement as to the time when the plan contemplates the bonds would be redeemable. Let me emphasize that they could be redeemable only in the post-war period, and only at such rate as the Government might deem advisable. They might be made redeemable at an annual rate of 10 percent, or, if we wished to take into account holders of the bonds in the low-income group, we could easily provide by regulation that bonds to the amount of $300, let us say, might be redeemed by an individual in a given year, and that not more than $500 could be redeemed in any one year. We could redeem the bonds under terms and conditions similar to those under which the receiver of a bank, who is liquidating the assets, finds it feasible and desirable, in furtherance of the plan, to pay dividends. It is not an unworkable plan; and at the same time it would constitute a governmentally regulated flow of the return of savings.

Mr. President, we cannot longer ignore the rate at which national and individual incomes are accumulating. On the morning when the full committee was to consider this very plan I had my radio turned on to the 7 o'clock news broadcast. I heard the Department of Commerce figures for July released over the air that very morning. I immediately sent for the Department's release, and discovered that it was dated for release on Friday morning, September 4, 1942. I found in it this statement:

> July's expanded flow of income payments when converted to an annual basis is equivalent to the record annual rate of $114,000,000,000, higher by nearly $2,000,000,000 than in June and substantially above the annual peaks of $92,100,000,000 reached in 1941 and $83,600,000,000 in 1929.

The Department's index for total income payments advanced from 166.8 in June to 169.2 in July. Mr. President, this figure was 61 percent higher than for the same month of the pre-war year 1939, and represented, in actual dollar income, the vast total of $9,383,000,000.

We must do something to meet the situation. That it would not be met adequately by the pending bill is apparent to those of us on the committee.

Mr. BROWN. Mr. President——

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[4] Some control of transfer could be imposed by a limitation on the amount of tax credit or refund available to a single individual at a given level of income.

[5] It may be impracticable administratively to require periodic exchanges of stamps for bonds.

[6] It is possible that the flat rate increase in current living costs due to losses from sales of stamps might necessitate wage-rate adjustments, at least for substandard groups, and thus tend to initiate further inflationary pressure.

[7] Most of the stamps and bonds would be currently liquidated in payment of income tax.

[8] Unless small annual accumulations during a very long war amounted to a substantial sum as compared with 1 year's income.

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Michigan?

Mr. DANAHER. Yes; I yield.

Mr. BROWN. What is the status of the plan? Is the Senator from Connecticut offering an amendment?

Mr. DANAHER. No. Let me say to the Senator from Michigan that a little earlier I had indicated that because the full committee had decided that all forms of compulsory savings should be made the basis of a special study, it seemed to me advisable that I defer action with reference to the matter until that time. I know that the Senator from Michigan has voiced to me personally his very real interest in the problem which I have tried to face; and yet I am not certain that without more thorough study the plan I have suggested should be integrated into the pending bill.

Mr. BROWN. I am very happy that the Senator takes that position. I believe that, of all the devices I have seen which have the purpose of reaching down into small incomes and providing a means of compulsory savings for people of small incomes, the plan of the Senator from Connecticut is the best. I think it is very ingenious; and I sincerely hope that the special committee to be created under the bill will thoroughly explore the plan which the Senator from Connecticut has devised.

Believing, as I do, in an extensive compulsory savings plan which would reach into the low-income groups, I have seen no plan suggested by the Treasury or anyone else which would do the job as efficiently and thoroughly as would the plan proposed by the Senator from Connecticut.

I hope that the Senator has done or will do two things with respect to his plan: First, cut out the $250 notch provision, which I think unduly complicates it.

Mr. DANAHER. Mr. President, will the Senator permit an interruption?

Mr. BROWN. I should like to say a further word.

Mr. DANAHER. Certainly; I am glad to have the Senator proceed.

Mr. BROWN. Second, I hope the Senator will amend the plan so as to permit the use of the savings stamps in the payment of income taxes.

Mr. DANAHER. Mr. President, not only do I very greatly relish and appreciate the endorsement of the Senator from Michigan, but as a result of my discussions with him I had adopted both those suggestions. As a matter of fact, although I had not yet discussed the first point here upon the floor, I had elaborated upon the second point. I thank the Senator very much.

Mr. President, briefly by way of conclusion, let me say that I have submitted the general idea to my colleagues and for the RECORD, in order that it may be available for their more considered study. I, too, am hopeful that as a result of this comment and discussion there will be further criticism from outside. It is only through criticism that we can test suggestions of this kind. Their impact on the economy is necessarily great. On that very ground I am reluctant to seek to integrate the idea into the pending bill without more thorough consideration. I believe it would work. I believe it would do everything that is claimed for it. I believe that the Treasury's analysis which I have put into the RECORD is quite answerable and readily to be refuted. I have not undertaken to go into a complete refutation of it at this time, believing that, in the main, the presentation will adequately submit for further consideration what we seek to do.

Mr. DOWNEY. Mr. President, I desire to impose upon the time of the Senate for a moment in order further to clear away the misunderstanding between the Senator from Ohio [Mr. TAFT] and myself in relation to the use of the words "exemption" and "exclusion." I used the word "exemption," as applied to certain portions of the national income, to apply to the condition of a married man with one child who had an income of, let us say, $1,400; and my statement would be that his exemption was what prevented him from paying any tax. I believe that what the Senator from Ohio meant was that the $1,400 was not an exemption, but an exclusion. I believe that technically he would be more nearly correct than I would be. However, in referring to the figures I received from one of the departments—figures which I previously quoted—I was using the word "exemption" in the sense I have already indicated.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. TAFT. I think the Senator is entirely correct. However, there are two groups. One is composed of the persons who make no returns by reason of the fact that their incomes fall below the exemption. I should refer to them as being excluded. In addition, there are the incomes belonging to those who make returns, but whose incomes, under the income-tax law, are exempt from taxation. The only point I was making is that the $36,000,000,000 figure used by the Senator from Connecticut, which gave rise to this controversy, is all excluded income, and if we are to count both that and the exempt income as exempt, under the House bill we should have to add about $28,000,000,000, so that there would be excluded and exempt from taxation about $64,000,000,000 out of $95,000,000,000.

The Senate bill would change that situation slightly before we get to the Victory tax. My estimate would be that the figures which the Senator has also seen show that under the Senate bill without the Victory tax probably $32,000,000,000 would be excluded, and probably about $26,000,000,000 would be exempt, so that under the Senate bill without the Victory tax there would be $58,000,000,000 which would be subject to no tax, and the entire burden of about $8,000,000,000 of taxation would fall on the $33,000,000,000, slightly more than one-third of the total national income.

With the Victory tax included, the figures are somewhat different. The taxation would be extended to approximately $11,000,000,000 more income than that which would be reached by the House bill, and I estimate that if the Victory tax provision is put in the bill there will be taxed about $42,000,000,000 of income out of $95,000,000,000, and $41,000,000,000 would be exempt, and about $12,000,000,000 would still be excluded. The effect of the Victory tax, of course, would be greatly to reduce the exclusion—from $36,000,000,000 to about $12,000,000,000—but the exemption would be increased because a large part of the income which would be brought in would be exempt under the $624 exemption.

So, with the Victory tax there would be taxed about $42,000,000,000 of income, and about $53,000,000,000 of income would be excluded and exempt.

I think those figures are approximately correct, and I accept the Senator's correction of the definitions which we were using before.

Mr. DOWNEY. Mr. President, I desire to make one further comment. Undoubtedly the figures of the Senator from Ohio are correct the way he has stated them and under his definition. Certainly it is a sad commentary, and one indicating how very low are the incomes received by most of the American people when it is pointed out that with an exclusion, if we want to use that term, from the income tax of $500 for an individual and with an exclusion of $1,200 for a married couple, comparatively so few people would be paying income taxes.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Georgia?

Mr. GEORGE. Mr. President, I desire to have the floor.

Mr. DANAHER. I desire to proceed for about 2 minutes, if I may have the forbearance of the Senator from Georgia.

As bearing upon the point of the colloquy between the Senator from California and the Senator from Ohio, and also in support of what I personally had earlier urged, which gave rise to their discussion, I think I should make readily available some excerpts from the testimony of Dr. Charles O. Hardy, of the Brookings Institution. He appeared in connection with the hearings on the plan I have been discussing. I shall read from page 104 of the confidential committee print—which is no longer confidential, by the way—of a hearing before the subcommittee of the Committee on Finance, held on August 21 and 22:

Senator CLARK. Of course, you withhold not only from taxpayers but nontaxpayers.

Mr. HARDY. Yes. To my mind that is the great argument in favor either of this plan or of a straight sales tax, that the income tax misses, and particularly the withholding feature misses a considerable fraction of consuming power in the country. I think this point is frequently overlooked and greatly underestimated, and that is the people who are living off capital rather than off current income. It is often assumed that that consists of just a few very rich people. It is not just a few very rich people. If you are very rich you can live off the income of your capital, but then there are people who have retired, who are living off of their lifetime savings, who may show an income of $5,000, but who are spending several hundred thousands of dollars a year because they have saved a good many years to provide for their expenditures.

Then you have the people who are living off the proceeds of insurance policies, people who are unemployed but who are well enough fixed so they do not worry about it, about being unemployed, and that group is totally exempt under any such income-tax scheme,

whether it is levied at the source or levied in the usual way. That does not make a great deal of difference under ordinary peacetime conditions, but it makes a great deal of difference when we consider groups that receive half the national income, because we are reaching the point where the curtailment of somebody's consumption has to be very marked. Whether we do it by taxation, or whether we postpone the power to consume is much less important than the importance of spreading it so that no considerable group is exempt from it. I think the great advantage of this plan and the ordinary sales-tax plan over the plan we use today is that there is nobody of consumptive ability that is exempt from it. Maybe you do want to exempt a certain amount of consumptive ability namely, that at the very bottom. That is where my coupon plan was intended to meet the objection to the sales tax.

Senator DANAHER. Will you suspend for just a minute?

I want to hear this. Senator BARKLEY is calling me. I will be right back.

Mr. HARDY. Yes.

(Short intermission.)

Senator CLARK. All right, Doctor, you may proceed.

Mr. HARDY. To close the point I was making in regard to the advantage of assessing the tax or loan, whatever you use, assessing it on the basis of consumption, I point out that there are certain people living off of capital. You also have to account for the fact that there are a good many people who, in a given year, show losses, capital losses that wipe out their tax liability and who, nevertheless, may be maintaining their ordinary standards of living out of capital. I made some study of the incomes of people who report losses and it would appear that on the average people who have negative income for tax purposes but have to report, with gross incomes large enough so they have to report, probably have $20,000 or $30,000 normal income just on the basis of the proportion of rent and dividends, and other types of income in the gross.

You also have got the case of farmers whom it is notoriously difficult to reach on income taxes, unless they are very well-to-do farmers, or the small businessman whose bookkeeping methods and the difficulties of auditing them on the part of the Treasury are such that he may be paying very much less than his income justifies, along with the notorious difficulty of reaching skilled labor if it changes jobs often enough so as not to appear in forms reported to the Treasury. You have got a big class of consumption here, I should say half of the consumption of a normal year that is not reached by income tax with an exemption of $1,500.

The thing may be summed up in saying the purpose of your fiscal system is directly to regulate, curtail, or restrict consumption. The logic that is in favor of it relates directly to the consumers' expenditures rather than indirectly to the income which throws light on his ability to consume and not on his actual consumption. I think it is all in favor of the retail sales as a basis of assessment, whether you use it in your form or the tax form.

Mr. GEORGE. Mr. President, I hope we may now have a vote on the amendment offered by the Senator from California to the committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. DOWNEY] to the amendment reported by the committee beginning at the top of page 298.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment reported by the committee.

The amendment was agreed to.

Mr. GEORGE. Mr. President, I send to the desk, for the purpose of having printed, an amendment which was ordered presented by the committee and call the attention of the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from Massachusetts [Mr. LODGE], and the Senator from Missouri [Mr. CLARK] to it. The purpose is merely to have the amendment printed at this time.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. GEORGE. Mr. President, the next amendment is on page 209. The amendment was passed over yesterday. The senior Senator from Maryland desires to present an amendment to it. The Senator from Michigan [Mr. BROWN] is also interested in the amendment. I do not desire to dispose of the amendment in the absence of the Senators mentioned.

The next amendment passed over is on page 339, relating to specific exemptions for excess-profits taxes.

The PRESIDING OFFICER. The Chair is advised that there is an amendment on page 338, beginning in line 21, which was passed over. Without objection, the amendment will be stated.

The CHIEF CLERK. On page 338, after line 20, it is proposed to insert the following:

SEC. 203. Certain fiscal year taxpayers.

(a) Computation of tax for year ending in 1942: Section 710 (a) (relating to imposition of excess-profits tax) is amended by inserting at the end thereof the following new paragraph:

"(3) Taxable years beginning in 1941 and ending after June 30, 1942: In the case of a taxable year beginning in 1941 and ending after June 30, 1942, the tax shall be an amount equal to the sum of—

"(A) That portion of a tentative tax under this subchapter, computed without regard to section 203 of the Revenue Act of 1942, which the number of days in such taxable year before July 1, 1942, bears to the total number of days in such taxable year, plus

"(B) That portion of a tentative tax under this subchapter, computed as if the amendments made by sections 105 (c), 105 (d), 202, and 205 of the Revenue Act of 1942 were applicable to such taxable year, which the number of days in such taxable year after June 30, 1942, bears to the total number of days in such taxable year."

(b) Taxable years to which amendment applicable: The amendment made by this section shall be applicable to taxable years beginning in 1941 and ending after June 30, 1942.

The amendment was agreed to.

Mr. GEORGE. I will call up the amendments in the order in which they have been passed over and ask that they be disposed of. The next one passed over, as I understand, is on page 339 after line 20, relating to specific exemptions under the excess-profits tax.

Mr. McNARY. Mr. President, a word of inquiry. Who caused the amendment to go over?

Mr. GEORGE. I do not recall.

The PRESIDING OFFICER. The Chair is advised that it was passed over at the request of the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. TAFT. Mr. President, the Senator from Wisconsin made objection, and I think that the amendment ought not to be acted upon in his absence.

Mr. GEORGE. I will recur, then, to the amendment on page 209, as the Senator from Maryland [Mr. TYDINGS] has come into the Chamber.

Mr. TYDINGS. Mr. President, I should like to modify my amendment. The modification I have worked out with the Treasury experts and with the Senator from Michigan [Mr. BROWN], who is chairman of the subcommittee in charge of pension legislation in this bill, but who is not at the moment on the floor. A part of the modification I shall be glad to accept; the other part I should prefer not to accept. The modification which I will be glad to have incorporated in the original committee amendment reads as follows:

On page 2, line 2, after the word "evasion", insert the words "and is not discriminatory in favor of executive or highly compensated employees"; and in line 3 to strike out "person who" and insert "corporation which."

Mr. McNARY. Let us have a quorum call and bring in the Senator from Michigan and the Senator from Wisconsin.

Mr. TYDINGS. The Senator from Michigan told me that if I would offer the amendment as I have offered it, it would be satisfactory to him, provided that certain words were added—after the word "plan", on line 4, page 2, to add the words "and are a majority of the employees of such corporation." It comes at the end of section 165 (d).

Mr. GEORGE. The committee amendment in question appears on page 209.

Mr. TYDINGS. It is on page 209 of the bill now before the Senate. In line 16 there is a subsection entitled "Taxable years to which amendments applicable."

Mr. GEORGE. Mr. President, a subcommittee was appointed to handle the entire question of pension trusts, and the able Senator from Michigan [Mr. BROWN] is the chairman of that subcommittee. I understand he is willing to accept a modified amendment offered by the Senator from Maryland [Mr. TYDINGS], with the amendment which I now present: Before the semicolon, on page 2, line 4, after the word "plan", to insert "and are a majority of the employees of such corporation." I offer that amendment, and ask for a vote upon it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia to the amendment offered by the Senator from Maryland as modified. [Putting the question.] The ayes seem to have it.

Mr. TYDINGS. Mr. President, I ask for a division.

On a division, the amendment to the amendment was agreed to.

Mr. GEORGE. Mr. President, the amendment as modified and as amended is agreeable, and, so far as the chairman of the Finance Committee is concerned,

and so far as the chairman of the subcommittee is concerned, it may be agreed to.

The amendment as modified and as amended was agreed to.

Mr. TYDINGS. Mr. President, I can well appreciate why the Senator from Georgia, who is in charge of the bill, and the Senator from Michigan, who was in charge of this particular section when it was under consideration, might wish the language to be adopted which was offered by the Senator from Georgia on behalf of the Senator from Michigan. However, it is my hope that when the matter is again considered in conference, the language offered by the Senator from Georgia may be somewhat tempered. Whenever a pension plan set up years ago for employees can be demonstrated to be what its name implies, a pension plan, and that, to the extent to which it applies it is fair and just, it ought not to be ruled out on a technicality. I am, therefore, hopeful that when the matter is considered in conference the language which has been inserted by the Senator from Georgia may be so modified that bona fide pension plans will not be taxed. I know it to be the philosophy of the committee not to tax them, but I am fearful that the language which has been adopted goes too far, and that some plans will be taxed which ought not to be taxed.

Mr. BROWN. Mr. President, I ask unanimous consent that a statement explaining the Finance Committee's action with respect to pension trusts be inserted at the point in the RECORD where the committee amendment was adopted.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Section 164 of the bill relating to pension trusts and other retirement plans, as reported by your committee, corresponds to section 144 of the bill as it passed the House. A detailed explanation of the committee amendments is set out on pages 136–142 of the committee report. However, as this section is technical in its nature, a few words by way of summary of the abuses under the existing law and the purposes of the amendments appear appropriate.

Under the existing law, a pension, stock bonus, or profit-sharing trust may be set up by an employer for the benefit of some or all of his employees. There has been considerable litigation as to what is meant by "some" employees. It has been contended that such a trust may be created to benefit only the officers and other highly paid employees. If that is the correct construction of the existing law, it is possible for an employer to secure large deductions in his income-tax return for the amount he has contributed to such trusts, while the favored employees will not be taxable upon such amounts until they actually receive the same, generally after retirement when they are not subject to the high-income tax brackets. Moreover, the income accruing from investments by the trust will not be taxable to the trust and will not be includible in the employees' income until received by the employees. As consideration for permitting this tax advantage to the employees accompanied with the loss of current revenue to the Government, Congress is entitled to require that the employees' trust shall be set up to benefit employees in general, and not a few favored employees. A trust which is intended to provide reasonable retirement benefits for employees and to permit the employees to share in the profits of the business is worthy of encouragement only so long as it is not used as a means of tax avoidance for the highly paid employees, and the employees in general benefit from such retirement plan. The bill, therefore, contains certain provisions with respect to coverage and discriminations in contributions and benefits with respect to the employees covered by the plan.

It is realized that in many cases it is not only neither possible nor desirable for an employer to set up a trust to cover substantially all or even a large percentage of his employees. The social-security laws provide benefits geared to wages not exceeding $3,000 a year. The employer may find it desirable to supplement these benefits for those employees who receive more than $3,000 a year. In a particular case, the employer may for financial or other good reasons find it desirable to limit the retirement benefits to the employees in a particular branch of his business, or only to his permanent salaried employees. Your committee has so amended the bill that such limited coverage shall not deprive a pension or profit-sharing plan from the tax advantages accorded under the law to an exempt trust, if the Commissioner of Internal Revenue finds that the plan's eligibility conditions, benefits, and contributions do not discriminate in favor of employees who are officers, shareholders, persons whose principal duties consist in supervising the work of other employees, or highly compensated employees.

Your committee has made certain changes in the bill with respect to maximum amounts allowable to an employer as deductions under a nondiscriminatory pension plan. The bill has been amended so as to permit amounts to be deductible in accordance with sound actuarial calculations.

The existing law, while placing certain limitations on the maximum amounts deductible with respect to contributions made to a pension trust, does not have any limitations on the amounts deductible in the case where an employer instead of making a contribution to a pension trust purchases annuity contracts from an insurance company for the benefit of some of his employees, except the general limitation that an amount to be deductible must not exceed, when added to other compensation received by the employee beneficiaries, a reasonable amount for services rendered by such employees during their total period of employment.

In the case of an employee who has been employed for many years, perhaps 20 or 30 years, it is difficult to deny a deduction, even though the whole cost of the pension is incurred in 1 year. The existing law makes it advantageous to an employer in a prosperous year, when he is subject to high income and excess-profits taxes, to provide pension benefits by way of annuities for his favored employees in that year. The House bill and the bill as reported by your committee imposes the same restrictions as to amounts deductible in any one year whether the pensions are provided through contributions to a pension trust or through the purchase of annuity contracts. Thus, in all cases the cost of such retirement benefits must be spread over a period of years.

Under the existing law, there is similarly no limit to the percentage of profits that may be contributed to a profit-sharing trust in any one year and deductions taken accordingly. Thus, profits may be reduced very materially and income and excess-profits taxes correspondingly reduced by an employer making large contributions in a prosperous year to a profit-sharing trust which may be set up for the benefit of only a few favored employees. This abuse has been corrected by both placing reasonable limitations upon the percentage of the profits that may be deductible in any one year on account of such contributions and by requiring the profit-sharing trust to meet the requirements of a pension trust relating to broad coverage of employees and freedom from discrimination in contributions or benefits in favor of officers, supervising employees, and the highly paid employees.

In order to make certain that tax advantages will not accrue either to an employer or an employee under a pension or other retirement plan, or a profit-sharing or stock bonus trust that discriminates in its eligibility conditions, benefits, or contributions in favor of employees who are officers, shareholders, supervising employees, or highly compensated employees, the bill, as reported by your committee, disallows any deduction for amounts contributed to any such trust or to purchase any such annuity unless the employee's rights are nonforfeitable at the time the contribution or payment is made. If such rights are nonforfeitable at such time, an employer is allowed a deduction for the full amount of his contribution or payment, if it is otherwise deductible under section 23 (a), relating to ordinary and necessary expenses, and the employee is required to include such amounts in his income in the year in which the contribution or payment is made by the employer.

In order to afford ample time for trusts and retirement plans to conform to the standards set up in the bill with respect to coverage and nondiscriminatory contributions and benefits, the bill, as amended by your committee, affords existing trusts and plans and those that may be set up in the future until December 31, 1943, within which to meet such requirements. However, trusts and plans not in effect on September 1, 1942, will be subject to the limitations with respect to deductions for the taxable year 1942 as set out in the bill. It is provided, however, that in the case of any trust or plan in effect September 1, 1942, an employer will be allowed deductions for all amounts contributed or paid under such trust prior to September 1, 1942, to the extent allowable under the existing law. Amounts paid after that date will be subject to the limitations as set out in the bill.

Mr. GEORGE. Mr. President, I ask that the next amendment passed over be considered. The Senator from Wisconsin [Mr. LA FOLLETTE] stated that in view of the vote on other features of the corporation tax, he would not press his amendment. It was simply a part of the general program which he proposed with respect to corporate taxes.

Mr. MCNARY. Mr. President, I asked one of the pages to notify the able Senator from Wisconsin that the amendment was about to be considered, and he came upon the floor, and then left. Did the able Senator from Georgia consult with him while he was here?

Mr. GEORGE. Yes; and he said he did not desire to object to this particular section inasmuch as a vote had been taken on the proposal affecting corporation taxes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 338, beginning in line 21.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee passed over.

The CHIEF CLERK. On page 352, beginning with line 1, it is proposed to insert the following:

SEC. 209. Nontaxable income from exempt excess output of mining and from bonus income of mines, etc.

(a) Income credit: Section 711 (a) (1) (relating to excess credit computed under income

credit) is amended by inserting at the end thereof the following new subparagraph:

"(I) Nontaxable income of certain industries with depletable resources: In the case of a producer of minerals, as defined in section 735, there shall be excluded nontaxable income from exempt excess output of mines and nontaxable bonus income provided in section 736."

(b) Invested capital credit: Section 711 (a) (2) (relating to excess-profits credit computed under invested-capital credit) is amended by inserting at the end thereof the following new subparagraph:

"(K) Nontaxable income of certain industries with depletable resources: In the case of a producer of minerals, as defined in section 735, there shall be excluded nontaxable income from exempt excess output of mines and nontaxable bonus income provided in section 736."

(c) Nontaxable income: Subchapter E of chapter 2 is amended by inserting after section 734 the following new section:

"SEC. 735. Nontaxable income from certain mining operations.

"(a) Definitions: For the purposes of this section, section 711 (a) (1) (I), and section 711 (a) (2) (K)—

"(1) Excess output: The term 'excess output' means the excess of the units of metal, coal, or nonmetallic substance in the minerals recovered from the operation of a mineral property for the taxable year over the normal output from such property.

"(2) Normal output: The term 'normal output' means the average annual units of metal, coal, or nonmetallic substance in the minerals recovered from the operation of a mineral property in the taxable years beginning after December 31, 1935, and not beginning after December 31, 1939, of the person owning such property (whether or not the taxpayer) (hereinafter called 'base period'). The average annual units of metal, coal, or nonmetallic substance recovered shall be computed by dividing the aggregate of the units recovered during the base period by the number of months for which the property was in operation during the base period and by multiplying the amount so ascertained by 12. Any property which was in operation for less than 6 months during the base period shall, for the purposes of this section, be deemed not to have been in operation during the base period.

"(3) Mineral property: The term 'mineral property' means a mineral deposit, the development and plant necessary for the extraction of the deposit, and so much of the surface of the land as is necessary for purposes of such extraction.

"(4) Minerals: The term 'minerals' means ores of the metals, coal, and such nonmetallic substances as abrasives, asbestos, asphaltum, barytes, borax, building stone, cement rock, clay, crushed stone, feldspar, fluorspar, fuller's earth, graphite, gravel, gypsum, limestone, magnesite, marl, mica, mineral pigments, peat, potash, precious stones, refractories, rock phosphate, salt, sand, silica, slate, soapstone, soda, sulfur, and talc.

"(5) Normal unit profit: The term 'normal unit profit' means the average profit for the base period per unit of metal, coal, or nonmetallic substance in the minerals recovered from the mineral property during such period, determined by dividing the net income with respect to minerals recovered from the mineral property (computed with the allowance for depletion computed in accordance with the basis for depletion applicable to the current taxable year) during the base period by the number of units of metal, coal, or nonmetallic substance in the minerals recovered from such property during the base period.

"(6) Estimated recoverable units: The term 'estimated recoverable units' means the estimated number of units of metal, coal, or nonmetallic substances in the estimated recoverable minerals from the mineral property at the end of the taxable year plus the excess output for such year. All estimates shall be subject to the approval of the Commissioner, the determinations of whom, for the purposes of this section, shall be final and conclusive.

"(7) Exempt excess output: The term 'exempt excess output' for any taxable year means a number of units equal to the following percentages of the excess output for such year:

"100 percent if the excess output exceeds 50 percent of the estimated recoverable units;

"95 percent if the excess output exceeds 33⅓ but not 50 percent of the estimated recoverable units;

"90 percent if the excess output exceeds 25 but not 33⅓ percent of the estimated recoverable units;

"85 percent if the excess output exceeds 20 but not 25 percent of the estimated recoverable units;

"80 percent if the excess output exceeds 16⅔ but not 20 percent of the estimated recoverable units;

"60 percent if the excess output exceeds 14⅔ but not 16⅔ percent of the estimated recoverable units;

"40 percent if the excess output exceeds 12½ but not 14⅔ percent of the estimated recoverable units;

"30 percent if the excess output exceeds 10 but not 12½ percent of the estimated recoverable units;

"20 percent if the excess output exceeds 5 but not 10 percent of the estimated recoverable units.

"(b) Nontaxable income from exempt excess output: For any taxable year for which the excess output of mineral property which was in operation during the base period exceeds 5 percent of the estimated recoverable units from such property, the nontaxable income from exempt excess output for such year shall be an amount equal to the exempt excess output for such year multiplied by the normal unit profit, but such amount shall not exceed the net income (computed with the allowance for depletion) attributable to the excess output for such year. For any taxable year, the nontaxable income from exempt excess output of a coal mine or an iron mine which was in operation during the base period shall be an amount equal to the excess output of such coal mine or iron mine for such year multiplied by one-half of the unit net income from such mine for such year; and for such purpose 'unit net income' means the amount ascertained by dividing the net income from the coal or iron recovered from the mine during the taxable year by the number of units of coal or iron recovered from such mine in such taxable year.

"(c) Nontaxable bonus income: The term 'nontaxable bonus income' means the amount of the income derived from bonus payments made by any agency of the United States Government on account of the production in excess of a specified quota of a mineral product the exhaustion of which gives rise to an allowance for depletion under section 23 (m), but such amount shall not exceed the net income attributable to the output in excess of such quota.

"(d) Rule in case income from excess output includes bonus payment: In any case in which the income attributable to the excess output includes bonus payments (as provided in subsection (c)), the taxpayer may elect, under regulations prescribed by the Commissioner with the approval of the Secretary, to receive either the benefits of subsection (b) or subsection (c) with respect to such income as is attributable to excess output above the specified quota."

(d) Retroactive exclusion of nontaxable bonus income: The amendments made by this section inserting section 711 (a) (1) (H), section 711 (a) (2) (K), and section 735 (c), to the extent that they relate to nontaxable bonus income, shall be applicable to taxable years beginning after December 31, 1940.

SEC. 210. Credit for dividends received in computation of excess-profits net income in connection with invested capital credit.

(a) Section 711 (a) (2) (A) is amended to read as follows:

"(A) Dividends received: The credit for dividends received shall apply, without limitation, to all dividends on stock of all corporations, except that no credit for dividends received shall be allowed with respect to dividends (actual or constructive) on stock of foreign personal holding companies or dividends on stock which is not a capital asset."

(b) The amendment made by subsection (a) shall be effective as of the date of enactment of the Excess Profits Tax Act of 1940.

Mr. McNARY. Mr. President, I thought the Chair had reference to an amendment which I proposed some days ago.

The PRESIDING OFFICER. The Senator from Oregon asked that the amendment go over, did he not?

Mr. McNARY. Have we reached that point in the bill where it will be appropriate to offer an amendment?

The PRESIDING OFFICER. That point has been reached.

Mr. McNARY. Mr. President, the amendment I wish to propose would give to timber the same exemptions, in the case of the excess-profits tax, that is given to coal and other minerals.

Mr. GEORGE. Does the Senator object to having his amendment stated?

Mr. McNARY. No; I should be very glad to have it stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. In the committee amendment on page 352 it is proposed to amend section 209, subsections (a) and (b), by adding to the proposed new subparagraphs (i) and (k), respectively, the following:

In the case of a producer of logs, or a producer of lumber, from timber owned by him, there shall be excluded from his income for the taxable year at his option, either (1) that part thereof attributable to the excess of production of logs over a quota based upon past production to be fixed by the War Production Board, or other governmental agency, or (2) income derived from bonus payments made to him by any agency of the United States Government on account of log production.

Mr. McNARY. Mr. President, a few days ago I presented this amendment to the able Senator in charge of the bill, and I rather gleaned from the observation made that he would probably be satisfied to take the amendment to conference. If he is still in that frame of mind, I shall not address myself to the Senate; otherwise, I shall be compelled to do so, and to ask for a vote in the usual fashion.

Mr. GEORGE. Mr. President, there is one other like amendment, I think, perhaps, one to be presented by the Senator from Tennessee, and perhaps another by the Senator from New Mexico. I should be inclined to accept the amendment for the purpose of taking it to conference, and going carefully into the question. I suggest that we pass it over temporarily,

to permit me an opportunity of ascertaining whether the other amendments which Senators desire to offer are to be offered to this particular section.

Mr. McNARY. I should be very happy to accommodate the Senator, but I should like to dispose of it today.

Mr. GEORGE. I shall be very glad to call it up again, if the Senator pleases to give it that course. I am inclined to repeat at this time what I stated to the Senator yesterday, that I will take it to conference, where the matter can be examined into a little more carefully.

Mr. McNARY. Very well; I shall be pleased to accommodate the Senator in charge of the bill, provided it is called up today. I want to have it disposed of.

Mr. GEORGE. It will be called up again today.

The PRESIDING OFFICER. Without objection, the amendment will be temporarily passed over, and the Clerk will state the next amendment of the committee passed over.

The CHIEF CLERK. On page 370, after line 4, it is proposed to insert a new section, to be known as section 220.

Mr. VANDENBERG. Who objected and asked to have the amendment passed over?

The PRESIDING OFFICER. The Chair is advised that the Senator from Maine [Mr. BREWSTER] asked that it go over.

Mr. BREWSTER. I have no further objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee passed over.

The CHIEF CLERK. On page 389, after line 16, it is proposed to insert the following:

(b) Election on long-term contracts: In the case of any taxpayer computing income from contracts the performance of which requires more than 12 months, if it is abnormal for the taxpayer to derive income of such class, or, if the taxpayer normally derives income of such class but the amount of such income of such class includible in the gross income of the taxable year is in excess of 125 percent of the average amount of the gross income of the same class for the 4 previous taxable years, or, if the taxpayer was not in existence for 4 previous taxable years, the taxable years during which the taxpayer was in existence, it may elect, in its return for such taxable year for the purposes of this subchapter to compute, in accordance with regulations prescribed by the Commissioner with the approval of the Secretary, such income upon the percentage of completion method of accounting. Such election shall be irrevocable when once made and shall apply to all other contracts the performance of which requires more than 12 months. The net income of the taxpayer for each year prior to that with respect to which the election is made shall be adjusted for the purposes of this subchapter to conform to such election. Income described in this subsection shall not be considered abnormal income under section 721.

The PRESIDING OFFICER. The senior Senator from Maine [Mr. WHITE] asked that this amendment be temporarily passed over.

Mr. BREWSTER. I have no objection to the present consideration of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee passed over.

The CHIEF CLERK. On page 443, beginning at line 4, it is proposed to insert "Part II—Post-war refund of excess-profits tax."

Mr. GEORGE. Mr. President, I desire to offer an amendment to this section, and I send it to the desk to be stated.

The PRESIDING OFFICER. The clerk will state the proposed amendment.

The CHIEF CLERK. It is proposed to amend the committee amendment by striking out the second sentence of subdivision (c) of section 780 and inserting in lieu thereof the following:

Such bonds shall bear no interest, shall be nonnegotiable, and shall not be transferable by sale, exchange, assignment, pledge, hypothecation, or otherwise, on or before the date of cessation of hostilities in the present war, but after said date, such bonds shall be negotiable, and may be sold, exchanged, pledged, assigned, hypothecated, or otherwise transferred, without restriction, and shall be redeemable (at the option of the United States) in whole or in part upon 3 months' notice.

Mr. GEORGE. Mr. President, in connection with this proposal I wish to make a statement.

As the amendment is written in the bill, there is no provision making the bonds which are taken up by the taxpayer negotiable or assignable after the cessation of hostilities. The bonds are, of course, nontransferable, they are nonassignable, and they will not bear interest until the cessation of hostilities. But, I think, unquestionably the bonds should be made assignable after the end of the war, and I am offering the amendment so that it may go to conference without any question arising as to whether or not that particular question is in conference.

The only new feature added is the language which makes the bonds assignable after the cessation of hostilities. There is now some objection to the amendment, as I understand, but I think it was the clear understanding of the Finance Committee when this provision was approved that after the cessation of hostilities, when the taxpayers would so much need these bonds, they would then be assignable at least, although they do not bear interest.

I ask for the adoption of the amendment to the committee amendment in order that the question may be clearly in conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The requestion recurs on agreeing to the committee amendment, as amended.

Mr. TAFT. Mr. President, I ask the Senator from Georgia whether any amendment has been prepared to take care of the situation of those fiscal-year taxpayers who have to pay the higher rate after the 1st of July?

Mr. GEORGE. There has been an amendment prepared, which I understand is agreeable to the committee.

Mr. TAFT. I wonder whether that amendment should be acted upon before the committee amendment is approved.

Mr. GEORGE. The Senator from Michigan [Mr. BROWN] was to offer that amendment to the committee amendment, but I have a copy of it available and shall offer it now. I ask that the amendment may be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 443, in line 13, it is proposed to strike out "beginning" and to insert "ending", and in line 17, after the word "year" and the period, it is proposed to insert "In the case of a taxpayer whose tax is computed under section 108 the term 'tax imposed under this subchapter' means for the purposes of this part the amount ascertained under section 108 (a) (1) (B)".

Mr. GEORGE. Mr. President, I will state that the whole purpose of the amendment is to allow the post-war credit to those corporations paying excess-profits taxes on the portion of the fiscal year which falls within the current year 1942, and therefore which pay at the higher rate during so much of the fiscal year as falls within this year.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia on behalf of the Senator from Michigan [Mr. BROWN] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. BROWN subsequently said: Mr. President, I ask unanimous consent that a short explanation I have had prepared of the amendment which the Senator from Georgia [Mr. GEORGE] offered in my behalf earlier in the day when I was at lunch, be inserted at the point in the RECORD where the amendment was adopted.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF THE AMENDMENT TO SECTION 250 OF SENATE BILL

The purpose of this amendment is to provide that corporations now filing tax returns on a fiscal year basis will be permitted to secure a post-war credit on the additional excess-profits taxes imposed under this proposed act. Without this clarifying amendment calendar year corporations will receive a post-war credit equivalent to 10 percent of their excess-profits taxes, but fiscal year corporations would not receive any post-war credit until the termination of their first taxable year "beginning after December 31, 1941." I believe that these fiscal year corporations, since they are required by this bill to pay excess-profits taxes on 1942 rates for that part of their fiscal year falling after July 1, 1942, should be permitted a post-war credit for that portion of their taxes which is subject to those 1942 rates. This amendment will be effective only upon that portion of the fiscal year following July 1, 1942. For all fiscal years beginning after December 31,

1941, the provisions of the present committee amendment would be effective and fiscal year corporations would receive the post-war credit provided for in section 250 of this bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

Mr. LA FOLLETTE. Mr. President, I wish to make a brief statement. I asked that a number of these amendments be passed over, because they involve the plan for corporate taxation which I hoped to have an opportunity to develop. These amendments in the latter part of the bill were related to that corporate taxation plan. The Senate having rolled the main part of the plan in the dust by a tremendous and overwhelming majority, I see no point in pressing any of the other of the proposals. I merely wish to say as to this particular amendment, that it was passed over because I planned to provide for a post-war credit not only for the corporations which pay excess-profits taxes, but for those which pay normal and surplus taxes as well.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

Mr. HILL. Mr. President, I understand the Senate passed over the committee amendment on page 394, line 3, "Section 225. Exemption from tax of mining of certain strategic minerals." Was that amendment passed over?

The PRESIDING OFFICER. That amendment was not passed over.

Mr. HILL. It is my desire to offer an amendment to that amendment.

Mr. GEORGE. Mr. President, will the Senator be good enough to withhold his request until a later hour today?

Mr. HILL. Certainly, I shall be delighted to do so.

Mr. GEORGE. The Senator from Alabama spoke to me about the amendment, and it will be agreeable to me to reopen section 225 and have the amendment considered, but at this time I should like to have the request withheld.

Mr. President, the Senator from Missouri [Mr. CLARK] desires to offer an amendment to a committee amendment previously agreed to. I ask unanimous consent that the vote by which the committee amendent, beginning in line 17, page 520, and ending in line 4, on page 523, was agreed to be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote by which the amendment was agreed to is reconsidered.

Mr. CLARK of Missouri. Mr. President, my amendment is to strike out the language on page 522 beginning in line 8 and ending in line 16, as follows:

(C) The Soldiers' and Sailors' Civil Relief Act of 1940, as amended, is amended by adding at the end thereof the following new section:

"SEC. 701. Notwithstanding any other provision of this act, any application to a court for relief under this act in respect of any tax (including any interest, penalty, additional amount, or addition to the tax) imposed by the United States may be made only to a court of competent jurisdiction of the United States."

That requirement simply makes it more stringent for relief under the provisions of the Soldiers' and Sailors' Relief Act of 1940, and requires the soldier, or the sailor, as the case may be, to go into Federal court to get relief. The original provision allowed them to go into any court. It seems to me that if a person is entitled to relief at all, to change the law and require one in the service to go into the Federal court is an added burden which is unjustified.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. CLARK] to the committee amendment.

Mr. GEORGE. Mr. President, the effect of the Senator's amendment would be to permit the soldier or sailor to go into a State court as well as into a Federal court. That amendment was brought up in committee. I believe the committee acted adversely upon the amendment, but the Senator from Missouri gave notice that he would bring the matter to the floor. I am ready for the vote to be taken on the amendment which the Senator has offered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. GEORGE. The next committee amendment passed over is on page 534, line 6, "Section 512. Abolition of board of review and transfer of jurisdiction to board of tax appeals." The Senator from Louisiana [Mr. OVERTON] asked that the amendment go over when it was originally reached. I do not think we should dispose of it in his absence, so I ask that it be passed over for the time being.

The PRESIDING OFFICER. Without objection, the amendment will be temporarily passed over.

Mr. GEORGE. The next committee amendment passed over is the amendment on page 541, line 3. I ask that it be again passed over for the time being.

Mr. BARKLEY. Mr. President, I am in the process of preparing a substitute for that amendment which I wanted to submit to the Senator from Georgia before offering it, in the hope that he might accept it. I do not have it quite ready as yet.

Mr. GEORGE. That is why I asked that the amendment be passed over temporarily.

The PRESIDING OFFICER. Without objection, the amendment on page 541, line 3, will be passed over temporarily.

Mr. GEORGE. The next committee amendment passed over is on page 549, beginning in line 19.

Mr. VANDENBERG. That amendment was passed over at the suggestion of the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. GEORGE. Yes; the Senator from Wisconsin asked that it go over.

Mr. VANDENBERG. The Senator from New Jersey [Mr. BARBOUR] is interested in it also.

Mr. GEORGE. Mr. President, the Senator from Louisiana [Mr. OVERTON] has just returned to the Senate Chamber. I ask to recur to the amendment on page 534, beginning in line 6.

The PRESIDING OFFICER. The committee amendment will be stated.

The CHIEF CLERK. On page 534, beginning in line 6, it is proposed to insert:

SEC. 512. Abolition of Board of Review and Transfer of Jurisdiction to Board of Tax Appeals.

(a) Effective as of the close of business on December 31, 1942, the Board of Review, established under section 906 (b) of the Revenue Act of 1936, is hereby abolished and the jurisdiction vested in said Board of Review is hereby transferred to and vested in the Board of Tax Appeals.

(b) Section 906 (b) of the Revenue Act of 1936 is amended to read as follows:

"(b) The Board shall have jurisdiction in proceedings under this section to review the allowance or disallowance of the Commissioner of a claim for refund, and to determine the amount of refund due any claimant with respect to such claim. The Commissioner shall make refund of any such amount determined by a decision of the Board which has become final."

(c) All proceedings pending in the said Board of Review on December 31, 1942, shall be deemed pending in and be transferred forthwith to the Board of Tax Appeals, and shall be proceeded with and disposed of by the Board of Tax Appeals as if originally begun therein.

(d) All journals, dockets, books, files, records, and property, including office equipment of the said Board of Review, shall be transferred to the Board of Tax Appeals.

(e) Section 902 of the Revenue Act of 1936 (relating to conditions on allowance of refunds) is amended by striking out "Board of Review" and inserting in lieu thereof "Board of Tax Appeals (hereinafter referred to as the 'Board')."

(f) (1) Section 906 (c) (relating to allowance of claim for refund and nature of hearing) is amended to read as follows:

"(c) The allowance or disallowance of the Commissioner of a claim for refund under this section shall be final, unless within 90 days (not counting Sunday or a legal holiday in the District of Columbia as the ninetieth day) after the date of mailing by registered mail by the Commissioner of notice that a claim for refund of any such amount has been disallowed, in whole or in part, the claimant files a petition with the Board requesting a hearing on the merits of his claim, in whole or in part. Upon the filing of any such petition, the claimant shall be entitled to a hearing as provided herein. Notice and opportunity to be heard shall be given to the claimant and the Commissioner. If the notice is addressed to a person outside the States of the Union and the District of Columbia, the period specified in this subsection shall be 150 days in lieu of 90 days."

(2) The amendment made by this subsection, insofar as applicable to the date for filing the petition, shall not apply if the Commissioner has prior to January 1, 1943, mailed notice by registered mail that the claim for refund has been disallowed in whole or in part.

(g) Section 906 (d) (relating to conduct of hearing) is amended to read as follows:

"(d) Each such hearing shall be conducted by a division of the Board and shall be open to the public. The proceedings in such hearings shall be conducted in accordance with such rules of practice and procedure (other than rules of evidence) as the Board may prescribe, and in accordance with the rules of evidence applicable in courts of equity of the District of Columbia. The claimant and the

Commissioner shall be entitled to be represented by counsel, to have witnesses subpenaed, and to examine and cross-examine witnesses. The division shall have authority to administer oaths, examine witnesses, rule on questions of procedure and the admissibility of evidence, and to require by subpena, signed by any member of the Board, the attendance and testimony of witnesses, and the production of all necessary returns, books, papers, records, correspondence, memoranda, and other evidence, from any place in the United States at any designated place of hearing, and to require the taking of a deposition by any designated individual competent to administer oaths. Any witness summoned or whose deposition is taken pursuant to this section shall receive the same fees and mileage as witnesses in the courts of the United States. Such fees and mileage and the expenses of taking any such deposition shall be paid as follows:

"(1) Witnesses for Commissioner: In the case of witnesses for the Commissioner such payments shall be made by the Secretary out of any moneys appropriated for the collection of internal-revenue taxes, and may be made in advance.

"(2) Other witnesses: In the case of any other witnesses, such payments shall be made, subject to rules prescribed by the Board, by the party at whose instance the witness appears or the deposition is taken."

(h) Section 906 (e) (relating to findings of fact and decision) is amended to read as follows:

"(e) After the conclusion of the hearing a report and a decision thereon shall be made as quickly as practicable by the division conducting such hearing. The report of the division shall become the report of the Board within 30 days after such report by the division, unless within such period the chairman has directed that such report shall be reviewed by the Board. Any preliminary action by a division which does not form the basis for the entry of the final decision shall not be subject to review by the Board except in accordance with such rules as the Board may prescribe. The report of a division shall not be a part of the record in any case in which the chairman directs that such report shall be reviewed by the Board. It shall be the duty of the Board and of each division to include in its report upon any proceeding its findings of fact or opinion or memorandum opinion. The Board shall report in writing all its findings of fact, opinions, and memorandum opinions. A decision of the Boarad (except a decision dismissing a proceeding for lack of jurisdiction) shall be held to be rendered upon the date that an order specifying the amount of the refund, or that no refund is due, is entered in the records of the Board. If the Board dismisses a proceeding for lack of jurisdiction, an order to that effect shall be entered in the records of the Board and the decision of the Board shall be held to have been rendered upon the date of such entry."

(i) Section 906 (f) (relating to costs and fees) is amended to read as follows:

"(f) The Board is authorized to fix a fee, not in excess of the fee fixed by law to be charged and collected therefor by the clerks of the district courts, for comparing, or for preparing and comparing, a transcript of the record, or for copying any record, entry, or other paper and the comparison and certification thereof."

(j) Section 906 (g) (relating to appeals) is amended to read as follows:

"(g) A decision of the Board rendered after January 1, 1943, may be reviewed by a circuit court of appeals or the United States Court of Appeals for the District of Columbia, if a petition for such review is filed by either the claimant or the Commissioner within 3 months after the decision is rendered. Such decision may be reviewed by the circuit court of appeals for the circuit in which the claimant resides, or has his principal place of business, or, if none, by the United States Court of Appeals for the District of Columbia: *Provided, however,* That in any event such decision may be reviewed by any circuit court of appeals or the United States Court of Appeals for the District of Columbia which may be designated by the Commissioner and the claimant by stipulation in writing. Such courts shall have exclusive jurisdiction to affirm the decision of the Board, or to modify or reverse such decision, if it is not in accordance with law, with or without demanding the cause for a rehearing as justice may require. The judgments of such courts shall be final, subject to review by the Supreme Court of the United States upon certification or certiorari as provided in sections 239 and 240 of the Judicial Code as amended. Such courts are authorized to adopt rules for the filing of petitions for review, preparation of the record for review, and the conduct of the proceedings on review. A decision of the Board rendered after January 1, 1943, shall become final in the same manner that decisions of the Board become final under section 1140 of the Internal Revenue Code."

(k) Saving provisions: Section 906 (g) of the Revenue Act of 1936, as in effect prior to the date of enactment of the Revenue Act of 1942, shall remain in effect as to petitions to review decisions of the Board of Review rendered prior to January 1, 1943, but shall not, if any case involving any such petition is remanded for further proceedings in the Board of Tax Appeals, remain in effect with respect to any further proceedings in such case.

(l) This section shall take effect on January 1, 1943.

Mr. OVERTON. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 534, lines 9 and 23, it is proposed to strike out "1942" and insert "1943."

On page 536, line 5, page 539, line 8, and page 540, lines 7, 14, and 18, it is proposed to strike out "1943" and insert "1944."

On page 540, lines 11 and 12, it is proposed to strike out "the date of enactment of the Revenue Act of 1942" and insert "January 1, 1944."

The PRESIDING OFFICER. Without objection, the various parts of the amendment offered by the Senator from Louisiana will be considered en bloc.

Mr. OVERTON. I should like to have that done, because they all have the same purpose.

Mr. GEORGE. There is no objection to that.

Mr. OVERTON. Mr. President, I will state the purpose of my amendment. The amendment suggested by the Finance Committee is to abolish entirely the Board of Review and to turn its jurisdiction over entirely to the Board of Tax Appeals. I have no particular objection to that; neither have those of my constituents who have communicated with me upon the subject.

The situation is that the Board of Review was invested with jurisdiction to pass on all claims arising out of processing taxes. The Board has been in existence for several years. Its members have become thoroughly familiar with the work. There are pending before the Board claims to the extent of some $8,000,000, which have not been disposed of. They are in various stages of the judicial process. Some of them have been recently filed. Some of them have been filed for some time, and hearings have been held on them. Some of the cases have been argued and submitted, and the decisions have not yet been rendered.

I think it would be unsound to divest this particular Board of jurisdiction over cases which have already been submitted to it. The purpose of the amendment is to permit the present Board of Review to take cognizance of those cases and dispose of them. The amendment would give the Board until December of next year to discharge that duty. If the cases were taken away from the jurisdiction of the Board and transferred to an entirely new tribunal, such procedure would be costly and embarrassing to the litigants. In some instances cases would have to be tried de novo. The Board of Tax Appeals would have to conduct hearings, although in a number of cases hearings have already been held. The only way to avoid that situation would be by stipulation between the representatives of the Government and the claimants that whatever testimony has been adduced before the Board of Review may also be utilized before the Board of Tax Appeals. This may or may not be done, but there is no necessity to resort to such a change of procedure. The purpose of the amendment is to permit the Board of Review to dispose of cases as to which it already has been seized of jurisdiction and to give the Board a little more than a year in which to do so. All future claims will be filed with the Board of Tax Appeals.

If that is not done, the cost, the expenditure of time, and the worry to litigants who have already submitted their cases to the Board of Review will be very greatly increased.

The Board ought to be able to dispose of such cases within the next year. On the other hand, I have been officially advised that the Board of Tax Appeals already has before it 5,387 cases undisposed of. Are we to take away the jurisdiction of the Board of Review in cases which involve some $8,000,000 in claims and transfer them to the Board of Tax Appeals, which already has undisposed of more than 5,000 cases? Such a course would be productive of unnecessary delay and additional cost.

There is no objection on my part to transferring jurisdiction, but there is objection to transferring jurisdiction of cases now pending before the present Board. I hope the able Senator from Georgia, after this explanation, will be willing to accept the amendment.

Officially I have a report from the chairman of the Board of Review covering the subject matter, which I shall not take the time to read to the Senate. I ask to have it incorporated in the RECORD at this point as a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

UNITED STATES PROCESSING
TAX BOARD OF REVIEW,
Washington, October 7, 1942.

Hon. JOHN H. OVERTON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR OVERTON: Pursuant to your oral request of yesterday, the following information is respectfully submitted:

Section 906 of the Revenue Act of 1936 provides that this Board shall be composed of nine members. The Board is now composed of six members and the three existing vacancies will not be filled. In addition to the six members, the Board is staffed with the following personnel: Two accountants, one chief clerk, six secretaries, three stenographer-clerks, and two messengers. The sum of $106,320 was appropriated for the fiscal year 1943 but only $86,400 will be expended. Such amount will be used not only for salaries but also for supplies, equipment, material, stationery, traveling expenses, and for payment of transcripts of testimony of the hearings conducted by the Board.

The appropriation which this Board has requested for the fiscal year commencing July 1, 1943, is the sum of $49,100. Commencing July 1, 1943, it is proposed that the Board be composed of three members, one accountant, one chief clerk, three secretaries, two stenographer-clerks, and two messengers.

Annexed hereto is a summary of the pending cases before the Board at the close of business on October 5, 1942, as well as the number of claims pending before the Commissioner of Internal Revenue at the close of business on September 30, 1942.

A claimant who seeks refund of processing tax must first file a claim and it is only after the allowance or disallowance of such claim that the claimant is authorized to file a petition with this Board. There were 56 such claims pending before the Commissioner of Internal Revenue as of September 30, 1942. I understand that all of these claims will be disposed of by the Commissioner of Internal Revenue before January 1, 1943. Of course, the time has expired for filing a claim so that no new claims will be filed.

I am informed that as of September 30, 1942, the United States Board of Tax Appeals had 5,387 cases undisposed of.

A successful claimant is entitled to interest at the rate of 6 percent per annum on the amount refunded from the date the tax was paid to the date when refund is made. In view of the large sums of money involved in many of these cases, a speedy disposition thereof should result in a saving of interest to the Government amounting to much more than the meager sum that would be required to operate this Board for an additional period of about 2½ years or until its work would be fully completed.

Although the number of cases pending before the Board are not substantial in number, it would be erroneous to predicate a conclusion thereon that the Board does not have sufficient work to keep it fully occupied. Section 906 of the Revenue Act of 1936 provides that a claimant is entitled to a hearing in the collection district in which his principal place of business is located. The members of the Board are, therefore, required to conduct hearings throughout the United States. The hearings are similar to trials in the district courts of the United States and are conducted in accordance with the rules of evidence applicable in courts of equity of the District of Columbia. Upon the termination of the hearing, the parties are given 45 days within which to submit briefs and the member who heard the proceeding is required to make recommended findings of fact and decision within 6 months after the filing of such briefs. The parties are also given an opportunity to file briefs with respect to the recommended findings of fact and decision and thereafter the proceeding is considered by the entire Board, and a final decision is then rendered. The nature of the proceedings and the determination thereof involve intricate questions of fact and law, including accounting and economic considerations, and these proceedings can be best determined by a tribunal composed of members who have become specialists in this field. All of the present members of the Board have been continuously and exclusively engaged in this work for several years. In this connection it is interesting to consider the following portion of the report of the Senate Finance Committee with respect to title VII of the Revenue Act of 1936:

"The question as to whether processing taxes were passed on, however, involves extremely complicated economic and accounting considerations. The great bulk (approximately $850,000,000) of the moneys collected under the Agricultural Adjustment Act consisted of such taxes, but they were paid by a relatively small number of taxpayers."

The foregoing quotation not only emphasizes the difficulties involved in deciding these proceedings, but it is also germane to the contention now apparently made by the proponents of the proposed Revenue Act of 1942 that this Board does not have a great number of cases. The foregoing quotation clearly shows that at the time this Board was created the Senate Finance Committee was fully aware of the fact that as to processing taxes there were a "relatively small number of taxpayers."

It has been noted that a witness appeared before the Senate Finance Committee and testified to the effect that the members of this Board do not act freely or independently and that they are under the control of the Secretary of the Treasury. No person in the Treasury Department has ever attempted, directly or indirectly, to exercise any influence or control over any member of this Board with respect to any proceeding instituted before it.

It is extremely difficult to estimate the length of time that will be required to dispose of the cases heard but undecided at the close of business on December 31, 1942. If this Board is permitted to decide such cases, it would doubtless require until January 1, 1944, to enable it to render such decisions. If the jurisdiction of the Board is not transferred to the Board of Tax Appeals, and if this Board is permitted to decide all pending as well as future cases, the work should be fully completed by July 1, 1945. These estimates, however, do not take into consideration the decisions of the Board which may be appealed or how long it will take before such appeals are decided or what the decisions of the Appellate Courts will be, namely, whether the decisions will be affirmed or remanded for further hearing.

I am herewith enclosing pamphlet containing the rules of practice before this Board, and wherein you will also have ready reference to the provisions of title VII of the Revenue Act of 1936.

I shall be very happy to furnish any further particulars that you may desire.

Respectfully,

WILLIAM SCHWARTZ, *Chairman.*

	No.	*Amount*
Cases heard but undecided at the close of business Oct. 5, 1942	22	$2,627,893.35
Cases not heard at the close of business Oct. 5, 1942	38	6,957,083.45
Total	60	9,584,976.80

In addition to the foregoing, 5 decisions of the Board have been appealed to and are now pending in United States circuit courts of appeals.

At the close of business on September 30, 1942, there were pending before the Commissioner of Internal Revenue 56 claims for refund of processing tax amounting to $35,831,693.41. We have been informed that all of such claims will be allowed or disallowed before January 1, 1943, and of those disallowed, it is estimated that approximately 20 claimants will file petitions to review the Commissioner's determination.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. LANGER. Can the Senator tell me whether, under the terms of the committee amendment, the Board of Review would be abolished entirely?

Mr. OVERTON. The Board of Review would be abolished under the terms of the committee amendment. I ask that it be not abolished until December 31 of next year, so that it may dispose of the cases already pending before it.

Mr. LANGER. The Senator's amendment would simply mean that the Board of Review would exist for 1 year longer.

Mr. OVERTON. That is correct.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. VANDENBERG. How many members are there on the Board of Review?

Mr. OVERTON. Originally I think there were nine members. I think the membership has been reduced to six. The budget has been materially reduced. For the next fiscal year the actual cost will be only a little more than $45,000 to operate the Board of Review. As against that there has been appropriated for this year the sum of over $106,000.

Mr. VANDENBERG. I see the point the Senator is making. On the other hand, from the viewpoint of some of us in the Finance Committee, the showing was so clear that the Processing Tax Board of Review is now a fifth wheel to the wagon that it seems unfortunate even to waste $45,000 on it if it is not necessary. My understanding is that only about half the members of the Board are serving at the present time.

Mr. OVERTON. I think there are six members.

Mr. VANDENBERG. Would the Senator's amendment permit all the vacancies to be filled by the appointment of deserving "lame ducks" after next November?

Mr. OVERTON. My amendment has nothing to do with the personnel of the Board. As I understand the law, the Secretary of the Treasury may reduce the personnel of the Board from time to time, or fail to fill vacancies. The present membership of the Board is sufficient to dispose of the claims now pending for adjudication before the Board.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. TAFT. This is a Board which the Government is willing to abolish. The only effect of the Senator's amendment

is to continue the salaries of a dozen or more persons and keep them in Washington when they are not needed here. The Treasury says that the Board can well be abolished, and that it is no longer needed. The committee wishes to abolish it. If we wish to abolish a Government agency, the way to do it is to abolish it now, and not extend its life for another year. A year from now the work will not be finished, and there will be a request to continue the Board for another year. If we are to get rid of any Government department which is unnecessary, we ought to get rid of it now. The Government says that the Board is no longer needed, and we ought to get rid of it.

Mr. OVERTON. There is no objection whatsoever to getting rid of the Board. The objection is this: It must be recognized that many citizens of the United States have presented to the Board what they consider to be valid claims. Under an act of Congress the Board of Review has taken jurisdiction of the various claims. In many cases it has conducted hearings. In other cases it has listened to arguments. Some cases have been submitted to it for decision.

In my opinion it would be a very obvious wrong to the litigants for the Congress to ignore that fact and to abolish the Board, in which it has vested jurisdiction over such cases. The litigants would have to start de novo in every case in which there is not an agreement to the contrary, and try their cases again before a new tribunal.

Let me ask the Senator from Ohio whether he has ever heard of the jurisdiction of a court being divested with respect to cases which have already been submitted to the jurisdiction of the court? The Senator from Ohio is learned in constitutional law. He has kept up with the decisions of the United States Supreme Court. Does he not recall a decision of the Supreme Court in which it was held that it would be unconstitutional for one tribunal to hear a case and another tribunal to decide it?

Mr. TAFT. Let me say to the Senator that in the first place the Board of Review is not a court. The Board of Tax Appeals, which is much more of a court, wanted to be called a court, but the committee said, "No; you are not a court. We will not give you the name 'Tax Court'."

The Board of Review is not a court. It is only another Government commission. It seems to me that if the fact that litigants have cases before the Board which are not disposed of is urged as a reason for refusing to end the existence of the Board, the cases will never be disposed of. Of course, the personnel of the Board would like to continue indefinitely; but we have provided an elaborate procedure, in accordance with the recommendation of the Treasury, for such cases as are left to be transferred to the Board of Tax Appeals, which is perfectly competent to handle them. The cases are not elaborate or difficult. I see no reason whatever for continuing the Board.

Mr. OVERTON. The action of the committee is contrary to the philosophy now being enunciated by the Senator from Ohio. The committee does not propose to abolish the Board immediately. It proposes to prolong the life of the Board until December 31 of this year. I ask that the life of the Board be prolonged another year, in order that it may dispose of the cases which have been submitted to it.

Mr. GEORGE. Mr. President, much as I regret to make the statement, I hope that the Senate will not agree to the amendment offered by the distinguished Senator from Louisiana.

There is very good reason why this particular Board should now be abolished. If the life of the Board should be prolonged until December 1943, at that time there would still be cases which were not disposed of.

In the first place, the Board has a very peculiar constitution. It is a Board set up to review questions of law within a bureau. It has a singular kind of jurisdiction in that respect. It is true that the act authorized the appointment of nine members of the Board. There are now five or six members actually functioning. At the end of 1943, if the amendment of the Senator from Louisiana were adopted, there would still be cases pending. The Board of Tax Appeals, which is now able to take the cases and dispose of them, and which has dealt with the unjust enrichment cases, and must deal with questions very similar to, if not identical with, those with which the Processing Tax Board of Review deals, is in a position to keep its docket in good order and reasonably current.

The committee amendment would effect a saving. Without the slightest reflection upon the personnel of the Board, because I know the Board has done very good work, I say that it is a Board within a bureau, and appointed by a bureau, exercising a kind of judicial power, and having the functions of a court.

The recommendation to abolish the Board has come to us from the American Bar Association. I am sure that the American Bar Association has due regard for the interests of litigants. The association has very strongly urged that the Board be now abolished—and to do so would effect some saving to the Government—and that the jurisdiction of the cases now pending before the Board be transferred to the Board of Tax Appeals. It may be true that in a few cases counsel or litigants would desire to reargue their cases before the Board of Tax Appeals. That would be as true in December a year from now as it is at the present time. I hope that the amendment will be rejected.

Mr. OVERTON. Mr. President, I should like to make a very brief statement in answer to the observations of the Senator from Georgia. Only one witness appeared before the Finance Committee to testify on the subject of the proposed change, and he presented no argument. He simply made a statement which, according to my recollection, occupies not more than approximately three-quarters of a page of the hearings. He stated what the status was, and it was his thought that it would be best to abolish the Board. In all probability, that is true. The only objection I have to the committee amendment is that it would abolish the Board too soon, before the Board would be given an opportunity to dispose of the cases pending before it. I understand that the Board can dispose of the cases pending before it if it is allowed to continue in existence during the next calendar year. That is all I ask for. To allow what I request would not impose any heavy financial burden on the Government. Even if it did cost $45,000 during the next year to operate the Board, the money would be well spent. It would probably cost the litigants more than that to start their cases anew and to present their testimony and their arguments again before the new tribunal.

I hope that the amendment will be agreed to, and that the matter will be taken to conference, where it can be thrashed out.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. OVERTON] to the committee amendment on page 534, line 6.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the committee amendment on page 534, line 6.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will report the next committee amendment which has been passed over.

The CHIEF CLERK. On page 549, in line 19, after the words "rate on", it is proposed to strike out the word "sparkling" and insert "artificially carbonated"; and in line 21, after the words "striking out", to strike out "'7 cents' and inserting in lieu thereof '10 cents'; and by striking out."

Mr. LA FOLLETTE. Mr. President, the item is perhaps a very minor one, but it does seem to me that it would be unfitting to reduce below the rate provided in the House bill the tax on champagne and sparkling wine at a time when the Senate apparently is in a mood to tax the bread off the tables of the poor. That statement is a literal statement. When we impose a tax on a person earning only $12 a week, or very little more, we are taxing food off his table or we are taxing dental care away from his children. While the item does not amount to anything so far as revenue is concerned, I think the Senate would be doing itself a disservice to have it known that at a time when it was taxing down to the bone, so far as people in the low-income brackets are concerned, it refused to agree to an increased tax on champagne.

Perhaps it is fitting to say, at least I think I may say, that from my point of view, the committee amendment is in keeping with what the Finance Committee and the Senate have been doing in connection with the pending bill; but in all fairness to my colleagues, I desire to give them a chance not to put a trade mark of this kind on the pending measure.

The PRESIDING OFFICER. The question is on agreeing to the committee

amendment on page 549, lines 19, 21, and 22.

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee which has been passed over.

The CHIEF CLERK. On page 551, line 23, it is proposed to strike out:

(1) Cigars: On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, 75 cents per thousand;

On cigars made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand; if manufactured or imported to retail at not more than 2½ cents each, $2.50 per thousand;

If manufactured or imported to retail at more than 2½ cents each and not more than 4 cents each, $3.50 per thousand;

If manufactured or imported to retail at more than 4 cents each and not more than 6 cents each, $5 per thousand;

If manufactured or imported to retail at more than 6 cents each and not more than 8 cents each, $7 per thousand;

If manufactured or imported to retail at more than 8 cents each and not more than 11 cents each, $10 per thousand;

If manufactured or imported to retail at more than 11 cents each and not more than 15 cents each, $13.50 per thousand;

If manufactured or imported to retail at more than 15 cents each and not more than 20 cents each, $18 per thousand;

If manufactured or imported to retail at more than 20 cents each and not more than 30 cents each, $25 per thousand;

If manufactured or imported to retail at more than 30 cents each, $35 per thousand;

And insert:

(1) Cigars: On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, 75 cents per thousand;

On cigars made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, if manufactured or imported to retail at not more than 2½ cents each, $2 per thousand;

If manufactured or imported to retail at more than 2½ cents each and not more than 4 cents each, $3 per thousand;

If manufactured or imported to retail at more than 4 cents each and not more than 6 cents each, $4 per thousand;

If manufactured or imported to retail at more than 6 cents each and not more than 8 cents each, $7 per thousand;

If manufactured or imported to retail at more than 8 cents each and not more than 15 cents each, $10 per thousand;

If manufactured or imported to retail at more than 15 cents each and not more than 20 cents each, $15 per thousand;

If manufactured or imported to retail at more than 20 cents each, $20 per thousand.

The PRESIDING OFFICER. The amendment was passed over at the request of the Senator from Connecticut.

Mr. DANAHER. Mr. President, I have not had a chance today to confer with the Senator from Georgia, who certainly has been at least as busy as I have been. If he is ready to dispose of the amendment now without further discussion, I shall interpose no objection to doing so. On the other hand, I should be happy to talk with him a little about it.

Mr. BARKLEY. Mr. President, the two Senators from Florida are very much interested in this question. I assume that they have been temporarily called from the Chamber on urgent and important official business, the nature of which I do not know, but still I am sure that they are necessarily absent. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	O'Mahoney
Austin	Gillette	Overton
Bailey	Guffey	Pepper
Ball	Gurney	Radcliffe
Bankhead	Hatch	Reed
Barbour	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Schwartz
Bone	Holman	Shipstead
Brewster	Johnson, Calif.	Smith
Brooks	Johnson, Colo.	Spencer
Brown	Kilgore	Stewart
Bulow	La Follette	Taft
Bunker	Langer	Thomas, Idaho
Burton	Lee	Thomas, Okla.
Butler	Lodge	Thomas, Utah
Byrd	Lucas	Truman
Capper	McCarran	Tunnell
Caraway	McFarland	Tydings
Chandler	McKellar	Vandenberg
Chavez	McNary	Van Nuys
Clark, Idaho	Maloney	Wagner
Clark, Mo.	Maybank	Wallgren
Connally	Mead	Walsh
Danaher	Millikin	Wheeler
Davis	Murdock	White
Downey	Murray	Wiley
Doxey	Norris	Willis
Ellender	Nye	
George	O'Daniel	

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. GURNEY. Mr. President, at the time the Finance Committee had the pending tax bill under consideration some radio stations in my section of the country sent some inquiries to me as to how the provisions of certain sections of the bill would affect their tax payments. Not being able to answer the questions, I turned them over to the chairman of the Finance Committee, the senior Senator from Georgia [Mr. GEORGE], and received in reply from the tax expert of the committee, Mr. Stam, a very prompt and clarifying statement, and later a confirmation from the Senator from Georgia himself, which completely answered the questions. At this time, therefore, I ask unanimous consent that my inquiries and the answers furnished me be inserted in the RECORD at this point.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
September 10, 1942.

Hon. WALTER F. GEORGE,
Chairman, Senate Finance Committee,
Washington, D. C.

DEAR SENATOR GEORGE: I would appreciate answers to three questions as to the eligibility of taxpayers for relief under section 213 of H. R. 7378, which, as you know, completely rewrites section 722 of the existing internal-revenue law.

Paragraph 4 of subsection (b), beginning on page 209 of H. R. 7378, reads:

"The taxpayer, either during or immediately prior to the base period, commenced business or changed the character of the business, and the average base period net income does not reflect the normal operation for the entire base period of the business."

Question No. 1: During the base period radio station A increased its power, necessitating changes and expansion of the physical property of the station and thus enlarged the area it served, thereby enabling the station to increase its volume of advertising and advertising rates. Would this qualify the radio station to secure a "constructive base period net income"?

Question No. 2: Radio station B had been operated by a seed and nursery company prior to October 24, 1938, and had been used as a merchandising agency for the seed and nursery company. After October 24, 1938, the station was operated by a new owner as a strictly commercial venture. Would this change in the character of the business and change in management qualify this station for relief?

Again quoting from paragraph (4), subsection (b), at the bottom of page 210, the House bill provides:

"Any change in the capacity for production or operation of the business consummated during any taxable year ending after December 31, 1939, as a result of commitments made prior to January 1, 1940, binding the taxpayer to make the change * * * shall be deemed to be a change on December 31, 1939."

Question No. 3: Radio station C entered into a contract on July 6, 1939, and thereby committed itself to changing its basic network affiliation from a network with a low volume of business and less valuable programs to one of the greater networks with a very large volume of business and superior programs. This change in the operation of the business enabled the station to greatly increase its revenue. The contract with the new network was signed and the station committed to the change prior to January 1, 1940, but the actual broadcasting of the new network's programs could not begin until March 1940.

Paragraph (5) of subsection (b), page 211, line 6, reads:

"Of any other factor affecting the taxpayer's business which may reasonably be considered as resulting in an inadequate standard of normal earnings during the base period * * *."

Inasmuch as this factor affecting the taxpayer's business certainly resulted in an inadequate standard of earnings during the base period, could radio station C qualify for a "constructive base period net income?"

I understand, of course, that all applications for relief under this section are subject to the limitations as provided in subsection (d). Thanking you for a reply, I am

Yours very truly,

CHAN GURNEY.

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON INTERNAL REVENUE TAXATION,
Washington, September 17, 1942.

Hon. CHAN GURNEY,
United States Senate,
Washington, D. C.

DEAR SENATOR: This is in reply to your letter to Senator GEORGE of September 10 regarding the application of section 213 of H. R. 7378, which rewrites section 722 of the Internal Revenue Code.

Each of the questions raised in your letter regarding the application of section 722 of the Internal Revenue Code as amended by the pending revenue bill can, in my opinion, be answered "yes."

As to question No. 1, it seems very clear that the substantial expansion of the physical properties of a radio station, thus enlarging the area it serves and enabling the station to increase its volume of advertising and its advertising rates, would make the taxpayer eligible to the benefits of section 722.

With regard to question No. 2, it seems clear that a radio station which had been operated by a seed and nursery company prior to October 24, 1938, and had been used as a merchandising agency for such company but after that date was operated by a new owner

as a strictly commercial venture, would come under the application of section 722.

It seems equally clear that the case covered in your third question would also be entitled to relief; and while the change did not take place until after the base period, the taxpayer was committed in 1939 to make the change, which was consummated in 1940. Incidentally, the language covering this case in the House bill has been liberalized. In the House bill the relief was limited to cases in which the taxpayer was under a binding commitment to make the change. This language connoted a legal obligation to go through with the intended change. The Finance Committee desired to more closely approximate the idea involved here, therefore, the changes, which are the result of a course of action to which the taxpayer was committed during his base period, will be allowed. In any case, the situation stated in question No. 3 would, in my opinion, be clearly covered by the pending legislation.

I trust this sufficiently answers the questions raised in your letter to Senator GEORGE.

Respectfully yours,

COLIN F. STAM, *Chief of Staff.*

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
September 28, 1942.

Hon. CHAN GURNEY,
United States Senate,
Washington, D. C.

DEAR SENATOR GURNEY: Your letter of September 10 reached me in due course. Work on the 1942 revenue bill has made it impossible for me to reply until this date.

I have carefully considered questions No. 1, 2, and 3, and in my opinion all of them should be answered in the affirmative. I think the situations described in your letter fall clearly within the purpose and intent of section 722 of the tax bill and that radio station C, referred to in your third question, will qualify for a constructive base period net income under section 722.

Sincerely yours,

WALTER F. GEORGE, *Chairman.*

Mr. DANAHER. Mr. President, I address myself with reference to the committee amendment on page 553 and the top of page 554, having in mind only the schedule of rates therein set forth. Lines 3 to 6 are not the subject of objection; lines 7 to 10, inclusive, on page 553, at the present moment are under discussion. Addressing myself particularly to line 10, it will be perceived that the committee reduced the House rate on 2½-cent cigars from $2.50 per thousand to $2; in line 12, it will be noted that the Senate committee fixed a rate on cigars ranging from 2½ cents to 4 cents each at $3 per thousand; in line 21, the Senate committee has eliminated two brackets which the House had created, taking into account cigars ranging from 8 to 11 cents and from 11 to 15 cents. The committee has combined the two into one bracket ranging from 8 cents to 15 cents and provided a rate of $10 per thousand. After line 22 it seems to me there should be inserted a restoration of the House language on the bracket from 11 cents to 15 cents. On page 554, in line 2, it will be noted that the Senate committee amendment provides that all cigars retailing at more than 20 cents each shall bear a uniform rate of $20 a thousand. Each one of the rates I have mentioned is, in varying degree, at odds with the House rates.

In order to correct what would seem to be a gross inequity, if I may borrow a term which has been mentioned here within the week, and lacking the executive power to do it myself, I respectfully suggest an amendment, Mr. President, which would strike out "$2" from line 10, page 553, and insert "$3"; which would strike out "$3" in line 12, and insert "$3.50"; which would strike out in line 21 the words "15 cents each, $10," and insert "11 cents each, $9." After line 22, I would restore the House bracket and the following words:

If manufactured or imported to retail at more than 11 cents each and not more than 15 cents each, $10.

On page 554 the amendment would strike out "$20 per thousand" and insert "more than 30 cents each, $35 per thousand."

In that way, Mr. President, we would establish a rate schedule which would yield to the Treasury approximately $31,354,760. The yield under the present law is $14,370,953; the yield at the House rate is $27,691,343; and yet, curiously, Mr. President, the yield under the Senate rates reported by the Senate Finance Committee is only $24,200,000, more or less, which is a very considerable reduction, in any event, below the yield from the House rates.

Mr. President, if there is any value in having an excise tax at all, and if there be any justification for an increase at all, it would seem that we should go to the sources where the revenue is to be had. Obviously those sources, Mr. President, are in the cigars which are sold in the largest volume. The cigars coming within those brackets are those ranging from 2½ cents to 15 cents. Consequently, Mr. President, I have sought to achieve a direct proportion between the price of the cigar and the rate of the tax per thousand, relating the entire program not only to an adequate yield but also to the views of the House in substantial degree.

I conferred briefly with the Senator from Georgia this morning on the point, although I had several discussions previously about the tax structure reported by the Finance Committee. The matter was pretty thoroughly canvassed in the committee, and most of the rates which appear on pages 553 and 554 will not be disturbed at all. Thus my amendment will in largest measure not affect the Senate committee rates at all. Principally my amendment would restore the ratio of the brackets which the House set up, and in direct proportion prescribe a rate which would be allocable to the price and quality of the cigar.

Mr. President, I offer the amendment in the light of this explanation and press for its adoption.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 553, line 10, it is proposed to strike out "$2" and insert "$3"; on line 12, to strike out "$3" and insert "$3.50"; on line 21, to strike out "fifteen cents each, $10" and insert "eleven cents each, $9"; after line 22 to insert "If manufactured or imported to retail at more than 11 cents each and not more than 15 cents each, $10"; and on page 554, in line 2, to strike out "20 cents each, $20 per thousand" and insert "30 cents each, $35 per thousand."

The PRESIDING OFFICER. Does the Senator wish to have the suggested changes considered as one amendment?

Mr. DANAHER. I ask that the amendments be considered en bloc, as the matter now stands.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc. The question is on agreeing to the amendments.

Mr. PEPPER. Just a word, Mr. President. Of course, this is an excellent demonstration of the fact that it is not possible to legislate on a long and complicated schedule, such as the one we are considering, on the floor of the Senate, when Senators cannot have opportunity to go into all the facts involved.

The questions involved in the schedule with respect to cigars are complicated. The cigar industry is already bearing a very heavy tax burden. The House sent a bill to the Senate which provided for a very great increase in the existing tax schedules on the various types of cigars. When the bill reached the Senate Committee on Finance, the committee reduced most of the schedules, in fact, all except one, but in that first action on the subject did not reduce the tax on the cheapest type of cigars, that is the 2-for-a-nickel cigar. On a subsequent consideration of the subject, however, and upon noticing the injustice that would thus be done to that type of cigar, which is already bearing a heavier tax burden than other categories of cigars, the Senate committee altered its action, and reduced also the schedule of the House rates on that category of cigars.

We have, therefore, one series of schedules worked out by the Ways and Means Committee of the House and adopted by the House, and a slightly lower set of schedules worked out by the Senate Finance Committee and reported to the Senate after detailed consideration of the subject, and after elaborate hearings.

I do not think it is necessary to argue the matter at great length, because I do not believe the Senate would wish, upon very little consideration of the question, to attempt to change all these schedules, when Senators have not had the benefit of the hearings and the consideration of the subject which the Senate Finance Committee had.

I know that the type of cigar which is produced in my State, which is principally the two-for-a-nickel cigar, is already bearing all the tax it can bear, and should not be thrust into a different category, which would mean its actual destruction as an article of commerce.

I believe it would be a great detriment to the cigar industry as a whole if the amendment should be agreed to, and I certainly hope that the proposal offered by the Senator from Connecticut will not be adopted by the Senate, and that the Senate will not repudiate or displace the considered action of its committee, which went into this matter in detail, after elaborate hearings, and arrived at what I believe to be a standard of schedules which the House will approve when it receives the Senate action.

Mr. DANAHER. Mr. President, I appreciate the truth of the observation made by the able Senator from Florida, that, in general, it would be impossible for 96 men on the floor of the Senate to equalize, or adjust, or ratably allocate rates by way of excises on specific items of this character. I believe the wisest procedure would be to take this whole matter to conference, where the conferees will be able to canvass the situation thoroughly, as they necessarily will be bound to do. I therefore ask the Senator from Georgia if he will take this rate schedule to conference with those thoughts in mind.

Mr. GEORGE. Mr. President, I should be very glad to take this schedule to conference were it not for the fact that it was twice considered by the committee, and the committee definitely passed on it, and I am not at liberty to change or modify any action taken by the committee. For that reason, I will say to the Senator from Connecticut that I would not be able to agree to take the matter to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut to the amendment of the committee. [Putting the question.] The "noes" appear to have it.

Mr. MALONEY. I ask for a division.

On a division, the amendment to the amendment was rejected.

Mr. DANAHER. Mr. President, in view of the action just taken on the proposed amendment, I now offer an amendment in line 10, on page 553, after the word "each", to strike out "$2 per thousand" and insert "$2.50 per thousand."

The reason for the amendment, Mr. President, will become apparent if we consider the action of the House Ways and Means Committee, which has already fixed that rate. The present rate on cigars ranging in price from 2½ cents to 5 cents each is only $2. During the past 13 years the 2½-cent cigar at a $2 rate has risen in volume of production from 10 percent to approximately 50 percent of all the cigars sold in the country. To claim it cannot stand any increase in the rate of taxation in this time of stress and need is preposterous.

On the other hand, Mr. President, according to the rate adopted by the House, the tax on 5-cent cigars was increased approximately 250 percent, while the rate on the two-for-a-nickel cigar was increased only 25 percent. By the action which has been taken, the competitive disadvantage to the 5-cent cigar is perfectly apparent. That is what led to the action of the majority leader in seeking reconsideration in favor of the two-for-a-nickel cigar in order to retain the present $2 rate. It is a grossly unfair and inequitable advantage in favor of competing cigars. It is because of that particular situation that I have protested previously, and do so now.

Mr. PEPPER. Mr. President, it is apparent to all the Members of the Senate that what the able Senator from Connecticut is now asking us to do is to increase the price of the poor man's smoke, the two-for-a-nickel cigar, above what the Senate committee, after fully considering the matter, determined to be fair. The Senate committee has kept that particular category of cigar, that is, the two-for-five-cents cigar, at the present low rate, because its cost has gone up immeasurably, and it has always been the highest taxed cigar of all the several categories. If in conference it should be found necessary to increase the price of the cigar, which I believe will not happen, there is ample room to do that between the action of the House and the action of the Senate committee. I hope, therefore, that the amendment will not be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut to the amendment of the committee. [Putting the question.] The "noes" appear to have it.

Mr. DANAHER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	O'Mahoney
Austin	Gillette	Overton
Bailey	Guffey	Pepper
Ball	Gurney	Radcliffe
Bankhead	Hatch	Reed
Barbour	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Schwartz
Bone	Holman	Shipstead
Brewster	Johnson, Calif.	Smith
Brooks	Johnson, Colo.	Spencer
Brown	Kilgore	Stewart
Bulow	La Follette	Taft
Bunker	Langer	Thomas, Idaho
Burton	Lee	Thomas, Okla.
Butler	Lodge	Thomas, Utah
Byrd	Lucas	Truman
Capper	McCarran	Tunnell
Caraway	McFarland	Tydings
Chandler	McKellar	Vandenberg
Chavez	McNary	Van Nuys
Clark, Idaho	Maloney	Wagner
Clark, Mo.	Maybank	Wallgren
Connally	Mead	Walsh
Danaher	Millikin	Wheeler
Davis	Murdock	White
Downey	Murray	Wiley
Doxey	Norris	Willis
Ellender	Nye	
George	O'Daniel	

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. DANAHER. Mr. President, the only issue, after everything is said and done, is whether or not a class of cigar which comprises 50 percent of all the cigars in the United States, and which is manufactured in the State of Florida, as the Senator from Florida has pointed out, shall bear some part of the war cost. The rate now fixed is $2. Those cigars do not pay even 1 cent increase under all the situation which has been disclosed by our wartime needs, and by the urgency of the Treasury demands, and by the country's economic plight. "Do not touch it," they say. "Make it $2." That is the urging of the Senator from Florida. Mr. President, the House committee made the rate $2.50, an increase of only 25 percent over the existing law. That alone is a reasonable advance, we must admit.

Mr. MALONEY. Mr. President, will my colleague yield?

Mr. DANAHER. I yield.

Mr. MALONEY. Will the Senator tell me the percentage of increase in the so-called poor man's cigar?

Mr. DANAHER. Mr. President, in 1929 the two-for-five-cent cigar constituted an estimated 10 percent of the total in class-A consumption, and has increased in the interim until today the two-for-five-cent cigar represents approximately 50 percent of all cigars sold.

Mr. MALONEY. Will the Senator tell us the percentage of increase in the proposed tax on the two-for-five-cent cigar?

Mr. DANAHER. Oh, the increase on the two-for-five-cent cigar is approximately 25 percent.

Mr. MALONEY. How much is the increase in the 4-cent cigar or the 5-cent cigar? What I am trying to develop is the difference in increase between the so-called poor man's cigar and the rich man's 5-cent cigar.

Mr. DANAHER. Mr. President, even I should have gotten the Senator's point, but I did not, I must confess. I am unable to tell him what the yield would be in the bracket from 4 cents to 6 cents, for instance, which includes a part of the Senator's question. There are no statistics available on it, at least so far as I have yet found. The revenue yield in the class-A cigar under the House rate would be $6,800,000. The revenue yield in the next higher class of cigars, and that is up to the "rich man's" 5-cent cigar, would be $13,600,000 under the House rate.

Mr. MALONEY. I thank the Senator.

Mr. DANAHER. Mr. President, it is merely a matter of equity and fairness, and of who is to bear the burden in this particular competitive field. Some reasonable increase is certainly justified.

Therefore, Mr. President, I press my amendment to increase the rate on cigars selling at 2½ cents each to $3 per thousand.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut [Mr. DANAHER] to the committee amendment in line 10, page 553. [Putting the question.] The Chair is in doubt.

Mr. DANAHER. I ask for a division.

On a division, the amendment to the committee amendment was rejected.

Mr. DANAHER. Mr. President, inviting the attention of the Senate to the inequity which has been created by the Senate Finance Committee in lines 20 to 22 on page 553, let me point out that the House had two brackets from 8 cents to 11 cents, and from 11 cents to 15 cents. If a cigar be removed from the class, let us say, of 8 cents, into the 15-cent class, and is subject to a $10 rate, the moment it is offered at retail sale and has to pay a $5 increase per thousand it moves into another class, which is the equivalent of a $10 increase for the 8-cent cigar. That includes the group from 8 cents to 11 cents. That is what the House had in mind when it fixed the rates which it prescribed.

Mr. President, with reference to lines 20 to 22, inclusive, I offer an amendment to strike from the bill, and in lieu thereof to insert, as the House did, two brackets from 8 cents to 11 cents and

from 11 cents to 15 cents, the 8- to 11-cent cigars to pay $9 a thousand, and the 11- to 15-cent cigars to pay $10 a thousand.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut to the committee amendment on page 553, lines 20 to 22. [Putting the question.] The Chair is in doubt.

Mr. DANAHER. I ask for a division.

On a division, the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment beginning in line 23, page 551, and ending in line 2, page 554.

The committee amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment passed over will be stated.

The next amendment passed over was, on page 574, beginning in line 23, to insert:

TITLE VII—SOCIAL-SECURITY TAXES

SEC. 701. Automatic increase in 1943 rate not to apply.

(a) Clauses (1) and (2) of section 1400 of the Federal Insurance Contributions Act (Internal Revenue Code, sec. 1400) are amended to read as follows:

"(1) With respect to wages received during the calendar years 1939, 1940, 1941, 1942, and 1943, the rate shall be 1 percent.

"(2) With respect to wages received during the calendar years 1944 and 1945, the rate shall be 2 percent."

(b) Clauses (1) and (2) of section 1410 of such act (Internal Revenue Code, sec. 1410) are amended to read as follows:

"(1) With respect to wages paid during the calendar years 1939, 1940, 1941, 1942, and 1943, the rate shall be 1 percent.

"(2) With respect to wages paid during the calendar years 1944 and 1945, the rate shall be 2 percent."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. BARKLEY. Mr. President, is that the amendment which deals with the social-security tax?

Mr. GEORGE. Yes; the amendment, which, according to my record, is the last but one of the committee amendments passed over—I think there is one other—freezes the so-called security tax, using the comprehensive term, at the present level. The tax is now 1 percent on the employer and 1 percent on the employee, and the committee amendment proposes to freeze that tax. Automatically the tax would be increased beginning January 1 next on both the employer and the employee. In other words, it would be doubled. The amendment was presented to the committee by the Senator from Michigan [Mr. VANDENBERG], and the committee voted favorably on the amendment offered. It is therefore a committee amendment.

At that time the attention of the committee was directed to the opposition by the Treasury to freezing the tax at the present level. This morning I offered for the RECORD and had read to the Senate a letter from the President in which he specifically points out the inadvisability of freezing this tax, and the advisability of collecting the stepped-up or doubled tax beginning January 1st next, and also suggests the expansion of the systems so as to increase coverage and also increase the benefit payments.

The Secretary of the Treasury has strongly taken the position that during times of high wages and full employment there should be no relaxation or change in the amount of the tax to be collected, because at the end of the war period, when a reduction in salaries and an increase in unemployment may be expected, the Social Security fund will need the increased revenue derived from the operation of the tax, if the tax is not now frozen at the existing level.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. PEPPER. Did the President's message suggest any figure for the increase in the tax, or did he simply say that it was not advisable to freeze the tax?

Mr. GEORGE. The tax would automatically increase on January 1.

Mr. PEPPER. As I understand, he did not make any suggestion that the present statutory provision be increased.

Mr. GEORGE. No; he simply asked that the rate be not frozen. The increase would go into effect automatically on January 1, doubling the tax rate. The President asks that the increase be allowed to go into effect. In other words, he opposes the amendment.

I believe the President did suggest that he would recommend at an early date in a bill to be submitted not only increasing benefits and widening the coverage but, as I recall, an additional increase in the tax from 4 to perhaps 5 percent. On that point I am not sure. The letter was presented this morning; and I may be confusing some statement in the letter with some previous statement which I knew had been made.

Mr. PEPPER. If the Senator will permit me to make a suggestion, I hope it will be possible for us to get the benefit of experience from the Victory tax which has been proposed by the committee, and which I personally favor very strongly, to see whether or not that form of tax might possibly be a substitute for, and if not a substitute for, at least a part of, the whole scheme for providing revenue for old-age assistance.

Mr. GEORGE. As the Senator knows, the social-security tax is a tax on pay rolls. It falls in part upon the employer, whether he is making a net profit or whether he is actually losing money. It is a tax on his pay roll and likewise a tax on the workers' pay checks. Of course, the workers receive the benefit of the tax.

The committee approved the amendment freezing the tax. The committee acted on this state of facts: The present fund, supplemented by the tax at the level now in effect, would be ample to take care of any contingency which might adversely affect the fund or draw on the fund during the next 5 years without an increase during the year 1943. The amendment would freeze the tax only for the year 1943.

Mr. BARKLEY. Mr. President, I do not wish to delay the Senate in the consideration of this amendment, but, inasmuch as I am opposed to the amendment included in the bill by the committee, perhaps I should say a few words.

This amendment was offered on the last day of the session of the Committee on Finance, when it had had the bill printed and had met finally to go over the draft prepared by the experts and the draftsmen. I was not present at that meeting because I was engaged in the Banking and Currency Committee and in the conference on the price-control bill. Other members of the Finance Committee were not present, including the Senator from Michigan [Mr. BROWN], the Senator from Connecticut [Mr. DANAHER], the Senator from Ohio [Mr. TAFT], and other Senators. I do not know that the result would have been different if all the members of the committee had been present. There certainly was a majority of the committee present. As I say, this amendment was offered on the last day, after the bill had been printed, and was adopted without any hearing.

The attitude of the Senator from Michigan [Mr. VANDENBERG] in regard to the social-security tax has been well known for a long time. For a number of months he has advocated freezing the tax at the present rate levied on employers and employees, on the ground that the present rate is adequate to take care of the immediate needs of the Treasury with respect to old-age pensions, old-age subsistence, and so forth. His objection to the step-up which is provided under the law on the first of next year is due also to the fact that he contends that the Treasury desires to use for ordinary Treasury financing the funds which it will collect from the tax and that to that extent, in his judgment—and he is perfectly sincere and honest about it—it is a subterfuge. He believes that the funds collected for old-age subsistence are being used by the Treasury under that guise for financing current war and other expenses of the Government.

When we passed the social-security law providing for contributions to be made to the fund by employer and employee, we were, of course, looking far ahead and trying to visualize any possible situation which might exist in the future. It is no argument against carrying out the law as it was written and as it now exists, that for a little while before the accumulation of claims begins to increase there is more money coming into the fund than is immediately necessary to pay for current claims against it. I think we must keep in mind the long view, the long pull, in regard to the collection of this tax and its use.

Under the law, the Treasury is compelled to invest this money. It cannot allow it to lie idle in the Treasury. It is required to invest it in order to add to the fund the amount of interest which is received from its wise investment. It has been the practice of the Treasury—and I think if not legally mandatory, it is financially and economically mandatory—to invest this money in Government bonds. It would be difficult for the Treasury to look around in the field of investments and find a safer investment than the bonds of the United States.

I have before me a letter which I have just received from Mr. H. J. Altmeyer, the very able administrator of this fund. He is the head of the Social Security Board, which is now a part of the Social Security set-up. He has been chairman of the Social Security Board for many years.

With this letter he sends me a memorandum, to which I think the attention of the Senate ought to be directed before we vote on this amendment. He says:

In view of the President's announcement that he was opposed to the Vandenberg amendment in the pending tax bill, I thought you might like to have a memorandum which I have had prepared, pointing out some of the reasons why the Vandenberg amendment should be deleted from the tax bill.

We all know that it is contemplated that there will be a considerable increase in the number of possible prospective beneficiaries of the social-security theory and the social-security fund. It is the view of the President and the Treasury and I think it is the view of a very large majority of those who have studied the social-security provisions of the law and the whole theory upon which they are based—that we must enlarge the field beyond the field now occupied in providing benefits for aged and indigent persons. I share that view.

If the Senate will bear with me I should like to call attention to the reasons advocated by Mr. Altmeyer against the amendment which is now under consideration. Inasmuch as he is in direct charge of the Social Security Board and has been in charge practically from the beginning, whatever he says on the questain certainly should be entitled to more credit and consideration than what any Senator, with limited knowledge, might say.

Mr. Altmeyer says:

The basic question which Senator Vandenberg has raised is whether the increase from 1 percent on employers and employees to 2 percent each scheduled for next year in the contribution rates of the old-age and survivors insurance program is justified in the light of the needs of that program. A careful review of the background and the current situation will show that such an increase is not only desirable but necessary for sound financing of the Social Security System. In order to arrive at this conclusion, however, it is necessary to do more than just look at some figures or refer to some testimony in 1939. We must carefully evaluate the meaning and the importance of our statistics with the facts and conditions we are faced with in this rapidly changing world of ours.

It was understood when the original Social Security Act was passed in 1935 and when it was amended in 1939 that the cost of the benefits will rise each year for many years to come (due in large part to the increasing number and proportion of aged in our population), and the average, or level, rate of contributions which would be required to support the program over the later as well as earlier years of operation is well above 2 percent each on employer and employee. Contributions at a still higher rate could have been collected from the outset without providing any longer term excess of funds for benefit purposes. The increase now scheduled would thus be reasonable without regard to any problems of war financing and the prevention of inflation.

The current size of the old-age and survivors insurance trust fund is, of course, largely a result of the high level of economic activity during the last 2 years. This level of activity has involved a high contribution income and, because of an abnormally low rate of retirement among the aged, a low level of expenditures. With this extraordinary activity there has been and will continue to be a very rapid increase in the number of older workers who meet the insured status requirements of the program but remain in employment, and an increase in the level of benefits which will be payable to these persons when they do retire because of their longer period of earnings and contributions. The net effect of the rise in industrial production and of the fact that we cannot predict when such production will begin to decline has been, therefore, to create a misleading picture concerning the status of the trust fund.

The great increase in contribution income is readily apparent, but the heavy drain on the fund which will occur as soon as economic activity slackens is not apparent. However, no one can tell when the war will end, and thus prudent management would assume that economic activity may decrease and decrease sharply within the next few years. If a sharp decrease does occur, a large proportion of the potential recipients—and they will number over a million by the end of 1946—will elect to receive their benefits. Thus, it is possible that the level of benefit disbursements will be much higher than that shown for 1946 in the estimate referred to above. A decline in economic activity would at the same time reduce pay rolls and tax income. Therefore it is possible that a postwar depression, by causing a continued period of high disbursements and low income, will bring the trust fund below a safe level. The issue then becomes one of whether it is prudent to act on the basis of present uncertain estimates and fail to take account of the possibility that these estimates will be sharply upset by changing events.

That is, the increased step-up on the 1st of January to 2 percent from employers and employees.

The scheduled increase involves no inequitable burden upon those covered by the program. Even at the 3-percent rate which is to take effect in 1949, workers will receive insurance protection of greater value than the value of their own contributions. The lower rates of contribution now in effect are only possible because the benefit load during the initial period of operation is a small fraction of what it will be in the later years.

Moreover, the accruing liability which has been accruing for the payment of the future benefits is several times in excess of the amount in the existing trust fund. The actuaries have estimated that the present program may entail a level annual charge of as much as 7 percent of pay roll. On this basis the fund would already have a deficit of nearly $9,000,000,000. Thus, instead of the present reserve fund being too large, the fund is small when tested on the basis which any private insurance company would be compelled to use. While social insurance cannot be judged by a too rigorous application of private insurance concepts, nevertheless, this comparison does indicate that the existing trust fund is not unduly large in view of its liabilities.

The discrepancy between the scheduled rates for the early years of operation and the level rate referred to above must, of course, be made up by increased rates in later years or by a Government subsidy, or both. Lengthening of the initial period of low rates must necessarily involve (a) still higher ultimate rates, (b) less gradual later increases, or (c) a larger Government subsidy.

It has been the intent that the full rate of contributions necessary for the support of the old-age and survivors insurance program be applied gradually so that industry and employees would not be burdened by large increases at any one time.

That emphasizes, it seems to me, the undesirability of freezing for the year 1943 the tax as it now exists, with the possibility that at the end of 1943 it would have to be stepped up not only by the rate contemplated at the beginning of 1944, but also by the rate provided for 1943, so that at the beginning of 1943 the step-up process would have to include the rates for both 1943 and 1944, instead of, as contemplated by the law, a gradual step-up, beginning January 1, 1943, and then another one on January 1, 1944.

This intent is of particular significance for the present question. If the three-times rule is adhered to strictly, and increases in contribution rates are postponed until they are required under the terms of the rule, it will be necessary to provide sharper and more rapid increases in the rates than those now scheduled. Moreover, the necessity for a sharp increase would most probably occur at a time when economic activity slackened and it would be undesirable to impose a sudden, large increase in taxes on employees and employers. The conclusion is inescapable that the increases being necessary in the future, they can be more easily absorbed by both employees and employers at the present time than at some future time when they can no longer be postponed.

The major condition governing the facility of adjustment to the tax burden is, of course, the level of economic activity at the time the tax goes into effect or is increased. It is clear that the level of economic activity is more favorable to easy adjustment now than it has been at any time since the start of the program or is likely to be for some years after the war.

It seems to me that that is an evident proposition.

The increased tax set-up is not only advocated by the Social Security Board and the Treasury Department but by the representatives of the workers themselves.

In the last day or so since the committee acted on this matter, we have all had letters from representatives of the workers, the organizations of labor, including the C. I. C. and the A. F. of L., protesting against the amendment proposing the freezing of the tax as it is at the present time.

The representatives of the workers support an increase in their contributions to protect their social-security benefits. Both the American Federation of Labor and Congress of Industrial Organizations are in favor of the increased tax. (Their letters appear in the CONGRESSIONAL RECORD, October 1, 1942, p. 7667.)

Let me say there by way of parentheses that if the workers themselves not only do not object to the payment of the increased tax under the law, but protest against having the tax frozen as it now is, certainly we have no right to assume that we should be conferring any benefit on them by foregoing the increased assessment which they have depended

upon paying, and which they now want in order that the fund may be carried forward under the terms of the law.

It has been argued that the heavy increase in employment and wage levels and the consequent unexpected rise in social-security contributions places the old-age insurance program in a very favorable financial position. This argument ignores two important facts. First, an increase in pay rolls on which contributions are collected simultaneously increases the liabilities to make benefit payments. Second, a proportion of the increased contributions comes from workers who have moved from noncovered employment into covered employment and may be expected to move back into noncovered employment after the war. Because benefit payments are very high in proportion to contributions in the case of those with low wages and those who stay in covered employment for relatively short periods, the liability to pay benefits may be greatly in excess of the additional contributions received—

Under the program which calls for the stepping up of the contributions as of January 1, 1943.

In the future, benefit payments will increase sharply above present levels. Even in the absence of abnormal factors arising out of the change from war to post-war conditions, the benefit payments would increase very greatly during the next several decades. As time goes on, an increasing percentage of the total population will qualify for benefits because more persons will have been covered by the program a sufficiently long period of time to be entitled to benefits. Furthermore, the average benefit payment per recipient will increase because of the longer period of time during which persons retiring will have contributed to the fund. Besides these factors, a steadily increasing proportion of our population will be represented by persons over 65 years of age. This change will, of course, increase the ratio of benefit receipents to contributors and will require higher payments into the fund if the present schedule of benefits is maintained. It is extremely urgent that the general public retain its belief in the stability of the old-age insurance program. Frequent modification of the contribution rates may easily lead to a misapprehension as to the financial integrity of the plan. There is little doubt that any alteration in the present program will require compensatory action in succeeding years, which may seriously undermine public confidence in the whole program.

In 1939 we departed temporarily from the original schedule of contributions. We all recognized that by departing temporarily from the contribution schedule, the financial provision of the program would be rendered even less adequate. However, after considering all the relevant facts and with a substantial further recovery in prospect, the Congress accepted the additional risks. Throughout the discussion of the 1939 legislation, it was taken for granted that the original schedule of contributions would be adhered to in 1943.

Today employment, wages, and national income are at record levels—at levels far in excess of anything experienced in the past. If we depart once again from the original schedule of contributions at a time when ability to make these contributions is at a maximum, when are we going to finance the old-age insurance program? Clearly, if we reduce contributions below scheduled rates when we fear unemployment and if we also reduce contributions when employment and wages are at peak levels, a break-down of the old-age insurance program must follow. If we depart once again at this time from the regular schedule of contributions, we are jeopardizing the major element of security to which the American worker can look forward in the uncertain years of his old age.

PERTINENT FACTUAL BACKGROUND

1. The 1939 amendments to the Social Security Act do not include any specific language outlining the policy of Congress with respect to the controversial problems of financing the old-age and survivors insurance program. The amendments only provide that the board of trustees of the old-age and survivors insurance trust fund is to "report immediately to the Congress whenever the board is of the opinion that during the ensuing 5 fiscal years the trust fund will exceed three times the highest annual expenditures anticipated during that 5-fiscal-year period * * *."

2. The foregoing provision was adopted after testimony before the House Ways and Means Committee by the Secretary of the Treasury and by the Chairman of the Advisory Council on Social Security, Prof. J. Douglas Brown, of Princeton University.

3. It must be kept clearly in mind that there are of course no positively known facts concerning the highest annual expenditures during the next 5 fiscal years. No complete estimates of such expenditures will be available until the Third Annual Report of the Board of Trustees is prepared. Meanwhile, the only official estimates are those included in the Second Annual Report of the Board of Trustees. These cover the fiscal years through 1946.

4. It must be emphasized, as it is in the Second Annual Report of the Board of Trustees, that the estimates through 1946 are subject to considerable margins of error. In part this is due to the fact that benefit payment experience under the act is still very limited—benefits under the law only began in 1940, just about 2½ years ago. In part, also, it is due, as the board of trustees of trust fund stated early this year, to the fact that "business and employment conditions in the near future, which will influence significantly the operations of the old-age and survivors insurance system, undoubtedly will be dependent to a large degree on the state of international affairs and the domestic armament and war program. It is impossible to forecast with confidence the policies which will be pursued by both business and Government in the future in carrying out the war program—and any program for peacetime adjustment, should peace come within this period—nor can the effect of these policies on pay rolls and employment in industries covered by the insurance system be predicted accurately."

5. Subject to the limitations just mentioned, the expenditures estimated for the fiscal year 1946, the highest of the 5-year period, are $392,000,000. As of the beginning of the 5-year period, the size of the old-age and survivors insurance trust fund was $2,398,000,000. (As of the beginning of the fiscal year 1943, it was $3,227,000,000.) If the aforementioned "unusually uncertain" estimate of the highest expenditures in the 5-fiscal-year period, 1942-46, is compared with the size of the fund at the beginning of the period, it is seen that the fund was slightly over six times the estimated amount of the expenditures (for the 1 fiscal year ending in 1946). There are, however, a large number of potential claimants for old-age benefits who have not retired primarily because of favorable employment conditions due to the war. If the present high level of employment continues, it is estimated that by July 1945 there will be over 1,000,000 workers and wives who will be eligible for benefits but not in receipt of benefits. If these potential beneficiaries all retired from active work by July 1945, an increase in the annual rate of benefit payments of $300,000,000 would result. If this $300,000,000 were added to the estimated expenditures for 1946 the fund at the beginning of 1942 would then be only slightly more than three times the highest annual expenditure during the 5-year period.

BEARING OF THE DATA UPON THE QUESTION OF BASIC CONGRESSIONAL POLICY

1. The recommendation of the Secretary of the Treasury, quoted above, was stated in terms of an eventual reserve. Moreover, the Secretary clearly emphasized the possibility that "We may have for a few years * * * a reserve fund somewhat larger than would be necessary under the standard I have here suggested. However, the early annual disbursements of benefits are neither representative nor can their amount be precisely forecast at this time. Consequently, it may be desirable to anticipate a somewhat larger contingency reserve during the first few years of benefit payments."

2. The chairman of the Advisory Council likewise brought out the point that the "three-times" standard which he proposed was to be taken only as a rough rule thumb which might well be disregarded in the early years. He suggested "something like, roughly, three times the benefit load, varying above or below the benefit load, but particularly higher in the early years when you are uncertain as to your data." The reference to the uncertainty of the data has special point in view of the uncertain reliability of the estimates of expenditures.

3. It is probable that the qualified recommendations of the Secretary of the Treasury and of the chairman of the Advisory Council were the reasons that the Congress adopted no fixed rule on the subject, but merely provided for a report by the board of trustees whenever the fund exceeded the amount specified.

That is the end of the statement of Dr. Altmeyer, setting forth, it seems to me, conservatively and fairly the objections to the amendment of the committee freezing the collection of these funds as of January 1. I think there is one thing, in addition, that ought to be emphasized. Dr. Altmeyer did not mention it, but it ought to be kept in mind. In this time of large pay rolls and large incomes, when our national income for 1942 is estimated at $116,000,000,000, which is about $25,000,000,000 more than it was for 1941, and when the income of our people for 1943, it is estimated, will be as high as $125,000,000,000 or $130,000,000,000, it seems to me that, in these times when we are receiving a larger income than we have ever received, larger than we will receive, in all likelihood, when this war activity shall have terminated, it is an unwise time to provide for the suspension of the payments required by the law into this fund which must be accumulated for the benefit of the beneficiaries of the social-security system.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. BARKLEY. I shall yield to the Senator in a moment.

If the workers who are to be the beneficiaries of this system, who are paying their share, their one-half, not only are willing to pay it but are protesting against its suspension, it certainly seems to me that we should not make the suspension at this time for the benefit of the other half of the equation, who do not need the suspension any more than many of the employees themselves who are compelled to make the contribution, or as much.

I yield to the Senator from Michigan.

Mr. BROWN. The Senator has already answered one question I had in mind when I rose, to the effect that one-half the contribution would be made by

the workers and one-half by their employers.

Mr. BARKLEY. That is correct.

Mr. BROWN. What I desired to ascertain principally was whether the tax paid by the employer would be deductible as an expense in calculating the income tax paid by the corporation.

Mr. BARKLEY. It is deductible, as other taxes are.

Mr. BROWN. Approximately only one-tenth to one-half would actually be paid.

Mr. BARKLEY. That is true. It is deductible, as are other taxes, on the net income on which the corporation pays its taxes.

Mr. BROWN. Income taxes are not deductible.

Mr. BARKLEY. Oh, no.

Mr. BROWN. Social-security taxes are deductible as an expense.

Mr. BARKLEY. That is correct. I think there is nothing I can add to the statement of Dr. Altmeyer which I have read and commented on briefly.

For the reasons I have stated, I hope the amendment will not be agreed to.

Mr. VANDENBERG. Mr. President, let there be no doubt about how this amendment got into the bill. The Senator from Kentucky has rather suggested that it slipped into the bill the last day, when there were not very many looking.

Mr. BARKLEY. I did not say that. I said that a number of the members of the committee were absent. I cannot say the result would have been different if they had all been present. There was present a majority of the committee, I think 14 out of 21, to be exact. I did not say the amendment slipped in; I did say it got in on the last day. I did not say it slipped in. It walked in.

Mr. VANDENBERG. It did not walk in; it ran in.

Mr. BARKLEY. I think it got in unexpectedly even to the Senator from Michigan, who brought it up for discussion, and found that there was much support for it and that he had better make his blitzkrieg while the "blitzing" was good.

Mr. VANDENBERG. The Senator is quite correct, it did not walk in; it ran in. The committee voted 12 to 4 in favor of the amendment, and that represented 16 out of 21 members. If all the others had been present and had voted in the negative, it would still have carried; but as a matter of fact, most of those who were absent would have voted in the affirmative.

Then Senator is quite correct, when I brought the matter up in the committee I had no intention of pressing the amendment at the time; I merely wanted to give notice that the issue would be raised on the floor of the Senate, because in my judgment it is a question of honesty in the purposes with which we are to use social security funds. At the moment I merely intended to give notice that the issue would be raised on the floor; but so many members of the Committee on Finance immediately insisted that they wanted to vote immediately upon the issue, all of them being adequately informed on the subject, that I did ultimately, at their request and under their pressure, submit the matter to the committee for a vote.

This amendment is not here merely on my initiative, Mr. President, although that inference has been given. It is here because so many Members of the Senate Committee on Finance insisted upon a vote the moment I brought the matter up; and they voted 12 to 4.

Let us see what the issue is in very simple language. Pay-roll taxes for old-age benefits under the Social Security Act are now 1 percent on employers and 1 percent on employees. By existing statute they will increase 100 percent on January 1, 1943, to 2 percent on employers and 2 percent on employees.

The purpose of the committee amendment is to freeze the taxes at 1 percent for just 1 year, 1943, just for the year when the country, and particularly the business of the country, and the workers of the country, have to take the first impact of this terrific new tax bill.

In my judgment, most of our fellow citizens have a very meager appreciation at the moment of what this tax bill will bring to them by way of tax burden. When it does reach them, they will have to reorganize their entire personal economic life, and for 1943, one year, the first year of the impact of these terrific new taxes, the committee amendment proposes that the increase of 100 percent in social-security taxes, in addition to everything else, shall be suspended.

Now why? And is it justified? The able Senator from Kentucky says that Dr. Altmeyer is the prime witness available on this subject, and I agree. Dr. Altmeyer and Secretary Morgenthau will be my two witnesses.

There are only two legitimate uses to which the Government can put the proceeds of pay-roll taxes collected for social-security purposes. One purpose is to pay the current social-security benefits and the cost of administration. The other purpose is to create a legitimate and essential reserve. There is no other legitimate use of social-security pay-roll-tax funds. Let us test the fund in its existing status, and in its prospective status in 1943, against these two legitimate uses.

So far as the payment of current benefits is concerned, I call the attention of the Senate to the fact that for the fiscal year ending June 30, 1942, the receipts from social-security taxes amounted to $972,000,000. That sum was collected at the 1-percent rate. Against these collections the total withdrawals, or payments, were only $141,000,000. So far as the solvency of this fund is concerned in respect to current payments, the payments are $141,000,000 against collections of $972,000,000. So obviously, there could be no suggestion that the pay-roll-tax increase is necessary for the purpose of paying current benefits.

That leaves only one other legitimate use for these social-security taxes, and that is the creation of a reserve. There can be a difference of opinion as to what the reserve should be. The law as originally written in 1935 and 1936 was written on the theory that social-security old-age benefits should be backed by what is called a full reserve, as it is known under old-line life insurance. In 1939 the Congress decided by an overwhelming vote that a public tax-supported old-age pension system did not require the full reserve which is necessary under a private personal-premium system of old-age benefits. So the decision of the Congress in 1939 was that this reserve fund, instead of being the full reserve originally contemplated, should be what we will call, for purposes of identification, a contingent reserve.

Mr. President, who laid down the definition, in words of one syllable, of what was a prudent and appropriate contingent reserve? The gentleman who laid it down was Mr. Morgenthau, the Secretary of the Treasury. What rule did he lay down? Testifying on March 24, 1939, before the House Ways and Means Committee, at which time this matter was liquidated and settled, Mr. Morgenthau said:

> We should not accumulate a reserve fund any larger than is necessary to protect the system against unforeseen declines in revenues, or increases in the volume of benefit payments.

He now becomes specific.

> Specifically—

Mr. Morgenthau speaking:

> Specifically, I would suggest to Congress that it plan the financing of the old-age-insurance system with a view to maintaining for use in contingencies an eventual reserve amounting to—

These are the critical, significant words of Mr. Morgenthau in announcing the rule:

> amounting to not more than three times the highest prospective annual benefits in the ensuing 5 years.

That is Mr. Morgenthau's rule. It was a rule which was tentatively, at least, approved by the Congress in the act of 1939. That is the rule under which we have presumed we were proceeding.

The memorandum just read by the able Senator from Kentucky [Mr. BARKLEY] from the equally able Administrator of the Social Security Board, Dr. Altmeyer, testifies, plainly and frankly, that this reserve fund today is six times the highest anticipated benefit requirements in the next 5 years.

In other words, Mr. President, from the very address which has just been made by the distinguished Senator from Kentucky, and the very witness upon whom he relies in his appeal for a defeat of the amendment now under consideration, comes the testimony that the reserve fund is today twice as large as is required under the rule announced by the Secretary of the Treasury himself.

Mr. President, when we confront a situation of that kind, in fairness to the taxpayers of the country and, particularly, the workers of the country, who must assimilate within the next few months the terrific burden of the tax bill which we are writing here this week, I submit that as a matter of elementary prudence and fair play they should not be required to pay a 100-percent increase in social-security pay-roll taxes, for no other purpose than to needlessly swell an unnecessarily large reserve fund upon which Mr.

Morgenthau can rely to sell a few War bonds.

Mr. President, let us not have any doubt about Dr. Altmeyer's attitude on this subject. I, myself, sent a questionnaire to Dr. Altmeyer in September, and I asked him a few questions. Listen, Senators—this is the same witness who the able Senator from Kentucky says ought to be the controlling witness in respect to this question. Question to Dr. Altmeyer from me:

What pay-roll tax, on employer and employee, is necessary in 1943 in order to maintain a "reserve" which is "three times the highest annual expenditure expected in the next 5-year fiscal period?"

In other words, what pay-roll tax is necessary in order to maintain this reserve at the point where the Secretary of the Treasury says it ought to be maintained? What is Dr. Altmeyer's answer?

With continuance of the conditions assumed in table 3 of the trustee's report—

And that is the normal contemplation of what is about to happen economically under the Social Security Act in 1943—qouting Dr. Altmeyer:

If no taxes whatever—

Says Dr. Altmeyer—

If no taxes whatever were collected in the fiscal year 1943, the trust fund at the end of the year would be about $3,100,000,000, which would still be more than three times the highest annual anticipated expenditure during the next 5 fiscal years.

Mr. President, it is not necessary to raise a nickel of additional taxes in order to maintain the reserve which Mr. Morgenthau himself says is essential and prudent and adequate under this system.

Mr. President, there simply can be no question about the figures, and I fail to see how there can be any question about the conclusions to be drawn from the figures. I even went so far as to ask Dr. Altmeyer to contemplate these expenditures at the utter maximum to which any possible depressed circumstances could conceivably plague this country during the next 5 years. I got the same answer that the able Senator from Kentucky just read from his memorandum. Even if one should sink to the lowest depths of pessimism in respect to the economic prospectus of this country in the next 5 years, still—the able Senator from Kentucky just read it himself from his own memorandum—still the reserve fund is three times as large as is required.

Mr. President, under those circumstances I submit that there is not any sense in permitting an automatic additional 100-percent increase in pay-roll taxes to attach themselves to the employers and the employees of this country on January 1, 1943.

It has been said that the workers have indicated their willingness, their desire, to have this increase occur as originally proposed. Mr. President, I concede that the high spokesmen for the C. I. O. and for the A. F. of L. have taken that position, and I greatly respect their spokesmanship, although that is not controlling with my decision in this matter; but I wish to add that I seriously doubt whether a referendum among 40,000,000 workers themselves would produce the testimony that they want their taxes increased 100 percent on January 1, when it obviously is not necessary as a matter of sound finance or as a matter of social-security necessity.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. DOXEY in the chair). Does the Senator from Michigan yield to the Senator from Kentucky?

Mr. VANDENBERG. I yield.

Mr. BARKLEY. Does the Senator think that the men for whom he is now presuming to speak in lieu of Mr. Green and Mr. Murray would prefer to have their taxes increased by 200 percent on January 1, 1944, rather than to have them increased by 100 percent on January 1, 1943, and another 50 percent on January 1, 1944?

Mr. VANDENBERG. No; I do not suppose that they would prefer to have their taxes increased 1,000 percent a week from Easter, but—so what? There is no such premise pending.

Mr. BARKLEY. There is no proposal to increase their tax a thousand percent on Easter, or at Christmas, or any other day.

Mr. VANDENBERG. Nor is there pending any such premise as the Senator indicates.

Mr. BARKLEY. Let us see what the rate of increase would be if we postpone the increase——

Mr. VANDENBERG. For 1 year.

Mr. BARKLEY. For 1 year. Then they have to pay in January 1944 the 100-percent increase they would otherwise have to pay this coming January, plus the 1-percent increase due on January 1, 1944, which would be a 50-percent increase, so my figures are correct, that if we postpone the increase, and they have to pay it in January 1944, for 1943 and 1944, there would be a 200-percent increase.

Mr. VANDENBERG. The Senator's figures are perfectly fantastic, because there is no suggestion that this is an accumulative tax, and that they have to pick it up next year, any more than they are picking up this year the tax which we postponed last year. They would be precisely in the same status next year with respect to these taxes as they were this year with respect to last year's taxes which we put over, as the Senator remembers, a few months ago.

Mr. BARKLEY. If the actuaries of the social-security program are correct, that this much money must be raised by the end of the 5-year period, and that the number of the beneficiaries will automatically increase when we get out of this spiral of employment and high wages, postponement of increased payment will only mean that at some time they will have to pay the entire amount of money they would have paid gradually over the 5-year period. The Senator can make whatever percentage rate he wants to out of it, but I think the necessity for such payment would come at a time when probably the majority of our workers would find it most difficult to meet any such duplication of payments as will be necessary to create the fund which will be needed at that time.

Mr. VANDENBERG. I disagree with the Senator completely, with his interpretation of the letter which he read, to begin with, and I disagree completely with his interpretation of the situation which will result. There will be no accumulation of taxes as the result of this postponement.

Mr. BARKLEY. In other words, if we convince the Senator against his will, he remains of the same opinion still.

Mr. VANDENBERG. He certainly does. He has heard nothing which remotely shakes it.

Mr. BARKLEY. And he could not be shaken.

Mr. VANDENBERG. Yes; he could. He has heard from Dr. Altmeyer in a far different fashion than the memorandum which the Senator from Kentucky read, in which Dr. Altmeyer said that the reserve at this moment is six times the necessities of the highest annual benefit requirement in the next 5 years, when the official rule of the Government is that three times the reserve is all that is necessary.

Mr. President, the distinguished President of the United States sent a letter to the Senate this morning through the able Senator from Georgia [Mr. GEORGE] on this subject. I wish to refer to the President's letter. He asked for a rejection of the amendment. Anything which the President of the United States chooses to say to us is entitled to highly respectful hospitality. Certainly I shall treat his comment in this spirit. But the pending decision is for the Senate and for the House to make. The President's turn in the legislative process comes later. Furthermore, I am forced squarely to challenge the Presidential assertions and conclusions in his letter, and I point out that the letter lacks a single sustaining fact to support its adverse comments.

The President says:

This amendment is causing considerable concern to many persons insured under the old-age and survivors insurance system.

My answer is that if any such fears have been aroused they do not flow from the amendment itself, but from the unsupported statements of the President and his Secretary of the Treasury regarding an alleged hazard which does not exist. The hazard totally disappears in the presence of figures and facts in my humble and very respectful opinion, and that may be the reason why figures and facts are so conspicuous by their absence in these distressing and disturbing statements in high places.

I am constrained to observe that this is another instance where a very famous Presidential epigram acutely applies:

The only thing we need to fear is fear itself.

I add this observation, Mr. President, with great earnestness: If there is any legitimate ground for fear respecting the integrity of the social-security system, it does not flow from an effort to hold pay-roll taxes within the limits necessary to finance existing social-security benefits. No; but it flows from any effort to use the social security taxing function for any ulterior or collateral purpose, and

that exact thing is what the defeat of this amendment would do.

The President says in his letter:

In 1939 we departed temporarily from the original schedule of contributions, with the understanding that the original schedule would be resumed on January 1, 1943.

Again with great respect, I suggest that someone has misinformed the President about what happened in 1939. We did not depart temporarily from the original law at that time. We deliberately and consciously changed the whole basis of contributions. We departed permanently from the old system of full reserves, a system which would have climaxed in the Gargantuan and fantastic reserve of $49,000,000,000 in 1980. We accepted the recommendations of an impartial commission of independent experts, who concluded that a public tax-supported system of old-age benefits does not require the full reserves which would be necessary in a private, premium-supported system. We—and by "we" I mean Congress—departed permanently from the original system, which represented needless pay-roll tax burdens, and went permanently to a pay-as-you-go system, with only contingent reserves. That is a cardinal fact never to be overlooked in this controversy. Failure to appreciate this fact could easily lead one into the error which I respectfully suggest lies at the base of the President's letter. The Senate should not embrace a similar error.

In 1939 we abandoned full reserves and, for sound reasons, and upon the best available expert advice that could be mobilized from all sections of the United States, went to a basis of contingent reserves. Secretary of the Treasury Morgenthau, speaking for the President's administration, laid down the prudent rule which should measure the validity of such contingent reserves. I have already laid it before the Senate. Under that rule this amendment is not only justified; it is required. Otherwise, using Presidential language, the thing we shall depart from is the rule of conduct laid down by Congress itself in 1939. In other words, it is the President, and not I, who becomes the great departer under these circumstances.

The President says that—

this is the time to strengthen, not to weaken, the Social Security System.

I agree, Mr. President; but I suggest that nothing would more greatly weaken the Social Security System than to permit its taxing function, in the first great emergency it has ever faced, to be utilized for something more than or different from the social-security benefits which the pay-roll taxes are presumed to buy. In my view the only purpose to be served by increased pay-roll taxes next January is to create a super-surplus not required for the payment of social-security and old-age benefits under the 1939 program, but solely to create an automatic market for the sale of about $1,000,000,000 more of War bonds. The Secretary of the Treasury practically acknowledged that proposition in simple language in the press announcement which he released the other day.

God knows, I recognize the need for uch a market for War bonds, many times over; but the financing of war bonds is the obligation of our whole people, and not merely the obligation of our workers and employers, who are under the Social Security System. The War bond program must be adequate and comprehensive, far more so than contemplated by any fiscal program yet submitted to Congress, either by the President or by his Secretary of the Treasury. To use the social-security reserves in this connection, however, is to strain at a gnat and swallow a camel. To use social-security reserves for any collateral purpose other than social-security benefits is to "weaken the Social Security System" at a vital spot. I respectfully suggest that the President's phrase unwittingly defines his objectives, and not mine, in respect to this controversy.

The President says he proposes—

to submit a comprehensive program for expanding and extending the whole Social Security System.

A program which will require—

further increase in rates of contribution.

Well and good. Mark me well. When Congress expands social-security benefits—and they should be expanded in many instances—it will be time enough to increase pay-roll taxes to equalize the cost. I will support such increases under such circumstances; but this is wholly beside the present point. Any reference to the expansion of the Social Security System itself, and the increase in benefits, is merely a red herring across the trail.

The present point is that the pending amendment says that pay-roll taxes shall not be increased unless and until it is necessary to create a larger revenue to pay larger benefits. That can be done any time in 1943, if and when Congress extends and expands the benefits, regardless of the action taken today on the pending amendment. Today's action simply decides whether the taxes shall needlessly go up before the benefits rise in proportion. That is the issue in a nutshell.

Mr. President, I wish to submit one further fact. I shall not labor the point further with the Senate. I could present testimony ad infinitum, from the best social-security sources in this country, that the collateral use of needless social-security revenues is the most serious possible assault that could be made upon the integrity and perpetuity of the social-security fund. The greatest authority of all upon this subject is the social-security organization in New York City known as the American Association for Social Security, which was operated for many years by Mr. Abraham Epstein, who recently died—an association which has bitterly condemned, from the very moment Secretary Morgenthau first proposed the use of social-security taxes in this fashion, any such diversion of the taxing function.

Mr. President, I said I wished to refer to one further fact. The social-security pay-roll taxes which will be collected in 1943, at 1 percent, leaving the rate where it is at this moment, will be equal to the taxes which Dr. Altmeyer and his board estimated 3 years ago they could collect in 1943 at 2 percent on employers and employees alike.

In other words, when we maintain and freeze the rate where it is, we still are producing the revenue which the Social Security Board itself prophesied would require a 2-percent tax in 1943 to obtain.

Mr. President, I leave the issue with the Senate. I shall be quite content, of course, with the verdict. I submit that protection of the tax function of the Social Security System is vital to the maintenance of the social-security principle; and I submit that in the face of the tremendous $8,000,000,000 burden which we are now placing on the American people, it would be not only senseless, but utterly crude, to add a needless further burden of a 100-percent increase in social-security pay-roll taxes, which, under the definitions of the Secretary of the Treasury himself, is not necessary either to the functioning or the solvency of the fund.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 574, after line 22.

Mr. VANDENBERG. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. As I understand, a vote of "yea" is a vote to keep the committee amendment in the bill, and freeze the social-security taxes.

The PRESIDING OFFICER. That is correct.

The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. On this vote I transfer that pair to the junior Senator from New Hampshire [Mr. TOBEY], and will vote. I vote "yea."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the senior Senator from Rhode Island [Mr. GREEN], who I am informed, if present, would vote "nay." I vote "nay."

The roll call was concluded.

Mr. RADCLIFFE. The senior Senator from Maryland [Mr. TYDINGS] is unavoidably absent. Were he present, his vote would be "yea."

Mr. BYRD. My colleague the senior Senator from Virginia [Mr. GLASS] is detained from the Senate on account of illness. Were he present he would vote "yea."

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] is absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Georgia [Mr. RUSSELL], the Senator from New Jersey [Mr. SMATHERS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

I am advised that, if present and voting, the Senator from Rhode Island [Mr. GREEN], the Senator from New Jersey [Mr. SMATHERS], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. McNARY. The Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] are necessarily absent. Their pairs have been announced. Both Senators would vote "yea," if present.

The result was announced—yeas 50, nays 35, as follows:

YEAS—50

Aiken	George	Reed
Austin	Gerry	Rosier
Bailey	Gillette	Schwartz
Ball	Guffey	Shipstead
Barbour	Gurney	Smith
Brewster	Herring	Spencer
Brooks	Holman	Taft
Bulow	Johnson, Calif.	Thomas, Idaho
Burton	Johnson, Colo.	Truman
Butler	Kilgore	Vandenberg
Byrd	Lodge	Van Nuys
Capper	McNary	Walsh
Chavez	Millikin	Wheeler
Clark, Mo.	Nye	White
Connally	O'Daniel	Wiley
Danaher	O'Mahoney	Willis
Davis	Radcliffe	

NAYS—35

Bankhead	Hayden	Murdock
Barkley	Hill	Murray
Bilbo	La Follette	Norris
Bone	Langer	Overton
Brown	Lee	Pepper
Bunker	Lucas	Reynolds
Caraway	McCarran	Stewart
Chandler	McFarland	Thomas, Okla.
Downey	McKellar	Thomas, Utah
Doxey	Maloney	Tunnell
Ellender	Maybank	Wallgren
Hatch	Mead	

NOT VOTING—11

Andrews	Green	Tobey
Bridges	Hughes	Tydings
Clark, Idaho	Russell	Wagner
Glass	Smathers	

So the committee amendment was agreed to.

Mr. DANAHER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DANAHER. Is the bill now open to further amendment?

The PRESIDING OFFICER. There remains to be acted upon a committee amendment which was passed over at the request of the Senator from Oregon. The amendment appears on page 352.

Mr. DANAHER. I desire to offer an amendment when the bill is open to further amendment.

The PRESIDING OFFICER. The Clerk will state the committee amendment on page 352.

Mr. McNARY. Mr. President, the amendment was read by the clerk shortly after the luncheon hour. I have an amendment pending to the committee amendment. Action on it was deferred because of the absence of two Senators who had similar amendments. I do not think it is necessary to read again the committee amendment or the amendment offered by me, but, of course, I have no objection, nor do I desire to make a further statement, in view of the friendly attitude of the Senator in charge of the bill toward my amendment.

Mr. GEORGE. Mr. President, I have not had an opportunity to study the amendment offered by the Senator from Oregon, but I think that the amendment would give to timber a benefit greater than the benefits given to other depletable assets.

Mr. McNARY. Mr. President, in my amendment I desire to have no advantage. I merely want timber resources to be on a parity of equality with other natural resources. If the Senator will suggest any amendment or improvement, I shall be glad to accept it, and let it be worked out in conference. I repeat, I do not want for timber resources anything but parity with the other resources which are specified in the bill.

Mr. GEORGE. I think the amendment the Senator has drafted would give timber an advantage over other depletable resources.

Mr. McNARY. I do not think so.

Mr. GEORGE. I have not had time to check it.

Mr. McNARY. I may state that I would not consciously have offered the amendment in such a fashion. The Senator, of course, will perform his duty and in conference remove the advantage, if it exists.

Mr. GEORGE. I shall be glad to let the amendment go to conference for the purpose of ascertaining whether or not the amendment would give timber an advantage over other depletable resources.

Mr. McNARY. I again assert that I do not want to have any advantage.

Mr. GEORGE. So far as I am concerned, I shall be very glad, if the Senate approve the amendment to accept it, with the understanding that it will be studied in conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon [Mr. McNARY] to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. GEORGE. Mr. President, there were two amendments carried over, including the one on page 352, which can now be closed.

The PRESIDING OFFICER. The amendment on page 352 is pending as amended by the amendment of the Senator from Oregon.

Mr. GEORGE. That is correct.

The PRESIDING OFFICER. Is there any further amendment to the committee amendment on page 352?

Mr. GEORGE. I think there is no further amendment to the committee amendment.

The PRESIDING OFFICER. Without objection, the committee amendment, on page 352, as amended, is agreed to.

Mr. GEORGE. Now, Mr. President, there is a committee amendment on page 383 which was carried over at the request of the Senator from Oregon.

The PRESIDING OFFICER. The Chair is informed that that amendment has been agreed to.

Mr. GEORGE. I think I was in error; that amendment has been agreed to.

Mr. President, the only other committee amendment remaining is that on page 541.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 541, after line 2, it is proposed to insert:

SEC. 514. Joint Committee on Internal Revenue Taxation—Power to obtain data.

Chapter 48 (relating to joint committee) is amended by adding at the end thereof the following new section:

"SEC. 5012. Additional powers to obtain data.

"(a) The Joint Committee on Internal Revenue Taxation or the chief of staff of such joint committee, upon approval of the chairman or vice chairman, is authorized to secure directly from the Bureau of Internal Revenue (including the Assistant General Counsel for the Bureau of Internal Revenue), or directly from any executive department, board, bureau, agency, independent establishment or instrumentality of the Government, information, suggestions, data, estimates, and statistics, for the purpose of making investigations, reports, and studies relating to internal-revenue taxation.

"(b) The Bureau of Internal Revenue (including the Assistant General Counsel for the Bureau of Internal Revenue), executive departments, boards, bureaus, agencies, independent establishments and instrumentalities are authorized and directed to furnish such information, suggestions, data, estimates and statistics directly to the Joint Committee on Internal Revenue Taxation or to the chief of staff of such joint committee, upon request made pursuant to this section."

Mr. BARKLEY. Mr. President, I offer an amendment in the nature of a substitute for the amendment on page 541, which has just been stated.

The PRESIDING OFFICER. The amendment in the nature of a substitute will be stated.

The CHIEF CLERK. In the committee amendment on page 541, after line 7, it is proposed to strike out down to and including line 26 and insert in lieu thereof the following:

(a) The Joint Committee on Internal Revenue Taxation, through its chairman, or, in the absence of the chairman, its vice chairman, is authorized to secure from the Secretary of the Treasury or from the head of any executive department or independent establishment, agency, or instrumentality of the Government, information, data, estimates, and statistics for the purpose of making investigations, studies, and reports relating to internal-revenue taxation.

The heads of the executive departments, independent establishments, agencies, and instrumentalities referred to in the above subsection (a) are authorized and directed to furnish such information, data, estimates, and statistics directly to the Joint Committee on Internal Revenue Taxation upon request made pursuant to this section.

Mr. BARKLEY. Mr. President, I promise not to detain the Senate to exceed a few moments in discussing the amendment in the nature of a substitute.

I am always embarrassed in offering anything that changes the action of the committee of which I am a member, but I have a feeling which I cannot escape that the language in the committee amendment goes further than it ought to go, and, so far as I know, further than any language in any law goes with respect to employees of the Congress or the committees of the Congress having the privilege of circumventing the head of a department and finding out what directly they want to know about anything pertaining to a subject of investigation.

We created the Joint Committee on Internal Revenue Taxation in the act of February 26, 1926. The joint committee is made up of 10 members, 5 from each House. I happen to be a member of the Joint Committee on Internal Revenue Taxation, but if it has ever had a meeting as a joint committee I have no knowledge of it. I do not recall ever having received notice of a meeting, nor do I recall ever having attended a meeting of the Joint Committee on Internal Revenue Taxation. The committee has a force of experts, so far as anyone can be an expert on taxation. As a matter of fact, the Joint Committee on Internal Revenue Taxation is the staff of the committee. They work all the time; they are competent men, and when a tax bill is under consideration they, of course, sit in with the Finance Committee of the Senate and the Ways and Means Committee of the House of Representatives, together with the experts from the Treasury. Sometimes they disagree and sometimes they agree about proposals for taxation, but neither side has any hesitancy in urging its view with respect to the provisions of a tax bill. So far, however, as the joint committee itself meeting and functioning as a joint committee and discussing taxation is concerned, I do not recall that it has overworked itself in that regard. That may not be the fault of anybody. We have been content, somewhat, to have the tax experts employed by the joint committee make the investigations and assemble the data and advise us with respect to tax bills. When there is not a tax bill under consideration, the joint committee really does not function.

The act creating the joint committee authorizes the committee, as such, to make investigations and secure information with respect to internal-revenue taxation. It authorizes it to do it with respect to these matters as a joint committee through the chairman and the vice chairman. The amendment reported by the committee——

Mr. DANAHER. Mr. President——

Mr. BARKLEY. I yield to the Senator from Connecticut.

Mr. DANAHER. I inquire who is the chairman of the joint committee, please?

Mr. BARKLEY. The present chairman is Mr. DOUGHTON, chairman of the Ways and Means Committee of the House of Representatives, and the vice chairman is the Senator from Georgia [Mr. GEORGE], chairman of the Finance Committee of the Senate.

The language of the committee amendment, for which I am offering a substitute, goes beyond the authority of the joint committee as such. It provides that—

> The Joint Committee on Internal Revenue Taxation or the chief of staff of such joint committee—

In the law creating the Joint Committee on Taxation there is no mention of a chief of staff, but we have set up a staff and we have as a joint committee employed and authorized the employment of a chief of staff who is a very efficient and very able tax expert.

The language of the committee's amendment is:

> The Joint Committee on Internal Revenue Taxation or the chief of staff of such joint committee, upon approval of the chairman or vice chairman, is authorized to secure directly from the Bureau of Internal Revenue (including the assistant general counsel for the Bureau of Internal Revenue), or directly from any executive department, board, bureau, agency, independent establishment or instrumentality of the Government, information, suggestions, data, estimates, and statistics, for the purpose of making investigations, reports, and studies relating to internal-revenue taxation.

This is permanent law now being enacted, not merely a law for this tax bill or for this administration, or for this Congress. Whoever the chief of the staff may be in the future, if he can secure the approval of the chairman or the vice chairman—it is conceivable that he might not be able to secure the approval of the chairman of the joint committee in which instance he might go to the vice chairman—if he secures approval, the chief of staff could go, not to the Secretary of the Treasury, the head of the Department of the Treasury, not to the general counsel of the Treasury, but to anyone under them. He might go to 400 lawyers below the grade of general counsel of the Treasury without ever consulting the general counsel, he might go to any clerk or stenographer in the Treasury Department without ever consulting the Secretary of the Treasury, the head of the Department, if he could secure the approval of the chairman of the joint committee.

The present chairman and vice chairman of the Joint Committee on Internal Revenue Taxation of course are men who would not conceivably abuse or permit the chief of staff to abuse the authority which we are proposing to confer in the amendment, but this is the permanent law, it will be incorporated in the body of internal revenue legislation forever, unless it should be repealed. It will apply to all future chairmen and all future vice chairmen of the joint committee.

It is conceivable that under the amendment the chairman of the joint committee might refuse a request of the chief of the staff to go directly to the Bureau of Internal Revenue rather than through the Treasury, or to go to some lawyer in the Internal Revenue Bureau without ever going to the general counsel of the Treasury. The chairman might refuse to do that. Then the vice chairman could ignore the action of the chairman, because the amendment provides that in the absence of the chairman the vice chairman can act. It provides that the chairman or the vice chairman may give this authority.

Not only that, but it applies to all other departments and agencies. Under the language of the amendment as it is in the bill it would be possible for the vice chairman to authorize some future chief of staff to go to the Department of Commerce to investigate something in the Department, in the Bureau of Foreign and Domestic Commerce, if he thought it had some relationship to internal-revenue taxes, without ever going to the Secretary of Commerce and asking his permission, or getting his clearance, or going through the head of the Department.

I am sure we all realize that the head of a department, if he is to be responsible for the department, is entitled to feel that he is in control of it, that he is at the head of it. By the amendment we would authorize a congressional committee, or an employee of a congressional committee, if any future chairman or any future vice chairman saw fit to give approval, to go to any bureau or any division of any department of the Government without ever consulting the head of the department, seeking to obtain facts, estimates, suggestions, data, anything he wanted, with regard to internal-revenue practice.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. DANAHER. I notice that in the language of the committee amendment there is no suggestion that the demand for information be made upon the Secretary of the Treasury, but rather that the demand be made directly upon the head of the Bureau of Internal Revenue in the first instance.

Mr. BARKLEY. Yes.

Mr. DANAHER. Whereas the substitute proposed by the Senator from Kentucky would cause the demand to be made upon the Secretary of the Treasury, and it omits any reference to the Bureau of Internal Revenue.

Mr. BARKLEY. Yes.

Mr. DANAHER. Is it the Senator's purpose to include the Bureau of Internal Revenue in the generic use of the term "Secretary of the Treasury"?

Mr. BARKLEY. Of course, the Bureau of Internal Revenue is a part of the Treasury, just as the Bureau of Customs is a bureau in the Treasury Department. The Bureau of Internal Revenue is a part of the Treasury set-up. The object of my amendment is to require that requests for information go through the head of the Department, the Secretary of the Treasury, rather than circumventing him, going around him, and going directly to the Bureau of Internal Revenue, or the General Counsel of the Bureau, who is an assistant counsel in the Treasury under the direction and appointment of the General Counsel, or upon his recommendation.

The object of my amendment is to provide, not only as to the Treasury but as to every executive department at the head of which is a Cabinet officer, that, instead of circumventing them, going directly to some bureau or division or agency within the department, requests shall go formally from the chairman of the Joint Committee on Internal Revenue Taxation, and, in his absence, from the vice chairman of the joint committee, to the head of the department, asking for the information.

I do not know of a single instance of the chairman or the vice chairman of the joint committee ever asking for information from the Secretary of the

Treasury, or from anyone in the Treasury, when the request has been denied, and I do not see why we should in this amendment slap the Secretary of the Treasury in the face and slap the general counsel in the face and say, "Regardless of you, we are going to make it possible for someone to go down into your department and consult a hundred other lawyers down below the grade of general counsel, or consult all the under secretaries and assistant secretaries and heads of bureaus in the Treasury Department." The same statement applies to every other executive department at the head of which there is a Cabinet officer.

Mr. DANAHER. It would still be the Senator's purpose, however, if information really were required from the Bureau of Internal Revenue, and a demand for it were levied upon the Secretary of the Treasury, to have it descend to the Bureau of Internal Revenue and come back up through?

Mr. BARKLEY. That is absolutely correct.

Mr. DANAHER. I thank the Senator.

Mr. BARKLEY. That is the ordinary way in which such things are done. We all make our requests of the heads of the departments. Suppose the Committee on Foreign Relations desired information with regard to any matter within the keeping or care of the State Department; it would not send a message as emanating from the Committee on Foreign Relations to the Under Secretary of State or to the second, third, fourth, fifth, or sixth assistants to the Secretary of State, or to anybody except the Secretary of State as the head of the Department.

I am quite satisfied that if the State Department were involved, as the Treasury Department is, or if the Department of Commerce were involved—they are really covered, although they are not named in this amendment—approval could be obtained of the chairman or vice chairman, either of whom, under the terms of the amendment, could approve. Even though the chairman might be in his office here in Washington, if the head of the staff, no matter who is now or may be in the future, desired to go to the Treasury Department, or to the Commerce Department, or to the State Department, or to any other department, bureau, division, agency, or instrumentality, under the language of the amendment he would be authorized to do so without consulting the head of the department. It seems to me it is unnecessary to adopt any such amendment as that proposed, because I am quite satisfied that any request emanating from the chairman of the joint committee, or from the vice chairman, in his absence, would be complied with. Both cannot act at the same time, and should not. The vice chairman is supposed to take the place of the chairman when the chairman is unavailable, but under the language of this amendment, even if the chairman of the joint committee were in his office every day of the year, if the vice chairman, whoever he might be in the future, were there, and saw fit to authorize the chief of the staff to go to one of the bureaus or agencies and inquire into anything concerning which he desired information he would be empowered to do so.

Mr. TAFT. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I wonder if the Senator's experience has been the same as mine. If I want any information from the Bureau of Internal Revenue I can get it by calling up Mr. Tarleau, or somebody else in the Bureau, and I can get it about ten times as fast as I can by addressing a letter to the Secretary of the Treasury, or calling him on the telephone, and when I receive the information it is the kind I want, whereas when I write a letter to the Secretary of the Treasury and the reply comes back, it usually misses the point, and gives me some entirely different information.

Was it not quite recently that the Secretary of the Navy was highly praised because he abolished the rule which required every Army officer who wanted to talk to a Navy officer to carry on his business through the Secretary of the Navy? Was the Secretary not praised because he abolished red tape, and made the whole function of government operate with more sense and with greater dispatch?

Mr. BARKLEY. Mr. President, I am not talking about telephone calls which Members of the Senate may make with various department officials. We all can get information in a department by calling up someone, if we know whom to call, but when a formal request goes out from a committee of the Congress of the United States, it is addressed to the head of a department. The language contained in the amendment reported by the committee, or the language in the substitute which has been offered by me, would not interfere in anyway with any Senator or Representative calling up anyone in the office of the Treasury whom he happens to know, or from whom he wishes to obtain information. I am talking about the formal requests made by committees. The request would be formal if it came from the joint committee.

While the Bureau of Internal Revenue is the only one named, the language in the amendment is sufficiently broad to include all bureaus, and all departments, and its effect would be to circumvent the heads of all departments in Washington, those responsible as members of the Cabinet, by allowing an employee of the Senate and House joint committee to go into every bureau or agency under a Cabinet officer, and secure information. It seems to me to be an unprecedented proposal, and I do not think the circumstances under which it was offered or adopted in the committee constitute a sufficient reason for departing from the rule of comity as between Congress and the executive departments, or justify our saying to a Cabinet officer, "You are no longer in our picture, we do not want to deal with you, we are going down to a little bureau, or agency, or something of that kind, without you knowing about it." I think it is unwise.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Nebraska.

Mr. NORRIS. I do not want the Senator to surrender the floor until he explains what the effect of his substitute would be. He has not yet done so.

Mr. BARKLEY. My substitute would authorize the chairman of the joint committee on internal-revenue taxation, or, in his absence, the vice chairman, to call upon the Secretary of the Treasury, or any other executive officer, or head of a department, for any data, statistics, estimates, or any other information which the joint committee may desire which has any bearing upon the question of internal-revenue taxation. My amendment would make it the duty of all those officers to furnish the information to the joint committee, but it would put the responsibility, of course, upon the chairman first to make the request as chairman of the joint committee, and in his absence it would put the responsibility upon the vice chairman to make the request. The request would go in a formal way from the joint committee, as such, to the head of the department or to any agency or branch of the Government. I seek to eliminate the authority given in the amendment by which an employee of the joint committee, if he goes to either the chairman or the vice chairman and gets their consent, can for all time to come go individually down into a department, without the knowledge or approval or the request of the head of the department, and obtain whatever he may want in the way of information or suggestion or otherwise. That is the difference between the two proposals.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky [Mr. BARKLEY] to the committee amendment.

Mr. CLARK of Missouri. Mr. President, the object, or at least the effect, of the substitute proposed by the Senator from Kentucky is to destroy wholly and completely an amendment which was adopted in the Committee on Finance after an all-day discussion of the subject and full consideration by a vote of 14 for and none against. Every member of the committee who was present—and I say in all frankness that the Senator from Kentucky, who is a member of the committee, was detained on important business elsewhere—every member of the committee present, and 14 were present, voted for the amendment. They listened to the discussion for all of 1 day and postponed action from the morning until the afternoon to see if there could be an agreement upon the matter, and finally unanimously adopted the amendment when the motion was made by the Senator from Pennsylvania [Mr. GUFFEY].

Mr. President, the whole nub of this discussion can be stated in this one sentence: Does the Congress of the United States, the policy-making body for our Government under the Constitution of the United States, have a right to have access to information from any governmental source whatsoever that it may see fit to call on? That is the only issue. The committee amendment, as it was reported by the committee by unanimous vote, provides that the agents of the Congress—and the Joint Committee on Taxation is merely an agent of Congress—

shall have access to any information they may desire by going to whatever agency or board or bureau or department they may desire for the information.

Mr. President, the proposal of the Senator from Kentucky certainly would not improve the present practice, and in my opinion it would actually weaken it. As a matter of fact, the committee amendment, so far as the Treasury Department is concerned, merely goes back to what was the law and what was the practice since the Joint Committee on Internal Revenue Taxation was established and for years after that, until 4 or 5 years ago, when a change was secured in the law, setting up the office of the General Counsel in the Treasury Department.

Mr. President, the Senator from Kentucky spoke of slapping the Secretary of the Treasury in the face. There is nothing in the committee amendment which slaps the Secretary of the Treasury or anyone else in the face. There is nothing in the amendment which circumscribes in any way the authority of the Secretary of the Treasury to conduct the affairs of his department, or that of any other department head to conduct his department. All that the committee amendment does is to authorize the recognized and legally set up representatives of the Congress of the United States, in its policy-making capacity, to go to any governmental agency they please, to get any information they think to be of benefit to the committees of Congress and to the Congress itself in determining policy.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. BARKLEY. Does the Senator from Missouri contend that unless the language of the amendment is adopted, an employee of the joint committee could not, without the consent of the head of a department, go to any bureau or agency in the department?

Mr. CLARK of Missouri. I think he could not, and I think that is what the committee had in mind. I do not share the fear raised in the horrid picture painted by the Senator from Kentucky—I think it is a mare's nest—that the vice chairman of the committee would usurp the authority of the chairman of the committee. We know the character of men who have always been chairmen of the committee, and who have always been vice chairmen of the committee, and I do not think there is anything the Congress needs to worry about in giving either one of the coheads of this important committee authority to ask for information they think is necessary.

Mr. BARKLEY. Why not provide then in the committee's amendment that the vice chairman shall act in the absence of the chairman as vice chairmen in all organizations always do? Why are both given equal power?

Mr. CLARK of Missouri. Because, as the Senator from Kentucky very well knows, the committee is made up of five Representatives, Members of the Ways and Means Committee of the House, and five Senators, members of the Finance Committee of the Senate. Those two committees are coordinate in their authority, and to all intents and purposes the chairman and the vice chairman are coordinate in their authority. It is simply a question of who presides at the meeting of the committee. The Senator from Connecticut says the committee does not meet anyway. If so, it does not seem to me to be of any importance at all who is chairman or who is vice chairman.

Mr. BARKLEY. The committee amendment does not require any meeting of the committee. It does not say that the approval of the joint committee shall be required.

Mr. CLARK of Missouri. Mr. President, I contend that the staff of the joint committee, which serves both the House and the Senate, ought to have the right to ask for information either on the approval of the responsible head of the House committee or the responsible head of the Senate committee, because both branches are coordinate bodies of the Congress.

Mr. President, no one has any desire to slap the Secretary of the Treasury or any other Secretary in the face, but sometimes questions arise on which the head of an important bureau may have views at variance with the views of the "brain trust" who may make up the general headquarters, so to speak, of the department, and the Congress of the United States has a right to the opinions and the facts on which the opinions are based, of the men who actually have in hand the administration of measures.

I recall an instance in the consideration of this very bill. I happened to be chairman of the subcommittee of the Finance Committee which considered the withholding tax. The views of the general headquarters contingent, so to speak, and the "brain trust" of the Treasury Department, were expressed at great length to the subcommittee, and it was casually said that the Bureau of Internal Revenue was being represented at that time by a young man whom I did not know. I went out and called up the Commissioner of Internal Revenue who had the actual administration of this measure in hand, and asked him to come up and appear before the committee. He told me he could not do it without the permission of the Secretary of the Treasury. I wrote the Secretary of the Treasury a letter. The Commissioner of Internal Revenue appeared and gave the committee views in direct divergence, just as far as they could possibly be, from the views which had been expressed on his behalf by the Treasury officials themselves, and as the result of the information he gave the committee, the committee saw fit to make a very radical change in the proposal, in fact to make a complete divergence.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. BARKLEY. What the Senator says about that particular episode is true, and that is the practice which is indulged in by all departments. The Internal Revenue Commissioner, for whom we all have the greatest admiration and respect, and with whom the Senator and I served in one capacity and another in the House, like all assistants under a Cabinet officer, felt that he had no right to speak for the Department unless he was authorized to do so, or unless the Secretary of the Treasury, under whom he served, knew that he was appearing before the committee. There was no delay in getting the information. The Commissioner appeared and gave it.

Mr. CLARK of Missouri. I understand that completely. I was using that as an illustration of the fact that there are very frequently divergent views between the heads of the bureaus or administrative heads and the so-called superset. The reason I mention that is that in the preparation of the bill before us, 575 pages long, the committee had to study a great mass of information. We have a joint staff set up by law for the purpose of giving us the information. Its members are not executive agents. They are the agents of the Congress itself. We should be able to go to the source of the information so as to be certain that we are acquiring the correct information, without being dependent upon some other office through which information will be filtered from the subordinate bureaus, an office which may send us whatever information it wants to and withhold whatever information it does not happen to agree with.

In that way, Mr. President, the Congress will have access to the official views of the head of the Treasury Department or the Commerce Department or any other department, and through our own staff we will have the right to check their views; and we will have the facilities for checking them; we will have the right to check statistics, so that when the Ways and Means Committee or the Finance Committee or any other committee proceeds to determine policy we will have means of our own by which we can check information submitted to us.

Mr. President, I say again that by this amendment, which was adopted unanimously by the Finance Committee, no reflection whatever is intended upon the Secretary of the Treasury or the General Counsel of the Treasury or anyone else. It is simply to enable Congress to perform its constitutional duty, in functioning as a policy-making body. I hope very much the substitute amendment will be voted down.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky [Mr. BARKLEY] to the committee amendment.

Mr. GEORGE. Mr. President, nothing could be further from my mind than to raise any issue whatsoever with the Secretary of the Treasury or the head of any other department or agency of the Government. I regret very much that the amendment seems to have been considered as indicating a lack of agreement between the present chairman and vice-chairman of the joint committee and the heads of the departments.

So far as the law is concerned, let me read from the law which created the joint committee. I refer to section 5011 of the Internal Revenue Code. Among

other things, the joint committee is especially enjoined to do the following:

(a) Investigation—

(1) Operation and effects of law: To investigate the operation and effects of the Federal system of internal-revenue taxes;

(2) Administration: To investigate the administration of such taxes by the Bureau of Internal Revenue or any executive department, establishment, or agency charged with their administration; and

(3) Other investigations: To make such other investigations in respect of such system of taxes as the joint committee may deem necessary.

I happen to be chairman of the Senate Committee on Finance, and vice chairman of the joint committee. I have no desire to seek an enlargement of power, other than for strictly official purposes and duties. I think I can say to the Senate that whatever power is entrusted to me will be at some time surrendered without my having abused it. If there is anything I fear it is the abuse of power. If there is anything on earth that would ever restrain me, it is the fear of the use of power in such a way as to cause anyone reasonably to suppose that I had been willing to abuse it.

I hold in the highest esteem the heads of departments and agencies of Government; and under no circumstances would anyone ever be sent to any department without a respectful request addressed to the department head, with a statement of the purposes and the desire of the joint committee in obtaining information.

I had hoped that the amendment might be so adjusted as not to provoke discussion. I have not had the opportunity to discuss it, but it is now before the Senate and I wished to make this statement before the vote is taken, merely for the purpose of making it perfectly clear that, in my judgment, there is no occasion for any fear, so far as the present chairman and vice-chairman of the joint committee are concerned, that there will be any abuse of this power if the Senate sees fit to adopt the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY] as a substitute for lines 8 to 26 in the committee amendment on page 541.

Mr. TAFT. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. I transfer that pair to the junior Senator from New Hampshire [Mr. TOBEY], and will vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Georgia [Mr. RUSSELL], the Senator from New Jersey [Mr. SMATHERS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES], but I am advised that if present and voting, he would vote as I am about to vote. I am, therefore, at liberty to vote. I vote "nay."

Mr. MCNARY. The Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] are necessarily absent. Their pairs have been announced. Both these Senators would vote "nay" if present.

The result was announced—yeas 10, nays 74, as follows:

YEAS—10

Barkley	Johnson, Colo.	Pepper
Downey	Lauger	Rosier
Doxey	Mead	
Hill	Norris	

NAYS—74

Aiken	George	O'Daniel
Austin	Gerry	O'Mahoney
Bailey	Gillette	Overton
Ball	Guffey	Radcliffe
Bankhead	Gurney	Reed
Barbour	Hatch	Reynolds
Bilbo	Hayden	Schwartz
Bone	Herring	Shipstead
Brewster	Holman	Smith
Brooks	Johnson, Calif.	Spencer
Brown	Kilgore	Stewart
Bulow	La Follette	Taft
Bunker	Lee	Thomas, Idaho
Burton	Lodge	Thomas, Okla.
Butler	Lucas	Thomas, Utah
Byrd	McCarran	Truman
Capper	McFarland	Tunnell
Caraway	McKellar	Vandenberg
Chandler	McNary	Van Nuys
Chavez	Maloney	Wallgren
Clark, Mo.	Maybank	Walsh
Connally	Millikin	Wheeler
Danaher	Murdock	White
Davis	Murray	Wiley
Ellender	Nye	

NOT VOTING—12

Andrews	Green	Tobey
Bridges	Hughes	Tydings
Clark, Idaho	Russell	Wagner
Glass	Smathers	Willis

So Mr. BARKLEY's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the committee amendment on page 541, after line 2.

The amendment was agreed to.

Mr. GEORGE. Mr. President, I had hoped that we might be able to conclude consideration of the bill today; but it is obvious that we cannot do so without remaining here for 2 or 3 hours longer. I shall ask permission to dispose of certain technical amendments, so that tomorrow we may have the bill before us practically only for the consideration of amendments to be offered from the floor. I hope that is agreeable to the leaders of the majority and the minority.

Mr. MCNARY. It is agreeable to me.

Mr. BARKLEY. It is also agreeable to me, although, so far as I am concerned, I think it might be well to proceed for a little while to clear up some underbrush and meet tomorrow and complete the bill.

Mr. GEORGE. Yes; I am sure we can finish the bill tomorrow.

Mr. President, the Senator from Maine asked that certain committee amendments be passed over. Subsequently those amendments were called up, and it was believed that amendments to them would not be necessary. Since then the matter has been checked, and the Senator from Maine desires certain technical amendments agreed to. The amendments have been checked by both the Treasury staff and the joint committee staff, and there is no objection to them. They are entirely technical. The first amendment I offer comes in on page 18, line 17.

The PRESIDING OFFICER. The Chair is informed that the amendment is to a committee amendment which has already been agreed to.

Without objection, the vote by which the committee amendment was agreed to is reconsidered. The clerk will state the amendment to the amendment.

The CHIEF CLERK. In the committee amendment on page 18, in line 17, it is proposed to delete "or"; and in line 18, after the parenthesis, to insert ", or section 736 (b)."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. GEORGE. Mr. President, I should say that all the amendments I am now offering are to committee amendments which have been agreed to. I ask unanimous consent that in each instance the vote by which the committee amendment was agreed to may be reconsidered for the purpose of offering these amendments.

The PRESIDING OFFICER. Without objection, it is so ordered, and the votes by which the committee amendments were agreed to will be considered as having been reconsidered for the purpose of offering the amendments. The clerk will proceed to state the amendments.

The next amendment was, in the committee amendment beginning on page 386, to insert on page 390, line 4, after the word "subchapter", the following: ", or in the case of a taxable year the return for which was filed prior to the date of the enactment of the Revenue Act of 1942, within 6 months after the date of the enactment of such act."

The amendment to the amendment was agreed to.

The next amendment was, on page 390, at the beginning of line 8, before the word "irrevocable", to insert "made in accordance with such regulations and shall be."

The amendment to the amendment was agreed to.

The next amendment was, on page 390, line 9, after the word "contracts", to insert "past, present, or future."

The amendment to the amendment was agreed to.

The next amendment was, on page 390, line 9, after the word "which", to insert "required or."

The amendment to the amendment was agreed to.

The next amendment was, on page 390, line 12, after the word "subchapter", to insert ", including the computation of excess profits net income in each taxable year of the base period under section 711 (b),".

The amendment to the amendment was agreed to.

The next amendment was, on page 390, line 13, after the word "election",

and before the period, to insert "but for purposes of chapter 1, the tax imposed by this subchapter for any prior taxable year on account of the adjustment required by this subsection shall be considered a part of the tax imposed by this subchapter for the taxable year in which such income is, without regard to this subsection, includible in gross income."

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The next amendment was, on page 392, to strike out lines 4 to 7, inclusive, and insert in lieu thereof the following:

(e) Retroactive application of provisions relative to general relief and income from long-term contracts—

(1) The amendments made by this section to section 722 shall be applicable with respect to taxable years beginning after December 31, 1939.

(2) Subsection (b) of section 736 and so much of subsection (c) as is applicable thereto shall be applicable only with respect to taxable years beginning after December 31, 1941, except that, if a taxpayer, within 6 months after the date of enactment of this act and in accordance with regulations prescribed by the Commissioner with the approval of the Secretary, elects to have such subsections apply retroactively to all taxable years beginning after December 31, 1939, such amendments shall also be applicable to such taxable years.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. GEORGE. Mr. President, I send to the desk and ask to have stated a new amendment to be inserted at the proper place in the bill. Let me state that the Treasury has no objection to the amendment. It is solely for the purpose of eliminating duplications and other imperfections in the net-operating-loss carry-over provisions as they apply to the computations of net excess-profits income.

The PRESIDING OFFICER. The amendment submitted by the Senator from Georgia will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following new section:

SEC. (210). Net operating loss deduction adjustment.

(a) Section 711 (a) (1) (relating to the excess-profits credit computed under income credit) is amended by adding at the end thereof the following new subparagraph:

"(J) Net operating loss deduction adjustment: The net operating loss deduction shall be adjusted as follows:

"(i) In computing the net operating loss for any taxable year under section 122 (a), and the net income for any taxable year under section 122 (b), no deduction shall be allowed for any excess-profits tax imposed by this subchapter; and

"(ii) In lieu of the reduction provided in section 122 (c), such reduction shall be in the amount by which the excess-profits net income computed with the exceptions and limitations specified in section 122 (d) (1), (2), (3), and (4) exceeds the excess-profits net income (computed without the net operating loss deduction)."

(b) Section 711 (a) (2) (relating to the excess-profits credit computed under invested capital credit) is amended by adding at the end thereof the following new subparagraph:

"(L) Net operating loss deduction adjustment: The net operating loss deduction shall be adjusted as follows:

"(i) In computing the net operating loss for any taxable year under section 122 (a), and the net income for any taxable year under section 122 (b), no deduction shall be allowed for any excess-profits tax imposed by this subchapter, the deduction for interest shall be reduced by the amount of any reduction under subparagraph (B) of this paragraph, and the gross income shall be increased by the amount of the adjustment specified by subparagraph (G) of this paragraph to the extent that such adjustment includes interest other than interest described in section 122 (d) (2); and

"(ii) In lieu of the reduction provided in section 122 (c), such reduction shall be in the amount by which the excess-profits net income computed with the exceptions and limitations provided in section 122 (d) (1), (2), (3), and (4) exceeds the excess-profits net income (computed without the net operating loss deduction)."

(c) The amendments made by this section shall be effective as of the date of enactment of the Excess Profits Tax Act of 1940.

Mr. DANAHER. Mr. President, I should like to ask the Senator from Georgia to explain, if he will do so, the type of cases which the proposed amendment is designed to cover.

Mr. GEORGE. The amendment would apply to the excess-profits carry-over provision. The amendment has been submitted to the Treasury. It is intended to eliminate duplications in the section as it was written, and to clarify certain provisions of the section.

Mr. DANAHER. Does it follow the lines which we have hitherto agreed upon as a matter of policy with reference to the section?

Mr. GEORGE. Oh, yes; I can assure the Senator that it does. That is my understanding of it, and it is offered on the basis of Treasury approval.

Mr. DANAHER. I understand further that it is suggested by our own legislative drafting staff to correct some technicalities in previous provisions; is that correct?

Mr. GEORGE. Yes.

Mr. DANAHER. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. GEORGE. Mr. President, the Senate has restored section 112 (b) (7), providing for the liquidation of personal holding companies; and the amendment is found on page 123 of the bill. The liquidation is required to take place in 1 month. By inadvertence, the month of December in the year 1942 is designated in the bill as the month in which the liquidation must completely take place. It is desired to change the amendment only by striking out the date "1942" and inserting "1943", so as to require that the liquidation shall completely take place in the month of December 1943. There are a series of amendments, but they change only the year to 1943.

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment beginning on page 122 of the bill was agreed to is reconsidered. The clerk will state the proposed amendments to the committee amendment.

The CHIEF CLERK. To the committee amendment beginning on page 122, the following amendments are proposed: On page 123, line 7, strike out "1942" and insert "1943"; on page 123, line 16, strike out "1942" and insert "1943"; on page 125, line 21, strike out "1942" and insert "1943"; on page 125, line 23, strike out "1942" and insert "1943"; on page 126, line 6, strike out "1942" and insert "1943"; on page 126, line 15, strike out "1942", and insert "1943"; on page 126, line 20, strike out "1942" and insert "1943"; and on page 126, line 22, strike out "1942" and insert "1943."

The PRESIDING OFFICER. The question is on agreeing to the amendments to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. GEORGE. Mr. President, there are certain other amendments, in part suggested by the committee, and all approved by the Treasury. I now send to the desk and ask to have stated the amendment which I offer, beginning on page 172, line 8. The amendment simply provides that in the event of recovery of unconstitutional taxes, those so recovered in 1941 shall be treated in the same way as those recovered in the other year.

The PRESIDING OFFICER. The Chair understands that the amendment is to a committee amendment which has heretofore been agreed to. Without objection, the vote by which the committee amendment was agreed to is reconsidered; and the amendment offered by the Senator from Georgia will be stated.

The CHIEF CLERK. In the committee amendment on page 172, line 8, before the word "Chapter" it is proposed to insert:

(a) In general.—

And on page 173, after line 7, it is proposed to insert:

(b) Taxable years to which applicable: The amendment made by subsection (a) shall be applicable with respect to taxable years beginning after December 31, 1940.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. GEORGE. I offer another amendment which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 394, line 24, before the word "Section" it is proposed to insert:

(a) In general.—

And on page 402, line 2, it is proposed to insert:

(b) Taxable years to which applicable: The amendments made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1940.

The PRESIDING OFFICER. The vote by which the amendment of the committee beginning on line 3, page 394, was agreed to is reconsidered, and the question is on agreeing to the amendments offered by the Senator from Georgia to the committee amendment.

The amendments to the amendment were agreed to.

The amendment as amended was agreed to.

Mr. GEORGE. I now offer a new amendment, which is approved and desired by the Treasury. Without reading the amendment, which is somewhat long, I may state that the purpose is to allow a deduction of estate taxes paid in a foreign country as against estate taxes due to the United States Treasury. It is a Treasury amendment, and seems to be just and proper.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert, on page 483, after line 7, a new section, as follows:

SEC. 415. Deduction of foreign estate, succession, legacy, and inheritance taxes, etc.

(a) General rule: Section 812 (relating to estate tax deductions) is amended by inserting at the end thereof the following new subsection:

"(e) Foreign estate, succession, legacy, and inheritance taxes: The amount of any estate, succession, legacy, or inheritance taxes actually paid to any foreign country in respect of any property situated within such foreign country, which is included in the gross estate and which the Commissioner determines cannot be withdrawn from such country by reason of freezing orders, exchange restrictions, or other prohibitions (not including any such taxes paid with respect to the estate of a person other than the decedent). This subsection shall apply in the case of a resident not a citizen only if the decedent at the time of his death was an alien in respect of such foreign country. The deduction otherwise allowable under this subsection shall be reduced by (1) the extent to which the value at the time of the decedent's death of such property, or its avails, would, under the applicable law, bear the burden of the payment of items allowed as deductions under subsection (b) in the final adjustment and settlement of the estate, (2) the amount of losses deducted under subsection (b) attributable to such property, and (3) the amount deducted under subsection (c) and under subsection (d) in respect of such property. The amount of such deduction in respect of any such property shall not exceed the value of such property included in the gross estate. For period of limitations, deficiencies, and overpayments in certain cases, see section 874 (b) (3)."

(b) Amendment of section 812 (b): Section 812 (b) (relating to deductions for expenses, losses, indebtedness, and taxes) is amended by inserting before the period at the end of the first sentence thereof the following: "except as provided in subsection (e)."

(c) Amendment of section 813 (b): Section 813 (b) (relating to credits for State estate, succession, legacy, and inheritance taxes) is amended by inserting at the end thereof the following sentence: "For period of limitations, deficiencies, and overpayments in certain cases, see section 874 (b) (3)."

(d) Technical amendment with respect to deductions in case of nonresidents not citizens: For technical amendment with respect to deductions in the case of estates of nonresidents not citizens, see section 406 (b) of this act.

(e) Extension of period of limitations, etc., in case of recovery of taxes claimed as deduction or credit: Section 874 (b) (relating to exceptions to general rule as to period of limitation upon assessment and collection) is amended by inserting at the end thereof the following new paragraph:

"(3) Recovery of taxes claimed as deduction or credit: If any tax claimed as a deduction or credit under section 812 (e) or section 813 (b) is recovered from any foreign country, State, Territory, the District of Columbia, or possession of the United States, the executor, or if the recovery is obtained after the executor is discharged, then any person or persons recovering such amount, shall give notice of such recovery to the Commissioner at such time and in such manner as may be required by regulations prescribed by the Commissioner with the approval of the Secretary. With respect to the taxes due under this subchapter as a result of such recovery of the amount so claimed as a deduction or credit, the limitations provided in subsection (a) shall apply from the time such notice, instead of the return, is filed, or, in case of a failure to file such notice, shall not be applicable. If assessment and collection of any deficiency resulting from such recovery is prevented, except as provided in section 871 (a), then, notwithstanding any provision of law or rule of law other than this paragraph and other than section 3761, notice of such deficiency shall be given and assessment and collection thereof shall be made in the same manner as in the case of any other estate tax deficiency. If the refund or credit of any overpayment to the extent resulting from the application of the preceding sentence is prevented within 3 years next after payment is made in accordance with the preceding sentence, then, notwithstanding any provision of law or rule of law other than this paragraph and other than section 3761, such overpayment shall be refunded or credited in the same manner as in the case of an estate tax erroneously collected if claim therefor is filed within 3 years from the date of such payment."

(f) Cross reference: Section 871 (a) (2) is amended by striking out "Section 872, relating to jeopardy assessments; and" and by inserting in lieu thereof the following:

"Section 872, relating to jeopardy assessments;

"Section 874 (b) (3), relating to deficiencies in certain cases; and."

(g) Cross reference: Section 913 is amended by inserting immediately after the introductory clause the following:

"Section 874 (b) (3), Recovery of tax claimed as deduction or credit."

(h) Estates to which amendments applicable—

(1) The amendments made by this section shall be applicable to estates of decedents dying after December 31, 1941, except as provided in paragraph (2).

(2) The amendments made by this section insofar as they relate to section 812 (e) shall not be applicable to estates of decedents dying more than 1 year after the termination of the present war.

Insert on page 471, line 21, after "deductions" the following: "described in section 812 (e) and."

The amendment was agreed to.

Mr. GEORGE. Mr. President, I have several purely clerical amendments, prepared by Mr. O'Brien, and I ask that they be printed in the RECORD so that they may be taken up tomorrow morning without taking the time to read them at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendments were ordered to be printed and to lie on the table and to be printed in the RECORD, as follows:

Page 29, lines 9 and 10, strike out "beginning after January 1, 1942."

Page 29, line 23, strike out "beginning after January 1, 1942."

Page 143, line 20, strike out "15" and insert "6."

Page 149, line 7, strike out "The" and insert in lieu thereof, "If any part of the money is not so expended, the."

Page 155, line 19, after the word "subsection" insert "or the date specified in the certificate referred to in paragraph (1) of this subsection."

Page 197, line 19, strike out "earnings and principal" and insert "corpus and income."

Page 200, line 6, strike out "an employer" and insert "the plan."

Page 205, lines 2 and 3, strike out "difference shall be carried forward and be deductible" and insert in lieu thereof, "excess, or if no amount is paid, the amounts deductible, shall be carried forward and be deductible when paid."

Page 211, after line 6, insert:

"(e) Technical Amendment to Investment Company Act of 1940.—Section 3 (c) (13) of the Investment Company Act of 1940 is amended to read as follows:

"'(13) Any employees' stock bonus, pension, or profit-sharing trust which meets the conditions of section 165 of the Internal Revenue Code, as amended.'"

Page 244, line 1, strike out "which."

Page 256, line 5, before the comma insert "or of a carry-back."

Page 262, line 21, strike out "If it" and insert in lieu thereof "It."

Page 339, line 12, strike out "205" and insert "206."

Page 369, after line 13, insert:

"(c) Taxable years to which amendments applicable: The amendments made by this section shall be applicable to taxable years beginning after December 31, 1939."

Page 391, line 13, strike out "periods" and insert in lieu thereof "period."

Page 393, line 9, strike out "(3)" and insert in lieu thereof "(4)."

Page 393, line 13, strike out "Section 712 (c)" and insert "Sections 712 (c) and 741 (b)"; and in line 14 strike out "is" and insert "are."

Page 407, strike out lines 12 to 24, and page 408, strike out lines 1 and 2, and insert:

"(d) In the case of a taxpayer which is an acquiring corporation the base period shall be the 4 calendar years 1936 to 1939, both inclusive."

Beginning on page 408, line 24, strike out down to and including the period in line 2 on page 409 and insert:

"(b) Repeal of section 741 (a): Section 741 (a) is repealed."

Page 447, line 24, after the period insert the following: "No amount of any payment made under this subsection to a taxpayer shall be included in gross income."

Page 561, line 4, after "to" insert "film or."

Mr. GEORGE. Mr. President, there are a few other amendments which should go over until tomorrow.

Mr. McKELLAR. Mr. President, the Committee on Appropriations has been called to meet tomorrow morning at 10:30 o'clock, and since it will be necessary for me to attend the meeting, I ask leave to offer an amendment, which I ask to have stated. I wish to have it disposed of this afternoon if possible so that it will not be necessary for me to be on the Senate floor tomorrow.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 129, lines 5, 9, 12, and 24, and on page 130, line 2, after the word "fluorspar" it is proposed to insert the words "ball and sagger clay."

Mr. THOMAS of Oklahoma. Mr. President, is it not a fact that the amendment submitted is in the first degree?

The PRESIDING OFFICER. It is.

Mr. THOMAS of Oklahoma. I have conferred with the chairman of the committee and other Senators, and I desire to offer an amendment identical in its provisions with the amendment submitted by the Senator from Tennessee, but including one further term, that is, "rock asphalt." The amendment is in the nature of a substitute for the amendment submitted by the Senator from Tennessee. It includes his amendment.

Mr. McKELLAR. Is it to be inserted on both pages?

Mr. THOMAS of Oklahoma. It is.

Mr. McKELLAR. I have no objection. I am perfectly willing to modify my amendment so as to include the substitute offered by the Senator from Oklahoma.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Tennessee is modified, and, as modified, without objection——

Mr. LA FOLLETTE. Mr. President, I cannot let the amendment be put into the bill without objection. In my opinion this percentage depletion is one of the worst features of the bill, and now it is being extended. We are vesting interests which will come back to plague us. If we are to include all these things, why do we not put in sand and gravel, why do we not provide for the depletion the farmer suffers through erosion of the soil of his farm?

Apparently the Senate is in a mood in which it wants to extend special privileges in time of war. It wants to see that everyone comes through the war entirely whole, except the poor devils who have to go out and fight.

Mr. McKELLAR. Mr. President, this is no such amendment. This is an amendment based on a provision in the bill. It affects earthenware, which is very scarce, and the material for which is taken out of the soil in a number of States, and it should be included in the bill. I hope the amendment will be agreed to and that it will be agreed to at this time.

Mr. TAFT. Mr. President, the committee considered all these questions and rejected the extension of percentage depletion to which it is not applicable today. I think, with the Senator from Wisconsin, that the percentage depletion is to a large extent a gift. It is to a large extent a special privilege beyond what anyone else can get. Therefore I do not think the privilege should be extended to anything to which it is not applicable today. I think the amendment should be rejected.

Mr. McKELLAR. Let us have a vote.

Mr. GEORGE. Mr. President, I have no objection to the amendment going to conference, but I must be perfectly frank and say that if it is incorporated in the bill, it will have to be examined in conference.

Mr. McKELLAR. Of course, I expect the conferees to examine it.

Mr. GEORGE. It will have to be examined to see whether or not there is any justification for the amendment, if depletion allowance is to be allowed at all.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee, as modified.

Mr. JOHNSON of California. Mr. President, why not let the amendment go over until tomorrow?

Mr. McKELLAR. I have just explained the situation to the Senate; I do not think the Senator from California was present at the time. A meeting of the Committee on Appropriations has been called for tomorrow morning at 10:30, at which I, as a member of the committee, must be present. The amendment I have submitted is the only one I intend to offer to the bill, and I hope it may be voted on this afternoon.

Mr. JOHNSON of California. I care little about it, indeed, I know nothing about the subject matter of the amendment; but here we have an amendment which has met with some controversy.

Mr. McKELLAR. Yes; it has.

Mr. JOHNSON of California. And it seems to me that this is an inappropriate time, so late in the day, to insist on action on such an amendment.

Mr. McKELLAR. There are more Members of the Senate present now than will be here tomorrow, probably. There should not be any trouble about voting, and I hope the Senator, because of the reason I have given, will consent. I should be perfectly willing to have the amendment go over until tomorrow if it were not for the fact that I cannot very well be on the floor tomorrow morning.

Mr. JOHNSON of California. Of course, that is very persuasive with me, I confess, and I should like to accede to the suggestion at once. If it is satisfactory to everyone else, I shall withdraw my objection.

Mr. McKELLAR. Very well.

Mr. JOHNSON of California. But if it is not satisfactory to everyone, and there is anyone objecting, I think it should go over until tomorrow.

Mr. McKELLAR. I hope it will be voted on this afternoon, for the reason I have given. Let us have a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee, as modified.

Mr. DAVIS. Let the amendment be stated.

The PRESIDING OFFICER. Without objection, the clerk will state the amendment.

The CHIEF CLERK. On page 129, line 5, after the word "fluorspar" and the comma and before the word "and" it is proposed to insert, "ball and sagger clay, rock asphalt;", on page 129, line 9, after the word "fluorspar" and the comma, and before the word "and", to add the words "ball and sagger clay, rock asphalt;", on page 129, line 12, after the word "fluorspar", to insert a comma and the words "ball and sagger clay, and rock asphalt:", on page 129, line 24, after the word "fluorspar", to insert a comma and the words "ball and sagger clay or rock asphalt;", on page 130, line 2, after the word "fluorspar" and the comma, to insert the words "ball and sagger clay, rock asphalt" and a comma.

Mr. McKELLAR. Mr. President, the amendment refers only to ball clay and asphalt. Much language is used, but those are the only items to which it refers.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified offered by the Senator from Tennessee [Mr. McKELLAR]. [Putting the question.] The "ayes" seem to have it.

Mr. LA FOLLETTE. I ask for a division.

The Senate proceeded to divide.

The PRESIDING OFFICER. (After counting.) The amendment is not agreed to.

Mr. McKELLAR. I ask for the yeas and nays, and I suggest the absence of a quorum.

Mr. TAFT. Mr. President, a point of order. The vote has already been taken. There cannot be any yea and nay vote on the amendment.

Mr. McKELLAR. I suggest the absence of a quorum.

Mr. McNARY. Mr. President, I suggest to the Senator from Tennessee that we have heretofore had an agreement that the Senate would recess at about 5 o'clock. Will the Senator withhold his suggestion of the absence of a quorum?

Mr. McKELLAR. I withhold my suggestion of the absence of a quorum if it may be understood that we shall have a yea and nay vote on the question tomorrow. Mr. President, I ask for the yeas and nays, and if they are ordered, with the understanding that the vote shall be taken tomorrow, I shall withdraw my suggestion of the absence of a quorum.

The PRESIDING OFFICER. The Senator from Tennessee asks for the yeas and nays on his amendment. Is there a second?

The yeas and nays were ordered.

Mr. McKELLAR. I withdraw my suggestion of the absence of a quorum.

Mr. BARKLEY. Mr. President, I wish to state that it is my purpose to move a recess until 11 o'clock a. m. tomorrow. Barring possible obstacles or handicaps or hurdles which no one now anticipates, we ought to be able to finish consideration of the bill within 3 or 4 hours tomorrow. I certainly hope that we shall be able to finish consideration of the bill before we adjourn tomorrow's session.

Mr. O'MAHONEY. Mr. President, the Finance Committee has presented us with a bill of 575 pages, and 2 volumes of hearings embracing about 2,500 pages. It has been very difficult to read all the material either in the hearings or in the bill. But one of the most provocative of all the suggestions made before the committee was, it seems to me, that which was made by the Secretary of the Treasury and the general counsel for a spending tax. The committee did not see fit to approve that proposal. There has

been no discussion of that proposal upon the floor. My feeling is that it opens the door to a complete reformation of a tax system which has become very complex. It is my understanding that it is the purpose of the Finance Committee to study the reformation of the tax system with the thought of bringing in new proposals by new legislation early in the year.

Because of my feeling that this suggestion is of such great importance, I think it ought to be available to students of taxation and ought to be available to Members of the Senate, so that when the new committee meetings are held a form at least of this proposed tax may be available. I have no desire of offering it for consideration in connection with this bill, but I feel that it ought to be discussed and that the proposal should be printed.

I have been in consultation with the experts of the Treasury, and I have in my hand a modification of the proposal which was laid before the committee by the general counsel, Mr. Paul. Mr. President, I ask that it be printed and lie on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. DOXEY in the chair) laid before the Senate a message from the President of the United States nominating Capt. John L. Hall, Jr., to be a rear admiral in the Navy, for temporary service, to rank from the 14th day of June 1942, which was referred to the Committee on Naval Affairs.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Finance:

Omar C. Hopkins, passed assistant sanitary engineer, to be a sanitary engineer in the Public Health Service;

Several surgeons to be senior surgeons in the Public Health Service; and

Several senior sanitary engineers to be sanitary engineer directors in the Public Health Service.

By Mr. WALSH, from the Committee on Naval Affairs:

Sundry naval captains to be rear admirals in the Navy, for temporary service.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

UNITED STATES PATENT OFFICE

The legislative clerk read the nomination of Ernest F. Klinge, to be examiner in chief, Board of Appeals, United States Patent Office.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Vernon I. Richard, to be examiner in chief, Board of Appeals, United States Patent Office.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

ARMY SPECIALIST CORPS

The legislative clerk proceeded to read sundry nominations in the Army Specialist Corps.

Mr. BARKLEY. I ask that the nominations in the Army Specialist Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Army nominations are confirmed en bloc.

That completes the calendar.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 18 minutes p. m.) the Senate took a recess until tomorrow, Saturday, October 10, 1942, at 11 o'clock a. m.

NOMINATIONS

Executive nomination received by the Senate October 9 (legislative day of October 5), 1942:

Capt. John L. Hall, Jr., to be a rear admiral in the Navy, for temporary service, to rank from the 14th day of June 1942.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 9 (legislative day of October 5), 1942:

UNITED STATES PATENT OFFICE

Ernest F. Klinge to be examiner in chief, Board of Appeals.

Vernon I. Richard to be examiner in chief, Board of Appeals.

ARMY SPECIALIST CORPS

APPOINTMENTS

James Anderson to be principal personnel procurement officer, Field Service, Eighth Service Command, Army Specialist Corps, at a salary of $5,600.

Myron Samuel Falk to be assistant to Chief of Ammunition Division, Ordnance Department, Services of Supply, at a salary of $6,500.

William Chester McDuffie to be Director, Service Command, Field Service, Ninth Service Command, Army Specialist Corps, at a salary of $6,500.

Walter Alan Richards to be Director, Fourth Service Command, Field Service, Army Specialist Corps, at a salary of $6,500.

Richard Pearson Strong to be senior instructor in tropical medicine, Office of the Surgeon General, Services of Supply, at a salary of $6,500.

Percival Edward Foerderer to be principal personnel procurement officer, Field Service, Third Service Command, Army Specialist Corps, at a salary of $5,600.

Edward Magill Gillespie to be technical expert, Transportation Service, Services of Supply, at a salary of $5,600.

Charles Hartwell Maltby to be assistant to district engineer, Engineer Corps, Services of Supply, at a salary of $5,600.

Henry Robert Norman to be principal engineering consultant and executive assistant, Engineer Corps, Services of Supply, at a salary of $5,600.

Leland Grisier Gardner to be executive officer, Legislative and Liaison Division, War Department, Special Staff, at a salary of $5,600.

IN THE ARMY

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Maj. Kenneth Gilpin Hoge to Adjutant General's Department.

Maj. Charles Carlton Cavender to Infantry.

PROMOTIONS IN THE REGULAR ARMY

To be colonel

Carl Spaatz, Air Corps.

To be lieutenant colonels

Carlyle Howe Ridenour, Air Corps.
Bennett Edward Meyers, Air Corps.
George Mitchell Grimes, Quartermaster Corps.
Edward Bethel Jackson, Infantry.
Paul Hyde Prentiss, Air Corps.
Warren Arthur Maxwell, Air Corps.
William Henry Papenfoth, Coast Artillery Corps.
Frederick Mercer Hopkins, Jr., Air Corps.
Walter Leo Weible, Coast Artillery Corps.
Rupert Edison Starr, Coast Artillery Corps.
Leonard Dickson Weddington, Air Corps.
John Henry Doherty, Finance Department.
Edward Michael Powers, Air Corps.
Maurice Edgar Jennings, Chemical Warfare Service.
Howell Harrell, Quartermaster Corps.
Paul Edmund Burrows, Air Corps.

MEDICAL CORPS

To be majors

Edward James Kendricks
Oliver Harold Waltrip

To be captains

Maurice Riordan Connolly
Joseph Nagle
Harry Louis Berman
Isaiah Alonzo Wiles
William Blackford Look
Charles Ellison Melcher

DENTAL CORPS

To be colonels

Oscar Peter Snyder
Rex McKinley McDowell
Charles Melville Taylor
Thomas Lovet Smith
George Ray Tressel
Frederic Harold Bockoven

To be major

Wallace Jacob Morlock

CHAPLAINS

Ora Jason Cohee to be colonel, United States Army, with rank from October 4, 1942.

POSTMASTERS

ALABAMA

William H. Elam, Brent.
Elias B. Reid, Cherokee.
William F. Croft, Crossville.
A. Kate B. Patterson, Falkville.
Ernest D. Manning, Florala.
Herman Pride, Georgiana.
Roy J. Ellison, Loxley.
William M. Moore, Luverne.
Lawrence F. Howell, Moulton.
Harry J. Wilters, Robertsdale.
Charles B. Lampkin, Jr., University.

KENTUCKY

Earl H. Jackson, Corinth.
Owen W. Hisle, Richmond.

NEW YORK

Thomas H. O'Hehir, State School.

WEST VIRGINIA

Julius W. Singleton, Charleston.
Denny B. Browning, Logan.

SENATE

SATURDAY, OCTOBER 10, 1942

(Legislative day of Monday, October 5, 1942)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Reverend Edgar A. Sexsmith, D. D., minister, Rhode Island Avenue Methodist Church, Washington, D. C., offered the following prayer:

Almighty God, our Heavenly Father, it is with a sense of renewed obligation that we pause a moment to render thanksgiving unto Thee for the blessings of life that surround us, for Thy kind providence that has protected this Nation and has led it thus far and, we believe, will continue to lead it.

We ask Thy guidance, our Father, in the deliberations of this body and for all those who have in charge the affairs of state. We ask, our Father, that Thy continued blessing shall guide us into larger fields of usefulness and prosperity; and, our Father, we pray that Thy presence shall be very near each one of us as individuals. We ask it in the name of Christ. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday October 9, 1942, was dispensed with, and the Journal was approved.

ELECTION OF A CHAPLAIN

Mr. BARKLEY. As the Members of the Senate are aware, there has been a vacancy in the Chaplaincy of the Senate ever since the death of Dr. Phillips. A number of men have been under consideration, all of them worthy, able, and capable, the selection of any one of whom would have been a worthy bestowal of the honor upon him, but from among the number only one could be selected. Therefore, on behalf of the majority steering committee, I present to the Senate the name of Dr. Frederick Brown Harris, of Washington, D. C., and move his election as Chaplain of the Senate.

The VICE PRESIDENT. The question is on the motion of the Senator from Kentucky.

The motion was agreed to.

EXECUTIVE COMMUNCATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

PROVISION PERTAINING TO EXISTING APPROPRIATIONS OF WAR AND OTHER DEPARTMENTS AND AGENCIES (S. Doc. No. 268)

A communication from the President of the United States, transmitting draft of a proposed provision pertaining to existing appropriations of the War Department as well as those of other departments and agencies of the executive branch of the Government (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PERSONS COMMISSIONED IN THE ARMY WITHOUT PRIOR COMMISSIONED MILITARY SERVICE

A letter from the Secretary of War, transmitting, pursuant to law, a report showing the name, age, legal residence, rank, branch of the service, with special qualifications therefor, of each person commissioned in the Army without prior commissioned military service, covering the period August 1 to September 30, 1942 (with accompanying papers); to the Committee on Military Affairs.

CERTIFICATES PERTAINING TO ACTION IN CERTAIN WAR-PROGRAM CASES

A letter from the Attorney General, submitting, pursuant to section 12 of Public Law No. 603, Seventy-seventh Congress, approved June 11, 1942, his first report, for the period June 11 through September 30, 1942, relating to issuance of certificates filed with respect to requisite action relating to avoidance of prosecution or civil suit under existing laws in certain cases or instances under the program to prosecute the war (with accompanying papers); to the Committee on Banking and Currency.

MANUSCRIPT SUPPLEMENT OF FEDERAL LAWS REGULATING CARRIERS SUBJECT TO THE INTERSTATE COMMERCE ACT

A letter from Walter M. W. Splawn, chairman, legislative committee, Interstate Commerce Commission, transmitting for the Commission, in response to Senate Resolution 270 (agreed to October 1, 1942), a manuscript supplement bringing as closely to date as practicable Senate Document No. 166, Seventieth Congress, first session, Senate Document No. 139, Seventy-third Congress, second session, and Senate Document No. 202, Seventy-sixth Congress, third session (with an accompanying manuscript); to the Committee on Interstate Commerce.

REPORT OF MILITARY AFFAIRS COMMITTEE

The following report of a committee was submitted:

By Mr. REYNOLDS, from the Committee on Military Affairs:

S. 2824. A bill to amend the act of January 24, 1920, so as to authorize the award of a silver star to certain persons serving with the Army of the United States; without amendment (Rept. No. 1637).

DEVELOPMENT OF NEW AND ADDITIONAL RESOURCES OF STRATEGIC AND CRITICAL RAW MATERIALS

Mr. MURRAY (for himself, Mr. MALONEY, Mr. MEAD, Mr. ELLENDER, Mr. STEWART, Mr. CAPPER, and Mr. TAFT), from the Special Committee to Study and Survey Problems of Small Business Enterprises, reported an original resolution (S. Res. 301), which was ordered to be placed on the calendar, as follows:

Resolved, That the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Federal Loan Administrator, the Chairman of the War Production Board, and the Defense Supplies Corporation are hereby requested to transmit to the Senate at the earliest practicable date, but not later than November 1, 1942, reports concerning the progress made and results achieved by the War Department, the Navy Department, the Interior Department, the Federal Loan Agency, the War Production Board, the Defense Supplies Corporation, the Metals Reserve Company and such other subsidiaries of the Reconstruction Finance Corporation as may be concerned therewith, toward the development of new and additional resources of strategic and critical raw materials, and toward the utilization of submarginal producers of such materials.

HOSPITAL NEEDS AND FACILITIES IN THE DISTRICT OF COLUMBIA AND ADJACENT AREA

Mr. McCARRAN, by unanimous consent, submitted the following resolution (S. Res. 302), which was ordered to lie over, under the rule.

Whereas the Federal Government, by concentrating its tremendous war activities in the city of Washington and the metropolitan area surrounding the District of Columbia, has brought a vast increase in population estimated at over a million persons within the area; and

Whereas the public utilities and public services to accommodate this vast army of persons has not kept pace with that increase; and

Whereas one of the major and most important fields of service, vital to the health and well-being of the community which has failed to meet the enlarging demands upon it because of inadequate housing, personnel, materials, and equipment, is that of local hospitalization; and

Whereas the number of physicians, surgeons, dental surgeons, nurses, and other practitioners of the healing arts available to the public and to institutions is steadily decreasing by the call to service in the armed forces of the Nation; and

Whereas the crowded conditions, and in many instances in many parts of the area the unsanitary living accommodations, the complete upheaval of the normal economic and civic life of the city caused by the enormous problem of keeping the war effort at a maximum of efficiency, are the source of a serious menace to the health of the area; and

Whereas such a menace might easily become an epidemic; and

Whereas in the opinion of many leaders of this community such an epidemic might easily become a reality; and

Whereas not only the health and the life of the entire populace, civilian and military, will be endangered, but the war effort will come to a virtual standstill if such condition obtains; and

Whereas the need for additional buildings, nurses' homes, nurses, student nurses, sterilizing and surgical equipment, ambulances, and hospital beds has been forcibly brought to the forefront on numerous occasions by the Senate Committee on the District of Columbia through public meetings, personal conferences and contacts with officials of the Federal Security Agency, Federal Works Agency, the Public Health Service, the District Commissioners, and other Government agencies and officials, and through correspondence, telegrams, and other modes of communication, which conferences and contacts and

correspondence have demonstrated the urgent need for such expansion of hospital facilities and at the same time has brought forth no definite or tangible results; and

Whereas it would appear that notwithstanding all of the apparent need and emergency, nothing has been done to assure against possible epidemic and growing inadequacy: Now, therefore, be it

Resolved by the Senate of the United States, That the Federal Works Agency, the Public Health Service, the District Commissioners, and other Government agencies and officials charged with the responsibility of providing the people of Washington and its environs with adequate hospital facilities prepare and submit to the Senate a report, within 10 days from the adoption of this resolution, setting forth plans and specifications which have been adopted, and those which are under study and consideration as to their feasibility, possibility, and availability, together with the present status of each project, actual or contemplated, and giving in detail the type of accommodations and facilities which are considered necessary to meet the situation existing and to rectify the conditions prevailing, including the supplies and equipment of all kinds necessary to an immediate carrying out of the program in full.

This resolution is intended to apply to all Government agencies, Federal and municipal, whose powers and authority embrace the final action required to actually put the necessary buildings, structures, and requisite personnel into operation, as well as to those agencies whose powers and authority require the giving of approval or sanction to obtain the necessary labor, materials, and supplies, to the end that the projects may, without delay, become an operating reality.

WE HAVE KEPT THE FAITH—STATEMENT BY SENATOR BARKLEY

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a résumé of legislation which has been enacted by Congress not dealing with the war, which appears in the Appendix.]

WHAT OF THE NATION IN 1942?—ADDRESS BY HON. ALF M. LANDON

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address delivered by Alf M. Landon, former Governor of Kansas, before a Republican mass meeting at Lincoln, Nebr., on October 9, 1942, which appears in the Appendix.]

EDITORIALS ON TAXATION OF MUNICIPAL AND STATE SECURITIES

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an editorial from the New Haven (Conn.) Register and an editorial from the Washington (D. C.) Daily News on the subject of taxation of municipal and State securities, which appear in the Appendix.]

STABILIZATION OF COST OF LIVING

Mr. O'MAHONEY. Mr. President, last week during the debate upon the amendments to the so-called anti-inflation bill I had occasion to make some remarks in which I discussed two charts which had been prepared by the Bureau of Labor Statistics. I called attention to the fact that these charts, one of them dealing with the cost of foods in 51 large cities, and the other dealing with employment and pay rolls, were drawn up on different bases.

A few days later I received a letter from Mr. A. F. Hinrichs, Acting Commissioner of Labor Statistics, in which he set forth his explanation as to how it came about that the Bureau had two different bases. I ask unanimous consent that his letter and my response thereto be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, September 29, 1942.

The Honorable JOSEPH O'MAHONEY,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have had the pleasure of reading your speech on the anti-inflation bill in the CONGRESSIONAL RECORD of September 24. You have wisely pointed out that when comparisons are made between different series of index numbers consideration must always be given to the conditions prevailing in the base period. We have always attempted to do that ourselves. For example, it has been repeatedly necessary to discuss the increase in prices that has occurred since the outbreak of the war in Europe. However, whenever we have had occasion to refer to the increase in the farm and food prices since August 1939, we have also pointed out that farm and food prices in that month were relatively low.

While I am in complete agreement with respect to the necessity of the careful consideration of conditions in base periods when crude comparisons are made between different series of index numbers, I am very much afraid that your discussion of the selection of base periods may lead to a misinterpretation of the work of the statistical agencies of the Federal Government. I am sure that you will agree with me that it is important that their work be regarded as objective. Most of us who are engaged in this kind of work feel keenly our responsibility for the accurate assembly and presentation of data so that they will merit public confidence. In this connection, therefore, I should like to explain briefly how various base periods have come to be chosen for the statistical series published by the Federal Government. In 1925 an agreement was made among the Federal statistical agencies—notably, the Federal Reserve Board and the Department of Commerce—on the years 1923–25 as a base period for industrial index numbers. Gradually most important industrial indexes, including those of the Bureau of Labor Statistics were shifted to that base period except for wholesale prices, which, for special reasons, was on a 1926 base. The Department of Agriculture, preferring a 5-year, rather than a 3-year base, generally used the years 1924–29 as 100, except for parity indexes, based by law on the 1910–14 average.

The Central Statistical Board, created in 1933 to coordinate the work of the various statistical agencies of the Federal Government (now the Division of Statistical Standards of the Bureau of the Budget), considered the need for a more recent base period than 1923–25. However, it was generally agreed that no useful purpose would be served by using the years of severe depression from 1931 to 1934, and it was not until we had experienced the relatively good years 1936 and 1937 in conjunction with the rather poor year of 1938 that economists and statisticians agreed that a business cycle had been completed which could be safely used as a base period for index numbers. The years 1935 and 1939 were included in this base period because extensive census materials are available for those years, and are not available for 1936 and 1938. The year 1937 by itself was clearly not an appropriate base year because it was the most active year in the entire decade.

With this as a background, the decision to request Federal statistical agencies to shift their indexes to the 1935–39 base was made by the Division of Statistical Standards of the Bureau of the Budget in 1940. I believe that I am correct in saying that the first index to be computed on this new base was the revised index of industrial production compiled by the Federal Reserve Board. The Bureau of Labor Statistics was engaged, at that time, in recomputing its index of changes in the cost of living. In any case there would have been a presumption in favor of adopting the standard Federal base period for the cost of living index, in order to facilitate comparison between various indexes. This presumption was reinforced by the fact that the comprehensive study of wage-earners' expenditures, undertaken with a special appropriation from Congress, to provide new and up-to-date weights for a revised cost of living index, covered the years 1934–36. Since it is technically desirable in making an index number that the base period and the weights refer to about the same time period, 1935–39, seemed desirable. Accordingly, our calculations were made on that basis and published in the summer of 1940, long before any rise in the cost of living began.

It has been more or less taken for granted that all Federal agencies would follow this recommendation for a 1935–39 base in revising their individual index numbers, unless special wartime circumstances or a new decision by the Division of Statistical Standards made another base period more desirable. The Bureau of Labor Statistics, accordingly, is now in the process of revising its indexes of employment and pay rolls, and, incidentally, shifting them to a 1935–39 base.

The shifting of a base period for a comprehensive index such as this is a substantial task. Its completion for the index of employment and pay rolls has been delayed by the fact that the materials compiled for the census of manufactures for 1939, which were necessary for the adjustment process, were not available for some time after the close of the census year. Moreover, many emergencies associated with the war program have had first call on the energies of our staff. However, the work has proceeded so far that within a month or 6 weeks we expect to release the indexes of factory employment and pay rolls on a new base.

It is apparent, therefore, that from the Bureau of Labor Statistics' point of view the use of one base in connection with the cost-of-living figures and another base in connection with factory employment and pay rolls has been dictated by limitations of funds and the pressures of the war program and is not a matter of design.

Although the program for the conversion of Federal index numbers to a new base was developed long before the outbreak of the war and had no relation to the wartime developments to which you referred, there remains the question of whether it was a wise decision. As I am sure you know it is generally agreed among technicians that it is desirable to shift base periods at more or less frequent intervals; new industries develop and old industries die away, and the economic habits of a community change over a period of 10 or 15 years. This in itself necessitates the revision of index numbers. Moreover, the program of collection of basic statistics is continually being extended to cover more and more kinds of information, and in many cases this information is simply not available for years a decade or two in the past. Therefore, in laying down a program for index-number revision in the Federal Government, it has been necessary from an operating point of view to select a fairly recent base period. The 5-year period 1935–39 was selected in preference to a short period of a year or less because a broad base avoids emphasizing the accidents of the economy which throw industries out of line over short periods. For most purposes I believe that a pre-war base will be a useful bench mark from which to measure the changes brought about by the war; but, as you have pointed out, any specific comparisons of index numbers based on this period (or any other period) require an examina-

tion of conditions prevailing in the base period.

Very truly yours,

A. F. HINRICHS,
Acting Commissioner of Labor Statistics.

OCTOBER 3, 1942.

DR. A. F. HINRICHS,
Acting Commissioner of Labor Statistics, Department of Labor, Washington, D. C.

DEAR DR. HINRICHS: I am very grateful for your letter of September 29 outlining the considerations which have entered into the selection of various base periods used by the Bureau of Labor Statistics in determining statistical indices.

I am glad to note that the use of one base in determining the variations of the cost of living and another in connection with factory employment and pay rolls has been due only to the difficulties involved in adopting a new and more recent base period.

I may say that I have always had the utmost confidence in the objectivity of the Bureau of Labor Statistics. The fact that the Bureau is now preparing to calculate all indices on the same base is evidence of its scientific attitude.

It will give me pleasure to put your letter in the CONGRESSIONAL RECORD.

Sincerely yours,

JOSEPH C. O'MAHONEY.

REVENUE ACT OF 1942

The Senate resumed the consideration of the bill (H. R. 7378) to provide revenue, and for other purposes.

The VICE PRESIDENT. The question is on the amendment, as modified, of the Senator from Tennessee [Mr. MCKELLAR], on which the yeas and nays have been ordered.

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	George	Nye
Austin	Gerry	O'Daniel
Bailey	Gillette	O'Mahoney
Ball	Guffey	Overton
Bankhead	Gurney	Pepper
Barbour	Hatch	Radcliffe
Barkley	Hayden	Reed
Bilbo	Herring	Reynolds
Bone	Hill	Rosier
Brewster	Holman	Schwartz
Brooks	Johnson, Calif.	Shipstead
Brown	Johnson, Colo.	Smith
Bulow	Kilgore	Spencer
Bunker	La Follette	Stewart
Burton	Langer	Taft
Butler	Lee	Thomas, Idaho
Byrd	Lodge	Thomas, Okla.
Capper	Lucas	Thomas, Utah
Caraway	McCarran	Truman
Chandler	McFarland	Tunnell
Chavez	McKellar	Tydings
Clark, Idaho	McNary	Vandenberg
Clark, Mo.	Maloney	Van Nuys
Connally	Maybank	Wallgren
Danaher	Mead	Walsh
Davis	Millikin	Wheeler
Downey	Murdock	White
Doxey	Murray	Wiley
Ellender	Norris	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Rhode Island [Mr. GREEN], the Senator from Georgia [Mr. RUSSELL], the Senator from New Jersey [Mr. SMATHERS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

Mr. MCNARY. The Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] and the Senator from Indiana [Mr. WILLIS] are necessarily absent.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

Mr. MCKELLAR. Mr. President, I shall take only a moment or two to explain the amendment. I am quite sure the Senate will agree to it, if they understand it, and I shall try to make it plain.

Mr. MCNARY. Mr. President, I interrupt the Senator to inquire in what portion of the bill does the amendment fit?

Mr. MCKELLAR. It comes in on page 129, under the depletion allowance.

Mr. MCNARY. I understand.

Mr. MCKELLAR. Mr. President, this amendment would put certain materials on the same basis as coal, oil, fluorspar, and other things which are given depletion allowances. Ball clay is used in making earthenware, various kinds of plumbing fixtures, and many other things which are useful both in the Army and Navy, and in the war effort generally, and also in our everyday life.

According to Webster's Dictionary clay is a widely distributed earthy material, plastic when moist, but permanently hard when baked or fired. The essential constituent of pure clay, or kaolin, is a mineral kaolinite, a hydrous aluminum silicate. Most clays, however, contain other hydrous aluminous minerals with more or less finely comminuted quartz, feldspar, mica, and so forth. Clay results primarily from the decomposition of granite and other feldspathic rock.

The clay-mining company does no manufacturing. It sells to manufacturers of dishes for domestic use, such as the Homer Laughlin China Co., of Newell, W. Va.; Taylor, Smith & Taylor Co., of Chester, W. Va.; W. S. George Pottery Co., of East Palestine, Ohio; Gladding McBean & Co., of Los Angeles, Calif.; and other manufacturers of domestic tableware, and to the manufacturers in this country who make dishes for the Army, Navy, and Marine Corps. These dishes are the vitrified type, similar to those used in hotels.

The demand for dish manufacture has been greatly increased since the war but it is much less from the manufacturers of electrical porcelain. The manufacturers of floor and wall tile have nearly ceased production due to the necessary curtailing of the building program by the W. P. B.

Another important outlet for clay from the mines is the manufacturing of sanitary wares, plumbing fixtures, made by such firms as Standard Sanitary, Kohler, Crane, Universal, Sanitary Manufacturing Co., and others.

One product that is now very important to the war effort is steatite porcelain used in ground-to-plane radio transmission and receiving sets. This porcelain requires a small amount of ball clay produced by the firm now operating in western Kentucky and Tennessee, and it is very important that these firms be kept in a healthy financial condition so that they may properly at all times supply these steatite porcelain manufacturers and the other manufacturers of war materials that use and require ball clay.

Certainly, if fluorspar mines and sulfur mines or deposits are given, respectively, 15 percent and 23 percent, this clay so needed in the war effort and for always necessary domestic use, should be given a like allowance for depletion.

The particular kind of clay I am seeking to have covered is found in great quantities in the States of Kentucky, Tennessee, Missouri, and perhaps others. When the mines are fully depleted, the property is gone. All the amendment would do would be to put this material on the same footing with oil, coal, fluorspar, and other materials of the kind. It seems to me to be a reasonable amendment. There should be a depletion allowance when the owner of the mine takes the material from the mine and uses it.

As I have said this material is used in the making of dishes, and the use of the American article has been increased, especially since our commerce in materials of this kind with England and other countries which produce it has been cut off, as a result of the war. This clay is used by the Army in considerable amount. The mines are being depleted. It is a young business, it is a business which has just been started, because, as we all know, much of our crockeryware came from abroad before the war.

Under these circumstances it seems to me to be fair and just that the amendment should be agreed to, and I hope the Senate will find that it is fair and just to give a depletion allowance along the same lines and for the same purposes, and to bring about the same results, as in the case of the depletion allowance for oil, for coal, for fluorspar, for copper, and other minerals. That is all there is to the amendment, and it seems to me that the allowance should be made. Certainly the amendment should be allowed to go to conference, as the chairman of the committee has agreed to take it and look into it. Under these circumstances I hope the Senate will vote to adopt the amendment. There has been an addition to the amendment on the part of the Senator from Oklahoma [Mr. THOMAS], and he will now speak as to that.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. MCKELLAR. Certainly.

Mr. BROWN. I know that the Senator from Tennessee and other Senators, at least most of the Senators, are aware of the fact that depletion allowance is provided for in the statute and continued in the pending bill, which would give to the interests which the Senator is endeavoring to protect the cost of the product they take from the ground. What the Senator wants to do is to add to that a provision for a choice between that and percentage depletion.

Mr. MCKELLAR. A depletion allowance of 15 percent. That is exactly what I propose.

Mr. BROWN. The Senator acknowledges that cost depletion is now provided

in the law and continued in the bill, and is allowed; does he not?

Mr. McKELLAR. I am not sure about that.

Mr. BROWN. Oh, yes; it is allowed.

Mr. McKELLAR. I am sure that there is a specific depletion allowance in the case of coal and oil, and it seems to me that ball clay, which is so useful and so necessary in our everyday life because of its use in the manufacture of earthenware, should be put upon exactly the same basis.

Mr. BROWN. Those who produce the things to which the Senator refers are allowed cost depletion. They now want the addition of percentage depletion, and I think that if the Senator would thoroughly examine the bill and the present practice he would find that adequate depletion allowance is given under the present law and under the present rule.

The reason for percentage depletion as distinguished from cost depletion is that there must be a rule for those mines where there can be no definite certainty as to how much is left in the ground. The Senator speaks of copper. It is seldom known how much copper is left in the mines—it is deep in the ground; but it is easy to ascertain how much clay is left in the ground. It is on or near the surface. In the case of oil and in the case of the other minerals which are covered by the statute it is very difficult to ascertain what is left, and that is the reason for percentage depletion. In my judgment, there is for clay and these other products adequate protection under the cost-depletion provision in the present law.

Mr. McKELLAR. In my judgment, the Senator is mistaken when he speaks of it being easy enough to ascertain what is left in the ground. As to some deposits it is ascertained by boring. It is the simplest thing in the world to bore, and find just what there is. There are not many of these clay mines in the country.

Mr. HATCH. The Senator was not referring to oil when he said it was easy to determine what was left in the ground.

Mr. McKELLAR. I was talking about clay. This amendment is an amendment covering clay. Oil is already provided for, and inasmuch as oil is already covered, those who are interested in oil are not so much interested in clay, of course. Oil is already covered, and inasmuch as there are clay mines in certain portions of our country, I think they should have the same consideration and the same allowance that is made in the case of coal and oil.

Mr. HATCH. Mr. President, will the Senator again yield?

Mr. McKELLAR. I yield.

Mr. HATCH. I do not care to argue the question concerning clay, but I understood the Senator from Tennessee to state that it was perfectly easy to drill down and determine the amount of ore in an ore bed, or the oil in an oil reservoir.

Mr. McKELLAR. Oh, no; not in an oil reservoir. I do not know anything about oil, but I happen to know something about clay.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BROWN. The Senator concedes himself out of court.

Mr. McKELLAR. The Senator may have the view that I have conceded myself out of court, but I do not think I have. I have already stated to my colleagues that, in my judgment, clay is a mineral which is very essential. It is used in our everyday lives. Every time we eat a meal we have to use cups and saucers and other kinds of crockery ware. Why should a depletion allowance be made for coal or oil and not for earthenware?

Mr. BROWN. The reason is that we do not know what is left in the ground in the case of that kind of minerals.

Mr. McKELLAR. Neither is it known how much is left in a coal mine or in an oil reservoir. The remaining supply of one is no more easily ascertainable than of the other.

Mr. BROWN. The Senator speaks of coal, and as to that the amount left is very easily ascertainable; and that is the whole point of the controversy.

Mr. McKELLAR. I think not; and with this statement I shall ask the Senate to disagree for once with the distinguished Senator from Michigan. We all like to agree with him. He has led some notable fights in which we all took an interest, but at this time I shall ask Senators to follow the lead of the chairman of the committee and vote for the amendment.

Mr. THOMAS of Oklahoma. Mr. President, before the vote is taken upon the amendment I think the issue should be clarified.

If the amendment is defeated, an amendment will be offered to repeal a law giving sulfur a depletion allowance, giving metals a depletion allowance, as well as giving coal a depletion allowance. I have a copy of such an amendment in my hand at this time.

The principle of depletion was established in the law many years ago. It is nothing more than affording the persons and corporations engaged in hazardous businesses, in attempting to develop oil, gas, copper, lead, zinc, and many other metals and minerals, a chance to recoup some of their losses, because frequently what is thought to be an oil well does not turn out to be one. It may start as an oil well but may wind up as a water well, or a salt-water well, or it may come out as a "duster." So, Mr. President, because of the hazards associated with the drilling of oil, the hazards associated with drilling for gas, and the hazards involved in every kind of mining operation, the Congress saw fit many years ago to establish the principle of depletion allowance, so that now the oil producers have the benefit of setting off against their gross returns 27½ percent to take care of their losses.

Mr. President, this is a matter of principle, and if the amendment should fail, the whole question of depletion will be before the Senate on this day, and it cannot be settled in a moment. It will take a long time to discuss the matter of depletion for oil wells, it will take a long time to discuss the matter of depletion for sulfur mines, for copper mines, for zinc mines, for coal mines, and for asphalt mines. So, Mr. President, we face this proposition. If we desire to overturn the principle set up by the Congress many years ago and rid the statute books of the depletion principle, then a negative vote on this measure opens up this question, and we will be here this day, and perhaps for some days to come, because by its action the Senate will mean to propose to change a principle and a policy which will upset tens of billions of dollars worth of invested capital in the United States. An issue of such magnitude cannot be settled quickly.

Mr. President, at the present time, as I stated, oil has a 27½-percent depletion allowance, sulfur has a 23-percent depletion allowance, metals have a 15-percent depletion allowance. In the State of my distinguished friend from Michigan [Mr. BROWN] there are copper mines, there are iron mines, there are other kinds of metal mines. The companies operating those mines get a 15-percent depletion allowance.

In Wisconsin those engaged in lumbering, under the terms of the amendment agreed to yesterday, receive a benefit in the way of depletion of lumber production, because it is obvious that when a tree is cut down, the tree is gone. The capital represented by that tree is gone, and it will take many years to replace such tree.

When the oil is taken from the well, that oil is gone. It can never be replaced. When a carload of sulfur is taken out of a sulfur mine that sulfur is gone and gone forever. The same thing is true of copper, the same thing is true of lead, and the same thing is true of zinc.

Mr. President, what we are discussing does not relate to regular going manufacturing concerns, such as, for example, the manufacturing of textiles, furniture, or machinery.

So, Mr. President, the amendment involves but two items. It does not disturb the oil depletion allowance of 27½ percent; it does not disturb the depletion of sulfur of 23 percent; it does not disturb the depletion of metals, such as copper, lead, iron, and so forth, of 15 percent. It does not interfere with coal depletion of 5 percent. But if the amendment should fail, then the opponents of the depletion principle will offer an amendment, a copy of which I hold in my hand, which will come up next, which proposes to repeal the present law of depreciation for the metal minerals—sulfur, coal, and so forth, and a vote will be had on that. Then perchance, if that amendment prevails, the existing law granting a depletion allowance with respect to oil and gas will come up next. The issue cannot be solved or settled in an hour or two.

Mr. President, if the amendment carries, I presume the issue will be settled, but if the amendment fails, then it will be obvious that the majority of the Senate is against the principle of depletion, whereupon an amendment will be offered taking up the items of metal minerals, sulfur, and coal, and if that amendment prevails, then the next amendment, which no doubt will be submitted will be one to modify if not repeal the existing depletion allowance with respect to oil and gas.

Mr. President, the pending amendment affects directly or indirectly at least five major groups or industries in this country. It affects first the oil and gas industry. It affects second, the metal industry, embracing such metals as copper, lead, zinc, and iron. It affects, third, the coal industry. It affects, fourth, the sulfur industry, and it affects the ball and sagger clay and rock asphalt industries. Should the pending amendment fail then amendments affecting each of the groups mentioned will be submitted. If the Senate wants to go into the question of depletion, affecting oil, affecting gas, affecting minerals, affecting sulfur, and affecting coal, then we are right up against that issue now.

Mr. President, let me say just a word about rock asphalt. Rock asphalt is found, I think, in a number of States. Rock asphalt is a residue of oil. Some time way back in ancient times oil in places was near the surface of the ground. This oil was imbedded in sand. In some way the oil seeped away from the sand but left the sand covered with oil. If we take out this sand which is thoroughly covered with oil and spread it out on the road and roll it cold on the road, in a few minutes' time the road can be traveled in safety and with no injury to such road. That is rock asphalt. It is a product which is used for road building, a product which is used for street building, and a product which is now being used to make the hard-surface runways on thousands of miles of airports throughout the United States. It is not a plentiful product. One cannot go way down in the ground to get rock asphalt. Such a procedure is too expensive. It must be found in little pockets of sand near the top of the ground, where the dirt can be stripped off, and then the black sand, impregnated and covered with oil, can be taken out. Unless such pockets of rock asphalt can be found near the surface, they are of no value whatever. One cannot mine it like oil is produced or the way coal is mined, a thousand feet, five thousand feet, or ten thousand feet below the surface of the earth. Oil wells may be drilled to such depths and the oil pumped out. Such a process cannot be undertaken with respect to rock asphalt. It must be found near the surface and produced cheaply, because it comes in competition with cement in road building. Just now cement is scarce. The Government has taken over all the cement mills. Every barrel of cement which can now be made is in demand by the Government. So, because of the demand for cement, and because the rock asphalt can be laid on the road this morning and the road be used at noon, or this afternoon, the Government has approved the use of rock asphalt for the constructing of streets and roads and for topping of runways on airfields.

Mr. President, during the present year the Government will want over 300,000 tons of rock asphalt. I have a letter from Mr. Phillips Moore, of the Civil Aeronautics Board, in which it is estimated that they will want some 310,000 tons of rock asphalt very soon. It is a very cheap substance, it is true. It sells for about $4 or $5 a ton. It can be laid on the top of any old road which has a solid base. A gravel road or an old macadam road which may be worn out makes a good base for such material. The black, oily substance can be laid cold on top of the old road, smoothed out and rolled, and the moment the road has been rolled transportation can begin.

Mr. President, under the present law the producers of asphalt can produce only a limited amount each year. They have no depletion allowance, and when they have produced enough asphalt to raise their income to the higher brackets, the tax in the higher bracket takes practically all the profit, so they cannot continue to produce save on the basis of the loss of their assets.

Mr. President, the companies producing rock asphalt are small. There is no rock-asphalt trust. There are two known deposits in my State, both small. Alabama has a deposit of asphalt. It is largely a deposit which has not been as yet developed. I shall place in the RECORD the States which have rock-asphalt deposits.

Alabama, as I stated, has an asphalt deposit which is as yet only partially developed. Arkansas has asphalt deposits. California has asphalt deposits. Kansas, Kentucky, Missouri, New Mexico, Ohio, Texas, Utah, and Oklahoma have rock-asphalt deposits. So the amendment, so far as it relates to rock asphalt, affects only the States I have just mentioned.

As I said, the companies which are producing asphalt are small. They operate only in the local community. They get the asphalt as previously stated, from near the top of the ground. Production is largely a matter of labor. Not much machinery is required to develop and operate an asphalt mine. The top of the ground is stripped off, and then the rock-asphalt sand is taken out. Then this oil-impregnated and oil-covered sand is spread on the road cold, leveled, and rolled down, and the moment it is rolled the road is ready for travel.

Mr. President, all we ask for in the amendment is to give these small companies, located in these various States, the privilege of the same depletion allowance that metal mines have, mines such as copper, iron, lead, and zinc.

The amendment offered by the distinguished Senator from Tennessee relates to ball and sagger clay. He has explained that portion of the amendment to the Senate.

We are not asking for a 27½-percent depletion allowance for rock asphalt. We are asking for only enough depletion allowance to permit the asphalt companies to survive. We are asking that rock asphalt, along with metals which are mined, be included in this section, relating to depletion. Rock asphalt is comparable with sulfur, but we do not ask for the 23 percent allowed in the case of sulfur.

I want the Senate to understand the issue on which we are about to vote. If the pending amendment fails, the amendments referred to a moment ago will come up immediately for the consideration of the Senate. Those amendments will open up the whole question of depletion, as affecting oil, gas, metals, minerals, coal, and sulfur. Should the pending amendment prevail, then it will be obvious that the Senate is in favor of the depletion-allowance principle and the waiting amendments probably will not be offered.

I hope the amendment will be agreed to.

Mr. BARKLEY. Mr. President, I wish to say a word about this amendment, because I offered it in the Committee on Finance when the bill was under consideration. The committee did not accept it. The Treasury objected to it, and it did not prevail. Having offered it in the committee, I shall support it now.

Certain facts ought to be well understood by the Senate. The whole theory of depletion, about which there is dispute between industries in various sections of the country and the Treasury, means that minerals and natural products which are under the surface of the earth are limited in supply. The theory of depletion with respect to an oil well means that only so much oil is present, and that nothing can be done, artificially or otherwise, to increase the supply. It has been there from time immemorial; and because it is exhaustible, because it is fairly well known how long any field will produce, and because so much speculative investment is necessary in order to develop it, therefore a higher depletion allowance is proper in that field. That is why the allowance is 27½ percent. The allowances are graded down to 5 percent in the case of coal.

Ball and sagger clay is a peculiar type of clay from which porcelain is made. It is now being used by the War Department and the War Production Board for the manufacture of insulation. It is an essential clay. It is not ordinary dirt. It does not exist in very many parts of the country. In order to mine it the surface of the earth above it must be stripped away. It is easily determinable how much of the clay there is in any particular pit. Therefore it is on the same basis as coal or oil. There is no way to increase the supply. It is in the earth, and when it has been exhausted there is no more of it, and no more of it can be made.

Ball and sagger clay is not the type of clay out of which ordinary earthenware vessels are made. It is a very high-grade, peculiar, special type of clay. The trade name is ball and sagger clay, which is well understood in the trade. It is a clay out of which a very fine type of porcelain is manufactured. It is shipped from small clay mines or pits to factories where the porcelain is manufactured. As I have already stated, much of it is now being used to manufacture insulation, which is necessary to the war effort.

The clay pits are all owned by local interests. No large corporations own any of them. That fact has nothing to do with the merits of the case; but the corporations are all small and are owned by local interests.

Prospecting for this type of clay is done partly by machinery and partly by hand. The earth above the clay is removed, as in the case of a strip coal mine. The earth is moved away, and the clay is exposed so that it can be mined by machinery and shipped to factories.

The same thing is true of rock asphalt. Rock asphalt is one of the most wonderful natural road-building materials to be found anywhere in the world. As the Senator from Oklahoma [Mr. THOMAS] has said, rock asphalt is not mined at a depth of 500 or 1,000 feet. It is not, like oil, found at great depths. In certain respects it is very much like coal, although it is found closer to the surface. A coal-mine shaft may extend three or four hundred feet below the surface of the earth, and the coal may be brought out by means of elevators and dumped into railroad cars. However, in the case of rock asphalt, the surface of the earth is stripped off to expose the rock asphalt. It is not found at great depths, requiring a shaft to reach it. The deposits of rock asphalt are not far enough down in the ground to require a shaft to reach them and an elevator to bring up the material and dump it into a car. When the earth above a deposit of rock asphalt is removed the rock asphalt is exposed to the naked eye. Then it must be dug out by machinery or by hand and loaded into trucks and hauled to a railroad or to the point where it is to be used.

When it is put on a road it is almost everlasting. Nothing further needs to be done with it. No artificial treatment is necessary. It is broken up into various sizes. Usually in building a road a crushed-stone foundation is built and pulverized rock asphalt is laid on top of the crushed stone. It is then rolled with a road roller, and that is all that is necessary. It is there forever. I do not think there is any kind of artificial asphalt. No sort of concrete road material has yet been devised that will last as long as will rock asphalt, which is a natural road-building material.

The supply is limited. It is known how much there is. While it is produced in 13 States, surveys are being made in other States to locate new sources of supply, because the supply in the 13 States where it is now being produced is exhaustible at an early date. The present supply is known. The theory of exhaustibility, which is the foundation of the depletion allowances for coal, iron, and other minerals, would apply also to rock asphalt, because it is a mineral. It is a rock out of which the oil has long ago seeped and left enough in it to make it adhesive, so that when it is put on a road and rolled with a road roller it is as compactly bound together as though it were concrete.

The Committee on Ways and Means included fluorspar in the depletion provision. Fluorspar is an absolutely indispensable ingredient in the manufacture of steel. It is produced in only a very few places. Ninety percent of it in the United States is produced in a little vein in southern Illinois and western Kentucky. The vein crosses the river at Rosiclare, Ill., and Marion, Ky. That vein of fluorspar produces 90 percent of all that is now being produced in the United States. I think some is produced in New Mexico, and perhaps some in Colorado.

Mr. HATCH. It is produced in New Mexico, Colorado, Utah, and Arizona.

Mr. BARKLEY. It is produced in four or five States. The War Production Board asked us to include fluorspar in the depletion section. It so recommended to the Ways and Means Committee and to the Finance Committee. I have a letter from Mr. Mudd, the head of the Minerals Section of the War Production Board, recommending the inclusion of fluorspar, because it is a material the production of which must be encouraged. It is absolutely essential. Like other minerals, it is given a depletion basis of 15 percent.

In view of the exhaustibility of the various materials which are included in the amendment, I think they should be given the same consideration as other minerals of which there is a limited supply. The supply is known. It cannot be artificially increased in any way. These minerals are not like sand and gravel, which can be found in almost every hillside in America, or on every beach. Nature has been rather parsimonious in the distribution of this particular type of clay, and of rock asphalt, which, as I say, is one of the finest road materials in the world.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HATCH. I ask unanimous consent to have printed in the RECORD at this point a résumé of some of the salient points in the fluorspar industry.

Mr. BARKLEY. I shall be very glad to have it in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BRIEF RÉSUMÉ OF SALIENT POINTS IN THE FLUORSPAR INDUSTRY

General: The principal producing areas are western Kentucky and southern Illinois along the Ohio River. These two areas have produced 90 to 95 percent of the total fluorspar produced in the country. There are two types of deposits, the flat lying bedded deposits in the cave-in rock area of Illinois and the vein type of deposits in Illinois and Kentucky. In the West there is production in New Mexico, Colorado, Utah, and Arizona. Colorado and New Mexico seem to have the greatest possibility for increased production. All of this production is from vein types of deposits.

Grades: There are three grades of fluorspar. Metallurgical grade which has a minimum specification of 85 percent calcium fluoride, and a maximum specification of 5 percent silica. This material is used in the open hearth and electric steel furnaces and ordinarily the steel companies are unwilling to accept material which runs more than 15 percent fines. The present demand, however, for this grade of fluorspar is so great that the steel companies are accepting finer materials and material which does not meet the chemical specifications. Certain companies are willing to take material which runs high in silica and it is believed that most companies will accept materials which run 78 percent calcium fluoride and 8 percent silica, with penalty.

The ceramic grade of fluorspar has a minimum specification of 96 percent fluoride, a maximum specification of 3 percent silica, and a maximum specification of 0.12 percent iron oxide. This material must be finely ground and is sold to the enamel and glass industries.

The acid grade of fluorspar is the highest commercial grade with the exception of the optical grade. This grade has a minimum specification of 98 percent calcium fluoride and a minimum specification of 1 percent silica.

This specification is also shaded down to 97 and 1½. It is also sold in ground form to consumers who use it to make hydrofluoric acid from which a variety of other chemicals are manufactured. Most of the hydrofluoric acid is used to make synthetic cryolite and aluminum fluoride for use in the aluminum industry. A large tonnage is used also in the manufacture of 100-octane gasoline, and in the manufacture of Freon; 90 percent of the hydrofluoric acid consumption is essential to the war effort.

Consumption and production: The consumption of metallurgical grade fluorspar is expected to be approximately 300,000 short tons in 1943 and the consumption of the acid grade is expected to be in the order of 165,000 tons. The ceramic and other smaller users will consume an additional 35,000 tons, so that the total requirements will run in the order of 500,000 tons. The production of metallurgical and acid grade fluorspar is now considerably under requirements and every effort is being made to increase productive capacity. The demand is further augmented by a stock-pile purchase plan which the Metals Reserve Company is now getting under way as an insurance measure. This plan involves the accumulation of a large tonnage of both metallurgical and acid grade of fluorspar and it virtually assures a strong demand for fluorspar for the duration of the war.

Prices: Prices on all grades of fluorspar have been frozen as of the level existing on January 2, 1942. On the average, this means that the Illinois-Kentucky producers are receiving from $24 to $25 per short ton of metallurgical grade fluorspar, freight on board loading points. The ceramic and acid grades are selling for from $32 to $34 per short ton. The western producers are handicapped by the amount of the freight from their mines to the Illinois-Kentucky area. In general, the price in New Mexico and Colorado for metallurgical grade is $17 to $18. The price of the acid grade ranges from $27 to $28.

Mr. BARKLEY. Mr. President, that is all I have to say. I consider the amendment meritorious and believe that it ought to be adopted.

Mr. LA FOLLETTE. Mr. President, I very much regret that I feel it necessary to oppose this amendment. It seems to me that the whole point of the issue is overlooked. We all favor permitting those who are producing from natural resources to recover their capital, their investment, free of tax. However, percentage depletion is a very different thing from recovery of invested capital. Percentage depletion is something which goes on and on and on, long after the invested capital has been recovered.

The justification offered by those who support percentage depletion for oil and gas, and for the mineral resources buried deep in the ground, is that, taking the industry as a whole, there is a loss because of the hazards of discovery. Therefore it is claimed—I do not agree with the claim—that the recovery of invested capital is not sufficient. I am trying to distinguish between the particular items involved in this amendment and those for which percentage depletion is already allowed.

In speaking of the oil industry much is said about the poor wildcatter, who has no capital—a patch-on-the-back-of-his-pants fellow, who goes out with some old drilling equipment which he picked up in a junk yard. He works hard, all by himself, wears out the knees of his pants, and finally brings in a gusher.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. HATCH. Where does the Senator get the information that the wildcatter always brings in a gusher?

Mr. LA FOLLETTE. I did not say that he always brings in a gusher. I said that he finally brings in a gusher; but it is contended that in the process he spends so much money and invests so much capital that the recovery of his investment in the particular gusher would not be enough to reimburse him for his past effort and investment, and that therefore he should be permitted to recover what he had invested in the dry holes.

That point is always brought up, instead of bringing up what the big companies get out of it. We are always told about the poor wildcatter. However, that is something I want to discuss at greater length a little later on.

Here are two resource materials the supply of which, the proponents of the amendment have conceded, is known. Therefore, as I see it, even though we grant percentage depletion for the hazardous types of natural resource production, even on that basis there is not the slightest justification for permitting these particular materials to come in under the special privilege. I say in all sincerity that if an amendment of this type can be rolled into the bill by appealing to the industries that already have got percentage depletion for one reason or another, it will be possible to roll anything else into it, until finally, in my opinion, there will not be a single natural resource industry in the United States that will not have percentage depletion.

Let me emphasize again that it is not a question of recovery of the investment free of taxation. It is a question of whether we are to grant these persons percentage depletion which they can deduct against their net income so long as they are in this particular kind of business.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. HATCH. The Senator said there was no industry that could not be rolled into the bill. I call his attention to the fact that there is no more important industry in this country than the potash industry. Probably all the potash in the United States, with the exception of that at Searles Lake, in California, is produced in my State of New Mexico. I have conferred with the officials and owners of the potash mines in my State at a time when I thought perhaps potash should have some special consideration. I proposed to offer an amendment relating to potash; but last night I telegraphed them that I had debated the situation in my own mind and had concluded that we should pass over the matter until the next tax bill, and that at that time they should come before the committee and show the exact standing of their industry.

So far as I am concerned, when the Senator says that there will be an attempt to roll other products into the bill, he is exactly wrong. I want no product included which does not stand on its own merits.

Mr. LA FOLLETTE. Mr. President, I say to the Senator from New Mexico that if we are to include in the bill provisions relating to ball and sagger clay and rock asphalt, we might just as well include a provision relating to potash. I said last night, and apparently I was taken facetiously, that we might just as well include a provision relating to sand and gravel; they have just as much right to be covered by the bill. The question of how much or how little of the deposit there may be seems not a matter of vital importance here. In other words, the only possible justification for percentage depletion is the hazards which go with development, because the developer does not know whether he will get anything out of his investment, and he may have to go on prospecting year after year after year before he realizes anything. It is also said that percentage depletion must be had because cost depletion on the particular discovery would not be enough to recoup what had been hazarded and expended in prospecting in preceding years.

However, for the materials under consideration the amounts available have been ascertained; we know how much there is of them. One process is simply that of scooping off the top earth with a steam shovel, digging out the rock asphalt, dumping it into a truck, and hauling it somewhere to be put on a highway. I say that such special privileges are bad enough in time of peace; but in time of war, when the people of the country are about to be taxed until their standard of living is driven down to coolie levels—and in the future they will be taxed much more heavily than in the pending bill, onerous as it is—I say that to extend privileges of the kind proposed is to undermine the faith of the people in democracy; it is to undermine the faith and the confidence of the people that their Representatives in Congress are determined that, insofar as possible, there shall be equality of economic sacrifice as well as of individual sacrifice.

We cannot level off all sacrifices, Mr. President. I am the first to concede that. We live in a human world. I know that there is no way to equalize all sacrifices. This morning I heard testimony on a bill for vocational rehabilitation; and when the meeting was over I was introduced to the first blind casualty of this war. Mr. President, I know that no sacrifice which I can make could be equal to the one which that young, brave officer has made; and yet I hope I will be pardoned if I say that I am discouraged when I see this attitude—I venture to say this callous attitude—toward the granting of special privileges to avoid taxes which must be paid in order to properly equip our young men whom we send into battle.

Perhaps that is not the point; perhaps I exceed the proprieties of debate; but I say, Mr. President, that it discourages me beyond words to observe such an attitude in time of war—in time of a war which I believe jeopardizes the present and future welfare of my whole country.

I am no hare-brained idealist. I am acquainted with life. Above all, I think I am qualified to say that I am acquainted with public life. I was brought up in it, so to speak. I understand human emotions. I think I understand humanity. I think I understand why people seek special privileges. Certainly I have seen them do so in public life year after year in time of peace. However, Mr. President, now when we are at war, when we face enemies in all probability the toughest the world has ever seen, I had hoped that a different spirit would exist and that a different situation would prevail in Congress and out of it. When we used the plenary power of government to send unknown numbers of men to their death and to jeopardize the lives of countless others who will come back from the war as cripples and casualties requiring rehabilitation in order that they may eke out a meager living, if they are not to be permanently hospitalized, I had been hoping that something of the spirit of sacrifice which these young men have been showing and are now showing would pervade our industrial, economic, and political life. I say that I had that hope, not only because I believe that it is fair, not only because I believe that it is right, but because down in my heart I am convinced that it is the only way by which we can win the war and save the Republic.

Mr. President, all groups must sacrifice. No groups can come through this war whole and have the Nation preserved. For, as I said a moment ago, we are fighting enemies in all probability the toughest the world has ever seen. I do not underestimate them, Mr. President, regardless of what anyone high or low may say, because I think to underestimate them is to play into their hands.

When the last neutrality legislation was under consideration by the Senate I made a speech in which I outlined some of the things I thought this country would confront if we became embroiled in war and I pointed out what I thought was the character and the equipment of our potential enemies.

Mr. President, it is about time that we quit wishful thinking; it is about time we stopped trying to fight this war by Pollyanna methods, by ridiculing and underestimating our opposition and our enemies; it is about time that we ceased thinking of doing things as usual; it is about time that we buried special privilege at least until the end of the war.

I wish to say one further thing, and then I am done, for I do not wish to weary my colleagues. Mr. President, there is above all else, in my judgment, one further important reason why we not only should refuse to extend special privilege at this time but why we should seek to stamp it out wherever it may be in our existing tax or other legislation. That reason, Mr. President, is that when the young men come back from this war, when it is over, and they have won it, if we are to expect them to cherish and to seek to upbuild and support our Republic and our democracy, we must as custodians, as those responsible for the determination of policies, render an accounting to them which will indicate that we have, insofar as was humanly possible, striven to achieve the objective of the equality of economic sacrifice as well as of human sacrifice.

Mr. BAILEY. Mr. President, in the existing situation the temptation is very strong to make super-patriotic speeches. All of us, I think, have motivations of that sort. It may be that there will be a

time when we can yield to such temptations, but, when we yield, I question whether it would be well for any of us to match our patriotism against the patriotism of our fellows. I think that all of us are equally patriotic and equally devoted to the war effort.

The question before the Senate, I think, has been totally misapprehended by the distinguished and able Senator from Wisconsin [Mr. LA FOLLETTE], my honored friend. The rationale of the allowance for depletion is just this: We have very high profit tax rates; they go up to 80 percent on the profits that may be earned in a year, and that is necessary. But here is a man with a small mine producing rock asphalt, or a small clay pit or a potash deposit. The inducement of the war is to get him to mine it all in a year; but if he mines it all in a year, under the ordinary procedure of our taxation, if there is no proper allowance for depletion, he loses his mine and derives no great profit, for 80 percent of it all is taken. It is conceivable that a man might exhaust his whole mine in a year under the impulsion of the war, and he would be in the position of practically giving his mine away, whereas if he kept the mine over a period of years he would get the ordinary depletion and make a living for himself.

We speak of miners as great, rich corporations. There are some, such as the great copper companies and the great oil companies but I think we confuse ourselves on this point. I do not even think that clay and kaolin are now in contemplation in the consideration of this bill. Later on they may be. The production of those materials is not a large corporation affair; it is a matter for farmers in the hills of Kentucky and Tennessee and western North Carolina. If we say to the farmer who has on his property clay or kaolin or feldspar or other deposits which seem to be local in their character—for there is only a certain amount here and a certain amount there, and no great deposits anywhere—"Our Government is under great stress; we need all you have got; we will take it all in 1 year, and we want you to mine it; then we will pay you nothing for it; we will not allow you a depletion rate that will give you anything." I think those people are just as patriotic as is any one here; I would not make any individual comparisons whatsoever; but I have never had any question about the patriotism of the people of this country. The great body of the American people are patriotic. I do not want to make that type of speech today, although I should like to do it at some time.

The farmers of our country sent their sons, without a murmur, into the Army to fight the war. I can tell a story that moved me very greatly. I was in Wake County, which is my home county, a few weeks ago. A farmer had fallen sick, he had suffered a stroke in the midst of his efforts to produce a crop. All the neighbors came in to help him make the crop. That is a beautiful picture of civilization and cooperation and helpfulness. About 4 or 5 weeks later I passed by the same farm and stopped at the front door and inquired how the farmer was. I was told he was dead. There was a boy about 21 at the house. He said, "We are in a bad fix here; we have no way to cure the tobacco. We have made a crop; but if the tobacco is not cured, it will be worthless. Everyone in the neighborhood is busy curing tobacco. All the tobacco is cured at one time." He said further, "I got leave from the Army for 10 days on account of my father's death, but I have to go back tomorrow." I asked, "Who have you got to cure this tobacco? What are you going to do?" He said, "I do not know." About that time I saw his mother, the widow, coming from the tobacco barn. She did not know how to cure tobacco, but she was there in the smoke and heat and fire; her eyes were inflamed from it; she was doing the best she could. I said, "Young man, I will try to help you. I think the Army authorities will give you a little time." He said, "Well, I have tried very hard and have had all my friends try." He did not know that I was a Senator—and I do not know that being a Senator would help in a situation such as that—but I said, "I will be glad to help you, and I will telephone the camp." He said, "No; I have talked to my mother and my friends, and they all thought it over, and I am going on back tomorrow; I am on my way to the camp down in Texas, for," he said, "I do not want trouble; I want to serve my country." The good woman came up and said it was all right; that she would do the best she could.

Senators, I call that patriotism, and I thank God that that spirit runs all the way through the American people. They may go wrong about superficial matters, but when we strike down into the heart of things we find in all America that the blood in the hearts of the people runs strong and true.

They will stand. I have no sympathy with those who say we are losing the war. We may have lost a battle, but those who say we are losing the war have lost their faith; that is the trouble. I question whether a man is fit to be in a high position in the Government who has not any faith. You may have your arms and you may have your brains, you may be a mighty man in tactics, but if you have not faith you have not the essential thing of which the human race is made, and the thing by which the progress of the human race is achieved.

It was Sir Edward Grey, the Secretary for Foreign Affairs of Great Britain, who, on the night when the World War broke out in Europe, said very mournfully, "The lights are going out all over Europe." And so they were, and as we are here today, the lights are going out; they have gone out, practically, all over the world. The world is infinitely darker than it has ever been in 5 centuries, perhaps in 10 centuries. The lives of all of us are darkened.

The lights have gone out; but another light has come in, the light of faith.

By faith they escaped the edge of the sword, out of weakness were made strong, waxed valiant in fight, turned to flight the armies of the aliens.

The lights of faith have come, and those who miss those lights miss the only compensation of this new darkness, the only compensation of this unspeakably dreadful war, the sacrifices of the blood of our dear ones. But that faith comes, and with it comes the courage born of faith, the sacrifice born of duty, and the victory that the righteous God insures to those who follow Him.

Mr. President, I did not mean to say all this. I have said it in connection with a very trivial matter. I have said it with a view to clearing the atmosphere. Faith is the great thing. We have this little matter of the tax bill. The American people will pay all the taxes we ask them to pay. I have no doubt about that. I do not believe there is a man in the United States, rich or poor, who will not come up and lay everything he has on the altar of his country.

The men who are laying their sons on the altar will, of course, pay their share. We are not raising that question, and it should never be raised in the future. I am not afraid to vote to tax people, and I do not think they will retaliate against me. The people of North Carolina will go to the polls on November 3. No one in North Carolina is going to vote against me because of the taxes for which I voted. I can vote for taxes mountain high and do so without any apology. People are not disturbed about that. We ought not to be disturbed if we levy taxes justly, so far as we can. We cannot do that so far as we would like, but we do it so far as we can. We do our level best.

What occurred to me while my good friend was speaking—and I am not saying this by way of controversy—was that he seemed to think we were seeking special privileges for special interests. If anyone should come into my office and ask me to vote for anything by way of a special privilege for him, I would run him out, and I would not hesitate to do it, I would not be afraid to do it, and I know he would thank me afterward for running him out. No one has come and asked me for any special privilege.

A few days ago we heard much said about the farm lobby. I voted on the side the farm lobby was on. One who read the newspapers would have thought there had been a swarm here like the locusts of Egypt. I will say to the Senator from Oklahoma that I went through that debate from the beginning to the end and I never saw anyone representing a farm organization. That may amaze Senators.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. McKELLAR. I will say to the Senator that I went through the whole campaign, and I never was approached by anyone connected with the farm bloc at all. Perhaps they thought it was not necessary to consult such an unimportant man.

Mr. BAILEY. Much has been said about the special interests of the farmer. In voting the way I did, I was trying to do right by the farmer, and I do not regret my vote. I may have been wrong. Anyone should be capable of appreciating that he can be wrong, and the older one grows the more humble he becomes if he has any sense at all. The wiser he becomes the more humbly he walks, if he has any capacity whatever. There is no one in this world who ever doubted that

except the hopelessly ignorant. Education is the expansion of one's sense of ignorance, not so much the acquisition of knowledge. Expanding constantly in turn convinces one how small he is and how little he knows.

Mr. President, returning to the theme of the debate; I am not actuated by any special privilege or any sense of special privilege. I am not disposed to join any bloc, or to be classified as a member of a bloc. I do not intend ever to sit down with a bloc. I represent the people of the United States. I am not representing any bloc. I represent the State of North Carolina.

Returning to the subject under discussion; the allowance provided for in the amendment is not, I will say to the Senator, a special privilege. It is supposed to be, and in my mind is, a reasonable allowance for the extraordinary necessity of taking very unusual quantities of the wealth which is hidden in the earth.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. TAFT. So far as taking unusual quantities is concerned, we have dealt with that in the so-called Johnson amendment. Under the Johnson amendment any miner may have, in addition to his percentage depletion, an additional advantage of not having to pay an excess profits tax on the extra production—and rock asphalt and sagger clay are included in the provision on page 354—because if they have an increased production due to the war, as the Senator has pointed out, it seems to be fair, and to be a sound principle, to allow them an additional exemption. But the question before us is whether the percentage depletion shall be applied to the commodities in question. It has nothing to do with increased production. That has already been provided for.

Mr. BAILEY. It is not the percentage depletion of 27½ percent with respect to mines that is important, but it is the special allowance with a view of justifying a man in unusual activities.

Mr. TAFT. No; the percentage depletion has been in force for 15 or 20 years, so far as law is concerned. It was not for war purposes. It does not grow greater. The Senator has been basing his argument on the ground that we should take care of increased production, and I desire to point out that, so far as that point is concerned, they are already taken care of in the bill on page 354, so there is no argument for the amendment.

Mr. BAILEY. That is taken care of in respect to merely a few specified articles.

Mr. McKELLAR. And also the excess-profits tax.

Mr. TAFT. I read from subparagraph (4) on page 354 of the pending bill.

> The term "minerals" means ores of the metals, coal, and such nonmetallic substances as abrasives, asbestos, asphaltum, barytes, borax, building stone, cement rock, clay.

Clay, of course, includes ball and sagger clay, as well as all other clays. In taking care of the question of increased production due to the war, we have included everybody affected by the war, if there shall be an increased production, so the parties sought to be benefited are taken care of, so far as that is concerned.

Mr. McKELLAR. That refers only to the excess-profits tax. It is under the head of excess-profits tax.

Mr. TAFT. Oh, yes; it takes care of excess profits.

Mr. McKELLAR. Of course, there are many of the companies which do not make excess profits. Some of them do not even make a profit, and the Senator is talking about excess profits when excess profits are not concerned.

Mr. TAFT. I think no one should be exempted from the 40 percent normal tax. Once we impose it I think everyone should pay it. So far as I know we are not exempting anyone else from it.

Mr. BAILEY. From the colloquy which has taken place between the Senator from Tennessee and the Senator from Ohio, I admit that it is apparent that I had to some extent confused the 27½-percent strategic material depletion with the general proposition. I am satisfied, and I think the Senate will agree, that my position as to this matter of alleged special privilege is not impaired in the slightest degree. That is the matter which aroused me and called me to the floor of the Senate.

Mr. President, to repeat, I am not in favor of giving any one any special privileges in times of peace or in times of war, but I am in favor of a national policy for free enterprise, and always expect to be, and I expect to die in favor of such a national policy. I do not think we will have a free republic 5 days after we shall have extinguished free enterprise. I do not think there is any way of employment of the great masses of American men without free enterprise. I do not think there is any way of free progress without free enterprise.

Mr. President, here are these enterprises. We have very heavy taxes. We tax the enterprises. Where they can they will get the money and will pay the taxes. But when it is a question of a man's capital investment in the oil which is in the ground, or the clay which is in the ground, which becomes exhausted—and in time of war it becomes exhausted more rapidly than in time of peace—I cannot see any ground for arguing that what is here contended for is a special privilege. It is only reasonable allowance made because of the circumstances under which we impose the tax and under which he operates.

Mr. TAFT. Mr. President, in writing this bill we have had to impose exceedingly heavy taxes on everyone. I explained the other day that I thought the taxes were so high as almost to be dangerous to the success of the business machine of the country. But when we impose those taxes it seems to me they ought to apply to everyone.

We have had the experience since the beginning, that whenever we have done anything which could be considered to be an alleviation of the excess-profits tax already existing in the law, everyone in sight has tried to get under the same exceptions, although the conditions were not different from what they formerly were. The depletion for oil has been in force for 26 years, but those who are now asking for an exception have never been in before and asked for this percentage depletion. It is only because of the excessive taxes we are imposing upon everybody that they now come in.

Mr. President, it seems to me we shall have to stand by our guns and resist every effort of those who may seek to be placed under a different rule than that under which they previously operated.

I do not want to go into the merits of percentage depletion. There is a historical reason for it. It is a substitute for other depletion. Whatever else may be said about it, it does permit a man, after he has deducted and gotten back his entire cost, everything he has put into the natural resource, to go on taking a percentage of his gross receipts as additional depletion. In the case of cost depletion, any concern that depreciates machinery, for instance, stops when it has depreciated its machines 100 percent. In the case of percentage depletion it does not stop.

Mr. President, whether that is right or not, my feeling from the beginning has been that in an industry so important as the oil industry and the mineral industry to the success of the war, I do not want to upset the procedure of such industries which have been used to this kind of thing, which have made their plans on percentage depletion.

I said I do not want to go into the merits of that question. It seems to me we should not change the procedure during the war. But by the same token, it seems to me there is no reason to extend the privilege, if it is a privilege. Whether it be special or not makes no difference to me; it is a privilege, it is an alleviation of the tax which we are imposing upon everyone else in the United States. If we are now going to exempt ball and sagger clay, why not exempt building clay, which is produced in Ohio? Why not exempt clay which is produced in Ohio for the manufacture of pottery? Why not exempt a thousand other products? Why do we not put lumber in under the same theory of percentage depletion? I cannot see the reason for extending this particular thing to anyone.

Furthermore, Mr. President, why should the figure be 15 percent? The learned Senator from North Carolina [Mr. BAILEY] seemed to be under the impression that those engaged in this industry are going to get 27½ percent, as the oil people do. As a matter of fact, they are asking for 15 percent. Coal gets 5 percent. There was some historical reason for those differences. It was supposed to have some relation to the cost depletion for which they substituted percentage depletion. But how does anyone know whether ball and sagger clay and rock asphalt ought to have 15 percent, or 27½ percent, or 5 percent?

I do not know. Certainly there was no evidence before the Finance Committee to establish that that was a just ground. There are no scientific calculations in the records of the hearings of the Senate Finance Committee with respect to what the depletions in this industry may be.

Mr. McKELLAR. Mr. President, if that be the case, why did the committee fix 15 percent for fluorspar?

Mr. TAFT. Because we were told by the War Production Board and by the Treasury Department that that should be done in order to stimulate the production of fluorspar for war purposes. But so far as I know, there is no special requirement for ball and sagger clay and rock asphalt in order to encourage its production.

Mr. President, so far as any evidence I have seen before our committee is concerned, it seems to me that in general we ought not to extend special provisions; we ought not to put people under exceptions because someone else is excepted. We should go ahead and impose the 40-percent normal tax and 90-percent excess-profits tax on everyone unless there is some peculiar pressing war reason to change the existing law.

Mr. LEE. Mr. President, I favor depletion allowance for cost for clay and rock asphalt. It is my understanding that such a provision is already in the law.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. BARKLEY. Where did the Senator learn that?

Mr. LEE. From the Senator from Michigan [Mr. BROWN].

Mr. BARKLEY. There is nothing in the depletion provision in the law that allows what is now proposed. There is a provision that when extraordinary production is brought about in connection with the war effort, the excess-profits tax upon such production is modified in the law. But there is no depletion allowance whatever for the items contained in this amendment. They are not provided for anywhere in the law.

Mr. McKELLAR. Mr. President, the Senator from Oklahoma is mistaken with respect to his information.

Mr. LEE. I understood the Senator from Michigan [Mr. BROWN], who is a member of the committee, to make the statement on the floor this morning.

Mr. BROWN. Mr. President——

The PRESIDING OFFICER (Mr. DOXEY in the chair). Does the Senator from Oklahoma yield to the Senator from Michigan?

Mr. LEE. I yield.

Mr. BROWN. There is no question that with respect to the products in question cost depletion is allowed. Under the proposed amendment they would be given the option of cost depletion or percentage depletion.

Mr. LEE. That is how I understood the Senator.

Mr. McKELLER. Does not the provision apply only to excess-profits taxes?

Mr. BROWN. No. The Senator is wrong about that.

Mr. McKELLAR. It comes under that heading.

Mr. BROWN. The Senator is wrong about that. Every corporation that pays taxes is entitled to depletion on the basis of cost. But what the Senator from Tennessee is trying to do is to give the privilege of percentage depletion, which has been granted throughout all the years only to mining interests which are hazardous and which are unable to ascertain what their reserves are. That is the whole issue in this case.

Mr. McKELLAR. The privilege is given to coal and iron, which are produced in the Senator's State.

Mr. BROWN. Yes.

Mr. McKELLAR. It is withheld from some mines in other States.

Mr. BROWN. No; it is not. The Senator is wrong about that. So far as Michigan is concerned, our gypsum beds at Alabaster are probably the most valuable in the United States. But we do not get any depletion for them, such as the Senator is trying to get for clay. It is given only in cases where the minerals are hidden in the ground, and one is unable to ascertain how much there is. We know how much clay there is, we know how much rock asphalt there is, but we do not know what is contained in veins and lodes of copper, veins of iron, of gold, and of zinc, and of minerals of that kind.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BROWN. The Senator entirely misapprehends the statute if he thinks that cost depletion is not allowed in the case of every extractive industry in the United States.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. McKELLAR. Is it not true that with respect to oil, iron, and coal, which I believe is mined in the Senator's State——

Mr. BROWN. Very little coal is mined in Michigan.

Mr. McKELLAR. Is it not true that with respect to those materials there is a depletion allowance in the bill precisely like the one for which we are asking?

Mr. BROWN. It has always been that way.

Mr. McKELLAR. It may have always been that way; but that does not change the merits of the case.

Mr. BROWN. Yes; it does.

Mr. McKELLAR. The producers of certain minerals in the Senator's State are obtaining exactly the same kind of depletion allowance as he is opposing in this amendment.

Mr. BROWN. The Senator is mistaken. As the Senator from Ohio [Mr. TAFT] very clearly pointed out, the only change we have written into the bill in that respect is in relation to excess profits. That provision would apply to clay, rock asphalt, and every other commodity included in the amendment which the Senator from Tennessee has offered. I think I can make this subject clear if the Senator will permit me to proceed.

Mr. McKELLAR. Let me interrupt the Senator for a moment. With respect to the materials in the Senator's State, such as coal, iron, copper, and other minerals, depletion allowances are granted in the bill. The same kind of percentage allowances which the Senator is opposing are granted by the terms of the bill; but the difference is that the interests involved in my amendment are those of people who have very small mining interests.

Mr. BROWN. The Senator is mistaken about that.

Mr. McKELLAR. Whereas the interests in the Senator's State are some of the largest interests in the country. They produce coal, iron, and other minerals.

Mr. BROWN. The coal business in the State of Michigan is comparatively a very small interest. Michigan does not produce very much coal.

Mr. McKELLAR. The iron business of Michigan is one of the largest in the world.

Mr. BROWN. No.

Mr. McKELLAR. The Lake Superior iron interest is very great.

Mr. BROWN. The Senator is mistaken. Minnesota, and not Michigan, is the great iron-producing State of the country.

Mr. McKELLAR. What about copper?

Mr. BROWN. Only a very small amount of copper is produced in Michigan. Most of the copper is produced in Utah, Montana, and Arizona.

I think the Senator makes an unfair argument when he attempts to pin us down on this question. The products in which the Senator is interested receive exactly the same benefit from the change which we made with respect to excess profits as do copper, coal, and other minerals. What the Senator from Tennessee is trying to do is to change the established order which has been the historic policy of the United States for a great many years, and introduce an entirely new element. He seeks to apply percentage depletion to commodities with respect to which it is easy to ascertain the reserves. The law has always been that percentage depletion is allowed in the case of minerals with respect to which it is difficult to ascertain what the reserves are. In the case of limestone, clay, and commodities of that kind it is easy to ascertain what is left; and cost depletion is entirely sufficient.

Mr. McKELLAR. It is not my purpose to change anything. It is my purpose merely to follow the example which the Senator has established in regard to certain well-known products such as coal, iron, copper, and other products. There is a percentage depletion allowance for those commodities, as well as for oil. I merely desire to enlarge the field by putting in ball and sagger clay and asphalt. That is the only difference. We are not seeking to establish a new principle. We are merely following in the footsteps of the distinguished Senator from Michigan.

Mr. BROWN. The Senator entirely overlooks the distinction between the two classes of minerals. We know how much clay there is. We do not know how much copper there is, or how much iron there is. They are deep down in the ground, while clay is on the surface, where it can be measured.

Mr. BARKLEY. Mr. President, there need be no confusion about the matter. Of course, corporations are all entitled to cost depletion. There is no doubt about that. However, some of them are entitled to more than cost depletion. With respect to corporations engaged in the production of oil, gas, coal, and certain other minerals, for the past 20 years

or more, in addition to cost depletion there has been percentage depletion.

The amendment injects a new element, but it is no crime to introduce something new. The other day the Senator and I voted to inject a new element into the tax bill by attempting to tax future issues of municipal bonds. The Senate turned us down; but it was a new proposal. There is nothing vicious about a thing because it happens to be new. I do not think that is a good argument against a meritorious amendment. I believe that this amendment ought to be considered on its merits, and on no other foundation.

Mr. BROWN. There is this difference: The other day the situation was that both the Senator from Kentucky and the Senator from Michigan were defeated. This time one of us will win. I do not know which.

Mr. BARKLEY. I had my share of Waterloos yesterday. [Laughter.]

Mr. OVERTON. Mr. President, will the Senator from Oklahoma yield to me?

Mr. LEE. I yield.

Mr. OVERTON. If ball and sagger clay should be included in the list of commodities for which percentage depletion is allowed, should not timber also be included?

Mr. LEE. I will let the Senator answer his own question. If I may have an opportunity to speak, I will explain my position.

Mr. OVERTON. Is there any difference between including ball and sagger clay and including timber in the percentage depletion provision?

Mr. LEE. There is a distinction in the case of a thing which replaces itself.

Mr. OVERTON. Timber is of very slow growth. From 20 to 40 years are required to replace timber.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. LEE. I have yielded to the Senator from Louisiana. Later I will yield to the Senator from Georgia.

Mr. OVERTON. I should like to have this question cleared up.

Mr. GEORGE. I merely wished to make the statement to the Senate that there are a great many amendments on the table. We shall be here until 10 o'clock tonight unless we can act on amendments after some reasonable explanation. Therefore I hope that we can proceed as expeditiously as possible consistent with a clear understanding of the issues before us.

Mr. LEE. Mr. President, both rock asphalt and oil are found in Oklahoma. Therefore, I wish to state my position on this amendment.

First, it is my intention to oppose the amendment of the Senator from Tennessee [Mr. MCKELLAR], the purpose of which is to grant the percentage-depletion allowance to the producers of clay and rock asphalt.

Second, it is my intention to resist the proposed amendment which I understand the Senator from Wisconsin [Mr. LA FOLLETTE] will offer later to strike out of the existing law the percentage-depletion clause with respect to oil.

There are several differences between these two propositions. In the first place, the McKellar amendment is seeking to change the present law by decreasing the tax burden on clay and rock asphalt. I am resisting that change.

The La Follette amendment also seeks to change the present law, but by increasing the tax burden on oil. I am resisting that proposed change.

There is a vast difference in asking relief from taxes now for certain mining industries and in asking certain other mining industries to bear additional tax burdens. The McKellar amendment would relieve the clay and rock asphalt industries from certain taxes.

The Senator from Kentucky [Mr. BARKLEY] has stated that there is nothing wrong about proposing something new and he gave as analogy the proposal to tax the income from tax-exempt securities. That was new, but it was in the other direction. It was in the direction of increasing taxes, whereas this proposal is new but it is in the direction of relieving certain taxes from the producers of clay and rock asphalt. In my opinion, that is an entirely different question.

Mr. President, I know farmers in Oklahoma who are farming clay farms—that is, the rich surface soil has washed away. Why not extend to them depletion allowance? Their soil has been depleted, but we do not give them depletion allowance on account of the clay in their farms.

Is this an appropriate time to ask relief from taxation, when we are increasing taxes on every individual and every business? This tax bill will reach down into the pockets of every individual whose income is less than $624 a year. Yet the Senator from Tennessee, and others, propose to lighten the taxes of the clay and rock-asphalt industries.

Please bear in mind that these two industries already have the privilege of depletion allowance up to the amount of the cost of development.

Mr. President, the whole purpose of this tremendous tax bill is to increase revenues. We are seeking every possible source of income. Therefore, is there any good reason why we should lighten the taxes of the clay and rock-asphalt industries?

The Senator from Tennessee has argued that we should reduce the taxes of these industries by extending the percentage depletion allowance to them because that privilege has been extended to oil and other minerals.

Now, please bear in mind the difference between the cost of development-depletion allowance and the percentage-depletion allowance. Remember that clay and rock asphalt already have the privilege of depletion allowance for the cost of development, whereas oil has percentage-depletion allowance.

This percentage-depletion-allowance clause was written into the law in 1917. The Congress then, as now, was confronted with the problem of assuring this Nation an adequate supply of oil. The Nation was then at war. The Congress needed revenues then as now. The situation was very similar. It was then that the Congress wisely established the percentage-depletion plan with respect to oil. Now, why did they extend that privilege to oil?

The first reason for the percentage-depletion law is because it is impossible to determine accurately the amount and value of the oil discovered. This is not the case with clay and rock asphalt. The value of the deposit can be determined quite accurately, but that is not true of oil.

It may be that each barrel of oil that is lifted from the ground is a part of the capital itself, and therefore the percentage depletion plan was written into the law.

Second, the percentage depletion plan was extended to oil because of the hazard involved in discovering and developing oil fields. This is not true with respect to clay and asphalt deposits. They are usually near the surface of the earth, whereas oil is thousands of feet under the earth. The expense involved in discovering and developing clay and rock asphalt deposits is very small compared to the expense involved in discovering and developing oil fields.

Last year the oil industry drilled 3,113 wells. Out of that number there were 2,627 dry holes. In other words, there was 84 percent of failure in searching for oil. There is a saying in Oklahoma that for every dollar taken out of the oil business, $2 are put into it.

Therefore, because of the great hazard and expense of discovering and developing oil fields, a wise Congress 25 years ago wrote into the law the percentage depletion plan.

Now, Mr. President, I submit to the Members of the Senate that a similar hazard with respect to the discovery and developing clay and asphalt deposits does not exist and therefore these minerals are not entitled to the percentage depletion allowance.

Now, Mr. President, there is one other difference and, in my opinion, it is the most important of all. That is that oil is essential to the war. Oil is the very lifeblood of this war. We must not threaten our supply of this precious fuel by changing the well-established principle of oil depletion allowance which has resulted in the discovery of our present oil reserves.

When we consider the price that the Japanese paid for the oil wells of the Dutch East Indies, we can well understand the importance of oil in this war. When we see the price which Hitler is now paying for the oil fields of the Caucasus, we can better understand the importance of oil in the present war. If Hitler is able to take the oil of the Caucasus, he will cut the jugular vein of the Russian Army. Then, if he is able to take the oil fields of Persia, the Axis will control all the oil in Europe and Asia, with the exception of a mere trickle of 5,000 barrels a day from India. It then will be necessary for the United Nations to secure their supply of this precious fluid from America.

Mr. President, this is a mechanical war. Never before were we so dependent upon oil. Every giant tank that rolls off the assembly line must be lubricated and fueled with products of this precious fuel. Oil is necessary in order to keep the great

bombers roaring over the enemies. It is the fluid which drives the ships on the seas, the ships over the seas, and the ships under the seas. Therefore, we must not lay upon the oil industry any burden whatever that might hinder further discovery and development of oil reserves.

What I have said is not true as to clay and rock asphalt. No one can argue that they are as essential to the war effort as is oil. Therein is another important difference why it is not necessary for us to extend the percentage plan to clay and rock asphalt.

Mr. President, the small independent oil companies are the ones who discover the oil. In 1941, 73 percent of the discovery wells were brought in by independent oil companies. They are the wildcatters. The big major oil companies play it safe. The big major oil companies might be able to get along without percentage depletion allowance, but the little independents cannot. Therefore, if we withdraw this protection from the oil industry, the result will be to destroy many of the small independent oil companies, thereby reducing to a dangerous point the exploratory effort. It will also increase the tendency toward monopoly in the oil industry.

Mr. President, let me reiterate the reasons why I feel that the oil industry should be protected by the percentage depletion clause, and why I do not believe that clay and rock asphalt should be so protected:

First. Because oil is essential to the prosecution of the war. Clay and rock asphalt are not.

Second. It is impossible to determine the amount and value of oil in a pool when it is discovered, whereas the amount and value of clay and rock asphalt deposits can be determined to a reasonable degree of certainty.

Third. The hazard and expense involved in discovering and developing oil are so great that, without the percentage depletion allowance, the exploration and discovery activities would dwindle to such an extent as to threaten our oil supply. That would not be true as to clay and rock asphalt, because the hazard and expense involved in discovering and developing the deposits of those materials are small, as compared to those involved in discovering and developing oil.

Therefore, Mr. President, I shall vote against the amendment of the Senator from Tennessee, and later shall resist the amendment which I understand the Senator from Wisconsin [Mr. LA FOLLETTE] proposes to offer.

Please bear in mind that I am not asking for a change in the law. I am resisting change. Please bear in mind further that my position with respect to both of the amendments is the same as that of the Finance Committee, since the committee declined to accept them.

Remember also that the present law has been the law for 25 years, and that to change it now with respect to the amendment of the Senator from Tennessee [Mr. MCKELLAR] would be to relieve the clay and asphalt industries of taxes; and to change it with respect to the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE] would be to threaten our oil supplies which are so necessary for the prosecution of the war.

The PRESIDING OFFICER (Mr. DOXEY in the chair). The question is on agreeing to the amendment of the Senator from Tennessee [Mr. MCKELLAR] as modified.

Mr. MCKELLAR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	George	Nye
Austin	Gerry	O'Daniel
Bailey	Gillette	O'Mahoney
Ball	Guffey	Overton
Bankhead	Gurney	Pepper
Barbour	Hatch	Radcliffe
Barkley	Hayden	Reed
Bilbo	Herring	Reynolds
Bone	Hill	Rosier
Brewster	Holman	Schwartz
Brooks	Johnson, Calif.	Shipstead
Brown	Johnson, Colo.	Smith
Bulow	Kilgore	Spencer
Bunker	La Follette	Stewart
Burton	Langer	Taft
Butler	Lee	Thomas, Idaho
Byrd	Lodge	Thomas, Okla.
Capper	Lucas	Thomas, Utah
Caraway	McCarran	Truman
Chandler	McFarland	Tunnell
Chavez	McKellar	Tydings
Clark, Idaho	McNary	Vandenberg
Clark, Mo.	Maloney	Van Nuys
Connally	Maybank	Wallgren
Danaher	Mead	Walsh
Davis	Millikin	Wheeler
Downey	Murdock	White
Doxey	Murray	Wiley
Ellender	Norris	

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment of the Senator from Tennessee [Mr. MCKELLAR] as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. REED. Mr. President, I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the Senator from New Hampshire [Mr. TOBEY], and will vote. I vote "nay."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Georgia [Mr. RUSSELL], the Senator from New Jersey [Mr. SMATHERS], the Senator from Utah [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Utah [Mr. THOMAS] has a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I am advised that if present and voting, the Senator from Utah would vote "yea."

I am also advised that if present and voting, the Senator from Rhode Island [Mr. GREEN] would vote "nay."

The Senator from Florida [Mr. PEPPER] is temporarily detained at the War Production Board.

Mr. MCNARY. The Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY], and the Senator from Indiana [Mr. WILLIS] are necessarily absent.

The result was announced—yeas 45, nays 36, as follows:

YEAS—45

Bailey	Guffey	Murray
Bankhead	Hatch	O'Daniel
Barkley	Hayden	O'Mahoney
Bilbo	Hill	Reynolds
Bone	Holman	Schwartz
Bulow	Johnson, Calif.	Smith
Bunker	Johnson, Colo.	Spencer
Capper	Kilgore	Stewart
Caraway	McCarran	Thomas, Idaho
Chandler	McFarland	Thomas, Okla.
Chavez	McKellar	Truman
Connally	McNary	Tunnell
Downey	Maybank	Van Nuys
Doxey	Millikin	Wallgren
Ellender	Murdock	Wheeler

NAYS—36

Aiken	George	Norris
Austin	Gerry	Nye
Ball	Gillette	Overton
Barbour	Gurney	Radcliffe
Brewster	Herring	Reed
Brooks	La Follette	Rosier
Brown	Langer	Shipstead
Burton	Lee	Taft
Butler	Lodge	Tydings
Clark, Mo.	Lucas	Vandenberg
Danaher	Maloney	Walsh
Davis	Mead	Wiley

NOT VOTING—15

Andrews	Green	Thomas, Utah
Bridges	Hughes	Tobey
Byrd	Pepper	Wagner
Clark, Idaho	Russell	White
Glass	Smathers	Willis

So Mr. MCKELLAR's amendment, as modified, was agreed to.

Mr. GEORGE obtained the floor.

Mr. LA FOLLETTE. Mr. President, will the Senator yield to me for a brief statement in connection with the matter which has just been disposed of?

Mr. GEORGE. I yield.

Mr. LA FOLLETTE. Mr. President, I had prepared an amendment to repeal the percentage depletion provision and also had an alternative amendment prepared which would seek to limit percentage depletion to oil and gas where new pools were discovered. In view of the action of the Senate in putting in the depletion provision two additional products which it seems to me have utterly no place there under any theory of percentage depletion, I shall not offer the amendments; but I desire to serve notice now that the fight in regard to percentage depletion is not over. When the next tax bill comes along we are either going to take this special privilege away from these rich corporations or we are going to be confronted with efforts to extend it to still additional industries. If percentage depletion is justified for the products just added to the list, it is not unreasonable to extend it to the farmers and give them a depletion allowance for their soil against the Victory tax, and we will probably see it extended to sand and gravel, potash, and other products until every natural resource industry in the United States has an exemption from taxes under this distorted theory of taxation.

Mr. DANAHER. Mr. President, will the Senator from Georgia yield?

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Connecticut?

Mr. GEORGE. I yield.

Mr. DANAHER. I do not wish to have the Senator yield. I had intended to

take the floor in my own right to call up an amendment. If the Senator chooses to permit that to be done, I should like to do it.

Mr. GEORGE. I shall be very glad to yield to the Senator in a few moments. I wish first to make a request for unanimous consent.

Mr. President, yesterday I offered several clarifying and technical amendments and asked that they be printed in the RECORD. They are also contained in a formal printed amendment, which is on the desks of Senators this morning. In connection with those technical and clarifying amendments, I submit a unanimous-consent request.

The VICE PRESIDENT. The clerk will read the request submitted by the Senator from Georgia:

The Chief Clerk read as follows:

I ask unanimous consent that where the proposed amendments are to committee amendments which have been agreed to, the latter may be regarded as reconsidered, and when the amendments are proposed and agreed to, then the various committee amendments as amended may be considered as agreed to.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, just a moment. My attention was distracted. What is the purpose of this proposal?

Mr. GEORGE. The purpose is to obtain Senate action at this time on certain clarifying and technical amendments to the bill. They, of course, apply to various sections throughout the bill and, therefore, I have asked for a unanimous-consent agreement.

Mr. McNARY. I have no objection to that, Mr. President.

The VICE PRESIDENT. Is there objection to the unanimous-consent request submitted by the Senator from Georgia? The Chair hears none, and it is so ordered. The amendments submitted by the Senator from Georgia will be stated.

The first amendment was, on page 29, lines 9 and 10, to strike out "beginning after January 1, 1942."

The amendment was agreed to.

The next amendment was, on page 29, lines 9 and 10, to strike out "beginning after January 1, 1942."

The amendment was agreed to.

The next amendment was, on page 29, line 23, to strike out "beginning after January 1, 1942."

The amendment was agreed to.

The next amendment was, on page 143, line 20, to strike out "15" and insert "6."

The amendment was agreed to.

The next amendment was, on page 149, line 7, to strike out "The" and insert in lieu thereof "If any part of the money is not so expended, the."

The amendment was agreed to.

The next amendment was, on page 155, line 19, after the word "subsection", to insert "or the date specified in the certificate referred to in paragraph (1) of this subsection."

The amendment was agreed to.

The next amendment was, on page 197, line 19, to strike out "earnings and principal" and insert "corpus and income."

The amendment was agreed to.

The next amendment was, on page 200, line 6, to strike out "an employer" and insert "the plan."

The amendment was agreed to.

The next amendment was, on page 205, lines 2 and 3, to strike out "difference shall be carried forward and be deductible" and insert in lieu thereof "excess, or if no amount is paid, the amounts deductible, shall be carried forward and be deductible when paid."

The amendment was agreed to.

The next amendment was, on page 211, after line 6, to insert:

(e) Technical amendment to Investment Company Act of 1940: Section 3 (c) (13) of the Investment Company Act of 1940 is amended to read as follows:

"(13) Any employees' stock bonus, pension, or profit-sharing trust which meets the conditions of section 165 of the Internal Revenue Code, as amended."

The amendment was agreed to.

The next amendment was, on page 244, line 1, to strike out "which."

The amendment was agreed to.

The next amendment was, on page 256, line 5, before the comma to insert "or of a carry-back."

The amendment was agreed to.

The next amendment was, on page 262, line 21, to strike out "If it" and insert in lieu thereof "It."

The amendment was agreed to.

The next amendment was, on page 339, line 12, to strike out "205" and insert "206."

The amendment was agreed to.

The next amendment was, on page 369, after line 13, to insert:

(c) Taxable years to which amendments applicable: The amendments made by this section shall be applicable to taxable years beginning after December 31, 1939.

The amendment was agreed to.

The next amendment was, on page 391, line 13, to strike out "periods" and insert in lieu thereof "period."

The amendment was agreed to.

The next amendment was, on page 393, line 9, to strike out "(3)" and insert in lieu thereof "(4)."

The amendment was agreed to.

The next amendment was, on page 393, line 13, to strike out "Section 712 (c)" and insert "Sections 712 (c) and 741 (b)", and in line 14, to strike out "is" and insert "are."

The amendment was agreed to.

The next amendment was, on page 407, to strike out lines 12 to 24, and on page 408, to strike out lines 1 and 2, and insert:

(d) In the case of a taxpayer which is an acquiring corporation the base period shall be the 4 calendar years 1936 to 1939, both inclusive.

Mr. GEORGE. Mr. President, in connection with the amendment on page 407 just read by the clerk, the Senator from Texas [Mr. CONNALLY] has an amendment, and if he will offer it I will ask the Senate to approve it in order that the question raised by the Senator from Texas may be carried to conference. The amendment just read by the clerk is probably broad enough to authorize consideration of the amendment which the Senator wishes to offer, but if his amendment is likewise agreed to, it will present the matter squarely to the conference.

I have a copy of the amendment which the Senator from Texas desires to offer, to be inserted at the end of line 14.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 3 of the amendment offered by Mr. GEORGE it is proposed to strike out the period at the end and insert a comma, and the words "except that if the taxpayer became an acquiring corporation prior to September 1, 1940, the base period shall be the same as that applicable to its first taxable year ending in 1941."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The VICE PRESIDENT. The clerk will state the other amendments offered by the Senator from Georgia.

The next amendment was, on page 408, beginning with line 24, it is proposed to strike out the following:

(b) Termination of section 741: Section 741 shall not apply to any taxable year beginning after December 31, 1941.

And to insert:

(b) Repeal of section 741 (a): Section 741 (a) is repealed.

The amendment was agreed to.

The next amendment was, on page 447, line 24, after the period, to insert the words "No amount of any payment made under this subsection to a taxpayer shall be included in gross income."

The amendment was agreed to.

The next amendment was, on page 531, line 4, after the word "to", to insert "film or."

The amendment was agreed to.

Mr. GEORGE. Mr. President, at this time I offer an amendment, which I send to the desk, with a brief word of explanation. The amendment is approved by the Treasury, and is a revision and simplification of provisions allowing capital losses in the case of stock, fire, and casualty insurance companies.

The bill as reported allows capital losses from assets sold or exchanged to provide funds to meet abnormal insurance losses. The proposed amendment expands that provision so as to allow losses on capital assets sold or exchanged to provide for the payment of dividends and similar distributions to the policyholders. I ask for consideration of the amendment.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. Beginning on page 232, it is proposed to strike out lines 12 to 25, inclusive, and lines 1 to 10, inclusive, on page 233, and to insert:

(5) Capital losses: Capital losses to the extent provided in section 117 plus losses from capital assets sold or exchanged in order to obtain funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders. Capital assets shall be considered as sold or exchanged in order to obtain funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders to the

extent that the gross receipts from their sale or exchange are not greater than the excess, if any, for the taxable year of the sum of dividends and similar distributions paid to policyholders in their capacity as such, losses paid, and expenses paid over the sum of interest, dividends, rents, and net premiums received. In the application of section 117 (e), for the purposes of this section, the net capital loss for the taxable year shall be the amount by which losses for such year from sales or exchanges of capital assets exceeds the sum of the gains from such sales or exchanges and whichever of the following amounts is the lesser:

(A) The corporation surtax net income (computed without regard to gains or losses from sales or exchanges of capital assets); or

(B) Losses from the sale or exchange of capital assets sold or exchanged to obtain funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders.

The amendment was agreed to.

Mr. GEORGE. I offer precisely the same amendment, giving to the mutual insurance companies like treatment.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 247, it is proposed to strike out, beginning with line 24, down to and including the period, in line 24, on page 248, and to insert:

(F) Capital losses: Capital losses to the extent provided in section 117 plus losses from capital assets sold or exchanged in order to obtain funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders. Capital assets shall be considered as sold or exchanged in order to obtain funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders to the extent that the gross receipts from their sale or exchange are not greater than the excess, if any, for the taxable year of the sum of dividends and similar distributions paid to policyholders, losses paid, and expenses paid over the sum of interest, dividends, rents, and net premiums received. In the application of section 117 (e) for the purposes of this section, the net capital loss for the taxable year shall be the amount by which losses for such year from sales or exchanges of capital assets exceeds the sum of the gains from such sales or exchanges and whichever of the following amounts is the lesser:

(i) The corporation surtax net income (computed without regard to gains or losses from sales or exchanges of capital assets); or

(ii) Losses from the sale or exchange of capital assets sold or exchanged to obtain funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders.

The amendment was agreed to.

Mr. CONNALLY. Mr. President, has the Senator completed the insurance amendments?

Mr. GEORGE. I think I have no other insurance amendments.

Mr. CONNALLY. I have an amendment which I wish to submit on page 222, line 14.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 222, line 14, after "incorporation", it is proposed to insert "or association, or bylaws approved by the State insurance commissioner."

The VICE PRESIDENT. Is there objection to reconsideration of the vote by which the committee amendment was agreed to? The Chair hears none, and the question is on agreeing to the amendment presented by the Senator from Texas to the amendment of the committee.

Mr. CONNALLY. Mr. President, there is no objection on the part of the Treasury to the proposed amendment.

Mr. LA FOLLETTE. I ask the Senator to explain the purpose of the amendment.

Mr. CONNALLY. It proposes to insert the words "or association, or bylaws approved by the State insurance commissioner."

This amendment is proposed to insure that certain Texas assessment insurance companies will be classified as life insurance companies and taxed under section 201. While the language in the bill is copied from existing law and these companies have been taxed as life-insurance companies under existing law, they have expressed fear that a strict interpretation of the language of the present law would exclude their reserves from life-insurance reserves, and consequently exclude the company from taxation as a life-insurance company. The companies in question are associations rather than corporations, and their mortuary funds are sometimes maintained under by-laws approved annually by the State insurance commissioner rather than directly under the charter or articles of incorporation. The proposed amendment will remove any uncertainty in this connection.

Mr. LA FOLLETTE. I see no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Texas to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. GEORGE. I think there is one other insurance amendment to be offered.

Mr. LA FOLLETTE. Mr. President, I have an amendment which I have discussed with Mr. Stam and with the Senator from Georgia. I should like to offer it now for the purpose of having it in conference, so that we may have the subject matter under jurisdiction in case it develops that it is necessary to have the House text in conference.

Mr. GEORGE. Mr. President, will the Senator please state the nature of the amendment?

Mr. LA FOLLETTE. I have just sent it to the desk.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Wisconsin.

The CHIEF CLERK. On page 346, after line 23, it is proposed to add a new subsection, as follows:

(f) Section 723 (relating to equity invested capital in special cases) is amended by designating the present section as subsection "(a)" and by adding a new subsection to read as follows:

"(b) The equity invested capital of mutual insurance companies other than life, or marine, shall be the mean of the surplus, plus 50 percent of the mean of all reserves required by law, both surplus and reserves being determined at the beginning and end of the taxable year. The surplus shall include all of the assets of the company other than reserves required by law."

Mr. TAFT. Mr. President, may I ask the Senator what the amendment means?

Mr. LA FOLLETTE. The amendment provides that the equity invested capital of a mutual insurance company, other than life or marine, shall be the surplus funds of the company which are defined to be the assets of the company other than the reserves required by law. The reserves required by the laws of the individual States in the case of mutual fire companies is the unearned premium reserve and in the case of mutual casualty companies the unearned premium reserve and the loss reserve, the loss reserve being more important. The amendment provides that 50 percent of these reserves shall be the amount to be included with the surplus of the company as the equity invested capital. After conferring with Mr. Stam, I felt that, in order to have the subject matter in conference, some language should be placed in the bill.

Mr. TAFT. Is the Senator proposing to put the surplus into the equity capital on which is based an excess-profits credit?

Mr. LA FOLLETTE. The amendment provides that 50 percent of these reserves shall be the amount to be included with the surplus of the company as the equity invested capital.

Mr. TAFT. I have some doubt about it.

Mr. LA FOLLETTE. I will say to the Senator from Ohio that the whole purpose of putting the amendment in is to have the matter in conference so that it may be considered in the conference between the House proposal and the Senate committee proposal.

Mr. TAFT. The Senator will be in the conference, and I will not. That is why I am interested in inquiring about the matter.

Mr. LA FOLLETTE. What I mean is that, whoever is in the conference committee will be confronted with the necessity of adopting either one plan or the other, or trying to compose the differences. This is an amendment added to the House text which was not affected by the so-called Stam plan amendment. Unless the House text is amended, it would be out of conference, and nothing could be considered or done about it at all.

Mr. TAFT. I have no objection, Mr. President.

Mr. GEORGE. As I understand, the amendment offered by the Senator from Wisconsin would relate only to the excess profits in connection with mutual insurance companies.

Mr. LA FOLLETTE. That is all.

Mr. GEORGE. I believe it should go to conference.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

The VICE PRESIDENT. The Senator from Georgia still has the floor.

Mr. GEORGE. I yield to the Senator from Idaho. I understand he has a matter which he wishes to present.

Mr. THOMAS of Idaho. Mr. President, I should like to have the attention of

the senior Senator from Colorado [Mr. JOHNSON].

Mr. GEORGE. Yes; I should like to have the Senator from Colorado give attention to what the Senator from Idaho wishes to say.

Mr. THOMAS of Idaho. When the amendments providing for percentage depletion were under consideration in 1932, it was our understanding that the ordinary treatment processes which a mine operator would normally apply in order to obtain a suitable product should be considered as a part of the mining operation. Is any change in that law proposed at this time?

Mr. JOHNSON of Colorado. Mr. President, I am glad the Senator brought up that subject, because it is one in which the Senator from Colorado has been very much interested, and it has been discussed in the Senate Finance Committee at considerable length. I am especially interested in the beneficiation of quicksilver, although no quicksilver is produced in the State of Colorado. But we have been met with this sort of situation with respect to quicksilver. If the producers of quicksilver will follow a certain process of beneficiation, they will receive the benefits of depletion fully, but if they adopt a more scientific method and a more modern method, then, of course, they run immediately into certain difficulties. That, to me, is something which is directly opposed to the public interest, and especially when we need quicksilver as badly as we do.

The question of what constitutes net income attributable to the mining of strategic metals and the companion questions regarding gross and net income from the property for percentage depletion have been considered with Mr. Randolph Paul, who has represented the Treasury before the Finance Committee on this subject. Mr. Paul urged that this was a subject which should be covered by Treasury regulations rather than by detailed provisions of the law. I agree that the statutes should not be burdened with regulatory details to fit every possible contingency. I hope the Senator from Idaho will not offer an amendment on the subject at this time.

The Congress has not intended in the pending measure to make any change in its concept of mining income from that expressed in the 1932 and 1934 acts, nor to establish by implication or otherwise any approval of Treasury regulation or Revenue Bureau practice which departs from the original acts or the general Bureau practice prior to 1940.

I have conferred with Mr. Paul and he has stated to me the Treasury's intention to adhere to the original regulations and procedures under these acts, so that concentration by gravity or flotation and equivalent processes would be considered as part of the mining operation. Thus, for example, the furnacing of quicksilver ores would be considered as an equivalent of concentration by gravity or flotation.

Mr. Paul made only one exception to the original regulations; namely, that there would be excluded from gross income from the property not only the cost of further processes such as smelting, but also the profits if any, attributable thereto; intending thus to make the charges for a mining company's own smelter compare with those of an independent custom smelter.

Mr. President, does that explain the situation to the Senator from Idaho, and is he satisfied with the explanation?

Mr. THOMAS of Idaho. Mr. President, I think with that explanation the situation is entirely satisfactory. What I was particularly anxious to know was whether the provision in question would make any changes in the matter of depletion in the operations to which I referred. I was very active in 1932 in connection with the passage of the legislation on the subject. The same system is still being followed, I understand.

Mr. JOHNSON of Colorado. Yes; the same system is being followed. I know the Senator from Idaho took a very active part in having the legislation adopted in 1932. The Senator himself sponsored an amendment with respect to depletion in connection with the mining operations to which he referred.

The VICE PRESIDENT. The Chair asks the Senator from Georgia whether he has concluded his presentation.

Mr. GEORGE. Yes, Mr. President, I have concluded.

Mr. LA FOLLETTE. Mr. President, if the Senator from Georgia will yield to me, I wish to offer an amendment on behalf of the Finance Committee.

Mr. GEORGE. Mr. President, I yield the floor.

Mr. LA FOLLETTE. Mr. President, by authority of the committee, I offer an amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 108, it is proposed to strike out lines 13 and 14 and to insert:

SEC. 138. Exempt corporations.

On page 108, line 15, after "Exemption", it is proposed to insert "of Voluntary Employees' Beneficiary Association."

On page 109, after line 10, it is proposed to insert:

(c) Exemption of certain nonprofit public utility corporations: Section 101 (relating to exemptions from tax on corporations) is amended by adding at the end thereof the following new subsection:

"(20) Corporations organized exclusively to furnish service as a public utility, if the Commissioner determines that the following limitations upon the organization, powers, and management of such corporation have been satisfied:

"(A) Such corporation shall be organized in response to a petition signed by at least 10 percent of the total number of qualified voters of the area served by the properties to be acquired by such corporation (but in no event shall more than 10,000 signatures be required).

"(B) The members of the board of directors in control of the acquisition of the properties of the corporation, its management, and policies shall be qualified voters residing in the area served by such corporation, and a majority of such members shall be elected officials of political subdivisions served by such corporation, or officials of Federal or State agencies or instrumentalities furnishing the same type of utility service.

"(C) The properties of the corporation shall be owned and operated exclusively in the public interest for the benefit of consumers of its utility services.

"(D) No part of the net income of the corporation shall inure to the benefit of any shareholder.

"(E) All compensation payments shall be reasonable and for services actually rendered.

"(F) All net income of the corporation ascertained by the Commissioner to be available for payment of principal on indebtedness of the corporation shall be so applied or set aside each year for that purpose, and upon the retirement of such indebtedness or the creation of a sinking fund sufficient for such retirement, all the properties of the corporation, both real and personal, shall without cost be transferred to and become the property of one or more of the following: the United States, or any State, or any political subdivision, agency, or instrumentality of the United States or of any State, which may be authorized by law to accept and operate such properties for the benefit of the public, and pending such transfer the corporation shall continue to operate such properties and to furnish service to consumers at cost.

"(G) Upon failure of such corporation to transfer such properties in accordance with the provisions of subparagraph (F) within a reasonable time after the retirement of the indebtedness of the corporation or the creation of a sinking fund sufficient for such retirement, or if, at any time, the properties of such corporation are transferred to any person other than a transferee described in the preceding subparagraph (except by a transfer in compliance with an order of any Federal or State court having jurisdiction for the protection of the rights of the owners of indebtedness of such corporation), all tax liabilities (including interest, penalties, additional amounts, or additions to the tax) for all prior years which would have been incurred by the corporation except for this paragraph, shall immediately be due and payable, all periods of limitation and provisions of law to the contrary notwithstanding.

"(H) The corporation may acquire other existing utility properties serving an adjoining area as an extension of its system, provided it is petitioned to do so by at least 10 percent of the qualified voters of the area served by such properties (but in no event shall more than 10,000 signatures be required).

"(I) The corporation shall file with the Commissioner its consent to such regulations as may be prescribed by the Commissioner, with the approval of the Secretary, to insure that the management of such corporation, and the operation of its properties, shall be in the public interest."

On page 109, line 11, it is proposed to strike out "(c)" and to insert "(d)."

On page 109, line 12, it is proposed to strike out "Such amendments" and to insert "The amendments made by this section."

The VICE PRESIDENT. Without objection, the vote by which the committee amendment beginning in line 13 on page 108 and ending in line 15 on page 109, was agreed to, will be reconsidered.

Mr. LA FOLLETTE. Mr. President, I may make a brief explanation of this amendment. It is the result of long and protracted study by the committee and by the staff of the Treasury and the joint committee. The purpose of the amendment, as will be obvious from its reading, is to provide tax exemptions for nonprofit organizations acquiring utility properties, either as a result of disintegration orders issued by the Securities and Exchange Commission, or otherwise. Under the safeguards which have been set up in this amendment to make certain that they shall be of a nonprofit

character, and for the purpose of ultimately being turned over to municipal governments or power districts, they shall be entitled to tax exemptions.

Mr. President, we have further provided that in case any of the protective measures and standards which have been set up are violated, that they shall then become liable for all the accrued taxes, without regard to the statute of limitations, which will certainly, it seems to me, and I think to other members of the committee, insure the operation of these nonprofit organizations on a strictly nonprofit basis and in the public interest.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from Missouri, who has been as much interested in this amendment as I have been.

Mr. CLARK of Missouri. Mr. President, I merely desire to suggest, in addition to what the Senator from Wisconsin has said, that this amendment will not only have the very great effect of permitting many municipalities or power districts ultimately to be able to acquire these properties, and to furnish the service to the public at cost, but will also be of tremendous assistance in carrying out the disintegration orders of the S. E. C. as to holding companies, because at the present time the S. E. C. is ordering a great many holding companies to divest themselves of smaller utilities, and such orders cannot be carried into effect because the holding companies have been unable to find purchasers. So it will serve both purposes.

Mr. LA FOLLETTE. I thank the Senator from Missouri for his statement.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. TAFT. Does the Senator know whether the bonds issued by this corporation will be taxable in the hands of the holders of the bonds, or is there any attempt to confer the same privilege that is conferred on bonds of municipal corporations?

Mr. LA FOLLETTE. So far as I know, there is no purpose in this amendment to confer the privilege of making their bonds nontaxable. The exemption provided applies only to the income of nonprofit organization itself as against the income tax which a profit corporation would have to pay. That is the only thing they are to be exempted from.

Mr. TAFT. Mr. President, I do not wish to object with great seriousness to this amendment, because it was approved by the majority of the Finance Committee; but personally I am opposed to it. If a States does not see fit to give one of its municipalities the power to purchase a public utility and issue revenue bonds for it, I do not see why we should step in and provide a method by which the citizens of that community would be able to form a corporation to evade the State law. I cannot see the reason for our assisting a municipality to buy something which it is not permitted by the State law to buy. However, I have no desire to do more than simply place on record my objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE] to the committee amendment, on page 108, beginning in line 13.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. DOWNEY. Mr. President, I desire to ask the attention of the Senator from Georgia for a moment in connection with section 617, relating to coin-operated amusement and gaming devices. The section is found on page 565.

I have made a rather careful investigation of that section, and the language seems to me to be quite ambiguous as to whether or not certain types of slot machines and coin-operated machines come under the definition of "gaming devices." I understand that there are three types of slot machines, namely, straight amusement games, trade stimulators, and gambling devices. Under the rather ambiguous language of the section the Treasury feels compelled to interpret "gaming devices" to include trade-stimulating machines. I should deeply appreciate it if the chairman of the committee could take to conference a proposed amendment which I shall offer, under which the whole question could be clarified.

I therefore move, Mr. President, that on page 566, after line 17, the following language be inserted:

Trade-stimulator machines shall not be construed as gaming devices.

Mr. GEORGE. Mr. President, I have no objection to taking this amendment to conference, because an examination of the section discloses that otherwise a conference would be precluded on certain questions which are not very clear in the section taken as a whole.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from California [Mr. DOWNEY].

The amendment was agreed to.

Mr. DANAHER. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Connecticut will be stated.

The CHIEF CLERK. On page 323, after line 10, it is proposed to insert the following new section:

SEC. —. Net income of individuals.

(a) Amendment to Internal Revenue Code: Supplement B of chapter 1 of the Internal Revenue Code is amended by adding at the end thereof the following new section:

"SEC. 125. Limitation on deductions allowable to individuals in certain cases.

"(a) Recomputation of net income: If the deductions allowable to an individual (except for the provisions of this section) and attributable to a trade or business carried on by him for 5 consecutive taxable years have, in each of such years, exceeded the gross income derived from such trade or business, the net income of such individual for each of such years shall be recomputed. For the purpose of such recomputation, such deductions shall be allowed only to the extent of $10,000 plus the gross income attributable to such a trade or business, and no net operating loss deduction shall be allowed.

"(b) Redetermination of tax: Upon the basis of the net income computed under the provisions of subsection (a), the tax imposed by this chapter shall be redetermined for each such taxable year to which this chapter is applicable and any excess thereof, resulting solely from the disallowance of the deductions specified in subsection (a), over the amount of the tax previously determined shall be assessed and collected as a deficiency.

"(c) Suspension of statute of limitations: Notwithstanding the provisions of section 275, any deficiency determined under subsection (b) for a taxable year preceding the fifth taxable year referred to in subsection (a) may be assessed within 1 year after the expiration of the time prescribed by law for the assessment of a deficiency for such fifth taxable year."

(b) Effective date of amendment: The amendment made by subsection (a) shall be applicable to taxable years beginning after December 31, 1937, but no deficiency shall be assessed or collected thereunder for any taxable year beginning prior to January 1, 1942.

Mr. DANAHER. Mr. President, if anyone were to propose legislation calling upon the taxpayers of the United States to provide millions of dollars a year for the purpose of operating racing stables and kindred interests, the revolt would result in a cry which would reach to high heaven. This amendment is designed to cure the result which is being achieved in that very particular without enabling legislation.

The problem arises from the fact that under the Internal Revenue Code—

in computing net income there shall be allowed as losses all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business.

The result of the operation of that particular section is this: An individual may have an income from investment from trust funds, from an inheritance, or what not, amounting to hundreds of thousands of dollars a year. On that income he would be bound to pay into the Treasury of the United States a very substantial tax. Under the rates in the bill, for example, on income of $1,000,000 might result in a tax as high as $800,000 or $900,000. However, Mr. President, if the individual, having derived that large income from other holdings or from another business, thereafter turns to a collateral line and engages in what he chooses to call a trade or business, he charges off the operating losses from the collateral line against his ordinary income, and the result is that the United States Government is deprived of hundreds of thousands of dollars of taxes.

For years the Commissioner of Internal Revenue has sought to correct that evil. The language of my amendment has been drafted at my request by Mr. Stam, chief of staff of the Joint Committee on Internal Revenue Taxation. In various cases which I think should be noted in the RECORD the Commissioner has lost in every instance in which he has sought a ruling in favor of the Government under this section. Let me cite some of the cases. I am sure that my colleagues will be interested in knowing the type of person who is involved, in the sense that it is common knowledge who the individuals are, from the mere recitation of their names.

I take first the case of *Commissioner of Internal Revenue* v. *Joseph E. and George D. Widener*, the case appearing in 33 Federal (2d) 833. The case went to the Circuit Court of Appeals for the Third Circuit, which disallowed the position of the Commissioner of Internal Revenue.

I next mention the case of *Richard Whitney* v. *Commissioner of Internal Revenue*, the case appearing in volume 14 of American Federal Tax Reports, at page 744. Again the United States lost the action.

Another case is that of W. S. Farish against Commissioner of Internal Revenue, appearing in 103 Federal (2d) at page 63.

In each of those typical cases, which this amendment would reach, we find the court ruling that the question of whether or not there is such a deduction as this amendment would reach depends upon the intent of the individual taxpayer. In every single instance the question of intent has been ruled against the Government. I quote from the decision of the Circuit Court of Appeals of the Fifth Circuit the following language in the Farish case:

> The intention of the taxpayer at the outset is the dominant factor in determining whether he engaged in the venture merely for pleasure or for profit.

In the Whitney case the Circuit Court of Appeals for the Third Circuit said:

> There is no question that a number of racing stables are made as much of a business as the operation of a mercantile establishment and profits are realized thereby.

Against such, Mr. President, this amendment does not inveigh.

> There could be merit in the Government's argument, if the facts warranted the conclusion, that racing is the sport of the wealthy, and that the maintenance of a stable is not a business expense but a personal expense. The question is not a philosophical one, but a practical one, and involves the determination of whether the petitioner's stable was operated as a business or for pleasure.

In view of the form and manner in which the question is presented to the court or to the Board of Tax Appeals, with uniformly adverse rulings against the United States, this amendment is designed to operate by virtue of the very obvious force and effect of it. It is believed by the joint committee staff and by those who are familiar with the problem that the net increase in revenue to the United States in this time of stress and trial would be enormous, running literally into millions of dollars a year, the exact amount being unknown for the very simple reason that as the matter now stands we cannot even reach it.

I have gone over the matter at some length with the distinguished chairman of the Committee on Finance. It has been fully considered in committee. I ask the chairman of the Committee on Finance to accept the amendment and take it to conference.

Mr. GEORGE. Mr. President, I could not accept the amendment, because the committee acted upon it. The amendment was presented in committee and the committee rejected it. My recollection is that it was rejected by the very narrow margin of 1 vote. I am not in a position to accept it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHER].

The amendment was agreed to.

Mr. HILL. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Alabama will be stated.

The CHIEF CLERK. In the committee amendment, on page 394, line 12, after the word "tungsten" and the comma, it is proposed to insert the words "flake graphite."

The VICE PRESIDENT. Without objection, the vote whereby the committee amendment was agreed to will be reconsidered.

Mr. LA FOLLETTE. Mr. President, I hope the Senator will explain the amendment.

Mr. HILL. I shall be glad to explain it.

Section 731, dealing with corporations engaged in mining of strategic minerals, is the section granting certain exemptions from excess-profits taxes to the producers of certain strategic minerals.

I have conferred with Dr. Wilbur Nelson, who is the head of the Mining Section of the War Production Board, and Dr. Nelson advises me that flake graphite definitely falls within the category of strategic minerals as provided for in this section of the bill.

Mr. HATCH. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from New Mexico?

Mr. HILL. I yield.

Mr. HATCH. How did Dr. Nelson give the Senator from Alabama that information, let me ask. The reason I ask that question is that I tried very hard to get Dr. Nelson to express himself with reference to certain subjects, but I have never been able to get him to do so.

Mr. HILL. He gave me the information by word of mouth. I asked him the question whether flake graphite was a strategic mineral; and if so, whether it fell within the category of strategic minerals as provided for in this section.

Mr. HATCH. Strategic minerals which should be exempt from the excess-profits tax?

Mr. HILL. Yes; and I have just stated what he said to me. He said that it definitely fell within the category as provided in this section; that flake graphite was a war baby, that it had not been mined in this country for 25 years—that is, since the last war—that it was difficult to get anyone to mine it at this time, and that it was in even a more precarious condition than that of some of the other minerals carried in the section, because in the past flake graphite has come from Madagascar, and, as we know, the British have taken over Madagascar. Of course, there is a possibility that we might get it from Madagascar, even though the war continues.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. HATCH. I want to say that I am not opposed to the Senator's proposal. I know nothing whatever about it, and nothing that I may say now should be considered to reflect against the Senator or what he is trying to accomplish, because I have had no information. However, though I have had several conferences with Dr. Nelson, I have never been able to pin him down, except when he said, "The War Production Board listed certain strategic or critical minerals. Those are in the bill, and I cannot add anything to that list." I may say that I was talking to him about minerals which are far more important than is the one in which the Senator from Alabama is interested.

Mr. HILL. Mr. President, I said, "Doctor, does this mineral fall within the category as provided in the bill?" He said, "Definitely and absolutely, flake graphite is a war baby." He said further, "We cannot make an airplane unless we have flake graphite. Flake graphite is necessary in the production of steel, and all motor castings have to have flake graphite, and all alloys such as bronze and brass and things of that kind require flake graphite."

If the Senator from New Mexico could have talked to Dr. Nelson, as I did, I think he would have been absolutely persuaded that flake graphite definitely belongs in this section.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. HATCH. The Senator from New Mexico did talk with Dr. Nelson. He talked with him over the telephone; he talked with him in person. He examined him before the committee. The result was exactly as I have outlined.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. JOHNSON of Colorado. I should like to say in connection with what the Senator from New Mexico has already stated that of the 11 different metals which are listed as strategic metals, each one of them, individually and separately, has been approved by Dr. Wilbur Nelson as deserving to be included under such a provision as the one provided in the bill. We did not have any trouble in getting an out-and-out statement from him on the subject.

Mr. HILL. Mr. President, let me say to my friend, the Senator from Colorado and my friend the Senator from New Mexico, that should the amendment be agreed to and go to conference, if Dr. Wilbur Nelson does not say that flake graphite is exactly on the same basis, entirely on a par, exactly in the same category as the other strategic minerals which are set out in this section, so far as I am concerned the conferees can throw out the amendment.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HILL. I yield

Mr. TAFT. Of course, the proposal is an effort to exempt any manufacturer or producer of flake graphite from all excess-profits taxes. This is not a question of percentage or anything else; this is a section which gives the most relief

of all. This is a section which gives to a very limited number of materials complete exemption from excess-profits taxes.

I wrote to Dr. Wilbur Nelson about beryllium——

Mr. HILL. Mr. President, let me say to the Senator from Ohio that I am not talking about beryllium; I am talking about flake graphite.

Mr. TAFT. I understand that, but I should like to read the letter which I received from Dr. Wilbur Nelson in reply to my letter to him. His letter is dated October 3, 1942, and reads as follows:

DEAR SENATOR TAFT: Your letter of September 26 was received. The War Production Board is taking the attitude that we will not ask to have any additional minerals put on the list of strategic minerals exempted from excess-profits taxation.

Then he goes on to say that—

Beryllium is a rather rare mineral which is found mostly in pegmatite dikes in various parts of the United States. In some cases it is found associated with mica, which your committee has placed on the list of minerals exempted from excess-profits taxation.

It is a fact that it is an important metal in copper alloys which are needed and used in our war effort.

Sincerely yours,

WILBUR A. NELSON,
Special Assistant to the
Deputy Director General
for Industry Operations.

I assume that the Senator from New Mexico [Mr. HATCH] had very much the same experience. Dr. Wilbur Nelson is putting not only himself but the War Production Board on record as saying that they are not asking for the exemption of any additional minerals from the excess-profits tax.

Mr. HILL. Mr. President, I did not ask Dr. Nelson to request that flake graphite be included in the section. I did ascertain from Dr. Nelson whether flake graphite was entitled to be included in the section, whether, as a matter of fairness and equity flake graphite should be included in the section.

Mr. TAFT. Dr. Nelson appeared before the committee; and my impression is that no matter what mineral he was asked about, he said it was very essential to the war effort. I think he favored the proposal of the Senator from Arkansas as to diamonds, and no doubt there are half a dozen other rare minerals which he would say are necessary.

Mr. HILL. Mr. President, let me say that I believe the Senator from Colorado, who I understand was the author of the amendment in the committee, and is familiar with the minerals now listed in the amendment, will say that Dr. Nelson did not ask that any of the minerals be included in the committee amendment. Is that correct?

Mr. JOHNSON of Colorado. That is correct; but he approved all of them as being entitled to be included.

Mr. HILL. That is the point I make. He did not ask that anything be included; but he did say to me, unless I greatly misunderstood what he said, that flake graphite belonged in the section, that if the other minerals were to be exempted from excess-profits taxation, flake graphite should be exempted, and that the case for it was just as good as that for the others.

Mr. TAFT. Mr. President, does it not seem to the Senator that if flake graphite had any great relation to the war effort the War Production Board should tell us so and should ask us to have it included in the list of minerals exempted from excess-profits taxation, those granted this very exceptional and extraordinary exemption? If the War Production Board says to us, "We will not ask that it be included," I think it is safe to assume that it is not necessary for us to include it in the list.

Mr. HILL. If the War Production Board had asked that the other strategic minerals be included in the section, the Senator might have some point to his argument; but the Senator from Colorado advises me that Dr. Nelson did not ask for the inclusion of any of the minerals. However, Dr. Nelson tells me that if the Senate is to include any minerals under the provision, it is only fair and equitable that flake graphite be included.

Mr. TAFT. My impression is that the War Production Board did ask us to include the other minerals.

Mr. HILL. This is what is known as the Johnson amendment——

Mr. TAFT. Dr. Nelson was authorized by Mr. Batt to appear before us. In his letter he says:

The War Production Board is taking the attitude that we will not ask to have any additional minerals put on the list of strategic minerals exempted from excess-profits taxation.

Mr. HILL. The Senator from Colorado, who is the author of the amendment embodying the section, advises me that the War Production Board did not ask that any of the minerals be included under the section or granted exemption.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HATCH. Is the amendment proposed by the Senator from Colorado subject to amendment?

The VICE PRESIDENT. It is an amendment in the second degree, and therefore it is not subject to amendment.

Mr. HATCH. The reason I asked the question is that the Senator from Colorado has described the exact conditions which prevailed at the hearing before the subcommittee when Dr. Nelson was there and when I was there seeking to have potash included in the list of essential and critical minerals. I do not think there is any question that potash is 10 times more important to the war effort than are some of the other minerals which are included in the list. The Senator from Georgia did not see fit to agree to take to conference the proposed amendment relating to potash, although since that time he has agreed to take many others to conference. I stated in good faith that if the potash industry of my State wants to be exempted its representatives should come before the committee before the next tax bill is considered and should make out a case for such exemption. However, if all these other minerals are to be included, Mr. President, I certainly shall change my position, and shall insist that potash be included among the critical and essential minerals.

The VICE PRESIDENT. The question is on the amendment of the Senator from Alabama [Mr. HILL].

Mr. LA FOLLETTE. Mr. President, I inquire if the Senator from Alabama has concluded or is he merely standing to await the result?

Mr. HILL. If there is any information I can give, I shall be glad to give it.

Mr. LA FOLLETTE. I desire the floor for a few moments.

Mr. HILL. I yield the floor.

Mr. LA FOLLETTE. Mr. President, it pains me greatly to oppose any amendment tendered by my good friend from Alabama, but may I reemphasize what was stated by the Senator from Ohio that this is complete exemption from the excess-profits tax? It is not a percentage depletion that goes on and on so long as one is in business, amounting to only 27½ percent or 15 percent, or 5 percent, or whatever one may grab for himself, but it is a complete exemption from the excess-profits tax "for keeps" if the amendment is put in this section of the bill and remains in it.

I heard Dr. Wilbur Nelson before the committee. I do not wish to make any unkind remarks concerning him, but he seemed to me to be very sensitive to the needs of the mining industry; at least there was nothing in the way of minerals that seemed to be unrelated to the war effort, and everything along that line seemed to be extremely critical from his standpoint. Perhaps, if I were in his position, I should feel the same way. But, Mr. President, materials cannot be produced through a tax device. My objection to this entire proposal is that because we are cut off from certain strategic materials which we have been accustomed to getting from overseas, in our panic we are blowing holes in the tax structure on the theory that such action will replenish the supply.

The claims of certain of these materials have been carefully considered by the committee. Dr. Wilbur Nelson went sled length for all of them, and, while I have grave doubt about some of them, here they are, and here is one we did not even hear about and which was not even mentioned, so far as I can remember, in the testimony. I feel quite certain that, had Dr. Nelson felt that this was one of those materials which were particularly critical, it certainly would have been called to his mind while he was listing the other critical minerals he urged should be put in this section.

I may say that he came before the committee under his own power; he was not drafted; he was not subpenaed. As a matter of fact, when Mr. Paul suggested that he had had an understanding with Mr. Donald Nelson that he, Mr. Paul, would be informed whenever Dr. Wilbur Nelson would come dashing up to the committee with some kind of proposal, within 30 minutes Dr. Wilbur Nelson had a telegram from Mr. Batt, the Assistant

Director of W. P. B., stating that Dr. Nelson was authorized to speak for the War Production Board on metallurgical matters.

So I think that if the mineral in question had been near the fore part of his mind as being one of the things that were really serious, he would certainly have not forgotten it. Although I do not question for a moment that he told the Senator from Alabama that this was a critical material, I feel quite sure that is safe to say—and the record, if my memory serves me correctly, so indicates—that he never thought to mention flake graphite while he was getting these other things, as I reemphasize, totally exempted from the excess-profits tax. So I hope the amendment will be rejected, because, if it is not, there will be no possible argument against the inclusion of potash and a thousand and one other things.

Mr. CLARK of Missouri and Mr. HATCH addressed the Chair.

The VICE PRESIDENT. Does the Senator from Wisconsin yield, and, if so, to whom?

Mr. LA FOLLETTE. I yield first to the Senator from Missouri.

Mr. CLARK of Missouri. We have a mineral white rock in Missouri which is uesd for adulterating sugar. It is powdered and added to powdered sugar for the purpose of making weight. In view of the sugar shortage, if we are going to include other minerals on the ground that they are needed in the war effort, I should like very much to have included the mineral we have in Missouri.

Mr. LA FOLLETTE. I do not see why it should not come in if all the others are coming in.

Mr. HATCH. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from New Mexico.

Mr. HATCH. Mr. President, I should like to read to the Senator from Wisconsin a letter which I hold in my hand as bearing on the question as to what person may speak for the War Production Board. I had some correspondence with regard to fluorspar, which is a very important and critical mineral. This letter is dated September 29, and is from H. T. Mudd, Chief, Fluorspar Section, Office of Operations, War Production Board.

> Your letter of September 24 has been received in which you ask for the reaction of the War Production Board to the exemption of fluorspar producers from excess profits taxation. Only Mr. Donald M. Nelson can give you the reaction of the War Production Board and the material in this letter represents my own point of view as Chief of the Fluorspar Section. I am told that the only way in which the War Production Board's official reaction can be obtained is by writing directly to Mr. Nelson.

That is Mr. Donald Nelson himself.

> I am informed that Dr. Wilbur A. Nelson, who has been presenting the viewpoint of the War Production Board with regard to tax measures which may affect the production of war metals, has stated that while the War Production Board appreciates the action taken in restoring the provision exempting strategic minerals from the excess profits tax, the Board should not take a position either for or against the addition of other minerals to the present list, as the decision in these additional cases can best be made by the Members of the Congress.

Mr. LA FOLLETTE. Mr. President, I thank the Senator for reading the letter. Of course, Dr. Wilbur Nelson had himself covered by a telegram from Mr. Batt, and, therefore, he was in the clear, I think, so far as we could tell from the record, in speaking for the W. P. B. But, be that as it may, I merely wish to say once more that this is complete exemption from the excess-profits tax. The Senator from Montana suggested a moment ago that copper ought to go in. Copper is critical and strategic and there is the Utah Copper Co. that has reserves which will extend beyond the projection of living men. Why not put them in, too? The Utah Copper Co. probably does not like to pay the excess-profits tax, anyway.

Mr. HATCH. Mr. President, I am not joking when I say that if these other materials go in, I certainly think that potash and fluorspar belong in that class.

Mr. LA FOLLETTE. In a way, I am joking, and, in a way, I am not. My real objection to these special exemptions, no matter how justified they seem to be at the time, is that they become a vested interest, a special privilege, as I call it, and then other people who may be not exactly on all fours with them but who think they are pretty close to them, nudge in; they want to get in under the umbrella; and, the first thing we know, the rain does not fall on anybody.

Mr. HILL. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. HILL. I have conferred with the distinguished Senator from Colorado [Mr. JOHNSON], who is the author of this amendment, and, in view of what has been said about potash and copper and other minerals, and in view of the fact that there was no evidence before the Committee on Finance or the Committee on Ways and Means, I shall withdraw the amendment, having in mind that when the next tax bill comes along those interested will have their opportunity to present their case to the committee and will have every opportunity to make out their case. I recognize that at this late hour we cannot load this bill down, and I, therefore, withdraw the amendment.

The VICE PRESIDENT. The Senator from Alabama withdraws his amendment to the committee amendment, and the committee amendment as originally constituted is agreed to.

Mr. BARBOUR and Mr. CLARK of Missouri addressed the Chair.

The VICE PRESIDENT. The Senator from New Jersey.

Mr. BARBOUR. Mr. President, I send to the desk an amendment, which I ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

> SEC. —. Covering domestic service under the Social Security Act.
>
> (a) Section 209 (b) of the Social Security Act, as amended, is amended by striking out the following subparagraph:
>
> "(2) Domestic service in a private home, local college club, or local chapter of a college fraternity or sorority."
>
> (b) Section 1426 (b) of the Federal Insurance Contributions Act is amended by striking out the following subparagraph:
>
> "(2) Domestic service in a private home, local college club, or local chapter of a college fraternity or sorority."
>
> (c) Section 1607 (c) of the Federal Unemployment Tax Act is amended by striking out the following subparagraph:
>
> "(2) Domestic service in a private home, local college club, or local chapter of a college fraternity or sorority."

Mr. BARBOUR. Mr. President, I shall not detain the Senate for any lengthy discussion in explanation of my amendment now before the Senate, but I do want to point out that the matter of social security, unemployment compensation, and old-age pensions has been very close to my heart for a number of years, and a matter about which I believe I can say with some authority I know something.

When the Social Security Act was first passed by the Congress of the United States, and the State of New Jersey undertook to create a commission to administer the act in my State I was honored by the Governor by being appointed chairman of the commission, which we called the Unemployment Compensation Commission of New Jersey. I feel now, as I felt then, and have always felt, that there are many groups in our citizenry which should be included in this necessary protection and which, to put it differently, should have been given the security which other groups of our citizenry have received. Mr. President, I feel very strongly that there is no group in America which deserves this protection, this feeling of security, more than do those who work in domestic service. Among the many groups in this country, this one in particular not only has great need for this protection but has great difficulty in getting employment in industry or otherwise enjoying social security. It is extremely hard to find employment even when employees are so keenly sought by the management of mills and factories, especially in the more skilled services, and this applies particularly in the case of our colored citizens. So I feel that the President is perfectly right in what he has recommended in this whole connection. I am very sure that it will be only a matter of time before the group to which my amendment refers will be included under the act, and it will undoubtedly be only a matter of time before other groups also will be included, as they should be, which is something I have tried on other occasions to bring about, and which I am sure will one day come about.

With this in mind I did not feel I could let this very appropriate opportunity pass without bringing the subject up again. I ask the distinguished chairman of the Committee on Finance if he could possibly accept the amendment and let it go to conference. I do not wish to delay the Senate by any further debate, but I am very anxious that this amendment be adopted, and at least taken to conference.

This amendment, designed especially to aid domestic workers, has been supported by Edward G. Brown, director of the National Negro Council, and its enactment is greatly to be desired at this time.

Mr. GEORGE. Mr. President, I would not be authorized to take this matter to conference, although I do not recall any action taken by the Committee on Finance on which I could base that statement. I base it upon the fact, however, that the President has heretofore indicated, and indicated in the letter which was read in the Senate yesterday, that a bill would be presented to expand the coverage under the Social Security System and increase the benefits of that system, and it has been well known for some months past that the President greatly desired that that course be followed. He once recommended it to Congress, and reminded us of it again yesterday in his letter.

I should not like to have anything put into the pending bill at this time regarding this matter, because I feel that it would be useless, as I do not believe the House conferees would accept it. Furthermore, I think the whole subject will be before the Congress at a reasonably early date.

I may say to the Senator that I have supported the action taken by the Committee on Finance throughout, although I may have voted differently in the committee. I feel I am speaking now for the committee when I say that I do not believe we shou'd include anything affecting the Social Security Act in the pending bill, that is, anything expanding the coverage and increasing benefits, because that matter is to be covered in general legislation.

I hope, therefore, that the Senator will not insist on his amendment going into the bill, because I should oppose it for the reasons stated, and only for the reasons stated.

I entirely agree with the President and will support the President's position expressed in his messages and in his letter read yesterday, that the Social Security Act should be broadened, that the coverage should be extended, and unquestionably there are certain benefits that should be increased; and I shall wholeheartedly support such a movement, although yesterday I felt bound by the action of the committee in recommending the freezing of the tax for 1943 only because I regarded that as immaterial if general legislation is to be introduced, and if that legislation is to be approved by the Congress. Such legislation itself will take care of the question of the tax to be levied to support extended coverage and increased benefits.

Mr. BARBOUR. Mr. President, I thank the distinguished chairman of the committee for his characteristically generous attitude. In very large measure, of course, I feel the force of what he has said, and in some degree I cannot help agreeing with the Senator in certain particulars.

It seems to me, however, that the very fact that this proposal of mine undoubtedly will come into being one day in the not distant future should be an argument for putting it into effect as soon as possible, for it is something which is very greatly needed now.

I realize that it is difficult to hope for the success of my efforts over the opposition, however friendly and sympathetic, of the chairman of the committee, and I do not misunderstand in any way his opposition; but rather than not press the amendment, as he has suggested, if I may, Mr. President, I should like to have it voted on.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Jersey.

The amendment was rejected.

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent that the vote by which the Senate agreed to the committee amendment starting on page 507 be reconsidered, so that I may offer an amendment to the amendment of the committee.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the amendment of the committee is open to amendment.

Mr. CLARK of Missouri. Mr. President, I offer two amendments, which are really one amendment, and which I therefore ask may be considered as one amendment.

The first amendment is, on page 508, line 19, to strike out the words "after the date of the enactment of this act" and to insert in lieu thereof the words, "after December 31, 1941."

The second amendment is on page 509, line 4, to strike out the words "after the date of the enactment of this act", and to insert in lieu thereof the words "after December 31, 1941."

As I have said, Mr. President, those amendments are really one amendment, and I ask that they be so considered.

The PRESIDING OFFICER. Without objection, they will be considered as one amendment.

Mr. CLARK of Missouri. Mr. President, the purpose of the sections of the committee amendment to which I have referred was to afford relief in the matter of the stamp tax in certain equity receiverships involving railroads, and put them on the same footing with reorganizations under section 77.

In the meantime, however, during the consideration of the pending bill two or more railroads have completed their reorganizations, and under the present law it was necessary for them to pay the tax, and it was paid under protest. For the purpose of changing the effective date of the section, and affording relief to those railroads, it was thought by the committee that the approval of the amendment would put them on the same footing with receiverships under section 77.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. CLARK] to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. BUTLER. Mr. President, I offer an amendment which has already been printed.

The VICE PRESIDENT. The amendment offered by the Senator from Nebraska will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to add the following new title:

TITLE VIII—CREDIT AGAINST FEDERAL UNEMPLOYMENT TAXES

SEC. 801. Credit for the years 1937, 1938, 1939, and 1940.

(a) Allowance of credit against tax for 1937 and 1938: Against the tax imposed by section 901 of the Social Security Act for the calendar year 1937 or 1938, any taxpayer shall be allowed credit (if credit is not allowable under section 902 of such act) for the amount of contributions paid by him into an unemployment fund under a State law—

(1) Before the sixtieth day after the date of the enactment of this act, if such credit is or has been claimed before the expiration of 6 months after such date of enactment;

(2) Without regard to the date of payment, with respect to wages paid after September 19, 1939;

(3) Without regard to the date of payment, if the assets of the taxpayer are, at any time during the 59-day period following such date of enactment, or were at any time during the period August 11, 1939, to October 8, 1939, inclusive, or the period October 9, 1940, to December 6, 1940, inclusive, in the custody or control of a receiver, trustee, or other fiduciary appointed by, or under the control of, a court of competent jurisdiction.

The provisions of the Social Security Act in force prior to February 11, 1939 (except the provision limiting the credit to amounts paid before the date of filing returns), shall apply to allowance of credit under this subsection; except that the amount of credit against the tax for the calendar year 1937 or 1938, for contributions paid after December 6, 1940, shall not (unless the credit is allowable on account of paragraph (2) or (3)) exceed 90 percent of the amount which would have been allowable as credit on account of such contributions had they been paid before the last day upon which the taxpayer was required under section 905 of such act to file a return for such year. The terms used in this subsection shall have the same meaning as when used in title IX of such act prior to February 11, 1939. The total credit allowable against the tax imposed by section 901 of such act for the calendar year 1937 or 1938 shall not exceed 90 percent of such tax.

(b) Allowance of credit against tax for 1939 and 1940: Against the tax imposed by the Federal Unemployment Tax Act for the calendar year 1939 or 1940, any taxpayer shall be allowed credit (if credit is not allowable under section 1601 of such act) for the amount of contributions paid by him into an unemployment fund under a State law—

(1) Before the end of 1 year following the sixtieth day after the date of the enactment of this act, if such credit is claimed before the expiration of 1 year and 6 months after such date of enactment;

(2) Without regard to the date of payment, if the assets of the taxpayer are, at any time during the 1 year and 60-day period following such date of enactment, or were at any time during the period from the last day upon which the taxpayer was required under section 1604 of the Federal Unemployment Tax Act to file a return of the tax against which credit is claimed to the end of 2 years next following such last day, inclusive, or (in the case of credit against the tax for the calendar year 1939) the period October 9, 1940, to December 6, 1940, inclusive, in the custody or control of a receiver, trustee, or other fiduciary appointed by, or under the control of, a court of competent jurisdiction.

The provisions of the Federal Unemployment

Tax Act, including such provisions as modified by section 902 (e) of the Social Security Act amendments of 1939, shall apply to allowance of credit under this subsection. The amount of such credit against the tax for the calendar year 1939 or 1940, in the case of contributions paid after the last day upon which the taxpayer was required under section 1604 of the Federal Unemployment Tax Act to file a return for such year, shall not (unless the credit is allowable on account of paragraph (2)) exceed 90 percent of the amount which would have been allowable as credit on account of such contributions had they been paid on or before such last day. The terms used in this subsection shall have the same meaning as when used in the Federal Unemployment Tax Act. The total credit allowable against the tax imposed by such act for the calendar year 1939 or 1940 shall not exceed 90 percent of such tax.

(c) Refund: Refund, credit, or abatement of the tax (including penalty and interest assessed or collected with respect thereto, if any), based on any credit allowable under subsection (a) or (b), hereof or under subsection (a) (3) of section 1601 of the Internal Revenue Code, and in respects not covered by these subsections, may be made in accordance with the provisions of law applicable in the case of erroneous or illegal assessment or collection of the tax (including statutes of limitations). No interest shall be allowed or paid on the amount of any such credit or refund. On and after the date of the enactment of this act no refund, credit, or abatement shall be allowed based on any credit allowable under section 810 of the Revenue Act of 1938, section 902 (a) of the Social Security Act amendments of 1939, or section 701 of the Second Revenue Act of 1940.

SEC. 802. Credit for 1941 and subsequent years.

Section 1601 (a) (3) (Federal Unemployment Tax Act, sec. 1601 (a) (3)) is amended to read as follows:

"(3) The full 90-percent credit provided in this subsection and subsection (c) against the tax for any taxable year shall be permitted only for contributions paid on or before the last day upon which the taxpayer is required under section 1604 to file a return for such year. Credit shall be permitted for contributions, for 1941 and subsequent calendar years, paid after such last day but within 2 years next following such last day, but such credit shall not exceed 90 percent of the amount which would have been allowable as credit on account of such contributions had they been paid on or before such last day. The preceding provisions of this subdivision shall not apply to the credit against the tax of a taxpayer for any taxable year if such taxpayer's assets, at any time during the period from such last day for filing a return for such year to the end of 2 years next following such last day, both dates inclusive, are in the custody or control of a receiver, trustee, or other fiduciary appointed by, or under the control of, a court of competent jurisdiction."

Mr. BUTLER. Mr. President, the text of the amendment has been on the desks of Senators for many days, together with an explanation. It appears to be rather long drawn out, but, in fact, it is a very simple proposal. It proposes to add to the bill title VIII, to provide a credit against Federal unemployment taxes.

The proposal is designed to provide relief for employers who have become delinquent in the payment of Federal unemployment taxes as provided under the Social Security Act, merely by continuing the provisions of the present law. The proposed amendment in no way affects the rate of taxation. It merely provides an extension of the present law whereby the taxpayer may be granted a restricted credit, as now established in the Social Security Act, for the amount he may have paid to any State unemployment fund. It probably will not affect a great number of firms.

Large employers usually have the services of professional tax advisers to assist them in meeting all the legal requirements, but the small firms, those employing but a few employees over the minimum number established by the State or Federal law, are not always provided with the services of tax specialists, and some of them occasionally overlook meeting all the technical requirements of the law.

The Federal law, known as the Social Security Act of 1935, provides that firms employing eight or more persons must make reports and payments to the Government. The several States usually have similar laws, but some of the laws do not conform exactly to the Federal requirement as to the minimum number of employees, and so forth. The Federal law provides that the taxpayer is entitled to certain credits providing the State law conforms to the Federal requirements.

In paying the tax, or in filing a claim for the credit, the employer must conform to certain time limits. In the ordinary course of events some firms, which previously have not been required by law to pay the unemployment tax, become liable to the tax, having added a sufficient number of employees to bring them under the law. New firms—small firms—also, of course, become liable to the tax. However, they frequently do not realize that fact until some employee of the Bureau of Internal Revenue has dropped around and so informed them.

This proposal of mine is largely the result of an illustration, as many proposals are. An illustration from my own State may be cited of one of our very responsible business firms, which strives to comply with all technical requirements, and had considered that it had done so, until advised that there was a question whether one employee, who was a son of the head of the firm, was really an employee of the firm. The Department ruled that he was an actual employee. That brought the firm under the provisions of the law.

The firm immediately paid the State tax, and was later asked to pay the Federal tax and, of course, not having complied within the legal time, he had, for all practical purposes, paid double taxation. He is not attempting to evade the tax in any way, but desires to come under the provisions of the present law and get credit for 90 percent of the amount of money he has paid to the State.

Taxpayers, even after getting the meager refunds based on credits, as provided in this proposal, would still be quite heavily penalized under the existing law. No changes are suggested in penalties for the late payment of taxes. The amendment simply provides for an extension of the present law, in fact it is practically a rewrite, with necessary changes in dates, and the entry for an additional year with respect to 1939 and 1940. It provides for a permanent limitation period of 2 years for 1941 and subsequent years, instead of the very short period of 5 months which heretofore has been prescribed.

Mr. President, this unreasonably short period in the present law is the basic reason for the continuing need for special legislation. That defect, I feel, can be cured by the substance of this proposal.

Many Senators have spoken to me with reference to the amendment since it was printed and has been distributed to their desks, and I am sincerely hopeful that a sufficient number of them will express interest in the proposal at this time so that the chairman of the committee may be influenced to accept the amendment and take it to conference.

Mr. GEORGE. Mr. President, the amendment was offered in the Finance Committee. The committee disapproved the amendment. I say "this amendment"; I mean the substance of the amendment. I should like to make a statement about it. There are a great many hardship cases. That is true beyond all doubt. But already the Congress has twice extended the time in which these taxes could be paid. The committee went on record as being opposed to any further extension of the time. I do not recall whether the statement was made by the Finance Committee or by the conference committee, but at any rate a definite statement was made by a committee that we would not again approve an extension of the time in which unemployment taxes could be paid. That is the situation.

Mr. President, when the amendment came before the Finance Committee, before the bill was reported, it was acted on adversely, largely for the reason that there was no need for further extension. There always will be some taxpayer who has not paid his taxes in time and can not claim deduction.

Mr. WILEY. Mr. President, I wish to say a few words on behalf of the amendment which has been offered by the Senator from Nebraska [Mr. BUTLER]. I ask the attention of Senators for just a moment in order that they may understand the exact situation. This amendment asks for no special privilege. Let me give an example so that Senators may readily appreciate the situation. The Marshfield Clinic, of Marshfield, Wis., which had a number of its doctors called into the service of the Government, presents a case in point. We have in Wisconsin a provision similar to the Federal act. This clinic assumed that a certain number of their employees were not subject to the payment of the Wisconsin tax. They paid the Federal tax under the Federal act. It amounted to a considerable sum of money. After they had gone along for a few years, Wisconsin demanded and received payment from the clinic under the Wisconsin law. In the meantime the law which gave them the 90-percent credit had expired.

Mr. President, all that the Senator from Nebraska [Mr. BUTLER] is asking in his amendment is to do justice and equity. We have heard a great deal about special privilege, and I could say much about that. I think there may be something to contentions which have

been made with respect to special privilege; but in many instances I think there is nothing to them. The general welfare is always the primary, the first consideration. But here, Mr. President, we have a few instances of a double tax having been paid. The law says that when one pays the State tax he is entitled to 90 percent credit on the Federal tax; but, because in certain instances taxpayers did not know they had to pay the State tax until it was too late to get the credit, now, by the Butler amendment, it is proposed to permit them to receive the credit. That is all there is to this amendment.

Mr. President, under title IX of the Social Security Act and the regulations issued pursuant thereto, a taxpayer was permitted to take credit against the tax imposed by such title for contributions paid by him into the State unemployment fund before the due date of his return under such title for the taxable year.

The Federal Unemployment Tax Act provides for the allowance of credit against the tax thereunder for 1939 and subsequent years for contributions paid into State unemployment funds on or before the due date of the Federal return, and also for contributions paid after such due date but before July 1 next following subject to the limitation that credit for contributions paid after the due date shall not exceed 90 percent of the amount that would have been allowable as credit had they been paid on or before the due date. The total credits allowable to any taxpayer may not exceed 90 percent of the Federal tax.

The Congress has on several occasions extended the time within which contributions to State unemployment funds could be paid and be eligible for credit against the Federal tax. The most recent of such extensions is contained in section 701 of the Revenue Act of 1941 which provides for the allowance of credit against the Federal tax for the years 1936 to 1940, inclusive, based upon contributions paid into State unemployment funds prior to November 19, 1941, the sixtieth day after the date of enactment of such act.

In other words, since this clinic, and its case is not unique, failed to claim credit toward the Federal tax before the allotted time, it cannot now do so and wishes an extension of time to enable them to get this credit. I wish to emphasize that it is merely a technical limitation which prevents them from claiming credit toward the Federal tax and that as a matter of equity they are entitled to this credit.

The Butler amendment merely provides for an extension of time of 60 days after the signing of the 1942 revenue revisions in connection with the credit against Federal unemployment taxes provision.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. BUTLER]. [Putting the question.] The "ayes" seem to have it.

Mr. GEORGE. I ask for a division.

On a division, the amendment was rejected.

Mr. RADCLIFFE. Mr. President, I submit an amendment, and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 545, it is proposed to strike out lines 22 to 26, and on page 546, to strike out lines 1 to 18 and insert:

(1) Manufacturers or producers of designated nonbeverage products:

(1) In general: Any person using distilled spirits produced in a domestic registered distillery or industrial alcohol plant and fully tax-paid in the manufacture or production of medicines, medicinal preparations, food products, flavors, or flavoring extracts which are unfit for beverage purposes and are sold or otherwise transferred for use for other than beverage purposes upon payment of a special tax per annum, shall be eligible for drawback as hereinafter provided for.

(2) Such special tax per annum shall be graduated in amount as follows: (a) for total annual withdrawals not exceeding 25 proof gallons, $25 per annum; (b) for total annual withdrawals not exceeding 50 proof gallons, $50 per annum; (c) for total annual withdrawals of 50 proof gallons or more, $100 per annum.

(3) Requirements: Such person shall register annually with the Commissioner; keep such books and records as may be necessary to establish the fact that distilled spirits purchased by him and fully tax-paid were used in the manufacture or production of medicines, medicinal preparations, food products, flavors, or flavoring extracts which were unfit for use for beverage purposes; and shall be subject to such rules and regulations in relation thereto as the Commissioner with the approval of the Secretary, shall prescribe to secure the Treasury of the United States against frauds.

The VICE PRESIDENT. Without objection, the vote by which the committee amendment beginning in line 8, on page 544, and ending in line 14, on page 547, was agreed to will be reconsidered.

Mr. RADCLIFFE. Mr. President, this amendment has reference only to the amount of license fee to be paid by those who take advantage of the privileges outlined in the committee amendment. The committee decided, and the Senate has so approved, that those who use fully tax-paid distilled spirits for medicinal purposes or for certain other purposes outlined in the committee amendment should, under certain conditions, be entitled to a draw-back. One of the conditions is that there should be paid an annual license fee. The committee fixed the amount of such license fee at $100. In doing so it did not take into consideration the fact that there are a number of small manufacturers who use such relatively small amounts of distilled spirits that the payment of $100 would be so onerous as to be practically prohibitive. Some of these small manufacturers as, for instance, druggists, might not use over 15 or 20 proof gallons in a year. Therefore the payment of a $100 license fee would to them mean a cost of approximately five or six dollars a gallon. Therefore, it seems reasonable that such small manufacturers should have an opportunity to take advantage of the drawback privilege and that the fee should be graded in accordance with their needs and requirements.

All this amendment proposes to do is to provide that if any manufacturer uses 25 proof gallons or less he shall pay $25; if he uses 50 gallons or less he shall pay $50; and if he uses more than that amount the fee shall be $100. The amendment does not change in any way the philosophy of the bill. I think it rather carries it out on a more equitable basis.

Mr. TAFT. Mr. President, if this amendment should be adopted, I think the whole committee amendment should go out of the bill. It is almost impossible to prevent serious avoidance of the liquor tax of $6 a gallon. If we permit every druggist to obtain an exemption from that tax, there is practically no way in which it can be successfully enforced.

The Treasury Department is absolutely opposed to such a provision as is now suggested, and feels that it could not be enforced. The Department has opposed the proposal for years. The committee decided that if a man were willing to pay a $100 license fee, and had a sufficiently large business to justify it, the number of manufacturers who would have to be policed would be reduced. If the $25 fee should be adopted, every druggist in the United States would try to get alcohol without paying the tax. My opinion is that if we lower the fee to $25, the whole committee amendment ought to go out.

Mr. RADCLIFFE. Mr. President, the only objection raised to the amendment is based on administrative grounds. I submit that it is not reasonable to say that if a man can pay $100, it is all right, but that if he is so small a manufacturer that his business does not warrant a $100 fee, he should be deprived of the benefits of this legislation.

Mr. TAFT. Is it not true that every druggist using alcohol is a manufacturer? When we say "manufacturer" we mean everybody, including druggists. I do not know how many druggists there are, but I think there are at least 200,000 druggists in the United States, who would have to be policed.

Mr. RADCLIFFE. It is a question only of administration. Suppose a druggist does want to take advantage of this law? Why should he not have that opportunity? He is entitled to equal protection of the law and also to equal benefit from it. I see no reason why a druggist or any other manufacturer who wants to take advantage of this law should not have that opportunity if he meets suitable general requirements. Then it would be up to the Treasury Department to see to it that the administrative features of the law were carefully and adequately carried out.

Mr. TYDINGS. Mr. President, I should like to reinforce, if possible, what my colleague has said.

The Treasury Department admits that it has no intention to make the tax apply to certain definitely defined groups; but in order to police the administration of the law it wants every group to put up $100. Then, if the institution is not within the purview of the law, it can make an application to get back its $100 after it has obtained the alcohol, if the alcohol is not used for purposes with respect to which a tax would apply. The committee has agreed to that proposal.

What is the amendment of my colleague? There are many small druggists who cannot afford to put up $100 in cash with the Treasury Department, and he has provided that they may put up $25. Then if it were shown that the alcohol which was used went into prescriptions, or for some other purposes without the purview of the purpose for which the tax on alcohol is levied, by making an application to the Treasury the manufacturer could have his $25 returned.

If the committee amendment stands without being modified by the amendment offered by the junior Senator from Maryland, it means that every druggist in America must put up $100. If the amendment of the junior Senator from Maryland is attached to the committee amendment, it means that the druggist must put up only $25 at a time. That is all there is to the amendment. The question is whether we want every druggist in America to put up $100 as a protection, or whether we want him to put up $25. The point is that by requiring him to put up only $25 we make it possible for him to obtain legitimate supplies in the conduct of a drug store. I believe he ought to have that privilege.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. VANDENBERG. Is not the committee amendment as it stands in the bill in the precise form in which it was submitted by the senior Senator from Maryland?

Mr. TYDINGS. Yes; the committee amendment is in the precise form in which I submitted it, but it was not discovered until after it was adopted that a great number of persons would be brought in by the $100 tax which in the first place it never was the intention to bring in.

Last year we adopted an amendment similar to this. The Treasury Department said it was a good amendment; that it was a just and fair amendment, and that the druggists should have the relief which the amendment would give them. However, the Treasury Department said, "We are opposed to it because it would be difficult to police." What is the purpose of the Treasury Department? We do not pass tax laws for the convenience of the Treasury Department. We pass tax laws which will be equitable and will not tax people who should not be taxed. If the Treasury Department is put to some difficulty, I do not think that is any fair reason why taxes should be eliminated or imposed, as the case may be. We are not here to please the Treasury Department. We are here to levy fair and equitable taxes. That is our first obligation. I would rather have fair taxes with difficult administration by the Treasury Department than to have unfair taxes easy of administration by the Treasury Department. That is all there is to the amendment of the junior Senator from Maryland.

Mr. RADCLIFFE. Mr. President, in the consideration in the Finance Committee and in what little discussion there has been on this floor today, no one has raised the question that there is anything intrinsically wrong with the amendment. On the contrary, all agree that the principle is sound and that it has sufficient intrinsic merit. The only objections which have been raised have been with respect to alleged difficulties of administration. I submit to the Senate that if a principle is sound and workable, a small manufacturer should not be precluded from having the benefit of the law merely because some difficulties in administration might arise. No one suggests for a moment that such difficulties would be insuperable. They are simply said to exist. Probably that is so; but what of it? Since the doctrine is sound and can be made to work, and will work, then certainly the small manufacturer should have the benefit of it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. RADCLIFFE] to the committee amendment on page 546, beginning in line 22.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. CONNALLY. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Texas will be stated.

The CHIEF CLERK. In the committee amendment, on page 92, line 14, it is proposed to strike out "September 1, 1942" and insert in lieu thereof "October 1, 1942."

The VICE PRESIDENT. Without objection, the vote whereby the committee amendment was agreed to will be reconsidered.

Mr. LA FOLLETTE. Mr. President, may I ask the purpose of the amendment?

Mr. CONNALLY. I have submitted the amendment to the chairman of the committee. It is agreeable to him. There is a date in the bill dealing with the preferred stock of utilities companies issued prior to September 1. My amendment would move the date up to October 1, a difference of only a month. Frankly, it is intended to cover a company which was being organized under the Securities and Exchange Commission. It could not and did not issue its preferred stock until the 17th of September. My amendment would move the date up 30 days, and give the same benefit to any other company in the same condition. I cannot see that it would do any harm.

Mr. GEORGE. Mr. President, I have no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. CONNALLY] to the committee amendment on page 92, line 14.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SMITH. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from South Carolina will be stated.

The CHIEF CLERK. In the committee amendment, on page 242, line 15, after the word "underwriters", it is proposed to insert "and accident and health stock insurance companies (with total assets of $200,000 or less) engaged in the issuance of cancelable accident and health contracts,"; on page 242, line 23, before "mutual", to insert "accident and health stock insurance companies and"; on page 243, line 2, after "every", to insert "accident and health stock insurance company and every"; and, on page 249, lines 4 and 16, before "mutual", to insert "accident and health stock insurance company or a."

The VICE PRESIDENT. Without objection, the vote whereby the committee amendment was agreed to will be reconsidered.

Mr. SMITH. Mr. President, I have been conferring with the chairman of the committee. I believe that this amendment involves a relief which is necessary. In my State a company is required to have certain reserves. If the proposed tax is applied, such companies will be liquidated. They will have no reserves. They are doing a good work. Those who are interested in the amendment were not advised as to the action of the committee, and came here after the committee had acted. I should like to have the amendment taken to conference and worked out, because I believe that the conferees, both of the House and of the Senate, are in a frame of mind to do justice to these companies.

This is the first year that the companies in my State have made a profit. If the proposed tax is applied, they will be liquidated and will go out of business.

I should like to have the chairman of the committee accept this amendment and let it go to conference, so that the conferees may work out whatever is equitable and right in the circumstances.

Mr. TAFT. Mr. President, I am not certain about the amendment, but apparently it is an attempt to have the stock in accident insurance and health insurance companies—which, incidentally, include many of the largest companies in the United States, not only the small companies in South Carolina—made subject to the tax that we are now imposing on mutual accident insurance and casualty insurance companies, which tax is about one-third of the tax which is imposed on stock companies. The reason for imposing a lower tax on mutual companies is that they are mutual companies; and to impose the same tax on stock accident insurance and health insurance companies would seem to me to be a complete departure from every principle relating to mutual insurance companies which we have adopted after long study.

Mr. SMITH. Mr. President, I know that the Senator from Ohio is well informed on all these matters. I have watched him here.

I hold in my hand a brief which has been submitted on the matter under discussion, and which I desire to read, in part, because I think it may interest the Senate:

> While this company apparently will be taxed at the rate of 73 percent, a mutual company writing exactly the same type of business, and having the same net income will pay no

tax at all. Yet, to all intents and purposes, the mutual companies are as profit making as the stock companies to its incorporators. A life-insurance company writing the same type of business as this company writes, namely, cancelable accident and health, will pay but very little tax, possibly 1 percent, on its accident and health business. There are sure to be hundreds of other small stock accident and health, fire and casualty companies in the United States in the same predicament and who more than likely have no realization whatsoever of the rate of taxation that they will be subject to under the pending income-tax bill.

Then, too, even the older and firmly established stock accident and health, fire and casualty companies will not be taxed nearly as heavily as the smaller and newer stock accident and health, fire and casualty companies, due to the fact that these older companies have a record of profits and will not be subject to the excess-profits tax. For example, should one of the older stock casualty companies have a net income of $50,000, the tax would be approximately $18,500, or 37 percent, while a comparatively new stock casualty company which earns a net income of $50,000 this year will pay $36,710 in income taxes, or a percentage of 73.4 percent. Such a tax structure is utterly unfair and entirely unsound.

* * * * *

It is not contended that the life companies and the mutuals, other than life, should be taxed any heavier than is now contemplated. In the public interest, these companies should not be taxed to any extent but should be allowed to maintain their surpluses and add to their reserves when necessary.

However, the stock accident and health, fire and casualty companies or "insurance companies other than life and mutual" should certainly be treated in the same way as are other insurance companies or in the very least, given some relief from the possibility of being taxed to a degree that will threaten their very existence.

Mr. President, I am not attempting to avoid having any taxes paid. I am simply pleading for the life of certain companies that are doing business and are serving the people and are a real benefit. I am not wedded to the amendment; but I think that it is necessary that the amendment be agreed to in order that the companies to which I have referred be protected from liquidation under the State law if they do not have a certain reserve. Of course, the only way they can obtain reserves is from premiums paid by their clients.

I wish the Senator from Georgia would take the amendment to conference and would let the matter be worked out there, so as to afford some equity to the companies that are entitled to it. I do not think that all the wisdom and all the knowledge are wrapped up in the Members of this great body of solons. [Laughter.] I have serious doubts of that. There are, in our own gathering, certain men who, by their actions, relative to everything that is considered—everything from an egg to an elephant—would seem to be more the size of an egg than that of an elephant. [Laughter.]

Mr. GEORGE. Mr. President, the question under discussion was not presented to the Finance Committee or to the Senate. I have examined the amendment submitted by the Senator from South Carolina, and I have talked at great length with representatives of the small stock company to which he has referred. They presented a rather strong and rather appealing case for relief against the hardship of the tax. As I understand its problem, the company is taxed as is an ordinary corporation. Am I mistaken about that? I think I am correct in that statement.

Mr. TAFT. Mr. President, if the Senator will yield to me for a moment, let me say that it is taxed under section 166. The purpose of the section is to tax stock accident insurance and casualty insurance companies.

Mr. GEORGE. I do not think the company is writing what are called life insurance policies.

Mr. SMITH. It is not.

Mr. GEORGE. There is something peculiar about the situation of the company, but I do not recall the facts. I know that its case is one of peculiar hardship. The company is writing health contracts of a type known as cancelable. I do not recall precisely the type of business the company has been doing.

Mr. TAFT. Mr. President, if the Senator will permit an interruption——

Mr. SMITH. Let the Senator tell all about it; he knows all about it, I think.

Mr. TAFT. The amendment of the Senator from South Carolina would not cover only the one company to which he has referred. It would cover every type of life insurance and accident insurance company in the United States, from the Aetna down to the smallest of them. By the amendment of the Senator from South Carolina, companies with millions of dollars of invested capital would certainly be taxed only one-third as much as they are presently taxed.

Mr. GEORGE. Mr. President, I think the Senator from Ohio is correct in his statement that the amendment would include stock companies doing a large amount of business. However, as to the particular company to which the Senator from South Carolina has referred, I do not know whether it was limited by its charter or whether the statement made to me was simply as to the type of business it was doing. At any rate, as presented to me, it seemed to me to be a meritorious case so far as real hardship is concerned, and, therefore, I sent the representatives of the company to the joint committee staff, and asked them to make a study of their problem. I do not think that the amendment which the Senator from South Carolina has urged me to accept is one which I can accept, because by its terms it is applicable to large stock companies that could not be given the treatment which the amendment suggests for the small company. I had hoped that there might be framed a relief measure which would give to this particular type of company some relief against what is, considering its history, actual hardship; but I should not be able to accept the amendment offered by the Senator from South Carolina to the committee amendment, because, while I have particular sympathy for the company to which the Senator from South Carolina has referred, I know that his amendment would be too broad to take to conference with any possible hope of having it accepted; and I do not want to undertake the burden of taking to conference a provision which I know could not be accepted.

Mr. SMITH. Mr. President, would it not be within the province of the conferees to work out a solution which would meet the equities involved in this matter; or would the Senator from Georgia prefer to have me write out an amendment to that effect?

Mr. GEORGE. Let me say to the Senator that I do not see how anything could be worked out in conference on the amendment which the Senator has proposed. I had thought that perhaps companies writing a special kind of accident and health policy, whose gross income did not exceed the amount which exempts mutual companies, might have a somewhat different treatment; and yet I do not know that that can be suggested as a sound principle of taxation. I was unable to make a suggestion to the representatives of the particular company which seemed to me to be feasible and at the same time do them any good. That is one of the difficult situations in law, and this is a very clear illustration of a difficult situation.

If the Senator from South Carolina will offer an amendment which, if agreed to by the Senate, would be likely to be agreed to in conference, I should be very glad to take it to conference and to endeavor to frame a provision which would be helpful in the situation which the Senator has presented.

Mr. SMITH. If the Senator from Georgia would lend me his tax expert, perhaps I could prepare such an amendment.

Mr. GEORGE. I should be very glad to do so.

Mr. SMITH. Perhaps the Senator from Ohio would.

Mr. GEORGE. No doubt the Senator from Ohio would, if he has all the facts.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from South Carolina to the committee amendment.

Mr. LA FOLLETTE. Mr. President, I was hopeful that the Senator from South Carolina would withdraw his amendment, so as to provide an opportunity to work out an acceptable amendment.

Mr. SMITH. Yes, Mr. President; I temporarily withdraw my amendment. However, I shall be back. [Laughter.] Do not think I am through with it.

Mr. WHEELER. Mr. President, I call attention to an amendment which I sent to the desk yesterday. Let me say that the amendment is not offered in an attempt to relieve anyone from taxation. It is offered in an attempt to subject some persons to taxation, and to obtain more taxes. I ask that the amendment be stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 145, after line 2, it is proposed to insert the following:

(k) Gains upon the sale or exchange of securities of public utility corporations in equity or bankruptcy proceedings: Section 117 is amended by inserting at the end thereof the following new subsection:

"(j) Gains upon the sale or exchange of securities of public utility corporations in equity or bankruptcy proceedings: In lieu of the tax imposed by sections 11, 12, 13, 14, 15, 201, 204, 207, 500, and subsection (c) of this section, there shall be levied, collected, and paid a tax equal to 90 percent of

the gain realized upon the sale or exchange of securities of public utility corporations acquired after December 31, 1940, if at the time of acquisition of such securities by the taxpayer the properties of the corporation issuing the securities were, pursuant to a plan of reorganization, in the custody of any court having jurisdiction in an equity or bankruptcy proceeding."

Mr. WHEELER. I desire to call attention to the reasons for proposing the amendment. In view of the current abnormal rise in railroad earnings, speculators have been purchasing at low prices securities of railroads undergoing reorganization either in equity or in bankruptcy. These speculators are purchasing the securities with the idea of making very large profits and unless the plans of reorganization give recognition to such securities at inflated values there will be opposition to plans of reorganization, much litigation will follow, the expense of reorganization will be increased and in order to effect the reorganization the capital structures may have to be revised in such a way as to be prejudicial to the public interest. In addition, the real owners of the securities who disposed of them at low prices will not have benefited by the increase in earnings, and any such benefit will inure to the speculators.

In order to prevent this speculation in securities of companies undergoing reorganization in the courts, either in bankruptcy or in equity, I am suggesting that the present tax bill should provide that any person or corporation who purchases any security of a public-utility corporation subject to governmental control at a time when its properties are in the custody of the court, either in an equity or a bankruptcy proceeding for reorganization, shall have a tax imposed upon such person or corporation for 90 percent of the profit realized by such purchaser from such transaction and for the purpose of arriving at the profit to be made where securities are accepted under a reorganization plan by such purchaser, the securities accepted in reorganization shall be taken at their face value, where they have a face value, and in the case of no-par stock issued such stock will be valued at $100 per share.

The difference between the cost of the security and the selling price, if sold for cash, or if not sold prior to reorganization, the value of the new securities, accepted in exchange therefor in the reorganization as above computed, shall be taxable in the year in which such new securities are received as profit at the rate aforesaid.

No loss shall be allowed on a subsequent sale unless sold at a price below the original cost. In case of inter vivos gift, the donee shall take the donor's base. In case of gift or bequest by will the beneficiary shall take grantor's base.

I wish to call attention to what is going on in connection with some railroad reorganizations. In the case of one railroad, which has been called to my attention, speculators have bought up the railroad shares at a very low price and have driven up the price from $3 to $10. When it comes to a plan for reorganization they will go to the court and try to have the reorganization plan changed so as to give them the benefit of the profits they have made by the speculation.

This matter was first called to my attention by some attorneys who are interested in reorganization plans for certain railroads. I took it up with the Interstate Commerce Commission and asked them what they thought about it. I called Mr. Mahaffie's attention to it. I received this morning from Mr. Splawn, chairman of the Legislative Committee of the Interstate Commerce Commission the following letter:

MY DEAR SENATOR: This is in response to your telephone inquiry with reference to the current speculation in defaulted railroad obligations and its possible effect on railroad reorganizations. As you know, the war effort has caused an abnormal rise in railroad earnings. This has led to wide speculation in the securities of railroads in process of reorganization both under section 77 of the Bankruptcy Act and in equity.

The extent of the opportunity for such speculation is indicated by the fact that the outstanding securities of railroads being administered by the courts on December 31, 1941, amounted to over four and one-half billion dollars. So that you may have before you the facts as to this I am attaching a copy of statement No. 4267 by our Bureau of Transport Economics and Statistics which lists the railroads in the hands of the courts and summarizes their obligations as of that date. Naturally these securities, while the properties are undergoing reorganization, sell at very low figures. This fact coupled with the abnormal rise in earnings referred to above makes the field an attractive one for speculation. The persons who speculate in these securities do so with the hope of very large profits. The size of the profit necessarily depends not only on the intrinsic value of the security itself but perhaps even more importantly on the possibility of obtaining recognition for such securities at inflated values. The attempt to obtain that recognition involves opposition to and efforts to secure changes in reorganization plans, thus adding to the expense and complexity of reorganizations.

Those, however, are comparatively minor considerations. The real public harm we think is this: Such speculative manipulations of the trust estate are calculated to enrich the outside speculator at the expense of the actual owners of the property. One of the prime purposes of reorganization, both under section 77 and in equity, is the preservation of the interests of the security holders entitled to share in the estate. This purpose is endangered if speculation is allowed to become a factor in the proceeding.

We have heretofore given consideration to a possible recommendation that transfers of securities during the pendency of reorganization proceedings be limited or be prohibited entirely, but we have hesitated to do this because not only of administrative difficulties but because of the situation of possible necessitous sellers.

If the present speculative orgy can be curbed in no other way, such a limitation or prohibition may become desirable. It may be that a drastic limitation on speculative activity in these securities could be accomplished by some other appropriate means. Such a limitation, in our judgment, would promote the public interest.

Very truly yours,

WALTER M. W. SPLAWN,
Chairman, Legislative Committee.

I ask that the table which the legislative committee of the Interstate Commerce Commission sent to me be printed in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The table is as follows:

Steam railways in the hands of receivers and trustees (excluding switching and terminal companies)

Item	July 31, 1942 [1]	Dec. 31, 1941	Dec. 31, 1940	Dec. 31, 1939
In charge of receivers:				
Number of class I railways	6	8	9	11
Number of other railways	17	18	23	25
In charge of trustees:				
Number of class I railways	25	25	28	27
Number of other railways	39	40	43	45
Total in charge of receivers or trustees:				
Number of class I railways	31	33	37	38
Number of other railways	56	58	66	70
Total	87	91	103	108
Miles of road:				
Owned	61,347	64,099	68,126	69,361
Operated	66,644	69,859	75,270	77,013
Investment in road and equipment		$5,334,163,405	$5,973,573,905	$6,001,585,750
Capital stock		$1,906,927,579	$2,288,146,448	$2,299,838,636
Unmatured funded debt		$2,350,248,011	$2,626,543,714	$2,794,232,519
Long-term debt in default		$961,358,876	$1,052,989,620	
Receivers' and trustees' securities		$188,935,413	$190,487,480	$174,131,456
Nonnegotiable debt to affiliated companies		$210,400,621	$211,421,910	$212,550,314
Matured funded debt				$859,097,811
Percent of all steam railways:				
Miles of road operated		28.49	30.51	31.05
Investment in road and equipment		20.01	23.29	23.50
Capital stock		19.26	22.95	23.05
Unmatured funded debt		19.42	22.64	23.76

[1] Miles of road are as of the close of the year 1941. Items omitted are not available.

Steam railways in the hands of receivers and trustees on Dec. 31, 1941 (excluding switching and terminal companies)

RECEIVERS

Name of steam railway and district to which assigned	Class of railway	Date of appointment of receiver	Miles of road: Owned	Miles of road: Operated	Investment in road and equipment	Capital stock	Unmatured funded debt	Long-term debt in default	Receivers' and trustees' securities	Nonnegotiable debt to affiliated companies
Eastern district (6 railways)			2,935	3,455	$362,781,570	$171,745,519	$20,228,900	$135,549,067	$29,743,344	$56,873
Southern district (12 railways)			5,128	5,886	362,416,379	117,714,382	135,548,050	76,563,678	38,387,503	1,909,377
Western district (8 railways)			2,652	1,700	154,069,368	63,867,905	60,663,956	31,679,321	2,294,566	7,425,812
Total, all districts (26 railways)			10,715	10,741	879,267,317	353,327,806	216,440,906	243,792,066	70,425,413	9,392,062
EASTERN DISTRICT										
Chicago, Attica & Southern R. R. Co.	II	Aug. 5, 1931	129	154	2,610,015	2,294,452	257,900	183,300		
Pittsburg, Shawmut & Northern R. R. Co.	I	Aug. 1, 1905	156	191	24,209,208	15,000,000		14,655,600	1,722,350	
Rutland R. R. Co.	I	May 5, 1938	393	407	26,150,549	9,080,300	9,216,000			
South Dayton Ry. Co.	O	Jan. 12, 1937	1		(1)	(1)	(1)	(1)	(1)	(1)
Wabash Ry. Co.	I	Dec. 1, 1931	1,949	2,409	288,719,319	138,120,767	3,755,000	118,545,826	28,020,994	55,995
Ann Arbor R. R. Co.	I	Dec. 4, 1931	294	294	21,092,479	7,250,000	7,000,000	2,164,341		878
SOUTHERN DISTRICT										
Georgia & Florida R. R.	I	Oct. 20, 1929	364	408	20,042,700	13,382,441	6,654,000	963,000	954,721	
Georgia Southwestern & Gulf R. R. Co.	II	Jan. 2, 1933		36	31,808	14,700	76,800			
Albany & Northern Ry. Co.	L	do	35		771,000	350,000	400,000			
Louisiana Southern Ry. Co.	III	Aug. 2, 1933	15	15	398,000	100,000	200,000			
Norfolk Southern R. R. Co.	I	July 28, 1932	687	733	31,603,787	16,000,000	13,582,000	1,819,000	1,927,000	
Seaboard Air Line Ry. Co.	I	Dec. 23, 1930	3,331	4,307	270,579,780	85,110,662	111,272,500	40,186,678	35,196,782	590,671
Georgia, Florida & Alabama R. R. Co.	L	Nov. 7, 1931	192		3,535,262	2,010,679	1,750,000			
Seaboard—All Florida Ry.	L	Feb. 2, 1931	184		18,356,310	2,500		17,881,667	126,861	273,306
East & West Coast Ry.	L	do	(2)		48,601	250,000		624,333	15,420	566,161
Florida Western & Northern R. R. Co.	L	do	233		14,862,454	5,000		14,999,000	166,719	259,580
Tallulah Falls Ry. Co.[3]	II	June 25, 1923	57	57	1,693,946	323,400	1,519,000			178,945
Wilmington, Brunswick & Southern R. R. Co.[4]	U	Mar. 17, 1933	30	30	492,662	165,000	93,750	90,000		40,714
WESTERN DISTRICT										
California & Oregon Coast R. R. Co.[4]	U	Feb. 19, 1925	15	15	442,505	350,000		209,226	25,000	318,974
Chicago, Springfield & St. Louis Ry. Co.	II	Jan. 24, 1930	79	8	928,239	208,602		500,000		
Minneapolis & St. Louis R. R. Co.	I	July 26, 1923	1,314	1,409	61,370,843	25,294,103	24,404,956	18,961,095		
Rio Grande Southern R. R. Co.[5]	II	Dec. 16, 1929	172	172	8,880,290	4,510,000		4,509,000	31,000	
Virginia & Truckee Ry.	II	Apr. 27, 1938	47	47	3,386,960	5,000,000				
Waco, Beaumont, Trinity & Sabine Ry. Co.	II	Feb. 8, 1930	41	41	875,344	1,113,000			13,733	
Wisconsin Central Ry. Co.[6]	L	Dec. 3, 1932	976		78,094,331	27,302,200	36,259,000	7,500,000	2,210,000	7,106,838
Yreka Western R. R. Co.	III	Sept. 16, 1935	8	8	90,856				15,833	

TRUSTEES

Eastern district (15 railways)			3,401	4,263	$762,911,136	$380,099,406	$355,711,225	$39,001,784	$9,882,000	$23,930,924
Southern district (4 railways)			2,349	2,769	186,595,888	59,333,848	114,354,289	3,740,128	3,380,000	2,895,107
Western district (46 railways)			47,634	52,086	3,505,389,064	1,114,166,919	1,663,741,591	674,824,896	105,248,000	174,182,528
Total, all districts (65 railways)			53,384	59,118	4,454,896,088	1,553,600,173	2,133,807,105	717,566,810	118,510,000	201,008,559
EASTERN DISTRICT										
Akron, Canton & Youngstown Ry. Co.	I	Apr. 4, 1933	19	171	5,680,779	1,500,000	3,550,000		152,000	
Northern Ohio Ry. Co.	L	do	152		7,995,792	4,230,000	3,300,000			4,870,054
Central R. R. Co. of New Jersey[7]	I	Oct. 31, 1939	380	661	163,099,788	27,436,800	48,731,000			
Chicago, Indianapolis & Louisville Ry. Co.	I	Jan. 1, 1934	520	549	48,067,669	15,488,300	26,176,000			3,680,643
Erie R. R. Co.:[8]										
New Jersey & New York R. R. Co.	II	July 1, 1938	32	42	3,551,040	2,228,600	394,960	628,000		5,113,456
New York, Susquehanna & Western R. R. Co.	I	June 1, 1937	118	262	36,211,631	25,781,163	2,200,000	10,345,608		6,402,826
Northern R. R. Co. of New Jersey	L	Jan. 26, 1939	21		1,706,903	1,000,000		861,000		664
Fonda, Johnstown & Gloversville R. R. Co.	II	Apr. 21, 1933	20	20	3,390,015	3,000,000	6,143,000	30,345		
Missouri Pacific R. R. Co.:[9]										
Missouri-Illinois R. R. Co.	I	July 1, 1933	123	172	4,817,678	2,250,000	1,615,000		472,000	
New York, New Haven & Hartford R. R. Co.	I	Oct. 23, 1935	1,177	1,839	351,958,996	206,155,300	224,113,250	20,239,774	9,696,000	1,020,427
Hartford & Connecticut Western R. R. Co.	L	Aug. 1, 1936	19		1,652,478	2,967,000		709,000		1,076,874
New York, Ontario & Western Ry. Co.	I	May 21, 1937	296	547	83,733,078	56,114,043	29,140,015	26,557	162,000	1,098,000
Old Colony R. R. Co.	L	June 3, 1936	448		40,230,538	25,077,600	10,348,000	4,000,200		315,583
Boston & Providence R. R. Corporation	L	Aug. 5, 1938	62		9,765,300	3,996,000		2,170,000		
Providence, Warren & Bristol R. R. Co.	L	Feb. 13, 1937	14		448,558	874,600				352,397
SOUTHERN DISTRICT										
Alabama, Tennessee & Northern R. R. Corporation	II	Dec. 14, 1934	215	218	6,262,282	1,533,848	3,632,289	336,500		
Central of Georgia Ry. Co.[10]	I	June 16, 1940	1,405	1,816	97,429,623	20,000,000	53,722,000	2,903,628	1,378,000	995,107
Florida East Coast Ry. Co.	I	Feb. 1, 1941	679	685	81,144,843	37,500,000	57,000,000		992,000	1,900,000
Meridian & Bigbee River Ry. Co.	II	June 15, 1933	50	50	1,759,140	300,000		500,000	1,010,000	
WESTERN DISTRICT										
Chicago & North Western Ry. Co.	I	July 1, 1935	8,025	8,267	535,507,263	180,839,845	280,795,000	72,415,089	14,749,000	
Chicago, Milwaukee, St. Paul & Pacific R. R. Co.	I	do	9,761	10,821	713,634,249	224,396,021	435,597,119	14,033,463	24,053,000	
Chicago, Rock Island & Pacific Ry. Co.	I	June 8, 1933	5,018	7,950	362,964,415	128,892,512	93,809,000	173,071,382	24,496,000	8,346,237
Chicago, Rock Island & Gulf Ry. Co.	L	Nov. 1, 1933	710		27,561,342	637,000	6,927,000	9,656,000		6,283,131
Choctaw, Oklahoma & Gulf R. R. Co.	L	do	811		42,573,994	15,827,500	14,436,000			11,733,460
Rock Island, Arkansas & Louisiana R. R. Co.	L	Sept. 1, 1933	376		15,067,116	1,768,000		15,315,600		817,817
Rock Island, Memphis Terminal Ry. Co.	P	Nov. 1, 1933	(11)		1,239,067	1,000		1,300,000		252,552
Rock Island, Omaha Terminal Ry. Co.	P	do	(11)		992,120	10,000		906,000		93,022
Rock Island, Stuttgart & Southern Ry. Co.	P	do	21		209,936	300,000		180,000		46,358
St. Paul & Kansas City Short Line R. R. Co.	L	Sept. 1, 1933	417		27,818,178	50,000		27,812,930		2,250,098
Denver & Rio Grande Western R. R. Co.	I	Nov. 1, 1935	2,135	2,431	221,733,081	78,890,740	58,903,000	61,328,000	11,367,000	4,135,284
Denver & Salt Lake Western R. R. Co.	L	do	38		3,857,778	3,631,000				226,778
Duluth, South Shore & Atlantic Ry. Co.[12]	I	Jan. 1, 1937	446	550	45,628,033	22,000,000		23,000,000	250,000	992,962
Mineral Range R. R. Co.	II	June 1, 1937	26	26	862,713	1,500,000		1,909,746		192,010

[1] Data not available.
[2] Mileage owned consists of way switching tracks only.
[3] Controlled by Southern Ry. Co.
[4] Data for 1941 not available. Figures represent 1940 returns.
[5] Controlled by Denver & Rio Grande Western R. R. Co.
[6] Controlled by Minneapolis, St. Paul & Sault Ste. Marie Ry. Co., a subsidiary of the Canadian Pacific Ry. Co.
[7] Controlled by Reading Co.
[8] Name inserted to show corporate relationship.
[9] Name inserted to show corporate relationship. See also western district.
[10] Controlled by Illinois Central R. R. Co.
[11] Mileage owned consists of yard switching tracks only.
[12] Controlled by Canadian Pacific Ry. Co.

Steam railways in the hands of receivers and trustees on Dec. 31, 1941 (excluding switching and terminal companies)—Continued

TRUSTEES—continued

Name of steam railway and district to which assigned	Class of railway	Date of appointment of receiver	Miles of road		Investment in road and equipment	Capital stock	Unmatured funded debt	Long-term debt in default	Receivers' and trustees' securities	Nonnegotiable debt to affiliated companies
			Owned	Operated						
WESTERN DISTRICT—continued										
Fort Smith, Subiaco & Rock Island R. R. Co	III	July 23, 1938	15	15	$295,613	$40,000	$400,000			
Minneapolis, St. Paul & Sault Ste. Marie Ry. Co.[12]	I	Jan. 1, 1938	3,148	4,277	131,086,192	37,810,200	30,571,300	$71,147,000		$34,266,443
Missouri Pacific R. R. Co	I	Apr. 1, 1933	6,265	7,136	546,949,534	154,639,600	331,607,500	86,373,084	$16,158,000	121,202
Boonville, St. Louis & Southern Ry. Co	L	June 1, 1936	([13])		58,295	250,000	245,000			124,898
Cairo & Thebes R. R. Co	L	Dec. 1, 1937	25		1,751,974	10,000	1,699,000			168,391
Chester & Mount Vernon R. R. Co	L	do	64		451,864	250,000	250,000			14,910
Fort Smith Suburban Ry. Co	P	do	7		330,051	46,600				200,556
Marion & Eastern R. R. Co	L	do	7		365,982	80,000				414,206
Missouri Pacific R. R. Corporation in Nebraska	P	May 1, 1933	349		17,543,342	4,000,000	12,735,500			1,565,983
New Orleans, Texas & Mexico Ry. Co	I	Apr. 1, 1933	173	191	19,151,195	14,832,900	40,615,900	2,354,100		15,490,808
Asherton & Gulf Ry. Co	III	Dec. 1, 1937	32	32	414,344	75,000	200,000			523,294
Asphalt Belt Ry. Co	III	do	18	18	417,640	20,000				397,123
Beaumont, Sour Lake & Western Ry. Co.	I	May 1, 1933	84	146	4,511,037	85,000		2,057,825		3,582,203
Houston North Shore Ry. Co	I	do	27		2,247,230	100,000		850,000		1,447,686
Houston & Brazos Valley Ry. Co	II	Dec. 1, 1937	37	37	1,442,125	422,000	1,000,000			
International-Great Northern R. R. Co	I	Apr. 1, 1933	1,101	1,155	57,329,142	7,500,000	45,867,000	420,015		3,983,866
Austin Dam & Suburban Ry. Co	P	Dec. 1, 1937	([11])		118,469	100,000				
New Iberia & Northern R. R. Co	II	do	65	104	2,305,531	1,000,000	2,000,000			1,793,176
Iberia, St. Mary & Eastern R. R. Co	L	do	40		945,582	5,000	1,000,000			77,238
Orange & Northwestern R. R. Co	II	do	62	62	1,309,017	35,000		1,066,947		385,476
Rio Grande City Ry. Co	III	do	18	21	348,558	22,000				262,593
St. Louis, Brownsville & Mexico Ry. Co.	I	May 1, 1933	562	608	28,712,447	500,000	62,000	12,913,342		10,650,117
San Antonio Southern Ry. Co	II	Dec. 1, 1937	29	45	313,539	250,000				276,895
San Antonio Uvalde & Gulf R. R. Co	I	May 1, 1933	314	317	6,229,862	280,000	4,413,000			3,673,249
San Benito & Rio Grande Valley Ry. Co.	II	Dec. 1, 1937	140	140	2,753,413	70,000	953,735			2,233,016
Sugar Land Ry. Co	II	do	31	53	855,726	250,000	384,000			136,751
Nevada Copper Belt R. R. Co	III	July 1, 1941	41	29	1,403,869	1,000,000		622,000		
St. Louis-San Francisco Ry. Co	I	May 17, 1933	4,620	4,766	407,478,413	114,701,526	228,710,597	55,975,465		204,087
St. Louis Southwestern Ry. Co.[14]	I	Jan. 1, 1936	751	1,006	90,058,517	37,079,700	10,111,000	22,338,000		19,054,082
St. Louis Southwestern Ry. Co. of Texas	I	do	609	610	29,692,800	2,750,000	10,922,840	5,052,500		29,007,424
Western Pacific R. R. Co.[15]	I	Aug. 1, 1935	1,138	1,195	144,557,679	75,800,000	49,436,100	10,408,410	14,175,000	9,667,146
Yosemite Valley Ry. Co	II	Dec. 22, 1936	78	78	4,310,797	1,448,775		2,318,000		
RECEIVERS AND TRUSTEES										
Eastern district (21 railways)			6,336	7,718	$1,125,692,706	$551,844,925	$375,940,125	$174,550,851	$39,625,344	$23,987,797
Southern district (16 railways)			7,477	8,355	549,012,267	177,048,230	249,902,339	80,308,806	41,767,503	4,804,484
Western district (54 railways)			50,286	53,786	3,659,458,432	1,178,034,824	1,724,405,547	706,504,219	107,542,566	181,608,340
Total, all districts (91 railways)			64,099	69,859	5,334,163,405	1,906,927,979	2,350,248,011	961,358,876	188,935,413	210,400,621

[11] Mileage owned consists of yard switching tracks only.
[12] Controlled by Canadian Pacific Ry. Co.
[13] Less than 1 mile.
[14] Controlled by Southern Pacific Co.
[15] Controlled by Western Pacific R. R. Corporation.

Changes in receivership and trusteeship, year 1941 and first 7 months of 1942

YEAR ENDED DEC. 31, 1941

Roads placed in receivership or trusteeship	Miles of road, 1941		Roads taken from receivership or trusteeship	Miles of road, 1941	
	Owned	Operated		Owned	Operated
RECEIVERS			RECEIVERS		
Tennessee & North Carolina Ry. Co	25	25	Chesterfield & Lancaster R. R. Co	32	33
			Collins & Glennville R. R. Co	23	24
			Florida East Coast Ry. Co. (transferred to trusteeship)	679	685
			Nevada Copper Belt R. R. Co. (transferred to trusteeship)	41	29
			Raleigh & Charleston R. R. Co	20	20
			Tennessee & North Carolina Ry. Co	25	25
			Winchester & Wardensville R. R. Co	23	23
Total	25	25	Total	343	830
TRUSTEES			TRUSTEES		
Florida East Coast Ry. Co. (transferred from receivership)	679	685	Chicago & Eastern Illinois Ry. Co	806	925
Nevada Copper Belt R. R. Co. (transferred from receivership)	41	29	Chicago Great Western R. R. Co	1,349	1,502
			Coeur d'Alene & Pend d'Oreille Ry. Co	9	
			Erie R. R. Co	1,490	2,377
			Nypano R. R. Co	431	
			Spokane International Ry. Co	139	152
			Stephenville North & South Texas Ry. Co	33	
			Wilkes-Barre & Eastern R. R. Co	8	
Total	720	714	Total	4,265	4,956
Grand total	745	739	Grand total	5,108	5,795

JAN. 1 TO JULY 31, 1942

RECEIVERS			RECEIVERS		
Catonsville Short Line R. R. Co	4		Chicago, Springfield & St. Louis Ry. Co	79	8
			Georgia Southwestern & Gulf R. R. Co		36
			Norfolk Southern R. R. Co	687	733
			Wabash Ry. Co	1,949	2,409
Total	4		Total	2,715	3,186
TRUSTEES			TRUSTEES		
None.			Nevada Copper Belt R. R. Co	41	29
Total			Total	41	29
Grand total	4		Grand total	2,756	3,215

Mr. WHEELER. I ask permission at this point to insert in the RECORD a memorandum regarding this matter.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

The proposal to tax by committee amendment 90 percent or more of speculative profits in securities of public utilities is sound because:

1. It implements the other provisions of the tax bill respecting railways. The benefit of a tax-free purchase of their own securities is defeated if speculators are permitted to run up the price.

2. The evil can be reached in no other way. The bankruptcy courts cannot discriminate between securities with reference to their purchase price.

3. Securities in court custody under reorganization (trust property) of public utilities subject to governmental regulation is a proper classification for tax purposes.

4. Large and quick profits of speculators in securities charged with a public interest are a result of abnormal war activities and are essentially war profits.

5. About 40 percent of the railroads are undergoing some form of reorganization. The syphoning of millions of dollars of trust property into the hands of speculators without benefit to the original security holders is abortive.

6. The completion of reorganization proceedings is highly desirable in the public interest and should not be delayed and made enormously more expensive by speculators holding out for high profits.

7. The additional revenue will be very substantial.

8. The amendment must go in the pending 1942 Revenue Act in order to apply to the large speculative purchases of securities in the year 1942.

Mr. WHEELER. Mr. President, I may say that I also talked with tax experts of the Treasury Department so that the matter has been taken up with the Treasury Department and it has also been called to the attention of the chairman of the Committee on Finance. There is great interest in this particular subject. As everyone knows during the depression and up to quite recently the railroads have been having a very difficult time, and railroad property in excess of $4,000,000,000 is now in the hands of receivers or under reorganization. I have been opposed for a long time to having railroads reorganized on such a basis as eventually would result in their being thrown again into reorganization and into bankruptcy, because when that happens it not only affects the general public in the way, possibly, of having to pay high rates in order that railroads may earn a return on inflated values, but it seriously affects institutions of all kinds which hold railroad securities. In recent years there have been too many instances of railroads going into bankruptcy, but now, because of the increased earnings of the railroads during this boom time brought about by the war, the very same thing which happened before is taking place. Speculators who are buying up railroad securities will seek to bring pressure upon reorganization committees, upon the courts to build up the capital stock, which would not be able to exist in normal times, with the consequence that there will be bankruptcy and reorganization again.

Mr. TRUMAN. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. TRUMAN. That very thing is happening now in the case of the Missouri-Pacific Railroad reorganization.

Mr. WHEELER. That is correct.

Mr. TRUMAN. The Alleghany Corporation is making an endeavor to interfere in the reorganization plan of the Missouri-Pacific because the Missouri-Pacific has accumulated some cash funds in the banks, due to the boom period the railroads are now enjoying because of the war. I think what the Senator from Montana has said is very timely.

Mr. WHEELER. It is not only happening in the case of the Missouri-Pacific Railroad but in the case of the Seaboard Air Line, whose stock bought by speculators has been boosted from $3 to $10. As I say, those who are handling the reorganization of railroads and the attorneys who are representing the people are opposed to such manipulation and want to do something about it. The Interstate Commerce Commission wants to do something about it; the Treasury Department wants to do something about it, as does everyone else who realizes that after this war is over if railroads are reorganized on a speculative basis they will again subsequently go into the hands of receivers.

In talking to the distinguished chairman of the Committee on Finance, he has stated to me that the matter was not given serious consideration before the committee and that a new tax bill will soon be forthcoming. Those who have talked to me about it say that immediate action is needed because otherwise the speculation which is now taking place will continue and unless it can be reached speculators and others will buy up railroad stocks for little or nothing and then go to reorganization groups and courts and say, "You have got to reorganize on this basis or we will tie all reorganization up for an unlimited period."

Mr. GEORGE. Mr. President, the matter about which the Senator from Montana has addressed the Senate was brought to my attention after we had concluded the hearings and the executive consideration of the bill. However, the subject was discussed, and I think there is a basis and ground for very strong sympathy with the approach which the Senator seeks to make toward curbing this evil through the amendment which he has offered. It is a matter, however, which would require very careful consideration and study, and I have suggested that since another tax bill will be coming on, this matter be deferred to a time when full consideration could be given to it, and that if it appealed to the committee, as it did to me individually after looking into the facts rather carefully, perhaps retroactive treatment could be given in an effort to prevent the reorganizations which, but for the practice referred to, might now be carried through, for, if they are carried through, in view of the facts presented, it is manifest that the reorganized companies will be able to claim a much higher basis as a result of speculation, which should not be allowed.

I hope the Senator will let the matter rest with the presentation of the amendment, and at the very next opportunity to consider it, that it be gone into carefully, and that the committee be given an opportunity to see whether or not this treatment can be given or applied in the circumstances stated to the Senate.

Mr. WHEELER. I am reluctant to press the matter this afternoon because of the lateness of the hour, and because the committee has not had an opportunity to examine it, but I wish to say, for the benefit of those who are speculating in these stocks, buying them with the idea that they are going to press for a reorganization of the railroads on a capital structure which could not stand, that something will have to be done when the next tax bill is brought in.

It has been suggested to me that one of the reasons action should not be taken at this time is that if this high tax is imposed on the gains made through speculation, the man who now holds some stock might have to sell it. But it seems to me that is a comparatively trivial reason for not preventing the evil when, by reason of the fact that speculation is proceeding, and the capital structures are being increased, not only are a few people in the United States being affected but the whole economic structure of the country is being affected, since there is nothing that is more disastrous to the financial structure than to have railroads ever so often going into reorganization because they are overcapitalized. There is nothing more destructive to the economic position of the country than to have the railroads say, "We have outstanding stock with a par value of so much and a bonded indebtedness of so much, and we cannot meet the interest upon our bonds because of the depression," and consequently they must go into bankruptcy or receivership. Then, because of the high capital structure, they say, "We have to charge a greater freight rate in order to earn dividends upon our capital structure."

Mr. President, I withdraw the amendment at this time, but I serve notice that at the next opportunity I shall insist on Congress taking up the matter and making the provision retroactive, so that it will catch the men who are now speculating in these stocks, and so that they will not get the enormous profits which they expect to realize by their operations.

The VICE PRESIDENT. The amendment is withdrawn.

Mr. TAFT. Mr. President, I offer an amendment, which I wish to call to the attention of the chairman of the committee.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. In the amendment of the committee on page 197, line 12, after the word "employees", it is proposed to insert "including for all the purposes of this section men or women in the armed services who left the employer's employment to enter such services."

The VICE PRESIDENT. Without objection, the vote by which the amendment of the committee was agreed to is reconsidered.

Mr. TAFT. Mr. President, the purpose of the amendment is to make it clear that in the case of the pension funds set up by employers, the employer may continue to pay into the fund for the benefit of men who are no longer his employees but are now in the armed forces, and went directly from his employment into the armed forces.

Mr. GEORGE. Mr. President, I have discussed this matter, and have given some little consideration to it. I find that the situation is covered by existing law. The Bureau of Internal Revenue is applying the existing law in the manner provided by the amendment, and I think I am authorized to say that it was so applied during World War No. 1.

Mr. TAFT. So that we will understand that the Bureau of Internal Revenue will construe the word "employees" to mean men who have left the employment and gone directly into the armed services?

Mr. GEORGE. Yes.

Mr. TAFT. Under those circumstances, I withdraw the amendment.

The VICE PRESIDENT. The amendment is withdrawn, and the question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. TAFT. Mr. President, I wish to offer another amendment, which I ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. In the amendment of the committee, on page 463, it is proposed to strike out lines 20 to 22, inclusive, and to insert:

(3) The amendments made by this section shall not apply with respect to any power to appoint created on or before the date of the enactment of this act if it is released on or before January 1, 1943, or within the time limited by paragraph (2) in cases to which such paragraph is applicable; and any such releases shall not be deemed to be a transfer in contemplation of death.

And, on page 484, after line 17, it is proposed to insert:

(3) A donated power to appoint created on or before the date of the enactment of this act, which is established in favor of the decedent, his estate, his credit or the creditors of his estate, if such power is released before January 1, 1943; and release of such power before January 1, 1943, shall not be deemed a transfer of property by the individual possessing such power.

The VICE PRESIDENT. Without objection, the vote by which the committee amendment beginning in line 12, on page 462, and ending in line 22, on page 463, was agreed to is reconsidered. The question is on the amendment offered by the Senator from Ohio [Mr. TAFT] to the committee amendment.

Mr. TAFT. Mr. President, one of the most complicated subjects in the pending bill is the attempt to tax powers of appointment. Under the original law, if one left property to his son for use during his lifetime, and then to such persons as he might appoint, the property was taxed only once, that is at the time it passed to the son; it was all one transfer. Sometime ago Congress passed a law providing that if the owner of property appointed somebody—continuing the illustration—Mr. X, or his children, or some stranger, the property should be taxed again at his death.

These powers usually read, "I leave property to my son with power to appoint and thereafter to such persons as he may appoint, and in default of appointment to my son's children," let us say. Under the existing law, if there was no appointment there was no tax, and the property passed to his children without any additional tax.

The bill provides—and properly, I think—that hereafter if property passes in default of appointment under the terms of the original will, it shall be subject also to taxation. There can be no question about the advisability of such a provision. However, since the law provided the opposite, the committee decided, and the bill provides, that any person who holds such power of appointment may release it between the time of the passage of this bill and January 1, 1943, and in that event it should not be subject to tax.

However, Mr. President, it appears that if the release of the power of appointment may possibly be construed as a gift, it should not be subject to tax. But it appears now that it is doubtful, and there is a case in court at the present time in which the question is raised as to whether the release of a power of appointment itself is a gift which is subject to the gift tax.

So we say, "You may now go ahead and release this power of appointment, but you have got to take a chance on whether or not it will be subject to the gift tax." No one can tell, under present conditions, whether the release of the power of appointment, even between the time the act goes into effect and January 1, 1943, shall be subject to tax.

It seems so obvious that that is a direct defeat of the very purpose of the committee in attempting to say, "You can release this power, if you wish, between the time the act goes into effect and the 1st of January," that it is such a direct contradiction of the very principle decided by the committee, that I believe it should be made perfectly clear that such a release should be not subject to the gift tax or to the tax in contemplation of death. I do not think it is a subject on which we could argue very clearly or intelligently.

I admit I know very little about powers of appointment, but I should like to ask the distinguished chairman if he could not take the amendment to conference and decide whether or not I am correct in my statement that we are deliberately defeating the very principle decided by the committee, in allowing this privilege up to January 1, 1943.

Mr. GEORGE. Mr. President, since the committee reported the bill a large number of people from various sections who have communicated with me seem to be very greatly confused, or seem to be in a state of fear that if they release a general power of appointment they may still be called upon to pay a tax, and they have such a short time in which to reach a decision.

When the committee first approved the amendments which had been offered they approved them, of course, only in principle, and subsequently, I myself brought to the attention of the committee the fact that the relinquishment of a general power to appoint had to be made before the effective date of the act, and that no one who might incur a tax liability under it, except the very well informed persons who are able to maintain a large staff of expert lawyers, would know anything about their opportunity to relinquish such general powers before the effective date of the act, and I suggested that we at least make the effective date January 1, 1943. I thought that had been placed in the bill. The bill is a long one, however, and everyone familiar with it realizes how difficult it is to keep all its provisions in mind.

The insertion of the specific date, January 1, 1943, gives a very short time in which relinquishment of the general powers may be made, but it does give some time. While the Senator's amendment raises other questions, I join with him in expressing the hope that the amendment may be accepted, and go to conference, so that the matter may be made perfectly clear, and no doubt be left about it when the bill finally comes out of conference.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. AUSTIN. If it is admissible to do so, would it not be wise, in taking this amendment to conference to consider the question whether it were better to define the right of relinquishment of power as to nontaxable property and consider the matter with reference not only to the right of relinquishment of a power to perform but also to cover the right of relinquishment of the reserved power to revoke? I submit the suggestion for consideration when the conference committee takes this matter up.

Mr. GEORGE. I doubt if the conferees would have that wide latitude; and if the amendment offered by the Senator from Ohio were not necessary to make it perfectly certain that the matter could be effectively considered in conference, perhaps the amendment would not be offered at all, and I certainly would not agree to take it. But in view of the fact that, as the bill is written, the provision is that the power must be relinquished prior to the effective date of the act, I think the amendment offered by the Senator from Ohio should be adopted for the purpose of keeping the matter wide open in conference, so that it may be given full consideration.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] to the committee amendment beginning in line 12 on page 462.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment

offered by the Senator from Ohio, on page 484, after line 17.

The amendment was agreed to.

Mr. SMITH. Mr. President, I have gotten certain of the experts to try to write language which would satisfy the Senator from Georgia. On page 250, after line 22, I propose to add the following new section:

(d) Stock, accident, and health insurance companies.

Section 101 is amended by adding a new paragraph reading as follows:

"(21) Stock, accident, and health insurance companies engaged in the business of issuing cancelable accident and health insurance contracts, if the gross amount received during the taxable year from interest, dividends, rents, and premiums does not exceed $200,000."

I hope the learned Senator from Georgia will be willing to take the amendment to conference and see if it cannot be worked out.

Mr. GEORGE. Mr. President, under the limitations in the amendment now offered, so far as I can do so I shall be glad to consent to its approval for the purpose of conference consideration.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. SMITH].

The amendment was agreed to.

Mr. WALSH. Mr. President, I should like to inquire of the Senator from Georgia [Mr. GEORGE] if this is an opportune time to take up the amendment relating to the renegotiation of war contracts?

Mr. GEORGE. Mr. President, I do not know what other amendments may be offered from the floor. I prefer that the Senator's amendment come at the end of the consideration of the bill. So far as I know, with the exception of a unanimous-consent agreement or two which I wish to present, which can just as well come after the determination of this question, it is an appropriate time to take up the Senator's amendment.

Mr. WALSH. I send to the desk an amendment on behalf of the Committee on Finance. The amendment is rather long, and I ask unanimous consent that the reading of the amendment be dispensed with, and that it be printed in full in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment is on page 575, after line 16, to insert:

TITLE VIII—RENEGOTIATION OF CONTRACTS

SEC. 801. Renegotiation of war contracts.

(a) Subsections (a), (b), and (c) of section 403 of the Sixth Supplemental National Defense Appropriation Act (Public, 528, 77th Cong., 2d sess.) is amended to read as follows:

"SEC. 403. (a) For the purposes of this section—

"(1) The term 'Department' means the War Department, the Navy Department, the Treasury Department, and the Maritime Commission, respectively.

"(2) In the case of the Maritime Commission, the term 'Secretary' means the Chairman of such Commission.

"(3) The terms 'renegotiate' and 'renegotiation' include the refixing by the Secretary of the Department of the contract price.

"(4) The term 'excessive profits' means any amount of a contract or subcontract price which is found as a result of renegotiation to represent excessive profits.

"(5) The term 'subcontract' means any purchase order or agreement to perform all or any part of the work, or to make or furnish any article, required for the performance of another contract or subcontract. The term 'article' includes any material, part, assembly, machinery, equipment, or other personal property.

"For the purposes of subsections (d) and (e) of this section, the term 'contract' includes a subcontract and the term 'contractor' includes a subcontractor.

"(b) Subject to subsection (i), the Secretary of each Department is authorized and directed to insert in any contract for an amount in excess of $100,000 hereafter made by such Department—

"(1) a provision for the renegotiation of the contract price at a period or periods when, in the judgment of the Secretary, the profits can be determined with reasonable certainty;

"(2) a provision for the retention by the United States from amounts otherwise due the contractor, or for the repayment by him to the United States, if paid to him, of any excessive profits not eliminated through reductions in the contract price, or otherwise, as the Secretary may direct;

"(3) a provision requiring the contractor to insert in each subcontract for an amount in excess of $100,000 made by him under such contract (i) a provision for the renegotiation by such Secretary and the subcontractor of the contract price of the subcontract at a period or periods when, in the judgment of the Secretary, the profits can be determined with reasonable certainty, (ii) a provision for the retention by the contractor for the United States of the amount of any reduction in the contract price of any subcontract pursuant to its renegotiation hereunder, or for the repayment by the subcontractor to the United States of any excessive profits from such subcontract paid to him and not eliminated through reductions in the contract price or otherwise, as the Secretary may direct, and (iii) a provision for relieving the contractor from any liability to the subcontractor on account of any amount so retained by the contractor or repaid by the subcontractor to the United States, and (iv) in the discretion of the Secretary, a provision requiring any subcontractor to insert in any subcontract made by him under such subcontract, provisions corresponding to those of subparagraphs (3) and (4) of this subsection (b); and

"(4) a provision for the retention by the United States from amounts otherwise due the contractor, or for repayment by him to the United States, as the Secretary may direct, of the amount of any reduction in the contract price of any subcontract under such contract, which the contractor is directed, pursuant to clause (3) of this subsection, to withhold from payments otherwise due the subcontractor and actually unpaid at the time the contractor receives such direction.

"The provision for the renegotiation of the contract price, in the discretion of the Secretary, (i) may fix the period or periods when or within which renegotiation shall be had; and (ii) if in the opinion of the Secretary the provisions of the contract or subcontract are otherwise adequate to prevent excessive profits, may provide that renegotiation shall apply only to a portion of the contract or subcontract or shall not apply to performance during a specified period or periods and may also provide that the contract price in effect during any such period or periods shall not be subject to renegotiation.

"(c) (1) Whenever, in the opinion of the secretary of a department, the profits realized or likely to be realized from any contract with such department, or from any subcontract thereunder whether or not made by the contractor, may be excessive, the Secretary is authorized and directed to require the contractor or subcontractor to renegotiate the contract price. When the contractor or subcontractor holds two or more such contracts or subcontracts the Secretary in his discretion, may renegotiate to eliminate excessive profits on some or all of such contracts or subcontracts as a group without separately renegotiating the contract price of each contract or subcontract.

"(2) Upon renegotiation, the Secretary is authorized and directed to eliminate any excessive profits under such contract or subcontract (i) by reductions in the contract price of the contract or subcontract, or by other revision in its terms; or (ii) by withholding, from amounts otherwise due to the contractor or subcontractor, any amount of such excessive profits; or (iii) by directing a contractor to withhold for the account of the United States, from amounts otherwise due to the subcontractor, any amount of such excessive profits under the subcontract; or (iv) by recovery from the contractor or subcontractor, through repayment, credit or suit, of any amount of such excessive profits actually paid to him; or (v) by any combination of these methods, as the Secretary deems desirable. The Secretary may bring actions on behalf of the United States in the appropriate courts of the United States to recover from such contractor or subcontractor, any amount of such excessive profits actually paid to him and not withheld or eliminated by some other method under this subsection. The surety under a contract or subcontract shall not be liable for the repayment of any excessive profits thereon. All money recovered by way of repayment or suit under this subsection shall be covered into the Treasury as miscellaneous receipts.

"(3) In determining the excessiveness of profits realized or likely to be realized from any contract or subcontract, the Secretary shall recognize the properly applicable exclusions and deductions which the contractor or subcontractor is allowed under chapter 1 and chapter 2E of the Internal Revenue Code. In determining the amount of any excessive profits to be eliminated hereunder the Secretary shall allow the contractor or subcontractor credit for the amount of Federal income and excess-profits taxes paid or payable with respect to such excessive profits and not subject to adjustment as exceeds the amount of Federal income and excess-profits taxes which would have been paid or payable by such contractor or subcontractor had there been excluded from his gross income the amount of excessive profits to be eliminated hereunder. For the purpose of the allowance of such credit the Secretary may require such evidence, including a closing agreement with the Commissioner of Internal Revenue, as he deems necessary.

"(4) Upon renegotiation pursuant to this section, the Secretary may make such final or other agreements with a contractor or subcontractor for the elimination of excessive profits and for the discharge of any liability for excessive profits under this section, as the Secretary deems desirable. Such agreements may cover such past and future period or periods, may apply to such contract or contracts of the contractor or subcontractor, and may contain such terms and conditions, as the Secretary deems advisable. Such agreements shall be final and conclusive, and, except upon a showing of fraud or malfeasance, or misrepresentation of a material fact (i) shall not be reopened as to the matters agreed upon, or the agreement modified, by any officer, employee, or agent of the United States; and (ii) in any suit, action, or proceeding, such agreement or any determination made in accordance therewith shall not be annulled, modified, set aside, or disregarded.

"(5) Any contractor or subcontractor who holds contracts or subcontracts, to which the provisions of this section are applicable, may file with the Secretaries of all the Depart-

ments concerned statements of actual costs of production and such other financial statements for any prior fiscal year or years of such contractor or subcontractor, in such form and detail, as the Secretaries shall prescribe by joint regulation. Within 1 year after the filing of such statements, or within such shorter period as may be prescribed by such joint regulation, the Secretary of a Department may give the contractor or subcontractor written notice, in form and manner to be prescribed in such joint regulation, that the Secretary is of the opinion that the profits realized from some or all of such contracts or subcontracts may be excessive, and fixing a date and place for an initial conference to be held within 60 days thereafter. If such notice is not given and renegotiation commenced within such 60 days the contractor or subcontractor shall not thereafter be required to renegotiate to eliminate excessive profits realized from any such contract or subcontract during such fiscal year or years and any liabilities of the contractor or subcontractor for excessive profits realized during such period shall be thereby discharged.

"(6) This subsection (c) shall be applicable to all contracts and subcontracts hereafter made and to all contracts and subcontracts heretofore made, whether or not such contracts or subcontracts contain a renegotiation or recapture clause, unless (i) final payment pursuant to such contract or subcontract was made prior to April 28, 1942, or (ii) the contract or subcontract provides otherwise pursuant to subsections (b) or (i), or is exempted under subsection (i), of this section 403, or (iii) the aggregate sales by the contractor or subcontractor, and by all persons under the control of or controlling or under common control with the contractor or subcontractor, under contracts with the departments and subcontracts thereunder do not exceed, or in the opinion of the Secretary concerned will not exceed, $100,000 for the fiscal year of such contractor or subcontractor.

"No renegotiation of the contract price pursuant to any provision therefor, or otherwise, shall be commenced more than 1 year after the close of the fiscal year of the contractor or subcontractor within which completion or termination of the contract or subcontract, as determined by the Secretary, occurs."

(b) Section 403 of the Sixth Supplemental National Defense Appropriation Act (Public, 528, 77th Cong., 2d sess.) is amended by adding at the end thereof the following subsections:

"(i) (1) The provisions of this section shall not apply to—

"(i) any contract by a Department with any other department, bureau, agency, or governmental corporation of the United States or with any Territory, possession, or State or any agency thereof or with any foreign government or any agency thereof; or

"(ii) any contract or subcontract for the product of a mine, oil or gas well, or other mineral or natural deposit, or timber, which has not been processed, refined, or treated beyond the first form or state suitable for industrial use; and the Secretaries are authorized by joint regulation, to define, interpret, and apply this exemption.

"(2) The Secretary of a Department is authorized, in his discretion, to exempt from some or all of the provisions of this section—

"(i) any contract or subcontract to be performed outside of the territorial limits of the continental United States or in Alaska;

"(ii) any contracts or subcontracts under which, in the opinion of the Secretary, the profits can be determined with reasonable certainty when the contract price is established, such as certain classes of agreements for personal services, for the purchase of real property, perishable goods, or commodities the minimum price for the sale of which has been fixed by a public regulatory body, of leases and license agreements and of agreements where the period of performance under such contract or subcontract will not be in excess of 30 days; and

"(iii) a portion of any contract or subcontract or performance thereunder during a specified period or periods if in the opinion of the Secretary, the provisions of the contract are otherwise adequate to prevent excessive profits.

"(j) Nothing in sections 109 and 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203) or in section 190 of the Revised Statutes (U. S. C., title 5, sec. 99) shall be deemed to prevent any person appointed by the Secretary of a Department for intermittent and temporary employment in such Department, from acting as counsel, agent, or attorney for prosecuting any claim against the United States: *Provided*, That such person shall not prosecute any claim against the United States (1) which arises from any matter directly connected with which such person is employed, or (2) during the period such person is engaged in intermittent and temporary employment in a Department."

(c) The amendments made by this section shall be effective as of April 28, 1942.

Mr. WALSH. Mr. President, the amendment seeks to make various amendments to the renegotiation of war contracts law. In April last the Appropriations Committee attached to one of its bills a section known as 403 relating to and empowering the Secretary of War and the Secretary of the Navy and the Maritime Commission to renegotiate all war contracts entered into by them. It was the bestowal of an extraordinary power. Nothing like it had ever before been proposed in a legislative way. It gave the Government the right to amend an obligation which it had agreed upon with a contractor and insist upon the right to renegotiate that contract.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. McKELLAR. There was a condition attached—that whenever in the opinion of the Secretary of War, or the Secretary of the Navy, or the chairman of the Maritime Commission they should find that the prices stated in a contract were excessive.

Mr. WALSH. That is correct, but it practically gave them unlimited power at any time they chose to renegotiate a contract.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. BROWN. I think it even went further than that. It not only permitted what I call a redetermination of the price, rather than a renegotiation of it, but it also compelled the contractor to go on with his contract on the new basis.

Mr. WALSH. Exactly.

Mr. McKELLAR. It did not go that far.

Mr. WALSH. Mr. President, this unusual law involved many difficulties to the departments administering it, and they had to set up an organization and to establish practices and make various interpretations of the law, which have led to a good many uncertainties. The law was hastily drawn, of necessity. It was sweeping in character. There were no yardsticks and very few limitations in the extraordinary power granted. That law has been in operation since April last, and changes are now sought to clarify it.

When the bill came before the Finance Committee, representatives of these three departments of the Government urged the committee to consider the adoption of certain amendments to this law that would help to clarify it and make it easier of administration from the standpoint of these departments, and also from the standpoint of the contractors. The Finance Committee considered it a subject foreign to the tax bill then before it. It was of the opinion that if the law was to be repealed—and many persons have favored the repeal of the law—or was to be radically modified, extensive study would have to be made of the subject, and that it would require weeks of debate and study, and that the whole subject ought to be treated, perhaps by the committee from which the law recently came, or by some committee which would start from the bottom and give hearings on the question of repeal, modifications, or changes.

However, the Committee on Finance took the position that if it would not delay the passage of the tax bill, and if there were certain amendments which everyone agreed were desirable and in the public interest, and they could be agreed upon, that the Finance Committee would recommend them for adoption in connection with the pending tax bill. That is the present situation.

The able chairman of the committee appointed a subcommittee, which has studied these various amendments proposed by the Army, the Navy, the Maritime Commission, and some of them by outside interests, and by some of the contractors affected. All the amendments to the original law which are now offered in this amendment, are agreed upon so far as we know by all interests concerned. They do not, and the committee has not considered the question of repeal of the law. There are many businessmen in the country who believe the law should be repealed. There are others who believe that the law ought to be repealed, and a substitute law enacted based upon a profit percentage limitation, rather than the power of general negotiation for the purpose of eliminating excessive profits. The committee have realized that those two problems were debatable and highly controversial, but that there were certain perfecting amendments which the departments of the Government desired, covering powers which in most instances they were exercising. It so happens that these amendments are acceptable to contractors who oppose the law, because they help to clarify the law. They help even those who do not agree with the law to have a better understanding of what their rights are and what the rights of the various departments of the Government are.

Briefly, this amendment embodies all the amendments to the existing law which all interests concerned have agreed upon as desirable and beneficial, assuming that the law must remain upon the statute books for the present. The amendments occupy quite a few printed pages, but they can be very briefly stated.

First of all, the Treasury Department, which, as all Senators know, handles the lease-lend contracts, and also has a large building program of its own, is included, and under one of these amendments is empowered to exercise the renegotiation rights under this law which are now exercised by the Navy Department, the Army, and the Maritime Commission.

One of the amendments which has caused a great deal of controversy has been the definition of the term "subcontract." The bill permits the renegotiation of contracts or subcontracts. There was no definition in the original law as to what a subcontract was, and the result has been a great deal of confusion and many disputes. One of these amendments defines the term "subcontract." I do not know of any better way to explain it than by reading a brief sentence giving the definition of "subcontract."

> Any purchase, order, or agreement to perform all or any part of the work or to make or furnish any article required for the performance of another contract or subcontract. The term "article" includes any material, part, assembly, machinery, equipment, or other personal property.

This is the amendment finally agreed upon by the various departments of the Government; and while efforts have been made by some contractors to restrict the definition, all are in agreement that this particular definition is desirable, and that any attempt to change it would meet with opposition from the administrative departments of the Government.

Another amendment would permit the Secretary of the Navy, the Secretary of War, the Secretary of the Treasury, or the Chairman of the Maritime Commission to fix the period or periods for renegotiation, and in this way provides a statute of limitations. In no case may the Secretary take action beyond a year from the termination of a contract, but this amendment would permit him to fix a shorter time and give notice to the contractor that there will be no renegotiation beyond the date fixed.

That is a very important amendment. It is really two amendments. There is no limit in the present law for the beginning or ending of renegotiation. Up to 3 years after the termination of the war any department of the Government may begin renegotiation proceedings. That provision has been very strenuously objected to by contractors, and properly so, as leaving their relations with the Government for a long period unsettled and undetermined. Thus we recommend an amendment which compels renegotiation within 1 year after termination of the contract. The Secretary may fix an earlier time within which period the renegotiation must be undertaken. This is a very beneficial amendment from the standpoint of contractors as it fixes the limitation of power to renegotiate to 1 year.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. PEPPER. Inquiry has been made of me on several occasions as to whether or not it would be proper for administrative officials, in the allowance of profit to the contractor, to take into consideration a period of time and all contracts which might be held by the contractor for a particular administrative agency, or any part of the Government, over that period of time, which would reach a situation in which a contractor might gain heavily on one contract and lose on another; yet in the renegotiation if profits were taken away from him on one contract, unless his loss were made good with respect to another contract, or for the whole period of time he might be working for the Government, he would be done an injustice. Is there any such provision in the bill?

Mr. WALSH. The practice has been to administer the law by dealing with the contractor and not with individual contracts. If a contractor has 10 contracts, the renegotiation practice would extend to all of them—those on which he might make money and those on which he might lose. Let me add that the testimony indicates that a very large percentage of the contracts is in the hands of about 100 contractors. The policy is to bunch the contracts together and renegotiate them all together, rather than individually.

Mr. PEPPER. Mr. President, will the Senator further yield?

Mr. WALSH. I yield.

Mr. PEPPER. Is there anything in the language of the bill which would give the contractor that protection? The principal criticism I have heard of the present law—I have not heard of a single case in which anybody alleges he has been done an injustice by any of the Government departments—is that, in the first place, the contractors have no legal protection and no legal assurance that they will be allowed any profit at all, or even that they will be able to get back their costs.

There is no minimum in the statute itself. It is left entirely to the administrative agencies; and while in 99 cases out of a hundred, or perhaps in every case, we can presume that the administrative agent is competent, fair, and honest in his dealings, yet there is no legal assurance that the contractors will be dealt with as contractors, rather than with respect to each contract. They feel that Congress should give them certain minimum standards of assurance.

Mr. WALSH. The Senator has indicated what is a serious criticism of the law, which is urged very strongly by those who want it repealed. The law deals with excessive profits, not with excess profits for tax purposes. That should be understood. The renegotiators seek to find out if a contractor, in the performance of his contract, has obtained and received excessive profits. There is no measure of what this may be. It depends upon the board itself to determine what is excessive and what is not.

Serious effort has been made to see if a profit yardstick could not be found to determine whether 5 percent, 10 percent, or 2 percent should be allowed to a contractor. The difficulty is that in certain cases 5 percent is too much. In other cases 1 percent is too much. In other cases 5 percent, or even more, is too little. So it has been left in the administration of the law to the discretion of boards.

I think it is only fair to say, as the Senator has implied in his questions, that on the whole the departments have administered the law quite satisfactorily. I believe that members of the subcommittee and of the Finance Committee have been surprised at so little objection to the manner in which the law has been administered. There is objection to the lack of a clear statement of the powers, and objection to the fact that a contractor does not know when, where, and under what circumstances his contract is going to be renegotiated, and how he will come out in the end; but so far, even without these amendments, the law appears to have been administered very well.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. KILGORE. Is any effort made to distinguish between a contractor who is operating his own plant with his own capital, on a fixed-fee basis, and a contractor who is operating a Government-owned plant in which he has none of his own capital invested except what he has invested in his personnel? The complaint I received from contractors is that the percentage is based upon the overall business, whereas some consideration should be given to the capital invested by the contractor in the plant being used, and that no consideration is given to that factor, which hurts the going concern which goes into the war effort, and tremendously benefits the concern which is operating a Government-built plant.

Mr. WALSH. I shall be glad to answer the Senator's question if I can.

As I understand the law, it permits renegotiation of contracts made with the lowest bidder, contracts on a fixed-fee basis, and so-called negotiated contracts. It is assumed—there is no law upon the subject—that in determining excessive profits the renegotiators will take into consideration all the things the Senator has enumerated. In determining whether there have been excessive profits they are supposed to give special consideration to the very items suggested by the Senator. That is why it is difficult to have one fixed standard and one rule. It is simply impossible; because the capital, the plant, the number of employees, the wages paid, and the costs of materials in plants that are economically managed are different from those in plants that are wastefully managed; and those factors make it impossible to have a fixed standard, but are factors which are considered by the renegotiators.

Mr. OVERTON. However, the amendment proposes no direction; does it?

Mr. WALSH. No; it is left to discretion.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Does the Senator from Massachusetts yield to the Senator from Maryland?

Mr. WALSH. I yield.

Mr. RADCLIFFE. Is provision made for the same power to renegotiate a $25,000 contract as to renegotiate a contract of $10,000,000 or $100,000,000?

Mr. WALSH. There is in the law a restriction as to contracts that are rene-

gotiable; only those that are over $100,000 are renegotiable.

Mr. RADCLIFFE. Is the restriction absolute?

Mr. WALSH. In one sense it is absolute, but in another sense it is not. If a contractor has 10 contracts, each of $15,000, he has contracts with the Government in the total amount of $150,000 and all his contracts can be renegotiated.

Mr. RADCLIFFE. Within any definite period of time?

Mr. WALSH. Within 1 year, the fiscal year.

Mr. McKELLAR. Yes; within 1 year.

Mr. WALSH. But if he has one contract for $10,000, one for $30,000, and one for $40,000, all amounting to a total of less than $100,000, his contracts cannot be renegotiated.

There are several other provisions of the amendment I have presented which should be commented upon. One of them authorizes the offsetting of the excess-profits tax paid against excessive profits covered by the renegotiation statute. There has been some question as to whether that should be offset in the renegotiation proceedings, and the amendment makes it clear. As a matter of practice, it has been done; such taxes have been offset.

Another provision of the amendment authorizes the making of a final agreement between the Government and a contractor or subcontractor which would be binding upon both parties and would preclude reopening or renegotiating at a later date.

Another provision limits the time for renegotiating a contract to 1 year after the contract is completed. No such provision is contained in existing law. The present law permits renegotiation at any time up to 3 years after the conclusion of the present war, as I said before.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. OVERTON. Can there be only one renegotiation of a contract?

Mr. WALSH. There can be one; but it can be a prolonged renegotiation. As I understand the matter, from the moment the contract is made renegotiation proceedings can be started, and can continue throughout the period of the contract.

Mr. OVERTON. Once a renegotiation contract is entered into, the door is closed to renegotiation; is it?

Mr. WALSH. Yes. One of the most effective and beneficial features of the law has been the renegotiators' ability to keep down costs. As the Senator knows, from his service on the Committee on Appropriations, in all the war contracts, especially the earlier ones, the waste and extravagance seemed to be largely in the matter of excessive costs of materials. The renegotiators can say to a contractor, "You are paying too much. We will not allow you this much for your lumber or for any other material. You must keep down your costs; and in future purchases we shall allow you to pay only a fixed price for the various commodities and articles."

Mr. OVERTON. I think I understand that.

Mr. WALSH. I think that most of the success in recapturing excessive profits has been in that direction, rather than at the time of the completion of the contract.

Mr. OVERTON. The information I desire is this: When once a renegotiated contract has been signed, can the terms of the contract be again renegotiated?

Mr. WALSH. No. As I said before, renegotiation can commence at any time after the contract begins and up to 1 year after the completion of the contract. Within that period, an agreement can be entered into at any time; and that agreement will be final, binding, and absolute on all parties.

Mr. OVERTON. Under the terms of the bill——

Mr. WALSH. Under the terms of the proposed amendment, not under the present law——

Mr. OVERTON. Yes. Under the proposed amendment, once a contract has been renegotiated, there can be no further recognition; is that correct?

Mr. WALSH. That is true.

Mr. OVERTON. One further question. Can a contract be renegotiated at any time during the process of execution of the contract or within 1 year after its completion?

Mr. WALSH. It can.

Mr. BALL. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. BALL. I was interested in what the Senator said about renegotiation tending to decrease costs; because the major objection I have heard to renegotiation, the objection coming from both contracting officers in the field and contractors has been that the formula which the Navy Department and the War Department were using was based on cost of production, that inevitably the contractor who did the most efficient job of production and who produced most quickly the ordnance materials, or whatever else he was producing, and who, therefore, made the highest profits, was hit hardest by the renegotiation, whereas the contractor who had coasted along and had not put on all the pressure had comparatively high costs, and that, because the renegotiation was based on a percentage over cost of production, inevitably more favorable treatment was given to the high-cost producer rather than to the low-cost producer who produced more goods more quickly and more efficiently.

Mr. WALSH. The testimony given before the committee by the Under Secretary of War, Mr. Patterson, and the point stressed by all who appeared before the committee, was to the effect that more profits are allowed to the efficient producers than to the nonefficient producers, and that that is an important factor. If they are able to keep down their costs, if they are able to expedite efficiently the operations under their contracts, those are elements to be weighed in considering the matter of limiting or increasing their profits. That is the practice, and it has appeared to be satisfactory. So far as we can learn, the administrative procedure has been to put a premium and allow more generous profits on low costs and efficient management and operation.

Mr. BALL. I know that such matters are given consideration, but the very fact that the formula for renegotiation is based primarily on cost, inevitably does tend to penalize the more efficient and the speedier producers.

The other criticism I have heard of the procedure is that contractors who have contracts with the Navy, the Army, and the Air Corps run into situations in which they are dealing with three different renegotiation boards, each one of which has a slightly different set of standards, and that such situations are extremely confusing and consume a great deal of their time.

Mr. WALSH. The practice is that if a contractor has contracts with the Army, the Navy, and the Maritime Commission, the particular department of government which has the major or largest contracts does all the renegotiating. In other words, if the Army has the largest amount involved, it represents both itself, the Navy, and the Maritime Commission. That procedure does away with the condition which the Senator refers to.

Mr. BALL. The criticized procedure may have been changed.

Mr. WALSH. I have stated the present practice. I think that probably in the beginning the procedure the Senator refers to was followed.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. McKELLAR. Is it not correct that all of the proof, especially beginning with that submitted by Under Secretary Patterson, I will say, goes to show that the efficient contractor who pays great attention to his costs and who lowers them is preferred by the departments, so far as it is possible to do so, and that instead of penalizing him, as was said by the Senator from Minnesota, the departments endeavor to do exactly the opposite?

Mr. WALSH. That is true; but, of course, what the Senator was saying, and what is a perfectly legitimate criticism of the law, is that the administration gets into human hands without any yardstick; and the surprise, to me and, I think, to the other members of the committee, is that it has been so well handled, considering that it comes down to a matter of the judgment and opinion of what "excessive" means when considered before various boards in various parts of the country, dealing with various contracts.

Let me refer to another provision amendment, one suggested by the able senior Senator from Michigan. The amendment requires that when the Secretary—and by "the Secretary" we mean also the head of the Maritime Commission—is determining the excessiveness of profits, he shall give appropriate recognition to properly applicable deductions which are allowed the contractor for tax purposes.

The Senator from Michigan originated that suggestion and it was accepted by the various departments of the Government. Of course, it is a perfectly legitimate factor that should be considered in determining when excess profits exist.

A great deal of discussion arose over the definition of the words "raw materials."

Contracts for raw materials under one of these amendments are exempted from renegotiation. What is meant by "raw materials"?

"Raw materials," as we find the word defined, "are the product of a mine, oil or gas well, or other mineral or natural deposit, or timber which has not gone beyond the first stage of processing." There were differences about that definition in the Army, on the one hand, and the Navy and the Maritime Commission, on the other, but finally it was agreed upon as a satisfactory definition upon which all could stand, and one that could be used in determining whether excessive profits existed.

The other amendment which is of some importance is that the Secretary is also authorized to exempt contracts which by their terms prevent excess profits.

That refers to what is known as target price contracts, where one is employed for a particular time to do a particular work for a particular amount, and, where, of course, there is no question of excess profits involved.

In conclusion, I wish to say that I think the Senator from Tennessee [Mr. McKELLAR] is deserving of special commendation and praise for proposing this method of checking excessive profits in war contracts. Time does not permit a review of the efforts made at different times and by different committees and in different bills to reach the problem of placing a check upon profits in war contracts. This law, despite deficiencies and defects, does attempt to do that, and it is now the only instrument, outside the excess-profits tax law, that is designed to protect the public against excessive profits in war contracts. As I said a moment ago, it appears to have worked very satisfactorily.

I know these amendments will give strength to the law and will assist greatly in its administration and also assist in recapturing some excessive profits. A rough estimate—and it is a very rough estimate—of the money which has been recaptured on war contracts since the law was passed only last April is approximately a billion dollars; but, of course, a good deal of that or much of it would be recaptured under the excess-profits-tax laws. In any event, these contracts have been reduced by that amount and will probably be reduced more in the future.

Mr. BILBO. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Mississippi?

Mr. WALSH. I yield.

Mr. BILBO. I did not have a chance to read the amendment until this morning, and I should like to ask a hypothetical question. If a contractor has four full contracts with the Government, some negotiated and some awarded on a competitive basis, in renegotiating with such a contractor would all four of the contracts be considered as an entire transaction in order to ascertain whether he was being paid excessively or the profits were excessive? He may have lost on one; he may have made a reasonable profit on another; but when all are considered together, it is plain that he has not made an excessive profit.

Mr. WALSH. Very wise has been the policy of the Department to deal with the entire contracts of a contractor and not with the individual contract. Therefore, in answer to the question, the contractor who has four contracts would have all his contracts dealt with together in attempting to find out whether he had made excessive profits and how much his contracts ought to be reduced in price accordingly, or, after he had been paid by the Government how much should be repaid into the Public Treasury. So my answer is, "Yes."

Mr. BILBO. That explains one part of the question. I wish to ask another question.

Mr. McKELLAR. Before the Senator proceeds to do that, will he yield to me?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield further, and, if so, to whom?

Mr. WALSH. I yield to the Senator from Tennessee.

Mr. McKELLAR. I read from one of the provisions of the amendment itself on that subject:

> When the contractor or subcontractor holds two or more such contracts or subcontracts the Secretary, in his discretion, may renegotiate to eliminate excessive profits on some or all of such contracts or subcontracts as a group without separately negotiating the contract price of each contract or subcontract.

That is the policy of the department. They consider all the contracts as a group, so that no injustice may be done to the contractor, taken as a whole.

Mr. BILBO. May I further ask if, under the amendment the Secretary of the Navy or War or other department, as the case may be, is the sole judge as to whether the return to the contractor is excessive or not?

Mr. WALSH. He is the sole judge as to whether there should be a renegotiation of the contract. If he says a certain contract should be renegotiated for the purpose of determining whether excessive profits are being made, a board—a price-adjustment board it is called in the Army, the Navy, and the Maritime Commission—begins the work of renegotiating the contract, and if the board in Washington is not able to do it, I understand there are regional boards in different sections of the country that will go into the whole problem of renegotiating particular contracts. I presume the details are handled largely through such boards, but the Secretary approves the finding as to the extent of excessive profits found in any contract.

Mr. BILBO. And the Secretary can negotiate a reasonable contract even if the contract has been let under a different division of the Government. For instance, a contractor may have contracts with the Maritime Commission or he may have them with the Navy or the Army, and the Secretary or head of any one of those departments, as the amendment would operate, could bring about a renegotiation of all of them, regardless of whether or not they were with the Navy or the Army? Is that correct?

Mr. WALSH. Yes, sir.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. OVERTON. I understood the Senator from Massachusetts to say that the $100,000 contract price is not to be determined by a single contract but by the aggregate amounts of the contracts of any single contractor?

Mr. WALSH. That is exactly correct.

Mr. OVERTON. I do not find that provision, after a hasty reading of the amendment.

Mr. WALSH. It is on page 2. I call the Senator's attention to line 20, which reads as follows:

> (b) Subject to subsection (1), the Secretary of each Department is authorized and directed to insert in any contract for an amount in excess of $100,000 hereafter made by such Department—
>
> (1) A provision for the renegotiation of the contract price at a period or periods when, in the judgment of the Secretary, the profits can be determined with reasonable certainty.

On page 9 the Senator will find the provision to which he is referring.

Mr. OVERTON. In what line?

Mr. WALSH. In lines 1 to 6, which read:

> Or (iii) the aggregate sales by the contractor or subcontractor, and by all persons under the control of or controlling or under common control with the contractor or subcontractor, under contracts with the departments and subcontracts thereunder do not exceed, or in the opinion of the Secretary concerned will not exceed, $100,000 for the fiscal year of such contractor or subcontractor.

That covers it.

Mr. OVERTON. I thank the Senator.

Mr. KILGORE. Does the amendment also contemplate contracts for furnishing lease-lend materials?

Mr. WALSH. It does.

Mr. KILGORE. Under what provision?

Mr. WALSH. Contracts with foreign contractors are excepted from renegotiation, but most of the lease-lend contracts are made with American contractors in this country and are completed here. They are made by the Treasury, and that is why the Treasury is included for the first time.

Mr. KILGORE. Lend-lease lend matters come under the Treasury?

Mr. WALSH. They come under the Treasury.

Mr. KILGORE. I thank the Senator. That is all I desire to know.

Mr. DANAHER. Mr. President, I direct the attention of the Senator from Massachusetts to page 4, line 20. The clause reads, commencing in line 19 "if in the opinion of the Secretary the provisions of the contract or subcontract are otherwise adequate to present excessive profits," and so forth. I am sure that should be "prevent", should it not?

Mr. WALSH. That is a typographical error. In the copy I sent to the desk the word is "prevent."

Mr. DANAHER. I direct the Senator's attention to the top of page 5, line 3. Does the Senator object to interpolating after the word "contract" the words "for an amount in excess of $100,000"? Let me point out to the Senator, by way of

explanation, that I perceive from page 9, line 6, that it is the clear intention of the drafters of the amendment that the subsection shall apply unless the Secretary concerned shall find that the contract will not exceed $100,000 for the fiscal year of the contractor or subcontractor. The point we should bear in mind, it seems to me, is that there are some 3,000,000 outstanding contracts, and it does seem to me that in order that there be some definite basis on which to close the business, especially in the type of contract that is less than the sum which the drafters of this provision say is the base, we should interpolate on page 5, line 3, the words I have suggested.

Mr. WALSH. The representative of the Treasury who drafted the amendment states that the effect of the amendment of the Senator would be to restrict the power of negotiating, that every contract that was for twenty thousand, thirty thousand, forty thousand, namely, less than a hundred thousand dollars, would be eliminated. Such a provision might be to the advantage of the contractor or to his disadvantage. It may be decidedly to the advantage of a contractor to have his twenty thousand or thirty thousand dollar contract included, but the Senator's amendment, I fear, would have the effect of limiting the number of contracts to be negotiated. It would remove all under $100,000.

Mr. DANAHER. What does the Senator claim for the language on page 9, line 6 then, where the limit of $100,000 is inserted?

Mr. WALSH. That is, $100,000 covering all the contracts which a contractor has subject to renegotiation. I think that is beneficial both to the contractor and to the Treasury. In the last analysis, these contractors have no peacetime rights, speaking broadly. They are performing a war task and a war duty, and the amount of money they have fixed in their contracts is subject to change, subject to conditions which will prevent excessive profits, and, indeed, in some cases where they lose money there is renegotiation to help them. Of course they should not be obliged to work for nothing, they should get their reasonable profits, but our experience has shown that there have been vast sums of money which have been made in excessive profits, which the public has not realized, and probably never will realize, as the Senator knows.

Mr. DANAHER. Yes. Will the Senator tell us whether or not the subcommittee took into account the length of time to be consumed in renegotiating the 3,000,000 contracts?

Mr. WALSH. It is no doubt a tremendous task, and undoubtedly the Secretaries will have to use their best judgment in determining what contracts can be renegotiated. I assume it is almost humanly impossible to renegotiate all of them. But the Senator will remember that the Secretary of War informed us that most of these contracts are actually in the hands of 100 contractors.

Mr. DANAHER. Yes; I think he said some 70 percent. Now will the Senator turn to page 8 of the amendment, line 22? I notice the language is, "final payment pursuant to such contracts or subcontract was made prior to April 28, 1942," and so forth. What is the significance of the date April 28, 1942?

Mr. WALSH. That is the day when the original law was passed.

Mr. DANAHER. So that all contracts on which final payment had been made prior to that date may be considered terminated, within the meaning of this subsection?

Mr. WALSH. That is true.

Mr. DANAHER. Directing the Senator's attention to a more important point, on page 6, lines 8 and 9, the sentence reads:

> All money recovered by way of repayment or suit under this subsection shall be covered into the Treasury as miscellaneous receipts.

Obviously that means that if the Secretary shall bring a suit and there be a compromise and a repayment is had as a result, or if a suit goes to judgment and judgment is collected, the amount so repaid or the judgment so collected shall be covered into the Treasury as miscellaneous receipts. But clearly that section does not apply to amounts which may be withheld from contracts on which payment has not been had. Is not that so?

Mr. WALSH. That is true. This refers only to money that is recaptured from the contractor after the amount figured as due under his contract has been paid.

Mr. DANAHER. Is it not a fact that most of the proceedings of renegotiations, which will represent a very large sum, are to be derived from amounts withheld, rather than from amounts recaptured?

Mr. WALSH. I believe so, but I am under the impression that a large amount of money will be recaptured, if it can be found, from the earlier contracts which have been closed, settled, and disposed of. In my opinion there were probably more excessive profits in the earlier contracts than in the contracts of the present day.

Mr. DANAHER. Let me make my point clear to the Senator. Certainly, Mr. President, moneys that are recaptured, whether from earlier contracts or not, are returned to the Treasury, thereafter to be reappropriated by Congress.

Mr. WALSH. That is correct.

Mr. DANAHER. Whereas, amounts that may be withheld go back to the departments, and will not be subject to an appropriation by Congress. Is that not true?

Mr. WALSH. That is correct.

Mr. DANAHER. Then does not the Senator think that at the beginning of line 9 we should insert the words "withheld or"? The sentence would then read:

> All money withheld or recovered by way of repayment or suit shall be covered into the Treasury.

Mr. WALSH. I cannot agree to the suggestion made by the Senator from Connecticut.

Mr. DANAHER. Why not?

Mr. WALSH. That would mean that all moneys would have to go back into the Treasury. I think the law wisely provides that if the Army or Navy has made a contract, and in the renegotiation of it they are able to find $50,000,000 or $100,000,000, or any other sum as representing excess profits, it may be deducted from the contract and they should be credited, so far as bookkeeping is concerned, with having paid out of their appropriation only the sum indicated in the final renegotiation settlement.

From the standpoint of increasing the revenues of the Treasury, something could be said in favor of the Senator's suggestion. However, it should be a source of encouragement if the Army or the Navy or the Maritime Commission were able to say: "We have saved by this contract, by our renegotiation process, by the manner in which it has been handled, $50,000,000, which should be deducted from the contract price, and we should be credited with it as being that much less than was originally determined to be necessary for the particular project."

Mr. DANAHER. Will the Senator yield for a question and a comment?

Mr. WALSH. I yield.

Mr. DANAHER. Quite the contrary to the last observation of the distinguished chairman of the Committee on Naval Affairs and the chairman of the subcommittee, it seems to me we should not open the door for the writing of contracts at excessive amounts, thus furnishing a basis for the heads of the departments to say that they need $100,000,000 for this item, or $100,000,000 for some other item, and then go back to their offices and after renegotiating their own contracts, withhold $20,000,000 here and withhold $20,000,000 there, and thus accumulate a fund which, beyond the control of Congress, is subject to their disposition. Quite contrary to the conclusion voiced by the Senator from Massachusetts, I disagree.

As recently as within the past week I was talking with a contractor who told me that the Navy Department had wanted him to take a contract to be executed a year and a half hence, even though he could not know what his costs were to be in 6 months, much less in a year or year and a half. Obviously, contracts involving large sums of money are not going to be written on such a basis.

I submit that when we are having so much trouble in raising funds to meet appropriations by the very bill now pending, we should not encourage the writing of contracts for excessive amounts, subject to various departments negotiating and withholding balances subject to their approval. I asked the Senator if he would yield for a question and a comment, and he graciously yielded. This was my comment.

Mr. WALSH. I really believe, I may say to the Senator from Connecticut, that it will be an inducement and an incentive to the Army, the Navy, the Maritime Commission, and the Treasury, to make a good record on recovery of excessive profits, and the inducement to do so will be stronger when such recovery is credited to the accounts of those

departments, rather than covered into the Public Treasury.

I thank the Senator for his observation.

Mr. McKELLAR. Mr. President, I wish to comment on what has been said by the Senator from Connecticut.

Mr. DANAHER. I should like to have the Senator do so.

Mr. McKELLAR. From the proof, or the testimony which was presented before the subcommittee, it appears that where money is collected on a contract and is repaid, on the department's own motion that money is immediately covered into the Treasury. However, where the contract is still in force, and payments are being made under it, and what appear to be excessive amounts are withheld, under those circumstances the Department merely makes the changes on its books, and the appropriation is still in its hands.

There are two categories. When the money is actually collected it is covered into the Treasury by the department under the present law. When it is withheld, and the contract is continuing on the basis of a lower price, a contract, for instance, for machine guns, and for quite a large number of them, then the Government simply gets more machine guns for the money which has already been appropriated for that purpose.

Mr. WALSH. Mr. President, is it not conceivable that if a payment is made back before the contract is completed, the Government may require payment to the contractor for extras of one kind or another and use the money for such purpose?

Mr. McKELLAR. That may be. We have appropriated very large lump sums, but under any circumstances accounting must be made of every cent of this money, and the savings resulting from renegotiation of contracts have been tremendously large, as probably the Senator knows.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. DANAHER. Let me recall to the Senator from Tennessee that in about the middle of February, I think it was, on this floor, when the Senator from Tennessee had charge of an appropriation bill, the Senator from Wisconsin [Mr. LA FOLLETTE] asked him about the items in the bill. I remember that we had come down to a certain part of the hearings, and we saw that what had taken place at that point was off the record. Then we would read along a little bit further in the hearings, and an item of $500,000,000, more or less, would be under consideration, but when it came to a break-down, in an endeavor to find out what the money was for, the discussion was off the record.

Mr. President, the Senator from Wisconsin brought out that as of June 30, 1941, practically $53,000,000,000, as I remember, had been appropriated, but would be unexpended as of that date. Presumably, by June 30 of the coming year, we are going to have approximately $160,000,000,000 appropriated but unexpended.

Mr. President, these departments come here and justify their need for these appropriations, and say that 1 desk costs $25, and 1 gun mount costs $10,000, and 1 cruiser costs $5,000,000. We appropriate, on the recommendation of our committees, in accordance with some such schedule, and then these departments in turn simply go out and renegotiate contracts, which presumably were entered into on the basis of the appropriation we gave them, in accordance with the items that they explained. Then, out of the amounts so withheld the departments create an enormous revolving fund within their own departments, so that they do not even come back here to the Congress and ask us to reappropriate for them. Mr. President, it does seem to me that if the renegotiation were actually to do what it should do, the amounts so withheld should be recovered into the Treasury as miscellaneous receipts, just as amounts which are recaptured are today. I make the observation in the light of the comment made by the Senator from Tennessee. I thank the Senator from Massachusetts.

Mr. GERRY. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. GERRY. As I understand the situation, if the Navy Department finds that it can obtain a saving of a certain amount of money by means of renegotiation of contracts entered into by it, the money so saved is kept in the particular fund for which it had originally been appropriated.

Mr. WALSH. The Navy Department keeps it and credits it to the appropriation for a particular project.

Mr. GERRY. Is it credited to that appropriation solely?

Mr. WALSH. Yes.

Mr. GERRY. The money cannot be used in connection with any other appropriation?

Mr. WALSH. No. The money that is paid back is paid through a revision of the contract, and it is a deduction from the contract. It comes back as the result of a change in the contract. That is all it amounts to. The money is brought back into the Department and credited as not being expended and the contract costs less than it would otherwise. It is as if the contract cost was originally the amount freed after negotiating.

Mr. GERRY. Mr. President, we have had this question up for consideration in the Committee on Naval Affairs. The Navy Department has asked for appropriations, but instead of asking for specific sums, has asked for a lump-sum appropriation, and then they have requested in addition as much more as they think necessary, which means that they have an unlimited appropriation. I think the committee feels that that is not a wise way to make such authorizations or appropriations. We are simply piling up and adding to the huge appropriations when we allow these amounts recovered through negotiation of contracts to remain in the Department.

Mr. WALSH. That is true with every authorization.

The representatives from the Departments come before the Military Affairs Committee and the Naval Affairs Committee and ask for practically unlimited authority. The Appropriations Committees specify the amounts for each project or undertaking.

Mr. GERRY. The money saved goes to the same project. It simply means that more money is added to the amount originally asked for and received under the appropriation.

Mr. WALSH. I understand the Senator's position. We can meet the issue by asking the Departments to come and present the request item by item, but if any objection is made, they will very quickly tell us, as they have told us, that we are impeding the operation of the war. I agree with the Senator that the situation is regrettable and unfortunate, but it is the situation we are in. Congress is authorizing and appropriating money right and left without any check. Speed and production expansions seem to necessitate it.

Mr. GERRY. When Congress grants certain specified sums for certain purposes we have a different situation from the granting of an unlimited amount, which has sometimes been done, and which we are now trying to stop.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. CLARK of Missouri. As a member of the subcommittee of which the Senator from Massachusetts is the distinguished chairman, I should like very briefly to state my position about this whole series of amendments. I am going to vote for these amendments, and I acquiesced in them in the subcommittee, for the reason that I think they are desirable as a stopgap. I think they do improve the present system of renegotiation, and I believe that that is all that can be done in time to be considered upon this revenue bill without unduly delaying its speedy passage, which we, of course, recognize is imperative.

Let me say that I thoroughly agree with what the Senator from Rhode Island has said. This renegotiation system to my mind is being used as a device, a method of whipping the devil around the stump, to give the War Department, the Navy Department, and the Maritime Commission control over the funds saved, instead of having them returned to the Treasury, to be used as a part of the general revenue, in which case Congress would have control of them.

I wish to ask the Senator from Massachusetts if I am correct in understanding that the subcommittee and the full committee understand that these amendments are simply a stopgap to make a more efficient and more equitable working of the present renegotiation system, but are not intended or expected to conclude the question; that, in other words, it would be the intention of the committee to go forward with a study of the whole subject, including the proposal of the Senator from Georgia, the chairman of the Finance Committee, and other proposals, for substitutes for the renegotiation system, with the expectation at some future time, in as near a future as possible, to bring in a report which will represent the best thought that the committee is able to give to the whole subject of negotiation or substi-

tutes for negotiation? Does that correctly state the situation?

Mr. WALSH. Yes, Mr. President; the Senator from Missouri has correctly stated the attitude of the committee. The Senator will also recall that Assistant Secretary Patterson said he did not want to go on record as approving the law. We have not gone on record as approving the law. We have an open mind, as the Senator has, as to whether it ought to be ultimately repealed. But it is here, and its administration is being impeded, and these amendments are simply of a perfecting nature, so long as the present statute remains unchanged.

Mr. CLARK of Missouri. It is the best that can be done without unduly delaying the passage of this very important revenue bill.

Mr. WALSH. Yes.

Mr. MALONEY and Mr. LA FOLLETTE addressed the Chair.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. WALSH]. All in favor——

Mr. LA FOLLETTE. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. LA FOLLETTE. I make the point of order that the Senator from Massachusetts cannot retain the floor while the Chair passes the amendment. I desire to be heard on the amendment before the Chair railroads it through.

The PRESIDING OFFICER. The Chair will give the Senator from Wisconsin an opportunity to be heard when the Chair recognizes the Senator. The Senator from Massachusetts has the floor.

Mr. LA FOLLETTE. The Senator from Massachusetts sat down.

Mr. MALONEY. Mr. President, I wish to make an inquiry of the Senator from Massachusetts.

Mr. LA FOLLETTE. I make the point of order, Mr. President, that no Senator can hold the floor while action is being taken on the amendment.

The PRESIDING OFFICER. Such procedure has taken place all during the afternoon, and no Senator has made objection.

Mr. LA FOLLETTE. I make objection now.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield; and if so, to whom?

Mr. WALSH. I yield to the Senator from Connecticut [Mr. MALONEY].

Mr. MALONEY. Mr. President, I wish to make a brief inquiry. The Senator from Missouri has just asked that it be made clear that what transpires in connection with these amendments is not to be regarded as conclusive. I should like to do somewhat the same thing in another direction. As I understood the Senator from Massachusetts [Mr. WALSH], the chairman of the subcommittee, he said in reply to the Senator from Rhode Island [Mr. GERRY], that unexpended moneys remained in the same category as the original appropriation. In other words, as the result of a renegotiation of a battleship contract, moneys returned went into a so-called battleship appropriation. Did I correctly understand the Senator?

Mr. WALSH. Yes.

Mr. MALONEY. Is that true all down the line, and that, as a result of a renegotiation of a contract or contracts, money saved on the purchase of guns in one instance, or ammunition in another, will go back into the appropriation for guns or ammunition?

Mr. WALSH. If it is detected and received before the contract price is paid.

Mr. MALONEY. All I want to know is what happens to money so saved. Do I understand that it remains in the jurisdiction of the Navy? What can the Navy do with that money? Let us take the instance of a battleship.

Mr. WALSH. They cannot do anything with the money without further action of the Congress, except to spend it for the purpose it was appropriated for.

Mr. MALONEY. That money stays there until they are authorized to build another battleship?

Mr. WALSH. When they come before the Appropriations Committee they will say, "We have these unexpended balances," and ask to be permitted to spend them for some other purpose.

Mr. MALONEY. That is just the point that the Senator from Connecticut is trying to make. Then let us serve this notice on the Navy and the Army and the Maritime Commission, through the statement just made by the able Senator from Massachusetts, that they must come back to Congress before that money can be used.

Mr. WALSH. Is not that their practice?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. BARKLEY. I should like for the Senator to have in mind this situation. Unexpended balances are credited and taken account of in appropriation bills. When departments ask for new appropriations they are given credit for whatever unexpended balances are on hand. That is usually at the end of the fiscal year. When specific appropriations have been made by Congress for battleships, or any other category of defense, such appropriations may remain unexpended until the fiscal year expires, or, if they extend beyond the end of the fiscal year, until the term expires. But when a contract is made, and before the contract is completed, and before any money is paid out of the Treasury from the appropriation which Congress has made, the contract is renegotiated, so that part of the contract money will never be paid out on that particular contract; it is not expended, and it remains in the fund. It does not have to go back to any fund. It has never been taken out of any fund. It has never been expended. During the term for which the appropriation was made it would remain within the control of the department as if there had been no contract made for the particular thing upon which there was renegotiation; but at the end of the fiscal year, when the department comes to Congress for new appropriations, whatever is left must be regarded as unexpended balances, and must be reappropriated.

Mr. MALONEY. Mr. President, that is not my understanding, and I respectfully suggest that the able majority leader is in error on that point.

Mr. BARKLEY. I do not wish to get into a debate on it, but the situation is perfectly obvious to me. Take an appropriation which runs for a year. A contract is made within a month, and at the end of 2 months or 3 months the contract is renegotiated and the price scaled down. The difference between the original contract price and the new contract price is a saving. It has not been paid out. It is still in the appropriation which Congress has made, and is available until the term of that appropriation has expired. The department does not have to come back to Congress and ask Congress to reappropriate the money which has not even been expended. But when the money has been paid out, if a contract is renegotiated and the contractor must pay money back into the Treasury, of course, it goes into the general fund and must be reappropriated.

Mr. MALONEY. That is the point I wished to make.

Mr. BARKLEY. In the case of renegotiation, there is a difference between funds paid out and funds which are not paid out. When funds are paid out in cash and the contractor receives them and they are turned back under a renegotiated contract, they must be reappropriated by Congress before they may be expended.

Mr. MALONEY. Let us be sure that the record is clear. The able chairman of the subcommittee has heard the observations and statements of the Senator from Kentucky. Does he agree with those statements? Is it true that the money recaptured, which has been paid out, goes back into the general fund?

Mr. WALSH. Yes; recaptured money goes directly to the Treasury.

Mr. MALONEY. If the Senator will yield to me once more, I will try, in one sentence, to get across what I have in mind, in A, B, C language.

If, as a result of renegotiation, the Army recaptures $10,000,000 on a gun contract, I now understand that that money may not be expended, even for guns, until the end of the year, when the Appropriations Committee authorizes the expenditure after further consideration. Is that correct?

Mr. WALSH. Money recaptured through renegotiation goes into the Public Treasury. Not so, however, with the money deducted from the amount of the contract before it is completed.

Mr. BARKLEY. If by "recapture" the Senator means getting back money which has gone out of the Treasury——

Mr. MALONEY. I mean in either instance, whether the money has gone out or not. If a department saves $1,000,000 or $10,000,000 on a contract for guns, is it permitted to spend that money next week for gas masks without the approval of Congress?

Mr. BARKLEY. If the appropriation were for guns, the money could not be expended for gas masks. The department could not do that even if there had never been a contract. It could not swap the

money from one fund to another if Congress had earmarked the funds for a definite purpose.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. MALONEY. I do not have the floor.

Mr. WALSH. I yield.

Mr. CLARK of Missouri. I merely wish to call attention to the fact that under the present practice Congress does not earmark sums as it formerly did—so many million dollars for 3-inch guns, so much money for 6-inch guns, and so much for machine guns. We have fallen into the habit of making general appropriations for ordnance, aircraft, and so forth, by categories. That being so, according to the theory of the Senator from Kentucky, if the money had originally been appropriated for machine guns, the department could use it for artillery, tanks, or anything else.

Mr. BARKLEY. I made no such statement as that. What I said was quite the contrary.

Mr. CLARK of Missouri. The Senator stated, however——

The PRESIDING OFFICER. The Senator from Massachusetts has the floor. Does the Senator from Massachusetts yield, and if so, to whom?

Mr. WALSH. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. The Senator from Kentucky stated that the Department could use the funds within the item of appropriation. We do not appropriate by items. We appropriate in general classifications, such as ordnance, and so forth.

Mr. BARKLEY. When the Congress earmarks money for any particular object, it may not be transferred to something else, whether it be money saved as the result of renegotiation or not.

Mr. MALONEY and Mr. TYDINGS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield, and if so, to whom?

Mr. WALSH. I yield to the Senator from Connecticut.

Mr. MALONEY. I wish to make clear that while the Senator from Missouri is correct about blanket appropriations and authorizations, there is furnished to the committee a break-down as to how the money is to be expended. I clearly understand that it is not in the law, and that is the reason for this colloquy. I should like to know if in the opinion of the Senator from Massachusetts the Army or the Navy is bound by the items furnished to the Appropriations Committee so far as recaptured money is concerned?

Mr. TYDINGS. Mr. President, will the Senator from Massachusetts yield to me?

Mr. WALSH. Let me answer the question, if I can. All this colloquy is of importance only on one issue. The issue is, Should the money saved as a result of renegotiation of any contract go to the department which discovers the excessive profits in its own contracts, or should it go into the Public Treasury?

It is clear that if the contract is finished and completed, and there is a recapture by the Government of the excess profits, the money goes to the Public Treasury; but while the contract is being carried on, and the Government has the money, if a contract is renegotiated the money which the Government department saves as a result of the renegotiation is credited to the contract price of the contracting department.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. TYDINGS. What the Senator from Connecticut says is true, namely, that the Appropriations Committee has a break-down under the heading of ordnance, artillery, machine guns, anti-aircraft guns, and so forth, for which the lump sum is appropriated and is to be expended. The only reason the details are not put in the appropriation bill during the present emergency is that they would give information to the enemy as to exactly the complexion of the armament, and so forth, which the Government has in mind. That is the only reason why appropriations are made in general categories. Appropriations are made in general classifications, such as ordnance, pay of the Army, camp sites, or other general terms which do not disclose the specific purposes and the break-down of the sum. So if there is a saving in ordnance, the money must be kept for ordnance, and may not be used for something else.

Mr. MALONEY and Mr. DANAHER addressed the chair.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield, and if so, to whom?

Mr. WALSH. I wish to finish the discussion if possible. I do not wish to cut off any inquiries. I yield further to the senior Senator from Connecticut.

Mr. MALONEY. I assume the Senator from Massachusetts is yielding the floor. In that case I should like to have the floor for just a moment.

Mr. WALSH. I yield the floor.

Mr. MALONEY. Mr. President, this late in the day, when Senators are anxious to get away, I do not care to press any Senator to yield to me. I have less desire, perhaps, than some others to delay the bill. I think it is of tremendous importance to the Senate and to the Congress that we complete consideration of the bill this week.

In that connection, however, let me say that for the first time since I have been a Member of Congress I shall vote for a tax bill with considerable regret and a great deal of doubt. I shall vote for it because we are engaged in war, and because I know that the money must be raised as well as spent.

Under those circumstances I think it would be terribly unfair for a Senator to refrain from voting for an all-important tax bill because he feels that parts of it are exceedingly unfair. I think that in some instances it is an unfair bill. I must couple with that observation a statement of my feeling of personal satisfaction in the great effort of the extremely able and distinguished Senator from Georgia [Mr. GEORGE], chairman of the Finance Committee, and of my appreciation of the effort of the Finance Committee. It is not easy to write a tax bill under any circumstances; and it is a particularly difficult assignment in such trying times as we now experience. But Senators, we should not forget the subject of this colloquy because of our desire to pass the tax bill today. I hope that the committees concerned—and I am a member of at least one or two of them which are concerned—will give further very serious consideration to our loose practices on the matter of expenditures. My colleague [Mr. DANAHER] raised this question in an earlier colloquy with the Senator from Massachusetts.

I wish to have the record show that I do not agree with what I understand are the present practices, nor with what I understand is the view of the distinguished Senator from Massachusetts. I do not believe that because the Army saves $1,000,000 or $5,000,000 in the renegotiation of contracts for the purchase of guns, that the Army ought to be permitted to spend the $1,000,000, or the $5,000,000, or whatever sum it saves, as it pleases. I think that is entirely wrong; and I think that one day in the not too-distant future we shall find ourselves in a financial confusion which we cannot now visualize.

I shall not delay passage of the bill; but I am in disagreement, and I make this rather brief and perhaps insufficient explanation of my views.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. DANAHER. Let me confirm the splendid expression which the Senate has just heard from my colleague by reading to him from the very law, Public, 528, in which the renegotiation clause first appeared. I read from title I, with reference to the War Department:

> And such appropriations heretofore and herein made shall remain available until June 30, 1943—

And remember that it was the deficiency appropriation bill—

> for the purposes of such appropriation and for carrying out the provisions of Executive Order No. 9112, of March 26, 1942, including obligations chargeable against appropriations for the Military Establishment for the respective purposes of such appropriations for the fiscal years 1940 and 1941—

And so on. So, it is perfectly apparent that amounts so withheld within the meaning of the renegotiation statute may be expended for any purpose within the original outline of the appropriation bill, just as my colleague has pointed out.

Mr. MALONEY. Mr. President, let me say briefly in conclusion that every Member of the Senate knows that in the last 2 months the Congress has fallen—justifiably or not—into ill repute. The present instance is one in which we can act, and, in my judgment, without impeding the progress of the war. I am as anxious as anyone can be to support a program, if we can have a program. Regardless of how much it may hurt any individual group or so-called bloc, if it best serves the entire country and the war effort, I will support—and I assume that the majority of the other Members of the Senate are anxious to support—any well-established program. In my judgment, it has not been at all the fault of Congress that we have been without such a program, particularly a program relating to finances.

However, in the present instance relating to the direction as to the expenditure of money, we are responsible; and I think we should without too much delay attempt to establish a program ourselves, a program for which Congress is responsible.

Mr. LA FOLLETTE. Mr. President, I shall not delay the Senate very long, but I am a member of the subcommittee, and I do desire to say a few words about the matter. I think the question of profits in connection with war contracts is one of the most vital and important questions which is presented to Congress and to the executive branch of the Government for solution in connection with this war; because if there is one thing which more than any other could affect adversely the morale of the people, it would be to have unconscionable profits made out of the hundreds of billions of dollars that are being spent in this war.

Unfortunately, in connection with this measure it was not possible, despite the very able leadership of the Senator from Massachusetts [Mr. WALSH], who was chairman of the subcommittee, and of the other members of the subcommittee, to give to the problem the time and the consideration which its importance merits. I believe that, insofar as it goes, the amendment helps to clarify and to make more certain the policy under the renegotiation of contracts statute. I do not want my acquiescence in the adoption of the amendment to indicate that I think we have solved the problem. I do not think we have; and it is my fervent hope that the subcommittee or some other committee of the Congress will take the responsibility of studying the question and studying the proposal of the Senator from Georgia in order that we may very soon come to a more considered and a better worked out solution of this very important problem.

Mr. DANAHER. Mr. President, I offer the amendment, which I send to the desk and ask to have read.

The PRESIDING OFFICER. The amendment offered by the Senator from Connecticut will be stated.

The CHIEF CLERK. In the amendment of the Senator from Massachusetts, on page 6, in line 8, after the word "money", it is proposed to insert "withheld or."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut to the amendment of the Senator from Massachusetts.

Mr. WALSH. Mr. President, I must oppose the amendment. The amendment which I have offered was presented with the understanding that it was agreeable to all parties interested, although, of course, that does not necessarily require that the Senator from Connecticut or other Senators agree to it. All the departments of the Government and the lawyers representing contractors agreed word for word and line for line to the amendment as prepared. From the very beginning it was understood that the whole question could not be debated and discussed at this time, and that if an attempt were made to do so no action would be taken. As has been said by the Senator from Missouri and the Senator from Wisconsin, the measure is only a temporary one, only for the purpose of temporarily permitting the administration of the law in a more satisfactory manner. It would not be approval of the law; but everyone agrees that the amendment would be beneficial.

I am sorry that I cannot agree to the changes proposed to be made in the amendment.

The amendment proposed by the Senator from Connecticut, as I understand it, amounts to this: If the Army, the Navy, or the Marine Corps find excess profits to have been made under their contracts, the money thus found to be excessive profits must go into the Public Treasury. In my opinion and in the opinion of the departments, such money is money under their contracts; and when they ascertain that money has been spent wrongly or fraudulently, it is just as if it had not been spent at all; it is just as if it had not left their hands.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. CONNALLY. If a department contracts for 1,000 pairs of shoes at $5 a pair, and if it subsequently finds out that the price should have been only $4 a pair, the department simply keeps the money in the amount of $1 for each pair of shoes, just as if it had not spent it at all; is that correct?

Mr. WALSH. That is correct. The contract is simply changed, just as it would be if a mistake had been made.

Under the theory of the Senator from Connecticut, if a mistake were made, whatever money was covered by the mistake would have to go back into the Public Treasury, not back to the department concerned.

Mr. BARKLEY. Mr. President, I do not wish to prolong the debate on this matter, but I should like to comment on one point because it is necessary to understand what the language means.

During one of the meetings of the subcommittee—and I endeavored to attend all the meetings—the following question was asked of the Senator from Massachusetts [Mr. WALSH] by Mr. Kenney, a representative of the Navy Department, I think, and also of Mr. Karker, Chairman of the Price Adjustment Board of the War Department:

> Senator WALSH. If the renegotiation takes place before the contract is closed, the money goes to the Army, if it is an Army contract, and if the negotiation takes place when the contract is closed and finished and there is a repayment, it goes to the Treasury; isn't that right?
>
> Senator VANDENBERG. In most instances, there isn't a repayment, there is just a reduction in the price; isn't that the situation?
>
> Mr. MAURICE H. KARKER (Chairman, Price Adjustment Board, War Department). That is true, but any recapture for past periods of an excess profit is recovered in the Treasury as miscellaneous receipts. That reduction is on future delivery.

Then Mr. Eichholz said:

> Any time money is paid back under section 403 it goes into the Treasury.

That is, if it has been paid out, and subsequently is paid back under a renegotiation.

> It is simply where there is a reduction in contract price which is applicable to future payments that there is nothing to pay back into the Treasury.

In that case it remains as a part of the appropriation to the Department.

Mr. DANAHER. Mr. President, I shall detain the Senate but a moment; but I desire to point out that when the Army or the Navy comes to Congress and says, "We need 10,000 machine guns, to cost $50 a piece, and will you appropriate $500,000 for them?" we say, "Yes"; and so the authorization is granted, and subsequently the appropriation is made. When the representative of the Department gives out the contract, he says, "Take this contract for $500,000."

Who wrote the contract with Jack and Heintz? Who wrote the contracts under which bonuses of $440,000 a year were awarded to executives who only had to come downtown and have some Navy officer force a contract upon them? These very departments.

Of course, under the provisions for renegotiation of contracts resulting in excess profits, the funds are not paid out under the contracts, but are simply withheld; but if the departments had come to us and had told us what they needed, the result would be that they would be able to retain the balance they withheld from the contractor, and that would automatically increase their appropriation; and as a result, today they can spend such money for more shoes, if we want to use the illustration given by the Senator from Texas, or to pay for more machine guns, or for anything at all, without coming back to Congress.

I notice that a requested $15,000,000,000 additional appropriation for the Navy Department is to come up in a day or two. That is the sort of thing involved here, even under the items being considered on this floor. It seems to me that if any excess profits accrue as the result of contracts between any of the departments and contractors, and if the departments renegotiate the contracts and withhold certain amounts from the contractors, the amounts so held back should go into the Treasury of the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut to the amendment of the Senator from Massachusetts.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. GEORGE. Mr. President, I offer an amendment, which I send to the desk and ask to have stated. It is an amendment to change one date.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 402, in the amendment after line 2, it is proposed to strike out "1940" and insert "1939."

The PRESIDING OFFICER. The Chair understands that the amendment proposed by the Senator from Georgia is to an amendment heretofore agreed to. Without objection, the vote by which the amendment was agreed to is reconsidered. The question is on agreeing to the amendment of the Senator from Georgia to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. GEORGE. Mr. President, I send to the desk a request for unanimous consent, which I ask to have stated.

The PRESIDING OFFICER. The request will be stated.

The Chief Clerk read as follows:

I ask unanimous consent that—

(1) The bill be printed with the Senate amendments numbered.

(2) That in the engrossment of the amendments of the Senate to the bill the Secretary of the Senate be authorized to make such changes in section, subsection, paragraph, etc., numbers and letters and cross references thereto as may be necessary to the proper numbering and lettering of the bill.

(3) That the Secretary of the Senate make proper amendments to the table of contents to make the table conform to the bill and that all changes in the table of contents be treated as one amendment.

The PRESIDING OFFICER. Is there objection to the request submitted by the Senator from Georgia? The Chair hears none, and it is so ordered.

Mr. GEORGE. Mr. President, I have no further amendments to offer.

Mr. BARKLEY. Mr. President, in the debate yesterday, in which I took part, I made the statement that I had no recollection of having received notice of a meeting of the Joint Committee on Internal Revenue Taxation. I have a letter from the Honorable ROBERT L. DOUGHTON, chairman of the Joint Committee on Internal Revenue Taxation, reminding me that I had received notice of one or two meetings of the joint committee, and that I was unable to attend. I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
Washington, October 10, 1942.

HON. ALBEN W. BARKLEY,
United States Senate,
Washington, D. C.

DEAR SENATOR BARKLEY: I have noticed in the CONGRESSIONAL RECORD of October 9, 1942, that you stated it as your recollection that you had never attended a meeting of the Joint Committee on Internal Revenue Taxation, or received a notice of such a meeting. While our duties with respect to tax legislation before the Congress has prevented as many meetings as we would like to have, we have held several meetings, and I am advised that written letters of notice were mailed to you and that these notices were followed up with telephone calls to your office on the days of such meetings.

While I have no doubt your recollection is as stated, I would like, for the sake of the record, to call your attention to some of these meetings.

I am advised that the files of the joint committee indicate as follows:

On March 9, 1934, before you were a member of the joint committee, you are recorded as attending a meeting in the Senate Military Affairs Committee room at which Secretary Morgenthau and Dr. Magill discussed certain questions of policy, particularly with reference to the allowance of losses in the J. P. Morgan partnership case. After you became a member, and after the decease of Senator Harrison, on September 29, 1941, you are recorded as attending a meeting in the Ways and Means Committee room in the Capitol, at which certain refunds were discussed. A meeting was held on March 3, 1942, to discuss refunds and other matters, and your office, according to our records, reported that you were absent from Washington. A copy of a letter mailed to you notifying you of this meeting is attached. On May 28, 1942, an executive session of the committee was held on request of Secretary Morgenthau at 8 p. m. in the Ways and Means Committee Room, New House Office Building, and Senator GEORGE stated at the time you could not attend.

I know how pressing your duties are, and that you would not for the world convey a wrong impression. It occurred to me that if our records are inaccurate they should be corrected; and that calling your attention to them may recall to your recollection the indicated facts. I have been assured by the Chief of Staff that written notices are mailed to every member of the committee as far in advance of each meeting as possible, and that these are followed up by telephone reminders on the day before the meeting, and on the day of the meeting, so that members may have as much notice as possible.

I am sure you will realize that I am writing you with reference to this matter solely in fairness to the record. It is true that we have had but three formal meetings since you became a member in 1941, but as a matter of fact the members of the joint committee are the ranking members from the majority and the minority on the Committee on Finance and the Committee on Ways and Means. Tax legislation has been almost constantly before us for the past 2 or 3 years and the staff meets with and serves the Committee on Finance and the Committee on Ways and Means at all times. This means that independent investigations and reports, such as the joint committee formerly made frequently, could not be carried on on account of the pressure of tax legislation immediately before us. I hope that the joint committee will have more opportunity in the future to function as a committee and feel that it would help tremendously in the preparation of matters that have to come before the Committee on Ways and Means and the Committee on Finance for legislation.

With every assurance of my profound esteem, I am,

Yours sincerely,
ROBERT L. DOUGHTON,
Chairman, Joint Committee on Internal Revenue Taxation.

Mr. O'MAHONEY subsequently said: Mr. President, if it had been practicable to do so I should have offered, as a substitute for the Victory tax, the amendment which I presented last night and had printed. The circumstances which developed during the day made it clear that that was altogether beyond the possibility of accomplishment. However, I ask unanimous consent that the amendment may be printed at length in the RECORD at the conclusion of the debate.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. O'MAHONEY to the bill (H. R. 7378) to provide revenue, and for other purposes, viz: At the proper place insert the following:

"SEC. 174. Temporary spendings tax on individuals.

"(a) The Internal Revenue Code is amended by inserting at the end of chapter 1 the following new subchapter:

"'SUBCHAPTER D—SPENDINGS TAX ON INDIVIDUALS

"'PART I—NORMAL TAX

"'SEC. 450. Imposition of tax.

"'There shall be levied, collected, and paid for each taxable year beginning after December 31, 1942, upon the spendings of every individual (other than a nonresident alien subject to the tax imposed by section 211 (a)) a normal spendings tax of 10 percent of the excess of spendings over the credit provided in section 452.

"'SEC. 451. Spendings.

"'(a) Definition: The term "spendings," as used in this subchapter, means funds at the disposal of the individual, as defined in subsection (b), less the sum of the deductions allowed in subsection (c).

"'(b) Funds at the disposal of the individual: The term "funds at the disposal of the individual" includes the sum of the following items:

"'(1) Cash receipts which are includible in gross income as defined in section 22;

"'(2) Interest upon obligations issued by (A) the United States, or any agency or instrumentality thereof; or (B) a State, Territory, or possession of the United States, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing;

"'(3) Amounts received under a life insurance or endowment contract, and amounts received as an annuity under an annuity or endowment contract;

"'(4) Cash receipts acquired by gift, bequest, devise, or inheritance.

"'(5) Cash receipts from the repayment of loans made by the taxpayer.

"'(6) Receipts from debts incurred by the taxpayer.

"'(7) Cash on hand and moneys on deposit on the first day of the taxable year.

"'(c) Deductions: The following deductions shall be allowed in computing "spendings":

"'(1) Business expenses, etc.: Cash expenditures allowable as a deduction by section 23 (a) (1) and (2).

"'(2) Interest: Interest paid, allowable as a deduction by section 23 (b), except interest paid on an indebtedness incurred in connection with the purchase of a dwelling occupied by the taxpayer.

"'(3) Taxes: Cash expenditures allowable as a deduction by section 23 (c), except taxes paid in connection with a dwelling occupied by the taxpayer.

"'(4) Alimony: Cash expenditures allowable under section 23 (u).

"'(5) Cash, etc.: Cash on hand and moneys on deposit on the last day of the taxable year.

"'(6) Gifts: Cash gifts and contributions.

"'(7) Life-insurance premiums: The amount paid by the taxpayer during the taxable year as premiums on a life insurance, endowment or annuity contract.

"'(8) Repayment of debt: Cash outlays for the repayment of indebtedness.

"'(9) Loans: Sum loaned to others.

"'(10) Capital assets: Cash expenditures on the purchase of capital assets. For the purposes of this paragraph, capital assets shall include a dwelling purchased for occupancy by the taxpayer.

"'(11) Medical expenses: Cash expenditures allowable as a deduction under section 23 (x).

"'(12) Fines and penalties: Cash expenditures incurred for fines and penalties.

"'(13) Rent: Rents paid by the taxpayer for quarters actually occupied as a home.

"'(14) Expenditures for personal services: Wages and other amounts paid for personal services.

"'SEC. 452. Credits for spendings normal tax.

"'There shall be allowed for the purpose of the spendings normal tax the following credits against spendings:

"'(1) Personal exemption: In the case of a single person or a married person not living with husband or wife, a personal exemption of $500; or in the case of the head of a family or a married person living with husband or wife, a personal exemption of $1,000. A husband and wife living together shall receive but one personal exemption. The amount of such personal exemption shall be $1,000. If such husband and wife make separate returns, the personal exemption may be taken by either or divided between them.

"'(2) Credit for dependents.—

"'(A) Allowance in general: $250 for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer if such dependent person is under 18 years of age or is incapable of self-support because mentally or physically defective.

"'(B) Exception for certain heads of families: If the taxpayer would not occupy the status of head of a family except by reason of there being one or more dependents for whom he would be entitled to credit under subparagraph (A), the credit under such subparagraph shall be disallowed with respect to one of such dependents.

"'(2) In the case of a married person living with husband or wife, or of the head of a family, $1,000, plus $250 for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer if such dependent person is under 18 years of age or is incapable of self-support because mentally or physically defective. If husband and wife make separate returns, the exemption may be taken by either or divided between them. If the taxpayer would not occupy the status of head of a family except by reason of there being one or more dependents for whom he would be entitled to credit under this paragraph the credit shall be disallowed with respect to one of such dependents.

"'SEC. 453. Refund of spendings tax.

"'As soon as practicable after date of cessation of hostilities in the present war, the Commissioner shall refund the tax imposed under section 450 in such manner and at such times as may be prescribed by regulations made by the Commissioner, with the approval of the Secretary.

"'PART 2—SURTAX

"'SEC. 454. Imposition of surtax.

"'There shall be levied, collected, and paid for each taxable year beginning after December 31, 1942, upon the surtax spendings of every individual (other than a nonresident alien subject to the tax imposed by section 211 (a)) the spendings surtax shown in the following table:

"'If the surtax spendings are:	The spendings surtax shall be:
Not over $1,000	10% of the surtax spendings.
Over $1,000 but not over $2,000	$100 plus 15% of the excess over $1,000.
Over $2,000 but not over $3,000	$250 plus 20% of the excess over $2,000.
Over $3,000 but not over $5,000	$450 plus 30% of the excess over $3,000.
Over $5,000 but not over $10,000	$1,050 plus 40% of the excess over $5,000.
Over $10,000	$3,050 plus 50% of the excess over $10,000.

"'In the case of an individual having one or more dependents or making a joint return with spouse, the spendings surtax shall be computed by (1) determining per capita surtax spendings, (2) computing the surtax on such per capita surtax spendings at the above rates, (3) multiplying the spendings surtax so computed by the number of persons used in determining per capita surtax spendings. Per capita surtax spendings shall be determined by dividing surtax spendings by a number of persons computed by counting a single person or each spouse as a person and each dependent as one-half a person.

"'SEC. 455. Surtax spendings.

"'Surtax spendings mean the amount of spendings, as defined in section 451, in excess of the credits provided in section 452.

"'PART 3—TENTATIVE SPENDING SURTAX

"'SEC. 456. Tentative return and tax.

"'(a) Requirement: Every individual subject to taxation under part 2 of this subchapter shall pay a tentative tax and file a tentative return on or before April 30, July 31, and October 31 of each calendar year for the first quarter of the calendar year, the second quarter of the calendar year, and the third quarter of the calendar year, respectively. Such return shall contain such information for the purpose of carrying out the provisions of this part as the Commissioner with the approval of the Secretary may by regulations prescribe.

"'(b) Computation of tentative tax: The tentative tax for each quarter shall be computed in the manner provided in sections 454, 455, 456, except that (1) the credits allowed by section 456 shall be one-fourth thereof and (2) there shall be substituted for the rates contained in section 454 the following rates:

"'If the surtax spendings are:	The spendings surtax shall be:
Not over $250	10% of the surtax spendings.
Over $250 but not over $500	$25 plus 15% of the excess over $250.
Over $500 but not over $750	$62.50 plus 20% of excess over $500.
Over $750 but not over $1,250	$112.50 plus 30% of excess over $750.
Over $1,250 but not over $2,500	$262.50 plus 40% of excess over $1,250.
Over $2,500	$762.50 plus 50% of excess over $2,500.

"'SEC. 457. Credits and refunds.

"'The amount of tentative spendings surtax paid for the first three quarters of the calendar year shall be allowed as a credit against the spendings surtax due for the entire calendar year under section 454. Where the tentative tax paid for the first three quarters of any calendar year exceeds the amount of spendings surtax for the entire calendar year, the excess shall be credited against any normal spendings or income tax or installment thereof then due from the taxpayer, and any balance shall be refunded immediately to the taxpayer.

"'(b) Effective date: The provisions of this section shall take effect on January 1, 1943.'"

Mr. WALSH subsequently said: Mr. President, yesterday I had an amendment to offer to the pending tax bill, but found that it was unnecessary. The amendment sought to define the time when a contract under the Vinson-Trammell law was complete for the purpose of applying the profit provisions of that law. The amendment sought to define the time of completion of the contract as the date on which final delivery and acceptance of the vessel or other article specified therein is made. The Treasury Department informs me that it has no intention of construing the time of completion other than as set forth in the amendment. Therefore I did not offer the amendment, but I ask that it be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. WALSH to the bill (H. R. 7378) to provide revenue, and for other purposes, viz: At the proper place insert the following:

"TITLE IX—AMENDMENT TO ACT SUSPENDING PROFIT-LIMITING PROVISIONS OF THE VINSON ACT

"Section 401 of the Second Revenue Act of 1940 is amended by adding at the end thereof the following new sentence: 'For the purposes of this section and section 3 of the act of March 27, 1934 (48 Stat. 505), as amended, and section 2 (b) of the act of June 28, 1940 (Public, No. 671, 76th Cong., 3d sess.) a contract or subcontract shall be deemed to be completed on the date on which final delivery and acceptance of the vessel or other article specified therein is made, or on the expiration of the original guaranty period, whichever is earlier.'"

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

Mr. BARKLEY. Mr. President, before the vote is taken on the pending measure, I desire to express my gratitude to the Senator from Georgia, the chairman of the Finance Committee, for the patience, courtesy, dignity, and statesmanship exhibited by him in presiding over the deliberations of the committee during the long and arduous sessions which have resulted in bringing the bill to the point of passage.

The Ways and Means Committee of the House spent several months in the consideration of the bill. It came to us in July, and the Finance Committee has been working every day since in its attempt to perfect the bill so as to be able to report it in such form as would reflect at least an intelligent consideration of the problem. There has never been a tax bill more difficult or more complicated, and, within my recollection, there has been no chairman of the Finance Committee who has conducted the hearings and deliberations of the committee with greater intelligence, fidelity, courage, and dignity than has the distinguished Senator from Georgia, who has had an eye single to the responsibilities which rested upon him. I wish to compliment him and the members of the committee for the work they have done. The bill is not satisfactory to any of us, but it is the best that could be brought out under the circumstances.

Mr. President, I desired to say this word about the Senator from Georgia before the vote was taken.

Mr. LA FOLLETTE. Mr. President, I wish to point out that this revenue bill has been disposed of more rapidly than any bill of which I have ever known in the history of the income tax. This is only the fifth day the measure has been actually before the Senate for consideration.

There has been a great deal of criticism because of lack of celerity on the part of Congress, and especially the Senate, in transacting business. I think it is worthy of note, however, that this very important

and very huge tax bill has been disposed of by the Senate in 5 legislative days after it was taken up for active consideration.

If the Senate will bear with me I should like to say a word about my own vote. I have never been in a more difficult position with myself on a vote in my entire legislative experience. In many respects the pending measure violates all the principles of taxation to which I adhere. Nevertheless, I have come to the conclusion that I must support it because the country is at war and for the further reason that, huge as the measure is, it falls far short of producing the revenue essential for the financing of the huge expenditures which are contemplated in the coming fiscal year. Therefore, when the roll is called, Mr. President, I shall cast my vote in favor of the bill, although, as the RECORD will show, I have opposed many of its features.

I ask unanimous consent to have inserted in the RECORD, as a part of my remarks, my individual views on the measure.

The PRESIDING OFFICER. Is there objection?

There being no objection, the views of Mr. LA FOLLETTE were ordered to be printed in the RECORD, as follows:

INDIVIDUAL VIEWS

There can be no denying the fact that an all-out war effort calls for an all-out tax program, one that goes to the limit of every taxpayer's ability to pay.

It is estimated that Federal expenditures for the current fiscal year will exceed $77,000,000,000. Present taxes are capable of producing only $17,000,000,000 net Federal revenue at existing business levels. Even with the additional revenue proposed in H. R. 7378, as amended by the Senate Finance Committee, it is not unreasonable to expect a deficit of $55,000,000,000 for this fiscal year which will have to be met by further borrowing. The public debt, which amounted to $72,000,000,000 on July 1, therefore promises to reach $127,000,000,000 by next July.

In the face of such astronomical Budget requirements it is absolutely imperative that tax revenues be increased in every way possible without impairing national health, morale, and fighting efficiency.

H. R. 7378 with amendments as reported by the Finance Committee commits a double offense against sound national policy in the present emergency:

1. It fails to raise a reasonable maximum of revenue which is available without undue sacrifice. It fails to plug the loopholes of the present law and tax sources of revenue now escaping through technicalities and special privileges. It fails to tax heavily enough certain classes of individual and corporate incomes well able to carry a heavier share of the tax burden, and it likewise fails to impose a proper share of the tax burden upon inheritances.

2. It places an unfair and dangerous share of the increased tax burden upon the lower-income groups, encroaching upon subsistence standards of living and in effect taxing bread out of people's mouths. It is in the Nation's interest to recognize that any tax which cuts into the necessary subsistence of a citizen or his family exceeds his capacity to pay taxes and undermines health and morale. The paramount importance of health and morale is recognized in providing for the men in the armed forces. It must also be recognized in protecting the men and women who fight the battles of production on the farm and in the factory.

ADDITIONAL REVENUE AVAILABLE

Joint return

Under the terms of existing law, husband and wife are allowed to report their respective incomes on separate returns and share their personal exemptions. Where the aggregate family surtax net income falls in any except the lowest surtax bracket, this divided return results in a lower rate of tax on the income, a gain for the taxpayer and a revenue loss to the Government.

The legal doctrine that prevails in the eight community-property States further extends this privilege by holding that the wife shares equally in the husband's income regardless of her actual earnings. This arrangement offers extensive opportunity for tax avoidance in these States through the use of divided returns.

In the common-law States a similar purpose is achieved so far as investment income is concerned, by dividing income-bearing property between husband and wife through gift and then reporting the income on separate returns.

Under present tax rates a family in a common-law State whose only breadwinner is the husband earning $10,000 net income, before personal exemption, would be subject to Federal income tax of $1,305. If the aggregate net income is the same, but the wife earns half of it and reports it on a separate tax return, the tax would be only $966. In a community-property State the tax would only be $966 whether the wife earned any of the income or not.

There is no justification for such discrepancies in the application of the Federal income tax to different families with equal ability to pay. The family is an economic unit, and its ability to pay can properly be based upon the aggregate net income of both husband and wife. The tax then should be assessed on the basis of a joint return, and the law should require the filing of joint returns.

Compulsory joint returns would increase Federal revenue about $300,000,000 annually.

TABLE 1

Net income of husband and wife (no dependents) before personal exemption	Amount of normal and surtax				Loss to Government from split return under existing rates	Loss to Government from split return under H. R. 7378
	Under present law		Under H. R. 7378			
	Separate returns income equally divided	Joint return	Separate returns income equally divided	Joint return		
$3,200	$157	$157	$361	$361	$0	$0
$3,300	167	167	379	382	0	3
$3,500	186	186	416	425	0	9
$3,600	195	199	434	446	3	12
$5,000	330	375	692	746	45	54
$10,000	966	1,305	1,788	2,152	339	364
$50,000	14,448	20,439	19,004	25,328	5,991	6,324
$100,000	41,764	52,704	51,052	64,060	10,940	13,008

Removal of tax exemption on State and local securities

There are approximately $20,000,000,000 of State and local securities outstanding bearing tax-exempt interest amounting to more than $700,000,000 annually. On June 30, 1941, $12,200,000,000 of these securities were held by tax-exempt institutions, but there is a noticeable tendency of such securities to gravitate toward individuals with large incomes subject to high tax rates at which they provide scandalous tax exemptions.

TABLE 2.—*State and local government securities as a percent of gross estate, by size classes of net estate, estate-tax returns filed in 1928–40*

Filing year	Net estate [1] (in thousands of dollars)				
	100 under 200	200 under 300	300 under 500	500 under 1,100 [2]	1,100 and over
	State and local government securities as percent of gross estate [3]				
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
1928	1.6	2.3	2.7	4.3	6.2
1929	1.6	1.8	2.2	4.5	6.0
1930	1.4	2.4	3.0	3.6	7.3
1931	1.9	2.5	4.2	4.8	9.2
1932	2.2	2.6	5.0	8.3	13.3
1933	2.9	5.1	6.6	11.2	21.9
1934	3.4	4.4	5.8	10.0	23.9
1935	3.6	5.7	6.7	11.0	14.4
1936	3.0	5.4	6.3	8.2	12.5
1937	3.1	5.3	5.7	9.2	11.4
1938	2.9	4.4	5.3	8.0	16.1
1939	3.2	4.4	7.1	11.6	22.7
1940	3.1	3.6	6.2	8.8	15.1

[1] Before specific exemption.
[2] Includes securities of Territories and insular possessions.
[3] Gross estate includes tax-exempt insurance.
Source: Compiled from Statistics of Income.

As income-tax rates increase, the importance of these tax-exempt securities as a means of tax avoidance for individuals in the upper income brackets will likewise increase. The revenue loss to the Government will accordingly become still greater if the exemption is allowed to continue.

It is evident that the State and local governments will gain no benefit from the continued exemption of the interest from these securities now outstanding. Whatever benefit may accrue from their enhanced value as sources of tax-exempt income will accrue to the present holders or future sellers.

A sound and just tax system should apply the ability-to-pay standard to the individual taxpayer regardless of the source of his income. There is ample legal foundation for discarding the exemption hitherto granted income from these securities.[1] With the urgent need for wartime revenue now present, the Federal Government cannot afford to lose any longer the $184,000,000 which the exemption is costing annually under present rates or the $225,000,000 which it would cost under the rates proposed in H. R. 7378.

Elimination of percentage depletion credit

The Revenue Act of 1913 provided that operators and owners of mines and oil and gas wells might deduct from their gross income the depletion of their natural assets in production, basing it either on invested cost or property value as of March 1, 1913, divided by the estimated reserves. Such a deduction, if computed on an investment basis, is comparable to the deduction of depreciation of capital equipment allowed the usual manufacturing enterprise. This allowance was limited to 5 percent of the gross income from the property, for the years 1913, 1914, and 1915. Thereafter, no such limitation was applied and depletion based on actual cost or March 1, 1913, value was allowed.

In 1918, however, the law was changed ostensibly for the purpose of encouraging new discovery and production of oil and minerals. Under the new law the calculation of depletion allowances on wells or mines discovered after March 1, 1913, could be computed on the basis of "discovery value," the

[1] See opinion of Assistant Attorney General Samuel O. Clark, Jr., addressed to Randolph E. Paul, April 14, 1942, reprinted in appendix of this report.

TABLE 3.—*Gross annual yields from a taxable security equivalent to specified yields from a wholly tax-exempt security* [1]

Net income from other sources [2]	Gross annual yield from a taxable security equivalent to a tax-exempt yield of—							
	2½ percent		3 percent		3½ percent		4 percent	
	1941 rates	Proposed rates [3]	1941 rates	Proposed rates [3]	1941 rates	Proposed rates [3]	1941 rates	Proposed rates [3]
$1,000	2.50	2.50	3.00	3.00	3.50	3.50	4.00	4.00
$2,500	2.77	3.09	3.32	3.70	3.87	4.32	4.42	4.94
$5,000	2.87	3.21	3.45	3.85	4.02	4.49	4.60	5.13
$10,000	3.33	3.79	4.00	4.55	4.67	5.30	5.33	6.06
$20,000	4.31	5.21	5.17	6.25	6.03	7.29	6.90	8.33
$50,000	6.10	8.06	7.32	9.68	8.54	11.29	9.76	12.90
$100,000	7.81	14.71	9.38	17.65	10.94	20.59	12.50	23.53
$500,000	10.42	20.83	12.50	25.00	14.58	29.17	16.67	33.33
$1,000,000	11.36	20.83	13.64	25.00	15.91	29.17	18.18	33.33

[1] It is assumed that both the taxable and the tax-exempt security are bought at par; and that the income from additional investments, if taxable, would not be large enough to become subject to a higher rate than that applicable to the first dollar of the additional income. The calculations apply to a married person with no dependents, and take into account variations in the personal exemption and earned income credit as well as in tax rates. The earned income credit is assumed to be unaffected by the additional taxable income except in those cases where by statutory definition all net income is deemed earned.
[2] Before personal exemption.
[3] On the basis of the Senate Finance Committee version of H. R. 7378, Victory tax excluded.

TABLE 4.—*Tax liability assuming interest from State and local government securities (a) tax-exempt and (b) taxable under present and proposed individual income-tax rates, for 25 selected individuals*

[In thousands of dollars]

Case	State and local interest	Taxable net income from other sources [1]	Total income	Present rates		Proposed rates [2]			
				Tax liability		Revenue loss from tax exemption	Tax liability		Revenue loss from tax exemption
				Interest exempt	Interest taxable		Interest exempt	Interest taxable	
1	221.9	601.9	823.8	424.2	595.7	171.5	504.4	699.6	195.3
2	236.2	207.9	444.1	126.4	301.2	174.8	157.0	364.9	207.9
3	269.4	148.9	409.3	87.0	276.8	189.8	103.2	334.9	228.6
4	220.9	1,337.5	1,558.4	999.2	1,181.6	182.4	1,151.1	1,354.3	203.2
5	226.9	1,081.0	1,307.9	796.8	975.8	179.2	925.3	1,125.0	199.7
6	215.0	147.8	362.8	83.6	241.8	158.0	105.4	294.0	188.6
7	349.5	144.2	493.7	82.6	330.6	257.0	101.1	407.9	305.8
8	820.7	835.6	1,656.3	605.0	1,251.6	646.6	710.0	1,432.2	722.2
9	162.7	249.8	412.5	158.1	279.2	121.1	194.5	337.7	143.2
10	351.7	275.1	626.8	175.9	442.7	266.8	216.2	525.7	309.5
11	330.7	373.6	704.3	249.9	503.0	253.1	303.5	594.5	291.0
12	773.0	765.1	1,538.1	549.4	1,157.7	608.3	647.4	1,327.6	680.2
13	668.7	305.9	974.6	198.6	712.8	514.2	243.3	831.7	588.4
14	817.4	288.9	1,106.3	186.6	817.2	630.6	229.0	948.2	719.3
15	394.6	376.6	771.2	250.7	553.2	302.5	304.7	651.9	347.3
16	296.5	603.0	899.5	423.2	653.0	229.8	503.7	764.6	260.9
17	404.3	160.1	564.4	94.8	395.3	300.5	116.0	471.4	355.4
18	316.3	915.1	1,231.4	666.8	915.8	249.0	780.0	1,058.3	278.3
19	313.4	278.7	592.1	179.2	416.6	237.4	220.0	495.7	275.8
20	356.5	135.4	491.9	75.1	336.9	261.8	94.8	407.6	312.8
21	1,063.7	4,321.4	5,405.1	3,380.3	4,251.3	871.0	3,776.9	4,730.6	953.7
22	172.6	170.7	343.3	102.2	227.2	125.0	125.2	276.8	151.6
23	226.2	166.9	393.1	99.5	264.5	165.0	121.9	320.6	198.7
24	314.8	331.7	646.5	217.5	457.3	239.8	265.5	542.5	277.0
25	424.8	218.9	643.7	136.2	366.3	230.1	184.9	558.8	373.9
Total	9,909.4	14,441.7	24,411.1	10,348.8	17,914.1	7,565.3	12,088.0	20,857.0	8,769.3

[1] Exclusive of net long-term capital gains and losses.
[2] As included in Senate Finance Committee version of H. R. 7378, Victory tax excluded.
Source: Income items from returns on Form 1040 for 1940.

TABLE 5.—*Net income of selected oil companies reported for income-tax purposes compared with net income on the basis of cost depletion and loss of Federal revenue from percentage depletion*

Company	Year	Depletion claimed for income-tax purposes [1]	Cost depletion	Taxable net income reported [2]	Net income based on cost depletion [2]	Federal revenue lost through percentage depletion	
						Under 1937 act rates	Under H. R. 7378 rates as reported by Senate Finance Committee
A	1937	$9,800,000	$600,000	−$5,000,000	$4,200,000	$630,000	$1,680,000
B	1937	10,100,000	2,900,000	−5,900,000	1,300,000	195,000	520,000
C	1937	3,600,000	400,000	800,000	4,000,000	480,000	1,280,000
D	1938	5,300,000	1,900,000	6,000	3,400,000	[3] 645,000	1,358,000

[1] Under percentage depletion privileges.
[2] After deduction of 85 percent of dividends received.
[3] Under 1938 act rates.
Source: Form 1120, corporation income-tax return.

value determined within 30 days of discovery.

The difficulties encountered in the administration of this formula and reaching agreement on the determination of fair and proper depletion allowances for income-tax purposes when "discovery valuation" was necessarily subject more to the imagination than to any objective test finally led to a demand that a fixed percentage depletion based on gross income be established in the law. This was done in the Revenue Act of 1926 for oil and gas wells, and in the Revenue Act of 1932 for mines (metal, coal, and sulfur).

Under present law, as a consequence, the following types of producers are granted a fixed percentage of their gross income as a deduction for depletion:

	Percent
1. Oil and gas	27½
2. Sulfur	23
3. Metal mines	15
4. Coal	5

Experience has shown that these percentages far exceed the actual depletion of these various classes of properties. Most companies to which percentage depletion applies also compute their actual cost depletion for their own books and the information of their stockholders. Tax returns filed by 78 oil companies for the year 1941 show an aggregate of $30,600,000 deducted on the tax returns as percentage depletion while only $6,100,000 was deducted as depletion on their books in computing their income and surplus.

Table No. 5 demonstrates the significance of this gratuitous privilege extended under the present law.

It is fair and proper that oil and mining companies be allowed the return of their capital free of tax, and that is fully provided in the allowance for cost depletion granted by law. However, percentage depletion goes far beyond the point where it can be so justified. Oil and mining companies are no more entitled to these extra concessions than any other business involving the investment of capital. It is a form of subsidy.

As a subsidy, it cannot be justified on the ground that it is necessary to increase our oil production, for with the rationing of civilian demand for petroleum products the national oil supply is far in excess of war needs. The Petroleum Coordinator recommended a production rate for October of this year amounting to 4,000,000 barrels a day, nearly 200,000 barrels below daily production a year ago.

Because mining does not enjoy large net incomes comparable to those common in the oil industry, the benefits of percentage depletion are not as important to the mining industry. However, it is no more justifiable in the case of mining than in the oil industry. It is true the war effort is requiring additional production of metals, but the task of developing new supplies in modern-day, scientific mining is one of determinable cost and predictable risk which can be given due credit on its own merit.

The elimination of the percentage depletion allowances from the Federal tax law would increase revenues by $124,100,000 annually under tax rates in H. R. 7378. Of this, $98,000,000 would come from oil and gas properties alone.

Corporation taxes

Corporate income has benefited directly and enormously from the Government's war expenditures. Since 1939 the aggregate net corporate income among corporations reporting net incomes has increased 146 percent. Some of this increase has been taken back in the form of excess-profits taxes, but additional revenue is still available from this source.

The maximum combined normal and surtax rate of 55 percent proposed by the Treasury Department, in combination with the

excess-profits tax, would recover an amount roughly equivalent to this increase. The 40-percent combined rate proposed by the Finance Committee falls $832,500,000 short of this objective.

In view of the fact that these increased incomes can be considered as direct consequences of Government expenditures arising out of the national emergency, it is neither unjust nor unreasonable to recover this additional net income which has accrued to corporations over and above their costs of operation and production. When the Nation is asking its soldiers to give up their normal civilian pursuits, break off family ties, and risk their lives for only a token payment of $50 a month, it is indeed a small request to make that a corporation simply relinquish the extra net income resulting from war production.

TABLE 6.—*Net income, income taxes, and dividends of corporations with positive net incomes 1936 through 1942*

[Money amounts in millions of dollars]

	Actual				Estimated		
	1936	1937	1938	1939	1940	1941	1942
Net income including tax-exempt interest and dividends received	9,726	9,848	6,725	9,028	11,750	17,500	19,500
Dividends received	2,504	2,515	1,625	1,779	1,900	2,000	2,300
Net income excluding dividends received	7,222	7,333	5,100	7,249	9,850	15,500	17,200
Tax-exempt interest	488	419	420	464	450	500	500
Net income excluding dividends received and tax-exempt interest	6,734	6,914	4,680	6,785	9,400	15,000	16,700
Taxes:[1]							
Income tax	1,025	1,057	854	1,216	2,150	3,650	3,900
Undistributed-profits tax	145	176					
Excess-profits tax					340	2,900	3,600
Declared value excess-profits tax	22	43	6	16	30	50	100
Total taxes	1,192	1,276	860	1,232	2,520	6,600	7,600

[1] Estimates for 1942 based on existing rates.

Source: 1936 through 1939, Statistics of Income, pt. II.

It is contended that corporations should be allowed to enjoy their larger profits during the war years so that they will be better able to withstand the post-war adjustment. The Finance Committee's proposal of a 10-percent post-war credit on corporate excess-profits taxes which would be made available to the taxpaying corporation after the conclusion of the war is designed to meet this requirement. However, with an increase in surtax rates there is an opportunity for enlarging the post-war credit so as to make it amount to 10 percent of the normal tax and surtax, as well as the excess-profits tax paid under the law. This would provide a larger and really effective aid to corporations in the post-war period of adjustment. The problems of post-war adjustment are not going to be confined to only those corporations paying excess-profits taxes; neither should the post-war credit.

To give assistance that is immediately needed by the smaller corporations, it seems highly desirable that the $10,000 exemption granted corporations by the bill as passed by the House for purposes of computing excess-profits tax should be retained. If the exemption is lowered to $5,000, as proposed by the Finance Committee, it will mean that approximately 8,000 additional small corporations of limited capital resources will be subjected to tax burden out of proportion to their size and ability to pay. Such a burden would unduly handicap them in developing as efficient, producing enterprises, and thereby handicap the war production program of small business.

Even after providing this additional relief to smaller corporations and extending the post-war credit feature of the law to aid all corporations paying normal tax, surtax, or excess-profits tax, an additional $168,700,000 of revenue can be secured by increasing the surtax on corporation surtax net incomes over $25,000 to 26 percent, making a maximum combined rate of 50 percent. This is 5 percent under the Treasury Department's proposed combined rate. This plan would afford a total post-war credit of $1,045,400,000, which exceeds the Finance Committee's post-war credit proposal by $473,900,000.

Of the total post-war credit provided, it is estimated $385,000,000 would be made available currently to apply on debts and $660,400,000 would go to the taxpaying corporations as refunds after the war.

Individual surtax and estate taxes

It is possible, entirely within the ability-to-pay principle, to increase the revenue from individual surtaxes on the middle and upper income brackets by at least $208,000,000 annually. Increases in estate and gift taxes can also be made to yield $193,000,000 additional revenue.

Summary

The additional revenue available in the foregoing recommendations is as follows:

Compulsory joint income tax returns	$300,000,000
Taxation of income from State and local securities	225,000,000
Elimination of percentage depletion	124,000,000
Increased corporation taxes	219,000,000
Increased individual income surtax rates	208,000,000
Increased estate and gift taxes	193,000,000
Total increased revenue available under above recommendations without violating ability-to-pay principle	1,269,000,000

THE LIMITS OF ABILITY TO PAY

Studies of consumer income indicate that any tax program which bears down upon individuals and families receiving incomes of $1,500 or less, encroaches upon subsistence standards of living. The tax dollars collected from taxpayers of these lower-income groups are dollars that would otherwise be spent for food, shelter, and the bare necessities of life. In these income groups are to be found approximately 43 percent of the Nation's population, but in the current year it is estimated they are receiving only 16 percent of the aggregate consumer income.

The study of income and spending and saving of city families in 1941 and the first 8 months of 1942, conducted by the Bureau of Labor Statistics, indicates that the average consumer with income under $1,500 is not able to meet living costs out of current income. On the basis of the Bureau's findings for the first quarter of 1942, this group will have an average deficit of $16 in the full year of 1942.

TABLE NO. 7.—*Average money income and outlay, city families and single persons, by money income class*

FIRST 3 MONTHS OF 1942

Annual money income class	Average money income	Average money expenditures for—			Average net saving (+) or deficit (−)
		Current consumption	Gifts and contributions	Personal tax payments	
Under $500	$75	$105	$2	$1	−$37
$500 and under $1,000	182	207	6	1	−30
$1,000 and under $1,500	312	310	10	2	−4
$1,500 and under $2,000	436	400	16	5	+24
$2,000 and under $2,500	556	489	21	8	+48
$2,500 and under $3,000	685	585	26	13	+71
$3,000 and under $5,000	932	764	34	26	+113
$5,000 and under $10,000	1,615	1,184	58	82	+298

Source: Bureau of Labor Statistics.

The reduced present exemptions from $1,500 to $1,200 for married couples, and from $750 to $500 for single persons, the reduced credit for dependents from $400 to $300, and the Victory tax proposed by the Finance Committee will impose a tax burden upon these income groups below $1,500 that can only have the effect of impairing the health, strength, and morale of nearly half of the Nation's population, from which it must draw not only the soldiers for the armed forces but the workers to fight the Nation's battles of production.

Manpower has already become one of the acute bottlenecks of the war-production program, and with the shortage of manpower has come the urgent necessity of getting the utmost out of every individual worker. Man-days lost because of fatigue, accident, and sickness are of serious importance. It is estimated that 6,000,000 man-days are lost every month in war production because of sickness and injury.

The significance of proper nutrition and adequate medical care in keeping the Nation's manpower functioning at top efficiency is obvious. The relationship of income to the problem can be seen in such facts as the following:

The sickness rate in the income groups receiving $1,000 a year or less has been found to be 17 percent higher than in the groups receiving over $3,000. Disability, based on both the frequency and the length of disability, is twice as great among individuals and families with incomes of $1,000 or less as it is among those receiving over $3,000.

Malnutrition and fatigue are, without doubt, partially responsible for this difference, but another important cause is found in the fact that the lower-income families have been unable to afford adequate medical care in time of sickness. Families with incomes of $1,000 or less have failed to receive physician's care in 28 percent of their cases of disabling illness.

In the emergency that now exists there are many sources of additional revenue that can be tapped without violating the basic limitations of the ability-to-pay principle. Some of these have been outlined in this report. However, it is neither necessary nor wise to impose

additional tax burdens on families and individuals who are already struggling under great financial handicaps. To tax health, nutrition, and medical care means wasting the precious human resources needed on the battlefield, on the farm, and in the factory to win this war.

These basic limits of ability to pay must be kept constantly in view when judging any public-tax measure. They are of most vital importance today when national morale must be built upon equality of sacrifice and fighting power must come, not from a comparatively small portion of the population engaged in the armed forces but from the total population engaged in total war.

ROBERT M. LA FOLLETTE, Jr.

Mr. McNARY. Mr. President, I assume that I speak for all the Republican Members of the Senate when I say we concur heartily in the tribute paid to the able senior Senator from Georgia [Mr. GEORGE] by the distinguished majority leader.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. BARKLEY and several other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. PEPPER (when Mr. ANDREWS' name was called). The senior Senator from Florida [Mr. ANDREWS] is necessarily absent in Florida. If present, he would vote "yea."

The roll call was concluded.

Mr. GERRY. I announce that the junior Senator from Virginia [Mr. BYRD] is unavoidably absent. If present, he would vote "yea."

Mr. MEAD. My colleague the senior Senator from New York [Mr. WAGNER] is unavoidably absent. If he were present he would vote "yea."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS], and the Senator from Delaware [Mr. HUGHES] are absent because of illness.

The Senator from Rhode Island [Mr. GREEN], the Senator from New Jersey [Mr. SMATHERS], the Senator from Montana [Mr. WHEELER], are necessarily absent.

I am advised that if present and voting the Senators I have named would vote "yea."

The Senator from Nevada [Mr. MCCARRAN] is detained in a conference at the Treasury Department. If present he would vote "yea."

The Senator from California [Mr. DOWNEY], the Senator from Iowa [Mr. GILLETTE], and the Senator from Georgia [Mr. RUSSELL] are necessarily absent.

Mr. MURDOCK. The senior Senator from Utah [Mr. THOMAS] is unavoidably absent from the Senate at this time. I am advised that if he were present he would vote "yea."

Mr. McNARY. I announce that the Senator from Vermont [Mr. AUSTIN], the Senator from New Hampshire [Mr. BRIDGES], the Senator from North Dakota [Mr. NYE], the Senator from Kansas [Mr. REED], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Indiana [Mr. WILLIS] are necessarily absent. I am informed that if present and voting these Senators would all vote "yea."

The result was announced—yeas 77, nays 0, as follows:

YEAS—77

Aiken	George	Norris
Bailey	Gerry	O'Daniel
Ball	Guffey	O'Mahoney
Bankhead	Gurney	Overton
Barbour	Hatch	Pepper
Barkley	Hayden	Radcliffe
Bilbo	Herring	Reynolds
Bone	Hill	Rosier
Brewster	Holman	Schwartz
Brooks	Johnson, Calif.	Shipstead
Brown	Johnson, Colo.	Smith
Bulow	Kilgore	Spencer
Bunker	La Follette	Stewart
Burton	Langer	Taft
Butler	Lee	Thomas, Idaho
Capper	Lodge	Thomas, Okla.
Caraway	Lucas	Truman
Chandler	McFarland	Tunnell
Chavez	McKellar	Tydings
Clark, Idaho	McNary	Vandenberg
Clark, Mo.	Maloney	Van Nuys
Connally	Maybank	Wallgren
Danaher	Mead	Walsh
Davis	Millikin	White
Doxey	Murdock	Wiley
Ellender	Murray	

NOT VOTING—19

Andrews	Green	Thomas, Utah
Austin	Hughes	Tobey
Bridges	McCarran	Wagner
Byrd	Nye	Wheeler
Downey	Reed	Willis
Gillette	Russell	
Glass	Smathers	

So the bill H. R. 7378 was passed.

Mr. GEORGE. I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GEORGE, Mr. WALSH, Mr. BARKLEY, Mr. CONNALLY, Mr. LA FOLLETTE, Mr. CAPPER, and Mr. VANDENBERG conferees on the part of the Senate.

Mr. GEORGE. Mr. President, I ask unanimous consent that the bill be printed with the amendments numbered.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. BARKLEY. Mr. President, I wish to make a brief statement for the information of Senators concerning the prospects for the immediate future in the way of legislation in the Senate. The bill the Senate has just passed goes to conference. I do not know how long it will take for the conferees to adjust the differences between the two Houses. I would express the hope that they may do it next week. Whether that is possible, of course, no one can now predict. When the conference committee has agreed, and the conference report has been made to the respective Houses, the report, of course, will be before the two Houses for approval. I do not anticipate there will be any serious controversy over the adoption of the conference report when it is agreed to by the conferees. That action may come week after next. I doubt if the report will be ready to be voted on any time next week.

The House has also passed an appropriation bill which is now before the Appropriations Committee of the Senate, and it is holding hearings. The Senator from Tennessee [Mr. MCKELLAR], in charge of the bill, advises me that he hopes to have that bill ready to be considered in the Senate next Thursday. I do not anticipate that it will take more than that day, if all of that day, to dispose of it.

Mr. President, beyond the final disposition of the tax bill and the appropriation bill, I am not able to make any definite prediction as to important legislation in the immediate future. We all know that around the corner somewhere is a manpower bill which is being considered, and there is also consideration to be given to the question of changing the age under the draft law. Just when those two matters will be ready for consideration in the Senate I cannot say, but I think it is fair to assume that they will not be ready for consideration on the floor of the Senate for at least 2 or 3 weeks. So that Senators who do not feel that they are required to remain here for the final disposition of the tax bill in the form of a conference report, or who do not feel that they are required to remain here in order to vote on the appropriation bill next Thursday, I think, are at liberty to depart, if their business calls them away from Washington, subject, of course, to being recalled at any time when legislation is before the Senate.

I should hate to have the appropriation bill brought up next Thursday without a quorum of the Senate being present, and I therefore suggest that all Senators, who are not urgently required to be absent from the Senate between now and that day, be here on Thursday, and remain until we shall have disposed of the final conference report on the tax bill. When that is done, if Senators feel at liberty to take leave of the Senate for a few days, they will be given ample notice in time to return for the consideration of any important legislation.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. NORRIS. I should like to suggest to the majority leader that I think there is a great possibility, and a strong probability, that the so-called poll-tax bill may soon be brought up for consideration in the Senate. A similar bill will come up in the House for passage next Monday. The bill is before the Senate Judiciary Committee. It was referred to a subcommittee of that committee. The subcommittee last Monday reported the bill back to the Judiciary Committee, but the report was not agreed to by the full committee because persons of high standing in some of the States desired to be heard; therefore the bill was referred by the committee back to the subcommittee with instructions to give at least 1 day's hearing on the bill. Those hearings have been set for next Tuesday, I believe. Assuming that the hearings will be completed in 1 day, I assume a report will be made at their conclusion to the full committee. The full committee has once before considered the bill. The regular meeting of the committee would be held on Monday following, and it is very probable that action will be taken on the House bill if the House shall pass

its bill shortly. That would be the most expeditious way to have the measure taken up. Members of the Senate ought to keep that proposed legislation in mind when considering absenting themselves from Washington.

Mr. BARKLEY. Mr. President, I thank the Senator from Nebraska for bringing that matter to my attention. I did not understand that the bill was in such legislative situation that it might be immediately considered on the floor of the Senate. That was one of the measures which I had in mind when I stated that if important legislation should be brought up Senators would be given ample notice to return. I think that would be fair.

Mr. NORRIS. I believe I have correctly stated the parliamentary situation.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. CONNALLY. Is it the Senator's hope to obtain action in time to make the bill effective in the coming election?

Mr. NORRIS. I have not been thinking about the coming election in that respect.

Mr. CONNALLY. The bill relates only to elections.

Mr. NORRIS. I know it relates to elections.

Mr. CONNALLY. We could hardly get it through in time for the coming election.

Mr. NORRIS. Probably not.

Mr. CONNALLY. There will not be another election for 2 years. I am trying to save rubber, and I see no occasion for speed. [Laughter.]

Mr. NORRIS. I do not think there has been any speed. The bill has been pending before the committee for more than a year. I am frank to say that it involves a controversial question. It may not pass the Senate on a final vote. It may not pass the House. If it does not pass the House next Monday, it is all over, of course; but I feel that I know that those who are supporting the proposed legislation would like to have it disposed of as quickly as possible under the existing circumstances.

Mr. BARKLEY. Mr. President, I wish to say to the Senator from Nebraska and other Senators that I have no desire whatever to delay a vote on that bill whenever it is in a position to be considered. I will cooperate fully in bringing it up as promptly as possible. I think it involves an important question, which ought to be passed upon during this Congress. Whether it would do any good in the coming election is beside the question. It does not involve a political question, but a question upon which individual Senators have their own views. I think it ought to be disposed of during this Congress. Otherwise when we meet again in January we shall have to start all over and go over the same ground. I shall cooperate fully in bringing about a vote on the bill at the earliest possible date when it is before us so that it may be considered.

Mr. McNARY. Mr. President, I should like to ask the distinguished majority leader a question which has been propounded to me a number of times. May we be assured that the so-called manpower bill will not come up between now and the time when Members may want to be at home for the November elections?

Mr. BARKLEY. Mr. President, I cannot give any assurance on that point. I do not know whether it will be brought up before the election. It is not now ready to be brought up. As I understand, the matter is being considered by various departments interested in the subject, and they are seeking to come together on a measure which can be recommended to Congress. How long they will require I do not know, but they are not yet ready to submit it. I assume that it would require considerable discussion in the committee before being reported to the Senate and might involve some discussion in the Senate. I do not want to say deliberately that it would be postponed, because I do not believe in postponing legislation which is necessary simply because we have an election. I am sure that is not what the Senator had in mind.

Mr. McNARY. No; I would not infer that.

Mr. BARKLEY. I cannot guarantee that we shall not have it before us.

Mr. McNARY. A number of Senators who live some distance from Washington do not want to return home if the bill is to come up for consideration before election. They do not want to go home and have to return.

Mr. BARKLEY. I realize that.

Mr. McNARY. I have been confronted with a number of inquiries regarding the present situation. If there is likelihood that it will be brought up for consideration, Senators will not go home. If it is to be deferred for a few weeks—until after November, say—they will go home.

Mr. BARKLEY. I will say to the Senator that in the present more or less nebulous state of that legislation my guess is that it will probably be 3 or 4 weeks before we can take it up for consideration.

Mr. McNARY. That is a fair answer.

Let me propound another question. A moment ago the Senator mentioned the modification of the Draft Act to include boys of 18 and 19 years of age. That is a controversial subject. Is that measure likely to come up between now and November?

Mr. BARKLEY. My own individual view is that until those responsible for the conduct of the war, the military leaders—and that means, of course, through the Commander in Chief of the armed forces—advise Congress with respect to the need for such legislation, the likelihood is that it will not be precipitated at this time. I should say that the prospect is that it will be postponed at least as long as the other bill, although a measure is now before the Committee on Military Affairs looking toward lowering the draft age. However, no recommendation has been made to the Congress by the President, and so far as I know no recommendation has been made to him by the military authorities, upon whom he must rely for advice. I have no inside information on the question; but in the very nature of the situation I should say that in all likelihood it will be sometime in November—and perhaps not that soon—before we reach consideration of that bill on the floor of the Senate.

Mr. McNARY. Then is it the view of the able Senator that a Senator living at a considerable distance from Washington might be safe in journeying home, without any likelihood of being called upon to return until after the 1st of November?

Mr. BARKLEY. I should say so, subject to unforeseen contingencies and emergencies which may arise in the meantime.

Mr. McNARY. In the opinion of the Senator would it be a good insurance risk?

Mr. BARKLEY. Yes.

Mr. McNARY. I thank the Senator.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. CHANDLER in the chair). If there be no reports of committees, the clerk will state the nominations on the calendar.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

Mr. BARKLEY. I ask that the nominations in the Public Health Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Public Health Service are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. WALSH. I ask that the Navy nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Navy nominations are confirmed en bloc.

That completes the calendar.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

ADJOURNMENT TO TUESDAY

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn until Tuesday next.

The motion was agreed to; and (at 5 o'clock and 31 minutes p. m.) the Senate adjourned until Tuesday, October 13, 1942, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 10 (legislative day of October 5), 1942:

UNITED STATES PUBLIC HEALTH SERVICE

TO BE SANITARY ENGINEER

Omar C. Hopkins

TO BE SANITARY ENGINEER DIRECTORS

John K. Hoskins — Harry B. Hommon
Harold W. Streeter — Abraham W. Fuchs
Harry R. Crohurst

TO BE SENIOR SURGEONS

Guy H. Faget
Estella Ford Warner

IN THE NAVY

PROMOTIONS FOR TEMPORARY SERVICE

To be rear admirals

Albert C. Read — Alfred E. Montgomery
Elliott Buckmaster — Arthur C. Davis
Charles P. Mason — Frank D. Wagner
DeWitt C. Ramsey

POSTMASTERS

MICHIGAN

Robert E. Lee, Byron.
George Merriman, Manchester.

NEW YORK

Ward C. Wells, Barneveld.
William A. Horan, Castle Point.

WASHINGTON

George B. Day, Walla Walla.

WISCONSIN

Mary Drossart, Casco.
Frank R. Hughes, Chippewa Falls.
Earl F. Moldenhauer, Clintonville.
Carl J. Mueller, Jefferson.
Bethel W. Robinson, Superior.

HOUSE OF REPRESENTATIVES

MONDAY, OCTOBER 12, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou, O Lord, in the beginning hast laid the foundation of the earth, and the heavens are the works of Thine hands. These shall perish, but Thou remainest, and we pray Thee to preserve us for in Thee do we put our trust. Thou who art the author of faith, to Thee we lift up our longing hearts and humbly pray Thee for the gift of Thy blessing. Bestow upon us the love which casts out worry and fear and help us to take up our labors with clear and radiant wisdom.

Our Father, kindle within every breast such a flame that shall consume the dross of hate and every evil passion and bind us together with the cords of unity, cooperation, and brotherhood; dear Lord, not only a mechanical conformity, but with a devotion that is healthy, natural, and spontaneous. Make us bold in the denunciation of all wrong, clear in the declaration of the right. Grant that as citizens of our country we may most earnestly seek to fulfill our obligations to the state, delivering us from all unholy strife and whatsoever hinders the extension of Thy kingdom upon earth, and Thine shall be the praise. In the name of our blessed Saviour. Amen.

The Journal of the proceedings of Thursday, October 8, 1942, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On September 16, 1942:

H. R. 6682. An act to suspend in part the processing tax on coconut oil; and

H. R. 7416. An act to provide for a method of voting, in time of war, by members of the land and naval forces absent from the place of their residence.

On September 26, 1942:

H. R. 6362. An act to amend an act entitled "An Act to regulate the practice of the healing art to protect the public health in the District of Columbia", approved February 27, 1929;

H. R. 6401. An act to amend section 7 of the act entitled "An Act to incorporate the American War Mothers", approved February 24, 1925 (43 Stat. 966; title 36, sec. 97, U. S. C., 1940 Edition);

H. R. 7235. An act to amend the District of Columbia Emergency Rent Act;

H. R. 7399. An act to increase the penalty for indecent exposure in the District of Columbia; and

H. J. Res. 271. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1942, General Pulaski's Memorial Day for the observance and commemoration of the death of Brigadier General Casimir Pulaski.

On September 29, 1942:

H. R. 6921. An act to amend the Soil Conservation and Domestic Allotment Act to authorize payments in cases where farmers' crops are acquired, prior to harvest, in connection with the acquisition of their farms for use in the national war effort, and to provide for the division of such payments; and

H. J. Res. 344. Joint resolution authorizing extensions of time for filing return of capital stock tax in 1942.

On October 1, 1942:

H. R. 6196. An act to amend the Canal Zone Code in relation to the control of marihuana; and

H. R. 7273. An act to amend section 1 of the act entitled "An Act to provide books for the adult blind", approved March 3, 1931, as amended.

On October 2, 1942:

H. R. 7114. An act to amend the Library of Congress Trust Fund Board Act;

H. J. Res. 346. Joint resolution extending for 2 months the period for which overtime rates of compensation may be paid under the Acts of June 28, 1940 (54 Stat. 676), October 21, 1940 (54 Stat. 1205), and June 3, 1941 (55 Stat. 241); and

H. R. 7565. An act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

On October 6, 1942:

H. R. 7164. An act to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to extend the relief and benefits provided therein to certain persons, to include certain additional proceedings and transactions therein, to provide further relief for persons in military service, to change certain insurance provisions thereof, and for other purposes.

On October 9, 1942:

H. R. 5719. An act to abolish the Guilford Courthouse National Military Park Commission, and for other purposes;

H. R. 6601. An act to reorganize the system of land offices and land districts in Alaska; and

H. R. 7152. An act to amend the Nationality Act of 1940 to preserve the nationality of citizens residing abroad.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7378. An act to provide revenue, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GEORGE, Mr. WALSH, Mr. BARKLEY, Mr. CONNALLY, Mr. LA FOLLETTE, Mr. CAPPER, and Mr. VANDENBERG to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 174. An act for the relief of Lyle L. Bressler.

HON. CECIL R. KING, REPRESENTATIVE-ELECT

The Speaker laid before the House the following communication from the Clerk of the House, which was read:

SEPTEMBER 26, 1942.

The Honorable The SPEAKER,
House of Representatives.

SIR: The certificate of election in due form of law of Hon. CECIL R. KING as a Representative-elect to the Seventy-seventh Congress, from the Seventeenth Congressional District of California, to fill the vacancy caused by the death of Hon. Lee E. Geyer, is on file in this office.

Very truly yours,
SOUTH TRIMBLE,
Clerk of the House of Representatives.

Hon. CECIL R. KING presented himself at the bar of the House and took the oath of office.

HON. THOMAS H. CULLEN

Mr. McCORMACK. Mr. Speaker, whenever any Member of this body encounters any illness, particularly a serious one, it disturbs and grieves us all. When any Member undergoes a serious illness and has recovered sufficiently to return to this body it pleases us all. One of our most distinguished Members, able, sincere, and, above all, lovable and at all times a gentleman, was visited with a serious illness some weeks ago. I know I speak the sentiments of all Members, without regard to party, when I welcome back to this House a dear friend of 24 years' service in this body, in the parliamentary language of this body, the gentleman from New York [Mr. CULLEN], but to each and every one of us TOM CULLEN.

THE REVENUE ACT OF 1942

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7378) to provide revenue and for other purposes, with Senate amendments, disagree to the Senate amendments and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I would like to ask the distinguished chairman of this great Committee on Ways and Means when he expects to have the conference report back to the House?

Mr. DOUGHTON. I would say to the distinguished minority leader that is a rather difficult question to answer. We expect to get it back just as early as is humanly possible. We hope to do it this week, but I cannot give the gentleman any such assurance.

Mr. MARTIN of Massachusetts. The gentleman is going to try to get it back as quickly as possible?

Mr. DOUGHTON. Absolutely. All this talk about the bill not being brought up until after the elections, as far as the chairman of this committee knows, is all bunk. It is our purpose to expedite it as much as is humanly, reasonably possible.

Mr. MARTIN of Massachusetts. I am sure, as far as the House is concerned, there has been no effort to delay the passage of this bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]? [After a pause.] The Chair hears none and appoints the following conferees: Mr. DOUGHTON, Mr. CULLEN, Mr. COOPER, Mr. BOEHNE, Mr. TREADWAY, Mr. KNUTSON, and Mr. REED of New York.

WOMEN'S ARMY AUXILIARY CORPS

Mr. MAY, from the Committee on Military Affairs, presented a conference report and statement on the bill (S. 2751) to establish a Women's Army Auxiliary Corps, for printing in the RECORD.

ORDER OF BUSINESS

The Chair desires to make a statement to the House. Under the peculiar circumstances of the business before the House today, the Chair feels he should not recognize Members to proceed for 1 minute or for other unanimous-consent requests. The Chair will only recognize those Members who have business before the House.

THE HATCH ACT

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2471) to amend the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, with respect to its application to officers and employees of educational religious, eleemosynary, philanthropic, and cultural institutions, establishments, and agencies, commonly known as the Hatch Act, with House amendments, insist on the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none and appoints the following conferees: Mr. SUMNERS of Texas, Mr. HOBBS, and Mr. GWYNNE.

ASSIGNMENTS OF CIRCUIT JUDGES TO TEMPORARY DUTY IN CIRCUITS OTHER THAN THEIR OWN

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2655) to amend the Judicial Code to authorize the Chief Justice of the United States to assign circuit judges to temporary duty in circuits other than their own with House amendments, insist on the House amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. SUMNERS of Texas, WALTER, and GUYER.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. For what purpose does the gentleman from Illinois [Mr. SABATH] rise?

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes today after the conclusion of the business on the Speaker's table and any other special orders that may have been entered.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE POLL-TAX BILL

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. GAVAGAN].

Mr. GAVAGAN. Mr. Speaker, I call up No. 1 on the calendar of motions to discharge committees, being motion No. 1 to discharge the Committee on Rules from the consideration of House Resolution 110, providing for the consideration of H. R. 1024, a bill to amend an act to prevent pernicious political activities.

The Clerk read the title of the resolution.

The SPEAKER. The gentleman from New York is recognized for 10 minutes.

Mr. HOBBS. Mr. Speaker, I wish to make a point of order against the motion.

Mr. SMITH of Virginia. Mr. Speaker, I desire to reserve a further point of order until the Chair has ruled on the point of order submitted by the gentleman from Alabama.

The SPEAKER. The gentleman from Alabama will state his point of order.

Mr. HOBBS. Mr. Speaker, the point of order is based upon the fact that the resolution itself prescribes the Member who should call up this resolution and make this motion. That gentleman was Mr. Lee E. Geyer of California, a colleague who has gone to the Great Beyond and, therefore, in the words of the resolution itself he and he alone being the only one designated and clothed with authority to call up this resolution and to make this motion, the motion is out of order.

In the second place, this point of order is grounded upon the fact that the petition to discharge the committee from further consideration of this bill is not signed by 218 Members of this House who are at present qualified as Members of this House, several of the 218 gentlemen whose names appear as signers either having been defeated for reelection, no longer being Members of this body by action of the voters of the sovereign States, or having departed this life. The rules of the House require the signatures of 218 Members of the House to make the discharge petition efficacious.

The SPEAKER. The Chair will state to the gentleman from Alabama that that point of order should come when the question of consideration of the bill in the Committee of the Whole is moved.

The rule states that the Chair may recognize any Member who signed the petition to make the motion just made by the gentleman from New York [Mr. GAVAGAN], whom the Chair has recognized for that purpose.

As for the other matter, Mr. Geyer is named in the resolution as the one to manage the bill. The Chair will cross that stream when he gets to it.

Mr. HOBBS. In other words, the Chair rules that the point of order is premature at this time.

The SPEAKER. The gentleman is correct.

Mr. SMITH of Virginia. Mr. Speaker, I desire to submit a further point of order.

The SPEAKER. The gentleman will state the point of order.

Mr. SMITH of Virginia. Mr. Speaker, I make a point of order against consideration of the motion today.

My point is that it is no longer in order today to call up this motion. As the Speaker is well aware, this is a very intricately, carefully, and meticulously drawn discharge rule under which the House is operating this morning, and it provides with the utmost care and particularity just what the procedure shall be, and who, and how, and under what circumstances a motion of this kind may be brought before the House. Amongst those provisions, Mr. Speaker, is the provision that it must be brought up, when? On the second or fourth Mondays and immediately after the approval of the Journal. As the Chair will recall, this morning we have had two bills sent to conference, a bill passed by unanimous consent, I believe, and various and sundry miscellaneous business has intervened today between the reading of the Journal and the time the gentleman from New York chose to rise for recognition on this motion.

My point is, Mr. Speaker, that under this rule it is in order at a certain specific time on certain days and on those days at a certain stage in the proceedings. The gentleman from New York having neglected his opportunity to rise in his place and call up this motion immediately after the approval of the Journal, it is no longer in order to call it up, other business having intervened. It is analogous, for instance, to the situation where a Member in debate uses language to which exception may be taken. Under the rules of the House, if other business has intervened, it is no longer in order to ask to have his words taken down. There are sundry analogous precedents where other business has intervened, and this morning, Mr. Speaker, other business has intervened, and the gentleman from New York has neglected his opportunity, and the time to bring this matter to the attention of the House at the appropriate hour. Therefore I respectfully submit, Mr. Speaker, that this motion will not be in order until the fourth Monday in October.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. SMITH of Virginia. I yield if I have the floor.

The SPEAKER. The gentleman from Massachusetts [Mr. MARTIN] is recognized.

Mr. MARTIN of Massachusetts. May I ask the gentleman from Virginia how the gentleman from New York would be expected to get the opportunity to call it up? He was here and ready to call it up and was not recognized by the Chair; therefore, I do not think he forfeited his right.

Mr. SMITH of Virginia. He might have risen in his place, addressed the Chair, and asked to have it called up. He might have made a point of order that anything else was out of order. He might have made a point of order that it was out of order to bring up these conference reports because he has only one time under this rule of the House, with which the gentleman from Massachusetts is very familiar, to call this up. The gentleman from Massachusetts and I were both members of the Rules Committee when this was prepared, and we prepared it with the greatest of care so that everyone who chose to read the rule would know what his rights and privileges were. The gentleman from New York had the opportunity at the appropriate time to call it up.

Mr. MARTIN of Massachusetts. He was ready to do it, and he was not recognized.

Mr. SMITH of Virginia. He has no more right to bring this resolution up now than he would have to bring it up tomorrow or next Wednesday, because, under the rule, it is specifically stated that, immediately upon the approval of the Journal, he shall be privileged to bring it up and at no other time.

Mr. MARTIN of Massachusetts. We can do anything by unanimous consent. All these other bills were called up by unanimous consent.

Mr. SMITH of Virginia. The gentleman could ask unanimous consent for the consideration of this bill today. He has that opportunity. Of course, I am not prepared to say that unanimous consent will be granted, but that is his privilege, and that is his only remedy today.

Mr. MARTIN of Massachusetts. I contend all that has gone before has been by unanimous consent, and that now we are proceeding on the business of the day.

Mr. SMITH of Virginia. But you have to proceed on this by unanimous consent. Those unanimous-consent matters have been disposed of, and they are water over the dam.

The SPEAKER. The Chair is ready to rule.

The Chair anticipated certain points of order both today and tomorrow. He has ruled with reference to the point of order made by the gentleman from Alabama.

The Chair recognized all the time that the word "immediately" is in this rule, as he has read the rule every day for the past 6 days.

In ruling on a matter similar to this some time ago, the Chair had this to say, although the matter involved was not exactly on all-fours with this point of order, but it is somewhat related:

> The Chair thinks the Chair has a rather wide range of latitude here and could hold, being entirely technical, that a certain point of order might be sustained.

The Chair is not going to be any more technical today than he was at that time. The Chair recognized the gentleman from North Carolina [Mr. DOUGHTON] on a highly important matter in order to expedite the business of the Congress, not only the House of Representatives but the whole Congress.

The Chair does not feel that the intervention of two or three unanimous-consent requests would put him in a position where he could well hold that the word "immediately" in the rule was not being followed when he recognized the gentleman from New York [Mr. GAVAGAN].

The Chair holds that in recognizing the gentleman from New York [Mr. GAVAGAN] when he did, he was complying with the rule which states that it shall be called up immediately upon approval of the Journal.

The Chair therefore overrules the point of order made by the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SMITH of Virginia. This rule that we are now proceeding under to discharge the Rules Committee is rather an unusual one. It varies from rule XXIV. For instance, this rule says that on the day following the adoption of the resolution, this matter shall be taken up. The discharge rule says that immediately following the adoption of the resolution we shall proceed to execute it. Then there is a provision which says who shall call the resolution up.

The question that I wish to submit to the Chair is this: If the instant rule is adopted, will we proceed to execute it under the terms of the rule itself or will we proceed to execute it under the terms of the regular discharge rule, where the two vary?

The SPEAKER. We will proceed under House Resolution 110.

Mr. SMITH of Virginia. If it conflicts with the rules of the House, we will proceed under that?

The SPEAKER. That will be the decision of the House.

Mr. SMITH of Virginia. Then I wish to submit this further parliamentary inquiry. The rules provide that no rule of the House may be changed without a two-thirds vote of the House. The effect of that will be to suspend the discharge rule for the consideration of this measure.

The SPEAKER. The Chair did not understand the gentleman's first statement.

Mr. SMITH of Virginia. I am sorry to use so much time. The Geyer resolution varies in the terms of execution from the provisions of the discharge rule.

The SPEAKER. The Chair understands that; then the gentleman went to something else.

Mr. SMITH of Virginia. Then I asked the question, If the rule is adopted and we proceed to execute it, which will govern as to procedure, the discharge rule or the special rule which we are adopting?

The SPEAKER. The special rule is the one which will be adopted.

Mr. SMITH of Virginia. We will then proceed under that?

The SPEAKER. Yes.

Mr. SMITH of Virginia. So that we will not proceed to execute the matter under the regular rule, but will proceed tomorrow under the terms of the resolution?

The SPEAKER. Yes; because that will be the action of the House.

Mr. SMITH of Virginia. Then I wish to follow that with a further parliamentary inquiry. The rules provide that no rule of the House may be suspended without a two-thirds vote.

The parliamentary inquiry I wish to submit is, as long as we are changing the discharge rule for the purpose of this particular measure, will it not require a two-thirds vote to adopt it?

The SPEAKER. All rules of the House are adopted by a majority vote, except in the case of the motion to suspend, or when the Committee on Rules reports a rule and it is brought up within less than 24 hours, when a two-thirds vote is required to adopt the rule. If the rule lies over 24 hours, a majority vote is required to adopt the rule.

Mr. SMITH of Virginia. But the rule states that no rule of the House may be suspended without a two-thirds vote, and we are suspending the discharge rule for the purpose of this measure.

The SPEAKER. The Chair thinks that if he were to hold as the gentleman suggests it might be very embarrassing to the gentleman's committee in the future, because the committee of which the gentleman is a distinguished member many times brings in special rules suspending other rules.

Mr. SMITH of Virginia. This is not a rule brought from the Committee on Rules, this is the discharge rule.

The SPEAKER. The rule is being taken from the Committee on Rules by reason of the fact that a Member has a right to make this kind of a motion when a rule has been before the committee for 7 days.

Mr. SMITH of Virginia. I just submitted the question for information, Mr. Speaker.

The SPEAKER. The gentleman from New York [Mr. GAVAGAN] is recognized for 10 minutes.

Mr. GAVAGAN. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

The SPEAKER. Before the gentleman proceeds, permit the Chair to state that it would be natural for the Chair to recognize the gentleman from Illinois [Mr. SABATH] to control the time in opposition to this motion.

Mr. RANKIN of Mississippi. A point of order, Mr. Speaker.

The SPEAKER. The gentleman will allow the Chair to make this statement.

Mr. RANKIN of Mississippi. Yes; but I should like to have my point of order pending.

The SPEAKER. It would be natural, as the Chair started to say, to recognize the gentleman from Illinois [Mr. SABATH], the chairman of the committee which is sought to be discharged from the further consideration of this resolution. If the gentleman from Illinois did not care to qualify, the Chair would recognize the next ranking member of the Committee on Rules, the gentleman from Georgia [Mr. COX], to control the time, 10 minutes, in opposition to the motion.

Does the gentleman from Mississippi now desire to make a point of order?

Mr. RANKIN of Mississippi. That was my point of order, Mr. Speaker, that the gentleman from Illinois had already participated in this squabble and was not competent.

The SPEAKER. The gentleman from Tennessee is recognized for 3 minutes.

Mr. KEFAUVER. Mr. Speaker, I am not a signer of the discharge petition, but since a majority of the Members of the House have expressed their desire to have this bill considered, I hope the motion will be agreed to and the resolution will be adopted, and that the bill may be considered on its merits.

Mr. Speaker, I have always lived in a poll-tax State. My people have always lived in a poll-tax State. I know of the evil of the poll tax. I know that we would be better off if the poll tax as a prerequisite for voting were abolished. I know we would have a freer and more accurate expression of the voters in the eight poll-tax States. We would have a better appreciation of governmental affairs and of men in public life in those States if the poll tax were eliminated.

I do not think many Members of the House will attempt to defend the poll tax on its merits. The chief question that will be presented here is whether the Congress can legally act in the matter. It will be insisted that this will meddle in State affairs and with the State election laws, and that it will interfere with the sovereignty of the States. I do not think that contention can be borne out either by the Constitution or by the opinion of the Supreme Court or by plain hard common sense.

In any event, if we cannot carry the burden of proof, if we cannot convince a majority of the Members of the House that this legislation is constitutional, then, of course, we do not expect the bill to pass. But I believe that any Member of the House who has an open mind on the subject after a full discussion of 4 hours will be convinced that the bill is meritorious, that the legislation is constitutional, and that it pertains to a matter upon which the Federal Congress should act.

Mr. Speaker, a basic principle of democracy is the free exercise of franchise. Democracy can only flourish when there is general and widespread interest in public affairs, and a large and free expression of the will of the people at the polls. Any restriction, such as the poll tax, that works or is employed to prevent voting, strikes at the heart of democracy.

Today, we are trying to sell the republican form of government to people and nations throughout the world. To do that we must remove the shackles here at home. What a fine example we would be setting if now we would show the world our confidence in democratic processes and remove an obstacle which disenfranchises millions of American citizens.

The Federal Government must have the power to protect itself. It must have the power to see to it that unreasonable restrictions are not placed upon the voters selecting Federal officers. If you deny this, then you must contend that the States could destroy the Federal Government.

Let us take the section of the Constitution upon which opponents of this bill base their argument. Article I, section 2, provides:

> The House of Representatives shall be composed of Members chosen every 2 years by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

From reading this section it is apparent that the framers of the Constitution had in mind a wide and popular expression of the voters, because you will notice that the section provides the Members shall be elected "by the people." The debates of the Constitutional Convention bear this out. Rather than try to prescribe the qualifications, the members decided that since the largest number of people voted for the candidates for the lower house of the State legislatures, that those people should be the electors for the Members of Congress. The States in prescribing the qualifications of voters for their own legislatures do not do this with reference to the election for Members of Congress. The State defines who is to vote for the legislature and the Constitution says the same person shall vote for Members of Congress in that State. This does not mean that Congress would have to sanction any unreasonable restriction or qualification that may be placed upon the voters in the various States.

As a basis for beginning a consideration of the cases on this interesting question, I think we may well start with *Ex parte Yarbrough* (110 U. S. 51). Mr. Justice Miller in that opinion, after discussing article I, section 2, had this to say:

> It is not true, therefore, that electors for Members of Congress owe their right to vote to the State law in any sense which makes the exercise of the right to depend exclusively on the law of the State.

In the Yarbrough case a habeas corpus proceeding was brought to free Yarbrough who was indicted for violation of a Federal statute making it unlawful to intimidate a voter in a Federal election. It was contended that the State had exclusive jurisdiction over elections and that, therefore, the statute was unconstitutional. The court recognized that the right to vote for a Member of Congress came from the Constitution itself. It was not a right given by the States. And the court found that in a republican form of government it was the duty of the Federal Government to protect those who sought to vote to the end that Federal elections be kept free and pure "by congressional enactments whenever that is necessary." The court said very significantly:

> If the Government of the United States has within its constitutional domain no authority to provide against these evils, if the very sources of power may be poisoned by corruption or controlled by violence and outrage, without legal restraint, then, indeed, is the country in danger, and its best powers, its highest purposes, the hopes which it inspires, and the love which enshrines it, are at the mercy of the combinations of those who respect no right but brute force, on the one hand, and unprincipled corruptionists on the other.

The Congress and the Supreme Court have always recognized the right of Federal citizenship. They have always recognized and protected the right of a citizen under the Constitution to exercise his right to vote, and various laws have been passed by Congress which were sustained by our Supreme Court protecting the citizens in the exercise of his right of franchise.

The chief case relied upon by opponents of this measure is that of *Breedlove* v. *Suttles* (302 U. S. 282). In that case a citizen of Georgia applied to appellee to register him for voting for Federal and State officers. He was refused registration because he had not paid a poll tax. The action of the State official was held to have been proper. On the facts of the case I think the court was justified in the conclusion it reached because the citizen did not present himself as a voter exclusively for a Federal election and it is not contended that the Constitution prohibits the requirement of a poll tax in a State election.

Furthermore, it was not shown by the facts that the requirement of the poll tax was an unreasonable qualification and there was no congressional enactment declaring it to be an invalid restriction. The evil of the Breedlove case is in the dicta of the opinion where the court said the privilege of voting is not derived from the United States, but is conferred by the States. This cannot be true under the Constitution. It was not the law at the time the opinion was written and it is repudiated by the Supreme Court in the latter case of *United States* v. *Classic* (313 U. S. 299).

The opinion of the court in the case of United States against Classic is certainly strong evidence that this bill would be held constitutional. In this case the defendants were charged with violation of a Federal statute, prohibiting a conspiracy to injure a citizen in the exercise of a right secured to him by the United States. The defendants conspired to alter and falsely count ballots cast in the primary election for a nominee for Congress. The court sustained the conviction and held that Congress had a right to protect the citizen in the free exercise or enjoyment of any right secured to him

by the Constitution; that the Constitution gave a citizen a right to vote in an election for a Member of Congress.

The Supreme Court in the Classic case made this very important statement:

> The right of the people to choose, whatever its appropriate constitutional limitations, wherein other respects it is defined, and the mode of its exercise is prescribed by State action in conformity to the Constitution, is a right established and guaranteed by the Constitution and hence is one secured by it to those citizens and inhabitants of the State entitled to exercise the right.

The constitutionality of the measure under consideration could be sustained under three provisions of the Constitution. I have only discussed the constitutionality under article I, section 2. Upon a full analysis of the real meaning of this section the inevitable conclusion is that the Federal Constitution adopts the qualifications set forth by the States in elections for members of the legislature as long as the qualifications are reasonable. Therefore, the issue is whether or not the requirement of the payment of a poll tax is a reasonable qualification. A qualification is something that has to do with the nature of the person involved or his status in society, which may fairly be said to qualify him to do a certain act. Age has been considered a reasonable qualification because of its relation to maturity of judgment. Residence is a valid qualification because a person must be in a community for a length of time to understand the local problems and to learn the merits of the various candidates for public office. Educational qualifications are related to an understanding of the issues. But the matter of payment of a poll tax has not the slightest relation to a man's qualification. It bears no relation to his social or economic status. We all know that one person may frequently pay another's poll tax. Does the fact that a man has a gracious friend make him qualified to vote? The poll tax is not even a property qualification in the sense that we understand the meaning of that term. Mr. Justice Jackson, in the recent case of *Edwards* v. *California* (314 U. S., p. 185), held that citizens' rights were derived from national citizenship and no State may impose a property test as a condition upon the exercise of that citizenship.

It must be borne in mind that the only constitutional restrictions on State abridgements of the elective franchise are in the fifteenth and nineteenth amendments, prohibiting the denial of the right to vote because of race, color, previous condition of servitude, or sex. The framers of the Constitution could not foresee that the States would place unreasonable restrictions upon the right to vote. They did not foresee that we would have primaries and yet the Supreme Court applying the Constitution to modern conditions treated primaries as elections.

The fact that the poll tax is an impediment is shown by the fact that for many years approximately the same number of citizens voted in Kentucky and in Tennessee. The two States are of about the same population. But after Tennessee adopted a poll-tax requirement for voting only about half as many people vote in Tennessee as in Kentucky. The national average of people voting, who are of voting age, is well over 60 percent, but in South Carolina the average is about 10 percent. In the Classic case the Court looked to the practical situation, that is, that the primary was equivalent to election in the State of Louisiana. The Court will look at the practical situation when this matter comes before it for determination, and the conclusion must be that the poll tax is being used and has worked in such a way that great masses of people are disfranchised.

There is nothing in the Constitution to prohibit a State from requiring a citizen to be of a certain religion or political belief as a prerequisite to voting, yet if a State should make such a requirement, no one would seriously argue that the Federal Government is powerless to protect itself.

The requirement of a poll-tax disfranchises more people than would the requirement that a citizen be a member of a particular political party in certain States. If the latter would be unreasonable and illegal, certainly the former would meet with the same fate. My firm conviction is that the legislation is constitutional; it is meritorious, and I hope the resolution will be adopted and the bill passed.

[Here the gavel fell.]

Mr. GAVAGAN. Mr. Speaker, will the gentleman from Georgia use some of his time now?

Mr. COX. We expect to have but one statement, but if it will accommodate the convenience of the gentleman I have no objection whatever to using my time now.

Mr. GAVAGAN. I would like the gentleman to use some of his time.

Mr. COX. There are many of you, my colleagues, who have been led, hoodwinked, away from your principles, and with you I make no quarrel, but the most of you know better, and it is to you that I address myself.

This is sorry business that you are up to, and you know it; you do not believe in this which you are doing, but in the grip of a political fear you are being moved about as if you were wooden men upon a checkerboard. You are doing something which does no good to those that you would serve; it does no harm to those you would punish; but you are doing an irreparable injury to that great charter of human liberty which you are sworn to uphold and defend.

I hold no brief for the poll tax. It is not a heavy burden imposed upon the citizens, though it is, in my opinion, an intolerable nuisance. I think the States where it is enforced might well afford to repeal it, but as to the competency of Congress to deal with the question there are but few of you, and I know there are few of you, that believe it.

You take this bill from your law committee by discharging the Rules Committee that has never seen it; in other words, by the use of this weapon of fear ordinary procedure is upset and Congress is overthrown. I want to ask what has become of the solicitude of those of you who have in years gone by been clamoring for constitutional government in America. Has not the Constitution, my colleagues, been kicked around enough? In the adoption of this bill what becomes of States' rights? If you may break down by procedure of this kind one State law, may you not break down all State laws? I am wondering if Congress is too weak to carry into honest effect the Constitution of these United States. Are you, in this instance, giving the people an occasion to look up to you as strong men, as the head of the Government? I am wondering if we can preserve general government by the breaking down of its component parts. Is not the Union, after all, a mere compact between the States, and, in the adoption of this bill, are we not brazenly, cravenly violating that compact?

My colleagues, do you consider that we no longer live under a government of limited powers? Have you considered the bitter consequences that will flow from an unrestrained usurpation of power by the Federal heads of government? Do you no longer owe anything to the Constitution and nothing to yourselves and to your oaths to uphold and defend it?

My colleagues, in taking this step you frighten me. In it I see steps taken which must be retraced if constitutional government is to survive and for the sake of the future such steps ought not to be taken. The motion ought not to prevail.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield; yes.

Mr. RANKIN of Mississippi. I want to call attention to the fact that one of the ablest lawyers, one of the ablest Representatives the State of Tennessee ever had in this body was Hon. Sam McReynolds, whose seat is now occupied by the gentleman from Tennessee, Mr. KEFAUVER. Mr. McReynolds, all the time he was in the House, took exactly the position the gentleman from Georgia [Mr. Cox] takes, that a step like this would undermine and destroy the Constitution of the United States.

Mr. COX. Let me make one statement, and to you, the gentleman from New York [Mr. MARCANTONIO], I salute you, sir. I salute you for having at last attained that burning ambition which you carry in your soul of becoming for one moment in your life the master of this House. You bring it to you, sir, on its knee and, again, I congratulate you.

THE REVENUE BILL, 1942

The SPEAKER. The Chair desires to recognize the gentleman from North Carolina [Mr. DOUGHTON] to submit a unanimous consent request.

Mr. DOUGHTON. Mr. Speaker, by request of my colleague the gentleman from New York [Mr. CULLEN] a member of the Ways and Means Committee, I ask unanimous consent that he may be excused from serving as one of the conferees on the tax bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina. [After a pause.] The Chair hears none and appoints the gentleman from Oklahoma [Mr. DISNEY] to serve as

a member of the conference on the part of the House.

THE POLL-TAX BILL

Mr. GAVAGAN. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Speaker, we are here to consider a most important matter having to do with our much-talked-of democracy. If it seems to some to infringe upon the rights of the States and so to bring doubt upon the constitutionality of this resolution, should we not rather consider the constitutionality of the disenfranchisement of large numbers of our citizens because of their economic status?

It is my urgent hope that we will courageously demonstrate to the peoples of the world that we believe democracy means, in fact, the opportunity for every man and every woman to express himself or herself in relation to government.

I trust that the bill will pass and that by our action here we will show the world we not only talk democracy but that we live it.

Mr. GAVAGAN. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, a poll tax is an inequality that is unreconcilable with the elementary principles of popular sovereignty or a government by the consent of the governed.

I am glad to have this opportunity to vote to abolish the poll tax, which has made a mockery and a travesty of democratic institutions and successfully disfranchised the poor white and colored citizens in certain sections of our country. It should have been abolished long ago.

It is a fair and logical step consistent with the provisions of the fifteenth amendment to the Constitution, proclaimed by my grandfather as Secretary of State in the Grant administration. The fifteenth amendment provides that:

> The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude. * * * The Congress shall have power to enforce this article by appropriate legislation.

While our sons are fighting all over the world for the four freedoms we must assure all the American people their constitutional fireside privilege of free speech and the equal constitutional right to cast a free ballot. That is the fundamental difference between a republic or constitutional democracy and a dictatorship or totalitarian nation.

A government of the people, by the people, for the people is the only system of government that should be tolerated in America.

The following letter addressed to the editor of the Middletown Times-Herald in my district answers the charge circulated that I would not be in the House today—Monday—to vote to bring up the anti-poll-tax bill:

NEWBURGH, N. Y., *October 11, 1942.*

The EDITOR,
Middletown Times-Herald,
Middletown, N. Y.:

Veritas magna est et praevalebit—the truth is mighty and will prevail. A letter signed by Lucien W. Emerson states that "HAM FISH has notified the anti-poll-tax committee that he will not be in Washington to vote for it." I would like to ask Mr. Emerson in what paper he read such a statement—was it the Daily Worker, PM, or some New Deal propaganda sheet?

I have consistently planned to be in Washington this Monday to vote for the anti-poll-tax bill as a fair and logical step and consistent with the provisions of the fifteenth amendment to the Constitution proclaimed by my grandfather—Hamilton Fish—when he was Secretary of State in the Grant administration. I have written and wired many of my constituents that I would be in Washington on Monday to vote for the anti-poll-tax bill and will be there—God willing.

It is a matter of personal regret that I have been obliged to tell Mrs. St. George that the probabilities were that I could not get back in time to attend the dinner of the Federation of Republican Women of Orange County to be held Monday night in Middletown, because I had to be in Washington that afternoon to vote for the anti-poll-tax bill. While I am correcting false rumors or intentional falsehoods, let me answer briefly some of the vicious and contemptible propaganda that has reached a new low inferring that the servicemen of this war are against me. I have no doubt that there are individual servicemen who differed with my efforts prior to Pearl Harbor to keep America out of war until prepared and unless attacked. No doubt there are among the servicemen a few rabid interventionists who wanted war before Pearl Harbor as there are a few at home. No doubt there are fanatical New Dealers and even Communists among the servicemen who disapprove of my political sentiments and there may be some who have obtained erroneous impressions from reading the continuous stream of abuse and vilification that appears in your paper, the PM, and Daily Worker.

For every letter against me from a serviceman I can show two ardently for me. I am willing to bet a new winter felt hat with the editor of the Times-Herald or with F. R. S., of Goshen, or Quentin Reynolds that when the soldier vote is counted on November 3 throughout the Twenty-sixth Congressional District that I will have received a majority of those votes, and I believe a very substantial majority, because they know they have no better friend in Congress. The servicemen of this war know that I served in World War No. 1 with combat troops and that I volunteered to serve with combat troops in this war.

Yours for fair play,

HAMILTON FISH.

Mr. GAVAGAN. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. MCKEOUGH].

Mr. MCKEOUGH. Mr. Speaker, in spite of the fears of the distinguished gentleman from Georgia [Mr. COX] as to the threatened violence to the Constitution by the adoption of this rule, to which fears, of course, I do not subscribe, I am happy to be present today to support the motion to discharge in order that this long awaited, constructive piece of legislation doing away with the poll tax theory in the southern States may be adopted, and as a result there may be applied to a greater degree the processes of democratic government, for which we and the United Nations are now fighting to make secure. I am happy to be here to support the motion to discharge the committee and the legislation as well.

Mr. GAVAGAN. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Speaker, on January 3, 1941, H. R. 1024, to prohibit the States from requiring the payment of a poll tax to vote in Federal elections was introduced in the House, and at once referred to the Judiciary Committee of the House for consideration and report.

The Judiciary Committee failed to make a report, either favorable or unfavorable after it had had the bill for more than a year and a half.

A petition was placed at the clerk's desk seeking to discharge the Judiciary Committee from further consideration of the bill, as is provided by Rule 27 of the House. Two hundred and eighteen Members, a majority of the House, having signed that petition to discharge the Judiciary Committee there are now before us two motions.

The first motion seeks to discharge the Judiciary Committee from further consideration of the bill. I am a member of the Judiciary Committee. I felt that the committee ought to have considered this important measure and made a report one way or the other to the House. I favored the bill, and as our committee took no action, I was one of the 218 Members who signed the petition to discharge the Judiciary Committee and make it possible to bring this bill before the House. I favor, and shall vote for the adoption of this motion.

The next motion provides for the adoption of a rule providing this bill be taken up for consideration on tomorrow. After 4 hours of general debate, and after the bill has been read and considered for amendments, the bill will come up for vote on final passage. I shall vote for the bill.

Our Nation is engaged in a great war. One of the great objectives of this war, it is asserted, is to give freedom to oppressed peoples, to permit them to enjoy the benefits of a democracy. Our good faith will be questioned if we urge democracy for other countries and deny democratic processes to our own people.

This is a matter of great importance to the American people, and especially to millions of American citizens whose right to vote has been restricted by the so-called poll-tax laws of eight of the States.

It is freely admitted that the poll-tax requirement to vote not only restricts the right of many loyal American citizens but encourages corrupt practices in our Federal elections.

In my opinion, these laws of the eight States requiring the payment of poll taxes in order to vote in Federal elections, are violative of the Constitution of the United States, and I am convinced the Congress has the power to prevent any State from placing such a limitation on voters insofar as Federal elections are concerned.

THE STRUGGLE OF THE CENTURIES

From the beginning of recorded history there has been a great struggle between those seeking political freedom on the one hand and those seeking to restrict the participation of the people generally in government. The poll-tax requirement to vote renews this struggle of the centuries. For many centuries autocratic rules had by force or by inheritance claimed the right to rule the people. They held within their hands the power of life and death over all of their

subjects. The people struggled against this autocratic power and yearned for freedom and the right to participate in their own government. Finally a group in England compelled the autocratic King John to sign the great Magna Carta which permitted the nobles and great land barons of England to share in the affairs of government. This was considered a great victory for human rights, but it did not embrace the common people. The struggle went on until our forefathers won their freedom in the Revolutionary War. Many of the heroes of that struggle, with Washington, met in constitutional convention in Philadelphia in 1787, and after months of labor on September 17, 1787, submitted to the people that immortal document known as our Federal Constitution subject, of course, to be ratified by the people of the Thirteen Original States. That greatest of all charters of human rights starts out by saying—

> We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

The patriotic people of the Thirteen Original States had suffered so much from autocratic rule and had been denied so long the right to participate in government and being so happy over having won their liberties desired above all things—to make secure these wonderful blessings of liberty not only to themselves but to their posterity. It was the first time in all the centuries that the people had established a free government.

Section 1 of article I provides for a Congress composed of a Senate and House of Representatives. Section 2, article I, provides for a House of Representatives to be composed of Members chosen every second year by the people of the several States. This was then known and is still known as the popular branch of the Congress. The Senators were elected by the State legislatures, but in order to bring the Government closer to the people, "We, the people," adopted the seventeenth amendment to the Constitution, providing that Senators must be elected by the people.

The fifteenth amendment gave the right to vote to the colored people, and the nineteenth amendment conferred the franchise on women, so we now have a Government of all the people, by all the people, and for all the people, if the letter and spirit of the Federal Constitution is carried out. Eight States of the Union have been restricting the franchise of the citizens residing in those States. These eight States have imposed poll-tax requirements in order to vote in the Federal elections, making it impossible for American citizens, possessing qualifications in all other respects, to vote unless and until they have paid certain sums in poll taxes. The evident purpose of these laws is to restrict the rights of the people to vote, and these poll-tax laws evidently have accomplished their purpose. They attempted, in my opinion, by indirection to nullify the fifteenth amendment and other provisions of the Federal Constitution.

In a bitter struggle lasting for more than 4 years slavery was wiped out, and "We, the people" amended their great charter of freedom by adopting the thirteenth, fourteenth, and fifteenth amendments. The legislature of no State should be permitted to overturn the Constitution or the amendments thereto.

Statistics for the 1940 election show how adversely the poll-tax laws affected the number of votes cast in the Presidential election in 1940. There was a very heavy vote cast throughout the Nation. Twenty-two out of each 100 citizens voted in the poll-tax States on an average. In South Carolina, 10; Mississippi, 15; Georgia, 18; Alabama, 19 citizens out of each 100 voted. The average number of voters in 1940 in the non-poll-tax States was 71 out of each 100, as compared with 22 out of each 100 in the poll-tax States. The highest number of votes cast in the non-poll-tax States out of each 100 was 83 in Utah and West Virginia, and the lowest number in non-poll-tax States was 57 in Arizona and Maryland. Kentucky, a non-poll-tax State, and Tennessee, a poll-tax State, have approximately the same population, both colored and white. Kentucky, in 1940, voted 60 out of each 100, while Tennessee voted only 31. In 1940 elections approximately 10,000,000 American citizens in these eight poll-tax States did not vote and did not participate in their Government. Millions are white people of the working classes of these States. It seems to me the policy being followed in these States is in keeping with that followed through the centuries to limit as far as possible those who participate in government.

When our Constitution was being framed, there were those who tried to limit the right to vote to freeholders and landowners, but these and similar other proposals were overwhelmingly defeated. It was the purpose of the overwhelming majority of those assembled in that convention to create a government here of "We, the people." It was not to be a government of kings, princes, lords, barons, big landowners, or the rich. It was to be a government of all the people.

A poll-tax requirement to vote, in our opinion, is not a qualification but is a regulation or restriction on the right to vote as set forth in section 2, article I, of the Constitution. If we should believe that section 2, article I, of the Constitution gives the legislatures of the several States the unlimited power to fix qualifications, we insist that the poll tax is not a qualification but is merely a regulation or restriction.

The legislatures of the several States certainly do not have power to nullify other provisions of the Constitution or to take away the republican form of government of the States or to act capriciously.

If the poll tax is a qualification and the States have unlimited power to fix such qualifications, as claimed by the opponents, then they have the power to fix a poll tax at $10, $20, $100, or $1,000, or any other amount, and they could require as a prerequisite to vote that each person pay a tax on his cows, horses, mules, sheep, or on his land, or belong to some political party or church, or be a banker, teacher, or preacher, and in that way take away the right to vote of millions of American citizens who have the character, ability, and are loyal.

It can be seen at once the poll tax is not a qualification; it is merely a regulation or restriction not embraced in the Constitution.

The fourteenth amendment provides—

> No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States.

The fifteenth amendment provides the right of citizens to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

Section 2, article IV, of the Constitution provides—

> The citizens of each State shall be entitled to all privileges and immunities of citizens in the several States.

The right to vote is one of the great privileges and immunities granted to every citizen under the Constitution.

The laws of Alabama, Georgia, Tennessee, South Carolina, Virginia, Mississippi, Arkansas, and Texas requiring the payment of poll taxes takes away the privileges and immunities of the citizens of those States and thereby abridges their right to vote. These laws bear heavily upon the working people and the common people and they prevent millions of American people from participating in their Government. It is a throwback to other days when it was presumed that the more favored citizens alone possessed the qualifications to vote.

There were those in the Constitutional Convention who tried to write an amendment to that great document to keep mechanics, other workers, and the poor man from voting, but the Constitutional Convention rejected those proposals. Had they succeeded, we would not have had a government of the people, for the people, and by the people.

These poll taxes are not for the purpose of raising revenue. I am informed in the States where they prevail no effort is made to collect the poll taxes except in cases where people own property or offer to vote. It is not the purpose of the proponents of this measure to interfere with the imposition of poll taxes to carry on the expenses of the State, city, and county governments. The only objection being raised is to the imposition of such a tax as a requirement to vote. The proponents of this measure feel that all citizens should pay taxes according to his or her ability to pay for the operation of Federal, State, county, and city Governments, but deny the power of any State to fix any money payment, whether poll or property tax, as a prerequisite to voting.

Mr. GAVAGAN. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, I am constrained to look upon the congratulations which were recently heaped

upon me with a great deal of apprehension. Paraphrasing an old saying, I say to the gentleman from Georgia [Mr. COX], Beware of poll taxers bearing gifts. It is very obvious what the gentleman intended. At the same time it is also obvious to all that the congratulations were not only undeserved, but rather silly, because the gentleman from Georgia knows that this bill comes before us only because a majority of the House of Representatives in response to the will of the American people has signed a discharge petition requesting immediate consideration of this bill today. But, Mr. Speaker, congratulations are still in order and they should be extended to the 218 Members of the House who signed this petition, for advocating the extension of democracy to our own people within our own borders at a time when Americans are fighting and dying to establish freedom all over the world.

Mr. COX. Mr. Speaker, have I any time remaining?

The SPEAKER. The gentleman has 4 minutes remaining.

Mr. COX. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, the Geyer bill is an amendment to the Hatch acts under the guise of preventing the payment of a poll tax as a qualification for voting. The bill undertakes to denounce the poll tax as a political activity. There is no warrant for such a bill under the Constitution.

In extending my remarks it is proper to call attention to the fact that the proponents have not even attempted to submit any authorities in support of the validity of the bill. I opposed the rule and I oppose the bill. I am gladly giving my reasons for my opposition. I shall confine myself to a discussion of the bill and shall undertake to demonstrate beyond a doubt that suffrage is a State function; shall call attention to the pertinent constitutional provisions, including the provisions respecting Senators, Representatives, and Presidential electors; shall show that qualifications can only be changed by constitutional amendment, as was done by the fifteenth and nineteenth amendments; shall differentiate the Classic case; shall show that the qualifications of voters is a State function; shall show that a small vote is no reason for the passage of the bill; shall emphasize that registration for voting is required; and shall show in reason and upon authority that voting is a State privilege and that legislation changing the qualifications of voters is not permissible under the Constitution.

I shall undertake to demonstrate that under the Constitution the qualification of voters for Senators and Representatives is in the States and that the anti-poll-tax bill is in violation of the right accorded to the States by the Federal Constitution. I shall further demonstrate that the poll tax is universally recognized as a qualification and that Congress is without power to provide that it shall not be required as a requisite for voting.

ANTI-POLL-TAX BILL

H. R. 1024, known as the Geyer bill, undertakes to amend the Hatch Acts by making it unlawful to require the payment of a poll tax as a prerequisite to either voting or registering to vote at any election for President, Vice President, Presidential elector, Senator, or Member of the House of Representatives. The bill denounces the requirement of a poll tax as a "pernicious political activity."

S. 1280, known as the Pepper bill, is pending in the Senate. In this bill no reference is made to the Hatch Acts. It provides that requirement of the payment of a poll tax for registering or voting at both primaries and elections for Presidential electors and for Senators and Representatives shall not be deemed a qualification but an interference, and a tax upon the right or privilege of voting for said national officers. There is a material difference between the Geyer and Pepper bills. The Pepper bill embraces primaries as well as elections, but does not declare the poll tax a pernicious political activity. It provides that poll taxes shall not be qualifications for voting in Federal primaries and elections.

I. SUFFRAGE A STATE FUNCTION

The whole subject of the regulation of elections, including the prescribing of qualifications for suffrage, is left by the National Constitution to the several States, except as it is provided by that instrument that the electors for Representatives in Congress shall have the qualifications requisite for electors of the most numerous branch of the State legislature, and as the fifteenth amendment forbids denying to citizens the right to vote on account of race, color, or previous condition of servitude.

Participation in the elective franchise is a privilege rather than a right, and it is granted or denied on the grounds of public policy. (Cooley's Constitutional Limitations, 8th ed., vol. 2, p. 1360.)

Suffrage is not a universal right but is a privilege to be extended or denied by the States. (Story's Commentaries on the Constitution, vol. 1, 5th ed., secs. 579–584.)

The privilege to vote is generally derived from the States. The right is not conferred but is protected by the Federal Constitution. The fourteenth amendment does not have the effect of conferring such rights.

Subject to the limitation contained in the fifteenth amendment of the Constitution, the power to fix qualifications of the voters is vested in the States. (McCrary's American Law of Elections, sec. 1.)

The right of suffrage is not a natural right nor is it an absolute unqualified personal right. (McCrary, sec. 3.)

The elective franchise is not a right, privilege, or immunity incident to citizenship. The Constitution left to the States the qualification of voters. (Paine Law of Elections, secs. 76 and 78.)

At the time of the adoption of the Constitution, all of the Thirteen Original States not only prescribed qualifications for voting, but they were jealous of the exclusive rights of the States as to suffrage. The qualifications, while similar, were by no means uniform. Among those generally required in the Thirteen Original States, as well as among the States today, are citizenship; residence; age; in some States the payment of taxes; and in many States, registration.

There was much debate in the Constitutional Convention as to the qualifications of the electors for Members of Congress. The members of the Convention could not agree upon uniform qualifications for voters for Representatives in Congress and the matter of qualifications was, therefore, left to the States, with the restriction that Members of Congress should have the same qualifications required for those voting for Members of the most numerous branch of the Legislature.

The Constitution provided for the election of Members of Congress, and while the qualifications of electors was left to the States, Congress was given the power of making or altering the regulations as to the time, place, and manner of the election of Representatives and Senators, with no power to change the places of choosing Senators. Such power was essential to enable Congress to function or to exist, or to exercise the powers that had been conferred upon it.

A compromise was adopted at the convention. The supreme power of the States in suffrage was recognized by Congress, and to guarantee that the qualified electors would be protected in their voting and Congress was given power to alter or change the time, place, and manner of elections.

II. CONSTITUTIONAL PROVISIONS

Article 1, section 2, is as follows:

The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

There is common consent and agreement that the States have the right to prescribe the qualifications requisite for electors of Members of Congress, but it is maintained that the poll tax is not a qualification but a regulation.

Article 1, section 4, is as follows:

The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators.

By some it is maintained that poll taxes are a restriction or condition or regulation and not a qualification. It is maintained, therefore, that Congress may eliminate poll taxes. It is asserted by others that poll taxes are a pernicious activity and that they may be eliminated by act of Congress under the guise of preventing pernicious political activity. Statutes preventing pernicious activities have been approved by Congress under section 4 in congressional elections, under the necessary and proper clause, and under the constitutional guaranty of a republican form of government.

Article 1, section 8, clause 18, is:

To make all laws which shall be necessary and proper for carrying into execution the foregoing powers.

Section 4, article IV, provides, among other things:

The United States shall guarantee to every State in this Union a republican form of government.

There is a difference between fraud, corruption, ballot-box stuffing, and other pernicious practices and the qualifications of electors. Among the oldest of the qualifications in the mother countries and in the Colonies was ownership of property and payment of taxes. Tax and property qualifications obtained in varying degrees in all of the Colonies at the time of the adoption of the Constitution. The poll tax is probably the oldest of all taxes. Like many other taxes it may not be popular and it may be restrictive. Taxes, whether property taxes or poll taxes have been the cause of uprisings and of revolutions. The poll tax or head tax was the cause of a peasant uprising in England under Wat Tyler in 1381, and taxation without representation was largely responsible for the Revolution.

It is a prostitution of language to say that a qualification of taxes, whether property or poll, shall now be declared to be a pernicious political activity. Fraud, intimidation, corruption, ballot-box stuffing are crimes. Taxes may be onerous—they may be unpopular—but they are not in the same category with pernicious political activities. The proponents are hard pressed when they now ask Congress to declare a tax that has obtained through the centuries to be a pernicious political activity. No better proof could be desired of the weakness and invalidity of the anti-poll-tax bill.

The Constitution was not only mindful of the rights of the States with respect to suffrage, and not only recognized these rights, but it recognized the rights of the State legislatures. The language in section 4, article 1:

* * * except as to the places of choosing Senators—

is unique.

The Constitution left to the State legislatures the places for their meetings. The rights of the States were again safeguarded. (Story, vol. 1, sec. 828.)

The language giving to Congress the power to make or alter such regulations does not seem to have attracted much attention or to have encountered any opposition during the Convention, but the provision was assailed in the State conventions, and a majority of the original 13 States tentatively proposed amendments to the effect that the Congress would not be authorized to make regulations unless the States failed or refused to provide the qualifications of electors or for the elections. It was finally agreed that Congress should have the regulation as provided in section 4 to provide for its preservation. The debates on this section are most informative.

Neither the members of the Convention or the Thirteen States in their ratifying conventions purported to take away entirely the alterative power of Congress, but proposed to restrict it to cases where a State neglected, refused, or was disabled to exercise the power of regulating elections. (Story, vol. 1, sec. 827.)

Mr. Madison, in commenting on article I, section 4, said, and I quote:

To give the national legislature a power not only to alter the provisions of the States, but to make regulations in case the States should fail or refuse altogether (Fifth Elliot's Debates, 402).

Madison's reasoning is easily explained. The States would not have ratified the Constitution if it had not been generally understood that the qualifications of electors would be the function of the States. In the Federalist, Hamilton said that the propriety of the clause in question rested, and I quote:

Upon the evidence of the plain proposition that every government should contain in itself the means of its own preservation.

In the ratifying conventions, as I have stated, a majority of the States proposed to limit the action of Congress to cases of neglect or refusal, but that proposal was abandoned upon the ground that there would be no occasion for congressional interference so long as the States performed their duty.

In the Virginia Convention, Madison, who had kept a record of the debates in the Constitutional Convention, advocated the ratification of the Constitution. Alexander Hamilton, who really favored a more centralized government, is responsible for the ratification of the Constitution by New York. In all of the conventions, section 4 of article I was assailed. It was most bitterly attacked. Hamilton's interpretation leaves no room for doubt. I quote from him:

Its authority would be expressly restricted to the regulation of the times, the places, and the manner of elections. The qualifications of the persons who may choose or be chosen, as has been remarked upon other occasions, are defined and fixed in the Constitution and are unalterable by the Legislature. (The Federalist, LIX, LI.)

The history of the times indicates beyond reasonable doubt that if the Constitution makers had claimed for this section the broad regulation for which some now contend, the Constitution would never have been ratified (Story on the Constitution, vol. 1, sec. 814, et seq.)

As Justice Field in his dissenting opinion pointed out in *Ex parte Clark* (100 U. S., p. 418), and I quote:

And the regulations as to the manner of holding them cannot extend beyond the designation of the mode in which the will of the voters shall be expressed and ascertained.

Again I quote from the same page:

The power does not authorize Congress to determine who shall participate in the elections or what shall be the qualifications of voters. These are matters not pertaining to or involved in the manner of holding the election, and their regulation rests exclusively with the States. The only restriction upon them with respect to these matters is found in the provision that the electors of Representatives in Congress shall have the qualifications required for electors of the most numerous branch of the State legislature, and the provision relating to the suffrage of the colored race. And whatever regulations Congress may prescribe as to the manner of holding the elections for Representatives must be so framed as to leave the election of State officers free.

The language employed in section 4 is simple and easy to understand. I quote from Chief Justice Fuller, in *McPherson v. Blacker* (146 U. S., p. 27):

The framers of the Constitution employed words in their natural sense and, where they are plain and clear, resort to collateral aids to interpretation is unnecessary and cannot be indulged in to narrow or enlarge the text; but where there is ambiguity or doubt or where two views may well be entertained, contemporaneous and subsequent practical construction are entitled to the greatest weight.

In all the 153 years of the history of the United States, Congress has never previously undertaken by statute to prescribe the qualifications of voters for Senators and Representatives. The seventeenth amendment provides for the election of Senators, but the same language with respect to the qualifications of electors that obtains in article I, section 2, is found in amendment seventeen. I quote from amendment seventeen:

The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislatures.

There is a difference between manner and qualifications. Constitutional authority given to the legislature to prescribe the time and manner does not include the power to determine what shall constitute a legal voter (*Livesly* v. *Litchfield*, 83d Pac. 142; 47 Oreg. 248; 114 American State Repts. 920; Words and Phrases, vol. 26, p. 358).

Under article I, section 4, Congress has the right to make either new regulations or add to or modify State regulations. *Ex parte Seybold* (100 U. S., p. 371). This involved the enforcement acts passed May 31, 1870—Sixteenth United States Reports, page 144—and amended on July 14, 1870—Sixteenth United States Reports, page 254—and again amended on June 10, 1872—Seventeenth United States Reports, page 347. These acts relate to elections of Members of Congress and were passed to secure purity of elections and the right of citizens to vote without molestation.

Following the ratification of the Constitution, there was no effort on the part of Congress to regulate time, place, and manner of elections until 1842. Some States elected their Representatives in Congress by districts and others from the State at large. Some nominated by districts and elected all Members from the State at large. But uniformity with respect to elections was desired, and the act of 1842 (5 Stat., p. 491) provided for the election of Members of Congress by districts. It was not until after the War between the States and after the ratification of the fifteenth amendment that Congress undertook to pass regulations with respect to the time, places, and manner of electing Representatives. Congress had provided, immediately following the War between the States, for uniformity of date as to the election of Senators (14 Stat., p. 243). I may remark in passing that after passing the seventeenth amendment Congress passed a temporary law that expired in 3 years for the election of Senators (38 Stat., p. 384). But when passions were high following the War between the States, with

freedom for former slaves, the enforcement acts were passed to prevent fraud, corruption, ballot-box stuffing, and intimidation in connection with congressional elections. Temporarily the landmarks of the fathers were forgotten. There was strife and, finally, on February 8, 1894 (28 Stat. 36), the enforcement acts were practically repealed, and Congress again left to the States, as it had for 80 years previous to the passage of the acts, not only the qualifications of voters for Members of Congress but the times, places, and manner of elections. Human nature is very much the same. The results in the Southern States were not what the advocates of the enforcement acts anticipated. There was reflex action. The same rules obtained in all of the States and there was undesirable interference and intimidation with elections in other States than in the South, all of which resulted in the repeal of the enforcement acts, except the conspiracy sections, which remain.

These acts were based upon section 4 of article I. There was never any attempt to eliminate taxes, either poll or property, as all agreed Congress had no power to prevent the States levying taxes. There was never any attempt on the part of the Congress, when passions ran high following the War between the States, to prescribe qualifications for voters in congressional elections. The whole purpose was to guarantee that the legal and qualified voters in the several States should be protected in their right to vote. In its fundamental sense the privilege of suffrage is derived from the States, but the right of voting for Members of Congress is also found in the Constitution. Electors owe their right to vote to the Constitution, but the qualifications must be prescribed by the State (*Ex parte Yarbrough*, 100 U. S. 651; American Jurisprudence, vol. 18, p. 210).

No one disputes now that in State elections a poll tax may be required before the citizen can vote. While the requirement has been abandoned in many States, poll taxes and property taxes still remain, and these taxes obtain under the heading of qualifications. (American Jurisprudence (1938 vol. 18, p. 212, 226, 227, and 228.) I may remark in passing that literacy, and the ability to read or understand the Constitution, are among the qualifications in many States, including Massachusetts and New York. If Congress can eliminate the qualification of the poll tax requirement, it can eliminate the qualification of literacy, or the educational qualifications.

Under section 4 of article I, Congress may make regulations as to the conduct of elections or may supplement the State regulations. It may impose additional penalties. Our legislative history from 1870 shows that except for a period of about 24 years it was the policy to leave regulations to the States for the first 80 years of the history of the Republic. (*U. S.* v. *Mosely* (238 U. S., p. 383); *U. S.* v. *Gradwell* (243 U. S., p. 476); American Jurisprudence, vol. 18, p. 187.)

The enforcement acts following the War between the States confined themselves to elections for Members of Congress. There was no reference to Presidential electors and there was a reason why Presidential electors were not included within the terms of the statute. The justification for the enforcement statutes was the regulation authorized by section 4 of article I. There was no such regulation authorized with respect to Presidential electors.

III. PRESIDENTIAL ELECTORS

Article II, section 1, provides, and I quote:

> Each State shall appoint, in such manner as the legislature thereof may direct, a number of electors, equal to the whole number of Senators and Representatives to which the State may be entitled in Congress; but no Senator or Representative, or person holding an office of trust or profit under the United States, shall be appointed an elector.

The legislature appoints the electors. It may appoint them directly, as was done in the early history of the country, or it may provide for their election. The State legislature is vested with the power of appointment or election. It is significant that Congress was not authorized to make or change the regulations with respect to the appointment of electors. Congress was authorized to determine the time of choosing the electors and the day on which they shall give their votes, which day shall be the same throughout the United States (art. II, sec. 4). Congress has passed an act to provide for the time of choosing electors. All of the States complied, including the State of Maine, but Congress did not undertake to regulate the manner of the election of Presidential electors. It did not undertake to supervise such elections. No such power is given to Congress with respect to electors. Hence, I repeat, the enforcement acts following the War between the States made no reference to Presidential or Vice Presidential elections, or the elections of Presidential and Vice Presidential electors. Under the Constitution the legislature of each State directed the manner of appointment of Presidential electors. It is significant that in the Constitution the power to regulate the appointment or election of Presidential electors is not given to Congress (*In Re Green* 134 U. S. 377). The legislatures have exclusive power to direct the manner of Presidential elections (*McPherson* v. *Blacker*, 146 U. S., p. 1). I quote from the opinion by Chief Justice Fuller, on page 38:

> The fifteenth amendment exempted citizens of the United States from discrimination in the exercise of the elective franchise on account of race, color, or previous condition of servitude. The right to vote in the States comes from the States, but the right of exemption from the prohibited discrimination comes from the United States. The first has not been granted or secured by the Constitution of the United States, but the last has been (*U. S.* v. *Cruikshank*, 92 U. S. 542; *U. S. v. Reese*, 92 U. S. 214).

As I have stated, in 1866 Congress provided for a uniform time for the election of Senators by the legislatures—Statutes at Large 14, page 243. But it is significant that Congress, in passing the statute for congressional elections, recognized the right of the States, and the act of Congress fixing the time for the election of Representatives distinctly provided that it did not apply to any State whereby under the Constitution State officials were elected at another time. Hence it is that Maine, where under the Constitution State officials are elected in September, still elects her Senators and her Representatives during the month of September. The act of 1875—18 Stat., page 400—provided for a uniform time for the election of Representatives, but exceptions were made that enables Maine, because of the constitutional September election, to elect Senators and Representatives at a different time from any other State in the Union. However, in Maine, because the Constitution authorizes Congress to provide a certain day for Presidential electors, Maine still votes for Presidential electors in November.

The Geyer bill embraces not only senatorial and congressional elections but elections for Presidential electors. The same may be said of the Hatch acts, the original of which was passed in 1939.

A statute was passed in 1907 preventing contributions by corporations in elections of Presidential electors, as a pernicious political activity. The acts of 1910, 1911, 1912, and 1918 were confined to pernicious political activities in senatorial and congressional elections. The Corrupt Practices Act of February 28, 1925, which repealed practically all of the prior acts, applied to expenditures and practices in connection with the election of Senators and Representatives, but it also prohibited contributions in connection with any election of Presidential electors.

Presidential elections are authorized, as are the election of Representatives in Congress, by the Constitution. There is the power of regulating the time, place, and manner of the elections of Representatives and Senators, but no power for regulating the time, place, and manner of elections of Presidential electors. Under article I, section 8, clause 18, and I quote:

> To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof—

Congress thus has a right to protect and safeguard from fraud and corruption the election of Senators and Representatives as well as Presidential electors, but the power in Presidential electors does not come from the power of regulation, as in the case under article I, section 4, which is limited to Senators and Representatives.

If the advocates of the Geyer bill who assert that poll taxes are regulations are correct, then I maintain that Congress is without authority to provide for the elimination of poll taxes in the election of Presidential electors. The argument that a poll tax is a condition, a restriction, or a regulation and not a qualification falls to the ground, for if it be sound then the Geyer bill is unconstitutional in undertaking to regulate the election of Presidential electors. On the other hand, if Congress has a right to pass legislation to prohibit and prevent pernicious activities in congressional and Presidential elections, section 4, article

I, is not applicable or the source of power. If the power of regulation for congressional elections is derived from section 4, then there is no power of regulation for Presidential elections.

IV. NINETEENTH AMENDMENT

It is universally agreed that the States can prescribe qualifications for voting. Women were qualified in some States. In other States they were disqualified. It would be just as logical to have maintained that Congress could have passed an act prohibiting disqualification on account of sex, and call it pernicious political activity as it is to say that Congress can denounce the payment of poll taxes as a political activity. It took a constitutional amendment to enfranchise women. It will take a constitutional amendment to eliminate the poll tax. Congress cannot change the qualification of voters in the States. The advocates of the pending bill limit the poll tax to Federal officials. They deny that the poll tax is a qualification. This is a mere ruse. The fact is that when the Constitution was adopted all of the States had property or tax qualifications for voters. It was a qualification and not a manner at the time the Constitution was adopted, and it is a qualification still.

If Congress has the right to strike down a qualification for voting prescribed by the State, then it is in the power of Congress to impose additional qualifications for voting for Members of Congress. If Congress has the right to restrict, it has the right to broaden. Article I, section 2, provides that the States shall prescribe the qualifications. If Congress now attempts to say that persons not qualified to vote under the State's laws may vote for Members of Congress, it would be equally in violation of the fundamental law. The bill is unconstitutional in dealing with qualifications under the guise of pernicious activity.

V. POLL TAX A STATE QUALIFICATION

Poll taxes as qualifications for voting have been upheld by the Supreme Court of the United States. *Breedlove* v. *Suttles* (302 U. S. 277). *Pirtle* v. *Brown* (118 Fed. 2, 218), certiorari was denied by the Supreme Court (62 Sup. Ct. Rept. 64, 314 U. S. 621). The privilege of voting in the State is conferred upon the State except as the same is limited by the fifteenth and the nineteenth amendments of the Federal Constitution. The State may condition suffrage as it deems appropriate.

VI. CLASSIC CASE

The proponents of the bill rely upon the recent case of *United States* v. *Classic* (313 U. S. 299). This case, however, is not important. It does not involve the qualification of voters. It is a criminal prosecution to prevent a conspiracy to deprive a citizen of Louisiana from voting in a congressional election. In Louisiana the primaries elect the choice. The State conducts and pays the cost of the primary elections. The primary election was involved in the Classic case. The Court held in the Classic case that a citizen had a right to be protected in having his ballot cast and counted in a primary election for Representative in the State of Louisiana under the facts in that case. It is sometimes loosely said that the Classic case is authority for the passage of the pending Geyer bill. I quote from the opinion of the Court, from page 315 of the Superior State Court in that case:

> While, in a loose sense, the right to vote for Representatives in Congress is sometimes spoken of as a right derived from the States (see *Minor* v. *Happersett* (21 Wall. 162, 170), *United States* v. *Reese* (92 U. S. 214, 217–218), *McPherson* v. *Blacker* (146 U. S. 1, 38–39), *Breedlove* v. *Suttles* (302 U. S. 277, 283)), this statement is true only in the sense that the States are authorized by the Constitution to legislate on the subject as provided by section 2 of article I to the extent that Congress has not restricted State action by the exercise of its powers to regulate elections under section 4 and its more general power under article I, section 8, clause 18 of the Constitution "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers." (See *Ex parte Siebold* (100 U. S. 371), *Ex parte Yarbrough*, *supra* (663, 664), *Swafford* v. *Templeton* (185 U. S. 487), *Wiley* v. *Sinkler* (179 U. S. 58, 64).)
>
> Obviously included within the right to choose, secured by the Constitution, is the right of qualified voters within a State to cast their ballots and have them counted at congressional elections. This Court has consistently held that this is a right secured by the Constitution. *Ex parte Yarbrough*, supra; *Wiley* v. *Sinkler*, supra; *Swafford* v. *Templeton*, supra; *United States* v. *Mosley*, supra; see *Ex parte Siebold*, supra; In re *Coy* (127 U. S. 731); *Logan* v. *United States* (144 U. S. 263). And since the constitutional command is without restriction or limitation, the right, unlike those guaranteed by the fourteenth and fifteenth amendments, is secured against the action of individuals as well as of States. *Ex parte Yarbrough*, supra; *Logan* v. *United States*, supra.

The Court was passing upon the legality of a prosecution for conspiracy to prevent a citizen voting in a congressional election. The qualifications of the voter were not involved. It was admitted. There is no justification in the language quoted from the Classic case for the pending bill. The right to vote is derived from the States. The right to vote for a Member of Congress is guaranteed by the Federal Constitution, but the qualifications of electors is prescribed by the State. I call attention to the fact that the rights of qualified voters were under consideration. As stated, the right of qualified voters within a State to cast their ballots and have them counted at congressional elections was involved. The fact that then Chief Justice Stone spoke, as I have quoted, in the Classic case of the rights of qualified voters to be protected shows conclusively that while any statement as to qualifications of voters would have been obiter dicta in that case, nevertheless the opinion in expressed terms referred to qualified voters. Qualified voters are the voters qualified by the States.

VII. QUALIFICATIONS OF VOTERS FOR THE STATES

The Supreme Court of the United States in the Breedlove case, decided in 1937, held that the payment of a poll tax as a requirement or qualification for voting in elections for Representatives is not in violation of the Federal Constitution and is within the power of the State. The Court, as now constituted, in the Pirtle case denied a writ of certiorari, and thus affirmed the doctrine announced in the Breedlove case.

The Geyer bill forbids the collection of a poll tax in Federal elections, to insure honesty and to prevent pernicious political activities, as an amendment to the Hatch acts. The Pepper bill prevents the collection of a poll tax as a qualification of voters within the meaning of section 2, article 1, of the Constitution. The proponents of antipoll taxes are thus not agreed upon the power of Congress to pass anti-poll-tax legislation. The Geyer bill proceeds upon the theory that Congress can prevent the collection as a pernicious political activity. The Pepper bill recognizes the right of the States to prescribe qualifications and declares that poll taxes shall not be a qualification. The bills are really "fishing" legislation. The evident purpose is to undertake to secure favorable consideration before the Supreme Court as now constituted.

Some advocates of the bills have asserted that no State constitutions provide the collection of poll taxes as a qualification for voting. They are in error. The Constitutions of Mississippi and Alabama, as well as the constitutions of the other States where poll taxes are now required, provide that poll taxes shall be a prerequisite and a qualification. The payment of taxes as a qualification obtained when the Constitution was adopted. They now obtain in the constitutions of at least eight of the States. The wisdom of the poll tax is for the States to decide. The question is whether Congress has the power to change or modify by adding to or taking from the qualifications prescribed by the States. The champions of the antipoll tax are experimenting with the courts and with the Constitution.

Hearings have been conducted by the Judiciary Committee of the Senate on the Pepper bill. A subcommittee has submitted an unfavorable report. The full committee has not passed upon the bill, but Senator O'MAHONEY, chairman of the subcommittee, introduced Senate Joint Resolution 164 on October 5, 1942, proposing a constitutional amendment forbidding the collection of any tax or property qualification by the States. It is thus admitted that poll taxes cannot be abolished by Congress and that an amendment to the Federal Constitution is necessary to prohibit the States from prescribing the payment of poll taxes as a prerequisite to voting.

The Federal Constitution provides that the States shall determine the qualifications for voters in Federal as well as in State elections. Poll taxes now obtain in 32 States, but in only 8 of the States are they required as a prerequisite for voting. Congress is now asked to denounce as a pernicious political activity the payment of poll taxes as a qualification when such taxes have been prescribed as qualifications for voters from time immemorial. They are among the oldest of all taxes. The contention that

poll taxes are a regulation or a restriction or a condition is a mere play upon words. They are qualifications in the constitutions and in the statutes in the States where they are required. They are denominated as qualifications by Story, Cooley and by all the leading authorities on the Constitution and elections. The requirement may be regrettable, but unconstitutional action is no remedy for the alleged evil. It would be much wiser to rely upon the people to repeal without compulsion from the Federal authorities. The States were jealous of Federal Constitution encroachment at the time of the adoption of the Constitution. The States are still jealous of the rights reserved to them and the threat of unconstitutional encroachment is likely to hinder rather than promote the elimination of poll-tax requirements. At all events, the only remedy is to amend the Federal Constitution as was done in the case of the women's suffrage amendment to the Constitution.

Congress should set the example. No legislation in violation of the fundamental law of the land, no matter what the alleged excuse may be, should be passed by Congress. The people will have little regard for the statesmanship of Congress if Congress itself treats the Constitution as a scrap of paper. The refinements and the alleged distinctions in view of the plain language of the Constitution as to qualifications, including the payment of poll taxes, are distinctions without difference. If Congress can take from the qualifications of voters in Federal elections, it can add to such qualifications. Clearly there is no authority for such procedure under the Federal Constitution.

VIII. SMALL VOTE

Proponents of the Geyer bill refer to the small votes in general elections in the eight Southern States where poll-tax requirements still obtain. In Mississippi and the other Southern States the contests are settled in the primary elections. There are no contests in the general elections. In the primaries there are bitter contests. It is as difficult for a candidate to be nominated in a primary as it is for a candidate to be nominated and then elected in many other States. There are bitter contests in the primaries, but, generally, the primaries are decisive. The votes in the general elections are mere formalities. It is the primary vote that counts.

The number of voters participating in the primary elections in Mississippi and other States, where the poll tax obtains, compares favorably with the participation in primary elections in the States where there is no poll tax. Again, the percentage of qualified voters participating in primary elections in States like Mississippi compares favorably with the number participating in other Southern States like North Carolina and Louisiana, where there are no poll-tax requirements.

The poll tax does not discriminate against the Negro. The Supreme Court would not have upheld it if such had been the case. All are treated alike. Under the Constitution of Mississippi voters are required not only to pay their poll tax but to pay all of their taxes before they are permitted to vote. The well-to-do man would have to pay all of his taxes before he is qualified to vote in a general or a special election in Mississippi. The man without property would only be required to pay his poll tax. If there is any discrimination in Mississippi, it is in favor of the poor man. During the depression from 1930 to 1938, many of the leading citizens in Mississippi were disqualified from voting in general or special elections because they were unable to pay their taxes. The remedy, however, is not with the Federal Government. It is a State function. Mississippi has provided that the payment only of a poll tax is requisite to vote in a primary election and that no poll tax shall be required of the man in the armed services.

Small votes, unfortunately, obtain not only in the South but in other parts of the country. This is regrettable but, after all, democracy will be better promoted by an informed and enlightened franchise than by a numerous franchise. Intelligent voters in small numbers can be more helpful than ignorant voters in large numbers. Informed voters are more important than numerous voters.

Again, indifference in elections obtains not only in the South but, as I have suggested, in other parts of the country. In 1942 generally not more than one-third of the registered voters throughout the country participated in the primary elections. It is estimated that there are 42,191,179 registered voters and that 14,937,346 voted. The percentage of those who did vote is around 33⅓ percent. It varied in several States.

There are a number of factors responsible for the small vote:

First. There are always fewer votes than in Presidential contests. If it be said that voters in the World War No. 2 are apathetic, so were they in the World War No. 1. Then again, the absence of acute issues in many States is responsible.

Second. Millions of voters are away from home in the Army and in the Navy, and millions of voters will not stop working in munitions plants to vote.

Third. There has been much migration of defense workers from one State to another.

Fourth. Long hours of work in war factories tend to keep voters away from the polls.

The Southern States to date have made a far better showing than have been made in many States. Texas, Georgia, South Carolina, and Tennessee stand at the top, with percentages of the registered voters participating in the elections ranging in these Southern States from 59 to 82 percent.

It is easy to charge. It is difficult to prove. With the latest information available, a larger percentage of voters have participated in the primary elections in the South than any other part of the country.

IX. REGISTRATION IS REQUIRED

There are other requirements in addition to age, residence, and the payment of taxes in Mississippi, as well as in other States. Under the Constitution the voter must be able to read or write the Constitution or to understand the Constitution when it is read to him. A literacy test obtains as it does in Massachusetts and many other States. If the Negro does not qualify it is not because of the poll tax. It is primarily because of the literacy test, and the literacy test applies to both whites and blacks. Educational qualifications not only obtain in Mississippi, but in practically all of the States of the Union. I do not recall an exception.

In Mississippi and other States registration is a qualification. The Supreme Court of the United States has recognized that registration is a qualification (*Wiley* v. *Sinkler*, 179 U. S., pp. 58, 62, and 64). Whether registration is a qualification or not, it was required and the requirement was upheld. It does not change the requirement by calling it a condition or a regulation. The distinction is without difference. They are all prerequisites to voting, and prerequisites of all kinds are generally qualifications.

X. REASONABLE CONCLUSION

While there have been divided courts and decisions with dissenting opinions, in many of the cases in the Supreme Court of the United States involving pernicious political activities under the Enforcement Acts first passed in 1870 and the Corrupt Practices Act of 1925, the question of the constitutionality of the poll tax in Federal elections has never been passed upon by the Court. No Federal statute preventing the payment of poll taxes has ever been passed, but the decisions of the Court in all of the cases involving pernicious political activities and regulating the time, places, and manner of conducting senatorial and congressional elections lead to the inevitable conclusion that the intent of the founding fathers was to leave the qualifications of senatorial and congressional electors with the State with the power in Congress to make or alter regulations with respect to the time, places, and manner of elections so as to prevent pernicious political activities, in order that the Senators and Representatives, President and Vice President might be honestly elected and that the voters might be protected. The inevitable conclusion is that Congress is without power to prescribe or to abolish any qualification of electors for Senators and Representatives, and for Presidential and Vice Presidential electors.

The anti-poll-tax bill is in violation of the rights of the States, vigorously asserted at the time of the adoption of the Constitution and upheld by the Congress for 153 years. The right to vote in a Congressional election for Senators and Representatives and Presidential electors is guaranteed by the Federal Constitution. If such a right is secured by the Constitution, Congress can protect the manner of holding the election, but the States must prescribe the qualification of the voters.

It has been said that a right may exist although it has not been exercised. The answer is, however, that acquiescence for more than a century and a half means consent. The States claim the right to prescribe qualifications. The Federal

Constitution gave the States the right. Congress has assented by refusal to undertake for a century and a half to prescribe qualifications.

XI. NOT PERMISSIBLE UNDER THE CONSTITUTION

The qualifications of voters are reserved to the States. They are among the powers not delegated to the United States and reserved to the States under the tenth amendment. Members of Congress cannot violate their oath to uphold the Constitution, by voting for an unconstitutional bill.

Both bills embrace elections for President and Vice President. No persons have a right to vote for President and Vice President. If Congress assumes the power to supervise elections, at least Congress should use accurate language. It is true that similar language is used in the Hatch acts, but I hold no brief for the Hatch acts. Mistakes and errors should not be repeated. The remedy is to eliminate them.

As I have pointed out, Presidential electors are not national officers.

They are no more officers or agents of the United States than are the members of the State legislatures when acting as electors. (Green, 134 U. S. 379.)

As I have pointed out, the power and jurisdiction of the States as to the qualifications of Presidential electors are exclusive. (*McPherson* v. *Blacker* (146 U. S. 35).) The inclusion in the bill of Presidential electors elections for President and Vice President is without Constitutional authority.

The Pepper bill declares that the payment of poll taxes is detrimental to the integrity of the ballot. There is no proof of such a claim. It charges the States where poll taxes are required with fraud. It convicts them of corruption without a trial. It has not been shown that they are evil, but at most only that evil is possible under them. (*Williams* v. *Mississippi* (170 U. S. 213).)

Does Congress have jurisdiction to convict States of fraud? If the State laws operate as a fraud on the United States, the courts have ample jurisdiction. They are authorized to apply the remedy. But the Supreme Court of the United States, in the Breedlove case, has upheld the power of the States to levy poll taxes. Congress would be thus in the position of convicting the Southern States and the court of last appeal of fraud by providing that poll-tax requirements are detrimental of the ballot. It is admitted that poll taxes obtained for 153 years, but it is asserted that conditions have changed and that Congress will be justified in providing that poll taxes are an interference. If they are—if they result in fraud—Congress has ample power under section 4 to regulate the manner of the election. The remedy is not to deprive the States of their rights respecting qualifications.

With the poll tax, the United States has existed and prospered for 153 years and has become the richest and most powerful nation in the world. The poll tax is not impeding or destroying. The poll-tax States have a better government than they had preceding the poll tax.

The Federal Government has no power to prevent the levy of taxes by the States, and especially taxes for the promotion of public education. If tax qualifications discriminate, they discriminate against the rich rather than the poor. The poor are required to pay a $2 poll tax for the schools. The wealthy man, or the man even in moderate circumstances, has to pay all of his taxes before he can vote in an election in Mississippi. I have a neighbor whose State and local taxes are approximately $15,000. His chauffeur is only required to pay a $2 poll tax, and yet my neighbor must pay $15,000 before he can vote while the chauffeur pays only $2. But that is a State function and not a Federal question.

If poll taxes are unconstitutional, if they have violated any rights of citizens, rich or poor, white or black, the Supreme Court of the United States would have so held. The right to vote for Senators and Representatives is derived from the Constitution, but the qualifications of voters are for the States.

The Constitution protects the right to vote only of those who are qualified under the State laws. If he is qualified, his right to vote in congressional elections will be protected. The Classic case so holds.

It is asserted that the poll tax is not a qualification and that it has nothing to do with the capacity of the voter to vote. It has as much to do with his qualifications as residence and as sex. These are among the universally admitted qualifications. At least it was the case with respect to sex before the nineteenth amendment.

The word "qualification" is thus defined by Webster:

A condition precedent that must be complied with for the attainment of a status, the perfection of a right, etc., * * * as the qualification of citizenship.

A "qualified voter" is defined as:

One who possesses certain specific qualifications for voting, especially as to citizenship, age, and residence, and sometimes also as to literacy and the ownership of property.

In the constitutional and ratification debates, Alexander Hamilton used the expression in connection with suffrage "prescribing qualifications of property." In the Yarbrough case the Court said:

It adopts the qualification of those furnished as the qualification of its own electors for Members of Congress.

The Supreme Court has repeatedly held that the States have the right to prescribe who may vote.

The word "qualification" with respect to suffrage both before and after the formation of our Government and continuously down to the present date has been used in the sense of defining the persons who were entitled to vote. The word was so interpreted by the Members of the Constitutional Convention. They used the term "the right of suffrage." They used it in connection with the qualification of electors, as it finally appeared in section 2 of article I. And the interpretation of qualifications of voters has persisted to the present time. Volume 29, Corpus Juris Secundum, 1941, in the article on Elections and under Qualifications of voters includes—section 29, page 51—property, payment of taxes, and, at page 52, the payment of poll taxes. The same thing is true of 18 American Jurisprudence. Among other qualifications it includes "poll and other taxes." In Story, Cooley, and other works on the Constitution, taxes appear among the qualifications. They appear among the qualifications in State constitutions, including the eight Southern States where poll taxes obtain. They appear among qualifications in all of the leading textbooks on elections.

The States have the power to tax. Congress has no veto over the power of the States to tax. Congress has no power to interfere with the collection of State taxes. The repeal of the poll tax would be a prohibition of the collection of such taxes.

When the Constitution was adopted, each State possessed unlimited power over suffrage and generally prescribed qualifications, including property and taxes. *Miner* v. *Happersett* (88 U. S. 162):

Whether the requirements to be met in each State be termed qualifications of electors or be referred to by any other term, the State possessed and exercised the unlimited power over suffrage and the granting of the privilege of voting.

In adopting the Federal Constitution the States did not grant to Congress any of their powers over suffrage. They did, however, in article I, section 2, limit their own power over suffrage requirements for Senators and Representatives. If the payment of a tax as a prerequisite of the right of suffrage is a qualification, then the State must prescribe the same for both Senators and Representatives and members of the State legislature. Under the inherent power of suffrage, if the poll tax is not a qualification, then the States have the power to require the payment of the tax for Senators and Representatives without requiring it of those voting for members of their legislatures. The power of the States to impose conditions or requirements for suffrage, other than qualifications, is in no way restricted by either section 2 or any other provision of the Constitution as originally adopted. The absolute power of the States over suffrage, except as it is restricted by article I, section 2, and the fifteenth amendment, has been repeatedly upheld by the Supreme Court of the United States.

In the case of Breedlove against Suttles, the privilege of voting is not derived from the United States, but it is conferred by the State. The right of voting is guaranteed by the Constitution to qualified voters. Congress has no power to regulate or interfere with the exercise by the States of their power to prescribe suffrage requirements or their power to levy and collect a poll tax.

The power of suffrage is in the States—*Guinn* v. *U. S.*, 238 U. S. 362:

The States have the exclusive power to determine the manner of choosing its electors to vote for President or Vice President of the United States, and confers no power on Congress whatsoever to regulate on the subject.

For this reason the bill is invalid. Under the second clause of article II, the legislature appoints the electors. No power of supervision or regulation is given to Congress. Under the fourth clause, Congress can fix the time of meeting. It has no other power. *McPherson* v. *Blacker* (146 U. S. 1).

Under article I, section 2, and the seventeenth amendment, the States have the exclusive power to prescribe the qualifications of electors of Members of the Senate and of the House. As I have stated, power under section 2 of article I was a restriction upon the powers of the States. The States had these powers. They reserved them. The Constitution never conferred any power except that of regulating the time, places, and manner of elections upon Congress.

As I have stated, the proponents of the bill undertake to discredit Breedlove against Suttles, and particularly the following language of that decision:

> Privilege of voting is not derived from the United States, but it is conferred by the State and save as restrained by the fifteenth and nineteenth amendments and other provisions of the Federal Constitution the State may condition suffrage as it deems appropriate.

The right to vote is based upon article I, section 2, but the proponents overlook the distinction between privilege and right. The suffrage laws of the State determine those who are privileged to vote. The Constitution of the United States protects the right of those who are privileged in the exercise of that privilege. *Ex parte Yarbrough* (110 U. S. 651).

The Classic case, so often and so much relied upon by the advocates of the bill, recognizes the distinction between the right to vote by qualified voters and by those disqualified under the suffrage laws of the States. That case did not involve the question of the power of suffrage. Qualifications were not involved. The question was whether the Constitution extended protection to qualified voters.

The Breedlove case was decided in 1937. The Court, as now constituted, decided the Pirtle case in 1941. The supreme courts of numerous States sustained the validity of the poll-tax qualification. No decision has ever struck it down. American Law Reports, annotated, volume 139, page 572:

> The courts are unanimous in holding that failure to pay a valid poll tax if imposed as a condition of voting has the effect of disqualifying and rendering his voting invalid.

Innumerable decisions from many States of the Union are cited in support of the announcement.

As shown by the statements of the framers of the Constitution, by the decision of the Supreme Court of the United States, and by the decisions of the highest courts of the States, by the actions of Congress and the actions of States with respect to constitutional amendments, the States reserved full and unlimited powers to prescribe who may vote at all elections except as restricted by the provision that the qualifications to vote for Senators and Representatives should not be different from those prescribed for voters of the most popular branch of the State legislature. The fact that Congress has never undertaken to interfere with the qualifications of voters except by constitutional amendment is conclusive that Congress is without authority to modify or repeal State qualifications for voting. It took the fifteenth amendment to prohibit the denial of the right to vote on account of race, color, or previous condition of servitude. It took the nineteenth amendment to prohibit such denial on account of sex. It will take a constitutional amendment to prohibit the payment of a poll tax as a qualification for voting in senatorial or congressional elections.

XII. FEDERAL AND STATE RIGHTS

The United States is but an aggregate of all the States in the Union. What exalted patriotism do Members of Congress possess that is not possessed by the members of the State legislatures? What virtues has Congress not possessed by the citizens of the State? Who will say that the Congress of the United States is more interested in the welfare and representation of the State of New York than the citizens and the Legislature of New York? By what right does the Congress of the United States assume that the public interest will be better promoted by the assertion of a Federal right to control Federal elections than by the assertion of the guaranteed right of control in the States?

The old landmarks are often the best. Even if Congress possessed the power to regulate and prescribe qualifications in congressional elections—which I deny—it is a power that should be exercised only as a last resort to preserve the Government. We have had enough centralization. The States are closer to the people than Congress. In peace and in war there are functions for the States. The Federal Government should not encroach upon these functions. The States pass laws for the descent and distribution of property. They possess the power of life and death over the citizens in the exercise of their police powers. They protect the citizen in the enjoyment of life and property. Such protection is guaranteed by the States. Are these rights and privileges less sacred than the right of voting or the privilege of franchise? The States that have the power of life and death are wisely trusted to provide with the qualifications of voters.

Mr. COX. Mr. Speaker, I yield the balance of my time to the gentleman from Mississippi [Mr. RANKIN].

The SPEAKER. The gentleman from Mississippi is recognized for 3½ minutes.

Mr. RANKIN of Mississippi. Mr. Speaker, as I said a few days ago, you are planting dynamite under the Constitution of the United States by supporting this unconstitutional measure.

You are yielding to and being dominated by a communistic element in this country that wants to destroy American institutions.

One of their plans is to wipe out the different States entirely. Another one is to get control of this Government. This is one of the first steps in their program. They do not give a tinker's damn about winning the war. What they want to do is to get control of this Government and to communize or sovietize this Nation. They want to destroy all private business, even that of agriculture. They want to install a communistic system of community farming. In other words, they want to wreck the Constitution of the United States with its sacred Bill of Rights and destroy the last hope of constitutional liberty. They are using you for that purpose.

You Members who are supporting this bill are walking in the footsteps of the celebrated fanatics of the past.

We have been told that Alcibiades, the Greek traitor, imagined he was serving the best interest of Greece when by his own misconduct he wrecked the Greek Republic.

We have been told that Cataline thought he had the best interests of the people of Rome at heart when he helped to undermine and destroy the Roman Empire.

It is said that Judas Iscariot thought he was serving a religious purpose when he attempted to destroy the foundation of the Christian religion upon which our civilization is built by the most ignominious betrayal of all time.

It has even been contended that Benedict Arnold imagined he was serving the best interests of the people of America when by his misconduct he not only destroyed himself but he almost prevented the creation of the greatest republic the world has ever known.

It is possible that Laval may imagine he is serving the patriotic people of France by forcing them into German slavery; and that Quisling may imagine he is serving the best interests of the people of Norway by delivering them into the hands of the bitterest enemy Norway ever had.

Some of you may imagine you are performing a worthy act by the passage of this unconstitutional measure. But I am afraid you will find, perhaps when it is too late, that you are helping to destroy the very Constitution you are sworn to uphold, defend, and protect.

I am truly sorry for the gentleman from Tennessee [Mr. KEFAUVER]. I cannot understand why he should feel called upon to support a measure that is so dangerous to the people of Tennessee. Shades of Andrew Jackson! Shades of Ed Carmack! Shades of Sam McReynolds! Shades of all the other great statesmen that proud State has produced! I am afraid the people of Tennessee will bow their heads in shame when they realize that today he has supported a measure that would undermine and destroy this, the greatest republic the world has ever seen.

God grant that you may not take this step today, because I believe you will be commending this poison chalice to your own lips and to the lips of the people you represent.

I know many of you are ashamed of what you are doing, because you have told me so.

You are now creating a second front. You are waging war against the white people of the Southern States whose sons are dying on every battle front in the world, in order that this great constitu-

tional Government of liberty and freedom may survive.

[Here the gavel fell.]

The SPEAKER. All time has expired.

Mr. COLMER. Mr. Speaker, I raise the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-four Members are present; a quorum is present.

The question is on agreeing to the motion to discharge the Committee on Rules.

Mr. FISH. Mr. Speaker, I ask for the yeas and nays.

Mr. BROOKS. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 251, nays 85, answered "present" 2, not voting 89, as follows:

[Roll No. 114]

YEAS—251

Allen, Ill.	Fellows	Klein
Andersen, H. Carl	Fenton	Knutson
Anderson, Calif.	Fish	Kopplemann
Anderson, N. Mex.	Fitzgerald	Kunkel
Andresen, August H.	Fitzpatrick	Lane
Andrews	Flaherty	Larrabee
Arends	Fogarty	Lea
Baldwin	Forand	LeCompte
Barry	Ford, Thomas F.	Lesinski
Bates, Mass.	Gale	Lewis
Beam	Gamble	Ludlow
Beiter	Gavagan	Lynch
Bender	Gearhart	McCormack
Bennett	Gehrmann	McGregor
Bishop	Gifford	McKeough
Blackney	Gillette	McLaughlin
Bloom	Gillie	Maciejewski
Boehne	Gore	Maciora
Boggs	Graham	Magnuson
Bolton	Grant, Ind.	Marcantonio
Bradley, Mich.	Guyer	Martin, Iowa
Bradley, Pa.	Gwynne	Martin, Mass.
Brown, Ohio	Haines	Merritt
Buckley, N. Y.	Hall, Edwin Arthur	Meyer, Md.
Burdick	Hall, Leonard W.	Michener
Butler	Halleck	Miller
Byrne	Harness	Mitchell
Canfield	Hart	Monroney
Cannon, Mo.	Harter	Mott
Capozzoli	Hartley	Mundt
Carlson	Heffernan	Murdock
Carter	Hess	Myers, Pa.
Case, S. Dak.	Hill, Colo.	Nelson
Casey, Mass.	Hill, Wash.	Nichols
Celler	Hinshaw	Norton
Chenoweth	Holbrock	O'Brien, Mich.
Chiperfield	Holland	O'Brien, N. Y.
Clason	Holmes	O'Connor
Claypool	Hope	O'Leary
Clevenger	Howell	O'Neal
Coffee, Wash.	Hull	Osmers
Cole, Md.	Hunter	O'Toole
Cole, N. Y.	Imhoff	Patrick
Costello	Isac	Pfeifer, Joseph L.
Courtney	Jackson	Pheiffer, William T.
Crawford	Jacobsen	Pittenger
Cullen	Jenkins, Ohio	Ploeser
Cunningham	Jenks, N. H.	Priest
D'Alesandro	Jennings	Rabaut
Davis, Ohio	Jensen	Ramsay
Day	Johns	Randolph
Delaney	Johnson, Calif.	Reece, Tenn.
Dickstein	Johnson, Ill.	Reed, Ill.
Dingell	Johnson, Ind.	Rees, Kans.
Dirksen	Johnson, W. Va.	Rizley
Ditter	Jones	Robinson, Utah
Dondero	Jonkman	Robsion, Ky.
Douglas	Kean	Rodgers, Pa.
Downs	Kee	Rogers, Mass.
Dworshak	Kefauver	Rolph
Eaton	Kelley, Pa.	Sabath
Eberharter	Kelly, Ill.	Sacks
Edmiston	Kennedy, Martin J.	Sasscer
Elliot, Mass.	Kennedy, Michael J.	Scanlon
Elliot, Calif.	Keogh	Schuetz
Elston	Kinzer	Schulte
Engel	Kirwan	Scott
Englebright	Kitchens	Shafer, Mich.
		Shanley
Sheppard	Sweeney	Walter
Short	Talbot	Ward
Simpson	Tallie	Welch
Smith, Maine	Thom	Wene
Smith, Ohio	Thomas, N. J.	Wheat
Smith, W. Va.	Thomas, Tex.	White
Smith, Wis.	Thomason	Wigglesworth
Snyder	Tibbott	Winter
Somers, N. Y.	Tinkham	Wolcott
Spence	Tolan	Wolfenden, Pa.
Springer	Traynor	Wolverton, N. J.
Stevenson	Treadway	Woodruff, Mich.
Stratton	Van Zandt	Wright
Sullivan	Voorhis, Calif.	Young
Sumner, Ill.	Vorys, Ohio	Zimmerman
Sutphin	Wadsworth	

NAYS—85

Allen, La.	Gossett	Peterson, Fla.
Beckworth	Grant, Ala.	Peterson, Ga.
Bell	Hare	Plauché
Bonner	Harris, Ark.	Poage
Boren	Harris, Va.	Ramspeck
Brooks	Hébert	Rankin, Miss.
Brown, Ga.	Hendricks	Reed, N. Y.
Bryson	Hobbs	Rich
Bulwinkle	Jarman	Richards
Burch	Johnson, Luther A.	Rivers
Burgin	Johnson, Lyndon B.	Robertson, Va.
Camp	Kilday	Rogers, Okla.
Cartwright	Kleberg	Russell
Coffee, Nebr.	Lanham	Satterfield
Colmer	McGehee	Sikes
Cooley	Mahon	Smith, Va.
Cooper	Manasco	Sparkman
Cox	Mansfield	Starnes, Ala.
Cravens	May	Sumners, Tex.
Davis, Tenn.	Mills, Ark.	Tarver
Disney	Moser	Terry
Doughton	Norrell	Vinson, Ga.
Drewry	Pace	Weaver
Durham	Paddock	Whelchel
Faddis	Patman	Whitten
Flannagan	Patton	Whittington
Ford, Miss.	Pearson	Wickersham
Fulmer	Rayburn	Woodrum, Va.
Gathings	Sheppard	Worley

ANSWERED "PRESENT"—2

Bland Powers

NOT VOTING—89

Angell	Granger	Plumley
Arnold	Green	Rankin, Mont.
Barden	Gregory	Robertson, N. Dak.
Barnes	Hancock	Rockefeller
Bates, Ky.	Heidinger	Rockwell
Boykin	Hoffman	Romjue
Buckler, Minn.	Hook	Sanders
Byron	Houston	Sauthoff
Cannon, Fla.	Jarrett	Schaefer, Ill.
Chapman	Johnson, Okla.	Scrugham
Clark	Keefe	Shannon
Cluett	Kerr	Sheridan
Cochran	Kilburn	Smith, Pa.
Collins	King	Smith, Wash.
Copeland	Kocialkowski	South
Creal	Kramer	Steagall
Crosser	Lambertson	Stearns, N. H.
Crowther	Landis	Stefan
Culkin	McGranery	Taber
Curtis	McIntyre	Tenerowicz
Dewey	McLean	Thill
Dies	McMillan	Vincent, Ky.
Domengeaux	Maas	Vreeland
Duncan	Mason	Wasielewski
Ellis	Mills, La.	Weiss
Folger	Murray	West
Ford, Leland M.	O'Day	Williams
Gerlach	O'Hara	Wilson
Gibson	Oliver	Youngdahl
Gilchrist	Pierce	

So the motion was agreed to.

The Clerk announced the following pairs:

Mr. Oliver for, with Mr. Bland against.

Mr. Leland M. Ford for, with Mr. Gregory against.

Mr. Crosser for, with Mr. Chapman against.

Mr. Keefe for, with Mr. Clark against.

Mr. Youngdahl for, with Mr. McMillan against.

Mr. Powers for, with Mr. Collins against.

General pairs:

Mr. Mills of Louisiana with Mr. Dewey.

Mr. Ellis with Mr. Hoffman.

Mr. Granger with Mr. Angell.

Mr. Barnes with Mr. Lambertson.

Mr. Arnold with Mr. Cluett.

Mr. Cochran with Mr. Rockwell.

Mr. Kramer with Mr. Gilchrist.

Mr. McIntyre with Mr. Heidinger.

Mr. West with Mr. Vreeland.

Mr. Steagall with Mr. Rockefeller.

Mr. Hook with Mr. Plumley.

Mr. Smith of Washington with Mr. Mason.

Mr. Weiss with Mr. Landis.

Mr. Houston with Mr. Copeland.

Mr. Williams with Mr. Sauthoff.

Mr. Creal with Mr. Taber.

Mrs. O'Day with Mr. Stefan.

Mr. McGranery with Mr. Culkin.

Mr. Sanders with Mr. McLean.

Mr. Barden with Mr. Stearns of New Hampshire.

Mr. Cannon of Florida with Mr. Crowther.

Mr. Gibson with Mr. Wilson.

Mr. Kerr with Mr. Curtis.

Mr. Wasielewski with Mr. Thill.

Mr. Romjue with Mr. Kilburn.

Mr. BLAND. Mr. Speaker, is the gentleman from Maine [Mr. OLIVER] recorded?

The SPEAKER. He is not recorded.

Mr. BLAND. Mr. Speaker, I have a pair with the gentleman from Maine [Mr. OLIVER] who, if present would have voted aye. I therefore withdraw my vote of no and vote present.

Mr. POWERS. Mr. Speaker, I have a pair with the gentleman from Mississippi [Mr. COLLINS] who has been away from Washington. I should like to withdraw my vote of aye and vote present. The gentleman from Mississippi, if present, would have voted no.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the resolution.

The Clerk read House Resolution 110 as follows:

Resolved, That upon the day succeeding the adoption of this resolution, a special order be, and is hereby, created by the House of Representatives, for the consideration of H. R. 1024, a public bill which has remained in the Committee on the Judiciary for 30 or more days without action. That such special order be, and is hereby, created, notwithstanding any further action on said bill by the Committee on the Judiciary, or any rule of the House. That on said day the Speaker shall recognize the Representative from California, Lee E. Geyer, to call up H. R. 1024, a bill to amend an act to prevent pernicious political activities, as a special order of business, and to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of said H. R. 1024. After general debate, which shall be confined to the bill and shall continue not to exceed 4 hours, to be equally divided and controlled by the Member of the House requesting the rule for the consideration of said H. R. 1024 and the Member of the House who is opposed to the said H. R. 1024, to be designated by the Speaker, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill, and the amendments thereto, to final passage, without intervening motion, except one motion to recommit. The special order shall be a continuing order until the bill is finally disposed of.

Mr. HOBBS. Mr. Speaker, I make a point of order against the resolution.

The SPEAKER. The gentleman will state it.

Mr. HOBBS. Mr. Speaker, I make the point of order that this resolution designates by name the Honorable Lee E. Geyer as the Member of the House who shall be authorized to call up for consideration the bill H. R. 1024, and, as Mr. Geyer is dead, the resolution is functus officio and should not, under the rules of the House, be in order

The SPEAKER. If no Member wishes to be heard on the point of order the Chair is ready to rule.

A matter not exactly on all fours with this, but similar to it, was ruled on a few weeks ago. On that occasion both the chairman and the ranking minority member of the committee were absent. A point of order was made against consideration of the bill because of that fact.

In ruling on the point of order at that time the Chair made the following statement:

> The Chair thinks the Chair has rather a wide range of latitude here. The Chair could hold, and some future Speaker might hold, that since the chairman and the ranking minority member of the committee are not here there could be no general debate because there was nobody here to control it; but the present occupant of the Chair is not going to rule in such a restricted way.
>
> The Chair is going to recognize the next ranking majority member and the next ranking minority member when the House goes into the Committee of the Whole.

We have here even a stronger case than that. The absence of a living Member may be his or her fault; the absence of a dead signer of this petition is not his fault.

There is a rule followed by the chancery courts which might well be followed here. It is that equity never allows a trust to fail for want of a trustee. Applying that rule to the instant case, the Chair holds that the consideration of this legislation will not be permitted to fail for want of a manager. After all, an act of God ought not, in all good conscience, deprive this House of the right to consider legislation; especially so, since this House has by its vote on the motion to discharge expressed its intent.

The Chair will recognize some Member other than Mr. Geyer to call up the bill on tomorrow; for, if the Chair were to hold that only Mr. Geyer could have called up this motion, Mr. Geyer being absent not through any act of his own but through an act of God, the Chair would be making such a restricted ruling that now and in the future it might prevent the House of Representatives from working its will.

The Chair overrules the point of order made by the gentleman from Alabama.

Mr. HOBBS. Mr. Speaker, may I propound a parliamentary inquiry.

The SPEAKER. The gentleman may.

Mr. HOBBS. Would it not have been in order for any Member of the House to introduce a similar resolution to that introduced by Representative Geyer during his lifetime at any time after his death and before the perfection of the discharge petition by the last signature a week ago?

The SPEAKER. The gentleman does not submit a parliamentary inquiry. That, of course, is a physical possibility.

Mr. HOBBS. I mean that there is no preemption of the ground covered by this resolution by reason of the fact that a Member who died a year ago introduced such a resolution.

The SPEAKER. There is no preemption with reference to an opportunity for any Member to file any bill he desires.

Mr. HOBBS. Therefore any Member who is for this objective could have introduced a resolution after Mr. Geyer's death which designated somebody other than Mr. Geyer.

The SPEAKER. Certainly, but that would not have anything to do with the calling up by one of its signers of the petition that was lying on the Speaker's desk.

Mr. HOBBS. Manifestly it would not; but at the same time it would have cured the defect of the designation of a particular individual who is dead and, therefore, cannot act.

The SPEAKER. That is not a question for the Chair to pass on.

The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. SMITH of Virginia) there were—ayes 155, noes 43.

Mr. SMITH of Virginia. Mr. Speaker, I object to the vote on the ground a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 251, nays 85, not voting 91, as follows:

[Roll No. 115]

YEAS—251

Allen, Ill.	Cullen	Harness
Andersen, H. Carl	Cunningham	Hart
Anderson, Calif.	D'Alesandro	Harter
Anderson, N. Mex.	Davis, Ohio	Hartley
Andresen, August H.	Day	Heffernan
Andrews	Delaney	Hess
Arends	Dickstein	Hill, Colo.
Barry	Dingell	Hill, Wash.
Bates, Mass.	Dirksen	Hinshaw
Beam	Ditter	Holbrook
Beiter	Dondero	Holland
Bender	Douglas	Holmes
Bennett	Downs	Hope
Bishop	Dworshak	Howell
Blackney	Eaton	Hull
Bloom	Eberharter	Hunter
Boehne	Eliot, Mass.	Imhoff
Boggs	Elliott, Calif.	Izac
Bolton	Elston	Jackson
Bradley Mich.	Engel	Jacobsen
Bradley, Pa.	Englebright	Jenkins, Ohio
Brown, Ohio	Fellows	Jenks, N. H.
Buckley, N. Y.	Fenton	Jennings
Burdick	Fish	Jensen
Burgin	Fitzgerald	Johns
Butler	Fitzpatrick	Johnson, Calif.
Byrne	Flaherty	Johnson, Ill.
Canfield	Fogarty	Johnson, Ind.
Cannon, Mo.	Forand	Johnson, W. Va.
Capozzoli	Ford, Thomas F.	Jones
Carlson	Gale	Jonkman
Carter	Gamble	Kean
Case, S. Dak.	Gavagan	Kee
Casey, Mass.	Gearhart	Kefauver
Celler	Gehrmann	Keiley, Pa.
Chenoweth	Gifford	Kelly, Ill.
Chiperfield	Gillette	Kennedy, Martin J.
Clason	Gillie	Kennedy, Michael J.
Claypool	Gore	Keogh
Clevenger	Graham	Kinzer
Coffee, Wash.	Grant, Ind.	Kirwan
Cole, Md.	Guyer	Klein
Cole, N. Y.	Gwynne	Knutson
Costello	Haines	Kopplemann
Courtney	Hall, Edwin Arthur	Kunkel
Crawford	Hall, Leonard W.	Lambertson
	Halleck	Lane
Larrabee	Pheiffer, William T.	Stevenson
Lea	Pittenger	Stratton
LeCompte	Ploeser	Sullivan
Lesinski	Powers	Sumner, Ill.
Lewis	Priest	Sutphin
Ludlow	Rabaut	Sweeney
Lynch	Ramsay	Talbot
McCormack	Randolph	Talle
McGregor	Reece, Tenn.	Thom
McKeough	Reed, Ill.	Thomas, N. J.
McLaughlin	Rees, Kans.	Thomas, Tex.
Maciejewski	Rizley	Thomason
Maciora	Robinson, Utah	Tibbott
Magnuson	Robsion, Ky.	Tinkham
Marcantonio	Rodgers, Pa.	Tolan
Martin, Iowa	Rogers, Mass.	Traynor
Martin, Mass.	Rolph	Treadway
Merritt	Sabath	Voorhis, Calif.
Meyer, Md.	Sacks	Vorys, Ohio
Michener	Sasscer	Wadsworth
Miller	Scanlon	Walter
Mitchell	Schuetz	Ward
Monroney	Schulte	Welch
Mott	Scott	Wene
Mundt	Shafer, Mich.	Wheat
Murdock	Shanley	White
Myers, Pa.	Sheppard	Wigglesworth
Nelson	Sheridan	Winter
Norton	Short	Wolcott
O'Brien, Mich.	Smith, Maine	Wolfenden, Pa.
O'Brien, N. Y.	Smith, Ohio	Wolverton, N. J.
O'Connor	Smith, Pa.	Woodruff, Mich.
O'Leary	Smith, W. Va.	Wright
O'Neal	Smith, Wis.	Young
Osmers	Snyder	Zimmerman
O'Toole	Somers, N. Y.	
Patrick	Spence	
Pfeifer, Joseph L.	Springer	

NAYS—85

Allen, La.	Gossett	Pearson
Beckworth	Grant, Ala.	Peterson, Fla.
Bell	Hare	Peterson, Ga.
Bland	Harris, Ark.	Plauché
Bonner	Harris, Va.	Poage
Boren	Hébert	Ramspeck
Brooks	Hendricks	Rankin, Miss.
Brown, Ga.	Hobbs	Reed, N. Y.
Bryson	Jarman	Rich
Bulwinkle	Johnson, Luther A.	Richards
Burch	Johnson, Lyndon B.	Robertson, Va.
Camp	Kilday	Rogers, Okla.
Cartwright	Kleberg	Russell
Coffee, Nebr.	Lanham	Satterfield
Colmer	McGehee	Sikes
Cooley	McMillan	Smith, Va.
Cooper	Manasco	Sparkman
Cox	Mansfield	Steagall
Cravens	Mahon	Sumners, Tex.
Davis, Tenn.	May	Tarver
Disney	Mills, Ark.	Terry
Doughton	Moser	Vinson, Ga.
Drewry	Norrell	Weaver
Durham	Pace	Whelchel
Faddis	Paddock	Whitten
Flannagan	Patman	Whittington
Ford, Miss.	Patton	Wickersham
Fulmer	Rankin, Mont.	Woodrum, Va.
Gathings	Rivers	Worley

NOT VOTING—91

Angell	Gilchrist	Robertson, N. Dak.
Arnold	Granger	Rockefeller
Baldwin	Green	Rockwell
Barden	Gregory	Romjue
Barnes	Hancock	Sanders
Bates, Ky.	Heidinger	Sauthoff
Boykin	Hoffman	Schaefer, Ill.
Buckler, Minn.	Hook	Scrugham
Byron	Houston	Shannon
Cannon, Fla.	Jarrett	Simpson
Chapman	Johnson, Okla.	Smith, Wash.
Clark	Keefe	South
Cluett	Kerr	Starnes, Ala.
Cochran	Kilburn	Stearns, N. H.
Collins	King	Stefan
Copeland	Kocialkowski	Taber
Creal	Kramer	Tenerowicz
Crosser	Landis	Thill
Crowther	McGranery	Van Zandt
Culkin	McIntyre	Vincent, Ky.
Curtis	McLean	Vreeland
Dewey	Maas	Wasielewski
Dies	Mason	Weiss
Domengeaux	Mills, La.	West
Duncan	Murray	Williams
Edmiston	Nichols	Wilson
Ellis	O'Day	Youngdahl
Folger	O'Hara	
Ford, Leland M.	Oliver	
Gerlach	Pierce	
Gibson	Plumley	

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Oliver (for) with Mr. Bland (against).
Mr. Leland M. Ford (for) with Mr. Gregory (against).
Mr. Crosser (for) with Mr. Chapman (against).
Mr. Keefe (for) with Mr. Clark (against).
Mr. Powers (for) with Mr. Collins (against).

General pairs:

Mr. Creal with Mr. Taber.
Mr. Ellis with Mr. Hoffman.
Mr. Mills of Louisiana with Mr. Dewey.
Mr. Granger with Mr. Angell.
Mr. Arnold with Mr. Cluett.
Mr. Kramer with Mr. Gilchrist.
Mr. West with Mr. Vreeland.
Mr. Cochran with Mr. Rockwell.
Mr. Hook with Mr. Plumley.
Mr. Smith of Washington with Mr. Mason.
Mr. Houston with Mr. Copeland.
Mr. McIntyre with Mr. Heidinger.
Mr. McGranery with Mr. Culkin.
Mr. Barnes with Mr. Rockefeller.
Mrs. O'Day with Mr. Stefan.
Mr. Sanders with Mr. McLean.
Mr. Weiss with Mr. Landis.
Mr. Williams with Mr. Sauthoff.
Mr. Barden with Mr. Stearns of New Hampshire.
Mr. Cannon of Florida with Mr. Crowther.
Mr. Gibson with Mr. Wilson.
Mr. Wasielewski with Mr. Thill.
Mr. Romjue with Mr. Kilburn.
Mr. Kerr with Mr. Curtis.
Mr. Starnes of Alabama with Mr. Simpson.

Mr. POWERS. Mr. Speaker, I desire to withdraw my vote and be recorded as "present." I have a pair with the gentleman from Mississippi [Mr. COLLINS]. If he were present he would have voted "nay." I voted "yea."

Mr. BLAND. Mr. Speaker, I have to announce that I have a pair with the gentleman from Maine [Mr. OLIVER], who is absent on official committee business. If he were present he would vote "yea." I withdraw my vote and vote "present."

The doors were opened.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. RUSSELL. Mr. Speaker, may I inquire as to how my colleague from Texas [Mr. DIES] is recorded on the previous roll call?

The SPEAKER. He is recorded as voting "yea."

Mr. RUSSELL. Mr. Speaker, the gentleman from Texas [Mr. DIES] was not present and is not present now. I take it he would desire a correction of that roll call.

The SPEAKER. Without objection, the correction will be made, and the gentleman from Texas [Mr. DIES] will be recorded as not voting.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent that after disposition of further matters on the Speaker's table and at the conclusion of other special orders heretofore entered today, I may be permitted to address the House for 15 minutes. I also ask unanimous consent to extend as a part of my remarks a letter received by Mr. George N. Peek from the general manager of Fortune magazine, and Mr. Peek's response thereto, and also a short article by Mr. Albert L. Warner.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. WOODRUFF]?

There was no objection.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that at the conclusion of the business on the Speaker's desk today I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. HOBBS]?

There was no objection.

EXTENSION OF REMARKS

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of Office of War Information and also to extend my remarks by inserting an address by Judge Patterson, Under Secretary of War.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

There was no objection.

(Mr. CAPOZZOLI, Mr. MACIORA, Mr. GALE, and Mr. RODGERS of Pennsylvania were given permission to extend their own remarks in the RECORD.)

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a telegram received from my colleague the gentleman from Florida [Mr. GREEN].

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. KELLY of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a brief newspaper article of May 25, 1942.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a telegram from certain farmers asking that certain men be deferred in order that the farms may operate so that the people may be fed.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. PLOESER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a copy of a bill which I today introduced in the House.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter to a friend.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FORAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address by the Governor of Rhode Island, J. Howard McGrath.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address I delivered in Chicago before the National Restaurant Association, and further to extend my own remarks and include therein a letter I have written to the President.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CELLER. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a resolution of the National Association of Assessing Officers, passed at the recent convention in Colorado.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on three subjects and include therein certain statements and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a memorandum by the National Lawyers League on the anti-poll-tax bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an article by Robert L. Norton, from the Boston Sunday Post of October 11, 1942.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HARNESS. Mr. Speaker, after the disposition of other business on the Speaker's desk and following any previous order, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. RIZLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I have two requests, first, I ask unanimous consent to extend my remarks in the RECORD relative to the heroism of Billy Cundiff and, second, I ask unanimous consent to extend my remarks in the RECORD and to include a letter from G. G. McIlroy, president of Farm Management, Inc., relative to the farm problems.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech of Hon. John W. Bricker, Governor of the State of Ohio.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include some tables and brief quotations.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that on Thursday next I may address the House for 15 minutes following the legislative program of the day and any other special order.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my remarks and include a radio address delivered by my colleague from Illinois [Mr. McKEOUGH].

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks by the inclusion of a letter which I ask to be appended to the remarks I made today.

The SPEAKER. Is there objection?

There was no objection.

STANDARD DESIGN FOR SERVICE FLAGS AND BUTTONS

Mr. MAY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill S. 2442, to authorize the Secretary of War to approve a standard design for a service flag and a service lapel button.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. Will the gentleman explain what the bill does?

Mr. MAY. This bill authorizes the Secretary of War, in fact, directs him to approve a design for a service flag, which may be displayed in the window of the residence of parents who have members of their families in the armed services. It also provides for the approval of a lapel button design which may be worn by those parents.

Mr. MARTIN of Massachusetts. Did we have a similar flag and button in the last war?

Mr. MAY. We did.

Mr. MARTIN of Massachusetts. And this is a request of the Department?

Mr. MAY. It is approved by the War Department. It passed the Senate unanimously and is unanimously reported by the House committee.

Mr. MARTIN J. KENNEDY. Mr. Speaker, will the gentleman yield?

Mr. MAY. Yes.

Mr. MARTIN J. KENNEDY. Are these to be given by the War Department to the parents and relatives, or must they go out and buy them?

Mr. MAY. It is just to approve the design. The flags or buttons may be purchased by anyone who has a relative in the service.

Mr. MARTIN J. KENNEDY. It is just a commercial arrangement?

Mr. MAY. Yes.

Mr. H. CARL ANDERSEN. Mr. Speaker, I am much pleased that the bill, S. 2442, is now before the House for final action. May I call to the attention of the House correspondence relative to this matter. Under permission granted me, Mr. Speaker, I am inserting at this point a communication from the Melvin Daskam Post 38, which brings out the endorsement by the American Legion, on January 19, 1942, of the Richard Quehl service emblem.

Also, Mr. Speaker, I wish to insert here a letter from Mr. Leon H. Brown, of Redwood Falls, Minn., which explains this proposed emblem very graphically. In conclusion, I hope this measure passes unanimously, and also that our Nation will adopt a standard emblem as an honor to the men in our armed forces. Whether the emblem selected be that of Richard Quehl, a Purple Heart veteran of my district, or of some other person, the principle back of this measure is very meritorious and should be unanimously enacted into law.

MELVIN DASKAM POST 38,
THE AMERICAN LEGION,
Redwood Falls, Minn.

WASHINGTON, D. C., January 21.—Resolutions to implement the defense efforts of the 1,107,075 members of the American Legion were adopted at a 3-day session here—January 19 to 21—by four important national committees. They were the committees on national defense, naval affairs, merchant marine, and civil defense. They met here as one committee of the whole and discussed defense matters with representatives of all interested Government agencies. Each committee operated as a subcommittee of the whole in the preliminary consideration of the resolutions.

The resolution adopted by the whole group is summarized herewith, indicating the subcommittee group which framed each resolution before it was passed on by the whole conference.

NAVAL AFFAIRS

The committee on naval affairs submitted the following resolutions, which were approved:

"3. The naval affairs committee recommends the American Legion officially adopt a present war-service emblem for distribution by national headquarters, through the national emblem division; and furthermore,

"Respectfully requests the national commander to give consideration to the idea that Gold Star families be presented with a Gold Star insignia in evidence of the appreciation of the American Legion for the great service to our country rendered by the family; the actual presentation to be made by the local post in the name of the national commander; and furthermore,

"Recommends to the American Legion for immediate adoption the insignia sponsored by the Redwood Falls Post of the Department of Minnesota for these purposes."

MELVIN DASKAM POST 38,
THE AMERICAN LEGION,
Redwood Falls, Minn., April 17, 1942.

H. CARL ANDERSEN,
Member of Congress, Seventh Congressional District, Minnesota.

DEAR CONGRESSMAN ANDERSEN: We notice by the CONGRESSIONAL RECORD that there is a bill pending to authorize the Secretary of War to approve a standard emblem to be used as the service emblem for the present war.

In Redwood Falls, Minn., a proposed emblem has been designed by Comrade Richard Quehl, who is a member of the American Legion, the Veterans of Foreign Wars, and has been awarded the Order of the Purple Heart for wounds received in action in the last war.

A copy of the proposed emblem is herewith enclosed.

You will note that this emblem contains the red, white, and blue, which are the colors of our national flag, together with the gold V. This V has been interpreted to mean and stand for V for victory, and is also in the form of the gold chevron which is symbolic of service in the armed forces of this country.

In the white field is a place for stars which would denote the number of members of a family or organization which are in service, and the gold stars could be used in an emblem or a plaque to be presented to the next of kin of a service man who loses his life in the present conflict.

You will further note this emblem is in the form that is now being used by the various branches of civilian defense and therefore is very symbolic of the present war.

This emblem was approved and recommended for adoption by a proper resolution of the national civilian defense committee of the American Legion, which committee met in Washington in January of this year. The membership of this committee was composed of service men from all over the country. This emblem was approved and recommended by that group in competition with a number of other emblems.

This emblem is copyrighted and the copyright is now owned by the Melvin Daskam Post, No. 38, of the American Legion, at Redwood Falls, Minn.

This emblem has also been approved by the State executive council of the Veterans of Foreign Wars for Minnesota.

In addition to this, this emblem has been displayed and shown to a large number of people and organizations and has received such hearty and unqualified approval on its merits that we sincerely believe that if adopted as a national service flag of this war that it would meet with unanimous approval by the country.

This emblem is also of such a design and nature that it is adaptable to small pins and buttons and also a large service flag without losing any of its appeal or its significance.

We request that you use your good offices with the Secretary of War to have this emblem adopted as a national service flag of the present conflict.

It would be a credit and an honor to the State of Minnesota to have the national service flag of this war originating in Minnesota. We believe that you could give your unqualified support and endorsement of this emblem on its merits.

We would appreciate very much hearing from you as to what your reactions are to this matter.

Very sincerely yours,

LEON H. BROWN,
Chairman of Emblem Committee.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to approve a design for a service flag, which flag may be displayed in a window of the place of residence of persons who are members of the immediate family of a person serving in the armed forces of the United States during the current war.

SEC. 2. The Secretary of War is also authorized and directed to approve a design for a service lapel button, which button may be worn by members of the immediate family of a person serving in the armed forces of the United States during the current war.

SEC. 3. Upon the approval by the Secretary of War of the design for such service flag and service lapel button, he shall cause notice thereof, together with a description of the approved flag and button, to be published in the Federal Register. Thereafter any person may apply to the Secretary of War for a license to manufacture and sell the approved service flag, or the approved service lapel button, or both. Any person, firm, or corporation who manufactures any such service flag or service lapel button without having first obtained such a license, or otherwise violates this act, shall, upon conviction thereof, be fined not more than $1,000.

SEC. 4. The Secretary of War is authorized to make such rules and regulations as may be necessary to carry cut the provisions of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

COAST AND GEODETIC SURVEY COMMISSIONED OFFICERS

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 7556) authorizing the temporary appointment or advancement of commissioned officers of the Coast and Geodetic Survey in time of war or national emergency, and for other purposes, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That personnel of the Coast and Geodetic Survey shall be subject in like manner and to the same extent and with the same relative conditions as are provided for personnel of the Navy to the act entitled "An act authorizing the temporary appointment or advancement of certain personnel of the Navy and Marine Corps, and for other purposes", approved July 24, 1941 (Public, No. 188, 77th Cong.), except that temporary appointments and promotions shall be limited as follows:

(1) Commissioned officers in the service of the War Department or of the Navy Department, under the provisions of section 16 of the act of May 22, 1917 (40 Stat. 87), may, upon recommendation, respectively, of the Secretary of War or the Secretary of the Navy, be temporarily promoted to higher ranks or grades.

(2) Commissioned officers in the service of the Coast and Geodetic Survey may be temporarily promoted to fill vacancies in ranks and grades caused by the transfer of commissioned officers to the service and jurisdiction of the War or Navy Departments under the provisions of section 16 of the act of May 22, 1917 (40 Stat. 87).

(3) Regularly appointed deck officers and junior engineers may be temporarily appointed to the rank and grade of ensign: *Provided*, That the number of deck officers and junior engineers holding such temporary appointments shall not exceed the number of officers transferred to the War and Navy Departments under provisions of section 16 of the act of May 27, 1917 (40 Stat. 87).

SEC. 2. Commissioned officers of the Coast and Geodetic Survey who are assigned, during the period of the present war, to duty on projects for the War Department or the Navy Department in areas outside the continental United States or in Alaska, or in coastal areas of the United States, determined by the War or Navy Department to be of immediate military hazard, shall, while on such duty, be entitled to the rights and benefits provided by law for officers of the Coast and Geodetic Survey who are actually transferred to the service of the War Department or the Navy Department.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. Will the gentleman explain what the bill does?

Mr. BLAND. Mr. Speaker, this bill meets a veto interposed by the President to H. R. 6818, a bill that passed the House unanimously weeks ago, that was amended in the Senate and returned to the House, the House concurring in the Senate amendment. The first section of the present bill is as it originally passed the House. The second section meets the objection that was raised by the President, because the Senate amendment was more far reaching than was intended by the Senate or by the House. In other words, the original House bill was intended to take care of only those commissioned officers in the Coast and Geodetic Survey who had gone into the Army and the Navy and to provide for the temporary promotion of others in the Coast and Geodetic Survey to take care of those men who had been transferred. An amendment was added in the Senate that would have taken care of all of the officers on the active list of the Coast and Geodetic Survey in commissioned ranks whether engaged in war work or in peacetime work. That was not the intention. It was intended that in addition to those already assigned or transferred to War and Navy, the men who were to be covered by the Senate amendment would be those doing war duty or assigned to work in a war area. The second section of the present bill takes care of that situation as originally intended and has the approval of the Budget and everyone concerned.

Mr. MARTIN of Massachusetts. And the gentleman's committee has adopted it unanimously?

Mr. BLAND. Unanimously.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. BLAND. Mr. Speaker, I offer the following amendment to the section of the bill which I send to the desk. This amendment was adopted after the bill was reported.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Page 3, line 6, at the end of section 2, change the period to a colon and add the following proviso: *"Provided*, That the benefits of this section shall be applicable also to commissioned officers of the Coast and Geodetic Survey, serving in the Philippine Islands on December 7, 1941."

Mr. BLAND. Mr. Speaker, that amendment is intended to take care of about four or five cases. One officer of the Coast and Geodetic Survey was killed. The others are missing. It is to put those men who were serving in the Philippines in the same status with others who were taken care of.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

At the end of the bill add a new section, as follows:

"SEC. 3. Any commissioned officer of the Coast and Geodetic Survey promoted to a higher grade at any time after December 7, 1941, shall be deemed for all purposes to have accepted his promotion to higher grade upon the date such promotion is made by the President unless he shall expressly decline such promotion, and shall receive the pay and allowances of the higher grade from such date unless he is entitled under some other provision of law to receive the pay and allowances of the higher grade from an earlier date. No such officer who shall have subscribed to the oath of office required by section 1757, Revised Statutes, shall be required to renew such oath or to take a new oath upon his promotion to a higher grade, if his service after the taking of such an oath shall have been continuous."

The committee amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time; was read the third time and passed, and a motion to reconsider laid on the table.

EXTENSION OF REMARKS

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at the point in the RECORD just prior to the passage of the bill S. 2442 and include therein certain letters.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

(By unanimous consent, Mr. MCCORMACK was granted permission to revise and extend his remarks.)

BUSINESS RENTALS IN THE DISTRICT OF COLUMBIA

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks and include therein a letter.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, Joseph R. Rolnick, Inc., real-estate handlers, have served notice on tenants at 3318 Fourteenth Street NW., Washington, D. C., that at the expiration of the present lease the rent will be increased from $135 to $275 for the first 3 years and then to $300 per month.

If this kind of racketeering is to continue, it means the elimination of many small shop operators in the District of Columbia.

I think the Congress should do something about this.

The letter referred to is as follows:

JOSEPH R. ROLNICK, INC.,
New York, September 4, 1942.

Mr. BERNARD NACHMAN,
3318 Fourteenth Street NW.,
Washington, D. C.

DEAR SIR: We thank you for your letter of September 3, addressed to the Columbia Heights Realty Corporation, enclosing a check for $135 covering your rent for September.

Your letter has been turned over to us for our attention. Now as to the question of a renewal of your lease, we will take this matter up with the owners and in the meantime we can assure you that a lease for period of 5 years will have to bring $275 for 3 years and the last 2 years at $300 per month.

If this is of interest to you, we will then submit same to the owners for their consideration.

Thanking you,

Yours very truly,
JOSEPH R. ROLNICK, INC.,
JOSEPH R. ROLNICK, *President.*

JOSEF STALIN AND WENDELL WILLKIE

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN of Mississippi. Mr. Speaker, according to the press, Premier Stalin has abolished political commissars in the Russian Army. This is probably the most wholesome step that Russia has taken in the last 25 years.

When Stalin saw Wendell L. Willkie, noted his osculatory operations, got a sample of his campaign oratory, and then observed his fiasco performance in China, he undoubtedly arrived at the conclusion that it was not only dangerous but absurd to have irresponsible civilians or self-serving individuals, not connected with the armed forces, attempt to dictate to our military leaders as to when and where and how to fight the battles of this war.

[Here the gavel fell.]

FARM LABOR SHORTAGE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, without food this war cannot be won.

The farm labor shortage is related directly to the need of farmers for machinery.

As it is now every single item of farm machinery or material for maintenance and repair of machinery, wells, or anything else is passed on by people in the War Production Board whose knowledge of agriculture may be limited.

It seems to me what ought to happen is this. The Department of Agriculture should be called on by the War Production Board to submit estimates on the minimum amount of material and machinery which the farmers can get along with and still maintain their full efficiency, still be able to meet their labor problem. The War Production Board should assign en bloc this amount of material to the Department of Agriculture. Then the Department of Agriculture should allocate it on the basis of the needs of agriculture, taking into account, as it can, the relative importance of different kinds of machinery, material, and equipment to the production of the things we need the most.

AVIATION

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. FADDIS. Mr. Speaker, I wish to call the attention of those who believe that this war can be won by an aerial offensive against Germany to the remarks of Maj. Gen. Nikoli Zhuravieff, a high Red Air Force staff officer, appearing in the New York Times this morning, in which he says:

Massive British and American raids, if constant and on a broad scale, can play a not inconsiderable role in weakening Germany, the general agrees. But he writes that it is foolish to suppose that only with this weapon can the war be won. Victory can be achieved only by the coordination of all three services, he says. The general believes that Germany's failures in the Battle of Britain in 1940 and at Stalingrad now prove that the air force cannot break down land forces' resistance. Aviation can do much, but without field troops it cannot reach victory on any front; it cannot even create a front.

Here is the opinion of a man who has had the opportunity to observe first-hand the effect of the air arm as an offensive weapon. His opinion is the same as the opinion of the majority of trained soldiers. The air arm is a powerful and a necessary component of a modern army. To trust the conduct of the entire war and the fate of the Nation to it alone or to place undue dependence in it would be disastrous. There is no royal road to winning this war. It must be won, as all other wars have been won, by hard hitting, dogged fighting determined troops, who will make the armies of the Axis Powers their objective, who will seize and hold their territory, close their sea lanes, and destroy the will of all the Axis nations to wage combat. This will require the combined operations of all our arms.

AVIATION TRAINING OF UNITED STATES MIDSHIPMEN

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a letter from former Secretary of War Patrick Hurley.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, I have urged for 15 years that the cadets at West Point be instructed in military aviation as part of their curriculum. My correspondence with former Secretary of War Patrick J. Hurley in the Hoover administration on this subject is a matter of record.

I have been informed on the highest authority at West Point that the aviation training of the cadets at the new Stewart Airfield near Newburgh, N. Y., has surpassed all expectations and has turned out to be the most important development at the United States Military Academy in its history.

Everyone now realizes that aviation is today the equal, if not superior to, any war weapon.

A thorough training and knowledge of aviation, its use, power, and coordination with ground forces is absolutely necessary and essential for the future officers of our armed forces to qualify them to conduct war successfully under modern methods.

No time should be lost in putting into effect the same basic and advanced flying training for the midshipmen at Annapolis as is being done by the cadets at West Point. To attain this objective, I have today introduced the following resolution in Congress:

Joint resolution providing for aviation training of midshipmen at the United States Naval Academy

Whereas the aviation training of cadets of the United States Military Academy at the Stewart Airfield, Orange County, N. Y., has proven so highly successful and has been the most important development in the military education of the cadets since the foundation of the Military Academy: Therefore be it

Resolved, etc., That the Department of the Navy be, and is hereby, authorized to include aviation training as a part of the academic instruction of the midshipmen at the United States Naval Academy at an airfield to be located near Annapolis, Md.

[Here the gavel fell.]

THE NATION-WIDE SCRAP DRIVE IN KANSAS

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

KANSAS LEADS IN THE SCRAP-METAL DRIVE

Mr. REES of Kansas. Mr. Speaker, our Government has been putting on a Nation-wide drive for the collection of scrap metal that is so much needed in the prosecution of the war.

I want to call attention to the fact that Kansas is out in front in that campaign.

Latest figures today show Kansas at the top of the list of States with an average per capita of 72.2 pounds of scrap metal.

Kansas has always played her part in times of emergency. She is doing it now. The people of Kansas are not complacent by any means. They are willing and anxious to do their share, and even more, in order to bring this war to a victorious conclusion.

ESTABLISHMENT OF A REHABILITATION SERVICE UNDER THE FEDERAL SECURITY ADMINISTRATOR—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 871)

The Speaker laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee of the Whole House on the state of the Union, and ordered printed:

To the Congress of the United States:

We are going to win this war, but the winning will require the best efforts of every individual. Among those who are already making full contribution are those physically handicapped people who have been rehabilitated. Upward of a million persons are now waiting for services of the type that only a fully developed rehabilitation program can give them. We know that there is nothing wrong with the spirit of these people, but without special assistance they may become a social as well as an economic liability. With an adequate program in their behalf they will become a national asset ready to serve in war industries, agriculture, and in other essential occupations.

In addition, the increasing participation of this Nation in the war is resulting in an increase in military casualties and will result in a greater increase. Because of the tremendous strides in medical science during the past two decades a much larger proportion of these casualties will be nonfatal and will require rehabilitation service.

Our present provisions in this field are inadequate to meet this task. They need to be strengthened and standardized through the creation under the Federal Security Administrator of a Rehabilitation Service. Provision should be made not only for persons now handicapped but also for persons disabled while members of the armed forces and for the increasing number of accident cases that are accompanying the rapid expansion of our war industries. In order to secure the most effective utilization of the capabilities of the physically handicapped it is important that a single Rehabilitation Service be established for both veterans and civilians.

Veterans, after receiving the benefits and services provided by the Veterans Administration, would be certified to the Rehabilitation Service for vocational rehabilitation whenever this is indicated. While the present plan for Federal-State cooperation should be preserved in this field of training, where it has chiefly operated, the Rehabilitation Service should look after the other aspects of this problem and discharge what is plainly a Federal responsibility—the provision of service to all persons whose disability grows out of the conduct of the war.

Such legislation should permit the establishment of a program adequate to our present needs and should at the same time provide the experience and personnel which will be able to meet such additional burdens as the war may bring.

FRANKLIN D. ROOSVELT.

THE WHITE HOUSE, *October 9, 1942.*

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES: THE COMMODITY CREDIT CORPORATION

The SPEAKER laid before the House the following message from the President of the United States which was read, and together with the accompanying papers referred to the Committee on Banking and Currency and ordered printed:

THE WHITE HOUSE,
Washington, October 8, 1942.

MY DEAR MR. SPEAKER: I have the honor to transmit herewith for the information of the Congress a letter dated September 4, 1942, from the Secretary of the Treasury transmitting, pursuant to the provisions of the Act approved March 8, 1938 (52 Stat. 107), as amended, an act to maintain unimpaired the capital of the Commodity Credit Corporation at $100,000,000 and for other purposes, an appraisal of all the assets and liabilities of the said Corporation as of March 31, 1942. On the basis of such appraisal the Commodity Credit Corporation has deposited in the Treasury the sum of $27,815,513.68.

During the fiscal year 1938, it was necessary for the Congress to appropriate $94,285,404.73 to maintain unimpaired the capital of the Commodity Credit Corporation, and it was necessary for the Congress to appropriate for the fiscal years 1939 and 1941 further amounts of $119,599,918.05 and $1,637,445.51, respectively. The payment, made by the Corporation in the fiscal year 1940, amounting to $43,756,731.01, together with the payment for the fiscal year 1942 of $27,815,513.68 results in net expenditures by the Congress for the last 5 years amounting to $143,950,523.60.

The policy adopted by the Congress and incorporated in the Act approved March 8, 1938, as amended, providing for an annual appraisal of the assets of the Commodity Credit Corporation, makes it possible to include in each annual budget the expenditures necessary to support the program which the Corporation is engaged upon or the receipts which the Government receives from that activity.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

The SPEAKER,
The House of Representatives,
Washington, D. C.

[Attachment.]

MESSAGE FROM THE DOMINICAN REPUBLIC

The SPEAKER laid before the House the following message from the President of the Chamber of Deputies of the Dominican Republic, which was read:

[Translation]

CIUDAD TRUJILLO.

SAM RAYBURN,
Speaker of the House of Representatives of the United States of America, Washington, D. C.:

I have the honor to communicate through you to the Senate and House of Representatives of your great Nation that the Senate and Chamber of Deputies of the Dominican Republic, in joint session, has just resolved: First, that they agree with the statements made to the United Press on September 17 of this year of 1942, by the Honorable President of the Republic, Generalissimo Doctor Rafael Leonidas Trujillo Molina, in order to acknowledge that the content of these declarations sums up a healthy standard of action for the international policy of the Republic. Secondly, that they express their keenest pleasure in the happy and close relations which exist between the Dominican Republic and the United States of North America, which have become more fruitful since Generalissimo Rafael Leonidas Trujillo Molina, Honorable President of the Republic, has directed and inspired the destinies of the country, and, in a singular manner, since he has become acquainted personally with His Excellency, the President of the United States of North America, the Honorable Franklin Delano Roosevelt, and the Secretary of State of the United States, Hon. Cordell Hull. Thirdly, that by this act they confirm their profound satisfaction and that of the Dominican people with the praiseworthy efforts with which the Honorable President Roosevelt and Secretary of State Cordell Hull are promoting sincere cooperation and happy living together among the countries of the Western Hemisphere, based on reciprocal respect for their institutions and the loyal satisfaction of their common needs. In this way the Legislative Chambers identify themselves with the high purposes of government which for 12 years have served as guide and standard for the Dominican people, both concerning the innumerable accomplishments which have strengthened the life of the country in a material and spiritual way, and in respect to the energetic and worthy affirmation of its international personality.

Cordial greetings.

J. A. PEÑA BATLLE,
President of the Chamber of Deputies.

VOCATIONAL REHABILITATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, we have just heard the message of the President regarding vocational training and rehabilitation of men from the war effort. The Committee on Veterans' Affairs voted out unanimously a bill providing for rehabilitation of men of this second World War. We should have passed that measure when we passed the Draft Act. Congressman GEARHART, of California, introduced a measure and I introduced a measure for that purpose in August. The veterans' organizations got together on the bill after their various national conventions this autumn, the chairman, working with them, introduced it, and it was unanimously reported by

the committee. I hope it will be passed unanimously by the House.

[Here the gavel fell.]

The SPEAKER. Under the previous order of the House, the gentleman from Illinois [Mr. SABATH] is recognized for 15 minutes.

A NATIONAL LOTTERY

Mr. SABATH. Mr. Speaker, on March 27 of this year I introduced House Joint Resolution 299, to provide for the sale of war participation certificates, and to raise additional revenue. Some newspapers call it a lottery. Most of the newspaper writers and radio commentators claim it will raise from one to five billions annually. Shortly after I introduced the resolution I called upon the President and suggested this plan of raising revenue and expressed the opinion that its adoption would bring about the elimination of the demand for the imposition of a sales tax. The President unfortunately did not have time to give study to the resolution, but I am satisfied that he may, in the near future when time will permit him to study its provisions, approve my plan.

Since I have introduced this resolution I have also urged the chairman of the Ways and Means Committee for a hearing, but realizing that the committee was busy with the revenue bill, which finally has passed both Houses, and with the appointment of the conferees today, I feel that that committee will shortly have sufficient time to take up my proposal.

Mr. Speaker, for the information of the House and the country, I insert the resolution at this point:

House Joint Resolution 299

Joint resolution to aid and expedite the prosecution of the war effort by raising revenue through the sale of war participation tickets, to be conducted under the supervision of the Secretary of the Treasury.

Whereas the American people are facing the heaviest taxation and the largest debt in the history of any nation; and

Whereas the Postal Department has estimated that one and one-half billion dollars flow into foreign lotteries annually with no benefit to our Government; and

Whereas the Government operates a lottery in the selective-service draft wherein men's lives are at stake and both lives and dollars are now vital to our national existence; and

Whereas the American Congress of 1776 resorted to a national lottery in prosecuting the Revolutionary War and the Congress in 1812 authorized a lottery to obtain funds for the incorporation and general expenses of the city of Washington; and

Whereas Government-controlled lotteries for revenue-producing purposes have been conducted by many foreign countries, including nearly all South American Republics; and

Whereas this sale of tickets should provide the Federal Government with several billion dollars as well as being a medium of checking inflation: Therefore be it

Resolved, etc., That during the continuance of the unlimited national emergency declared by the President on May 27, 1941, to exist, and during the period of 1 year thereafter, the Secretary of the Treasury is authorized and directed to conduct, from time to time, in accordance with the provisions of this resolution, the sale of war participation tickets for the purpose of raising revenue.

SEC. 2. Such tickets of participation shall be sold for $1 each, and shall be sold in such amounts, through the Post Office Department and through such other agencies and means as the Secretary of the Treasury shall determine.

SEC. 3. (a) The Secretary of the Treasury shall provide for the holding of drawings for each such sale of tickets and for the making of awards, as hereinafter provided, to the holders of tickets whose numbers are drawn.

(b) The total awards made in the case of any such sale of tickets shall be of the following character, and in amounts equal to the following percentages of the amount of the gross ticket sale:

(1) 12½ percent shall be awarded in cash; and

(2) 25 percent shall be awarded in the form of Federal War Loan Participating Certificates.

(c) The Secretary of the Treasury shall pay to the holders of nonwinning tickets in any such sale, 12½ percent of the amount of the gross ticket sale. Such payments shall be made at such times, and by means of such noninterest bearing, negotiable scrip, certificates, or other evidences of indebtedness, maturing 20 years from date of issuance, as the Secretary shall by regulations prescribe.

SEC. 4. The Federal War Loan Participating Certificates provided for in this resolution shall be noninterest bearing, shall be negotiable, shall mature 20 years after date of issuance, and shall be a direct obligation of the United States.

SEC. 5. There shall be established in the Treasury a special fund to be known as the "Federal War Participation Ticket Fund," into which the proceeds from the sale of tickets under this resolution shall be deposited, and from which the Secretary of the Treasury shall make payments of the cash awards provided for in this resolution. After the payment of all cash awards, in the case of any sale, the amounts in such fund shall be covered into the Treasury of the United States as miscellaneous receipts.

SEC. 6. The Postmaster General and the head of any other department or agency of the Federal Government, respectively, is hereby authorized and directed, upon the request of the Secretary of the Treasury, to make available to the Secretary of the Treasury the services and facilities of the Post Office Department, or of such department or agency, for the purpose of carrying out the provisions of this resolution.

SEC. 7. Any amounts, to the extent that such amounts do not exceed $1,000 in any taxable year, received as a cash award under this resolution, or from the redemption, sale, or other disposition of any scrip, certificate, or other evidence of indebtedness awarded or issued under this resolution, shall be exempt from taxation under any law, Federal, State, or Territorial, imposing a tax upon income.

SEC. 8. (a) Whoever shall, with intent to defraud, forge, counterfeit, alter, or deface any ticket used or to be used in any sale conducted under authority of this resolution, or sell, or offer for sale, any such ticket knowing the same to have been so forged, counterfeited, altered, or defaced, shall upon conviction be punished by a fine of not more than $25,000 or by imprisonment for not more than 10 years.

(b) Section 213 of the Criminal Code (U. S. C., 1940 ed., title 18, sec. 336) is hereby amended by adding at the end thereof the following paragraph:

"Nothing in this section or in any other Federal statute shall be construed to prohibit the use of the mails in any manner for the purpose of carrying into effect any provisions of Federal law."

Mr. Speaker, I myself feel that several billions may be raised annually for our war effort, in an enthusiastic and patriotic manner by the people under the proposed plan. Since the introduction of the resolution, I have received an avalanche of letters from all parts of the country: from economists, manufacturers, college and university professors, from organizations of all kinds, including women's organizations, and from men and women in every walk of life. They urge me to obtain action on the resolution and without unduly encumbering the RECORD I shall insert a few comments from these letters, together with an explanatory note covering the plan. I feel that they will serve to enlighten my colleagues as to the feasibility of the plan and convince them of the revenue-raising possibilities of what I consider a painless method, and we most certainly need additional revenues at this time.

Mr. Speaker, in this connection it may be of interest to review briefly the history of lotteries. They are first recorded in the Roman era, to balance budgets, with slaves as the prizes. As early as 1566 England's debt, Colonial development, and prosecution of the Revolutionary War, were financed at least in part, by lotteries. From 1750 to 1825, if an American Colony, State, or the Congress needed money, a lottery was resorted to, many times.

The first Congress of the United States met in New York City—but only after a lottery had provided the meeting house. In 1822, Congress authorized a lottery to provide for two schools and a jail, in the city of Washington.

In the late eighteenth century lotteries were conducted in several States by churches of many denominations for various purposes. In January 1753, 1,000 pounds sterling was raised by a lottery to finish the steeple of Christ Church in Philadelphia, and Benjamin Franklin was the manager of that lottery.

In the year 1833, in Pennsylvania alone, 98 church lotteries were conducted. They are recorded in number and denomination as follows: Presbyterian 23, Lutheran 22, Episcopal 20, Reform 11, Calvinist 5, Catholic 3, Hebrew 2, Baptist 2; and 10 lotteries were held for the combined benefit of different denominations.

In early New York, Rev. Samuel Seabury, the father of Bishop Seabury, gave public thanks and praise to Almighty God for his ticket No. 5868 in the Light House Lottery for 500 pounds sterling, which he won. Our colleges and other public and humanitarian institutions were beneficiaries of lotteries, and, of course, George Washington used a national lottery to help finance the Revolutionary War.

Thomas Jefferson, in 1826, expressed his views on lotteries as follows:

> Money is wanted for a useful purpose, for which a direct tax would be disapproved. It is raised therefor by a lottery wherein the tax is laid on the willing only, that is to say, on those who can risk the price of a ticket without sensible injury for the possibility of a higher prize. * * * The right of a lottery has been exercised only, under the jurisdiction of the legislature.

Lotteries in this country originated with our patriots and our clergymen. The American people refer to the wisdom of our forefathers, the founders of the Republic. Why should not America borrow a page from her own early history and bring a Government-controlled lottery to relieve taxation and aid in financing this war, back to its place as an hon-

est and salutary medium of raising money from the willing, in this national emergency?

The question may be asked, Why were lotteries abolished? When lotteries were allowed to get into private hands, that ever-present but to be regretted avarice and selfishness of some privateers resulted in cheating and corruption. The historic Louisiana Bubble Lottery broke about 1890 and from then on lotteries were prohibited by law, but they certainly have not been prevented, as is well evidenced by the revelations of the F. B. I. in smashing, although I fear only temporarily, illegal lotteries taking millions away from the people as well as the enormous sums taken from the players of the numbers and policy rackets.

It is noteworthy that these policy and number rackets, where small change is the betting medium, are patronized mainly by those in the lowest income brackets and who can least afford such gambling. Ever since my boyhood days I have been opposed to these rackets. Until last year only about 2 percent of our people paid Federal income taxes. It should be obvious that this other 98 percent in the lower income brackets are just as patriotic and just as fine Americans as the 2 percent and, give them a chance to buy a ticket on Uncle Sam at a dollar, and their taste for these illegal and crooked rackets will be greatly reduced, to their advantage and to the Treasury's as well.

Returning to my resolution, I would like to outline briefly some of the salient features.

Provision is made for the sale, through the Post Office Department and other Federal agencies, under the direction and supervision of the Secretary of the Treasury, of Federal war participation tickets at $1 each.

Awards by drawings are to be made in amounts equal to 12½ percent of the total proceeds in cash and 25 percent of the total proceeds in 20-year, noninterest-bearing certificates.

To the holders of nonwinning tickets, 12½ percent of the total proceeds are to be issued outright in certificates. Therefore every ticket holder receives a portion of the total proceeds.

For every dollar received, the Government would pay out 12½ cents in cash and 37½ cents in certificates.

Based on the sale of 1,000,000,000 tickets, there would be $125,000,000 in cash and $250,000,000 in certificate awards. The high cash award would be $62,500, and the high certificate award, $125,000.

There would be a total of 2,223,832 awards out of 1,000,000,000 tickets sold. The purchaser of a ticket would therefore have 1 chance in 450 of winning an award as against one chance in twenty-odd-thousand, as reflected in the Irish Sweepstakes.

The Treasury would receive $875,000,000 in cash. If this amount was borrowed at 3 percent for 20 years, interest alone of $525,000,000 would accrue.

Monthly drawings should provide the Treasury with several billion dollars annually. The Congress of 1776 conducted a national lottery to help finance the Revolutionary War. Our Government has authorized and is now supervising a lottery in Puerto Rico.

The selective-service draft is a lottery with men's lives at stake. Both lives and dollars are now vital to our national existence.

To more clearly illustrate the proposal of cash and certificate awards by drawings, the following tentative schedule is presented:

The sale of 1,000,000,000 War Participation tickets at $1 each	$1,000,000,000
12½ percent to be awarded in cash by drawings	
1,000,000 tickets of $50 value each	$50,000,000
100,000 tickets of $500 value each	50,000,000
10,000 tickets of $1,250 value each	12,500,000
1,000 tickets of $2,500 value each	2,500,000
500 tickets of $5,000 value each	2,500,000
250 tickets of $12,500 value each	3,125,000
150 tickets of $25,000 value each	3,750,000
15 tickets of $37,500 value each	562,500
1 ticket of $62,500 value each	62,500
1,111,916 tickets	125,000,000
25 percent to be awarded in certificates by drawings	
1,000,000 tickets of $100 value each	$100,000,000
100,000 tickets of $1,000 value each	100,000,000
10,000 tickets of $2,500 value each	25,000,000
1,000 tickets of $5,000 value each	5,000,000
500 tickets of $10,000 value each	5,000,000
250 tickets of $25,000 value each	6,250,000
150 tickets of $50,000 value each	7,500,000
15 tickets of $75,000 value each	1,125,000
1 ticket of $125,000 value each	125,000
1,111,916 tickets	250,000,000

2,223,832 awards out of 1,000,000,000 tickets, or 1 out of each 450 tickets.

It will be noted that the certificate awards are double the cash awards, for the purpose of minimizing the cash outlay by the Treasury at this time, and emphasizing the advantage of retaining the investment feature of the certificates to maturity.

However, these certificates may doubtless be discounted for cash at any time prior to their maturity.

Lotteries, policy, and number rackets, racing with its hide-and-seek bookies, now flourish throughout the country. The gaming pleasures of the American people have been placed around $10,000,000,000 annually. Postal authorities have estimated that upward of one and one-half billion American dollars flowed into foreign lotteries annually. The irony of foreign governments being financed by American participants in their lotteries. These willing Americans should be given the opportunity of aiding in financing their own Government.

Organized crime is being subsidized with billions of dollars of easy money annually. Put a Government-controlled lottery in the running, with frequent drawings and many low awards, and gangland will lose its meal ticket.

A lottery is a voluntary tax, which will bring in a large amount of money from those who have never paid any income or real-estate taxes. This money from nontaxpayers will be spent regardless, in some form of gambling.

People will make wagers. It is part of the emotional nature of normal men and women. Gambling, like drinking, cannot be stopped by Government edict but can be regulated. No laws can remove this human instinct. If abolished in one form, it always creeps out in another.

Prohibition was finally repealed when the people realized that the liquor traffic was financing organized crime. Now that organized crime has made the numbers and policy rackets, racing, and lotteries its mainstays, common sense points to the same remedy—control.

The refusal, on grounds of public morality, to countenance a Government-controlled lottery for war revenue purposes, while drawing revenue from American winners of foreign lotteries, liquor, racing, and other public gambling, seems to be predicated upon hypocrisy. Regulate and control it and thereby give the American dollar a chance to start working at home for the American people and their Government.

The sale of these Federal war participation tickets, I feel, will help in relieving us from a heavy debt with staggering accumulating interest charges, which we are passing on to our children's children and the future generations.

It will help us as a nation to meet the social and economic problems of the farmer, the wage earner, and the State and local governing bodies in the reconstruction era following the end of the war.

My main purpose and desire is to acquaint the American people with the objectives of House Joint Resolution 299, reveal its practicability for the raising of the vast amount of revenue needed in our all-out war effort—and then, to be guided by their wishes.

Now, Mr. Speaker, I shall insert a few exerpts from the thousands of letters which I have received and a number of press and radio comments which have been called to my attention since I introduced the resolution. I quote:

EXCERPTS FROM PRESS COMMENTS

Congressman SABATH'S bill for a national lottery to help finance the war will meet with the approval of many persons who normally would oppose such a plan, as they will realize the need of devising a painless extraction plan in these days of high taxes to finance the war. (E. Mallowan, columnist, Philadelphia Daily News.)

The proposed national lottery has many sound and practical merits, including inducements to the people to share in the cost of government both enthusiastically and patriotically. It is a practical idea for easing the strain of national defense. American money spent in gambling enterprises has been estimated between five and six billion dollars annually. The Government has prohibited lotteries, but certainly has not prevented them. (Editorial, Journal-American.)

Most of the letters I receive favor your lottery idea. (Earl Godwin, commentator, National Broadcasting Co.)

A Government wartime lottery would quickly raise a vast sum of money. Gambling flourishes throughout the country and a Government lottery would greatly reduce these illegal practices. We are reliably informed that certain Government financial master minds favor a lottery, but fear to come out in the open. We need a sure-footed Congressman to introduce a lottery bill. Then we could get public reaction. If the public thinks it wrong, we would soon know it. (Damon Runyon, International News Service.)

The national lottery proposed by Representative SABATH has a lot to recommend it. It would not constitute gambling. When the "house" (Uncle Sam) takes 87½ percent of the money paid in that's not gambling. Anyway, millions of our people like to gamble. They might as well gamble on the United

States as on a horse, dice, or on stocks on the Street. But that lottery will not be held. That the majority favors it makes no difference. If you don't belong to the minority, you're through. This country loves hypocrisy. (Harry Lemore, columnist, Washington Star.)

EXCERPTS FROM A FEW OF THE MANY LETTERS RECEIVED

You are right in advocating a lottery in the present circumstances. (Dr. P. Haensel, professor of economics, Northwestern University, Chicago.)

Congratulations on your national lottery plan. Let's hope F. D. R. supports your endeavors. It's my hunch he does. (J. H. Cannon, United Press Association, Denver, Colo.)

I was pleased to read of your national lottery bill. Over 90 percent of the people are in favor of it. You will raise $1,000,000,000 every month. You have no idea how people will buy these dollar tickets. I will gladly help create public sentiment. (M. Louise Gross, national chairman, Women's Moderation Union, New York, 500,000 members.)

We'll watch developments of your national lottery resolution with interest. (Editors, the Reader's Digest.)

Hope you will persevere in getting favorable action on your national lottery bill. (J. S. Sheehy, United Press, San Francisco.)

The radio has announced your lottery plan. I congratulate you. Church societies run gambling beno and lotteries, as per enclosed clipping. The prizes in amounts and in their frequency as run in our city of 76,000, if operated all over the country on the same basis, would collect over four and one-half billion dollars annually from the people. Churches can run such lotteries but are free from paying any taxes. (A. R. Goodsell, Salem, Mass.)

You are on the right track in suggesting a Federal lottery for war revenue. (E. Cheatham, North Carolina.)

I am strong for this national lottery as you have it. This is the only way we can raise money for this war in volume and with the least effort. I buy a $50 bond every 60 days but would buy $50 of these lottery tickets every month. If I win, O. K. If I lose, my money went to the Government for a good purpose, and that's O. K. too. (S. M. Duffie, Texas.)

I never gambled or bought a lottery ticket, but I'd do so, were it for my country to help finance the war. I so wrote the Treasury, who replied: "It's up to Congress." (R. Reichenberg, New York City.)

Your national lottery is greatest proposition proposed and will get the money for our Government. Let us have $2,000,000,000 drawings every month. (E. L. Vaughn, president, Live Stock Commission Firm, Chicago.)

Your resolution for a national lottery is one of the best measures introduced for a long time. More power to you. We've a war to win. (Cosgroves Technical Magazine Service, Grand Rapids, Mich.)

Your proposed national lottery strikes a responsive chord. The disclosures of illegal lotteries by the Federal Bureau of Investigation taking millions from the people, convinces us of its need. (N. Sherouse, Mobile, Ala.)

Your lottery bill is fine. It will ease the strain on the Treasury, keep the money in our country, and give the people a little fun. (Mrs. E. Gray, California.)

With a legal lottery operated by the Government itself, I am certain a great deal of needed revenue can be diverted for the national expenses as well as doing away with a lot of hypocritical laws such as the prohibition farce was. (Ralph E. Huffcut, P. O. Box 446, Danbury, Conn.)

Mr. Speaker, in conclusion, I desire to insert an extract from a Washington newspaper article, carrying an endorsement of my resolution by the Washingtonians, a citizens' organization, as follows:

DISTRICT OF COLUMBIA CITIZENS URGE LOTTERY TO PAY WAR COSTS

(By A. J. Driscoll)

Creation of a national lottery to be conducted under supervision of the Treasury Department was urged Thursday night by the Washingtonians, a city-wide citizens' organization, members of which met at the Highlands Apartments to endorse legislation to that effect which Representative ADOLPH J. SABATH, Democrat, of Illinois, had pending before Congress.

Proceeds of the lottery would help defray cost of the war.

Mr. Speaker, I ask unanimous consent that I may insert in the RECORD excerpts from some letters and press comments on the subject matter of the proposed legislation and also, at a later date, I shall insert an article which I wrote giving certain facts and information which I am sure will be appreciated by many Members of the House and by the country.

The SPEAKER pro tempore. (Mr. BEITER). Without objection it is so ordered.

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. WOODRUFF] is recognized for 15 minutes.

THE ADMINISTRATION PROGRAM A DRIVE FOR FREE TRADE

Mr. WOODRUFF of Michigan. Mr. Speaker, the under Secretary of State, Sumner Welles, made a notable address in Boston last Thursday night, October 8, before the National Foreign Trade Convention. In the course of his address Mr. Welles, after calling attention to the probable large demand abroad after the war, for post-war relief, proceeded to outline the large demand which would follow for financing capital goods and the raw materials of industry. Mr. Welles is quoted as saying:

I need not tell this audience that international payments on that scale can be made only in goods and services. There is no other way * * * those who expect to export must take the world's goods and services in payment. I hope the United States is ready, now, to act on that lesson.

This is just one more attempt to inject free trade into the war effort. It is a formal notice of the administration's position.

I pause here to direct attention to paragraph IV of the Atlantic Charter which provides that:

They—

Mr. Roosevelt and Mr. Churchill—

will endeavor, with due respect for their existing obligations to further the enjoyment of all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity.

Truly a paradox. The Axis Powers say they are fighting a war to attain what Mr. Roosevelt and Mr. Churchill establish as a condition of the next peace.

Several times during the last few months I have called the attention of the House to the propaganda being carried on by different groups, including administration spokesmen, in their drive for a new world order. Others have done likewise, but the drive continues. The Dies committee referred to some of these activities in its report last June. Last March and April I caused to be inserted in the RECORD certain letters and memoranda written by George N. Peek, formerly special adviser to President Roosevelt on foreign trade. Again on July 27 I included another memorandum from Mr. Peek, analyzing some of the proposals which have been propagandized by Fortune during the last 2 years. I ask now for unanimous consent to insert in the RECORD at the conclusion of my remarks an exchange of letters which has occurred recently between Mr. William D. Geer, general manager of Fortune, and Mr. Peek, which I urge every Member of the House to read carefully.

Mr. Speaker, today America is at war. It has been attacked from without and from within.

From without—by the Axis Powers which seek to impose their will upon a large part of the world because, they say, their necessities demand more room for the expansion of their growing populations and easier access to the raw materials and the markets of the world.

From within—by those forces which, for reasons of their own, would destroy America's higher living standards through reduced wage and price levels and subordinate our sovereignty to some alien form of government or a combination of alien forms under what is now commonly spoken of as "the new world order" to follow the war.

Mr. Speaker, in order to get a clear perspective of Fortune's proposals it is necessary to separate the discussion of the economic from the political objectives, which the proponents of the new world order confuse, perhaps intentionally. They are far from being the same. A police force, for example, is maintained in every community without the community or its citizens sacrificing their economic life. So it may be with nations. It may be possible that we shall be asked to contribute to policing some section of the world for a time, at least, after peace is declared. It does not follow, however, that such request, if granted, requires the abandonment of our sovereignty, pauperizing ourselves, and giving up the advantages of our home markets.

Today, however, I shall confine my remarks to the economic phase. While public discussion and propaganda for the New World Order have been carried on generally only in the last year or two, the economic arguments have been before us a long time. They were formerly presented as protection versus free trade, but because the American people always decided against free trade whenever they had an opportunity to express themselves, the New Deal Administration at its beginning, notwithstanding its preponderant majority in Congress, elected to disguise the issue, disregarding the campaign pledges of Mr. Roosevelt in 1932.

Mr. Speaker, the administration began its efforts to destroy the American protective system in the winter of 1933 and

1934 through the Executive Committee on Commercial Policy of the State Department. The free-trade theories of Secretary Hull and Vice President WALLACE are a matter of common knowledge. They are freely admitted. Those of us on the Ways and Means Committee of the House have watched the development of the program as we have listened to the witnesses who appeared before us.

Mr. Speaker, one of the first objectives of this Executive Committee on Commercial Policy was to bring about a condition where it could arbitrarily determine which industries of the Nation would be permitted to live and which must die in order that more foreign goods could be imported—and American jobs replaced with foreign jobs. This scandalous effort terminated suddenly, apparently, when it became known. It was quite accurately described in an article by Albert Warner appearing in the New York Herald Tribune of January 3, 1934, which I ask unanimous consent to insert with my remarks in the RECORD.

Mr. Speaker, from that beginning I ask you to note that the administration, step by step, has persisted in its effort to tangle us up in world affairs regardless of the President's warning to the London Conference in 1933 that—

The sound internal economic system of a nation is a greater factor in its well-being than the price of its currency in changing terms of other nations.

The administration was compelled to change its approach following the public disclosure of its plan, but continued by indirection to do what it could not do directly, although it controlled both Houses of Congress. The first result was the so-called Reciprocal Trade Agreements Act, originally passed in 1934, renewed in 1937 for 3 years, and renewed again in 1940 for 3 more years. It will expire next summer. I voted against the original act and against each renewal. May it never be renewed. Some administration spokesmen asserted that one of the prime purposes of the act was to preserve the peace of the world. Present conditions eloquently testify to its failure in this respect. The announced purpose described by Congress was that—

* * * of expanding foreign markets for the products of the United States. * * *

The purpose of the administration, however, was something different. After more than 5 years following passage of the act by Congress it was disclosed for the first time by Mr. Hull in a speech at Chicago before the American Farm Bureau Federation in December 1939 to be "a general tariff readjustment," which, incidentally, he claimed he had effected more wisely and efficiently than Congress could have done. Be that as it may, Congress had delegated no authority to the Executive to rewrite the tariff laws. In the agreements which were made between 1934 and 1940 more than 1,100 tariff rates were reduced, 109 items bound on the free list, 50 bound against increase, and not one tariff rate raised. Now the proponents of the new world order would complete the job of destroying protection for our living standards by removing all tariffs between nations joining their new world order and eventually by extending such action throughout the world to all nations which accept their ideas of what the world should be. I ask every Member of the House to reflect upon the reaction of his constituents when he explains to them, as he should in seeking their support, his position upon the proposal of free competition with every low-wage nation in the world. I anticipate that the general reaction will be, Whose racket is this?

Mr. Speaker, the President said in his report to Congress on Lend-Lease operations for the period ended June 11, 1942:

We have pledged our resources without limit to win the war and the peace which will follow it. * * * It is hoped that plans will soon develop for a series of agreements and recommendations for legislation in the fields of commercial policy, of money and finance, international investment, and reconstruction.

The report referred also to agreements made this year with Great Britain, China, and Russia, in connection with which it says:

The provisions of these agreements are now being offered to our other Allies receiving lend-lease assistance.

It is heartening to note that the President proposes to consult Congress on these activities affecting not only the lives of every citizen but of our Government itself. It is to be hoped that the President will allow ample time for thorough consideration of his recommendations.

Mr. Speaker, on the floor of the House a few days ago—October 1—the gentleman from Illinois [Mr. DIRKSEN] referred to the vast program of post-war reconstruction on the domestic front and to the fifth report on lend-lease operations which I have just mentioned. The gentleman called attention to the notice given by the President that soon there may be forthcoming "recommendations for legislation in the fields of commercial policy, of money and finance, international investment, and reconstruction." The gentleman went on to suggest that some of these days these recommendations would be laid in the lap of Congress with the "must" tag on them and a dead line for action. He made the very excellent suggestion that Congress prepare itself for such an event. This I hope Congress will do.

Mr. Speaker, it will be recalled that Mr. Russell Davenport said in an article in Fortune, August 1941—4 months before Pearl Harbor—that this is Mr. Roosevelt's policy. These were his words:

The backing that Mr. Roosevelt has won for this policy is, to say the least, heterogeneous. It does not include large elements of American labor * * * on the other hand, it does include the recent Republican candidate. * * * The rise of foreign policy, indeed, has entirely disrupted conventional American politics.

Whether or not Mr. Davenport was correct in this statement, as to its being Mr. Roosevelt's policy, I do not know. I do not recall that Mr. Roosevelt or any responsible spokesman for him has denied it, and the drive continues. No effort to stop it is being made by the administration. It is interfering with the war effort.

Certainly Mr. Davenport was correct in saying that:

The rise of the foreign policy, indeed, has entirely disrupted conventional American politics.

It is not a partisan question. Many Democrats and Republicans alike reject it. It is the duty of every candidate for Congress to make the issue crystal clear.

The people must decide; it is their country.

FORTUNE,
New York, August 22, 1942.

DEAR MR. PEEK: Your standing and interest in west coast affairs makes me feel that you will find important the two articles I am sending you from the last two issues of Fortune.

Westward Empire, from the July issue, reports on the west coast's war effort and its results in speeded industrialization and new horizons. Fortune's editors conclude: "The people of the coast dream indeed of a great Pacific empire with themselves as its leaders (based), not on conquest and exploitation, but on trade and friendship."

Pacific Relations, reprinted from the August issue, is part II in Fortune's series, The United States in a New World. It attempts to suggest how that empire the coast sees may be achieved.

The series, The United States in a New World, is the work of a committee of specialists set up by the editors of Time, Life, and Fortune. In it they are endeavoring to provide a basis for democratic discussion of the post-war world. As their original preface states: "Far from injuring the war effort, a discussion of post-war possibilities, at once realistic and tentative, should create new hopes for a better future among our Allies, our own citizens—and among our enemies."

After you have read Pacific Relations I hope you will join this discussion by sending me your frank comments and criticisms. I should be glad, also, to send the article to friends or associates whom you feel should read it, if you care to send me their names.

Very truly yours,

WILLIAM D. GEER,
General Manager.

SEPTEMBER 12, 1942.

Mr. WILLIAM D. GEER,
General Manager, Fortune,
New York, N. Y.

DEAR MR. GEER: Your letter of August 22 addressed to me at Rancho Santa Fe, Calif., with the July and August articles from Fortune, arrived last week just as I was leaving for my home here.

You invite my frank comments and criticism. I accept your invitation and presume to comment and criticize frankly these and related articles appearing in earlier issues of your publications. (Fortune, January 1940, August 1941, May 1942.)

Fortune's editors conclude incorrectly, I think, that "The people of the coast dream indeed of a great Pacific empire * * *." It is true they do appreciate the possibilities of the development of this section as a very important part of the United States. However, my observation is that they are loyally nationalistic in their views and as much opposed to imperialism or other alien isms as any other section of the country.

To be more specific in my criticism and comment:

First. I do not agree that the proposals for internationalism that your magazines have been propagandizing are timely. I have followed them with more or less care for several years. You say now that:

"Far from injuring the war effort, a discussion of post-war possibilities * * * should create new hopes for a better future among our allies, our own citizens—and among our enemies."

This comment is preposterous if we consider that what is proposed means admittedly:

a. Abandonment of our sovereignty.

b. Free trade or a near approach thereto throughout the world. (With resulting lowering of living standards here.)

c. The United States underwriting the rehabilitation of a bankrupt world or, at least, of such nations as join the new empire you propose.

The war effort will be slowed down without any doubt if the people understand that these are not only post-war possibilities but are objectives.

Second. Your letter states:

"The series 'The United States in a New World' is the work of a committee of specialists set up by the editors of Time, Life, and Fortune."

To patriotic Americans it is important that twisted thinking be ruled out. To that end, before asking the American people to consider such far-reaching proposals they should know who these specialists are who would subordinate their own country to others and who do not consider that the best interests of the United States are paramount to everything else; what are their qualifications and what is the factual basis of their conclusions—or was this only a dream? The proposals sound, to a practical citizen, like the rationalization of the proponents of broken-down and discredited theories of economics, already abandoned by their own mother—England. These theories seem, however, still to be supported by a small minority in interest, by certain publishers, a scattering few individuals and certain organizations to whom the American tradition is an obsolete ideal, and wistful Anglophiles yearning for an England of other days. All together they represent a very small proportion of the American people. A roll call of this group and their supporters would be illuminating to our citizenry.

Third. The proposals boil down to a choice between internationalism and Americanism, which I define thus:

INTERNATIONALISM VERSUS AMERICANISM

Internationalism meaning dependence upon foreign nations, a government conducted more in the interest of foreign countries—meaning abandonment of our higher living standards, wage and price levels, and independence of political action, and in their place acceptance by us of the generally lower world levels and some alien form of government.

Americanism, meaning national self-sufficiency as far as possible—a government conducted primarily in the national interest—meaning our American standards of living, wage and price levels under our American constitutional form of government, without interference from the rest of the world, although always willing to cooperate with it.

The Government of the United States belongs to the people. They should decide their course by voice and by vote through their representatives in Congress. No one else should be permitted to decide for them. Nevertheless the issue is there and must be decided. It is above partisanship.

The cooperation of your publications in securing discussion in the American way, through the proper committees in Congress, would go far toward correcting the impression that these publications are being used for propagandizing views inimical to the best interests of our Nation, thus enabling the country to get down to its first business—winning the war.

As of possible interest I enclose reprint from the CONGRESSIONAL RECORD, in which appears other reference to the subject matter under discussion.

Very sincerely yours,

GEORGE N. PEEK.

[From the New York Herald Tribune of January 3, 1934]

INDUSTRIAL RATING ASKED AS GUIDE FOR UNITED STATES TARIFFS—ROOSEVELT ADVISERS SEEK APPRAISAL OF GROUPS AS BASIS OF IMPORT LEVIES—BARGAINING INDEX LIKELY—MANGANESE, LACES, AND SOME WINES HELD OVERPROTECTED

(By Albert L. Warner)

WASHINGTON, January 2.—In line with their program of long-range planning of the foreign trade of the United States with an eye to imports as well as to exports, President Roosevelt's trade advisers have proposed the grading of the principal industries of the country to determine their place in the scheme of economic affairs.

In the report prepared for the President by the Executive Commercial Policy Committee, six gradings are suggested, the purpose being to place in systematic form the degree of tariff protection to which the industries are entitled on the basis of their economic utility and certain factors such as military necessity and the size of investments involved.

This program carries the suggestion that some of the industries in the bottom classes of the grading would be accounted as economic burdens on the country and therefore the first to be sacrificed in the building of a balanced foreign trade. The commercial policy committee accepts the thesis that there is no use in pushing for greater foreign markets for American goods without supplying an import market. It is insistent, however, on protecting such industries as deserve protection, judging by their rating.

STATUS OF SUGAR QUESTIONED

Industries which are cited as among those which have the smallest economic justification in the United States, although some have the highest tariff protection, are manganese, chromium, laces, other largely handlabor industries, and some farm products such as pineapples. Certain types of higher class woolens and certain types of wine also are named as examples of luxury industries which have small economic basis for continuance in this country. The report suggests that sugar might be in this class were it not for "long tradition" and the strong place in which it has established itself.

The significance of the recommendations is taken to lie in the fact that the President's trade advisers also have urged him to seek the broadest kind of authority from Congress to deal with tariff rates in connection with negotiations and effecting reciprocal trade agreements with other countries.

The idea of grading industry, it was learned today, will not figure in the tariff bill and the recommendations were more in the nature of a philosophical approach to trade planning than a program for immediate tariff action. The commercial policy committee did not mean to propose that anything upsetting to industry be instituted, according to available information. On the contrary, it was explained, the negotiation of trade agreements necessitated knowing exactly what industries needed the fullest protection. The reasoning behind the program was that it was important to maintain balanced action and to avert any far-reaching internal disarrangement.

In grading industries the following factors would be considered: First, economic justification as measured by past efficiency; second, connection with national defense; third, wage standards involved; fourth, number of people employed and amount of investment; fifth, geographical distribution; sixth, alternative sources of foreign supply; seventh, interconnection with other domestic industries.

Grade A industries would include large exporters requiring substantial foreign markets, meaning particularly farm products such as cotton, wheat, hogs, and apples, and mass-production manufacturers which have set the pace in raising wages and increasing per capita production, such as automobiles, agricultural machinery, and electrical apparatus. For some of these industries, the report said, tariff protection would be unnecessary.

Grade B industries would be those second only to grade A in general effectiveness and desirability. They would be industries which have displayed power to sustain themselves against foreign competition without assistance, which employ large numbers of people and which turn out satisfactory products at reasonable prices. Various lines in the chemical and metal industries, much of American iron and steel production, staple textile and shoe industries, would be included. For the present emergency protection from any increase in foreign competition would be assured.

MILITARY NEEDS SCANNED

Grade C industries would be in the next rank of effectiveness, but considered largely essential because of military factors. Shipbuilding, chemicals, and certain minerals would be in this classification. Some sort of subsidy instead of tariff protecion might be preferable to have market allocations which would assure a minimum of domestic production while not banning low-cost imports.

Grade D would include industries not well suited to American economic environment. A certain maximum amount of protection might be offered them, but otherwise they would be called upon to meet foreign competition. The degree of aid they might be calculated to deserve would depend upon the number of employees involved and their importance to other industries. Textile specialties, some types of glove manufacture, and certain farm products would be in grade D.

Grade E, which includes the list headed by manganese, would be industries which are a burden "because they possess so weak an economic basis or because they have exhausted their basis."

Grade F would include commodities the production of which is impossible or entirely unjustifiable in the United States. Such products, such as coffee, tea, tin, rubber, and bananas, are largely on the duty-free list now.

Mr. Speaker, while the above article was published in January 1934 disclosures recently made clearly indicate that it still is the intention of the administration to decide for itself which American industries shall continue to exist and which shall arbitrarily be destroyed. That this is the mainspring of the New World Order seems unmistakable.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes at the conclusion of other special orders today.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts [Mrs. ROGERS]?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under a special order of the House heretofore entered, the gentleman from Alabama [Mr. HOBBS] is recognized for 30 minutes.

Mr. McGRANERY. Will the gentleman yield?

Mr. HOBBS. I shall be delighted to yield to the gentleman.

Mr. McGRANERY. Mr. Speaker, today America took a great step toward true democracy in the adoption of the Geyer resolution. Its overwhelming majority was most heartening to me, and this majority, which was truly American in every sense of the word, may be taken as a true forecast of the action this body will take on making the Geyer Act a part of the law of the land when we cast our vote tomorrow. Had I been here I would have voted for the adoption of that resolution. I assure you that tomorrow, God willing, I shall be here to vote on the all-important passage of this measure.

Mr. MAGNUSON. Will the gentleman yield?

Mr. HOBBS. I yield to the gentleman from Washington.

Mr. MAGNUSON. I want to point out for the RECORD in the gentleman's behalf that many of us have formed a sort of unofficial committee on this measure for some time during the life of our colleague, Mr. Geyer. I recall the gentleman being at those meetings and discussing this matter frequently. It was unfortunate that he was not here today, but his devotion to this cause has been zealous all the time during his service in Congress.

Mr. McGRANERY. I sincerely thank the gentleman.

THE ANTI-POLL-TAX BILL

Mr. HOBBS. Mr. Speaker, realizing the temper of the House as evidenced by the vote today, and knowing that the time is short for consideration of the anti-poll-tax bill which will come to final passage tomorrow, I hesitate to speak again on this subject, having already spoken thereon almost every day during the last 2 weeks. But I cannot refrain from answering a question which has been asked me time, time, and time again by Members of this House. Frankly, they say, "We are worried about the constitutionality of the Geyer anti-poll-tax bill. We would like to have specifically pointed out to us where in the Constitution the authority is granted to the States to regulate their own elections and to fix the qualifications of their own voters."

Those questions are sincere, they come from men who are laboring under a sense of high duty under their oaths as Members of this House, sworn to uphold and maintain the Constitution. In every case I have answered as well as time would permit, whenever the question was asked, but I feel impelled to amplify those hurried answers, both for the sake of those who inquired and also for others who may have had no opportunity to ask their questions.

Mr. WHITE. Will the gentleman yield?

Mr. HOBBS. I am glad to yield to the gentleman from Idaho.

Mr. WHITE. I am not familiar with the provisions of the Constitution having to do with the franchise, but may I ask, is there a provision in the Constitution which governs voting?

Mr. HOBBS. Yes; there are four provisions.

Mr. WHITE. Does not the gentleman think that the right of franchise should not be abridged to any group of citizens of the United States?

Mr. HOBBS. I think that is a matter for each individual State to decide for itself and that each State should decide for itself; that is, who shall be qualified to be the governors in its own bailiwick; and that for the safety of the commonwealth each State should restrict the exercise of the privilege of the elective franchise to those who are fit to govern, or, in other words, those who are fit to be voters.

Mr. WHITE. Is it not conceivable that some State might pass laws that would abridge rights guaranteed to citizens under the Constitution?

Mr. HOBBS. Yes, sir; but there has never been a case of that kind yet. The States have kept the faith and discharged their high responsibility in this regard with the utmost fidelity to their sacred trust.

Mr. WHITE. If such action were taken by any State, then the gentleman would be in favor of preventing that being done?

Mr. HOBBS. I would be in favor of the repeal of that statute or constitutional provision by the same authority that placed it on the books, to wit, the State legislature. The Congress of the United States has no more to do with regulations of that kind in Alabama, or any other State, than it has to abolish the caste system of India, or to abolish the office of King of England. In fact, we, as Members of this body, are not under oath not to legislate for foreign nations, but we have taken an oath to support the Constitution of the United States and to maintain it in its integrity, which means that we are foresworn from legislating in the field of State sovereignty. In and by that Constitution, which was a grant by the States to their Federal Government, there is no grant whatever of any right to legislate with reference to the qualifications prerequisite to the privilige of voting, but, on the contrary, that right is clearly recognized as belonging exclusively to the States and reserved for them alone. Therefore, unless you violate your oath of office, you cannot vote for the Geyer anti-poll-tax bill.

Mr. WHITE. Does the gentleman contend or am I to understand the gentleman to contend that the legislation now pending, the so-called anti-poll-tax bill, is unconstitutional?

Mr. HOBBS. Exacty; 110 percent so. There is not a lawyer of any standing in this country who maintains the contrary, except by tenuous and fallacious argument based upon the premise that the case against Pat Classic is the law which governs this particular matter, and, of course, it is not.

Mr. WHITE. It is the gentleman's contention that in the event this bill is passed in its present form and becomes law the Supreme Court, if it properly discharges its functions, will declare it unconstitutional?

Mr. HOBBS. Yes, sir; undoubtedly so. Now, please let me continue my answer to the question to which I referred at the outset. While sincere, it evidences a fundamental misconception. The shoe is exactly on the other foot. There did not have to be any grant of power to a sovereign State to fix the qualifications of its own voters.

The sovereign States had that power long before the Constitution, long before there was any Government of the United States of America. The sovereign States created their Federal Government to perform functions primarily in the field of foreign affairs that could be better accomplished jointly than by any one of the States, for instance, making war and peace, and dealing with other nations in international affairs. As was said by the Supreme Court in the case of the *United States* v. *Curtiss-Wright Export Corporation, et al.* (299 U. S. 304), in the field of internal affairs it is categorically true that the States are absolutely supreme and sovereign, except as they may have by specific enumeration delegated power to their Federal Government.

So, then, when we look at it fairly and honestly, as we must, and as all of us are trying to do, we must go back to the beginning of sovereignty in this country.

The Thirteen Crown Colonies of England were, of course, subordinate to the Crown of England. When in 1619 the first State assembly met in Virginia, the delegates were elected by the people of Virginia who were authorized to vote by Virginia. From that early date up until the time of the Declaration of Independence the Colonies of England exercised the right to control their own elections, to fix the qualifications of their own voters without let or hindrance from England or from any other power. In other words, for more than 100 years before the Declaration of Independence the American Colonies were exercising the right to supervise and to control their own elections and to fix the qualifications of their own voters.

When the Declaration of Independence was written and adopted, instead of colonies they became States, and that situation continued. All through the Revolution we had voting in the several States controlled absolutely by the States, and the qualifications of the voters participating in those elections were fixed by each State.

When we came in 1777 to grant to the States as a group the powers which were granted to them under the Articles of Confederation, we made it more plain than ever. The Congress of the United States of America, dating from 1777, was composed of no elected Congressmen. They were delegates chosen by the several States to sit in the Convention of the United States of America formed by the Articles of Confederation. The United States of America did not even have power to levy taxes to support itself. It could levy no taxes. It was dependent upon the largess of the States. They made appropriation out of their treasuries to support their Federal Government.

Then, coming on down to 1787, when the Constitution was born, George Washington met with the officers of his army who had decided to abandon the cooperative effort and abolish the United States of America under the Articles of Confederation, and by a personal appeal he saved the Union, which, under the

Articles of Confederation, was to be perpetual. He gave them his word that if one more effort would be made to form "a more perfect union," granting a little bit more power to the Federal Government to enable it to function better, he would assure them that the States would in no wise lose their sovereignty.

The officers of the Revolution were agreeable and the States chose and sent their delegates to a constitutional convention. There the founding fathers debated for months. Every word of the Constitution being drafted was put under the microscope of their scrutiny. One of the questions most difficult of solution was how the Members of the Congress were to be chosen. The old system was unsatisfactory, but no one was willing to give the Federal Government the power of selection. Those delegates feared that a powerful Federal bureaucracy would eventually prove as tyrannous as George III. So, finally the provision was written that Representatives were to be elected "by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature." This left the States in full control of their elections, and undisturbed in the right of each State to fix the qualifications requisite for electors. By this section—which became section 2 of article I—while the State was left perfectly free to continue to establish its own qualifications requisite for electors, the States pledged themselves to fix the same qualifications requisite for electors to choose Representatives in Congress as they fixed for electors to choose the members of "the most numerous branch of the State legislature."

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I will be glad again to yield to the gentleman.

Mr. WHITE. Coming to the principles involved, as I understand it, the Constitution was a delegation of power from the sovereign States.

Mr. HOBBS. That is right, sir.

Mr. WHITE. They transferred to the Federal Government certain powers.

Mr. HOBBS. That is right, sir.

Mr. WHITE. And our Constitution is limited by that power.

Mr. HOBBS. That is right, sir.

Mr. WHITE. The State constitution, on the other hand, is a limitation by the State. In other words, their power is absolute with only such limitations as their constitutions impose upon them and the limited power transferred to the Federal Government.

Mr. HOBBS. That is right, sir.

Mr. WHITE. The question in my mind is whether, in delegating that power from the 13 sovereign States to the Federal Government, the franchise of the electors was involved, and whether they did not provide somewhere along the line that certain qualifications would represent inalienable rights of the citizens of this country to vote in national elections.

Mr. HOBBS. No, sir; there never has been any such provision in the Constitution of the United States, or anything that sounded like it, but when it came in this debate in the Constitutional Convention to decide how the Congress under the new government would be selected, they said in the last analysis, "We will trust the States to do as they are now doing, hold all elections, fix the qualifications of all voters," but instead of using their qualified voters only to choose their own State officials these same qualified voters shall also choose the representatives in the Congress of the United States of America.

In other words, the States wrote the Constitution for their Federal Government by their delegates in convention assembled, and they said we will give you the benefit of the use of our elections so that your Congressmen-to-be may run in our elections, and we will give them the same services as we perform for our own people and our own candidates, but we will not make you master in our house. We make you our guest, and we will treat you as fairly as we treat our own selves. We will give you the benefit of the use of our own servants, but we cannot have you telling us to provide other servants. Therefore there is not a word in the Constitution of the United States, except in four places, that deals with this question. Those four places are sections 2 and 4 of article I and the fifteenth and nineteenth amendments. The fifteenth and nineteenth amendments simply enfranchise our colored friends and the ladies. Section 2 provides what I have just stated, that the States shall fix the qualifications and that they shall be the same that they fix for themselves. Section 4 gives Congress a veto power over the regulations prescribed by the States as to the times, places, and manner of holding of elections of Representatives and Senators.

Mr. WHITE. Is it not conceivable that, under the plan the gentleman is talking about, the States could impose such a high tax that they would practically disfranchise all the people? Suppose they made it a thousand dollars a head, what then?

Mr. HOBBS. Of course, that is possible and if the States did it it would be beyond your power to touch it or to do anything about it. That was the confidence we had in the beginning in the sisterhood of States. The States have never made such an unreasonable requirement. The maximum poll tax that is required in this country is $2 a year. In other words, in the $1 States it is less than one-third of a cent a day and in the dollar-and-a-half States it is less than one-half cent a day, and in the $2 States it is proportionately more, but not enough to matter. There never has been any attempt by the States to do anything that was considered unreasonable. They have the power, but they have never exercised it.

Mr. WHITE. And the gentleman is defending that power.

Mr. HOBBS. Of course I am, and I would give this right arm today, you could tear it out by the roots, if that would stop the lynch law that has been in evidence here today in its rape of the Constitution and in its murder of legislative righteousness.

You have the votes, yes; but you have no more right to commit this rape and murder than you have to commit those crimes on persons.

We have nothing whatsoever to do with what Alabama does in the way of control of her own elections. We have nothing whatsoever to do with the qualifications that Alabama sees fit to require. We ought to be grateful to the States for the privilege of having our candidates participate in their elections and be chosen by their electors. Until there is some question as to abuse of the power that the States have exercised—and if there be we may trust they will change it themselves as they have done from time to time—there ought not to be anything but gratitude and praise from Congress.

You have not a bit more business legislating for Alabama in a field which is exclusively Alabama's, than you have legislating to destroy, as I said, the caste system of India, or take the crown from the head of the King of England.

Mr. WHITE. What about a property qualification, ownership of property, as a right to vote?

Mr. HOBBS. The Constitution was written when more than half of the States had property qualifications. At the time the Constitution was written that was the law. Some of the States had had that qualification and restriction for nearly 100 years, but I repeat, no matter how unreasonable it may seem to the gentleman to have a property qualification, that is none of our business.

Mr. MAGNUSON. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. Yes, sir. I shall be glad to yield.

Mr. MAGNUSON. I am not inclined to disagree with the gentleman's legal conclusion on the right of Congress to interfere with the States in fixing qualifications of their voters, but what is bothering me, and one of the main reasons why I shall vote for this bill is this: I cannot see, and perhaps the gentleman can explain to me, where the payment of a fixed sum of money has anything to do with the qualifications of a person's right to vote in a State.

Mr. HOBBS. I appreciate the sincerity of the gentleman's question, and as I have said before on this floor, in this connection, and I am glad to repeat it in the gentleman's hearing—I maintain that those who decline or fail to pay a poll tax are demonstrating a reprehensible lack of interest in the education of the children of their State, to which cause in nearly all poll-tax States every cent of poll-tax money goes.

In Alabama the sum is fixed by the Constitution at the sum of $1.50 a year, less than one-half cent a day, and I maintain that any man, no matter how poor he may be, should be subject to that valid and reasonable test as to his right to vote. Every penny of money contributed by the poll tax in Alabama is voluntary, and it goes for public-school education. If, under such circumstances, anyone fails to pay the poll tax of $1.50 per year, thereby proves an almost total lack of interest in his State, in the children of the State and their edu-

cation, and among them his own. In the second place, if he refuses or fails to pay less than half a cent a day for the privilege of voting, he thereby shows such a lack of interest in voting that there is no assurance that he would study the issues, nor the claims and qualifications of candidates, or that he would post himself and ever become an intelligent voter. The poll tax never has stopped a man from voting who had enough interest in the exercise of the franchise to be a good voter.

Mr. MAGNUSON. What the gentleman brings out is exactly what is bothering me. The gentleman used the word, and I think rightly, saying that it is a privilege.

Mr. HOBBS. Yes; that is correct. It is a privilege, not a right.

Mr. MAGNUSON. And the man is paying for the privilege to vote. In my own State we have all kinds of qualifications for voters. A man must register, and he must vote in two general elections because if he does not, the registration is thrown out and he must go to the county seat and reregister, and there is a lot of trouble to go through in order to vote, but he does not have to pay any money, and, secondly, I do not question that the money from the poll tax in the Southern States is used for a good purpose.

Mr. HOBBS. Only one, usually, and that is education.

Mr. MAGNUSON. In my own State we also have that. Why not then say that we levy an educational tax, but that has nothing to do with the right to vote? He qualifies, not in a monetary sense, but because he is an American citizen, and has lived long enough in the State, county, or township. I cannot associate in my mind this money, whatever it may be, one or two dollars, with a man's right to vote; but I can associate with his right to vote certain qualifications, but I cannot associate that dollar sign. That is what bothers me.

Mr. HOBBS. That should not bother the distinguished gentleman, because there never has been a man in the history of the world qualified by Federal law for voting. There has never been a Federal election in the history of the world. There never has been a Federal vote cast. It is the State's business, and if we see fit to outlaw men who have green eyes, it is none of your business. We do not try to dictate to Washington, that great State out on the Pacific, that did not go through the trials and tribulations that we have gone through and which has never been regarded as a conquered province, never has been discriminated against. We do not want to run your affairs. If you stipulate that a man must have voted in two prior elections or else he forfeits his privilege to vote, I may think that is wrong, but I do not want to change your election law. I want you to run your own house. I have the utmost confidence in the judgment of the Legislature of Washington and believe you people will do it intelligently and well. That is the attitude which the Constitution means for us to assume by saying that we should, according to interstate comity, give full faith and credit to the legislature of every other State; and we have the same right to expect of you under the full faith and credit clause that you will give us the benefit of the doubt and obey your oath, not to lay your hand upon the Ark of the Covenant, which is the right of the State to govern itself in its domestic affairs.

Mr. MAGNUSON. Even if you put a fee of $100 or $1,000 on the right to vote?

Mr. HOBBS. You cannot make any such hypothesis, reasonably, because nothing more than $2 has ever been charged.

Mr. MAGNUSON. But even if they did.

Mr. HOBBS. If they made it a million dollars a minute, I would still say the same thing, because that is our business and not yours. If we need that million dollars a minute to educate our children and the children of those who refuse to pay the poll tax, that is our business. That may be, in the judgment of the sovereign State, the only way to get the money. We agree with Thomas Jefferson that the best, if not the only guaranty of the perpetuity of our democratic institutions is public education.

Mr. BENDER. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am happy to yield to the distinguished gentleman from Ohio.

Mr. BENDER. I have followed the gentleman's statement carefully. I am wondering what the gentleman would say if there were a bill introduced in Congress, and passed, providing for uniform registration throughout the States. Does the gentleman hold that that would be unconstitutional?

Mr. HOBBS. Just as objectionable to every tenet of the Constitution as this pending iniquity is. This iniquity has the same vice that that would have, to wit, that both are ultra vires. You do not have as much right to legislate on that subject as you have to uncrown the King of England or to do away with the caste system in India.

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am delighted to yield to the distinguished chairman of my committee.

Mr. SUMNERS of Texas. It seems to me that if the contention of the advocates of this bill is sound, that you cannot make it a penalty for a State officer helping to conduct an election to be governed by the constitution of his State, send him to jail if he is governed by the constitution of the State—that is constitutional, then it would seem there is absolutely no limit upon the power of the Congress, once you establish that as sound law, to put any condition it wants to put upon suffrage.

Mr. HOBBS. That is certainly true.

Mr. SUMNERS of Texas. Whereas in the States you do have at least a constitutional limitation. But here if you once break through you have no constitutional limitation.

Mr. HOBBS. None whatever. And, as pointed out by the distinguished gentlemen on the subcommittee of the Committee on the Judiciary in the Senate in their adverse report, based upon the unconstitutionality of this infamy, if the qualifications fixed by the States can be narrowed they may also be broadened. This seeks control of the whole realm of statehood by Washington.

The SPEAKER pro tempore (Mr. KRAMER). The time of the gentleman from Alabama has expired.

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 5 minutes.

Mr. HARNESS. Mr. Speaker, I object.

Mr. ROBSION of Kentucky. Well, I ask unanimous consent for 2 additional minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. HOBBS. I am delighted to yield to my distinguished friend.

Mr. ROBSION of Kentucky. If I understand the position of my distinguished colleague, the sky is the limit so far as action by the legislatures of the several States is concerned?

Mr. HOBBS. That is right, sir.

Mr. ROBSION of Kentucky. For instance, instead of fixing a poll tax they could say that no one could vote if he paid a poll tax?

Mr. HOBBS. That is right, sir.

Mr. ROBSION of Kentucky. They could also fix these limitations, that you would have to be affiliated with a certain political party?

Mr. HOBBS. That is right; or a member of the Baptist Church.

Mr. SUMNERS of Texas. That would not be so bad.

Mr. ROBSION of Kentucky. Well, it would not be so bad if they made it the Republican Party. So according to the gentleman's contention, there is no limitation whatever on the power of the State legislature?

Mr. HOBBS. That is right, sir; except their own conscience, which is far keener than ours because not so far removed from the people.

Mr. ROBSION of Kentucky. Carrying the reasoning just a little further, if the several legislatures decided to do so in different States they could in effect disfranchise all or practically all of the other citizens qualified in other respects.

Mr. HOBBS. That is right, sir.

Mr. ROBSION of Kentucky. And then there would be no voters left to elect the several Members to the House of Representatives that are guaranteed to the several States according to population.

Mr. HOBBS. That is right, sir; though inconceivable.

Mr. ROBSION of Kentucky. Does the gentleman believe that the forefathers in writing the Constitution had anything like that in mind?

Mr. HOBBS. Absolutely not. The founding fathers knew they and we could trust the States never to do any such preposterous thing. They knew the States had such power, but they also knew that it would never be exercised unreasonably. The sovereign States sent

their chosen delegates to a convention, and delegated to this Federal Government such powers as they wanted the Federal Government to have. The people of the sovereign States were supreme in the domestic field then, they have been ever since, and are now. The founding fathers never had any idea of trying to limit the right of the States to control their own elections. You may forget your oath and try to do so by this bill, but you have no right.

[Here the gavel fell.]

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Indiana [Mr. HARNESS] is recognized for 15 minutes.

THE FLOTATION METHOD OF DISPENSING GASOLINE

Mr. HARNESS. Mr. Speaker, it has recently come to my attention that a quite startling percentage of the gasoline fueling systems installed, and being installed, at our military airports are water-flotation systems. The common and accepted method of dispensing gasoline, of course, is to draw the fuel from underground storage tanks by means of electric motor-driven pumps. The flotation system, however, uses no pumps. Instead, water, on the pressure from a central supply system is forced into the bottom of the storage tank, thus floating or forcing the gasoline out of the top of the tank.

The flotation method is by no means new, but it is my distinct impression that it has never been commercially successful. In all my travels by automobile I have bought gasoline in hundreds of service stations in most States of the Union, but I can't recall a single station where this water displacement method was used. In fact, it is my understanding that it has been specifically barred by law in many cities, because of the constant hazard of gasoline escaping into the connecting sewer system. I understand that serious explosions and fires have been directly attributed to failures of these systems; and that operators have frequently been forced to abandon the systems because of this element of danger.

The flotation method has the further obvious fault of being impracticable in cold climates, for there is always the danger of water supply lines freezing and putting the system out of operation unless these lines are installed at extreme depths or protected by some kind of heating system in extreme temperatures.

But probably most serious, it would seem that there is always the dangerous possibility of mixing water with the gasoline dispensed by this flotation system.

These weaknesses and hazards doubtless explain why this method of handling gasoline has been rejected by the hundreds of commercial oil companies operating thousands of service stations throughout the country. They undoubtedly explain, also, why no commercial aviation operation employs the method, so far as I am able to ascertain.

If the water-displacement or flotation method of gasoline handling has proved so dangerous and impracticable that it has been rejected commercially, it is difficult to understand why it should be adopted for military use. In fact, weakness and hazard are much less to be tolerated in any of the equipment for our military aviation than in commercial operation.

Each of us knows what happens when a little water gets into the fuel tank of a motorcar. As little as a cupful in the lines and carburetor will stop an engine cold, and keep it stopped until the lines and carburetor have been thoroughly cleaned. Water in the gasoline supply of a motorcar, however annoying it may be, is hardly serious. But water in airplane fuel, particularly the fuel of military planes, might create inestimable havoc. The few drops that could kill the motor of a plane in flight might cost the life of a pilot or the lives of a whole crew. A dead airplane motor might conceivably be the difference between victory and defeat in an important engagement.

As hard as oil companies and the producers of dispensing systems work to keep gasoline clean and free from all foreign substances, it looks utterly foolish on the face of it deliberately to invite the water hazard by dumping great quantities of water into a gasoline storage tank. I am willing to be convinced, but until I see incontrovertible evidence, I cannot believe that there is any way to insure against the mixture of water in a system where the two liquids are both dumped into the same tank as in this flotation method.

The fire and explosion hazards of the flotation method, seemingly most serious faults in commercial use, must certainly be doubly serious where these systems are in military use, for a military airport, wherever it is located, is always the first objective at which the enemy will strike. A lucky bomb hit on a gasoline soaked sewer might create untold damage. It is an important fact, too, that the flotation system depends upon a central water supply. If a bomb should knock out a central pumping station, the whole gasoline dispensing system would be dead.

Finally, many of our military operations necessarily will be in extremely cold climates, where it will be most difficult and expensive to protect water lines from freezing. It is inconceivable from a military point of view that the extra risk from frozen water lines should ever be tolerated, whether or not the installation may be in or near a combat area.

I am reliably informed that Army and Navy engineers in the field, have recommended against the use of the water displacement systems, and have urged the installation of the more simple, reliable pumping methods which have been proved in thousands of commercial operations. Still, high procurement officials apparently persist in contracting for flotation systems. In fact, I am informed that in recent weeks orders have been placed for the installation of flotation systems in Colorado, Wyoming, Nebraska, and Alaska.

It is reported to me that the patents covering this flotation method are tightly held by two companies, which in turn are controlled by a third. Serious question as to the business methods of these companies exists, as is indicated by the information coming to me that they are now under indictment for monopolistic practices in restraint of trade. I understand that these indictments were returned in the District Court for Southern New York. The very fact that a Federal grand jury has found sufficient evidence of illegal business methods to warrant this indictment must throw any transactions between the Government and the companies under a cloud of suspicion. I do not imply that the responsible military procurement officials are in any manner involved in illegal transactions. I definitely feel, however, that a question is raised here which should be thoroughly investigated.

If my own impression in this matter is even partially correct, there should be an immediate explanation for the adoption and wide use of the flotation method of gasoline handling in our military operations, when this method has been almost universally rejected in ordinary commercial service as dangerous and impracticable.

I think this is a subject which deserves immediate and searching inquiry. Accordingly, I am presenting formally with such information as I have been able to secure, to the Committee on Military Affairs, and am urgently requesting that a thorough investigation of all the facts and circumstances be made at once.

PERMISSION TO ADDRESS THE HOUSE

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER pro tempore. The gentlewoman from Massachusetts is entitled to the floor under the previous order of the House.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have no objection to the gentleman's proceeding for 2 minutes.

The SPEAKER pro tempore. Without objection, the gentleman from Pennsylvania is recognized for 2 minutes.

There was no objection.

REPUBLICAN CAMPAIGN STATEMENTS

Mr. EBERHARTER. Mr. Speaker, I am one who has been willing to forgive and forget the mistakes of the past. On yesterday, however, in a prominent newspaper published in the city of Washington, there appeared a quotation from a radio speech made by Mr. Kelland, who ostensibly is the executive director of the Republican National Committee. From that statement I quote the following:

> Soldiers can be more quickly armed and equipped by a Republican Congress.

Such a statement, Mr. Speaker, quite forcibly focuses the attention of the people upon the past attitude of the gentleman making it, and also focuses the attention of the people upon those for whom the gentleman is supposed to be speaking, that is, the Republican Members of Congress.

This Mr. Kelland before Pearl Harbor was one of the loudest, most violent, most bitter, and most uncompromising critics of every proposal which had for its purpose the building up of our Army and our Navy and the proper equipping of these defense forces. I am just wondering whether this executive director of

the Republican National Committee is speaking for the Republican Members of Congress.

Mr. Speaker, I believe it would be a bad thing for the interests of this country if the House of Representatives were composed entirely of Democrats, but I am afraid that if this gentleman continues to focus the attention of the people of America upon his record of the past, and continues to speak for Republican Members of Congress, then perhaps we shall have a Congress composed almost entirely of Democrats. I suggest, therefore, Mr. Speaker, to my Republican colleagues in all earnestness that they do something to muzzle this gentleman who is supposed to be speaking for them.

THE FUEL OIL SITUATION IN NEW ENGLAND

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have continually brought to the attention of the House the very serious situation that confronts the eastern seaboard, particularly my own New England section, from the fuel-oil standpoint. At the moment the gasoline situation is very serious, but may I say further that the cold weather is upon us in New England and fuel oil comes first.

I have previously brought to the attention of the House the fact that 27 departments at the present time handle petroleum. I have respectively requested the President more than once, that petroleum in all its branches, including transportation and everything of that sort, be brought into a well coordinated agency under the control of one man. I believe that Secretary Ickes, if he were given the authority, could take care of the situation.

We know very well that the war cannot be won without oil. Oil is even more important than rubber so far as winning the war is concerned. I cannot understand why some action has not been taken. I have been assured repeatedly that action would be taken, but it has not come and, instead, New England is getting more than 20 percent less fuel oil and other kinds of petroleum than the rest of the eastern seaboard, although we were promised that that would not happen. The situation is startling and shocking and entirely inexcusable.

In one of our leading newspapers, the Boston Evening Traveler, Mr. Harold Bennison has been extremely valuable in his almost daily articles showing the situation so far as fuel oil is concerned in New England, the shortage that we are suffering, the number of carloads of oil being brought in, and so forth. He has been showing that within the last few weeks, although we were promised more oil, we have been receiving considerably less. It has been a very remarkable campaign, if you want to call it that, an informational campaign, that has brought to the attention of the people the exact situation.

Secretary Ickes appointed Mr. Joseph F. White as a member of his petroleum organization and appointed him New England member, Transportation Committee No. 1—a nonpaying position—and that gentleman has devoted his time to the problem and made a very remarkable survey of the situation. He has followed it from day to day, week to week. He has a very fine program in mind which is all ready to be put into operation the minute oil comes into New England, as it should.

I cannot see why any single Member of the House would not be willing to join with me in this effort. It affects every section of the country vitally today, and it may affect every section of the country more in the immediate future. Since I brought to the attention of the House the fact that 27 agencies handle petroleum and its products, I understand that 2 new agencies have petroleum officers. Secretary Ickes cannot act often without consulting with those agencies and one or two of them can completely stop his constructive efforts. As a result, there is confusion, and what is worse the oil is not being properly distributed.

If every one of us would ask the President that Secretary Ickes, or someone else, if advisable, be given immediate authority and full control, as was done in the case of rubber, it would go a long way toward solving the situation, and the long-expected action would be taken and a well-coordinated agency with a single head would be set up by the President. If something is not done at once, the history of oil will be a very sorry and unpleasant one—one that cannot be explained or condoned.

[Here the gavel fell.]

THE GEYER ANTI-POLL-TAX BILL

Mr. BENDER. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio [Mr. BENDER]?

There was no objection.

Mr. BENDER. Mr. Speaker, today we are debating a fateful issue, an issue which to 10,000,000 American citizens is a crucial war issue. But not to them alone is this measure important. On the contrary, to the American people as a whole and to uncounted millions of people in foreign lands the action of this House will become a symbol of America's will to fight a democratic war and write a democratic peace.

We cannot fight this war successfully unless we in our daily lives and in our every political action are willing to protect, guarantee, and extend the democratic principles here at home. We cannot say to millions in India, in China, in South America, or in our own Nation that we fight for a free democratic world unless here at home we do the deeds of democracy. Unless we guarantee now the right of suffrage free from property taxes we cannot sincerely ask the support for this Nation's war effort of the millions of oppressed people under Hitler's iron heel.

We may as well recognize now that this Nation can lose this war. It can be lost in Washington. It can be lost here on the floor of the House of Representatives unless we have the courage, the foresight, and the devotion to democratic principles to pass such a measure as this.

Forty States in the Union do not have poll taxes as a requirement in the franchise. Many of them once had that tax. Their people, the peoples of these several States, have abolished those taxes. Now, the Congress is asked to forbid the requirement of poll taxes by any State in the election of any Federal official. This action is, I think, just and proper.

It is said that this is an issue to obtain Negro votes. This is not the case. Negroes will continue to be disfranchised in the South because of arbitrary, unjust, and, I believe, unconstitutional registration laws. They will continue to be disfranchised by the system of white primaries which I think, also is unconstitutional. This measure will in the main give the ballot to the poor white man of the South.

I would not deny that the patriotic Negro people of America are for the passage of anti-poll-tax legislation. They are for that passage. Every Negro newspaper and organization supports the passage of this legislation—but they do not do it for selfish purposes. They know—and the gentlemen who are speaking against this measure know—that the Negro will continue to be disfranchised in some States because of registration and white primary laws.

There are those that say that this measure is unconstitutional. Let us consider this argument for a moment. If the States alone without any Federal restriction can define what the qualifications of citizenship shall be, how can there be such a thing as Federal citizenship? If 48 separate States should define and arbitrarily restrict the right of suffrage, we would have 48 separate Federal citizenships defined by 48 separate States.

It is inconceivable that a Federal union does not have the right, the power and the duty to protect the elections of its own officials and to guarantee the exercise of the ballot by each citizen. Let us not hesitate to assert the rights of Federal citizenship. Let us not hesitate to exercise the power of this Congress to protect that citizenship.

Let us do our duty today and pass this measure.

When our distinguished colleague the gentleman from Alabama was making his statement—and he is always gracious and very fine in permitting questions to be asked of him—the distinguished chairman of the Committee on the Judiciary observed that in the event of the passage of this bill, and if it becomes law, the door would be open wide for the passage of other voting regulations. I believe that is exactly true, and I am now preparing a bill that would provide for uniform registration throughout the length and breadth of this land.

It seems unthinkable that in some States before a man is permitted to vote he is called upon to answer as many as 25 questions. He may be asked for example, about various constitutional provisions. It reminds me of the lady who said to me that she did not subscribe to any particular religion, she only believed in the Ten Commandments. I asked her to name the Seventh Commandment, and she could not name it. When she was asked to name a particular commandment she could not do it.

So it is that you can keep people from voting by asking them involved questions,

even in those States where the poll-tax law does not now exist. To prevent some citizens from voting questions are asked them by the registrar which they obviously cannot answer. The registrar is empowered to use his own discretion as to whether or not such persons will be permitted to vote by reason of their failure to answer questions in the order in which the questions are asked.

In my State that sort of thing is out the window. There is no restriction of that kind. Of course, we do have restrictions in the matter of a person's registering, say, 30 days before election. I believe it would be a desirable thing to have a uniform registration law providing the same qualifications for citizens everywhere.

Mr. HOBBS. Mr. Speaker, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Alabama.

Mr. HOBBS. The distinguished gentleman from Ohio is far too brilliant to contend that the fixing of citizenship and the fixing of the qualifications necessary for the exercise of the elective franchise have anything to do with each other, I assume. I am sure he knows that the Constitution of the United States does fix citizenship and declare all people who are native-born or naturalized to be citizens, but that the Supreme Court of the United States in six different cases has held that citizenship has nothing whatever to do with the right to vote.

I just wished that the gentleman might have that called to his attention so that it might correct the error into which he inadvertently fell.

Mr. BENDER. I appreciate the observation of the gentleman, and I appreciate his point of view. However, I am stating my point of view. Of course, the Constitution fixes certain requirements as to citizenship. The gentleman says the Supreme Court has ruled in six cases. I have known the Supreme Court one day to rule in one manner and the next day to rule otherwise. The Supreme Court changes, as all things change. Of course, the Supreme Court might hold one point of view one day by a difference of one vote, and by virtue of a change in the personnel of the Court and in the point of view of the Court members that view might later be reversed entirely. That has been done repeatedly, and I believe that a uniform registration law in a country like ours is entirely in order.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. CHENOWETH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the order of the War Production Board closing the gold mines of this country and to include an editorial from the Colorado Springs Gazette.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a table with reference to the poll tax.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GREEN, for week of October 12, on account of illness in family.

To Mr. CAMP, for a few days, on account of illness in his family.

To Mr. OLIVER (at the request of Mr. BLAND) on account of official committee business.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 174. An act for the relief of Lyle L. Bressler; and

S. 2203. An act for the relief of Bayard M. Atwood.

BILLS PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on October 9, 1942, present to the President, for his approval, bills of the House of the following titles:

H. R. 5719. An act to abolish the Guilford Courthouse National Military Park Commission, and for other purposes;

H. R. 6601. An act to reorganize the system of land offices and land districts in Alaska;

H. R. 7121. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

H. R. 7152. An act to amend the Nationality Act of 1940 to preserve the nationality of citizens residing abroad.

ADJOURNMENT

Mr. MAGNUSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly, at 3 o'clock and 55 minutes p. m., the House adjourned until tomorrow, Tuesday, October 13, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON PATENTS

The Committee on Patents of the House of Representatives will hold hearings beginning Tuesday, October 13, 1942, at 10 a. m., in the committee room, 1015 House Office Building, on H. R. 7620, a bill to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization Wednesday, October 14, 1942, at 10 a. m. on H. R. 6621, H. R. 6763, and H. R. 7615.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1959. A letter from the quartermaster general, United Spanish War Veterans, transmitting proceedings of the stated convention of the forty-fourth national encampment of the United Spanish War Veterans, held in Cleveland, Ohio, August 16 to 20, 1942 (H. Doc. No. 536); to the Committee on Military Affairs and ordered to be printed, with illustrations.

1960. A letter from the Secretary of War, transmitting a report showing the name, age, legal residence, rank, branch of the service, with special qualification thereof, of each person commissioned in the Army of the United States without prior commissioned military service, for the period August 1, 1942, to September 30, 1942; to the Committee on Military Affairs.

1961. A letter from the Attorney General, transmitting a draft of a proposed bill to authorize the appointment of court reporters in the district courts of the United States; to fix their duties; to provide for their compensation; and for other purposes; to the Committee on the Judiciary.

1962. A letter from the Attorney General, transmitting an amendment to section 347 (b) of the Nationality Act of 1940 so as to extend for a period of 2 years the time within which petitions for naturalization filed prior to the effective date of that act may be heard; to the Committee on Immigration and Naturalization.

1963. A letter from the Administrator, War Shipping Administration, transmitting a report, No. 2, of action taken under section 217 of Public Law 498, Seventy-seventh Congress; to the Committee on the Merchant Marine and Fisheries.

1964. A letter from the Archivist of the United States, transmitting a list of papers recommended to him for disposal by certain agencies of the Federal Government; to the Committee on the Disposition of Executive Papers.

1965. A letter from the Attorney General, transmitting a draft of a proposed bill to exempt the Government agencies from furnishing reports relating to the transmission of postage-free mail; to the Committee on the Post Office and Post Roads.

1966. A letter from the Attorney General, transmitting the first report of the Attorney General covering the period from June 11, 1942, through September 30, 1942; to the Committee on Banking and Currency.

REPORTS OF COMMITTEE ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. R. 7629. A bill to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended, so as to expedite the war effort by providing for releasing officers and men for duty at sea and their replacement by women in the shore establishment of the Coast Guard, and for other purposes; with amendment (Rept. No. 2525). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 2555. An act to authorize the use of certificates by officers of the Army, Navy, Marine Corps, and Coast Guard of the United States, in connection with pay and allowance accounts of military and civilian personnel under the jurisdiction of the War and Navy Departments; without amendment (Rept. No. 2526). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITTINGTON: Committee on Flood Control. S. 2623. An act authorizing the construction of certain public works in the basin of the Connecticut River for flood control; without amendment (Rept. No. 2527). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H. R. 7568. A bill to discharge more

effectively the obligation of the United States under certain treaties relating to the manufacture and distribution of narcotic drugs, by providing for domestic control of the production and distribution of the opium poppy and its products, and for other purposes; with amendment (Rept. No. 2528). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 7621. A bill to amend the District of Columbia Unemployment Compensation Act; without amendment (Rept. No. 2529). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT of California: Joint Committee on the Disposition of Executive Papers. House Report No. 2530. Report on the disposition of records by sundry departments of the United States Government. Ordered to be printed.

Mr. ELLIOTT of California. Joint Committee on the Disposition of Executive Papers. House Report No. 2531. Report on the disposition of records by sundry departments of the United States Government. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MARTIN J. KENNEDY:

H. R. 7684. A bill to authorize the use for war purposes of silver held or owned by the United States; to the Committee on Ways and Means.

By Mr. KLEIN:

H. R. 7685. A bill to grant Government employees who are members of certain military units leaves of absence for periods of active service; to the Committee on the Civil Service.

By Mr. McGEHEE:

H. R. 7686. A bill to amend the District of Columbia Unemployment Compensation Act to provide for unemployment compensation in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. SMITH of Wisconsin:

H. R. 7687. A bill to amend section 1 (C) of Public, 198, Seventy-sixth Congress, approved July 19, 1939; to the committee on World War Veterans' Legislation.

By Mr. PLOESER:

H. R. 7688. A bill to continue the base pay of veterans of the present war for limited period after separation from the service in order to provide an opportunity for readjustment and rehabilitation; to the Committee on Milty Affairs.

By Mr. SUMNERS of Texas:

H. R. 7689. A bill to amend the Criminal Code so as to punish anyone injuring a party, witness, or juror on account of his having acted as such; to the Committee on the Judiciary.

By Mr. FISH:

H. J. Res. 349. Joint resolution providing for aviation training of midshipmen at the United States Naval Academy; to the Committee on Naval Affairs.

By Mr. FULMER:

H. J. Res. 350. Joint resolution to provide for the training of nonfarm rural youth for farm labor, and for other purposes; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COOLEY:

H. R. 7690. A bill for the relief of certain claimants against the United States who suffered personal injuries, property damage, or other loss as a result of the explosion of a munitions truck between Smithfield and Selma, N. C., on March 7, 1942; to the Committee on Claims.

By Mr. DINGELL:

H. R. 7691. A bill authorizing the President to present a Congressional Medal of Honor to Pvt. Leo Joseph Lopacinski; to the Committee on Military Affairs.

By Mr. HOWELL:

H. R. 7692. A bill for the relief of Charles Fred Smith; to the Committee on Claims.

By Mr. O'BRIEN of Michigan:

H. R. 7693. A bill to provide for the restoration to active duty of Capt. Walter S. Strange, United States Army, retired; to the Committee on Military Affairs.

SENATE

TUESDAY, OCTOBER 13, 1942

Rev. Frederick Brown Harris, D. D., Chaplain of the Senate, offered the following prayer:

May I begin my ministry in this office, to which in this crucial hour of the Nation's life you have graciously called me, with a prayer offered where I now stand by my princely predecessor, Dr. ZeBarney T. Phillips, when the Senate was mourning the loss of a distinguished Member. The petitions which fell from his lips then we thing of today as applying to him and to his dear ones, and as still linking us to him and to his glorious service as Chaplain of this body across beautiful years. Let us lift our hearts as we offer the prayer of Chaplain ZeBarney Phillips:

PRAYER

"Father of Mercies, whose never failing love alone can heal our wounds, be with us now. Be very near, dear Lord, in this sad hour wherein we pause in loving tribute to the memory of him, our friend, so late our gallant comrade. Vouchsafe him peace and joy in the Paradise of God, and may he go from strength to strength in that life of perfect service. Deal tenderly with her whose love hath ever been to him the earnest of Thy love, that through the shadows Thy staff may be her stay, Thine everlasting arms her sure refuge. Grant unto us who are still in our pilgrimage that purity of intention which sets the seal of a supernatural distinction upon the humblest life, and gird us with prudence and restraint, the holy armor of knights dedicated to a divine adventure.

"When on my day of life the night is falling,
And in the winds from unseen spaces blown,
I hear far voices out of darkness calling
My feet to paths unknown.
Thou who hast made my house of life so pleasant,
Leave not its tenant when its walls decay.
O Love Divine, O Helper ever present,
Be Thou my strength and stay.
Suffice it if my good and ill unreckoned
And both forgiven through Thy abounding grace,
I find myself by hands familiar beckoned
Unto my fitting place."

Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, October 10, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that on October 9, 1942, the President had approved and signed the act (S. 2584) to permit appointment of White House police, in accordance with the civil-service laws, from sources outside the Metropolitan and United States Park Police forces.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the bill (S. 2442) to authorize the Secretary of War to approve a standard design for a service flag and a service lapel button.

The message also announced that the House insisted upon its amendments to the bill (S. 2471) to amend the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, with respect to its application to officers and employees of educational, religious, eleemosynary, philanthropic, and cultural institutions, establishments, and agencies, commonly known as the Hatch Act, disagreed to by the Senate, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. HOBBS, and Mr. GWYNNE were appointed managers on the part of the House at the conference.

The message further announced that the House insisted upon its amendment to the bill (S. 2655) to amend the Judicial Code to authorize the Chief Justice of the United States to assign circuit judges to temporary duty in circuits other than their own, disagreed to by the Senate, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. WALTER, and Mr. GUYER were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7378) to provide revenue, and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. COOPER, Mr. BOEHNE, Mr. DISNEY, Mr. TREADWAY, Mr. KNUTSON, and Mr. REED of New York were appointed managers on the part of the House at the conference.

The message further announced that the House had passed a bill (H. R. 7556) authorizing the temporary appointment or advancement of commissioned officers of the Coast and Geodetic Survey in time of war or national emergency, and for

other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 174. An act for the relief of Lyle L. Bressler; and

S. 2203. An act for the relief of Bayard M. Atwood.

HOUSE BILL REFERRED

The bill (H. R. 7556) authorizing the temporary appointment or advancement of commissioned officers of the Coast and Geodetic Survey in time of war or national emergency, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

ADDRESS BY THE PRESIDENT ON OCTOBER 12, 1942

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the address delivered on October 12, 1942, by the President of the United States in a Nation-wide broadcast.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

As you know, I have recently come back from a trip of inspection of camps and training stations and war factories.

The main thing that I observed on this trip is not exactly news. It is the plain fact that the American people are united as never before in their determination to do a job and to do it well.

This whole Nation of 130,000,000 free men and women and children is becoming one great fighting force. Some of us are soldiers or sailors, some of us are civilians. Some of us are fighting the war in airplanes, 5 miles above the continent of Europe or the islands of the Pacific—and some of us are fighting it in mines deep down in the earth of Pennsylvania or Montana. A few of us are decorated with medals for heroic achievement, but all of us can have that deep and permanent inner satisfaction that comes from doing the best we know how—each of us playing an honorable part in the great struggle to save our democratic civilization.

Whatever our individual circumstances or opportunities—we are all in it, and our spirit is good, and we Americans and our allies are going to win—and do not let anyone tell you anything different.

That is the main thing that I saw on my trip around the country—unbeatable spirit. If the leaders of Germany and Japan could have come along with me, and had seen what I saw, they would agree with my conclusions. Unfortunately, they were unable to make the trip with me. That is one reason why we are carrying our war effort overseas—to them.

With every passing week the war increases in scope and intensity. That is true in Europe, in Africa, in Asia, and on all the seas.

The strength of the United Nations is on the up-grade in this war. The Axis leaders, on the other hand, know by now that they have already reached their full strength, and that their steadily mounting losses in men and material cannot be fully replaced. Germany and Japan are already realizing what the inevitable result will be when the total strength of the United Nations hits them—at additional places on the earth's surface.

One of the principal weapons of our enemies in the past has been their use of what is called "The War of Nerves." They have spread falsehood and terror; they have started fifth columns everywhere; they have duped the innocent; they have fomented suspicion and hate between neighbors; they have aided and abetted those people in other nations—even our own—whose words and deeds are advertised from Berlin and Tokyo as proof of disunity.

The greatest defense against all such propaganda is the common sense of the common people—and that defense is prevailing.

The "War of Nerves" against the United Nations is now turning into a boomerang. For the first time, the Nazi propaganda machine is on the defensive. They begin to apologize to their own people for the repulse of their vast forces at Stalingrad, and for the enormous casualties they are suffering. They are compelled to beg their overworked people to rally their weakened production. They even publicly admit, for the first time, that Germany can be fed only at the cost of stealing food from the rest of Europe.

They are proclaiming that a second front is impossible; but, at the same time, they are desperately rushing troops in all directions, and stringing barbed wire all the way from the coasts of Finland and Norway to the islands of the eastern Mediterranean.

Meanwhile, they are driven to increase the fury of their atrocities.

The United Nations have decided to establish the identity of those Nazi leaders who are responsible for the innumerable acts of savagery. As each of these criminal deeds is committed, it is being carefully investigated; and the evidence is being relentlessly piled up for the future purposes of justice.

We have made it entirely clear that the United Nations seek no mass reprisals against the populations of Germany or Italy or Japan. But the ring leaders and their brutal henchmen must be named, and apprehended, and tried in accordance with the judicial processes of criminal law.

There are now millions of Americans in Army camps, in naval stations, in factories, and in shipyards.

Who are these millions upon whom the life of our country depends? What are they thinking? What are their doubts and what are their hopes? And how is the work progressing?

The Commander in Chief cannot learn all of the answers to these questions in Washington. That is why I made the trip I did.

It is very easy to say, as some have said, that when the President travels through the country he should go with a blare of trumpets, with crowds on the sidewalks, with batteries of reporters and photographers—talking and posing with all the politicians of the land.

But having had some experience in this war and in the last war, I can tell you very simply that the kind of trip I took permitted me to concentrate on the work I had to do without expending time, meeting all the demands of publicity. And, I might add, it was a particular pleasure to make a tour of the country without having to give a single thought to politics.

I expect to make other trips for similar purposes, and I shall make them in the same way.

In the last war, I had seen great factories; but until I saw some of the new present-day plants, I had not thoroughly visualized our American war effort. Of course, I saw only a small portion of all our plants, but that portion was a good cross section, and it was deeply impressive.

The United States has been at war for only 10 months, and is engaged in the enormous task of multiplying its armed forces many times. We are by no means at full production level yet. But I could not help asking myself on the trip, Where would we be today if the Government of the United States had not begun to build many of its factories for this huge increase more than 2 years ago—more than a year before war was forced upon us at Pearl Harbor?

We have also had to face the problem of shipping. Ships in every part of the world continue to be sunk by enemy action. But the total tonnage of ships coming out of American, Canadian, and British shipyards, day by day, has increased so fast that we are getting ahead of our enemies in the bitter battle of transportation.

In expanding our shipping, we have had to enlist many thousands of men for our merchant marine. These men are serving magnificently. They are risking their lives every hour so that guns and tanks and planes and ammunition and food may be carried to the heroic defenders of Stalingrad and to all the United Nations' forces all over the world.

A few days ago I awarded the first Maritime Distinguished Service Medal to a young man—Edward F. Cheney, of Yeadon, Pa.—who had shown great gallantry in rescuing his comrades from the oily waters of the sea after their ship had been torpedoed. There will be many more such acts of bravery.

In one sense my recent trip was a hurried one, out through the Middle West, to the Northwest, down the length of the Pacific coast, and back through the Southwest and the South. In another sense, however, it was a leisurely trip, because I had the opportunity to talk to the people who are actually doing the work—management and labor alike—on their own home grounds. It gave me a fine chance to do some thinking about the major problems of our war effort on the basis of first things first.

As I told the three press-association representatives who accompanied me, I was impressed by the large proportion of women employed—doing skilled manual work running machines. As time goes on, and many more of our men enter the armed forces, this proportion will increase. Within less than a year from now, there will probably be as many women as men working in our war-production plants.

I had some enlightening experiences relating to the old saying of us men that curiosity—inquisitiveness—is stronger among women. I noticed that, frequently, when we drove unannounced down the middle of a great plant full of workers and machines, the first people to look up from their work were the men—and not the women. It was chiefly the men who were arguing as to whether that fellow in the straw hat was really the President or not.

Having seen the quality of the work and of the workers on our production lines—and coupling these first-hand observations with the reports of actual performance of our weapons on the fighting fronts—I can say to you that we are getting ahead of our enemies in the battle of production.

Of great importance to our future production was the effective and rapid manner in which the Congress met the serious problem of the rising cost of living. It was a splendid example of the operation of democratic processes in wartime.

The machinery to carry out this act of the Congress was put into effect within 12 hours after the bill was signed. The legislation will help the cost-of-living problems of every worker in every factory and on every farm in the land.

In order to keep stepping up our production, we have had to add millions of workers to the total labor force of the Nation. And as new factories come into operation we must find additional millions of workers.

This presents a formidable problem in the mobilization of manpower.

It is not that we do not have enough people in this country to do the job. The problem is to have the right numbers of the

right people in the right places at the right time.

We are learning to ration materials, and we must now learn to ration manpower.

The major objectives of a sound manpower policy are:

First, to select and train men of the highest fighting efficiency needed for our armed forces in the achievement of victory over our enemies in combat.

Second, to man our war industries and farms with the workers needed to produce the arms and munitions and food required by ourselves and our fighting Allies to win this war.

In order to do this, we shall be compelled to stop workers from moving from one war job to another as a matter of personal preference; to stop employers from stealing labor from each other; to use older men and handicapped people and more women, and even grown boys and girls, wherever possible and reasonable, to replace men of military age and fitness; to train new personnel for essential war work; and to stop the wastage of labor in all nonessential activities.

There are many other things that we can do, and do immediately, to help meet the manpower problem.

The school authorities in all the States should work out plans to enable our high-school students to take some time from their school year and to use their summer vacations to help farmers raise and harvest their crops or to work in the war industries. This does not mean closing schools and stopping education. It does mean giving older students a better opportunity to contribute to the war effort. Such work will do no harm to the students.

People should do their work as near their homes as possible. We cannot afford to transport a single worker into an area where there is already a worker available to do the job.

In some communities employers dislike to employ women. In others they are reluctant to hire Negroes. In still others older men are not wanted. We can no longer afford to indulge such prejudices or practices.

Every citizen wants to know what essential war work he can do the best. He can get the answer by applying to the nearest United States Employment Service office. There are 4,500 of these offices throughout the Nation. They are the corner grocery stores of our manpower system. This network of employment offices is prepared to advise every citizen where his skills and labors are needed most and to refer him to an employer who can utilize them to best advantage in the war effort.

Perhaps the most difficult phase of the manpower problem is the scarcity of farm labor. I have seen many evidences of the fact, however, that the people are trying to meet it as well as possible.

In one community that I visited a perishable crop was harvested by turning out the whole of the high school for 3 or 4 days.

In another community of fruit growers the usual Japanese labor was not available; but when the fruit ripened the banker, the butcher, the lawyer, the garageman, the druggist, the local editor and, in fact, every able-bodied man and woman in the town left their occupations and went out, gathered the fruit, and sent it to market.

Every farmer in the land must realize fully that his production is part of war production and that he is regarded by the Nation as essential to victory. The American people expect him to keep his production up, and even to increase it. We will use every effort to help him to get labor; but, at the same time, he and the people of his community must use ingenuity and cooperative effort to produce crops and livestock and dairy products.

It may be that all of our volunteer effort—however well intentioned and well administered—will not suffice to solve the problem. In that case we shall have to adopt new legislation. If this is necessary, I do not believe that the American people will shrink from it.

In a sense every American, because of the privilege of his citizenship, is a part of the selective service.

The Nation owes a debt of gratitude to the selective-service boards. The successful operation of the Selective Service System and the way it has been accepted by the great mass of our citizens give us confidence that, if necessary, the same principle could be used to solve any manpower problem.

And I want also to say a word of praise and thanks for the more than 10,000,000 people, all over the country, who have volunteered for the work of civilian defense—and who are working hard at it. They are displaying unselfish devotion in the patient performance of their often tiresome and always anonymous tasks. In doing this important neighborly work they are helping to fortify our national unity and our real understanding of the fact that we are all involved in this war.

Naturally on my trip I was most interested in watching the training of our fighting forces.

All of our combat units that go overseas must consist of young strong men who have had thorough training. A division that has an average age of 23 or 24 is a better fighting unit than one which has an average age of 33 or 34. The more of such troops we have in the field the sooner the war will be won, and the smaller will be the cost in casualties.

Therefore I believe that it will be necessary to lower the present minimum age limit for selective service from 20 years down to 18. We have learned how inevitable that is, and how important to the speeding up of victory.

I can very thoroughly understand the feeling of all parents whose sons have entered our armed forces. I have an appreciation of that feeling, and so has my wife.

I want every father and every mother who has a son in the service to know—again from what I have seen with my own eyes—that the men in the Army, Navy, and Marine Corps are receiving today the best possible training, equipment, and medical care. And we will never fail to provide for the spiritual needs of our officers and men under the chaplains of our armed services.

Good training will save many, many lives in battle. The highest rate of casualties is always suffered by units comprised of inadequately trained men.

We can be sure that the combat units of our Army and Navy are well manned, and well equipped, and well trained. Their effectiveness in action will depend upon the quality of their leadership and upon the wisdom of the strategic plans on which all military operations are based.

I can say one thing about our plans: They are not being decided by the typewriter strategists who expound their views in the press or on the radio.

One of the greatest of American soldiers, Robert E. Lee, once remarked on the tragic fact that in the war of his day all the best generals were apparently working on newspapers instead of in the Army. That seems to be true in all wars.

The trouble with the typewriter strategists is that, while they may be full of bright ideas, they are not in possession of much information about the facts or problems of military operations.

We, therefore, will continue to leave the plans for this war to the military leaders.

The military and naval plans of the United States are made by the joint staff of the Army and Navy, which is constantly in session in Washington. The chiefs of this staff are Admiral Leahy, General Marshall, Admiral King, and General Arnold. They meet and confer regularly with representatives of the British joint staff, and with representatives of Russia, China, the Netherlands, Poland, Norway, the British Dominions, and other nations working in the common cause.

Since this unity of operations was put into effect last January, there has been a very substantial agreement between these planners, all of whom are trained in the profession of arms—air, sea, and land—from their early years. As Commander in Chief I have at all times also been in substantial agreement.

As I have said before, many major decisions of strategy have been made. One of them, on which we have all agreed, relates to the necessity of diverting enemy forces from Russia and China to other theaters of war by new offensives against Germany and Japan. An announcement of how these offensives are to be launched, and when, and where, cannot be broadcast over the radio at this time.

We celebrate today the exploit of a bold and adventurous Italian—Christopher Columbus—who with the aid of Spain opened up a New World where freedom and tolerance and respect for human rights and dignity provided an asylum for the oppressed of the Old World.

Today the sons of the New World are fighting in lands far distant from their own America. They are fighting to save for all mankind, including ourselves, the principles which have flourished in this New World of freedom.

We are mindful of the countless millions of people whose future liberty and whose very lives depend upon permanent victory for the United Nations.

There are a few people in this country who, when the collapse of the Axis begins, will tell our people that we are safe once more; that we can tell the rest of the world to "stew in its own juice"; that never again will we help to pull "the other fellow's chestnuts from the fire"; that the future of civilization can jolly well take care of itself insofar as we are concerned.

But it is useless to win battles if the cause for which we fought these battles is lost. It is useless to win a war unless it stays won.

We therefore fight for the restoration and perpetuation of faith and hope throughout the world.

The objective of today is clear and realistic. It is to destroy completely the military power of Germany, Italy, and Japan to such good purpose that their threat against us and all the other United Nations cannot be revived a generation hence.

We are united in seeking the kind of victory that will guarantee that our grandchildren can grow and, under God, may live their lives, free from the constant threat of invasion, destruction, slavery, and violent death.

PLANTING OF GUAYULE AND OTHER RUBBER PLANTS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2775) to amend the act of March 5, 1942, relating to the planting of guayule and other rubber-bearing plants, which were, on page 2, line 19, to strike out "subsection" and insert: "subsections"; and on page 3, after line 2, to insert:

(f) The Secretary may lease at reasonable rentals structures erected by the Government with essential facilities for such periods as such structures and facilities are not required for the purposes of this act; and any part of land or structures with essential facilities acquired by lease, deed, or other agreement pursuant to this act, which

are not required or suitable for the purposes of the act during the period the United States is entitled to possession thereof may be leased or subleased at a reasonable rental; and any surplus water controlled by the United States on land owned or leased by the United States for the purposes of this act may be disposed of at reasonable rates.

SEC. 7. Section 2 (a) of such act is amended by inserting after the words "as amended." the following new wording: "(Secs. 321 to 324, inclusive, and section 325a of title 40 of the U. S. Code (1940 ed.), shall not apply to any nursery, planting, cultivating or harvesting operations conducted pursuant to this act.)"

Mr. DOWNEY. Mr. President, I wish to move that the Senate concur in the amendments proposed by the House of Representatives. I may say, for the benefit of Senators, that the amendments proposed by the House are consistent with the recommendations of the Department of Agriculture, are merely perfecting amendments, and apply only to some very minor matters. The amendments are rather technical, but I have here a letter from the Department of Agriculture explaining exactly their effects. I ask that the letter be printed in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT
OF AGRICULTURE,
FOREST SERVICE,
Washington, October 9, 1942.

Hon. SHERIDAN DOWNEY,
United States Senate.

DEAR SENATOR DOWNEY: I should like to explain to you the purpose of the additional amendments by the House to S. 2775.

The first includes new language in the latter part of section 2 (a) referring to sections 321–324, inclusive, and section 325 (a) of Title 40 of United States Code. The principal purpose of this amendment is to enable us to make contracts with farmers under which they will do a considerable part of the ground preparation and subsequent cultivation and harvesting of guayule on lands leased from them. Negotiations with farmers have shown unwillingness on their part to enter into such arrangements because of the fear that they might be liable under the 8-hour law of 1912 as amended in 1940 for the payment of overtime where the length of day exceeds 8 hours. It appears that the long standing arrangement on California farms is for a straight 10-hour workday. This, I believe, is consistent with the exemption of agricultural workers in the Fair Labor Standards Act, but there seems to be enough of a question involved so as to make it desirable to have this amendment in the guayule bill. It does not in any way affect the rates of pay which have to be those prevalent in localities involved. The same rule, of ccurse, would apply to persons employed by us directly on these activities.

The amendment embraced in section 2 (f) is to authorize us to enable some use to be made of facilities for which we do not at the time have use. We recently had a request for use of some of our structures by lettuce farmers which we could have permitted, but for which we found there was no legal authority.

We are, of course, very anxious to have this legislation brought to final enactment as soon as possible, and I am sure you share that desire.

If there is any further information you need in relation to the above amendments or any other questions, please let me know.

There is one other point. The deficiency appropriation bill, which passed the House yesterday carrying an item of $19,000,000 for guayule, has in it a provision for raising the acreage limitation by 25,000. This was inserted by agreement with the House Appropriations Committee so as to be safe in case, for any reason, the amendments to the act of March 5, 1942, were materially delayed.[1]

The simplest thing to do now is to let that language stay as it is because our legal advisers here tell me that when the basic act is amended the new 500,000-acre figure will prevail, but even if this is not the case, we will not want to plant as much as 100,000 acres in the fiscal year 1943, to which this $19,000,000 appropriation is limited. If something should arise later to change this situation, we would no doubt have no difficulty in getting the necessary change in appropriation language should that be required.

Very sincerely yours,
C. M. GRANGER,
Acting Chief, Forest Service.

Mr. DOWNEY. Mr. President, unless the majority leader or the minority leader wishes a further explanation, I move that the Senate concur in the House amendments.

The motion was agreed to.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letters, which were referred as indicated:

DRAFT OF PROPOSED PROVISION AFFECTING AN APPROPRIATION OF THE DEPARTMENT OF AGRICULTURE (S. DOC. NO. 269)

A communication from the President of the United States, transmitting a draft of a proposed provision to authorize the acquisition, by the Forest Service of the Department of Agriculture, of additional land for the forest-products laboratory at Madison, Wis. (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE—JUDICIAL ESTABLISHMENT (S. Doc. No. 270)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1943, amounting to $75,000, for the judicial establishment (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

DRAFT OF PROPOSED PROVISION PERTAINING TO THE APPROPRIATION FOR OFFICE OF PRICE ADMINISTRATION (S. Doc. No. 271)

A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to the appropriation for the Office of Price Administration, fiscal year 1943 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

DRAFT OF PROPOSED PROVISION PERTAINING TO THE APPROPRIATIONS FOR DEFENSE AID (S. Doc. No. 272)

A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to the appropriations for defense aid, fiscal year 1943 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, FEDERAL SECURITY AGENCY (S. Doc. No. 273)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Federal Security Agency, fiscal year 1943, amounting to $4,500 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

COORDINATION OF FORWARDING AND SERVICING OF WATER-BORNE EXPORT AND IMPORT FOREIGN COMMERCE

A letter from the Administrator of the War Shipping Administration, transmitting, pursuant to law, a report of action taken to provide for the coordination of the forwarding and similar servicing of water-borne export and import foreign commerce of the United States for the period ended October 13, 1942 (with an accompanying report); to the Committee on Commerce.

SMALLER WAR PLANTS CORPORATION

A letter from the Chairman of the War Production Board, transmitting, pursuant to law, a report of his operations under the Smaller War Plants Corporation Act for the period ended October 11, 1942 (with accompanying papers); to the Committee on Banking and Currency.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Departments of the Treasury, War (5), and Navy (2); Federal Security Agency (5), Executive Office of the President (Office of Civilian Defense), The National Archives (2), The Panama Canal, and the Federal Security Agency, which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking toward their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS

Petitions, etc., were laid before the Senate or presented and referred as indicated:

By the VICE PRESIDENT:

A letter in the nature of a petition from the chairman of Social Security of Puerto Rico, Santurce, P. R., praying for the enactment of House bill 7175, to extend Titles I, IV, and X of the Social Security Act to Puerto Rico; to the Committee on Territories and Insular Affairs.

A telegram in the nature of a petition from Bart Phillips, president, Local 2443, U. S. A., Congress of Industrial Organizations, and Thomas Graham, recording secretary, Local 2443, U. S. A., Congress of Industrial Organizations, Crum Lynne, Pa., praying for the enactment of legislation providing adequate taxes for the prosecution of the war; ordered to lie on the table.

By Mr. KILGORE:

Petitions, numerously signed, of sundry citizens of the State of West Virginia, praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

CONSERVATION OF BUTTER FATS—RESOLUTION OF WISCONSIN CHEESE MAKERS' ASSOCIATION

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a resolution adopted by the Wisconsin Cheese Makers' Association at Fond du Lac on October 8, 1942.

There being no objection, the resolution was referred to the Committee on

[1] We have so advised the clerk of the Senate Appropriations Committee, who inquired about it.

C. M. G.

Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Whereas our all-out war effort of necessity will compel many changes in our economic, industrial, and agricultural life; and

Whereas available supplies of fat is now demanding attention and rumored plans for conserving fat includes the reduction of the fat standards of cheese and butter: Therefore be it,

Resolved by the board of directors of the Wisconsin Cheese Makers' Association, hereby records its opposition to the reduction of the butterfat in cheese and butter which will result in the production of an inferior product; be it further

Resolved, That if and when the fat supply requires conservation then we recommend the rationing of the various dairy products.

RELINQUISHMENT OF EXTRATERRITORIALITY RIGHTS IN CHINA

Mr. THOMAS of Utah. Mr. President, believing that the more differences between the Allies which are settled during the wartime the easier will be the peace, on August 17 I suggested that it would be timely for the United States and Great Britain to renounce their rights of extraterritoriality in China. That has been done, according to an announcement from each Government. Therefore, Mr. President, I ask that an editorial appearing in the Washington Post of October 12, 1942, may be made a part of my remarks and printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of October 12, 1942]

EXTRALITY

This is the awkward derivative of a ten-dollar word ir the language of international relations, extraterritoriality. Yet the word itself is not half so awkward as what it connotes. Extraterritoriality means the principle whereby foreigners are exempt from civil and criminal prosecution under the laws of the country of their residence or sojourn. In other words, they are subject only to the jurisdiction of their own courts—established for this purpose in the country of the foreigner's stay.

The implications of this system for the affected country is imaginable by thinking of what it would mean in America. Imagine British residents in the United States immune from American jurisdiction. Of course, we would not tolerate such an invasion of our sovereignty. Yet China—our great ally in the Far East—has been forced under treaties going back a hundred years to permit foreign courts on her soil for dealing with foreigners residing in China.

Understandably enough, therefore, extrality is a sore point with the Chinese. They have dubbed the treaties conferring this privilege on foreigners as "unequal," as they undoubtedly are. They have described themselves as relegated to a semicolonial status in the family of independent and sovereign nations, and there is warrant in the statement. To be sure, there was a realistic reason for extorting the concession in the nineteenth century. Without extrality, which protected foreigners from the anti-foreignism characteristic of imperial China, western commerce, with its attendant exploitation, with the East could not have thriven. In other words, extrality was a one-way safeguard. But there is no such justification today, especially since we are fighting a war of freedom, for the maintenance of the system. Indeed, as long ago as 1934 the United States expressed a willingness to relinquish extrality in China when conditions should be favorable therefor; that was to say, when China erased the anarchy arising out of the struggle between the nationalists and war lords.

That has now been accomplished, and, with China's emergence as a great power, extrality has ceased to exist in any de facto sense. Moreover, both Great Britain and the United States have accepted China as a full and equal ally in the war against the Axis. Thus the new treaty which, it is announced, will soon be negotiated with the Chinese providing for the end of the extraterritorial regime, would merely accept and legalize an already accomplished fact.

SENATOR NORRIS, OF NEBRASKA

Mr. HATCH. Mr. President, at this time——

The VICE PRESIDENT. Is there objection to the Senator from New Mexico making an address during the morning hour?

Mr. McNARY. Mr. President, the Senator spoke to me a few moments ago, and I understand his remarks are to be very brief.

Mr. HATCH. They are to be very brief.

Mr. McNARY. Ordinarily I should object, of course, because speeches before the morning business is concluded are a violation of the rule, but I have no objection to the Senator from New Mexico proceeding.

Mr. HATCH. I thank the Senator from Oregon.

Mr. President, at this time I desire to say a few words which I believe will express the thought of practically every Member of this body. I also am confident that what I shall say today will express the hope and wish of thousands of men and women residing in every State of this Union. While it may seem that the matter I shall discuss is of a political nature, certainly it does not concern partisan politics to any extent whatever.

The State of Nebraska, Mr. President, throughout the years past has contributed much to the political thought and life of America. Three times she gave to my own party its nominee for President of the United States. Many of her illustrious sons have served our Nation well and honorably in high and important positions of government. Nebraska does have an enviable record in political matters, and, because she has, I trust the suggestion I make today will not be taken amiss but will be received as a reflection of the progressive political life of that great State.

Today, I think Nebraska has a wonderful opportunity to display again to the people of America her nonpartisanship and her concern for the welfare of the Nation. At least, that State does have an opportunity to show that in this time of war, politics—as to one office anyway—has been completely adjourned.

Mr. President, I have met only casually Mr. May, the Democratic nominee for United States Senator from Nebraska. I have not met the Republican nominee. From what I have seen and heard, I must assume that both men are capable and worthy of the office to which they aspire. Certainly all of us here in this Chamber will agree that ambition to sit in this body is a worthy and laudable ambition.

It happens, however, that this year there is a third—or, rather, I should say a first—candidate in Nebraska for the office of Senator. Only recently, in response to many requests and petitions, Hon. GEORGE W. NORRIS at last consented to make the race again for United States Senator. He runs, as all Senators know, as an independent, and not under any party organization or emblem.

It is not necessary for me to attempt any eulogy of Senator NORRIS. His long and distinguished record in both Houses of the Congress pays far greater tribute to him and to his career than any words of mine could possibly pay. It is not with thought of his own personal welfare that I speak today. Perhaps it would be better for his own happiness that he retire with the great honors which are already his, and enjoy his remaining years freed from the heavy burdens and responsibilities of public office. Therefore, I am not thinking so much about him personally—although I confess that out of the respect and affection I hold for him, I should gladly aid in his return to this body if I could—but I am thinking more particularly now of our country. America needs Senator NORRIS in the Senate. His vigorous mind, his great ability, and his wise counsel, are needed today, in time of war; but they will be needed far more when peace treaties come before us and the post-war period begins. Our country needs his courage, his proved integrity, and his wealth of experience.

It is true that Senator NORRIS is past 80 years of age. It was in 1903 that he first came to the House of Representatives. In 1913 he began his career in this body. It is true the sands of life are swiftly running for all of us, but Senator NORRIS remains strong, active, and a powerful influence in this body. Those of us who are younger may well run the errands; we can hew the wood and carry the water if we may continue to have the benefit of his ripe judgment and his long experience.

What a wonderful thing it would be, Mr. President, if both the Democratic and Republican nominees in the State of Nebraska would withdraw from the race and let Senator NORRIS be returned to this body without opposition. What a fine and fitting tribute that would be for a great State to pay to a great and distinguished citizen. Truly, Nebraska does have now a splendid opportunity to serve herself and the Nation, as well as to reward a faithful servant who has given his life to the welfare of the people of his State and to his country.

Americans everywhere, regardless of party affiliation, will watch with deep interest the results of the November election in Nebraska. I know thousands of them are hoping—and many of them are praying—that in this hour of greatest need for unselfish patriotic statesmanship, America and the world will not lose the services of one whose entire public career has been devoted to the welfare of man, and to liberty and freedom for all the peoples of the world.

Mr. PEPPER. Mr. President, the peculiar character of our Federal system accounts for peculiar incidents. Under

the terms of the Constitution the Senate is made the judge of the qualifications of its own Members. When one is elected by a State and takes the oath as a Senator he is not only an ambassador from that State, and a representative of its citizenry, but he is a part of the Government of the United States as well. I believe, therefore, we would not be considered as committing an impropriety if, in our capacity as partners in the Federal scheme of government, we should express a word of appreciation concerning a fellow Member and a colleague.

I am not ashamed to be a proud member of a great party. I believe in the party system. However, Mr. President, I should regret to see the time ever come when our policies and our personnel were determined only by considerations of party and partisanship. I believe, therefore, that today the whole Nation turns its eyes upon the State of Nebraska, because it has a very keen interest in the choice which Nebraska will make in the future concerning its senior senatorship.

Mr. President, one of the distinctions of being a Member of this great body is not only that of having a seat in it but in having the privilege of association with the great minds, great hearts, and great characters who constitute this body. The United States Senate has gained its recognition not alone by the power it possesses, but principally by the strength of mind and spirit of those who have been honored to sit and to speak here.

We all know that there is no name higher on the roster of honor and distinction in the country's estimate than that of Nebraska's senior Senator, the venerable, the good, and the great GEORGE W. NORRIS. To recite a record of his achievements as a legislator and as a statesman would be merely to recount the record of progressivism in America; for over a generation he has been allied with or has been the impulse of nearly every progressive cause which has come to the consciousness of and received subsequent approval by our people. He is one who has been big enough to rise above the restraints of interest, either in behalf of himself or his State.

Many of us have been keenly gratified as we have seen in Senator GEORGE W. NORRIS a realization of the aspirations of the framers of the Constitution, a United States Senator who was a man worthy to be a Senator, a man who has exhibited statesmanship in his daily conduct, and has honored the high office of United States Senator.

Mr. President, I venture to say that upon reviewing the record in this body of Senator GEORGE W. NORRIS, his unselfish service to his country in peace and in war, as a citizen and as a patriot, we know that no other could be found in all the citizenry, not only of Nebraska but of America, who could so honor the office of senior Senator from Nebraska. Therefore, as an ardent Democrat, as one who believes in the Democratic Party and in the party principle, I say that there is no Democrat who is big enough or good enough to succeed Senator GEORGE W. NORRIS in his lifetime.

I would not vote for the President of the United States to oust that man from his illustrious seat and service while God shall spare him for other great contributions to his country in war and in peace.

I hope, therefore, Mr. President, that I have committed no impropriety, as a fellow Senator and a colleague, in expressing, humbly, words of appreciation for one who more than any other Member of this body, if I may say it without being misunderstood, gives character and integrity to the United States Senate. This good man, who has grown "in wisdom and in stature and in favor with God and man," will, I hope, continue to be, as long as he may be spared, the senior Senator from Nebraska.

AUTHORIZATION FOR COMMITTEE ON APPROPRIATIONS TO REPORT A BILL

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Committee on Appropriations may be allowed to report an appropriation bill during the recess of the Senate, if it should recess over from today until a later day.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, I may or may not object. Of course, if consent is given, and the bill shall be reported, it can be brought up for consideration Thursday by motion, if we take a recess to Thursday at the conclusion of business today. At that time probably the report of the hearings will not be printed. If the bill were then laid before the Senate for immediate consideration, no opportunity would be given to study the bill and the hearings. I should join in the consent requested if it were provided that the bill should go over for 1 day, or until Monday, if Senators desired to have time to study it.

Mr. McKELLAR. I think that is perfectly reasonable.

Mr. McNARY. Then, with the understanding that the Senator may have permission to file the report, and upon the request of any Senator not familiar with the record or the bill, it may go over until the next session of the Senate, I shall not object.

The VICE PRESIDENT. With that understanding, it is, without objection, so ordered.

THE DRAFTING OF MEN 18 AND 19 YEARS OF AGE—NOTICE OF HEARINGS

Mr. REYNOLDS. Mr. President, I wish to announce for the benefit of the members of the Committee on Military Affairs, that tomorrow morning, at 10:30 o'clock, we will begin hearings on the bill interesting itself in the drafting of men 18 and 19 years old, the bill being, one might say, in addition to the selective service law under which we are now operating. Tomorrow these hearings will begin. They will be public hearings. Likewise we shall consider proposals for manpower legislation. There are several bills dealing with that subject now before us, and they will be taken up as soon as we can possibly reach them.

Mr. President, the subject of the drafting of young men 18 and 19 years old, as we know, interests itself in the subject of manpower, and I merely wanted this opportunity to notify all the members of the Military Affairs Committee that there are to be hearings held and conducted by the full committee, and not by a subcommittee, and that the hearings will be open. Of course, from time to time the committee members will decide about executive sessions.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. BARKLEY. I presume so far as the draftsmanship of the measure is concerned it will be a very simple matter. It simply reduces the minimum age from 20 years to 18 years.

Mr. REYNOLDS. Yes; that is correct.

Mr. BARKLEY. That is a simple matter, so far as the legislative draftsmanship of the measure is concerned. Of course, the question of policy is one about which the committee will want to have hearings.

Mr. REYNOLDS. That is quite true.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. McNARY. My attention was temporarily diverted. Was it the purpose of the Senator from North Carolina to hold hearings on the plan to draft boys 18 and 19 years of age?

Mr. REYNOLDS. Yes; that is correct.

Mr. McNARY. And is it the purpose of the Senator to report the bill and ask for action immediately?

Mr. REYNOLDS. Of course, we assume that it will take some time for the examination of the witnesses who will from time to time or from day to day be called before the committee. As to how long it will take to complete the hearings I have not now the slightest idea, because I have not been advised by the author of the bill, the Senator from South Dakota [Mr. GURNEY] as to how many witnesses he proposes to have come before the committee. Furthermore, as in other cases, no doubt members of the committee will receive communications from heads of organizations who will want to be heard as representatives of their organizations, and appear for or against the policy enunciated, so to speak, in the bill.

Mr. McNARY. Oh, yes. Mr. President, that hardly answers my inquiry. I think it is very important that we have some understanding, in view of the remarks made by the able Democratic leader the Senator from Kentucky [Mr. BARKLEY] a few days ago. A number of Members of the Senate of the Republican faith have conferred with me, and I have said, in view of what has occurred here, that I did not assume any major legislation would come before the Senate in the next 2 weeks. Upon the strength of that assertion, which was made on the basis of reliable information, indisputable information, many Senators have departed from the city. If we are now going to take up a matter so important as the drafting of young boys, I want to know it now. I am addressing my remarks to the chairman of the committee who will more or less have the decision with respect to when the proposed legislation will be considered by the Senate.

Mr. REYNOLDS. Mr. President, I am rather of the opinion that the hearings will be somewhat extensive, for the reason that the subject of drafting 18- and 19-year-old men enters primarily into

the very broad subject of manpower. I am, therefore, of the personal opinion that many of the members of the committee will wish to direct inquiries to the witnesses from time to time along the lines of manpower. We have now several bills before our committee pertaining to the broad subject of manpower, one introduced by the Senator from Ohio [Mr. TAFT], one by the Senator from Alabama [Mr. HILL], and one by the Senator from Vermont [Mr. AUSTIN]. As to when the hearings will be completed, it will be absolutely impossible to provide the able Senator from Oregon with a definite answer.

Mr. McNARY. I appreciate that. The Senator is now covering the identical ground I had in mind. I should suppose the committee would treat the subjects of manpower and the drafting of young men in a comprehensive way. Both subjects come within the comprehension of the larger term. That is what I want to know. If it is going to be the manpower bill which is to be formulated, I have every reason to imagine that it will not be brought up for some weeks, but if the Senator is going to isolate the bill to the drafing of boys 18 and 19, apart from the manpower bill, and bring it before the Senate within a few days, I want to know about it.

Mr. REYNOLDS. Of course, as I stated at the outset, we will begin hearings on the subject tomorrow, but naturally, in view of the fact that the matter of the drafting of boys 18 and 19 years old interests itself in the broad subject of manpower, members of the committee will, as a consequence thereof, I assume, direct inquiries to the witnesses upon the point of considering the drafting of boys 18 and 19 years old as a part of the subject of manpower.

Mr. McNARY. Mr. President, I should think the chairman of the committee, able as he is, would have something more definite to offer than what he assumes Senators will do. What is the purpose and policy of the chairman of the committee?

Mr. REYNOLDS. The meetings will be held for the purpose of considering now the bill providing for the drafting of boys 18 and 19 years old.

Mr. McNARY. With the idea of bringing in a bill separate and apart from the manpower bill?

Mr. REYNOLDS. Yes; I assume that to be the idea at the present time.

Mr. McNARY. Is that the Senator's purpose?

Mr. REYNOLDS. That is my purpose.

Mr. McNARY. And to have the bill before the Senate next week, if the Senator can?

Mr. REYNOLDS. Oh, no; I cannot say that. I imagine it will take several weeks to hear all the witnesses. I rather surmise it will take 3 or 4 weeks to hear all the witnesses. A great many witnesses will be called.

Mr. McNARY. Mr. President, I do not discuss matters on the floor which are childish and puerile. I am trying to act in the capacity of advising faithfully, honestly, and wisely, as I have always tried to do, the Members who confer with me. I want to know if the Senator intends to bring this bill into the Senate next week or the week following. If so, I shall make different arrangements and give different advice to the Senators who are here and to those who have absented themselves.

Mr. REYNOLDS. Mr. President, I am of the opinion that it will take several weeks to hear all the witnesses who will be called and the witnesses who will desire to be heard. Then it will be necessary to get all the members of the Military Affairs Committee together finally to cast a vote in executive session as to whether they favor the measure or oppose it.

Mr. McNARY. What is the Senator's present attitude and purpose?

Mr. REYNOLDS. My present attitude and purpose is to give those in favor of the bill and those opposed to the bill an opportunity to be heard, after which we shall endeavor to have a vote in executive session on the question of whether Senators favor the measure or oppose it.

Mr. McNARY. Mr. President, the Senator from North Carolina is treating the matter very flippantly. I like the chairman of a committee to answer a question seriously with the idea that he may or may not inconvenience Members of the Senate. I assume that the Senator does not know what he wants to do or what he intends to do. I should like him to be perfectly frank and open and candid with me in respect to an inquiry which involves a policy and the convenience of Members of the Senate.

Mr. REYNOLDS. I will say to the Senator that it is our purpose to have hearings exclusively on the question of drafting men 18 and 19 years old. That is the desire of the author of the bill, the Senator from South Dakota [Mr. GURNEY], and I told him this morning that I would be glad to come here and join him tomorrow morning.

Mr. McNARY. When does the Senator, as chairman of the committee, expect to have the bill on the floor of the Senate for consideration?

Mr. REYNOLDS. I should say within 4 or 5 weeks.

Mr. McNARY. And not earlier?

Mr. REYNOLDS. Hardly earlier than that.

Mr. McNARY. And not earlier?

Mr. REYNOLDS. Not earlier than that.

Mr. McNARY. I thank the Senator. [Laughter.]

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. BARKLEY. The question of manpower legislation and of lowering the draft age has been one which has been booted around for quite a while in the press, and in talks on the floor of the Senate, and speeches elsewhere. Personally I do not think the two questions are necessarily connected so far as legislation is concerned.

I realize that the reduction of the age limit from 20 to 18 years is connected with the manpower situation; but the President in his address last night announced that he was going to try the voluntary system of solving the manpower question for a while yet, and that if it could not be solved in that way, he would then ask for legislation dealing with the matter.

Mr. President, the President has now announced that young men from 18 to 20 years of age should be subject to selective service, and I think that is what we have been waiting for, because we felt that as Commander in Chief of the Army and Navy we ought to consult him, and at least give him an opportunity to advise the Congress of what his views are upon that subject. I assume we are going to pass a law on the subject. I have stated repeatedly that, so far as I am concerned, whenever the President of the United States, following the advice given him by his military and naval advisers, recommends the lowering of the draft age, I shall feel it my duty to support it, and that it would be no doubt the purpose of Congress to support it. I still adhere to that view. I do not believe it is necessary to couple a bill on that subject with a bill on the subject of manpower, because, while they are connected in a way, they are not necessarily connected legislatively.

Last night the President made a very cogent argument in favor of the reduction of the draft age. I accept that view. I think the country will accept it. That being true, in my judgment, the sooner we put the law on the statute books the better. To be perfectly frank, I see no reason for delaying consideration of that bill until after the election.

It seems that everybody is afraid to mention the word "election," tiptoeing around it as though it were thin ice which might break through. We are at war; and I do not believe Congress ought to have its mind on the election, so far as any necessary legislation is concerned. It may be that in the very nature of things, if there were no election in prospect, and if we did not have to consider it or think about it under the Constitution, as we are required to do, 3 or 4 weeks might be required for the committee to hold hearings on the bill to reduce the age and bring the bill before the Senate. I do not know why it should take that long to consider the mere question of reducing the age limit by 2 years.

Nevertheless, it is not my province to suggest how long the committee should take. However, I think it would be most unfortunate for the Congress, the country, and everyone concerned for the committee deliberately to postpone consideration of the bill and try to hook it up with another subject which, according to the President's address last night, is not yet ready for legislation, merely because an election will occur in the next 3 or 4 weeks. I do not believe the Senator from North Carolina had that in mind.

The other day I announced that I did not know when the President would ask for legislation on the subject of manpower. I was acting upon information which I then had—or lack of information. I had received no information about any recommendation for lowering the age limit. Therefore I could not tell how long Members who felt called

upon to absent themselves could be assured that there would be no important legislation before us. Last week I expressed the view that it would be 3 or 4 weeks before important legislation would be brought before the Senate. I appreciate the desire of Senators to know about the situation.

I realize that Members who live far away from Washington and take advantage of a lull to go home would like to know, and have a right to know, if possible, approximately when they may be called back. I realize that it is impossible now to fix a day on which they should be called back, if necessary, to vote on the bill in question.

Mr. REYNOLDS. Mr. President, I should like to make myself clear——

Mr. BARKLEY. I think that the sooner the committee can decide when it will report the bill so that it may be taken up on the floor of the Senate, the better it will be for everybody. I am perfectly willing to abide by the decision of the committee and its chairman on that subject. I am sure there is no purpose on the part of the Senator from North Carolina to withhold information.

Mr. REYNOLDS. None whatever. I do not know how many witnesses will appear. I do not know how many witnesses the author of the bill wishes to call. The Senator from South Dakota [Mr. GURNEY] is the author of the bill. I do not know how many witnesses he will present or how long a time their testimony will require.

Speaking for myself, I am willing to vote tomorrow on the question of drafting boys of 18 and 19. No one can say that I am trying to evade the issue. I have made up my mind what I shall do about it. I should like to state my opinion now. I will vote to draft boys 18 and 19 years old because the Army says we must have them. The President says we must have them. I am putting all my confidence in our military leaders. If we do not put our confidence in the men upon whom we rely to win the war for us, we may as well quit.

Mr. BARKLEY. I agree with the Senator.

Mr. REYNOLDS. The President said he wanted to draft boys of 18 and 19. The Army has said that it wants them. I am willing to vote tomorrow to draft boys of 18 and 19.

Mr. BARKLEY. I appreciate the Senator's frankness. I take the same position. While this matter has been under discussion we have been waiting for weeks to hear, through the Commander in Chief, the views of the Army and Navy. We now have them. I am ready to vote. I do not have to have any hearings.

Mr. REYNOLDS. I am willing to vote tomorrow. At the same time, I can very well appreciate the inquiry of the leader of the minority, in view of the situation.

Mr. BARKLEY. I do, too.

Mr. REYNOLDS. Let me say to the Senator from Oregon that whatever the Committee on Military Affairs does is perfectly agreeable to me. I always endeavor to abide, and do abide, by the majority decision of the members of the committee. As every member of that committee will no doubt testify, I have always tried to lean over backward to please every member of the committee. I do not wish to say that the bill will be before the Senate tomorrow or next day without first talking with the Senator from South Dakota, the author of the bill, and finding out how many witnesses he wishes to call. Unfortunately, the Senator from South Dakota is not now present. He is absent on official business. This morning he talked with the Senator from Alabama [Mr. HILL] and myself and other members of the Military Affairs Committee, and, as author of the bill, requested that I take the floor today and announce that we shall begin hearings tomorrow.

Mr. BARKLEY. Mr. President, I should like to make an additional statement. The President has asked for legislation reducing the draft-age limit. He has not asked for legislation dealing with manpower. Therefore, I do not believe that the legislation for which he has asked ought to be delayed because of some other legislation for which he has not asked, although the two subjects may be related in the final adjustment of the war program. I think it would be most unfortunate to delay the bill for which he has asked, waiting for one for which he has not asked.

Mr. REYNOLDS. In that connection, it had been the intention of the chairman to suggest to members of the Military Affairs Committee that immediately after completing consideration of the bill before us dealing with the proposed reduction of the draft age, we take up the Hill bill, the Austin bill, and other bills.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. McNARY. I think probably I should make a further observation. I am not appealing to the chairman of the committee to defer action. I simply wish to know approximately when action will be undertaken. I am ready to vote now. I am just as brave as are other Senators. I have never seen any reason to retreat from the question. All I wish to know is something positive and definite. Upon that I insist. I am not asking that the bill be made a companion or first cousin of the manpower bill. The two bills embrace one large subject. The question of manpower is related to the question of taking men from civilian life and placing them in the Army. Manpower is a civilian question. The whole subject should be explored. I do not mean by that that the whole subject should be comprehended in one bill, or that one bill should immediately follow the other. However, a committee which wishes to do a good job must consider the whole economic, social, and political question involved in manpower and the draft.

I always try to cooperate with the very eloquent and distinguished majority leader. He assured our colleagues that 2 or 3 weeks would elapse before any legislation of importance would be undertaken. On the strength of that advice, and my statement on the floor, several of my colleagues have left for their homes. All I want to know is, Shall I call them back? Have we changed our plans? I shall not criticize if the plans have been changed. I want something definite and certain. I think I have obtained a final and definite answer from the very handsome, clever, but sometimes elusive Senator from North Carolina.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Michigan?

Mr. REYNOLDS. I yield the floor.

Mr. VANDENBERG. I wish to ask the Senator a question.

Mr. REYNOLDS. I yield for a question.

Mr. VANDENBERG. I wish to suggest to the able chairman of the Military Affairs Committee that the question of drafting men down to 18 years of age is more or less inextricably related to the general subject of how large an army the ultimate objective is to be. I find a great deal of public uncertainty on the subject, and a great deal of public anxiety over stories that we are aiming at an army of from 10,000,000 to 15,000,000 men. I find a great deal of perplexity in the public mind as to the necessity or wisdom of an effort of such magnitude. I wish to suggest to the able chairman of the committee that, for the sake of an intelligent public opinion in relation to the draft problem, and in behalf of a more willing acceptance of this very difficult decision to reach down into the juvenile years for our soldier manpower, in the course of the hearings, so far as may be possible without the disclosure of necessary military secrets, the country should be given as much of the truth as possible regarding the total military prospectus which is being planned.

Mr. REYNOLDS. I thank the Senator.

Mr. GURNEY subsequently said: Mr. President, I am sorry I was not in the Chamber at the start of the session today; as a result I have only a second-hand knowledge of the debate previous to my entering the Chamber, when the question of lowering the selective-service age of those liable for military service was under discussion. I understand my bill, which is now before the Senate Committee on Military Affairs, was mentioned.

Personally, I do not believe anyone can at this moment predict accurately when the committee may be able to conclude the hearings on the bill. I sincerely believe that everyone who, by any stretch of the imagination, has any worth-while information on which the committee could base its judgment, should be invited to give testimony to the committee. I feel that we should give plenty of time to the representatives of the armed services, the Selective Service Board, and any other Government bureau which is working on the manpower question.

Certainly no one should hold up the report of the committee to the Senate any longer than is absolutely necessary. I am sure that, in view of the President's radio address last evening, we are all now quite certain that time is of the essence

and that the Congress should expedite consideration of the subject and act just as rapidly as possible. I am hoping that will be the case.

EXTRAVAGANCE AND WASTE IN NATIONAL DEFENSE PROJECTS

Mr. WHEELER. Mr. President, a constituent of mine has asked that I place in the RECORD a copy of a letter which he wrote to the Hon Frank Knox, Secretary of the Navy. The letter calls attention to the extravagance and waste occurring at the Farragut Naval Training Station in northern Idaho. The letter is typical of other letters and reports which have come to me from various places in the country where such projects are being carried on. I know that the Truman Committee has investigated many such projects, and I think it has done an excellent job; but I am sure that the scope of its investigation has been limited by time, and probably by resources.

At this time I desire to read to the Senate a portion of the letter:

DEAR MR. SECRETARY: I wish to call to your attention some quaint (very quaint) customs and conditions existing at the Farragut Naval Training Station in northern Idaho. I gathered this information while serving there as a painter recently.

The only boss painter in the project who insisted on the men working was fired while I was there.

I was socially ostracized by the other painters because I insisted on working. The idea seems to be to make the job last as long as possible, and to hell with the war.

The paint is a powder base first cousin to kalsomine disguised as a lead base paint by adding clay and sand in order to bring the weight up to standard. One investigator told me: "This paint has so much sand in it that it ruins a saw to saw a board that has been painted with it."

The brushes flare out like a whisk broom as soon as they become wet. One investigator (there are evidently hundreds of them) examined my brush under a microscope and then said, "How do you do it?" I said, "How do I do what?" He said, "Paint with the end of a horse's tail on a stick."

The writer of the letter further said:

Soldiering is not confined to the painters. The landscape and road crews make a regular practice of building roads and parade grounds and then plowing them up and starting all over again.

When I first went to work we painted the window sash before it was installed, but this method was too fast. Now they first install the sash. Then remove them and paint them, and then reinstall them.

Then the writer of the letter proceeds to describe living conditions at the training station.

Another paragraph of his letter reads as follows:

The day I quit I had the flu from living in unheated quarters and was too ill to go to the office and stand in line for hours for my check so came on home and have been trying to collect my wages ever since. My letters are ignored. This is another established Butler custom.

Apparently the company is the Butler company.

One man tried to quit and get his money 3 days in succession but there were so many others standing in line trying to quit that he had to abandon the idea and go back to work for the duration.

* * * * *

P. S.: Due to dust and living conditions many people have died and hundreds have lost their health for life from working at Farragut. Nails lay over the ground everywhere and good building material is wasted and burned while the workers freeze in tents, trailers, etc.

Mr. President, I ask that the entire letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THOMPSON FALLS, MONT., *October 5, 1942.*

Hon. FRANK KNOX,
Secretary of the Navy,
Washington, D. C.

DEAR MR. SECRETARY: I wish to call to your attention some quaint (very quaint) customs and conditions existing at the Farragut Naval Training Station in northern Idaho. I gathered this information while serving there as a painter recently.

The only boss painter in the project who insisted on the men working was fired while I was there.

I was socially ostracized by the other painters because I insisted on working. The idea seems to be to make the job last as long as possible, and to hell with the war.

The paint is a powder base first cousin to kalsomine disguised as a lead-base paint by adding clay and sand in order to bring the weight up to standard. One investigator told me: "This paint has so much sand in it that it ruins a saw to saw a board that has been painted with it."

The brushes flare out like a whisk broom as soon as they become wet. One investigator (there are evidently hundreds of them) examined my brush under a microscope and then said, "How do you do it?" I said, "How do I do what?" and he said, "Paint with the end of a horse's tail on a stick." I told him that painting was a gift with me. I could paint with anything and then I was descended from a long line of painters with sticks on the end of a horse's tail or painters with the end of a horse's tail on a stick. He assured me that they were paying good prices for these horse's tails on the end of sticks.

The vigilance of the guards is astounding. Although they are supposed to check the identification badges of each worker when they enter the grounds, one morning a guard stood in the door of my bus which was packed with about 50 men, flashed his light over the passengers in the front seats and said, "Well, I see at least a half dozen of you son-of-a——— have badges," and told the bus driver to roll along.

Soldiering is not confined to the painters. The landscape and road crews make a regular practice of building roads and parade grounds and then plowing them up and starting all over again.

When I first went to work we painted the window sash before it was installed, but this method was too fast. Now they first install the sash. Then remove them and paint them, and then reinstall them.

The Butler Co. is evidently not interested in transportation problems. Thousands of cars leave and enter each day with one or two passengers, while hundreds of workers have to quit as I did because they cannot get transportation. The woman at the Signal gas station in Sandpoint, Idaho, who has the franchise for furnishing transportation, does not fulfill this obligation but spends most of her time trying to look as much like Hedy Lamarr as possible, and insulting everyone who asks a civil question. To her the workers are Bayview bums just looking for a soft place to light.

The cafe owners in Sandpoint should be hanged for the prices they charge and kind of service they render.

The condition of the short-cut road between Sandpoint and Farragut is absolutely criminal and could be put in good condition in a few days with proper equipment, but neither Butler nor the Idaho State Highway Department are interested.

The merchandising system is the same now that about 20,000 workers have arrived, as it was when Athol and Bayview were wide places in the road. Mail lays in the rustic post offices for days or weeks before it is delivered. The stores are always sold out of most everything. One morning when I went into the store in Bayview the only thing they had in stock was cabbage, so I went to Athol and bought an artichoke for my lunch. The reason I did not try to buy my lunch at one of the area lunch counters is because they are made and operated on a plan designed to serve about 200 men instead of 2,000. All I ever got out of trying to buy a lunch there was bunions and flat feet from standing in line for hours, only to find when I finally reached the counter that they were sold out of everything but Smith Brothers cough drops. They are supposed to contain vitamins according to the label, but they do not make a satisfactory lunch. Although the eating and transportation problems could be cleared up in 3 days, nothing is done about it.

The occupants of the trailer camps cannot obtain fuel, and scarlet fever and typhoid are said to be rampant, but that is O. K. too. One inmate told me that the only thing he had got out of working for Butler was a total loss of confidence in democracy and a lot of hair on his chest from living in a hollow log without food, heat, or shelter. In short, conditions in these camps are beyond description. I am sure great care was taken to shield the President's sensitive vision from these eyesores. While all this is going on dozens of buildings are vacant on the project. One of the barracks was fixed up for living quarters. They made chicken-netting beds for which they charge $5 per week, and the victim has to walk 1½ miles each morning and night to eat, provided he can get anything to eat after he arrives.

Among some of the other good old American customs is the custom of forcing everyone to join a union. The unions have collected enough from Farragut workers to finance their own government for 50 years, and given nothing in return.

The day I quit I had the flu from living in unheated quarters and was too ill to go to the office and stand in line for hours for my check, so came on home and have been trying to collect my wages ever since. My letters are ignored. This is another established Butler custom. One man tried to quit and get his money 3 days in succession, but there were so many others standing in line trying to quit that he had to abandon the idea and go back to work for the duration.

By far the quaintest and most profitable custom of Mr. Butler is to deduct 10 percent from the workers' weekly pay for War bonds and then refuse to deliver the bonds until the victim threatens to murder the paymaster. Some of these men have not drawn a bond for months. I presume Mr. Butler (the great mental giant and building genius, the great farsighted American, etc.) cleans up with this money he withholds, even if he only gets 2 percent.

Hoping you and Mr. Butler will some day have bunions and flat feet from standing in a bread line, I am,

Yours truly,

BEN BAKER,
Thompson Falls, Mont.

P. S.—Due to dust and living conditions, many people have died and hundreds have lost their health for life from working at Farragut. Nails lay over the ground everywhere

and good building material is wasted and burned while the workers freeze in tents, trailers, etc.

Mr. WHEELER. Mr. President, I also desire to refer—and I have called this matter to the attention of the junior Senator from Missouri [Mr. TRUMAN]—to conditions in a camp in Wyoming generally known as "Little Tokyo." Just before I left Montana, I talked with a newspaper man. He told me that four or five men from the little town of Red Lodge went to work at the camp known as "Little Tokyo." They were there 5 or 6 days before they could be put to work, because they had no lumber. Eight box cars of lumber were supposed to come in. When they came in, all of them were sealed, and were marked "lumber." In the absence of the boss, or whoever was in charge, the boys broke the seals and opened the lumber cars. The newspaper man who spoke to me said that of the eight cars, only four had lumber in them; the others had not a stick of lumber in them. He said that of four more cars which came in, only two had lumber in them. He also told of the extravagance and waste occurring. He said that nails were being dumped on the ground by workers who wanted nails of a different size. Lumber was being wasted, as well; and all that was a result of having work done on the basis of cost-plus-a-reasonable-fee.

If the instances of which I have spoken were the only two of that sort which had been called to my attention, I should hesitate to mention them on the floor of the Senate. The man who spoke to me said he had written to the Department of Justice describing what was going on in "Little Tokyo," and saying that someone should be prosecuted. He told me that up to the time he saw me nothing had been heard from the Department of Justice. He said he had taken up the matter with Mr. Hoover, and that Mr. Hoover said it would be turned over to the Criminal Division, but that he had heard nothing further.

When I was in Montana, I was told of similar experiences and instances in northern Idaho—cases of the payment of exorbitant prices for rental of trucks and busses. One instance was so extreme that it seemed almost impossible; but I was given assurance that it was true—an instance of paying for several months $800 for the use of a truck with a tank on it, used as a stationary water wagon. Subsequently the rental was cut down to $400. The truck was not moved. The man in charge started up the engine when he came on shift, then shut off the engine, and merely stayed there; and the next man who came on shift likewise started up the engine and then stopped it again.

As I said to the Senate once before, an Army officer drove all the way from California to Montana in order to buy trucks. He purchased for $700 one second-hand truck which had been driven 7,000 miles, and had cost $875, according to my information. That would not have been so bad, perhaps; but he called my attention to the fact that at an old C. C. C. camp which had just been closed approximately 30 trucks of all types were lying idle—some of them large trucks. I could hardly believe that, but I went there and counted them. There were 35 trucks.

Some of them were large trucks, others were small, and some had pick-up bodies; but they were standing in the open, in the rain and sleet, and at about the time when snowfall begins in that region. They had simply been left there; no use was being made of them.

Those are instances of things which are breaking down the morale of the people of the country more than would be done by anything else that could happen. Unless such things are stopped we shall have a break-down of morale. After all, the little things that people see are the things that impress them. They cannot and do not visualize a billion dollars, but they can see things of the kind I have mentioned happening right under their noses. Those are the things which impress them and make them say, "Why should we buy bonds, why should we buy stamps, when this waste and extravagance is going on right under our noses?"

That is the reason why so many working men in the country "soldier" on jobs when they see the extravagance and waste their bosses are causing. They say, "After all, the Government is paying for it, and the boss is making more money because of the fact that the job takes longer, and why should we worry about it?" So the "soldiering" process starts, and goes down the line.

I do not know who is responsible for such conditions; but certainly there is a lack of coordination between the various departments, and certainly a tremendous amount of waste and extravagance is occurring from one end of the country to the other—waste and extravagance which have aroused the people of the country to such an extent that they are beginning to wonder whether those who are in charge really want to win the war, or whether they are doing everything they can to sabotage our defense efforts and to prevent us from winning the war.

Mr. GUFFEY. Mr. President, will the Senator from Montana yield for a question?

Mr. WHEELER. I yield.

Mr. GUFFEY. Let me ask whether the Senator from Montana is a contractor or a carpenter?

Mr. WHEELER. No; I have never been in the contracting business or in the carpentry business.

Mr. GUFFEY. Then, if the Senator wanted to build a house, he would not know how to do so. Let me point out that a moment ago reference was made to painting window sash before it was fitted, not afterward. Does not the Senator know that it is quite common practice among good carpenters and builders to fit the sash, take it out, paint it, and put it up again? If that is not done, a considerable amount of extra work is required.

Mr. WHEELER. I do not know.

Mr. GUFFEY. But the Senator is referring to that as bad management.

Mr. WHEELER. Yes; I am.

Mr. GUFFEY. In the carpentry and building trades it is quite customary to do the work in that way. That is all I wanted to point out.

Mr. WHEELER. I am not a carpenter nor a painter, and I do not know anything about the matter; but the man who wrote the letter I read is a contractor and a painter, and has been a painter all his life. Because I know that he is a painter and contractor, I assume that when he writes to me, his criticism is a valid one. He is an old-time contractor and painter, and has been in the business much longer, and knows much more about it, I am sure, than does the Senator from Pennsylvania. He has had actual experience. He has not merely seen such work from car windows, but he has been at it all his life, and has done nothing else all his life. His father, before him, was a painter and contractor. Not only that, but I think that his grandfather was a carpenter, painter, and a contractor. So, he should know something about it.

Mr. GUFFEY. That is immaterial to me; but I should like to tell the Senator from Montana that every year for 18 years I had a building program under my direction, and I am familiar with the common practice of building and fitting window sash, the practice which the Senator is so anxious to criticize on the basis of information coming from a contractor. Of course, the fact that I was an oil contractor and builder has nothing to do with the illustration.

Mr. WHEELER. What the Senator has said about his experience in the building business somewhat reminds me of a Russian who talked to the Senator from Kentucky [Mr. BARKLEY], former Senator Cutting, and me, when we were visiting in Russia in 1930, as I recall.

We went into a community where there was a large manufacturing industry. A man who had formerly lived in Montana was the consulting engineer there. He told us that one of the workers in the factory would like to speak to us. One of the first questions he asked was what was our business before we went to the Senate of the United States? The Senator from Kentucky spoke up and said, "I was a farmer boy." The Russian said, "I suppose like Leo Tolstoy," meaning "a gentleman farmer." Of course it was impossible for him to conceive how a farmer boy raised on a farm, as the distinguished Senator from Kentucky was, could ever get to the United States Senate; he thought he had to be a gentleman farmer.

Mr. BARKLEY. Many people in this country do not yet understand it. [Laughter.]

Mr. WHEELER. I think there are many people in the country beginning to wonder how any of us got here so far as that is concerned. [Laughter.] But I am afraid the Senator from Pennsylvania in the contracting business building houses and having them painted was a good deal like the gentleman farmer, Tolstoy, was to the Russian.

Mr. GUFFEY. Mr. President, I should like to say, for the Senator's information, that I started in as an office boy at the office of a natural gas company at

$5 a week, and came up the hard way; and I love to talk about it.

Mr. BARKLEY. Mr. President, in order that the morning hour may not be taken to show how little Senators may know about painting and similar matters, I call for the regular order.

The VICE PRESIDENT. Reports of committees are in order.

Mr. TRUMAN. I have a letter which I should like to have read into the RECORD, but I presume this is not the proper time.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

S. 2826. A bill for the relief of Capt. Richard Rothwell, United States Marine Corps; without amendment (Rept. No. 1638).

By Mr. WALLGREN, from the Committee on Military Affairs:

S. 2818. A bill to provide for payment of certain travel costs of dependents of military and civilian personnel of the Army and the War Department on a mileage basis in order to promote efficiency and economy in such payments; without amendment (Rept. No. 1639).

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation three lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on October 9, 1942, that committee presented to the President of the United States the following enrolled bills:

S. 2275. An act to amend section 10 of Public, No. 300, Seventy-seventh Congress, to grant national service life insurance in the cases of certain Navy or Army flying cadets and aviation students who died as the result of aviation accident in line of duty between October 8, 1940, and June 3, 1941; and

S. 2679. An act to authorize the transportation of dependents and household effects of personnel of the Navy, Marine Corps, Coast Guard, and Coast and Geodetic Survey, incident to secret or confidential orders, and for other purposes.

PRINTING OF ADDITIONAL COPIES OF SENATE AMENDMENTS NUMBERED PRINT OF THE REVENUE ACT

Mr. HAYDEN, from the Committee on Printing, reported an original concurrent resolution (S. Con. Res. 33), authorizing the printing of additional copies of the Senate amendments numbered print of the bill (H. R. 7378) to provide revenue, and for other purposes, which was considered by unanimous consent and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there shall be printed 3,500 additional copies of the Senate amendments numbered print of the bill (H. R. 7378) to provide revenue, and for other purposes, of which 1,000 copies shall be for the use of the Senate document room, 1,000 copies for the use of the House document room, 500 copies for the use of the Committee on Ways and Means of the House of Representatives, and 1,000 copies for the use of the Committee on Finance of the Senate.

PERMISSION TO COMMITTEE ON PATENTS TO FILE REPORT

Mr. PEPPER. Mr. President, yesterday the Senate Committee on Patents held an important hearing wherein the committee was considering certain legislation with respect to patents urgently recommended by the War Department. I think that the report of the Committee on Patents will be ready today or tomorrow, and I ask unanimous consent that the report on the bill (S. 2794) to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes, may be received by the Senate during the recess if it is available at that time, so that it may be on the calendar for Thursday.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PEPPER:

S. 2844. A bill to further amend the National Service Life Insurance Act of 1940; to the Committee on Finance.

By Mr. PEPPER (for himself and Mr. ANDREWS):

S. 2845. A bill to amend the Federal Crop Insurance Act to include citrus fruit and trees; to the Committee on Agriculture and Forestry.

By Mr. REYNOLDS:

S 2846. A bill to amend the Railroad Retirement Act of 1937 so as to provide for an annuity for disability after 10 years' service; to the Committee on Interstate Commerce.

By Mr. REYNOLDS (for himself and Mr. DOWNEY):

S. 2847. A bill to authorize the President to acquire vehicles and other transportation equipment and supplies necessary for the successful prosecution of the present war, and for other purposes; to the Committee on Military Affairs.

By Mr. TRUMAN:

S. 2848. A bill to provide for the establishment of the George Washington Carver National Monument; to the Committee on Public Lands and Surveys.

By Mr. BAILEY:

S. 2849. A bill for the relief of certain claimants against the United States who suffered personal injuries, property damage or other loss as a result of the explosion of a munitions truck between Smithfield and Selma, N. C., on March 7, 1942; to the Committee on Claims.

SUSPENSION OF ENFORCEMENT OF CERTAIN OBLIGATIONS AGAINST OPERATORS OF GOLD AND SILVER MINES

Mr. MURRAY submitted amendments intended to be proposed by him to the bill (S. 2802) to provide for suspending the enforcement of certain obligations against the operators of gold and silver mines who are forced to cease operations because of the war, which were referred to the Committee on Banking and Currency and ordered to be printed.

AMENDMENT TO SECOND SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION ACT, 1943

Mr. LA FOLLETTE submitted an amendment intended to be proposed by him to the bill (H. R. 7672) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1943, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

To be inserted at the proper place:

"FOREST SERVICE

"Forest products: Not to exceed $30,000 of the appropriation for experiments, investigations, and tests of forest products at the Forest Products Laboratory, or elsewhere, fiscal year 1943, shall be available for the acquisition of additional land adjacent to the present site of said laboratory at Madison, Wis."

MOBILIZATION OF THE TECHNOLOGICAL RESOURCES

Mr. KILGORE submitted the following resolution (S. Res. 303) which was referred to the Committee on Military Affairs:

Resolved, That the subcommittee on technological mobilization of the Military Affairs Committee is authorized and directed to study the possibilities of better mobilizing the technological resources of the United States, for the more efficient prosecution of the war. The subcommittee shall report to the Military Affairs Committee at the earliest practicable date the results of its investigation, together with its recommendations, if any, for necessary legislation.

For the purpose of this resolution, the subcommittee is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-seventh and succeeding Congresses, to employ such clerical and other assistants, to borrow from Government agencies and departments such special assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $2,500, in addition to the cost of stenographic services to report such hearings, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

HOSPITAL NEEDS AND FACILITIES IN THE DISTRICT OF COLUMBIA AND ADJACENT AREA

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a preceding day which will be read.

The legislative clerk read the resolution (S. Res. 302) submitted by Mr. MCCARRAN on October 10, 1942, as follows:

Whereas the Federal Government, by concentrating its tremendous war activities in the city of Washington and the metropolitan area surrounding the District of Columbia, has brought a vast increase in population estimated at over a million persons within the area; and

Whereas the public utilities and public services to accommodate this vast army of persons has not kept pace with that increase; and

Whereas one of the major and most important fields of service, vital to the health and well-being of the community which has failed to meet the enlarging demands upon it because of inadequate housing, personnel, materials, and equipment, is that of local hospitalization; and

Whereas the number of physicians, surgeons, dental surgeons, nurses, and other

practitioners of the healing arts available to the public and to institutions is steadily decreasing by the call to service in the armed forces of the Nation; and

Whereas the crowded conditions, and in many instances in many parts of the area the unsanitary living accommodations, the complete upheaval of the normal economic and civic life of the city caused by the enormous problem of keeping the war effort at a maximum of efficiency, are the source of a serious menace to the health of the area; and

Whereas such a menace might easily become an epidemic; and

Whereas in the opinion of many leaders of this community such an epidemic might easily become a reality; and

Whereas not only the health and the life of the entire populace, civilian and military, will be endangered, but the war effort will come to a virtual standstill if such condition obtains; and

Whereas the need for additional buildings, nurses' homes, nurses, student nurses, sterilizing and surgical equipment, ambulances, and hospital beds has been forcibly brought to the forefront on numerous occasions by the Senate Committee on the District of Columbia through public meetings, personal conferences and contacts with officials of the Federal Security Agency, Federal Works Agency, the Public Health Service, the District Commissioners, and other Government agencies and officials, and through correspondence, telegrams, and other modes of communication, which conferences and contacts and correspondence have demonstrated the urgent need for such expansion of hospital facilities, and at the same time has brought forth no definite or tangible results; and

Whereas it would appear that notwithstanding all of the apparent need and emergency, nothing has been done to assure against possible epidemic and growing inadequacy: Now, therefore, be it

Resolved by the Senate of the United States, That the Federal Works Agency, the Public Health Service, the District Commissioners, and other Government agencies and officials, charged with the responsibility of providing the people of Washington and its environs with adequate hospital facilities, prepare and submit to the Senate a report, within 10 days from the adoption of this resolution, setting forth plans and specifications which have been adopted, and those which are under study and consideration as to their feasibility, possibility, and availability, together with the present status of each project, actual or contemplated, and giving in detail the type of accommodations and facilities which are considered necessary to meet the situation existing and to rectify the conditions prevailing, including the supplies and equipment of all kinds necessary to an immediate carrying out of the program in full.

This resolution is intended to apply to all Government agencies, Federal and municipal, whose powers and authority embrace the final action required to actually put the necessary buildings, structures, and requisite personnel into operation, as well as to those agencies whose powers and authority require the giving of approval or sanction to obtain the necessary labor, materials, and supplies, to the end that the projects may, without delay, become an operating reality.

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. BARKLEY. Mr. President, is that the resolution submitted by the Senator from Nevada?

Mr. McCARRAN. It is my resolution, and I ask that it be modified by increasing the time within which a report may be made from 10 days to 15 days.

Mr. BARKLEY. That is on page 3, line 7, instead of 10 days the Senator would make it 15 days?

Mr. McCARRAN. I would make it 15 days.

Mr. BARKLEY. I have no objection.

Mr. McNARY. Mr. President, I inquire, What is the resolution?

Mr. McCARRAN. The resolution requests various Federal authorities having to do with the construction of hospital facilities in the District of Columbia to make a report to the Senate as to what progress, if any, they either are making or contemplate making.

Mr. McNARY. Is the Senator asking for the present consideration of the resolution?

The VICE PRESIDENT. The resolution is before the Senate, having been carried over from a preceding day.

Mr. McNARY. So it comes up automatically.

The VICE PRESIDENT. It comes up automatically.

Mr. LA FOLLETTE. Mr. President, I inquire, What was the amendment the Senator from Nevada proposed?

Mr. McCARRAN. The original resolution provided that the report should be made within 10 days. I now ask to modify the resolution so that the report may be made to the Senate within 15 days.

Mr. LA FOLLETTE. Does the Senator think it necessary to increase the time another 5 days?

Mr. McCARRAN. It was thought that perhaps some of the agencies could not prepare their report within the time originally specified. Five days does not mean anything compared to the time which has already been wasted.

Mr. LA FOLLETTE. The point I make is that this program was authorized months ago, and the money was made available for it. If they have not got their program ready to report by this time, I do not think 5 days will do them any great good. I am sorry the Senator is being so lenient about it.

Mr. BARKLEY. Mr. President, I think it ought to be said that the Senator from Nevada is making the change at my suggestion, because I was not certain that the various authorities, the Commissioners and the whole list of those who have been dealing with the subject, would be able to make their report within 10 days.

Mr. LA FOLLETTE. The Senator realizes that this report was authorized and the money made available many months ago. The city is in dire need of hospital facilities, and, unless something is done about it, there will be created here a situation which will be shocking to the entire country.

Mr. BARKLEY. My only object was that I did not want these agencies to come in at the end of 10 days and say they had not time to make the report.

Mr. LA FOLLETTE. Let them come here in 10 days and say they have not had time. They have been working upon this matter for 10 months, and it is time they had some action to report.

Mr. McCARRAN. I am glad to have the Senator from Wisconsin support our position, because he is entirely right.

The VICE PRESIDENT. The question is on agreeing to the resolution as modified by the Senator from Nevada.

The resolution, as modified, was agreed to.

The preamble was agreed to.

REPORT TO THE FARMERS OF AMERICA—STATEMENT BY SENATOR THOMAS OF OKLAHOMA

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD a statement in the nature of a report to the farmers of America, which appears in the Appendix.]

ADDRESS BY JAMES G. PATTON ON FARMERS IN THE WAR

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an address entitled "Farmers and the War," delivered by James G. Patton, president, National Farmers' Union, at a meeting of the Iowa Farmers' Union at Des Moines, Iowa, September 29, 1942, which appears in the Appendix.]

ADDRESS TO THE WOMEN OF GERMANY BY MRS. LORNA FARRELL

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a radio address to the women of Germany, delivered on September 27, 1942, by Mrs. Lorna Farrell, editor in chief of the magazine the Woman, which appears in the Appendix.]

PRAYER BY SGT. CONLEY M. ABBOTT

[Mr. KILGORE asked and obtained leave to have printed in the RECORD a prayer by Sgt. Conley M. Abbott, of Hemphill, W. Va., now stationed in New Caledonia, which appears in the Appendix.]

The VICE PRESIDENT. The routine morning business is concluded.

INVESTIGATION OF CERTAIN AIRPLANE ACCIDENTS

Mr. KILGORE. Mr. President, I should like at this time to read for the RECORD a prepared statement from the Committee on Military Affairs. The statement is very short.

Mr. President, there was inserted in the RECORD on September 25 by the Senator from New Hampshire [Mr. BRIDGES] a petition from Mr. Joseph Leib urging action on Senate resolution 234, together with some letters, a newspaper item, and copy of the resolution.

In reading this insertion in the RECORD anyone may arrive at the conclusion that the resolution was reported by the Military Affairs Committee, that $25,000 had been provided for an investigation of airplane accidents, and that no action had been taken by the committee.

For this reason I desire to make a statement to clarify the record and to show that a subcommittee of the Military Affairs Committee had been active in the matter.

At this point I wish to repeat a statement which appears on page 3308 of the CONGRESSIONAL RECORD of April 3, 1942:

Mr. KILGORE. Mr. President, day before yesterday I reported from the Committee on Military Affairs Senate Resolution 234 erroneously, and asked for the reference of the resolution to the Committee to Audit and Control the Contingent Expenses of the Senate. I thought at the time that the resolution had been approved by the Committee on Military Affairs. I have since ascertained that I was mistaken. I therefore ask unanimous consent that the Committee to Audit and Control the Contingent Expenses of the Senate be discharged from the further consideration of the resolution, and that it be referred to the Committee on Military Affairs for their approval before being referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. Without objection, the change of reference will be made.

Mr. President, Senate Resolution 234 was not introduced and was not reported to the Senate as a result of committee action. It was introduced only in order that the subcommittee of which I was chairman might hold hearings and to enable the committee to determine what disposition should be made of the question.

Hearings were held and the matter of airplane accidents thoroughly studied by the subcommittee.

On yesterday, October 12, the full committee considered Senate Resolution 234 and, after very careful consideration, issued the following statement:

Appearing before the Committee on Military Affairs today were Lt. Gen. Henry H. Arnold, commanding the Army Air Forces, and Col. S. R. Harris, Army Air Forces, who has specialized in the investigation of airplane accidents and has charge of the special force of inspectors which makes these investigations.

For over 6 months this committee has been considering airplane accidents.

From the confidential information previously given the committee by experts in the field of Army aviation, all of which has been confirmed by General Arnold today, the committee is of the opinion that the investigations of airplane accidents have been and are now being conducted thoroughly and expeditiously by Army Air Force experts, and that the causes of accidents developed by investigations are being disseminated to all activities concerned in training and production with a view of obviating similar accidents as far as practicable.

This committee is assured that the accident rate is smaller than we had a reason to believe it would be, due to the tremendous increase in flying hours. We were further convinced on evidence presented that in no accidents has there been proven evidence of sabotage.

SHORTAGE OF FARM LABOR

Mr. CAPPER. Mr. President, I have just received a statement from the United Dairy Committee, representing 23 States and 9 national associations, which met in Chicago last week.

"Unless speedy action is taken to insure dairy farmers of a reasonable supply of skilled help," Secretary Buskirk of this committee, writes me, "production of dairy products in 1943 will fall sharply below the present year, or even 1941."

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks the statement from this committee addressed to the President, General Lewis B. Hershey, Director Paul V. McNutt, and Secretary Claude R. Wickard.

While I have the floor I desire to call attention to some of the facts brought out in this letter. All over the country dairy herds are being sold—and all too frequently the cows are slaughtered—because the dairy operator cannot get skilled help, or any help, to aid him in continuing production of milk.

In Wisconsin, dairy production in August was nearly 10 percent below what it was in August 1941. Increase in slaughter of dairy cows was 20 percent higher than a year ago. In Kansas, as I pointed out to the Senate while we were debating the so-called anti-inflation bill, dairy herds are being dispersed and the cows slaughtered at a most distressing rate.

The United Dairy Committee has worked out a 10-point program, to which I invite the attention of the Senate. It is set forth in the letter which I send to the desk for insertion in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED DAIRY COMMITTEE,
Chicago, Ill., October 9, 1942.

The Honorable ARTHUR CAPPER,
United States Senate,
Washington, D. C.

SIR: Under the sponsorship of the United Dairy Committee, which committee represents the entire dairy industry in matters of general interest, a meeting was held in Chicago, Friday, October 2, to discuss the very serious situation with reference to farm labor, particularly that among dairy farmers.

The enclosed resolutions are the carefully considered position taken by the dairy industry with reference to this matter. They are worthy of the most careful attention you can give them.

Unless speedy action is taken to insure dairy farmers of a reasonable supply of skilled help, production of dairy products in 1943 will fall sharply below the present year, or even 1941.

Yours truly,
M. G. VAN BUSKIRK,
Secretary.

[Enclosure]

The PRESIDENT OF THE UNITED STATES,
Gen. LEWIS B. HERSHEY,
Director PAUL V. McNUTT,
Secretary CLAUDE R. WICKARD:

The fact that we have passed the peak of production of dairy products; the sharp decrease in production which in Wisconsin reached 9½ percent in August, as compared with August of 1941, in spite of the best pasture and feed conditions on record; the increase in the slaughter of dairy cows, which was 20 percent higher on the Milwaukee market in August than in 1941; together with similar conditions on other markets; the startling number of farm-dispersal sales; and the definite, personal reaction of more than 1,000 dairy farmers from the chief dairy producing States—Wisconsin, Minnesota, Iowa, Kansas, Missouri, Illinois, Indiana, Michigan, and Ohio—and the expressed judgment of representatives of all phases of the industry from these 9 States, assembled in Chicago on this date, October 2, 1942, prompted the passage of the following resolutions.

A few points stand out with startling clearness. The production of dairy products will continue to decrease with increasing momentum as a result of the increasing shortage of farm labor due to industrial wages wholly out of proportion to the farmers' ability to pay and to the induction into the armed forces of irreplaceable, skilled agricultural workers so essential to the maintenance of agricultural production.

We assume, and we believe correctly, that the production of dairy products is one of the first essentials of the war program. This fact, together with those enumerated above, make mandatory certain adjustments in our present food-for-victory program. The continued production of the volume of dairy products necessary to the maintenance of full vigor of our armed forces, the supplying of food to sustain the general health of all our people, and to supply the demands of the lend-lease program hangs in the balance. The responsibility for making the necessary corrections and for setting up such programs as will maintain this necessary volume of dairy products rests squarely upon the policy-making authorities in Washington.

1. Winning the war: The first obligation of every American is to do his full share toward winning the war. To that end the dairy industry pledges its full and complete cooperation in every respect.

2. Production of food: The production of food is a first essential of our war effort. This must be faced fully and carefully and definite allocation of labor made to the production of essential farm products.

3. Critical defense areas: Conditions existing in critical defense areas where abnormal food consumption exists must be studied and definite allocations of manpower made so as to produce as much of the essential agricultural products as possible and thus meet transportation congestion.

4. Equality of manpower: A study of the equality of manpower on the basis of production in the total war effort is essential to efficient operation of the selective service, Manpower Commission, and the allocation of the necessary labor to the production of food, particularly dairy products.

5. Assurance to dairymen: Immediate action must be taken to assure dairy farmers of an adequate supply of skilled and competent labor to stop the sharp decreases in dairy production.

6. Balance: A complete over-all picture of the all-out war program in the allocation of manpower is necessary with definite relation to needs of the armed forces, their equipment, and to the necessary food supply.

7. Prices and wages: Industry and agriculture are out of balance. Agricultural commodity prices and industrial wages must be put into, and kept in, balance if maximum production of agricultural products is to be had.

8. Industrial wages, time, and effort: Industrial wages, time, and effort put forth must be set on a basis of all-out production. Present disparity of effort and return between agriculture and industry must be adjusted. Labor is patriotic and should be allowed to put forth full powers and time into the maximum effort rather than on the basis of a 40-hour week. The war effort cannot be prompted to the fullest extent if either industry or agriculture operates on a 40-hour week.

9. Voluntary enlistment: Voluntary enlistment in all armed services should be halted at once. This should be followed by a definite allocation of manpower to all war needs.

10. Recognition of essential service: Some form of recognition of the essential nonmilitary service being rendered, and to be rendered, by farm labor and keymen in the dairy industry should be made. We recommend serious consideration of the definite assignment of manpower to the essential food industries, possibly through the formation of an agricultural corps.

The united dairy committee has repeatedly offered its services to the United States Department of Agriculture. It now offers the services of the best minds of the dairy industry to all branches of the Federal Government concerned therewith in helping to solve these tremendously vital problems.

Respectfully submitted,
UNITED DAIRY COMMITTEE,
R. E. AMMON, *Chairman.*
M. G. VAN BUSKIRK, *Secretary.*

ADMINISTRATION OF PRICE CONTROL ACT

Mr. REED. Mr. President, I rise for another purpose, but before proceeding in that regard I wish to express my concurrence with the statement made by the senior Senator from New Mexico [Mr. HATCH] regarding our distinguished colleague, GEORGE W. NORRIS. At a later date, in my own time and right, I expect to say a few words about Senator NORRIS, and express the hope that for the benefit

of the United States as a whole he will be retained in the Senate so long as he lives.

Like the distinguished minority leader, the Senator from Oregon [Mr. McNARY], I, too, am ready to vote on the question of lowering the draft age to 18 years. I have been ready to vote for a long time, whenever the Commander in Chief and the high command of the Army determine what they desire.

Mr. President, I wish to proceed now to the question which I rose to discuss. Ten days ago, after the end of a historic debate, we passed what was popularly known as the anti-inflation bill. It was passed after 2 or 3 weeks of debate in the Senate. I was one of those Senators the majority leader was kind enough to mention by name as having contributed to the result. The Senator from Michigan [Mr. BROWN], who was in charge of the bill, was also kind enough to give me some credit. I mention that merely in order that there may be no misunderstanding in relation to what I am about to say. I have approached this question without bias or prejudice or partisan feeling.

Throughout the debate, Mr. President, there constantly ran a current of lack of confidence in the administration of the law if and when the bill were enacted. On the floor of the Senate, in the cloakrooms, in the lounge, in the reading room, 10 or 20 Senators said to me that they doubted whether the Price Administrator would fairly administer the law, no matter how plain the directions were, and some Senators went even to the extent of expressing a lack of confidence not only in the Price Administrator but, perhaps, in authority higher than the Price Administrator.

Unfortunately, the soundness of the basis for that lack of confidence has already been demonstrated. I say that with regret, not with any satisfaction. I shall not detain the Senate very long, but there is no subject before this body and before the country more important right now than whether clearly expressed mandates of the Congress, written into law, shall be carried out.

First, Mr. President, I wish to refer to the President's Executive order, paragraph 2 of title IV, appearing on page 7873 of the Federal Register for October 6. In that paragraph the President directs as follows:

> In establishing, maintaining, or adjusting maximum prices for agricultural commodities or for commodities processed or manufactured in whole or in substantial part from any agricultural commodity—

Mark this language, Mr. President—

> appropriate deductions shall be made from parity price—

for certain payments.

Mr. President, I challenge the authority of the President lawfully to use that language, because, under the clear direction of the law, there are no appropriate deductions which can be made from the parity price.

On Monday of last week, following the President's order on Saturday, the senior Senator from Alabama [Mr. BANKHEAD] and I had breakfast together, and we freely discussed the language of the President's order and the position taken. Since that time the senior Senator from Alabama has made a very definite public statement, which was published in the newspapers, expressing the same thought I have expressed here, namely, that under the language of the act no power has been given the President to make the deductions he apparently has in mind.

Mr. President, the question of deductions from the parity price will doubtless arise later. There is a more immediate and urgent question presented by an order of the Price Administrator affecting wheat and flour which immediately concerns the wheat-producing States. The principle of the order concerns everyone. The application of it concerns immediately and importantly the wheat-growing States, and Kansas happens to be the leading State in the production of wheat as well as in the milling of flour.

I desire to read, as briefly as I can, the language of the law. I read now from a print of the bill as reported from the conference, which appears on page 7719 of the CONGRESSIONAL RECORD for October 2, 1942. I shall refer to only a few sentences. I now read from section 3:

> No maximum price shall be established or maintained for any agricultural commodity under authority of this act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture. * * *

The bill states in subparagraphs (1) and (2) what those prices shall be. Subparagraph (1) refers to the parity price as determined by the Secretary of Agriculture. Subparagraph (2) refers to "the highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942."

Mr. President, the only lawful price which can be used by the President, the Price Administrator, or the Director of Economic Stabilization, is the higher of those two prices, and nowhere in the law is anything stated about deductions from those prices.

I now come to the question of the first order issued by the Price Administrator. On October 3, 1942, the day after the approval of the law, Mr. Henderson issued an order which appears on page 7914 of the Federal Register for Tuesday, October 6, 1942. It is carried under the following heading:

> Part 1351—Foods and food products.

It then states that the ceiling price of flour shall be the highest price prevailing "during the 5 days prior to the date of the issuance of this regulation." Those 5 preceding days would be September 28, 29, 30, October 1 and October 2, or perhaps one more day in September and one less day in October.

Mr. President, the price of wheat upon which the flour price was based during those 5 days was $1.02 a bushel on the farm. The parity price was $1.34. Mr. Henderson directly violated the clear mandate given to him in this law, so recently enacted, when he fixed the ceiling upon flour prices at 76 percent of the parity price of wheat.

Let me read the section of the law which pertains to this matter. In this connection I will state to the Senators who are interested in cotton, hogs, rice, tobacco, or any other commodity, that they will probably be confronted with this very question. By a coincidence, so far as I know, wheat happens to come first under the consideration of the Price Administrator, and this is what he did to us over our protests. The law provides:

> No maximum price shall be established or maintained under authority of this act or otherwise for any commodity processed or manufactured in whole or in substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2).

That is the law. That is the direction by the Congress to the President and to the Price Administrator. There is the clear mandate given by the legislative branch of the Government to the executive branch.

Mr. President, there have been informal conferences held between Senators interested in these questions, and we have prepared a letter addressed to Mr. Henderson. The letter is dated yesterday. Signatures of Senators began to be attached to the letter yesterday. They are still being attached. Some 15 or 16 signatures are now attached to the letters. I shall read a portion of the letter, and then ask that the entire letter be made a part of the RECORD. From the letter, which is addressed to Mr. Henderson, I quote:

> We desire to call your attention to the following provisions of the act of Congress approved on October 2, 1942, entitled "An act to aid in stabilizing the cost of living."

I shall skip over parts of the letter which quote directly portions of the law which I have already quoted and which are in the RECORD. The letter goes on to say:

> The prices of flour prevailing in the period mentioned were based upon the current prices of wheat. * * * The price of wheat on the farm was reported by the Secretary of Agriculture on September 15, 1942, as averaging $1.026 per bushel for the United States, and stated by the Secretary to be 76 percent of the parity price for wheat, which is $1.344 per bushel.

Mr. President, these are figures supplied by the Secretary of Agriculture under direction of the law. I continue to read from the letter:

> There has been little change in the market since September 15, and this figure may be accepted as representing the farm price of wheat upon which the ceiling prices of flour were based.
>
> * * * * * *
>
> It seems to us that this amounts to a violation of section 3 of the act approved October 2, 1942.

We conclude the letter with this paragraph:

> In order that we may consider possible future action with regard to these matters, we ask to be informed at your earliest convenience of your reasons for departure from the clear provisions of this act.

Mr. President, in addition to my own signature, that letter at this time bears the signatures of the senior Senator from Alabama [Mr. BANKHEAD], the senior

Senator from Nebraska [Mr. NORRIS], the distinguished minority leader, the Senator from Oregon [Mr. MCNARY], the senior Senator from Kansas [Mr. CAPPER], the senior Senator from Colorado [Mr. JOHNSON], the senior Senator from South Dakota [Mr. BULOW], the junior Senator from Idaho [Mr. THOMAS], the junior Senator from Nebraska [Mr. BUTLER], the senior Senator from Iowa [Mr. GILLETTE], the senior Senator from Oklahoma [Mr. THOMAS], the senior Senator from Montana [Mr. WHEELER], the junior Senator from Illinois [Mr. BROOKS], the senior Senator from Minnesota [Mr. SHIPSTEAD], the senior Senator from Idaho [Mr. CLARK], the senior Senator from New Mexico [Mr. HATCH], the junior Senator from South Dakota [Mr. GURNEY], the junior Senator from Arkansas [Mr. SPENCER], the junior Senator from Minnesota [Mr. BALL], the junior Senator from Colorado [Mr. MILLIKIN], the junior Senator from Indiana [Mr. WILLIS], and the junior Senator from Oregon [Mr. HOLMAN].

Perhaps before the letter is mailed today additional signatures will be added, and if they should be, Mr. President, I ask permission to add the additional signatures to the letter, which I wish to have printed in the RECORD at this point as part of my remarks.

The PRESIDING OFFICER (Mr. SPENCER in the chair). Without objection, it is so ordered, and the letter will be printed in the RECORD.

(The letter is as follows:)

OCTOBER 12, 1942.

MR. LEON HENDERSON,
Administrator, Office of Price Administration, Washington, D. C.

DEAR MR. HENDERSON: We desire to call your attention to the following provisions of the act of Congress approved on October 2, 1942, entitled "An act to aid in stabilizing the cost of living."

"SEC. 3. No maximum price shall be established or maintained for any agricultural commodity under authority of this act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

"(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or

"(2) The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials).

"And no maximum price shall be established or maintained under authority of this act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section."

We also call attention to the following provisions in part 1351 (foods and food products) in temporary maximum price regulation 22:

"In accordance with the direction of the President to take action which will stabilize prices affecting the cost of living, and under the authority therewith delegated by the President pursuant to the act of Congress approved October 2, 1942, entitled "An act to aid in stabilizing the cost of living" (H. R. 7565), Seventy-seventh Congress, second session, and under the authority of the Emergency Price Control Act of 1942, the Price Administrator, after consultation with the Secretary of Agriculture, hereby issues this Temporary Maximum Price Regulation No. 22 establishing as the maximum prices for certain essential food products not heretofore subject to price control the prices prevailing for those products during the 5 days prior to the date of issuance of this regulation.

"1351.801 (8). Flour: All flour produced from wheat, rye, buckwheat, rice, corn, oats, barley, soybeans, and potatoes, and combinations thereof, including bleached, bromated, enriched, phosphated, and self-rising flours."

The prices of flour prevailing in the period mentioned were based upon the current prices of wheat (in many instances on lower wheat prices obtaining in July, August, or September, by reason of forward sales). The price of wheat on the farm was reported by the Secretary of Agriculture on September 15, 1942, as averaging $1.026 per bushel for the United States, and stated by the Secretary to be 76 percent of the parity price for wheat, $1.344 per bushel, reported by him at the same time. There has been little change in the market since September 15, and this figure may be accepted as representing the farm price of wheat upon which the ceiling prices of flour were based. It follows that the ceiling prices ordered by the Administrator are the equivalent of 76 percent of the current parity price for wheat.

It seems to us that this amounts to a violation of section 3 of the act approved October 2, 1942.

Manifestly, a flour price based on $1.026 a bushel does not square with the provisions of the act requiring that no maximum price shall be established or maintained under authority of this act or otherwise below the price which will reflect to the producer of this commodity, a price equal to the higher of (1) the parity price of such commodity ($1.344) or to the highest price received for such commodity between January 1, 1942, and September 15, 1942.

The supplemental order issued by you on October 8, as we understand it, protects the millers possibly to the extent of 8 or 10 cents a bushel, but does not change the fact that the maximum flour prices set do not reflect parity price to producers, as required in the act of October 2, 1942.

In order that we may consider possible future action with regard to these matters, we ask to be informed at your earliest convenience of your reasons for departure from the clear provisions of this act.

Respectfully,

Clyde M. Reed, Kansas; John H. Bankhead, Alabama; G. W. Norris, Nebraska; Chas. L. McNary, Oregon; Arthur Capper, Kansas; Edwin C. Johnson, Colorado; W. J. Bulow, South Dakota; John Thomas, Idaho; Hugh Butler, Nebraska; G. M. Gillette, Iowa; Elmer Thomas, Oklahoma; Burton K. Wheeler, Montana; C. Wayland Brooks, Illinois; Henrik Shipstead, Minnesota; D. Worth Clark, Idaho; Carl A. Hatch, New Mexico; Chan Gurney, South Dakota; Lloyd Spencer, Arkansas; Joseph H. Ball, Minnesota; E. D. Millikin, Colorado; R. E. Willis, Indiana; Rufus C. Holman, Oregon.

Mr. REED. Mr. President, a news item appeared in a Washington newspaper dated October 11, under the headline—

Grain prices slump; uncertainty over ceilings blamed.

Then follows an Associated Press dispatch from Chicago beginning with these words:

Grain prices slumped 1 to 2 cents a bushel today to lows for the past month or longer in a general liquidation movement which brokers blamed on uncertainty as to price ceilings.

Mr. President, after giving much consideration to this matter, I prepared a memorandum on October 7 for the information of my associates and colleagues, which sets out as concisely as I know how all the facts which I have here discussed. I ask that the memorandum be made a part of the RECORD at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

OCTOBER 7, 1942.

I

The anti-inflation bill was approved October 2, 1942. On October 3 the President issued an Executive order providing, among other things, that "the prices of agricultural commodities and of commodities manufactured or processed in whole or substantial part from any agricultural commodity should be stabilized, so far as practicable, on the basis of levels which existed on September 15, 1942," and further it was provided:

"2. In establishing, maintaining, or adjusting maximum prices for agricultural commodities or for commodities processed or manufactured in whole or in substantial part from any agricultural commodity, appropriate deductions should be made from parity price or comparable price for payments made under the Soil Conservation and Domestic Allotment Act as amended, parity payments made under the Agricultural Adjustment Act of 1938, as amended, and governmental subsidies" (title IV).

On the same day the President addressed a letter to Leon Henderson, Administrator, Office of Price Administration, directing him, after consultation with the Secretary of Agriculture, to establish ceiling prices for various foods, including flour, and in that letter said:

"In line with my recent message to the Congress, you should consider present governmental payments to agricultural producers, and subsidy payments in arriving at the minimum ceiling prices."

On the same day the President issued a statement with reference to the statute in which he said:

"It leaves the parity principle unimpaired."

II

On the same day (October 3, 1942) Leon Henderson, Administrator, Office of Price Administration, issued an order, Temporary Maximum Price Regulation No. 22, establishing maximum prices for certain food products, including flour, corn meal, hominy, and hominy grits, to continue for a period of 60 days, after which permanent ceilings are to be ordered for the same commodities.

The maximum prices ordered are the sellers' highest prices charged during the period September 28, to October 2, 1942.

III

The prices of flour prevailing in the period mentioned were based upon the current prices of wheat (in many instances on lower wheat prices obtaining in July, August, or September, by reason of forward sales). The price of wheat on the farm was reported by the Secretary of Agriculture on September 15, 1942, as averaging $1.026 per bushel for the United States, and stated by the Secretary to be 76 percent of the parity price for

wheat, $1.344 per bushel, reported by him at the same time. There has been little change in the market since September 15, and this figure may be accepted as representing the farm price of wheat upon which the ceiling prices of flour were based. It follows that the ceiling prices ordered by the Administrator are the equivalent of 76 percent of the current parity price for wheat.

IV

The Anti-inflation Act contains the following:

"No maximum price should be established or maintained under authority of this act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in Clauses (1) and (2) of this section" (sec. 3).

Clause 1 prohibits any maximum price for any agricultural commodity below a price which will reflect to producers the parity price for such commodity.

V

It appears from the above that the Administrator, acting upon instructions from the President, has established ceiling prices for flour which reflect to the producers of wheat prices substantially below the parity price for wheat and, therefore, contrary to the express provisions of the Anti-inflation Act. Flour is a commodity processed in whole from wheat and, therefore, clearly within the provisions of the statute.

This statement can only be challenged if parity is determined to be subject to the deductions mentioned in the Executive order. The statutory provisions for parity negative any such theory.

VI

The Anti-inflation Act provides that the minimum ceiling for any agricultural commodity shall be "the parity price for such commodity" (sec. 3, clause (1)). This act is an amendment to the Emergency Price Control Act of 1942, which provides: "For the purposes of this act, parity prices shall be determined and published by the Secretary of Agriculture as authorized by law" (sec. 3 (b)).

The Secretary of Agriculture publishes such parity prices on the 15th day of each month, and the last such publication, dated September 15, 1942, reported a parity price for wheat of $1.344 per bushel.

If parity prices are subject to the deductions mentioned in the Executive order the current parity price for wheat would be $1.11, as follows:

The reported parity price is	$1.344
Deductions:	
Conservation payment	.099
Parity payment	.135
	.234
	1.11

Public Law 74, Seventy-seventh Congress, approved May 26, 1941, provided for loans to producers of wheat at 85 percent "of the parity price." The loan actually made on the 1942 crop was at the rate of $1.14 per bushel, 85 percent of the established parity price of $1.34.

The Agricultural Adjustment Act of 1938 defines parity as follows (sec. 301 (a) (1)):

"Parity, as applied to prices for any agricultural commodity, shall be that price for the commodity which will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the base period * * *."

Note the use throughout of the word "prices." Price is defined in the Emergency Price Control Act of 1942 (sec. 302 (b)) as meaning "the consideration demanded or received in connection with the sale of a commodity."

VII

The 1942 wheat loan is based upon a price on the farm of $1.14 per bushel equivalent to 85 percent of parity. The ceilings on flour are the equivalent of $1.026 per bushel, or 76 percent of parity. Clearly this policy violates both the letter and the spirit of the act recently passed.

No ceiling should be fixed for flour at less than a price based on parity price for wheat of $1.344 per bushel, plus "a generally fair and equitable margin" for processing, as required by section 3 of the Anti-Inflation Act.

The policy announced in the President's order, and as followed in the order of Price Administrator Henderson, must have one of three results, namely:

(a) The farmer will have a base price of $1.026 per bushel for his wheat, which is 76 percent of parity, or

(b) The Federal Government must subsidize the miller to the extent of any amount above $1.026 per bushel he pays for wheat, or

(c) The Federal Government must take over and operate the flour-milling business.

Mr. REED. Mr. President, the Price Administrator, Mr. Henderson, issued a supplemental regulation some days after his original regulation. That helped the miller, but it did not help the farmer with respect to his wheat prices. I have dealt with that matter also in a memorandum dated October 12, 1942, in which I have tried to set out the facts. I ask unanimous consent that the memorandum be printed in the RECORD as a part of my remarks at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

OCTOBER 12, 1942.

On October 3, 1942, Price Administrator Leon Henderson issued temporary maximum price regulation No. 22, in which he established maximum prices for "certain essential food products," including flour. Such maximum prices were fixed upon the level of the seller's maximum price charged by him during the period September 28 to October 2, 1942, inclusive. The term "highest price charged during the base period" was defined to mean the highest price which the seller charged for the product delivered by him during the base period.

On October 8, 1942, Mr. Henderson issued amendment No. 1 to temporary price regulation No. 22 to provide that "in the case of a seller of flour from wheat * * * in bulk and packaged in quantities greater than 3 pounds, 'highest price charged during the base period' means the highest price at which seller * * * contracted to sell for immediate or future delivery * * *."

Thus the maximum price was changed from the basis of the price for flour delivered in the base period to the basis of the price for flour contracted in the base period.

The reason for the amendment was that flour millers complained that the flour delivered in the base period had been contracted at earlier dates when the wheat market was lower and that the prices for such flour did not reflect the present wheat market with reference to which they would be obliged to contract new sales.

The effect of the original regulation can be determined from the following table:

Wheat prices (per bushel) on every Saturday, July 3, 1942, to Oct. 10, 1942, inclusive

Date	Chicago futures prices	Kansas City futures prices	Prices of cash wheat No. 1 Hard, 13.50 percent protein, at Kansas City	
July 3, 1942	$1.17⅜	$1.08⅞	July	$1.09⅞
11, 1942	1.19¾	1.11⅞	do	1.10
18, 1942	1.16	1.09	do	1.05¼
25, 1942	1.19⅞	1.12¼	September	1.12¼
Aug. 1, 1942	1.16⅜	1.09⅝	do	1.09⅜
8, 1942	1.17⅝	1.10¾	do	1.12
15, 1942	1.18⅞	1.12⅝	do	1.15
22, 1942	1.17⅞	1.11¾	do	1.13¼
29, 1942	1.19⅝	1.13⅞	do	1.15⅞
Sept. 5, 1942	1.23¾	1.17½	December	1.19
12, 1942	1.25⅞	1.19½	do	1.20½
19, 1942	1.27⅝	1.21⅝	do	1.23
26, 1942	1.28½	1.22⅝	do	1.24½
Oct. 3, 1942	1.27⅝	1.21⅞	do	1.24
10, 1942	1.23¾	1.18¼	do	1.20¾

It is a common practice in the milling business to contract for flour at harvest time for long periods in advance—even as long as 6 months, and most sales are made well in advance of delivery. Allowing for time in transit and other factors, practically no sales could be made and delivered in a 5-day period, therefore, the original ceiling was in practical effect based on the earlier sales when the wheat market was lower.

On October 3 the price of cash wheat as shown above was $1.24 per bushel, but during August it ranges from $1.09⅝ to $1.15⅞, hence the statement by the Administrator that the amendment increased the ceiling price on flour from 10 to 15 percent. It did increase the ceiling price on flour but did not have any effect on the price of wheat.

The amended ceiling, approximately $1.24 per bushel, basis Kansas City, therefore, is not greatly different from the prices prevailing in September. The Department of Agriculture reported the average price of wheat on the farms as of September 15 as being $1.026 per bushel. It follows, therefore, that the amended flour ceilings represent approximately that price for wheat.

If a generous allowance be made for a lag in time it would hardly exceed 10 cents per bushel, which assumption would bring the average farm price of wheat to $1.13 per bushel. The 1942 loan rate on wheat is $1.14 per bushel (farm average). The loan rate fixed at Kansas City is $1.27 per bushel. Compare the table above.

The September parity price for wheat is $1.344 on the farm. The amended ceilings represent a farm price of $1.026 or possibly a little above that figure. Wheat is still selling below the loan price of $1.14. Obviously, the ceilings may represent a wheat price somewhat over $1.026—it most certainly cannot exceed $1.14. In the most liberal view that can be taken, the ceilings reflect a wheat price in excess of 20 and probably 25 cents per bushel less than parity.

The millers are afforded some temporary relief by the amended order. However, as the supply of free wheat offered by farmers diminishes the demand will increase the price. An increase of 5 cents in the wheat market means 25 cents per barrel. Much less of an advance will seriously affect most millers and cause them to refuse flour sales. The effect upon the wheat market is obvious.

Mr. REED. Mr. President, the question of good faith is involved in this matter. The Congress wrote certain things plainly into the law. All the way through the debate on the measure there constantly arose expressions of lack of con-

fidence in its administration. I happen to be one of those Senators who helped to persuade the doubters to accept the bill and go along. I confess, not with pride, but with regret, that those fears were well founded. I say here and now that the President's order contained some things which are without any foundation in law, and that the first act of the Administrator in undertaking to deal with these articles processed from agricultural commodities is a direct, flagrant violation of the law, and I for one shall use my position and my voice in the Senate at least to make an effort to see that the President, highly placed as he is, and the Price Director, shall conform to the law.

Mr. BUTLER. Mr. President, I should like to endorse the remarks made by the distinguished Senator from Kansas [Mr. REED] with reference to what I would call the bungling way in which the price law has thus far been administered, at least with reference to too many commodities which originate with the farmer. What the distinguished Senator from Kansas has had to say as to the wheat order and how it affects directly the producer of wheat can be said with respect to what will result from the anticipated order in regard to meat. If what we hear suggested should happen, the meat producers will be affected far more seriously than the producers of wheat.

I sincerely hope that the rumor which has reached us may be false, for it has resulted in a great disservice to the country in this way: One feed yard which annually finishes as prime beef 35,000 head of cattle is empty today because of the confusion, because of the doubt which surrounds the industry. Most feed yards which have cattle in them do not have to exceed 50 percent of the number ordinarily to be found there at this time of the year. We are going to find ourselves in a most serious situation, one which few persons can visualize at this moment. I spoke of this months ago. I have spoken a number of times on the subject, so I need not detain Senators longer at this moment.

Mr. President, I have not burdened the RECORD with many telegrams and letters which I have received on this and kindred subjects, but I shall ask the Senate to bear with me while I read one telegram which I received this morning from the president and the State director of the National Reclamation Association, an organization which is now in session in the city of Denver. It is dated yesterday, is addressed to me, and reads as follows:

DENVER, COLO., *October 13, 1942.*

HON. HUGH BUTLER:

Shortage labor irrigated farming, particularly sugar beets, dairying, livestock; acute and alarming. Production program vital, war crops in West imperiled. Under average weather conditions, substantial percentage 1942 sugar beets will be frozen in ground unless additional workers supplied immediately. Montana 1,800, Utah 2,000, Idaho 2,500, South Dakota 300, Colorado will advise number Wednesday, Wyoming 500, Nebraska 500, North Dakota and Minnesota 300, Oregon 500. Before Members return home for election campaigns urge efforts remedial measures, such as deferment labor engaged beet, dairy, livestock production; stabilizing farm workers present jobs; more intensive efforts recruiting evacuee, alien, prison camp labor, procurement Mexican workers.

O. S. WARDEN,
President, National Reclamation Association.
H. D. STRUNK,
State Director.

Mr. President, any one of us could read to the Senate hundreds, if not thousands, of messages which tell the same story. So I am sincerely hopeful that the administration—those in authority and in charge of handling of the labor problem—will take this matter under serious consideration at the earliest possible moment; otherwise it will be too late. The war program does not consist entirely of drafting men, arming them, and sending them to the battle front. The war program includes the production of food to maintain those at the front.

The size of the Army we are preparing has been the subject of discussion a number of times on the floor of the Senate. I am not one of those who believe that we are going to lose the war. We are going to win the war; but we shall win it much more quickly if we proceed along a reasonable line with reference to the enlistment of an army. I do not believe that we need an army of 10,000,000 or 13,000,000. Others, who are possibly better informed, may differ with me; but my opinion is that if we attempt to take from the farms and industries of the country an army of even 10,000,000, we shall break down in part of the war production program at home. At this time the production of food is just as essential as is the winning of battles.

EFFECTIVENESS OF THE WAR EFFORT

Mr. CHANDLER. Mr. President, I wish to make the basis of my remarks an article written by Mr. David Lawrence, which appeared in the Washington Evening Star, published in Washington, D. C., on Thursday, October 8.

I agree with my distinguished friend from Nebraska [Mr. BUTLER] that the prophets of gloom who go about the country telling the people that for one reason or another we are going to lose the war do not contribute to winning the war. I never saw a people, a team, or an individual engaged in a contest of any kind helping themselves by fighting a losing game. I think it is perfectly proper to say to the people that certain things are necessary and ought to be done in order to make our side more effective in the cause in which it finds itself engaged. However, I do not like to see the prophets of gloom seize upon isolated instances, or things which may be in the nature of "gripes." All of us have "gripes." The "gripe" is a great American institution. Everyone, whether he is in the Army or is a civilian, has a right to "gripe" about anything; and we make full use of that privilege. If it is only a "gripe" we soon get over it; but if it reaches such a point that it handicaps either the civilian or the military effort, it becomes so serious that some notice should be taken of it.

I am sorry the Senator from Montana [Mr. WHEELER] is not present. The "gripe" of his friend was so important that he referred to it for the second time in the past 8 or 10 days. I do not know how important it is whether sash are painted before they are installed or afterward; but I doubt whether that factor would make much contribution to winning the war.

Recently, in company with the Senator from Oregon [Mr. HOLMAN], the Senator from Washington [Mr. WALLGREN], and the Senator from Ohio [Mr. BURTON], I made a visit to some of the military establishments, both within and outside the continental United States. We went to the Aleutian Islands, bare islands with no trees, rising out of the Bering Sea and the Pacific Ocean, with mountains rising from their shores. There young Americans are getting up at 4 o'clock in the morning and working until 10 o'clock at night, asking nothing except a letter from home, a package of cigarettes, and a bar of candy. If other Senators could make such a trip and see what we saw, it would immediately occur to them that there is something to this war besides a "gripe" at home about an isolated instance which, of course, we all regret.

Mr. Lawrence says that he has been making an investigation of the set-up of the Military Establishment of the United States. He says:

> Perhaps the most important thing for Government to acquire and retain in wartime is the confidence of the people—confidence that the men at the top whose moves are necessarily cloaked in the utmost secrecy are operating solely with the idea of winning the war, irrespective of any other consideration.

Mr. Lawrence says—and I agree with him—that those at the top in the Military Establishment of the United States today are men who have won their positions through sheer merit, and who are entitled to the positions they occupy. If supported by the people of the United States, they will be successful sooner than if they are opposed by any considerable number of the people of the United States. To quote Mr. Lawrence again:

> The war is being managed by the men who know war best, the men who have spent a lifetime in the armed services and have come to their places in the high command through sheer merit and outstanding performance.

Broadly speaking, for us the strategy of making war is in the hands of the President of the United States, as Commander in Chief; for the British it is in the hands of Mr. Winston Churchill, Prime Minister of the British Empire; the Russians and our other allies have men designated by them to represent them in the Inter-Allied Council. They have adopted a plan of strategy. We are fighting all over the world. This is a

global war; and while we recognize that certain things ought to be done in certain localities, none of us wishes to have those things done at the expense of some more important sector of the war.

These men execute the war policies. Mr. Lawrence says:

> It can be stated unequivocally that President Roosevelt has given to the members of the United States chief of staff his fullest support and that he has really followed meticulously the policy of noninterference in military matters.
>
> The significance of this analysis is that if the high command of the United States decides upon secrecy with respect to past engagements or future plans or operations the public may rest assured that the reasons motivating such a decision bear relation only to necessary deception with respect to the enemy and the safeguarding of troops or materials in transit. The American people can have the utmost confidence in the high command which has emerged as the management staff of military and naval operations.

Mr. President, in order to win this war, we must have the finest trained army that we have ever had in the history of the country. We are about to obtain such an army. We have been training an army for a comparatively short time. A full year is required to train a young man to be a member of the Air Corps, the Artillery, or one of the other important services in the Army of the United States. If we give our young men such training, they will have a better chance to survive than they would have if we were to put them into battle after 6 months' training, as we have been forced to do in other wars.

During the war 25 years ago young men were frequently sent into battle after being in a quiet sector for a short time following only 6 months of training.

I think it is time to stop listening to the so-called armchair strategists, the before-the-war military experts, who told us that nothing would happen to us, that all we had to do was to fold our arms and stay on this side of the ocean; that the oceans would protect us, that nothing would happen to us, and that no nation or combination of nations could whip us or threaten us.

I have no quarrel with them for making a mistake. Anyone is likely to be mistaken about what may happen in a world such as that in which we live today. In many instances that mistake prevented the people of the country from being as well prepared as they would have been if they had followed the leadership of the President of the United States, who continually implored both branches of Congress to make sufficient appropriations to meet eventualities and emergencies if and when they should occur.

It should be repeated that the President did not want this war. No citizen of this country wanted the war. Many of us were so anxious to avoid the war that we did not take the pains to do what we should have done in order best to equip and prepare ourselves for this terrible catastrophe. Now that it is here, and we have been in it for less than a year, we are about to seize the offensive all over the earth. In doing so, we shall keep the war away from the United States, and away from its people.

So far, except in a few isolated instances, the people of this country have not suffered the tortures of war, as have the people of almost every other country on earth. The President and the military leaders are right in carrying the war to the enemy, because if we do not carry the war to the enemy, ultimately we shall have no choice except subjugation to his wishes. In other words, if we do not carry the war to him he will carry the war to us; and we cannot win the war on the defensive.

Mr. President, I wish I could tell the things which, as a member of the Committee on Military Affairs, I have an opportunity to know. It is not that we do not want the people to know these things but, if the newspapers get the news, the people get the news, and the enemy gets the news, the result may be the loss of thousands of American boys who would otherwise be saved.

Mr. ROSIER. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. ROSIER. This morning I read in the newspaper that Secretary Stimson had ordered an Army officer who was on the program of the Town Meeting of the Air not to appear and not to discuss the matter which he proposed to discuss on that program.

I am wondering about the wisdom of such a policy. I understand that the Army officer who was to appear on that program is a very ardent supporter of air power as a means of winning the war. The Secretary advanced as a reason for prohibiting that speech that a speech of that nature on a program so widely heard would create disunity. Are we to understand that there is intense rivalry among the various departments of defense, such as the Air Corps, the Navy, and the Army?

A few days ago I went to a news-reel theater, and I was disturbed more than I have been in quite a long time. A General Somervell—I had heard of him—had gone into a motion-picture studio and had produced a news reel; in other words, he made a speech which was reproduced in a news reel. I presume that that news reel is circulated all over the United States—probably in hundreds, if not in thousands, of theaters. The general said, first of all, that we have failed on every front in this war. That was the first part of his remarks. He said—and these were his very words—

> We have failed on every front in this war.

I should not dispute his authority for making that statement. Perhaps he knows more about how we are getting along in the war than I do, but the thing I resented was the second part of his speech. He had a right to speak on military matters, although if we are losing the war it is his fault and the fault of his colleagues and associates, because certainly the Members of the Congress have furnished all the support they have been asked to furnish, and if we are not winning the war it is the fault of the men in charge of our armed forces, to whom we have given every support. I resented particularly the second part of the general's speech, in which he discussed elections. I wish to say that if civilians have no right to pass judgment on military matters, I take a similar position regarding the right of military men to pass judgment upon political matters, and I say that military men should stay out of politics. I make that statement very positively. I gathered from the second part of the general's speech that he did not think we should have any elections, that he thought that elections were a general nuisance, and that we should forget them. I do not think that was any of his business; I do not think that he, as a military man, has any business discussing the elections in this country, because, certainly, elections are a vital part of our American way of doing things. We have had elections from the beginning of the Government, and in elections we have the process of democratic government. We had elections during the Civil War; we had them during the first World War. I resent having a general deliver a screen speech in which he ridicules the people of the country for being bothered by elections or for paying any attention to them. That is none of his affair.

In recent weeks there has been much said about there being too much talk. I think that if the military men will attend to their own affairs, and will keep their hands out of the political affairs of the country, they will be in much better order. It seems to me that there are too many generals running around the country talking at banquets and declaring what is wrong with the country in a civilian way. I suppose it is no more than right that we should do a little talking about what is wrong with them. [Laughter.]

Mr. CHANDLER. Mr. President, I should like to say to my friend the Senator from West Virginia that I am so anxious that we succeed in winning the war that I do not like to see us spend so much time fighting each other. We are so busy fighting each other that it is no wonder that sometimes we fail to whip the enemy.

If the Secretary of War wants to prevent an Army colonel from delivering a speech which, in his opinion, would be hurtful to the cause, I think he is justified in doing so; because when a man is in the Army—and let me say that I have been in the Army, and that I now hold a Reserve officer's commission—he has to obey the instructions of his superior; otherwise it would be impossible to run an army.

Mr. McCARRAN. Mr. President, from the Senator's statement I am wondering whether he would go so far as to say that there should be a suppression of a fact which, if known to the country, might inure to the benefit of the war effort?

Mr. CHANDLER. No. I think it is true in this country and in every other free country that any citizen has a right to criticize. I think the Senator from West Virginia has a right to criticize General Somervell, and I think General Somervell has a right to criticize the Senator; but I think all of us should give up that right, because we have a dangerous enemy to fight, and if we fight each other we shall not whip the enemy.

Both the Senator and the General have a right to criticize each other, but they should not do so. General Somervell is one of the best officers who has been developed in the Army of the United States. I do not know how capable he is as a politician. He may be a bad politician, but he is a good soldier; and in a short time he has risen in rank from lieutenant colonel to lieutenant general in charge of supplies. He has a way of getting things done, and that is what I am interested in. I should be willing to have him fuss a little at me about elections if he arranges to whip the Japs and the Germans, although I say that I wish he would not take part in any fussing.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. McCARRAN. With reference to the Senator's remarks about General Somervell, let me say that I recall that at the time when the general was promoted, statements appeared in the newspapers to the effect that he was not only a good general but a good politician.

Mr. CHANDLER. That may be; he may be both. However, I think the important thing to us is that he be a good general. I think he is a good general.

Of course, if the Members of the House of Representatives and the Members of the Senate who think they are good military strategists and military geniuses want to conduct the war, and if the generals in command of the Army want to play politics, my judgment is that we shall be in a most unhappy predicament in a short time. [Laughter.]

We want to win the war. The Senator from West Virginia says that if we lose the war the responsibility for losing it will be upon the general and his military associates. I do not think so. I think that the job of the American people is to produce the things which the military forces need. Some of us tried to do it. Some did not try to do it, but I do not censure them. The fact remains that before the war came we should have been working to provide the things necessary for the defense of our country.

I say that the record shows that we made the most phenomenal progress in supply and production and training that ever has been made by any country in the history of the world. We are not losing the war. We are winning the war. It does not do any good to say that we are losing the war, because that is not so.

Mr. ROSIER. General Somervell said in his speech that we were losing it.

Mr CHANDLER. That might be his idea about it; and certain persons might make such a statement in order to cause someone else to do more than he was doing, and to lend greater assistance in helping to get the job done. I do not know the general's reason for making the speech. However, it is my conviction that the American people do not have to be told fairy stories or bedtime stories. They want to be told the truth. Wherever it is necessary to withhold the truth from them because it is not prudent that the information be furnished the enemy it should be withheld.

In a democracy processes are slow, much slower than in a country controlled by a dictator, who goes out in the morning and says, "You do this, you do this, and you do this," and there is no election about it, because if they do not do what they are told their heads are cut off. In such countries there is no argument, because if the people do not do what they are told they are destroyed and someone else is called upon to do the work.

In our country we are about to have an election. It is none of a general's business whether we have an election. The people of the United States want to have an election; they want to have a chance to vote for the men whom they prefer to have in office. In my opinion, they will vote for men who by their actions have demonstrated that they know this is one world, that we are in this war, and that they are willing to see far enough ahead not only to win the war, and to do whatever must be done in order to win it, but also to do whatever must be done in order to make sure that 25 or 30 years from now there shall not be another war in which the little children and babies of today would have to fight.

I am willing to do whatever is necessary to be done, regardless of the consequences. Frequently men in public office make mistakes, and cast votes that their constituents do not approve, with the result that their constituents turn them out of office, as they have a right to do. However, frequently the people have said later on, "We know now that we made a mistake in turning you out, and that we should not have done what we did." Then a man grows in stature in the opinion of the people.

Mr. President, it cannot be assumed that one American is more anxious than another that our Nation win the war. Of course, we have Army and Navy football games; jealousy between the services. Of course there is, but we do not want it to go to extremes.

I have had an opportunity to visit the boys in the Aleutians and in the Northwest Territory, and I have had an opportunity to see them in Alaska, and to realize the hardships they endure with smiles on their faces. All they want to know is that back home we know what is going on up there, and that we know what they are doing. They ask very little.

All the instances that are picked out—the isolated instances I have seen fit to call "gripes"—are relatively unimportant; although if they are magnified and added to, much harm might be done. One citizen might lay such great stress on an isolated instance that the whole war effort would be handicapped.

I say to the Senate that at this moment we have a finer army and a better trained army than we have ever had at any time in all our history. We are improving our position everywhere in the world. If we continue to give our support to the men in our armed forces and to the President and his officers—his high command—we shall win the war. If we do not win it with them, we shall not win it with anyone else, because we do not have time to wipe out the past and start over again.

I understand that the man who has been criticized has not always been a supporter of the President or of his administration. However, a careful investigation has been made, and it has been found that the present set-up is not only effective but efficient—controlled by men of merit who know the military situation. If they came to me and said—and if I believed what they said, and I do believe it—"Senator, it is necessary that this be done in order to get the job done," I should not hold back a thing they asked for, because I do not know what is needed, and I do not think any considerable number of the people of the country know, or that any considerable number of the Members of the Senate or Members of the other House know. When those in charge tell us, "We need this and we need that for the armed forces," I think all of us should get together and should give all we can give to help the country defeat our dangerous and treacherous enemies.

Mr. President, I close with this word: In view of the statements which have been made by certain persons—and I concede they have a right to make them—that, for one reason or another, this man is doing what he ought not to do, that some other man is doing what he ought not to do, and that we are losing the war, I thought it appropriate to say that they are not contributing to the success of the great undertaking in which we are engaged.

I say again that we will win the war quicker, and we will save more lives, if we have faith in our cause, faith in Almighty God, and faith in the leaders we have—the President of the United States and his staff and those who are in charge of waging the war against our enemies. If we have faith in them and back them wholeheartedly, victory will come sooner, and then we will make a peace which will guarantee for the future a wider distribution of goods and services to all the peoples of the earth.

In that peace America will say to all the world, "This is one world; we are a part of it, and we shall see to it that never again shall the peace be broken; we shall be strong enough, at all times in the future, to prevent the recurrence of war." That is what the people want, and they are ready to make any sacrifice to bring it about. They do not need to be brow-beaten. All they need to do is to have their Commander in Chief make the request of them. Any man who will give his son or give his life, will give anything else. Let the people know what is wanted, and then let everyone in this country talk win, and quit being prophets of gloom and doom, because that does not contribute to the ultimate victory for which we are all so anxious and for which we so devoutly pray. God willing, if we will adopt that course, we shall succeed, as we must, in the interest of the common security of the people of our great country.

EXCLUSION OF CERTAIN PROPERTY FROM CONDEMNATION PROCEEDINGS—CONFERENCE REPORT

Mr. McCARRAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R.

5503) to authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its first amendment.

That the House recede from its disagreement to the second amendment of the Senate; and agree to the same.

PAT MCCARRAN,
JOSEPH C. O'MAHONEY,
G. W. NORRIS,
Managers on the part of the Senate.
HATTON W. SUMNERS,
EMANUEL CELLER,
EARL C. MICHENER,
Managers on the part of the House.

The report was agreed to.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENTS

Mr. McKELLAR. Mr. President, earlier in the day I obtained unanimous consent to report an appropriation bill during the recess of the Senate between now and Thursday or Friday, or whatever the time may be. Two or three amendments to the bill propose legislation. In accordance with rule XL, I send to the desk a notice in writing.

The notice in writing submitted by Mr. MCKELLAR is as follows:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 7672) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1943, and for other purposes, the following amendments, namely:

Page 12, after line 22, insert the following:

"OFFICE OF PRICE ADMINISTRATION

"The second proviso clause under the head 'Office of Price Administration' in the First Supplemental National Defense Appropriation Act, 1943, is hereby amended by deleting therefrom the words: "shall be so administered during the fiscal year 1943 as to constitute the total amount that will be furnished to such Administration during such fiscal year for the purposes set forth in this paragraph and'."

Page 22, after line 2, insert:

"UNITED STATES MARITIME COMMISSION

"On and after November 1, 1942, section 2 of the Independent Offices Appropriation Act, 1943, approved June 27, 1942, shall not apply to the position of Vice Chairman of the United States Maritime Commission so long as the office is held by the present incumbent."

Page 24, after line 21, insert:

"BUREAU OF MINES

"Construction and equipment of helium plants: For an additional amount, fiscal years 1943 and 1944, for 'Construction and equipment of helium plants,' to constitute one fund with the appropriation under this head in the Interior Department Appropriation Act, 1943, such fund to be available for all the objects for which said appropriation is available, including transportation of personnel engaged in work authorized thereunder between helium plants and related facilities and communities that provide adequate living accommodations when specifically authorized by the Secretary of the Interior after a determination by the Office of Defense Transportation that existing private and other facilities are not and cannot be rendered adequate by other means and that the exercise of this authority will result in the most efficient method of supplying transportation to the personnel concerned, and the purchase and exchange of passenger-carrying trucks, trailers, and busses used for such purposes without charge against the limitation on the purchase of passenger-carrying automobiles hereinafter specified, $11,000,000: *Provided*, That the limitation of $16,600 on expenditures for purchase (including exchange) of passenger-carrying automobiles is hereby increased to $33,250, and the limitation of $30,000 on expenditures for personal services in the District of Columbia is hereby increased to $80,000."

Page 24, after line 21, insert:

"The authority granted by the Interior Department Appropriation Act, 1943, to the Secretary of the Interior, or any official to whom he may delegate such authority, for the duration of the war and 6 months thereafter, to appoint skilled and unskilled laborers, mechanics, and other persons engaged in a recognized trade or craft, including foremen of such groups, employed at experimental plants and laboratories of the Bureau of Mines without regard to the Classification Act of 1923, as amended, is hereby extended to include appointment of such employees at helium plants and properties related thereto."

Page 28, after line 21, insert:

"Flood control, general: For the protection of numerous defense plants now engaged in making war equipment and located along the Arkansas River, between the cities of Tulsa and Sand Springs, Okla., the Bureau of the Budget is hereby directed to release the funds in the total sum of $513,000 heretofore appropriated (the sum of $300,000 earmarked in the third supplemental national defense appropriation bill and the sum of $213,000 earmarked in War Department civil functions appropriation bill, fiscal year 1943) and immediately following the issuance of such order of release of such impounded funds, the Chief of Engineers of the United States Army is directed to proceed to the completion of the local flood protection works substantially in accordance with the recommendation of the Chief of Engineers in House Document No. 157, Seventy-seventh Congress, first session, at an estimated cost of $513,000, and as approved and authorized by the Flood Control Act, 1941 (Public Law 228, 77th Cong., 1st sess.)."

Page 28, after line 23, insert:

"SEC. 201. The limitation of $925 specified in section 405 of the Sixth Supplemental National Defense Appropriation Act, 1942, and any similar limitation specified in any other appropriation act for the fiscal year 1943 may be exceeded by such amount as the Secretary of War, in the case of the War Department, the Secretary of the Navy, in the case of the Navy Department, the Commissioners, in the case of the government of the District of Columbia, and the Director of the Bureau of the Budget, in the case of other essential governmental needs, may determine necessary to obtain satisfactory light-weight and medium-weight motor-propelled passenger-carrying vehicles, but in no event shall the price so paid for any such vehicle exceed the maximum price for such vehicle established by the Office of Price Administration, and in no event more than $1,500."

Page 28, after line 23, insert:

"SEC. 202. Section 301 of the Second Supplemental National Defense Appropriation Act, 1941 (act of September 9, 1940, 54 Stat. 884), be, and it hereby is, amended to read as follows:

" 'SEC. 301. That during the period of the national emergency declared by the President on September 8, 1939, to exist, so much of section 6 of the act approved May 6, 1939 (53 Stat. 683), as amended by section 2 of the act approved June 30, 1939 (53 Stat. 989), as requires the head of each executive department and independent establishment (other than the Post Office Department) to submit to the Postmaster General quarterly reports relating to mail matter which has been transmitted free of postage, is hereby suspended.' "

Mr. McKELLAR also submitted amendments intended to be proposed by him to House bill 7672, the Second Supplemental National Defense Appropriation Act, 1943, which were ordered to lie on the table and to be printed.

(For text of amendments referred to, see the foregoing notice.)

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. SPENCER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MCKELLAR, from the Committee on Post Offices and Post Roads:

Several postmasters.

By Mr. WALSH, from the Committee on Naval Affairs:

Capt. John L. Hall, Jr., to be a rear admiral in the Navy, for temporary service, to rank from June 14, 1942.

ADJOURNMENT TO THURSDAY

Mr. WILEY. Mr. President, if there is no further business, I move that the Senate adjourn until Thursday next.

The motion was agreed to; and (at 2 o'clock and 3 minutes p. m.) the Senate adjourned until Thursday, October 15, 1942, at 12 o'clock noon.

NOMINATIONS

Executive nominations received October 13, 1942:

DIPLOMATIC AND FOREIGN SERVICE

Raymond P. Ludden, of Massachusetts, now a Foreign Service officer of class seven and a secretary in the Diplomatic Service, to be also a consul of the United States of America.

APPOINTMENTS AND PROMOTIONS IN THE MARINE CORPS

Col. (temporary) William T. Clement to be a colonel in the Marine Corps from the 29th day of April 1942.

Capt. (temporary) Russell Duncan to be a first lieutenant in the Marine Corps from the 1st day of June 1942.

Gordon R. Lockard, a citizen of Colorado, to be a second lieutenant in the Marine Corps from the 31st day of August 1941.

The following-named citizens to be second lieutenants in the Marine Corps from the 31st day of March 1942:

Thomas T. Grady, a citizen of Georgia.

Leonard G. Lawton, a citizen of Florida.

The following-named citizens to be second lieutenants in the Marine Corps from the 15th day of May 1942:

Victor R. Bisceglia, a citizen of New York.

Robert W. Dyer, a citizen of Iowa.

Robert F. Thompson, a citizen of New Mexico.

John D. Mattox, a citizen of Georgia.

The following-named citizens to be second lieutenants in the Marine Corps from the 15th day of July 1942:

Richard W. Schutt, a citizen of Washington.

James P. Wilson, a citizen of Oregon.

The following-named citizens to be second lieutenants in the Marine Corps from the 6th day of August 1942:

Alfred E. Holland, a citizen of Tennessee.
Monson J. McCarty, a citizen of New York.
Robert L. Raclin, a citizen of Illinois.
Wyman W. Trotti, a citizen of South Carolina.

The following-named meritorious noncommissioned officers to be second lieutenants in the Marine Corps from the 22d day of August 1942:

First Sgt. Charles S. Robertson
Platoon Sgt. James C. Fetters
Platoon Sgt. Donald R. France

The following-named citizens to be second lieutenants in the Marine Corps from the 22d day of August 1942:

Robert H. Venn, a citizen of Ohio.
William B. Onley, Jr., a citizen of Delaware.
Edgar L. Allen, a citizen of Virginia.
Charles H. LeClaire, a citizen of Michigan.
Edwin H. Klein, a citizen of New Jersey.
George W. Ellis, Jr., a citizen of California.
Alfred J. McCourtney, a citizen of California.
David W. Bridges, a citizen of Florida.
Burdette A. Ogle, a citizen of California.
William K. Gillespie, a citizen of Texas.
Robert D. Meilin, a citizen of Indiana.
Jefferson D. Smith, Jr., a citizen of Louisiana, to be a second lieutenant in the Marine Corps from the 26th day of September 1942.

HOUSE OF REPRESENTATIVES

TUESDAY, OCTOBER 13, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou knowest, our Father, how often we pray for things far beyond our power; help us to have a faith to believe that Thou dost hear our prayer and desirest to help Thy children. As we go forth today touching the lives of our fellows, make us a blessing to all. Grant that we may swell the tides of the coming day when the world shall be free with the recognition that in the kingdom of the soul obedience to Thee is strength and life and disobedience is weakness and death.

Let Thy fatherly goodness and kindly providence bless all the homes of the Congress and such as are separated. Grant that they may minister unto that precious life temple into which time is sweeping our dreams and hopes. Whatever is pure and enriching in thought and character is identified with the immortal tradition of the home. Here the cloudy summits of our times must be cleared, bidding us to surpass the heroes of yesterday. Kindle in all hearts such a flame that shall consume the dross of evil passion and bind us together with the cords of brotherly cooperation; Oh, hear our humble prayer for the sake of Him, our Lord and Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. HARE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered by Hon. Sergio Osmena, Vice President of the Philippines, before the American Women's Voluntary Services of New York City, October 9, 1942.

The SPEAKER. Is there objection?

There was no objection.

Mr. SIKES. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks and include certain excerpts from an invitation to bid on surplus property by the Procurement Division of the Treasury. The title of the extension is "Ten Bags of Rags Wrapped Up in Red Tape—Weight Unknown."

The SPEAKER. Is there objection?

There was no objection.

Mr. SABATH. Mr. Speaker, some time ago I obtained unanimous consent to insert in the RECORD speeches made by the Speaker, and by the majority leader, also by Mr. DOUGHTON, Mr. COOPER, and Mr. MCKEOUGH. I find that the cost will be a little more than is permitted under the rules. Therefore I ask unanimous consent to extend my remarks in that way, notwithstanding.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object. I would like to know what the cost of that will be.

Mr. SABATH. Around $125.

Mr. RICH. It must be a pretty good speech.

Mr. SABATH. They were all good speeches.

The SPEAKER. Is there objection?

There was no objection.

Mr. DELANEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and insert therein an address delivered by the Attorney General of the United States yesterday; also, an editorial from the New York Times of Tuesday, October 13, 1942, to accompany the address delivered by Attorney General Biddle.

The SPEAKER. Is there objection?

There was no objection.

THE NATION'S MANPOWER

Mr. LYNCH. Mr. Speaker, I ask unanimous consent to address the House tomorrow for 10 minutes, after the conclusion of the business on the Speaker's desk and any other special orders.

The SPEAKER. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, as with everything else, we must do regarding manpower whatever is necessary to win the war. In my judgment, it could be solved in the following manner:

First. To men with dependents grant a secure draft status in the form of indefinite deferment, provided such men take and keep the jobs in which they are most needed and which they are best qualified to fill. The deferment would end only if he quit the job—but it would end then.

Second. Put this system in effect in agriculture first so as to induce family men to stay in agriculture or return to it if they have left it.

Third. At the same time make it plain to employers and single men of proper age that deferment of such men may be ended at any time they are needed to fill draft quotas. In this way we would soon have a situation where men deferred from military service would in most cases have two reasons for deferment: First, family dependents; and, second, occupational deferment.

THE NEW TAX BILL

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, I hold in my hand a Treasury statement showing that on October 6, in 77 days or 11 weeks, the United States Treasury has gone in the red $13,478,191,797.77—a terrible deficit. That is over $1,300,000,000 a week. An unheard of deficit by any country of the world. Where will you get the money? You have now before you a tax bill—H. R. 7378—consisting of 601 pages that is supposed to raise $6,291,000,000. That will take care of the deficits for only 5 weeks at the rate you are going—a terrible situation. If you are ever going to do things sensibly—if you will ever come to a balanced Budget—then in order to raise money you will have to have another tax bill, or you will have to cut expenses and the easiest and most sensible way to raise money is to cut down on your expenses, consolidate Government offices, and eliminate things that are not essential in government. Goodness knows there are many such departments, much inefficiency and great opportunities to cut down Government expenses. That is the only way you will ever get to a sensible business administration, and unless you do that and start to do it now, you are going to find out that you will get into the most difficult position this Nation has ever been in. In fact, you are there now. That is one way to assist in getting out of a bad situation. It takes nerve and common sense to do the right thing for your country. The longer it is delayed in cutting down expenses the harder it is going to be to save the country. Let us do it now. I will do my part, will you?

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

NATURALIZING AMERICAN SOLDIERS AND MARINES

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, it seems appropriate, in celebrating Columbus Day, for Congress to consider providing a speedy and effective method to naturalize approximately 75,000 American soldiers and sailors of Italian origin now serving in the armed forces of the United States.

I have introduced the following resolution as a simple method of justice to accomplish this desirable purpose without undue delay.

Joint resolution authorizing naturalization of foreign nationals serving in the armed forces of the United States

Whereas there are approximately 75,000 unnaturalized soldiers and sailors of Italian origin, and thousands of nationals of other countries, serving in the armed forces of the United States, and

Whereas these aliens are serving and fighting shoulder to shoulder with naturalized and native-born American citizens in the same uniform and enduring the same hardships and risks in order to defend America and to win the war, and

Whereas the mothers and fathers of these aliens are in many instances working in war industries and contributing their share to victory, and have given their sons to serve on the fields of battle for the duration of the war; therefore, be it

Resolved, etc., That all nationals of any foreign nation serving in the armed forces of the United States may, upon application, attain citizenship by naturalization: *Provided*, That such applicant shall have served in the armed forces of the United States for a period of not less than 90 days: *Provided further*, That his commanding officer shall have certified that the services of such applicant have been satisfactory.

SEC. 2. That the commanding officer of the unit in which such applicant may be serving is hereby authorized to administer the oath of allegiance and to notify the Attorney General of the United States, who is likewise authorized by this act to issue an appropriate certificate of citizenship to the applicant.

EXTENSION OF REMARKS

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to extend my remarks by including a leading editorial that appears in the New York Times today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and include a letter which I have received from Mr. Roland T. Lakey, secretary of the Michigan Drug Industries Advisory Council, with reference to a matter of very great importance to the armed forces.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ELIOT of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the New York Times pertaining to the exemption of Italians from enemy-alien classification.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOLLAND. Mr. Speaker, I ask unanimous consent that on Thursday, after the business of the day and any other special orders, I may address the House for 35 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

(By unanimous consent, Mr. PATRICK and Mr. NELSON were granted permission to extend their own remarks in the Appendix of the RECORD.)

ATTORNEY GENERAL BIDDLE

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, I read with considerable chagrin and astonishment a statement by Frank C. Waldrop, in the Times-Herald of day before yesterday. Mr. Waldrop styles himself as a columnist. I am inclined to style him as a "calumnist." I do not now do so, but unless he makes amends I must. He stated that Attorney General Biddle was about to leave the Department of Justice and would be appointed a member of the Supreme Court, and then added:

To have him out of the Department of Justice would be a good thing for the country, naturally. Mr. Biddle has been a failure as Attorney General.

That is a desperately outrageous statement. I am intimately acquainted with Mr. Biddle and his works. As a member of the House Judiciary Committee I have frequent contact with the Department of Justice. I can say without risk of contradiction by any one that he ranks with the greatest of our Attorneys General.

In that connection, as a Member of this body, I have had personal contact with Attorneys General Stone, Mitchell, Cummings, Jackson, Murphy, and others before them in my practice of law. I believe most of you will agree with me, if not all of you, that Attorney General Biddle is a most splendid gentleman and an able administrator. He is a thorough, erudite, and courageous public official. His recent utterance removing the bar sinister of "enemy alien" upon American Italians is applauded throughout the land as an act of true statesmanship.

Let newspaper writers criticize all they will. But that criticism must be fair and sincere. Sly and mean statements must be taboo. This writer of the Times-Herald deserves condign chastisement for his utterly unfair effusion.

He even infers wrongful conduct to the President. If the Attorney General were a "failure" surely the President would have no right to advance him to the Supreme Court. His statement is a slur upon that Court, since it implies that the Court is a reservoir of incompetents and nincompoops.

I brand Waldrop's remarks a sad commentary upon freedom of the press.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that the Committee on Immigration and Naturalization may sit during the session of the House tomorrow.

The SPEAKER. Without objection it is so ordered.

There was no objection.

MARINE CORPS OFFICERS, WASHINGTON, D. C.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3152) to suspend restrictions during the present war and for 1 year thereafter upon the service of certain officers of the Marine Corps in the Marine Corps Headquarters, Washington, D. C., with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 7, after "thereafter" insert "or until such earlier time as the Congress by concurrent resolution or the President by proclamation may designate."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MICHENER. Mr. Speaker, reserving the right to object, will the gentleman explain the amendment?

Mr. VINSON of Georgia. Under the reservation of the distinguished gentleman from Michigan, I desire to state that under existing law Marine Corps officers may not serve in the headquarters here in Washington any longer than 4 out of 8 consecutive years, except by proclamation of the President, in the public interest.

The bill, H. R. 3152, as passed by the House suspended that for the duration of the war. The Senate amendment, however, would permit the House by concurrent resolution or the President by proclamation to restore the original provision to the effective date at an earlier time.

Mr. MICHENER. Further reserving the right to object, Mr. Speaker, there is a great deal of comment in the country today about uniformed officers serving in Washington in the War Department, the Navy Department, and other departments, where the Washington task might be performed by civilians or older persons not subject to or fitted for armed combat. The Rules Committee was told this morning that there are approximately 5,000 uniformed officers, I think it was, serving in Washington, many of whom are of draft age, even below the age of 35, and that many of the jobs which they are occupying might be performed by other persons who are unfit for combat service.

Mr. VINSON of Georgia. May I say in reply to the gentleman from Michigan that I introduced this bill some years ago to keep from having built up in the Department a little clique, year in and year out. Therefore, a Marine Corps officer could only serve in Washington 4 years and then he had to go to the field and could not come back within a period of 4 years. But in this war the Marine Corps has found it absolutely essential that certain key officers here, ranking officers, major generals, and brigadier generals in the Marine Corps, be kept here on account of their knowledge of certain matters carried on in the Marine Corps.

I am thoroughly in accord with what the gentleman from Michigan has to say. I want to make this statement: I hope the Rules Committee will grant the rule permitting the Civil Service Committee to make the inquiry along the line that the gentleman from Georgia [Mr. RAMSPECK] is seeking.

It should be inquired into because in my judgment there are thousands

of places in the Army and the Navy that the WAVES and the WAACS could fill releasing the virile young men to go to the front. It ought to be exposed and I hope the gentleman's committee will grant a rule to the Civil Service Committee in order that they may go into the matter.

Mr. MICHENER. Yes. I realize that what we are discussing now is possibly somewhat foreign to the merits of the bill before the House. But when the country realizes that such a large number of civilian employees are in the military establishments of the Government there is bound to be a protest. We are told that in the War Department alone, the pay roll of these civilians more than equals that of the enlisted personnel of the Army. I think this condition should be remedied. The Congress should do the job if the executive departments will not do it.

Mr. VINSON of Georgia. I think in peacetime there should be a requirement that officers of the Marine Corps who serve one term in Washington should go out to the field, but in wartime some of these officers whose 4-year term of service is up are essential in Washington—it is essential to have them right here in this city. I may say, however, that in the rank and file of the officers of the Navy and the Marine Corps everyone wants to be where the fighting is going on.

Mr. MICHENER. The gentleman favors the resolution providing for the investigation of these matters by the Civil Service Commission.

Mr. VINSON of Georgia. That is right; I am heartily in accord with it. Let me say that the very theory on which I introduced and presented to the House the bill creating the WAVES was that they should take the place of the fighting boys behind the desks in the country, that they should do the desk work.

Mr. MICHENER. I am in hearty accord with the purposes sought to be accomplished by the Ramspeck investigating committee, to which the gentleman has referred. Time, however, is of the essence. It seems to me that if this condition does exist it will take time for an investigating committee to develop it; whereas an Executive order, or a demand, or a request by the President that these practices be stopped would be immediately effective. People are now on the civilian pay roll, being carried as stenographers and receiving $105 a month, we were told, when as a matter of fact they were not stenographers at all but were being trained to be stenographers. This practice should be stopped and stopped without the necessity of long hearings before an investigating committee. Some power surely exists to remedy this condition.

Mr. VINSON of Georgia. I do not believe it will take a long hearing to accomplish what the gentleman from Georgia [Mr. RAMSPECK] is seeking to accomplish, and I earnestly urge the gentleman's committee to grant that rule to permit that investigation. Wherever it is possible to supplant an officer in either the Army or the Navy who is doing nothing but routine desk work, he should be supplanted by a civilian so he could go to the field of active operations.

Mr. MICHENER. The gentleman is chairman of the Committee on Naval Affairs. Another thing that was brought up this morning is the fact that a great many commissions have been granted to young men in the services who have no military qualifications but who are wearing military uniforms and doing civilian jobs in Washington. The Ramspeck committee would have no jurisdiction whatever over these cases.

Mr. VINSON of Georgia. That is correct.

Mr. MICHENER. This committee could do nothing about it, whereas an Executive order, or a demand, or a request by the Commander in Chief would put a stop to it now and release these young men, fit for real military duty.

Mr. VINSON of Georgia. May I say that was the very reason Congress passed the bill to bring women into the service, because they can and should supplant boys who are behind desks here in Washington and other cities.

Mr. MICHENER. Can the gentleman give the country any assurance that these particular young men who have been given these preferred commissions to perform desk jobs here in Washington will be assigned to active military duty?

Mr. VINSON of Georgia. I can give the gentleman and the House the assurance that whenever we commission anyone in the WAVES it is for that woman to take the place of some man behind a desk. The WAVES is strictly a replacement organization to get to the front boys who are able to go to the front. If these boys do not have the right kind of training, they are going to be given training to fit them to perform fighting duties instead of clerical duties.

Mr. MICHENER. I am glad to have that assurance, and I hope the gentleman will come on the floor, if this policy the gentleman suggests is not carried out, and demand that something be done. With his great influence in the Congress he should be able to get action.

Mr. VINSON of Georgia. May I say that the Committee on Naval Affairs notified the Bureau of Personnel that we would not permit anyone to go into the WAVES except with the idea that she would replace some man; that if any were brought in and not used for replacements we would ask that that bill be repealed.

Mr. FISH. Mr. Speaker, reserving the right to object, I am in entire accord with my colleague from Michigan. I believe every Member of the House has been wondering why it is that thousands of young naval and Army officers well under the draft age are holding jobs in the various bureaus in Washington. This is the question that is in the minds of every Member of Congress, Republican and Democrat alike. We want to know what Congress can do about it. In the Rules Committee we discussed this subject for half an hour but got absolutely nowhere. The question is, Is there anything the Congress can do about it?

Mr. VINSON of Georgia. Yes; we have done a pretty good job bringing women into the organization to take the place of men. We are going to see that the men get out in the field, and put women in their jobs.

Mr. FISH. The gentleman knows as well as anybody else that we are in accord on that. Time is of the essence.

Mr. VINSON of Georgia. That is right.

Mr. FISH. Can we not get rid of them and get some action right away?

Mr. VINSON of Georgia. I think the proper thing to do is to adopt the Ramspeck resolution. Let the Civil Service Commission deal with the civilian personnel and they will clear up a great deal of the trouble.

Mr. FISH. I am talking about a lot of young officers under the draft age who got down here through favoritism, rich men's sons, political appointees, and social college graduates who apparently have enough influence and pull to continue to fight the war in Washington.

Mr. VINSON of Georgia. We will get more of them out every day and we will get more out as soon as we can recruit the women to take their places. Now, Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. VINSON].

There was no objection.

The Senate amendments were agreed to, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. EDWIN ARTHUR HALL]?

There was no objection.

EXTENSION OF REMARKS

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the San Francisco Call Bulletin.

The SPEAKER. Is there objection to the request of the gentleman from California, [Mr. WELCH]?

There was no objection.

Mr. GRANT of Indiana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include two short articles.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. GRANT]?

There was no objection.

Mr. HILL of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a short article from the Pasco Herald.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. HILL]?

There was no objection.

(Mr. RANDOLPH asked and was given permission to extend his own remarks in the RECORD.)

CALL OF THE HOUSE

Mr. SMITH of Virginia. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. GAVAGAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 116]

Angell	Granger	Pierce
Arnold	Green	Plumley
Baldwin	Gregory	Rankin, Mont.
Bloom	Hancock	Robertson, N. Dak.
Boykin	Hartley	Rockefeller
Buckler, Minn.	Hoffman	Rockwell
Buckley, N. Y.	Hook	Romjue
Byrne	Houston	Sacks
Byron	Izac	Sanders
Camp	Jarrett	Sauthoff
Cannon, Fla.	Keefe, Wis.	Schaefer, Ill.
Chapman	Kennedy, Michael J.	Scrugham
Cluett	Kerr	Shanley
Cochran	Kilburn	Shannon
Cole, Md.	King	Sheridan
Collins	Kleberg	Smith, Wash.
Copeland	Kocialkowski	South
Creal	Kramer	Sparkman
Crosser	Lambertson	Stearns, N. H.
Crowther	Landis	Stefan
Culkin	McIntyre	Sweeney
Curtis	McLean	Taber
Dewey	McMillan	Tenerowicz
Dies	Maas	Thill
Domengeaux	Mason	Tinkham
Drewry	Mills, La.	Vincent, Ky.
Duncan	Murray	Vreeland
Ellis	O'Day, N. Y.	Wadsworth
Folger	O'Hara	West
Ford, Leland M.	O'Leary	Williams
Gearhart	Oliver	Winter
Gilchrist	Osmers	Youngdahl

The SPEAKER. Three hundred and thirty-one Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein figures on the Indians in the armed forces of the United States.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein two patriotic poems written by one of my constituents.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

THE POLL-TAX BILL

The SPEAKER. Under the provisions of House Resolution 110, the Chair designates the gentleman from Texas [Mr. SUMNERS] to control the time in opposition to the bill H. R. 1024.

Mr. GAVAGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 1024) to amend an act to prevent pernicious political activities.

Mr. HOBBS. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. HOBBS. Mr. Speaker, on yesterday when I interposed a point of order the Chair ruled that the point of order was made prematurely and suggested that this would be the proper time to make the point of order. Therefore, I now make the point of order that under House Resolution 110 the distinguished gentleman from New York [Mr. GAVAGAN] is not the person designated in the resolution as the one to call up the bill H. R. 1024 and move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of that bill. In short, the resolution itself reads as follows:

That on said day the Speaker shall recognize the Representative from California, Lee E. Geyer, to call up H. R. 1024, a bill to amend an act to prevent pernicious political activities, as a special order of business, and to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of said H. R. 1024.

The point of order is grounded, of course, upon the fact, disclosed by the records of this Congress and of this House, that the Honorable Lee E. Geyer, formerly a Representative from the State of California, designated by name in this resolution as the only person authorized to call up this bill, is dead; that he has been dead for more than a year; and that, therefore, ample time has been had by the proponents of this measure to introduce another resolution, or otherwise to cure that apparent defect, had they seen fit to do so. However, they having seen fit to gamble upon the tenure of life of our deceased colleague in the first instance, and having failed to cure the defect, I maintain that we are authorized fully to insist upon the resolution being taken at its face value and, therefore, to make the point of order that the gentleman from New York [Mr. GAVAGAN] is not authorized to call up this bill or to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of this bill; hence that he is out of order in atempting to do so.

The SPEAKER. The Chair stated to the gentleman from Alabama yesterday, when the gentleman first attempted to make the point of order he makes now, that it was premature at that time. Later the gentleman from Alabama made the point of order that he made today, and he made it in this form:

Mr. Speaker, I make the point of order that this resolution designates by name the Honorable Lee E. Geyer as the Member of the House who shall be authorized to call up for consideration the bill H. R. 1024, and, as Mr. Geyer is dead, the resolution is functus officio and should not, under the rules of the House, be in order.

The Chair passed upon that point then and if the Chair were to elaborate upon it today, the Chair would make the same ruling. The Chair therefore again overrules the point of order made by the gentleman from Alabama.

The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 1024) to amend an act to prevent pernicious political activities, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. GAVAGAN. Mr. Chairman, of my allotted time I yield to the gentleman from Kentucky [Mr. ROBSION] 45 minutes to be allocated as he sees fit.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. GAVAGAN. Mr. Chairman, I yield myself 10 minutes, and ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GAVAGAN. Mr. Chairman, I believe that I express the feelings of all Members of this House when I say it is our deep regret that the gentleman from California, the late Congressman Geyer, is not here today to care for and handle this bill on the floor.

Mr. Chairman, we are to discuss H. R. 1024 and I think it is but fitting that at the outset we read the bill. After the preamble clause follow sections 1A and 1B, which read as follows:

SEC. 1A. The requirements in many places under the jurisdiction of the United States that a poll tax be paid as a prerequisite for voting at elections for the office of President, Vice President, Presidential elector, Member of the Senate, and Members of the House of Representatives has resulted in pernicious political activities in that frequently such taxes are paid for the voters by other persons as an inducement for voting for certain candidates. Experience proves that existing legislation prohibiting the making of expenditures to any person to induce persons to vote for certain candidates has failed to prevent this practice. It is therefore necessary, in order to insure the honesty of such elections, that the Congress forbid the requirement that poll taxes be paid as a prerequisite for voting at such elections.

SEC. 1B. It is unlawful for any person, whether or not acting under the authority of the laws of a State or subdivision thereof, to require the payment of a poll tax as a prerequisite for voting or registering to vote, at any election for a President or Vice President or Presidential elector or Senator or Member of the House of Representatives of the United States.

Mr. Chairman, I wish to point out at the outset that this bill seeks to control Federal elections, and only Federal elections. With State offices we have no concern, either here or within the purview of the Constitution, and this bill is predicated upon the Constitution of these United States.

In order to interpret properly any statute or the meaning of words or phrases in any writing, it is fallacious to take a particular section from its context, to ignore that which precedes or follows it, and to ask that such word or phrase stand naked and alone.

The opponents of this bill rely upon section 2 of article I of the Constitution which reads as follows:

The House of Representatives shall be composed of Members chosen every second year by the people of the several States and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

They take that section out of the Constitution, ignore what precedes and follows it, and say that here is a mandate giving to the States the right to say who shall be electors in national elections. Mr. Chairman, such method of interpretation is fallacious and has neither the sanction of the rules of construction of statute law, logic, nor the declared policy of interpretation as laid down by the Supreme Court of the United States.

What does the section mean? In order to understand what it means we must go back to the Constitutional Convention where it was adopted. When we do that and read the proceedings that led up to the insertion of that paragraph in the Constitution, we will be convinced that it yields to the Federal Government the right to control its own elections.

Let me very briefly give you some of the history of this section 2. Originally, there was a Pinckney plan offered which read as follows:

The Members of the House of Delegates—

You will note that this House was called the House of Delegates—

shall be chosen every * * * year by the people of the several States and the qualifications of the electors shall be the same as those of the electors in the several States for their legislature.

This proposal was bitterly debated and it was objected to during the debate that it gave to the States the right to determine the electors in national elections. Then Mr. Pinckney offered a second plan providing that the first branch be elected by State legislatures and not by the people. This plan was bitterly opposed and abandoned for a third plan of Mr. Pinckney when he moved that the first branch, instead of being elected by the people, should be elected in such manner as the legislature of each State shall direct. This, too, after debate, was abandoned for a fourth plan, providing that the first branch be elected by the people in such mode as the legislatures should direct.

Then a fifth plan came, providing that the qualifications of the electors shall be the same from time to time as those of the electors in the several States, of the most numerous branch of their own legislatures.

Finally there evolved section 2, and during its debate, and after its adoption, it was unequivocally declared that the States in the first instance could declare the qualifications of electors but that Congress could ultimately change State action in this respect.

Listen to Hamilton in this regard:

I am greatly mistaken, notwithstanding, if there be any article in the whole plan more completely defensible than this. Its propriety rests upon the evidence of this plain proposition. * * * Every government ought to contain in itself the means of its own preservation. Every just reason will at first sight, approve an adherence to this rule, in the work of the Convention; and will disapprove every deviation from it which may not appear to have been dictated by the necessity of incorporating into the work some particular ingredient, with which a rigid conformity to the rule was incompatible. Even in this case, though he may acquiesce in the necessity, yet he will not cease to regard and to regret a departure from so fundamental a principle, as a portion of imperfection in the system which may prove the seeds of future weakness and perhaps anarchy.

It will not be alleged that an election law could have been framed and inserted in the Constitution, which would have been always applicable to every probable change in the situation of the country; and it will, therefore, not be denied, that a discretionary power over election ought to exist somewhere. It will, I presume, be as readily conceded, that there are only three ways in which this power could have been reasonably modified and disposed: That it must either have been lodged wholly in the National Legislature, or wholly in the State legislatures, or primarily in the latter and ultimately in the former. The last mode has, with reason, been preferred by the Convention. They have permitted the regulation of elections for the Federal Government in the first instance, to the local administration; which, in ordinary cases, and when no improper views prevail may be both more convenient and more satisfactory; that they have reserved to the national authority a right to interpose, whenever extraordinary circumstances might render that interposition necessary to its safety.

Nothing can be more evident than exclusive power of regulating election for the National Government, in the hands of the State legislatures, would leave the existence of the Union entirely at their mercy. They could at any moment annihilate it by neglecting to provide for the choice of persons to administer its affairs. It is to little purpose to say that a neglect or omission of its kind would not be likely to take place. The constitutional possibility of the thing, without an equivalent for the risk, is an unanswerable objection. Nor has any satisfactory reason been yet assigned for incurring that risk.

But that was not the only provision of the Constitution that was adopted. Nor was it the only provision delegating to Congress national power of actions. They also adopted article I, section 4, which reads as follows:

The times, places, and manner of holding elections for Senators and Representatives, shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators.

Then they adopted clause 18, section 8 of article I, giving and granting to the Congress the power to make all laws which shall be necessary and proper for carrying into execution "the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or any department or officer thereof." This is a vast grant of power, unequivocal, specific, and definite.

What did we establish with our federal system of government? Was it not intended to establish a national government? If that be so, then that government, in all logic and reason, must have been granted power to function, either specifically or by implication, and certainly the National Government was granted power to protect itself, for it is inherent in things that they must contain within themselves the power for their own preservation. We are a national legislative body—created by a national constitution that declares the qualification for membership in both legislative houses; hence we must have as an inherent power the right to declare how and when Members may be elected and by whom they may be chosen.

Since the adoption of the Constitution we have adopted the fourteenth amendment, that is a reservoir of constitutional power vested in the Congress; a reservoir still untouched by Congress. In a recent case the Supreme Court of the United States has interpreted section 2 of article I in United States against Classic, volume 313 of United States Reports, decided in 1941, and not in the limbo of forgotten days. Here is what the Supreme Court says about section 2:

While, in a loose sense, the right to vote for Representatives in Congress is sometimes spoken of as a right derived from the States, this statement is true only in the sense the States are authorized by the Constitution, to legislate on the subject as provided by section 2 of article I, to the extent that Congress has not restricted State action by the exercise of its powers to regulate elections under section 4 and its more general power under article I, section 8, clause 18 of the Constitution, "to make all laws which may be necessary and proper for carrying into execution the foregoing powers."

That is exactly what we are attempting to do today—exercising our power under section 8, to remove once and for all the pernicious system of poll-tax collection as a prerequisite to the exercise of national suffrage.

It has long been contended, and there is even highly respectable judicial dictum to the effect, that the qualifications of voters, for national officers as well as for State, is exclusively and peculiarly within the jurisdiction of the several States to prescribe. It is asserted that the Federal Government is prohibited from interfering with or affecting in any way the qualifications prescribed by the States for electors of national officers, be they ever so destructive of the national good, so long only as the same qualifications are prescribed for electors of the members of the most numerous branch of the State legislature, and so long as such qualifications do not discriminate because of race, color, or previous condition of servitude, or because of sex. This strange and unnatural doctrine, which seeks to insulate the National Government from the people of the United States—from the very basis of its own sovereign authority—is arrived at by isolating one section of the Constitution, tearing it both from its context and from its historical background, and treating it as though it were the only constitutional provision affecting suffrage. That section is article I, section 2, of the Constitution.

Standing alone in a historical vacuum, the above provision may have the effect sometimes attributed to it; but it is too well established to require citation of authority that the provisions of the Constitution cannot be disassociated one from another, and that the instrument must be considered as a whole, composed of interrelated parts, which create a system of democratic government. So considered in relation to the other provisions of the Constitution concerning electors, citizenship, suffrage, and the

powers of Congress with reference thereto, it becomes at once apparent that the National Government is not, and was never intended by the founding fathers to be, as impotent in election matters as heretofore thought, utterly cut off from the source of all democratic sovereignty, and dependent from the character of its electorate on the whim, caprice, and sufferance of the several States.

If there was any question that the founding fathers did not intend to surrender completely to the States the fundamental democratic power of determining the qualifications of voters, it is erased by the plain language of article I, section 8, subsection 18:

> The Congress shall have power * * * to make all laws which shall be necessary and proper for carrying into execution * * * all * * * powers vested by this Constitution in the Government of the United States.

Not only is the regulation of "the time, place, and manner of holding elections" a power specifically and expressly vested in the Congress by article I, section 4, but the determination of the qualifications of voters is a power unquestionably exercised by the Government of the United States in article I, section 2, of the Constitution itself.

The very exercise of the power by the Constitution proves conclusively that it is one "vested by this Constitution in the Government of the United States," from which it inevitably follows that Congress has the power "to make all laws which shall be necessary and proper for carrying it into execution."

Thus, at the very dawn of constitutional history, we have an answer to the question which next presents itself—whether, having defined a Federal electorate, in terms of a State electorate, the Federal Government is bound to accept anything, no matter what its nature, that a State chooses to call a qualification for voting.

The answer to that must be "No," for three reasons:

First. Any other answer would imply that the Constitution is not an organic whole, but that one section of it can be lifted out and interpreted without regard to any other section or to the general nature of the entire law.

Second. The mere fact of placing an affirmative clause in the Constitution gives the Federal Government the power and duty of policing that clause, to see that it is obeyed in accordance with its true substance and purpose as a part of the fundamental law.

Third. In the understanding of any law, words must be given their true meaning. A qualification for voting is not simply the ability to dodge an arbitrary or unnatural disqualification. It must bear some reasonable relationship to the purpose for which electoral qualifications are set up. It must be a test of fitness harmonizing with American principles of government and bearing a living relationship to the period in which it is in vogue.

Whenever Congress, by virtue of its power to make necessary and proper laws, elects to enforce article I, section 2, by ending an arbitrary and unnatural disqualification of voters, it will but carry out the declared purpose of the framers of the Constitution to base congressional elections upon the great body of the people, rich and poor alike.

The fathers of our country could not visualize the coming of a time when the people would be corruptly deprived of their rights in State elections, and thereby cause Federal rights to be lost. But they did look ahead to a time when the conduct of State governments might cause Federal suffrage rights to be lost, and they provided against it in article I, section 4. This section gives Congress power, by law, to regulate the time, place, and manner of electing Members of Congress, and to alter State laws on the subject. The debates in the Constitutional Convention show that the principal purpose of this clause was to make Federal authority paramount in Federal elections and to guard them against corruption. Rufus King of Massachusetts said that failure to give Congress this power would be "fatal to the Federal Establishment." The words, "Time, places, and manner," were not used narrowly. Madison said: "These were words of great latitude."

It was impossible, he said, to foresee all the abuses that might arise from an uncontrolled discretion in the States. Whenever the State legislatures had a favorite measure to carry, he said, "they would take care so to mold their regulations as to favor the candidates they wished to succeed."

Under section 4, Congress has acted from time to time to prevent corruption in Federal elections. The poll tax is an agency of wholesale corruption, employed by political machines to debauch and control both Federal and State elections. The Virginia poll-tax requirement of the 1870's was described in the debate on its repeal as having opened the flood gates of corruption. Poll-tax corruption was a prime factor in the repeal of the requirement in Massachusetts and Pennsylvania. And, I submit, the time has come to abolish poll taxes throughout the Nation in Federal elections.

Mr. ROBSION of Kentucky. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GWYNNE].

Mr. GWYNNE. Mr. Chairman, this bill raises a very interesting constitutional question. It is true the exact question has never been decided by our Supreme Court. In determining it therefore, we must not only read the cases actually decided, but also give consideration to the trend of judicial decisions. Many cases will be cited here in opposition to this bill which to my mind do not determine the issue here involved. Most of those cases came up under the fourteenth amendment. In those cases some petitioner objected to the conduct of some State officials probably or to some State law, and he went to the Federal courts on it. The Federal court had before it a single question, Does the act or the law complained of violate the fourteenth amendment, which prohibits the States from doing certain things? No such question is presented here. The question here is this, Does this Congress have authority to pass this particular bill, and we must examine the Constitution to see just what our authority is in the matter. The Supreme Court first had that under consideration in the Newberry case. You will remember in the case of the State against Newberry that Congress had attempted to make the Corrupt Practices Act apply to primaries. The Supreme Court in passing on the constitutionality of it examined the power of Congress to legislate in that field, and the majority quoted this section of the Constitution, article I, section 2 as follows:

> The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations.

A majority of the Court at that time held that that was the only authority Congress had in the matter of regulating elections of national officials. They held that a primary was not an election within the meaning of the word "election," and therefore they held that the provision as to primaries was unconstitutional.

There were several minority opinions in the case. One opinion expressly stated that the provision I have just read was not the only provision in the Constitution which gave Congress the power to regulate the election of Federal officials. That opinion pointed out that we are a sovereign government; that this sovereign Federal Government must operate through elected officials; that it is a representative government, and you do not need to look to any particular words, but only to the intent and purpose of the Constitution and find therein complete authority for Congress to regulate the election of all of its officials.

In the case of State against Classic, the Supreme Court in the majority opinion, overruled the Newberry case insofar as it held that a primary was not an election within the meaning of the section I have quoted. But the language that is used in that case and in the cases since the Newberry case lead me to believe that when this question is again presented to the Court, the Court will adopt the view that was laid down in the minority opinion in the Newberry case.

One other thing deserves consideration. That is, article I, section 2:

> And electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

Now, what does that mean? In the first place, is the requirement of the payment of a poll tax a qualification within the meaning of the word as used in that part of the Constitution?

[Here the gavel fell.]

Mr. ROBSION of Kentucky. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. GWYNNE. In the second place, does the Constitution mean to say that the State, by fixing any qualification it may desire, shall virtually control the election of officials to the Federal Government? Obviously not. For example, suppose out in Iowa the legislature should say that nobody should vote for a mem-

ber of the lower house in that State unless he were a Republican—not that that would not be a good idea—or that he should not vote unless he owned a farm or had $10,000. Of course, the Congress might accept the qualifications as laid down, but there is nothing in the Constitution to indicate that Congress does not have the power to change those qualifications if it so desires.

In other words, here is the situation you have: Here are the States given authority to say what the qualifications shall be for the electors; to say how elections shall be conducted, both in the primary and the general election; and in the absence of Congress speaking, those qualifications shall be deemed to have been accepted by the Congress. I think that is the explanation of the constitutional provision. Obviously that must be the explanation. Otherwise, then this Nation is not a sovereign nation and we are dependent for the election of our own officials on the whim and wish of some legislature, if you accept the view advanced here that that section means that the legislatures of the States may lay down any qualifications they may choose.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, I did not propose to do more than discuss the lack of constitutional warrant for this legislation, but I have just listened with interest to my distinguished and beloved friend, a member of our committee, the gentleman from Iowa [Mr. GWYNNE]. I am deeply concerned for the future of this democracy. My friend expressed an apprehension as to what injustice for voters States might commit if they are not controlled in fixing qualifications. Who is to control them? This bill proposes to establish control in the Federal Government. Who is to control the Federal Government? We are moving away from the people. Fundamentally, in my judgment, that attitude is undermining our democracy and destroying the possibility of preserving a democracy in America. That attitude is wrong. When we cannot trust the States to deal with matters within their governmental capacity we cannot trust democracy.

A democracy is a government by the people. We can rise in security and justice no higher than the people. If we are afraid to leave power and responsibility back among the people, then we are not fundamentally in favor of and do not really believe in a democratic system of government. I do. I believe it is the sort of government designed by God for the good order and happiness of men. Of course, the States can inflict all sorts of injustices. The Supreme Court can rob one person by a corrupt judgment and give to another. Two-thirds of this House can rob any Member of his seat. Two-thirds of the Houses of Congress can remove every civil officer by impeachment. Presidents of banks can wreck their institutions. Parents can poison their children. The answer is they will not. The plan of the Constitution does impose this safeguard, which was considered important in the formative days of the Constitution. The election of Members of Congress is protected by the constitutional provision that no more onerous qualifications can be imposed upon their electors than the States impose upon the electors of their own legislators.

We are deciding now in America whether really we are going to preserve a democracy or not. I mean absolutely that. When we come here to Washington and take our places in this chamber, we seem to think we have brought all the patriotism, wisdom, and statesmanship up here, and immediately become afraid of the people who sent us here. The States are the only agency of general democratic government we have or can have in our system. By this bill, you propose to attempt to brand as a criminal a State official for obeying a State law which the Supreme Court, in the clearest sort of pronouncement, says is constitutional. The language of the Constitution is plain but the hope is indulged here that the Supreme Court, as now constituted, will forget the decisions of the past and read into the Constitution a meaning which will take a power from the States by this judicial construction, which those who helped form the Federal Constitution, and the statesmen who fashioned each of the constitutional amendments dealing with suffrage and the Supreme Court since the beginning have held was reserved in the Constitution by the States—namely, the responsibility of fixing the qualification of voters.

There can be no constitutional government without a constitution. There can be no constitution unless it is respected. A constitution cannot long remain among a people whose chosen defenders of the Constitution seek opportunities to evade it. I do not mean to be offensive. This poll-tax thing of itself is relatively insignificant one way or the other.

The statement I have just made as to the perils of our Constitution, I submit, is supported by experience, common sense, and every line and warning of human history. If ever there was a time on the face of the earth when we need a constitution, it is now. The people, in order to operate a system of free, popular government, have to have something in their governmental structure that will hold them true to the course of their destiny, as against the pressure and whim of the moment. I am talking to you Members in this chamber in the most solemn hour in the Nation's history. It is now, today. We are on trial. We proclaim ourselves the champion of democracy in the world everywhere.

A short time ago I read in the Songs of Solomon these lines:

> They made me the keeper of the vineyards, but mine own vineyard have I not kept.

May I say to the people of America and to the Congress of America that unless we rally to the support of constitutional government in this country we, too, shall sing that pathetic song:

> They made me the keeper of the democracies of the world, but mine own democracy have I not kept.

Let us get away from all this mystery about government and see what it is. A popular government is somewhat like a lodge or a club; it is a group of people who get together and organize themselves for the purpose of trying to govern themselves. You have to have a constitution in a lodge or a club—fundamental law that cannot be too quickly changed under temporary pressure. You have to have it in a popular government. I have not examined in detail as to how this poll-tax requirement works. That is not the thing of importance here.

What we are doing to our Constitution by passing this bill in violation of the Constitution is in disregard of the plain language of its provisions, in disregard of the definite, explanatory statements of those who worked in the formation of that document, in disregard of our practical construction since the organization of the Government, and in contempt of the clear, logical, unequivocal pronouncements of the Supreme Court. That is not all the hurt we are doing. This talk about 10,000,000 people being disfranchised because they are required to pay two or three dollars to maintain the Government that protects them is not building in them those elements of civic fitness necessary to maintain a democracy. I notice in section 1–A of the bill this language:

> The requirements in many places under the jurisdiction of the United States that a poll tax be paid * * * has resulted in pernicious political activities, in that frequently such taxes are paid for the voters by other persons as an inducement for voting for certain candidates.

Well, what are the authors trying to do; make it easier to buy and control votes? It seems to me all this talk about the poll-tax requirement disfranchising 10,000,000 people is pathetic. It is the notion gone to seed that everybody is to have a free ride on the Government wagon, be bottle-fed, and rocked to sleep in the arms of some great governmental agency. That is not the sort of talk that makes people able to govern. The very idea of these people going around and telling grown, husky men without any physical disability, in times like these, that although you may have the benefits of good roads, of the courts, of police protection, and all the other provisions of government, a great injustice is done if you are asked to pay two or three dollars to the free-school funds before you are allowed to sit in the council of your Government and help to select your officials. I was in a big city not so long ago. They showed me a beautiful place where children came to play. I asked: "Is this free?"

They said, "No, not quite; they make the children pay a little something."

I asked, "Why?"

They said, "It does something fine for the children, for their self-respect, to have them pay just a little something before they can participate."

As I said, I am not discussing the particular thing—the poll tax itself. I am discussing this destructive preachment associated with the propaganda to force its passage. I have had all the experiences. I have examined things. I know what makes people fit, not the things they get for nothing. There was a great man whose life I examined one time. He called himself Paul of

Tarsus. One thing, his Roman citizenship, he got for nothing. He inherited it. The other, his religion, he paid for in blindness and in blood—a thing to him more valuable than his life.

I am not talking about voting. I am talking about the necessity of everybody in America putting his shoulder under the load of government however small the lift, that he may feel it is his and have the thrill of service. Government can get along without it, but the citizen cannot if he is to remain fit to be a citizen of a great democracy. The poll tax may not be the way to do it but certainly this propaganda with reference to 10,000 000 people being disfranchised because they are expected to pay a couple of dollars per year for the maintenance of government, and will not do it, is not good.

All these people running around over the country saying, "You poor, helpless things," trying to make everybody sorry for himself, taking the nerve and fight and strength and self-respect and self-confidence out of the people. They are the real menace to free constitutional self-government. That is what they have been doing all these years—peddling that sort of philosophy around over the country. There are more such organizations now than we have ever had in the world, living off of the pity and the self-pity of people, preaching defeatism everywhere. It is a wonder to me we have many people in this country fit to live in a constitutional government with that sort of thing going on everywhere now.

You poor little 10,000,000 people disfranchised. How? Because, forsooth, you are asked to chip in one or two dollars, before you vote, to help educate the kids of this country, you are disfranchised; you have had a horrible thing done to you. As I say, I have not fully examined into how this poll-tax requirement works but I know how this giving people, able-bodied people "something for nothing" works.

Is this proceeding giving these people, would you say, respect for the Constitution, as it is written, until it is changed by the method provided for its amendment in the Federal Constitution.

In all the other times we sought a change we did it by constitutional amendment. We are here seeking to do it by constitutional disregard. Sing the National Anthem, recite the creed, look in on this scene—great stuff.

Let us approach an examination of some of the constitutional questions which are involved. Here we were 13 nations. The 13 nations decided they wanted an organization to do a few things for them. They sent some people to Philadelphia. There was no Federal Government, of course. These people went as the agents of these States. When they got to Philadelphia, the agents of the States, agents of the people—and not agents of the Federal Government—after a whole lot of talking and a good deal of writing and a good deal of shifting around, they finally got a document formulated. They submitted it to the States, and these finally ratified the work of their agents and the Federal organization became a fact.

Among the details of what they agreed to was article I, section 2, of the Constitution, and the electors in each State [for Members of Congress] shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

In other words, the States would determine the qualifications of the voters for their own State representatives, of course, and those same voters would elect their representatives in Congress. It was all threshed out and agreed to in the Constitutional Convention, written into the document, and ratified by the States. The States said they were going to determine the qualifications of their own voters for their State legislatures and that they were going to fix it so that their Members of Congress should be voted for by those voters who were qualified to vote for the members of their own State legislatures. That is all there is to it. Then they provided by article I, section 4: "The times, places, and manner of holding elections for Senators and Representatives, shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations."

The Congress might thus have to do with the time, and the place and the manner—the time, and the place, and the manner of the election; but the States retained control over the qualifications to vote. Members in this House who come from sovereign States, elected by people whom they profess to have some respect for and belief in, are disturbed that the States fix the qualifications for their own representatives, and fix them for their Members of Congress, and they have the same qualifications—the same set of voters.

Mr. Chairman, I have some special responsibility because this bill was held for a good while in the committee of which I happen to be chairman. I wish it had stayed there. Many of you Members, before you get through with this thing, you who signed this petition, will wish it had stayed there too. There is being stirred up in America these days in people whose sons are dying on the far-spread battlefields of the world some desire to have men and women stand here in this Chamber whom they are proud of and who stand firm despite the pressure of any group. I hope I am not speaking offensively to anybody. I certainly do not mean to do so.

There is much controversy as to the meaning of the applicable provisions of the Constitution.

Who do you suppose would know what they meant? I listened to my distinguished friend from New York. Do you suppose that Madison and Hamilton, who sat in the Constitutional Convention, had any notion as to what this language meant? If you were wanting to call some witness to testify as to what was meant by this language would you feel that a man who was on the committee that helped fashion the final draft of the Constitution knew something about what it meant? Mr. Hamilton and Mr. Madison were working in close relationship not only in the Convention but in the effort to procure the ratification of the Constitution. They wrote in the Federalist under a common name "Publius." I quote from the Federalist, No. 52, of February 8, 1788:

> The first view to be taken of this part of the Government relates to the qualification of the electors and the elected. Those of the former are to be the same with those of the electors of the most numerous branch of the State legislature.

If you were to listen to anybody use that language and really wanted to know what he meant, instead of trying to find out what he did not mean, and he said that the voters for Members of Congress were to be the same as the voters for the most numerous branch of the State legislature, would you not have a pretty good notion what he meant? That language is so clear that it is giving the proponents of this bill a lot of trouble.

Continuing, the author says:

> The definition of the right of suffrage is very justly regarded as the fundamental article of republican government. It was incumbent upon the Convention, therefore, to define and establish this right in the Constitution. To have left it open for the occasional regulation of Congress.

In other words, if they had left it open for the passage of a bill like this:

> To have left it open for the occasional regulation of Congress would have been improper for the reason just mentioned. To have submitted it to the legislative discretion of the States would have been improper for the same reason; and for the additional reason that it would have rendered too dependent on the State governments that branch of the Federal Government which ought to be dependent on the people alone.

The thing that some of the States were concerned about at that time was that there might be imposed a property qualification.

> To have reduced the different qualifications in the different States to one uniform rule—

As is being tried here by this bill—

> would probably have been as dissatisfactory to some of the States as it would have been difficult to the Convention.

Remember the States were doing this. If you cannot have this in your mind, you cannot get the picture. There was no Federal Government. The States were doing this whole thing.

Continuing, the author says:

> The provision made by the Convention appears, therefore, to be the best that lay within their option.

It must be satisfactory to every State because it is conformable to the standard already established or which may be established by the State itself.

It will be safe to the United States, because being fixed by the State constitution, it is not alterable by the State government, and it cannot be feared that the people of the States will alter this part of their constitution in such a manner as to abridge the rights secured for them by the Federal Constitution.

That is, it would be safe to assume that the States would not put such onerous regulations, restrictions, and qualifications upon their own citizens voting for their own Representatives as to prevent them from being fair standards for the

qualifications for the election of their own Members of Congress.

Again to the same effect, and this is very clear, in another article, Federalist No. 57, Feb. 19, 1788, over the same name, this appears:

Who are to be the electors of the Federal Representatives?

That is what we want to know? This is the answer given by these leaders in the Constitutional Convention:

They are to be the same who exercise the right in every State of electing the corresponding branch of the State legislature.

I say with all respect, how anybody can fail to understand what that language means I cannot myself understand. I read it again:

Who are to be the electors of the Federal Representatives? They are to be the same who exercise the right in every State of electing the corresponding branch of the State legislature.

I want to introduce another witness and that is Mr. King of Massachusetts. Mr. King of Massachusetts served with Hamilton on the Committee on Style and this is what he says (vol. 2, page 51, Elliot's Debates):

The power of control given by this section (art. I, sec. 4) extends tc the manner of election, not to the qualifications of the electors.

That is the other section under consideration.

The word "manner" is sought to be twisted into some sort of relationship to qualification.

Mr. Nicholas, of Virginia (vol. 3, p. 8, Elliot's Debates), to the same effect says the following, and these were the people who helped to construct the document and the people who sat in the State conventions and passed on the question of whether or not it would be approved:

In this plan there is a fixed rule for determining the qualifications of electors, and that rule the most judicious that could possibly have been devised, because it refers to a criterion which cannot be changed. A qualification that gives a right to elect representatives for the State legislatures, gives also, by this Constitution, a right to choose representatives for the general government. As the qualifications of electors are different in the different States, no particular qualifications, uniform through the States, would have been politic, as it would have caused a great inequality in the electors, resulting from the situation and circumstances of the respective States. Uniformity of qualifications would greatly affect the yeomanry in the States, as it would either exclude from this inherent right some who are entitled to it by the laws of some States at present, or be extended so universally as to defeat the admirable end of the institution of representation.

In the North Carolina Convention (vol. 4, p. 71, Elliot's Debates), Mr. Steele said:

The power over the manner of elections does not include that of saying who shall vote (that never left State control): the Constitution expressly says that the qualifications (are those) which entitle a man to vote for a State representative.

Mr. Davie, in the same convention (vol. 4, p. 61), said:

They may alter the manner of holding the election. * * * They cannot alter the nature of the elections; for it is established, as fundamental principles, that the electors of the most numerous branch of the State legislature shall elect the Federal representatives, * * * power is given to Congress, and extending only to the time of holding, the place of holding, and the manner of holding the elections. Is this not the plain, literal, and grammatical construction of the clause? Is it possible to put any other construction on it, without departing from the natural order, and without deviating from the general meaning of the words, and every rule of grammatical construction? Twist it, torture it, as you may, sir, it is impossible to fix a different sense upon it.

That construction was accepted during the construction and ratification of the Federal Constitution and has been the accepted construction since.

After the War between the States, when passion and hatred too often sat in the seat of government, even then, when it was determined necessary to do something with regard to the situation which then obtained, a constitutional amendment was deemed necessary to make it possible.

When the seventeenth amendment, providing for a direct election of Senators, was submitted, the identical arrangement as to the electors of the Members of the House was incorporated. I quote:

Amendment 17. The Senate of the United States shall be composed of two Senators from each State, elected by the people thereof, for 6 years; and each Senator shall have one vote. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislatures.

With the clear, uninvolved language of the Constitution squarely against the construction which the proponents of this bill would have us accept, and with the clear-cut statements of such contemporaries as Madison and Hamilton, King, Nicholas, Steele, and Davie, which I have quoted, clearly against its constitutionality, this is a most remarkable proceeding, remarkable even if there were no pronouncements by the courts of the land against its constitutionality. Many times the shadow of this question has come within the notice of the courts. Not once insofar as I know has the court indicated a belief in its constitutionality.

I direct consideration now to a clear-cut decision of the Supreme Court of the United States against the constitutionality of this bill with the identical question here indicated squarely before it. I refer to the case of *Breedlove* v. *Suttles* (302 U. S. 277), a unanimous opinion, delivered by Mr. Justice Butler. The case arose in Georgia. I quote from the opinion:

A Georgia statute provides that there shall be levied and collected each year from every inhabitant of the State between the ages of 21 and 60 a poll tax of $1, but that the tax shall not be demanded from the blind or from females who do not register for voting (Georgia Code, 1933, sec. 92–108). The State constitution declares that to entitle a person to register and vote at any election he shall have paid all poll taxes that he may have had opportunity to pay agreeably to law (art. II, sec. 1, par. III; Code, sec. 2–603). The form of oath prescribed to qualify an elector contains a clause declaring compliance with that requirement (sec. 34–103). Tax collectors may not allow any person to register for voting unless satisfied that his poll taxes have been paid (sec. 34–114). Appellant brought this suit in the Superior Court of Fulton County to have the clause of the constitution and the statutory provisions above-mentioned declared repugnant to various provisions of the Federal Constitution and to compel appellee to allow him to register for voting without payment of poll taxes. The court dismissed his petition. The State supreme court affirmed (183 Ga. 189; 188 S. E. 140).

The pertinent facts alleged in the petition are these: March 16, 1936, appellant, a white male citizen 28 years old, applied to appellee to register him for voting for Federal and State officers at primary and general elections. He informed appellee he had neither made poll-tax returns nor paid any poll taxes and had not registered to vote because a receipt for poll taxes and an oath that he had paid them are prerequisites to registration. He demanded that appellee administer the oath, omitting the part declaring payment of poll taxes, and allow him to register. Appellee refused.

Appellant maintains that the provisions in question are repugnant to the equal protection clause and the privileges and immunities clause of the fourteenth amendment and to the nineteenth amendment.

You are all familiar with the equal protection clause of the fourteenth amendment and also with the nineteenth amendment, the woman's suffrage amendment.

1. He asserts that the law offends the rule of equality in that it extends only to persons between the ages of 21 and 60 and to women only if they register for voting and in that it makes payment a prerequisite to registration. He does not suggest that exemption of the blind is unreasonable.

Then follows some discussion of the history and nature of the poll tax which I will omit though very interesting, illuminating, and of weight. I further quote from this opinion at page 281, as follows:

2. To make payment of poll taxes a prerequisite of voting is not to deny any privilege or immunity protected by the fourteenth amendment. Privilege of voting is not derived from the United States, but is conferred by the State and, save as restrained by the fifteenth and nineteenth amendments and other provisions of the Federal Constitution, the State may condition suffrage as it deems appropriate. *Minor* v. *Happersett* (21 Wall. 162, 170 et seq.). *Ex parte Yarbrough* (110 U. S. 651, 664–665). *McPherson* v. *Blacker* (146 U. S. 1, 37–38). *Guinn* v. *United States* (238 U. S. 347, 362). The privileges and immunities protected are only those that arise from the Constitution and laws of the United States and not those that spring from other sources. *Hamilton* v. *Regents* (293 U. S. 245, 261).

Next the Court makes some analysis of the contention that this Georgia law violates the nineteenth amendment and holds—bottom page 283:

Its purpose is not to regulate the levy or collection of taxes. The construction for which appellant contends would make the amendment a limitation upon the power to tax. (Cites cases.) The payment of poll taxes as a prerequisite to voting is a familiar and reasonable regulation long enforced in many States and for more than a century in Georgia.

The Supreme Court was then composed of Chief Justice Hughes and Associate Justices McReynolds, Brandeis,

Sutherland, Butler, Stone, Roberts, Cardozo, and Black.

Since that decision this identical question, stripped of every detail which could possibly aid the most skilled expert in the art of confusing, reached the Supreme Court of the United States by application for a writ of certiorari. That case is *Pirtle* v. *Brown* (118 F. (2) 218). It was decided March 8, 1941, by the circuit court of appeals. On July 19, 1941, Senator PEPPER, of Florida, appeared before the Senate Judiciary Committee in support of S. 1280, "a bill concerning the qualification of voters or electors within the meaning of section 2, article I, of the Constitution, making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or general election for national offices," dealing with the same subject matter as the bill here under discussion.

I quote from Senator PEPPER'S statement found at page 7 of the Senate hearings:

In the Pirtle case the question was squarely presented as to whether or not the State could condition the right of a citizen to vote for a Congressman in an election, not the primary, but a special election called to elect a Member of the House of Representatives, because that citizen had not complied, or had failed to pay a poll tax, thus allowing him to vote. Notice that this was not for a State election nor any primary and that it was admitted that he had done everything to qualify but pay the poll tax.

Now that is Senator PEPPER'S explanation of the facts.

I continue to quote from Senator PEPPER, page 9, Senate hearing:

Behold the suggestion that the right to vote for a Member of Congress of the United States, the President of the United States, the Vice President, or the electors, are conditioned by the State upon such terms as the State wants to impose; that the right "is conferred by the State and, save as restrained by the fifteenth and nineteenth amendments" regarding race, color, or previous conditions of servitude and other provisions of the Federal Constitution, the State may condition suffrage as it deems appropriate. * * *

So that in that case the Circuit Court of Appeals, Sixth Circuit, held that the State still had the right to condition the exercise of the franchise in any way it wanted to do so.

I continue to quote from the Senate committee hearings; this colloquy took place:

Senator O'MAHONEY. Was there any dissent in that case?

Senator PEPPER. No; it was a unanimous decision of three judges, and now it appears that there is a writ of certiorari pending before the Supreme Court relative to that case, and I venture to predict that that petition for certiorari will be granted, and I do not expect that decision to stand.

On the 13th day of October 1941 the Supreme Court of the United States, with the application of the writ of certiorari seeking to bring the questions involved in the Pirtle case before it, refused to grant the writ. It could not do otherwise.

Whatever may be the opinion of members of that Court with regard to the poll-tax qualification, it is their business to interpret the Constitution as it is written. As it is written the States cannot deprive a person of the right to vote on account of sex, because the Constitution has been amended. The Supreme Court so holds, of course. The States cannot deprive a person of the right to vote because of race, color, or previous condition of servitude. The Supreme Court so holds. The States cannot deprive a person of the right to vote for Members of Congress if he is qualified to vote under the laws of his State for the members of the most numerous branch of the legislature. The Supreme Court so holds.

By the decision in the *Classic case* (313 U. S. 299) the distinction between the general and primary elections seems to have been eliminated. Included in the rights secured by the Constitution are the rights of a qualified voter to have his physical opportunity to vote undisturbed and to have his vote counted, within the protection of sections 19 and 20 of the Federal Criminal Code.

The citizen is entitled to Federal protection as to the time of holding elections, the place of holding elections, and the manner in which elections are conducted, conditioned only that the voter is qualified to vote for a member of the most numerous branch of his own State legislature. Now it is contended that even though he may not be qualified to vote for a member of the most numerous branch of his own State legislature—that standard of qualification which is set up in the Constitution—Congress can get rid of that standard by making it unlawful. That seems to be on the theory that its enforcement would deprive the non-poll-tax payer of a Federal constitutional right which Congress would have the right to enforce by appropriate legislation.

Deleting from section 20 of the Criminal Code that part thereof made nonapplicable by the decision in the Classic case, it reads as follows:

Section 20 of the Criminal Code (U. S. C., title 28, sec. 52):

"Whoever, under color of any law, statute, ordinance, regulation, or custom, willfully subjects, or causes to be subjected, any inhabitant of any State, Territory, or District to the deprivation of any rights, privileges, or immunities secured or protected by the Constitution and laws of the United States * * * shall be fined not more than $1,000 or imprisoned not more than 1 year, or both."

In other words, if this bill is constitutional, corrective legislation, from the standpoint of the proponents of this legislation, is already on the statute books. If a person has a constitutional right to vote without paying a poll tax, he is protected by existing law. Whatever constitutional rights the citizen has to vote without complying with the poll-tax requirement of a State have been protected. Furthermore, existing legislation covers the whole field of the citizen's constitutional rights.

Each time in our governmental history it has been deemed advisable to establish a new limitation over the power of States to control election qualifications it was known it could not be done as here attempted, by act of Congress, but it must be done by the States themselves.

After the Supreme Court refused to disturb the circuit court's holding in the Pirtle case, the proponents fell back on the Classic case. But in the Classic case there was not involved one single question which could arise in a case testing the general constitutionality of this proposed legislation.

So we have this situation. We have the clear language of the Constitution and we have the interpretation of the men who helped to fashion the Constitution and the men who discussed it when the States ratified it. We have the philosophy of democratic government and we have the clear-cut decision of the Supreme Court holding that this proposed legislation is unconstitutional.

Now, let me make this observation, and I do this in all earnestness and seriousness. If you do succeed in breaking through the constitutional barrier, ignoring the interpretation made by the contemporaries of the Constitution, its practical interpretation and the decisions of the Supreme Court, and should secure judicial approval you would then have a situation under which there would be no effective restraint upon the power of Congress to fix the qualifications of those who vote. The power to fix it down is the power to fix it up. You would be putting into what is coming to be a great Federal bureaucracy the power to deny the States the right to control suffrage. They are the organizations that are close to the people.

This legislation is being offered, so it is claimed, in behalf of the poor man. I want to call to witness the history of the ages, that they are the sort of people who have been protected by respected constitutions through all time that has passed. Whenever there is nothing to restrain the might of the group that is in power, the rights of the poor man suffer.

Men and women of America, if we hold our Constitution in disrespect, the Constitution is doomed. Oh, I mean it. You think it could not happen to us. How can you maintain constitutional government without a constitution? How can you maintain a constitution unless the people hold it in reverence and unless those who are charged with the solemn responsibility of guarding it, protect it? You think you have only a few States to deal with now and you think you are strong enough to do it now, because you have the might of votes now, but whenever the constitutional rights of the few are not respected, the time is not far distant when those who were strong at the moment will appeal in vain for the protection of the Constitution that they have destroyed.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield myself 5 minutes more. If the constitutional rights of the meanest persons are not maintained and protected, the constitutional rights of the best are not safe.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. LUTHER A. JOHNSON. With reference to the matter of our taking the constitutional oath as Members of this body our right to sit here is based entirely upon taking the oath to defend the Con-

stitution of the United States, which confirms the gentleman's observation with reference to the preservation of the Constitution.

Mr. SUMNERS of Texas. That is true, and that is a challenging fact. The men who fashioned this Constitution and who read deeply into the mysteries of life knew that there would come a time when the institutions of freedom would be imperiled, and they required that before we entered this Chamber we pledge ourselves by our solemn plight that we will defend the Constitution, and now is the time and today is the hour.

Mr. Chairman, I look over my country and I see the picture in the world today. I recognize that my country, perhaps, stands as the last, as the great independent constitutional government in the world. I see a time that has come in the history of my country when the Constitution is no longer revered much among the people, and I see a time in my country when it seems as if it is expedient to find a way around it. I wonder, too, if your Nation and my Nation is to be added to the list of those from which freedom has departed.

I know with all that I have been able to learn that freedom cannot endure among any people who do not have fundamental laws that hold them true to the course of that destiny against the pressure of expediency and the whim of the moment. I am very grateful, gentlemen, for your attention during these more or less disconnected remarks. I am grateful for your attention, and if I may have the attention of the Chair, I ask unanimous consent to extend my remarks and to add some additional quotations.

The CHAIRMAN. Is there objection? There was no objection.

Mr. GAVAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, it is, of course, a great handicap and a very difficult undertaking to follow an able constitutional lawyer and a great statesman such as the distinguished chairman of the Committee on the Judiciary. All of us love and admire him. He made an excellent presentation. I agree with most of the things that he said. But I do not think there is a man in this House who would knowingly do violence to the Constitution of the United States. The gentleman from Texas talked about political expediency. In my case, voting for this bill is not politically expedient. I am only doing and saying what I think is right. We must recognize that the Constitution has lived as long as it has because it can be made to fit modern conditions. It has lived and grown with the times. Our Government could not continue to exist and function throughout the ages under a constitution, unless that constitution is interpreted so as to meet conditions that come about, that our forefathers might not have been able to foresee. One of the fundamental concepts of constitutional government is that citizens shall vote; that they shall have the right to vote freely and without unreasonable restraint; that there shall be no corruption in the casting of their ballot. In interpreting the Constitution to make that possible, I do not think that we are doing violence to the Constitution. I think that we are making it live in modern times. After all, if you do not have a wide exercise of the right of franchise, then the first thing you know your constitutional form of government is gone.

Mr. Chairman, this bill can be sustained under three provisions of the Constitution. It can be sustained as constitutional under the fourteenth amendment, first section, which provides that no State shall make or enforce any law that infringes the immunities and privileges of the citizens. Reliance upon the fourteenth amendment failed in the Breedlove case, and it failed in the Pirtle case because there was no implementing legislation as authorized by the fifth section of the fourteenth amendment. I don't know whether I shall have time to discuss these cases, but I shall come back to them if I can.

The second provision under which this legislation can be sustained as constitutional is under the fourth section of article I of the Constitution, which gives the Congress the reserved right to regulate the time, the place, and the manner of holding elections. As has been said in many cases "in the manner" covers a multitude of situations. It was said in the able brief of the Attorney General of the State of Virginia that the Federal Government could prohibit the fraudulent use of poll taxes in elections.

Certainly if you admit that, you have to admit that the Congress, under the Constitution, can prohibit the requirement of a poll tax to vote for a Federal officer, if it is a restriction which causes corruption in elections.

But, Mr. Chairman, I want to go directly to the point involved. I say that under section 2, article I, of the Constitution, this legislation is constitutional. I say that for this reason: Certainly our founding fathers did not expect to be able to keep elections for Federal officers pure and clean by having the power to regulate the time, place, and manner of holding elections, and at the same time let Federal elections become corrupt, impure, and unclean by the States putting on some qualifications that were in fact restrictions and that would allow the very same result to come about that was to have been made impossible by article I, section 4.

[Here the gavel fell.]

Mr. GAVAGAN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. KEFAUVER. And it has been recognized by our Supreme Court ever since the decision in the Newberry case, and even before that, that the right of a citizen to vote for a Member of Congress is a right given by the Constitution. It is not a right given by a State. That is the opinion in the Yarborough case. That is the opinion in the Classic case, which came later. If a citizen has a right to vote for a Member of Congress under the Federal Constitution, has not the Federal Government the right to protect that citizen in voting, against unreasonable restrictions and unlawful regulations that may be placed upon voters by the States? Here is what the Constitution does: It says to the States that you are to fix the qualifications for voters for Members of the lower house of the legislature, and the Constitution will adopt those qualifications as the qualifications of electors for Members of Congress. But they must be real qualifications and not some restrictions adopted under the guise of a qualification. The Federal Government could not continue to operate if it had no way at all of protecting itself, if article I, section 2, meant it would adopt anything, whether it was a qualification or not a qualification. We must have Members of Congress. We must have Representatives from the various States. Then, if you adopt the narrow construction that the opponents of this bill are placing on it, you would place in the hands of the State the ability to utterly destroy Congress and destroy our Federal Government. There is a dual responsibility. The States fix the qualifications. The central government adopts them. But if the so-called qualifications become unreasonable then the Federal Government has an abundance of power to remedy the situation.

[Here the gavel fell.]

Mr. ROBSION of Kentucky. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I was delighted to hear the splendid remarks which were made by the distinguished chairman of the Committee on the Judiciary [Mr. SUMNERS]. I was also happy to hear the splendid address which was just concluded by our colleague from Tennessee [Mr. KEFAUVER].

We have before us today a measure which involves the construction of the Constitution of the United States of America. In the very brief time which is allotted, I will have no opportunity, of course, to go into the matter in detail of discussing the constitutionality of this law, because it would require much more time than the time allotted to me. But may I say to the membership of the House that under three specific provisions of the Constitution, as has been so well said by my distinguished friend from Tennessee, the constitutionality of this bill may be assured. Under the fourteenth amendement to the Constitution there is no doubt in my mind but that the provisions of the pending legislation are entirely within the provisions of our fundamental and organic law.

Article 1, section 4, of the Constitution contains another provision which undoubtedly will assure the constitutionality of the provisions contained in the pending bill.

Finally and lastly, as a third provision of our Constitution, under which the pending bill is secure in its constitutionality, and I refer to article I, section 2. We may rest assured of the constitutionality of this measure. I am convinced of the constitutionality of the law which is now before us.

Mr. Chairman, the pending bill, which is known as the Geyer anti-poll-tax bill, H. R. 1024, by its very terms and provisions seeks to outlaw the requirement

that poll tax be paid as a prerequisite to voting for Federal officers, is a highly important piece of legislation. At the very outset I desire to state that I am supporting this measure, and that I will vote for the passage of this bill.

In those States where there has been written into law a prohibition against any citizen casting his or her vote at any election in which Federal officers are voted upon, unless conclusive evidence is furnished showing that that citizen has paid his or her poll tax, undoubtedly many citizens and voters—all of whom were qualified voters in every other respect—have been prevented from casting their votes at such elections. Therefore, this measure directly affects the right of the people—the common people—to participate in our governmental affairs. Many people in our Nation, although they are honest, patriotic, and sincere Americans, are facing an eternal struggle to earn their livelihood and to support those who are dependent upon them for support and, yet, if they are unable to pay their poll tax, in the amount assessed against them, they are denied the inherent right of an American citizen to vote on election day.

Mr. Chairman, we have ever looked upon our elections in this Nation as being free and equal among men. The right of franchise is a natural one, and it is respected as an inherent right in all our people; the right to exercise that inalienable and unalterable freedom of the ballot is extended to all of our citizens who are qualified as voters by reason of age and residence, except in those States where added requirements or regulations have been imposed. Those States which have sought to add additional regulations, which upon their face are strong evidence of the fact that the same is intended as a bar against certain individuals or classes exercising their right to vote, the same operates as a discrimination against those citizens and classes of our citizens, who, by reason of misfortune or inability, are unable to comply with the requirements imposed. Such a policy should not obtain in this country in elections where Federal officers are to be voted upon and elected. All elections should be free and equal, and no elector, or class of electors, should be required to suffer the penalty of being prohibited from voting for Federal officers merely because they have not paid their poll tax.

Let us pursue this thought further and let us analyze the length to which this policy may extend. If a State can legally require the payment of poll tax as a prerequisite to voting for Federal officers, then many other abridgments might be interposed—such as the requirement of belonging to a certain church or a certain lodge or that farmers only could exercise the right of franchise on election day. No one will contend that any such abridgments would be countenanced by our Federal Government, although there is no constitutional prohibition which directly prevents it. I am at a loss to know why the poll tax was selected as the barrier upon which the right to vote was fixed. It might as well have embraced all taxes; or, perhaps, the requirement might relate to those who have not paid their poll tax. The prerequisite to voting might just as well have been extended to the payment of all personal property taxes, or perhaps to the payment of all taxes upon all real estate. I am confident that no one will make any attempt to justify the latter suggestion above made. If that suggestion cannot be justified, then, pray tell me, how can anyone justify the requirement of the payment of any tax, or any poll tax, as a prerequisite to the right to vote for Federal officers in elections? Where, may I ask, is the line of demarcation to be drawn? The point I desire to make is this: That if any such prerequisite to voting, such as the payment of poll tax before a qualified voter may exercise his right of suffrage, and if the same is made applicable to the election of Federal officers, then there is no limit to which that barrier may be extended. Such a prerequisite was never in contemplation under our Constitution, and that is certainly not the construction which should be placed upon our Constitution now.

Mr. Chairman, the case of *United States* v. *Classic* (313 U. S. 299), decided May 28, 1941, is directly in point on the question here presented. Much has been said on the question of the constitutionality of this proposed measure. It is claimed by many that the passage of this measure by the Congress will be an impingement upon the right of the several States to fix the qualifications of electors. May I say that the payment of poll tax as a prerequisite to voting is not a qualification of a voter. That certainly, at most, is a regulation respecting the method and manner of holding elections; it is merely a regulation which prescribes those whose ballots may be placed in the ballot box at the place of voting. The question of age and residence determines the qualification of the voter, if that person is a citizen of our country.

In the Classic case, above cited, the Court says:

> Section 2 of article I commands that Congressmen shall be chosen by the people of the several States by electors, the qualifications of which it prescribes.

That language is certainly conclusive. The Federal Constitution prescribes the qualifications of Federal electors.

And, in that same case—*United States* v. *Classic*, supra—the Court holds both finally and decisively, that—

> The right of the people to choose * * * is a right established and guaranteed by the Constitution.

This being true, we must inevitably conclude that it is "a privilege or immunity of citizens of the United States" within the meaning of the first section of the fourteenth amendment, and, as such, under the fifth section thereof—

> Congress shall have power to enforce, by appropriate legislation, the provisions of this article, including abridgments of privileges * * * of citizens of the United States.

This language is both strong and positive. This language certainly distinguishes the cases of *Breedlove* v. *Suttles* (302 U. S. 277, decided in 1937), and *Pirtle* v. *Brown* (118 Fed. 2d (C. C. A. 6, 1941), 218). Thus, we are confronted with the law as it is—that the State cannot abridge the right or privilege of citizens of the United States to exercise the right of franchise in Federal elections.

Therefore, Mr. Chairman, I am firmly convinced that the pending bill (H. R. 1024) is entirely constitutional, and that this measure should be enacted into law. Our citizens who are qualified voters by reason of age and residence should not have the right of franchise taken away from them in national elections, at which Federal officers are voted upon, by the unauthorized action of any State.

It is my hope that this measure may be passed by a large majority, and that the right to vote for Federal officers at our elections may not be limited or abridged by the imposition of some added regulation by the State which impinges upon the sacred rights of our citizens with respect to the right of suffrage.

[Here the gavel fell.]

Mr. HOBBS. Mr. Chairman, I yield to the distinguished gentleman from Tennessee [Mr. PEARSON], 5 minutes.

Mr. PEARSON. Mr. Chairman, it appears now that after months of agitation the Congress of the United States will be called upon to consider legislation dealing with the qualification of voters in the election of a President, Senators, and Members of the House of Representatives in the States, and to prohibit any sovereign State from requiring the payment of a poll tax as a prerequisite to voting in the election of either of these officials. This proposal is contained in H. R. 1024, introduced by Representative Geyer of California, and consideration of which is being forced through a discharge petition which has been signed by a sufficient number of the Members of the House of Representatives.

This bill would only apply to the States of Tennessee, Texas, Mississippi, Alabama, Georgia, Arkansas, South Carolina, and Virginia.

It is unfortunate that so many Members of Congress, uninformed as to conditions in these States, have permitted themselves to be made parties to the enactment of this legislation and seek to impose upon these States an unconstitutional limitation upon their right to pass upon and determine the qualifications of those who take part in elections of Federal officials.

I feel sure that if they would stop to consider the far-reaching effect of this legislation, not only in the States immediately affected, but upon their own States in years to come, they would be reluctant to vote to pass this measure.

I am not insisting upon or undertaking to argue the advisability of requiring all voters to pay a poll tax as a prerequisite to vote. In fact I have no objection to removing it as a legal requirement, but I do maintain that the States not only have the right to fix such a requirement, but are charged with the responsibility of determining the qualifications of their voters, and Congress has no constitutional right to legislate upon the question.

I recall some 2 or 3 years ago that Congress was urged to pass certain legislation regardless of any reasonable doubt

which might exist as to the constitutionality of it. I did not then and do not now approve of Congress disregarding the constitutionality of acts which it is called upon to consider. It may be true that the Constitution is already prostrate from former attacks, but that is no justification for another attack which would render it forever impotent if our constitutional form of government is to survive.

By what constitutional provision can Congress be said to have a legal right to enact this bill under the Constitution?

The only provisions of the Federal Constitution directly or remotely dealing with the subject are as follows:

Article I, section 2: The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

Amendment XVII: The Senate * * * shall be composed of two Senators from each State, elected by the people for 6 years, and each Senator shall have one vote. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature. (Adopted April 8, 1913.)

Article I, section 4: The times, places, and manner of holding elections for Senators and Representatives shall be presented in each State by the legislature thereof, but the Congress may at any time make or alter such regulations, except as to the places of choosing Senators.

* * * * *

Amendment XIV: All persons born or naturalized in the United States and subject to jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States, nor shall any State deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws.

Amendment XV: The rights of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

* * * * *

Amendment XIX: The rights of citizens of the United States to vote shall not be denied or abridged by the United States or any State on account of sex.

One or more of these provisions of the Constitution must form the basis for this bill if it has any legal or constitutional justification. I submit that it is in contravention of all of said constitutional provisions and that the Congress of the United States has absolutely no right to say to the States what they can or cannot do with reference to the qualifications of voters in any election, whether State or Federal. It is a question which can only be determined by the legislatures of the several States. We may not like what they do in this regard, but there is nothing we can do about it unless and until we amend the Federal Constitution.

Let us take the six provisions listed above in the order named, analyze them, and determine what they mean in the light of the decisions of the Supreme Court of the United States construing them.

ARTICLE I, SECTION 2

Under this section of the Constitution its authors provided specifically that the States should have the right to fix the qualifications of those who voted for Members of the Federal House of Representatives by stipulating that electors in such elections shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

Certainly no one will contend that any legislative body except a State legislature has any right to say what the qualification of a voter shall be in elections to determine who shall serve in said State's legislative body except the State legislature itself. It is a right reserved to the States and over which the Federal Government has no control. If the States have the unquestionable right to fix and determine qualifications for those voting for members of the State legislature the Congress has no power to curb or interfere with the action of these States in imposing poll-tax payment as a voting qualification. If such is made a condition precedent to voting for these State officials, under the Federal Constitution, it shall likewise be a condition precedent to voting for Federal officials. Congress cannot prevent it by mere legislative act saying that it cannot be done.

If the Congress is to assume the right and power to prevent the States from requiring the payment of a poll tax as a voting qualification in electing Federal officers, then it must be done by amendment to the Constitution, separating the power of the State to fix qualifications of the electors of the members of its most numerous branch of the State legislature from that of fixing qualifications of those voting to elect members of the Senate and House of Representatives of the Congress of the United States. It cannot be done in any other way.

So long as State legislatures require those who vote for members of such legislatures to pay poll tax in order to vote they must require such tax in electing Federal officials. So long as States have the right to fix qualifications for voters in elections to select members of State legislatures just so long will they likewise determine who can vote for Members of Congress and the Federal Constitution provides that such qualifications when determined by the State legislatures shall also obtain in electing Members of the House of Representatives of the Federal Congress. States are vested with the indisputable right to fix the qualifications in both State and Federal elections.

In connection with the language used in article I, section 2, I call attention to the fact that when the seventeenth amendment was adopted directing the election of United States Senators by popular vote of the people the same language was used with reference to the qualifications of electors in such election and again the States were left with the right to determine what those qualifications should be.

This is especially significant because when this amendment was adopted many of the States were then—1913—and for 50 years prior thereto had been, requiring the payment of poll tax as a prerequisite to the right to vote in choosing Members of the House of Representatives. The amendment was submitted to and adopted by the States in the light of all these years of experience and no effort made to change the language used in article II, section 2, or to apply a different rule.

These are not just dogmatic, categorical statements of mine but are legal principles firmly established by decree of the United States Supreme Court nearly 60 years ago and never questioned since.

In 1883 the Court in the case of *Ex parte Yarbrough* (110 U. S. 663), with reference to article I, section 2 of the Constitution, said:

> The States in prescribing the qualifications of voters for the most numerous branch of their own legislatures, do not do this with reference to the election for Members of Congress. Nor can they prescribe the qualification for voters for those eo nomine. They define who are to vote for the popular branch of their own legislature and the Constitution of the United States says the same persons shall vote for Members of Congress in that State. It adopts the qualification thus furnished as the qualification of its own electors for Members of Congress.

For the Federal Congress to say by legislative enactment that the States shall not and cannot require payment of a poll tax to vote for Members of Congress would be tantamount to forbidding such States to control the qualifications of their citizens who vote for members of State legislatures. Where can be found anyone who will contend that Congress has any constitutional right to dictate to the States how they shall qualify electors in choosing any State official?

In the case of *Wiley* v. *Sinkler* (179 U. S. 63), the Court upheld the right of South Carolina to prescribe qualifications for those voting for Federal officials and reiterated with approval the construction of article I, section 2, as set out in the case of *Ex parte Yarbrough*.

ARTICLE I, SECTION 4

The author of the bill under discussion has insisted that Congress has the power to enact this bill under article I, section 4 of the Constitution which provides that the States shall prescribe the time, place, and manner of holding elections for Senators and Representatives through their legislatures but that Congress may at any time make or alter such regulations.

To say that the words "time," "place," or "manner" of holding elections mean or include qualifications of voters, such as length of residence, registration, and poll tax payments certainly strains one's conception and understanding of these words in their common and accepted usage. It is a meaning which the Supreme Court has never given these words and all the decisions construing this section hold that the power given Congress by the language used is to protect the act of voting, the place where it is done, and the man who votes from personal violence or intimidation.

See the following cases for a full discussion of this section and its meaning, to wit:

Ohio v. *Hildebrant* (241 U. S. 565).
Smiley v. *Holm* (285 U. S. 355).

Koenig v. *Flynn* (285 U. S. 375).
Carroll v. *Becker* (285 U. S. 380).
In re Coy (127 U. S. 731, 752).
Ex parte Siebold (100 U. S. 371).
Ex parte Clark (100 U. S. 399).
United States v. *Gale* (109 U. S. 65).
United States v. *Moseley* (238 U. S. 383).
Newberry v. *United States* (256 U. S. 232).
United States v. *Wurzboch* (280 U. S. 396).

It is unnecessary to review separately this long line of cases. Suffice it to say that they leave no doubt about the exclusive rights of all States under article I, section 2, and article I, section 4, of the Constitution to fix and determine the qualifications of electors in all elections and make it absolutely clear that Congress cannot interfere with this right.

I only call especial attention to the case of *Newberry* v. *United States* (256 U. S. 232), decided in 1920, in which Justice McReynolds reviews and discusses every phase of this subject. A casual reading of this opinion will convince anyone that it is asinine for Congress to consider any bill having as its objective curbing, restricting, or interfering with the rights of sovereign States to say what shall be required of electors naming State or Federal officials.

I quote, in part, from that decision sections bearing on the principle involved in the Geyer bill:

> We find no support in reason or authority for the argument that because the offices were created by the Constitution, Congress has some indefinite, undefined power over elections for Senators and Representatives not derived from section 4 (of art. I of Constitution). The Government, then, of the United States can claim no powers which are not granted to it by the Constitution, and the powers actually granted must be such as are expressly given, or by necessary implication (*Martin* v. *Hunters Lessee*, 1 Wheat. 304). Clear constitutional provisions also negative any possible inference of such authority because of the supposed anomaly "if one government had the unrestricted power to control matters affecting the choice of the officers of another" (256 U. S. 249).
>
> Our immediate concern is with the clause which grants power by law to regulate the "manner of holding" elections for Senators and Representatives—not broadly to regulate them. * * *
>
> Who should participate in the specified elections was clearly indicated—members of State legislatures and those having "the qualifications requisite for electors of the most numerous branch of the State legislature." Who should be eligible for election was also stated. * * * Subject to these important limitations, Congress was empowered by law to regulate the times, places, and manner of holding the elections. * * * These words are used without any veiled or obscure significance, but in their natural and usual sense.
>
> Many things are prerequisite to elections or may affect their outcome—voters, education, means of transportation, health, * * * but authority to regulate the manner of holding them gives no right to control any of these (ibid., pp. 256, 257).
>
> The plain words of the seventeenth amendment and those portions of the original Constitution directly affected by it should be kept in mind.
>
> * * * * * *
>
> As finally submitted and adopted, the amendment does not undertake to modify article I, section 4, the source of congressional power to regulate the times, places, and manner of holding elections. That section remains intact and applicable both to election of Representatives and Senators.
>
> * * * * * *
>
> Its authority would be expressly restricted to regulation of times, places, and manner of elections. The qualifications of the persons who may choose, or be chosen, as has been remarked on other occasions, are defined and fixed in the Constitution and are unalterable by the legislature. The history of the times indicates beyond reasonable doubt that if the Constitution makers had claimed for this section the latitude we are now asked to sanction, it would not have been ratified (ibid., pp. 254, 255, 256).

AMENDMENT XIV

The author of this bill, Mr. Geyer of California, was quoted a short time before his death in the Townsend Weekly as saying that State poll tax requirements are a violation of the fourteenth amendment to the Constitution which prohibits the States making any law abridging the privileges of citizens of the United States.

Without meaning to reflect upon his memory permit me to say this insistence by him only goes to show that he had made no investigation of the meaning of this amendment or of its application to his bill.

As late as 1937 Mr. Justice Butler, speaking for the Supreme Court in the case of *Breedlove* v. *Suttles* (302 U. S. 278), involving the validity of a Georgia statute levying a poll tax as a prerequisite to voting, said:

> To make payment of poll taxes a prerequisite to voting is not to deny any privilege or immunity protected by the fourteenth amendment. Privilege of voting is not derived from the United States but is conferred by the State and save as restrained by the fifteenth amendment (right to vote regardless of race, color, or previous servitude) and nineteenth amendment (woman suffrage) and other provisions of the Federal Constitution, the State may condition suffrage as it deems appropriate. (Citing 21 Wall. 162, 110 U. S. 651, 146 U. S. 1 and 238 U. S. 347.) The privileges and immunities protected are only those that arise from the Constitution and laws of the United States and not those that spring from other sources. (Citing 293 U. S. 245.)

The question to which this discussion is directed was met foursquare in the Breedlove case and was definitely settled without equivocation or reservation.

Proponents of this measure rely upon the case of United States against Classic, decided by the Supreme Court of the United States on May 26, 1941. I have read and reread the opinion of the Court in this case, and there is no utterance in the opinion which in any manner bears upon the issues involved in this discussion. This case simply held that officials in a primary election violated the constitutional rights of voters when they willfully altered and falsely counted the ballots cast in the primary. Such conduct comes within article I, section 4, of the Constitution, which provides that Congress shall prescribe the manner of holding elections for Federal officers, and no one has ever questioned the right of Congress to safeguard the rights of electors in election of Federal officials. This case did not depart from the doctrine laid down by the Court in the Breedlove case.

Since the Classic case was decided the question of the right of a State to impose a poll tax as a voting requirement or qualification has again been reaffirmed in the case of Pirtle against Brown, decided in the sixth circuit court of appeals, and the Supreme Court refused to consider the case upon petition for certiorari.

The objective of this legislation is so patently in violation of the Constitution as it has been construed by the Supreme Court that there can be no doubt about its unconstitutionality, and I do not see how Members of this House can support it.

I desire to say again that I am not presenting an argument in favor of the States continuing the levy of poll taxes as a necessary qualification to vote. As a matter of fact, I am not voicing any objection to the repeal of such a requirement by the separate States. In all probability my own State of Tennessee, through legislative enactment, will repeal it in January. I am simply saying that whatever is done about it, it is a question for each State to settle and determine for itself, and that Congress has absolutely no constitutional right to act on the question. I have been cheerfully paying poll taxes for nearly 30 years. In my State the revenue thus derived is used in our educational program and serves a useful purpose. If the State legislature deems it proper and wise to repeal this tax and permit voting without such a prerequisite I have no quarrel to find with such a course, provided it is safeguarded with adequate registration requirements. I might add, by way of parenthesis, that if Congress has a right to prevent the levying of a poll tax in order to vote it also has the right to prevent the States from requiring proper registration. I do not want to see the Federal Government in full control of the laws governing the election of Federal officials, but prefer to leave it within the discretion of each sovereign State.

I hope this measure will be defeated.

[Here the gavel fell.]

Mr. GAVAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, I may say to the gentleman from Tennessee [Mr. PEARSON] that this particular proposition, to wit, constitutionality of payment of poll tax as a condition precedent to voting for a Federal office, has never been specifically passed on by the Supreme Court. The Breedlove case (302 U. S. 277) referred to a State election; the Pirtle case (118 Fed. (2d) 218) was a case decided in the United States Circuit Court of Appeals, Sixth Circuit, and is now on its way up to the Supreme Court; it did refer to a congressional election, but the court was not the Supreme Court; the Classic case referred to primaries. It is reported in Three Hundred and Thirteenth United States Reports, second edition, page 307. I am firmly of the conviction that if this case came before the Supreme Court for its

consideration it would be declared constitutional.

Much water has gone over the dam since the case known as the Newberry case (256 U. S. 232) was decided. It is mainly relied upon by the opponents of this bill. It limited power of Congress over State primaries and elections. It greatly narrowed the powers of Congress. The complexion of the Court has entirely changed, and the decision in the Newberry case was a 5-to-4 decision. If it came before the Court now the minority opinion would become the majority opinion.

Just as the Court can take judicial notice of legislative changes, the legislature has the right to take legislative notice of judicial changes. We can and must take notice of the changes in the Supreme Court personnel.

I want to give all due deference to the opinions voiced by the opposition to this bill, particularly to the views of my distinguished colleague, the chairman of the House Committee on the Judiciary, under whom I have always been most happy to serve, but I respectfully disagree with him and the other opponents. Our economic and political conditions have greatly changed in the last several decades, but the opinions of the opponents take no cognizance thereof and sound as though they were made by men in this Chamber at the time of the passage of the poll taxes in the South, the years 1885 to 1900, and thereabouts. Again with all due deference to the opponents, their speeches sound like words coming from the holes of an old moth-eaten parlor sofa. I do hope they read and appreciate something of the economic and political changes in our history rather than some of the old musty decisions upon which they base their conclusions. They can no longer do the things in their States that their fathers and forefathers did before them. Times have indeed changed.

If there is any doubt as to the constitutionality of the bill before us, let me tell you what our great President said on a similar occasion when the so-called Guffey bituminous coal bill was under consideration. The President made the following statement:

> Manifestly, no one is in a position to give assurance that the proposed act (Guffey bill) will withstand constitutional tests, for the simple fact that he can get not ten but a thousand different legal opinions on the subject. But the situation is so urgent and the benefits of the legislation so evident that all doubts should be resolved in favor of the bill leaving to the courts, in an orderly fashion, the ultimate questions of constitutionality. This decision of the Supreme Court relative to this measure would be helpful as indicating with increasing clarity the constitutional limits within which the Government must operate. I hope your committee will not permit doubts as to constitutionality, however reasonable, to block suggested legislation.

I advise that we do what the President then suggested on the Guffey bill—pass the pending bill. That bill was finally declared constitutional by the Supreme Court.

We are supposed to have universal suffrage, but I deny that when insistence on the payment of poll taxes as a prerequisite to voting obtains in so many States—eight, at least; we have not universal suffrage then. We proclaim proudly female suffrage, but many females are disenfranchised by these statutes. The very people who ought to have the vote—the impoverished, the tenant farmer, the sharecropper, and the colored man—are the ones who are deprived of the vote. The poor need the vote far more than the rich. The rich can protect themselves. The poor cannot without the vote.

We are indeed approaching a showdown in democracy and that show-down clings to the necessity of ripping out of the statute books in these eight States the necessity that a poll tax must be paid; otherwise men and women do not qualify as voters. It is stated that this—namely, the payment of the poll tax—is a qualification. It is not a qualification. Why do you not make it apply—that is, the payment of the tax in some States—to the deaf, to the dumb, and to people over 60 years of age, the lame, and the crippled? All of those persons are exempt from the payment of the tax, yet they may vote. It is no qualification as to the halt, the lame, the feeble. Thus, it is untenable to state that since payment is a qualification as to fitness to vote, the States can insist upon that qualification, under section 2, article IV, of the Constitution, which says that the qualification for a voter for the most populous branch of a State legislature may be determined by the State, but payment, as we see, as to the old, feeble, deaf, dumb, and blind, is no qualification since it does not apply to them.

We guarantee the four freedoms, including freedom from fear, to far-flung peoples in Iraq, Iran, Belgium Congo—to the Icelanders, the Hindus, and Hottentots, to the South American Indians, and the Zulus, but the opponents of this bill deny freedom from fear to southern impoverished people, sharecroppers, tenant farmers, both Negro and white alike. In a sense those who cannot pay poll taxes are, in the language of Hitler, slavenvolk who fear their masters, the herrenvolk. Southerners thus denied the right to vote can fight and die in this war to save democracy—a war to save the right to vote—but, in turn, cannot vote in eight southern States.

Suffrage is the greatest weapon of democracy. Insistence upon payment of the poll tax as a condition precedent to voting so blunts the edge of democracy as to make it ineffectual.

Our boast of freedom is inane when people on one side of the railroad can vote and those on the other side cannot. Abolition of the poll tax is not a race problem. The abolition of the poll tax will enfranchise more whites than blacks. On the basis of 1940 figures, an average of 150,000 New York City voters will go to the polls to elect a single Member of the House, but in the great poll-tax areas, where only 11 percent of the people went to the polls in 1940, it will take only 35,000 votes to elect a Member of this House. In 1940, in the poll-tax States of Texas, Arkansas, Mississippi, Alabama, Georgia, South Carolina, Tennessee, and Virginia, with a population of 23,980,244 persons, 11 percent, or only 2,749,100 voters elected 78 Members of this House, whereas in New York City, with a population of 7,649,000 in 1940, 46 percent thereof, or 3,548,949 voters elected 26 Representatives, including two Representatives at Large.

If these figures do not show that the imposition of a poll tax creates disfranchisement, I will eat my hat.

Let a State enact all the poll taxes it wishes, but payment thereof cannot and should not be a condition precedent to voting. It may be an effective and efficient method of collection, but it is not justifiable. The poll tax is not a tax on voters as a class.

Congress, under article 1, section 2 of the Constitution, can regulate "the times, the places and the manner of holding elections" to Federal offices. These are broad powers, sufficient to prevent unreasonable restrictions. Judge Pitney and Judge Brandeis held in "Newberry against United States" that the manner of holding elections goes to the entire mode of procedure, "the essence, not merely the form, of conducting the elections." These judges justified Congressional control even over primaries. In fact, the Classic case, subsequently heard by the Supreme Court, as I stated before, overruled the majority opinion in the Newberry case and sustained the point of view of the minority opinion as expressed by Judges Pitney and Brandeis.

I submit that if States may lay down any condition unrestrained by Congress, then States could say, "You cannot vote for a Congressman because—

"First. You have not paid your taxes, or because

"Second. You have not paid your private debts, or because

"Third. You have been guilty of reckless driving, or because

"Fourth. You are not a regular churchgoer, or because

"Fifth. You have not bought bonds."

States could enact any capricious condition—yes, it can do so for State elections—but not for national elections. The pending Geyer bill is limited to national elections.

In accordance with article I, section 2 of the Constitution, Congress can put on the brakes, can prevent arbitrary, unreasonable and capricious conditions to voting. States cannot place excessive burdens upon great numbers of people as to Federal elections. Such restrictions must be deemed reasonable.

Also Congress has definite grants of power in accordance with article I, section 4 of the Constitution; that is, Congress may regulate the times, places and manner of holding elections and, in addition, Congress may alter any provisions that States may make on the subject, except as to places of choosing Senators.

Thus Congress may regulate State action by preventing payment of poll tax as a condition for voting.

I quote from the famous Yarbrough case, 110 U. S. 651:

> For the power of Congress over the subject is paramount. It may be exercised as and when Congress sees fit to exercise it. When exercised the action of Congress, so far as it extends and conflicts with the regulations of the State, necessarily supersedes them. This is implied in the power to "make or alter." * * * The right to vote for Members of Congress is fundamentally based upon the Constitution of the United States, and was not intended to be left within the exclusive control of the States.

Payment of poll taxes has naught to do with intelligence, residence, sanity, integrity, or age. Many States lay down conditions concerning intelligence, residence, sanity, integrity, and age. Payment of poll tax is not even a property-holding qualification. Somebody else can pay one's poll tax. This has given rise, in many instances, to fraud and corruption. Political leaders have been known to pay poll taxes for thousands of poor voters who are unable to pay. The mere payment of the tax naturally influences their judgment when they cast their votes. Indeed, there are cases on record, according to the testimony before the Senate Judiciary Committee, where ward heelers and corrupt political leaders have actually taken receipts for payment of poll taxes, which taxes they paid, and voted these receipts without the presence of the voters whose poll taxes these corrupt politicians paid. A brief was submitted by the New School for Social Research to the Senate Judiciary Committee and it speaks of evidence of fraud and corruption as a result of the poll taxes.

Other testimony as to abuse and manipulation of the tax requirement, of payment of the tax by candidates or their supporters rather than by electors, of manipulation of the tax lists in the interest of the controlling political faction, ante-dating of poll-tax receipts, and so forth, can be found for all the poll-tax States today—hearings before the Subcommittee of the Judiciary of the House on the Geyer bill. Alabama, charge of the circuit judge of Cullman County to the grand jury, February 1940; Arkansas, investigation of the Federal Bureau of Investigation and Arkansas legislative committee of conditions in Hot Springs; Georgia, Georgia Political System, pamphlet by Judge Orville Park, written for the Georgia Citizens' Fact Finding Committee; Mississippi, the Poll Tax, Survey Graphic, January 1940; Tennessee, Senatorial Investigation of Senatorial Campaign Expenditures, Report No. 1, Seventy-sixth Congress, first session; Texas, special act of legislature of 1939.

For many voters, the disfranchisement of the Negro seems to have been an end in itself. The purpose of the constitutional conventions in several States was stated to be to disfranchise every Negro without disfranchising a single white man. The discussion of this aim was so frank in Alabama that it was suggested that the report of the debates had better be suppressed lest they provide the Federal courts with the evidence which would lead to the overthrow of the State provisions.

In Mississippi, the highest court of the State has declared that the tax is intended there as "a clog on the suffrage" *Ratcliffe* v. *Beale* (20 So. 868). In Alabama today poll-tax payment may not even be received except between October 1 and February 1, and in Texas payment for the purpose of qualifying as a voter must be made in those months only. Exaction of payment in the winter months is an additional hardship since those against whom the poll tax statutes are aimed have little cash in the winter.

In a measure these poll taxes are a violation of the fourteenth and fifteenth amendments since they are a deliberate disfranchisement of Negro voters. Beyond question, the disfranchisement of these colored people is in part the purpose of these taxes.

Furthermore, these taxes are cumulative. The amounts which may be demanded of a voter in these States range from $1 to $2 annually as a minimum to a maximum of $36, the highest cumulative charge which is customarily exacted.

Article IV, section 4 guarantees a republican form of government. Disfranchisement because of race or color or payment of poll tax is a denial of that form of government.

Mr. ROBSION of Kentucky. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, the measure now before the House, H. R. 1024, makes it unlawful for any person, acting under the authority of the laws of the State, or subdivision thereof, to require the payment of a poll tax as a prerequisite for voting or registering to vote at any election in which Presidential electors or a United States Senator or a Member of the House of Representatives of the United States is chosen.

It is objected that this measure is violative of section 2 of article I of the Federal Constitution, which provides, in effect, that persons qualified to vote for Members of the House of Representatives "shall have the qualifications requisite for electors of the most numerous branch of the State legislature."

In eight States of the Union, namely, in Alabama, Arkansas, Georgia, Mississippi, South Carolina, Tennessee, Texas, and Virginia, one of the qualifications prescribed by the constitutions and laws of those States is that the voter, before being entitled to cast his ballot in any election for the choice of county, State, or Federal officers must have paid the poll tax prescribed by the laws of said respective States in order to be entitled to vote.

It is said that the measure now proposed in this Congress is violative of the section of the Federal Constitution just referred to, and is an invasion of and trespass upon the reserved rights of the States.

The question of the power of Congress to pass the proposed legislation eliminating and outlawing the payment of a poll tax as a qualification for voting must be determined in the light of what occurred in the Constitutional Convention with respect to the adoption of section 2 of article I of the Constitution and by a consideration of section 4 of article I, and of other pertinent provisions of the Federal Constitution when read in the light of the interpretation of that document by the Supreme Court of the United States.

Section 2, of article I, of the Constitution must be read in connection with section 4, which reads:

> The times, places, and manner of holding elections for Senators and Representatives, shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations except as to places of choosing Senators.

After reviewing the debates in the Constitutional Convention and considering the actions taken by the members of that body with respect to the qualifications of voters, and after measuring this proposed legislation by the power conferred upon Congress to restrict State action defining the qualifications of a voter entitled to participate in the election of Members of Congress under section 4, of article I, of the Constitution, and the more general power of Congress under article I, section 8, clause 18, of the Constitution, "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers," I have come to the conclusion that this proposed legislation is constitutional, and is a belated and much-needed action on the part of the Congress to extend to and protect the right of the people of Tennessee and of other States involved to cast their votes in all elections for the selection of Members of the House of Representatives, the United States Senate, and for the selection of Presidential electors.

I am confirmed in this opinion by the recent opinion of the Supreme Court of the United States in the case of the United States against Classic, reported in Three Hundred and Thirteen United States Reports, page 299. The opinion of the Court was delivered by Mr. Justice Stone, now the Chief Justice. Mr. Justice Douglas delivered a dissenting opinion, in which he clearly indicated that he entertained the opinion, and we are warranted in assuming that he now entertains the same opinion, that Congress has the power to deal with the very question upon which we are now undertaking to legislate.

I have no desire to engage in crimination or recrimination with anyone on this subject. I do not question the motives nor the sincerity of any Member who entertains a different view from that which I am now expressing.

I do say, however, that the interpretation and construction sought to be placed upon sections 2 and 4 of the Constitution and other pertinent and applicable provisions of the Constitution are in error, do not go to the heart of the question involved, and "stick in the bark."

It may be safely asserted, therefore, that Congress has the power to nullify any State statute or State constitutional provision requiring the payment of a poll tax as a prerequisite to the right to vote or as a qualification to exercise that right in the selection of Members of Congress

and of Presidential electors. This measure is nothing more nor less than a protection of the right of a constitutionally qualified voter to vote.

I am further impelled to this conclusion by considering the undisputed fact that the framers of the Constitution were dealing with the election of a national legislative body and that in providing for the election of Members of Congress they never intended that the qualifications of those entitled to participate in the election of this national lawmaking body should be restricted to the narrow definitions that a State legislature or any State lawmaking body, for that matter, might undertake to place upon the electorate of a State in the choice of their Representatives in Congress.

In taking this position I am not unmindful of the fact that the Federal Government is one of enumerated, delegated, and limited powers, but it must be remembered that the Federal Government, within its national sphere, is and must be supreme and national in character. What else could the framers of the Constitution have had in mind than that, in the event State legislatures or, for that matter, State constitutional conventions, adopted restricted, unreasonable, capricious, or arbitrary qualifications restrictive of the right of the citizen to vote for Members of Congress when they wrote into the Constitution in section 4 thereof:

> But the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators.

Manifestly the framers of the Constitution lodged in the Congress the power to override, set aside, and nullify any unreasonable or unnatural restriction placed upon the voters of a State in the guise of a qualification to vote.

The payment of a poll tax in no sense qualifies a man or a woman to exercise the right of suffrage. I have heard it said upon this floor that the right to vote is not a natural right; that it is a privilege to be extended or withheld by the respective States. This contention is at war with what occurred in the Constitutional Convention and is in conflict with what the father of the Constitution, James Madison, said upon that subject, in No. 57 of the Federalist:

> Who are to be the electors of the Federal Representatives? Not the rich, more than the poor; not the learned, more than the ignorant; not the haughty heirs of distinguished names, more than the humble sons of obscurity and unpropitious fortune. The electors are to be the great body of the people of the United States.

It is beyond dispute that article I, section 4, of the Constitution, gives Congress power, by law, to regulate the time, places, and manner of electing Members of Congress and to alter State laws on the subject. What the members of the Constitutional Convention have to say on this subject demonstrates that the principal purpose of this clause was to make the power of Congress supreme in Federal elections and to clothe Congress with power to guard them against oppression and corruption. The Massachusetts delegate, Rufus King, stated that the failure to give Congress this power would be fatal to the Federal establishment. The words "times, places, and manner" were not used in a narrow or restricted sense. Of them Madison said:

> These were words of great latitude.

He further, with the wisdom and vision of a seer, said of the legislatures of the respective States, that when they had a favored measure to carry—

> They would take care to so mould their regulations as to favor the candidates they wished to succeed.

How true are his words when read in the light of the great opinions of Mr. Justice Stone and Mr. Justice Douglas, of our present Supreme Court, in the case of United States against Classic.

It is true that in the case of Pirtle against Brown, a case originating in Tennessee, where Pirtle went into the United States district court seeking to require the election authorities of Tennessee to permit him to vote in an election for the election of a Member of the House of Representatives on the ground that the requirement of the payment of a poll tax as the qualification of voting in Tennessee was violative of his rights as a citizen, was denied the relief which he sought by the Federal courts on the ground that the question was controlled by the decision of the Supreme Court of the United States in the case of *Breedlow* v. *Suttles* (302 U. S., p. 277). But when Pirtle brought his suit Congress had not acted under the power conferred on it by section 4 of article I of the Constitution, and other applicable provisions of the Constitution, namely, article I, section 8, clause 18.

The Classic case holds that the acts of election officials, who conducted a primary election to nominate a party candidate for Representative in Congress from a Louisiana district, in willfully altering and falsely counting and certifying the ballots, were acts under color of State law depriving the voter of constitutional rights within the meaning of section 20 of the United States Criminal Code. The Court held that the provisions of the Federal statute under the Constitution of the United States extended to the protection of the right of the citizen of Louisiana to cast his vote in a Democratic primary and to have that vote counted as cast. The Court based its decision upon the broad, sound, and lofty grounds that the nomination of a candidate for Congress in a Democratic primary in Louisiana was tantamount to election, and was an integral part of the process of selecting a Representative in Congress and that Congress has the power to secure the free choice of Representatives in Congress by the people of a sovereign State. And the Supreme Court held this, regardless of the fact that when the Constitution of the United States was adopted party primaries were not within the contemplation of the founding fathers.

The truth is that the Constitution of the United States is a living instrumentality of government; it has the power to match, the power to keep step with the progressive, liberal development and protection of free government and the enlargement of the rights of the citizen under our Federal Constitution.

I now quote from the opinion of the Supreme Court in the Classic case:

> That the free choice by the people of representatives in Congress, subject only to the restrictions to be found in sections 2 and 4 of article I and elsewhere in the Constitution, was one of the great purposes of our constitutional scheme of government cannot be doubted. We cannot regard it as any the less the constitutional purpose, or its words as any the less guaranteeing the integrity of that choice, when a State, exercising its privilege in the absence of congressional action, changes the mode of choice from a single step, a general election, to two, of which the first is the choice at a primary of those candidates from whom, as a second step, the Representative in Congress is to be chosen at the election.
>
> Nor can we say that that choice which the Constitution protects is restricted to the second step because section 4 of article I, as a means of securing a free choice of Representatives by the people, has authorized Congress to regulate the manner of elections, without making any mention of primary elections. For we think that the authority of Congress, given by section 4, includes the authority to regulate primary elections when, as in this case, they are a step in the exercise by the people of their choice of Representatives in Congress.

Said the Court, with respect to the power of Congress to regulate the election of Members of this body:

> To decide it we turn to the words of the Constitution read in their historical setting as revealing the purpose of its framers, and search for admissible meanings of its words which, in the circumstances of their application, will effectuate those purposes. As we have said, a dominant purpose of section 2, so far as the selection of Representatives in Congress is concerned, was to secure to the people the right to choose Representatives by the designated electors, that is to say, by some form of election. Cf. the seventeenth amendment as to popular election of Senators. From time immemorial an election to public office has been in point of substance no more and no less the expression by qualified electors of their choice of candidates.

And, by analogy, the requirement of the payment of a poll tax as a prerequisite to the right to vote, or as a qualification for voting in an election involving the selection of a Member of Congress is a restriction placed upon the elective franchise; is, in fact, a disfranchisement of the voter in many instances. It is also an instrumentality by which the floodgates of corruption and bossism are loosed upon a people.

No narrow construction can be permitted to suck the life out of section 4, article I, of the Constitution.

> Words, especially those of a constitution, are not to be read with such stultifying narrowness. The words of sections 2 and 4 of article I, read in the sense which is plainly permissible and in the light of the constitutional purpose, require us to hold that a primary election which involves a necessary step in the choice of candidates for election as representatives in Congress, and which in the circumstances of this case controls that choice, is an election within the meaning of the constitutional provision and is subject to congressional regulation as to the manner of holding it.

Not only does section 4 of article I authorize Congress to regulate the manner of holding elections but by article I, section 8, clause 18, Congress is given authority "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers and all other powers vested by this Constitution in the Government of the United States or in any department or officer thereof." This provision leaves to the Congress the choice of means by which its constitutional powers are to be carried into execution. "Let the end be legitimate; let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consist with the letter and spirit of the Constitution, are constitutional." (*McCulloch* v. *Maryland* (4 Wheat. 316, 421).) That principle has been consistently adhered to and liberally applied, and extends to the congressional power by appropriate legislation to safeguard the right of choice by the people of representatives in Congress, secured by section 2 of article I.

And the Court concluded:

In reaching this conclusion the Court found no uncertainty or ambiguity in the statutory language, obviously devised to protect the citizen "in the free exercise or enjoyment of any right or privilege secured to him by the Constitution," and concerned itself with the question whether the right to participate in choosing a representative is so secured. Such is our function here. Conspiracy to prevent the official count of a citizen's ballot, held in *United States* v. *Mosley*, supra, to be a violation of section 19 in the case of a congressional election, is equally a conspiracy to injure and oppress the citizen when the ballots are cast in a primary election prerequisite to the choice of party candidates for a congressional election. In both cases the right infringed is one secured by the Constitution. The injury suffered by the citizen in the exercise of the right is an injury which the statute describes and to which it applies in the one case as in the other.

We now quote the words of Mr. Justice Douglas, in his dissenting opinion, in which he clearly upholds the right of Congress to enact such legislation as is now before us:

Article I, section 4, provides that "The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators." And article I, section 8, clause 18, gives Congress the power "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof." Those sections are an arsenal of power ample to protect congressional elections from any and all forms of pollution. The fact that a particular form of pollution has only an indirect effect on the final election is immaterial. The fact that it occurs in a primary election or nominating convention is likewise irrelevant. The important consideration is that the Constitution should be interpreted broadly so as to give to the representatives of a free people abundant power to deal with all the exigencies of the electoral process. It means that the Constitution should be read so as to give Congress an expansive implied power to place beyond the pale acts which, in their direct or indirect effect, impair the integrity of congressional elections. For when corruption enters the election is no longer free, the choice of the people is affected. To hold that Congress is powerless to control these primaries would indeed be a narrow construction of the Constitution, inconsistent with the view that that instrument of government was designed not only for contemporary needs but for the vicissitudes of time.

When we consider this legislation in connection with the evils which it is designed to eliminate there can be no argument against it. In my State of Tennessee I speak from knowledge gained by observation and an exhaustive investigation of the abuse of the poll-tax requirement.

The poll-tax requirement is a pestilential source of corruption. It is the ready and powerful weapon of the boss and the mother of corrupt political machines. Crime is progressive; it thrives upon itself. A would-be boss and a band of political corruptionists pool their funds and pay the poll taxes of thousands of voters who are needy, and who, many times, in this way are given a taste of corrupt influence. These poll taxes many times are paid en bloc, by the thousands. In this way the outcome of a county and even a congressional or State-wide election may be determined.

This step taken, it is but a short step to other fraudulent practices. To make certain their investment in money, the corruptionists then place law violators in charge of the election machinery. They stuff ballot boxes, miscall ballots, forge and falsify the returns, and thus set aside the people's will.

In my district, in two counties, the poll-tax evil has led to other wholesale frauds. The blackjack and the pistol have been substituted for the ballot. Armed men from these and other counties and States have been appointed to hold the elections. They have driven law-abiding men and women from the polls. Citizens have been terrorized, slugged, and shot. Thousands of fraudulent ballots have been placed in the ballot box and feloniously counted for candidates for the machine. In precincts where the good citizens predominate, felons who have been rendered infamous have been appointed to hold elections and rob law-abiding men and women of their ballots. Fathers and mothers whose sons are fighting and dying all over the world in the armed forces of this Nation have been driven from the polls by armed criminals, and their votes, when cast, have been counted for candidates of the machine.

This has occurred in November elections where Members of Congress were chosen and where United States Senators were voted for.

These wholesale and repeated violations of the Federal statutes have been placed before the Department of Justice by me. The criminals composing those machines have so far escaped and gone unwhipped of justice. I have been assured by the Federal authorities that these offenders in my State will eventually suffer the fate of Pendergast, of Kansas City. But my people have endured the "hope deferred that maketh the heart sick."

I am for this bill. I shall vote for it because I believe it is constitutional. I shall vote for it because I believe it is the death knell of bossism and corruption in Tennessee and elsewhere. I shall vote for it because I believe in a free ballot for free men and free women, and because I am eternally ranged on the side of the right of a citizen to cast a free ballot and his right to have it counted as cast. This is democracy. This is rule of the people. And the poll-tax requirement of the poll-tax States offends against all these rights, is wholly evil, and without any virtue whatever. It must go, and is on its way out.

Mr. GAVAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. O'TOOLE].

Mr. O'TOOLE. Mr. Chairman, I listened with rapt attention to the remarks of the gentleman from the Fifth District of Texas. It is always a pleasure for me to listen to the gentleman, to note his coyness and demureness of manner, his wisdom, and his play with words, but for some reason my system is not able to absorb his political philosophy.

The gentleman from Texas in the course of his remarks said that a price must be paid in order for people to place the proper value on things. I think he said the people would value their vote where they had to pay a tax.

Let me remind the gentleman from Texas that the most terrible price has been paid for the vote, the blood of humanity down through the centuries. Men have died in every continent, they have died here on our own shores, that our people might have this right.

I thought of the men on Bataan in its last days, crawling through the tropical jungle, pushing aside the scum of a tropical stream to allay their thirst, suffering and dying, and what must they have thought of a system that would not allow them, or their fathers in many instances, the right to vote.

I am not here to argue the constitutionality or the unconstitutionality of this bill. That lies within the province of the Supreme Court. I do believe, however, that the Constitution of this country is a human thing, and since it is a human thing it is a living thing. It was the desire of the fathers of the Constitution not to legislate for a day but to spread the arms of protection and citizenship through the centuries, to provide for the development of a democracy that they knew would need time to develop and to blossom into full flower.

The time has come in this country when men of all shades of color and men of all faiths should have equal rights. We have paid for this in days gone by in another war. Today men of all faiths, of all creeds and colors, are standing shoulder to shoulder and step to step to insure the continuation of this democracy. But there can be no democracy if those who are underprivileged, those who are less privileged, are deprived of the principal weapon of democracy, the power of the vote.

So I appeal to this committee today to consider this measure and give it the weight to which it is entitled, to strike from the books of this Nation laws that are punitive, and to give to those who are willing to shoulder the obligations the rights that should be theirs—the right to vote.

[Here the gavel fell.]

Mr. GAVAGAN. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. KLEIN].

Mr. KLEIN. Mr. Chairman, in our fight to establish democracy throughout the world we must not neglect our own country. We must remember that democracy begins at home. With this in mind, we should be on constant guard against any breach of democracy within our borders. Unless we are an example of true democracy our international parleys are inconsistent, and when we preach to other nations we are hypocrites. I am sure that everyone will agree that the preservation of our democratic form of government is foremost. This is a natural attitude for us to take, for the first law of nature is self-preservation, and we cannot maintain our democracy and American way of life by denying to some of our people one of the inalienable rights of self-government—the right to vote. Yet as we sing the psalms of democracy and send our sons and daughters off to the scrambled battlegrounds of the world to fight for it, we are guilty of stifling it here at home by keeping millions of people in the United States from enjoying one of its blessings—the right of suffrage.

Let us examine the status of these discriminated-against individuals. Do they deserve their fate? Let us see. Who are they? An analysis shows that the majority of them, probably 90 percent, are American born. A large proportion are scions of old American families. We find thousands among them who trace their ancestry back to our early American pioneers, who blazed new trails, hewed towns out of the wilderness, and extended the boundaries of our country.

These disinherited Americans are of both sexes. You will find them putting their shoulders to the wheel in every branch of war industry—in shipyards, in aircraft plants, in ammunition factories—as both unskilled and highly specialized technicians, working diligently, day and night, to make the materials necessary to win the war.

Others are the backbone of civilian city life. You will find them as clerks in stores, as workers in factories. They are not of a single trade but members of a multitude of human enterprises. And the most unsuspected person may be one of them, such as the elderly minister who preaches God-fearing sermons in the side-street church in the poor part of town.

The victims are also in the rural areas. The tenant farmer with a patch of land far off the trodden path, the poor son of the soil who has the perennial problem of coaxing a crop out of his unwilling earth—he is also one of them. As a matter of fact, he is one of the main victims.

Why are these Americans so mistreated? Why are they denied the right to share in our American way of life? Why, when they are good Americans, law-abiding citizens, most of them just average folks, plain people?

Yes; I repeat, we are guilty, either directly or indirectly, of depriving these millions of Americans of a constitutional right—the right to vote. I refer to the poll-tax legislation in eight Southern States—namely, Alabama, Arkansas, Georgia, Mississippi, South Carolina, Tennessee, Texas, and Virginia—which prohibit a citizen from voting if he has not paid his poll tax.

I consider the right to vote one of the basic privileges of our democratic form of government. Is not our country founded on the principle of government by the people? Did not Abraham Lincoln earnestly pray that it shall not perish from the earth? And are we not sapping our national energy in the present fight to keep democracy from dying? How can there be a real people's government when States put a price of admission on the polling booth and make voting the exclusive privilege of the person with a dollar in his pocket? I could comprehend, and possibly condone, a system of appraising a voter on the grounds of age, literacy, or character record, but this system of judging a voter's qualifications solely by the dollar smacks of dirty dealing. It seems to me that the levying of this tax is a flagrant flouting of our democratic rights.

The most important, the most precious of all rights is the right to vote. This single right secures all others. The ballot is the only weapon a citizen can wield to shape the government to his ideas and to his ideals. On the casting of his ballot depends his peace of mind, the safety of his person, and the security of his employment. Liberty, justice, religious freedom, sanctity of life, and the everyday application of the glories of our Americanism are byproducts of the right to vote.

Depriving a citizen of voting lowers his morale. A man without a vote may be likened to a man without a country. He feels he does not belong. He is a stranger in his own home town. With such a psychological reaction, how can we expect the man who is barred from the ballot box to have a deep-rooted respect for the government in the selection of which he does not share? Such an individual is quite likely to become an easy prey to Fascist and antisocial movements. For having nothing at stake, he may feel that he has nothing to lose, and possibly something to gain, that which he covets most—personal recognition. This is a dangerous attitude to be allowed to breed, especially in these turbulent times, when the war demands the enthusiastic and loyal support and devotion of every person.

It has been argued that the purpose of the poll tax is to disfranchise the uneducated Negro. Why should he be disfranchised? The Negro has the same rights as the white. Our Government is not based on the color of one's epidermis, but on the inalienable rights of all men.

And since, much to my dislike, the color of a man's skin creeps into the subject, I should like to point out that tabulated figures reveal that more whites are disfranchised than Negroes. It is estimated that in the eight Southern States I previously mentioned almost four-fifths of the potential voters are today barred from the polling booth. In the last Presidential election it is estimated that as little as 8.8 percent of the citizenry of South Carolina were permitted to vote. The average percentage of voters for the entire eight States was about 21.10 percent. This means that about one person in every four cast his ballot. Even before the war this was the worst record in the world, taking into consideration every country that had the slightest semblance of a democratic system of suffrage.

Since the enactment of the poll tax the South has changed. Today the South is studded with small factories and stores which employ workers, ofttimes at minimum wages. Many of these employees are white-collar workers, such as bookkeepers and sales people. Many of them have college degrees or specialized business training—and by all standards of measurement are well qualified to participate in the ballot. What keeps them away is the cumulative poll tax.

Let me give you an example of what cumulative poll taxes mean. Let us say the poll tax in a particular State is $1 a year. That seems cheap enough. Now, if a voter, because of economic distress does not pay the dollar, he not only cannot vote but the second year he finds himself with double the amount to pay plus 7 percent interest and an additional fine of $1. If he does not pay the third year, the fee is three times as high, and so forth. This may be pyramided so that he may be compelled to pay as high as $47.47 before he can cast his vote. When you take into consideration the wages paid in some of the Southern States, it becomes apparent that the exercise of the right to vote is prohibitive and signifies nothing.

The business depression of the 1930's is to blame in many cases for the failure to pay the poll tax. During that economic drought numerous southerners were unemployed. Now, with the accumulation of taxes and interest and fines, they find it financially prohibitive to vote. And what is more discouraging, this condition is getting worse with each passing year. These people see no chance of ever voting. To deny an American a lifetime of voting is a calamity.

I have in mind a lengthy list of cases that cry out bitterly against this injustice. I shall not cite them all because of insufficient time, but I shall state one. It concerns a bookkeeper who is employed in a small lumber yard. He is married. Both he and his wife are third generation, native-born Americans. They are graduates of a well-known southern business college. They have four children, one of whom is a cripple. On his salary he manages to stretch both ends until they barely meet. Hard hit by the depression from the outset, he did not pay his poll taxes for years. In his State, if he and his wife wish to vote they must pay approximately $48, or almost 2 weeks of his salary. He cannot afford the expenditure and as a consequence he and his wife cannot vote and are disfranchised.

There are many dangers in such a state of affairs. These dangers are not only local but national. General progress and free institutions go hand in hand. The latter can only be main-

tained through free suffrage. The curtailment of the right of citizens to vote is a threat to our system of government, and free cooperation between all classes. Constant reduction of the number of voters is a cutting down of this free cooperation. Such an impairment is a step backward. History eloquently proves to us that only after free institutions were introduced in the western world did civilization produce her better fruits. If this system is continued, how long will it be before the right of suffrage is denied to citizens because of their religious or political beliefs? How long will it be before it is denied to minorities because of their original nationality or because they were not born in this country?

The curtailment of the vote is also a menace to the security of the individual, to public opinion, to tolerance, and to every one of the virtues of democracy. The poll tax is a scheme that stabs holes in our Americanism and short circuits the currents of democracy.

This curtailment of the vote is a steady deterioration to the miserable conditions existent under dictatorship, where citizens have no right to freely express their opinion in the selection of their governing personnel. With liberty being discarded by dictators abroad, with minorities being persecuted, with human democracy and decency being tragically renounced—it behooves us to immediately set our own democratic house in order.

Those who benefit by this denial of suffrage must not delude themselves that they are perfectly safe in their positions. Discrimination is a two-edged sword; it cuts him who once cut. Events in Germany show that those who were the oppressors soon became the oppressed.

I want to stress that the only kind of government that can give satisfaction, the only kind of democracy that can work, is the one in which all citizens have a part regardless of race, color, or creed, regardless of religion, and regardless of wealth or position.

I am in favor of prohibiting the imposition of poll taxes, or any other hindrances to the right of free suffrage.

Mr. ROBSION of Kentucky. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, there has been a current belief that the issue presented to the House today is rather academic to those Members of the Congress who come from States that do not impose a poll tax. I beg to differ with that observation because it is not quite so academic as all that.

It was rather intriguing to discover in the course of the hearings on the agricultural appropriation bill that when the Farm Security Administration was making loans in poll tax States, accrued poll taxes and school taxes had to be paid as a part of the loan in order to make a good mortgage. For verification of this, I suggest that interested persons examine the testimony given on February 2, 1942, as recorded on page 322 of part 2 of the hearings on the agricultural appropriation bill for 1943. We therefore have this strange spectacle, a State that imposes a poll tax as a prerequisite for voting and an agency of the Government that comes along and has to pay that poll tax before the man can vote, or more accurately stated, loaning money with which to pay such tax. This was testified to before the Subcommittee on Agricultural Appropriations. In many instances, before a valid loan was made out of the Federal Treasury, the Government of the United States, through the appropriate instrumentality, first paid the poll tax to the State in question or loaned the funds with which payment was made. That certainly is an engaging situation. So it is not academic for the very good reason that every taxpayer in the United States, irrespective of the State where he lives, who has an interest in the disbursements out of the Federal Treasury, would thereby have a monetary interest in every payment that is made to take up poll taxes that have been paid in order to make a valid loan running to the Treasury of the United States. So I do not regard it as academic at all and I have a very abiding interest because I can see and understand that this situation must be cleared up.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Let me continue for a moment, please.

Now, from the constitutional standpoint, here is the gentleman from Texas, Judge SUMNERS, the gentleman from Iowa, JOHN GWYNNE, the gentleman from Tennessee, ESTES KEFAUVER, the gentleman from New York [Mr. CELLER], the gentleman from Alabama [Mr. HOBBS], and others, any one of whom would grace any Federal court with distinction and judicial ability, who today disagree on this floor concerning the constitutional aspect of this legislation. This disagreement is implemented by the fact that in the Newberry case there was a split 4 to 4 decision. I feel that any Member of this House, notwithstanding the categorical statements that have been made here, that everybody knows it is unconstitutional, has a right to entertain the feeling that this can be and may be and might be constitutional in the light of these variances that have been expressed here and in the light of the variances that have been expressed by the Supreme Court of the United States.

Judge [Mr. SUMNERS of Texas], let me say to you that I agree with the general premise that you laid down this afternoon that the tendency has got to be in the direction of more democracy and a greater consolidation of power in the people, and I think that is what we are doing here today. For when you speak of the people you must use also the words "all the people," and if a single segment of the people for one reason or another is repressed in their right to use the ballot or the privilege of using the ballot, then, of course, we cannot say that the trend or the culmination of the democratic process is complete. You know from your examinations of the history of ancient Greece that there it found its purest form. Twenty-five hundred years ago folks got into a huddle and directly determined among themselves the policies and the difficulties that confronted a community. Did a man want to speak, he walked up to the center of the group, and he picked up an olive branch which entitled him to speak, and there was no distinction if he were a free citizen. But today we have changed that somewhat.

I am not unmindful of the fact that we do not have a pure democracy. We have a representative, republican form of government, and yet no man today who is under the burden or the interdiction of the poll tax can, like those Greeks of 25 centuries ago, pick up the olive branch and have a free say in the exercise of government and the selection of those who shall administer that government. So I think, from that standpoint, we are on good ground so far as the objective or the purpose of this legislation goes.

It was suggested today that the philosophy of something for nothing has been carried quite far in recent years and that there be some manner of payment for the privilege of voting, even as a school child pays for the privilege of using a recreation area or a lodge member pays for the privilege of using the facilities of the lodge hall. One need scarcely labor this point because the distinction between a service for which one pays and the exercise of citizenship is too obvious. The point, however, is worthy of some observation.

If memory is not at fault, it occurs to me that in the days following the Revolutionary War, Massachusetts imposed a property qualification for voting to retain control of the legislature in the hands of the industrial interests of that day. The purpose appeared to be to control and shape legislation whereby a goodly portion of the State's share of the Revolutionary debt would be fastened upon the farmers of that State. It is an indication of how a property or capitation tax qualification can be made to serve a very distinct purpose and how easily abuses can creep in.

If 8 States can impose a poll tax, it can also be imposed by 48 States. If a State can impose a $2 poll tax, it might well impose a $25 tax and the only restriction on the amount of the tax would be whether or not it was unduly onerous. If its obvious purpose is to provide educational funds, a tax of $25 or more might easily be defended. But its net result would be the disfranchising of millions of voters in every State in the land and would be not only a recession from democracy but would become a fertile field of abuse and control as well.

Such a condition would manifestly imperil the very preservation of government. Is there anyone who will argue that it was the intention of the framers of the Constitution to create a government without being reasonably certain that their handiwork would not be imperiled by an undue restriction upon the right of suffrage?

When they provided that the time, place, and manner of elections should be determined by the States, they also provided that—

Congress may at any time by law make or alter such regulations except as to the place of choosing Senators.

Here then is a specific power in the Congress to alter regulations made by States relating to the time, the place, and the manner of holding elections. Precisely what did they mean by the word "manner"? Is it used in a narrow sense to embrace only the mechanics of an election? I think not. It can mean an honest manner. It can mean an impartial manner. It can mean a manner free from discrimination. I am persuaded that the provision just cited from article I of the Constitution is reasonably broad and must have been meant to include a power which is employable by the Congress in preserving the very Government and Constitution which the framers dedicated.

When all is said and done, self-preservation must be the first law of representative government and it cannot be undone save by the people themselves who are the fountainhead of all power.

Mr. ROBSION of Kentucky. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, in my opinion it is not right nor just to require of those who would vote that they must pay for the right to send Members to Congress. In my district in Philadelphia, in the last election, some 51 percent of all of the population of that district exercised the franchise. In other districts, as is well known, the percentage did not exceed 3 percent to 7 percent. The reason for this discrepancy, in my honest opinion, is the requirement that a price should be paid as a prerequisite to the exercise of the franchise.

We speak of extending the privileges of democracy to the uncounted masses of India. We speak of extending the benefits of democratic processes to India. Under the Atlantic Charter we are committed to the extension of democracy and to the obligation to concern ourselves with the extension of political freedom to all the world, including India. Be that as it may, if we really want to defeat the purposes of the Atlantic Charter and help the reactionary factions in the British Empire to keep control of the masses of India, we might extend to them the same blessings which prevail in some of our States at home. We might extend to them the privilege of the poll tax, and make it so high that we could deny democracy to India in much the same way as we deny any share in the democratic processes to many of our would-be voters in this country.

As far as the constitutional question is concerned, it is surely well known that the Supreme Court has shown a greater interest in the rights of the individual than in property rights or any other questions which have come before that body. It is reasonable to expect that the Supreme Court will, if any constitutional reason can be found, and I believe it will be found, declare this legislation to be valid.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HOBBS. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. JARMAN].

Mr. JARMAN. Mr. Chairman, my colleagues, of course, as is always the case when mob action takes place, time is by no means available to go into the details of the many reasons why I think one would naturally oppose such legislation as this. Consequently it will be necessary for me to merely briefly touch on only a few of the numerous ones. First, I do not believe in mob law and action, whether it be by a group of kids in the back alley terrorizing another group, whether it be by one bunch of gangsters in a city like New York or Chicago going out and taking the leader of another gang for a ride merely because he has muscled in on their racket, or whether it be in the most terrible form of all, where a group of people decide that an accused is guilty and, not only pass judgment, but execute that judgment immediately. And by the same token, Mr. Chairman, I do not believe in mob legislation, nor do I believe in rape, whether it be of the Constitution or another type. I do believe in States' rights. I do realize the seriousness of the situation which confronts this country today, and I am strongly of the opinion that this is no time—when the world is on fire and when we are constantly passing tremendous appropriations for the war effort, such as the comparatively small one of six or seven billion dollars we passed last week—I say this is no time for the great Congress of the United States to be occupying itself with one-dollar-and-fifty-cent legislation. I say further, that in Alabama our people are not purchasable for a dollar and a half.

Mr. Chairman, I am equally opposed to sectional legislation. I call attention to the fact that this legislation affects only eight States, and I understand that one of those States is about to repeal the poll-tax law so that really it probably affects only seven. I call attention further to the fact that in the vote yesterday only three Members of this body from those seven States voted for this nefarious legislation. Why not permit us to attend to our own business? What legitimate interest can you from New York have in an Alabama election?

I referred to mob law a moment ago and mob action. You know the rules of this House. You know how it is organized into 47 committees, and I submit they are good ones. You know that the Speaker refers bills as they are introduced to the appropriate committees, and that those committees hold hearings, call witnesses, perhaps appoint subcommittees to go into all of the details, pro and con, in respect to the legislation concerned, frequently being so engaged for many months. In this case this bill was referred to one of the major committees of the House. That committee has had it since January 1941. It has had ample time to go into the bill and to choose between two courses, whether it should be brought to this floor with the sponsorship of that great committee or whether, in the considered judgment of its distinguished members, it is no good. That committee in its wisdom decided that it is no good and what happened? The mob action then commenced. Instead of permitting the usual, normal, the regular way, a petition was placed on the desk here nearly 2 years ago, to discharge the Judiciary Committee. Despite a letter to each of us from some pressure group every few months, it required almost 2 years to get half of the membership of this body to sign that petition, thereby bringing it to the floor after only 20 minutes debate. I, therefore, submit that it is not really the will of this House that it be considered. It is the will of 218 Members and former Members, not spontaneously or simultaneously, but some influenced by this pressure 18 months ago, some by this insistence 6 months ago, others by some other entreaty 3 or 4 weeks ago, some now dead and some who have retired. I signed one of those petitions when I was a freshman and did not know what it meant. I never intend to sign another one, and I never intend to vote for legislation brought on this floor in that way, whether I would otherwise favor it or not, because I am not in favor of mob legislation any more than I am any other mob action. May I call attention to the fact that of the 85 gentlemen who voted against this mob action yesterday, 20 were chairmen of the 47 committees. Seven chairmen were absent and 20 were among the 250 who participated in this attack on constitutional government.

If this nefarious legislation be constitutional, why was it necessary to submit a constitutional amendment to authorize woman suffrage? If it be constitutional why did a subcommittee of the Senate Judiciary Committee vote 3 to 1 last week to kill an identical bill because it is unconstitutional, and why did one of these three, who is against the poll tax, immediately introduce a constitutional amendment to abolish it?

That is the greatest iniquity of this mob action. If the petition method were the only way of accomplishing the purpose of those who think the world will stop revolving unless every man and woman, whether they are sufficiently interested in their schools to contribute $1.50 annually thereto or not, be permitted to vote, it would not be so unbecoming and ridiculous, but such is not the case. There is an orderly, legal, proper way to accomplish this if the majority of the people of America wish it. It is by a constitutional amendment. Why are you afraid to follow that course?

As I said recently when discussing legislation which ostensibly had for its purpose arranging for our soldiers to vote, but which, as I also stated, was really merely the entering wedge on the part of those not citizens of the South who would take charge of our southern elections, I am still sufficiently old fashioned to be wedded to the democratic principle of States' rights. I am proud of that fact. I still believe that Alabamians are more competent than any other people in the world to prescribe regulations for and supervise Alabama elections and that we need no Federal bayonets to stand guard as they did during those horrible reconstruction days. Similarly I believe you of New York, Illinois, and Pennsylvania are

more competent to manage your elections than we Alabamians are. We do not permit aliens who have only taken out their first papers to vote in Alabama, even though they may be perfectly willing to contribute $1.50 to the schools, but we entertain no objection whatever to you people of Wisconsin doing so. It is your business, with which we have no desire to interfere, just as we believe you should not interfere with our poll tax.

One-dollar-and-fifty-cent legislation—perhaps I can best describe my attitude toward such peanut thinking at a time when all the best thought and best effort of every one of us is necessary to bring this war to a successful conclusion by two quotations. The first is from Gov. Frank Dixon, of Alabama, on this subject:

> This is no time to engender disunity by continuous demands for social reforms having nothing on earth to do with the war. Neither is it the time to strike down local control of elections and to substitute Federal control.

I also quote from the Selma Times Journal, one of Alabama's excellent newspapers, which is published in the home town of my distinguished friend and colleague, who has devoted so much time and thought to this matter, Judge HOBBS. It refers to the action of the Senate Judiciary Subcommittee in disapproving this attack on the Constitution of which I spoke:

> This report is a severe blow to the hopes of crusaders who seek to exploit the war emergency as an opportunity to impress their personal convictions upon the South. * * * Only persons moved by a determination to prey upon a patriotic South engaged with the business of fighting an all-out war would persist in advocating anti-poll-tax legislation.

I now quote from this legislation, which would amend the Hatch Act to prevent pernicious political activities:

> The requirements in many places under the jurisdiction of the United States that a poll tax be paid as a prerequisite for voting at elections for the office of President, Vice President, Presidential electors, Members of the Senate, and Members of the House of Representatives has resulted in pernicious political activities in that frequently such taxes are paid for the voters by other persons as an inducement for voting for certain candidates. Experience proves that existing legislation prohibiting the making of expenditures to any person to induce persons to vote for certain candidates has failed to prevent this practice. It is, therefore, necessary, in order to insure the honesty of such elections, that the Congress forbid the requirement that poll taxes be paid as a prerequisite for voting at such elections.

One-dollar-and-fifty-cent legislation. The very idea of purifying elections by preventing seven Southern States, in which elections are so clean as compared with those in the States represented by some of you sponsors of this legislation, from collecting $1.50 annually for the schools. It is ridiculous, preposterous and it is difficult indeed for me to believe that any adult honestly thinks such legislation necessary for that purpose, or that if passed it will accomplish it. Furthermore, I repeat that Alabamians are not purchasable for $1.50. I submit further that I undoubtedly have a higher opinion of the constituents of you gentlemen who are sponsoring this legislation than you do, because I honestly do not believe that many of your constituents are purchasable for $1.50. In other words, this $1.50 legislation is "much ado about nothing" while the whole world faces the tragedy of the ages, while everyone should be thoroughly engrossed in matters of larger than peanut proportions.

The Alabama Legislature has "Local Legislation Committees" to which all legislation of a local nature is referred. There is no more possibility, and properly so I think, of a bill applying only to my county of Sumter passing without the approval of its members of the legislature than there is of a snowball growing larger in hades. In like manner, I am sure that the other members would indulge in the courtesy of looking for leadership and suggestions on matters affecting only a few counties to the members from those counties. This is proper; this is democratic; this is right. I submit, my colleagues, this is honorable. Instead of indulging in such a course, here you are with the votes to pass legislation which will really affect only 7 of the 48 States when only 3 of the 79 Representatives of these States favor it. Is not that thoughtful? Is not that gracious? Is not that charitable? Is not that sportsmanlike? Is not that courteous and fine indeed to the cradle of the democracy of this country where the purest Anglo-Saxon blood in the United States flows? Will you not stop? Will you not look? Will you not listen? Or are you determined to again make of the Southland a conquered province? If that be your determination, I wish to say that even though you have the votes to run roughshod over us today, "You shall not pass."

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. GAVAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. Mr. Chairman, I want to pay tribute to that Member of this body who sponsored the bill under consideration—Lee Geyer of California. Lee Geyer is not with us today but his spirit is present to inspire those of us who have the privilege to carry on.

I regard the abolition of poll-tax prerequisites to voting as an important step toward putting our democratic house in order. The poll tax has both a financial history and an electoral history. As a means of raising money the poll tax has always been unpopular as far back as the Greeks and Romans. It is more than an example of the unpopularity of taxes in general.

In Greece a poll tax was exacted of conquered foreigners as a mark of subjugation and inferiority. The Roman attitude toward the poll tax was expressed in the statement of Tertullian that "just as the land has less value if it is subjected to an impost, so are men more degraded if they pay a poll tax, for it is a token of captivity." In medieval times the imposition of poll taxes was frequently the cause of popular revolts. Wat Tyler's insurrection was occasioned by a poll tax. The Mohammedans imposed a poll tax on Christians and Jews, whom they regarded as infidels unfit to render service to the State.

In our own colonial period the poll tax was frequently employed as a means of raising revenue, but was always unpopular. The people of Maryland had such bad experience with the poll tax that at the time of the Revolution they inserted into the Constitution of the State a declaration that the poll tax is "grevious and oppressive," and forbade the legislature ever to impose such a tax. This prohibition still stands.

But the use of the poll tax as an electoral measure is quite a different story. On the electoral side, it is a descendant—and it seems to me an illegitimate descendant—of the system of property qualifications on suffrage which prevailed in all our States at the time of the Revolution and the framing of the Federal Constitution. Although the Declaration of Independence declared all men to be created equal, and to be endowed with certain inalienable rights, suffrage was not one of the recognized inalienable rights.

The theory behind the property qualification for the franchise was that only men of means have a stake in the country and have a right to help govern it and determine its laws. However, this theory actually marked a great political progress since it called for men of property to govern a country in the name and interest of the whole people, rather than in the name and interest of the few. And once the democratic aim of government was emblazoned in the Declaration of Independence and the Constitution, the democratic method of government was soon recognized as a logical consequence of the democratic aim.

Beginning with Thomas Jefferson and culminating with what has often been called the Jacksonian revolution in American politics, the movement developed for the extension of the franchise to universal manhood suffrage. In our own day the right of suffrage has been extended to women—and I might add that there are present in this Congress today men who opposed giving the vote to women. They not only claimed it was unconstitutional but they also opposed the adoption of the nineteenth amendment.

The theory behind the extension of suffrage was well stated by Thomas Jefferson when he wrote—and I quote:

> It has been thought that corruption is restrained by confining the right of suffrage to a few of the wealthier of the people, but it would be more effectually restrained by an extension of that right to such numbers as would bid defiance to the means of corruption.

Today this theory is universally accepted—at least in words—by everybody. Even those who would defeat democracy do not dare openly to challenge our belief that to maintain a government for the people, we must have a government of the people and by the people. Only by the widest participation of the people in government can we successfully solve the great problems that confront government today.

The use of the poll tax is a restriction on suffrage and is peculiar to the South.

About the turn of the century one Southern State after another incorporated the poll tax into its constitution. Why was this done? Nominally, it was not done to decrease the franchise and to return to the colonial philosophy of suffrage. The professed motives behind the introduction of the poll tax were to raise revenue for rural schools and to maintain white supremacy by barring Negroes from the polls. Actually, however, if we judge the poll taxes by their results as well as by a shrewd appreciation of the real motives of those who put over these taxes, we see that the poll-tax system is simply a disguised reintroduction of property qualifications in order to restrict the participation in the elections and protect and perpetuate the rule of a reactionary oligarchy. It is one of the tragic ironies of history that when we in the South were faced with the complicated problems of economic and social readjustment, we allowed our political leaders to turn down the help of the masses of people in solving these problems and, instead, perpetuate a rule of the few who wanted to leave these problems unsolved.

What is there about this poll tax that has made political leaders in my beloved southland hold to it with such stubbornness and tenacity? They cannot deny that it falls more severely on those less able to pay, those with larger families with which our section—thank heaven—is mightily blessed. They cannot deny that it is an unbalanced tax demanding the same sum of money from the poorest voter that it does from the richest. They cannot deny that it is bound about with a system that trips the unwary. They cannot deny that it has the vicious tendency of discouraging voting. To me these are its sins, but to many of its advocates these very things are its virtues.

It gives an advantage and an edge to the rich, the powerful, the specially organized forces; yes, and to the vote manipulator. Alabama is the most extreme poll-tax State of the entire eight that still cling to the unfair and undemocratic demand of a poll tax as a right to vote.

Now, this indictment may seem to be too great to build on the slender foundation of seemingly small and innocent poll taxes. A dollar, a dollar and a half, two dollars a year may seem to be a small thing—a small price to pay for the precious privilege of voting. But the fact is that when taken both in their direct and indirect repercussions these small poll taxes do effectively accomplish the end of disfranchising very large sections of the electorate and braking and tending to reverse the wheels of democratic progress. Poll-tax restrictions on voting today exist in eight Southern States—Alabama, Arkansas, Georgia, Mississippi, South Carolina, Tennessee, Texas, and Virginia. Three other Southern States—North Carolina, Louisiana, and Florida—used to have these restrictions, and after a long fight managed to repeal them in recent years. The very fact of the repeal of these poll-tax restrictions may be said to dismiss the argument that poll taxes are of inconsequential importance. We know that such is the inertia of the political process that inconsequential matters are tolerated indefinitely—it takes real grievances to generate enough political steam to get reforms put through.

Let us see how some of these taxes operate in practice. Let us begin with my own State of Alabama, which has one of the worst poll taxes of all the States. In Alabama all inhabitants between the ages of 21 to 45, except war veterans, are required to pay a poll tax of $1.50 a year in order to have the right to vote. The tax is pretty severe in itself in relation to the incomes of some people. But the tax is also cumulative. A voter who slips up on paying the tax one year has to pay $3 the next year. If he is in arrears on 5 years' poll taxes, he has to pay $7.50, in addition to the current tax. A man at the age of 45 or older who has never paid the poll tax before must pay $37.50 for the privilege of voting. This privilege of voting surely comes high. Under the Alabama system a few years of poverty is sufficient to build up a barrier which is likely to exclude a citizen permanently from the polls. While in business a hopelessly delinquent debtor can go bankrupt and start his economic citizenship afresh, a voter delinquent in his poll-tax payments may never be able to make a new start. I might add that our present Governor was elected 4 years ago on a platform which included electoral reform—4 years have passed, but no action has been taken.

The taxes in other States may seem less grievous in their burden, but if we look closely we will usually find that, thanks to some peculiarity of administration, they are sufficient to accomplish their aim of disfranchising a large section of the electorate. For example, in Virginia it is only property owners who receive notice that the poll tax is due. Yet the law requires that poll taxes must be paid 6 months before election. The propertyless voter who is oppressed by economic cares will generally remember only at election time that if he had thought of it in May he might have been able to vote by paying the tax.

Political students have noted that even the smaller and less oppressive poll taxes play into the hands of machine politicians, who buy people's votes by paying their poll taxes. To be sure, this is generally made a felony by law, but the existence of such laws merely indicates the widespread character of the abuse rather than the fact that the abuse has been stamped out.

An analysis of the position of those opposing this bill reveals their anomalous situation. Their proposition is based on the contention that the National Government is removed from the people, that each State can have its rules, however petty, unfair, or unwise, which may entirely take away from the voters of such States a voice in selecting their Representatives for government service. This is not and was never the intent of the Constitution, as revealed in the case of *United States* v. *Classic* (313 U. S. 299; 61 S. Ct. 1031).

The reactionary political and economic interests would like to keep the South in a semifeudal condition. The spokesmen of these interests want to do nothing about the pressing problems of today. They want to do nothing about farm tenancy. They want to do nothing about improving the conditions of labor. They like to prate about democracy with a capital "D," but they know nothing about democracy with a small "d." They like to invoke the name of Thomas Jefferson, but they forget that the great sage of Monticello organized the Democratic Party as a means for promoting and extending genuine democracy, as I have shown. The time has come to return to the principles of Jefferson, the principles of Jackson, and to rededicate the Democratic Party in the South to the welfare of the common man in deeds and not in mere words.

We are not interested in voting as an empty symbolic form. We are interested in voting as an essential step in carrying out the social and economic reforms which the South needs more than any other section of the country. A land more richly endowed by God and nature than any other section supports a lower standard of living than any other section. Why? Because—above and beyond all other considerations—the government of the South has fallen to so large an extent into the hands of the few without the participation of the many.

To secure the participation of the many in the government of the South will not overnight solve our problems. But it is obviously the first and most important step. Political democracy is necessary in order to achieve economic democracy, and both political and economic democracy are necessary to give abiding form and substance to the historic declaration that all men are endowed with the right to life, liberty, and the pursuit of happiness.

[Here the gavel fell.]

Mr. HOBBS. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from Maine [Mr. FELLOWS].

Mr. FELLOWS. Mr. Chairman, the question here primarily is not whether the poll-tax provision is unjust or inequitable and should be removed, but the question here is whether without an amendment to the Federal Constitution Congress has power to legislate in this field.

I believe it has not and, therefore, shall vote against this proposed measure.

In the few minutes allotted to me I am not undertaking to discuss any decisions of the courts. I have in my hand a brief submitted by the National Lawyers Guild. It purports to have been written by one Morrison, alleged to be an outstanding constitutional lawyer. He argues, among other things, that H. R. 1024 now before the House—which was not reported by the Judiciary Committee, the rule on which was not reported by the Rules Committee, a bill simply introduced in Congress and referred—

amounts to a direct finding by the Congress that abolition of the poll tax is essential to the protection of the purity of the ballot in Federal elections.

A powerful argument. He does not undertake to discuss the question of whether payment of a poll tax is a qualification, but proceeds on the theory that Congress, without constitutional provision, has the power.

Naturally, this discussion would be divided into two parts:

First, has Congress the power now to legislate in the field of the qualifications of electors or voters; and, second, if not, is the payment of a poll tax reasonably a qualification?

Without discussing the decisions, I merely wish to point out two significant things on the first point, viz: That since the beginning of our Government the States have assumed exclusively to operate within this field, and by common consent of the legislatures, legal departments, attorneys general of the several States, they have not only passed statutes covering this question as applicable to the election of their own officers, and also Members of Congress, but have frozen these qualifications in State constitutions. You would be surprised, if not shocked, if you examined your own State constitutions, to see what the qualifications are. Take my own State, for example. To register as a voter our constitution provides:

Every male citizen of the United States of the age of 21 years and upward, excepting paupers, persons under guardianship, and Indians not taxed, having his residence established in this State for the term of 3 months next preceding any election, shall be an elector for Governor, Senators, and Representatives, in the town or plantation where his residence is so established; and the elections shall be by written ballot.

And by amendment 29:

No person shall have the right to vote, or be eligible to office under the constitution of this State, who shall not be able to read the Constitution in the English language, and write his name: *Provided, however*, That the provisions of this amendment shall not apply to any person prevented by a physical disability from complying with its requisitions.

And further, excepting any person who then had the right to vote, or was then 60 years of age or upward at the time the amendment was adopted. That became part of our constitution in 1893.

In passing it might be well to observe that my State has the pauper provision, and it will be found in some of the other States. There is no provision about paying a poll tax of $1.50 or $3 before one can vote, but if a man with a large family finds himself in necessitous circumstances, has to call upon the town for relief, and gets it, he is disqualified. He does not have to pay his $3 tax, but he does have to pay his own grocery bill. With that provision in my own State constitution, I am inclined to believe the eight States that have poll-tax provisions for educational purposes are not so far behind the times. But this is not the point. The point is that our States have assumed to operate exclusively within this field of qualification.

This is true of our Congress since the beginning of the Constitution. In 1869, when it was thought necessary to legislate with reference to voting qualifications dependent upon race, color, and previous condition of servitude, did our Congress pass a statute without amendment to the Constitution? It did not.

AMENDMENT XV

SECTION 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

This amendment was proposed to the legislatures of the several States by the Fortieth Congress on February 27, 1869. In that Congress 44 of the Senators were lawyers, 131 of the Representatives were lawyers, and 31 of those Members became judges of State and Federal courts. Roscoe Conkling, of New York, one of the number, was appointed to the Supreme Court of the United States, and declined. From my own State of Maine there were in that Congress Hon. Lot Morrill, Hon. William Pitt Fessenden, Hon. James G. Blaine, and Hon. John A. Peters—all lawyers, and the latter chief justice of Maine.

These men certainly had read the Constitution, and were more or less familiar with it. Later, and belatedly, when the question came up with reference to the rights of people to vote without regard to sex, some of the States permitted it, and some not, but did it occur to Congress that it could legislate within this field without Constitutional amendment? It did not.

And so, on June 5, 1919, there was proposed to the several States by the Sixty-sixth Congress an amendment, which was adopted. It is called the nineteenth amendment, and reads as follows:

AMENDMENT XIX

The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex.

Our States have believed that this was their right by virtue of the terms of the Federal Constitution. Article I, section 2:

The House of Representatives shall be composed of Members chosen every second year by the people of the several States and the electors in each State shall have the qualifications requisite for electors for the most numerous branch of the State legislature.

The distinguished constitutional lawyer, Mr. Morrison, after quoting this section of the Constitution, says:

Standing alone in a historical vacuum the above provision may have the effects sometimes attributed to it.

My position is at all times attributed to it.

Not only do we find this provision in the Constitution, section 4, article I also appears. And this states that the times, places, and manner of holding elections are under the supervision of Congress. Clearly differentiating between qualifications of electors, which are left to the States, and the machinery surrounding elections, supervision of which is left with the Federal Government.

Is it not significant that through all the years the States and the Congress of the United States have assumed this to be true, viz: that the question of qualifications occupied a field on which the Federal Government could not trespass?

DEFINITION

Is the question of paying a poll tax one fairly to be considered as a qualification? It is argued that it is a requirement, not a qualification. I think it will be conceded that the question of age, the question of the ability to read and write are qualifications. If a man goes to the registration office to become a voter and he cannot read the Constitution, it then becomes a requirement that he learn how to read. If a man goes to the registration office, and cannot write his name, it then becomes a requirement that he learn to do it. If a man goes to the registration office and says he is 20 years of age, immediately it is required that he wait a year. It has been suggested that it might be required that a man pay $1,000 poll tax if we do not pass the statute today. The answer to that is, "I think the States have that authority." And, by passing a statute without constitutional authorization is not to help the situation at all.

It is suggested that these rights be taken away from the States and given to Congress, on the theory, I suppose, that you could not trust one legislature, but you can trust the other.

So I maintain that in the first instance this is a matter that should be remedied by constitutional amendment, if remedy is necessary.

I have in my hand a book entitled "The Origin and Growth of the American Constitution," by Taylor. It is not a new edition, it is 30 years old. Mr. Taylor, the author, formerly a Minister to Spain, author of The Origin and Growth of the English Constitution, author of International Public Law, and of Jurisdiction and Procedure of the Supreme Court of the United States, and also, Science of Jurisprudence, discusses briefly this question. On page 372 he says:

The electors of President and Vice President are State officers, the method of whose appointment the Federal Constitution has no power to direct or control.

Also:

Qualifications of electors of the House of Representatives are prescribed by the States. Such electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislatures.

As explained heretofore, when our State system was founded the right to vote was in the mother country the privilege of the few, not of the many. At the time of the separation the entire electorate of the British Isles (which included, in 1909, 7,615,438 electors) did not exceed 400,000. Every American State was founded on the principle that it alone could confer the right to vote upon the few or the many as its sovereign will deemed best. Today any American State can so amend its constitution as to provide that no man can vote until he attains his 90th year, or that no man can vote unless he is possessed of real property to the value of a million dollars, or it might provide that the right to vote shall be vested in women only. Such a State constitution would not conflict with the National Constitution in any particular whatsoever. The only limitation imposed by that Constitution upon the sovereign power of the States to regulate the franchise is that contained in the fifteenth amendment, which provides that "the right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude." Unless the right to vote, which is derived from the State, is "denied or abridged" upon that ground, the amendment has no application.

Therefore, believing, as I do, that this statute, if passed, would be no statute at all, because unconstitutional, it becomes my duty to vote against it.

I understand the Constitution has been removed from its accustomed place in the Library of Congress and put away for safekeeping. I hope it will be returned.

[Here the gavel fell.]

Mr. GAVAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. RAMSAY].

Mr. RAMSAY. Mr. Chairman, we were told yesterday that "Congress was engaged in a sorry business, and that we did not believe in that which we were doing."

Strong language, indeed, against men whose only purpose is to really make America free and grant to every man and woman their constitutional right to vote a free and untrammelled vote, without price or cost.

Whenever I think of poll tax, I am reminded of the story told by Thomas Paine when he opposed property ownership qualification for voters during the time the founding fathers were debating the Constitution.

It was told by Paine that one of his neighbors during the last election in the colony was informed he would have to have taxable property to the extent of $60, whereupon he told the assessor he had a jackass worth $60, so they let him vote. "But since the last election my jackass has died, so now I can't vote," said the neighbor.

The voter wished to be advised further and asked: "What I want to know now is whether it was me or the jackass that voted the last time."

I, too, am wondering whether it is the citizen who votes in the poll-tax States or the measly $2 fee he is required to pay.

I believe those of us who favor this bill can safely admit that section 2 of article I of the Constitution places in the hands of the people of a State and its legislature the right to determine and fix all reasonable qualifications of voters in the various States to cast votes for Congressmen, Senators, and Presidential electors.

But at the same time, the same Constitution, in section 4, article I, places in the control of Congress the final and absolute control of all regulations of the manner, time, and places of holding elections for such officers.

The Supreme Court of the United States has many times been called upon to pass on this subject, and by its decisions has given wide latitude and power to the Congress.

The last great case on this subject is *United States* v. *Classic et al.* (313 U. S., p. 299). In syllabus 3 of this case the Court decided:

> The right to vote for Representatives in Congress is a right established and guaranteed by article I, section 2 of the Constitution, and hence is one secured by it to those citizens and inhabitants of the State who are entitled to exercise the right.
>
> The right to vote for Representatives in Congress is a right derived from the States only in the sense that the States are authorized by the Constitution to legislate on the subject as provided by section 2, article I, to the extent that Congress has not restricted State action by the exercise of its powers to regulate under section 4 and its more general power under article I, section 8, clause 18, to make all laws which shall be necessary and proper for carrying into execution the foregoing powers.

It is a sad commentary that $2 carries more qualification than the heart and brain of an honest American citizen.

Of course, the powers of Congress to legislate upon matters within its authority is plenary under the very terms of the Constitution, which provides that—

> This Constitution and the laws of the United States which shall be made in pursuance thereof shall be the supreme law of the land, and judges in every State shall be bound thereby; anything in the Constitution or laws of any State to the contrary notwithstanding.

So we readily see that it makes no difference whether poll-tax laws have been written into the Constitution or are mere acts of the State legislature if, providing, of course, Congress has the right and power to legislate against State poll-tax laws, so far as the act is a bar to the citizen of a State casting his vote for Congressmen, Senators, and Presidential electors.

The question then resolves itself into the proposition of determining whether or not poll tax is a qualification of an elector, or is it a mere regulation of the elector.

The judges of our highest Court, to my knowledge, have only spoken twice on this subject.

Justice Holmes who wrote the opinion in the case of *Nixon v. Herndon* (273 U. S. 536), said:

> States may do a good deal of classifying that is difficult to believe rational, but there are limits.

This case arose over State primary laws, and on a subject very relative to the poll-tax question.

Justice Jackson, in a concurring opinion in the case of *Edwards* v. *California* (314 U. S. 181–184), stated broadly:

> We should say now and in no uncertain terms that a man's mere property status, without more, cannot be used by a State to test, qualify, or limit his rights as a citizen of the United States.

The mere state of being without funds is a neutral fact—constitutionally an irrelevance, like race, creed, or color.

I agree with what I understand to be the holding of the Court that cases which may indicate the contrary are overruled.

With this, I come to the main question for us to decide today. Is a poll tax a qualification of a voter? I unhesitatingly answer no, and for these reasons:

First. The very designation of "qualification" taken from any dictionary ever published answers "no." The payment of a poll tax neither adds to nor detracts from the ability of a voter to cast an intelligent vote in any election. In many instances, men who were willing and eager to sell their votes, have had their poll taxes paid by others, who were willing to win election by fraud and corruption, while honest voters and able voters, who refused to be bought and paid for, were unable to cast their vote, and were compelled to stand by and watch the craven hand of infamy grasp the reins of power and continue to swell in graft and corruption.

I have always understood that qualification of voters must and did apply to all voters alike, that none were exempt and none could escape its terms. But this is not true of poll tax. In every State where it exists there are exceptions.

During the debate of the soldier-voting bill in the Senate, Senator GEORGE, of Georgia, said:

> Our poll tax is not harsh. We have exempted preachers, those past a certain age—

I believe he said—

> Fifty-five years of age.

I submit that such requirements either by the State constitution or by act of legislature can only be considered at best an election regulation.

Mississippi, I understand, has a constitutional provision requiring the payment of a poll tax, before any of its electors without exception, can vote. Yet the Legislature of Mississippi at the last session of its legislature, amended its laws, so that members of the United States Army and naval forces are exempt from the payment of a poll tax, so they may vote in any primary election, which is equivalent to the regular election in most of the States.

Yet we see here today the whole representation from Mississippi denying that this Congress has the right and power to exercise the same right over the election of its own Members.

The highest court has time and again declared that the right to exercise such power and pass such laws is paramount in Congress, and that when the Congress of the United States acts, that is the end of it, that is the final word.

I hope Congress will grant to 10,000,000 people the relief pledged in this bill. They cannot expect relief otherwise, because five of these poll-tax States have this requirement written in their constitutions. To remove it would require a vote of the people, and the very ones who would be benefited by its removal cannot vote. If they ever get relief, we—the Congress of the United States—must grant it to them.

Congress may, if it sees fit, exercise its power over Federal elections. It can in its wisdom prohibit State poll-tax requirements, if in its judgment it believes such requirements unduly restrict the rights of national citizenship and make for fraud and corruption in Federal elections.

It is sufficient to affirm the power of Congress to nullify such State statutes and State constitutional provisions, in the exercise of its power to regulate Federal elections and to protect the rights of constitutionally qualified voters. And if Congress should exercise this power in the premises, the courts in my judgment, will sustain and uphold the action of Congress.

Mr. HOBBS. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I think it is most unfortunate that a bill of this character should be called

up at this time, when we all must be united in our war effort. If we achieve victory, we must not have disunity in our ranks.

At one time a very large number of the States had payment of a poll tax as a requirement for voting, and in addition many of the States had a requirement for paying property tax. These States, one by one, repealed the property-tax requirement, and all the States except eight repealed the poll-tax requirement. The people of the respective States did this voluntarily. Regardless of whether it is right or wrong to require payment of poll tax in order to vote, the matter is purely a question for the States, and all the States may sometime discard the poll-tax requirement.

In the beginning our forefathers had a property qualification for voting. No one would question that they were loyal American citizens, and everyone knows that they were much more patriotic than some of the poll-tax reformers of today.

The point is that the power to hold elections and to determine the qualifications of a voter was never delegated to the Federal Government. On the other hand, it remains in the respective States.

The poll-tax law in Georgia has been held to be constitutional in the celebrated Breedlove case. This case was passed on by the highest Court of the land. Why should the people in the northern and some of the western States object to a law that the people of my State desire and which, as I have stated, has been held by the Supreme Court of the United States to be constitutional?

It is my understanding the first poll-tax law in the State of Georgia was passed prior to the War between the States. I have been informed that the poll-tax law of South Carolina was passed during carpetbagger days when both House and Senate were controlled by colored representatives.

When we invade the field of qualification of voters and tell the people of the respective States what they shall or shall not do relative to payment of poll tax, we are opening the way for Federal control of elections in every State, county, and militia district of our country. It is a dangerous precedent. I do not believe there are half a dozen lawyers on this floor who are thoroughly familiar with the Constitution of the United States who believe for a moment that the United States Congress has any power to regulate the qualifications of electors in any State. Why, I ask you, of all times should we undertake now to pass a law, which it must be admitted by those who are seeking to pass the bill, is of very doubtful constitutionality?

This is no time for disruption; this is the time for harmony. This is no time to undertake to abolish States' rights or attempt to do anything the effect of which will be to encroach upon the rights of the States when we are calling upon the citizens of all the States to cooperate in the great effort to win this war.

Before the Conscription Act, more people volunteered for service in my section than any other section of the country. In my own State for quite a while we had more volunteers than northern States who had 15 or 20 times the population.

We want to win this war. We are going to put everything we have in it to win it, and I call upon you people of the North, East, and West, do not at this time undertake to do anything that would bring disunity anywhere in this great Union.

If this matter is so important, as some of you pretend it is, let us take it up in peacetime and then submit it as a constitutional amendment to the people of this great country. Nobody wants dictatorship. We are all fighting against dictator form of government, but what must other people think when, because you have a majority you want to cram down the throats of the people of our section something that our forefathers left entirely with the States to settle, guaranteed by the Constitution. More than that, the poll-tax law has been upheld in a Georgia case by the highest court of the land which represents every State and every citizen in every State of the Union. Should our people decide it is wrong and from a social standpoint must be abolished, let them act on this question without being forced by other States of the Union.

I agree with the philosophy of some who have already spoken on this great question that the 8 States of the Union which do now require the payment of a poll tax before voting have no right to require the other States to collect a poll tax as a requisite for voting. By the same reasoning the other 40 States have no right to force the 8 poll-tax States to abandon the poll tax as one of the qualifications for voting. If the people of my State desire to do away with the poll tax, a constitutional amendment could be submitted to the people to decide for themselves whether or not the poll tax as a requisite for voting should be abolished.

Should we do away with the poll tax, then there might be certain other qualifications for voters in my State that a few people from the northern and eastern States desire to change, such as registration, and then all they have to do is say that Georgia shall do away with the registration law. This bill, in my opinion, is the most dangerous and most momentous question that has been before Congress in years, and here you are bringing it up, not in peacetime but when we are all united in fighting to win this war. Has the Army called on you for this bill? Has the Navy called on you for this bill? Has the President called on you for this bill? You know they have not. Why are you seeking to embarrass them at this critical time? If you claim that people are disfranchised on account of tax, let me tell you there are other tests in the poll-tax States, such as literacy and educational qualifications similar to those in Massachusetts and many other States. You could with the same propriety advocate the repeal of the literacy test. As long as we have other limitations, the abolition of the poll tax will not enfranchise the now disqualified voters.

The Supreme Court has repeatedly upheld the poll tax requirement because there was no discrimination between the races.

Some of these great reformers who are proclaiming the loudest are machine ruled. I assert that the cities of New York and Chicago have no right to complain about the purity of the ballot in my State and other southern States. They have no poll tax. I challenge you gentlemen from large cities of the North and West to show me in what way your ballot is purer and fairer than the ballot in the poll-tax States.

Let me tell you if there is any discrimination against the poorer element in my section of the country, it is more economic than political. You know protective tariff has resulted in economic slavery for many of the poor of the South.

Why would you want to take away from the States the power over suffrage which for all these years has admittedly belonged to the States of the Union? Chief Justice White, in referring to the fourteenth amendment, said among other things that this amendment does not take away from the State governments the power over suffrage. He said, in substance, the fourteenth amendment recognized the possession of the general powers of the State. While the right of suffrage is left to the respective States, our courts have sufficient power to protect against any denial of constitutional rights relative to qualification of voters.

For over a century there has been more bitter debate in Congress over the question of State rights than any other subject. It even goes as far back as the days of Hamilton and Jefferson. Why would we at this particular time bring up the question involving State rights when we know the Congress of the United States has no authority to encroach upon State rights? If Congress decides to take away the State rights and determine the qualification of the voters in the several States, it should seek to do so through a constitutional amendment. I for one shall oppose to the end Federal control over election machinery of my State and every State in this Union.

I was a member of the Georgia Legislature in 1907–8. At that time the Honorable Hoke Smith, who served with credit and distinction in the United States Senate for many years, was elected Governor on a reform platform, and his main plank was purity of the ballot box. This included, besides the poll tax which was in force, certain educational qualifications in primaries and registration 6 months before the general election. Today our people are satisfied with the qualification of voters and the purity of the ballot. This was a good measure, and I challenge anybody to show that the ballot is safeguarded in the northern and western cities as well as it is in my own State of Georgia. Now, why should you people want to take from us our sacred rights, which the people voted to have, and substitute your ideas in a remote section from you where you know nothing of the ideals, customs, and traditions of our democratic people? The poll-tax

dollar helps to educate our poor children. If you take away the poll tax, you have just as much right to say we shall not register. Then who will control the elections? Some wealthy and unscrupulous person could get hold of the element who do not care enough about the election to register and take them from one county to another, and even from one State to another, to vote, when another candidate with less means and more desire for honest elections will be at a great disadvantage.

The poll tax in my State is $1 per year. Is that a burden upon anyone to raise? Certainly not.

Mr. ROBSION of Kentucky. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. CLASON].

Mr. CLASON. Mr. Chairman, I believe that in a republic all citizens of mature age and sound minds should be entitled to vote. Certainly members of our armed forces are paying more today for the freedom of voting than any sum of money can offset. Whatever should be the proper qualifications for a voter, payment of a sum of money should not be essential. We should encourage the exercise of the right and the duty to vote that all citizens may and will more certainly familiarize themselves with the activities of their Government. They should not be excluded through any qualification which does not rest on ability to perform the duty of voting honestly. Voting is a duty to perform, not a privilege to be purchased. I favor the passage of this bill.

Mr. ROBSION of Kentucky. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Chairman, if there have been any real arguments or apologies made for the poll-tax voting system during this debate, I have missed them. There is general agreement that the system is an evil anachronism, but it is argued that the Congress has no power to abolish it. After listening to these arguments, and studying the Constitution and the decisions of the Supreme Court, I have reached the clear conclusion that Congress has the power to enact this anti-poll-tax bill.

I had to reach this conclusion before I would vote for this bill. I am a lawyer. When I took my oath as a Member of this body to uphold and defend the Constitution of the United States, I meant it. I concede that honest and sincere Members of this body believe that this bill is unconstitutional. I deny the charges and insinuations some of them are making that we all think it is unconstitutional. These charges are insulting to me, and add nothing to the argument or to the strength of the opponents case.

I am going to state my views very simply and briefly, omitting all superfluous words and quotations.

All legislative powers granted in the Constitution are vested in Congress by article I. In section 4 of article I "the times, places, and manner of holding elections for Senators and Representatives, shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations."

From this it would seem clear that the "manner of holding elections" by requiring payment of a tax before voting would be clearly within the power of Congress to regulate.

The opponents of this bill argue, however, that this clear grant of power is destroyed by the words in the Constitution which require, in the election of Members of both the House and the Senate, "the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature." They say this is a limitation, not upon the power of States or Congress to discriminate between local and congressional electors, but upon Congress in regulating "the manner of holding elections." They say the States have practically unlimited powers, under these words, to determine the qualifications of electors. I disagree, and I believe that the decisions of the Supreme Court and other provisions in the Constitution and the amendments support me. Congress has power to regulate its elections, and has done so time and again. The States have no power to prescribe qualifications which interfere with the manner of elections prescribed by Congress, and Congress has the power and the duty to determine whether so-called State qualifications for voters interfere with the manner of holding elections prescribed by Congress. Border-line cases may come up some day, but this is not one. Ability to pay a tax, or to have it paid by someone else, is so clearly not a real qualification for a voter, and is so clearly an interference with free and honest elections that Congress has power to forbid such a requirement.

This being the case, Congress should act now to right this ancient abuse, and make clear to the world that we are fighting for the full rights of freemen everywhere.

Mr. HOBBS. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. DREWRY].

Mr. DREWRY. Mr. Chairman, this bill is an attempt to do by statutory regulation by Congress what the Constitution of the United States says only can be done by constitutional processes, namely, by constitutional amendment in the manner specifically prescribed by the Constitution itself. It is an attempt to nullify the Constitution of the United States, which every Member of this House has sworn with uplifted hand to support and defend.

The matter in issue is the right of a State to prescribe the qualifications of the voters in said State, through its own constitution, and the regulations of its elections by its own legislative processes. To put it in another way: Shall the State have complete control of the suffrage within its borders or can the Congress set aside that control at will?

BILL UNCONSTITUTIONAL

The answer to this question immediately involves the constitutionality of the proposed legislation. A great deal has been said, or will be said, on this phase of the matter. I shall try to answer it briefly.

Frequently Members have been heard to say that they are not prepared to discuss the legal question. I do not agree with this easy disposal of my duty to consider first whether a measure is constitutional or not. It is the duty of every Member to study and conclude in his own mind the constitutionality or unconstitutionality of every bill that is presented for his consideration. If, in his conscientious opinion, using such intelligence as God has given him, legislation be unconstitutional, then it is his duty, as I see it, to vote against it. He swore that he would do just that when he became a Member of this body, and he should observe his oath conscientiously and faithfully, even though every man and woman in his district should bring pressure on him to evade this responsibility. Fortunately, in this matter there is nothing abstruse about it. The language of the Constitution is clear and explicit, and there is not a man in the House who cannot study the phraseology, whether he be a lawyer or not, and fail to determine its meaning.

Of course, there have been many statements issued and many discussions concerning this matter which are presented by proponents of the proposed bill that merely serve to express the desire of said proponents to carry their point. Many of these statements only becloud the issue, for they are so far away from relevancy and pertinency to the subject matter that they simply confuse logical thinking. No one can attempt to answer these arguments without making bad matters worse. I will attempt to present the argument against the bill, step by step, under the provisions of the Constitution.

Article X of the Constitution recites:

> The powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States respectively, or to the people.

It is clear, therefore, that the power of a State to prescribe the qualifications of electors must be delegated to the United States by the States or prohibited to the States, as set forth in said Constitution. If the Constitution is silent on the subject, then it is evident that the Congress has no authority to act. The Constitution has no power except that given by the States, for everything else is distinctly reserved by the States.

The only references in the Constitution bearing on such an issue are in article I, section 2, and article I, section 4. Article I, section 2, is in the following words:

> The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

Take the State of Virginia as an example, the Constitution of the State of Virginia, adopted by the people of the State, fixed the qualifications of electors for "the most numerous branch of the State legislature":

First. With reference to the citizenship and age of the voter;

Second. With reference to the length of his residence in the State;

Third. Registration is required;

Fourth. There is a poll-tax requirement;

Fifth. Certain educational qualifications; and

Sixth. It mentions those who are disqualified from voting.

As this proposed legislation only attempts to take away from the people of Virginia the right to make the payment of a poll tax a prerequisite to casting a ballot in an election within the State, there is no need to set out in full the other requirements which have been mentioned, and I will confine further reference solely to that requirement.

The Constitution of the State of Virginia directs that every person over 21 years of age, except veterans of the War between the States and the wives or widows of such persons, desiring to vote in elections for "the most numerous branch of the State legislature" must pay a poll tax of $1.50 at least 6 months preceding the election. The Constitution of the United States directs that electors of Members of the House of Representatives shall have the qualifications requisite for electors of the most numerous branch of the State legislature. In the making of the Constitution the States did not give the power to themselves, for they already had the power, but reserved all rights not given to the Federal Government.

By the seventeenth amendment—proclaimed in 1913—the identical phraseology was used to prescribe the qualifications of the electors for the Members of the Senate. Again the States reserved to themselves all the power they did not give in the Constitution. At the time the States possessed these powers, and it was not necessary to do more than reserve them, for under the Constitution they specifically reserved all not directly granted by article II, section 1.

With reference to the election of President or Vice President by electors, again the Constitution of the United States provided that "each State shall appoint, in such manner as the legislature may direct" said electors. It is evident from these references that the States were determined to hold under their own jurisdiction the complete control of all elections; except what they yielded to the Federal Government.

Alexander Hamilton, who took a leading part in the making of the Constitution, in the Federalist No. LII, writes:

> I pass on to a more particular examination of the several parts of the Government. I shall begin with the House of Representatives.
>
> The first view to be taken of this part of the Government relates to the qualifications of the electors and the elected.
>
> Those of the former are to be the same with those of the electors of the most numerous branch of the State legislatures. The definition of the right of suffrage is very justly regarded as a fundamental article of Republican Government. It was incumbent on the convention, therefore, to define and establish this right in the Constitution. To have left it open for the occasional regulation of the Congress would have been improper for the reason just mentioned. To have submitted it to the legislative discretion of the States would have been improper for the same reason; and for the additional reason that it would have rendered too dependent on the State governments that branch of the Federal Government which ought to be dependent on the people alone. To have reduced the different qualifications in the different States to one uniform rule would probably have been as dissatisfactory to some of the States as it would have been difficult to the convention. The provision made by the convention appears, therefore, to be the best that lay within their option. It must be satisfactory to every State, because it is conformable to the standard already established, or which may be established, by the State itself. It will be safe to the United States, because, being fixed by the State constitutions, it is not alterable by the State governments, and it cannot be feared that the people of the States will alter this part of their constitutions in such a manner as to abridge the right secured to them by the Federal Constitution.

It might be noted here that Hamilton's view was, not only that the States reserved the right of defining the qualifications to themselves except by amendment of the Federal Constitution, but that the people of the individual States also reserved the right to themselves to define the qualifications of their electors as expressed in their constitutions, and did not permit their own legislatures to prescribe the qualifications except by specific delegation of that power to the legislatures.

It will be seen from this first-hand evidence given by one of the leaders of the convention that it was the intention on the part of the members of the convention to give to the States, and to be fixed by the people of the States in their respective constitutions, the same qualifications of electors in congressional elections as the people of the States determined should be the qualifications of the electors in their own States for the election of members of their most numerous branch of their own State legislatures. The same qualifications apply to congressional Representatives as apply to State representatives.

I have not seen anywhere in any statement by any advocate of this legislation that it proposes to prevent the legislatures of any State from prescribing the qualifications of electors for the most numerous branch of the State legislature. The bill specifically says that there shall be no poll tax as a prerequisite for voting in any election for "President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives." There is no attempt to change the qualifications now existing of electors for members of the State legislature. Then if this bill became law there would be one qualification for voting for the members of the legislature which would not be a qualification for voting for President, Vice President, electors for President or Vice President, and Members of Congress. What then becomes of the provisions of article I, section 2, which says their qualifications shall be the same? They are not the same. The conclusion is inevitable that any legislation is unconstitutional which does not make the qualification of the electors the same as prescribed by article I, section 2. There is no way to get at the matter except by a constitutional amendment.

However, the convention did refer later, not to the electors, but to the elections, article II, section 4, as follows:

> The times, places, and manner of holding elections for Senators and Representatives, shall be prescribed in each State by the legislature thereof, but the Congress may at any time, by law, make or alter such regulations.

By no stretch of the imagination could this language be construed as giving Congress the power to prescribe the qualifications of electors—that power has already been reserved to the States, in section 2 of this same article II of the Constitution. However, Congress gives the State legislatures the power to prescribe the time, place, and manner of holding elections for Senators and Representatives and further it significantly says the Congress may "make or alter such regulations." Nothing is said about the power of Congress to prescribe qualifications of electors, but it does refer to the power of Congress to make or alter regulations concerning time, place, and manner of elections. It is a well-known principle of jurisprudence that the expression of one, is to the exclusion of the other "expressio unius alterious exclusio est." It would appear to those who wish to uphold the Constitution that the Constitution expressly fixes the qualifications of an elector by saying he shall have the same qualifications as prescribed for those electors who vote for the State's legislative representative. Then Congress by another provision holds the power to determine the "manner" of holding the election, as has been said, by ballot, or by voice vote, or by any other way.

Some have raised the question that the poll tax requirement in some of the States conflicts with article XV of the Constitution. Merely to state the case answers the criticism.

Article XV provides:

> The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

There is nothing in the so-called requirement of any State that "denies" or "abridges" the right to vote to any person on account of his "race or color or previous condition of servitude." The requirement in Virginia applies equally and without discrimination to everyone who desires to vote. See the Virginia Constitution.

Everyone who wishes to vote in any election and meets the other qualifications necessary must pay a tax of $1.50 at least 6 months preceding the election. This amount is paid into what is known in Virginia as the literary fund, and goes to educational purposes. The educational system applies to those of all races. I repeat there is no denial or abridgment to anyone of any right by the exercise of this tax provision. It is simply a tax raising process for education. It was thought that a larger sum would be raised if the payment of this tax were made a prerequisite of voting.

The payment of a poll tax of $1.50 as a prerequisite for voting in an election may be more or less a triviality in itself—the amount is small, and it is not a hardship on anyone who wishes to have a voice in the affairs of his Government, especially when he knows that the fund so established from said payments goes to the education of his children, as in Virginia, no right or privilege is taken away; rather it would seem that a citizen would take a greater pride in his citizenship to know that he was contributing even such a small amount to the upkeep of his Government and manifesting his interest in same by a willingness to share the expense of the Government. If a man is not willing to pay such a small amount for the privilege of participation, it is evident that he does not value his franchise very highly.

There has been considerable loose use of words concerning the poll-tax requirement being a "restriction" on voting, or the right to vote. Webster defines the word as "that which restricts; a restraint." No one is restricted or restrained from voting and no one's right to vote is either restricted or restrained. Everyone can vote under the law if he obeys the requirements of the law. There is no interference with nor infringement of the right to vote. He has the same right to vote as every other citizen in his State and can cast his vote as every citizen can when he complies with the law governing elections—a law equally applicable to all. But even if it were a "restriction," it does not alter the principle of voting qualifications laid down in article I, section 2 of the Constitution of the United States.

A better term is the use of the word "qualification," for that is the word used by the Constitution. From the debate in the Constitutional Convention and in the various State conventions, it is evident beyond question that the members of those conventions intended the word to include any and all requirements of the suffrage. This view was also held by the Supreme Court of the United States in the *Yarbrough case* (110 U. S. 651), which used the following language that the States shall "define who are to vote for the popular branch of their own legislature, and the Constitution of the United States says the same persons shall vote for Members of Congress in that State. It adopts the qualification thus furnished as the qualification of its own electors for Members of Congress." The Supreme Court has again and again sustained this opinion down through the years in *Breedlove* v. *Suttle* (302 U. S. 277) and in the *Classic Case* (313 U. S. 229) both of said cases having been recently decided. Numerous other decisions might be decided on this and other phases of this bill, but so many arguments contain references to the decisions of the Supreme Court that I will not repeat them. It is sufficient to say that the decisions are unanimous that the States have the right to preserve the qualifications of their electors unless restricted by the fifteenth or nineteenth amendments.

With further reference to the definition of qualifications, all law textbooks and law authorities that I have been able to study define the payment of a poll tax as a prerequisite to the right to vote as a qualification.

Again, it must be called to your attention that whether the prepayment of a poll tax be required in order to vote be called a qualification or by any other term, it has always been held by the Supreme Court of the United States that such requirement is a reserved power of the States over suffrage and the taxing power of the States. The tenth article of the Constitution expressly reserves this function to the States. Therefore, the provisions of article I, section 2, of the Constitution of the United States still prevail.

The argument can be definitely summed up by the words of the decision in the *Newberry case* (256 U. S. 232):

> The Government, then, of the United States can claim no powers which are not granted to it by the Constitution, and the powers actually granted must be such as are expressly given, or given by the necessary implication.

The Government of the United States may protect the right to vote, but cannot confer such a right.

EFFECT OF THIS PROPOSED LEGISLATION ON THE STATES

Though the poll tax may be trivial in itself, yet the principle involved is highly important. It goes far deeper than the mere payment of a poll tax as a prerequisite for voting. The United States Government was formed by the States for the purpose of creating a more perfect union than was possible in the absence of an agreement between the existing States in advance of what could be done by a central government for the benefit of all. So a constitution was agreed upon by representatives of the States and confirmed by the people of the States. Their confirmation of the agreement by their representatives was the cement which bound them together, the structural base of their unity of purpose and action.

But the States were determined that this agreement should not destroy their State sovereignty except as to the powers which they willingly entrusted to the central Government. So, tenaciously, they clung to the right to manage their internal affairs so long as such management did not interfere with the working of their agreement, or Constitution, for the good of all. Therefore, they specifically reserved all the powers they did not surrender. Manifestly they could not manage their own affairs without the control of the suffrages of their citizens. This power was necessary to their existence as a democratic form of government within themselves. Without this reservation of power the States would have been subject to any fluctuations of opinion on the part of the Congress. So the States reserved their control of the suffrage and in order to make it more stable agreed that the States in their own constitutions should define it.

The wisdom of this reservation is apparent in the face of this proposed legislation. Eight States of this Union think that a poll tax is a proper method of taxation and that making the payment of it a prerequisite to voting is a proper condition to attach to the suffrage of its citizens. Other States do not have such provisions in their constitutions. These eight States do not interfere with the legislative or constitutional provisions of other States. Why, then, should the other States attempt by this unconstitutional action of Congress to prevent such legislation by other States as they think their conditions require? Their interests are not affected by the acts of the people of these eight States. If it lay in the power of Congress to pass such legislation no constitution of any State would be safe—the larger or more populous States, without knowledge of the needs and conditions of the less populous States, could destroy in a few hours what was built by our forefathers on a firm foundation and wreck the entire fabric of the Government, which has endured for 150 years and made this country the greatest Nation on earth. If Congress can say who can vote in a State, then the last vestige of a State to conduct its own affairs is gone. And, mark my words, when the State governments are destroyed, it is the beginning of the end of the Federal Government. You gentlemen of the House who think you are not directly interested in this matter because you have no poll-tax requirement in your States should consider well the principle underlying this legislation. You may rue the day when, by reason of disinterest in what does not directly concern you, you find that you have sustained a principle of legislation which may be the ruin of all you hold dear.

EFFECT OF THIS PROPOSED LEGISLATION IN THE UNITED STATES

Suffrage is the most intimate garment of government. Take away the exercise of the right of voting in political affairs and the government is stripped entirely of its basic covering of protection of democratic procedure. The representative system may be "the highest ideal of polity," but not even John Stuart Mill thought that popular government should involve a mere counting of heads or absolute equality of value among the citizens. He thought that the electorate should consist of the educated, and further that the electors should be taxpayers and advocated "a direct tax in the simple form of a capitation" on every adult. The most universal qualification is that the voter shall have some substantial interest, more than just the fact that he is 21 years of age and a period of residence. The tangible sign of interest in the State may take the form of possession of property, however small in amount, or the payment of some amount of direct taxation.

This is no time to interject a matter of this kind. Every patriotic American is bending all the energies he possesses to the war effort. It is unfortunate, to say the least, that legislation of this nature should be presented. It is a most important proposal, affecting the internal affairs of the States, which should be seriously considered and seriously debated, on which there are conflicting opinions. It should not be considered in these days of feverish activity in behalf of our own self-preservation, but should

be decided when our minds are unhurried and without excitement. We can later consider this matter affecting the form of our government. This legislation is highly controversial and cannot possibly result in unity of purpose on the conduct of the war, which is the most vital thing in our lives today. Yet at this serious time in our affairs and in our existence as a nation, the proponents of this legislation see fit to disturb our unity of effort by bringing up an issue which can only cause disunity. Hitler must be pleased to hear that this "apple of discord" has been thrown among our people. It should be defeated until a more propitious time arises for its consideration. Then a constitutional amendment can be offered and the issue presented in the only constitutional method permitted by the Constitution itself.

Mr. GAVAGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. THOMAS F. FORD].

Mr. THOMAS F. FORD. Mr. Chairman, I rise in support of H. R. 1024. I do so because I am convinced, all quibbling aside, as to the constitutionality of the measure, that it should become a law. Why do I believe this? Because to me, the imposition of a monetary restriction on an American citizen's right to vote is repulsive. It is as vicious and un-American as would be a direct property qualification.

This poll tax, I care not whether it be defined as a restriction or a qualification, is in force in eight States. Insofar as those eight States are concerned it is a restrictive force that defeats the ends of true democracy, and any sort of measure that seeks by trick, device, or subterfuge, to restrict or defeat the true ends of democracy has no place in our body politic.

I shall leave it to the legal lights of this body to argue the technical legal angles of the law. But to me democracy means government for all the people freely elected by the people, with all men and women over 21 eligible to vote, without restrictions due to poverty or any other cause.

If anything is plain and clear it is that to deny any citizen of the United States the right to vote for the representatives in whose hands lie his political, economic, and social destiny, is a plain negation of democracy.

When considering issues presented in Congress, such as the one before us today, I like to ponder over the preamble to the Constitution:

> We, the people of the United States, in order to establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution of the United States of America.

It does not say establish justice for all except those who cannot pay a poll tax, or insure domestic tranquillity for all except those who cannot pay a poll tax, or promote the general welfare of all except those who cannot pay a poll tax, or secure the blessings of liberty to all except those who cannot pay a poll tax.

No. Its language is all inclusive and any attempt to restrict, prohibit, or vitiate that intent is in conflict with the broad and beneficent objectives of that document.

At this time I wish to pay a well-deserved tribute to the author of this bill, the late Honorable Lee E. Geyer. I was always deeply impressed by Lee's courage and sincerity and by his spirit of dedication to the building of a better world. He sought to achieve this objective through the functioning of a liberal democracy. He loved the common people and he proved it by his patient endurance of the pain and suffering he stood up under in his strenuous efforts to promote the common good as he saw it. Lee Geyer was a courageous spirit, who believed that democracy meant government by all the people and not by the chosen few. I welcome the opportunity to vote for this bill which he sponsored.

Mr. GAVAGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. ELIOT].

Mr. ELIOT of Massachusetts. Mr. Chairman, I want to say just a word about what seems to me to be the fundamental issue before us today. It is the old question of whether we have faith in popular government.

In a debate with me on this subject last June, the gentleman from Mississippi [Mr. WHITTINGTON] declared frankly that "disfranchisement of the ignorant" contributes to the welfare of the people. The poll tax is not based on ignorance. The poll tax simply disfranchises the poor. The basic question then is whether we believe that poor people should be denied the right to vote.

I have an abiding faith in government by the people, rich and poor alike. It is far from perfect, but it is better than tyranny. The cure for many of the ills of democracy will be found in more democracy. On that basis I trust that we will pass the bill before us today.

Mr. HOBBS. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, I shall analyze the bill and endeavor to confine myself to the real issue. I would like to say that the poll tax is nothing more than a capitation tax, as called by some of my Virginia friends, and that is a tax which the Congress of the United States under the Constitution of the United States is authorized to levy within certain limitation, for, in the language of the Constitution, article I, section 9, clause 4, a capitation tax is authorized to be levied provided it is proportioned among the States.

The gentleman from West Virginia [Mr. RAMSAY] stated that Mississippi had undertaken to repeal the Mississippi Constitution by providing that a poll tax shall not be required of soldiers. He is misinformed, he is in error about that, as he is in error about a good many things he stated, including distinctions between conditions and qualifications, because in Mississippi we have provided that in a primary, which is altogether different from a general or special election, a poll tax shall not be required of men in the armed services. Exemptions validly obtain in my taxes, both State and Federal.

Poll taxes and the payment of taxes and property as qualifications in all countries and among all peoples have obtained. Such qualifications obtained in the mother country and in the Colonies, and such qualifications in varying degrees obtain in some States today as they obtained at the time of the adoption of the Constitution, while educational qualifications obtain today in all the States. Under article I, section 2, it is for the State to provide the qualifications for Members of Congress to be elected. Under the Constitution Senators were elected by the legislature until about 1913. Under section 4, and I call your attention particularly to this language, the State legislature shall prescribe the times, places, and manner of holding elections for Senators and Representatives. For 123 years the legislatures elected Senators, and no man in all the broad land ever contended at any time that under section 4 and under the right to regulate or alter regulations any Congress at any time had any right to prescribe the qualifications of the legislatures that elected United States Senators.

A unique phrase occurs in section 4:

> Except as to the places of choosing Senators.

The power of the States as to qualifications was recognized in section 2, the power of the legislatures in section 4. The Congress did not undertake to tell the legislatures where they should meet when they elected Senators. The interpretation of section 4 by the makers of the Constitution, by the courts, and by the Congress for 153 years is that a qualification cannot be changed or prescribed by Congress.

A poll-tax qualification, by whatever name, in the constitution of the eight States, including Mississippi, approved by the Supreme Court of the United States in a Federal election case, in the Breedlove case, and in the Pirtle case, and is imbedded, I repeat, in the constitutions of eight different States. In the pending bill it is to be declared a pernicious political activity and placed in the category with corruption, fraud, and intimidation.

The pending bill undertakes to regulate the election of Presidential electors. If the qualifications of electors for Senators and Representatives under section 4 are in Congress, what power has Congress to provide for the qualifications for Presidential electors?

No such regulation is given to Congress. The language of the Constitution is in substance:

The legislatures of the States shall appoint Presidential electors. There is no power of regulating Presidential electors.

Yet the Congress in the bill under consideration undertakes for the first time in the history of the Republic to regulate the qualifications of voters for Presidential electors as well as electors for Members of Congress and Senators.

What is the history of the constitutional provisions? What is the construction? The Congress was advised by the States at the time of the adoption of the

Constitution that it had no power to regulate or provide qualifications. The only way to do that is as Congress has done, by constitutional amendment as in the case of the fifteenth amendment and the nineteenth amendment.

It is obvious that in the brief time allotted it is impossible to discuss the issues involved in the pending bill and still more impossible to argue the unconstitutionality of the measure. I therefore at the risk of repeating extend my remarks to speak more in detail of the unconstitutionality of the bill and to submit that qualifications of electors can only be changed by constitutional amendments.

I. POLL TAX BILL UNCONSTITUTIONAL

I shall speak of the implications involved and of the unconstitutionality of the bill. This is not the time or place to discuss the advisability of the repeal or the continuance of State poll-tax qualifications for voting, which would be appropriate for the States to consider, nor is it pertinent to dwell upon the indifference of voters and the small percentage of voters participating in State elections. I shall not dwell on the proposition that the United States should not depart from the policy of leaving to the States the qualification of voters, subject to the fifteenth amendment, that has obtained throughout the history of the Republic. Personally I believe the policy is sound. The union is composed of the States. The States are fundamental. The States are essential to the existence of the Union and the States are as much interested in their rights and privileges as Congress is. It is a case of the old landmarks being the best. The policy has been tested. It has gone through the fiery furnace. There is a place for the States. There are functions for the States, and the States remain in both peace and war.

In passing I repeat that a poll tax is a capitation tax. It was levied on the Colonies before the Revolution. It is the identical tax—called a capitation tax—still so called in Virginia—in the Constitution, which Congress by article I, section 9, clause 4 is permitted to levy when properly apportioned among the States.

II. QUALIFICATIONS OF VOTERS

Qualifications for voting have obtained from time immemorial. They obtained in England and they obtained in the Colonies. They were not uniform in the Old World nor in the New. At the time of the submission and ratification of the Constitution qualifications for voting obtained in all of the States. There is general agreement that the franchise is not a right but a privilege to be granted or withheld by the State. It is the function of the State. (Cooley's Constitutional Limitations, 8th ed., vol. 2, pp. 1360–1362; Story, Commentaries on the Constitution, vol. 1, 5th ed., sec. 580.)

The law is as follows, and I quote:

The whole subject of the regulation of elections, including the prescribing of qualification for suffrage, is left by the National Constitution to the several States, except as it is provided by that instrument that the electors for representatives in Congress shall have the qualifications requisite for electors of the most numerous branch of the State legislature, and as the fifteenth amendment forbids denying to citizens the right to vote on account of race, color, or previous condition of servitude. (Cooley, vol. 2, p. 1360.)

COLONIES

The Thirteen States were jealous of their rights to prescribe qualifications for voters, and the qualifications in the Colonies and the Original States were almost as numerous as the States. There were no uniform rules. The pattern of the parent country was followed in some States and only freeholders were allowed to vote. In other States the provisions were more liberal. The constitutions of the Original States contained a diversity of qualifications. In some free men were permitted to vote, and in others only freeholders could qualify. Property qualifications were general in those days in England. The great William Blackstone was the champion of the property qualification. Among the qualifications that obtained in the Thirteen States were citizenship, residence, age, sex, taxes, and property. Such qualifications, while not uniform, were general in all of the Colonies and States and they were universally followed. There were property taxes and poll or head taxes are among the oldest of all taxes. Such taxes obtained when the Constitution was ratified.

STATES

There are qualifications today in the constitutions of all of the States. Among these qualifications are residence, age, registration, poll tax, property, and educational qualifications. Registration and educational qualifications obtain in practically all of the States of the Union. Such qualifications are either provided in the constitutions of some of the States or in some of the States, like West Virginia and Mississippi, the constitution specifically authorizes the legislature to provide for registration. Among the educational qualifications are the ability to read the constitution in the English language. To write one's name or to understand the constitution when read are among the literacy tests or educational qualifications. Poll taxes are levied today in 32 of the States, but they are required as a qualification for voting in the constitutions of only 8 Southern States. Among these State is Arkansas. It is worthy of note, in passing, that Arkansas is the only State in the Union whose constitution forbids the registration of voters. Practically all other constitutions either provide or authorize registration for voting. Some States, by constitution, require the payment of all taxes, including poll taxes. Mississippi is among such States. Some States provide property qualifications. The qualifications for voting, while not uniform in all States, are similar.

It may be remarked in passing that the poll-tax requirement is not responsible for the disfranchisement of the Negro, and its repeal by the States would not result in the granting of the franchise to the Negro. The registration and educational qualifications still obtain. Contests are settled in Democratic primaries generally in the South, and the Supreme Court of the United States, in the case of *Grovey* v. *Townsend* (295 U. S. 45), has upheld the validity of Democratic primaries in Texas. Similar primaries obtain in other poll-tax States.

Charges are made, without proof, that poll-tax requirements result in boss rule in the larger cities. There is no proof in support of such a charge. In Tennessee and in other poll-tax States there are criminal statutes against the payment of poll taxes by others.

The right of suffrage is not a natural right, nor is it an absolute, unqualified personal right (McCrary, American Law of Elections, sec. 3). Subject to the limitation in the fifteenth amendment, the power to fix the qualifications of voters is in the States (McCrary, sec. 3).

Among the qualifications, as I have stated, are citizenship, residence, age, registration, and the payment of taxes. The requirements may be called restrictions, limitations, or conditions, but they are qualifications, and they are so denominated by McCrary, section 4, and by Paine, Law of Elections, section 22, by Cooley, by Story, and in the decisions of the State and United States Supreme Courts. Any distinction between qualifications and conditions is a refinement and an alleged distinction without a difference. The requirement, by whatever name called, is a qualification.

The requirement for the payment of poll taxes in State elections and in elections for Representatives and Senators has been approved by the Supreme Court. The leading case is *Breedlove* v. *Suttles* (302 U. S., 277). This case was decided in 1937, but the proponents of the bill insist that the new Supreme Court, or the Supreme Court of the United States as it is now constituted, would hold the tax constitutional. In 1941 in the case of Pirtle against Brown, involving a poll-tax requirement in Tennessee, the Supreme Court of the United States denied a writ of certiorari, Three Hundred and Fourteenth United States Reports, page 621. This decision was rendered in 1941 by the Supreme Court as now constituted. The Breedlove case was thus reaffirmed. The case of Pirtle against Brown involving an election for Representatives is reported in One Hundred and Eighteenth Federal Reports, second series, page 218, and I direct attention to the notes in American Law Reports Annotated, volume 139, page 572.

The Breedlove case, also, holds that voting is not a privilege or immunity under the fourteenth amendment. I remark in passing that the Breedlove case embraced both State and Federal elections.

III. THE BILLS

H. R. 1024, known as the Geyer bill, undertakes to amend the Hatch Acts in Presidential electors', congressional, and senatorial elections by forbidding poll taxes as a pernicious political activity and to assure honesty in elections.

S. 1280, known as the Pepper bill, is pending in the Senate. It differs from the Geyer bill. It is not an amendment of the Hatch Acts. It makes no reference to the Corrupt Practices Acts. It provides that the payment of a poll tax shall not be deemed a qualification. Like the Geyer bill, it embraces the election

of Presidential electors, and congressional and senatorial elections, but unlike the Geyer bill, it covers both primaries and elections. It prevents a State from requiring a poll tax, makes such requirement unlawful, and declares that the poll tax is an interference with the holding of primaries and elections.

GEYER BILL

The House in the Geyer bill is asked to declare that a tax qualification that has obtained from time immemorial among practically all countries and in practically all States, a tax that obtained in the Colonies and in the Thirteen Original States, a tax that still obtains in 32 of the States, and a tax that obtains in 8 of the States by constitution, a tax that has been approved by the Supreme Court twice in the last 6 years, shall be classed with ballot-box stuffing, with intimidation, and with corruption, for such are pernicious political activities. It is contrary to reason to declare a tax, whether popular or unpopular, a pernicious activity. Under the guise of a pernicious activity, Congress is asked to declare that poll taxes are not qualifications. The bill is an insult to the States.

At the inception I pose the question. Is not the Geyer bill unconstitutional among other reasons because it undertakes to provide that a tax qualification guaranteed to the States under section 2 of article I is a pernicious activity? Can Congress by statute call white black? Can Congress by statute call a qualification pernicious political activity? Can Congress thus, I repeat, under the guise of pernicious political activity, violate the qualifications of voters left to the States under section 2 of article I? To ask the question is to answer it. The Geyer bill violates the Constitution. The Constitution looks to the substance and not the form. *Nixon* v. *Condon* (286 U. S. 73.)

PEPPER BILL

But the Pepper bill, by inference at least, admits that poll taxes are a qualification. It admits that the States can enact them. It undertakes by statute to repeal the poll-tax requirements of the States. It specifically declares that poll taxes shall not be a qualification within section 2 of article I of the Constitution. It does declare that poll taxes shall be deemed an interference, and it does state that poll taxes are a tax upon the right or privilege of voters, but the interference and the taxation upon right or privilege are really without effect because the Pepper bill rests upon the authority of Congress to repeal a qualification prescribed by the State. If Congress had no such authority, the Pepper bill violates the Constitution.

PRESIDENTIAL ELECTORS

For the first time in both the Geyer and Pepper bills Congress is asked to prescribe qualifications or regulations with respect not only to senatorial and congressional elections but Presidential electors. Previously, congressional legislation with respect to Presidential elections has been confined, in the first bill undertaking to control Presidential elections passed in 1907, and again in the Corrupt Practices Act of 1925, to contributions by banks and corporations in Presidential campaigns. What power or authority has Congress under the Constitution to regulate the manner of providing appointments or of holding elections for Presidential electors? There is none in the Constitution. The Constitution does not authorize Congress to regulate the time and manner of the election of Presidential electors as it does to regulate the time, places, and manner of elections of Senators and Representatives. Under article II, section 1, Presidential electors are appointed directly by the States. I quote:

> Each State shall appoint in such manner as the legislature thereof may direct, a number of electors.

Clause 3 of section 1, article II, with respect to the election of President and Vice President has been amended by the twelfth amendment but the language quoted is the only warrant for the appointment or election of Presidential electors. Under clause 4 of section 1 of article II Congress was empowered to determine the time of choosing electors. No other power was conferred upon Congress with respect to the manner of electing or appointing electors.

Congress has never undertaken to interfere with the manner of appointing or electing electors. It has left such matters to the States. Such power was not given to Congress. (Green, 134 U. S. 377.) One hundred years elapsed before Congress exercised the power to provide a uniform date of the choosing and meeting of electors. Such an act was passed on February 3, 1887. The Supreme Court of the United States in the case of *McPherson* v. *Blacker* (146 U. S., p. 1), held that under clause 2, section 1, article II of the Constitution, the legislatures of the several States and the legislatures alone had the right to direct the manner in which the electors for President and Vice President shall be appointed. All the States under the Act of Congress authorized by the Constitution now provide for the election and meeting of electors on the same date.

CONSTITUTIONAL PROVISIONS

The Constitution provides for the choosing or election of Representatives by the people, and, since the seventeenth amendment, provides for the election by the people of United States Senators. It provides, as stated, for the appointment or election of Presidential electors. Under the proper and necessary clause of the Constitution and under the constitutional provision guaranteeing a republican form of government, Congress has the power in both Presidential and Senatorial and congressional elections to prevent pernicious political activities in the elections. Congress has the power to protect such elections, to prevent ballot-box stuffing, fraud, corruption, and other pernicious political activities. This is not saying that Congress has the power to provide the qualifications of the Presidential electors. Such is not the case. The power Congress has is to guarantee and protect qualified electors in the enjoyment of their right of voting.

There was much discussion and there were many debates as to the election of Representatives and Senators in the Constitutional Convention. It was decided to elect Representatives and to provide for the election of Senators by the legislatures. The States were most jealous of their suffrage powers. There were no uniform laws with respect to suffrage. A compromise was adopted with respect to the election of Representatives. Article I, section 2, was approved, and this article is as follows:

> The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature

The seventeenth amendment was ratified, and the same language with respect to the qualification of electors for Senators obtains in the seventeenth amendment. The Constitution, however, provided, and I quote section 3, article I:

> The Senate of the United States shall be composed of two Senators from each State chosen by the legislature thereof for 6 years, and each Senator shall have one vote.

The compromise in the Constitutional Convention was embraced in section 4 of article I, which is as follows:

> The times, places, and manner of holding election for Senators and Representatives shall be prescribed in each State by the legislature thereof, but the Congress may at any time by law make or alter such regulations except as to the places of choosing Senators.

The language of section 2 and section 4 is plain and easy to understand. There is no ambiguity. If there were any difficulty in understanding, contemporaneous thought and interpretations should be helpful. Congressional action will aid in interpretation. The history of legislation under the sections will be of benefit.

I agree with Chief Justice Fuller, and I quote his language from the case of *McPherson* v. *Blacker* (146 U. S., p. 27):

> The framers of the Constitution employed words in their natural sense, and where they are plain and clear, resort to collateral aids to interpretation is unnecessary and cannot be indulged in to narrow or enlarge the text; but where there is ambiguity or doubt or where two views may well be entertained, contemporaneous and subsequent practical construction are entitled to the greatest weight.

The journal of the Convention disclosed that while there was much debate with respect to section 2 leaving to the States the qualification of electors, there was but little debate in the Convention with regard to section 4. However in the State ratifying conventions there was much criticism of the power to make or alter the regulations in section 4. A majority of the States tentatively insisted upon an amendment to prevent regulations by Congress unless the States failed or neglected to provide the time, place, and manner of holding elections. Madi-

son was in the Virginia Convention, Hamilton in the New York Convention. They asked for ratification. They insisted that there was no real conflict between sections 4 and 2. The language was plain, and it was easy to understand. In commenting on article I, section 4, Madison stated, and I quote:

To give the National Legislature a power not only to alter the provisions of the States but to make regulations in case the States should fail or refuse altogether. (5 Elliot's Debates, p. 402.)

While the language of section 4 is not the identical language of Madison, the States finally abandoned their insistence upon an amendment on the ground of the great improbability of congressional interference.

In the Virginia convention Mr. Madison said, and I quote—third Elliot's Debates, page 367:

It was found impossible to fix the time, place, and manner of the election of Representatives in the Constitution. It was found necessary to leave the regulation of these in the first place to the State governments as being best acquainted with the situation of the people, subject to the control of the general government, in order to enable it to produce uniformity and to prevent its own dissolution.

And in the Federalist Hamilton said that the propriety of the clause in question rested—

Upon the evidence of the plain proposition that every government should contain within itself the means of its own preservation.

Again I quote from Hamilton, who is credited with being responsible for New York's ratifying the Constitution. In speaking of said section 4 he said:

The truth is that there is no method of securing to the rich the preference apprehended but by prescribing qualifications of property either for those who may elect or be elected. But this forms no part of the power to be conferred upon the National Government. Its authority would be expressly restricted to the regulation of the times, the places, and the manner of elections. The qualifications of the persons who may choose or be chosen, as has been remarked upon other occasions, were defined and fixed in the Constitution and are unalterable by the legislature. (Federalist LIX, LI.)

The history of the times shows beyond reasonable doubt that if the Constitution makers had claimed under this section the over-all power of regulating elections to include the prescribing of qualifications, the Constitution would never have been ratified. Story on the Constitution, volume 1, sections 814, et seq.

In section 4, the Convention and the ratifying conventions had in mind the case of Rhode Island and the failure of that State to attend the convention and its delay in ratifying and attending Congress, and, as Hamilton stated, providing for the preservation of the Government.

Under section 4 Congress has the power to make or alter regulations covering the time and manner of holding elections for Senators. The election of Senators was provided in section 3. They were to be chosen by the legislature. The contention has never been made that under section 4 Congress could prescribe qualifications for the members of the legislature who chose Senators prior to the seventeenth amendment. If Congress was without power under section 4 to prescribe qualifications for members of the legislature choosing Senators, it must follow as the night the day that Congress is without power to prescribe qualifications for the electors choosing Representatives.

The bill provides for the control of senatorial and congressional elections. Its proponents urge that Congress has the power by regulation to eliminate the payment of a poll tax as a requisite for voting in congressional elections.

The fact that Congress had no evident power, as long as the legislature chose Senators, to prescribe for the qualifications of members of the legislature is proof that Congress had no power under the same language to provide for the qualifications of electors of Representatives.

As I stated, the States were jealous of their suffrage prerogatives. Congress respected the rights accorded to the States. The history of legislation under section 4 with respect to the time, places, and manner of electing Senators and Representatives is interesting. The language of section 4, "except as to the places of choosing Senators" is unique. Under this language the right of the legislatures in choosing Senators was recognized. Congress has no power to prescribe the place of the meeting of the legislature. The right of the States was recognized. But Congress had the right to provide for the time and manner of electing Senators. A law was passed in 1866, 14 Statutes, page 244, fixing a uniform time for the election of Senators. A law was passed in 1875 fixing a uniform time for the election of Members of Congress, but here again the rights of the States were safeguarded. The act of March 3, 1875, fixing the time for the election of Representatives, 18 Statutes, page 400, provided it should be on Tuesday after the first Monday in November, except the provision should not be applicable to any State where a constitutional amendment was necessary to change the time for holding State elections. Under this situation Maine today elects Senators and Representatives in September at the time of the election of State officials, but because of the constitutional power in Congress to which I have already referred as to the uniform time for choosing Presidential electors, neither Maine nor any other State was exempt, and all States hold their Presidential elections on the same date, including Maine.

Congress has provided legislation regulating not only the time but the manner of congressional elections. The act of February 14, 1899 (30 Stat. 836) provides that all votes for Representatives in Congress must be by ballot or by voting machine authorized by the State law.

The rights reserved to the States in elections were recognized by Congress. There was no legislation under section 4, article II, until 1842. Congress passed an act to provide for the election of Members of Congress by districts. For the next 25 years there was no other legislation. Congress provided in 1866 for a uniform time for the election of Senators by the legislatures, and as stated, in 1875 for the election of Representatives by the people.

ENFORCEMENT ACTS

Following the War between the States in an acknowledged effort to guarantee suffrage to former slaves, the Enforcement Acts of May 31, 1870 (16 Stat. 254), and June 10, 1872 (17 Stat. 347) were passed. The Enforcement Acts provided for prevention of ballot box stuffing, intimidation, coercion, conspiracy to prevent voting or votes being counted, and similar pernicious activities. It is significant, however, that by their terms the Enforcement Acts apply only to congressional elections. Presidential electors were not included. Congress had reserved no right to regulate the appointment or election of Presidential electors. None was asserted; none was claimed. The Enforcement Acts led to much bitterness and strife. The tragic era of reconstruction in the South will never be forgotten. While unable to guarantee the Negro vote in the South, there was a reflex action of Federal interference in State elections in other States. After 24 years all of the Enforcement Acts and all of the provisions of the acts, except the conspiracy clauses, were repealed in 1894. Control of elections was again reserved to the States where it had been for the 75 of the 100 years of the history of the country.

There was never any attempt to pass legislation with respect to Presidential elections until 1907. 34 Statute 864. This act prohibited corporations from making contributions for Presidential electors and Representatives in Congress. It was never construed, as I recall, by the Congress. The acts of June 25, 1910, 36 Statute 822, and the acts of October 16, 1918, 37 Statute 25, were generally repealed by the Corrupt Practices Act approved February 28, 1925. The Hatch Act of 1939 and the amendment of 1940 undertook to regulate pernicious activities with respect to Federal officials and employees and to prevent contributions by corporations in Federal elections.

Those who maintain that the Geyer bill and the Pepper bills are constitutional under section 4 of article I must therefore admit that Congress is without power to pass regulations respecting Presidential electors inasmuch as the power to regulate their appointment or election was not conferred by the Constitution upon Congress but upon the States, without restrictions.

As I have stated, statutes against pernicious political activities do not depend upon the power to regulate but are conferred upon Congress under the proper and necessary clause of the Constitution and under the provision of the Constitution guaranteeing a republican form of government, and they are based

upon the constitutional guaranty for the election of Senators, Representatives, and Presidential electors. Qualified voters participating in such elections are guaranteed the enjoyment of their rights as qualified voters under the States by Federal statutes. Such guaranties, however, are based upon the power of the States to prescribe qualifications. The Constitution provides for voting, but the provision covers only the voting of those qualified under the laws of the States.

It is clear that section 4 therefore does not authorize the broad powers of regulations to enable Congress to prescribe qualifications. It only applies to the regulation of the manner of holding elections. As Madison well said:

> It seems as improper in principle, though it might be less inconvenient in practice, to give the State legislature this great authority over the election of Representatives of the people in the general legislature as it would be to give to the latter a like power over the election of their representatives in the State legislatures (Elliot's Debates, vol. 5, p. 402).

THE COURT AS NOW CONSTITUTED

The proponents urge that the bill be passed in the hope that the Supreme Court as now constituted will uphold its validity. Members of Congress are asked to pass a bill, as I contend, in violation of the Constitution. They are thus asked to disregard their oaths to support the Constitution. Anti-poll-tax Federal legislation is nothing more than a fishing expedition. It is experimenting with the Court and the Constitution. Congress cannot afford to pass a law that Members of Congress believe to be unconstitutional. The Supreme Court as now constituted, as I have already stated, has approved and declared to be constitutional poll-tax requirements by the States in Federal elections. The proponents cite the recent case of *United States* v. *Classic* (313 U. S. 299), decided in May 1941, in support of their views that under section 4 of article I and under clause 18 of section 8 of article I in connection with section 4 of article I, the court will sustain the pending bill. The hope is without substance and the contention is without merit. It will be remembered that in all the 153 years of its history Congress has never passed, and the Supreme Court of the United States has never been called upon to decide, a case involving a congressional statute prescribing qualifications of voters. Any statement with respect to the power of Congress in this regard in the Classic or any other case would be obiter dictum. The Classic case is not in point. That case involved a prosecution for a conspiracy to deprive a qualified voter from having his vote counted in a congressional primary election in Louisiana. The question of the qualification of voters was not involved. A primary election was, but emphasis was placed upon the fact that the primary election was under the supervision of the State and that the State bore the expense of the election. Further emphasis was placed upon the fact that in Louisiana a primary election is decisive and is really the only controlling election in the choice of representatives in Louisiana. It is the only chance where the qualified voter's suffrage will count. The rule may be different where primaries do not control. The Classic case protects him in his vote. It holds he is entitled to vote for representative. But primaries in other States might not be under the protection of the Classic case. It depends upon how the primaries are conducted. If the primaries are inconclusive, and if there are two parties and the contest is really settled in the election, it is not decided in the Classic case that a Federal prosecution would be valid. The following language on page 315 by Justice Stone, now Chief Justice Stone, in the Classic case is quoted by the proponents of the bill:

> While, in a loose sense, the right to vote for Representatives in Congress is sometimes spoken of as a right derived from the States, see *Minor* v. *Hapersett* (21 Wall, 162, 170); *United States* v. *Reese* (92 U. S., 214, 217–218); *McPherson* v. *Blacker* (146 U. S, 1, 38–39); *Breedlove* v. *Suttles* (302 U. S., 277, 283), this statement is true only in the sense that the States are authorized by the Constitution to legislate on the subject as provided by section 2 of article I to the extent that Congress has not restricted State action by the exercise of its power to regulate elections under section 4 and its more general power under article I, section 8, clause 18 of the Constitution "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers." (See *Ex parte Siebold* (100 U. S., 371); *Ex parte Yarbrough*, supra (663, 644); *Swafford* v. *Templeton* (185 U. S., 487); *Wiley* v. *Sinkler* (179 U. S., 58, 64)).
>
> Obviously included within the right to choose, secured by the Constitution, is the right of qualified voters within a State to cast their ballots and have them counted at congressional elections. This Court has consistently held that this is a right secured by the Constitution (*Ex parte Yarbrough*, supra; *Wiley* v. *Sinkler*, supra; *Swafford* v. *Templeton*, supra; *United States* v. *Mosley*, supra; see *Ex parte Siebold*, supra; *In re Coy* (127 U. S. 731); *Logan* v. *United States* (144 U. S. 253)). And since the constitutional command is without restriction or limitation, the right, unlike those guaranteed by the fourteenth and fifteenth amendments, is secured against the action of individuals as well as of States (*Ex parte Yarbrough*, supra; *Logan* v. *United States*, supra).

There can be no comfort to the advocates of the Geyer and Pepper bills in the language of Chief Justice Stone. His language shows that he had in mind the security of qualified voters. In fact he said, and the Classic case thus holds, that fundamentally voting for Representatives and Senators is derived from the Federal Constitution. It so provides. The States prescribe the qualifications, and the right of the citizen who votes for Senators and Representatives is dependent upon his complying with the qualifications of the States.

Constitutional government is at stake today. If constitutional government is to continue, there must be a Constitution and it must be observed, obeyed, and followed.

IV. CONSTITUTIONAL AMENDMENT THE ONLY REMEDY

If additional argument were necessary to convince Congress of the unconstitutionality of both the Pepper and the Geyer bills, the acquiescence of Congress in the contentions of the States for 153 years should be conclusive. In the abstract it is true that there may be a power that has never been exercised, but politics is practical, and surely in 153 years, if Congress believed that the Constitution conferred the power to prescribe qualifications, it would at least have been attempted in reconstruction days, if not asserted. But the fact that Congress has never passed any legislation to prescribe the qualifications of voters, the fact that the fifteenth amendment was necessary to prevent discrimination on account of race, color, or previous condition of servitude, and the fact that the Congress of the United States after years of agitation for woman's suffrage in all of the States, and after repeated demands for Federal legislation, decided that a constitutional amendment was the only remedy, is conclusive. The final argument against the validity of the pending bill is the fact that to provide for women voting it was necessary that a constitutional amendment be submitted. The nineteenth amendment providing that the right of citizens to vote shall not be denied or abridged on account of sex is an unanswerable argument against the validity of the poll-tax bill. Hence it is that Senator O'MAHONEY, in charge of the hearings on the Pepper bill, has proposed an amendment to the Constitution to provide that the rights of citizens shall not be denied or abridged by reason of failure to pay any tax or on account of any property qualification. If the Federal Government is to eliminate the poll tax as a qualification for voting in congressional elections, it can only be done by constitutional amendment.

[Here the gavel fell.]

Mr. ROBSION of Kentucky. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. REES.]

Mr. REES of Kansas. Mr. Chairman, this bill we are considering today does not prohibit the levying of a poll tax by the State. It simply provides that the payment of a poll tax shall not be required as a qualification to determine whether a citizen otherwise eligible, may vote for elective Federal Government officials.

Mr. Chairman, the basic principle of democracy is the right of a free citizen to cast his vote. Democracy is at its highest when an unrestrained, enlightened, and informed people take an active interest in the affairs of their country. Any restraint on such principle is a curb on the processes of democracy.

There are, of course, certain qualifications to be considered. A person should be a citizen of lawful age. He should have resided for a reasonable period within the jurisdiction where he votes. These requirements are fair to everyone. Requirement of certain educational qualifications may be sustained on the ground that one is more likely to cast an intelligent vote because he may thereby be better informed and have a better understanding of the affairs of government. But it hardly seems reasonable that whether or not a person has paid a poll tax of $1 or $3 or $5, as the case may be, should be the test as to his fitness to exercise the right of franchise. An informed man or woman, otherwise qualified, is barred because he

did not pay a poll tax. It should be definitely noted that there is no other penalty for failure to pay this tax except that the person cannot vote. It is, of course, not a property tax. It is really a "head tax."

Mr. Chairman, under a democracy, certainly the ability to pay a "head tax" should not be the determining factor as to whether a man is qualified to cast his vote for an elective official of his Government.

Mr. Chairman, here we are, today, proclaiming the "four freedoms" throughout the world. We are, and rightly so, advocating a government of democracy where the people may have a voice in the affairs of the government under which they live; where they may choose the men and women to represent them in law-making and executive departments of that government. The requirement of the payment of a poll tax, for the right of franchise, does not coincide with that position.

Mr. Chairman, like some other Members who have preceded me, I am concerned with the tremendous usurpation of power and authority by bureaucracy in our Government. It is a most disturbing situation. The restriction of the right of franchise, by this requirement, does not make that problem any better.

Mr. Chairman, we need, in this country, a broad program of education and enlightenment and understanding for all of our people. Such program should be carried on through our schools and other free avenues of information and study. The program would have as its goal a better understanding of the responsibilities as well as the duties of those who live in a great democracy. It would emphasize the real meaning of citizenship. It would further emphasize that if representative government is to survive and succeed, we as citizens of a great commonwealth must be worthy of it.

Mr. Chairman, the flame of democracy is pretty dim throughout the world this afternoon. As citizens of the greatest Nation in all the universe, we must and will devote our efforts and all we have at our command, to keep the torch of democracy burning in America. When the day of victory shall finally be ours, and peace shall again be declared, American democracy will be a beacon light to the people of a war-torn world.

Mr. ROBSION of Kentucky. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, the Constitution of the State of California, to which I shall refer as the gentleman from Maine has referred to the constitution of his State, provides as follows:

ARTICLE II. RIGHT OF SUFFRAGE

SECTION 1. Every native citizen of the United States, every person who shall have acquired the rights of citizenship under and by virtue of the treaty of Queretaro, and every naturalized citizen thereof, who shall have become such 90 days prior to any election, of the age of 21 years, who shall have been a resident of the State 1 year next preceding the day of the election, and of the county in which he or she claims his or her vote 90 days, and in the election precinct 40 days, shall be entitled to vote at all elections which are now or may hereafter be authorized by law: *Provided*, Any person duly registered as an elector in one precinct and removing therefrom to another precinct in the same county within 40 days prior to an election, shall for the purpose of such election be deemed to be a resident and qualified elector of the precinct from which he so removed until after such election: *Provided further*, No alien ineligible to citizenship, no idiot, no insane person, no person convicted of any infamous crime, no person hereafter convicted of the embezzlement or misappropriation of public money, and no person who shall not be able to read the constitution in the English language and write his or her name, shall ever exercise the privileges of an elector in this State: *Provided*, That the provisions of this amendment relative to an educational qualification shall not apply to any person prevented by a physical disability from complying with its requisitions, nor to any person who had the right to vote on October 10, 1911, nor to any person who was 60 years of age and upward on October 10, 1911: *Provided further*, That the legislature may, by general law, provide for the casting of votes by duly registered voters who expect to be absent from their respective precincts or unable to vote therein, by reason of physical disability, on the day on which any election is held.

There is no qualification such as a poll tax in the State of California which would abridge the right of any citizen to vote, nor is there any abridgment because of pauperism or bankruptcy or nonpayment of adjudged debts, but only those concerning aliens, insane, idiots, criminals, and illiterates, and so forth.

I call the attention of the Members of the House to section 2 of the fourteenth amendment to the Constitution, which, although it does not govern in the instant case, as it deals with apportionment, is nevertheless an indication of what the feeling of the people of the United States was in 1868, when this amendment was adopted. It reads as follows:

Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the executive and judicial officers of a State, or the members of the legislature thereof, is denied to any of the male inhabitants of such State, being 21 years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion or other crimes, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens 21 years of age in such State.

I call special attention to the phrase "or in any way abridged."

Although I am not a constitutional lawyer as are some of the distinguished gentlemen present, I would, as a layman, imagine that in all possibility the requirement that they shall pay a poll tax might well be considered an abridgment of the right of the electors, and that in consequence thereof it might well happen in certain States that on a suit to reduce the number of Representatives in such a State that such might be the decision.

[Here the gavel fell.]

Mr. GAVAGAN. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. MITCHELL].

Mr. MITCHELL. Mr. Chairman, it has been noticeable on the floor of this House that there are Members of the House from certain sections of the country who consistently oppose every bill that comes before the House for consideration which promises fair treatment, justice, and a reasonable share of democracy to the Negroes of the South. I do not recall a single instance where this type of legislation was being considered, either in the House or in the Senate, during the past 10 years, that some sort of filibuster or objection to the consideration of this type of legislation was not engaged in by certain Members of Congress. It is my opinion that this fear in the hearts of these men to extend democracy to the Negro citizens of this country is based upon an uncompromising effort on their part to see to it that American citizens of color shall not have their citizenship rights in this country.

The world is engaged in a war. The Axis Nations, on one side, are said to be waging this war for the purpose of destroying forms of liberal government and forcing slavery upon the world. The United Nations, on the other hand, define their purpose in this war as being the protection of people in their rights to participate in government of their choice and to prevent slavery of all forms. From speeches made on this anti-poll-tax bill by a certain group of Representatives I am convinced that many of our Representatives are not in favor of democratic government in our own country. They do not practice democracy. These men who cry aloud against this bill constitute the same group that cried out against the passage of an antilynch bill. They have cried out almost to a man against relief for labor. They were against the wage-and-hour bill. They were against social security where it promised benefits to Negroes. They were against farm relief, if that relief promised equal opportunity to Negro farmers. But the time has come when we must turn our attention to realities. If our Government is to live as a democracy, it must not escape the responsibilities of a democracy. In a democracy the color of a man's skin has nothing to do with his citizenship rights. In sections where the color of a man's skin determines his citizenship rights there is no real democracy.

This poll tax bill, if enacted into law, will eventually aid in wiping out the disfranchisement of Negroes in States like Virginia, South Carolina, Alabama, Mississippi, Louisiana, Arkansas, Texas, and other Southern States where for almost a half century the world has watched racial discrimination rob a loyal people of practically every right to participate in government. The Negro has been made the bone of contention and has been used by demagogic office seekers to sway the vote of white men, thus creating a prejudicial condition which has not only meant oppression to the Negro, but has meant bodily harm, fear, and in many cases mob violence and death. The Montgomery Advertiser in speaking of this condition on one occasion said, and I quote:

We southern Democrats are too low-down to go through a State political campaign

without making the helpless Negro a scapegoat in a white man's contest.

Of course, The Montgomery Advertiser knows that there are many southern Democrats who are above thinking of the Negro as an issue in political campaigns. Possibly the majority of them are above it—though such an estimate might be a trifle optimistic. But certain it is that there are enough southern Democrats that low-down to cause some politicians, who are no better than they are in this respect, to use the Negro issue as a vote-catcher. This is a sad spectacle for the world to look upon. We are here listening to men seriously and almost violently opposing the rights of the Negroes to participate in government at a time when the Negro is wearing the uniform of this government, bleeding and dying, and making every sacrifice known to mankind that this government might live. One watching such action on the part of a so-called great democratic people would have to make this statement. "Oh consistency, thou are a jewel."

When I spoke on the floor of this House sometime ago when we were declaring war against the Axis Nations, I said:

I wish to suggest that in this struggle, as in all previous struggles, the Negro proposes to give, and will give, all he has, including his life, for the success of our effort to withstand Hitlerism. In view of the sacrifices which my group has always made, and in view of the sacrifices which we are bound to make in this struggle, let me remind the Congress and the Government that the Negro expects the same treatment under our so-called democratic form of Government that is accorded all other citizens. He would be unworthy of citizenship in this country if he contended for less. It is my hope that the contribution which we have always made and shall continue to make will cause this country to recognize the Negro as a full-fledged citizen. If he is good enough to die for his country, he should be given the largest and fullest opportunity to live for his country without any type of racial discrimination.

This day will come sooner or later, if our country survives this attack.

I know that while the arch enemy of the Negro fights to keep him down and calls himself protecting the Constitution of the United States and expounding the doctrine of State rights, there are thousands of good white men and good white women in the South who have never bowed to Baal. These people have always fought for a larger participation of the Negro in our Government, and for fair play and justice in our economic and industrial set-up. Thank God, this number of good people is increasing with the times, and promises an equitable and just solution of the political problem and all similar problems. Then it is our duty on this occasion and on every occasion to strike back and to strike with all of our might at those who pose as our friends, but who are constantly seeking to bind tighter around our ankles the chains of economic, industrial, and political slavery which they themselves have wrought and placed upon us.

An appeal to this group of oppressors might do no good, but at this time when the fight for world-wide democracy is being waged for millions of men and women who are dying in this conflict, the Negro's interests in America, like the interests of the darker people throughout the world, must receive the proper consideration, and the arrogant white man, whoever he is and wherever he be, should be reminded that if democracy is to live, it must shed the garment of hypocrisy. To that group of oppressors I close with this word:

O white man, why evade the issue?
Your tin-god cycle's done;
You've held it down for centuries,
You've had a lot of fun.
Get ready for the Renaissance,
Your system's obsolete;
It's Providence, you're up against
And that you cannot beat;
You haven't settled anything,
In God's beholden sight—
For, "No question is ever settled,
Until it's settled right!"
And so—goes on—the fight.

This bill will pass the House. Let us see that it passes the Senate and becomes the law of this land. Let us strike with all of our might, as this is a blow for freedom and democracy in our own house.

Mr. HOBBS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman, much has been said and much will be said regarding the constitutionality or unconstitutionality of H. R. 1024. Those on either side of the question can, as always, produce countless citations and decisions to support their side of the case. I believe this legislation to be unconstitutional and shall vote against it. I believe that this, of all times, is the most inopportune to cast loose the bonds which bind us to that basic and fundamental instrument of our Government—the Constitution.

An examination of the proceedings of the Constitutional Convention, and of the events which follow closely after it, convince me that there was, at that time, grave apprehension upon the part of the citizens of this Nation and the delegates to the Convention, that the Federal Government would, under the terms of the Constitution, be empowered to regulate too many of the details effecting the daily life and affairs of the citizens of the Nation. Certainly, one of the first provisions written into the Constitution, was the one providing that the qualification for electors voting for Members of the House of Representatives should be the same as those qualifying an elector to vote for the most numerous branch of the State legislature. This wording was not lightly or thoughtlessly written into the Constitution, because it was before the Convention for more than a month and provoked considerable discussion before its adoption. It was the result of thoughtful and careful deliberation at that time and it should not be disposed of lightly or thoughtlessly here today. If words mean anything, by the very wording of this clause, the Congress is denied any voice in the regulation of the matter.

There can be no doubt but that the several States are competent to prescribe the qualifications for those voting for State officials. The wording of the clause quoted above leaves no doubt but that the founding fathers were aware of the power which they were conferring upon the States, as far as the qualifications for those who could vote for State officials was concerned. Why then should we doubt their intention in regard to the power of the States to prescribe the qualifications of those who vote for Federal officials?

The power to prescribe the qualifications for electors, voting for Members of the House of Representatives, was not included among the powers definitely granted to Congress in section 8 of article I of the Constitution, nor was the power of such regulation among those denied to the States in section 10 of article I. Furthermore—article X of the Bill of Rights, which was included in the Constitution in order to insure the security of the rights retained by the people and reserved to the States, provides—

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Most certainly there are no provisions in the Constitution delegating this power to the United States nor denying such power to the States. We must, therefore, assume that it was intended that the States have it and that the founding fathers were aware of what they were doing when they so wrote it. Oh, I know the argument about implied powers—always the resort of those who wish to conjure up flimsy reasons to change the status quo. Almost any language can be twisted, distorted, construed, or interpreted so as to furnish implications to suit the desire of those who would use the question of constitutionality as a cloak to cover their real designs. Then, to further strengthen the contention that this legislation is unconstitutional, are the numerous court decisions upholding the right of the States to impose a poll tax. They come from the highest courts in the land and are definite.

As to the argument that, since Members of Congress are Federal officials, the so-called implied powers under the Constitution empower the Congress to make loans to regulate Federal elections, it must be taken into consideration that in part 2, section 1, article II, of the Constitution the legislatures of the States, with the sole prohibition against appointing a "Senator or Representative, or person holding an office of trust or profit under the United States," are empowered to appoint the electors to choose a President and a Vice President. The Congress in part 5 of this same section and article is definitely given the power to "determine the time of choosing the electors and the day on which they shall give their votes." But that is all. Congress is given no power to prescribe the qualifications of those who vote for these electors. It is all very definite, specific, and concise. The President and Vice President are Federal officials, just as are Members of Congress. The Congress is the only lawmaking body of this land. If, under the so-called implied powers, it is empowered to regulate within the various States the qualifications of those who vote for Members of Congress, certainly it would be empowered to regulate in the same man-

ner the qualifications of those who vote for Presidential electors.

As for the republican form of government clause in section 4, article IV, it is certainly going far afield to claim that the imposition of a poll tax in any way breaks down a republican form of government. In this case the burden of proof is certainly upon the proponents of this legislation and they have failed to prove where the poll tax in any way interferes with the functions of a republican form of government as long as it is not excessive and is universally imposed.

Certainly, as soon as the principle is established that the Congress has the power to remove any restriction imposed by a State under its sovereign right, the floodgates of limitless regulation have been opened and it is quite conceivable that under the precedent established the Congress could, by the imposition of regulatory Federal laws, perpetuate itself in office by prescribing restrictions upon who might qualify as Members of Congress, since those prescribed by the Constitution are very general.

If the Congress can, in the case of a poll-tax case, say to the State of Alabama that such a matter shall not be a qualification for those voting for Federal officials, it can certainly say tomorrow to the State of Pennsylvania you shall not require personal registration before a citizen shall be allowed to vote for a Federal official. It can say to other States, you shall not impose any restrictions whatsoever—sane, literary, residential, or criminal. In fact, if the Congress can do as House bill 1024 provides, there is nothing it cannot do as far as the ballot is concerned.

As for the power of Congress to protect the purity of the ballot, that cannot be denied. It does not necessarily follow, however, that corruption results from the imposition of a poll tax any more than it would result from the imposition of residential qualifications. Here, too, the burden of proof is without a doubt upon the proponents of this legislation.

There are many other arguments to support the unconstitutionality of this legislation. I will leave them to those who are far abler to produce them than than I am. The truth of the matter is that it is not a question of the constitutionality or unconstitutionality of this legislation which brings it here today. It was brought here by the petition route, under the whip of a pressure group—the C. I. O. The question of the power of the Congress, under the Constitution, to regulate the qualification of voters within the various States will play small part in the passage of this legislation. The demands and desires of a pressure group to add to the mass of irresponsible, nontaxpaying voters will be all powerful.

And who is the C. I. O. to cry about purity of elections, the sanctity of the ballot, individual freedom, or tolerance? Why, the elections conducted within this organization are no more pure and the ballot has no more sanctity than to be found in Hitler's Germany. Instances of abuse in this respect are too numerous to mention and too well known to call for repetition. One of the most notable is the Allis-Chalmers strike in Wisconsin, January 1941. Here the Wisconsin Employment Relations Board found that the union officials caused at least 2,200 ballots to be marked and counted as favoring the strike, thereby depriving a majority of the employees of the right of a secret ballot to call a strike.

In the Rosedale Hosiery Mill strike in Pennsylvania, where the first sit-down strike occurred, the results of the first election to determine a bargaining agent went against the C. I. O. They obtained a second election and ran in workers by the bus load from New Jersey to gain control. I have heard officials of the C. I. O., when running for reelection to union offices, openly boast that it was immaterial who or how many voted against them because they themselves controlled the counting board. Purity of the ballot and honest count, indeed. Let someone introduce legislation to provide for Federal supervision, inspection, and restriction of the use of their funds and see how violently their racketeering leaders will oppose it.

And how strongly do they believe in individual rights? Why just to the extent that they deny a man the right to earn a living for himself and his family—the most basic, the most fundamental, and the most sacred right known to man, without which all the other rights guaranteed by the Constitution are valueless, unless he belong to their union. They cry against a poll tax prerequisite to voting being imposed by duly and qualified elected representatives of the people of a sovereign State, when this tax is administered, collected, handled, audited, inspected, and disbursed by bonded public officials; yet they demand the right to collect a head tax from every worker before he be allowed to work, which tax is not administered, handled, inspected, audited, or disbursed by any elected public official. They have brought about a condition, where the employer must check this tax off of the pay roll of each employee. Sure! The leaders of the C. I. O. are as strong for individual liberty as are the leaders of Soviet Russia.

They cry for tolerance when they have no more tolerance in their ranks than was in the Spanish Inquisition. Tolerance! Yes indeed! They are just bubbling over with it. Did you ever see a free-born American citizen trying to go to work through one of their picket lines? Their pickets are paragons of tolerance. Did you ever see their picket lines operating upon a public highway denying the use of the same to tax-paying citizens, in many cases committing assault upon the persons of citizens and intimidating even policemen? What an organization to cry for tolerance!

What an organization to be crying about justice. They are as much interested in justice as are the Japs. They cannot even be just to their Nation in wartime, or to the men in the Army and Navy. If they could, they would cease the strikes and slow-downs during this emergency. They would renounce time and a half and double time and the 48-hour-week law. License and special privilege, not justice, is their aim.

They cry about the passage of this bill being of benefit to the war effort. Of those who oppose it being of assistance by assisting the Axis propagandists who seek to divide the American people by shouting about a poll tax. Let them look to the strikes they encourage and foster, which have for 3 years been not only of physiological, but material assistance to the Axis nations. Let them rid themselves of the Walter Reuthers among them who are endeavoring to establish a second Axis front in this Nation.

Oh, I know it is useless to oppose this measure. The cards are stacked. The pressure will prevail. This organization, which has labored so faithfully to protect Harry Bridges, which worked so hard to secure the pardon of Earl Browder, is out to increase its potential voting strength with which to augment the political power of its leadership. Their lust for political power is stronger than their concern for the welfare of the Nation or for the ultimate welfare of labor. They are endeavoring to establish a dictatorship, which will do more harm to the cause of labor than anything which has happened within a century. This, labor will learn, but probably not until too late.

Let us here today have a tolerance with the problems of each other. Let us have a sympathy with the problems of other States. Let us for once cast aside all considerations of selfishness and politics and vote down this unconstitutional measure.

Mr. GAVAGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. WASIELEWSKI].

Mr. WASIELEWSKI. Mr. Chairman, it is a travesty on freedom's name to say we are fighting for freedom when by the miserable existence of the poll tax we effectively take away freedom's greatest privilege—the right to vote—from so many people.

Overseas, along our coasts, in training camps throughout America, American fighting men are fighting for democracy, for freedom. They are fighting for the right each and every one of us has to elect representatives of our own choosing—for that, in the last analysis, is a cardinal foundation of freedom.

Thousands of the people disfranchised by the poll tax are serving in the armed forces of the United States. Is it fair to deny them the right to express their will as to the people who will represent them?

We cannot fight for freedom and then deny its existence, to any degree whatsoever, to any group any place in America.

The right to vote is precious. Our boys are fighting so that no tin Hitler, no skulking Jap, can dictate for whom they shall vote. Back home millions of Americans will cast their votes November 3—for two reasons: First, to choose the men in whom they believe—and second, to reaffirm their faith in the institution of voting as a rare privilege of freemen everywhere. They will not let down their men at the front by failing to vote—failure to vote is a stab

in the back to democracy. They must be joined in this great right of the people by all whom the poll tax now denies the right of franchise.

Mr. Chairman, freedom is precious. Denial of equal rights, threatens freedom—causes discontent, takes away a pillar of democratic belief. America, engaged in total war, can no longer disregard the right of those disqualified by reason of the lack of money, and money alone, to vote. Yes, votes are bullets—we must give armor, yes bullets, to those of our citizens now barred from the ballot box. In that way, we strengthen the very cause for which we are fighting.

I shall cast my vote for the abolition of the poll tax, firm in the belief that America, to win in a total war, must provide total freedom, for all its citizens, regardless of race, religion, or financial position.

Mr. GAVAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. HILL].

Mr. HILL of Washington. Lee Geyer! Can you see him sitting here at this desk at my right near the Speaker's desk during the last month of his life whispering his votes on all legislation because of his fatal illness? It is very appropriate that today and yesterday we are considering the bill that he introduced October 11, 1941, a year ago. I can in my mind's eye see him smile yesterday when, by a vote of 251 to 85, we passed the rule and passed the resolution. I can see him smile again today when, with a larger vote, we will pass this bill in this House.

My good friends, this is not a personal issue. I am looking into the faces of some of the finest men I know, you gentlemen from the South, genial, efficient and friendly. This is not even a State issue, it is a national issue because it concerns election of Federal officials.

My good friends, again, what methods have the opposition been using? This bill was introduced in this House almost 2 years ago. It was referred to the Judiciary Committee, and I have a high regard for the chairman of that committee. But what does he do with it? He pigeonholed it and I am here to tell you, my good friends, every one of you, that I shall sign petitions on the Speaker's desk as long as there are chairmen who are autocrats and refuse democratic processes here in the House. He speaks about democracy, and yet he would not allow us, the Members of this House, to consider and discuss, and if we wanted to, pass this legislation.

A few weeks ago, my good friends, another good friend of mine—and I think he is here, the gentleman from Mississippi [JOHN RANKIN]—you remember we had the soldiers' vote bill, and he filibustered it and tried to kill it by calling, I think, seven roll calls. That is the method they use, and then they speak about democracy here in the House. That is not democracy. I suppose when we get through with the reading of this bill they will offer amendments here and filibuster it to death, and then they get up here on the floor of the House and talk about democracy and about their love of the common people, when they would not allow you and me, the Representatives of the American people, to legislate or to discuss these measures. I cannot see that that is democracy. Again, the gentleman from Alabama [Mr. HOBBS] tried yesterday to thwart the will of 218 Members—a majority—by insisting that consideration of the measure was not regular because it provided for Mr. Geyer to call it up. The Speaker very rightly ruled that any Member signing the petition might call it up.

The constitutionality of this law I shall not discuss. I will only say that 218 Members signed this petition and therefore must believe that it is constitutional. The Lawyers Guild sent out a statement on the constitutionality of the bill, and every Member must have read it. You southerners, you genial friends of mine who have been such upholders of the Supreme Court of the United States, are you afraid to have this bill passed in the House and the Senate and signed by the President and go to the Supreme Court of the United States for them to decide whether it is constitutional or not? Are you afraid of that? Are you afraid of democracy, I ask you? I think you are.

On the soldiers' vote bill you remember that our genial chairman of the Judiciary Committee talked about States' rights. He said something about the State should decide whether the soldiers should have the right to vote or not. Do those soldiers march under the lone-star flag of Texas, great as it is? Do they march under the evergreen flag of the State I represent, great as it is? No; they march under the Star-Spangled Banner, the national flag, and if they are good enough to fight for democracy and for this country, they are good enough to vote.

Let us see what the poll tax causes in representation. In the Third District of Mississippi there were 13,864 votes cast in 1940. The population in that district is 435,531. Approximately only 3 percent of the people there are permitted to exercise the franchise. In the Fourth Congressional District, which I have the honor to represent, there were 98,496 votes cast. The population is 244,908. Forty percent of our people were permitted to vote in 1940. Mississippi has a population of 4,367,590. There were 146,219 votes cast in 1940. The State of Washington has a population of 3,126,792, and 755,285 votes cast. Three percent of people in Mississippi voted; 20 percent of people in Washington voted. Five times as many voters cast their ballots in Washington than in Mississippi. Yet Mississippi has seven Congressmen to six for Washington. Is this democracy? The gentleman from Texas [Mr. SUMNERS] said this afternoon that the people should rule and that they are "the finest stuff on the face of the earth." I agree with him; yet in Mississippi 97 percent of these people cannot vote. I say let this "finest stuff on the face of the earth" have suffrage. That is true democracy.

[Here the gavel fell.]

Mr. HOBBS. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I say that whether a State is to have the payment of a poll tax as a prerequisite for voting is a matter for the determination of that State.

It is known to all persons who are familiar at all with the historical development of our Nation that first there were separate States each enjoying sovereignty; that by their own act they met by proper representatives and formed the United States of America, delegating to it such powers as were deemed necessary by the States for the proper operation of the new Nation. All of these powers are enumerated and written into the Constitution and in the subsequent amendments thereto, all of which were ratified and accepted by the States.

Thus we have a nation of limited powers, limited to the grants given to it by the sovereign States. There can be no doubt of this from the Constitution itself, and I do not believe the proponents of this bill will deny it. Article X of the Bill of Rights provides:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States are reserved to the States respectively or to the people.

Then, in making a search for authority of the Congress to pass a law prohibiting the levying of a poll tax by a State as a prerequisite for voting, we must look to the provisions of the Constitution. There we find the only provisions fixing the qualifications of electors voting for Members of the Congress and to which we must look for authority of this Congress to pass this legislation before us in article I, section 2, which provides:

> The House of Representatives shall be composed of Members chosen every second year by the people of the several States; and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

Either the power was given to Congress to fix the qualifications of electors voting in congressional elections or such power was not given Congress. If it was the intention of the framers of the Constitution and the States which ratified it, to permit the Congress to fix the qualification of such electors, such provision could have been incorporated in the Constitution.

However, there we find that the States, in their grant of authority to the new Nation, did not say in providing for the election of Members of the House of Representatives, "And the electors shall have such qualifications as may be fixed by the Congress of the United States."

To have had any such provision in the Constitution would have meant that the Constitution would not have been accepted by the States. Any study of the history of that period will clearly show that the States were very much afraid in their grant of authority to the new strong central Government. A number of States refused to ratify the Constitution until the Bill of Rights were incorporated in it. It took the pressure of the three great leaders in the forming of the Constitution to get the new Constitution adopted.

Can you picture the States of that period in creating a strong central government, providing for a congress which should fix the qualifications of those vot-

ing for its own membership? Cannot you now hear those staunch believers in States rights saying that such a grant of authority would enable the Congress to be self-perpetuating or at least to name the persons elected in the several States, or an organized group from the North or South or East or West, in control in the Congress, by fixing the qualifications of electors, may determine who shall represent us in the Federal Congress?

But the proponents of this bill will say that the Congress is not fixing the qualifications of those electors voting for ourselves, we are only preventing the States from fixing restrictive qualifications on who shall vote for the Members of this body. Surely we must know that if the State cannot fix the qualifications of the electors voting for the Members of the Congress because of an act of Congress prohibiting it, that is equivalent to the Congress fixing the qualifications of the electors voting for themselves. If the Congress can remove restrictions, it can make them.

This is what the States provided against in article I, section 2, of the Constitution:

> The House of Representatives shall be composed of Members chosen every second year by the people of the several States; and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

Thus it was that the States protected themselves. They knew they would fix the qualifications for the most numerous branch of the State legislature and by this provision in the Federal Constitution, they reserved to themselves protection, knowing thereby their Representatives in the Federal Congress would be elected by electors whose qualifications were fixed by the State, and not by the Congress.

In fairness to the Congress of the new Nation, however, they said, though we do not want you fixing the qualifications of the electors who vote for you so that you might try to perpetuate yourselves or to determine who shall be elected from our State, we will restrict ourselves also by providing that all who are qualified to vote for the most numerous branch of our State legislature shall be qualified electors in the election of Representatives in the National Congress.

Exhaustive briefs have been read in this body showing the construction which the Supreme Court has placed upon these provisions. These briefs are exhaustive and thorough. These opinions of the Court clearly show that the present bill is unconstitutional, and I shall not try to enlarge upon that phase of this argument.

To my mind this is settled in the case of *Breedlove* v. *Suttles* (302 U. S. 277) where it is said:

> To make payment of poll taxes a prerequisite for voting is not to deny any privilege or immunity protected by the fourteenth amendment. Privilege of voting is not derived from the United States, but is conferred by the State, and, save as restrained by the fifteenth and nineteenth amendments and other provisions of the Federal Constitution, the State may condition suffrage as it deems appropriate. The privilege and immunities protected are those that arise from the Constitution and laws of the United States and not those that spring from other sources.

I know there are many Members of this House who are having great pressure exerted upon them from organized minorities who wish this bill passed regardless of its constitutionality. They are people who are not affected by the poll-tax provisions now existing in the constitutions of eight of the great States of the Union. These people do not live there and frankly care little about the preservation of the Constitution. They are organized and in some of your home districts this group will threaten to make itself felt in the coming election. To those of my colleagues who have this situation, and who are tempted to vote for this measure in spite of its being unconstitutional to satisfy that group, believing that the Supreme Court will later declare the act unconstitutional and thereby save the day, to you I say now as never before the membership of this body needs to adhere to the Constitution of the United States of America. We are one of the few remaining nations that have such a great instrument to preserve. Through the last 8 years we have witnessed the streamlining of the Constitution by the executive department, the courts, and to some extent by the Congress. I deplore that situation.

Surely you know that the passage of this bill by the North and East means to spread disunity though I do not wish to say that its passage will lead to another civil war. I believe these eight great Southern States are making as fine a contribution to the war as any State in which these minority groups are exercising themselves in an effort to get you to go against the Constitution and interfere in the affairs of States other than your own, and I further believe those States will continue to contribute greatly to the war.

For other sections of our Nation to differ with the South is not necessarily deplorable. However, when on such a measure as that now before us, already declared unconstitutional by the committee considering the bill in the Senate and by distinguished lawyers in the House, it is deplorable to see the great majority of this House of Representatives vote for and support this bill, not on the ground that you believe it constitutional but without apparent thought or care as to whether it violates the Constitution or not. On such action, destruction of nations is based.

I say to you that a study of the affairs of all foreign nations where the people have lost their freedom will show there have been first the efforts of organized minorities, then a slow disintegration of the constitution of that government under the pressure of such minorities, and then last a complete setting aside of the constitution and the setting up of a dictatorship. These changes have not been sudden but gradual.

To those of you who wish to preserve our Constitution and our form of government, I say we must jealously guard every attempt to set the Constitution aside or any of its provisions, whether that effort is made by an organized minority, by the Executive, or by a group of our own membership. I dread to see the day soon coming, when Members of this body in speaking will refer to the time when the Constitution of the United States was in force.

I hope you will vote against the pending bill.

Mr. HOBBS. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON of Virginia. Mr. Chairman, in my opinion the dominant issue before us today is not whether a poll tax is a proper or an improper way of raising revenue, not whether a poll tax is a proper or improper restriction upon suffrage. The dominant issue as I see it is whether or not Congress has the constitutional right to enact legislation of this character. I do not think anyone could answer the constitutional argument presented here today by the distinguished chairman of the Committee on the Judiciary, Judge SUMNERS, nor do I think anyone could answer the constitutional argument to be found on page A3349 of the Appendix of the CONGRESSIONAL RECORD, submitted to the Senate Judiciary Committee by the Honorable A. P. Staples, attorney general of the State of Virginia. So, believing as I do on that subject, I could not vote for this measure without feeling that I would deliberately violate the oath I have taken to uphold and defend the Constitution of the United States.

Some time ago I read a book, Public Finance, published by a great economist, Dr. Harley L. Lutz, of Princeton University. In that book he had a chapter on the poll tax, discussing the ancient history of it and the uses of it by the various nations. I wrote him to know whether he had changed his views on that subject, and this is what he wrote to me:

PRINCETON UNIVERSITY,
Princeton, N. J., October 5, 1942.

The Honorable A. WILLIS ROBERTSON,
House Office Building,
Washington, D. C.

DEAR MR. ROBERTSON: Thanks for your letter of September 30, with its enclosure.

With respect to the poll tax, I have never been able to sympathize with the usual academic position against this tax, and I tried to make that clear in the textbook to which you refer. I am still of the opinion that a poll tax is a useful feature of a revenue system, and that it is particularly so in those States which do not have great disparities of wealth and income. I think the statistics of tax collections will bear me out in saying that there are many States in which a poll tax levied at a moderate rate will produce more revenue than either a graduated tax on so-called net income or a tax on inheritances and estates.

I am in complete agreement with you as to the sinister aspects of the proposal that the Congress shall assume authority to determine voting requirements in the several States. The trend toward complete Federal domination of the States and their local subdivisions must be counteracted with all the force at our command. If we add up the various manifestations of this trend, I think we have good reason to fear for the future of our Federal system, and if we permit the federalizers to destroy the basis upon which the Federal Government rests, it is my own conviction that the bulwark of our individual liberties will be destroyed also.

I appreciate your writing me and say again that if there is any other way in which I can be of assistance I hope you will call upon me.

Sincerely yours,

HARLEY L. LUTZ.

In closing his able and eloquent address the gentleman from Texas [Mr. SUMNERS] said that if we cease to hold the Constitution in respect, the Constitution is doomed. Does it not seem a bit singular, my friends, that those closest to the formation of our Government were more zealous in their support and defense of the Constitution, looking forward to the future, than we of this day and generation, looking backward upon 150 years of wonderful achievement? Standing on the steps of this Capitol on the one-hundredth anniversary of the birth of George Washington, the great Senator from Massachusetts, Daniel Webster, referring to the possibility of the Constitution being undermined, said:

Other misfortunes may be borne, or their effects overcome. If disastrous wars should sweep our commerce from the ocean, another generation may renew it; if it exhaust our Treasury, future industry may replenish it; if it desolate and lay waste our fields, still, under a new cultivation, they will grow green again, and ripen to future harvests. It were but a trifle even if the walls of yonder Capitol were to crumble, if its lofty pillars should fall, and its gorgeous decorations be all covered by the dust of the valley. All these may be rebuilt. But who shall reconstruct the fabric of demolished government? Who shall rear again the well-proportioned columns of constitutional liberty? Who shall frame together the skillful architecture which unites national sovereignty with State rights, individual security, and public prosperity? No; if these columns fall, they will be raised not again. Like the Colosseum and the Parthenon, they will be destined to a mournful, and a melancholy immortality. Bitterer tears, however, will flow over them than were ever shed over the monuments of Roman or Grecian art; for they will be the monuments of a more glorious edifice than Greece or Rome ever saw, the edifice of constitutional American liberty.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. HOBBS. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, H. R. 1024, commonly known as the Geyer anti-poll-tax bill, has for its object the abolition of the payment of a poll tax as a qualification for voting in Federal elections.

The constitutionality of the bill has been challenged by such reputable authority that we should call a halt and first determine its constitutionality. Whatever our predilections may be with reference to the merits or demerits of the payment of a poll tax as one of the qualifications to vote in Federal elections, we should, if possible, forget our feelings for the time being and dispassionately direct our thoughts first to the constitutional question. What is that constitutional question? It is this: Was the right to prescribe qualifications for voters in Federal elections granted under the Constitution to the Federal Government or reserved to the States? In other words, under the Constitution, where is the power to determine the qualifications of voters in Federal elections lodged, in the Federal Government, or in the respective States?

Now, in the discussion let us ever keep in mind that our Federal Government is the creature of sovereign States and only has such powers as these sovereign States have seen fit to grant. That originally, and at the very time the Federal Constitution was drafted, these sovereign States had the power to prescribe qualifications for voters, there can be no doubt. As a matter of fact the respective State constitutions contained voting qualifications at the time the Federal Constitution was drafted, and in 5 of the 13 States the payment of taxes was among the qualifications to vote. For the voting qualifications in the respective State constitutions at the time and prior to the adoption of the Federal Constitution, see *Minor* v. *Happersett* (88 U. S. (21 Wall.) 162). This being true, that is, that these sovereign States had the power to determine the qualifications of voters, the States still have the power unless they granted that power to the Federal Government in the Constitution or some amendment thereto. If this power has been granted by the States to the Federal Government, the Geyer bill is constitutional. If it has not been granted, the Geyer bill is unconstitutional.

As the Federal Constitution as originally drafted and adopted only provided for the election of Members of the House of Representatives by popular vote, let us first determine who, under the Constitution, was to pass on the qualifications of voters for Members of the House of Representatives, the States or the Federal Government.

The provisions of the Constitution of the United States relating to the qualifications of voters in Federal elections for Members of the House of Representatives, and the regulations of Federal elections, that is, the time, place, and manner of holding Federal elections, are as follows:

Article I, section 2, of the Constitution reads:

The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors (voters) in each State shall have the qualifications requisite for electors (voters) of the most numerous branch of the State legislature.

Clause 1 in article I, section 4, reads:

The time, place, and manner of holding elections for Senators and Representatives, shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to place of choosing Senators.

Now, let us analyze section 2 of article I. This section provides for the qualifications of voters in Federal elections for Members of the House of Representatives, and states in plain language that—

The electors (voters) in Federal elections in each State shall have the qualifications requisite for electors (voters) of the most numerous branch of the State legislature.

At most this section is but a restriction upon the sovereign power of the States in prescribing the qualifications of voters for Members of the House of Representatives. Without the section the States could have imposed any qualifications they saw fit. With the section the States are restricted in that the qualification for voters for Members of the House of Representatives must be the same as the States impose upon voters in State elections for Members of the State legislatures. In other words, the Constitution provides that a voter in a Federal election for a Member of the House of Representatives must have the same qualifications that the State imposes upon a voter in a State election for the legislature. If you are qualified to vote in the State for a member of the legislature, then you are qualified to vote in Federal elections for a Member of the House of Representatives. If one of the State qualifications for voting for member of the State legislature is the payment of a poll tax, and you have failed to pay the tax, then you become disqualified to vote in the elections held to elect State legislators, and hence are disqualified to vote in Federal elections for a Member of the House of Representatives. The test of voting in Federal elections is this: Are you qualified under the State law to vote for a member of the legislature in the State? If you are, then you can vote in Federal elections; if you are not, then you are disqualified from voting in Federal elections.

Now, I am not arguing whether this is a wise provision or an unwise provision. That is not the question. The question is, Who determines the qualifications of a voter in Federal elections, the State or the Federal Government? The Constitution says the State, and I have taken an oath to uphold the Constitution. If the people think that the Federal Government should be vested with the power to determine the qualifications of voters in Federal elections, then the Constitution should be amended so as to give the Federal Government the power to make the determination. And if the people do think that a change should be made, then the change should be brought about, not by sophistry and casuistry, but by constitutional amendment.

Now, as to clause 1 in article I, section 4: This section provides for "the time, place, and manner" of holding Federal elections. Under this section the regulations of elections, that is, the time, place, and manner of holding Federal elections, in the first instance, is vested in the State legislatures, but says the section, "the Congress may at any time by law make or alter such regulations." In other words the Constitution says to the States, go ahead and prescribe through the State legislatures the regulations of Federal elections, but remember if the Federal Government is not satisfied with the regulations you have prescribed the Congress can step in and change same at any time.

Now, from a reading of the two sections it is apparent that the founding fathers made a vast distinction between regulation and qualification. When it comes to regulating Federal elections, while the States retained in the first instance the right to prescribe the regulations, that is, "the time, place, and manner of holding" elections, the right is expressly granted the Congress to step in at any time and "make or alter such reg-

ulations." But when it comes to the qualifications of electors—voters—in Federal elections no such right is granted by the State to the Congress, that is, the States did not grant Congress the right to step in and make or alter the qualifications of voters. Now, if the founding fathers intended to give the Federal Government the right to step in and make or alter the qualifications of voters in Federal elections, why didn't they say so as they did in the case of regulating elections? Yes, they made a distinction between qualification and regulation and they wrote the distinction into the Constitution in plain and unmistakable language, and it is the duty of the membership of this House, regardless of their views on the wisdom of the founding fathers in making the distinction, to respect that distinction as long as it remains in the Constitution.

The meager record we have of the proceedings of the Constitutional Convention clearly shows that the delegates to the Convention, who were the representatives of the States, after thorough discussion, deliberately and purposely left the qualifications of voters in Federal elections to the determination of the States. Let us examine the record:

Mr. Pickney, at the beginning of the Convention, submitted a plan for a Constitution. In the Pickney plan what is now article I, section 2, read as follows:

ARTICLE 3. The Members of the House of Delegates shall be chosen every * * * year by the people of the several States; and the qualification of the electors (voters) shall be the same as those of the electors (voters) in the several States for the legislature (Elliot's Debates, p. 129).

This provision, which is similar to the one finally adopted, first came before the Convention for consideration on Thursday, May 31, 1787, when it was proposed—

That the Members of the first branch of the Legislature (Members of the House of Representatives) ought to be elected by the people of the several States (Elliot's Debates, p. 135).

This resolution was opposed on the ground that the Members should be elected by the State legislatures. Upon a vote being taken, the proposal that the Members be elected by the people and not by the State legislatures was approved (Elliot's Debates, p. 135).

This question again came before the Convention on June 6, 1787, when Mr. C. C. Pickney moved:

That the first branch (Members of the House of Representatives) be elected by the State legislatures, and not by the people.

A vote was taken on this proposal, which was defeated, the Delegates to the Convention again going on record as favoring the election of the first branch—Members of the House of Representatives—by the people (Elliot's Debates).

For the third time the proposition was brought up, and according to Mr. Madison, General Pickney moved:

That the first branch (Members of the House of Representatives), instead of being elected by the people, should be elected in such manner as the legislature of each State should direct (Elliot's Debates, p. 220).

Again the Convention turned the proposition down. So far the conflict had been over who should elect Members of the House of Representatives, the people or the State legislatures, and the record shows that the Delegates to the Convention every time voted in favor of the people.

It having been determined that the people rather than the State legislatures should elect members of the first branch—Members of the House of Representatives—the next question to come up was the qualification of voters for Members of the House of Representatives. On Tuesday, August 7, the Convention considered the provision in the report of the committee of detail covering the qualifications of electors—voters—which provision is as follows:

The qualifications of the electors (voters) shall be the same, from time to time, as those of electors (voters), in the several States, of the most numerous branch of their own legislatures (Elliott's Debates, p. 385, also p. 377).

To this provision, Mr. Madison reports that—

Mr. Gouverneur Morris moved to strike out the last members of the section, beginning with the words "qualification of electors," in order that some other provision might be submitted which would restrain the right of suffrage to freeholders.

Mr. Gouverneur Morris' motion, which was aimed of course to limit suffrage to freeholders—property owners—was defeated. The motion did, however, open up a general discussion of the question as to whether the qualifications of electors—voters—should be left to the States or granted by the States to the Federal Government. And this discussion is conclusive of the fact that the delegates to the Convention, after free and full discussion, deliberately and purposely left to the States the question of the qualifications of electors—voters—in Federal elections. Mr. Gouverneur Morris in the discussion advanced another objection, namely—

Another objection against the clause as it stands is that it makes the qualifications of the National Legislature depend on the will of the States, which he thought not proper.

Here the direct question as to whether the qualifications of electors—voters—should be left to the States was raised. Mr. Wilson replying to Mr. Morris stated that the provision relative to the qualifications of electors—voters—had been carefully considered—

And he did not think it could be changed for the better. It was difficult to form any uniform rule of qualification for all the States. Unnecessary innovations, he thought, too, should be avoided. It would be very hard and disagreeable for the same person at the same time to vote for representatives in the State legislature, and to be excluded from a vote for those in the National Legislature.

The arguments advanced by Mr. Wilson, no doubt, set forth practical reasons why the founding fathers decided to leave to the States the qualifications of electors—voters—in Federal elections, namely, it would be "difficult to form any uniform rules of qualification for all the States," and "it would be very hard and disagreeable for the same person at the same time, to vote for representatives in the State legislature, and to be excluded from a vote for those in the National Legislature." In other words, if the qualifications of a voter were determined by Congress it would apply to Federal elections in all the States, and the States would be forced to adopt the qualifications determined by Congress, or else have one set of qualifications in State elections and another set in Federal elections, which would necessarily bring about not only endless confusion, but constant dissatisfaction. Then, too, the States were fearful of the rights granted to the Federal Government. They wanted to preserve their own sovereignty. They knew that it would be easier later, if found necessary, to grant further rights than to get the Federal Government to surrender rights that had been mistakenly granted. So jealous were the States of their sovereign rights that later they demanded that there be written into the Constitution a clear and distinct understanding as to their sovereign status. Hence the tenth amendment to the Constitution, which reads:

The powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States respectively, or to the people.

That the intent of the delegates to the Convention was for the States to reserve the right to determine the qualifications of electors—voters—in Federal elections, is not only shown by the debates in the Convention, the plain and unmistakable language used in the Constitution in reserving the power to the States, but was later confirmed by Hamilton, who was a member of the Convention, in the Federalist. There can be no doubt as to Hamilton's understanding, and his understanding confirms the proceedings in the Convention and the plain language of the Constitution. He expressly states that the qualifications of electors—voters—

Forms no part of the power to be conferred upon the National Government. Its (the National Government's) authority would be expressly restricted to the regulation of the time, place, and manner of elections. (Federalist No. 60.)

Moreover, the Supreme Court of the United States has repeatedly held that the States have the absolute and exclusive right to determine the qualifications of voters in Federal elections. The only restrictions imposed upon the States are found in the fifteenth and nineteenth amendments to the Constitution, which prohibit discrimination because of race, color, previous condition of servitude, or sex, and in article I, section 2, of the Constitution providing that the qualification of voters for Members of the House of Representatives shall be the same as are imposed by the States upon voters in State elections for members of the legislature.

In the case of *Breedlove* v. *Suttles* (302 U. S. 277), decided in 1937, the Supreme

Court of the United States, in confirming a long line of decisions, said:

> To make payment of poll taxes a prerequisite of voting is not to deny any privilege or immunity protected by the fourteenth amendment. Privilege of voting is not derived from the United States, but is conferred by the State and, save as restrained by the fifteenth and nineteenth amendments and other provisions of the Federal Constitution, the State may condition suffrage as it deems appropriate. (*Minor* v. *Happersett* (21 Wall. 162, 170 et seq., 22 L. ed. 627, 629); *Ex parte Yarbrough* (110 U. S. 651, 664, 665, 28 L. ed. 274, 275, 4 S. Ct. 152); *McPherson* v. *Blacker* (146 U. S. 1, 37, 38, 36 L. ed. 869, 878, 13 S. Ct. 3); *Guinn* v. *United States* (283 U. S. 347, 362, 59 L. ed. 1340, 1346, 35 S. Ct. 926, L. R. A. 1916A, 1124, 82 L. ed. 256).)

Since the Geyer anti-poll-tax law was introduced the case of *Pirtle* v. *Brown* (118 F. 2d (C. C. A. 6, 1941) 218; certiorari denied 314 U. S. 621, 62 S. Ct. 64, 86 L. ed. 68) the United States Circuit Court of Appeals for the Sixth Circuit unanimously held that the poll tax qualification requirement was constitutional. This case involved the payment of a poll tax as a qualification for voting for a Member of the House of Representatives. When the decision of the circuit court was handed down the sponsors of the Geyer bill severely criticized the decision, stating that a writ of certiorari from the Supreme Court would be applied for, and confidently predicting that the Supreme Court would grant the writ and reverse the decision of the circuit court. What happened? Why on October 13, 1941, the Supreme Court denied the writ, thus again placing its stamp of approval upon the Breedlove and other cases which uphold the poll-tax qualification.

The preamble of the Geyer bill contains a recitation to the effect that the payment of a poll tax as a prerequisite to vote is not a "qualification of voters or electors", but is "an interference with the manner of holding" elections. Thus the bill carries on its face the concession that if the payment of a poll tax is a "qualification" that the bill is unconstitutional. That the requirement of a poll-tax payment before voting is a "qualification" there can be no doubt. Not only is this apparent from the language of article I, section 2, article I, section 4, the proceedings before the Constitutional Convention, but the Supreme Court in the case of *Ex parte Yarbrough* (110 U. S. 651) recognized the power of the States to determine the qualifications of voters, the Court holding that the States—

> define who are to vote for the popular branches of their own legislature, and the Constitution of the United States says the same persons shall vote for Member of Congress. It adopts the qualifications thus furnished as the qualifications of its own electors (voters) for Members of Congress.

Now, when the States define who are to vote for the most popular branches of their own legislature, the State simply determines the qualifications of its voters and, as was said in the opinion of the Court, the Federal Government then adopts the qualifications thus furnished as the qualifications of its own electors—voters—for Members of Congress. Nothing could be clearer. By what stretch of the imagination the advocates of the Geyer bill claim that the payment of a poll tax as a prerequisite to voting is "an interference with the manner of holding elections" and not a "qualification of voters or electors" is a mystery to me. The qualification of a voter has nothing in the world to do with the "manner of holding elections." Under the Constitution the States determine the qualification of Federal voters, and the Federal Government, in the last analysis, has charge of Federal elections; that is, "the time, place, and manner of holding elections." While the Federal Government may not be satisfied with the qualifications for voters set up by the respective States, it cannot come in and change or alter in any way the qualifications. The only thing the Federal Government can do is to step in and see that in Federal elections a fair and honest election is held. It can suppress fraud and corruption and violence, and prosecute the guilty parties. If the poll tax is used for the purpose of committing election frauds, or corrupting the purity of the ballot, it can step in and suppress the fraud and corruption or prosecute the guilty parties, but it is helpless in getting rid of the poll-tax requirement. That the Federal Government has this power no one will deny. The power is expressly granted by the States to the Federal Government in article I, section 4 of the Constitution, which provides in the final analysis for the Federal Government to regulate "the time, place, and manner of holding elections." And this power on more than one occasion has been declared by the Supreme Court of the United States to be vested in the Federal Government. As was said in *United States* v. *Munford* (16 Fed. (C. C. Va., 1883) 223):

> If Congress can provide for the manner of elections, it can certainly provide that it shall be an honest manner; that there shall be no repression of votes and an honest count of the ballot.

After careful study, I am driven to the following conclusions:

First. That the sovereign States, prior to the formation of the Federal Government, had the right to determine the qualifications of voters in their respective States.

Second. That the Federal Government is the creature of the sovereign States and only has such powers as these States saw fit to grant.

Third. That the sovereign States did not grant to the Federal Government the right to determine the qualifications of voters in Federal elections.

Fourth. That the sovereign States, not having granted to the Federal Government the right to determine the qualifications of voters in Federal elections, still have the right to make such determination and can exercise such right in any manner they see fit as long as they set up the same qualifications for voters in Federal elections required of voters for members of the most numerous branch of State legislatures.

Fifth. That the payment of a poll tax as a prerequisite to voting, however distasteful, and unwise and unjust, it may appear to a great majority of the House membership, and however distasteful and unwise and unjust it may appear to a great majority of our people, is nevertheless a qualification which the sovereign States have a right to impose.

Sixth. That the Geyer bill, having for its object the abolition of the poll-tax qualification contained in some of the State constitutions, is without constitutional authority in that it attempts to legislate on a subject reserved to the States.

Seventh. That there are only two constitutional ways by which the payment of a poll tax as a prerequisite to voting can be abolished, namely:

(a) By amending the Federal Constitution.

(b) By State action.

Now, let me answer some of the arguments advanced by the proponents of this legislation. Relative to its constitutionality, and that is the only question involved, there seems to be as many theories as there are speakers. Why even that old bulwark of special privilege, the fourteenth amendment, is being relied on as authority for Congress to rope the sovereign States of the right to determine the qualifications of voters. My heavens, do you not think that enough crimes and misdemeanors have already been committed in the name of the fourteenth amendment? Designed originally to protect human rights, we diverted it from its true purpose and used it as a vehicle for the strong and powerful to protect and exalt property rights at the expense of human rights. Under it we crucified the children and helpless men and women of this land of freedom within the court-made sacred precincts of the accursed sweatshop. Under it we worked men and women for long hours, under unsafe conditions, and for a pittance wage. And under it we clothed soulless corporations with flesh and blood and placed them upon the same pedestal with man who was made in the image of the living God. My colleagues, oh, my colleagues, do you not think it is time to call a halt upon further outrages being committed in the name of the fourteenth amendment? This time by what distortion do the proponents of this bill claim that they come within the care and keeping of this much abused amendment? Why under the clause found in section 1, that provides that "no State shall make or enforce any law which shall abridge the privileges or immunities of the citizens of the United States," and section 5, which provides that "the Congress shall have power to enforce, by appropriate legislation, the provisions of this article." The claim is made that the requirement of the payment of a poll tax as a prerequisite to voting is an abridgment of the right or privilege of citizens to vote. The trouble with this argument is that citizenship itself does not carry the right of suffrage. Suffrage is a right conferred upon the citizens by the State. In *Minor* v. *Happersett* (21 Wall. 162), the Supreme Court of the United States held that the fourteenth amendment did not add to the privileges and immunities of a citizen, and hence the right of suffrage was not added. Then, may I ask, what privileges or immunities of the citizen does the fourteenth amendment protect? Why, of course, the privileges and immunities that his citizenship carried with it. But, remember, citizenship alone does not

carry with it the right of suffrage. Suffrage is a right or privilege conferred by the States upon only such citizens of the States as meet the States' suffrage qualifications. Hence, the suffrage privilege would first have to be obtained before it could be abridged. If the citizen obtained the privilege of suffrage by complying with the State's suffrage laws, of course, he would be protected in the enjoyment thereof by the fourteenth amendment. But it is foolish to argue that the fourteenth amendment protects a privilege that the citizen does not possess. But why argue, as the Supreme Court in the *Breedlove case* (302 U. S. 772), expressly held, and I quote:

> To make the payment of poll taxes a prerequisite to voting is not to deny any privilege or immunity protected by the fourteenth amendment.

The other claim repeatedly advanced by the proponents of this legislation is that the Supreme Court of the United States in the case of *United States* v. *Classic* (313 U. S. 299) overruled the decision in the Breedlove case. This is far from being true. The Classic case did not, in any way, involve the power of Congress over suffrage. The only question involved was whether a citizen, duly qualified as a voter under the State law, would be protected in the enjoyment of that right in a congressional primary. That was the question, and the sole question, before the court for decision. By what process of reasoning, may I ask, can it be argued that the court, in holding that a qualified voter will be protected by the Federal Government in a congressional primary, overrules the Breedlove case holding that the privilege of voting is not derived from the United States, but is conferred by the States, and that to make payment of poll taxes a prerequisite to voting is not to deny any privilege or immunity protected by the fourteenth amendment?

Moreover, let me call attention to the fact that the Classic case was decided in May 1941. Five months later, on October 13, 1941, the Supreme Court placed its stamp of approval on the holding in the Breedlove case by denying a writ of certiorari in the Pirtle case. If the Supreme Court intended in the Classic case to overrule the Breedlove case, certainly it would have granted the writ in the Pirtle case and overruled the holding of the Federal circuit court.

The provisions of sections 2 and 4 of article I of the Constitution are plain and unambiguous and you might as well try to change the sum of 2 plus 2 by sophistry as to attempt to change by casuistry the plain meaning of these sections. After all has been said and done 2 plus 2 will still be 4; article I, section 2, will still mean that the States reserved the right to determine the qualification for voters in Federal elections; and article I, section 4, will still mean that the States, in the first instance, reserved the right to regulate the time, place, and manner of holding Federal elections with the delegated right to Congress at any time by law to make or alter such regulations.

Probably some for whom I have the highest respect and number among my closest friends will not understand my vote today. Frankness dictates that I say to them that it is hard for me to go against that which I know they expect of me. But whatever they may think, I hope they will be charitable enough to give me credit for having cast an honest vote. I swore when I entered this House that I would uphold the Constitution and, having fixed and positive views on the constitutional question involved, I could not square my vote with the oath I took, and vote otherwise than against this bill. And to them let me say, we should be careful, very careful, not to do anything during these days of stress and uncertainty that will undermine our Government or cause our people to lose faith in our institutions. The Constitution is a great instrument, a sacred instrument, that ever stands guard over their liberties and my liberties, over their freedom and my freedom. If changed conditions, or an effort to obtain a truer, a fuller democracy, make amendments advisable, then let us bring about the amendments, not by riding roughshod over an instrument that has served us well and stood as the guardian of our liberties for over a century and a half, but by constitutional processes. Remember we cannot preserve democracy if we abandon democratic processes. Let us come out of this war, as we went into it, with our Constitution still the guide and guardian of our national life. We cannot do this if, while our boys are fighting to preserve it, we at home destroy it.

The Constitution—my forefathers helped to create it—the least I can do is to help preserve it.

Mr. HOBBS. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Chairman, there seems to be some difference of opinion as to the constitutionality of this legislation, and I shall not attempt to change the minds of those who are in error within the limited time of 5 minutes I have at my disposal. There also seems to be a difference of opinion as to the purpose and effect and intention of the poll-tax laws. I do not know whether I can fully advise others as to the amount of misinformation they have about that, nor shall I attempt to speak for other States, but I hope to give a short summary of the history of the poll-tax law in the State from which I come, the State of South Carolina. We did not have a poll-tax law prior to the War between the States, if I recall correctly, but in 1868, after the surrender at Appomattox, when the political machinery in my State was absolutely in control of the colored people and what were known as carpetbaggers and scallywags, by legislative action, the State adopted a constitution which provides in article 9, section 2, as follows:

> The general assembly may provide annually for a poll tax, not to exceed $1 for each poll, which shall be applied exclusively to the public-school fund.

That constitution was framed and ratified by the colored people of the State of South Carolina.

In 1872, 4 years later, when the State legislature was composed largely of colored men, they passed a law providing for a poll tax, which provided that the funds collected should be retained in the school district from which collected. Title 3, chapter 12, section 5 reads as follows:

> There shall be assessed on all taxable polls in this State an annual tax of $1 on each poll, the proceeds of which tax shall be applied solely to educational purposes. Every male person between the ages of 21 and 50 years, except those incapable of earning a support from being maimed or from any other cause, shall be deemed taxable polls.

The statute provided further that any person who failed to pay his poll tax should be reported by the county treasurer, and the commissioners of that school district should arraign him before a magistrate to see whether or not he was guilty of violating the law. If he were found guilty, he was guilty of a criminal offense and subject to a fine not exceeding $10, or imprisonment not exceeding 20 days.

All these statutes were passed by representatives of the colored people of my State, and certainly they did not plan to disfranchise them. The poll tax law, therefore, was not for the purpose of disfranchising the colored men, as has been represented here this afternoon. I want to repeat and emphasize, Mr. Chairman, the poll tax statute, which made it a criminal offense not to pay a poll tax, was not designed to disfranchise the colored men, because they passed it and ratified it themselves. It was in 1876, before the State came from under reconstruction rule and the white people again assumed authority. Now, when did the provision for requiring exhibition of a poll tax receipt come? That was later. And what was it for? It was for the purpose of enabling a man to demonstrate to the electorate that he was not a criminal; that he had paid his tax and had not violated a law enacted by the colored people themselves. This provision was put there for him to demonstrate beyond the shadow of a doubt that he was not a criminal and therefore entitled to vote in an election, and that is all there is to it.

After the law went into effect making it a criminal offense for a person to fail to pay his poll tax a receipt therefor became prima facie evidence of his residence and the precinct at which he was entitled to vote and a law therefore was passed requiring a voter to exhibit his tax receipt in order to show that he was eligible to register and vote at that precinct, for this would prevent a person from registering in more than one voting district. Later he was required by law to exhibit the receipt when he went to vote in order to show that he was entitled to vote at that precinct. The tax receipt was further evidence that he was not a criminal by having failed to pay his poll tax as provided by law. At the expense of repetition let me say that the poll-tax law in my State was not enacted to disfranchise the colored man, as has been alleged by uninformed men here today, because the law was first enacted under a constitution framed and ratified by the votes of the colored people of the State and under a statute enacted by a legislature made up largely of colored representatives elected by colored people. It

may be that many colored people have heretofore foregone the privilege of voting rather than pay their poll tax, but if they have, they have no one to blame but themselves because they enacted the statute providing for a poll tax and making it a criminal offense not to pay it. The statute provides further, as I have already said, that the tax must be paid in the school district in which the voter resides and it must be used solely for school purposes in that district. If the State has violated the Constitution in passing a poll-tax law the matter should be carried to the courts for correction, or if the State has violated the Constitution in requiring the voter to exhibit a poll-tax receipt as a qualification to register or to vote then the matter should be carried to the courts for correction, but if the Constitution has not been violated in either event then I submit the Congress does not have the right or power to change the Constitution by the passage of this resolution.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. GAVAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. COFFEE].

Mr. COFFEE of Washington. Mr. Chairman, whenever we have a highly controversial question before this distinguished body we witness numerous legal luminaries who adorn this body rise to their feet and enter upon a disquisition as to the constitutionality of the points involved in the bill, particularly its recondite phases. I have heard gentlemen take the floor today and state with positive assurance that this bill was unconstitutional. I do not arrogate to myself such legal erudition as to impel me to make a pronouncement that I think would be persuasive to anyone as to the constitutionality of the measure. I do not think anyone is empowered or is gifted with such superior knowledge as to enable him to say unequivocally that this bill is unconstitutional. As a matter of fact, some of the greatest legal minds in the United States have said that this bill is constitutional. There is a difference of opinion among distinguished lawyers as to the constitutionality of the instant proposal, and why not admit it?

Among the distinguished legal scholars who have stated that the bill is constitutional is the greatest lawyer that the South has produced, who is now practicing in New York City, Mr. George Gordon Battle, recognized by all legal scholars and by members of the American Bar Association as one of the greatest legal minds of this generation.

Who else? Walter Hamilton, of Tennessee, now professor of constitutional law in the Yale Law School; Myers McDougal, of Mississippi, also of the Yale Law School; Leon Greene, of Louisiana and Texas, now dean of Northwestern University Law School; Robert K. Wettach and M. T. VanHecke, dean and ex-dean of the Law School of the University of North Carolina; Lloyd K. Garrison, dean of Wisconsin Law School; Charles Bunn, of the Wisconsin law faculty; Walter Gellorn, of Columbia University Law School. I could go on ad infinitum, detailing some of the greatest legal lights of this country, who agree as to the constitutionality of the bill. I could dwell on such men as Irving Brant, who wrote the monumental tome, Storm Over the Constitution; Professor Morrison, professor of constitutional law in Tulane University, now a practicing lawyer in New Orleans. There are innumerable outstanding constitutional experts who asseverate that this bill is constitutional. We also have notable learned attorneys, including our beloved chairman of the House Judiciary Committee, who claim it to be unconstitutional. But I do not want to base my argument for or against the bill upon its constitutionality. I will leave that task to legal scholars whom I regard as far more qualified than myself.

I would opine that in this war we are engaged in undertaking to spread the four freedoms throughout the world. We are admonishing the peoples of Europe and of Asia that they should emulate us, because over here we have the blessings of a Constitution, under whose provisions we guarantee to the humblest in the land the right to exercise the elementary prerogatives of citizenship, and the basic sine qua non of citizenship in these United States, I submit, is that of voting—a voting right not based upon possession of property, because the denial of that right was the fundamental objection which our forefathers made to the English rule that prevailed in the Thirteen Colonies before 1776. One of the principal objections raised by our constitutional forefathers to the rule of the British Crown was that the right was not accorded to American citizens to vote without certain qualifications. It is true that subsequent thereto they imposed property qualifications, not for the purpose of disqualifying freemen, but for the purpose of extending and expanding the right to vote.

Anyone who studies the history of our Southern States subsequent to the Civil War knows that the imposition of the poll tax requirements came in the nineties and the first decade of the twentieth century for one reason and one reason only: That was because the political hold and economic domination of the propertied classes in the South was threatened by the upsurge of the populist movement in the United States, William Jennings Bryan and his free-silver campaign of 1896, the rise of the National Grange in the middle nineties, and the populist and agrarian movements throughout the South. The poll tax was a convenient method of circumscribing that growing threat.

It is lamentable that in the heat of febrile debate exchanges, feverish statements have been made feelingly, by opponents of the measure before us, that the Geyer bill represents a lynching, a funeral of southern hopes, a crucifixion of the Southland, a pogrom against State's rights, a proscription of local sovereignty, an insult to Dixie tradition, a slaughter of the Constitution, a brazen attempt by Communists and fellow travelers to sabotage American institutions—these and other fulsome aspersions upon the bona fides of the protagonists of this proposed piece of legislation have been hurled about rather promiscuously in this debate. Who is there among us who has a right to feel qualified patronizingly to refer so scathingly to those colleagues of his in this body with whom he disagrees?

I recall that Shakespeare put these lines in his play Julius Caesar: "Pray tell me upon what meat does this our Caesar feed, that he has grown so great?" From what source springs this attitude exhibited by our overexcited and too unrestrained brethren from the Southland? Do they feel that once having made a dogmatic assertion, which is disputable, it should be accepted as though it were a major or minor premise in a philosophical syllogism? Are they endowed with the quality of ipse dixit? I am reminded of the story about a Pope of the Middle Ages who was not blessed with that great learning which has adorned so many of his successors. After making an address to some of the lesser clergy, one of the bolder members of the latter group daringly advised His Holiness that he had made an error of grammar, to which the Pope, incensed, replied, loudly: "Ego sum super grammaticam"—"I am above grammar."

We are all fallible human beings. In the final analysis even the brightest of us are as bewildered beings groping in the wilderness. We are constantly seeking the light. It amuses me when I hear some of my brethren here give vent to pronouncements which remind me of the Shakespearean phrase, "I am Sir Orator, and when I open my lips let no dog bark."

Critics of this bill have declaimed that it is sponsored and fostered solely by the C. I. O. Others have implied that it was the scrofulous mobs afflicting New York and Chicago who were responsible. One distinguished southern statesman metaphorically bowed and bestowed the accolade of his praise and figurative homage upon the gentleman from New York [Mr. MARCANTONIO] as the new leader of the House of Representatives. Gentlemen, gentlemen, we must preserve our sense of humor. Yes; the C. I. O. endorses this bill. It has a membership of over 5,000,000. Do not forget also that the Railway Brotherhoods, the American Federation of Labor, the United Mine Workers of America, the National League of Women Shoppers, the Southern Workers Defense League, the National Board of the Young Women's Christian Association of the United States of America, National League of Women Voters, the Business and Professional Women's Clubs of America, and countless other liberal groups and organizations heartily favor the passage of this measure. I refuse to be deterred or intimidated by charges that this or that isolated subversive group is backing this measure also.

I want our democracy in America to be a vibrant, breathing entity. I want all American citizens to have the right to vote, whether resident in South Carolina or in the State of Washington. I want to strike down the subterfuges by which our fellow citizens of colored blood or of indigent circumstances are prevented from expressing themselves at the polls in Federal elections. I shall support,

wholeheartedly, enthusiastically, and without apology, the Geyer bill, believing firmly in its constitutionality, and glorying in the fact that the passage of this measure by the Congress will serve as a belated implementation of the Constitution and of our Declaration of Independence.

POLL-TAX DISFRANCHISEMENT OF 10,000,000 PEOPLE IN THE SOUTH DIRECTLY AFFECTS ALL THE PEOPLE OF THE UNITED STATES

Poll-tax politicians have been trying to make it appear that congressional action to remove the dollar mark from the franchise would be an unwarranted meddling in State and local affairs. They have compared the denial of that heritage of every American—the right to vote—with such comparatively trivial State differences as speed limits for motor vehicles and the levying of tolls for the crossing of bridges. With this Nation fighting for the very existence of the democratic way of life they have brazenly denied that the poll-tax disfranchisement of 10,000,000 potential voters has any significance for the rest of the United States. What is the real truth?

No better illustration of the effects of this mass disfranchisement on the rest of the country can be adduced than its effect on legislation that has been before the Congress of the United States. Certainly none can deny that the effects of Federal legislation is being felt more and more by all the people of the entire country. In voting on Federal legislation the Congressmen from the non-poll-tax States have generally reflected all shades of political opinion, really representing their constituencies. Poll-tax congressmen have practically always reflected the interests and prejudices of a small class who possess property and position. A glance at the record shows that it was these poll-tax congressmen who fought hardest to deprive the people of the United States of such guaranties of economic democracy as collective bargaining and minimum wages, even though a greater majority in their own districts were benefited than of the country as a whole.

It is urgently important during this war that legislation enacted be in the best interests of the majority of the population. Notwithstanding all this, there is grave danger that Congress cannot be relied on to pass such legislation. How is it possible that in this greatest of all democracies minorities can often thwart the will of the majority of the population? The answer is that in the past it has been possible through the formation of coalitions, consisting of minorities from the rest of the country and the poll-taxers.

Votes of Members of Congress from the poll-tax districts count just as much as the votes of Members who represent the majority of the people in their districts. The same is true for Senators. When it comes time to elect a President the nonvoting poll-tax States have just as many electoral votes as States which cast four or five times as many votes in proportion to population. This in contradiction to the fourteenth amendment to the Constitution, which plainly makes it the duty of Congress to cut down the representation of States that disfranchise large parts of their population.

The real opposition to the repeal of the poll tax is not fear of the central government encroaching upon local self-government of the people. It is lodged in the conviction of a small group of Southerners on the upper rungs of the economic ladder that they are more entitled to rule than the public at large. These people often have the sayings of Thomas Jefferson and the tenets of democracy hot in their mouths, yet they privately fear the experiment of a government that is really of, by, and for the people. They mistrust the motives of the man in the street, the man looking for a job, or the tenant farmer. They cannot persuade themselves that those men are created equal to themselves. Down in their hearts they treasure a belief in Alexander Hamilton's dictum that "the public is a great beast."

POLL-TAX PAYMENTS IN TERMS OF AN AVERAGE NEW YORKER'S INCOME

Those who defend the poll tax as a vôting requirement frequently make use of the argument, "It is only a dollar; anyone can pay a dollar to vote." The facts are that the poll tax ranges from a dollar in five States to a dollar and a half in Alabama and Virginia to $2 in Mississippi. But more important, some of the poll-tax States make the tax cumulative so that a maximum poll-tax payment may be as high as $36 in Alabama or $47 in Georgia. This might well be an effective restriction on voting in any State, but it should be remembered that the poll-tax States have the lowest per capita income of the Nation. To understand why the poll-tax disfranchises 10,000,000 citizens, we may look at the tax in terms of the average per capita income in New York. The table below, which was submitted in evidence in the hearings before the Senate judiciary subcommittee on the poll tax, shows the annual poll-tax payments in each of the poll-tax States and indicates what the tax would be in terms of an average New Yorker's income.

The poll tax in terms of an average New Yorker's income

	Annual poll-tax payment [1]	Maximum poll-tax payment [2]	Per capita income, 1939	Comparable figures based on New York per capita income [3]		
				Ratio	Annual	Maximum
Alabama	$1.50	$36.00	$243	(3.39)	$5.10	$122.04
Arkansas	1.00	2.00	244	(3.38)	3.38	6.76
Georgia	1.00	47.47	292	(2.82)	2.82	133.86
Mississippi	2.00	6.00	203	(4.06)	8.12	24.36
South Carolina	1.00	1.05	268	(3.08)	3.08	3.24
Tennessee	1.00	2.58	296	(2.79)	2.79	7.19
Texas	1.00	1.75	401	(2.06)	2.06	3.60
Virginia	1.50	5.01	385	(2.14)	3.20	10.65
New York			825			

[1] The Poll Tax, by Emory Forbush, Editorial Research Reports, vol. 11, 1941; p. 12.
[2] World Almanac, 1942, p. 520.
[3] Arrived at by multiplying the figures in the ratio column by the annual and the maximum poll-tax figures. Figures in the ratio column represent the number of times greater the per capita income in New York is than the per capita income in the various poll-tax States.

[Here the gavel fell.]

Mr. HOBBS. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. TERRY].

Mr. TERRY. Mr. Chairman, I hesitate to take the floor at this late hour after distinguished gentlemen and constitutional lawyers have spoken for several hours, and venture my opinion on this controversial subject. Let me say, however, that the first day I stood on this floor I held up my hand and swore to uphold and support the Constitution of the United States to the best of my ability. I feel that the legislation now pending is an attempt to circumvent the plain mandate of the Constitution of the United States. It is therefore my intention to vote against this measure.

In determining whether or not certain articles of the Constitution shall be interpreted in one way or in another, surrounding circumstances, the conditions that prevailed at the time the Constitution was prepared, should be studied and examined. At the time the Constitution of the United States was debated and written out by those gentlemen, its authors, in 1787, the thirteen States had provisions in reference to the qualification of electors. Many of the qualifications in the different States were entirely dissimilar. In some property ownership was a qualification; in others education; and still others said that a man had to be a moral man. Connecticut required that its electors should be such persons as had maturity in years, quiet and peaceful behavior, a civil conversation, and 40 shillings freehold or 40 pounds personal estate. The framers of the Constitution realized the existence of these different qualifications. In order to reach a ground of common understanding as to the qualifications of the electors for Representatives in the Federal Congress they provided in section 2 of article I that the qualifications of the electors for Representatives in the Congress should be the qualifications of electors for the most numerous branch of the State legislatures.

Mr. Chairman, there is nothing obscure about that language, it is as plain as language can be, so plain that he who runs may read. The framers of our Constitution were saying simply that the people who voted for Representatives to the Federal Congress should have the same qualifications as the people who voted to elect members to their own House of Burgesses, the House of Delegates, and so on of the State in which the voter resided. When section 2 of article I was adopted there was no United States Government. These delegates from the various States assembled together and out of their own wisdom made these provisions, giving or withholding powers from the Federal Government they established. Again I repeat that all they said regarding qualification was that the electors should have the same qualifications as the electors for the most numerous branch of the State legislature.

When the seventeenth amendment to the United States Constitution was adopted in 1913, changing from the election of Senators by the legislatures of the several States, and providing that they

should be elected by the people, it is significant that the amendment further provided that the electors should have the qualifications requisite for electors for the most numerous branch of the State legislatures, thereby indicating that after a period of over a hundred years from the time the Constitution was framed in 1787 to the time of the adoption of amendment No. 17, the Congress of the United States and the States themselves were satisfied with this method of determining the qualifications of the electors who were assigned the duty of electing the Senators. Especially is it interesting to note that this method of determining the qualifications of the electors of the Senators was adopted after the poll tax law had been in effect in many of the States for many years.

Arkansas was admitted to the Union in 1836, and the constitution of the State adopted at that time provided that—

No poll tax shall be assessed for any other than county purposes.

In 1858 there was levied and collected a county tax on each free male citizen over the age of 21 and under 60, a poll tax, not exceeding $1 at the discretion of the county court.

In 1873 there was levied the sum of $1 per capita on every male inhabitant of the State over the age of 21, for school purposes, and the tax has been continued from that date to this, exclusively for the purpose of providing common-school education. It was not until 1893, long years after the period of Reconstruction was ended, that the payment of the poll tax was made a qualification for voting. In the constitution of 1874, under which the State is now operating, there were no tax or educational qualifications stipulated, every male citizen of the United States, of the age of 21, who had resided in the State 12 months and in the county 6 months and in the voting precinct 1 month next preceding any election, being entitled to vote in all elections by the people; and in section 2 it was provided that all elections should be free and equal. Certainly the framers of the Arkansas Constitution of 1874 were not trying to prohibit or limit the right of suffrage, either in respect to colored people or the so-called poorer classes.

The case of *United States* v. *Classic* (313 U. S. 299; decided May 16, 1941) has been brought into the debate on this bill many times today as being an authority for the proposition that the Congress may legislate on the qualifications of electors of Congressmen. This case did not involve any question of the power of Congress to determine such qualifications, and there was no controversy in the case on the question of the qualifications of the voters, the question being whether or not the Federal Government could protect a voter whose qualifications were admitted, in the right to have his vote counted correctly and honestly. There is, of course, a wide difference between determining the qualifications of a voter and the right of such voter to be protected by the Federal courts from the perpetration of a fraud on his right to cast a vote for a Federal officer.

It seems to me that it is perfectly clear that the wording of article I, section 2 is controlling, and this is made doubly sure, it seems to me, by the wording of article X of the United States Constitution, which provides that powers not delegated to the United States nor prohibited by it to the States are reserved to the States, respectively, or to the people. Nowhere has it been shown that the power to define the qualifications of electors has been turned over by the States to the Federal Government under the Constitution or any amendments thereto.

It seems to me that when the light of constitutional government is fading from the world, and our country is almost the sole survivor of that form of government, we, the Members of Congress, should go extremely slow in voting for legislation that will be an opening wedge for further inroads on the sanctity of the Constitution and the rights of the peoples of the various States thereunder.

Mr. ROBSION of Kentucky. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Kentucky is recognized for 9 minutes.

Mr. ROBSION of Kentucky. Mr. Chairman, a number of our colleagues attempt to justify the imposition of a poll tax as a requirement to vote in their States on the ground that these poll taxes are used for educational purposes. Forty States of the Union do not find it necessary to put a poll-tax limitation on the right to vote in order to support their schools. We do not make the payment of a poll tax a requirement to vote in the State of Kentucky, but we do have in most communities a public-school poll tax, a municipal poll tax, and a county poll tax, and these poll taxes are collected. Those of us who favor the bill before us are not opposed to poll taxes or other taxes, according to ability to pay, to support public education and to carry on State, county, school, and city governments. We simply oppose the payment of a poll or property tax in order to vote.

On yesterday, I discussed in the House section 2, article I of the Constitution. I do not agree with our distinguished colleagues that unlimited authority is granted in the Constitution to the legislatures of the several States to define qualifications to vote. It is my opinion that section 2 of article I of the Constitution does not take away from the Congress the power to legislate in this field, especially when considered in connection with section 4 of article I; section 8, clause 18, of article I; sections 2 and 4 of article IV of the Constitution; sections 1, 2, and 5 of the fourteenth amendment, and sections 1 and 2 of the fifteenth amendment to the Constitution.

AMENDS THE HATCH ACT

It is clear to my mind that the imposition of a poll tax in order for American citizens to enjoy the voting franchise does not depend on section 2, of article I of the Constitution. The imposition of a poll tax is not a qualification as set forth in the Constitution—it is merely a requirement, regulation, or limitation. Qualifications relate to character, loyalty, and so forth. The payment of a poll tax could not make a person more able or less able to vote.

The Hatch Act is in the nature of a Corrupt Practices Act. Its purpose was and is to eliminate corruption and intimidation in our political elections. No one made any claim that the Congress did not have the power, under the Constitution, to pass the Hatch Act. Let us keep constantly before our mind that the bill now under consideration is merely an amendment to the Hatch Act. Section 1A of this bill sets forth the necessity for this legislation, and is as follows:

SEC. 1A. The requirements in many places under the jurisdiction of the United States that a poll tax be paid as a prerequisite for voting at elections for the office of President, Vice President, Presidential elector, Member of the Senate and Member of the House of Representatives has resulted in pernicious political activities in that frequently such taxes are paid for the voters by other persons as an inducement for voting for certain candidates. Experience proves that existing legislation prohibiting the making of expenditures to any person to induce persons to vote for certain candidates has failed to prevent this practice. It is therefore necessary, in order to insure the honesty of such elections, that the Congress forbid the requirement that poll taxes be paid as a prerequisite for voting at such elections.

Section 2B merely says that it shall be unlawful for any person, whether or not acting under the authority of the laws of any State or subdivision of any State, to require the payment of a poll tax as a prerequisite for voting or registering to vote in any election for President, Vice President, or Presidential elector or Senator or Member of the House of Representatives of the United States.

This measure deals only with Federal elections. Under the decision of the Supreme Court in the case of the *United States* v. *Classic* (313 U. S. 299), the Supreme Court in no unmistakable language says that Congress has the power to regulate Federal primary and general elections in order that there might be honest and fair elections. Section 4, of article I of the Constitution provides that Congress may regulate the time, places, and manner of holding Federal elections. If our free government is to function in the interest of the people, we must have an untrammeled, free, and uncorrupted ballot. We must have honest and decent elections. This is not only necessary to preserve the liberties of our people but to protect the Federal Government itself. This measure strikes at corruption in elections; it declares that the imposition of a poll tax causes corruption in our primary and general elections. This bill does not undertake to set out any qualifications of voters or to restrict the qualifications of the voters made by the legislatures of the several States—it merely prevents corruption in our elections.

If we may believe the statements of two of our distinguished colleagues and lawyers from the poll-tax State of Tennessee, the poll-tax requirement to vote in that State is a corrupting influence. Their statements bear out what was testified before the subcommittee of the Judiciary Committee of the House and what has been the common talk in the so-called eight poll-tax States over a

period of many years. To correct these conditions and insure honest and fair elections, it is declared in the bill itself before us that action on the part of Congress is necessary.

The original Hatch Act made it unlawful for Federal and State officials, any part of whose salaries were paid out of the funds of the United States, to engage in pernicious political activity. The purpose of the bill was to prevent corruption and intimidation in Federal elections. Congress has passed laws and the United States Civil Service Commission has issued regulations to prevent pernicious political activity on the part of those employed under the Civil Service. Congress, likewise, has from time to time passed laws making unlawful contributions from corporations to candidates and political parties to be used in Federal elections, and Congress has likewise limited the amount that any one individual may contribute, and the amount that any party or committee may receive.

The bill before us has for its objective the same high purpose to purify the ballot and keep our Federal elections honest and clean.

LET US ENCOURAGE AND NOT RESTRICT PARTICIPATION IN GOVERNMENT

Through the years we have talked to many persons from the so-called eight poll-tax States. The poll-tax requirement is a great burden on candidates, as well as the political parties. The political parties as groups, in many instances, raise campaign funds to be used in paying the poll taxes of voters. This is not only a burden on candidates and political parties, but it is a corrupt influence on the voters themselves.

Under our Constitution, as it now is, we have a Government of all the people, by all the people, and for all the people. This bill removes one of the barriers, making our Government a democracy in fact as well as in name. The election returns in the eight poll-tax States, as compared to the election returns in the 40 non-poll-tax States, are most significant. In the 1940 Presidential election the average voting of the qualified voters in these 8 poll-tax States was 22 out of each 100. South Carolina dropped to 10 out of each 100. The average in the non-poll-tax States was 71 out of each 100. There is something in these 8 States that has broken down popular government and has kept nearly four-fifths of the people from voting. This bill and its proponents declare that the poll-tax requirement to vote is one of the main contributing factors.

I have heard some of our friends from the South say if this measure should pass it would mean two political parties in the South. If a republican form of government and a democracy is what we desire it to be we should encourage building up of two strong active political parties in each section and in the Nation. One party government is a real threat to a free people. A one party government in the end means a one-man government as we now have in Germany, Italy, and some other totalitarian governments of the world.

It seems to me we ought to encourage rather than discourage American citizens to participate actively in their Government. We should make it easy rather than hard to participate in the political activities of our country. Many of us are deeply concerned over the lack of interest of our people in issues, candidates, and the affairs of our local, State, and Federal Governments.

Statistics show that 10,000,000 white and colored citizens who were qualified to vote other than the payment of the poll tax failed to vote in these eight States. Millions of these were white men and women. The poll-tax requirement must have something to do with this condition.

I pointed out yesterday in my remarks that Kentucky and Tennessee, adjoining States, with an almost equal population of both colored and white citizens—Kentucky, a non-poll-tax State, in 1940 cast nearly twice as many votes according to population as Tennessee, a poll-tax State. There appears to be no cause for this great difference in the number of citizens voting in these two States except the poll-tax requirement in Tennessee. The statements of our two able colleagues from Tennessee today in support of this bill strongly confirms our belief that the poll-tax requirement is largely responsible.

Believing this measure is constitutional, and will be helpful to the people generally of the eight poll-tax States, and to our Nation as a whole, I am giving it my support. I am not a recent convert to this policy. Efforts were made by the Kentucky legislature to impose a poll-tax requirement on our citizens at different times in past years and I opposed those measures. It seemed to me their purpose was to limit the number of voters and to limit the number of persons in Kentucky who could and would participate in the city, county, State, and Federal Government.

Mr. GAVAGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington, Mr. MAGNUSON.

Mr. MAGNUSON. Mr. Chairman, I was one of the original committee with the late Mr. Geyer on this measure. My name is second on the discharge petition. I mention this as an indication of my intense interest in this worthy legislation. I am pleased to see the House finally take action. What we do tomorrow will prove that, we, representing the people, are keeping democracy alive at home. It will be cheering news to those who are giving their all to keep it alive on the far-flung battle fronts of the world.

Mr. HOBBS. Mr. Chairman, I yield such time as he may desire to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, not since the action of the Congress which brought about the firing of the shot at Fort Sumter which resulted in the War between the States has this body been called upon to make such a momentous decision as we are about to make in this chamber today. Under the guise of abolishing the practice of paying a poll tax, the House of Representatives is prepared to deliver a mortal blow against the philosophy of States' rights.

The band of militant advocates of this unconstitutional piece of legislation proclaim their burning desire to bring democracy into eight Southern States, but I wonder if their philosophy is not just a little affected by the imminence of the general elections, not far distant. And I wonder, too, if their heed is not to the clarion call of the pressure groups whose will they follow without the meekest protest.

I have no brief on the payment of poll taxes, but I do know that anybody who can read the Constitution will find in that immortal document that the right to qualify a man's suffrage is reserved to the States. It was not intended by the Constitution that this Congress should concern itself with the manner in which qualified electors in the respective States should be selected.

Some of you are basing your arguments on the constitutionality of this question on the rulings in the Classic case, decided at the October 1940 term of the United States Supreme Court. You who have taken time to read this case will recall that the court specifically said that—

> The questions for decision are whether the right of qualified voters to vote in the Louisiana primary and to have their ballots counted is a right "secured by the Constitution" within the meaning of sections 19 and 20 of the Criminal Code, and whether the acts of appellees charged in the indictment violate those sections.

Any other questions discussed by Mr. Justice Stone, who delivered the opinion of the court, are purely dicta.

Section 2 of article I of the Constitution specifically states that—

> The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

This clearly gives to the States the right to prescribe the manner in which electors shall be chosen.

I think the proponents of this kind of legislation ought to be fair to the Congress and to the Nation. I think those of this body who have complained about criticism by the press have no more right to complain if this kind of legislation is enacted. This is the first step in the abolition of the States as an integral part of this Union. No question arising in a State, regardless of what it might be, will be beyond the scrutiny of Federal jurisdiction if this philosophy is carried out. The question of poll taxes will come and go but, ladies and gentlemen, when you destroy the autonomy of the States you have destroyed democracy in America. As for me, I prefer to be on the side of democracy.

Mr. HOBBS. Mr. Chairman, I yield such time as he may desire, to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, as a Member of this Congress, I shall vote against the anti-poll-tax bill. If I were a member of the Legislature of the State of Texas, I would vote for the submission of an amendment to the State Constitution which would outlaw poll taxes. I hold no brief for the levying and collecting of poll taxes. On the other hand, I

do have a very definite obligation to support and defend the Constitution of the United States and to bear true faith and allegiance to that Constitution. I owe that obligation because as a Member of this House I have sworn to do exactly that.

Section 2 of article I of the Constitution reads, in part, as follows:

SEC. 2. The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the numerous branch of the State legislature.

In the face of that plain language, I cannot vote for this bill without stultifying myself. Having regard for my oath of office, I shall vote against the bill.

Mr. HOBBS. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. GRANT].

Mr. GRANT of Alabama. Mr. Chairman, this is an important bill, important in that it is the last challenge to State rights. I care not what your individual opinion may be as to the advisability of poll taxes; we certainly will not fall out over that; but this measure is more far-reaching than that. It is a measure that completely overrides all questions of State rights.

Let us be fair about this legislation. What is its purpose, who is behind it? Do you believe that it is sponsored by those in States where the payment of a poll tax is required? I attended some of the hearings before a subcommittee of the House Judiciary Committee and there heard testimony in the nature of a prejudice appeal to other sections of the country to pass this bill in order to get rid of conservative Members of Congress from the South. The statements were also made that under the present system many southerners were chairmen of committes and if the poll tax were eliminated that this would be ended. The names of certain southern Members were called by these witnesses. So that is the appeal. This is one of the reasons that no action was ever taken by the Judiciary Committee. You cannot go before a committee of this House and personally condemn Members of this body and get away with it. The Republicans are asked to vote for the measure as a punishment of the South and the liberals in the Democratic Party are asked to vote for it in order to get rid of certain southerners within their own party.

Let us look at the record. You say that the right kind of men are not being elected from the poll-tax States and that this measure will take care of the situation. Shame on you. I make the statement that if it had not been for the leadership and work of southern Members the New Deal legislation would never have become law. You so-called liberals, think that over. You would punish Members of your own party.

You know that this legislation, if at all proper, has no relation as an amendment to the so-called Hatch Act. This bill is not aimed at that which it purports to be aimed. Everyone knows that where there is a person who would let you pay his poll tax in an effort to vote him, that this man would, if there were no poll tax, be an easier prey for voting. Now, if you are seriously interested in clean elections, let us adopt legislation that affects the whole country. I do not claim that poll taxes have never been paid by anyone other than the voter, nor, as far as that goes, that votes have never been bought in the South; however, I do claim that elections there are as clean as anywhere in the Nation. No; this is not the object of this bill and we all know it.

Now that we are in a war many of the leading proponents of this bill have jumped on the band wagon. It has been made war legislation. This is an insult to the intelligence of this Congress.

I want to be fair. I shall not dwell upon the constitutionality of this legislation. I shall not defend the poll tax. I shall not claim that the small fee collected for the right to vote is necessary to operate the public schools of my State; however, in passing, I might state that during one's whole lifetime, from the cradle to the grave, he only has to pay the sum of $45.

I want every person to have the right to vote who sincerely wishes to participate in clean government. I have no fear of anyone voting in my State. My heart goes out to one who wants to vote and cannot do so because he does not have the $1.50; but, my friends, these are few. Do you seriously think that the sponsors of this bill are interested in those who do not vote in the South?

There has been no cry from the South to these so-called social reformers to "come over into Macedonia and help us." Alabama has taken into account the service of its men in service and all veterans of all wars are granted the right to vote without payment of poll taxes and without regard to race or color.

Yes, my friends, you are having a field day—a track meet, so to speak, here today. A few weeks ago you did the same thing by enacting legislation that one could vote even without registering. To you it might be a funny and smart thing to kick the Constitution around in this manner, but to me it is a serious matter. Once such legislation is started, there is no place stopping it this side of the Supreme Court.

I note that the Attorney General of Maryland, a non-poll-tax State, has just declared that, while there is a Federal law which says that members of the armed forces may cast an absentee ballot in the November election without registering, it does not apply in Maryland as the State's right to fix qualifications of its voters was not superseded by the congressional act which declared registration unnecessary.

To read the literature, if it may be called that, sent out by various organizations in other parts of the country, you would think that this war was being fought over the poll-tax question. The National Lawyers Guild has just issued a statement on the constitutionality of this bill. But no, they are not content to stop here, but declare that this bill is vital war legislation. The statement is also made that those who oppose the bill are helping the Axis propagandists. There is not a Member of Congress who believes this rot, or much of the other trash that has come across your desks in the past few weeks.

Who brought up this matter at this time? I resent such statements. The South is as patriotic as any section of this country. It has led in volunteers per capita. These organizations in other sections of the country who have taken this matter over are for its passage regardless of the sectional strife that it may stir up. Those who are so interested in the war effort—at least they would have you think so—many of them want to stay at home, claim their exemptions and tell Congress just how the war should be run. I note that several days ago that great publication, the New York PM, wired each Member of the Senate Judiciary Committee telling them to just go ahead and make a favorable report upon a companion bill in their committee and let the Supreme Court pass upon its constitutionality.

Members are in receipt of the Daily Worker telling them what to do. Yesterday's issue, in a large part, was devoted to this legislation, and those who opposed the bill were termed foes of democracy. I resent these foreign-influenced papers telling the Congress of this Nation what democracy consists of. I do not charge that every organization or individual for this bill is a Communist or even a "parlor pink." Frankly, I think there are some good, loyal Americans who are sincerely for the passage of the bill, in that it will make better citizens.

I believe that you will find every organization that is against the Dies committee in favor of this bill. Where did it originate—this bill to save the South from itself? Some would have you believe that in this onward march of civilization that we must civilize the South. The candidate of the Communist Party for State Senate from Jefferson County, Ala., is hotly assailing southern Members for being against this bill.

I want to see who is sincere. Talk about democracy; talk about the rule of the majority. Let us see whether you subscribe to that theory or not. If you favor this legislation, you most certainly will favor an amendment that no one shall be selected as the nominee of his party unless he shall have first obtained a majority of the votes cast in a primary election and, if he does not do so, that a second primary shall be held. Some have charged that in the poll-tax States a Representative does not represent all of the people because they are not allowed to vote without the payment of a poll tax. On the other hand, some of those who come from non-poll-tax States represent only a small number of those who vote because they are here by a plurality vote. It is entirely possible that with 100,000 votes cast for 5 in a race for 4 to receive 19,000 each and the nominee to receive only 24,000. Do you call that majority rule when 76,000 out of 100,000 vote against the nominee? I do not see where it is, but, in my opinion, this is entirely a matter of State law. In Alabama we have majority rule.

Second. Some are here by convention nomination. If your theory of poll tax

repeal is correct, then this body has the right to say that you must have a primary.

Third. Some States say what party can be on the ballot. Many of them have, by State law, prohibited the Communist Party, or any party that teaches the overthrow of this Government, from being on the ballot. We, in Alabama, are liberal-minded. We allow Communists on the ballot. Presidential electors were on the last Presidential ballot. So, if we are going to have Congress control the State election laws, let us here and now outlaw the Communist Party.

I do not care what my State does in regard to the poll tax. Some of the Members of this body have brought out the fact that a much greater percentage of the people in their districts participate in their elections than is done in the elections in the South. I grant you that this is in most cases true. However, it does not prove that you represent your districts any better than those Members from the poll tax States. Some of the hardest working Members of Congress are from the South. I know that the great majority of them, like myself, have tried to represent all of the people of their district, regardless of what might be their voting qualifications. My services, and office, have always been open to any citizen of my district regardless of whether he is a voter or not. If everyone voted there would be no change in my work or voting in Congress. I do not believe that the enactment of this legislation would change a single seat in Congress from the South.

Never did I think the day would come when I would stand in the well of this House and appeal to you, my Republican colleagues, to save the great Democratic section of this Nation from members of my own party who seek to destroy us. No; you will not destroy us. All that you are doing is breaking down representative government in America.

This is a wonderful opportunity for the Republican Party to assume the leadership and state here and now that, for the duration of this war, you will give your undivided and sole attention only to legislation that directly affects our war efforts; that so-called social legislation can wait. It is an insult to this representative body to say that this is a war measure.

I, of course, realize that your leader, Wendell Willkie, declared himself in favor of this legislation before leaving on his "clowning" tour around the world, that no action detrimental to his wishes could be taken before his return. With the problem of the second front on his hands, it is doubtful if he could spare the time to go into this matter. Those demanding the opening of a second front place it second in importance to the passage of this bill. For some reason, the leading champions of these issues seem to be the same. I expect to see a bill before Congress at an early date demanding that a second front be opened and then those of us who believe that this should be left to the military authorities will be charged as Axis sympathizers. It is such a pity that some of these great military strategists do not offer their services to the military authorities. At a second-front meeting held in Washington yesterday placards denouncing Jim Crow and the poll tax and others urging a second front were unfurled.

You are asked here today to change our philosophy of government that has existed and made this Nation strong for over 150 years. It has stood the test of time. The foundation stone of the Democratic Party is based on State rights. I make no defense for coming from the great section which has in years past, and today furnishes, its share of great Americans. I shall not, by my vote, attempt to strike down the Constitution of the State of Alabama and the other sovereign States of this Union. You have already set a dangerous precedent in this type of legislation. Regardless of the merits of this question, you have no right, under our system of government, to strike down the Constitution and laws of your sister States. To you, my colleagues, on both sides of the aisle, I plead that you give the South control of its own destiny.

Mr. HOBBS. Mr. Chairman, I yield such time as he may desire to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS of Arkansas. Mr. Chairman, the question on qualifications of electors in this country is not a new one. In 1787, the founding fathers in framing the Constitution of this great Nation considered and discussed at length the qualifications of electors and what they shall or shall not be.

The question was finally settled after many days of debate and consideration, and it is provided in article I, section 2, of our Constitution, and such has been the law throughout the history of this Nation, that:

> The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

Get the significance of this provision, the meaning of the phrase, and the only interpretation that can be given. Who shall choose Members of the House of Representatives? The people of the several States shall make their choice. No plainer language can be expressed, Mr. Speaker. The people are the electors in each State. In choosing Members of the House of Representatives, the electors in each State shall have qualifications. What qualifications? The requisite or the same for electors of the most numerous branch of the State legislature.

This article and section of our Constitution is being attacked today and an attempt is being made to nullify it by congressional legislation. I am not attempting, Mr. Chairman, to discuss the advisability of a poll-tax requirement as a qualification of an elector. I am talking to you about the procedure, which, in my opinion, is not recognized or provided for in our Constitution. I am talking to you, Mr. Chairman, about another serious encroachment upon the rights and privileges of the States of this Nation. How far are we going? Most of us, I think, will admit that we have made far-reaching inroads by legislation seriously threatening the constitutional prerogatives of the States. There is a right procedure, provided for in our Constitution, to amend the article and section referred to if it is the will of the people of the several States throughout the Nation. The fathers of our Constitution had in mind such questions when they provided an orderly procedure for the amending of our Constitution when it was the will of the people of the several States of this Nation. Are we going so far as to ignore or attempt to set aside procedure in amending the Constitution of this land by such proposed legislation and without a direct expression of the will of the people? Mr. Chairman, I am fearful of the consequences of such disorderly procedure, and particularly so at a time when this Nation is engaged in such a tremendous war.

When the people of my State of Arkansas by their expression wish to change the constitution of our State, eliminating the requirement of a poll tax for the electors of that State, which are the electors of the most numerous branch of the State legislature, I will stand ready to do all in my power to see that the expression and the will of the people in my State is upheld; or if by an amendment to the Constitution of the United States the article and section referred to is amended by an expression of the will of the people of this great Nation in the orderly procedure of amending our Constitution, I will likewise do everything in my power to see that such a provision is carried out effectively.

Let us consider this provision of our Constitution in relation to other provisions, and, in my opinion, it becomes more apparent that the State shall prescribe the qualifications requisite for electors of the Members of the House of Representatives. Article I states further in section 4:

> The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators.

The question here as to the qualifications of the electors is not in any way or under any interpretation mentioned or to be considered as a prerogative of the Congress. This provision relates only to the regulation of elections and the conduct thereof.

Amendment 10 to our Constitution provides:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

I submit to you, Mr. Chairman, that nowhere in this Constitution are the qualifications of an elector delegated to the United States, and nowhere in this Constitution of ours are the qualifications of electors prohibited by it to the States. Then, if that be true, it must follow that the question of the qualifications of the electors is reserved to the States or to the people. That is the crux before this House today, and the adoption by this House of such legislation as

proposed is, in my opinion, in contravention of the Constitution and our orderly processes.

To be sure, Mr. Chairman, the advocates of this legislation will tell you that the fourteenth amendment to the Constitution has a proviso that will cure any and all irregularities, disorderly procedure, encroachment upon State's rights, if such an act should be passed and enforcement adopted. True, no State shall make or enforce any law, which shall abridge the privileges or immunities of the citizens of the United States. This amendment does not add to constitutional privileges and immunities. The right of suffrage in my opinion, Mr. Chairman, is not one of these. A requirement that an elector shall possess a poll tax as is provided in the constitution of my State of Arkansas, I submit to this House, is no more of an abridgement than a requirement that an elector shall register in order to be qualified, as is required in 45 of the 48 States. The requirement of a poll tax as a qualification is no more of an abridgement than the educational requirement, as is provided in some States of this Union. It is no more of an abridgement than that a citizen of the United States be a resident from 1 to 2 years as a prerequisite for voting or that he be 21 years of age or over before as a United States citizen he may vote.

Let me seriously impress upon you that in my opinion the several States have the authority to pass upon the matter of qualifications until and unless the people of this country, by appropriate and orderly processes, amend this provision of our Constitution that has been in effect since its adoption by the Thirteen Original States.

Then why, Mr. Chairman, is this House attempting today by legislative procedure to say to certain States in this Nation, "You cannot require a poll tax of an elector"? Why would anyone desire to interfere with the orderly processes of elections and dictate the qualifications of electors in the several States. Why should anyone, Mr. Chairman, living in States that do not require a poll-tax qualification for voting, try to do by indirection and by subterfuge what should be done, if done at all, by direct and orderly processes. Do they wish to destroy all the prerogatives of the State and by congressional legislation repeal or nullify State laws? Again let me say to the Members of this House I am not here defending the right of a poll-tax receipt for voting as such, but I am defending the right of my State to require, if they choose, a poll-tax receipt as a qualification for voting. I would say this in passing and in defense of the State constitutional provision in my State, that the requirement is not onerous or burdensome. The tax of $1 per year is but nominal and goes to the support of our public schools. It takes away a lot of confusion, red tape, and fraud in our elections, and by many it is considered a receipt for citizenship and gives a feeling of pride to the elector for having contributed directly to the cause of education.

The people of Arkansas a few years ago had a proposed amendment to our State constitution eliminating this provision, but by an overwhelming majority the people voted to retain the provision. I do not make bold to say that in principle the poll tax is right or wrong, but I am here to represent the people of Arkansas; and when they say by their votes that they want to retain this or any other provision as a part of our State constitution, not in contravention of the Constitution of the United States, I feel it my duty to fight for the right to do so.

Mr. Chairman, the proponents of this legislation urge its passage as a war measure. What a subterfuge! Pray tell me how under any circumstances can this be classed as a war measure, or in any way help or promote the progress and the winning of this conflict. Ah, Mr. Chairman, how easy it is for so many people throughout the width and breadth of this land to take advantage and promote some of their own social and political views under the disguise that it is a war measure. Is it a contribution to unity to say to the people of the several States that we are going to take advantage of the perilous times and deprive you of all of your constitutional prerogatives? To be sure, I am for any measure in this Congress, which my record will show, that will promote the welfare of our fighting men and help to win the war, but in the name of our soldiers and by assuming a false show of patriotism, I do not believe we should raise questions that are purely political and aimed to promote the political fortunes of some who come from States where the poll tax is not particularly popular.

No one will go further than I to do the things for the benefit of the men in the service, both during the war and after the war, but I deplore subterfuge in the name of the war and that would use our men in service to carry out unconstitutional raids on the rights of States to retain sacred privileges that have been granted them by both the Federal and State Constitutions.

It has been truly said, "The power to tax is the power to destroy," but this does not mean that our Government can survive without taxation. It is true that this power to tax, as any other power which may be granted in this country, might destroy the freedom of the ballot, if that power were vested in a dictator; but not so long as it remains in the hands of the people. This is a principle and a policy that we can always depend on, and has made this country the greatest democracy in the history of the world. The enactment of this legislation would be setting a dangerous precedent. And for what? Merely to satisfy a constituency who think the poll tax particularly offensive.

Finally, Mr. Chairman, I want to call to your attention the language in which the so-called anti-poll-tax provision is here for consideration. H. R. 1024 is under consideration now—a bill with the title: "To enact an act to prevent pernicious political activities." In order to attempt to overcome the unconstitutionality of this bill, it proposes to make a finding of the existence of an actual fact that the requirement of a poll tax in a number of States has resulted in pernicious political activities, in that frequently such taxes are paid for the voters by other persons as an inducement for voting for certain candidates. It proposes to make a further finding that experience proves that existing legislation prohibiting the making of expenditures to any person to induce persons to vote for certain candidates has failed to prevent this practice. I cannot, Mr. Chairman, but resent the implication and the further fact that the bill provides that it is necessary, in order to insure the honesty of such elections, that Congress forbid the requirement of a poll tax as a prerequisite for voting. Is there any evidence or any proof before this Congress that such is a fact? Has there been produced testimony in the hearings of any committee or any select group of this Congress that such a fact exists? My friends, what a way to attempt to enforce a provision in contravention of all constitutional procedure. We should be careful in our consideration of declaring as a Congress that such facts are in existence, unless they are founded by proper investigation and substantiating such an accusation by relevant testimony and actual truth.

Let us not cast aside practical experience and all procedure granted under our Constitution because of the desires and wishes of those persons or organizations to further their personal gains—politically, socially, or otherwise.

I recognize, Mr. Chairman, the right of every Member of this House, of those who advocate such far-reaching and dangerous legislation to their own thoughts and feelings, and I do not question the sincerity manifested, but can we say that this is proper legislation? Are we following what we know to be correct procedure and the dictates of our own conscience, or are we giving way again to the wishes of those who have manifested such an intensive interest in this question? We have been striving to further the principles of democracy. We are now fighting to preserve the principle of democracy, and let us say today by our actions that the people of the States, who are the people that make up the United States, have the right to choose those to represent them in office.

Mr. HOBBS. Mr. Chairman, I yield 7 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, this bill, which seeks to abolish one of the provisions or requirements for voting by congressional action in eight of the sovereign States of the Union, is in my opinion one of the most unfortunate actions on the part of this House or of this Congress in the time that I have been a Member of this body. I realize fully the futility of any remarks that I shall make on this occasion. I realize that so far as this House is concerned it is purely a matter of getting around to the vote. The result is inevitable. A substantial majority of the membership of this body, actuated by motives best known to themselves, are in the attitude of the billy goat

at the animal convention—they have already voted. The question of whether this legislation is constitutional or not does not seem to bother that majority. That this bill is clearly unconstitutional has already been convincingly shown by that distinguished jurist, the chairman of the Judiciary Committee of this body and the sage of this House, as well as by the gentleman from Alabama, the gentleman from Maine, and others who have discussed that issue. Therefore, I shall not discuss that angle of the matter further.

The question of the sovereign right of the States to set up their own election machinery for the election of their Representatives and Senators and Presidential electors seems to be no concern of theirs. The patent evil effect this legislation, should it be enacted into law, will have upon the future of this country seems to be of no moment to them. This majority—and I say it advisedly—seems to be bent upon the regulation of the primaries as well as the general elections in those States where the poll-tax system prevails. They apparently are indifferent to the wishes of the people of those States, while at the same time proclaiming their desire for democratic government. Mr. Chairman, I love the great majority of the membership of this body. Most of them are my personal friends, and I dislike to make these strong statements. I should prefer that they be left unsaid. But I feel so keenly about this matter that I feel justified in making them.

I have tried to analyze and have made some research and inquiry in an effort to obtain the motives which impel this majority to take this action in a matter in which they themselves are not vitally concerned. I have definitely come to the conclusion that this legislation is sponsored by two groups: First, the so-called "leftists," or radically liberal, group in this country—that class of our citizens who want to see a change in our present form of representative government; and, second, that group of reformers who are honest in their motives but misled into becoming the tools of the first group—that class who today are placing social reforms ahead of the task of winning this war. In the first group are the Communist and Socialist Parties. In the second group are the radicals, or left-wingers, both of the Democratic and Republican Parties. They are led on and encouraged in their efforts to take advantage of the present situation in which the country finds itself—confronted by enemies abroad and fighting for its very existence—to place social reforms before the war objective. Among those agitating this question of the repeal of the poll tax are, of course, the C. I. O. and the Society for the Advancement of Colored People. There are more Communists in these two groups than all other groups of people in this country. This being true, it might be asked—what is the objective sought? The answer is obvious. The Communist Party in this country has for years been preying upon the Negroes of the country and enlisting their membership in the Communist Party. Why not be honest and candid about the whole question? The direct object of this movement, of course, is to enfranchise the Negro in the South. Whether the Negro is qualified to vote or to administer this Government seems to be no concern of theirs. The idea is to appeal to the Negro on the theory that they are trying to be of assistance to him. The evidence of the truth of these statements is borne out by the fact that every Member of this House has received an urgent appeal from the president of the C. I. O. to be here today to vote for this legislation. In that letter was a veiled threat of political repercussion if the Member failed to obey the mandate of the C. I. O. It is passing strange that the C. I. O., which requires annual dues aggregating many times the insignificant one- or two-dollar poll tax for the privilege of working, should be so concerned about the payment of this small amount for the privilege of voting.

As further evidence of the fact that the radical element and the Negro element are behind this legislation, I call to your attention the fact that the three gentlemen who are taking the leading part in advocating the passage of this legislation are: First, the gentleman from New York [Mr. GAVAGAN], of anti-lynch fame, who represents the Harlem district; second, the gentleman from New York [Mr. MARCANTONIO], the lone Representative of the American Labor Party; and third, the gentleman from Illinois [Mr. MCKEOUGH], who has the distinction of representing the so-called black belt in the city of Chicago. While expressing much concern over the right of the franchise for the so-called poor white people of these southern States, it is quite obvious wherein their real interest lies. It is really remarkable that these gentlemen should have the power to sway this House into this action which so many of the Members know in their hearts and inner consciousness is a blight upon the Constitution of our forefathers and a sin against a great section of this country.

Mr. Chairman, I hold no brief for the poll tax. It is a part of the system of the election machinery of the great State of Mississippi, as well as these other States where it operates. It may or may not be a wise provision. But, Mr. Chairman, I am most seriously concerned about the right, the constitutional right of the State of Mississippi to prescribe its own qualifications for the privilege of voting in its primaries. For it is apparent to all that if this Congress can by legislative action abolish the poll-tax requirement in the primaries of the State of Mississippi then it can also do away with the educational qualifications for the privilege of voting in the primaries of that State. And it is equally obvious that if this Congress can do away with the poll tax and the educational qualifications in the primaries then it can likewise abolish the requirement of registration.

And, Mr. Chairman, I here and now predict that should this diabolical effort to violate the Constitution succeed in passing both Houses of the Congress it will be signed by the President and upheld by the Supreme Court as now constituted. Moreover, I predict that the consummation of that action will be followed by the enactment of laws to abolish the educational qualifications and the qualification of registration, and that chaos and corruption of the worst type will prevail in the elections throughout this country. When all of these things have been done many of you gentlemen sitting there now in your seats will find that the chickens have come home to roost and that the South alone will not be the sufferer of this misguided legislative action. Similarly, I predict that we will have a repetition of the days following the Civil War when the bayonet was resorted to in order to enforce the so-called force bills.

And all of this, Mr. Chairman, is being attempted at a time when we need above everything else national unity—when this country is at death grip with the most powerful enemies by which it has ever been confronted. And, mind you, all of this is being attempted by these reformers under the guise of democracy. Democracy—when they attempt by force of the Federal bayonet to prescribe the manner and qualifications of elections within the confines of a sovereign State?

Mr. Chairman, I never thought that I would live to see the day when the Democratic Party, the party to which my forebears have belonged for generations—the party which has been nourished, protected, and fathered by the South—would take the lead under its administration to force this type of action down the throat of its best friend. Since the Civil War the Democratic Party has been the beneficiary of everything the South had to offer. When the Democratic Party offered a candidate for President it knew that it had the support of the solid South. In that section it has been little short of treason for these many years to do other than vote the Democratic ticket.

In all these years the South has asked for little, and gotten less from that party. In fact, the only thing that it has ever gotten out of the Democratic Party when it was in power was the privilege of having representatives in the two branches of the Congress, which the Constitution guaranteed it. Prior to the Civil War that great section of this country furnished many, if not most, of the great, outstanding, political figures of the country. It furnished its Washington, its Jefferson, its Patrick Henry, its Lee, its Davis, and its George. Today the caliber of its men has not decayed. It still provides the Nation with much of its leadership. But, because of its political isolation, it is denied the privilege of one of its sons becoming the nominee of its party for the exalted office of the Presidency. This not because it does not have the men of Presidential caliber, but because that party realizes that it already has the votes of that section of the solid South; and always the nominee comes from some doubtful section. When the party is in power the sweetest plums of political patronage and preference likewise go to other sections where political allegiance is not so constant. The only thing the South has ever asked, and the only reason it has been so constantly and consistently loyal to the Democratic Party has been because it thought that

that party offered it the privilege of handling its own domestic and internal affairs. Today we see the sorry spectacle of the ingratitude of that party, joining hands with the Republican Party; nay, more than that, taking the leadership in trying to pass another force bill to compel a great people of a great section of this country to accept certain rules and regulations which will prevent the people of the southland from even controlling their own election laws, their own State primaries, and meeting their own problems which are peculiar to that section.

It might be well in this connection, in passing, to point out to those beneficiaries of the Democratic Party in other sections of the country, those of you who are today becoming a party—an unwilling party, I grant you, but nevertheless a party—to forcing this legislation down our throats, that if you are going to deny our people the right to control these political and social matters which are so peculiarly their own there is little, if anything, left to the South as grounds for a unified support of that party. Might they not well reason that if this last vestige of benefit which they receive from that solid support of the Democratic Party is to be removed by a Democratic administration they might profitably seek another course and join the other States of the Union in frequent changes of their political affiliations? There is only one hope left to us—the hope that in the Senate, where the rules of procedure are different and where the time for debate is unlimited, this iniquitous and vicious attempt to violate the Constitution of our forefathers may be stopped. I feel confident that there are sufficient courageous Members of that body who, like the Spartans of old, will say, "It shall not pass."

Mr. Chairman, I conclude where I began. I realize the futility of these remarks, but I thought it might be well to give my brethren some cold facts to consider as we progress further along the road, over which we are passing so rapidly these days, that leads to destruction of constitutional government. This ill-advised movement has added nothing to the unity of our cause, the solidarity of the Democratic Party in the South, or the paramount and all-important objective of winning the bloody struggle for existence in which we are now engaged. Mr. Chairman, again I repeat the warning which I have sounded from this floor at frequent intervals during the past year: This gigantic struggle for our very existence cannot be won as long as the social reformers who are so prevalent in high places in this Government place their far-reaching, and in some instances fantastic, reforms above the objective of winning the war.

Mr. GAVAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, I am not going to use the limited time allotted to me in a discussion of the legalistic mystification which we have heard here this afternoon. No one can convince the American people that Congress has not the power to abolish any restriction to the elective franchise which is repugnant to the Constitution. I am not concerned with the arguments of lawyers nor are the American people concerned with the legalistic dotting of "i's" and crossing of "t's". The American people are concerned with one proposition today, that is, to win the war and achieve the purposes for which the war is being fought. Remember, that they bear in mind at all times that this war is being fought for an extension of democracy all over the world. Since that is the case, they feel that unity is essential to winning the war and that unity can best be achieved by extending that democracy to our own people within the confines of our own Nation and by the abolition of discrimination in every form.

The gentleman from Mississippi who just preceded me raised the issue, and I thank him for it, because he was bold enough to state the real reason for opposing this legislation. The other opponents of this anti-poll-tax legislation should have done the same instead of concealing the real motive for their opposition behind legalistic mystifications.

The gentleman from Mississippi stated that the reason he opposes this legislation is that it would enfranchise the Negro. First of all, may I state that this legislation will enfranchise 10,000,000 people, 4,000,000 of whom are Negroes and 6,000,000 of whom are white. I do not know whether the gentleman's quarrel with this legislation is that it enfranchises the Negroes only or that it enfranchises both the whites and Negroes of those States, who have been kept in economic bondage to such an extent that they have been even deprived of the right to participate in the election of their public officials; a right which is the very foundation upon which democratic government rests. However, accepting the gentleman's quarrel at its face value, does it not seem to the gentleman that it is in the interest of democracy and of unity necessary for the winning of the war that these 4,000,000 Negro people should be enfranchised?

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Not at this time.

Mr. COLMER. The gentleman asked me a question.

Mr. MARCANTONIO. It seems to me that the greatest unity that can be achieved is by making the people of the world, and of America particularly, realize that we are not discriminating against any one of our fellow countrymen and that the right of franchise belongs to every man and woman in America, Negro and white.

That is the kind of democracy for which men are fighting and dying and that is the kind of democracy which must be practiced in order to achieve the unity which is so vital to the winning of the war.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman.

Mr. COLMER. One thing I like about the gentleman, I want to state, is that he is always frank. The gentleman paid me that compliment, and he asked me if this was in the interest of winning the war. I want to ask the gentleman when he got interested in winning the war.

Mr. MARCANTONIO. I have always been interested in winning the war, and let me say to the gentleman that my record shows it. The gentleman is referring to my opposition to the war during the appeasement, imperialist phase of the war. Let me answer that point blank. If the American people had supported the gentleman's position, namely, entry into an imperialist and appeasement war and at a time when it was being waged by the Chamberlains and the Daladiers, with the Soviet Union out of the war, where would we be today? We would be fighting with our backs against the wall without prospect of winning. It would have meant defeat and a Vichy America. I say that I rendered a patriotic duty in advising the American people to refuse to follow the course the gentleman from Mississippi supported in this House. That has been my position, and time and events have justified it.

Mr. COLMER. Is that——

Mr. MARCANTONIO. One minute! I am answering the gentleman, and I have only a few seconds remaining. Let me say further to the gentleman that if our Nation had found itself in a war which was imperialist and without the aid of a strong and sincere ally, the Soviet Union, we would have become a Fascist America, and again time and events have shown that I was right.

The fact that the gentleman has asked me an extraneous question and did not answer my query with regard to the enfranchisement of the Negro as a measure toward achieving unity which is vital to winning the war demonstrates the weakness of his contentions against this bill.

The issues here are: First, to restrict or extend democracy. The poll tax restricts and destroys democracy in those States where the poll tax exists. Its abolition extends democracy to the disenfranchised Negroes and whites and helps to restore democracy in those States. Second, to win or lose the war. The continuance of the poll tax is discrimination and makes for disunity, thereby endangering the chances of winning the war. Abolition of the poll tax abolishes this form of discrimination and makes for unity that is vital to victory. This is victory legislation. Opposition to it is defeatism.

[Here the gavel fell.]

Mr. HOBBS. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. RUSSELL].

Mr. RUSSELL. Mr. Chairman, I am grieved because of this legislation sought to be enacted. To me it is untimely, uncalled for, and cannot be of any benefit to the American people during these trying times.

I had hoped that this Congress—now, during this emergency—would only take up and enact such measures as were vital and necessary to our war effort; such measures as would help us to carry on united in the great struggle and the trying days ahead of us. We do not need any legislation that will disrupt our unity or destroy it in any way. We do not need

any legislation that will bring about discord between the people of our great country. This legislation can only serve to destroy much-needed unity and to destroy that feeling between citizens of our country and between States in our National Union. In no way can it help our war effort. It is not necessary in any way; and now, above all times, legislation that will disrupt the internal feelings of our great Nation should have been—should be—avoided.

This legislation, if passed and becomes effective, will not help nor appease the feelings of certain sections of our great country toward other sections. I come from one of the eight States whose people and legislatures and constitutions have, in accordance with the privileges granted to them by our basic law known as the Constitution, provided qualifications for their electors which we think they have the right to do under their basic law. We are informed that only the following States have as a qualification for voting, the payment of a poll tax, or rather the producing of a poll-tax receipt, showing that said tax has been paid. Those States are listed as, Alabama, Arkansas, Georgia, Mississippi, Tennessee, Texas, South Carolina, and Virginia.

My native State for a number of years by its constitution and its laws, placed the payment of a poll tax as a qualification for voting. This qualification has brought, as we see it, untold good to the operation of our State government by those who desire a clean, moral, and patriotic government; and, as we see it, it has prevented in a large measure that class known as outlaws who disregard the rights of their fellow citizens from taking charge of our internal affairs. Time will not permit us to give the many virtues of this system in our native State, but I want to give you a few of the benefits we have derived from establishing such a qualification for the voters in my native State:

The main source of revenue for our free public-school system is derived from a tax upon oil and gas which is produced and manufactured in Texas. The actions on the part of the Federal Government in one form and another, have made casualties out of most of the independent oil producers and operators in Texas and have up to the present, in a large measure, destroyed that source of revenue which is so vital to my native State and the maintenance and carrying on of our free public-school system. And if the policies of the Government which are now proposed are carried out, they will further cripple the financial resources of our free public-school system. I speak of the proposed rationing of gasoline in Texas, to me a foolish thing; to me a proposal that can injure and destroy more than it can benefit. If it is put into effect and carried into operation, our public-school system in Texas is going to suffer for financial resources with which to carry on.

Another source of revenue for our free public-school system in Texas is the poll tax. Out of the $1.75 assessed as a poll tax, $1 of this amount goes into the available school fund, to help finance and operate our public-school system. To destroy this source of revenue, which will be inevitable if this legislation becomes effective but which I hope it will never do, I do not know from what source we can derive funds to carry on this great democratic institution of free education for the youth of my native State. To say it mildly it will certainly cripple that institution. I have always subscribed to the doctrine and felt that the employer should, in a measure, pay the wages of the employee, or at least a part of the same. We vote to run our State and National Government through elected officials who are always paid for their services by funds raised through taxation. In Texas there are thousands of people who pay no taxes except the poll tax. Yes; that is the only contribution they make toward the operation of their Government. Do you not think that this little insignificant amount is a very small contribution they make for the services rendered by their employees, who are their elected representatives? This $1.75 poll tax being their only contribution to their Government for its protection to them that is guaranteeing to them through its operation, their life, liberty, and pursuit of happiness. Through the law and through the Constitution, that same Constitution you seek to destroy in the passage of the bill that is before us, notwithstanding the fact that this paltry sum is all that they contribute to their Government for the free schooling and education of their own children and their neighbors' children, does this Congress want to pass this law, this law which not only violates the constitutional inhibitions, but which helps to destroy that democratic institution, the free public-school system, in my native State?

Does it occur to you that we who love our State more than you ever can love it, yes, we love it; it is our own, our native land; "always our hearts within us burn, as home our footsteps we have turned"; do you not think that we know more about our internal affairs than you do? We have decided this question within our own borders. Our own sovereignty time and time again has answered it. A majority of our people by their votes and by their legislatures have adopted such a qualification for their voters. We are in a better position to know our wants and desires than you. You want to interfere with our internal affairs, notwithstanding that Constitution which has meant so much to you and has meant so much to us throughout all of our glorious past, that Constitution which has guaranteed to us all the right to place the qualifications of our voters (to determine the qualifications of our voters). Yes, do you want to deprive us of our democratic way of life? Surely, surely, you are not more interested in our welfare than we ourselves are.

We are not bothering you. We recognize that you who represent other States of our sovereign Union have the same right that we have to determine the qualifications of your electors. We have given our boys, yes, the flower of our own land, in defense of your land and my land, from the commander of the *Reuben James*, the bombing of Tokyo, on down to the bombing of Rabaul, and we intend to continue to do our part; yes, even more than our part, in the defense of our country and civilization as a whole. What business is it of yours as long as we are not bringing disrepute to our land and are following the cause we understand our basic law—that 153-year-old charter of human freedom called our Constitution—has guaranteed to us? We through such a system have not brought disrepute upon our Nation but have given you, in comparison, fair representatives and fair representation in the National Congress.

You perhaps remember that of the last four speakers of this great body, my native State, under such a system, has furnished you two. And the last two Vice Presidents of this great Nation, my native State has furnished you one of them. We think their records will stand out. We think they are equal in comparison with the others who have filled these great posts. Do you? The present great Speaker is furnished you by my native State under such a system which you seek to condemn. To me he is the greatest of all. To you today who have seen his fairness, even in the present bill you are now considering, so straight and fair; at least upon one of the points of order submitted to him, it occurred to me that he leaned backward. No one can say that under our system of electing our representatives we have failed to give our State fair representation and a fair representation for our National Government.

I have always felt that a man becomes a better man, a better citizen, when he has a financial interest in any project in which he is interested in any way. When he puts his own cash into a business or a concern, whatever it may be, he naturally becomes more interested in its welfare and in its future. The insignificant sum of one dollar and seventy-five cents, the price of a poll tax in my State, when paid by thousands who pay no other tax—this small financial interest, this insignificant amount, makes them better citizens. They are more interested in how to vote and who and for what they vote, for they have an interest in the same; a financial interest; they are part owners. They feel that they are stockholders. It is so natural for them under such circumstances and conditions to cast a more intelligent vote, and the better and more intelligent votes we have, the better Government and country we are going to have.

This bill clearly violates the Constitution. It is so plain to see that it is unconstitutional that a wayfaring man can see it. An unbiased, unprejudiced, 14-year-old schoolboy should see the unconstitutionality of this measure. If common, every-day language means anything, then this bill violates the constitutional inhibition.

According to the discussion here, there seem to be some six constitutional provisions involved, so let us take a look into

some of them. Article I, section 2, provides:

The House of Representatives shall be composed of Members chosen every two years by the people of the several States.

It will be noticed that the Constitution provided that the Members are chosen by the people every second year, and no one can contend for a minute that these representatives could be appointed. Why? Because the Constitution provides otherwise, and that provision is mandatory and not directory. It will be well to remember this mandatory provision in analyzing the succeeding constitutional provisions.

The next provision of this section provides:

And the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislatures.

You will notice again the term "shall" is used; "shall have the qualifications," and so forth. This provision is likewise mandatory and not directory. No one would attempt to say that it gives authority to the Federal Government to change or direct the qualifications of the voters in a State with reference to the election of State representatives, who compose a branch of the State legislature, and who are the numerous branch of such legislature. Common sense teaches us that this could not be done. It would be child's play. Yet the bill we are considering tries to do, in effect, the same thing, by repealing that part of the provision with reference to the qualifications of electors for the House of Representatives, most usually called Congressmen. If under the Constitution—and all admit you cannot change the qualifications of the electors for the most numerous branch of the State legislature—then it would be impossible without violating this constitutional provision to change the qualifications of the electors for the National House of Representatives.

While it may be true that the States may not prescribe the qualifications of voters or Members of Congress as such, the qualifications prescribed by the State laws for electors of the most numerous branch of their legislatures are adopted by the Constitution for this purpose and cannot be changed except by constitutional amendment, which is not being done in this case. The Constitution is a written instrument, and as such its meaning does not alter. That which it meant when it was adopted it means now, and the States of this Union have adopted this Constitution with the provision in it, granting to the States the power and authority to adopt qualifications for electors for the most numerous branch of their State legislatures and adopting such qualifications as the electors for the National House of Representatives. And having adopted that, no reason or logic can be given that would justify the changing of such a constitutional provision, outside of the adoption of a constitutional amendment.

The Constitution is a restricted document and the word "Constitution," is often used in a restricted sense, as implying the written instrument agreed upon by the people of the union, or any one of the States, as the absolute rule of action and decision for all departments and officers of the Government in respect to all the points covered by it, which must control until it shall be changed by the authority which established it. Any act or regulation in opposition to it on the part of any such department or officer or even by the people themselves is altogether void and of no force and effect. Neither can this Congress pass any bill under the pretext of executing delegated powers, for the accomplishment of objects not entrusted to the Federal Government. We accept the established doctrine, and it cannot be denied, that any provision of any act of Congress ostensibly enacted under power granted by the Constitution not naturally and reasonably adapted to the effective exercise of such power, but solely for the achievement of something plainly within powers reserved to the States is invalid and cannot be enforced. This was plainly set out in *Linder* v. *United States* (268 U. S., p. 5, 45 Sup. Ct. Rept., 446).

It is argued by some that section 4, article I of the Constitution changes and modifies that part of section 2 with reference to the qualification of electors. To read the English language and have a fair knowledge of the meaning of such language, it is beyond me to comprehend any such construction. Section 4 reads:

The times, places, and manner of holding election for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the place of choosing Senators.

There is no reason to place such a construction upon the verbiage of this part of section 4. It plainly, in the simplest of English terms, limits the three things to the times, places, and manner, and does not include qualifications of the electors at all; and it does not give rise to a belief that such verbiage authorizes the changing of qualifications.

This is further illustrated by the term referring back to these three names as such "regulations." The word "such" means that it is stated above, these times, places, and manner, and nowhere does it affect the previous section with reference to qualifications.

To pass this bill in its present form not only violates section 2 of article I, but it absolutely destroys amendment X of the Bill of Rights. Amendment X reads as follows:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people.

No one would admit for a moment that that part of section 2 with reference to the qualification of electors at least was not prohibited by the Constitution to the States. With reference to the qualifications of those electors for the National House of Representatives, then certainly under amendment X, if not prohibited, to pass upon these qualifications, that question is clearly reserved to the States, respectively.

This Congress has heretofore passed on the question here involved with reference to the qualifications of electors being left to the State, as shown by the Sesquicentennial Report, written by the distinguished and able gentleman from New York [Mr. SOL BLOOM]. On page 44 of that report he states, and I quote:

That the qualifications for the electors for the National Congress, by the Constitution, is left to the States.

The other great body of the National Congress has also answered this question, and their report as shown by the Constitution of the United States, revised and annotated, by resolution No. 35, adopted May 14, 1936. It states in these words:

The States may not prescribe the qualification of voters or Members of Congress as such; but the qualifications prescribed by the State for electors of the most numerous branch of their legislatures are adopted by the Constitution for this purpose.

Both Houses of the National Congress, within the last few years, have through their commissions passed on this question. It occurs to me that that should satisfy the House at this time.

It might be well at this point to consider some of the qualifications for electors adopted by some of the other States of the Union, and whose Representatives are here today working in behalf of this unconstitutional legislation. Massachusetts places the qualification, according to Judge Cooley in his work on constitutional limitations, requiring the elector to be able to read and write. I wonder if the gentleman of Massachusetts would consider this requirement of their own native State within the constitutional provision. From a sentimental standpoint, does that great State deprive the poor and unfortunate of the right to have a voice in the elections of that great Commonwealth? Does it not occur to you that if under the Constitution the Commonwealth of Massachusetts has the authority to place such a qualification upon the electors in that State that the poll-tax States are equally justified in their action with reference to the poll tax?

Connecticut, according to the same author has adopted the qualification that an elector must be able to read. I wonder if the Representatives of that great State think they are justified by the Constitution in placing such a qualification upon their electors. Is it not also denying the poor and unfortunate the right to express their voice in the choosing of their elected officials? Does it not occur to you that if the great State of Connecticut is justified under the constitutional provision in placing such a qualification upon their electors, that the poll-tax States be granted the same privileges?

In Delaware, Maine, Massachusetts, New Jersey, Rhode Island, and West Virginia the right of suffrage is denied to paupers. Could we not say that the great States named herein have denied that poor and unfortunate class the right of suffrage? If they can do this under the Constitution does it not occur to you that the poll-tax States are equally justified in placing the payment of a poll

tax upon the voters as a qualification to vote?

California, Colorado, and Missouri, according to the same author, deny persons kept in the poorhouse or other asylums the right to vote. Are they authorized under the Constitution to do this? They seem to think so. They place that in their legislative enactment as a qualification or a disqualification. Does it not occur to you that the requirement of a poll tax is as equitable and justifiable as the qualifications established by the States just named?

I have always cherished that immortal document known as the Constitution. I have always resented any encroachment upon it. I have considered it one of the greatest documents that human minds ever conceived and hands subscribed. It has meant life and freedom and happiness to this American people, and to me it is a sad thing at a time like this to seek to further destroy it; to destroy that instrument that has been the Magna Carta to these American people for these 153 years; but I know that there is not logic or reason for doing so. It is now and has been a solemn covenant among the American people, and between the Union and the States and between the people and their freely elected governments to give practical effect to the human and governmental rights of the people as enunciated by the Declaration itself. That 15-year-old charter through its amendments procedure could be changed in a manner providing terms to meet any emergency condition, and to do it otherwise would be absolutely void.

As I see it, that will be the effect of this bill. I call upon this House in the name of fairness, in the name of justice, to a section of this country that is now willing to give its all for the preservation and maintenance of the great commonwealth—do not smite the individual State by your action today. The days of "carpet bag" rule should be over, because we all are willing to give our all in order that our Nation might live.

I hope and trust that each of you will vote against this bill when the vote is taken.

Mr. HOBBS. Mr. Chairman, I yield one minute and a half to the gentleman from Texas [Mr. GOSSETT].

Mr. GOSSETT. Mr. Chairman, I am going to vote against this bill because it violates both the Constitution of the State of Texas and the Constitution of the United States. This issue here is not one of poll taxes; it is not a question of being for the poll tax or against the poll tax. It is simply a question of State sovereignty and States' rights. I object to the Federal Government telling the people of Texas how they shall conduct their elections. This bill is another trial balloon in a campaign of constitutional destruction. If and when all powers are taken from the States and centered in Washington, then democracy will be a thing of the past and our whole theory and philosophy of constitutional government will have been destroyed. Today a member of the Kelly-Nash machine of Chicago congratulates a member of Tammany Hall who has control of this bill. The Kelly-Nash machine member praises the Tammany Hall member for joining with him first in supporting an antilynch bill and now is sponsoring an anti-poll-tax bill for the purpose of cleaning up politics down South. Granting that politics down South are not above reproach, granting even that poll taxes may not be justifiable, the attack on the South from these sources sounds strange indeed. Let the gentlemen first pull the beam from their own eyes before they attempt to extract the mote from the eyes of others.

Mr. HOBBS. Mr. Chairman, I yield the balance of the time to myself.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield me 10 seconds for a short announcement?

Mr. HOBBS. No, sir; but I will be glad to yield the gentleman such time as he may desire.

Mr. ANDREWS. I would like to state on behalf of the gentleman from New York, a member of the Judiciary Committee [Mr. HANCOCK], who is unavoidably absent today due to illness, that he felt obliged to withhold his name from the petition discharging his own committee, but he has stated to me and has stated in letters to constituents that he is opposed to poll taxes, and, therefore, were he able to be present today he would vote for the bill before us.

Mr. HOBBS. Mr. Chairman, it is not often we catch EVERETT DIRKSEN "off base." A brilliant gentleman, a winsome and experienced speaker, I was surprised and amused when he lauded the democracy of Greece, 2,500 years ago. He says that was the flowering of pure democracy, a wonderful era of peace and joy, when any free man could walk into the ring, pick up an olive branch and speak his mind. That, to him, was the glory that was Greece and the grandeur that was Athens. Well, that may be his conviction, but it is not ours. We of the South join with every other section of this Nation in thanking God that human slavery was forever abolished from American soil in the United States of America. We are glad that in the arbitrament of arms that curse was obliterated from our fair land.

Never will you hear anyone from a poll-tax State get up on the floor of this House and idealize human slavery as did the gentleman from Illinois in his speech this afternoon in advocacy of the passage of this infamy. There is not a school child in the Nation who does not know that it was the proud boast of Athens and of Greece then that they had 5 or 10 slaves to support and serve every freeman. Of course, they had plenty of leisure; of course they could enjoy the disputations of the philosophers, and participate therein; of course they could attend all public gatherings and exercise their tongues and wits whenever they cared to seize an olive branch, for they had slaves to attend their every whim and to serve their slightest need.

But was that democracy? Is that the kind of society the gentleman advocates? If so, would he not only impose his will but also enslave the white people of the South? However, that is only amusing. I know that he did not mean to advocate that yet, but I do know that the gentleman from Ohio [Mr. BENDER] did mean what he said—that this bill was a good beginning, and that other bills would follow, which would work the rest of the whole will of the majority upon the minority. That is one of the quarrels we have with this bill—that it does not speak for the record the whole truth. This is but the camel's nose being forced under the tent, with intent to bring in the whole beast and occupy the whole tent, and if you proponents of this iniquitous bill can succeed finally in this effort you can proceed to do whatsoever you wish in fixing the qualifications prerequisite to the privilege of voting or in abolishing all such qualifications.

If you can wipe out one, you can wipe out all, or add a dozen.

But there was a time when it was thought that the States were, and of right ought to be, free and independent.

From the Declaration of Independence I quote the last paragraph:

> We, therefore, the Representatives of the United States of America, in General Congress, Assembled, appealing to the Supreme Judge of the World for the rectitude of our intentions, do, in the Name, and by Authority of the good People of these Colonies, solemnly publish and declare, That these United Colonies are, and of Right ought to be Free and Independent States; that they are Absolved from all Allegiance to the British Crown, and that all political connection between them and the State of Great Britain, is and ought to be totally dissolved; and that as Free and Independent States, they have full Power to levy War, conclude Peace, contract Alliances, establish Commerce, and to do all other Acts and Things which Independent States may of right do. And for the support of this Declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our Lives, our Fortunes and our sacred Honor.

See how carefully the sovereignty of the States was guarded.

The first three of the Articles of Confederation read as follows:

> ARTICLE I. The style of this confederacy shall be The United States of America.
>
> ARTICLE II. Each State retains its sovereignty, freedom, and independence, and every power, jurisdiction and right, which is not by this confederation expressly delegated to the United States, in Congress assembled.
>
> ARTICLE III. The said States hereby severally enter into a firm league of friendship with each other, for their common defense, the security of their liberties, and their mutual and general welfare, binding themselves to assist each other, against all force offered to, or attacks made upon them, or any of them, on account of religion, sovereignty, trade, or any other pretense whatever.

The Bill of Rights consists of the first 10 amendments of the Constitution: the concluding one of these is:

> X. The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Therefore, if any power is not specifically enumerated in the Constitution, nor necessarily implied, as having been delegated to the Federal Government, that power belongs, not to the Federal Government, but "to the States respectively, or to the people."

Among the latest decisions of the Supreme Court upon this subject is *United*

States v. *Curtiss-Wright Export Corporation et al.* (299 U. S. 304). On page 315 of that decision it is said:

> The broad statement that the Federal Government can exercise no powers except those specifically enumerated in the Constitution, and such implied powers as are necessary and proper to carry into effect the enumerated powers, is categorically true only in respect of our internal affairs. In that field, the primary purpose of the Constitution was to carve from the general mass of legislative powers then possessed by the States such portions as it was thought desirable to vest in the Federal Government, leaving those not included in the enumeration still in the States.

The father of our country, its first President, warned against any usurpation of any right of the States, pledged as far as he could that the States would retain their sovereignty, and shared to the full the fears of centralization of power in the Federal Government.

From his day on down through the history of our Republic, great men have felt impelled to reiterate the conviction of the founding fathers that a powerful Federal bureaucracy would mean tyranny and oppression.

From the Second Inaugural Address of Hon. Franklin Delano Roosevelt, as Governor of the State of New York, I quote:

> The vitality of our American institutions has been amply proven in the past. We have met difficulties before this and have solved them in accordance with the basic theories of a representative democracy. Let us not at this time pursue the easy road of centralization of authority lest some day we discover too late that our liberties have disappeared. Let us pause in our pursuit of materialism and pleasure, and devote greater efforts to retain these liberties within the communities in which we dwell.

The pending bill if it becomes the law of the land will mark the extinguishment of the supreme right of the once sovereign States, and the high-water mark of centralization of Federal power, now already at flood stage.

You proponents care not, I know.

You repeat the shibboleth, pass the bill, no matter how grave the doubts may be of its constitutionality, leave that question to the Supreme Court to decide.

The Supreme Court has already decided that question. Its decisions have been cited and read to you.

In the *Breedlove case* (302 U. S. 277), the Supreme Court on December 6, 1937, decided that the State of Georgia had the right to require the payment of the poll tax before an otherwise qualified voter could register for voting for Federal and State officers at primary and general elections.

The case of *U. S.* v. *Classic et al.* (313 U. S. 299), decided by the Supreme Court on May 26, 1941, did not touch the poll-tax question. The sole question in the Classic case was: May State election officials steal ballots cast by duly qualified voters for a candidate for Congress in a State primary election, in violation of a Federal criminal statute condemning all such rascality, without being subject to prosecution and punishment by the Federal Government?

The Supreme Court held: That the right granted the Federal Government by article I, section 2, of the Federal Constitution, to have its Congressmen chosen in a State election meant the right to have them honestly chosen; and that the right granted the Federal Government by article I, section 8, clause 18 of the Federal Constitution, "To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof," authorized the making of the law violated by Classic and his partners in crime. In other words, the Classic case dealt not with who was a qualified voter under Louisiana law, but with the right to have an honest count of the ballots of admittedly qualified voters.

Yet, in spite of the fact that this Classic case had nothing to do with the poll-tax question, proponents of this bill rely upon it to justify their position.

Such a contention would be absurd enough were it not for the still later decision of the Supreme Court in denying the petition for certiorari in the case of *Pirtle* v. *Brown et al.*, on October 13, 1941 (62 Sup. Ct. Rept. 64). Distinguished counsel, Messrs. Crampton Harris and Lee Pressman, in trying to get the Supreme Court to grant certiorari and reverse the holding of the circuit court of appeals in the Pirtle case—which followed the holding in the Breedlove case—thus stated the question to be passed on by the Supreme Court:

> The sole question presented is whether the constitution and laws of the State of Tennessee, which make payment of a poll tax a condition precedent to the right to vote in an election to fill a vacancy in the House of Representatives of the United States Congress contravene the provisions, express or implied, of the Constitution of the United States.

So, in effect, the Supreme Court passed upon this question just quoted, and refused to consider reversing the Pirtle decision. Hence, it stands as the latest authority on the poll-tax question, and in a case involving the privilege of voting for or against a Member of Congress.

This settles the question of the unconstitutionality of the pending bill against the proponents and in line with many former decisions.

But you proponents do not care. You are determined to take by lynch law something more precious than one human life. I do not believe you would kill any one of us of the opposition, not even on a dark night in a graveyard without witnesses. I do not believe that you would shed blood in that way. But if you understood the issues which are at the heart and core of this bill, you would know that it means that and more.

May God bless you with the light of His truth, and forgive you, for you know not what you do.

Mr. GAVAGAN. Mr. Chairman, I yield now to the gentleman from New York [Mr. JOSEPH L. PFEIFER].

Mr. JOSEPH L. PFEIFER. Mr. Chairman, I wish to inform the Members of this great deliberative body that I am in favor of this bill, for it gives all citizens equal rights under law. It permits all citizens who have reached the age to vote and are not illiterate to cast their ballot for whom they see fit without being taxed to do so. This poll tax is carried in only eight States of the Union, and these are in the South, where the colored people are still greatly discriminated against.

Let us not forget that they are also children of God. Why shackle them in their activities? Are not they entitled to the privileges of all mankind? The right to live and progress, especially as citizens of this great country, and to improve their standards as such. Let us today by voting for this bill show to the world that democracy is our standard and that we live under a democratic form of government, where all men are equal.

Give them the right to vote without being taxed. Let us help these unfortunates rather than trample upon them. Encourage them to greater activity for betterment of themselves. By so doing we help America.

Insofar as the constitutionality is concerned, I am willing to leave it to courts of the United States.

Mr. GAVAGAN. Mr. Chairman, I yield the remainder of my time to the gentleman from Illinois [Mr. McKEOUGH].

The CHAIRMAN. The gentleman from Illinois is recognized for 15 minutes.

Mr. McKEOUGH. Mr. Chairman, for the members of the committee, I can set you at rest at the outset by assuring you that I shall not use all of the 15 minutes. I know that many of you are anxious to get away, and I hope to be one of you in that respect. I am hoping to get out of Washington tonight at 7:55, on a plane, to get back to Illinois. I am grateful, however, to the distinguished gentleman from New York [Mr. GAVAGAN], my friend of long standing, with whom, many of you may recall, we were able by reason of your cooperation to bring to passage a Federal antilynching law in the House some few years ago. I think it only natural that he finds himself in the position which he occupies today, occasioned by the untimely death of the sponsor of this measure, the late Congressman Geyer, from California. I know of no one in the House who has so earned, by his constructive effort in eliminating long-standing injustices in sections of this country as has the distinguished gentleman from New York [Mr. GAVAGAN], the right to care for this particular legislation on this occasion.

Happily I am one of those who is not handicapped by being schooled in the law. I do not happen to be a lawyer. I sometimes fear that even if I had been trained in the law I might suffer as I sometimes feel those who are, by a particular, rigid philosophy that sometimes interferes with simple justice. They are so enamored of the Constitution and its ramifications as developed over many years of court decisions that they sometimes must find themselves somewhat confused in their own studies of problems that are presented to legislative bodies in which they are honored by their membership.

All of the discussion of the past 4 hours relates itself to two schools of thought with reference to this legislation. One says that it is constitutional. The other claims that it is not.

Not being a lawyer, but an average, ordinary citizen of this great Republic, I have always been taught that there was one final resting place for the determination of the legality of any legislation, and that is the Supreme Court of the United States. Being reminded of that, I recall that chiseled over the entrance to that very lovely edifice, written rather deep by the chisel in the marble, appear the following words, "Equal justice under law."

Obviously if there are certain segments of this great Nation made up of component parts called States, which exercise certain restrictions that would interfere with the assurance of the constitutional guaranty of the right of life, liberty, and the pursuit of happiness, I know of no place that could better treat with whatever care in the way of cure that would be required to remove them than the Congress of the country.

With all due deference to those who oppose this measure on constitutional grounds, and I have heard them on other occasions, with particular reference to that legislation which related to working conditions and rates of pay for those who might occupy laboring positions within those States, I have heard the same arguments advanced with relation to the Federal antilynching bill. In my judgment, that has no place at any time in our country. But I submit that on occasions such as today, with the world on fire and we dedicated to the application of the "four freedoms" throughout the world as well as protection of the eight points that were written into the so-called Atlantic Charter, if there were any reason for objecting to such treatment as this proposal seeks to bring about, it is not now. We are in a war. I understand it is contemplated that on Saturday of this week this House will be asked to determine by its action a reduction of the present age limit for selective service from 20 years to 18 years of age. I submit it is a paradox, when men who are in this Congress rise on occasions such as this and invoke constitutional arguments with relation to the defeat of democratic processes wherever they may be housed by reason of a poll tax. I am convinced that even in the States now housing within them the limitations of the poll tax, that those who represent them will find little objection when they return to their homes, when they tell their people that this is not the time to continue so gross an injustice. If those who live within these limitations where the poll tax applies and are now denied by reason of its application the fullest measure of democratic processes, then I urge those who represent those States to go back home and carry the message to their fellow citizens that we in no way restrict entrance into our armed services by the enactment of a poll-tax application on the part of those who are most involved.

Mr. HARRIS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. McKEOUGH. I am sorry. I do not have time.

I understand there are approximately 13,000,000 members of the Negro race in the United States. I am sure that the Selective Service Act in no way grants them any immunity. On the contrary, to their everlasing credit, they have always contributed their all whenever the Nation's interests were involved. I could recite many, many instances of fine contributions, not alone to the defense of the Nation when we were attacked, but contributions in the field of art, literature—yes, in the common field of common labor, where by their honest toil and their generous contributions they have added much to the advancement of this Nation in the achievements of every generation.

I hope that this House, that will soon be asked to vote on this measure, will join in the spirit of the hour, showing to those who would seek to destroy democratic processes that we in the Congress of our country, regardless of the section from which we come, have united in order that we may better demonstrate to those who would seek to destroy our philosophy of government that we are a united people, determined that whatever injustices we have previously permitted to endure are no longer to be endured.

I am happy to be present today in order that by my vote I may demonstrate in support of this legislation that I believe in the philosophy of the constitutional government of my country, that has generated a spirit of true fellowship and understanding of the obligations of one nation toward another, but most of all that we are all Americans, regardless of our race, our creed, or our color. We want to remove this injustice of the poll tax by the vote that will soon be taken.

[Here the gavel fell.]

Mr. GAVAGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. MICHAEL J. KENNEDY].

Mr. MICHAEL J. KENNEDY. Mr. Chairman, I am strongly in favor of the anti-poll-tax bill and will vote for it. To me it seems incompatible to everything for which we are fighting to have restrictions placed upon the voting privilege of an American citizen in the guise of a poll tax, when in reality it is an effort to prevent him from voting on account of the color of his skin.

When we passed the Selective Service Act we made no inquiry as to whether it was to affect whites or blacks. It was intended to, and actually did, affect male citizens between certain ages, regardless of color, race, or creed. If the Negro of the country is expected to defend his countrymen, white and black alike—and he is expected to do so—then how can anyone in justice say that he is not entitled to participate in the government of that country?

We have evidence on all sides of the willingness of the Negro to discharge his full responsibility as a citizen and to fulfill the obligations of that citizenship. From my own city of New York thousands of our Negro citizens have joined the colors, and one of our National Guard regiments, recruited mostly in Harlem, is now overseas, officered by Negroes, and I am sure will return with a record of valor that will equal that of any of our white regiments.

I have the privilege of being the leader of the great political organization in New York City known as Tammany Hall. Those of my colleagues from the South know that in the trying days of the reconstruction no truer friend of the South could be found than Tammany Hall. Through the years the Democrats from the South and from Tammany Hall alone practically constituted the bulwark of the Democratic Party, but, on this issue, where a poll tax is used as a means of depriving a man of his right of suffrage, such a policy is foreign to the concept of democracy as we understand it in New York. I am pleased to vote for this bill which, I hope, will end discrimination against the exercise by Negroes of that most precious American privilege, the ballot.

Mr. GAVAGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. GIBSON].

Mr. GIBSON. Mr. Chairman, I want to go on record as opposing this bill. It is generally known throughout this hall that the proponents of this measure—H. R. 1024—have many more votes than are needed to insure its passage, and it is therefore true that what I say will have no material effect on the measure. However, I consider this the most vicious piece of legislation that has ever been before the National Congress, and I must raise my voice in opposition to it.

It is shocking to see a people blessed with the privilege of a democracy like ours stand up here and stab the very heart of that democracy. Throughout this debate stress has been exercised to let it be understood that the main purpose of the measure is to purify the political life of the South. It has been ludicrous to hear such argument from Representatives from many Northern States where the corruption of politics magnify many times the wildest exaggeration of improper political practices in the South, such insincerity borders on dishonesty. This is merely a subterfuge, the sole purpose of this legislation is a further step by certain organizations who have never or will ever represent the best interests of America, or who even respect our form of government in their efforts to centralize and socialize our Government. This is a firm foundation for the total destruction of our democracy and for Washington to completely usurp the rights of individual States to control their own government and totally regiment the people of the individual States. When these attacks are made on the South I am prompted to ask the question, In whose bosom was our general democracy born, that of a citizen of the North or South? Who has held together through the years the political party that is now trying to destroy the South and all its sacred traditions?

I am not so deeply concerned about what my State or any other State does with regard to the collection of a poll tax, nor is anyone in this hall today, but I am deeply and sacredly concerned over the efforts of the Federal Government to destroy the sovereignty of our several States. If this philosophy of government is not repudiated, I now warn the American people that the freedom they have enjoyed as the fruit of a great and full democracy will not be enjoyed by their

children. I further warn the American people that while their sons are dying on battlefields abroad to preserve democracy a concerted effort is being exercised right here at home to set up a dictatorship; and I am sad to say that advantage is being purposely taken of our present emergency to accomplish this dastardly purpose. The verdict of time will prove every word I have spoken this afternoon, and my words will live long after I have answered the last roll call.

Mr. GIBSON asked and was given permission to revise and extend his own remarks.

Mr. GAVAGAN. Mr. Chairman, I have no further requests for time and yield back the balance of my time.

The CHAIRMAN. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That the act entitled "An act to prevent pernicious political activities" be, and is hereby, amended by the insertion, after section 1 and before section 2, of the following sections:

"SEC. 1A. The requirements in many places under the jurisdiction of the United States that a poll tax be paid as a prerequisite for voting at elections for the office of President, Vice President, Presidential elector, Member of the Senate, and Members of the House of Representatives has resulted in pernicious political activities in that frequently such taxes are paid for the voters by other persons as an inducement for voting for certain candidates. Experience proves that existing legislation prohibiting the making of expenditures to any person to induce persons to vote for certain candidates has failed to prevent this practice. It is therefore necessary, in order to insure the honesty of such elections, that the Congress forbid the requirement that poll taxes be paid as a prerequisite for voting at such elections.

"SEC. 1B. It is unlawful for any person, whether or not acting under the authority of the laws of a State or subdivision thereof, to require the payment of a poll tax as a prerequisite for voting or registering to vote, at any election for a President or Vice President or Presidential elector or Senator or Member of the House of Representatives of the United States."

The CHAIRMAN. There being no amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and Mr. BULWINKLE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 1024) to amend an act to prevent pernicious political activities, pursuant to House Resolution 110, he reported the bill back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. GAVAGAN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll; and there were—yeas 254, nays 84, answered "present" 3, not voting 86, as follows:

[Roll No. 117]

YEAS—254

Allen, Ill.	Haines	Norton
Andersen, H. Carl	Hall, Edwin Arthur	O'Brien, Mich.
Anderson, Calif.	Hall, Leonard W.	O'Brien, N. Y.
Andresen, August H.	Halleck	O'Connor
Andrews	Harness	O'Neal
Arends	Hart	Osmers
Baldwin	Harter	O'Toole
Barry	Hefferman	Patrick
Bates, Mass.	Heidinger	Pfeifer, Joseph L.
Beam	Hess	Pheiffer, William T.
Beiter	Hill, Colo.	Pittenger
Bender	Hill, Wash.	Ploeser
Bennett	Hinshaw	Priest
Bishop	Holbrook	Rabaut
Blackney	Holland	Ramsay
Boehne	Holmes	Randolph
Bolton	Hope	Reece, Tenn.
Bradley, Mich.	Howell	Reed, Ill.
Bradley, Pa.	Hull	Rees, Kans.
Brown, Ohio	Hunter	Risley
Buckley, N. Y.	Imhoff	Robinson, Utah
Burdick	Izac	Robsion, Ky.
Burgin	Jackson	Rodgers, Pa.
Butler	Jacobsen	Rogers, Mass.
Byrne	Jenkins, Ohio	Rolph
Canfield	Jenks, N. H.	Sabath
Cannon, Mo.	Jennings	Sacks
Capozzoli	Jensen	Scanlon
Carlson	Johns	Schuetz
Carter	Johnson, Calif.	Scott
Case, S. Dak.	Johnson, Ill.	Shafer, Mich.
Celler	Johnson, Ind.	Shanley
Chenoweth	Johnson, Okla.	Sheppard
Chiperfield	Johnson, W. Va.	Sheridan
Cluson	Jones	Short
Claypool	Jonkman	Simpson
Clevenger	Kean	Smith, Maine
Coffee, Wash.	Kee	Smith, Pa.
Cole, Md.	Keefe	Smith, W. Va.
Cole, N. Y.	Kefauver	Smith, Wis.
Costello	Kelley, Pa.	Snyder
Courtney	Kelly, Ill.	Somers, N. Y.
Crawford	Kennedy, Martin J.	Spence
Cullen	Kennedy, Michael J.	Springer
Cunningham	Keogh	Stevenson
D'Alesandro	King	Stratton
Davis, Ohio	Kinzer	Sullivan
Day	Kirwan	Sumner, Ill.
Delaney	Klein	Sutphin
Dickstein	Knutson	Sweeney
Dingell	Kopplemann	Talbot
Dirksen	Kunkel	Talle
Ditter	Lane	Thom
Dondero	Larrabee	Thomas, N. J.
Douglas	Lea	Thomas, Tex.
Downs	LeCompte	Thomason
Dworshak	Lesinski	Tibbott
Eaton	Lewis	Tinkham
Eberharter	Ludlow	Tolan
Edmiston	Lynch	Traynor
Elliot, Mass.	McCormack	Treadway
Elliott, Calif.	McGranery	Van Zandt
Elston	McGregor	Voorhis, Calif.
Engel	McKeough	Vorys, Ohio
Englebright	McLaughlin	Vreeland
Fenton	Maciejewski	Wadsworth
Fish	Maciora	Walter
Fitzgerald	Magnuson	Ward
Fitzpatrick	Marcantonio	Wasielewski
Flaherty	Martin, Iowa	Weiss
Fogarty	Martin, Mass.	Welch
Forand	May	Wene
Ford, Thomas F.	Merritt	Wheat
Gale	Meyer, Md.	White
Gamble	Michener	Wigglesworth
Gavagan	Miller	Wilson
Gehrmann	Mitchell	Winter
Gerlach	Monroney	Wolcott
Gifford	Mott	Wolfenden, Pa.
Gillette	Mundt	Wolverton, N. J.
Gillie	Murdock	Woodruff, Mich.
Gore	Myers, Pa.	Wright
Graham	Nelson	Young
Grant, Ind.	Nichols	Zimmerman
Guyer		
Gwynne		

NAYS—84

Allen, La.	Bryson	Cox
Barden	Bulwinkle	Cravens
Beckworth	Burch	Davis, Tenn.
Bell	Cartwright	Disney
Boggs	Clark	Domengeaux
Bonner	Coffee, Nebr.	Doughton
Boykin	Colmer	Drewry
Brooks	Cooley	Durham
Brown, Ga.	Cooper	Faddis
Fellows	Kleberg	Rivers
Flannagan	Lanham	Robertson, Va.
Ford, Miss.	McGehee	Russell
Fulmer	Mahon	Satterfield
Gathings	Manasco	Sikes
Gibson	Mills, Ark.	Smith, Va.
Gossett	Moser	Sparkman
Grant, Ala.	Norrell	Starnes, Ala.
Hare	Pace	Steagall
Harris, Ark.	Paddock	Tarver
Harris, Va.	Patman	Terry
Hébert	Patton	Vinson, Ga.
Hendricks	Pearson	Weaver
Hobbs	Peterson, Fla.	Whelchel
Jarman	Plauché	Whitten
Johnson, Luther A.	Poage	Whittington
Johnson, Lyndon B.	Ramspeck	Wickersham
Kilday	Rankin, Miss.	Woodrum, Va.
	Reed, N. Y.	Worley
	Rich	

ANSWERED "PRESENT"—3

Bland	McMillan	Powers

NOT VOTING—86

Anderson, N. Mex.	Gilchrist	Rankin, Mont.
Angell	Granger	Richards
Arnold	Green	Robertson, N. Dak.
Barnes	Gregory	Rockefeller
Bates, Ky.	Hancock	Rockwell
Bloom	Hartley	Rogers, Okla.
Boren	Hoffman	Romjue
Buckler, Minn.	Hook	Sanders
Byron	Houston	Sasscer
Camp	Jarrett	Sauthoff
Cannon, Fla.	Kerr	Schaefer, Ill.
Casey, Mass.	Kilburn	Schulte
Chapman	Kocialkowski	Scrugham
Cluett	Kramer	Shannon
Cochran	Lambertson	Smith, Ohio
Collins	Landis	Smith, Wash.
Copeland	McIntyre	South
Creal	McLean	Stearns, N. H.
Crosser	Maas	Stefan
Crowther	Mansfield	Sumners, Tex.
Culkin	Mason	Taber
Curtis	Mills, La.	Tenerowicz
Dewey	Murray	Thill
Dies	O'Day	Vincent, Ky.
Duncan	O'Hara	West
Ellis	O'Leary	Williams
Folger	Oliver	Youngdahl
Ford, Leland M.	Peterson, Ga.	
Gearhart	Pierce	
	Plumley	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Bloom for, with Mr. Camp against.

Mr. Leland M. Ford for, with Mr. Gregory against.

Mr. Crosser for, with Mr. Chapman against.

Mr. Oliver for, with Mr. Bland against.

Mr. Youngdahl for, with Mr. McMillan against.

Mr. Hartley for, with Mr. Sanders against.

Mr. Powers for, with Mr. Collins against.

Until further notice:

Mr. O'Leary with Mr. Taber.

Mr. Cochran with Mr. Dewey.

Mr. Granger with Mr. Rockwell.

Mr. Hook with Mr. Culkin.

Mr. Casey of Massachusetts with Mr. Gilchrist.

Mr. Barnes with Mr. Plumley.

Mr. Curtis with Mr. Stearns of New Hampshire.

Mr. Smith of Washington with Mr. Mason.

Mr. McIntyre with Mr. Rockefeller.

Mr. Creal with Mr. Hoffman.

Mr. Williams with Mr. Sauthoff.

Mr. Ellis with Mr. Hancock.

Mr. Houston with Mr. Stefan.

Mr. Mansfield with Mr. Gearhart.

Mr. Kramer with Mr. Landis.

Mr. Kerr with Mr. Smith of Ohio.

Mr. West with Mr. Cluett.

Mr. Sumners of Texas with Mr. Kilburn.

Mr. Romjue with Mr. McLean.

Mr. Scrugham with Mr. Lambertson.

Mr. Richards with Mr. Thill.

Mrs. O'Day with Mr. Copeland.

Mr. Tenerowicz with Mr. Murray.

Mr. Arnold with Mr. Crowther.
Mr. South with Mr. Angell.
Mr. Vincent of Kentucky with Mr. O'Hara.

Mr. POWERS. Mr. Speaker, I am paired with the gentleman from Mississippi [Mr. COLLINS] who if present would vote "no." I therefore withdraw my vote of aye and vote present.

Mr. McMILLAN. Mr. Speaker, I have a pair with the gentleman from Minnesota [Mr. YOUNGDAHL] who if present would vote "aye." I therefore withdraw my vote of no and vote present.

Mr. BLAND. Mr. Speaker, I have a pair with the gentleman from Maine [Mr. OLIVER] who if present would vote "aye." I therefore withdraw my vote of no and vote present. The gentleman from Maine is absent on account of official business.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that Calendar Wednesday business of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I do this for the purpose of finding out what the program is going to be for tomorrow and the rest of the week.

Mr. McCORMACK. There will be nothing tomorrow except perhaps a conference report on the WAAC's bill that may be called up. I do not think there is any controversy over that. Then there will be whatever might be called up by unanimous consent, which, of course, is always in order if unanimous consent can be obtained. We are hopeful that if the Committee on Military Affairs reports out a bill in accordance with the recommendation of the Secretary of War and the President's message of last night over the radio that bill will be brought up on Saturday.

Mr. MARTIN of Massachusetts. Saturday?

Mr. McCORMACK. Yes, if it is reported out.

Mr. MARTIN of Massachusetts. It is understood then that the bill will be in on Saturday of this week and not Friday?

Mr. McCORMACK. If the bill is reported out, we are hopeful it will be reported by Thursday and the bill will come up on Saturday.

Mr. MARTIN of Massachusetts. How about the tax bill?

Mr. McCORMACK. I am unable to give any information on that.

Mr. MARTIN of Massachusetts. I would like to ask one further question. There is a bill pending concerning the stabilization of pay of Federal employees and the Post Office people that has been neglected for 25 years. When is that bill expected to come up?

Mr. McCORMACK. Is my friend from Massachusetts seriously asking that question?

Mr. MARTIN of Massachusetts. Certainly. There have been a good many inquiries about it.

Mr. McCORMACK. Of course, the gentleman from Massachusetts knows that practically every Member of the House on both sides is favorable to a proper increase of salary for all Federal employees, particularly those under a certain salary bracket. I had no knowledge that the bill was reported out of the committee as yet and, of course, under those circumstances, I am unable to answer the question.

Mr. MARTIN of Massachusetts. I appreciate the gentleman's personal position but I did not know but what he might have some knowledge the rest of us did not have.

Mr. McCORMACK. I have not. I have the same feeling as the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I am sure of that.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

COMMITTEE ON MILITARY AFFAIRS

Mr. MAY. Mr. Speaker, I ask unanimous consent that the Military Affairs Committee may have permission to sit during the sessions of the House for the remainder of the week.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

There was no objection.

GENERAL PERMISSION TO EXTEND REMARKS

Mr. GAVAGAN. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill just passed may have permission to revise and extend their own remarks and that all other Members may have 5 days in which to extend their own remarks in the RECORD on that bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. GAVAGAN]?

There was no objection.

EXTENSION OF REMARKS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to insert in the RECORD a letter and a statement from Edgar DeWitt Jones, of Detroit.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. DINGELL]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MITCHELL. Mr. Speaker, I ask unanimous consent that on tomorrow at the conclusion of business on the Speaker's desk and after special orders already granted have been disposed of, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. MITCHELL]?

There was no objection.

EXTENSION OF REMARKS

(Mr. DOMENGEAUX asked and was given permission to extend his own remarks in the RECORD.)

(Mr. JOSEPH L. PFEIFER, Mr. WICKERSHAM, and Mr. HOLBROCK asked and were given permission to revise and extend their remarks in the RECORD.)

Mr. STARNES of Alabama. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD in two instances, the first with reference to a "second front now" meeting which was held in this city yesterday afternoon, and the second in connection with a report I have heretofore filed on "Subversive Activities Aimed at Destroying Our Representative Form of Government," including in my remarks a list of the contributors who have given more than $100 to the Union for Democratic Action.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STARNES of Alabama. Mr. Speaker, yesterday afternoon there was a rally held on the steps of the old District Building here in Washington, at Fourteenth and Pennsylvania Avenue, urging a second front now. This rally was held under the auspices of the Washington C. I. O. Council and United Cafeteria Employees of the C. I. O. Among the three principal speakers at the rally was one Reid Robinson, president of the Mine, Mill & Smelter Workers Union of the C. I. O. What a paradox this is. I should like to inform the House that this same Reid Robinson was the national vice chairman of the American Peace Mobilization, which organization picketed the White House, instigated strikes in vital defense industries, conducted a Nation-wide campaign against conscription, and generally busied itself in retarding our defense effort.

To illustrate to the House how quickly a Communist C. I. O. labor leader can do a flip-flop when the Communist Party line changes, I should like to quote herewith from a story in the Daily Worker of September 3, 1940—which was during the honeymoon between Stalin and Hitler—which story appeared under a double, six-column headline, which reads:

American Peace Mobilization launched on permanent basis at Chicago rally—call for 250,000 local volunteers to wage antiwar drive.

The following quotes are taken from the story which appeared under this headline:

More than a thousand delegates, to be supplemented by 2,000 peace crusaders from local points in the United States began moving to Washington by special train and hundreds of automobiles to demonstrate against conscription and war * * *.

After reelecting Rev. John B. Thompson, the vital fighter for peace from Norman,

Okla., as chairman, the thousands of delegates chose the following vice chairmen, whose names are symbols of mass influence * * *.

Reid Robinson, president of the Mine, Mill Smelter Workers Union, Congress of Industrial Organizations.

This same Reid Robinson was listed as a speaker at the anticonscription rally held in Chicago on August 31, 1940. He is the same Reid Robinson who, as president of the Mine, Mill & Smelter Workers Union, prolonged a number of Communist-led strikes at a crucial period in our defense effort. Reid Robinson has affiliated himself with practically all of the front organizations of the Communist Party, and I list here a number of such affiliations:

Communist-front organization	Association of the individual	Authority
American Committee for Protection of Foreign Born	Sponsor	Letterhead, June 11, 1940, letter written in Spanish.
American League for Peace and Democracy	Member, national labor committee	Letterhead, Feb. 8, 1939.
Do	Member, national committee	Letterhead, July 12, 1939.
American Youth Congress	Speaker, Town Meeting of Youth, held in Washington, D. C., Feb. 9, 1941.	Washington Evening Star, Feb. 7, 1941.
Do	Member, national advisory board	Youngville, U. S. A., p. 64.
Emergency Peace Mobilization	Speaker, Chicago peace rally conference	Daily Worker, Aug. 31, 1940, p. 4, ch. 1-8.
International Labor Defense	Sent greetings to national conference	Proceedings and Report, p. 34.
Do	Member, national committee	Undated letterhead.
Mine, Mill and Smelter Workers, C. I. O	President	Daily Worker, Sept. 3, 1940, p. 4.
New Masses	Contributor	New Masses, Feb. 24, 1942, p. 16.

Mr. Speaker, it should be clear to every Member of this House that the American Communists are using this emergency as a vehicle to carry out their revolutionary aims by dividing race against race, class against class, and striving toward a final break-down of our governmental system. I have read the reports of our committee aides on this rally and have examined the propaganda distributed among the group, and I can tell you that this rally had other things in mind than an immediate second front. It was nothing more than an agitational demonstration to incite a certain segment of our population and to abolish certain social standards which have been established over a long period of years.

Another prominent speaker at this rally for an immediate second front was one A. Clayton Powell, Jr., editor of the Negro newspaper People's Voice, of New York City. A. Clayton Powell, following true to the present Communist Party line, said everything he could which would serve to widen the breach between certain racial groups in this country; and I might say at this point that if the Communists and their satellites who travel under the banner of liberals and progressives do not cease exploiting the racial question in these serious times it is going to lead to disastrous consequences. Naturally, this is the goal of the American Communist.

A. Clayton Powell, Jr., like Reid Robinson, has associated himself with practically every Communist-front movement in America, and I list herewith some of his Communist connections:

Communist-front organization	Association of the individual	Authority
American League Against War and Fascism	Member, national executive committee	Letterhead, Aug. 22, 1935.
Do	Endorser of conference	Daily Worker, Mar. 4, 1937, p. 2.
American League for Peace and Democracy, New York City Division.	Member, advisory board	Letterhead, dated Sept. 22, 1938.
Do	do	Letterhead, Mar. 21, 1939.
American League for Peace and Democracy, Fifth New York City Conference.	Endorser	Daily Worker, Mar. 4, 1939, p. 2.
American Youth Congress	Member, national advisory board	Youngville, U. S. A., p. 63.
Daily Worker	Endorser	Daily Worker, Apr. 7, 1936, p. 1.
Do	Christmas greetings	Daily Worker, Dec. 25, 1936, p. 1.
Gerson supporters	Signer of letter	Daily Worker, Feb. 10, 1938, p. 1.
International Labor Defense	Sent greetings to national conference	Proceedings and Report, p. 35.
Do	do	Equal Justice, July 1939, p. 4.
National Negro Congress, New York Council	Speaker at antilynch demonstration	Daily Worker, Apr. 13, 1938, p. 1.
Nonpartisan Committee for the Reelection of Congressman VITO MARCANTONIO.	Member	Letterhead, Oct. 3, 1936.
Workers Alliance	Speaker, New York City	Daily Worker, Feb. 24, 1937, p. 5.

I am making the remarks today, Mr. Speaker, to illustrate to the House the gall of the American Communists and their phony followers. Reid Robinson should be in jail for his treasonable and despicable activities against our war effort, instead of shouting on a public square for an immediate second front, which he and his Communist colleagues have made impossible by retarding our war effort at a crucial period.

Mr. Speaker, on June 25, 1942, I filed a report with the House entited "Subversive Activities Aimed at Destroying Our Representative Form of Government," which dealt primarily with the activities of an organization known as a Union for Democratic Action. I am sure the Members of this House will recall that this is the same organization which carried out the purge campaign against Members of Congress, which I might add was a colossal flop. I have here a list of people who have contributed $100 or more to carry on the work of this organization, and I feel that the Members of the House and the American people are entitled to know the names of these people. I therefore include this list in my remarks:

Receipts—April, May, 1942

CONTRIBUTIONS OF $100 OR MORE

Date	Name	Address	Amount
Apr. 8	David F. Selferheld	1175 Park Ave., New York City	$150.00
8	Mrs. Helen Newborg	Red Oaks, White Plains, N. Y	100.00
8	Dr. H. J. Rubinstein	510 Madison Ave., New York City	100.00
8	Blanche B. Rosett	71 East 71st St., New York City	100.00
8	James Lebrer	941 Park Ave., New York City	100.00
8	Wm. Cochran	411 North Charles St., Baltimore, Md	1,000.00
8	Florina Lasker	Hotel Pierre, New York City	250.00
8	Eileen J. Garrett	66 Park Ave., New York City	500.00
8	Wm. Adams Delano	120 East 38th St., New York City	250.00
8	L. M. Rabinowitz	120 East 16th St., New York City	100.00
10	Edward A. Norman	124 East 70th St., New York City	1,000.00
15	Loula B. Lasker	Hotel Pierre, New York City	250.00
16	Mrs. Clarence H. Low	417 Park Ave., New York City	100.00
16	James H. McGill	Valparaiso, Ind	250.00
20	Dr. Leo Mayer	1155 Park Ave., New York City	100.00
May 11	Sidney Hollander	2513 Talbot Rd., Baltimore, Md	100.00
18	George L. Hinman	Binghamton, N. Y	235.30
26	Maurice Wertheim	33 East 70th St., New York City	500.00

Receipts, June, July, August 1942

CONTRIBUTIONS OR LOANS OF $100 OR MORE

Date	Name	Address	Amount
June 4	Lynn Stone	25 Central Park West, New York City	$250.00
5	Alfred Baker Lewis	Post Office Box 682, Grand Central Annex	125.00
8	Christian Social Justice Fund	411 North Charles St., Baltimore, Md	1,500.00
8	L. M. Rabinowitz (exchange check, $1,500; loan, $300).	120 East 16th St., New York City	1,800.00
17	Anonymous		100.00
22	Emile Tas	535 5th Ave., New York City	100.00
23	Mrs. Henry Ittleson	965 5th Ave., New York City	250.00
23	Irene Lewisohn	133 West 11th St., New York City	125.00
29	David C. Coyle	Washington, D. C	200.00
29	Howard Lindsay	50 West 11th St., New York City	100.00
29	C. Ruth Bower	Concord Hall, Philadelphia	100.00
July 6	Eleanor Brannan	228 West 11th St., New York City	100.00
8	James H. McGill	Valparaiso, Ind	250.00
11	M. Desenberg	335 South Saginaw St., Flint, Mich	100.00
13	Seward Brisbane	7 East 44th St., New York City	100.00
15	George Greenspan	200 West End Ave., New York City	100.00
Aug. 6	Alfred Baker Lewis	Post Office Box 682, Grand Central Annex	100.00
31	Jewish Labor Committee	175 Broadway New York City	100.00

Financial report for period up to and including August 31, 1942

Those persons who have given $100 or more:

Mrs. Betram J. Cahn, 270 South Western Avenue, Lake Forest, Ill.—$210

Anita McCormick Blaine, 101 East Erie Street, Chicago, Ill.—100

Frank W. McCulloch, 166 West Jackson Boulevard, Chicago, Ill.—100

Richard R. Meyer (now in Army), 843 West Adams Street, Chicago, Ill.—1,000

EXTENSION OF REMARKS

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein two brief newspaper articles from the Taney County, Mo., Republican

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement on farm labor by Mr. Villamin.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a radio address delivered by myself on October 4.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. VINSON of Georgia, for 10 days, on account of official business;

To Mr. BOREN (at the request of Mr. DISNEY), indefinitely, on account of illness;

To Mr. OLIVER (at the request of Mr. BLAND), indefinitely, on account of committee business.

EXTENSION OF REMARKS

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein two articles.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a speech by the Honorable John Murphy, nominating our distinguished colleague, the gentleman from Connecticut [Mr. JAMES A. SHANLEY].

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 56 minutes p. m.) the House adjourned until tomorrow, Wednesday, October 14, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON PATENTS

The Committee on Patents of the House of Representatives will continue hearings Wednesday, October 14, 1942, at 10 a. m., in the Rivers and Harbors Committee room, 1304 House Office Building, on H. R. 7620, a bill to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization Wednesday, October 14, 1942, at 10 a. m. on H. R. 6621, H. R. 6763, and H. R. 7615.

EXECUTIVE COMMUNICATIONS, ETC.

1967. Under clause 2 of rule XXIV, a letter from the Chairman, War Production Board, transmitting the second report upon the operations of the War Production Board, was taken from the Speaker's table and referred to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURDOCK: Committee on Indian Affairs. H. R. 6813. A bill for the acquisition of Indian lands acquired in connection with the construction, operation, and maintenance of electric transmission lines and other works, Parker Dam power project, Arizona-California; without amendment (Rept. No. 2532). Referred to the Committee of the Whole House on the state of the Union.

Mr. NICHOLS: Select Committee to Investigate Air Accidents. House Resolution 125. Resolution creating a Select Committee to Investigate Air Accidents; without amendment (Rept. No. 2533). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAY:

H. R. 7694. A bill to amend the Selective Training and Service Act of 1940 by providing for the extension of liability to the Committee on Military Affairs.

By Mr. STEAGALL:

H. R. 7695. A bill to aid in preventing inflation, to stabilize the rents of real property, and for other purposes; to the Committee on Banking and Currency.

By Mr. JOHNSON of Indiana:

H. R. 7696. A bill to extend the provisions of articles I and II of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to individuals employed by the United States outside the States of the Union and the District of Columbia for war purposes; to the Committee on Military Affairs.

H. R. 7697. A bill to provide protection against total permanent disability for persons granted national service life insurance; to the Committee on Ways and Means.

H. R. 7698. A bill to transfer all property, real or personal, of the Frederick Douglas Memorial and Historical Association to the National Association of Colored Women; to the Committee on the District of Columbia.

By Mr. SHAFER of Michigan:

H. R. 7703. A bill to provide that the Railroad Retirement Board may award disability annuities to totally and permanently disabled individuals who have completed a period of service within a reasonable time of 30 years' service; to the Committee on Interstate and Foreign Commerce.

By Mr. FISH:

H. J. Res. 351. Joint resolution authorizing the naturalization of nationals of other countries serving in the armed forces of the United States; to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PAGÁN:

H. R. 7699. A bill for the relief of Mrs. María Pastrana Alemán; to the Committee on Claims.

By Mr. PETERSON of Georgia:

H. R. 7700. A bill for the relief of Cordie Underwood and Wilbur Kea; to the Committee on Claims.

By Mr. SMITH of West Virginia:

H. R. 7701. A bill for the relief of Jonas Mullens; to the Committee on Claims.

By Mr. VINSON of Georgia:

H. R. 7702. A bill for the relief of M. M. Kennedy; to the Committee on Claims.

By Mr. JENNINGS:

H. R. 7704. A bill for the relief of the New Amsterdam Casualty Co.; to the Committee on Claims.

H. R. 7705. A bill for the relief of James E. Savage; to the Committee on World War Veterans' Legislation.

By Mr. KOPPLEMANN:

H. R. 7706. A bill for the relief of Cecilia Pitt; to the Committee on Immigration and Naturalization.

By Mr. O'BRIEN of Michigan:

H. R. 7707. A bill for the relief of Mrs. Lila A. Wemp; to the Committee on World War Veterans' Legislation.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3363. By Mr. HEIDINGER: Petition presented by Mrs. R. Durlin, of Crossville, Ill., signed by herself and 14 other members of the Phillipstown Women's Christian Temperance Union, urging the early passage of Senate bill 860; to the Committee on Military Affairs.

3364. By Mr. MARCANTONIO: Petition of the members of the faculty and student body of Hunter College of the city of New York, containing approximately 2,000 signatures, favoring the Geyer anti-poll-tax bill; to the Committee on the Judiciary.

3365. By Mr. ROLPH: Resolution of the California State Federation of Labor, at its forty-third annual convention, favoring the passage of the anti-poll-tax bill; to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES

WEDNESDAY, OCTOBER 14, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, eternal Lord of life and death, we would linger in the presence of our divine Redeemer that we may maintain the worth and dignity of the soul through confession and repentance. To our intellects do Thou add a warm spiritual nature, deep moral sympathy, and the unwonted powers of affection and aspiration. We praise Thee that we are immortal beings with deathless spirits quivering with everlasting might, strong to do but stronger to endure.

We thank Thee for Thy presence in the earth, for Thy care of those whom we love, and for the fidelity of cherished friends. Let the blessings of health, strength, and good courage be upon us this day and may our lives show forth our gratitude in our upright conduct. Be with us to enrich each life with new and impressive forms of mental and moral decisions, searching the very floors of spiritual depths where life in its highest tones is heard in its richest aspects. Blessed Christ, be with us, endowing each life, lending inspiration to those divine motives which sweep the soul upward and onward to its sublime destiny. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 33. Concurrent resolution authorizing the printing of additional copies of the Senate amendments numbered print of the bill (H. R. 7378) to provide revenue, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2775. An act to amend the act of March 5, 1942, relating to the planting of guayule and other rubber-bearing plants.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5503) entitled "An act to authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings."

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of the Navy.
2. Department of the Treasury.
3. Department of War.
4. Executive Office of the President (Office of Civilian Defense).
5. Federal Security Agency.
6. The National Archives.
7. The Panama Canal.

SPECIAL COMMITTEE ON WILDLIFE CONSERVATION

The SPEAKER. Pursuant to the provisions of House Resolution 49, Seventy-seventh Congress, the Chair appoints the gentleman from Florida [Mr. PETERSON] to fill the vacancy on the Special Committee on Wildlife Conservation.

INVESTIGATION OF ACTIVITIES IN GOVERNMENT DEPARTMENTS

Mr. SABATH, from the Committee on Rules, submitted the following privileged report (No. 2535) for printing, under the rule, which was referred to the House Calendar and ordered to be printed.

House Resolution 550

Resolved, That the Committee on the Civil Service, acting as a whole or by subcommittee or subcommittees appointed by the chairman of said committee, is authorized and directed (a) to conduct thorough studies and investigation of the policies and practices relating to civilian employment in the departments and agencies of the Government, including Government-owned corporations; (b) to study and investigate the effect of such policies and practices upon the conduct of the war, with the view of determining whether such policies and practices are efficient and economical; (c) to determine the number of employees in each department or agency (including Government-owned corporations), whether such number of employees is necessary, and whether their skills are used to the best advantage; (d) all other matters relating to the recruiting and the efficient and economical use of the civilian employees; and (e) to make such inquiry as said Committee on the Civil Service may consider important or pertinent to any matter coming within the jurisdiction of said committee.

For the purposes of this resolution, the said committee or any subcommittee thereof is hereby authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses, and the production of such books or papers or documents or vouchers by subpena or otherwise, and to take such testimony and records as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or subcommittee, or by any person designated by him, and shall be served by such person or persons as the chairman of the committee or subcommittee may designate. The chairman of the committee or subcommittee, or any member thereof, may administer oaths to witnesses.

That the said committee shall report to the House of Representatives during the present Congress the results of their studies, inquiries, and investigations with such recommendations for legislation or otherwise as the committee deems desirable.

CONDEMNATION PROCEEDINGS

Mr. MICHENER. Mr. Speaker, on behalf of the conference committee, and by direction of the chairman of the Committee on the Judiciary, I submit a conference report and statement to accompany the bill (H. R. 5503) to authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings, for printing under the rule.

PERSONAL EXPLANATION

Mr. PETERSON of Georgia. Mr. Speaker, at the time the vote was taken on the bill H. R. 1024, known as the anti-poll-tax bill, I was attending an important conference of a group of my constituents with officials in the War Department. I am opposed to this legislation, and had I been present I would have voted "nay."

EXTENSION OF REMARKS

Mr. GRANT of Alabama. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BURGIN. Mr. Speaker, I ask unanimous consent to extend my remarks and include short excerpts and three editorials from newspapers in my State.

The SPEAKER. Is there objection?

There was no objection.

Mr. TOLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article from the Pacific Magazine.

The SPEAKER. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks and include the record

of the Credit Union, in the sale of war bonds.

The SPEAKER. Is there objection?

There was no objection.

VICTORY TAX

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, with respect to the Victory tax now under consideration, it seems to me that a family with an income of $1,000 a year and less is not going to do very much inflationary spending, but indeed, in most cases, all they will be able to do is to purchase the actual necessities of life. The big wages, big salaries, increased incomes do not go to people with incomes under $1,000. It is these larger incomes that account for the so-called inflationary spending. We want everyone to make his contribution to our country's war effort. The people want to do so. But there is a certain essential standard of living that we need to protect—enough to eat and decent shelter. This Victory tax should begin at $1,000 instead of $624.

In the second place, it seems to me that a certain percentage of capital gains should be included in this 5-percent tax—not all, perhaps, but a percentage of them, for the reason that many small businesses are being forced completely out of business and most of the capital gains realized today are the result of war, the Government's own expenditures, and it does not seem to me they should be completely exempt from the Victory tax as they are in the Senate bill, as I understand.

WOMEN'S RESERVE IN THE COAST GUARD RESERVE

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 7629) to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended, so as to expedite the war effort by providing for releasing officers and men for duty at sea and their replacement by women in the shore establishment of the Coast Guard, and for other purposes, which I send to the desk and ask to have read.

The SPEAKER. Is there objection?

Mr. MICHENER. Mr. Speaker, I reserve the right to object. Will the gentleman explain the bill?

Mr. BLAND. Mr. Speaker, this bill is practically identical with the bill passed establishing the Women's Auxiliary for the Navy. There are some minor changes. One of the changes is providing that service may be outside continental United States. This bill is very similar to the bill that was passed providing for such an organization for the Army. There is one other purpose of the bill and that is that certain vessels may be given to the Coast Guard by other persons than members of the Coast Guard Reserve. They may be given by municipalities and States. I cite one example where Maryland has a number of patrol boats on the Chesapeake Bay that she could turn over to the Coast Guard Reserve to be used by the Reserve. There are doubtless many other cases. The principal object of the bill is to establish a women's auxiliary that will permit in the Coast Guard a number of places that are now filled by men to be occupied by women and the men relieved for other duties.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mrs. ROGERS of Massachusetts. I understand that the Coast Guard is extremely desirous of having this?

Mr. BLAND. Yes. The Assistant Secretary of the Navy requested it. The bill was sent to the Speaker and referred by him to the committee. Under Secretary Forrestal has a letter favoring it and the Navy and Coast Guard are extremely anxious to have the bill enacted. By the end of 1942 it is contemplated that the organization will number about 3,000 persons and by the end of 1943 about 10,000 persons who will fill clerical positions, such as telegraph operators, telephone operators, and other positions that are now filled ashore by men, when the duties can just as well be performed by women.

Mrs. ROGERS of Massachusetts. And the men are anxious to have other service?

Mr. BLAND. Yes.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. RICH. Will those men then go into the service?

Mr. BLAND. They are now in the service.

Mr. RICH. But they will go right out on ships?

Mr. BLAND. Yes.

Mr. MICHENER. This gives the WAVES, insofar as the Coast Guard is concerned, the same privilege that the WAACS have in connection with the Army?

Mr. BLAND. Practically the same. As far as the WAVES are concerned, I think there is a limitation to continental United States. I believe that there is now being considered by the Navy an amendment to that bill which will permit them to go outside of continental United States. That is taken care of in this bill—not that it is contemplated to send them, to any extent, but there are places like Alaska, the Hawaiian Islands, and outlying posts where it may be necessary to send them.

Mr. MICHENER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Coast Guard Auxiliary and Reserve Act of 1941 (55 Stat. 9), as amended (U. S. C., title 14, ch. 9; Public Law 599, 77th Cong., 2d sess.), is further amended by adding after section 304 thereof an additional title as follows:

"TITLE IV—WOMEN'S RESERVE

"SEC. 401. A Women's Reserve is hereby established which shall be a branch of the Coast Guard Reserve and shall be administered in the same manner as provided for the Coast Guard Reserve in all respects, except as may be necessary to adapt said provisions to the Women's Reserve, or as specifically provided herein.

"SEC. 402. Members of the Women's Reserve may be commissioned or enlisted in such appropriate ranks and ratings corresponding to those of the Regular Coast Guard as may be prescribed by the Secretary of the Treasury, or by the Secretary of the Navy while the Coast Guard is operating as a part of the Navy: *Provided*, That there shall not be more than one officer in the grade of lieutenant commander; nor more than 18 officers in the grade of lieutenant; and that the number of officers in the grade of lieutenant (junior grade) shall not exceed 35 percent of the total number of commissioned officers: *And provided further*, That the military authority of officers commissioned under the provisions of this title may be exercised over women of the Reserve only and is limited to the administration of the Women's Reserve.

"SEC. 403. The Reserve established by this title shall be composed of members who have attained the age of 20 years.

"SEC. 404. Members of the Women's Reserve shall not be assigned to duty on board vessels of the Navy or Coast Guard or in combat aircraft.

"SEC. 405. Members of the Women's Reserve shall not be used to replace civil-service personnel but shall be composed of women trained and qualified for duty in the shore establishment of the Coast Guard to release male officers and enlisted men of the Coast Guard service for duty at sea.

"SEC. 406. The provisions of section 211 of this act (55 Stat. 12) shall not be applicable to members of the Women's Reserve, but such members shall be entitled to the same benefits as are provided for temporary members of the Reserve in section 212 of this act.

"SEC. 407. The Commandant of the Coast Guard shall fix the money value of articles of uniform and equipment which enlisted members of the Women's Reserve are required to have upon their first reporting for active duty: *Provided*, That he may authorize such articles of uniform and equipment, or parts thereof, to be issued in kind, or, in lieu thereof, the payment in cash of the money value fixed according to the foregoing, not to exceed $200, to be made to such members so ordered to active duty, for the purchase of such articles of uniform and equipment.

"SEC. 408. The authority conferred by this act for appointments and enlistments in the Women's Reserve shall be effective during the present war and for 6 months thereafter, or until such earlier time as the Congress, by concurrent resolution, or the President, by proclamation, may designate."

SEC. 2. The Coast Guard Auxiliary and Reserve Act of 1941 (55 Stat. 9), as amended (U. S. C., title 14, ch. 9; Public Law 599, 77th Cong., 2d sess.), is hereby further amended as follows:

1. Section 6: At the end of the first sentence change the period to a comma and add the following: "by any corporation, partnership, or association, or by any State or political subdivision thereof."

2. Section 201: At the end of the third line (55 Stat. 11) strike out the word "men" and substitute therefor the words "enlisted personnel."

3. Section 202: In the first line (55 Stat. 11) strike out the word "male."

4. Section 206: In lines 2 and 6, as amended (55 Stat. 588), strike out the word "men" and substitute therefor the word "personnel."

5. Section 207: In line 9, as amended (Public Law 599, 77th Cong., 2d sess.), strike out the word "men" and substitute therefor the word "persons."

6. Section 210: In the fifth line, as amended (55 Stat. 588), strike out the word "he" and substitute therefor the words "such officer." In the first and seventh lines of the second sentence, as amended (55 Stat. 588), strike out the word "men" and substitute therefor the word "personnel."

7. Section 212: In line 3 (55 Stat. 12) strike out the words "he or his" and substitute therefor the words "such member or such member's."

SEC. 3. The terms "men" and "enlisted men", as contained in acts appropriating funds for the Coast Guard, shall not be construed to deprive women enlisted or enrolled in the Coast Guard, of the pay, allowances, gratuities, and other benefits granted by law to enlisted personnel of the Coast Guard.

With the following committee amendment:

Page 4, line 23, strike out the words "word 'persons'" and insert "words 'persons (including Government employees without pay other than the compensation of their civilian positions)'."

The committee amendment was agreed to.

Mr. BLAND. Mr. Speaker, I offer an amendment which was adopted by the committee after the bill was reported.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Page 3, line 13, change the period to a colon and add the following:

"*Provided*, That notwithstanding the foregoing the provisions of section 211 of this act shall be applicable to members of the Women's Reserve for assignment to duty outside the States of the United States."

Mr. BLAND. Mr. Speaker, the purpose of this amendment is to give to the very few members of the Women's Reserve who might be assigned to duty in Alaska, Puerto Rico, or Hawaii, or to any place outside the States of the United States, the same retirement and pension benefits that are available to all regular members of the Coast Guard Reserve. Members of the Women's Reserve who would be on duty within the United States will have the same death and disability benefits as the WAACS and the WAVES, which are those provided for civil employees of the United States by the United States Employees' Compensation Act.

The members of the women's branch of the Coast Guard Reserve will not, of course, engage in any combat activity, but in view of the fact that some of such members might be assigned to a shore establishment beyond the seas and will to a limited extent be exposed to the hazards of war, the committee is of the opinion that those few should be entitled to receive the same retirement and pension benefits as regular reservists if they are injured while engaged on such duty, or while traveling to or from such duty.

Mrs. ROGERS of Massachusetts. That would be only common justice, then?

Mr. BLAND. That would only be common justice.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to conclude the statement I was making on the amendment which I offered by extending my remarks at that place in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AMENDMENT OF CHARTER OF THE AMERICAN LEGION

Mr. SPRINGER. Mr. Speaker, by request of the Committee on the Judiciary I ask unanimous consent for the immediate consideration of the bill (H. R. 7675) to amend the act entitled "An act to incorporate the American Legion," approved September 16, 1919, so as to extend membership eligibility therein to certain American citizens, honorably discharged from the active military or naval forces of the United States, or of some country allied with the United States during World War No. 2.

The Clerk read the title of the bill.

Mr. McCORMACK. Mr. Speaker, reserving the right to object, this is the bill about which the gentleman spoke to me yesterday and also today?

Mr. SPRINGER. It is.

Mr. McCORMACK. Has the gentleman seen the members of his own committee and his own minority leadership about the bill?

Mr. SPRINGER. I have.

Mr. McCORMACK. I may suggest that while I know the bill and think it is a fine one and should pass, I should like to have the gentleman make a statement for the RECORD and for the benefit of the Members.

Mr. SPRINGER. Mr. Speaker, the original bill incorporating the American Legion limited membership in the Legion to those who served in World War No. 1 some time between the dates of April 6, 1917, and November 11, 1918. At the recent convention of the American Legion a resolution was adopted to extend membership in this great organization to veterans of World War No. 2. There is to be nothing compulsory about the membership; it is entirely voluntary with each individual, but it opens the membership in the organization to those who serve in World War No. 2. This bill amends the charter of the Legion to make this possible.

This bill was considered by Subcommittee Two of the Committee on the Judiciary, of which the gentleman from North Carolina [Mr. WEAVER] is chairman. It was reported unanimously from the subcommittee to the full committee and reported unanimously by the full committee to the House. The national officers of the American Legion are very anxious for this measure to be enacted into law.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. COLMER. The bill was sponsored by the American Legion?

Mr. SPRINGER. It was.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield.

Mrs. ROGERS of Massachusetts. As the gentleman knows, the American Legion has been very helpful and very active in trying to secure the same benefits for veterans of this second World War that are given to veterans of the first World War. They have done a great deal in that respect.

Mr. SPRINGER. I know they have. They will continue their activities for veterans benefits in the future. This organization has rendered an outstanding service to our veterans and to our country.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to my friend from Pennsylvania.

Mr. RICH. Would this bill in any way interfere with the right of those now serving in the armed forces in the second World War to form an organization of their own whenever they wished?

Mr. SPRINGER. It will not; they will have the full right to promote and perfect any organization they may desire. This legislation will not limit those in the present war from promoting and perfecting their own organization if they so choose.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to my distinguished colleague from Mississippi.

Mr. RANKIN of Mississippi. Let me say to the membership that this proposal was started some time ago. When I addressed the Rehabilitation Committee of the American Legion in Baltimore several months ago I urged them to take this up with the various posts, which they did. This matter was taken up with the various posts in the various departments throughout the whole country and had their approval before it was ever submitted to the national convention; so it not only has the approval of the national convention of the American Legion but it has the approval of the majority of the departments and also a majority of the local posts.

Mr. SPRINGER. The gentleman is entirely right; I believe practically every Legionnaire was fully advised of this matter before it was taken up in the national convention of the American Legion.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to my good friend from Michigan.

Mr. MICHENER. The gentleman calls the bill up in this manner by direction of the Committee on the Judiciary?

Mr. SPRINGER. I do; yes.

Mr. JARMAN. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to my colleague.

Mr. JARMAN. I imagine this is in the nature of an amendment to the charter of the American Legion.

Mr. SPRINGER. That is what it is. It is an amendment of the charter only insofar as membership is concerned, extending the right of membership to those engaged in the present World War. There is no compulsion respecting such membership. That choice is left entirely with each individual who is qualified for membership.

Mr. JARMAN. The Department of Alabama of the Legion went on record in favor of it some months ago.

Mr. McCORMACK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to incorporate the

American Legion," approved September 16, 1919 (41 Stat. 285, title 36, U. S. C., 1940 ed., sec. 43), is hereby amended to read as follows:

"SEC. 3. That the purpose of this corporation shall be: To uphold and defend the Constitution of the United States of America; to promote peace and good will among the peoples of the United States and all the nations of the earth; to preserve the memories and incidents of the two World Wars fought to uphold democracy; to cement the ties and comradeship born of service; and to consecrate the efforts of its members to mutual helpfulness and service to their country."

SEC. 2. That section 5 of such act of September 16, 1919 (41 Stat. 285, title 36, U. S. C., 1940 ed., sec. 45), is hereby amended to read as follows:

"SEC. 5. That no person shall be a member of this corporation unless he served in the naval or military services of the United States at some time during the period between April 6, 1917, and November 11, 1918, or during the period between December 7, 1941, and the date of cessation of hostilities as fixed by the United States Government, all dates inclusive, or who, being citizens of the United States at the time of enlistment, served in the military or naval services of any of the governments associated with the United States during either of said World Wars: *Provided, however,* That such person shall have an honorable discharge or separation from such service or continue to serve honorably after the date of cessation of such hostilities as determined herein."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a poem, of an historic and patrictic nature, written by Horace C. Carlisle.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. CARTWRIGHT]?

There was no objection.

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter which I addressed to Hon. Harold L. Ickes, Petroleum Coordinator, with reference to fuel-oil rationing in Nebraska and the answer and enclosure which I received from Secretary Ickes.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska [Mr. McLAUGHLIN]?

There was no objection.

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a resolution with other exhibits.

The SPEAKER. Is there obection to the request of the gentleman from South Carolina [Mr. BRYSON]?

There was no objection.

Mr. BENNETT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include a statement by a constituent.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. BENNETT]?

There was no objection

(Mr. EDWIN ARTHUR HALL asked and was given permission to extend his own remarks in the RECORD.)

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks in the RECORD.

[Mr. RANKIN of Mississippi addressed the House. His remarks appear in the Appendix.]

The SPEAKER. Under a previous special order of the House, the gentleman from New York [Mr. LYNCH] is recognized for 10 minutes.

REGULATION OF INDUSTRY

Mr. LYNCH. Mr. Speaker, it is to be deplored that, in these critical times, when every encouragement should be given industry to reach maximum production, a Government agency should endeavor to impede such efforts. Tomorrow, the Securities and Exchange Commission is expected to promulgate new proxy regulations, effective December 15, the result of which will definitely hamper our great industries, many of which are now engaged 100 percent in war production.

The Securities and Exchange Commission, generally speaking, has done a good job over the years in the regulation of the issuance and sale of securities, and there its police work should stop. It should not unnecessarily inject itself into the management of private business, and most certainly, in these critical times, should not endeavor to stir up strife between stockholders and management, as will be the case if the proposed new proxy regulations are made effective. This is not a typewriter war that will be won by industry supplying multitudinous reports instead of war matériel to the Government. Instead of trying to find ways and means of hampering industry, the S. E. C. should make a patriotic effort to cooperate with industry to the end that unnecessary Government regulations be scrapped that take away industrial personnel from the one job that confronts us—the winning of the war.

I may say that the fact that these war-hampering regulations are, I am informed, largely the brain child of Milton V. Freeman, the Assistant Solictor of S. E. C., who was named a few weeks ago on the floor of the House by our distinguished colleague from Texas [Mr. DIES] as a member of the executive board of the communistic organization, known as the Washington Committee for Democratic Action, gives rise to a well-founded suspicion that there will be no cessation, even for the duration of the war, in the persistent attempt to inject foreign economic theories into American industrial life.

I personally have conferred with Mr. Ganson Purcell, Chairman of the S. E. C., relative to these proposed proxy regulations, and urged upon him not to promulgate these proposed proxy regulations, as they would hamper industry's efforts in the war and would give incentive to disaffection between stockholders and management. It is a matter of common knowledge that the securities business is strictly policed. I do not desire the S. E. C. to relax its vigilance for the protection of the investing public, but I do maintain that, if the S. E. C. has not enough work to do under its present regulations, then it should release its excess employees for real war work and not create unnecessary work, so that they can hold their jobs by tying up our industries in new lengths of governmental red tape. It seems to me that the Appropriations Committee might well look into this phase of the situation.

The proposed proxy provisions made in this time of war emergency constitute one of the most serious experiments with the Nation's economic structure. Apparently, judging from the character of the revisions and recent pronouncements by the Commission, they are based upon the premise that dishonesty is the predominant characteristic of American business, which must be vigorously policed by the staff of the Securities and Exchange Commission.

The specific reasons set forth by the staff of the Commission relate merely to such matters as the necessity for releasing to stockholders the most comprehentive data on remuneration and on changes in production occasioned by the war. Such reasons as these totally disregard the predominant importance of the war effort and would be harmful in the extreme.

However, provisions of this type are actually a very minor part of the proposed revisions. Indeed, all the additional disclosure data would be relatively unimportant in comparison with other of the new provisions were it not for the additional burden which they will throw upon executives, accountants, and legal staffs in preparing voluminous literature which is prescribed.

The war program has subjected practically all companies to a constantly increasing flood of regulations and reports, at a time when industry is confronted with the gigantic task of meeting an almost incredible production schedule despite serious depletion of personnel. Nevertheless these new disclosure provisions would far surpass any other official requirements, including practically all those which are now made necessary by the war effort. Certainly the present comprehensive proxy rules provide adequate protection for security holders and today should not be changed except to lighten the burden for management.

There are other and more serious innovations which have no relationship to the powers conferred by statute, and which represent an attempt by the Commission to usurp a control over business beyond any fair interpretation of its prerogatives.

Under these provisions, the proxy statement must include any and all proposals made by stockholders, regardless of the number, together with a hundred-word supporting statement, as well as multiple nominations by stockholders for directors. On all such proposals, as well as on proposals by the management, each stockholder must cast a specific ballot on the basis of the data contained in the proxy statement. Proxies which have not been properly marked as for or against a proposal cannot be voted. It would seem obvious that if unmarked proxies cannot be voted, it will very

often be impossible to obtain a sufficient number of correctly marked proxies to permit corporate action to be taken. In any event this will invariably result in substantial delay, correspondence, and expense, in addition to the serious danger of having to postpone meetings until a quorum can be obtained or until stockholders can be trained to properly participate under the required procedure.

This absolute prohibition against permitting a stockholder to entrust his representative with the right to vote for him constitutes an attempt to substitute Athenian democracy for representative government. In the case of a large corporation with hundreds of thousands of stockholders, such a program can result only in confusion and chaos. To attempt to present in an orderly and intelligible manner for the individual ballot of each stockholder every proposal, not only of the management but of the inexperienced owner of a single share and of the professional obstructionist and blackmailer, is an impractical undertaking.

However, the responsibility for such presentation would be placed by these new regulations squarely upon the shoulders of the management, under the requirement that all such data be prepared in an order and form which will be clear to the persons solicited. The volume of work which all this involves would necessarily be staggering. Furthermore, this mass of material must be presented for discussion and approval with the Commission's staff, whose determination of the manner in which it shall be released is absolute for all practical purposes. This final authority in the hands of the Commission would give it the power in the words of almost every commentator of determining the policies of American business.

The interests of investors are at present protected by the most comprehensive disclosure provisions in various reports already required by the Commission and the stock exchanges, by elaborate accounting regulations and by proxy rules which are already too detailed for understandable presentation. The new rules, which go far beyond anything heretofore atempted, would project stockholders into the management field under the Commission's direction, and would bury a company's executives under bureaucratic red tape at a time when they should devote their energies to the war effort.

The practical consequences of this step would be to encourage smaller companies against soliciting proxies from stockholders, and to harass larger companies by detailed regulations and administrative interpretations designed solely for the benefit of impractical, combative or dishonest elements. Surely this would not be in the interests either of investors or, particularly today, of the national welfare.

It is not too late for the Securities Exchange Commission to see the error of its way. It would be far better and more patriotic to withhold the promulgation of these regulations, and for its legal staff to lose face than it would be to promulgate them to save face for its legal staff and in so doing hinder the war efforts of our industries.

DEMOCRATIC CAUCUS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I desire to make a brief announcement that immediately after adjournment of the House today the Democratic caucus called for will be held.

PERMISSION TO ADDRESS THE HOUSE

Mr. SASSCER. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes at the conclusion of the special orders for today.

The SPEAKER. Is there objection to the request of the gentleman from Maryland [Mr. SASSCER]?

There was no objection.

PREVENTION OF INFLATION AND STABILIZATION OF RENTS OF REAL PROPERTY

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a committee report on the bill (H. R. 7695) to aid in preventing inflation, to stabilize the rents of real property, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. STEAGALL]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DITTER. Mr. Speaker, at the conclusion of the other special orders for today, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. DITTER]?

There was no objection.

AMENDMENT TO HOME OWNERS' LOAN ACT OF 1933

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 5143, an act to amend the Home Owners' Loan Act of 1933, with Senate amendments thereto, and agree to the Senate amendments.

The Clerk read the title of the bill, and the Senate amendments as follows:

Page 1, line 9, after "Board", insert "the Federal Home Loan Bank Administration."

Page 1, line 12, after "land" insert "now or hereafter owned by the Corporation and."

Page 2, line 1, strike out "therewith" and insert "with any such office building."

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. STEAGALL]?

Mr. MICHENER. Reserving the right to object, Mr. Speaker, will the gentleman explain what these amendments mean?

Mr. STEAGALL. The bill exempts from taxation the office buildings and any appurtenances thereto that are owned or that may be owned by the Home Owners' Loan Corporation, which is a Government-owned corporation.

Mr. WOLCOTT. If the gentleman will yield, may I say that we are in complete agreement on the matter. The Senate added merely clarifying language to take care of any buildings which may be owned or occupied by the Corporation after this date. The House bill was restricted to property which the Corporation now owns and occupies. That is my understanding.

Mr. STEAGALL. The gentleman is correct.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

The SPEAKER. Under a previous order of the House, the gentleman from Illinois [Mr. MITCHELL] is recognized for 15 minutes.

THE NEW DEAL AND THE NEGRO

Mr. MITCHELL. Mr. Speaker, I call the attention of the House to an article which appeared in one of our local papers on Friday, October 9. This purports to be an interview with a colored man who charges that the New Deal has deserted the Negro and as a consequence of that desertion he advises the Negroes of the United States, those who have voted the Democratic ticket, to desert the Democratic Party and return to the Republican Party.

I wish to read one short paragraph of that article:

> The recent and active opposition of the Democratic leadership in the House and the Senate, with an overwhelming majority of Democrats in Congress, in defeating the nondiscrimination amendments to the economic stabilization law, introduced by Representative GEORGE BENDER (Republican) of Ohio; and Senator ALEXANDER WILEY (Republican) of Wisconsin; and Senator JAMES TUNNELL (Democrat) of Delaware, proves conclusively the so-called New Deal Democratic Party has gone sour on the Negro and capitulated body and soul to the Jim Crow disenfranchisement and discrimination pattern of the South.

I happen to know the man who said this. His name is Edgar G. Brown. He has been around Washington during the 8 years I have been a Member of this House. I knew him before he came to Washington. Many of you doubtless known him.

I would not reply to this statement were it not for the fact that he belongs to that group of leaders of my race who have been responsible for much of the misunderstanding and trouble that we have in this country between the races. Those of you who have observed me as a Member of this House during the past 8 years know that while I have spoken out without fear whenever the rights of the Negro were in jeopardy, or I thought they were in jeopardy, I have always sought to create and to cultivate the most friendly relations with the people in this country, whether Members of Congress or not, and whether members of my race or members of another race. I believe that the success of my people in this country depends upon our ability to get together and to have the right understanding, so that we can work out our problems in this country with justice to all, regardless of color or race, and with the least possible friction.

If I were asked to characterize in a sentence this man Brown, who made this statement, I would say that he is a self-

appointed leader of a few groups of people which he has been able to dupe and deceive. He is a superconfidence man, belonging to that group of racketeering so-called race leaders that always go around with their hands out seeking money, prestige, recognition, and power for themselves only, at the same time caring absolutely nothing for the group. Brown will sacrifice any interest of my group or any other group if it means a few paltry dollars in his own hand.

It is not necessary for me to stand here and defend the New Deal in its attitude toward the Negro. Its record is outstanding and speaks for itself. It is known throughout the world that under this administration the Negro has been given the best and highest opportunity that he has received since he came to the land of America. It has been my lot and privilege in two national Democratic Conventions to enumerate the many outstanding things this administration has done to improve the condition of the 13,000,000 Negro citizens. I have with me one of the speeches made on these occasions in which the record of this administration toward the Negro is succinctly but accurately brought to the attention of the country.

Mr. Speaker, I ask unanimous consent to include this statement at this point in my remarks.

The SPEAKER pro tempore (Mr. WHITTINGTON). Is there objection to the request of the gentleman from Illinois?

There was no objection.

The statement is as follows:

During the brief moments I shall speak to you I propose to deal specifically with seven governmental agencies which have been most active during this administration and which have touched the life of the Negro in a more or less effective way. These agencies are:

First. Work Projects Administration.
Second. Public Works Administration.
Third. Civilian Conservation Corps.
Fourth. Farm Credit Administration.
Fifth. Farm Security Administration.
Sixth. National Youth Administration.
Seventh. United States Housing Authority.

THE WORK PROJECTS ADMINISTRATION

Created by an act of Congress "to provide work for needy persons on useful projects," the Work Projects Administration has attacked the problem of unemployment among Negroes with the result that during the calendar year of 1939 an average of 300,000 Negro workers were employed by the Work Projects Administration. These workers were engaged in a variety of occupations and earned some $15,000,000 in monthly wages. They constituted 14 percent of all Work Projects Administration workers.

The projects which employed Negroes and served the Negro public have been of many types. These include road building and construction; health, recreational, and social services; education, research, and cultural development.

Road building and construction

Last year it was reported that 39,000 Negro workers were employed on Work Projects Administration highway, road, and street construction projects in 11 Southern States during the peak periods of employment. These workers contributed to the building and improvement of 68,000 miles of streets and roadways which were completed throughout the Nation during an 8-month period.

Negro building-trades workers, skilled and unskilled, were employed in the construction of public-school buildings, gymnasiums, auditoriums, and other public structures. Outstanding examples of Work Projects Administration-built buildings for Negro use include the $100,000 high school at Pine Bluff, Ark.; the $12,000 civic center at Goldsboro, N. C.; and the $100,000 memorial hospital in Tampa, Fla.

Health, recreational, and social services

Problems affecting the health of the Negro have been attacked through Work Projects Administration projects. Clinics, staffed by Negro physicians, dentists, nurses, and clerical workers, have been established in Negro communities in order to improve the health conditions of the people.

In many southern cities the first public recreational facilities for colored people were made available by Work Projects Administration. In other cities, as in New York, recreational facilities in the Negro community were considerably expanded by the Work Projects Administration through development of playgrounds, swimming pools, and parks. In Montgomery, Ala., there were seven recreational centers open to Negro children last summer. The program was extended to include small towns and rural areas. Local advisory councils were organized to sponsor the program in North Carolina. In one city, the members of the advisory council and their friends made the bricks for the construction of a community house. Employment opportunities for Negro recreational workers were created by the program which also served to train inexperienced workers.

Needy school childen have been served free hot lunches by Work Projects Administration workers. Busy mothers have, for periods during the day, been relieved of the care of babies and small children by nursery schools in many cities of the Nation. Sick and needy persons have been supplied with housekeepers during periods of illness.

Education, research, and cultural development

Half a million Negro men and women have been taught to read by teachers employed by Work Projects Administration adult-education project. Thousands of others have received instructions in skilled trades, in commercial work, and in the arts, as well as training in domestic service.

Upward of 10,000 Negro teachers and educational workers have received employment on the adult-education project. During the peak about 5,000 were employed and received annual earnings of between two and a half and three million dollars.

In Harlem, the peak enrollment amounted to 8,000 persons who attended classes in 35 centers. These adult students were taught by 225 full-time teachers. Twenty-six trade and technical courses have been available at the New York Vocational High School. These courses include auto mechanics, electrical wiring, building maintenance, watch and clock repairing, upholstering, radio mechanics, cafeteria management and cooking, dressmaking, millinery, interior decoration, motors, and generators. A course in salesmanship trained many of the sales persons employed in retail merchandising in Harlem.

In North Carolina, the Negro Adult Education Council is sponsoring the project's campaign to eliminate illiteracy among the 100,000 Negro adults, who at the beginning of the drive were unable to read or write.

A variety of research projects have been sponsored by Work Projects Administration for the purpose of determining the economic and social status of the Negro. The largest of these projects was the survey of the urban Negro worker, directed by the Department of the Interior with Work Projects Administration funds amounting to nearly $500,000. This project, administered by a Negro staff, employed 1,800 white-collar workers in 80 cities in 31 States and the District of Columbia. Over 330,000 persons were interviewed. The findings of this survey have been published in two volumes.

In Chicago, under sponsorship of the Institute for Juvenile Research, a Work Projects Administration project employing 125 persons conducted a survey of juvenile delinquency and crime on the South Side. Out of this study has come The Chicago Negro Community: Statistical Description. The scope of the project has been expanded to cover other phases of Negro life in that city. Studies of migrations and mobility among Negroes in Chicago and of associations and churches in the Negro community of Chicago are now being made by this project.

Other research projects delved into the Negro's past, investigated health and housing conditions, made studies of rural life, and evaluated his contributions to American culture.

Negroes were employed on all the arts projects. When the Federal Theater Project closed on August 31, 1939, some 800 Negro actors, directors, research workers, playwrights, technicians, and scenic workers were employed. Negro groups were responsible for some of the most widely publicized productions of Federal Theater Projects, such as MacBeth, Run Lil' Chillun, Haiti, and The Swing Mikado. These and other Negro productions were witnessed by upward of 1,000,000 persons. Negro units of the project were organized in Hartford, Conn.; Boston, Mass.; New York City; Newark, N. J.; Philadelphia, Pa.; Seattle, Wash.; San Francisco, and Los Angeles, Calif.

The Federal Art Project has been responsible for discovering and developing the talents of many Negro artists whose works have been widely exhibited. In New York a Negro art center has been established and has stimulated interest throughout the community in the potentialities and attainments of the Negro artist.

Likewise, the Federal Music Project has not only given employment to unemployed Negro musicians but has brought classical, popular, and folk music to thousands who never before were able to attend concerts. When Britain's King and Queen were guests in the White House last year they were entertained by a Work Projects Administration chorus of 28 Negro voices from North Carolina. They appeared on the program with America's most famous artists, Marian Anderson, Kate Smith, and Lawrence Tibbett.

It is estimated that 180 Negroes have been employed on the Federal Writers Project. These editorial workers have assembled material and prepared volumes on The History of the Negro in Virginia, Negroes in New York, The Florida Negro, and other phases of Negro life.

Negro personnel

Negro personnel has also been employed on the administrative staffs of the Federal, State, and district Work Projects Administration offices. During 1939 nearly 100 Negroes were employed in various capacities at Work Projects Administration headquarters in Washington. State administrations also made use of Negro workers as race-relations officers.

These results in employment were facilitated by inclusion in the Emergency Relief Act of 1939 of clauses specifically forbidding "discrimination on account of race, religion, political affiliation, or membership in a labor organization."

PUBLIC WORKS ADMINISTRATION

The Public Works Administration was organized in 1933 for the purpose of combating unemployment in the building industry through grants for the construction of needed public buildings. Negroes have shared in this program through employment and through the development of projects for public use, including many that were primarily for the use of the Negro public. This construction work included the building of bridges, courthouses, power plants, and sewage-disposal plants for common use; community centers, schools, and hospitals, some

of which were built in Negro areas and designed primarily for Negro use.

Schools

More than 115,000 Negro children in 24 States are attending schools built during the past few years with the aid of the Public Works Administration. This agency has aided in the construction of or improvements to 829 different buildings, resulting in the addition of 2,886 classrooms for Negro students.

Exclusive of the allotments of $3,502,678 to Howard University in Washington, the Public Works Administration has made allotments for $34,218,749 worth of non-Federal school buildings for Negro institutions. In addition to the classrooms constructed with the aid of these grants, many advantages to the students have been afforded through the construction of auditoriums, gymnasiums, libraries, assembly halls, recreation and dining halls, dormitories, and other housing facilities.

Of the $34,218,749, approximately $7,526,493 have been spent on construction of buildings at Negro colleges. Allotments have gone to 13 of the 18 publicly controlled 4-year colleges; 4 of the 6 publicly controlled teachers' colleges; all of the State normal schools, and 3 of the 7 publicly controlled junior colleges.

The magnificent million-dollar Founders Library at Howard University was built with Public Works Administration funds. This building, which dominates the university campus, was designed by Negro architects, and its construction supervised by a Negro engineer. Its capacity of 200,000 volumes may easily be expanded to half a million and will be adequate for the needs of the university for many years to come.

Hospitals

At least 7,242 new beds have been made available for Negro patients in hospitals throughout the country through the aid of grants and loans by Public Works Administration. Nearly half of these beds, 3,486, are for the insane; 2,723 are in general hospitals, and 1,033 in tuberculosis sanitaria and other hospitals. The facilities range from 7-ward buildings accommodating 1,170 patients at the North Carolina State Hospital for the Insane at Goldsboro to a 5-bed ward at the Municipal General Hospital at Quitman, Ga. These hospitals are distributed through 17 southern and border States.

One of the largest and most modern hospitals erected for Negro patients during the past 5 years with the aid of Public Works Administration funds is the Homer G. Phillips Municipal Hospital in St. Louis, Mo. Erected at a cost of more than $3,000,000, this hospital has a capacity of 685 beds. It is composed of 5 buildings, including a nurses' home and training school. The nurses' home provides dormitories for 146 nurses and 24 internes.

Other projects include the $100,000 Norfolk Community Hospital, Norfolk, Va., and the $700,000 tuberculosis annex to Freedmen's Hospital in Washington.

Speaking at the dedication of the Homer G. Phillips Hospital in St. Louis in 1933, Dr. Numa P. G. Adams, dean of the Medical College of Howard University, asserted that for the whole population there was 1 hospital for every 18,737 persons; for the Negro, 1 for every 107,127 persons. For the white population there was 1 hospital bed for every 110 persons; for the Negro, 1 for every 999. There was an average of 6.7 hospital beds available to each white physician, and only 1.1 for each Negro physician.

Recreation and community projects

Recreational and community facilities for Negroes have been augmented in many cities by grants and loans from Public Works Administration. In Lexington, Ky., the Public Works Administration granted $18,000 for the construction of a municipal swimming pool in Douglas Park. The pool, measuring 55 feet by 105 feet, has a capacity of approximately 200,000 gallons and will accommodate 350 persons. There is a separate wading pool for small children. Provisions have been made for dressing rooms and check rooms. The total cost of the project will be $40,000.

Employment

Negro building-trades workers have benefited directly through the nondiscrimination labor policy covering the development of Federal projects. This policy asserts that "there shall be no discrimination because of race, color, creed, or political affiliations in the employment of persons on the project."

In addition to building-trades workers, Public Works Administration has employed 14 Negro architects and 8 engineers. In many instances Negro workers were employed in the development of Public Works Administration non-Federal projects. Employment was also stimulated in the production, fabrication, and transportation of building materials, all industries in which thousands of Negroes are customarily employed.

Other employees of the Public Works Administration included Negroes on the administrative staff, two Negro lawyers, research assistants, secretaries, clerical workers, and laborers.

THE CIVILIAN CONSERVATION CORPS

Young Negro men throughout the country have participated in the rehabilitation and conservation program of the Civilian Conservation Corps. The program has afforded them employment, aided their families, many of whom have been on relief, schooled them in new trades and occupations, and contributed to the conservation of the Nation's natural resources.

The extent of this program among young Negro men is indicated by the following facts and figures. Approximately—

Two hundred and fifty thousand colored youth have served in the corps since the Civilian Conservation Corps was initiated in 1933. Regular habits of work, training, discipline, fresh air, three well-prepared and ample meals a day have combined to improve the health and morale of all enrollees.

Thirty thousand young colored men and war veterans, one-tenth of the total Civilian Conservation Corps enrollment, are actively participating in the Civilian Conservation Corps.

Seven hundred thousand dollars a month for the past year has been allotted by colored Civilian Conservation Corps boys to their parents and dependents back home.

Ninety thousand books have been supplied through the War Department and the Office of Education for colored camp libraries.

Twelve thousand colored Civilian Conservation Corps enrollees in the past 5 years have completed courses in first aid through cooperation of the Civilian Conservation Corps and the National Red Cross.

Eleven thousand colored enrollees have been taught to read and write. More than 90 percent of the colored Civilian Conservation Corps enrollees regularly attend Civilian Conservation Corps classes from elementary to college level which are conducted in each camp's education building, which is well equipped and especially constructed for vocational instruction. Howard University, Wilberforce University, Tuskegee Institute, Hampton Institute, Florida Agriculture and Mechanics College at Tallahassee, Tennessee Agriculture and Industrial State College, and a number of other Negro colleges have granted scholarships and fellowships to Civilian Conservation Corps enrollees.

Two thousand colored project assistants, leaders, and assistant leaders are on duty at Civilian Conservation Corps camps.

Six hundred colored cooks are steadily employed in Civilian Conservation Corps mess halls.

Nine hundred classes in Negro history were conducted in the camps during the past 5 years.

Eight hundred colored boys have gained business training in the capacity of store clerks and managers of the post exchanges in Civilian Conservation Corps camps.

Four hundred colored typists are assigned to Civilian Conservation Corps headquarters of the commanding officers, camp superintendents, and educational advisers.

One hundred and forty-seven colored college graduates are serving Civilian Conservation Corps camps as educational advisers.

One thousand two hundred part-time experienced teachers are actively engaged in instruction of these colored enrollees at Civilian Conservation Corps camps.

Twenty-five colored Medical Reserve officers and chaplains of the United States Reserve Corps are on active duty in the Nation's Civilian Conservation Corps camps.

One hundred and six colored Civilian Conservation Corps camps are located in forests, parks, recreational areas, fish and game reservations, and on drainage and mosquito-control projects.

Forty-eight colored Civilian Conservation Corps companies are engaged on soil-conservation projects.

Two colored commanding officers with the rank of captain and lieutenant in the United States Reserve Corps are on active duty with the Civilian Conservation Corps, one at Gettysburg National Park, Pa., and the other at Fishers Landing, N. Y. Four other line officers are on active duty at these two camps.

Four colored engineers and six colored technical foremen have served Pennsylvania camps for more than 2 years. At Gettysburg the camp superintendent is a Negro.

One colored historian, who received his doctor of philosophy degree from Columbia University, is included in the camp personnel at Gettysburg.

Fifteen million dollars have been obligated for clothing worn by colored enrollees, including shirts, underwear, trousers, socks, denim jumpers, shoes, caps, raincoats, and overcoats.

Nineteen million dollars have been expended for food served colored boys and men at camp during the past 6½ years.

One million five hundred thousand dollars have been received by railroads for transportation of colored Civilian Conservation Corps enrollees to camp and back home again.

THE FARM CREDIT ADMINISTRATION

Negro farmers and wage earners have participated in the program of the Farm Credit Administration, which makes available to farm owners loans on easy terms. Farm Credit Administration also sponsors credit unions among small-wage earners.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL. I yield to the gentleman from Pennsylvania.

Mr. GROSS. Does the gentleman favor putting the Farm Credit Administration into the Department of Agriculture?

Mr. MITCHELL. Does the gentleman mean making the appropriation for that agency as a part of the agricultural appropriation?

Mr. GROSS. No; I mean putting the Farm Credit Administration under Secretary Wallace in the Department of Agriculture, whereas it is now a separate and independent lending agency.

Mr. MITCHELL. I would not want to commit myself on that just at this point.

Mr. GROSS. Since the gentleman is discussing the benefits derived from the Farm Credit Administration, I thought he might be willing to express his opinion on that.

Mr. MITCHELL. I yielded for a question only.

Mr. GROSS. I am only asking the gentleman a question. I hope the gentleman will answer.

Mr. MITCHELL. I have said I do not feel I can answer the question at this time.

Loans to farmers

The farm credit service is available to all farmers who can qualify, regardless of race. Last year 8,167 Negro farmers in Georgia, Florida, North and South Carolina borrowed $1,799,934 through production credit associations under Farm Credit Administration supervision. These loans, averaging $220.27 each, ranged from $50 to $5,000. Approximately 6 percent of the colored farmers in these States obtained loans.

More than 5,000 Negro farmers secured short-term loans in the States of Alabama, Mississippi, and Louisiana. These represented about 20 percent of all such loans made in those States. Participating in the program, these colored farmers share in the ownership of $1,033,000 of voting stock purchased by member-borrowers of production credit associations.

Farmers borrow from production credit associations for various purposes, such as the producing, harvesting, and marketing of crops; to finance the breeding, feeding, fattening, and marketing of livestock; and for the repair, improvement, or alteration of farm buildings. Security must be furnished for every type of loan. Farm Credit Administration officials report that Negro farmers repay their loans promptly and are considered among the best credit risks in the country.

Federal credit unions

In June 1940, records of the Farm Credit Administration showed that there were 48 Federal credit units organized among Negroes with a total membership of 4,178 persons. In addition, Negroes are members of certain credit unions serving other races. Forty-two of those unions reported loans outstanding to members amounting to $44,471. They had made a total of 3,731 loans totaling $166,800. Their assets amounted to $55,843.

Credit unions, sponsored by Farm Credit Administration, are located at such institutions as Howard University, Florida Agricultural and Mechanical College, Tallahassee; Prairie View State College, Texas; Freedmen's Hospital, Washington; Stanley S. Holmes Village, public-housing project in Atlantic City; Veterans' Administration facilities, Tuskegee, Ala.; and University Homes, public housing project in Atlanta. School teachers, hospital attendants, and manual laborer are among member of Federal credit unions.

Mr. FISH. Mr. Speaker, will the gentleman yield for a question?

Mr. MITCHELL. I will not yield.

THE FARM SECURITY ADMINISTRATION

Negroes in America are still largely a rural people contributing importantly to the agricultural economics of the Southern States. The problems of the sharecropper, the tenant farmer, and the small-farm owner are problems confronting a considerable number of Negro families. To aid in the solution of these problems the Farm Security Administration was created by an act of Congress. The Farm Security Administration makes rehabilitation loans for 5-year periods at 5-percent interest. Through long-term loans repayable over a period of 40 years, it enables selected renters, sharecroppers, or farm laborers to become established as owners on desirable land. It seeks to develop better social and economic patterns in agriculture by establishing homestead projects. It establishes rental cooperatives and supplies without cost, a debt-adjustment service available to all farmers.

Rehabilitation loans

These small loans enable the farmers to buy the things they need to make a living from the land—wagons, mules, milk cows, seed, fertilizer, etc. Farmers securing such loans cooperate with the Farm Security Administration farm and home management supervisors in carrying out plans for each year's operation. Approximately 50,000 such loans, representing 12.5 percent of the total, have been made to Negro farmers in the last 4 years. Negro farmers are 12.6 percent of America's farm operators.

Long-term land-purchase loans

Selected renters, sharecroppers, or farm laborers with energy, ambition, and good records may secure these loans for the purchase of desirable land. Cooperative supervision is stipulated in all such loan agreements. During the first year of operation, 1937-38, there were 265 such loans made to Negro farmers constituting 18.6 percent of the total for regions 4, 5, 6, and 8 where Negroes on farms are found in appreciable numbers. Applications for such loans steadily increase.

Homestead projects

In January 1940 nearly 1,800 Negro families were living in Farm Security Administration homestead projects in which effort is being made to develop better social and economic patterns in rural life. Some of these projects are new communities while others consist of scattered individual farms. Negro farmers are established on 31 projects in 13 States. Farmsteads are provided with dwellings, barns, and outbuildings. Guidance is given to tenants of these projects by Farm Security Administration agents in cooperative farming.

Rental cooperatives

Through rental cooperatives, groups of tenants may improve their tenureship and living conditions by leasing large tracts of land through Farm Security Administration loans and operating these tracts cooperatively, usually with an option to buy within a given period. Thirty such rental cooperatives are being set up in the Mississippi Delta area. By January 1940 there were 427 Negro families living on 10 rental cooperatives. They constituted 47 percent of all families so located.

Economic and social services

Through the debt adjustment service available to all farmers without cost, $78,807,693 have been saved to American farmers during the past 4 years. Negro farmers have shared in the benefits of this service. As a further service, Farm Security Administration offers loans to small groups of farmers unable to purchase livestock, heavy farm equipment, and other needed items individually, enabling them to purchase these for community use.

Farm Security Administration is shaping patterns in rural education by providing adequate school buildings and equipment on many projects and by stimulating the inclusion in courses of study of subjects carefully correlated with rural life. It supplies medical aid through the establishment of group medical care associations, through which members receive service of physicians and nurses at minimum rates.

THE NATIONAL YOUTH ADMINISTRATION

The National Youth Administration has insured the active integration and participation of Negroes in the program from the beginning. There are now 23 State supervisors of Negro activities in 23 State offices and approximately 500 or more project supervisors throughout the country. There are 65 Negro members on State advisory committees in 27 States, the District of Columbia, and New York City. In addition, there are 3 States with special State Negro committees. Local committees with Negro representation are established throughout the country in the planning of local Negro projects.

National Youth Administration employment figures

According to the 1930 census, Negroes represent 9.7 percent of the total population. Negro youth represent 10.9 percent of the youth between the ages of 15 and 24. In December 1939 it is estimated that approximately 78,300 Negro youth were employed on the student aid and work programs of the National Youth Administration out of a total employment of 708,000. This represents 11.1 percent Negro youth on the National Youth Administration program. Of this number, 41,500 are National Youth Administration school, college, and graduate students and 36,800 are employed on the work program.

Student aid

Under the 1939-40 college- and graduate-aid program, 113 Negro colleges received an allotment of $420,420. A special Negro college- and graduate-aid fund of $105,000 was also distributed to almost 650 college and graduate students who otherwise would not have been included in the regular college and graduate quotas. This makes a total of $525,420 which went directly to Negro students within the National Youth Administration college- and graduate-aid program. In addition, Negro youth received student aid from the regular fund allotment in colleges open to both white and colored students. Of the 41,500 Negro student-aid recipients, 7,200 were receiving college and graduate aid.

An analysis was made this year of the approved student-aid applicants, at which time 5.9 percent of the total college- and graduate-aid applicants were Negro, and 11.3 percent of the high-school applicants were Negro youth. In those Southern States where the Negro population is over 25 percent of the total population, the proportion of approved Negro applicants to the total applicants for student aid was approximately 29 percent.

The average family income of all school, college, and graduate Negro students was $365. The average family income of the Negro high-school students was $334 as compared with the average family income of $664 of all school-aid recipients. Negro college students came from families with an average income of $554 as compared with $1,129 for the families of all college- and graduate-aid students on the program. Of the Negro student-aid recipients, 93 percent came from families receiving less than $1,000 a year income; 64 percent came from families making less than $500 a year.

Nearly 42 percent of the Negro school-aid recipients were members of families which had received some form of public relief or Work Projects Administration employment during the 5 years ending December 1938. Even more revealing is the fact that, according to a survey made last year, 55 percent of these students came from families whose livelihood is in the field of unskilled labor, domestic and personal service, and farming. In contrast, less than 8 percent came from professional, semiprofessional, and other white-collar groups.

Work projects

In March 1939 approximately 36,800 Negro youth were employed on National Youth Administration work projects, which is about 13 percent of the total project employment for that month. These Negro youth were employed on all types of projects. Many of the Southern States are emphasizing the repair and modernization of Negro schools and are building small rural schools for Negroes. For example, one State submitted applications to construct 9 school buildings and 1 children's home for Negroes. Another State submitted projects for 18 Negro schools, or other educational buildings, and 3 teachers' homes.

Resident centers

There are 60 resident centers for Negro youth, with another three employing both white and colored youth. The planned capacity for the Negro resident projects is about 3,800.

These youth, drawn from nearby rural communities, are taught farming and industrial techniques, as well as home management. Boys earn their subsistence and tuition by work on the farm and in the shop, receiving related training in general farm

shop work, soil conservation, rotation and diversification of crops and animal husbandry, auto mechanics, machine-shop practice, brickmasonry, printing, painting, and building construction. Girls work in cafeterias, kitchens, and dormitories with related training in the preparation of and serving of foods, home management, marketing, gardening, canning, sewing, personal hygiene, and laundry work.

Vocational guidance

Junior placement counselors are provided by the National Youth Administration to place young people in jobs and to supply applicants with information concerning job opportunities, training facilities, and in general to help young people to prepare themselves for employment. In a few cities these services are operated for Negro and white youth separately, but in most cities both Negro and white youth are eligible to register at the same office. In cooperation with the State employment services, the National Youth Administration has been responsible for the establishment of junior placement services in 142 cities of 41 States and the District of Columbia.

THE UNITED STATES HOUSING AUTHORITY

The United States Housing Authority was established by an act of Congress to give financial assistance to local housing authorities in eliminating slums, developing safe, sound, and sanitary dwellings for low-income families living in substandard homes, and to reduce unemployment through stimulation of business activity.

Assistance to local authorities

The Government's public housing program is a decentralized program. Under terms of the United States Housing Act of 1937, the United States Housing Authority is authorized to grant loans to local housing authorities covering up to 90 percent of the development costs of projects and to grant annual subsidies for the purpose of keeping the rents within reach of low-income families. The initiation, development, operation, and management of the projects are in the hands of the local authorities. The United States Housing Authority acts as banker and offers technical and other assistance in the development of the projects.

Twenty-one cities in various sections of the country have appointed Negroes to the local housing authority, the policy-making body for the local program. In two States Negroes serve on the State housing board.

The development of projects

By February 1940 loan contracts between the United States Housing Authority and local housing authorities had received Presidential approval for the development of 134,056 dwelling units. These loans, totaling $597,633,000, will defray 90 percent of the development costs of 362 projects in 162 different communities throughout the Nation.

According to current estimates, Negro families will occupy approximately 44,754, or about one-third, of the dwelling units already approved. These new projects have been planned for development in 116 communities in 25 States and the District of Columbia.

Of the 178 projects under construction by the middle of February 1940, 55 were for predominant Negro occupancy, while plans provided for the inclusion of Negro tenants in 15 other projects then under construction. Negro tenants are now living in 7 of the 17 United States Housing Authority-aided projects which have been opened for occupancy.

One of the larger United States Housing Authority-aided projects is now under construction in Chicago's crowded South Side. This project, known as the Ida B. Wells Homes, will replace a slum area and provide decent new dwellings for 1,662 families. The project will consist of row houses, flats, and apartment buildings. There will be adequate recreational facilities and play spaces. When the project shall have been completed it will not only relieve congestion in that district but will represent the fruition of plans which were first projected in 1934 by the Housing Division of the Public Works Administration, at that time the Government's public housing agency.

This is the largest of the projects to be developed in a predominantly Negro urban area. However, United States Housing Authority-aided projects are being developed in Negro neighborhoods in many small cities throughout the Nation as well as in such metropolitan centers as Chicago, New York, Philadelphia, New Orleans, Atlanta, Cleveland, and St. Louis.

Employment

The development of these projects has meant jobs as well as homes for American workers. Some $225,000,000 will be paid in wages to building-trades workers on the sites of projects. Millions more will be paid to employees engaged in the production, fabrication, and transportation of building materials. Negro workers are employed in all of these industries.

Under terms and conditions of contracts for the development of United States Housing Authority-aided projects discrimination in employment because of race is forbidden. The contracts further stipulate minimum percentages for Negro labor, the fulfillment of which shall be considered evidence that such labor has not been discriminated against.

Already Negro building-trades workers currently employed in the construction of 141 United States Housing Authority-aided projects in 84 cities have received $2,126,000 in wages. This sum represents 10 percent of the total wages paid construction workers on these projects. Of the amount paid to Negro workers, $464,000 went to skilled workers—Negro carpenters, masons, cement finishers, plasterers, and in some instances, as in Chicago, Negro electricians and steamfitters have been employed.

Employment, however, has not been confined to building-trades workers. Negro architects have been employed by local housing authorities to design projects in Charleston, W. Va., Baltimore, Washington, and Los Angeles. Negro engineers have supervised construction in Philadelphia and Chicago. Negro lawyers and real-estate men have been employed in land acquisition in Newark, Chicago, and Augusta, Ga. In many cities Negro social workers have been employed in tenant relocation and selection. In Pittsburgh and Newark Negro stenographic and clerical help have been employed in the central offices of the local housing authorities.

The management and maintenance of low-rent housing projects afford a new field of employment. Negro personnel has been selected for the management and maintenance of projects in Buffalo, Pittsburgh, Dayton, Ohio, Wilmington, N. C., and Augusta, Ga.

Negroes are employed on the administrative staff of the United States Housing Authority in Washington. Professional and technical workers who have been employed by the United States Housing Authority include two lawyers, two architects, two engineers, and ar accountant. These are in addition to the staff of the Office of Racial Relations and the stenographic and clerical help employed in other divisions of the United States Housing Authority.

Housing Division, Public Works Administration

The Government's public-housing program was originally launched by the Housing Division of the Public Works Administration and was taken over by the United States Housing Authority after its creation by the United States Housing Act of 1937. Negro families now occupy 7,478 of the 21,317 dwellings developed under this earlier program. Sixteen of the 49 projects are occupied predominantly by Negro families and are managed and maintained by Negro staffs. Negroes also are among the tenants of 14 other of these projects, some of which include Negro personnel on their management and maintenance staffs.

Likewise Negro construction workers shared in the wages paid for the development of these projects. Negro building-trades workers employed in the construction of 33 Public Works Administration low-rent housing projects in 21 cities received $3,115,695.86, or 15.36 percent of the total wages paid construction workers on these projects. Negro skilled workers received $774,437.11, or 5.51 percent of wages paid to skilled workers.

OTHER NEW FEDERAL AGENCIES

Negroes in large numbers have likewise benefited directly and indirectly from other agencies which have been established by acts of Congress since 1933.

Social Security Board

Chief among these agencies is the Social Security Board. Thousands of Negroes employed in mechanical and industrial occupations are eligible to receive unemployment benefits and will be entitled to old-age and survivors' benefits. The Social Security Board contributes to the States in providing assistance to dependent children, widowed mothers, the blind and aged persons not covered by old-age and survivors' insurance.

Two branch offices of the Social Security Board located in the Negro districts of New York and Chicago are staffed by Negro managers and workers. Other Negroes are employed in unemployment insurance offices in such States as New York, Ohio, North Carolina, Michigan, and Illinois. Their salaries are paid in part by the States and in part by the Federal Government.

Tennessee Valley Authority—Rural Electrification Administration

Thousands of Negroes residing in the Tennessee Valley are profiting from the cheaper electricity rates made available to them by the Tennessee Valley Authority. The Rural Electrification Administration has likewise made farm life less dreary and burdensome through bringing electricity to the farmstead.

Home Owners' Loan Corporation—Federal Housing Administration

The Negro home owner and prospective home owner have been assisted by the Home Owners' Loan Corporation in retaining their homes and by the Federal Housing Administration in purchasing new homes on easy terms.

National Labor Relations Board—Wages and Hours Act

Negro labor has been protected in the right to bargain collectively by the provisions of the National Labor Relations Board and has benefited by the minimum wages and maximum hours provided by the Wages and Hours Act in such industries as tobacco, transportation, and lumber.

RACIAL DISCRIMINATION UNDER THE NEW DEAL

There has been a considerable amount of criticism voiced of late to the effect that the New Deal agencies have been operated so as to extend the areas of racial discrimination. In evaluating such criticism, it may be well to follow the lead of Al Smith and "let's have a look at the record."

In the so-called Hatch Act adopted by the present predominantly Democratic Congress, there appears in section 4 the following statement:

"It shall be unlawful for any person, of any employment, position, work, compensation, or any benefits provided or made possible by any act of Congress appropriating funds for work relief or relief purposes, on account of race, creed, color, or any political activity,

support of, or opposition to, any candidate of any political party in any election."

This constitutes one of the first instances on record where the Congress, by general legislation, has specifically proscribed racial discrimination in the expenditure of funds.

Following out this injunction the Public Resolution No. 24, adopted by the Seventy-sixth Congress, which makes appropriations for work relief and relief for the fiscal year ending June 30, 1940, states in section 28 that—

"Any person * * * who knowingly by means of any fraud, force, threat, intimidation, or boycott, or discrimination on account of race, religion, political affiliations, or membership in a labor organization, deprives any person of any of the benefits to which he may be entitled under any such appropriations * * * shall be deemed guilty of a felony and fined not more than $2,000 or imprisoned not more than 2 years or both."

In section 30 (b) this joint resolution repeats the language of section 4 of the Hatch Act, quoted above, prohibiting discrimination on account of race. This resolution affects the entire Work Projects Administration relief and work-relief program.

In the case of non-Federal grants by the Public Works Administration an agreement is entered into by the public body that received the funds, and the Public Works Administration. This agreement requires specifically that there shall be no discrimination in the selection of workmen for the project. This requirement is stated in part 4 of the construction terms and conditions, as follows:

"The applicant will require that there shall be no discrimination because of race, creed, color, or political affiliation in the employment of persons for work on the project."

Much more decisive action has been taken by the Public Works Administration in instances where Federal projects are undertaken. This stipulation took the form of a prima facie nondiscrimination clause. It was required that in the employment of labor under the contracts Negroes be employed in certain proportions, such proportions to be determined by the 1930 occupational census figures.

The United States Housing Authority, in taking over the work of the Housing Division of the Public Works Administration, has actively carried forward and enforced this protection of Negro skilled and unskilled labor. The general terms and conditions for United States Housing Authority-aided projects include the following injunction:

"The local authority will require that there shall be no discrimination because of race, creed, color, or political affiliations in the employment of persons for work on United States Housing Authority-aided projects. In order to give effect to this requirement, insofar as it may affect Negro employees on construction, the local authority shall insert in all construction contracts a provision that payment to Negro skilled and unskilled labor of certain percentages of the amount paid under the contract for such labor shall be considered prima facie evidence that the contractor has not discriminated against Negro labor. The percentages to be used are those of Negro skilled and unskilled building construction laborers employed in the particular city as reflected by the last national census."

Under the operation of this clause, Negro labor at the end of the year 1939 had already received a total of well over a million dollars.

The United States Housing Authority goes even further in the protection of minority groups. In its policy bulletin on site selection there appears the following statement of policy:

"Particular care should be exercised in site selection to safeguard the interests of minority groups which may be affected. Although it is the responsibility of the local housing authority to decide its own racial policy, certain desirable principles may be suggested for application in this connection. Some of these may be enumerated as follows: (1) The development of public housing projects for white occupancy in areas now occupied by Negroes or other minority racial groups is undesirable. * * * (2) Whenever exceptions are to be made to this general policy, the local authority should demonstrate the circumstances which it believes justify the exception, and there should be obtained, if possible, a statement of concurrence in the program from representative spokesmen of the racial groups to be displaced. (3) Any local program which involves the demolition of a number of houses available to minority racial groups which is considerably greater than the total to be provided for these groups in the new project is undesirable. * * * (4) If it is decided to develop sites which are either inhabited now by members of more than one race or, in the case of vacant sites, are contiguous to neighborhoods which are inhabited by different races, local authorities should plan projects open to the members of these different groups."

The National Youth Administration has taken definite steps in its written policy to protect Negroes in the extension of its benefits. In section 2, part 2, of its Manual on Student Aid Procedure, the Administrator directs that—

"In assigning quotas, distribution of school-aid funds to provide assistance to young men and women of any minority racial group shall not represent a smaller proportion of the total State school-aid-fund quota than the ratio which this racial group bears to the total population of the school district or State."

In addition, the National Youth Administration has set aside a special fund in order that needy Negro college and graduate students may be reached by the benefits.

"Eligible Negro students"—

States the Student Aid Bulletin—

"who cannot be cared for within a particular institution's quota for student aid, after it has made a fair allocation for Negro students from its regular quota, may apply for assistance from the special Negro college- and graduate-aid fund through the institution they desire to attend. Such institutions may then apply through the office of the State youth administration to the Washington office of the National Youth Administration for an additional sum for Negro college and graduate aid."

This special fund takes cognizance of the fact that in a large number of Southern States inadequate facilities for college and graduate study are now available to Negro students at public institutions.

In one Southern State which affords most inadequate high-school facilities for Negro pupils, it was found that it was impossible for National Youth Administration benefits to apply to a number of eligible Negro high-school students since there were no high schools for them to attend. The National Youth Administration met this situation by transferring almost $17,000 from the regular school-aid funds designated for high-school students to the college and graduate aid fund for Negroes in that State in order to make possible the setting up of rural teacher-training units in six of the available high schools. These funds made it possible to train as "postgraduates" high-school students close to 200 Negro teachers for the small rural schools of the State.

These policies were further implemented in such agencies as the Works Progress Administration, National Youth Administration, Public Works Administration, and United States Housing Authority, by the presence in all of these New Deal agencies of Negro administrative staffs who were in position to do two things: First, to provide during the initiation and formulation of the program definite devices for the protection of Negro participants, and second, to keep track of the extent of racial participation in order to make possible their equitable sharing in the benefits, and to keep their entire organizations alert to guard against racial discrimination in the operation of these agencies. These various administrative devices and statements of policy under the New Deal agencies represent progressive steps made by the Federal Government in the protection of minority racial groups and in making it possible that these groups participate equitably in Federal programs.

What I have said shows that under this administration millions of Negroes at the bottom of the economic ladder have not only been helped, but have been kept alive. No administration at any time has ever shown half the interest in this group of citizens that the New Deal administration has shown.

You will note that I have said nothing about the high positions which Negroes have held under this administration. The fact is that aside from the millions of common people who have been helped, a larger number of the group have been recognized and appointed to responsible positions high up in the Government than in any previous administration.

In this connection, let me mention a few of them: Dr. Mary McLeod Bethune, National Youth Administration Director; Dr. Robert C. Weaver, Assistant Housing Administrator; Dr. William J. Thompkins, recorder of deeds for the District of Columbia; Lt. Lawrence Oxley, special assistant in the Department of Labor; and many other men and women of high rank have been appointed to outstanding positions with salaries ranging from $2,500 to $10,000. Lester Walton, Minister to Liberia, receives $10,000; Armond W. Scott, judge of the Municipal Court for the District of Columbia, receives $8,000; Hon. William L. Houston was appointed special assistant in the Department of Justice. The first Negro Federal judge appointed outside of the District of Columbia, Judge William Hastie, was appointed by this administration. Judge Hastie served for several years in the Virgin Islands; when he resigned the judgeship, Judge Herman Moore, a Negro from Chicago, was appointed to succeed him and is now serving on the Federal bench in the Virgin Islands. But this administration, unlike all previous administrations, has helped millions in the lower brackets, while heretofore Republican administrations have helped a few outstanding persons, appointing them to key positions presumably for the purpose of satisfying the race. Through the New Deal administration this policy has been reversed, and the way has been opened for the Negro to take a firm stand and begin a definite and successful march toward real prosperity and equal opportunity and recognition in this country.

What then has the Negro to quarrel about insofar as this administration is concerned? There may be other groups who think they have some justification to complain about what they have received under the New Deal administration. The Negroes can have no such claim. Every well-thinking Negro in the United States today, if he is honest with himself, must confess that this administration has brought to the Negro his best opportunity and has created in him the strongest hope that he has witnessed during his days of freedom. Let the Negro go forward with serious thoughts about his welfare and future and in his heart show the gratitude which he feels toward those who have given him this great opportunity for which he has prayed and worked during the past 50 years. The record of New Deal achievement in our behalf has been made. It cannot be changed even by the few designing persons who would like to do so for selfish motives.

The President, his splendid wife, and the outstanding members of his Cabinet have

all shown unusual interest in the welfare of the Negro. I know not what course others may take in the coming campaign, but I know for the best interests of the Negro, a third term by Franklin Delano Roosevelt would mean continued progress for the Negro. Personally, it is my desire to see the President serve a third term. If for any reason he cannot be persuaded to serve a third term, it is my opinion that he and the large number of forward-looking statesmen in the Democratic ranks will see that the nomination goes to another genuine New Dealer who will carry forward the splendid work which this administration has so well begun.

Mr. MITCHELL. Brown, in his attack on the New Deal, attacks former Associate Justice Byrnes and brands him as one of the archenemies of the race. It happens that I know former Justice Byrnes. I knew him when he was a Member of this House. I knew him as a Senator, and it was my privilege, and a very happy one, to confer with him from time to time about legislation pending before this House and before the Senate. I know what his attitude is toward the citizens of this country.

The attack which Brown makes on this outstanding American citizen, using it as a part of the evidence that the New Deal has deserted the Negro, is one of the most false, one of the most vicious, and one of the most unfair attacks that could be made against an American citizen. I know Mr. Byrnes is not much concerned about it, but I am answering it because this might be used as political propaganda in this campaign.

I have wondered why Brown, after having feasted at the trough of the New Deal for a period of almost 8 years, suddenly finds that the New Deal is a bad thing for Negroes. It was not a bad thing when he was running all over this country, traveling with a Government pass, going from C. C. C. camp to C. C. C. camp, from one ocean to the other, from the North to the South, and preaching that the New Deal was the greatest opportunity the Negro had ever had. The New Deal became only a bad proposition when the C. C. C. camps closed up and there was no other opening where this grafter, where this petty politician, where this cheap race baiter could feed longer at the Government's expense.

I was told by some of my own people since "Brown is a colored man I should not stand in the well of the House and reply to him today." But let me say to this House I have no color prejudice and I have no color favorites when the welfare and future of my people is threatened. You have heard me say time and again that American citizenship should be without color and it should. Brown, like any other demagog, is just as reprehensible as any man can be when he seeks to destroy the peace and harmony which thousands of good Americans of both races have worked day and night to build up between the races in this country. Brown, like others of his kind of both races, would sacrifice every gain for some little job or for some political recognition that might have been promised him.

The New Deal has done wonders for the Negro. President Roosevelt has been foursquare in handling every matter pertaining to the welfare of the Negro. He, like Mr. Byrnes, needs no defense at my hands. It has been my privilege to confer with him scores of times since I have been a Member of this House. I have always found him patient and I have always found him willing and anxious to listen to my story, and where possible grant the relief sought. It is true that there have been times when he could not grant what I asked. There are times when I cannot grant requests from my best friends including my loving wife. This does not indicate any lack of interest on my part. There are requests that come to us all which we simply cannot grant at the time. I have sense enough to know that in this big world and in this big country of 130,000,000 persons there are likely to be request after request and though made in good faith, we cannot always grant them. This does not mean that the party to which such a request is made is a bad fellow simply because he cannot comply with such requests. In the President' fireside chat last Monday night, he made a significant statement with reference to the New Deal's attitude toward the Negro, which statement is as follows:

People should do their work as near their homes as possible. We cannot afford to transport a single worker into an area where there is already a worker available to do the job. In some communities employers dislike to employ women. In others they are reluctant to hire Negroes. In still others, older men are not wanted—

And listen—

We can no longer afford to indulge such prejudices or practices.

Now, this is a true indication of the interest the New Deal, through the President and other heads of departments, has taken in the interest and welfare of Negro citizens.

I remember about a year and a half ago when there was complaint from all over this country that Negroes were not being employed in defense industries. I took this matter up with the Secretary of War, the Secretary of the Navy, and with the President himself. This resulted in the creation of the President's Fair Employment Practice Commission. The purpose of this Commission is to see to it that these racial barriers that discriminate against my people in defense employment are broken down. We have not broken them all down, no, but this administration that Brown would like to characterize as having gone cold and sour on the Negro has gone further in wiping out these handicaps and removing them, making it possible for members of the Negro race to be employed, than anything that has been done along this line under any other administration at any time.

It was my privilege the other day, when I was in the State of California, to go through the Consolidated Aircraft Co. I saw Mr. Speller, whom many of you know because of his connection with the C. C. C. activities and who has charge of that great plant where 45,000 people are working in three shifts a day. Mr. Speller took out his records and showed them to me. He said, "Since I have been here we have put hundreds of Negroes to work. They are not just working here as janitors and so on, but," he said, "you look over there and you will see colored women in overalls working on the assembly lines."

Further, he said, "You will see colored men working on the assembly line, helping to make this B-24, this great fortress that is giving such a good account of itself." I believe this is the flying craft that wounded the *Bismarck*, so that it could be put out of commission. And I saw hundreds of these planes being built, and Negroes working to help build them. They are doing that in hundreds of industries throughout the country. We have not gone the whole distance. Of course not. There will be many years before we do. I have sense enough to know that we cannot walk a mile in one step and that we cannot walk a mile in two steps. The man who expects to walk a mile in one step will never walk that mile at all. I have walked many a mile, but I have taken many steps to do so. We are improving the employment condition of Negroes in our defense factories. There is yet much to be done in this field, but the New Deal is boldly attacking the problem, and I think working toward a solution. It is unfortunate that at this time, when friction should be wiped out and truth should be given a hearing, that this demagog should come before the public with such cheap tomfoolery and false expressions as he has brought to the public. I do not know whether he was paid to do this or not. I do know that he is the type that is for sale. I remember not many years ago when in the State of Pennsylvania he took money from Senator Pepper when Senator Pepper was seeking election, and he went right out to the other side and took money from his Democratic opponent. This is the same Edgar Brown. He would do it again; and if any of you doubt it, try him this afternoon, for he is in the city. I saw him in the Gallery yesterday.

With the permission of the House, I shall here read a letter that appeared in the Times-Herald this morning:

VOICE OF THE PEOPLE

VERSUS EDGAR BROWN

The colored population of Washington was rather surprised that the Times-Herald should devote so much space to the advent of Edgar Brown to the Republican Party.

He apparently did not discover that the administration was so bad in its treatment of Negroes until the Government bureau in which he was working was discontinued as an economy measure; and he went off the pay roll.

Actually our people have fared much better under the Roosevelt regime than at any time. It recognized the justice of granting the Negro a reasonable part in the patriotic effort in which our country is engaged; it has commissioned Negro officers up to and including the rank of brigadier general. It has worked for the removal of racial restriction in war production employment, and in many other ways since it came to power, the administration has shown consideration for the just aspirations of the Negro citizens.

Mr. Brown gives credit for the introduction of the anti-poll-tax amendment to the soldiers' vote law to a Republican, Senator BROOKS, of Illinois.

Reference to the CONGRESSIONAL RECORD will show that the measure was initiated by a Democrat, Senator PEPPER, of Florida. Sena-

tor BROOKS found it politically expedient to trail along.

I think most of our people will agree that, while nobody questions the right of Mr. Brown to shift his political allegiance, the timing and circumstances of the shift are so transparently a political maneuver that it will carry no weight with Negro voters.

JOSEPH C. WADDY.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL. Certainly.

Mr. RICH. Is this a speech of enlightenment for the Negro people, or is it a political speech?

Mr. MITCHELL. It is for your enlightenment as well as for the enlightenment of the Negro people. I do not think statements at this time should go unchallenged, but I am not surprised that I might hear echoes from the other side, where Brown has gone and has doubtless promised to lead thousands of other people of his race. Brown is looking for money.

One of the largest contributions that has been made coming from the New Deal source, and right from the White House itself, that ought to encourage the Negroes in every part of this country, comes from Mrs. Roosevelt, and I want to read just a few lines taken from a speech that Mrs. Roosevelt made in San Diego, Calif., about 2 weeks ago.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. MITCHELL. Mr. Speaker, I ask unanimous consent to proceed for an additional 5 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MITCHELL. I am quoting Mrs. Roosevelt here, because this has been a part of the New Deal program. Mrs. Roosevelt urged that all Americans realize that the time is here when each of us must ask himself what rights every citizen has in a democracy—do we believe that members of a minority race should have equality under the law? And she asks further, Do we believe that all men and women have equal rights to jobs, provided they are capable of holding them, and that each has an equal right to the opportunities of education, to participation in government? These are steps, Mrs. Roosevelt asserted, in putting our own house in order.

Mr. Speaker, there are many Members of this House with whom I have differed on questions of legislation and policy, but there are few, if any, whose good purpose I have questioned. There is the distinguished gentleman from Georgia [Mr. COX] and others with whom I have not seen things eye to eye. However, we have been drawn closer together through constant debate, and there exists today a far better understanding than that which existed when I entered this House as a Member 8 years ago. We understand that the problem is to be worked out through the administration of justice which process and progress are sometimes slow. We are learning to be patient and we are trying to work it out to the best interests of all concerned, having full regard for everyone's citizenship rights. This is the only way to have full and complete democracy.

Mr. Speaker, this has been a part of the program of the New Deal. I have great faith in this country. My faith has been greatly strengthened during the past 7 or 8 years, when I have had an opportunity to rub elbows with you gentlemen on both sides of the aisle, and I have found out that for the most part all of us are earnestly engaged in an effort to make this country that paradise which we would all like to see it.

I disapprove with all of my heart and soul the action and words of any demagog, whether white or black, who comes forward to disturb us in working out this program for which Booker T. Washington did so much and for which so many other great leaders of my race and great leaders of the other race have done so much, and are still doing so much. I am in dead earnest when I say that I believe this is the greatest country in the world. I have visited not only America but many foreign countries. If I thought there was a better country I would be there instead of here. I am here because this is the greatest country. I am here because the Negro has a greater opportunity in this country than he has anywhere else in the world. That does not say that there are not many inequities and injustices here today in our political set-up and in our industrial and economic institutions that ought to be corrected. They are being corrected, and will continue to be corrected by the fair thinkers and real democrats of both races. But I shall not stand and hold my peace and allow any such man as Edgar Brown, who parades over this country seeking whom he may devour and what means can be put into his hands to make trouble—I will not hold my peace while that type of man is being heard in the public print and holds himself out as the leader of my group and tells these people in this article that I read that he represents 13,000,000 people, when, as a matter of fact, he represents the petty grafters, demagogues, cheap chiselers, and confidence men of this country, and nobody else.

EXTENSION OF REMARKS

Mr. PATTON. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article from the October issue of the Scientific American regarding iron-ore deposits in Texas.

The SPEAKER pro tempore. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent that I may proceed for 5 minutes after the other special orders of the day.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent that I may proceed for 10 minutes following the gentleman from Pennsylvania [Mr. RICH.]

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. WILSON. Mr. Speaker, at the conclusion of the business of the day tomorrow, and after any other special orders that may have been entered, I ask unanimous consent to address the House for 1 hour.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under previous special order of the House the gentleman from Maryland [Mr. SASSCER] is recognized for 5 minutes.

CONDEMNATION OF LAND FOR WAR PURPOSES

Mr. SASSCER. Mr. Speaker, during the past year several large areas in my district have been taken by the Government in connection with the war program, including over 5,000 acres in St. Marys County, a large area in Calvert, and the Camp Springs-Meadows Army Airport, which is now being taken in Prince Georges County.

Our people do not question the necessity of these bases or their location in the anticipated areas. Such matters in connection with the conduct of this war, as the placing and training of troops, the location of training fields and air bases, and so forth, must in their very nature be left to the heads of our Army and Navy. Our people realize this and are thoroughly patriotic and fully cooperative—it is surprising how little complaining I have heard from these areas over the loss of their properties and the dislocation from homes which in many instances have been in their possession for years. There is, however, a prevailing and general feeling among these people, which feeling I share, that undue hardship is being worked upon them, not in the taking of the land but in the manner in which it was taken.

For nearly a year surveying parties have appeared from time to time in the area of the Camp Springs-Meadows Airport. This same situation has existed in other sections of the district. When the people of the Camp Springs area became anxious as to what these surveys meant, I, on several occasions, attempted to ascertain whether or not the land would be taken, in order that the people affected might be able to make proper plans for readjustment. They were told and I was told that nothing definite had been decided. On one occasion I was told, in substance, that the presence of the surveying parties had no definite significance, as various sites were being surveyed from which some selections could be made. Then at Camp Springs, without any advance notice whatsoever, declarations of taking, coupled with a notification to vacate within 20 days, were served upon the people in an area embracing approximately 3,000 acres of land. Practically overnight tractors were sent in, bulldozer machines began rolling, leveling off the ground, and the dismantling of buildings started.

It is apparent that the War Department had known for months prior to the day these people were notified that their properties would be taken for this field; otherwise contracts could not have been entered into or various contractors be prepared to immediately move in. Had

the people affected been notified as soon as the decision was made to take their properties, much unnecessary hardship could have been avoided, such hardships as forcing farmers to get rid of their stock and implements, and poultrymen their laying hens, almost overnight; forcing country merchants, service stations, nurserymen, and other small businessmen to abruptly liquidate their businesses without sufficient time to relocate. This short notice worked the same undue hardship on numerous people who had established homes in this area, because they, like the merchants and farmers, with hardly any notice, had to dislocate themselves and try to either rent or buy new homes which are particularly scarce in that area. They cannot purchase new homes without any money, and it will probably be months, even in cases where an agreement as to price has been reached, before the purchase prices for these properties will be available from the Government. In cases where agreement cannot be reached as to the price and it is necessary to go before a condemnation jury, it will be much longer before they are paid. Some of the property owners in a former transaction in the Annapolis area state that they have been without their money for properties taken for over a year.
gentleman yield?

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. SASSCER. I yield.

Mr. HINSHAW. I just wanted to say that the same thing has happened in my district and probably every other district in the country, and something ought to be done about it.

Mr. SASSCER. I thank the gentleman.

I think where one agency of the Government takes the property of an individual for the general public good and safety under the power of eminent domain, that when it becomes necessary for that individual to apply to another branch of the Government for priorities in order to rebuild or replace the property taken, the priorities agency should not apply to that application the same rules or yardstick that it would were it purely a new project. I hope the War Production Board will change its existing policy in this respect. Some months ago that agency notified me, in substance, that it did not recognize any moral obligation to apply any different rules or extend any more leniency to an applicant for priority, whose property had been taken by another agency of the Government, than to an applicant for priority for the construction of any other new project. If this rule is continued, these people, in addition to yielding their property, will be prohibited from reestablishing themselves.

The reason that has been given for taking properties without adequate notice is that if the notice were given, real-estate speculators would move in. There is no force to this reason, as the Government has its power of condemnation with equal force as to real-estate speculators.

In the war effort, our duty here in Congress is to appropriate the money and provide ways and means. The matter of military strategy, priorities, and so forth, has to be left to the discretion of the proper administrative agencies.

From the very nature of the emergency and peril of the hour, power must be given to war administration agencies, and that power has to be used for the general safety and good of the Nation.

However, that power in itself is no justification for any agency to use it in unduly harsh manner or create unnecessary hardships that might be avoided. If agencies in the use of unnecessary and extraordinary emergency powers exercise that delegated authority without regard to the creation of avoidable hardship, Congress should initiate some investigation with the view of effecting a curb of unnecessarily harsh use of necessary power. If a tooth must give way for the general good of the body, we do not have to use a hammer and chisel but can accomplish the same results by using a needle, novocain, and forceps.

I hope that in the taking of any future properties, either in my district or throughout the country, the War and Navy Departments will, consistent with the war effort, give all possible notice to the individuals who must yield properties for the public welfare; that a sufficient price will be paid to enable them to go out in the present market and reestablish homes commensurate with what they gave up for the public safety; that a settlement with those whose properties have been taken will be made as speedily as possible, and, in the event agreement as to price cannot be reached between the Government and property owners and condemnation is necessary, that a large percentage of a fair value of the property will be paid so that they may not be precluded from exercising their constitutional right of having a jury in the Federal courts fix the values; and, lastly, that cooperation in the way of priorities will be afforded them.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. DITTER] is recognized for 10 minutes.

NEW DEAL PATRONAGE

Mr. DITTER. Mr. Speaker, I do not intend to enter into the feud that has developed between our distinguished colleague from Illinois [Mr. MITCHELL] and a certain Mr. Brown. However, I cannot help but make some observations with reference to the candor of the gentleman from Illinois [Mr. MITCHELL] when he admitted that Mr. Brown has fed at the political trough in times past. It is refreshing to know that an ardent new dealer such as the gentleman from Illinois [Mr. MITCHELL] is—and in his splendid defense of the administration today he proved that he is—it is refreshing to have him admit that there is a political trough at hand from which the faithful feed, and that the thing that disturbs this Mr. Brown at the present time is the fact that the feeding has stopped.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. DITTER. Not now.

I believe that the battle which now rages in the State of Illinois probably would not be as fierce had the New Deal been more sparing in providing for the faithful at the trough. In other words, I am afraid the New Deal has fed some folks too much, too generously, at the political trough, and after having fed them so well they naturally resent a separation from their easy sustenance on political provender.

I do not know Mr. Brown. I am carrying no brief for him. My observation is purely an observation on the feeding of the faithful at a political trough. I suggest to the New Deal that its trough be made lighter, that its food be made less appetizing, that it diminish the plenteous feeding of political privilege which has shocked and shamed the country in times past. There would be less disappointment when the faithful become unfaithful and are removed from the trough.

Then, of course, since my good friend comes from Illinois I cannot help but recall the indictment that was drawn a moment or two earlier by my brilliant friend the gentleman from Mississippi [Mr. RANKIN]. I have always recognized my friend from Mississippi as a man of courage. What the gentleman thinks he is willing to say. I do not always agree with him, but I cannot help but feel that his comment about a senatorial candidate from Illinois was pertinent. The majority shows evidence of division. On one hand there is praise; on the other hand, censure.

Mr. MITCHELL. Mr. Speaker, will the gentleman yield?

Mr. DITTER. Not at present.

I cannot help but think there is a significance in the indictment that was drawn by my friend from Mississippi who said of another colleague's remarks yesterday that they were the most ridiculous remarks he had heard made here on the floor of the House during his membership.

Mr. MITCHELL. Mr. Speaker, will the gentleman yield?

Mr. DITTER. Less political feeding, fewer ridiculous statements, and more common sense will be helpful if our democratic processes are to be successful. Certainly the feuds of which we heard a moment ago will be less likely if the disappointments of removal from the political trough are avoided.

Mr. MITCHELL. Mr. Speaker, will the gentleman yield,

Mr. DITTER. Mr. Speaker, I must decline to yield.

Mr. MITCHELL. Mr. Speaker, I ask the gentleman from Pennsylvania if he will not please yield; he has said some pretty harsh things about me.

The SPEAKER pro tempore (Mr. WHITTINGTON). Does the gentleman from Pennsylvania yield to the gentleman from Illinois?

Mr. DITTER. I under no circumstances intended to say an unkind word about my friend from Illinois.

Mr. MITCHELL. It is just a question I wish to ask of the gentleman.

Mr. DITTER. I only quoted my friend from Illinois, quoted what he said, that Brown no longer was satisfied, that he was no longer content, that he was no longer a disciple of the New Deal because he had been taken away from the political trough.

Now, if I have misquoted my friend from Illinois, if he wants to correct that part of his statement, then I certainly shall yield. I think I have always been fair in debate. Under no circumstance would I be unfair in this instance. I accord to the gentleman from Illinois an opportunity to correct my statement.

Mr. MITCHELL. Mr. Speaker, will the gentleman yield for a question?

Mr. DITTER. I am yielding.

Mr. MITCHELL. I should just like to say to the gentleman from Pennsylvania that Mr. Brown is now a member of the gentleman's party and has declared himself such. Does the gentleman welcome him over there?

Mr. DITTER. I said that I did not intend to enter into the feud between the gentleman from Illinois and this Mr. Brown. I am not carrying a brief for Mr. Brown. I am not passing judgment on Mr. Brown. Personalities are not my present concern. I am simply cautioning the new dealers and base my observations on the statements made by my distinguished friend from Illinois. If the New Deal were to provide less pap at the political trough, if the meals were not as generous as they have been, if there were fewer plums and less gravy there would be less likelihood of a feud such as that of which we heard today.

Mr. THOMAS F. FORD. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman from Pennsylvania yield to the gentleman from California?

Mr. DITTER. Mr. Speaker, I decline to yield.

I listened very carefully to the remarks of the able gentleman from Illinois [Mr. MITCHELL]. He may have just cause for the charges which he made against this Mr. Brown. But in doing so he left no room for doubt on one other score, that one of the faithful had proved to be unfaithful, in his opinion, when he was removed from the public pay roll. Can it be that loyalty to the New Deal is based on privilege and patronage and plenteous feeding at a political trough? Are we to understand that the New Deal must depend on public pay rolls for loyalty and devotion? Shall it be said that the new dealers are new dealers only so long as they can feed at a political trough? If this impression prevails to any degree then we can account for the continued insistence that personnel here in Washington and throughout the country in Federal Government agencies must be maintained at all costs.

Mr. Speaker, I am confident that every Member of the House realizes the responsibility which has been placed upon the churches of America as a result of the war. I believe it is not too much to say that the church as an institution is the most important factor, next to the home, in the maintenance of the morale of our people. From the altars of every faith and creed, Catholic, Protestant, and Jewish, come the courage for sacrifice, the fortitude for hardship, the solace for suffering, and the faith for the future. These altars are the sources of a bouyancy, a hope, and a strength, without which morale cannot be maintained.

Mr. Speaker, the church as an institution should be safeguarded today as it has never been safeguarded in the past. It has more to give than ever before. In the days to come larger demands will be made upon it. If ever its service were necessary, it will be necessary as sterner demands are made upon our people as a result of the continuation of the war.

I am prompted, therefore, Mr. Speaker, to protest at this time against a practice which, if allowed to go on unchecked, will seriously cripple the effectiveness of the churches and their affiliated organizations. I refer, Mr. Speaker, to the practice of subjecting churches, religious and charitable organizations, to unnecessary and unjustified demands to maintain and establish their status before agencies of the Federal Government. Churches, religious organizations, and charitable bodies, are required to prove and reprove their status as a result of the rules and regulations imposed by the present administration here in Washington.

My attention has been called to a case in point. The Lord's Day Alliance in Pennsylvania is known throughout the State as an organization devoted to the reverent observance of the Sabbath Day. Whether we approve of its purposes and its program or not, the fact remains that its activities are strictly of a religious nature. It may have more enthusiastic support from some churches than from others, but its devotion to a definite religious objective cannot be questioned. Despite the fact that its incorporation dates back to 1922, and despite the further fact that its aims and objectives and activities are known, not only in the State of Pennsylvania but throughout a greater part of the Nation, the Lord's Day Alliance now finds itself compelled to prove that it is a religious organization and not subject to the provisions of the Social Security Act. The Alliance filed a return after the Government threatened to seize the records through the United States marshal. If such a tax can be imposed on this organization, then the churches of every denomination and other affiliate religious organizations will face the same demands.

If the church as an institution is to be taxed, then it seems to me the question should be passed upon by the Congress. We should not permit a Government agency to make its own interpretation or to widen the scope of its activities into fields that heretofore have been untaxed. If taxation is to be levied on the churches and religious organizations of the country, let the Congress impose that taxation. Bureaucracy has already taken unto itself far too much authority. Interpretations of rules and regulations are made by Government bureaus which, in many instances, are untenable and which result in the expenditure of funds by those upon whom these rules and regulations fall. Church organizations do not have the time nor the money to prove and to reprove their status. They should not be expected to assume the expense of trips to Washington, of the employment of attorneys, and the other incidentals which are made necessary by needless red tape and the overreaching ambition of bureaucratic chieftains. By bureaucratic rulings and interpretations of existing law, the administration here in Washington is advancing on a wide front against the religious, charitable, and educational institutions of the whole country. Unless a halt is called to this procedure these organizations face a serious situation. Their sources of revenue will be dried up, as those who provide donations and found inheritances for them face the uncertainty of the future activities of these organizations. If the taxing power by bureaucratic interpretations and orders continues, it means an ever-increasing cost of operations for those affected. And, what is even more serious than the financial aspect involved is the prospect of the ultimate destruction of the church itself as a free institution. The end might well be that the church could only exist by Government subsidies and by bureaucratic favor.

The SPEAKER pro tempore (Mr. MILLS of Arkansas). Under the previous order of the House the gentleman from Mississippi [Mr. RANKIN] is recognized for 10 minutes.

Mr. RANKIN of Mississippi. Mr. Speaker, it is not my intention to get into any argument between these northern Negroes as to their respective influences.

I was very much amused at the distinguished gentleman from Pennsylvania [Mr. DITTER] a moment ago when he talked about this Negro Brown being now removed, as he expressed it, "from the trough." I wonder why he did not come out and confess that Brown had just moved from one trough to the other.

Mr. DITTER. Will the gentleman yield?

Mr. RANKIN of Mississippi. Yes; I yield for a question only, not for a speech.

Mr. DITTER. I am wondering whether my friend, with his usual candor, will not admit that the one trough is certainly more generously provided for than the other trough and that the one trough is provided for at the expense of the taxpayer whereas the other trough is a matter of individual contribution.

Mr. RANKIN of Mississippi. I will admit, Mr. Speaker, that probably the trough he is feeding out of now is supplied by Republican campaign contributions.

Mr. DITTER. We are not getting any; that is the trouble.

Mr. RANKIN of Mississippi. Probably that is what the gentleman is kicking about.

Mr. Speaker, it was said a moment ago that this Negro Brown who parades around here with the "emptiness of ages in his face" and "on his chin the beard of Hercules" was sitting in the gallery yesterday.

Certainly he was. He was the promoter in charge of that piece of legislative nonsense you passed yesterday, of which most of you are so ashamed.

That was the "Brown bill." He has boasted of it. He is the one who put it through. He is your leader.

He has boasted that he was responsible for forcing Negroes onto one of the golf

courses down here, which virtually broke it up. He and his crowd have been creating race trouble in Washington for several years. Since this agitation has been going on there have been more white women raped and murdered by Negroes in the District of Columbia than there had been in 140 years up to that time.

Now I want to talk to you in a plain common-sense way about the Negro as I know him. One of the wisest statements I ever heard on the Negro question came the other day from a Negro school teacher in my State who is a professor in the Alcorn College, a Negro institution that is supported by the State of Mississippi. He made this statement, which I commend to every one of you. He said, "The thing we Negroes desire most is to make ourselves wanted."

This agitation which has been going on in Washington and elsewhere has had exactly the opposite effect. It is doing the Negroes more harm than anything else that has ever occurred. I would be the last man in the world to criticize the First Lady of the land, but I think I express the sentiment of the white people of the entire South, and I think the colored people, too, when I say that some of her statements and activities have done irreparable damage to the white people, as well as to the Negroes, in the Southern States.

The Negroes are there. They did not come there of their own accord. They were brought there and we have had to get along with them for 300 years. We know how to do it. There are only four possible solutions to the race question. One of them is deportation, which you will all admit is virtually out of the question at this time. Another one is extermination, which is also out of the question, of course. The third is amalgamation, which would destroy any nation on earth. All the Communists on earth cannot force race amalgamation on the South. If you should mongrelize this Nation you would not only destroy the white race but you would destroy the colored race as well. For mongrels, as a rule, do not propagate.

The other one, the only possible one within our reach, is segregation, and that is the one the South has followed for 300 years. We have got along with the Negroes down there, and I speak advisedly. My people were slave holders and their ex-slaves lived around us, even during my day. They had more respect for me than they had for any flannelmouth demagog who ever came around trying to tell them we were imposing upon them, or that they were our social equals.

They tell you that we discriminate against the Negro in various and sundry ways. You never heard of a hungry Negro being turned away from a white man's door in the South. You talk about Negroes not being allowed to work. The South is one place where they have never been denied the right to work for their daily bread. But I want to tell you that this agitation carried on by this Negro Brown and his followers, and by these Communists who are working among them, has disturbed that peaceful relationship that now exists between the white people and the Negroes in the Southern States as nothing else has done in the last 50 years.

When you disturb that peaceful relationship, what do you do? You do just what this Negro professor advises you not to do. You make the Negro unwanted. When he reaches that point he has to move. Where is he going? He is going to crowd into your northern cities, as he is today, to further complicate your race question, further complicate your labor question, and bring you infinitely more trouble than the most ardent demagog in this House yesterday thought he was bringing to the white people of the South by trying to rape the Constitution and ram down our throats this iniquitous so-called anti-poll-tax bill.

I make this statement because of this trouble that is being stirred up. This Negro Brown boasts that he was largely responsible for forcing these white women and Negroes to eat together down here in the Bureau of Printing and Engraving.

That was while he was eating out of the other trough.

Everybody knows that the Bureau of Printing and Engraving today is a dynamite of discontent that is likely to explode at any time. He has boasted that he has helped force Negroes into other places where they were not wanted and where their presence is creating trouble. I want to tell you demagogs who voted for that bill something. It was awfully discouraging to the decent, patriotic white people, as well as Negroes to see the Congress of the United States yesterday capitulate on a bill that was sponsored by the Communists of America, who are dedicated to the proposition of destroying this Republic, and who are stirring up strife in every way they can. That is their chief weapon. Your vote yesterday, your actions yesterday under the pressure of this Negro Brown, who is now eating from another trough, certainly did not help the Congress of the United States in the estimation of the hard-thinking, patriotic lovers of the Constitution of this Republic, which was so ably expounded by the gentleman from Maine [Mr. FELLOWS].

This Negro said, "What we most desire is to make ourselves wanted, and to live in peace with the white people among whom we have lived all these years. We want to live in peace and comfort, and to know that we are sufficiently wanted to insure employment."

You can pass all the laws the statute books will stand and you will not make white people employ Negroes if they are not wanted. This agitation is also creating frictions in the Northern States. Why, you are nearer to a race riot in Detroit, Mich., today than you have ever been before. They had to call on the State to send troops or police there to prevent a riot between the whites and the blacks. The same thing is true in Harlem.

You talk about what we have done in the South. You killed more Negroes in one race riot in Chicago than have been lynched in the Southern States in 100 years. You killed more Negroes in one race riot in East St. Louis, Ill., than have been killed in all the riots we have ever had in the South, even during the dark days of reconstruction.

The friction comes in the North because the Negroes want work. Whenever there is one job in your State—and I am talking to you gentlemen in the Northern States—whenever there is one job and two people want it, one of them a white man and another a Negro, I do not care what Brown says, the white man will ultimately get it.

Don't you demagogs get the idea that the Negro is just a sun-burned Yankee. That is not his idea. He knows he is of a different race. He calls himself a Negro; and it is no disgrace to him to be one. He knows his limitations and he knows when he is treated right. He knows a decent white man from a scalawag as far as he can see him. You get them dissatisfied now and move them off of those farms and they will never go back. There are no Negro farmers in your States.

[Here the gavel fell.]

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN of Mississippi. They do not become farmers in those States. Why? The Negro never was a farmer until he came to this country. He was not a farmer in Africa and he is not a farmer in Haiti. He is not a natural farmer, the white man is, especially the Anglo-Saxons or the Nordics. We people of the South taught him how to farm, but when he gets away from the farm he invariably never goes back. So when they go to your Northern States they do not go to the farm; you know that. They will crowd into your great cities and there you will likely have that friction that will bring you more trouble in the years to come than it has brought to us in the Southern States. For God's sake let the South alone, and we will get along with the Negro; and he will have a place to live where he will not have to beg his bread from door to door, and then be turned away without it.

I appeal to you, and I am not doing this to get Negro votes, that is one difference between you and me. I am talking to you men who capitulated to Brown, your leader, on yesterday and voted for this bill to annoy the South. I am not making my speech to get Negro votes, but I am doing it in the interest of peace and harmony among the races, both North and South, in order that we may live in peace and work out our own destiny without the pressure of these communistic groups that are dedicated to the destruction of this Republic.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN of Mississippi. I yield.

[Here the gavel fell.]

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to yield to the gentleman from Pennsylvania.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RICH. The gentleman referred to Brown as "your leader." Whose leader do you mean?

Mr. RANKIN of Mississippi. I certainly want to exonerate the gentleman from Pennsylvania [Mr. RICH] because he is one of the men who voted with the Constitution yesterday and did not capitulate to Brown and those communistic influences that were urging the passage of that bill.

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. RICH] is recognized for 5 minutes.

THE TREASURY STATEMENT

Mr. RICH. Mr. Speaker, I realize that this is a bad, rainy day, and that you are going to have a Democratic caucus here in this room in a few minutes, or when we adjourn the House, and, therefore, I do not want to detain you, I am sure. But, thinking that you might need something important to discuss at this Democratic caucus, I want to call your attention to the daily statement of the United States Treasury as of October 10. This might be a good thing for you to discuss at this caucus, because the Treasury is in bad shape. In fact, terrible shape. Mr. Morgenthau is worried and the country is worried, and they are going to be worried a lot more when they get the tax bill. Certainly, the New Deal we heard so much about will worry them plenty.

I just want to call your attention to a few things, because I fear the leaders of the Democratic Party will not bring them up at the caucus, and they will be neglected, as they have been for 10 years, although there will be enough of you new dealers and Democrats to really consider them.

According to the Government statement issued by the Treasury Department, the income from July 1 to date has been $4,069,418,064.06, and your expenditures have been $18,350,508,439.05; in other words, you have gone into the red $14,283,308,374.99.

This is a terrible situation. Nothing like this has ever happened in all the history of the world, and you certainly cannot blame it all on the war, because if you make a comparison of this statement with last year, when we were not in the war, you will find that you went into the red at that time $3,657,000,000. There is a difference there of about $11,000,000,000, although you went into the red too much last year when you were not in the war. You have been going into the red ever since you have been in power, and you all recall what the President of the United States said before he took office. He made many wise, sane, sensible promises, but he has not fulfilled them. Why? Why did he not do as he said he would do? Your answer is as good as mine, for I do not know and never have been informed. I have never understood why he promised before his election in 1932 to do certain things but never fulfilled those promises. He said that he was going to consolidate departments and eliminate bureaus. Did he ever do it? No; he never did such a thing. He increased them more rapidly than any man who has ever been in public office. I call attention to the fact that on March 4, 1933, when he took office we had 563,827 people in the Government employ. In 1939, on August 1, we had 925,260. On June 30, 1940, there were 1,066,011, and on October 30, 1941, there were 1,512,428. September 1, 1942, we had 2,300,000 employees. In other words you increased the Government employees 500 percent in 10 years or less. Think of it! Five hundred percent from 1933 to date. There must be a reason, and it is not all war. It is because he did not consolidate the departments and eliminate bureaus. You are in a terrible fix right now, and you are not going to get out unless you fulfill that promise, and this caucus ought to be a mighty fine place to take up and consider this matter this afternoon and find out what you are going to do about cutting down these nonessential Government expenses. Ask yourselves where are you going to get the money. That is more important to talk about than the tax bill or the drafting of boys 18 and 19 years old. You will pass the tax bill next week, and that bill will take care of the deficit for only 5 weeks. You will have to have an additional tax bill, and you will then be hitting the people harder than ever. Take this matter up at the caucus this afternoon. You can raise money faster and easier by cutting down expenses than by another tax bill. Try to get the majority leader and the Speaker of the House and the influential leaders in your party to cut down on these governmental expenditures.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. RICH. Yes; I yield to my colleague from California.

Mr. VOORHIS of California. I wonder if the gentleman knows that the Congress reduced nonwar expenditures for the current year by more than a billion and a half dollars under last year, which was, in fact, a greater reduction than even the Byrd committee recommended?

Mr. RICH. Oh, my colleague should look at the amount that you increased the Government expenses from the time you went into office in 1933. You put into effect every conceivable new fandangle idea that you could think of, and all of the crackpot ideas ever suggested were enacted into law by the New Deal. You should have cut expenses $3,000,000,000 at least. I have never heard of so many crackpot ideas that you took up and enacted into law from 1933 to 1940. You have got the Government into every conceivable contraption that was ever dreamed of, and of all the New Deal fantastical ideas that were ever dreamed of, you have put them on the American people until they are all bewildered. You have put most all on the Government pay roll, and now you have few to pay the enormous burden and you will soon wreck all the people and this country.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. RICH. Yes; I think it is a good thing that it has expired, or I would have told you a little more that you ought to take up at this caucus this afternoon. And if you only get this one idea across it is enough.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. HULL, indefinitely, on account of illness of secretary.

LEAVE TO ADDRESS THE HOUSE

Mr. HILL of Washington. Mr. Speaker, I ask unanimous consent that tomorrow, after the regular order of business and other special orders, I be permitted to address the House for 15 minutes on the critical condition of the farmers in the Northwest.

The SPEAKER. Is there objection?

There was no objection.

ENROLLED BILL SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3152. An act to suspend restrictions during the present war and for 1 year thereafter upon the service of certain officers of the Marine Corps in the Marine Corps headquarters, Washington, D. C.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2442. An act to authorize the Secretary of War to approve a standard design for a service flag and a service lapel button; and

S. 2775. An act to amend the act of March 5, 1942, relating to the planting of guayule and other rubber-bearing plants.

ADJOURNMENT

Mr. ROBINSON of Utah. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 37 minutes p. m.) the House adjourned until tomorrow, Thursday, October 15, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON PATENTS

The Committee on Patents of the House of Representatives will continue hearings Thursday, October 15, 1942, at 10:30 a. m., in the Rivers and Harbors Committee room, 1304 House Office Building, on H. R. 7620, a bill to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

1968. Under clause 2 of rule XXIV, a letter from the Secretary of War, transmitting a draft of a proposed bill to amend the act of January 24, 1920, so as to authorize the award of a silver star to certain persons serving with the Army of the United States, was taken from the Speaker's table and referred to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. WEAVER: Committee on the Judiciary. H. R. 7675. A bill to amend the act entitled "An act to incorporate the American Legion," approved September 16, 1919, so as to extend membership eligibility therein to certain American citizens, honorably discharged from the active military or naval forces of the United States, or of some country allied with the United States during World War No. 2; without amendment (Rept. No. 2534). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 550. Resolution to authorize the Committee on the Civil Service to investigate various activities in the departments and agencies of the Government; without amendment (Rept. No. 2535). Referred to the House Calendar.

Mr. STEAGALL: Committee on Banking and Currency. H. R. 7695. A bill to aid in preventing inflation, to stabilize the rents of real property, and for other purposes; with amendment (Rept. No. 2568). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MEYER of Maryland: Committee on Claims. S. 1334. An act for the relief of Anthony Famiglietti; without amendment (Rept. No. 2537). Referred to the Committee of the Whole House.

Mr. HARRIS of Arkansas: Committee on Claims. S. 2195. An act conferring jurisdiction upon the United States District Court for the Western District of Missouri to hear, determine, and render judgment upon the claim of Charles E. Salmons; with amendment (Rept. No. 2538). Referred to the Committee of the Whole House.

Mr. HARRIS of Arkansas: Committee on Claims. S. 2593. An act to provide for the reimbursement of certain Navy personnel and former Navy personnel for personal property lost or damaged as a result of the fire which destroyed the administration building, Naval Operating Base, Norfolk, Va., on January 26, 1941; without amendment (Rept. No. 2539). Referred to the Committee of the Whole House.

Mr. MEYER of Maryland: Committee on Claims. S. 2363. An act for the relief of Percy Ray Greer, a minor; without amendment (Rept. No. 2540). Referred to the Committee of the Whole House.

Mr. HARRIS of Arkansas: Committee on Claims. H. R. 5409. A bill for the relief of Gwendolyn Anne Olhava and Anthony L. Olhava; with amendment (Rept. No. 2541). Referred to the Committee of the Whole House.

Mr. HARRIS of Arkansas: Committee on Claims. H. R. 6749. A bill for the relief of Mrs. Bessie Schakett; with amendment (Rept. No. 2542). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7465. A bill for the relief of the postmaster at Nome, Alaska; with amendment (Rept. No. 2543). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7012. A bill for the relief of Litchfield Bros., Aurora, N. C.; with amendment (Rept. No. 2544). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7247. A bill for the relief of Silas Frankel and Louis Mr. Koren; with amendment (Rept. No. 2545). Referred to the Committee of the Whole House.

Mr. KLEIN: Committee on Claims. H. R. 6771. A bill for the relief of Roy Delavergne; with amendment (Rept. No. 2546). Referred to the Committee of the Whole House.

Mr. HARRIS of Arkansas: Committee on Claims. H. R. 6863. A bill for the relief of Thomas W. Dowd; with amendment (Rept. No. 2547). Referred to the Committee of the Whole House.

Mr. KLEIN: Committee on Claims. H. R. 6924. A bill for the relief of Joseph F. Gordon; with amendment (Rept. No. 2548). Referred to the Committee of the Whole House.

Mr. HARRIS of Arkansas: Committee on Claims. H. R. 7035. A bill for the relief of Mr Garland Galley, of Baldwin, Ga., and Mrs. Clara Mae Galley, of Baldwin, Ga.; with amendment (Rept. No. 2549). Referred to the Committee of the Whole House.

Mr PITTENGER: Committee on Claims. H. R. 7288. A bill to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of certain disbursing officers; without amendment (Rept. 2550). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 7290. A bill for the relief of Beatriz Milan Vda. de Vazquez; without amendment (Rept. No. 2551). Referred to the Committee of the Whole House.

Mr. RUSSELL: Committee on Claims. H. R. 7333. A bill for the relief of Arkansas Gazette, Hope Star, the Hope Journal, Arkansas Democrat Co.; with amendment (Rept. No. 2552). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7569. A bill for the relief of Charles E. Nagtel; without amendment (Rept. No. 2553). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7586. A bill for the relief of Victoria Jessie Lodge Skin, now Standing Bear; without amendment (Rept. No. 2554). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7587. A bill for the relief of Etta A. Thompson, Marion E. Graham, Irene Morgan, and Alice K. Weber; without amendment (Rept. No. 2555). Referred to the Committee of the Whole House.

Mr PITTENGER: Committee on Claims. H. R. 7649. A bill for the relief of Ralph B. Randall, rural rehabilitation supervisor, Farm Security Administration, Visalia, Calif.; without amendment (Rept. No. 2556). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7650. A bill for the relief of Col. Leo A. Luttringer, United States property and disbursing officer for Pennsylvania; without amendment (Rept. No. 2557). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7651. A bill for the relief of William F. Perkins, rural rehabilitation supervisor, Farm Security Administration, Pinal County, Ariz.; without amendment (Rept. No. 2558). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims H. R. 7652. A bill for the relief of Warren M. Engstrand, grant supervisor, Farm Security Administration, Bakersfield Calif.; without amendment (Rept. No. 2559). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7653. A bill for the relief of Ensign Donald L. Grunsky; without amendment (Rept. 2560). Referred to the Committee of the Whole House.

Mr. HARRIS of Arkansas: Committee on Claims. H. R. 6366. A bill for the relief of Alex Lawson; with amendment (Rept. No. 2561). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 5175. A bill for the relief of Edward Workman; without amendment (Rept. No. 2562). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 5274. A bill for the relief of Michael Leo Fitzpatrick; with amendment (Rept. No. 2563). Referred to the Committee of the Whole House.

Mr. HARRIS of Arkansas: Committee on Claims. H. R. 5649. A bill for the relief of Alice Comas, Robert Comas, and Frances Williams; without amendment (Rept. No. 2564). Referred to the Committee of the Whole House.

Mr. KLEIN: Committee on Claims. H. R. 5812. A bill for the relief of William E. Averitt and United States Casualty Co.; without amendment (Rept. No. 2565). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 6285. A bill for the relief of Clarence A. Houser and his wife, Mrs. Jewel Houser; with amendment (Rept. No. 2566). Referred to the Committee of the Whole House.

Mr. KLEIN: Committee on Claims. H. R. 5154. A bill authorizing and directing the Secretary of the Treasury to reimburse the legal guardian of Elmer White, deceased, for personal injuries which resulted in the death of Elmer White by being struck by a truck owned by the Civilian Conservation Corps; with amendment (Rept. No. 2567). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. VOORHIS of California:

H. R. 7708. A bill to amend the act to mobilize the productive facilities of small business in the interest of successful prosecution of the war, and for other purposes; to the Committee on Banking and Currency.

By Mr. DICKSTEIN:

H. R. 7709. A bill to amend section 347 (b) of the Nationality Act of 1940 so as to extend for a period of 2 years the time within which petitions for naturalization filed prior to the effective date of that act may be heard; to the Committee on Immigration and Naturalization.

By Mr. BURGIN:

H. R. 7710. A bill to amend the Selective Training and Service Act of 1940, with respect to liability for training and service of any individual convicted of a crime not a felony at common law; to the Committee on Military Affairs.

SENATE

THURSDAY, OCTOBER 15, 1942

Gen. George L. Carpenter, of London, England, international leader of the Salvation Army, offered the following prayer:

O Lord, our God, who hath made the earth by Thy power, who hath established the world by Thy wisdom, we approach Thee with reverence and thanksgiving. We thank Thee, though Thou art high and lifted up, yet hast Thou respect unto the lowly. Thou art mindful of our estate and art concerned with the well-being of all Thy creation.

Humbly we ask that health and safety, and the enrichment of Thy presence, may be granted to His Excellency, the President, in all the exacting demands of his exalted office.

Be gracious to the brave men who, in sacrificial devotion, are serving the Nation's cause in many lands.

In the midst of a world of change and anxiety we pray that in all our hearts shall be quietness and confidence, and

increasingly an awareness of Thyself—the Unchanging One.

In a period when men everywhere are groping as in the dark, grant that we shall know Thee as our light and our unerring guide. Thou art the Light of the World.

Wilt Thou give to Thy servants here assembled the sure guidance of Thy wisdom, also to all charged with like responsibility in the affairs of this vast Republic, so that by the enactment and observance of just laws the bow of the Nation shall abide in strength, and its peoples be preserved in unity and godly fear.

In the name of Christ, our Redeemer, we present these our petitions.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, October 13, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that the President had approved and signed the following acts:

On October 10, 1942:

S. 2627. An act to amend the act approved August 27, 1940 (54 Stat. 864), entitled "An act increasing the number of naval aviators in the line of the Regular Navy and Marine Corps, and for other purposes";

S. 2677. An act to authorize an exchange of land at Mechanicsburg, Pa., between Edgar Eberly and the United States;

S. 2678. An act to amend the act approved March 2, 1933, by suspending the provisions relative to a Navy ration in kind, and for other purposes;

S. 2717. An act for the relief of Charles H. Koch; and

S. 2731. An act to suspend until June 30, 1945, the running of the statute of limitations applicable to violations of the antitrust laws.

On October 13, 1942:

S. 97. An act for the relief of the legal guardian of Joy Montgomery, a minor;

S. 305. An act for the relief of Mrs. Felix Belanger;

S. 317. An act for the relief of Monroe Short;

S. 1220. An act for the relief of G. C. Barco and W. G. Knowles;

S. 2191. An act for the relief of Clara Wrobliski;

S. 2279. An act for the relief of O. R. Maxfield;

S. 2420. An act for the relief of Isabelle Fuller;

S. 2461. An act for the relief of Minnie C. Sanders;

S. 2676. An act to provide for medical care and funeral expenses for certain members of the Naval Reserve Officers' Training Corps; and

S. 2682. An act to authorize the Secretary of War to exchange certain lands of the United States located within the Fort De Russy Military Reservation, Oahu, Territory of Hawaii, for certain land at Barbers Point, Oahu, owned by the Territory of Hawaii.

On October 14, 1942:

S. 2190. An act for the relief of Mrs. Marilla C. Gray;

S. 2248. An act to amend the law relating to the care and custody of insane residents of Alaska, and for other purposes;

S. 2570. An act to provide for the sale by the Superintendent of Documents of copies of certain historical and naval documents printed by the Government Printing Office;

S. 2679. An act to authorize the transportation of dependents and household effects of personnel of the Navy, Marine Corps, Coast Guard, and Coast and Geodetic Survey, incident to secret or confidential orders, and for other purposes; and

S. 2685. An act to provide that promotions to higher grades of officers of the Army of the United States, or any components thereof, shall be deemed to have been accepted upon the dates of the orders announcing such promotions, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3152) to suspend restrictions during the present war and for 1 year thereafter upon the service of certain officers of the Marine Corps in the Marine Corps Headquarters, Washington, D. C.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 5143) to amend the Home Owners' Loan Act of 1933, as amended.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1024. An act to amend an act to prevent pernicious political activities;

H. R. 7629. An act to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended, so as to expedite the war effort by providing for releasing officers and men for duty at sea and their replacement by women in the shore establishment of the Coast Guard, and for other purposes; and

H. R. 7675. An act to amend the act entitled "An act to incorporate the American Legion," approved September 16, 1919, so as to extend membership eligibility therein to certain American citizens, honorably discharged from the active military or naval forces of the United States, or of some country allied with the United States during World War No. 2.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2442. An act to authorize the Secretary of War to approve a standard design for a service flag and a service lapel button;

S. 2775. An act to amend the act of March 5, 1942, relating to the planting of guayule and other rubber-bearing plants;

H. R. 3152. An act to suspend restrictions during the present war and for 1 year thereafter upon the service of certain officers of the Marine Corps in the Marine Corps Headquarters, Washington, D. C.; and

H. R. 5143. An act to amend the Home Owners' Loan Act of 1933, as amended.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 1024. An act to amend an act to prevent pernicious political activities; and

H. R. 7675. An act to amend the act entitled "An act to incorporate the American Legion," approved September 16, 1919, so as to extend membership eligibility therein to certain American citizens, honorably discharged from the active military or naval forces of the United States, or of some country allied with the United States during World War No. 2; to the Committee on the Judiciary

H. R. 7629. An act to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended, so as to expedite the war effort by providing for releasing officers and men for duty at sea and their replacement by women in the shore establishment of the Coast Guard, and for other purposes; to the Committee on Commerce.

REPORTS OF COMMITTEES FILED DURING THE ADJOURNMENT

Under authority of the order of the 13th instant,

The following reports of committees were filed on October 14, 1942:

By Mr. PEPPER, from the Committee on Patents:

S. 2794. A bill to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes; with amendments (Rept. No. 1640).

By Mr. McKELLAR, from the Committee on Appropriations:

H. R. 7672. An act making supplemental appropriations for the national defense for the fiscal year ending June 30, 1943, and for other purposes; with amendments (Rept. No. 1641).

PETITIONS

Petitions, etc., were presented and referred as indicated:

By Mr. CAPPER:

A petition, numerously signed, of sundry citizens of Topeka, Kans., praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. TYDINGS:

A petition of 202 citizens of Baltimore, Md., praying for the enactment of the so-called anti-poll-tax bill; to the Committee on the Judiciary.

Petitions of sundry citizens of the State of Maryland, praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on Public Lands and Surveys:

H. R. 4465. An act to authorize the exchange of certain lands in Minnesota; with an amendment (Rept. No. 1642).

By Mr. WILLIS, from the Committee on Agriculture and Forestry:

S. Res. 294. Resolution requesting interval reports from the Federal Rubber Administrator concerning rubber supplies and production (submitted by Mr. WILLIS on September 28, 1942); with an amendment (Rept. No. 1643).

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on October 14, 1942, that committee presented to the President of the United States the following enrolled bills:

S. 174. An act for the relief of Lyle L. Bressler; and

S. 2203. An act for the relief of Bayard M. Atwood.

AGRICULTURAL LABOR SHORTAGES IN THE WESTERN STATES

Mr. DOWNEY. Mr. President, I have been authorized by the Military Affairs

Committee to report favorably Senate Resolution 299, providing for the appointment of a special committee of three Senators by the President of the Senate to investigate farm conditions in the West and providing for an appropriation of $3,000. In accordance with the rule, I ask that the resolution be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. The resolution will be so referred.

LANDING AREAS UNDER JURISDICTION OF THE CIVIL AERONAUTICS ADMINISTRATION

Mr. McCARRAN, from the Committee on Appropriations, reported an original resolution (S. Res. 306), which, under the rule, was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the Committee on Appropriations, or any duly authorized subcommittee thereof, is authorized and directed to investigate existing and proposed landing areas under the jurisdiction of the Civil Aeronautics Administration and the need and location of additional sites.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-seventh and Seventy-eighth Congresses, to employ clerical and other assistants, to require by subpena or otherwise the attendance of witnesses and the production of books, papers, and documents, to administer oaths, to take testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report hearings shall not be in excess of 25 cents per hundred words, and the expenses of the committee, which shall not exceed $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BARBOUR:

S. 2850. A bill conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment on the claim of Robert A. Watson; to the Committee on Claims.

By Mr. REYNOLDS:

S. 2851. A bill to accord free entry to bona fide gifts from members of the armed forces of the United States on duty abroad; to the Committee on Finance.

S. 2852. A bill to authorize the President to confer decorations and medals upon units of, or persons serving with, the military forces of cobelligerent nations; to the Committee on Military Affairs.

(Mr. BARKLEY introduced Senate bill 2853, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

STABILIZATION OF RENTS

Mr. BARKLEY. Mr. President, I introduce a bill to aid in preventing inflation, to stabilize rents of real property, and for other purposes. It is similar to the bill introduced in the House of Representatives which the Committee on Banking and Currency of that body has reported favorably. It proposes to amend the Price Control Act so as to include rents, not only in defense areas but elsewhere. I ask that it be referred to the Committee on Banking and Currency.

The bill (S. 2853) to aid in preventing inflation, to stabilize the rents of real property, and for other purposes, was read twice by its title and referred to the Committee on Banking and Currency.

JUDICIAL DISTRICTS IN FLORIDA—AMENDMENT

Mr. PEPPER submitted an amendment intended to be proposed by him to the bill (S. 2778) dividing the State of Florida into two judicial districts, defining the territory embraced in each, and fixing the time of holding terms of court therein, which was referred to the Committee on the Judiciary and ordered to be printed.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT

Mr. MALONEY submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 7672) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1943, and for other purposes, the following amendment, namely:

At the proper place, insert the following new section:

"SEC. —. Any money which, under the provisions of section 403 of the Sixth Supplemental National Defense Appropriation Act (Public 528, 77th Cong.), as amended (relating to the renegotiation of contracts), is retained by the United States or withheld by the United States from a contractor or subcontractor, and which would be or would have been payable to a contractor or subcontractor except for the renegotiation of a contract under such section, shall be returned to the Treasury and covered into the Treasury as miscellaneous receipts."

Mr. MALONEY also submitted an amendment intended to be proposed by him to House bill 7672, the Second Supplemental National Defense Appropriation Act, 1943, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

INVESTIGATION OF RAILROAD FINANCING AND OTHER MATTERS

Mr. TRUMAN. Mr. President, I submit a resolution concerning the activities of the Interstate Commerce Committee to investigate railroad financing and ask that it be referred to the Committee on Interstate Commerce.

The resolution (S. Res. 304) was referred to the Committee on Interstate Commerce, as follows:

Resolved, That Senate Resolution 71, Seventy-fourth Congress, first session, authorizing an investigation of railroad financing and certain other matters, as continued and amended, is hereby continued in full force and effect during the sessions, recesses, and adjourned periods of the Senate in the Seventy-eighth Congress, and the Committee on Interstate Commerce is hereby authorized to expend from the contingent fund of the Senate, during such sessions, recesses, and adjourned periods, the amounts heretofore authorized for said purposes.

ALLEGED DISCRIMINATION AGAINST COOPERATIVES IN THE SALE OF RADIO TIME

Mr. NORRIS. Mr. President, I wish to submit a Senate resolution regarding a dispute between the Cooperative League, U. S. A., and some of the radio broadcasting stations. Later, when the routine morning business shall have been concluded, if I can get recognition, I shall make a few remarks regarding the resolution. I ask that the resolution be referred to the Committee on Interstate Commerce.

The resolution (S. Res. 305) was referred to the Committee on Interstate Commerce, as follows:

Whereas the Cooperative League of the United States of America has reported in a resolution formally adopted at the thirteenth biennial congress of the league that the National Broadcasting Co. and the Columbia Broadcasting System had unfairly and unjustly discriminated against the league by denying the league the opportunity to purchase radio time; and

Whereas this report of the Cooperative League of the United States of America raises a very vital question as to the necessity for amendments to the Communications Act, 1934: Now, therefore, be it

Resolved, That the Committee on Interstate Commerce, or any duly authorized subcommittee thereof, is authorized and directed to obtain such facts as the Cooperative League of the United States of America, the broadcasting companies, the Federal Communications Commission, the Department of Justice, and other Government agencies and other groups or persons may have bearing on the accuracy of the charges of discrimination against cooperatives and others by the major broadcasting companies in the sale of their radio time; and on the question whether the Federal Communications Act, 1934, should be further amended to authorize the Federal Communications Commission to prevent such discrimination, or should be otherwise amended to deal with the problem of granting further authority to the said Commission by restricting or affecting the power of said broadcasting companies. The said committee or duly authorized subcommittee is authorized and directed to secure the assistance of other Government agencies in the investigation hereby authorized and to report to the Senate the facts ascertained in the course of the investigation and the recommendations therein.

For the purpose of this resolution, the committee or any duly authorized subcommittee thereof is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate, to require by subpena or otherwise the attendance of such witnesses and the production and impounding of books, papers, and documents, to administer oaths, and to take such testimony as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee or any duly authorized subcommittee thereof, which shall not exceed $1,000 in addition to the cost of stenographic services to report such hearings, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

ASSISTANT CLERK TO COMMITTEE ON PUBLIC LANDS AND SURVEYS

Mr. HATCH submitted the following resolution (S. Res. 307), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the authority of the Committee on Public Lands and Surveys under Senate Resolution No. 245, Seventy-seventh Congress, to employ an assistant clerk is hereby continued until otherwise provided by law or resolution.

SECOND BIMONTHLY REPORT OF CHAIRMAN OF WAR PRODUCTION BOARD (S. DOC. NO. 274)

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed as a Senate document the second bimonthly report of the Chairman of the War Production Board dated October 11, 1942, under section 5 of the Murray-Patman Act, Public 603, Seventy-seventh Congress, approved June 11, 1942.

The VICE PRESIDENT. Without objection, it is so ordered.

SHORTAGE OF FARM LABOR

Mr. BYRD. Mr. President, Mr. Arthur Krock, writing in the New York Times as of October 10, has presented an admirable picture of the crisis which now exists as a result of the shortage of farm labor. America, in this World War, must be not only an arsenal for democracy, but must be the bread basket for democracy.

As Mr. Krock so correctly points out, Brig. Gen. Lewis B. Hershey's agency determines who is to be inducted into the Army, and when the War Manpower Commission, under Paul V. McNutt, is considering the distribution of manpower. It is essential that these two agencies work out a satisfactory solution to this problem. Otherwise the continued shortage of farm labor will result in a situation which will not only bankrupt millions of farmers in America, but will prevent the production of sufficient food, so essential to the winning of the war.

On the one hand, it is essential that skilled farm hands and operators be deferred on the same basis with skilled industrial workers. I do not mean, of course, that all farm workers should be deferred but that the same standards as to being essential be applied to farm workers that is now being applied to industrial workers. On the other hand, there must be some means to prevent the enticement of farm labor from the farms by the high wages paid by the Government and in war industry operations.

It would be the height of folly to continue to draft for military service experienced farm hands and then later to draft for farm work those who are not familiar with the work of farming, in an attempt to replace the experienced farmers already drafted. It is universally the experience of a practical farmer to find that the only really effective farm hands are those who have had farm experience and been hardened to farm work.

The article by Mr. Krock so ably discusses this very difficult problem that I ask unanimous consent that it be made a part of my remarks in the body of the RECORD.

I further request that the letter I wrote on October 9 to Brig. Gen. Lewis B. Hershey, the Director of the Selective Service System, and the Honorable Paul V. McNutt, Chairman of the War Manpower Commission, be inserted in the body of the RECORD as a part of my remarks.

There being no objection, the article and letter were ordered to be printed in the RECORD, as follows:

FARM CRISIS EMPHASIZES LACK OF MANPOWER RULE—FIXING OF ARMY'S SIZE AND A CENTRALIZED AUTHORITY TO DECIDE WHO WILL FIGHT OR WORK LOOM AS VITAL NEEDS—AGRICULTURAL AREAS HARD HIT

(By Arthur Krock)

WASHINGTON, October 10.—The crisis over manpower came, like other crises in the war program of the United States, as an expected guest for whom no adequate preparation had been made. It followed in sequence the emergencies over production, inflation, the rubber shortage and other problems that have been raised by the war and permitted to reach an acute stage before they were met.

From the time the "arsenal of democracy" was created by high administration policy, these consequences were obvious: High pay in the armament industries and the administration's protective attitude on organized labor's demands would attract farm workers away from the land. The absence of a general selective-service policy on deferring farm labor would induce local draft boards to siphon it too heavily into the Army, particularly since the average American rural citizen is not willing to ask for deferment from combat service. The longer a decision was withheld to draft youths of 18 and 19 the greater would be the drain on adult farm and industrial labor.

All these results were to be foreseen when plans for the Army were set at 2,000,000 and 4,000,000. But with the entrance of the United States into the war, the continued reverses of the United Nations and the saturation of British manpower for the fighting services expanded the American Army plan by necessity to many millions more. All the consequences were intensified and the crisis came more rapidly to a head.

SHADOWY OUTLINE

It came in shadowy outline, insofar as computation of its scope is concerned, and the outline will remain vague until the size of the Army is determined. Then it will be possible to work out these vital equations, how many—men and women—must be left on the industrial and rural production lines to supply that Army and prevent the destruction of the American farm economy; what regulations will be required to effect an over-all selective service for the military and civilian groups.

While, as in the instance of savings, the administration still talks sympathetically of the voluntary method of manpower allocations, the general expectation is that compulsion will be necessary as it has been proved to be in the field of savings. A great many observers think they detect in the lingering official emphasis on a voluntary system the same hesitation in coming to grips with reality that has afflicted Washington's dealings with inflation, the rubber shortage and the draft of youths. A number of these observers are convinced that not until the November elections are past will the manpower thistle be firmly grasped.

But grasped it must be if anything approaching solution is to be found of this most vital matter on which, as much as on anything else, the winning of the war depends. And ever since the President brought back word that the country is far ahead of Washington, and is ready to do much more than Washington has found the resolution to ask, hope is growing that the administration will come to grips with the manpower problem sooner than had been generally expected.

DAIRY AREAS DESPERATE

This refers to the administration of manpower for the duration of the war, a fixed and orderly regulation covering all phases. But in the meantime conditions in the dairy and livestock areas have become desperate; farms are being abandoned and herds sold or slaughtered. And, in the areas of ordinary farming, fields that grew food-crops are being turned to grass wherever the requisite labor can be found to do that.

These conditions have impelled local authorities, such as Governor Harold Stassen of Minnesota, to set up interim manpower regulations while waiting for the Federal Government to act for the Nation as a whole. But such devices can only be stopgaps because a Governor's writ does not run beyond the boundaries of his State, and migrant labor needs no passports to cross them.

A graphic illustration of what is happening in general farm areas was offered recently by a Virginia county agent of the Department of Agriculture. It is important because it is widely typical. Interviewed by the Clarke Courier of Berryville, County Agent C. C. Funkhouser said that farmers in his jurisdiction will curtail 1943 crops from 20 to 40 percent, the latter figure applying to the corn crop. Labor, he said, is demanding from 40 to 50 cents a shock to cut corn which has a market price of only $3 a barrel. He attributed the shortage of labor "to people leaving the county for Front Royal, Winchester, and Hagerstown" to engage in war work at high wages. About 15 automobiles, carrying these workers, leave the county every day, said Mr. Funkhouser.

He spoke of apples rotting on the trees for lack of labor, and predicted that the county schools will have to be closed next year, and town stores closed at times, if the apple crop is to be harvested in any considerable measure.

There are more than 5,000 counties in the United States, and in all which contain farms the story is much the same.

CLEAR POLICIES

Students of the problem, including those who examined the prospect of it in the last war (it did not fully materialize for numerous reasons) believe that the Federal manpower law must test on certain clear policies. Women must be substituted for men workers wherever possible. Non-war industries must be heavily curtailed. Non-war manufactures must be severely limited to a very few types, which will release manpower automatically for armed service and war industry. The slogan of the Government must be "work or fight."

No strike, they say, can be permitted in a war industry but in non-war occupations alone. Strikers or "higher-wage shoppers" in essential industry, or in any activity that affects it, should lose any draft deferment status they have been granted and new jobs should be foreclosed to them. This would be accomplished by a prohibition to employers against hiring any labor not released to them by order of a Government employment agency.

But as the base of all these regulations the size of the Army must be determined so that the numbers required to equip and supply it can be known. When that is done the status of farm and war industry workers with reference to draft deferment will have to be fixed as a rigid guide to the local boards and to the civilian manpower authorities.

DIVIDED AUTHORITY

As matters now stand, Maj. Gen. Lewis B. Hershey's agency determines who shall be inducted into the Army and when. But there is also a Federal Manpower Commission under Paul V. McNutt, and between the two there is no clear modus operandi. Also, General Hershey has compulsory powers, and as yet Mr. McNutt has none. It is generally accepted that an administrative authority must be set over both agencies so that, John Jones, farm boy, white-collar boy, or industrial worker, can be classified according to a

clear manpower policy. The longer this is delayed the more desperate manpower conditions will become, and the more difficult it will be to finally correct them.

In what is envisaged as necessary the right of volunteer enlistment would no longer be granted by the Government.

OCTOBER 9, 1942.

Brig. Gen. LEWIS B. HERSHEY,
Director, Selective Service System.
The Honorable PAUL V. MCNUTT,
Chairman, War Manpower Commission.

DEAR SIRS: I am writing this joint letter, as you are the two officials with authority to relieve, or to make recommendations to remedy, a most serious condition that now confronts the farming industry in America and which, unless dealt with promptly, will result in a dangerous reduction in the production of food.

America, in this World War, must be not only an arsenal for democracy but must be the bread basket for democracy.

Farm labor has been drafted from the farms without giving individual consideration to the need and indispensability of those drafted. To my personal knowledge, farm owners, operators, and skilled farm hands have been drafted which will result in a loss of food production. But worse than that, the Government itself has been paying such high wages for Government work and for work in defense plants that the farms have been drained of labor essential to maintain the standard of food production so vital for our success in winning the war.

I write as one with a personal knowledge of this problem, and I hope you are fully cognizant of the shortage of farm labor as a direct and contributing cause of a greatly lowered production of food.

It is imperative, I think, that prompt and firm action be taken to remedy this situation, but let me emphasize that only those physically capable of farm work can render efficient service on the farm. It would be the height of folly to continue to draft experienced farm hands, and then later to draft for farm work those who are not familiar with the work of farming in an attempt to replace the experienced farmers already drafted.

The farmer cannot continue to do his part in winning the war and have his labor drafted on one hand and, on the other, have his labor enticed by high Government wages to other activities.

I know you believe, as I do, that the production of food is absolutely essential to winning this war. The time has come when action can no longer be delayed, and something effective and prompt must be done to avoid any further depletion of farm labor. In fact, this depletion has gone so far that action is necessary now to replace the labor that has already been taken from the farm by the high prices paid in war industries and by the draft.

With best wishes, I am,
Cordially yours,

HARRY F. BYRD,
United States Senate.

FARM LABOR AND WORK PROJECTS ADMINISTRATION ACTIVITIES

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial published in the Killdeer Herald, of Killdeer, N. Dak., entitled "W. P. A. Still Going." I insert this editorial in the RECORD with the thought that the farmers in North Dakota are having a desperate time getting men to work on their farms, but at the same time, the editor says, the W. P. A. has men working on W. P. A. projects.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WORK PROJECTS ADMINISTRATION STILL GOING

Frank Osterwind, of the Marshall country, was in Killdeer Wednesday on business. Frank recently returned from Fargo, and while there he noticed a Work Projects Administration gang tearing up old rails of an abandoned rail line, which project has been going on for some time.

In the meantime—as an evidence of lack of coordination between Government agencies—our agricultural college at Fargo and our university at Grand Forks have closed until October 20 so that the students can go out and help with the threshing.

Why this rail-pulling stunt could not be postponed for a couple of weeks while the Work Projects Administrationers get out and help the farmers is a question that's too deep for us.

CLASSIFICATION OF ALIENS OF ITALIAN ORIGIN

Mr. LANGER. Mr. President, at this time I wish to commend the Attorney General of the United States, Mr. Biddle, for his Columbus Day speech, in which he announced that 600,000 unnaturalized Italian aliens living in the United States would be removed from classification as enemy aliens. I ask unanimous consent to print at this point in my remarks a letter I wrote to the Attorney General praising him for his action and requesting at the same time that he take similar action on behalf of German people and others of Teutonic origin in this country.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 15, 1942.

Hon. FRANCIS BIDDLE,
Attorney General of the United States,
Department of Justice,
Washington, D. C.

MY DEAR ATTORNEY GENERAL: The forthright action taken by you in your Columbus Day address, announcing that 600,000 unnaturalized Italian aliens living in the United States will be removed from classification as enemy aliens, is, in my opinion, deserving of the highest commendation and wholehearted endorsement by our citizens.

Moreover, I believe you should promptly take similar action for the hundreds of thousands of Germans and others of Teutonic origin, because I believe they are just as loyal and patriotic as are the 600,000 Italians.

That this action should be taken by you, I believe, is especially true where German people have sons or daughters serving in the military forces of this country. In my judgment, the record and antecedents of the average German are such that these people should also have the benefit of the very humane treatment that you have accorded the Italians. I know that you will agree with me in the appraisal of these people as being inherently solid, honest, and substantial, and the very high places in the Army, Navy, and the Air Forces now occupied by men of Germanic origin attest to their dependability and loyalty.

With kind regards, I am,
Sincerely,

WILLIAM LANGER,
United States Senate.

ADDRESS BY SENATOR GUFFEY AT MEETING OF PHILADELPHIA DEMOCRATIC CITY COMMITTEE

[Mr. TUNNELL asked and obtained leave to have printed in the RECORD an address delivered by Senator GUFFEY at a meeting of the Philadelphia Democratic City Committee at Philadelphia, Pa., on October 11, 1942, which appears in the Appendix.]

ADDRESS BY SENATOR HILL ON MANPOWER

[Mr. HILL asked and obtained leave to have printed in the RECORD a radio address on the subject of manpower delivered by him in the Washington Star Forum on October 14, 1942, which appears in the Appendix.]

ADDRESS BY DR. T. V. SOONG, MINISTER FOR FOREIGN AFFAIRS OF THE REPUBLIC OF CHINA

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD the address delivered by Dr. T. V. Soong, Minister for Foreign Affairs of the Republic of China, at Carnegie Hall, New York City, on October 10, 1942, under the auspices of United China Relief, which appears in the Appendix.]

AMERICANS OF ITALIAN ORIGIN—COLUMBUS DAY ADDRESS BY THE ATTORNEY GENERAL

[Mr. GREEN asked and obtained leave to have printed in the RECORD an address delivered by Hon. Francis Biddle, Attorney General of the United States, at the Columbus Day celebration in Carnegie Hall, New York City, entitled "Americans of Italian Origin," which appears in the Appendix.]

PRICE CEILINGS ON FARM PRODUCTS—ADDRESS BY JOHN BRANDT

[Mr. LANGER asked and obtained leave to have printed in the RECORD an address by John Brandt, president of the Land O'Lakes Creameries, Inc., discussing price ceilings on farm products in connection with recent legislation, which appears in the Appendix.]

DIFFICULTY OF MEETING DRAFT QUOTAS

[Mr. NORRIS asked and obtained leave to have printed in the Record an article entitled "Some Counties Can't Meet Draft Quotas," published in the Lincoln Star of Lincoln, Nebr., of the issue of October 10, 1942, which appears in the Appendix.]

PERMANENT PEACE—ARTICLE AND EDITORIAL FROM THE CHRISTIAN CENTURY

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an article entitled "Victory—For Humanity!", written by Alfred W. Palmer, and an editorial entitled, "Up To Congress!", both published in the issue of the Christian Century of September 30, 1942, which appears in the Appendix.]

IN MEMORY OF LT. COMDR. DAVID HURT

[Mr. BYRD asked and obtained leave to have printed in the RECORD a poem written by Mr Frank T. Witten, of Tazewell, Va., in memory of Lt. Comdr. David Hurt, which appears in the Appendix.]

THE COURT IS NO ADJUNCT—EDITORIAL FROM THE HARTFORD COURANT

[Mr. DANAHER asked and obtained leave to have printed in the RECORD an editorial, entitled "The Court Is No Adjunct," published in the Hartford Courant of Oct. 5, 1942, which appears in the Appendix.]

INTEREST IN ELECTION LAGS—ARTICLE FROM THE RICHLAND COUNTY, N. DAK., FARMER-GLOBE

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article from the Richland County Farmer-Globe, of Wahpeton, N. Dak., entitled "Interest in Election Lags," which appears in the Appendix.]

The VICE PRESIDENT. The routine morning business is concluded.

ALLEGED DISCRIMINATION AGAINST CO-OPERATIVES IN THE SALE OF RADIO TIME

Mr. NORRIS. Mr. President, I believe the resolution (S. Res. 305), which I submitted a few moments ago, can better be

explained by reading a part of a letter written by Mr. John Carson, who, as Senators know, was formerly private secretary to the late Senator Couzens, and who now represents the Cooperative League of the United States of America. In this letter, which is addressed to me, Mr. Carson says:

I am happy to know of your interest in the resolution adopted by the thirteenth biennial congress of the Cooperative League, United States of America, through which the league reported what we sincerely believe to be unjust and unfair discrimination practiced against the league by the National Broadcasting Co. and the Columbia Broadcasting System, both of which companies refused to sell time to the league.

This is not a matter which concerns the Cooperative League only. It is a matter of vital importance to every consumer, to every radio listener, to the entire public interest, and we sincerely believe to the radio companies, particularly to the independent broadcasting companies. One of those companies already has recognized the importance of this matter to broadcasting companies, and as the facts are developed, we think every other independent company will join in welcoming a constructive inquiry into the matter. That is what the league asks.

The Cooperative League, United States of America, is the educational arm of the consumer cooperative movement. The league is made up of 21 great regional or wholesale organizations which are owned by several thousands of local or retail cooperative organizations, and which in turn are owned by some 1,500,000 to 2,500,000 families. Because families may be owners in one or more local cooperative organizations, it is difficult to determine precisely the number of families, but I think it is fair to say that from 6,000,000 to 8,000,000 of our citizens are now associated in these cooperative organizations.

Mr. Carson further says:

The broad issues involved here were first raised, to my knowledge, when the Senate Committee on Interstate Commerce conducted an inquiry which led up to the writing and the adoption of the Communications Act, 1934. You may recall that I had much to do with that investigation, as I was then secretary to Senator James Couzens and clerk of the committee. During the inquiry we discussed at great length the problem presented by the control of radio facilities by broadcasting companies. In fairness to the radio companies, I think it was agreed that they should have and must have certain authority to determine what persons or groups of persons should be permitted to use the facilities. For example, we agreed the radio companies should have authority to prevent use of radio for purposes of slandering citizens or groups of citizens.

But it was then recognized that the grant of authority, implied or otherwise, to the radio companies demanded also the fixing of some definite responsibility. It seemed inevitable then that this difficulty would arise, and it has arisen on many occasions. The broadcasting companies should be most concerned over it, and I think the men with vision in that industry will be and will welcome a constructive inquiry. For in this situation presented by the Cooperative League is what we believe to be the exercise of harsh and arbitrary action, a condition which may become explosive unless correctives are applied now.

Mr. President, Mr. Carson continues in the letter and narrates just what the Cooperative League of America has attempted to do, and states that the broadcasting companies have finally declined to sell time to it over the air.

I wish to read a signed editorial published in the Burlington Daily News, of Burlington, Vt., on October 9, 1942. The editor and publisher of the paper, Mr. William Loeb, signed the editorial. It is not very long, and I think it is worth reading to the Senate. It is as follows:

[From the Burlington (Vt.) Daily News of October 9, 1942]

THE COOPERATIVE WAY

In today's paper there is an authoritative article on the accomplishments of the Vermont Electric Cooperative, Inc., Eden Mills, Vt., indicating their accomplishments for the past year. In these war days when everything and every energy is devoted almost entirely to producing weapons for destruction, it is most encouraging to read of the work of an organization which has been able to raise and expand the standard of living in the past year.

This is a perfect example of what free people, working in a free and democratic fashion by cooperating with each other, can accomplish. This is the American way, not the way of financial oligarchies from Wall Street or ruthless bureaucratic dictatorship from Washington.

That this report should come out now is especially significant. Yesterday Wallace J. Campbell, head of the New York office of the Cooperative League of the United States of America, announced that the league intended to ask the Federal Communications Commission to investigate the refusal of the National Broadcasting Co. and the Columbia Broadcasting System to sell radio time to the league. According to Mr. Campbell, the cooperative organization had planned to present a radio program entitled "Let's Get Together, Neighbor" on 30 stations from coast to coast next Sunday as the first in a series to promote its cooperative efforts.

It is charged that neither the National Broadcasting Co. nor Columbia Broadcasting System would sell any time for this purpose. This paper has often complained of the overzealous and silly censorship of certain Washington bureaus, and this act by National Broadcasting Co. and Columbia Broadcasting System hits some sort of a new high record. Here is an organization whose ideals and reputation are of the highest caliber which is denied an opportunity to sell an ideal to the public, even when it was prepared to pay for it. The radio chains are perfectly willing to take money and sell time to advertise many commercial products whose real value to the public may be gravely questioned.

This act by the National Broadcasting Co. and the Columbia Broadcasting System deserves not only thorough investigation by the Federal Communications Commission, but the censure of every free and living American and especially the numbers of various cooperative associations and their friends.

We suggest that supporters of the cooperative movement write in to the National Broadcasting Co. and also to the Columbia Broadcasting System and freely and forcibly express their feeling on this kind of high-handed action. It would be well also to write to Charles Hasbrook, the owner of WCAX, which is a member of the Columbia Broadcasting System and which advertises itself as the voice of Columbia in northern Vermont. It is to be hoped that Mr. Hasbrook is a real friend of the cooperative movement, and not a mere pawn of vicious, vested interests.

If this is the case, he will do his best to influence the Columbia Broadcasting System to abandon its absurd and entirely anti-social attempt at the suppression of free speech. Each and every member of a Vermont cooperative should await with extreme interest a clearly defined statement from this radio owner. It is a matter which cannot be talked around or overlooked. He will either go to bat for the cooperatives or give silent assent to the Columbia Broadcasting System.

More power to the cooperative movement throughout the United States.

WILLIAM LOEB, *Publisher.*

Mr. President, I ask to have printed at this point in my remarks without reading an article published in the same newspaper entitled "A Letter From West Virginia Gave Power to Vermont Farm—As a Result, 1,200 Rural Homes Now Have Electric Light, Other Necessities—Via Eden's Co-op."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Burlington (Vt.) Daily News of October 9, 1942]

A LETTER FROM WEST VIRGINIA GAVE POWER TO VERMONT FARM—AS A RESULT 1,200 RURAL HOMES NOW HAVE ELECTRIC LIGHT, OTHER NECESSITIES—VIA EDEN'S CO-OP

(By A. Ritchie Low)

Electricity and what it means in the home and on the farm is an old story to many of you. You've had your home lit up with it these many years, and you've long since taken electricity for granted. But to those who have had it installed but recently, it's regarded as something just too good to be true.

Take the story of Mr. and Mrs. Donald Naramore, who live over Lowell way, for instance. Mrs. Naramore has been postmistress there for quite a spell, and her husband the owner of a country store that is an institution in that part of Orleans County. They'd long hankered for electricity. They'd visited many of their friends who had it, and longed for the time when the wires would be strung and they, too, would enjoy it. But they weren't too optimistic about the prospects. There aren't many thickly settled neighborhoods over Lowell way, and the big power companies weren't especially interested.

Then one day, out of a clear sky, something happened, something that has since changed their manner of living, something that has made life a bit easier not only for the Naramores but the entire countryside miles around. It all came about as a result of a letter Mrs. Naramore found in the mail one day.

ADDRESS POSTMASTER

This letter was addressed to the postmistress at Lowell, Vt. Nothing unusual about that, to be sure, for every Tom, Dick, and Harry who has something to sell, if he doesn't know of any names in a community, will take a long chance and simply address his correspondence to the postmaster. In this case, however, the one who sent it mailed his letter not to the postmaster but to the postmistress. This indicated he knew more than did the majority who cluttered her wastebasket with their epistles.

Mrs. Naramore picked up the letter, looked at it closely, and noticed that it had been mailed in a town in West Virginia she'd never even heard of. It was mailed first class, too, and so it was with interest mingled with curiosity that she tore the envelope open and began to read. She read it once, she read it twice, and then went to her husband and showed it to him.

"Donald," she said, "here is a letter from a fellow by the name of Harry Bowman who wants to know if we are interested in having electricity in this section. I don't know any more about him than you do, but you know how often we've wished we had it. Read his letter and see what you think. At any rate, Donald, it would do no harm to write him and see what's on his mind. It might lead to something."

LETTER GETS RESULTS

Lead to something, it certainly did. As a direct result of that letter received back in 1935 in the tiny post office at Lowell, up in Orleans County, a host of farm wives are now enjoying the use of electric washing machines, vacuum cleaners, and gadgets, and farmers electric milkers and coolers and other farm appliances.

Harry Bowman was in my study telling me about it the other day. I must admit I was a bit curious as to how he happened to write to the postmistress of a small town in northern Vermont. Remember, when he wrote the letter he was then living in Romney, W. Va., and wasn't likely to know much about Vermont, to say nothing of an isolated community way up among its hills.

It all came about this way: "I had just sold out my electrical business in West Virginia," he explained, "and was looking for new fields to enter. I got hold of a friend who supplied me with information as to the rural sections of the United States that needed electricity. After I looked over the list I chose the most likely places, places where I knew I stood some chance of doing business. Vermont was on the list, and Lowell, as I glanced at the map, looked like a likely prospect, since it seemed to be the center of a good dairy section. I didn't know a soul there. Never even heard of the place, but I knew it had a post office, and so I sat down and wrote to its postmistress. The rest you know. Does that answer your question?" I told him it did.

Now, what I've told you is not the end of the story. As a matter of fact, it is but the beginning. Not only did the Naramores in Lowell get electricity, but also their fellow Vermonters in 35 other northern communities. But let's not get ahead of our story.

"After the postmistress got your letter," I said to Harry Bowman, "what happened after that?" This seemed to me like a good question because you and I get letters every day that we do nothing about. We don't even throw them in the fire. We just lay them aside thinking that maybe we'll do something about their contents later. But most of the time we just let the whole matter go by default. We can't be bothered. And besides we're very busy we explain to ourselves. You know how it is.

A GOOD BEGINNING

Mrs. Naramore, as postmistress, always hankered to have electricity so that she could sort the mail quicker. It isn't an easy matter to sort papers and letters and parcels and other odds and ends that come into a rural post office with the aid of old-time conveniences. Besides she always wanted to have the usual household appliances that electricity makes possible. And her husband, he, too, always looked forward to the time when the power line would come his way so that he could install the up-to-date improvements he felt his numerous customers were entitled to, electric refrigeration, etc. Donald Naramore is a progressive country merchant and he wanted to have as modern a store as the next fellow.

And so one night, after the day's work was done, he went to the corner desk and dropped Harry Bowman a line. He'd read his letter, he went on to say, and what did he have to offer? Soon in the mail was a second note postmarked West Virginia, to the effect that soon Bowman would come to Vermont and look the situation over.

After Bowman and Naramore talked things over, it was decided to interest the neighbors, call a meeting and discuss the whole proposition. When the farmers from the surrounding countryside realized that this fellow who had come into their midst was not of the fly-by-night type but really knew his business and was genuinely anxious to help, interest immediately began to increase. So far as getting electricity was concerned, it looked as though they were getting somewhere. That is what the dairymen were saying one to another as they wound their way home across the mountain road after their first get-together with Harry Bowman.

Having interested the people of the countryside, his next job was to interest Washington. Easier said than done, however, especially when you consider his inexperience. Harry knows lots about running a power plant and how to string wires along a State highway and all that sort of thing but is pretty much of a novice when it comes to winning friends among the governmental higher-ups and influencing Senators and Congressmen. But there's one thing Harry does know how to do, and that is to exercise patience, also how to hang on. And hang on he did.

COULD WASHINGTON HELP?

He sent letter after letter to Washington to explain the whole project. He told the powers-that-be in glowing terms, as glowing and vivid terms as he knew how, what an opportunity there was for the Rural Electrification Administration to really get down to business and do things in northern Vermont. But Washington wasn't especially interested and gave him the run-around. Yes, they said, they were glad to get the information, they were pleased to be informed and when the auspicious time came, etc. If you've had dealings with some of the Federal big wigs you can fill in the rest for yourself.

But there were two Vermonters who believed in Harry Bowman's proposition, men who knew Lowell, its people and its needs and who felt something should be done about it. They were Mel Clark of Burlington and Leon Going of Richford. Both went to bat, got results, and soon things looked a bit brighter. Another Vermonter who, Bowman says, helped lend a hand was Tom Cheney of Morrisville.

One day an important looking letter came from Washington. The whole project, the writer went on to say, had been reconsidered. The Rural Electrification Administration was interested and would Mr. Bowman please hold himself in readiness so that he could take a field representative over the territory? The very next mail carried an answer. Yes, indeed, Harry Bowman would gladly hold himself in readiness and when was the field representative to be expected? Soon he made his appearance and the two covered the Lowell, Westfield, and other nearby sections together. The Rural Electrification Administration advance man was a regular fellow and the two got on well together. Yes, said the field man in his report to headquarters, the whole area looked good to him and northern Vermont should surely be considered as likely Rural Electrification Administration territory. Harry Bowman was a happy man. So far so good!

MOVEMENT UNDERWAY

It was in just some such fashion that what is now widely known as the Vermont Electric Cooperative got its start. Today it is a growing concern with 540 miles of power lines, over 1,200 patrons, and assets of over half a million dollars. When you remember that Bowman and the Naramores and their little band of cooperatively minded farmers didn't really get started until back in 1938, you can see how far and how fast the movement has traveled.

The whole line wasn't built at once, to be sure. As a matter of fact, the first project consisted of but 53 miles of line, although each year has seen farm houses, schools, and stores added to the cooperative's list of patrons. The growth has been both steady and encouraging.

NOTHING DONE BEFORE

It is sometimes asked why, if the farmers all along have wanted to be served with electricity, something has not long ago been done to meet this need. The answer is not hard to find. Sections of Orleans County are but sparsely populated, and the private utilities have never felt they would be justified in spending money to build a line. Farmers, to be sure, needed the "juice," but what about a return on the investment? Where would dividends come in? And there must be dividends, if such an expenditure were made. This explanation, it seems to me, is the reason why up until recent years, thousands of our farm people haven't had electricity.

There is an aspect of the Vermont Electrical Cooperative that makes a distinct appeal to hard-headed Vermont farmers, I'm told. It is this: Each patron is a partner in the business, each is a stockholder, every patron has a vital interest in the welfare of the organization. To use a biblical phrase they are "members one of another."

When you buy juice from a private company, you own no more in it after you have been paying your bills for 10 years than you did after the first 12 months. With the cooperative whose headquarters are in Eden, however, this is not so. Every bill you pay helps to pay off the mortgage since the rates set up by the directors amortize the Government loans. By and by, the organization will be clear of debt and it will be owned, not by a handful of men whose original capital was invested, but by the patrons themselves. Farmers and others like this aspect. It is a prospect that pleases them very much.

MIND THEIR BUSINESS

Another thing. They realize that, if it is their own business, it is up to them to mind it, to put into office men good and tried and true, men who've made a success of their own farm or business, men who'll run the cooperative along the right lines, men who'll think not only in terms of profits but also in terms of service, service to their fellow men. That the right men have been put into places of responsibility is proven by the progress that has been made.

Here is the list of officers: President, E. T. Hubbard, Jeffersonville; vice president, Stephen H. Washer, Johnson; secretary-treasurer, Harry Drown, Eden; directors, James Barry, Fairfield; Julius Morse, Underhill; Carl Scott, Montgomery; and Jasper Cummings, Coventry. J. S. O'Hara, of Morrisville, is the Government inspector who makes the rounds on behalf of the Federal authorities and sees to it that the wires in the homes and barns are properly set up and connected. O'Hara, a half-brother of Harry Bowman, has been most helpful from the very beginning of the project. He has had a hand in getting the whole movement in motion, and the patrons are appreciative of his unselfish services and helpful spirit.

NEW PATRONS WANTED

"Suppose," I asked Mr. Bowman, "there are farmers living near your power lines who want to 'hitch on' and be served with electricity; how do they go about getting it?"

"That's a good question," he replied, "and one we're always glad to answer. Glad, because it is our aim to be of service wherever we can. In direct answer to your question, I should say that if farmers in an area want to link up with us, the thing for them to do is to let their wants be known, and on our part we'll send up a man to go over the area and see if there are enough to make it worth while. If there are, we say so and suggest meeting in some hall or church vestry to talk things over. That's the usual procedure."

Asked if a prospective patron had to take out stock before he could be served, Bowman replied that this was not necessary. They did ask, however, that those who intended to get electricity from the cooperative take out a membership fee which amounted to $5.

Questioned whether any contracts were signed, I learned that it was found helpful in the stabilizing of the cooperative to ask patrons to sign a contract for 1 year. It stipulated that the signer would pay a minimum rate of $3 a month for that period.

Rates have remained the same so far, stated Bowman. He was quick to point out, however, as I have already tried to do, that the the difference between paying a bill to a cooperative and paying it to a private utility lies in the fact that eventually the former's patrons wind up by actually owning the business. Every payment goes toward an eventual ownership. That is what makes it a cooperative.

In fairness to the power companies, this leader also pointed out that what made such organizations as Vermont Electric Cooperative possible were Federal Government loans made at very low rates of interest. Asked whether they'd been able to meet their obligations so far, he smiled. "Not only have we met every note on schedule, occasionally we've been able to repay loans ahead of time," declared Bowman.

READ OWN METERS

I admit I was a bit surprised when told that each man reads his own meter. This was something new under the sun, new at least to me. I'd never heard of the like before. "You see," he explained, "when each man has a stake in the business, there is no reason why he should not be truthful. It he should cheat he would be cheating himself."

Not only do the farmers and storekeepers and others read their own meters, in addition they make out their own bills. I wanted to know how they would know how to do it. I went on to say that I knew no more about reading meters today than I did 20 years ago, and that I'd be using electricity in the meantime. Meters were just a mass of unintelligible figures to me, I told Harry Bowman. But enterprising fellow that he is, he had thought of that.

When a fellow signs up with the Eden Cooperative, he explained, he is given a chart that is as plain as the nose on your face. It isn't complicated but simple; you don't have to be a mathematician to read it nor a financier to make out your bill; and that is why farmers and others have gladly cooperated by using it. They like the idea of being trusted, and the fact that by reading their own meters they save overhead appeals to their Yankee sense of thriftiness. It is true that meters are read by someone from the office once a year, at a time when no one has advance word of it, but so far this routine has but confirmed the belief of their leader that the overwhelming majority of our farm people are honest.

The leader of the Vermont Electric Cooperative told me that it costs from 25 to 30 cents a meter to have a man go from place to place and stated that with over 1,200 patrons they were able to save considerable money in overhead. This, in turn, made it possible to keep rates at a minimum consistent with good business management.

PAYS TRIBUTE TO AIKEN

In making mention of those whose early help had made this cooperative possible, Harry Bowman paid a fine tribute to former Governor, GEORGE D. AIKEN, who, when in office did everything in his power to lend a helping hand. Gov. William H. Wills had also, he said, evinced an 'nterest in bringing electricity and its benefits to the people of the countryside. Harry Drown, too, had been one of the early boosters of the movement, and his election as secretary-treasurer was an indication of the high esteem in which he was held by the patrons.

"A lot of fellows have had a hand in this business," he modestly told me, "and I wish you'd make this plain when you write up your story." I told Harry I'd do just that.

Once, a meeting the farmers and others belonging to this co-op get together, elect officers, talk things over, and make plans for the future. This year's annual meeting will be held in Eden next Tuesday, October 13. It begins around 10 o'clock and winds up in the afternoon. Dinner will be served at noon and there will be time for an old-fashioned visit before the afternoon session. Some of the neighbors, especially with gas rationing, haven't seen one another for some time and this will be an occasion when old ties can be renewed and friendships cemented. A large attendance is expected.

DREAM BECOMES TRUE

Little did Mr. and Mrs. Donald Naramore dream, when they got Harry Bowman's letter mailed from West Virginia back in the middle 1930's, that within 8 years not only would they have electricity but also 1,200 other Vermonters would in over 30 towns. Little did they dream that there would be held in the neighboring town of Eden a gathering of the members of one of the largest cooperative movements in the State of Vermont, and that their answering that humble letter would have everything to do with it.

As I've sat here in the study of the United Church writing this story, one question has been running through my mind. Maybe it has been running through yours, too.

Suppose the Naramores had never answered the original letter?

Mr. WHEELER. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield, to the Senator from Montana.

Mr. WHEELER. I wish to say to the Senator from Nebraska that this matter was called to my attention some days ago. I was indeed surprised that the National Broadcasting Co. and the Columbia Broadcasting System took the position they did. As I understand, they first took the position that they would not permit the cooperatives to broadcast because, as they said, the matter was controversial. Later they took the position that other advertisers using their facilities might object.

Mr. President, I can see no reason in the world why the broadcasting systems should not permit the cooperatives to broadcast if they pay for the service. I can see no reason why the broadcasting systems should not permit cooperatives, if they are operating in the national interest, to be given the same opportunity to be heard over the radio as farm organizations and other groups which are trying to promote identically the same thing among the farmers. There are those who are opposed to the cooperatives, as the Senator no doubt knows, because they think the cooperatives may interfere with their profits, or their dividends, and that their operation may tend to bring down the cost of living to the average man. Certainly there can be no excuse whatever for the National Broadcasting Co., the Columbia Broadcasting System, the Mutual Broadcasting System, or any other broadcasting system denying cooperative organizations, some of them the largest in the country, some of them outstanding in the work they have done, the right to buy time, simply on the ground that the subjects they may discuss are controversial.

Mr. President, probably everything said over the radio on the subject of politics is controversial. If the broadcasting systems are to take the position that they will not permit anything to be said over the air or any time to be sold on any subject which is in the slightest degree controversial, then, of course, they are going to be able to pick and choose exactly what they will permit to go on the air. The broadcasting systems permit radio commentators, who are paid by some of the large interests in the country, to go on the air and discuss matters which are highly controversial. They are permitted not only to give the news but to edit the news, and to make comments, which are, to say the least, of a highly controversial nature. I think the action by the broadcasting systems is taken purely on the basis of their own selfish interests, and not on the basis of the best interests of the country as a whole.

Mr. NORRIS. I thank the Senator from Montana. The statement he has made is of the same nature as the one I was going to make, so it will not be necessary for me to make it.

I should like to call attention to the fact that the question goes much deeper than whether one likes a cooperative or does not like a cooperative. It is a question of whether broadcasting systems, which are given access to the air which God has given us so freely, should be allowed to prevent being heard over the air the views of an organization which is responsible, which is honest, which has a definite idea to present. The question whether the idea it has in view is right or wrong is not material when discussing the principle involved. The cooperative desires to present to the people of the country what it believes to be a great movement which is now in vogue in many sections of the country. Those who had charge of the proposed program did not anticipate that objection would be made to their presentation of the program. They asked for time, were willing to pay for it, and expected that they would be given time as anyone else is given time. They arranged for a great hook-up on the subject, Let Us Get Together, Neighbors.

Their program is a sort of fraternal one. They wanted to get the people together in this hour of distress and tribulation. They had all the arrangements made, but all at once the broadcasting systems said they would not permit them to broadcast because the subject matter, as the Senator from Montana said, was controversial. When the broadcasting systems were pressed in writing to give a reason for the position they took, they had to go back on that statement.

Mr. President, the subject matter of the proposed broadcast may be controversial. In my opinion, however, that is no reason why it should be kept off the air, especially when, as Mr. Carson shows in his letter, the movement in question represents between six million and eight million families in the United States. Such an organization, however, is not allowed to go on the air and advocate its theories. That seems to me to be a direct denial of a fundamental right.

The writer of the editorial which I read supposed that those who were denied this right were going before the Federal Communications Commission with respect to the matter. The resolution I have submitted, which calls for an investigation of the subject, has been referred to the Senate Committee on Interstate Commerce. I asked that it be referred to that committee because it occurred to me that possibly an amendment to the fundamental Radio Act would be necessary in order to cure this situation. As stated in the editorial which I read, it is recognized that the broadcasting systems must have some leeway. They are faced with responsibility. There is no question, however, that if they had permitted the cooperatives to go on the air they would have run no risk of libel suits or anything of that kind. Therefore, I can conceive of no reason for objecting to this great organization going on the air, especially in view of the fact that the subject of the broadcast was Let Us Get Together, Neighbors.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. AIKEN. I am glad the Senator from Nebraska read the editorial from the Vermont newspaper and gave it due recognition. The Burlington Daily News is one of the very few newspapers in my State which is not controlled by corporations, principally utility companies, and it is showing a great deal of courage in taking the stand it is taking. It made particular reference to the Eden Mills Electric Cooperative. In spite of almost insurmountable difficulties which have been thrown in its way by the public utilities companies, that cooperative has striven to furnish electricity to the people in that section of the country. Day before yesterday I attended its annual meeting in the little village of Eden Mills, which has a population of perhaps 2,500. Three years ago last May I took a great deal of pleasure in throwing the switch which turned electric current into the first 150 farms of this cooperative. For 20 years the farmers had tried in every way they could to obtain electricity. They had been on their knees trying to get electricity into that community, which, financially speaking, is one of the poorer communities of the State. They had begged and pleaded, and had been turned down. The private corporations had sent men in there to survey the country. They reported that such a project would never pay dividends on the investment. It is probably true that such an investment on the part of the subsidiary of the New England Power Associates would not have paid dividends; but day before yesterday it was reported that the cooperative had made its first payment of $35,000 due to the Rural Electrification Administration. It had done more than that. It had paid $10,000 on next year's payment. That had been done in this rural, thinly populated territory, which the utilities said was absolutely worthless for investment purposes.

There are other rural electric cooperatives in Vermont which have been established over the opposition of private corporations which have been determined that if they themselves could not serve a community they would do everything within their power to prevent anybody else from serving it.

I believe that the Rural Electrification Administration has been one of the outstanding Federal agencies. It has done a great deal of good in the particular community to which I refer. Farmers were enabled to install milking machines and milk coolers, instead of abandoning their farms. They are contributing tremendously to the food production of this country today because of the cooperative electric line which was built. They are still operating under difficulties. They are unable to obtain priorities for furnishing electricity to large dairies only 300 or 400 feet from existing lines. I do not know what the reason is. The reason given is a shortage of copper. I suspect, however, that a great deal of pressure has been exerted to prevent the expansion of the R. E. A. cooperative in any way at this time.

I thank the Senator from Nebraska for bringing the matter to the attention of the Senate.

Mr. NORRIS. I thank the Senator from Vermont for his very valuable contribution. I am reminded by what the Senator from Vermont says that the organization which is complaining is a perfectly respectable national organization. No one who is in any way familiar with its operation would say that it is doing or trying to do a dishonorable thing. Under the cooperative theory it is carrying electricity to farmers who could not have obtained it in any other way, as Vermont has demonstrated, and as is being demonstrated all over the country.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from North Dakota.

Mr. LANGER. I wish to call to the Senator's attention the fact that a few years ago we had a grain cooperative in North Dakota. The newspapers attacked it and claimed that it was insolvent. They finally wrecked it. We had a hearing before the Federal Trade Commission, and it was nearly 3 years before we obtained a decision in favor of the cooperative.

I did not hear the Senator from Nebraska read his resolution. I was absent from the Chamber.

Mr. NORRIS. I did not read it.

Mr. LANGER. I wonder whether the Senator could make provision in his resolution whereby the committee would report back, say, within 3 weeks or a month, so that we could obtain prompt action.

Mr. NORRIS. The resolution contains no such provision. It has already been referred to the Committee on Interstate Commerce, over which the Senator from Montana [Mr. WHEELER] presides as chairman. I anticipate that there will be no delay in the committee in taking action on the resolution. It provides for the expenditure of $1,000 from the contingent fund of the Senate. At first I thought I should ask unanimous consent for the present consideration of the resolution, but I wish to do as I think this cooperative organization has done. I wish to lean backward in being fair to anybody who opposes it. I wish to give anyone who opposes it an opportunity to be heard and let the committee decide whether the law should be amended or whether justice can be obtained without amending the law. This may not be the only case. There may be others of a little different nature. So far as this controversy is concerned, I admit, for the sake of argument, that those on both sides of the question are perfectly honest. I do not see how there can be any dispute. The organization represents between 6,000,000 and 8,000,000 families of American citizens, who should have the right to advocate on the air what they believe should be done, in the same way as the Republican Party, the Democratic Party, or any of the various corporations or associations appears from time to time over the radio.

Mr. LANGER. Has not the Federal Communications Commission the power to cancel the license of a broadcasting station?

Mr. NORRIS. I think so. Mr. Loeb, the author of the editorial in the Vermont newspaper, is of the opinion that complaint should be made to the Federal Communications Commission. After looking over the editorial and reading other things besides what I have put into the RECORD, I have reached the conclusion that possibly if complaint were made to the Federal Communications Commission the result might be that the complainants would lose, on the theory that an amendment to the law is necessary. Personally I do not believe that to be true, but I wished to obtain the judgment of the committee, which 7 years ago reported the bill which later became the present act. Under all the circumstances, I believe that the best course to pursue is to submit a resolution to authorize the Committee on Interstate Commerce to investigate all the facts.

SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATIONS

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 7672, making supplemental appropriations for the national defense for the fiscal year ending June 30, 1943, and for other purposes.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 7672) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1943, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Tennessee [Mr. McKELLAR].

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McNARY. What action did the Senate take? My attention was distracted for a moment.

The VICE PRESIDENT. The motion to proceed to the consideration of House bill 7672 has been agreed to by the Senate.

Mr. McNARY. Mr. President, that is too fast. That does not conform to the understanding in the RECORD. I am surprised that the Senator from Tennessee, without conferring with me, would rise when I was engaged in conversation with another Senator and move to make the bill the unfinished business. On last Tuesday we had a definite understanding, which appears in the RECORD on page 8102. Following a colloquy I stated:

> Then, with the understanding that the Senator may have permission to file the report, and upon the request of any Senator not familiar with the record or the bill, it may go over until the next session of the Senate, I shall not object.

Mr. McKELLAR. I remember that perfectly well; and I will live up to it.

Mr. McNARY. Will not the Senator ask for a reconsideration of the vote by which his motion was agreed to?

Mr. McKELLAR. Does the Senator wish to have it reconsidered?

Mr. McNARY. I do.

Mr. McKELLAR. Let me ask the Senator a question. Would it not be better to let the bill become the unfinished business?

Mr. McNARY. No; I wish to conform to the record. That is my style. We had a perfect understanding. I may or may not object later; but I do not want any Senator to rise and make a motion quickly when I am otherwise engaged, and have a record made which does not conform to the record made a few days ago.

Mr. McKELLAR. I did not know that it did not conform to the RECORD.

Mr. McNARY. The Senator certainly remembers the agreement made a few days ago.

Mr. McKELLAR. I remember it perfectly; and I will live up to it entirely.

Mr. President, I ask unanimous consent that the vote by which my motion was agreed to be reconsidered, and that the motion be withdrawn.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and it is so ordered.

Mr. McKELLAR. I shall be delighted to renew the motion later.

CALL OF THE ROLL

Mr. HILL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Chandler	Johnson, Calif.
Andrews	Chavez	Kilgore
Austin	Clark, Idaho	La Follette
Bailey	Connally	Langer
Ball	Danaher	McCarran
Barbour	Downey	McFarland
Barkley	Doxey	McKellar
Bilbo	Ellender	McNary
Bone	George	Maloney
Bulow	Gerry	Maybank
Bunker	Green	Murray
Burton	Guffey	Norris
Butler	Gurney	Nye
Byrd	Hatch	O'Daniel
Capper	Hayden	O'Mahoney
Caraway	Hill	Overton
Pepper	Thomas, Idaho	Wagner
Radcliffe	Thomas, Okla.	Wallgren
Reed	Thomas, Utah	Walsh
Russell	Truman	Wheeler
Schwartz	Tunnell	Wiley
Shipstead	Tydings	Willis
Spencer	Vandenberg	
Stewart	Van Nuys	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from Alabama [Mr. BANKHEAD], the Senator from Michigan [Mr. BROWN], the Senator from Missouri [Mr. CLARK], the Senators from Iowa [Mr. GILLETTE and Mr. HERRING], the Senator from Colorado [Mr. JOHNSON], the Senator from Oklahoma [Mr. LEE], the Senator from New York [Mr. MEAD], the Senator from Utah [Mr. MURDOCK], the Senator from Illinois [Mr. LUCAS], the Senator from North Carolina [Mr. REYNOLDS], the Senator from West Virginia [Mr. ROSIER], the Senator from New Jersey [Mr. SMATHERS], and the Senator from South Carolina [Mr. SMITH] are necessarily absent.

Mr. McNARY. The Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. BROOKS], the Senator from Oregon [Mr. HOLMAN], the Senator from Massachusetts [Mr. LODGE], and the Senator from Colorado [Mr. MILLIKEN] are necessarily absent.

The Senator from Pennsylvania [Mr. DAVIS] is absent because of illness.

The VICE PRESIDENT. Seventy Senators have answered to their names. A quorum is present.

PICTORIAL CRITICISM OF THE SENATE

Mr. BARKLEY. Mr. President, I do not want to take more than a brief moment of the Senate's time, but I feel it is due the Senate and the country to call attention to a picture appearing in the November issue of the magazine known as Click. The picture purports to represent the United States Senate in the midst of war. Ordinarily, I do not answer my mail on the floor of the Senate, but I now hold in my hand a letter which I received a few days ago from Mr. Wade H. Nichols, editor of Click, calling my attention to an article in the November issue on the subject of A Victory Congress. I shall read the letter in order that it may go into the RECORD:

CLICK, INC.,
New York City, October 2, 1942.

Senator ALBEN BARKLEY,
Washington, D. C.

DEAR SENATOR BARKLEY: I am sending you, under separate cover, a copy of Click magazine for November. Featured in this issue is an article titled "Victory Congress" (p. 3), which I believe you will find of particular interest because of its constructive and sincere consideration of matters which must be of grave concern to you, as they are to all who now shape America's destiny.

Since our magazine must return many times in the future to similar consideration of the responsibilities and achievements of the Congress, I would be deeply grateful for any remarks you might address to me as evidence of your own reaction to the article mentioned. I feel that your attitudes and aspirations should be reflected in our attempts to contribute to the thinking of our readers—your constituency.

Please be assured that I would be happy to publish any letter which you might care to compose for public consumption, or to hold in confidence any comments which you might indicate to be personal.

Thank you for your attention.

Sincerely yours,
WADE H. NICHOLS, *Editor.*

I have read the article referred to in Mr. Nichols' letter. With much of it I agree. I am not prompted to rise at this time to discuss the article itself, but in order that I may discuss a picture which accompanied the article, which is held out to the American people as a fair representation of the Senate of the United States in the midst of this great world crisis. I should be glad to have other Senators look at the picture. It occupies more than half of the first page of the article. So far as I can count and identify Senators whose likenesses appear in the picture, the picture shows six or eight Senators on the floor of the Senate. We all know that it is against the rules of the Senate to take pictures of the Senate when it is in session. No one is allowed to take pictures of the Senate when it is in session, either from the floor or from the galleries. We have never departed from that rule. On one or two occasions when the Senate took a recess to receive some prominent guest, such as Winston Churchill, Queen Wilhelmina, or King George of Greece, permission was given to take a photograph of the Senate during the addresses delivered by the distinguished guests; but under the rules of the Senate, when it is in session, no one is allowed to take a picture; and, so far as I recall, that rule has never been knowingly violated or suspended. No one could object to a picture of the Senate which was truly representative, and the rule of the Senate on that subject was not promulgated years ago in order to protect the Senate against itself.

However, the magazine contains a picture, Mr. President, obviously taken from the floor itself, just within the door on the eastern side of the Chamber, and the picture purports to be that of a session of the Senate. I shall read the headline appearing over the picture:

> This picture should make you fighting mad! This is the United States Senate, debating the confirmation of a major Presidential appointment. Try counting the Senators who are present—out of 96.

Mr. President, that picture was not taken during the existence of the present war. It was not taken since war was declared in Europe in 1939. I do not know exactly when it was taken; but it is obvious that it was not taken since April 1939, because in my place here, seated in the chair which I usually occupy, is Senator James Hamilton Lewis, who died on April 9, 1939, 6 months before war broke out in Europe. I do not know how long before that time the picture was taken. I have tried to identify some of the Senators shown in it. Back of my seat, in the seat which he used to occupy, sits Senator Ashurst, of Arizona. Across the aisle, in the seat usually occupied by him, sits the Senator from California [Mr. JOHNSON]. Seated to his left is a man who—if he is a Senator—has been difficult to identify, even by using a magnifying glass. It has

been difficult for the minority leader and me and other Senators to identify who the person is, but evidently he is not here now. Over on the right, at the last desk in the front row, some man is standing with at least one foot in the chair. Toward the rear is the Senator from Missouri [Mr. CLARK]. There are on the floor eight men who are supposed to be Senators, and the picture is supposed to be a picture of the United States Senate in the midst of world war, a great war crisis, and it is held out to the American people as portraying a typical session of the Senate in this great crisis.

I presume that the article to which Mr. Nichols, the editor of the magazine, has called my attention is an editorial, because it is not signed by anyone; so far as I can see no writer's name is signed to the article; and inasmuch as Mr. Nichols sent it to me, I presume he is the author of the article or editorial. I do not attribute to Mr. Nichols any ulterior motive. I do not know whether he knows anything about when the picture was taken. It may be that he thinks it is a typical picture of the United States Senate.

However, regardless of that, here is a magazine which is purchased at all the newsstands of the United States—or, rather, I should say that it is for sale at newsstands. The Senator from Montana [Mr. WHEELER] corrects me by saying that it is "for sale," but I presume that it also is purchased by large numbers of persons; because it could not be published indefinitely without being sold to some persons, and I myself have bought it when traveling, when I wanted some light reading and relaxation, and wanted to get my mind off serious matters of state. At such times I have purchased one of the magazines such as Click, Pic, Look, or Don't Look, or Stop Looking—whatever the name may be. [Laughter.]

I have sometimes bought this magazine. It is a picture magazine; it does not pretend to be anything else; it advertises itself as a picture magazine, and frequently it contains very attractive pictures. I happen to see now a very amusing picture to which I will call the attention of the Senator from Oregon.

The magazine is for sale on all the newsstands in the United States. I have no objection to any of the pictures it prints for fun or for entertainment or for any other reason; but I do seriously object to any magazine or publication having one of its representatives sneak into the Senate on a day when the Senate is not in session and take a photograph when there are only six or eight Members on the floor. It may be that the photographer may have been here before the Senate met or after it had adjourned, because it is impossible that that picture could have been taken while the Senate was deliberating, without a violation of the rule of the Senate. The picture does not even include the chair, the Vice President's desk. So we do not know whether anyone was presiding.

I am calling the attention of the Senate and the country to this obvious fraud on the Senate of the United States, this effort to picture us in the midst of a great crisis, with war all around the world, and when we are sending out boys by the million to the battlefields. It is an obvious fraud to picture the United States Senate in the midst of this crisis with only eight Members present deliberating upon an important Presidential appointment. I do not know, of course, what appointment it was. We all know that in the late afternoon in the Senate when we reach the Executive Calendar and there are no appointments except those of postmasters, which are confirmed en bloc, that Members do not feel any urge to remain here to find out who has been appointed postmaster at Pedunk or Podunk or any other place in the United States.

I think it is unfair to the American people; it is unfair to the very voters to whom this article is appealing, to send out all over this Nation what seems to me to be a phony, bogus picture of the United States Senate and represent it as depicting the lack of interest, the lack of concern, the lack of industry on the part of 88 Members of the Senate, who are unidentified as being absent, although there are 8 Members said to be present, one-half of whom cannot be identified even with a magnifying glass.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHEELER. Mr. President, it seems to me that it goes a good deal further than the Senator from Kentucky has indicated. We all recognize that dictatorships are on the increase throughout the world and we all realize the shortcomings of the House of Representatives and the Senate of the United States, for we know the shortcomings of human beings, and the Congress is made up of human beings.

But what these false and unfair attacks upon Congress tend to do is to create in the minds of the people the idea that parliamentary government is a failure, and when such articles and pictures as the one the Senator from Kentucky has called attention to are printed those responsible are playing into the hands of the very people whom they have denounced—the Axis, the Hitlers, the Mussolinis, and the others who say that democracy is a failure. They are instilling in the minds of the people of this country the idea that the parliamentary government is a failure, and if such an idea is sufficiently instilled into the minds of the people they may rise up and do what they have done in other countries where the parliamentary system has been discredited; they may want to do away with the Congress of the United States entirely, and set up a dictatorship in the United States.

Mr. BARKLEY. Mr. President, as I said a while ago at the beginning of my remarks, there is much in this article which I can approve. Anybody has the right to urge the people to vote for the right sort of Members of Congress, for those whom they believe will serve the people. I find no fault with that. But in the course of this article the writer refers to a former Congressman, Zioncheck, who committed suicide and who was engaged while in Washington, as we all recall, in many more or less foolish episodes and escapades. Certainly his actions were not representative of the Congress of the United States, and I do not see why a man who was elected and has gone on to his reward—whatever it may be; I think he died by his own hand—should be held up as typical of the Congress of the United States in order to warn the electorate against that sort of a representative.

I am as much interested as anyone else possibly could be in the election of strong, patriotic men to the Senate of the United States as well as to the House of Representatives. In the course of this article we find pictures of Daniel Webster, Abraham Lincoln, John Quincy Adams, and Cordell Hull as representing the type of men who ought to be elected to the Congress. We cannot refute that. We all have the highest respect for Cordell Hull, with whom we have served here, and we all know that Daniel Webster, Abraham Lincoln, and John Quincy Adams were outstanding and distinguished Members of Congress a hundred years ago. The inference is that there is no one now in Congress worthy to tie the shoelaces of these men, except that the article does refer to the Senator from Nebraska [Mr. NORRIS] in terms which we all approve, as the type of an outstanding statesman in the Senate of the United States. According to this article he is the only man in the Senate who measures up to the standards of proper senatorial qualifications. I am willing to say that the Senator from Nebraska goes further than most of us in fulfilling those qualifications, but I do not believe the Senator's friends would say that he is the only man in the Senate who is fitted to be a Member of this great body, much as we admire him and much as we hope he will continue to serve us and the country in the Senate.

The magazine contains a picture taken from the campaign that was started in the State of Washington entitled "Bundles for Congress." It portrays the dome of the Capitol and a crazy-looking horse flying through the air with some sort of a load on his back, and over in the left-hand side another horse is laughing, evidently giving Congress the horse laugh.

Under the words "bundles for Congress" are the words "Esmeralda to the rescue. Do not worry about the war and taxes. Get that pension—Forget the Axis."

I have stated here before, and I think we all recognize, that the so-called congressional pension law as a part of the retirement act applying to Government employees was an unfortunate act upon the part of the Congress. Congress realized that immediately, and repealed the law. Yet this article which is sent out all over the United States contains this picture as a typical representation of the Congress of the United States, although in one sentence in the article it is stated that Congress has done a pretty good job.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Sena-

tor from Kentucky yield to the Senator from Wyoming?

Mr. BARKLEY. I yield.

Mr. O'MAHONEY. I wish to call the attention of the Senator to the table, which appears in the article, of some important legislation which has been enacted by the Congress in the past few years. The table appears on page 5 of the magazine. There is a heading "Before you vote how did your Congressman vote?" and then are listed eight controversial questions which have been passed upon by the Senate and the House since 1939:

The repeal of the arms embargo.
The renewal of trade pacts.
The draft law.
Sending the Army abroad.
The lend-lease bill.
Transferring Axis ships to Britain.
Extension of draft law.
Repeal of the Neutrality Act.

The author of the article requests its readers to judge individual Members of Congress by the votes which were cast upon those eight measures. In other words, the article says to its readers, "If your Congressman supported these measures, then your Congressman was a worthy representative of the people, and was working for victory."

Inasmuch as each one of these acts was passed by the Congress, the standard which the author sets for individual Members of Congress was met by the Congress as a whole. If the argument be proper that a Member of Congress who voted in favor of any of these acts is a good Congressman, then it also follows that the Congress which passed those acts was a good Congress.

Mr. President, that reminds me of a statement the Senator from Kentucky made to me only a few days ago when we were discussing this general subject, namely, that much of the criticism of the Congress has been based not on what Congress has actually done but upon the activities of those who have opposed the policies which were finally adopted. This Congress has been a victory Congress as the record clearly establishes.

But attention should not be diverted from the fact that when the Congress was taking these actions, as, for example, the repeal of the arms embargo, which I think was in November 1939, there was a great division of opinion in the country as to whether that was right or wrong. There was a very large proportion of the public which in November 1939 was of the opinion that the United States could avoid entering the war. There were a great many citizens in and out of Congress who hoped that it would be possible for us to avoid entering the war. The debates which took place here were characteristic of democracy in action. The result has been the organization of an economy for a victorious war from which there is now no dissent.

As for the photograph to which the Senator has so pointedly drawn attention, it seems to me it offers an opportunity to call attention to the fact that one of the cherished rights of freemen, the right of free speech, is protected in the United States Senate better than it is protected anywhere else in the country, if not in the world. This is practically the only legislative body in the world in which a Member may rise and discuss any question about which he feels the country at large should have some information.

In my opinion, this photograph was probably taken while a Member of the Senate was discussing some matter which he regarded as important, but which was not actually at issue at the time, and which, therefore, did not demand the presence of all Senators. Members of the Senate and Members of the House of Representatives know that most of the work of a legislative body is done in committee, and not upon the floor.

We know that frequently, while the Senate is in session, for example, numerous committees are also in session. We know that the reason why Senator James Hamilton Lewis was sitting in the seat of the majority leader, if this was indeed a session of the Senate, was that as the whip of the Senate it was his duty to watch the proceedings, so that if anything of current importance should arise he could notify the Members of the Senate.

We know that we are frequently called to the floor from committee rooms by the attachés of the Senate when matters of importance to us in our States, or of importance to the public at large, arise. So that even as those now in the gallery look down upon what is transpiring at this moment, they may be misled into the belief that those Senators who are absent are neglecting their duty. The Senators who are absent are either attending some committee meeting, or, for the most part, are attending to business in their offices, or are attending to the innumerable tasks which we have to perform in the departments and bureaus of the Government.

We are now discussing a matter upon which no vote is to be taken. We are merely expressing our opinions in respect to an article appearing in a magazine, but if any Member of this body should now rise to suggest consideration of some measure on the calendar, the first step taken would be for some Senator to rise and say, "I suggest the absence of a quorum," so that absent Senators could be summoned to the floor before any action could be taken. One of the principal duties of the majority and minority leaders is thus to protect the public and the Senate against action except by the will of the Senate.

I have interrupted the Senator merely because I think it is important to call attention to the manner in which the Senate actually works. I have no doubt in the world, as I said a moment ago, that when the photograph to which reference has been made was taken the business of the Senate for that day had been completely transacted, and some Senator had risen to make a speech on some matter which he thought was of public importance, but which had no relation to any pending business.

In the years in which I have served in this body and the previous years during which I had the opportunty to observe its actions, I have seen some of the most eloquent and able Members of the Senate rise and speak to empty chairs, when they were talking not upon a pending issue but upon some other matter upon which public opinion was at the time only in a formative stage. Such speeches, addressed to the public at large, do not require the immediate attention of the whole Senate. It is upon such occasions that attendance falls off, but when controversial issues arise then almost every seat is occupied.

Mr. BARKLEY. I thank the Senator from Wyoming. Of course, we all know that human nature is such that more publicity and more attention is frequently given to a fight in the Senate, or in any public body, made by a single person against some proposal, than the passage of the act itself receives; that frequently, because of the rather distorted publicity, the country is calculated or liable to receive an impression of the Senate according to what it reads in the newspapers about somebody who is opposed to or fighting something, and they forget that the Congress as a whole, or the Senate as a whole, acts entirely contrary to the position taken by a man who is fighting a measure and who, therefore, gets more publicity concerning it.

The Senator from Wyoming has pointed to the list of legislative acts referred to in the article. All those laws were passed. Congress passed every one of them, and they were controversial. They were debated according to our practice and our privilege here, this being almost the only body left in the world where there is freedom of debate.

We all grow a little impatient now and then at the length of debates, but none of us would be willing to abolish the right to speak on the floor of the United States Senate. My complaint is that the isolated instances in which the Congress may act unwisely are exploited and magnified and publicized as a representation of the character and ability of the Congress, and sight is entirely lost of the fact that over a period, over this particular war period, as I think everybody who is fair minded must say, the Congress of the United States has done an excellent job in its legislative program.

Mr. O'MAHONEY. Mr. President, may I add another word?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Wyoming?

Mr. BARKLEY. I yield.

Mr. O'MAHONEY. I think attention might be called to the fact that probably every Member of the Senate received a letter from the editor of Click asking him for his comment. The result which has been achieved may not have been beyond the contemplation of the editor. He has received, and his magazine has received, tremendous advertising which it would not have received had the picture not been printed.

Mr. BARKLEY. I have no objection to the advertising which Click or any other magazine can obtain which will enable it to sell its product, but I think it is unfair to falsify a legislative body, in whom the people of the United States

ought to have confidence, and in which I believe they do have confidence, by going back 4 or 5 or 6 years—heaven only knows how far back they went to get this picture—and sending it out all over the United States as representing the Senate of this country in the midst of a great war. I believe this magazine and the editor of it should apologize to the American people for publishing that kind of picture as representing the Senate of the United States.

Mr. BONE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BONE. In my service in this body I have seen what is represented by the picture duplicated probably 200 times, but it was at a time when the Senate was not in session.

I desire to say also that I have never seen the Senate in session when some Senator was not on his feet, and if the picture to which reference has been made purports to show the Senate in session during this period, when the United States is engaged in war, with James Hamilton Lewis present in the Senate, the picture is a fake and a fraud, and the man who wrote the story has plastered it all over with badges of fraud; but it is quite typical, sir, of some of the wretched and miserable stuff which has been written about the Senate and House of Representatives in recent years, including the "bundles for Congress" story.

Mr. BARKLEY. I merely desired to call attention to the obvious fraud which has been perpetrated on the Senate and the country by a picture taken by someone who slipped in and which has been held out to the American people as typical of the deliberations of the Senate.

Mr. MALONEY. Mr. President, I am not among those so much disturbed by criticism of Congress, or individual Members of Congress, because, as the distinguished majority leader knows, the able former Members of Congress to whom he referred suffered much more serious criticism than has been inflicted upon any Member of Congress in our time. But I am very much concerned with a matter which is related to this subject, and I rise to ask unanimous consent that there be printed in the RECORD at this point, as a part of my remarks, a very interesting article which appeared in the September issue of American Mercury entitled "Boston's Fight Against Rumors." I respectfully urge Senators who have not yet had an opportunity to read the article to give it their attention.

It points out very clearly the grave dangers which are created as a result of the whisperings and activities of men of evil minds or little minds. It points to how the city of Boston has undertaken, by way of a so-called rumor clinic, to track down and dissipate rumors which are designed, it appears to me, to have a disastrous effect upon our war program. I understand that similar so-called rumor clinics are being or may be established in other cities. I want the article inserted in the CONGRESSIONAL RECORD partially for the purpose of bringing it to the attention of people here in the Nation's Capital, in the hope that a like clinic may be established here at the seat of Government, so that we may aid in bringing to light the falsity of these rumors, and probably, if the program is intensively carried out, find some of those responsible for them.

Mr. President, I should like again to urge Senators to examine this very important article.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the American Mercury of September 1942]

BOSTON'S FIGHT AGAINST RUMORS

(By Elsie McCormick)

"This is on me," said a man in a Boston saloon, "I'm celebrating. Just got the first letter from my boy in Australia. He's a corporal now." "Australia?" echoed a stranger beside him at the bar. "No cause to celebrate, my friend. Hundreds of the soldiers who went out there are right back here in Boston now. Insane. Bad food, terrible living conditions. Why, I'm told there's not even room for all of them in the hospitals * * *." Another false and vicious rumor had gone to work for the Axis.

But this particular rumor did not do as much damage as its originators had hoped. The bartender, who had been leaning idly over the cash register during the conversation, wrote it down as soon as the two men had gone and sent it off to the Rumor Clinic, field headquarters of Boston's unique battle against the corrosion of wartime gossip and enemy propaganda.

A few days later, both the rumor and the answer were printed in the Boston Herald's "Rumor Clinic" column, posted on bulletin boards in factories, announced by speakers at meetings, slipped into department store pay envelopes, wrapped up and sent by laundries to customers along with the clean wash. There wasn't a word of truth in it, according to Army authorities. The facts were that only 47 men in the military service had been returned to Massachusetts for mental care. Not one of them had come from Australia.

About the same time, a young workman was talking to a friend in a hash house near the water front.

"Is our Navy dumb!" he said. "A guy told me today that after they launched that big new battleship, they found there wasn't an antiaircraft gun on the ship."

This story also reached the Rumor Clinic, written on the back of a greasy menu card by the hash-house waiter. It was as quickly and publicly answered. It is quite usual to launch warships without complete installation of guns and other equipment.

Since they were founded last February, Boston's Rumor Clinic and the closely related division of propaganda research have collected, tracked down, and exposed hundreds of wedge-driving and alarm-spreading stories. Included on the advisory boards are the commissioner of police, the district attorney, the United States attorney, psychology professors of Harvard and Boston Universities, newspaper publishers, social workers, and representatives of the chamber of commerce, the Congress of Industrial Organizations, the American Federation of Labor, and the Women's Trade Union League, as well as of the Irish, Jewish, and Negro sections of the population. Behind them stand many ordinary citizens of Boston, who loyally report every damaging story.

One of those most responsible for the rumor clinic is a blue-eyed, golden-haired Irish girl by the name of Frances Sweeney. Miss Sweeney had long been distressed by the anti-Semitic, anti-British, and defeatist rumors current among certain sections of the Boston Irish. Until suppressed by official action, Francis J. Moran, of the Christian Front, had released scores of new ones every time he held a meeting in Hibernian Hall. For months Miss Sweeney had been attending such meetings, often standing up to challenge wild statements by the speakers. In one case she was forcibly ejected from the hall.

Last February, when the crop of destructive rumors was especially disheartening, Miss Sweeney went to William G. Gavin, associate publisher of the Boston Herald. They arranged to call a meeting of public officials and leaders of various groups to plan a campaign for counteracting rumors. A short time before that first meeting, the *Queen Mary* had entered Boston Harbor, stayed a few days, and departed. The newspapers had been requested not to mention it. But a steamer the size of the *Queen Mary* can hardly be hidden, even under a bushel of censorship, and stories were soon running wild around Boston. Prof. Gordon W. Allport, head of the psychology department at Harvard, suggested that each of the 12 persons at the meeting tell the rumors he had heard.

Each one offered a different story. The police commissioner had reports from Negroes that the *Queen Mary* was crammed with colored troops destined for suicide work in the war zone. A college representative had heard there was not a single Jewish soldier aboard, because they all managed to get out of overseas duty. Someone else offered the story of a mutiny. A social worker had been informed that the ship had gone out at night, ablaze from stem to stern, and a businessman had been told that she had sunk not far from Boston, with great loss of American life.

The rich variety of these fantastically false stories convinced all present of the need of a city-wide effort to fight rumor.

Out at Harvard, Robert H. Knapp, a tall, 27-year-old Oregonian, was working for his doctor of philosophy degree under Professor Allport. Mr. Knapp was put in charge of the division of propaganda research, organized under George C. Wiswell as part of the Massachusetts Committee of Public Safety, to track down and refute false stories. It came to be known as the Rumor Clinic. A column under that name began to appear weekly in the Boston Herald.

II

Among the tall tales first exposed was one to the effect that the British never bomb the Krupp works in Germany, because a block of shares in it is owned by Winston Churchill (the authors of this report ignored the repeated bombings of Essen, home of the Krupp industries).

William Harrison, a Negro newspaper editor, graduate of Harvard and a member of the rumor advisory board, found that most of the stories circulating among his people described wanton sacrifice of Negro troops. Another complete fabrication was that goods for Russia were being allowed to pile up on the local docks because our Government feared that Russia was about to make a separate peace. And workers had inquired if it were true that they wouldn't be able to buy any more hams, because all the hams in the country were being sent to Moscow. Irish working people reported a vicious, fantastic lie to the effect that Mme. Litvinoff, English-born wife of the Soviet Ambassador, possessed a great fortune derived from ownership of brothels in London slums. Rumors so deftly tailored to suit different groups are certainly not spontaneous.

As the rumor clinic became known, and the Herald's column punctured one crazy story after another, citizens of Boston responded and there was built up a network of volunteers who reported what they heard. (A strict rule of the clinic is that all letters reporting rumors must be signed.)

Barkeepers are in an excellent position to hear loose tongues and stand high on the list of these volunteers. John J. Kearney,

president of the local bartenders' union, has asked his 1,500 members to help the Clinic. Early in July more than 200 "morale wardens" were appointed by 4 important labor unions in the Boston area to report stories floating around the shops. They also distribute pamphlets and posters on the subject of rumor mongering, read bulletins at union meetings, and check the spread of Axis-inspired rumors by spreading the answers given in the Rumor Clinic.

The answers are supplied by the highest possible authorities—usually Army, Navy, and Government officials—and great care is taken not to reveal information of value to the enemy. Before the Herald's column is printed proofs are sent to each member of the advisory board and are checked in addition by the Army, Navy, and Federal Bureau of Investigation. Enemy agents are thus prevented from using the column for purposes of their own. The person who reported, under a fictitious name, that he'd heard there were only 12 antiaircraft guns on the Atlantic coast and then artlessly asked how many there really were and where they were located evidently had an even lower opinion of American intelligence than is usual among Axis agents.

It is easier to collect rumors and to expose their falsity than it is to track them down to their source.

Much of the tracing has been done by Miss Sweeney. This intrepid little Irish girl has run all over the city, climbing tenement stairs and ringing doorbells on Beacon Street in order to run an ugly story to its ultimate starting point. Generally, she meets a dead end at about the third person.

One of the most persistent yarns in Boston was that an American soldier, broadcasting from Australia, said: "After we clean up the Germans and the Japs, we're coming home to take care of the Jews." An advertising man explained that the story had been told him by the man at the next desk, who had actually heard the broadcast. The second man denied that he had heard the broadcast himself, but said that his wife had. The wife told Miss Sweeney that, while she hadn't actually heard the statement, she had got it from her mother. Her mother said that it had come, not from her radio, but from her German butcher. When Miss Sweeney tried to question the butcher, he blazed up, yelled that he would not stand for anybody's interference, and ordered her out of the shop. In tracking this rumor through another informant, Miss Sweeney ran it down to a German girl whose family had once belonged to the German-American Bund. The girl said that the broadcast had been heard by her fiancé, who had gone away. A third trail led straight to a member of the Christian Front, who also said that he had heard it himself, not as a broadcast, but sung by American soldiers as they sailed away on a troop ship. Even a Junior G-man who got his badge in a package of cereal could figure out where this rumor really came from.

III

There is no doubt that a large proportion of the rumors current in Boston have been deliberately planted. One proof is the close correspondence between many of them and the reports beamed at America by the Axis short-wave broadcasts. The Reverend Walton Cole, a Boston Unitarian pastor, has long made a hobby of listening to the German short-wave radio and recording the high spots. Rumors circulating in Boston are turned over to him by the Rumor Clinic, to be checked against the voices from Berlin. More than half the stories reported to the Rumor Clinic were told on the Axis short-wave a week or two earlier.

According to another type of tale, useful in stirring up fears of treachery at home, a submarine washed up on the Massachusetts coast had in its larder loaves of bread bearing the labels of leading Boston bakers. In the sailors' pockets were stubs of tickets from Gloucester movie theaters. This story was current in 1917. Its effect on gullible people is to make them feel there's a German under every bed, or that quantities of fellow citizens were giving the enemy aid and comfort.

It was reported that Italian fishing boats were seen leaving port heavily laden and riding low in the water, but riding high on their return—just the opposite of what might be expected from a fishing boat. The inference was that they were sailing out with supplies for subs. Facts punctured the story. No enemy aliens may fish off our coasts; all fishermen are carefully investigated before being given permits; such traffic could not exist under the watchful noses of Navy, Coast Guard, and local police.

Rumors which raise false hopes can be just as damaging as those which spread suspicion and fear. For instance, the canard, reported frequently from business circles, that Lloyd's of London was betting 10 to 1 that the war would be over by autumn. Several Massachusetts astrologers have been forecasting a complete Allied victory by the end of this summer, and the crushing of Japan by early fall. Predictions of both these types can do good service for the enemy. Hitler's agents engaged French astrologers, crystal gazers, and palmists by the score to soften up the country by forecasting an early peace and by describing the horrors that would be unloosed if the war continued. Reports which have reached the Rumor Clinic indicate that the enemy may also be deliberately using such predictions to influence American opinion.

German propaganda's attempt to take advantage of every cleavage in American life is shown by the effort to promote prohibition. All at once, Boston mothers began to ask the Rumor Clinic about widespread drunkenness in the Army camps. A check-up of the German short-wave radio showed that it had begun, a week or two before, to pour out false stories about Army camp drinking and to urge mothers to have liquor taken from men in the armed forces.

Government agencies have urged that what is being done in Boston be done elsewhere. No complicated organization or machinery is necessary—the Boston Rumor Clinic works efficiently with a handful of determined, intelligent volunteers, a courageous newspaper, and a thin, far-flung line of sharp-eared scouts. Even lone individuals can accomplish much, if they make it a habit, when an absurd, dangerous rumor comes their way, of asking, "Where did you hear that?" There is often no answer. Another effective rumor swatter is the citizen who takes out paper and pencil, says, "There's a hot one for my collection," and asks to have it repeated word for word. The rumor spreader will often be silenced by his own sense of shame.

The enemy is making a skillful effort to discourage, divide, and defeat us here at home. He is trying to invade our shops, our houses, and our clubs. We can stop him only if we guard our own lips carefully and challenge every story that might push us even an inch along the dark way of defeat.

SEND IN YOUR RUMORS

What wild, damaging, morale-eroding stories similar to those described in this article are current in your community? Readers who wish to help the Boston Rumor Clinic, and further the organization of other such clinics throughout the country, are urged to write such stories down and send them to Division of Propaganda Research, Massachusetts Committee of Public Safety, 18 Tremont Street, Boston, Mass.

Mr. JOHNSON of California. Mr. President, I wish to say a word in relation to the subject matter which has just been discussed by the able leader, the Senator from Kentucky [Mr. BARKLEY]. It is a gracious thing on his part to undertake the defense of the Senate in the manner that he has. I have observed that he has always come to the defense of the individual Members who are assailed, or of the body itself when assailed, and I say it is a gracious thing for him to do—it is an evidence of real leadership.

I wish to add one word to what I have just said. We have all experienced attacks similar to those contained in this publication, in others of like sort. We will all experience them in the time to come in greater degree than we have up to the present. Let them rave. Let them publish what they please. We are not here answering any pictorial publication or answering any particular magazine. We are here to perform a duty, and when every man performs that duty according to his best judgment he has done his full part.

Mr. President, when Senators take time during a session of the Senate to defend the Senate from the implications which follow such a publication as that to which reference has been made then they have done the very thing desired by those who indulge in that sort of thing; they have had their day here after publishing an infernal lie, in which they have dealt with Senators who are now dead, and with persons who have had nothing to do with the actions of the Senate.

Mr. President, we have one thing to do, one thing alone. We will do our duty as we see it. I do not care a rap whether there is a publication called Click, or Dick, or Hick, or whatever it may be; I do not care a rap whether there is a PM, a QM, or some other kind of an M published in this country which remarks about or reflects upon Congress. I do not care a rap what such publications say so long as they say it in any sort of language that may be tolerated. I do not care a rap for what anyone says concerning my vote here. I vote as I please. I vote as I see fit. I vote exactly as God taught me to vote, and I do not care whether all the newspapers in the country rave, and rave, and rave about what we may do here.

To all of them I answer, I am here for a certain purpose. I am here standing upon my own two feet. I am here doing exactly as I see fit and what I believe to be right. I am here answerable to my conscience alone, not to any newspaper, not to any pictorials, not to any publications in the United States of America. I am here as an American, doing exactly as I see fit and as I see the right, and that I shall continue to do.

PARTICIPATION OF NEGROES IN NATIONAL ACTIVITIES

Mr. GUFFEY. Mr. President, the participation of the Negro in our general national activities and defense and war efforts has been of a definitely increased nature in recent years. Not since the days of Lincoln have the Negro men and

women been given the opportunities they have by this administration. Daily there are articles published showing the large number of Negroes employed in war tasks and that they are singularly honored in other ways.

I read an excerpt from an editorial in a recent issue of the Chicago Sun relating to the activities of the Negroes:

Negroes hold jobs of every grade of skill. There are metallurgists and electricians at the 18 International Harvester Co. plants; machine operators and heat treater working for the Winchester Repeating Arms Co.; millwrights and locomotive engineers at Carnegie-Illinois; operators in the highest paid brackets on the airplane production line of Pullman-Standard Car Co.; trusted supervisory employees at Inland Steel. Negroes are faithful workers; several of them have passed the 25-year mark in service at the plants surveyed. Negroes get along with their fellow workers.

The Wall Street Journal, in its issue of October 8, 1942, in a headline, says, "Negro Employment Is Rising Fast in War Industries. United States Policy * * * Bring Economic Advancement for the Race."

Speaking of the aircraft factories, the article from the Journal says:

Today the 44 biggest plants employ more than 12,000 of the race.

The Journal further states that—

The President's Committee on Fair Employment Practice is establishing regional offices. * * * The National Housing Agency and Federal Works Agency are putting money into colored men's pockets through clauses in every construction contract providing that Negroes must be hired in proportion to local population. The clauses are enforced.

Mr. President, last September I placed in the CONGRESSIONAL RECORD the President's order referring to all loyal and qualified workers, in which the President said:

Industry must take the initiative in opening the doors of employment to all loyal and qualified workers, regardless of race, national origin, religion, or color.

In testifying before one of the House committees, Mr. Leon Henderson, when asked whether, in filling positions in his organization, he would give proportionate recognition to the Negroes of the country, said:

We have—and one of the things that I am quite proud of is—a letter from one of the Negro organizations saying that we were in the forefront in the recognition of Negro employees, and, in addition, we are working to insure that in communities that are largely Negro populated that Negroes are appointed as members on the rationing boards.

Further Negro participation in the war effort was given when the *Booker T. Washington,* named for a great Negro educator, was launched on the west coast. The 10,500-ton Liberty ship last week screamed down the ways of the California Shipbuilding Corporation at Wilmington, Calif. She was sponsored by Mrs. Mary McLeod Bethune, National Director of the Negro Affairs Division of the National Youth Administration; christened by Marian Anderson, the Negro contralto; and will sail for the United States Maritime Commission with a crew of Negro and white seamen under Capt. Hugh Mulzac, of Brooklyn, licensed Negro shipmaster. At the launching were a daughter and two granddaughters of the late Booker Taliaferro Washington, for whom the ship was named. Born on a Virginia plantation just before the Civil War, he founded Tuskegee Institute, at Tuskegee, Ala., to train Negroes for teaching and for industry, and became his people's first great leader in their struggle for recognition.

I wish to read the following excerpts from an article in the Washington Star of September 20, 1942, entitled "Recognition Accorded Negroes as Fighters and War Workers. Most Significant Advance Being Made on Home Production Front":

The war is winning the American Negro recognition as a soldier and skilled worker.

On the far-flung battle fronts abroad and on the production front at home he is contributing his blood and skill to a cause which his leaders say he appreciates better than anyone else—the preservation of freedom and democracy.

Negroes comprise a substantial part—some say 40 percent—of the engineering troops building a strategic military road through the Canadian wilds to Alaska.

There are industries that employ Negro engineers, draftsmen, chemists, and scientists. In one Ohio defense plant a colored man is the chief metallurgist in charge of a staff of Negro technicians and is recognized as an authority on stainless steel.

The Government is setting the pace by employing increasing numbers of Negro men and girls as stenographers and clerks in the rapidly expanding war agencies. A separate Negro manpower service has been established in the War Manpower Commission under the direction of Dr. Robert C. Weaver, to expedite the movement of Negroes into war industries.

In the War Department, a former judge of the Federal District Court for the Virgin Islands, William H. Hastie, has been appointed civilian aide to the Secretary of War in charge of Negro relations.

A prominent colored woman, Mrs. Crystal Bird Fauset, is in charge of Negro activities in the Office of Civilian Defense.

The Manpower Commission has made arrangements to expand training facilities for Negroes in Baltimore and hopes that by such methods sufficient skilled labor can be drawn from the city's large Negro population so that additional workers will not have to be imported into a community whose housing facilities already are overtaxed.

Dr. Weaver estimated there are about 500,000 Negroes employed in war work.

During the last year Negro employment has increased greatly in shipbuilding industries.

In building the greatest military force ever assembled in this country, the Army is planning to use a substantial number of Negro troops. An all-Negro division is in training at Fort Huachuca, Ariz. At Tuskegee, Ala., Negroes are training to become air pilots. Negro women have been accepted in the WAAC's.

The Navy now is accepting enlistments for general duty. Negro sailors are being trained at Great Lakes, Ill., and Hampton, Va.

The marines also are enlisting colored fighters, recruiting a special Negro battalion of 900 men, which will be trained at New River, N. C.

Numerous Negro heroes already have emerged from this war to uphold the military traditions of their race in this country which go back to the Revolution.

An official release from the Maritime Commission of September 21, 1942, relating to Negroes employed in the construction of the 10,000-ton vessel built at the California Shipbuilding Co. yard at Wilmington, Calif., sets forth the following:

More than 500 skilled, semi-skilled, and unskilled Negro workers were employed in the yard as the *Booker T. Washington* was being rushed to completion. This represented an increase over the 278 Negroes employed there in March 1942.

From the Office of War Information, Navy Department, September 10, 1942, comes the following:

Negro recruits in the United States Naval Reserve are being given the same opportunity as other recruits to learn one of the several trades offered by the Navy at its two new United States naval service schools.

One such school is to be located at United States Naval Training Station, Great Lakes, Ill., and the other at Hampton Institute, Va.

Negroes who have graduated from recruit training and entered the Navy as apprentice seamen have started in service school with that rating. Those who successfully complete the service-school course will be eligible, after a period of practical experience, for promotion to petty officer ratings.

Courses offered at Great Lakes include gunner's mate, radioman, quartermaster, signalman, yeoman, storekeeper, aviation machinist's mate, aviation metalsmith, and cooks and bakers.

Hampton Institute courses include ship fitters, electrician's mate, machinist's mate, metalsmith, carpenter's mate, motor machinist's mate, and ship's cooks and bakers.

Length of the school terms in the various courses range from 4 to 6 months.

In the May 15, 1942, issue of Modern Industry, in speaking of employer-employee relations, appear the following excerpts:

It is significant that the current increase in Negro employment is not confined to common-labor jobs. Negroes are operating boring mills, punch presses, lathes, high-precision tools. They are doing inspection work, drafting, using blue prints. In shipbuilding, some Negroes are gang bosses and supervisors. They are finding their places in research laboratories and engineering departments. And Negro women are getting jobs in munitions plants. * * *

As early as July 12, 1940, Sidney Hillman, head of the labor division of the then National Defense Advisory Commission, designated an administrative assistant to develop national policies for integration of Negro workers into the training and employment phases of the national defense program.

The article further states that a year later, following appointment of the Negro Employment and Training Branch and the Minority Groups Branch in the Labor Division of O. P. M., President Roosevelt issued an Executive order establishing a Committee on Fair Employment Practice and requiring a nondiscrimination pledge in Government contracts. The article says:

This Executive order, the second Presidential decree in American history directly concerning Negroes, in effect, gives them the same economic freedom that the first decree—Lincoln's Emancipation Proclamation—gave them in the field of politics.

Senators will note that through the years the many Republican administrations—the Republicans from time immemorial claiming to be the greatest friends of the Negro race—have failed

to issue any Executive order or take any action of consequence equivalent in significance and importance to the Emancipation Proclamation by Lincoln and the Executive order by President Roosevelt. The Emancipation Proclamation by Lincoln and the Executive order by President Roosevelt establishing fair employment practices and requiring a nondiscrimination pledge in Government contracts are outstanding events in the history of the Negro race.

Thus, Mr. President, I say that Franklin Delano Roosevelt and his administration have recognized, signalized, and honored the colored people as no other administration in this generation has done.

OUR NAVY

Mr. BONE. Mr. President, this year of 1942 finds the great navies of the world locked in a battle to the death. Nineteen hundred and forty-two finds every great remaining naval power straining its resources to turn out ships of war on an unprecedented scale. Nineteen hundred and forty-two finds the United States engaged in building the mightiest armada the world has ever seen—an armada upon which we depend for preservation of ourselves and our way of life.

There is bitter irony in these things; for this year of 1942 was looked forward to by the leaders of a generation ago as a naval landmark of a far different sort. Nineteen hundred and forty-two was to be the year in which naval armaments were finally to be stabilized on the basis of fixed ratios—ratios determined by peaceful discussion around the conference table. Under the Washington Naval Treaty this year of 1942 was set as the year when replacements would bring Great Britain and the United States to actual exact parity on capital ships.

It is a far cry back to those peaceful days. It is hard to recall those premature dreams of perpetual peace. We have learned much since then—learned in the bitter school of experience. I ask forbearance if I recall briefly something of this vanished age. Of one thing we can be sure; that today and for many years to come the safety of ourselves and our Allies will depend largely upon the wise development of our naval power, and in no better way can this be achieved than by bearing in mind the lessons of our recent naval history.

It is of greatest importance, therefore, that we should now pause in the midst of World War No. 2 to take stock of the vicissitudes of our Navy in the years since World War No. 1 and to survey the significance to the life of this Nation of the naval-expansion program begun in 1934.

Think back to that chilly November morning in 1921 when the representatives of all the great naval powers of the world met a few blocks from here, over in Continental Hall. Those black-coated diplomats and admirals were gathered to discuss a problem which loomed large in the minds of the American people—the problem of ending a naval armaments race which threatened eventually to destroy the peace hard won 3 years before. The years since 1918 had seen the Allies rent by dissension and suspicion over the growth of new vast fleets.

As the delegates gathered in the hall their minds must have been filled with the impressive ceremonies of the day before—Armistice Day, 1921—the day of the dedication of the grave of America's Unknown Soldier in Arlington. The memories of the tragedy of the War of 1914–18 were fresh in the hearts of everyone. Even the most belligerent delegate was conscious of the deep desire of the people of the world to avoid a repetition of that tragedy.

This desire was reflected in the proposals made by Secretary of State Hughes at the opening session of the Conference. Startling in their scope, those proposals involved a sharp cut in the size of the world's great navies, with equality between those of Great Britain and the United States. Japan would stabilize her Navy at 60 percent of those of the two great powers. So broad were the proposals that they provoked violent discussion, followed by weeks of intricate negotiations. In the end, however, the Hughes proposals won.

Under the pressure of public opinion throughout the world, the basic ratios were accepted, although all three principal powers had to make sacrifices to achieve this successful conclusion. Great Britain gave up a policy of many centuries, and her traditional position as possessor of the largest navy in the world. We, in turn, abandoned a building program which would have put us, in the course of time, in the lead among the world's great naval powers.

With Japan the situation was somewhat more complicated. She was unwilling to accept a smaller navy than those of Great Britain and the United States. In order to induce her to do so, a provision was put in the naval treaty forbidding the fortification by the United States or Great Britain of their possessions in the general vicinity of the Japanese islands. In return for this, Japan signed the Nine Power Treaty, in which the associated nations agreed to respect the integrity of China. At the same time the Anglo-Japanese Alliance was transformed into a four-power pact by the inclusion of the United States and France.

As a result of the Washington Treaty, the United States scrapped a total of more than 842,000 tons of naval vessels built and building, a larger amount than that given up by any other power. These included 2 first-line battleships, 17 second-line battleships already built, 7 battleships and 4 battle cruisers under construction.

Two things are noteworthy about the Washington Pact.

First, it recognized the political factors which must be present if any system of arms limitation is to work. The conference went outside the field of disarmament and took up the problems of fortifications in the far eastern area; the relation of Japan to a relatively helpless China; and the political relations between the great naval powers themselves as developed in the transformation of the Anglo-Japanese alliance into the four-power pact. In return for the nonfortification which prevented us from building adequate bases in the Philippines and Guam, Japan gave up her claims to equality in capital ship strength and piously declared her lack of any aggressive intentions toward China.

But at the same time the conference failed to set a limit to the construction of anything except capital ships, because of the unwillingness of France to limit herself in so-called defensive types—cruisers, destroyers, and submarines. So we tried again.

In 1927 another conference was held at Geneva. There an attempt was made to seek a formula for the restriction of the number of cruisers, destroyers, and submarines of the principal naval powers. Once again no agreement could be reached, and the conference failed. Three years later, however, these classes were finally limited by the London naval treaty of 1930, initiated following conversations between Prime Minister MacDonald and President Hoover. Tonnage of all three smaller classes was limited on a 5–5–3 ratio. The treaty retained the Washington treaty figures for aircraft carriers—135,000 tons for the United States and Great Britain and 81,000 tons for Japan. Somewhat similar ratios were achieved with reference to cruisers, while destroyer tonnage was limited to 150,000 tons each for the United States and Great Britain, and 105,000 tons for Japan. With reference to submarines, the three powers agreed upon equality at 52,700 tons apiece.

Thus, with the tonnage of every class of warship possessed by every great naval power strictly limited by common agreement, the world believed that the specter of naval war had been banished indefinitely. In truth this was the climax of the era of disarmament. If all signers of the treaty had carried out its provisions with equal sincerity, as did the United States, Great Britain, and France, and had the problem of world peace been susceptible to solution by disarmament alone, the London Treaty might indeed have been a milestone in man's struggle for a better world. Unfortunately, Japan did not keep her pledged word; and the time for disarmament had not yet come. Instead of a milestone in the forward progress of civilization, this treaty was to be a gravestone of all our hopes.

The United States, at least, had done far more than observe her treaty obligations. Not only had we led in pressing for low limits for our own and other navies, but between 1922 and 1932 we did not even avail ourselves of the right to build the classes which were not limited. In the decade following 1922 we laid down the keels for only 31 vessels. In this same period Great Britain was building 112. More significantly, Japan was constructing no less than 142 vessels in this same era.

The motives for this neglect to build even up to treaty strength were of the highest—the desire to give the world an example of a great nation willing to put her trust in good will rather than the sword. But regardless of the high character of our motives, the results were disastrous for our naval power. In the vital categories of cruisers, submarines, and destroyers, we lagged far behind in

the construction of modern vessels. At the end of this period, despite the maintenance of the 5–5–3 ratio for capital ships, the United States Navy had dropped to a poor third place among the maritime powers of the world.

The folly of this course was not long in becoming evident. The economic collapse of the post-war era was loosing new and terrible forces, forces which were to sweep the world into the present conflict. The forces began to work both in Europe and in Asia. Japan began secret fortification of her mandated possessions in the Pacific, as well as clandestine expansion of her Navy. These acts not only assured Japan domination of her own territorial waters, but gave her the necessary stepping stones for offensive action against American and British possessions in the Pacific.

A year and a half later, in September 1931, Japan embarked upon a military adventure which opened a new chapter of violence in world history. At the Washington Conference the Japanese had given sworn oaths to respect China's integrity in the open door. In 1931 Japan began the conquest of Manchuria. Her invasion was successful—and that success foretold the end of disarmament. The United States began slowly to awaken to the terrible possibilities implicit in this rebirth of aggression.

The advancing flag of Japan in Manchuria was reflected in the immediate introduction of bills in both Chambers of Congress to bring the Navy to full treaty strength; but we were still not fully aroused.

The bills did not go through.

From 1928 to 1932 not a single new ship was authorized for the United States Navy.

It is true that Congress voted funds for the modernization of several battleships and the completion of eight cruisers laid down under the provisions of the Geneva and London Naval Conference; but it was not until President Roosevelt assumed office in 1933 that a definite program was formulated to increase our Navy to treaty strength. This is indeed a tragic commentary, in the light of later events, upon the foresight of preceding administrations.

Nineteen hundred and thirty-three marked the turning point in our naval policy. In Germany a fanatical Hitler seized power. In Asia, Japan continued her absorption of Manchuria, unperturbed by the futile criticism of the rest of the world—criticism futile because unsupported by action. Obviously the clouds of war were gathering. The United States must act and act swiftly if we were not to be caught completely unprepared. We acted. On June 16, 1933, the National Industrial Recovery Act authorized the President to allot money for the construction of vessels within the terms and limits of the London Naval Treaty. Moving swiftly, the President apportioned $238,000,000 for the construction of 23 ships, including 4 10,000-ton cruisers, 2 aircraft carriers, 20 destroyers, and 4 submarines.

In the next year steps were taken to increase the Navy to complete treaty strength. The Vinson-Trammell Act of March 1934 provided for the immediate construction of one 8-inch-gun cruiser and three 6-inch-gun cruisers. More important, this act gave the President power to undertake, prior to December 31, 1936, construction of tonnage and auxiliary ships adequate to bring the Navy to the limits prescribed in the Washington and London Treaties, a program involving the construction of 102 ships.

The Vinson-Trammell Act was one of the most significant acts in American naval history, for it gave legal sanction to a Presidential policy that the United States Navy be brought to full treaty strength in all categories—providing, moreover, a continuing authorization for the replacement of over-age ships.

But we could not rest content with what we had done. Our rearmament was again spurred by events abroad. Germany had already begun construction of pocket battleships of the *Deutschland* class. In June 1934 the Italian Government announced the construction of two 35,000-ton battleships. In December came the crowning blow to the limitation system. Japan gave the formal 2-year notice that she would not be bound by the Washington and London agreements after December 31, 1936. Finally, in March 1935, Germany openly repudiated the disarmament clauses of the Treaty of Versailles. The next months she served notice upon the world of the construction of 12 submarines.

From this small beginning were to flow the great fleets of undersea raiders which at this very moment are ravaging the water-borne commerce of the United Nations.

Our concern with these events was strongly reflected in our naval building program. The naval supply bill of June 24, 1935, carried the Vinson plan forward with 24 vessels—2 light cruisers, 1 aircraft carrier, 15 destroyers, and 6 submarines. At the same time, the Army was authorized to establish air bases on the Aleutian Islands.

Looking back we can only thank God for this legislation. Today those ships and those bases are absolutely vital to the safety of our country.

Because of Japan's withdrawal, the Washington Treaty was to expire in 1936. Late in 1935, therefore, a new naval conference was called in London to attempt to salvage something from the ruins. It met on December 7, a day which 6 years later finally, irrevocably brought to a close the era of peace by disarmament. By 1935 German rearmament had already swung into high gear. Italy had joined the ranks of the aggressors by her conquest of Ethiopia. The people of Germany, Italy, and Japan had placed their destiny in the hands of men drunk with lust for power. Concentration camps and propaganda wars were appearing as portents of the struggle to come.

In this atmosphere it is not surprising that the London meeting found it impossible to accomplish anything of importance. Japan withdrew from the conference because of the refusal of Great Britain and the United States to grant her complete naval parity. In this situation it was not feasible to set qualitative limits upon naval construction. However, the delegates did agree upon limiting the size of capital ships to 35,000 tons and armaments to 16-inch guns, and certain qualitative limits were established for other types. Except for these small points the conference was a failure, for the whole structure of limitation of the size of the world navies was being swept aside by the expiration of the Washington Treaty.

All this time the war clouds were gathering. Germany reoccupied the Rhineland. Germany and Italy intervened in Spain. The so-called anti-comintern pact was signed, giving monstrous birth to the Axis. Japan waged war upon China proper. In March 1938 Japanese fliers sank the United States gunboat *Panay* in the Yangtze River. Japan apologized. A year later German militarism swept over Austria.

Again Congress took action upon these new threats. In May 1938 the second Vinson Act authorized an increased total tonnage for the United States by 20 percent, and further increased the naval air force by 3,000 planes.

Munich came and went.

Czechoslovakia fell.

Finally, on September 1, 1939, all Europe burst into flames.

The preparedness program of the 1939 Congress on land, sea, and in the air, swept forward at tremendously accelerated pace. No dissenting voice was raised against the President's forceful declaration committing the Nation to defend at any cost territory and institutions of the New World.

The Naval Appropriation Act of May 1939 had earlier provided funds for the continuation of ships under construction and for the commencement of two battleships, two cruisers, eight destroyers, and many auxiliaries. Congress further appropriated $65,000,000 for development of naval aviation facilities at various continental and overseas bases of the United States as a result of the Hepburn report of 1938, which had clearly demonstrated the need for increased fortification of our outlying and continental bases.

After war broke out in Europe, Congress passed the 11-percent expansion act and the 70-percent expansion act. In turn, these were followed significantly by 5 other authorizations, providing for a 2-ocean navy and an under-age fleet of a maximum tonnage of 3,750,000 tons. Supplementing this vast increase, Congress has passed bills authorizing construction of more than 3,000,000 additional tons. Of the 60,000-plane program for 1942 and 125,000 for 1943, the Navy is receiving a substantial allotment. Pending legislation provides an additional sum of almost $4,000,000,000 for naval aviation.

These acts insure us a Navy of almost 7,000,000 tons—a four-ocean Navy—a Navy that will have adequate ships and planes of every type to secure the overwhelming naval and air superiority which is needed to accomplish the final and utter downfall of our enemies.

Three elements play equally important roles in a modern navy. They are ships—and I include both surface ves-

sels and airplanes—men, and bases. Bases are the very crux of the Navy's operations. From them are dispatched ships and planes for their every task. It is their facilities that repair battered ships, rebuild riddled aircraft, heal broken men. It is the bases that fuel the ships, feed the men, and fill the magazines with shells so that the fight can be carried unceasingly to the enemy. So important are they that under certain circumstances a single base can be worth a hundred ships.

Of world-shaking importance in the building of American sea power was the trade to Great Britain in 1940 of 50 over-age, flush-deck World War destroyers for a ring of mighty bases stretching from Newfoundland in the north to British Guiana in the south.

It was in September 1940 that President Roosevelt transmitted "for the information of Congress" an exchange of notes between the British Ambassador and the Secretary of State—

under which this Government has acquired the right to lease naval and air bases in Newfoundland and in the islands of Bermuda, the Bahamas, Jamaica, St. Lucia, Trinidad, and Antigua, and in British Guiana.

In the words of the President, it was an—

epochal and far-reaching act of preparation for continental defense in the face of grave danger.

The chain of bases, he said, would give the United States command of a vast portion of the approaches to North and Central America, the Panama Canal, and the northern part of South America.

Those bases may well prove to be the saviors of the Panama Canal, and they will assuredly play a large part in eliminating the submarine menace which threatens our coastal life lines.

So much for the battles for American sea supremacy fought and won in the Halls of Congress. But what of our Navy in action? What of our ships and men on the high seas, facing murderous salvos from below the horizon, streaking torpedoes from hidden submarines, and screaming bombs from the death-laden skies overhead? What of this Navy, maintained as an instrument of national policy, when it finally came within gun range or plane range of German or Japanese warships?

The first fact to realize is that the United States Navy is fighting this war—fighting it with guns, bombs, and blood.

We should be far behind in this eleventh month of war had not the Navy had calm foresight and well-laid plans for the protection of this Nation in the event of war.

For the American Navy, war began on September 4, 1941, when the United States destroyer *Greer*, carrying mail and supplies to Iceland, spotted with its supersonic equipment a German submarine lurking some 10 miles ahead in waters which had been declared vital to American defense. The *Greer* immediately took up the challenge. The German sub launched two torpedoes which the *Greer* skillfully avoided. Following this, she counterattacked with depth charges. From that incident forward, the order to all Navy craft was "shoot on sight."

On the inky night of October 16, the war was suddenly brought home in earnest to the Navy. The destroyer *Kearny*, answering a call from a convoy attacked by a pack of U-boats, was torpedoed without warning at close range. Eleven men lost their lives in the explosion, and the entire ship would doubtless have been lost had she not been one of the newest design—with hard-steel plates twice the thickness of those used in the World War, and vastly superior compartmentation, which kept her afloat until she reached American shores.

Two weeks later, to the day, the most savage blow of all was struck. Steaming alone south and west of Iceland, the 21-year-old destroyer *Reuben James* was struck without warning by an enemy torpedo. Tragically, she had none of the advantages in design that were built into the *Kearny*. Her entire forward half exploded and sank at once, taking 100 officers and men with it.

An American warship had now been sunk by the Axis, but our Navy was valiantly fighting back against the unseen raiders of the deep. On December 21, Secretary Knox announced:

After careful weighing of the evidence, I can now state that in the Atlantic Ocean United States naval forces have, up to the present time, probably sunk or damaged at least 14 enemy submarines.

Thus, by the time the Japanese stabbed us viciously in the back in the Pacific Ocean, the United States Navy was already winning the first phase of the Battle of the Atlantic.

But let us not fool ourselves. Up to December of last year the true nature of this war had come home to no one. We were all numb to the incredible portents of the new order of naval warfare. Up to this time it was 1917 all over again. Some destroyers were lost in the stormy Atlantic, bringing goods to England. That was all. This was a little backyard squabble which we could win with our left hand.

Then it came.

December 7. On that day the United States of America was hurled by the terrible force of treachery into the greatest naval war in the history of the world—a naval war not on one ocean or on two but on the seven seas of the earth; a naval war which was to cost the United States Navy in the first 7 months more lives than all the previous naval wars in its history.

After that first stunning blow, through the bleak and dragging weeks of December and January, and even into February and March, the Navy was the target for endless storms of the most acrimonious criticism. But let us look back now. Were we not perhaps too unaccustomed to the bitter gall of defeat, too unnerved by the steady succession of bad news, to see the whole picture clearly?

There had been naval wars ever since the battle of Salamis saved ancient Greece; but there was no precedent for naval war on the scale we faced after Pearl Harbor. The average American was incapable of understanding the tremendous job which the Navy faced. This was global war—a new concept. To win complete control of every foot of every sea the world around, and to control as well every foot of skies above those seas—this was the Navy's responsibility. At the same time, of course, it was the Army's job to fight the war on every continent of the world; but it was the Navy's responsibility to see that every man and every scrap of material destined to all the continents landed safely, and to maintain huge and constant streams of supplies to American outposts the world around; to build up new bases from trackless jungle to full operating efficiency; to design and rush the construction of new ships by the hundreds; to supervise the manufacture of all the guns and equipment that go on them; to recruit and train 30,000 pilots and hundreds of thousands of officers and seamen each year; and to protect every foot of the 16,000 miles of coastline of the United States and her possessions—these, too, were the Navy's responsibilities.

It was indeed a task without precedent in the history of war. All this incredible mass of world-straddling strategy and hectic detail had to be directed from that rambling, crumbling, white structure down on Constitution Avenue. No wonder the Navy leaders accepted the Nation's criticisms in grim silence. They were busy.

In a war only one thing counts—results. Let us see how well the Navy has done its gigantic, hydra-headed job.

The acid test of any Navy is in actual combatant engagements. We have seen plenty of them in this war. Count them off. Mark them up on the scoreboard of history.

Pearl Harbor: A stunning, crushing blow which failed in its prime purpose, which was to cripple forever our Pacific sea power, but which nevertheless must be classed as a tragic defeat.

Macassar Straits: A surprise sortie in which a daring force of United States destroyers cut into a huge Japanese convoy, sinking five transports and throwing the escorting warships into complete confusion before they dashed away unscathed.

The Gilbert and Marshall Islands raids: Surprise blows of reprisal for Pearl Harbor, brilliantly conceived and executed.

The Java Sea: Hopelessly outnumbered at sea and devoid of air protection, we fought gallantly to an eventual defeat.

The Coral Sea: Although we lost the *Lexington*, this 5-day battle was the first major set-back of the Japanese in their march of aggression in the South Pacific. We sank or crippled no less than 20 Japanese ships. A victory that set the Japs back 2 months in their anticipated assault against Australia.

Midway: The most significant, the most glorious triumph of the war in the Pacific. Four Japanese carriers sunk, with at least 275 planes destroyed, together with their crews. Two or 3 battleships damaged, 1 severely. Two cruisers sunk, and 4 more damaged. Three, and possibly 4, destroyers sunk. A blow from which Japan will never fully recover.

The Solomons: The battle for the Solomons marks the beginning of the offensive in the Pacific. The initial cost to

us was three cruisers, but the way was decisively opened to regaining all that has been lost since December 7. The loss of the *Astoria, Vincennes,* and *Quincy* was avenged on October 10 when the Japs lost one heavy cruiser, four destroyers, and one transport in this area.

These have been the major fighting engagements, not counting individual sinkings by our submarines and motor torpedo boats. The score is five spectacular successes to two set-backs; five great victories, three of them crippling to the enemy, as against two defeats. This in an ocean in which we are supposedly outclassed by the enemy, and after the enemy had "destroyed" our Pacific Fleet!

What was the secret? It lies not alone in the bravery and fighting skill of our officers and men, inspiring though that bravery and skill undoubtedly were, but also in the foresightedness of our Navy planners in building a balanced Navy. The Navy always knew it might have to fight any kind of naval war, and probably every kind of naval war at once. As a consequence, the Navy never concentrated on one type of ship at the expense of another. We built up all phases of our fleet at once—battleships, aircraft carriers, planes, light and heavy cruisers, and destroyers—and at the same time we did not forget the submarine chasers and the patrol craft for home waters.

True, the naval planners were preparing for a war of fleets, which had been the pattern before December 7; but the balanced Navy which they built has made it possible to organize the tight, fast, hard-hitting task forces which staged the Gilbert and Marshall raids, and met the Japs in the Coral Sea, off Midway Island, and in the Solomons.

We were quick to learn; and are today prepared to employ the new tactics to their fullest and most deadly effectiveness against our enemies. Eleven carriers were building when Pearl Harbor was attacked; and the recent naval appropriations bills initiated more of them, in numbers never conceived by Germany and Japan. Yes, we are watching our Nation's future, now being decided upon the high seas, and can be reverently thankful for the foresightedness which made our Navy a balanced weapon.

Put what of the Navy's other jobs? What of her convoys, for example? American troops stand poised in Ireland and England ready to lunge at the European continent as soon as guns and planes enough are massed. American troops hold the bleak tundras of Iceland. American troops tramp the streets of Melbourne, man the antiaircraft guns at Suez, fly planes in China, and patrol the icy coasts of the Aleutians. They are in tanks and planes in North Africa, and South Africa is becoming familiar with the Yanks. To all these fighting men, wherever they may be, must go an uninterrupted stream of materials for war—guns, tanks, and planes, warm clothing, medical supplies, and good red meat, mail, mortars, and motor trucks. These and all the other multitudinous military supplies, together with reinforcements and replacements of the men themselves, must get through.

To see that they do get through is the Navy's least spectacular but perhaps its most important single task. Its immensity is staggering. The distance from New York to Iceland is 3,000 storm-swept miles, plus 3,000 more for the return trip. Between here and Ireland, where the largest convoys in American history have already landed, are 3,300 miles of periscope-pocked ocean. The tortuous route to Russia covers more than 5,000 stormy miles. Australia is 7,700 miles from San Francisco, and at least 11,000 from New York. India, where enormous United States forces have arrived, is well over 10,000 miles away via the Cape of Good Hope.

Add to these distances the trips to Hawaii, to Samoa, and to the Aleutians, and we get some idea of the tens of thousands of miles of supply lines which must be kept open at all times if we are to win this war. In the last war the supply lines which were the Navy's responsibility were only about 3,300 miles long. Today they are nearly 80,000 miles in length. This is global war.

Are the supply lines being kept open? Witness that as I speak here today, an incredibly small number of men and a very small amount of material have been lost on troop convoy. Maintaining a ceaseless, monotonous, nerve-wracking vigil on the sea and over it, in all kinds of weather and at all seasons of the year, the Navy gets them through.

What is going on at home? It is no secret to the American public that the U-boats scavenging along our coasts are the Navy's most pressing problem. Until now it has been a question of pushing through the arms and supplies going to our boys overseas or pulling our ships home to convoy intercoastal shipping. In the minds of the men who run this war, our boys on the battle fronts of the globe come first. Who could challenge their decision?

At this very moment the Navy is rushing to completion a vast fleet of submarine chasers and other patrol craft, numbering not scores but many hundreds—a mighty armada of sleek, speedy, deadly little vessels which will make the Axis wary of sending their abhorrent raiders within a thousand miles of our American shores.

On land the Navy is keeping pace with its jobs at sea. In every available shipyard of the land—not only along the coasts but even on the lakes and rivers inland—fighting ships are taking shape as fast as human ingenuity and energy can complete them Naval inspectors keep a watchful eye over every critical engine part, gun barrel, and bag of powder which finds its way aboard any fighting ship. Plane plants are spewing forth planes—60,000 of them before the end of this year, 125,000 next year—to blast the minions of Hitler and Hirohito from the face of the earth. From one end of the country to the other naval training stations, naval air schools, and naval officer schools are turning out the best-trained fighting men in the world to make this equipment into weapons which will strike mighty blows for victory.

No one looking ahead today can predict the certainty of the progress of the struggle in which our Navy is now engaged. The battle is hard and treacherous always, but certain it is that final victory will be won. We can be sure that in these difficult days our Navy, wherever its operations extend, will carry out these operations with the gallantry and fighting spirit which are its traditions. We can be sure also that, however long and difficult the course to ultimate victory may be, our Navy will pursue it with vigor and intensity to the very end.

It may seem premature at the present time to look ahead to what our naval policy will be after the conclusion of this war. We can be sure, however, that the responsibilities of building a peaceful and stable world will rest most heavily upon the United States. In assuming those responsibilities our Navy will play a role of great importance as the guardian of a stable international system.

Under these circumstances it is well that we consider now the lessons to be learned from the recent history of our naval development, for when the time comes to apply these lessons after the war we shall be subjected to pressure from all sorts of interested groups, and in the resulting confusion we may lose sight of principles which today are clearly evident.

What are these lessons? Let me sum them up briefly as they appear to me:

First—and I assume no one will dispute this—we must recognize, once and for all, that unilateral disarmament is doomed to failure from the very start. The dream that if the peace-loving nations of the earth will discard their weapons the war-worshiping nations will automatically follow their example is a beautiful vision, but it is a false one.

It holds within it the germs of disaster. Think of the tragic situation in which our Navy would be if we alone had continued beyond 1932 the policy of disarming, which had by that time already wrought irretrievable damage to our naval forces. If we disarm in the future, let us be sure that everybody else disarms at the same time, and that we are not left out on the end of a limb by ourselves. The time may come when the human race will have reached such a point of perfection that the mere example of good intentions is enough to drive evil from the hearts of men. That day may some time come, but certainly it is a long way ahead of us now.

By the same token, let us remember that it is cheaper and better to replace our old ships at regular intervals as we go along, rather than have to do so hurriedly in time of crisis. The maintenance of building facilities and a skilled labor force is best done by spreading our peacetime building programs over a period of years.

Second, let us never again be deluded into believing that limitation of armaments alone is enough to insure peace. This is the error of mistaking the symptom for the disease. Armaments are but the symptom of international suspicion and jealousy, of the greed and selfish ambition of mankind. Jealousy, greed, and lust for power are the true breeding grounds of war. If we can solve the problem of correcting the passions of men, the question of armaments will settle itself.

Third, if we should engage in international limitation of armaments on a large scale, let us avoid the errors of previous pacts. Let us remember that disarmament, to be valid, must include all nations which are actual or potential naval powers. Let us avoid the error of limiting armaments on the basis of quality and class. Let us remember that it is useless to give power A and power B equality in destroyers in the belief that we are giving them equality in sea power. If power B build up a large submarine force and power A has long trade routes to protect, it is obvious that mere numerical equality actually results in considerable inferiority for power A.

Let us also avoid the error of trying to divide up the various branches of the armed forces and attempting to limit one without the other. There was a day when we could separate naval power, land power, and air power, but that day is gone forever. Today the three are inextricably entwined.

Finally, let us never again make the mistake of believing that any peaceful system can be set up without some basis of force behind it. There must be found some method of translating the will of peace-loving nations of the world into action to maintain that peace which they hold dear. Our Navy and those of the other democracies will inevitably play a considerable part in providing that necessary element of force. Let us keep our Navy well, healthy, and strong. Let us remember this difficult time and how it came to be. Let us make sure that the hard sacrifices of today are not frustrated by the blunderers of tomorrow.

SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATIONS

Mr. McKELLAR. Mr. President, the following appears in the CONGRESSIONAL RECORD for October 13, 1942, at page 8102:

AUTHORIZATION FOR COMMITTEE ON APPROPRIATIONS TO REPORT A BILL

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Committee on Appropriations may be allowed to report an appropriation bill during the recess of the Senate, if it should recess over from today until a later day.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, I may or may not object. Of course, if consent is given, and the bill shall be reported, it can be brought up for consideration Thursday by motion, if we take a recess to Thursday at the conclusion of business today. At that time probably the report of the hearings will not be printed. If the bill were then laid before the Senate for immediate consideration, no opportunity would be given to study the bill and the hearings. I should join in the consent requested if it were provided that the bill should go over for 1 day, or until Monday, if Senators desire to have time to study it.

Mr. McKELLAR. I think that is perfectly reasonable.

Mr. McNARY. Then, with the understanding that the Senator may have permission to file the report, and upon the request of any Senator not familiar with the record or the bill, it may go over until the next session of the Senate, I shall not object.

The VICE PRESIDENT. With that understanding, it is, without objection, so ordered.

It will be noted that the understanding was that if there were any objections to proceeding with the bill, it would go over. The bill was reported in accordance with that understanding and agreement. The statement was:

It can be brought up for consideration Thursday by motion, if we take a recess to Thursday at the conclusion of business today.

Today, in accordance with that agreement, I brought up the bill by motion. I believe the Senator from Oregon was talking with some other Senator, or that his attention was otherwise engaged. The Vice President put the motion, and it was agreed to. I had no idea that that could possibly be a violation of the agreement. On the contrary, it was in the strictest accord with the agreement. Probably I should have called the attention of the Senator from Oregon to the motion, inasmuch as he had given a limited agreement to it; but the Senator was in his seat, and it never occurred to me that that should be done.

Later I asked unanimous consent for the reconsideration of the vote by which the motion was agreed to, and the bill is not now before the Senate.

Mr. President, I should like to set the record straight. The bill is of no more importance to me than it is to any other Senator. I happen to be acting for the committee, and I conceive it to be my duty to bring it before the Senate at the earliest possible time. In accordance with the understanding which was reached, there can be no possible objection to the bill going over until tomorrow if some Senator asks that it go over. So at this time I content myself with asking unanimous consent to proceed with the consideration of House bill 7672. Not for any consideration on earth would I be willing to violate any agreement which I made here or anywhere else.

The PRESIDING OFFICER (Mr. DOXEY in the chair). Is there objection to the request of the Senator from Tennessee?

Mr. McNARY. Mr. President, I do not care to hold an autopsy over what occurred earlier in the day. I am thoroughly conversant with the RECORD.

A high privilege is bestowed upon a Senator when he is permitted to file a report on a bill during a recess or adjournment of the Senate. Such a privilege should be scrupulously, cautiously, and fairly exercised. So long as I am minority leader I shall see that that is done.

I stated, on the page of the RECORD to which I have referred, that if any Senator objected the bill would go over. I had in mind then what I have in mind now, that when a bill is laid on the Vice President's desk for the consideration of the Senate it is accompanied by a report, which reflects only the amendments made by the Senate committee. There is no opportunity to explain the substance of the bill. The hearings are not before us, and we are not in a position properly to pass upon the bill or any amendments which the Senate committee may recommend.

I grant these privileges in order to cooperate and be helpful. At the same time, I respect the rule that every Senator should have an opportunity to legislate fairly. It is not good legislation for a committee to do all the legislating. That is what occurs if bills are rushed through without Senators having an opportunity to read the hearings and study the bill and the report. Good legislation requires observance of the rules of the Senate.

I merely stated that if no objection were made, I should have no reason to insist that the bill go over. If the Senator had wanted to carry out literally the spirit of the statement which I made, he would have asked unanimous consent to consider the bill today. I did not intend to object. Let me say for the information of the Senator in charge of the bill that late last evening the bill was sent to my office. I took it home last evening and read it. I think I understand it. However, there was no supporting evidence in connection with any of the provisions in the House bill or the Senate committee amendments. However, I am willing to waive that and trust to the good judgment of the committee. But I do not want any Senator to rise and move for consideration of a bill when consideration should be on the basis of unanimous consent. That was the thought expressed by me the other day; and it is a thought which I am determined to impose on the Senate.

Mr. President, I play the game fairly. I am not saying that the Senator does not. Probably he did not have in mind the very essence of the high privilege which is granted to a Senator when he is permitted to go beyond the rule and file a report without any Senator having an opportunity to study the measure.

This measure may be a simple one. Probably I should not object. It provides appropriations of only $6,000,000,000 or $7,000,000,000. I may be criticized for wanting any deliberation or study of a measure of that kind.

I recall that some weeks ago—I believe it was in June—we had before us a measure providing appropriations of $24,000,000,000. I asked that it go over for one day, and there was a flurry on the floor of the Senate. Probably I would have been impetuous if I have asked that it go over for 10 minutes, but I asked that it go over for a day.

This is a small bill, carrying appropriations of only $6,000,000,000 or $7,000,000,000.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. McKELLAR. It carries more than $9,000,000,000 of contractual authorizations, in addition to the $6,000,000,000.

Mr. McNARY. Very well. It is a demand on the Treasury of the United States for a huge sum of money.

I think it is well to recall that the Finance Committee labored for about 2 months on the tax bill. It was before the Senate for a week, and we all worked desperately, earnestly, and seriously to pass a bill which would be fair and equitable to the taxpayers of the country. We think nothing of passing a bill in 15 minutes to spend all that and more. A Senator who asks for a moment's deliberation is put on the rack.

I shall express my feelings. If the Senator desires to have a certain bill taken up this afternoon, and if following

a roll call he requests unanimous consent that the bill be taken up, and if no other Senator objects, I shall not object, and the Senator can have the bill taken up.

Mr. McKELLAR. Mr. President, under those circumstances I shall suggest the absence of a quorum——

Mr. BARKLEY. Mr. President, I ask the Senator from Tennessee to wait just a moment before doing so. If he will yield to me, let me say that I am quite satisfied that the Senator from Tennessee has no purpose to violate the spirit of the understanding which was had the other day when he asked permission to file his report. I think no one is more considerate and courteous than the Senator from Tennessee, and no one is more meticulous in keeping his agreements. I myself did not understand the other day that the bill would have to be brought up by unanimous consent. The Senator from Oregon said that if any Senator objected to its consideration today he would ask that it go over; and that was entirely agreeable. My thought was that the bill might be made the unfinished business, and then go over. That is a technical manner of bringing a bill before the Senate.

Personally, I am satisfied that no harm can be done by allowing the bill to go over. Unless there is some urgency about it, personally I should like to see it go over until Monday if it cannot be disposed of today; because the conferees on the tax bill are meeting every day from 10 o'clock until 5 o'clock, and the Senate conferees are interested in the bill and in one or two amendments which may be proposed to it. I do not know whether we can finish the tax bill in conference this week; but, unless there is some urgency in connection with the appropriation bill, it would be more convenient to let it go over until Monday.

Mr. McKELLAR. Mr. President, let me say in answer to what the Senator has said that I myself do not think there is any such urgency. It never occurred to me that we wanted to hasten action on the bill any more than we usually do in the case of appropriation bills. Ordinarily, a great deal of debate does not occur on appropriation bills.

I suggest that we simply take up the bill and make it the unfinished business. In that event, Senators will have until Monday to go over the bill as much as they may care to do, and to examine it and scrutinize it as carefully as it is possible to do. Nothing has been put in the bill which the committee did not think proper to be included in it; but I want every Senator to be absolutely satisfied.

For that reason I suggest that I should like to have the Senate reach an agreement that the bill be taken up and be made the unfinished business, and then go over until Monday, so as to give every Senator an opportunity to consider it.

Mr. McNARY. Mr. President, the Senator from Tennessee does not need any defense from the able Senator from Kentucky. I have made no charges. I think the Senator from Tennessee probably was suffering from a lapse of memory as to what occurred the other day. I was asserting my rights and the rights of the Senate. I think the bill should go over until Monday. In the statement, indication was made that I thought the bill should go over until the next session of the Senate. I am willing to meet the situation fairly and to give every Senator an opportunity to study the hearings and the purposes and aims of the bill, and I should not object to making it the unfinished business, provided it does not come up until Monday.

Mr. BARKLEY. Mr. President, that is the understanding I suggested.

Mr. McNARY. I understand that.

Mr. BARKLEY. I think it is satisfactory to all Members of the Senate.

Mr. McKELLAR. Mr. President, I ask unanimous consent that House bill 7672 be laid before the Senate, and that it not be discussed today, but be the unfinished business for Monday, and that we recess rather than adjourn today so that the bill may be taken up early on Monday.

Mr. McNARY. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the bill (H. R. 7672) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1943, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

INTERPRETATION OF PROVISIONS OF PRICE CONTROL ACT AFFECTING AGRICULTURAL COMMODITIES

Mr. AIKEN. Mr. President, at this time I wish to place before the Senate a matter which I believe to be of great importance. On October 2 this body acted upon a price-control bill. We passed the bill with certain amendments which were regarded as in the nature of compromise amendments and which were offered collectively by the Senator from Kentucky [Mr. BARKLEY]. I think the amendments were understood by every Senator. The bill went to conference. The report of the conference committee was made to the House and to the Senate, and was adopted by both Houses. The bill became law later that evening.

When the RECORD of that day's proceedings was published I looked through it, and was rather amazed to find in it two pages of remarks purported to have been made by the junior Senator from Michigan [Mr. BROWN]. I did not recall having heard those remarks made upon the floor, and so I spoke to the Senator from Michigan about them. He advised me that he had asked leave to have the remarks printed, and expressed regret that they had been printed in such a way as to seem to have been delivered upon the floor.

I am sorry to say that these remarks are subject to an interpretation quite different from that made by most Members of the Senate. They also present an understanding quite different from that clearly held by the House Members of the conference committee.

I am reluctant to present this matter during the absence of the Senator from Michigan. I was told that he would be present this week, but evidently he has been called home. Now I am told that probably he will not be back for 3 weeks.

In the meantime, the executive officers are apparently proceeding with the administration of the Price Control Act in accordance with the interpretation given it by the Senator from Michigan, an interpretation not presented on the floor of the Senate, but printed in the RECORD as a part of his remarks. The remarks will be found on pages 7722 and 7723 of the CONGRESSIONAL RECORD. They are so much at variance with my own understanding of the bill and my own interpretation of it that at this time I should like to point out how they differ.

In the first place, in order that there be no mistake, I wish to say that on page 7722 the RECORD reads as follows:

> Mr. BROWN. I thank the Senator from New Mexico very much for his statement.

Then the statement continues:

> Mr. President, I wish to present a summary of the report.

I call attention to the fact that the summary is not a summary of the report of the conference committee, but is very plainly the Senator's own interpretation of the bill.

Two amendments were adopted by the Senate to the bill.

First, I should call attention to a paragraph appearing at the bottom of column 3 on page 7722 of the RECORD, in which the Senator from Michigan uses the following language in interpreting the two amendments adopted by the Senate. I quote from his statement:

> Whenever price increases on any farm commodity since January 1, 1941, are more than offset by general increases in the costs of producing farm commodities, the bill therefore requires that the return to the grower shall be adjusted.

That is the interpretation given by the Senator from Michigan to the Reed-Tydings amendment.

The Reed-Tydings amendment to the Price Control Act reads as follows:

> *Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agicultural commodity incured since January 1, 1941, the maximum prices so established will not reflect such increased costs.

Mr. President, I believe that this very clearly prohibits the payment of subsidies for farm commodities; but the interpretation as given by the Senator from Michigan reads:

> Whenever price increases on any farm commodity since January 1, 1941, are more than offset by general increases in the costs of producing farm commodities, the bill therefore requires that the return to the grower shall be adjusted.

Thus implying that subsidies may be paid for agricultural production where the price is not permitted to reach parity.

I understand, too, Mr. President, that there are indications that the Price Ad-

ministration and the Department of Agriculture are going ahead with plans for paying wholesale subsidies for agricultural production. I read in the newspapers yesterday that subsidies will be paid for the production of milk in the New York milkshed and that other subsidies are likely to follow.

The other amendment which was adopted by the Senate is one which I prepared and which would have been offered by the Senator from Georgia [Mr. GEORGE] for himself and for me if the Senator from Kentucky [Mr. BARKLEY] had not accepted and offered it. That amendment reads:

Provided further, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor.

The interpretation given to that provision by the Senator from Michigan reads as follows:

Increased labor costs as reflected in rising wage rates for hired farm labor must be included in determining the extent of increased costs to growers.

That is not a correct interpretation of the amendment at all. It is not a correct interpretation of the amendment as presented to the House of Representatives by the chairman of the conference committee [Mr. STEAGALL]. I will now read the interpretation of that amendment as presented to the House. I was present in the House Chamber at the time and heard the matter presented by the gentleman from Alabama, Representative STEAGALL. The colloquy between the gentleman from Alabama [Mr. STEAGALL] and the gentleman from Mississippi [Mr. RANKIN] is as follows:

Mr. RANKIN of Mississippi. Does that contemplate that in doing so the President will allow the individual farmer to include his own wages? Or does that just mean the wages of the man he hires to work for him?

Mr. STEAGALL. As I understand this language, it was intended to embrace all farm labor. I do not see how anyone could contend that you could give adequate weighting to farm labor without considering all farm labor, and that provision relates to the price-fixing powers carried in this bill.

Mr. RANKIN of Mississippi. All right; as the gentleman understands it then, it includes the wages for the farmer who does his own work?

Mr. STEAGALL. Quite right.

I repeat, Mr. President, that the interpretation given by the Senator from Michigan in his remarks which were inserted, as he says, by permission to print, but which do not appear as such, was that—

Increased labor costs as reflected in rising wage rates for hired farm labor must be included.

These interpretations are very contradictory. I would not think of bringing this matter up now except it is apparent that by the time the Senator from Michigan returns, according to what I am told, this law will already have been put into effect by the executive departments of the Government.

I have been told since I have come on the floor that the price of potatoes has been "frozen" at about 75 percent of parity. I have not seen the official order, and I do not know whether it is a temporary "freezing" or permanent "freezing," but, Mr. President, if any prices of farm commodities are being "frozen" at less than parity or if there is any general application to producers of farm commodities of subsidies which have not been heretofore authorized by law, then, I should say that the law is being applied in such a way as to constitute a clear violation not only of the letter of the law but certainly of the intent of the Congress as well.

Mr. REED. Mr. President, I have not had contact with the Senator from Vermont and I did not know what he had in his mind until now. What he has said does explain, however, some things which heretofore I have been unable to understand. I may say to the Senator from Vermont that when the Senator from Maryland [Mr. TYDINGS] and I agreed upon what was known as the Tydings-Reed amendment we discussed, or I discussed, with the experts of the Bureau of Agricultural Economics the application of that amendment. The Senator from Maryland and I never had any thought, nor did the Bureau, that any other course would be taken than to add increased labor costs to the parity price. No question of a subsidy was ever considered either by the Senator from Maryland or by myself or anyone else, so far as I know.

I did not happen to be present in the Senate at the time the junior Senator from Michigan submitted his report, and, consequently, I was not aware, until I heard the Senator from Vermont today, just what the situation was.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. REED. Certainly.

Mr. AIKEN. I wish to say that the two pages of comment or interpretation to which I have referred were the remarks which the Senator from Michigan told me he had obtained consent to have printed. I did not hear the request made, but I do not question that the Senator from Michigan made it. However, the statement appears in the RECORD as if it were a report rather than remarks which were inserted later on by unanimous consent.

Mr. REED. Mr. President, the point with me is that I have had rather an active connection with the interpretation of this law. I was one of the Senators who day before yesterday prepared a letter to Mr. Henderson asking him how he "got that way" so far as the ceiling price on flour was concerned. At 4 o'clock yesterday afternoon the Kansas delegation from the House of Representatives, with the senior Senator from Kansas [Mr. CAPPER] and myself had a talk with Mr. Byrnes. Later, about 5 o'clock in the afternoon, Mr. Byrnes told me that today there would come to me, as representing the group of 22 Members of Congress who signed the letter, a communication from Mr. Henderson. It was to be sent to me by special messenger this morning, but I have not as yet received it.

The disturbing thing is that all through this discussion and negotiation—if it may be called negotiation—there runs the thread of a subsidy, and Mr. Henderson is apparently starting out on a subsidy policy. Where he cannot accomplish his purpose in any lawful way, he is going to subsidize.

I am violating no confidence when I state that I mentioned this matter yesterday in the discussion with Mr. Byrnes, and I told Mr. Byrnes that I did not agree with the wholesale subsidy policy which apparently Mr. Henderson intended to make absolutely the foundation of his administration of the act. If he does so, so far as I am concerned and so far as my understanding of the act is concerned, it is an absolute perversion of what the Senate intended.

Mr. President, I have been disturbed because when I have asked "How about that interpretation?" there has frequently been an intimation that the Price Administration was going to rely upon some mysterious sort of interpretation justifying the subsidy policy which I do not favor. Having had some little connection with the passage of the bill, and with getting the bill into its final shape, I wish to say that if these inferences and intimations are to be carried out, then we should immediately proceed to an amendment of the act, and put it in such language that it will be administered as the Congress of t' United States intended, and not subject to the whim or the pet theory of some socialistic administrator.

Mr. AIKEN. Mr. President, I wish to say that my reason for bringing this matter up today, reluctantly, in the absence of the Senator from Michigan [Mr. BROWN], was that a rather high official of the Department of Agriculture, who talked too much for somebody's good, was heard to say that under his—the Brown—interpretation, the executive agencies could fix the ceiling on farm products at 10 percent of parity, 90 percent, 100 percent, 110 percent, or 200 percent, just as they pleased. That is why I felt it imperative to bring the matter up today, in order to have the intent of the Members of the Congress made clear, because, on September 24, the Senator from Michigan [Mr. BROWN] made this statement:

It is entirely possible that the dispute may have to be resolved by the third coordinate branch of the Government of the United States.

Mr. President, this is why I have felt it absolutely vital that the matter should be placed before the Senate without any further delay.

ADJUSTING ROYALTIES FOR THE USE OF INVENTIONS

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. OVERTON in the chair). The Senator will state it.

Mr. PEPPER. Is there a bill now pending before the Senate?

The PRESIDING OFFICER. Nothing is before the Senate at this time, the unfinished business having been temporarily laid aside by unanimous consent.

Mr. PEPPER. I move that the Senate proceed to the consideration of Calendar No. 1693, Senate bill 2794, a bill reported

to the Senate by the Committee on Patents. This is a measure recommended by the War Department as an urgent matter. I should like to give a word of explanation of my reasons for making the motion.

Mr. McNARY. Will the Senator yield?

Mr. PEPPER. I yield.

Mr. McNARY. The Senator is making a motion?

Mr. PEPPER. I have made a motion.

Mr. McNARY. I think it would be better if the Senator would ask unanimous consent; otherwise he would displace the unfinished business.

Mr. PEPPER. The point the Senator raises was what led me to ask whether any bill was pending. In view of the situation, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate consider Calendar 1693, Senate bill 2794.

Mr. McNARY. I make no objection at this time. Let the Senator make his statement, at the conclusion of which I shall be better able to determine whether I shall make objection.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2794) to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes.

Mr. PEPPER. Mr. President, the War Department brought this matter to the attention of the Committee on Patents, and urged all reasonable and possible dispatch by the Congress in the disposition of the bill.

The proposal grows out of a situation in which the licensor of a patent has granted the use of the patent to a licensee upon a fixed royalty basis. The royalty might have been quite appropriate for ordinary peacetime purposes and for the number of uses that might have been made of the license by the licensee. However, since the beginning of the war, there have developed many instances of the Government having a contract with a licensee requiring the manufacture, for example, of possibly millions of units of the article which happened to be the subject of the license, and the payments under the royalty schedule, which might have been made the subject of a private contract between the licensor and the licensee, amounted to an excessive charge against the Government.

In other words, in such instances when the Government finds that the license fee being paid by the licensee to the licensor of a patent respecting an article being manufactured for or used by the Government, or at the Government's direction, in time of war, is excessive, the measure is designed to permit the Government to reduce the amount of royalty, and thereafter relieve the licensee of his contract to pay a higher royalty than that which may be directed and approved by the governmental agency. That is the essence of the bill.

Representatives of the War Department and the Navy Department appeared personally before the Committee on Patents, the committee considered the matter, and recommended to the Senate the passage of the bill.

I now see in the Chamber the able Senator from Connecticut [Mr. DANAHER], who is a member of the Committee on Patents, and who has given a great deal of time and attention to the subject now before us. I think it would be desirable for him to make a statement to the Senate about the bill.

Mr. DANAHER. Mr. President, I understand that a companion bill to the one being discussed is now before the Committee on Patents of the House of Representatives. Is that not so?

Mr. PEPPER. I think that is correct.

Mr. DANAHER. Does the Senator from Florida know whether or not hearings have been held on the House bill?

Mr. PEPPER. I do not recall whether any hearings have been held on the House bill. It was thought that final consideration of the subject would be expedited if the Senate found itself justified in acting on it, so that the House would have the benefit of the Senate's action.

Mr. DANAHER. As the Senator from Florida knows, I am in complete sympathy with the objectives of the bill, but I am led to believe that the House bill differs in several important particulars from the measure now before the Senate.

Substantial criticism has been expressed to me of our failure to provide in section 2 of the measure concurrent jurisdiction for the United States district courts to entertain suits in behalf of a licensor, at least to the extent to which jurisdiction is now conferred under the Tucker Act on the district courts, concurrently with the Court of Claims, in actions against the United States. I do not know that such a provision is necessary. I do know that the committee has discussed at some length the question whether or not it would recommend the inclusion of that particular thought.

However, since the House bill, as I am informed, is at serious variance with the Senate version in several particulars, it might be well to save the point, as it is obvious that a conference will be necessary in any event. Even though we pass the measure and let it go to the House in the form of the Senate bill, in which event, of course, the House will be at liberty to strike out all after the enacting clause and substitute the House bill, it seems to me that we might save the point were we now to interpolate an amendment which would meet so much of the point with reference to concurrent jurisdiction as I have previously referred to.

Mr. PEPPER. I think it would be highly desirable if the able Senator from Connecticut would offer the amendment to which he has referred, and I am sure it would meet with the approval of both the committee and the Senate.

Mr. DANAHER. It well may be, let me say to the Senator from Florida, that if the House shares the feeling entertained by the committee hitherto, we can easily eliminate the provision, whereas if the House persists in what I understand to be its feeling on the point, we can retain it and still do no violence to the general purposes, objectives, and attainments of the bill.

Mr. President, with these thoughts I would respectfully move to amend——

Mr. PEPPER. Consent has not yet been given to consider the bill.

Mr. DANAHER. I beg the Senator's pardon. I understood that consent had been granted.

The PRESIDING OFFICER. Is there objection to the present consideration of Senate bill 2794?

Mr. McNARY. Mr. President, in view of what has been stated, I have no objection. I have conferred with Senators, and have discussed the matter particularly with the able Senator from Connecticut, who is a member of the committee. In view of the general concurrence, I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

There being no objection, the Senate proceeded to consider the bill (S. 2794) to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes, which had been reported from the Committee on Patents with amendments.

The PRESIDING OFFICER. The clerk will state the amendments of the committee.

The first amendment of the committee was, in section 1, on page 1, line 3, after the word "That," to insert a comma and the words "to aid in the successful prosecution of the war"; on line 4, after the word "invention", to strike out "described in and covered by a patent, or an application for a patent, of the United States", and to insert "whether patented or unpatented," so as to make the section read:

That, to aid in the successful prosecution of the war, whenever an invention, whether patented or unpatented, shall be manufactured, used, sold, or otherwise disposed of for the United States, with license from the owner thereof or anyone having the right to grant licenses thereunder, and such license includes provisions for the payment of royalties the rates or amounts of which are believed to be unreasonable or excessive by the head of the department or agency of the Government which has ordered such manufacture, use, sale, or other disposition, the head of the department or agency of the Government concerned shall give written notice of such fact to the licensor and to the licensee and in said notice, or within a reasonable time thereafter, shall by order fix and specify such rates or amounts of royalties, if any, as he shall determine are fair and just, taking into account the conditions of wartime production, and shall authorize the payment thereof by the licensee to the licensor on account of such manufacture, use, sale, or other disposition. Such licensee shall not thereafter pay to the licensor, nor charge directly or indirectly to the United States, a royalty, if any, in excess of that specified in said order on account of such manufacture, use, sale, or other disposition. The licensor shall not have any remedy by way of suit, set-off, or other legal action against the licensee for the payment of any additional royalty remaining unpaid, or damages for breach of contract or otherwise, but such licensor's sole and exclusive remedy, except as to the recovery of royalties fixed in said order, shall be as provided in section 2 hereof. Written notice as provided herein shall be mailed to the last known address of the licensor and licensee and shall be effective 2 days after the mailing thereof.

The amendments were agreed to.

The next amendment was, in section 3, page 3, line 17, before the word "disposition", to strike out "or" and to insert other;" on the same line, after the word "invention", to strike out "described in and covered by a patent or an application for a patent", and to insert "whether patented or unpatented, and", so as to make the section read:

SEC. 3. The head of any department or agency of the Government which has ordered the manufacture, use, sale, or other disposition of an invention, whether patented or unpatented, and whether or not an order has been issued in connection therewith pursuant to section 1 hereof, is authorized and empowered to enter into an agreement, before suit against the United States has been instituted, with the owner or licensor of such invention, in full settlement and compromise of any claim against the United States accruing to such owner or licensor under the provisions of this act or any other law by reason of such manufacture, use, sale, or other disposition, and for compensation to be paid such owner or licensor based upon future manufacture, use, sale, or other disposition of said invention.

The amendments were agreed to.

The next amendment was, in section 4, on page 4, line 10, after the word "paid", to strike out "by the Government" and to insert "directly or indirectly"; and on line 12, after the word "refund", to strike out "to the Government"; and on the same line, after the word "paid", to strike out "by it", so as to make the section read:

SEC. 4. Whenever a reduction in the rates or amounts of royalties is effected by order, pursuant to section 1 hereof, or by compromise or settlement, pursuant to section 3 hereof, such reduction shall inure to the benefit of the Government by way of a corresponding reduction in the contract price to be paid directly or indirectly for such manufacture, use, sale, or other disposition of such invention, or by way of refund if already paid to the licensee.

The amendments were agreed to.

The next amendment was, on page 4, after line 13, to strike out section 5, section 6, and a part of section 7, as follows:

SEC. 5. The authority and discretion conferred by this act upon the head of any department or agency of the Government may be delegated in writing, in whole or in part, by such head to any subordinate individual, officer, board, or bureau in such department or agency, and such head may further authorize such individual, officer, board, or bureau to make such further delegation of such authority and discretion as may be found necessary.

SEC. 6. For the purposes of this act and the act of June 25, 1910, as amended (40 Stat. 705; 35 U. S. C. 68), the manufacture, use, sale, or other disposition of an invention described in and covered by a United States patent or in an application for patent therefor, by a contractor, a subcontractor, or any person, firm, or corporation for the Government and with the authorization or consent of the Government, shall be construed as manufacture, use, sale, or disposition for the United States.

SEC. 7. This act shall apply to all royalties, directly or indirectly chargeable to or payable by the United States for any supplies, equipment, or materials deliverable to the Government from and after the date of the approval hereof.

And to insert:

SEC. 5. The head of the department or agency of the Government concerned is further authorized, in his discretion and under such rules and regulations as he may prescribe, to delegate and provide for the redelegation of any power and authority conferred by this act to such responsible officers, boards, agents, or persons as he may designate or appoint.

SEC. 6. For the purposes of this act, the manufacture, use, sale, or other disposition of an invention, whether patented or unpatented, by a contractor, a subcontractor, or any person, firm, or corporation for the Government and with the authorization or consent of the Government shall be construed as manufacture, use, sale, or other disposition for the United States and for the purposes of the act of June 25, 1910, as amended (40 Stat. 705; 35 U. S. C. 68), the use or manufacture of an invention described in and covered by a patent of the United States by a contractor, a subcontractor, or any person, firm, or corporation for the Government and with the authorization or consent of the Government, shall be construed as use or manufacture for the United States.

SEC. 7. This act shall apply to all royalties directly or indirectly charged or chargeable to the United States for any supplies, equipment, or materials to be delivered to or for the Government from and after the effective date of this act. This act shall also apply to all royalties charged or chargeable directly or indirectly to the United States for supplies, equipment, or materials already delivered to or for the Government which royalties have not been paid to the licensor prior to the effective date of this act.

The amendment was agreed to.

The next amendment was, in section 7, page 6, line 19, after the word "termination", to strike out the word "hereof" and insert the word "thereof", so as to read:

Sections 1 and 2 of this act shall remain in force only during the continuance of the present war and for 6 months after the termination thereof, except that as to rights accrued or liabilities incurred prior to termination thereof, the provisions of this act shall be treated as remaining in force and effect for the purpose of sustaining, qualifying, or defeating any suit or claim hereunder.

The amendment was agreed to.

The next amendment was, in section 8, on page 7, line 6, after the words "licensee of", to strike out "a patent or patent application covering"; and on page 7, line 7, after the word "invention", to insert "whether patented or unpatented", so as to make the section read:

SEC. 8. The head of each department or agency of the Government may issue such rules and regulations and require such information as may be necessary and proper to carry out the provisions of this act. The provisions of section 10 (1) of an act approved July 2, 1926 (44 Stat. 787), as amended, and title XIII of Public Law 507, Seventy-seventh Congress, shall be applicable to the owner, licensor, or licensee of an invention, whether patented or unpatented, manufactured, used, sold, or otherwise disposed of for the United States, and the term "defense contract" as used in said act shall mean and include an agreement for the payment of royalty, regardless of its date, under or by virtue of which royalty is directly or indirectly paid by the Government or included within the contract price for property sold to or manufactured for the Government.

The amendments were agreed to.

The next amendment was, on page 7, after line 14, to insert a new section, as follows:

SEC. 9. Nothing herein contained shall be deemed to preclude the applicability of section 403 of Public Law 528, Seventy-seventh Congress, as the same may be heretofore or hereafter amended so far as the same may be found applicable.

The amendment was agreed to.

The next amendment was, on page 7, after line 19, to insert a new section, as follows:

SEC. 10. If any provision of this act or the application of any provision to any person or circumstance shall be held invalid, or if any provision of this act shall be inoperative by its terms, the validity or applicability of the remainder of the act, and the applicability of such provision to other persons or circumstances shall not be affected thereby.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

Mr. DANAHER. Mr. President, I offer an amendment on page 3, in line 5, after the word "Claims" to insert a comma and the words: "or in the district courts of the United States insofar as such courts may have concurrent jurisdiction with the Court of Claims,".

Mr. PEPPER. Mr. President, I thoroughly concur in the amendment the able Senator from Connecticut has offered. It merely gives the district courts concurrent jurisdiction with the Court of Claims in these cases. I think the amendment would be helpful in working out this matter with the House.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHER].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read a third time, and passed.

The title was amended so as to read: "A bill to provide for adjusting royalties for the use of inventions for the benefit of the United States, in aid of the prosecution of the war, and for other purposes."

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. OVERTON in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE NAVY

The legislative clerk read the nomination of John L. Hall, Jr., to be rear admiral, for temporary service, to rank from June 14, 1942.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the calendar.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS TO MONDAY

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 2 o'clock and 27 minutes p. m.) the Senate took a recess until Monday, October 19, 1942, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate October 15, 1942:

UNITED STATES PUBLIC HEALTH SERVICE

The following-named dental surgeon to be senior dental surgeon in the United States Public Health Service, to rank as such from the date set opposite his name:

Henry T. Dean, October 5, 1942.

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

TO BE LIEUTENANT GENERALS

Maj. Gen. Robert Lawrence Eichelberger (colonel, Infantry), Army of the United States.

Maj. Gen. George Churchill Kenney (lieutenant colonel, Air Corps), Army of the United States.

TO BE BRIGADIER GENERAL

Col. Neal Creighton Johnson (lieutenant colonel, Infantry), Army of the United States.

APPOINTMENT, FOR TEMPORARY SERVICE, IN THE NAVY

Capt. Oliver M. Read to be a rear admiral in the Navy, for temporary service, to rank from the 9th day of May 1942.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Olis O. Goode, Rogersville, Ala., in place of O. O. Goode. Incumbent's commission expired June 23, 1942.

Marguerite Noles Skinner, Thomaston, Ala., in place of M. C. Mosley, declined.

ALASKA

Hollis Henrichs, Cordova, Alaska, in place of O. H. Kulper, removed.

ARKANSAS

Herbert D. Russell, Conway, Ark., in place of H. D. Russell. Incumbent's commission expired June 23, 1942.

Lillie Q. Lowe, Gillett, Ark., in place of L. Q. Lowe. Incumbent's commission expired June 23, 1942.

Charlie O. Sawyer, Hamburg, Ark., in place of C. O. Sawyer. Incumbent's commission expired June 23, 1942.

Hugh Murphy, Huntsville, Ark., in place of A. L. Coger, transferred.

Fred M. Johnson, Huttig, Ark., in place of F. M. Johnson. Incumbent's commission expired June 23, 1942.

Myrt Walrond, Pocahontas, Ark., in place of Myrt Walrond. Incumbent's commission expired March 30, 1942.

Paul Janes, Ravenden, Ark., in place of Paul Janes. Incumbent's commission expired June 23, 1942.

Donald W. Hall, West Memphis, Ark., in place of M. B. Cooper, resigned.

CALIFORNIA

Mary Ella Dow, Anderson, Calif., in place of M. E. Dow. Incumbent's commission expired June 23, 1942.

Frederick A. Dickinson, Ben Lomond, Calif., in place of F. A. Dickinson. Incumbent's commission expired May 27, 1942.

John G. Carroll, Calexico, Calif., in place of J. G. Carroll. Incumbent's commission expired June 23, 1942.

Harry B. Hooper, Capitola, Calif., in place of H. B. Hooper. Incumbent's commission expired May 27, 1942.

Harold E. Rogers, Chowchilla, Calif., in place of H. E. Rogers. Incumbent's commission expired June 1, 1942.

Frank J. Roche, Concord, Calif., in place of F. J. Roche. Incumbent's commission expired June 23, 1942.

Alice D. Scanlon, Colfax, Calif., in place of A. D. Scanlon. Incumbent's commission expired May 27, 1942.

Robert A. Clothier, Cotati, Calif., in place of R. A. Clothier. Incumbent's commission expired May 4, 1942.

L. Belle Morgan, Encanto, Calif., in place of L. B. Morgan. Incumbent's commission expired June 23, 1942.

Faith I. Wyckoff, Firebaugh, Calif., in place of F. I. Wyckoff. Incumbent's commission expired June 23, 1942.

Mary B. Bradford, Galt, Calif., in place of M. B. Bradford. Incumbent's commission expired April 26, 1942.

Ralph W. Dunham, Greenfield, Calif., in place of R. W. Dunham. Incumbent's commission expired May 28, 1942.

Frederick N. Blanchard, Laton, Calif., in place of F. N. Blanchard. Incumbent's commission expired June 23, 1942.

Bert A. Wilson, Los Banos, Calif., in place of B. A. Wilson. Incumbent's commission expired June 14, 1942.

COLORADO

William J. Murphy, Breckenridge, Colo., in place of W. J. Murphy. Incumbent's commission expired June 6, 1942.

Harold W. Riffle, Eckley, Colo., in place of H. W. Riffle. Incumbent's commission expired June 23, 1942.

William H. Rhoades, Jr., Kit Carson, Colo., in place of W. H. Rhoades, Jr. Incumbent's commission expired June 23, 1942.

James A. Collins, Minturn, Colo., in place of J. A. Collins. Incumbent's commission expired June 23, 1942.

CONNECTICUT

Edward M. Doyle, Bantam, Conn., in place of E. M. Doyle. Incumbent's commission expired June 23, 1942.

Ralph W. Bull, Kent, Conn., in place of R. W. Bull. Incumbent's commission expired June 23, 1942.

Elizabeth J. Carris, Stepney Depot, Conn., in place of E. J. Carris. Incumbent's commission expired June 23, 1942.

FLORIDA

Harold G. Hull, Groveland, Fla., in place of H. G. Hull. Incumbent's commission expired June 23, 1942.

Emma S. Fletcher, Havana, Fla., in place of E. S. Fletcher. Incumbent's commission expired March 30, 1942.

William P. McKeown, Sneads, Fla., in place of W. P. McKeown. Incumbent's commission expired June 23, 1942.

GEORGIA

George B. McIntyre, Alley, Ga., in place of G. B. McIntyre. Incumbent's commission expired June 23, 1942.

William H. Wood, Jr., Loganville, Ga., in place of W. H. Wood, Jr. Incumbent's commission expired June 6, 1942.

Hugh L. Johnston, Woodstock, Ga. Office became Presidential July 1, 1942.

IDAHO

Thomas B. Hargis, Ashton, Idaho., in place of T. B. Hargis. Incumbent's commission expired June 23, 1942.

ILLINOIS

Emma J. Zinschlag, Beckemeyer, Illinois., in place of E. J. Zinschlag. Incumbent's commission expired June 23, 1942.

Vernard Dale Snyder, Bethany, Ill., in place of V. D. Snyder. Incumbent's commission expired June 6, 1942.

Ruth M. McElvain, Broughton, Ill., in place of R. M. McElvain. Incumbent's commission expired June 23, 1942.

Elbert McDonald, Carriers Mills, Ill., in place of Elbert McDonald. Incumbent's commission expired May 11, 1942.

Joseph I. Kvidera, Cary, Ill., in place of J. I. Kvidera. Incumbent's commission expired June 23, 1942.

Clason W. Black, Clay City, Ill., in place of C. W. Black. Incumbent's commission expired June 23, 1942.

Fred A. McCarty, Edinburg, Ill., in place of F. A. McCarty. Incumbent's commission expired June 23, 1942.

Edmund J. Coveny, Elisabeth, Ill., in place of E. J. Coveny. Incumbent's commission expired June 23, 1942.

Beryl J. Donaldson, Farina, Ill., in place of B. J. Donaldson. Incumbent's commission expired June 23, 1942.

Clyde E. Wilson, Melvin, Ill., in place of C. E. Wilson. Incumbent's commission expired June 23, 1942.

Hazel E. Davis, Minier, Ill., in place of H. E. Davis. Incumbent's commission expired June 23, 1942.

Nellie Waters, Murrayville, Ill., in place of Nellie Waters. Incumbent's commission expired June 23, 1942.

Henry B. Shroyer, New Windsor, Ill., in place of H. B. Shroyer. Incumbent's commission expired June 23, 1942.

Clarence M. Stevens, Pecatonica, Ill., in place of C. M. Stevens. Incumbent's commission expired June 23, 1942.

Marguerite A. Lamb, Port Byron, Ill., in place of M. A. Lamb. Incumbent's commission expired June 23, 1942.

James Doherty, Ridgway, Ill., in place of James Doherty. Incumbent's commission expired May 11, 1942.

Joseph L. Molidor, Round Lake, Ill., in place of J. L. Molidor. Incumbent's commission expired June 23, 1942.

Ross St. Clair Tary, Seaton, Ill., in place of R. St. C. Tary. Incumbent's commission expired June 23, 1942.

Alfred J. Geiseman, Shannon, Ill., in place of A. J. Geiseman. Incumbent's commission expired June 23, 1942.

Rose S. Zalman, Stewardson, Ill., in place of R. S. Zalman. Incumbent's commission expired June 23, 1942.

Frances T. Johnson, Yates City, Ill., in place of F. T. Johnson. Incumbent's commission expired June 23, 1942.

INDIANA

George H. Clarkson, Morocco, Ind., in place of G. H. Clarkson. Incumbent's commission expired June 23, 1942

Clarence C. Robertson, Nashville, Ind., in place of C. C. Robertson. Incumbent's commission expired June 23, 1942.

Cora Riley, Oaklandon, Ind., in place of Cora Riley. Incumbent's commission expired June 23, 1942.

William N. Burns, Otterbein, Ind., in place of W. N. Burns. Incumbent's commission expired June 23, 1942.

James C. Talbott, Veterans' Administration Hospital Ind., in place of J. C. Talbott. Incumbent's commission expired June 23, 1942.

Charles Lebo, Winamac, Ind., in place of Charles Lebo. Incumbent's commission expired May 19, 1942.

Louis F. Fuelling, Woodburn, Ind., in place of L. F. Fuelling. Incumbent's commission expired June 23, 1942.

IOWA

Vestie L. O'Connor, Graettinger, Iowa, in place of V. L. O'Connor. Incumbent's commission expired June 23, 1942.

KANSAS

Harriet Pearl Hinshaw, Arlington, Kans., in place of Olga Warner. Incumbent's commission expired December 16, 1941.

Sophia Kesselring, Atwood, Kans., in place of Sophia Kesselring. Incumbent's commission expired June 23, 1942.

Charles Ward Smull, Bird City, Kans., in place of C. W. Smull. Incumbent's commission expired June 23, 1942.

Jane Waters, Bonner Springs, Kans., in place of Jane Waters. Incumbent's commission expired June 23, 1942.

Charles A. Hegarty, Effingham, Kans., in place of C. A. Hegarty. Incumbent's commission expired June 23, 1942.

Page Manley, Elk City, Kans., in place of Page Manley. Incumbent's commission expired June 23, 1942.

Walter S. Davis, Florence, Kans., in place of W. S. Davis. Incumbent's commission expired June 23, 1942.

Rosa J. Munger, Hanover, Kans., in place of R. J. Munger. Incumbent's commission expired June 23, 1942.

Warren D. Gilmore, Highland, Kans., in place of W D. Gilmore. Incumbent's commission expired June 23, 1942.

Ivan R. Mort, Hill City, Kans., in place of I. R. Mort. Incumbent's commission expired June 23, 1942.

William A. B. Murray, Holyrood, Kans., in place of W. A. B. Murray. Incumbent's commission expired June 23, 1942.

Robert E. Deveney, Meriden, Kans., in place of R. E. Deveney. Incumbent's commission expired June 23, 1942.

Grace E. Wilson, Milford, Kans., in place of G. E. Wilson. Incumbent's commission expired June 23, 1942.

Eunice E. Buche, Miltonvale, Kans., in place of E. E. Buche. Incumbent's commission expired June 23, 1942.

Perry S. Kozel, Morrowville, Kans., in place of P. S. Kozel. Incumbent's commission expired June 23, 1942.

Edison Brack, Otis, Kans., in place of Edison Brack. Incumbent's commission expired June 23, 1942.

Lawrence W. Leisure, Pleasanton, Kans., in place of L. W. Leisure. Incumbent's commission expired June 23, 1942.

Ralph L. Hinnen, Potwin, Kans., in place of R. L. Hinnen. Incumbent's commission expired June 23, 1942.

George J. Smith, Summerfield, Kans., in place of G. J. Smith. Incumbent's commission expired June 23, 1942.

KENTUCKY

Nora Dixon McGee, Burkesville, Ky., in place of N. D. McGee. Incumbent's commission expired June 23, 1942.

John A. Van Pelt, Kenvir, Ky., in place of J. A. Van Pelt. Incumbent's commission expired June 23, 1942.

William L. Dawson, Jr., La Grange, Ky., in place of J. J. Sheehan, resigned.

Watson G. Holbrook, Whitesburg, Ky., in place of W. G. Holbrook. Incumbent's commission expired June 23, 1942.

LOUISIANA

Sylvester J. Folse, Patterson, La., in place of S. J. Folse. Incumbent's commission expired April 1, 1942.

MAINE

George H. Foster, Unity, Maine, in place of G. H. Foster. Incumbent's commission expired June 23, 1942.

MICHIGAN

Kenneth L. Martin, Bloomfield Hills, Mich., in place of M. M. Martin, resigned.

Frank J. Nothelfer, Hemlock, Mich., in place of F. J. Nothelfer. Incumbent's commission expired June 23, 1942.

MINNESOTA

Benjamin F. DuBois, Jr., Sauk Centre, Minn., in place of B. F. DuBois, resigned.

MISSOURI

Glendon H. Yahn, Weldon Spring, Mo. Office became Presidential October 1, 1941.

OHIO

Charles R. Gampher, Jr., Rossford, Ohio, in place of C. R. Gampher, Jr. Incumbent's commission expired June 23, 1942.

PENNSYLVANIA

Ralph M. Bard, Kutztown, Pa., in place of Llewellyn Angstadt, retired.

Joseph F. Conrad, Scranton, Pa., in place of J. F. Conrad. Incumbent's commission expired June 23, 1942.

TEXAS

Marguerite A. Mullen, Alice, Tex., in place of M. A. Mullen. Incumbent's commission expired June 23, 1942.

WISCONSIN

Matthew J. Hart, Glidden, Wis., in place of M. J. Hart. Incumbent's commission expired June 12, 1942.

Robert J. Refland, Port Edwards, Wis., in place of C. N. Akey, removed.

Irene R. Sprangers, Waldo, Wis., in place of W. H. Sprangers, retired.

WYOMING

Bessie Adkins, Medicine Bow, Wyo., in place of M. L. Cooper, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 15, 1942:

IN THE NAVY

TEMPORARY SERVICE

John L. Hall, Jr., to be a rear admiral, for temporary service in the Navy, to rank from June 14, 1942.

POSTMASTERS

ILLINOIS

John G. Rehwald, Altamont.
Charles G. Sowell, Granite City.

MARYLAND

James F. Stack, Ridgely.

TEXAS

Milton L. Burleson, El Paso.
Mollie S. Berryman, Willis.

UTAH

D. Grant Ingersoll, American Fork.

HOUSE OF REPRESENTATIVES

THURSDAY, OCTOBER 15, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we pray that the remembrance of Thee may fill our thoughts with all that is most beautiful and full of promise. When we thus forget the blinding flashes of a world convulsed in the throes of misery and degradation and turn to Thee, Thou art a holy benediction of strength and encouragement. The upward look gives majesty to our earthward steps and our prayers are gathered up into the harmonies of peace and brotherly love. O Divine Spirit, be ours in purpose and in purity of thought and in the varied services we may render our fellow men.

We are grateful for the Teacher of Nazareth whose words are the richest and sweetest utterances which ever fell upon this sorrowing world. Thou didst go about doing good and in Thy daily service, on missions of mercy, reveal the heart of an infinitely holy God. O Thou Ancient of Days, Oh, that men everywhere would surrender to the outstretched arms of a pitying Father whose mercy endureth forever. We pray Thee to keep alive in all hearts the highest and dearest aspirations of mankind and Thine shall be the praise. In our dear Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

OCTOBER 15, 1942.

Hon. SAM RAYBURN,
Speaker, House of Representatives.

DEAR MR. RAYBURN: I hereby tender my resignation as a member of the Banking and Currency Committee and request that the same be accepted forthwith.

Sincerely yours,

WILBUR D. MILLS.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION TO COMMITTEE

Mr. RAMSPECK. Mr. Speaker, by direction of the Democratic caucus, I present a resolution (H. Res. 552) and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 552) as follows:

Resolved, That WILBUR D. MILLS, of Arkansas, be, and he is hereby, elected a member of the Committee on Ways and Means.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL COPIES OF THE SENATE AMENDMENTS NUMBERED PRINT OF THE BILL (H. R. 7378) TO PROVIDE REVENUE, AND FOR OTHER PURPOSES

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Concurrent Resolution No. 33 authorizing the printing of

additional copies of the Senate amendments numbered print of the bill (H. R. 7378) to provide revenue, and for other purposes, and request immediate consideration thereof.

The Clerk read the Senate concurrent resolution (S. Con. Res. 33) as follows:

Resolved by the Senate (the House of Representatives concurring), That there shall be printed 3,500 additional copies of the Senate amendments numbered print of the bill (H. R. 7378) to provide revenue, and for other purposes, of which 1,000 copies shall be for the use of the Senate document room, 1,000 copies for the use of the House document room, 500 copies for the use of the Committee on Ways and Means of the House of Representatives, and 1,000 copies for the use of the Committee on Finance of the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. JARMAN]?

There was no objection.

The Senate concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. FULMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

[Mr. FULMER addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent that my colleague, Mr. HOFFMAN, may extend his own remarks in the Appendix of the RECORD.

The SPEAKER. Is there objection?

There was no objection.

THE PRICE CONTROL ACT

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

[Mr. WOLCOTT addressed the House. His remarks appear in the Appendix.]

THE NEW REPUBLIC AND UNION FOR DEMOCRATIC ACTION

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks and include a complete list of the Communist affiliations of the editors of the New Republic.

The SPEAKER. Is there objection?

There was no objection.

[Mr. THOMAS of New Jersey addressed the House. His remarks appear in the Appendix.]

PARLIAMENTARY INQUIRY

Mr. THOMAS of New Jersey. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. THOMAS of New Jersey. Is it proper for me at this time to ask permission to address the House for another minute on a subject which affects many Members of this Congress, which is contained in the book "The Illustrious Dunderhead?"

The SPEAKER. The Chair does not think he should recognize the gentleman at this time to proceed for 1 minute until he recognizes other Members.

Mr. RANKIN of Mississippi. Mr. Speaker, a parliamentary inquiry. If the gentleman from New Jersey is mentioned in this publication in a derogatory way, would he not have the right to rise to a question of personal privilege and be recognized for 1 hour?

The SPEAKER. The gentleman would if he had raised a question of constitutional privilege. The gentleman does not seem to desire that.

EXCLUSION OF CERTAIN LANDS FROM CONDEMNATION PROCEEDINGS

Mr. HOBBS. Mr. Speaker, by authority of the chairman of the Committee on the Judiciary, I call up the conference report on the bill (H. R. 5503), to authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings, and I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5503) entitled "An act to authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its first amendment.

That the House recede from its disagreement to the second amendment of the Senate and agree to the same.

HATTON W. SUMNERS,
EMANUEL CELLER,
EARL C. MICHENER,
Managers on the part of the House.

PAT MCCARRAN,
JOSEPH C. O'MAHONEY,
G. W. NORRIS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5503) entitled "An act to authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings," submit the following statement in explanation of the effect of the action agreed upon in conference, and recommended in the accompanying conference report:

The bill permits the Attorney General to agree or stipulate on behalf of the United States in any condemnation proceedings to exclude any property or interests therein that may have been taken by the United States as a result of a declaration of taking or otherwise.

The first Senate amendment has the effect of requiring the Attorney General to secure the consent of the department or agency affected before entering into such a stipulation as authorized by the bill. The Senate recedes from this amendment.

The second Senate amendment makes the authority granted to the Attorney General by the proposed legislation applicable to future condemnation proceedings, as well as to those already instituted. The House agrees to this amendment.

HATTON W. SUMNERS,
EMANUEL CELLER,
EARL C. MICHENER,
Managers on the part of the House.

Mr. HOBBS. Mr. Speaker, I move the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SCRAP COLLECTION

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GOSSETT. Mr. Speaker, it is my contention that the various salvage campaigns throughout the country have been only partially successful, that but a very small percentage of the available scrap has been obtained. As an example of a campaign that is being properly and expertly handled, I wish to submit the record made by my home county; since the salvage campaign began, Wichita County, Tex., has made an outstanding record. The salvage committee of this county, headed by the Honorable Jerry Vinson, has gathered to date over 54,000,000 pounds of scrap, an average of 740 pounds per person in that small county, and they have only begun. For 3 weeks 30 keymen devoted their full time to this campaign. This committee used 400 trucks and drivers and 3,000 men on these trucks; they further used 15,000 school children, 900 air-raid wardens, 1,200 hobby helpers, 2,800 Victory farmers, 12 paid watchmen and handlers, 5 paid office workers, 4 telephone lines, and 4 offices were kept busy, and over 250,000 man-hours devoted to this service. This is some record for a county of slightly over 70,000 population. Let other counties compare their record with this. Splendid organization and patriotic, hard work got the job done. Congratulations to Wichita County, Tex.

COMMITTEE ON MILITARY AFFAIRS—LOWERING OF INDUCTION AGE OF DRAFTEES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may have until midnight tonight to file a report on legislation pending before the committee relating to the lowering of the induction age of draftees.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

WAR PROBLEMS OF THE FARMER

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. JENNINGS addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that on tomorrow after the regular business of the day has been disposed of, and following any previous special orders, I may address the House for 10 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein a statement that Mr. Beardsley Rumi has made regarding taxation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein excerpts from a speech made by Robert Nelson Anderson, president of the Federal Bar Association.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a letter written by the Honorable Thomas Riggs, former Governor of Alaska.

The SPEAKER. Without objection it is so ordered.

There was no objection.

STABILIZING RENTS ON REAL PROPERTY

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7695) to aid in preventing inflation, to stabilize the rents of real property, and for other purposes.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I understand it is the intention of the gentleman from Alabama that if this unanimous consent is granted to consider the bill the bill will be open for amendment and the Members may be recognized under the 5-minute rule. Is that correct?

Mr. RICH. Mr. Speaker, reserving the right to object, what does the bill do?

Mr. STEAGALL. The bill reaffirms a provision of the original Price Control Act which authorized the control of rents and the regulation of rental charges in defense areas when so proclaimed by the President, and specifically in the District of Columbia, regardless of whether the District of Columbia should be declared a defense area. In the recent amendments of the Price Control Act authority was given the President to prevent inflation, to control the cost of living, and to stabilize prices, wages, and salaries. Following the passage of the last amendment to the Price Control Act the President issued an order in which he exercised the powers conferred under this bill with respect to the regulation and stabilization of rents.

This bill now before us applies to rents of commercial and residential properties, hotels, and rooming houses in the various States, Territories, and in the District of Columbia.

Mr. RICH. In other words, it is just an effort to perfect the bill that has already been passed with certain clarifications. Does it do anything that is entirely foreign to the other bill?

Mr. STEAGALL. It does not.

Mr. RANDOLPH. Mr. Speaker, reserving the right to object, the gentleman mentioned in discussing the provisions of the bill that it included the District of Columbia.

Mr. STEAGALL. That is quite right.

Mr. RANDOLPH. I have no reason to object to the unanimous-consent request, and shall not, but I want it clearly understood by the membership of the House that some 6 months prior to the setting up of the rent control by O. P. A. in the defense areas of the country we passed a bill providing such control in the District of Columbia. The people of the District have confidence in the administration of the Emergency Rent Act of the District of Columbia. I presume there is nothing in the bill touching the District of Columbia which would require the scrapping of the present organization. Will the gentleman answer that question?

Mr. STEAGALL. That is quite true; but may I say to the gentleman that the original price-control bill provided authority for the Price Administrator to regulate rents in all defense areas throughout the country which had been proclaimed defense areas by order of the President and, in addition to that and without regard to whether the District of Columbia should be declared a defense area by the President, the District of Columbia was included in that authority conferred upon the Price Administrator. For some reason the Price Administrator has not exercised that authority down to this time.

Mr. PATMAN. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman does not attempt to commit the House to the policy that we will continue or not continue any existing agency in the District of Columbia, since that question was not considered or passed upon by the committee in this bill?

Mr. STEAGALL. No. What we are attempting to do is to extend the powers of the President to control inflation and the cost of living and to apply to rents throughout the United States, whether in defense areas or not, including the District of Columbia.

Mr. PATMAN. We are not passing on any existing agency?

Mr. STEAGALL. And to include hotels and rooming houses, both as to rents and rates. We are not dealing with any other matter.

Mr. RANDOLPH. It is not my desire, nor the desire of members of the District of Columbia Committee or the Members of this House, many of whom have spoken to me, to halt the consideration of this legislation in an orderly fashion. In other words, I am energetic in attempting to bring about its national passage, but I do believe there is a tendency, which we all recognize, of an organization reaching out to take control of every single step in the procedure, and after we have established worth-while organizations which are functioning with a minimum of cost and with a maximum of efficiency we do not want to wreck that program, and I know the gentleman does not want to do that.

Mr. STEAGALL. The authority would be utilized in connection with any other authority, local or in the original Price-Control Act. The Administrator of that act is specifically authorized to consult and confer with any local or State authority, to take notice of State requirements—that is one of the requirements of the law—before putting an order into effect, but the provisions of this bill would apply, just as I have indicated, everywhere in the United States.

Mr. McCORMACK. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I want to make an observation on what the gentleman from West Virginia has stated. Of course, the bill would permit this but the natural presumption is that with an efficient local organization established as a result of the legislation passed, which came out of the gentleman's committee, it is fair to assume that such local working organization will be utilized or permitted to carry on. We have Mr. Paul Porter, who is a very wonderful administrator. I have nothing but admiration for him, never having met him.

Mr. PATMAN. But there is nothing in this bill that commits this House to any particular policy, for any local agency or against any local agency. We just do not pass on that question.

Mr. STEAGALL. On the contrary, this bill confers over-all authority upon the President of the United States to deal with the situation throughout the United States, and includes other charges that may not be technically called rents for the use of real property.

Mr. RICH. The authority was given the President under the price-control bill for the regulation of the price of labor, farm commodities, and practically everything else. Now, the gentleman has heard the statements made on the floor this morning in various speeches about labor leaving the farms and the difficulty the farmers are having to work their farms. I notice a very serious matter in connection with the farmers of my district. Some of them are thinking of selling their cattle because they cannot get help. There is one thing that should be impressed on the Chief Executive, and that is that unless he regulates the price of labor so that farm labor can be kept on the farm, we are going to have a difficult time feeding the people of this country, because these laborers will leave the farms. This is a serious situation and I hope the gentleman, the chairman of the Committee on Banking and Currency, will bring it to the attention of the President and do it mighty quick because it is a serious thing.

Mr. STEAGALL. I think everybody recognizes that.

Mr. BOREN. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Oklahoma.

Mr. BOREN. I want to ask what objection was found to fixing a day for setting these ceilings; for instance, some day prior to the time these rises began?

Mr. STEAGALL. The language of the original bill provided that as far as practicable this stabilization control should be based upon rent charges as of the 15th day of September 1942. It was thought by the committee, however, that some elasticity should be allowed at that point rather than to tie the administrator to a specific date for the reason that naturally there will be instances where these charges have been raised unduly and where it would be desirable to adjust them and to give such elasticity as would permit an equitable administration of the act rather than tie the Administration to a definite date.

Mr. CRAWFORD. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I wish to get the gentleman's opinion on this matter, while it has not been discussed in the committee: Is it the opinion of the chairman of the Committee on Banking and Currency that this bill prevents the Federal Government from going to property owners here in the District and offering step-ups in the rent payment in order to acquire space from some present occupant? In other words, I want to get the gentleman's opinion as to whether or not this bill will prevent the Federal Government from causing rents to move upward through that kind of approach.

Mr. STEAGALL. Of course, the purpose of the bill is to prevent raises in rents.

Mr. CRAWFORD. One other matter on which I would like to get an expression from the gentleman more than an opinion. Is it not the gentleman's opinion that the Administrator, say, Administrator Byrnes, will use his usual good judgment in dealing with whatever problem there might be involved on account of the District Rent Control Commission now being in operation and perhaps being brought in under this bill?

Mr. STEAGALL. Assuredly so. Let me say in that connection that I think it is reassuring to the Members of the House and to the congressional branch of the Government that Mr. Justice Byrnes has been put in a position of responsibility with respect to the administration of these acts designed to accomplish economic stabilization.

Mr. CRAWFORD. I agree with the gentleman.

Mr. STEAGALL. I share the gentleman's view that we may well trust him for fair and proper administration of this act.

Mr. MICHENER. Reserving the right to object, Mr. Speaker, I concur in what the gentleman said about the rent administrator, Mr. Byrnes, but I notice this bill includes commercial rents.

Mr. STEAGALL. It does.

Mr. MICHENER. Let us consider a case like this. There are throughout the country numerous commercial leases where an individual or a company, for instance, leases a building in possibly the most important commercial part of a city to a company or to an individual to carry on a retail business. The lease covers a period of let us say 40 years. The lease provides a minimum of let us say $10 a month rent, plus a percentage of the profits realized out of the mercantile or retail business during the life of the lease. Therefore, the lessee in a way becomes a silent partner in the venture. Will the provision in the general O. P. A. Act, referring to equities, protect that silent partner against the possible minimum rate named in the lease?

Mr. STEAGALL. I am sure that under a fair administration of the law, such as we have every reason to anticipate, that situation would be dealt with justly and properly.

Mr. MICHENER. I think the gentleman gets what I mean.

Mr. STEAGALL. I do.

Mr. MICHENER. If I want to help a friend and I buy a commercial block and lease that man the block for $1 a month plus an agreed percentage of the profits and is therefore paying a fair and equitable rent on this percentage basis, am I to be deprived of the percentage part of the rent?

Mr. STEAGALL. As I said, I am sure we could trust the Administrator to administer the law at that point let me say, justly and fairly. In that connection, it would certainly be a case calling for great care on the part of the Administrator to see that no evasion was had of the purposes of the act.

Mr. GIFFORD. If the gentleman will yield, may I suggest to the gentleman from Michigan that we were assured, were we not, by Mr. Justice Byrnes yesterday that all contractual relations between lessor and lessee would be carried out and not disturbed, that no contract would be violated?

Mr. STEAGALL. Undoubtedly that would be the policy of the Administrator but, as I suggested, there might be cases where the matter of evasion would call for careful inquiry and caution.

Mr. MICHENER. The gentleman from Massachusetts, a member of the Committee on Banking and Currency, reporting this bill, answers directly the question I asked. Those leases to which I referred are legal contracts made in good faith and not in contemplation of a rent-control act.

One more thing: We over here could not hear the gentleman's unanimous-consent request. Was it that the bill be considered in the House as in Committee of the Whole, that general debate be dispensed with, and that we proceed at once to read the bill under the 5-minute rule for amendment under the general rules of the House?

Mr. STEAGALL. That was the inquiry made by the gentleman from Michigan [Mr WOLCOTT] to which I responded in the affirmative.

Mr. CELLER. Reserving the right to object, Mr. Speaker, may I say to the gentleman that in my humble experience of over 20 years in this House I have found that whenever as a result of public clamor and excitement we try to rush a bill through as we did somewhat in our consideration of the price stabilization bill, we make mistakes, as is evidenced by the fact that we must now come back in the House and get some legislation with regard to control over rents.

I hope the House will not make the same mistake in the consideration of the amendment to the Selective Service Act regarding drafting 18- and 19-year-old men. They are rushing that bill through without adequately hearing both sides, all sides, and I predict that if they do that we will come back here again asking for amendments, just as amendments are being asked for now on the price-stabilization bill. I do hope those in charge of the bill will give everybody an opportunity to be heard on the proposition of the 18- and 19-year-old men being drafted into the Army.

Mr. STEAGALL. I may say to my friend, the gentleman from New York, that the matter now under consideration has been under study for months, and that if any matter has ever come before the House after due consideration, the proposal before us today is such a matter.

Mr. PATRICK. Reserving the right to object, Mr. Speaker, may I say that I am getting a tremendous number of letters from my district in Birmingham, Ala.—I even got some today—in which the writers contend that during the months this situation has been so acute they rented their property at a price below what they can afford to rent it for, and even lost money on it. In some cases that was done to keep the property from being boarded up and left vacant, to keep them from being abandoned, when perhaps the windows would be knocked out or other damage done. They now contend that the position we are in now leaves them in the situation where the rent will be frozen considerably below what the property could be protected and carried on for otherwise. Is there any remedy for that situation at all?

Mr. STEAGALL. That question is directed to the provisions of the existing law and its administration. There would be authority under this act to correct any of the injustices and inequities to which the gentleman refers.

Mr. PATRICK. I thank the gentleman very much.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to issue an order or orders regulating the rent of real property and regulating or prohibiting the recovery of possession of such property, without regard to subsequent sale, and any practices or agreements relating to leasing or renting such property or the possession or occupancy thereof. So far as practicable, any such order shall stabilize rents for such property on the basis of the rents for such property on September 15, 1942, and may make such provisions for classifications, exceptions, or adjustments as the President finds necessary to correct gross inequities or to aid in the effective prosecution of the war or to aid in the effective prevention of inflation in accordance with the purposes and provisions of the Emergency Price Control Act of 1942 and of the act of

October 2, 1942, entitled "An act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes." Nothing in this act shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 or of the act of October 2, 1942, entitled "An act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes," or to invalidate any regulation or order, or designation or declaration, issued or effective under either of said acts.

SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this act; and may exercise any power and authority conferred by this act through such agent, agency, or official as he may direct. All provisions, including prohibitions and penalties, of the Emergency Price Control Act of 1942 which are not inconsistent with the provisions of this act shall be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this act.

SEC. 3. Provisions of this act and of all orders and regulations issued hereunder shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution or the President by proclamation shall prescribe.

With the following committee amendments:

On page 1, beginning after the enacting clause, strike out all of the text down through the word "purposes" in line 9 on page 2, and insert the following: "That in order to aid in the effective prosecution of the war, the President is authorized and directed to issue an order or orders regulating and stabilizing the rent of residential and commercial real property, including the rent and rates charged by hotels and rooming houses, in the several States, and in the Territories and possessions of the United States, including the District of Columbia. The President may make such provisions for adjustments of such rents and rates as he finds necessary to correct gross inequities or to aid in the effective prosecution of the war in accordance with the purposes and provisions of the Emergency Price Control Act of 1942 and of the act of October 2, 1942, entitled 'An act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.'"

On page 3, after section 3, insert a new section, as follows:

"SEC. 4. All acts and parts of acts, to the extent that they are in conflict with the provisions of this act, are hereby repealed."

Mr. WOLCOTT. Mr. Speaker, I rise in support of the amendment.

Mr. Speaker, this matter has been covered pretty well under the reservation of objection to consideration of the bill, but I think the statement should be made that when the Price Control Act was passed, it was intended by everyone that rents should be included and it was quite generally agreed that rents were included in that measure. However, when Justice Byrnes took the position which he now holds, he decided that there might be some question as to whether rents were included in price control and the bill which was introduced had, as its purpose, the clarification of that situation. So this bill, in substance, merely removes any doubt which formerly existed in respect of whether or not rents were included in the stabilization of prices, and for that reason it was a unanimous report of the Banking and Currency Committee.

Justice Byrnes told us in committee yesterday that it was his interpretation of the language that the term "commercial properties" might not include hotels and rooming houses and so to clarify that situation we included the rates and rents charged by hotels and rooming houses. I might say, parenthetically, one of the things which prompted the committee to consider including hotels and rooming houses, was the attitude of some hotel proprietors in taking advantage of these unfortunate people who walk from one hotel to another in the District of Columbia and then finally have to pay a large premium for the privilege of sleeping in a local hotel. It came to our knowledge that one individual at a District of Columbia hotel was compelled to pay $15 for very humble accommodations in a hotel in the District. We thought there should be some regulation of that chiseling, racketeering practice if it existed. If it does not exist there is no harm done, but if it does exist then the Administrator or the President is given authority to correct it.

We made very sure that the rents of farm properties would not be included, and so in classifying property as residential or commercial property, we intended by that language to exempt farm property.

I believe the bill otherwise follows the general language of the Price Control Act and accomplishes the purpose of the committee, and I believe the Administrators of the act will require nothing more to bring rents and charges and rates of hotels and rooming houses within the price-control structure.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Pennsylvania.

Mr. RICH. I think it is a wise provision to take care of the racketeers where they are increasing the rents, but let us take this situation. Suppose some boarding house or some hotel property did not increase its rents, but taxes have been increased and the cost of labor has increased and they find today that they are going into the red in the operation of their hotel property, can they go to Justice Byrnes and his organization and submit the proposition and have the rents fixed in accordance with the cost of operation of the property?

Mr. WOLCOTT. Without any question of doubt they can do that. In the original bill, as introduced, there was an attempt made to tie the rents to September 15, 1942.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to proceed for an additional 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. But the gentleman will notice that we struck that from the bill and in the amendment which has been considered in the committee and is now recommended by the committee, all reference to any date has been eliminated and the President is authorized and directed to regulate and stabilize rents of residential and commercial real property, including the rent and rates charged by hotels and rooming houses without regard to any particular date. This gives him or any agency he designates to administer the law, the authority to consider each case on its merits and two rooming houses on the same street might be classified differently in respect of the rates they might charge to cover the increase or decrease in cost of operation. The same thing is true with respect to commercial property and the measure covers situations where perhaps, for some years, commercial property owners in small villages in the agricultural sections of the United States have rented their property for just what they could get for it because of the agricultural situation. The gentleman from Kansas [Mr. CARLSON] propounded an inquiry as to whether this would freeze those extremely low rents in those unfortunate localities which had to rent their property upon a basis of farm income, particularly in the drought area. This bill was designedly written in such a manner that the President or any agency he named could take into consideration those unusual cases and adjust the rents to meet present costs and anticipated costs.

Mr. CARLSON. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman.

Mr. CARLSON. I do not believe we should stabilize rents by granting subsidies. Was any thought given to using subsidies to keep rents down in any sections of the United States?

Mr. WOLCOTT. No; subsidies are not included in any of the rent-control acts, but if it becomes necessary to subsidize to do the job, then they will be back here asking us for that authority.

Up to the present time they have not been given authority to subsidize, to stabilize wages, salaries, prices, rents, or rates charged for accommodations.

Mr. CARLSON. It is understood by some that the present Price Control Act authorizes the Administrator to use subsidies where necessary to keep prices under control.

Mr. WOLCOTT. No; and prices cannot be controlled by Government subsidies. When we subsidize, all we do is transfer the payment of the inflated price from the individual to the Government.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. EBERHARTER. The gentleman is aware, of course, that the United States Government has spent many hundreds of millions of dollars to erect housing, public housing in congested areas, including defense housing and low-cost housing. Did the committee consider whether or not this authority being given to the Administrator would cover the rents in the public-housing projects?

Mr. WOLCOTT. All the President would have to do under the authority of this act would be to designate the Public Housing Authority, the local public housing authority, as the agency through which rents in that particular project would be regulated. We did not give consideration to it directly, but this committee, the gentleman understands, set up the legislation for those projects, and we have always protected the authority given to the local housing authority to administer those acts. There is nothing in this act conflicting with the U. S. H. A. or the F. H. A. in the management of those projects, but probably I should say, qualifying that, there is authority on the part of the President to change rents of the projects if he sees fit, but it is not to be presumed that the President will use the authority here to supersede a local authority, which he himself or which under the act has been set up and over which he has jurisdiction.

Mr. EBERHARTER. That is the point that I would like to have clarified. I know of two or three instances in public-housing projects where, because of a change in conditions, the local administrator raised the rents considerably, in fact, in some instances, as much as 50 percent, and there is some question as to whether or not that raise was justified.

Mr. WOLCOTT. The United States Housing Authority has jurisdiction over that; and if they authorize the increase in rent to defeat the purpose of the U. S. H. A., which was to provide low-cost housing, then it is reprehensible, and the President should step in and correct that situation. We give him the authority to do it in this bill if he sees fit.

Mr. EBERHARTER. The Rent Administrator did have to step in in one instance and cause a reduction in the rent which the local housing authority insisted upon receiving. I would like to know who has the ultimate authority. If we find the local Housing Authority is doing something reprehensible, it ought to be definite that the Administrator would have authority to correct that.

Mr. WOLCOTT. All local housing is under the jurisdiction of the President or the agency that he sets up for that purpose within the administrative branch of the Government. That agency can correct any inequalities or injustices, because it is the administrative agency of the Government that is creating that situation. If they have the authority to create injustices, by the same token they can correct them.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. EBERHARTER. I think in this act we should give complete authority over rents including rents of all public housing projects.

Mr. WOLCOTT. I might say to the gentleman that we have done so.

Mr. EBERHARTER. Is it true that the Rent Director or Administrator of the provisions of this act will have the ultimate authority to supervise all rents in public housing projects?

Mr. WOLCOTT. Unless the President sees fit to delegate authority under this act to a local housing authority. He has that power. I am sure that he will respect the agencies already set up.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. JENKINS of Ohio. In these defense areas there is a lot of property that does not belong to the Government, and is not under the control of the Government, privately owned properties. In many instances they have local rent directors of some kind in those localities. What are they going to do? Are they going to be melted into this? Does this supersede them?

Mr. WOLCOTT. Yes. Those agencies, as I understand it, are a part of the O. P. A. set-up, and the President is authorized to utilize any agency that has been set up to do this job. He could either set up new agencies under this new system, which has been created with Mr. Justice Byrnes as Administrator, or he can continue to operate this under the O. P. A. Of course, it is generally thought that this job from now on will be turned over to Justice Byrnes and his department.

Mr. JENKINS of Ohio. Here is a town, say, in a defense area, and I know of one such instance and they have two administrators now who administer the rent, in all the privately owned concerns. Here is another town, 10 miles away from that, that is not located in a defense area, and they would have to come to Washington under this bill.

Mr. WOLCOTT. I do not believe they would have to come to Washington. They would have to go to whatever local agency the President or Mr. Byrnes set up to administer the law.

Mr. JENKINS of Ohio. In other words, town A and town B would have to go to different authorities unless they were melted together?

Mr. WOLCOTT. Yes. This bill puts the whole United States upon the same basis in respect to rent control and gives the President authority to make adjustments to correct inequalities, to keep rents down and thereby help to avoid inflation.

The SPEAKER. The time of the gentleman has again expired.

Mr. GIFFORD. Mr. Speaker, I rise in opposition to the pro forma amendment.

I think it is well that something be said in behalf of the chairman of this committee. He has done a difficult job. With praiseworthy perseverance he steered the recent bill through, almost on the time limit demanded by the President. He has presented this bill promptly. I favor the bill, of course. But there will be a lot of grief in this bill for property owners affected by its provisions. However, the main purpose of my remarks is to remind the House that I rejoice in the recognition of the dignity of the House, inasmuch as we have been consulted in the matter. Justice Byrnes has recognized the wisdom of asking us to pass this legislation. There was no suggestion that under the Constitution the President already has the authority. I also want to call your attention to the fact that within 12 hours after we passed the recent bill, which we were ordered to pass on or before a certain date, an order came forth from the White House, fully prepared in advance. I want it fully understood that we are not so dumb here that we do not recognize that that order was prepared in advance; that they could not have divined what our action in legislation would be when it was prepared. The order congratulated the House on its action. I fail to appreciate the compliment. To remind you that the provisions of that legislation were not meticulously noted in drawing that order, I refer you to the language adopted relating to the cost of production to be allowed the farmer.

I call attention to this because in my remarks during the passage of the bill I suggested it, and it appeared in the order that soil-conservation checks and other benefit checks to the farmers should be taken into account. What a surprise that must have been to the farmers' supporters. You know the press of the country proclaimed a glorious victory. The order seems to be a direct violation. It would seem that the order had been previously prepared and would have been promulgated according to the promise made whether we acted or not. It was a historical proceeding. We jumped through the hoop according to orders, but I think little attention was paid to the legislation that we passed in drawing that order. It seemingly was prepared for in advance. Certainly it would have been promulgated. That is my opinion from all the assumptions I am forced to recognize.

In this particular original bill there was a guide in that that September 15 would be the day selected when these rents would be frozen. Now it is entirely up to the administration what date it will select. But the escape in this whole legislation is in order for the successful prosecution of the war the President can do as he pleases. If labor is dissatisfied and goes on strike, he can advance wages. If in these defense areas there are no places to live, he can advance rates. Private capital would hardly dare to venture, because the rates prevailing on September 15 were too low, and now there will be no definite rates until proclaimed by the Administrator. I foresee this war lasting a long time. It means more defense areas. More Lanham bills! More Lanham bills! What private concern would construct these houses? The Government must continue to do it.

In my own district I am surrounded by camps. We would build houses, but we do not dare. Even now with this limitation of September 15 off, we would not venture anyone could make complaints that the rents were too high, and then we would be at the mercy of the President, through his administrator, another Government strait jacket.

The joy of your office is almost removed today, because you are but a chore boy trying to get justice for your constituents, in your attempts to joust with these department heads, who have been appointed by the President, who make the rules and regulations. Our job is to

prove to them that there should be an exception once in awhile to these rules and regulations. It is difficult.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GIFFORD. This worries me greatly. Constantly over the telephone, constantly writing, "We know you have made this rule. But this should be an exception." But they so often hide behind the rule—they don't like to make exceptions. We are blamed for it.

Some assistant writes a letter over the signature of the Department head. Often with difficulty we learn who made the decision. There may be a hundred making decisions under one department. All are bound under the rule to follow that rule, and seldom will grant exception until it can be taken to the head officials for approval. Often these assistants agree that the exception ought to be made. But it is a slow process. They should promptly make exceptions where exceptions ought to be made and more real authority granted to those who have been assigned consideration. We now are very fearful of the many rules to be promulgated under this price-control order. We will have to intervene in countless cases.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman.

Mr. DIRKSEN. I think the Committee on Banking and Currency is to be congratulated on the attention given this bill. The original bill would have certified to the executive branch not only rent practices but occupancy and the use of all real property in the country, including the farmer.

Mr. GIFFORD. I think the committee ought to be congratulated. You evidently recall the original bill containing the word "occupancy." It must have been put in there by someone most desirous of obtaining extraordinary powers. In that original version they could have given orders as to whom should occupy the vacant rooms in your own house. I give great credit to the ranking member of the committee, the gentleman from Michigan, who rewrote this bill. He did not fail to grasp the situation promptly. I give great credit also to the chairman of the committee, who immediately accepted the amended form. Mr. Justice Byrnes himself did not seem to realize the enormity of the powers asked for.

Now, let us have some courage in demanding from the administration exceptions where they should be given. This is all that is left to the Congressman in adjusting the wrongs of his constituents.

Mr. PATMAN. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, the gentleman from Massachusetts has much to say about the President's orders being written in advance. It occurs to me it is very much like the trial of a case. When the trial has continued for 3 or 4 weeks—and the recent amendment to the price-control bill was pending in Congress 3 or 4 weeks—you would naturally expect the trial judge to have his charge to the jury ready at the end of the testimony. This is exactly what the administration did; the administration was on the alert, they were wide awake, they had people studying this legislation as it was considered in the House and in the Senate, and then when the bill was finally passed several days elapsed before it was necessary to write the orders. I see nothing in that which would justify the gentleman from Massachusetts in saying that the President was trying to ridicule us.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. GIFFORD. Surely it was a fair assumption that I should take and that the gentleman ought to take, that that order was prepared several days before it was signed and promulgated.

Mr. PATMAN. I thoroughly agree with the gentleman and say that any wide-awake administration would do the same thing. I am afraid the gentleman did not hear my other remarks. I compared it to the trial of a case in court. If the trial lasts for 3 or 4 weeks the judge at the end of that time has his charge ready, he knows what to charge the jury, and would be the object of just criticism if he did not. The gentleman might as well criticize a judge for preparing his charge in advance as to criticize the President for working on the orders and regulations he would have to promulgate after the legislation became law.

Mr. GIFFORD. May I suggest that perhaps the thought is that the Congress should be prepared to conform legislation to regulations.

Mr. PATMAN. No; I am just giving that illustration as evidence of the fact that there is no ridicule in it; it is just a question of being wide awake, alive, and alert. I think the administration should be criticized if it is not on the alert and does not do exactly what was done in this case. There is no ground for criticism at all.

Regarding the September 15 date, which was in the original bill, that all rents and prices would be fixed considering the September 15 date, the committee decided that was not a good thing to do because possibly rents had been raised three or four hundred percent by September 15, 1942, and that possibly the President should have the power to go back and fix a date as of the time the residential rates were fixed, maybe a year ago, maybe a year and a half ago. I believe the committee was perfectly reasonable and did exactly the right thing by leaving that power in the hands of the Executive. He has the power to enforce all other rules, regulations, and practices regarding this price-control bill.

The gentleman was rather critical about the Government making it easy to occupy and encourage the occupancy of houses around the war plants. I do not know whether the gentleman stated on the floor, but certainly he did before the committee, that he was in the real-estate business himself, and that his people would like to build houses. I suggest to him, as Mr. Justice Byrnes suggested to him before the committee yesterday, that surely he would not want to build any houses around war plants that would possibly become ghost cities when the war is over, and we do not know when the war will be over. It is not, therefore, depriving the gentleman of any opportunity he would want under normal and reasonable conditions.

Mr. GIFFORD. If the gentleman will permit, I should like to interject there that I have not had any confidence to build houses for some 8 years.

Mr. PATMAN. The gentleman, of course, has had the finest opportunity in the world had he wanted to build houses; he not only had the encouragement of the Government, but in some cases the money would have been furnished him to help build the houses where they were needed by families who expected to occupy the houses as homes.

Mr. Speaker, I think the pending legislation is a fine addition to the Price Control Act and hope it becomes law as written.

Mr. STEAGALL. Mr. Speaker, it should be made clear that the purpose of this bill is to supplement existing law and that it supersedes any or all laws that possibly conflict with it.

Reference has been made to the existing law applicable only to the District of Columbia. In this connection I wish to call attention to the fact that the existing District of Columbia Rent Control Act does not embrace hotel properties. The original Price Control Act did confer upon the Price Administrator specific authority in defense areas and in the District of Columbia, and regardless of whether the District of Columbia is declared a defense area, that act included hotel properties. For some reason the Administrator of the Price Control Act has never exercised that authority. In view of the immense increase in population and Government activities it was thought the District of Columbia presented unusual reason for such control. Certainly under the bill now before us, with its specific authority and direction, we may expect adequate control of rents and rates in the city of Washington as well as elsewhere.

Mr. COFFEE of Nebraska. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. So long as this language remains in the bill: "The President may make such provisions for adjustment of such rents and rates as he finds necessary to correct inequities or to aid in the effective prosecution of the war," are we not in danger of having most anything done? I call the gentleman's attention to the fact that language was in the last price-control bill that we passed and that in the administration of that price-control bill recently they have placed a price ceiling on flour that reflected a price of wheat of 76 percent of parity; they have placed a ceiling on potatoes that means from 65 to 75 percent of parity in the East, approximately 80 percent of parity in the Midwest and 150 percent of parity on the Pacific coast.

That is just the beginning of a lot of inequities that they are doing contrary to the intent of Congress and contrary to the absolute language of the law that was passed.

Mr. STEAGALL. I may say to the gentleman that the language in the original bill which was presented me to be introduced was much broader than the language embodied in the provisions now before the House and which it is proposed to adopt. Justice Byrnes and I agreed upon amendments that would limit the authority to residential and commercial property; then upon suggestions of the gentleman from Michigan [Mr. WOLCOTT] and other members of the committee, we specifically added hotels and rooming houses. Those limitations are in the bill. The language to which the gentleman refers is only a declaration of the purpose of the act. The specific language would control.

Mr. COFFEE of Nebraska. Does the gentleman think that the Office of Price Administration is giving sufficient consideration to the intent of Congress when it makes these price-ceiling orders?

Mr. STEAGALL. The gentleman knows my views with reference to price control. I have not been in accord at all times with the action of the Administrator in administering the law as it relates to commodities such as the gentleman has outlined, but that question is not involved in the present legislation.

Mr. MICHENER. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Michigan.

Mr. MICHENER. As I understand the gentleman, this bill covers all territory, including defense territory where rent regulations now exist?

Mr. STEAGALL. Unquestionably that is so.

Mr. MICHENER. In national-defense territories where rent regulations now exist, if a tenant or roomer occupies an apartment or a house and is a defense worker, there is no possible way under the regulations that the owner may remove that person unless he proves him to be a nuisanse or sells the property, as I understand it. I think that is the regulation. Assuming that that is the law or the regulation in force today, would this bill have any effect on such regulation?

Mr. STEAGALL. This bill would supersede any and all authority that is in conflict with it at any point.

[Here the gavel fell.]

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, to include an address by Edward A. O'Neal, a member of the new Board of Economic Stabilization just appointed, notwithstanding the fact that it will require three and a half pages of the RECORD at an estimated cost of $157.50.

Mr. SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

BILL TO AID AUTOMOBILE DEALERS WITH CARS FROZEN ON THEIR HANDS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include my remarks concerning a bill, and a copy of the bill, with reference to the purchase of automobiles by the Government that was reported by the committee yesterday and which we hope will be taken up in the House tomorrow by unanimous consent.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

BILL SPONSORED BY HOUSE COMMITTEE ON SMALL BUSINESS

Mr. PATMAN. Mr. Speaker, as a Member of Congress who has been in close touch with the trials and tribulations of the retail automobile dealers of the United States, it was a pleasure and a privilege for me to introduce on September 22 last H. R. 7573, a bill prepared for the same purposes as the one now under consideration. This bill is designed to authorize the Secretary of War, the Secretary of the Navy, the Commissioners of the District of Columbia, and the Director of Procurement to acquire motor-propelled passenger-carrying vehicles necessary for the successful prosecution of the present war.

This bill is sponsored and endorsed by the House Committee on Small Business composed of Messrs. BULWINKLE, KELLY of Illinois, FITZGERALD, HALLECK, LEONARD W. HALL, PLOESER, and myself as chairman.

Simultaneously, a companion bill was introduced in the Senate by Senator MURRAY. Senator MURRAY and I long have been interested in the plight of the retail automobile dealers of the country, who, as you all know, have suffered greatly as a result of the Government freezing new car sales on January 1 last.

A change in the available source of car supply is responsible for the bill. Until cars were frozen in dealers' hands by Executive order, Government purchases were made from manufacturers at approximately wholesale prices. There now no longer being any wholesale supply, purchases must be made from retailers. Hence, a revision of the law to enable the Government to pay fair retail prices is sought.

Since Senator MURRAY and I introduced this bill it has been referred to all Government departments affected and they have approved it verbally or in writing. Conferences about the bill have been held with the Bureau of the Budget and as a result the Bureau directed a letter to the President on October 8 last, approving the measure with minor changes. The President, in turn, in a communication to the Senate, Public Document S. 268, approved the wording of the amendment as suggested by the Bureau of the Budget.

The wording of the bill, as proposed by the Budget, appears in the bill now under consideration. With the full endorsement of everyone concerned, including Government departments and the N. A. D. A., representing the 38,000 remaining dealers of the country, I substituted the Budget wording for the original bill. Without opposition from any source, the House Committee on Expenditures in the Executive Departments reported the bill favorably on Tuesday, October 13.

Senator MURRAY, likewise, on Monday, October 12, was granted a hearing by the Senate Appropriations Committee on his companion measure, Senate bill 2753. I understand that there was no serious opposition to the purposes of the bill on the Senate side and that the measure is to be considered soon.

This measure which, I repeat, has the full approval of the President and the Bureau of the Budget, is to meet new conditions which have arisen during the war. In a word, the provisions of this bill, if adopted, would greatly accelerate the purchase of badly needed cars by the various Government departments and, at the same time, provide strict supervision of these purchases by the Bureau of the Budget.

Commencing in 1925, the appropriation acts for the Army, Navy, and other governmental agencies prescribed the number of passenger cars that could be purchased during each fiscal year and also prescribed price limitations. It was the general practice to send out invitations for bids and to purchase from the lowest bidders. A great many of the sales were made directly by the automobile manufacturers although dealers also were in the practice of bidding on these purchases. The manufacturers were quite willing to sell at the wholesale price, or even lower, and dealers were willing to sell at cost, or even below cost in some cases, in order to add to their volume of sales by reason of the fact that many manufacturers had brackets of discounts which increased according to volume.

In the last few years there has been no limitation on the number of automobiles that the Army was permitted to purchase, but, commencing in 1934, a price limit of $750 was provided for light automobiles and $1,200 for medium automobiles. The Sixth Supplemental Defense Appropriation Act, which was approved on April 28, 1942, increased the price limitation on low-priced automobiles to $925 for all purchases by the Army, Navy, and other governmental agencies. This increase was made by reason of the fact that the wholesale price of automobiles has risen considerably and progressively during the past few years.

With the freezing of automobiles on January 1 and the stoppage of production in February, practically all new automobiles in the country are in the hands of retail automobile dealers. These automobiles can only be sold to those purchasers whom the Office of Price Administration has specified in its ration-

ing regulation 2-A, which includes the Army, Navy, and other governmental agencies, and a restricted list of civilians whose occupations have been deemed essential to the war effort or to the maintenance of health and safety. The automobiles which dealers had in their possession prior to the freezing order on January 1 and those which they received from manufacturers during the first 15 days of January are subject to sale under the rationing order, and the approximately 135,000 passenger cars, which were the last to be produced and which were shipped after the 16th of January, are being held in a separate pool for release after March 1943.

It recently became apparent that, following the normal line of preference, four-door sedans in the lower-priced lines were selling the fastest, and the Army, in anticipation of its needs, sought to purchase all of the four-door sedans in the Chevrolet, Ford, and Plymouth lines. By reason of the fact that their needs approximated the total number of these four-door cars which were in both the rationed stock and in the 1943 pool, O. P. A. issued an order on August 18 prohibiting the sale of any of these four-door cars to anyone other than the Army, Navy, and other governmental agencies. The Army is experiencing difficulty in obtaining bids for these cars as the retail price in many instances exceeds the $925 statutory limitation. The $925 limitation was designed as a wholesale limitation and operates too restrictively at the retail level.

Furthermore, the Navy Department is particularly handicapped by the limitation as to the number of passenger-carrying vehicles which it can purchase, and it has been compelled to obtain the passenger-carrying vehicles which it requires by purchasing station wagons and light trucks converted into station wagons. This has been undesirable, as station wagons are more expensive vehicles than ordinary passenger cars and the supply of station wagons in the country has been exhausted.

These limitations, therefore, are having the effect of hampering the Army and Navy in their efforts to obtain the passenger-carrying vehicles which they require for the prosecution of this war, and the limitation is operating unfairly for automobile dealers who are anxious and willing to sell the Army and Navy the vehicles which they require, but, at the same time, having been so badly hit by the requirements of the war effort, they do not feel they should be compelled to sacrifice the last remaining few units of merchandise which they will have to sell for the duration of the war by reason of a limitation which was imposed for peacetime purposes, but which is unfair and inadequate for the rapidly expanding needs of the greatly increased Army and Navy during wartime.

Automobile dealers are quite satisfied with the prices which they are permitted to obtain under price schedule 85, which was established by the Office of Price Administration for new passenger automobiles. Under that price schedule, they are permitted to charge the list price, Federal excise tax, transportation at rail rates, a handling charge of 5 percent of the list price, and transportation, or $75, whichever is lower, and 15 percent of the list price for each calendar month or greater part thereof that has elapsed since February 1 to the date of sale.

The bill, therefore, proposes that the limitations be removed but that prices charged may not exceed maximum price ceilings established by the war-time price authority, the Office of Price Administration. While the elimination of the $925 limitation will not increase the cost of these vehicles appreciably to the Army and Navy the realization of the retail price on each unit will very materially increase the chances of the individual dealer being able to continue in business to render the essential service which will be required to keep private automobiles running to transport defense workers and to accomplish other essential direct war needs.

It will be noted that the language of the bill only contemplates the removal of these limitations for the fiscal year expiring June 30, 1943, leaving it within the discretion of Congress to reconsider the question of limitations in the future. The purpose of this bill is to meet an immediate problem—that of permitting the armed services to acquire the vehicles they require and to make it possible for dealers to obtain a fair price for these vehicles. The price to be established can in no event exceed that which has been and is being paid by all other classes of eligible purchasers of new automobiles.

PATRIOTIC ATTITUDE OF DEALERS PRAISED

I cannot close my remarks without paying tribute to the patriotic attitude that retail automobile dealers have shown since their car stocks were frozen. I have said here and elsewhere that these dealers were the number one business casualty of the war. I understand that their receipts have been off more than 60 percent on a national basis. Despite this fact, I have yet to hear one dealer complain or see one take any other than a patriotic attitude. To date, not one of them has made an unreasonable request of Congress and I certainly think that they are entitled to the fair deal which this bill is designed to give them. It seems to me that common fairness to the dealer, if nothing else, would warrant immediate passage of this bill, and since it is desired by everyone in the executive departments from the President down, it certainly should have our immediate approval.

The bill is as follows:

A bill to authorize the Secretary of War, the Secretary of the Navy, the Commissioners of the District of Columbia, and the Director of Procurement to acquire motor-propelled passenger-carrying vehicles necessary for the successful prosecution of the present war

Be it enacted, etc., That the limitation of $925 specified in section 405 of the Sixth Supplemental National Defense Appropriation Act, 1942, and any similar limitation specified in any other appropriation act for the fiscal year 1943 may be exceeded by such amount as the Secretary of War, in the case of the War Department, the Secretary of the Navy, in the case of the Navy Department, the Commissioners, in the case of the Government of the District of Columbia, and the Director of the Bureau of the Budget, in the case of other essential governmental needs, may determine necessary to obtain satisfactory motor-propelled passenger-carrying vehicles, but in no event shall the price so paid for any such vehicle exceed the maximum price for such vehicle established by the Office of Price Administration.

RECOGNITION OF SERVICES OF CIVILIANS IN CONSTRUCTION OF PANAMA CANAL

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 553, Rept. No. 2571), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1481) to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

INVESTIGATION OF CIVILIAN EMPLOYMENT IN GOVERNMENT DEPARTMENTS BY COMMITTEE ON THE CIVIL SERVICE

Mr. SABATH. Mr. Speaker, I call up House Resolution 550 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the Committee on the Civil Service, acting as a whole or by subcommittee or subcommittees appointed by the chairman of said committee, is authorized and directed (a) to conduct thorough studies and investigation of the policies and practices relating to civilian employment in the departments and agencies of the Government including Government-owned corporations; (b) to study and investigate the effect of such policies and practices upon the conduct of the war, with the view of determining whether such policies and practices are efficient and economical; (c) to determine the number of employees in each department or agency (including Government-owned corporations), whether such number of employees is necessary, and whether their skills are used to the best advantage; (d) all other matters relating to the recruiting and the efficient and economical use of the civilian employees; and (e) to make such inquiry as said Committee on the Civil Service may consider important or pertinent to any matter coming within the jurisdiction of said committee.

For the purposes of this resolution, the said committee or any subcommittee thereof is hereby authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses, and the production of such books or papers or documents or vouchers by subpena or otherwise, and to take such testimony and records as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or subcommittee, or by any person designated

by him, and shall be served by such person or persons as the chairman of the committee or subcommittee may designate. The chairman of the committee or subcommittee, or any member thereof, may administer oaths to witnesses.

That the said committee shall report to the House of Representatives during the present Congress the results of their studies, inquiries, and investigations with such recommendations for legislation or otherwise as the committee deems desirable.

Mr. SABATH. Mr. Speaker, this resolution has been unanimously reported by the Rules Committee after hearing the chairman of the Civil Service Committee, our beloved and respected colleague, in whom we all have the utmost confidence. We are of the opinion that under his direction this will be a fair, unbiased investigation that will bring about, as we believe, extremely favorable results so far as economy and efficiency are concerned and will bring about the elimination of unnecessary employees in many of the departments of the Government as there are now, so it has been stated.

Mr. Speaker, for years the House has refused, with few exceptions, to authorize the creation of investigating committees on the theory that such investigating committees merely served as junketing trips for members and little or no good in the way of beneficial remedial legislation resulted from such investigations. However, since the Teapot Dome investigation and one or two later investigations by House and Senate committees, Congress is realizing that investigations fairly and properly conducted, where the law is followed and the committee had no axes to grind, have been helpful and beneficial.

It has been testified in the hearings before the Committee on Rules that some departments and agencies are overloaded with employees, that unnecessary transfers from one department or agency to another have been made at higher compensations, and that persons have been appointed without an assignment to actual work or duties for 2 and 3 months and, in some instances, for even a longer period. The attention of the committee has been directed to the charges made by persons both in and outside of the departments and agencies that they have observed many employees loafing on the job, duplicating work, and performing "red tape." I appreciate that many of the charges that have been made cannot be substantiated but, surely, all the people who have complained cannot be wrong in reporting that many employees are not working or that many of the offices are overloaded with unnecessary help.

Some gentlemen assert that the President could issue an Executive order to bring about the elimination of unnecessary employees, but there is a question as to that because under the law the vast majority of appointments are made upon the requests of the departments and agencies from the civil-service registers. I know that on several occasions the President has urged that employment be limited to actual needs and that strict economy be practiced. Unfortunately, many of the heads of the various bureaus and divisions in the departments and agencies have been under civil service for many years, and, despite the President's suggestions and recommendations, they insist that the employees serving under them are necessary and in some departments, since war has been declared, they have called for additional help which, commensurate with the work they are doing, is not necessary. Unfortunately, many of the heads are Republicans and it is difficult to obtain their cooperation to a fair policy of employment.

Some newspapers frequently charge that Members of Congress are responsible for the appointment of many of these employees, but I am satisfied that such is not the case. It is true we appropriate the money, but I venture to say that not one in one thousand has been appointed on the recommendation of Members. The appropriation acts and the laws creating the new agencies specifically require appointments from the civil-service registers and it comes with poor grace to charge Members with being responsible for appointments.

Mr. Speaker, the chairman of the Committee on Civil Service informed the Committee on Rules that 2,357,932 workers are on the Federal pay roll and the purpose of the resolution before us is, as I have stated, to determine whether there is an overloading of employees in certain departments and if their services may be properly dispensed with. For the enlightenment of the House and country, I shall insert at this point that part of the resolution, as follows:

(a) To conduct thorough studies and investigation of the policies and practices relating to civilian employment in the departments and agencies of the Government, including Government-owned corporations; (b) to study and investigate the effect of such policies and practices upon the conduct of the war, with the view of determining whether such policies and practices are efficient and economical; (c) to determine the number of employees in each department or agency (including Government-owned corporations), whether such number of employees is necessary, and whether their skills are used to the best advantage; (d) all other matters relating to the recruiting and the efficient and economical use of the civilian employees; and (e) to make such inquiry as said Committee on the Civil Service may consider important or pertinent to any matter coming within the jurisdiction of said committee.

Mr. Speaker, in conclusion, I wish to say that there is also a demand that the Committee on Rules approve a resolution to investigate, as is claimed, the large unnecessary number of men who have been commissioned in the Army and Navy, some of whom it is claimed have been commissioned to save them from induction in the service. Of course, I know that many of the men should have received commissions, having left posts which paid them two or three times a greater compensation than the grade to which they were commissioned. Still, I feel that through certain outside influences, not congressional, please, some such appointments have been made.

It is also charged that many of the heads of some of the departments have been importuned and influenced in certifying some employees to the draft board as essential in their assignment and that therefore they have been deferred and excused from military service. I am satisfied that these matters will be looked into in a fair and thorough manner.

These two matters do not come within the province of the Ramspeck resolution, but our committee intend to obtain further information with respect to these matters and if conditions warrant we may take appropriate action in having one of the House committees go into the matter.

Mr. Speaker, I have been informed by the majority leader that he has agreed that no controversial matters will be taken up. In view of that fact, and in view of the fact that the ranking minority member does not wish to say anything because he has already made his statement favoring the resolution, the same as other Members, I am going to move the previous question.

Mr. MICHENER. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Michigan.

Mr. MICHENER. What the chairman of the Committee on Rules has stated is correct, but I have just received a request to make a few remarks.

Mr. SABATH. The gentleman from Michigan knows that I would be the last man to deny any request coming from him, because I know he has the welfare of the Nation and of the House always at heart. Consequently, I yield to him as much time as he may desire.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I am heartily in favor of the pending resolution. I know its execution is entrusted to competent hands and to a competent committee. I think if anybody can do a real job on this matter it is the gentleman from Georgia [Mr. RAMSPECK], who knows the civil-service picture quite well. My only regret is that he does not go far enough and we do not set up a permanent agency to make continuous and systematic investigations through the agencies of government. There are probably 150 such agencies today.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Illinois.

Mr. SABATH. This resolution gives the committee the power to investigate not only the regular agencies of the Government but any corporation wholly or partially owned by the Government.

Mr. DIRKSEN. I recognize that fact.

The thing I want to make clear is that there must be a permanent agency that is staffed with experts and that does this work continuously. The overstaffing of Federal agencies is not new. It is only because this thing has become so excessive it seems, and assumed such proportions, that it becomes a genuine emergency with which we must deal at once. But we should be dealing with it day after day. Exploring inefficiency, overstaffing, and unnecessary functions should be continuous.

There is an agency of government that could be staffed, whose authority could be expanded for that purpose, and

that is the General Accounting Office. When it was created under the so-called budgetary system in 1921 we made the Comptroller General accountable to the Congress, and he can be removed only by a joint resolution of this body. He is independent. He holds office for 15 years. We have a great Comptroller General today, a man with integrity, ability, and character, who was once a Member of this House. He, if provided with funds and personnel, could and would do this job.

In my judgment, it is essential in the interest of real efficiency and real economy that we implement the General Accounting Office and the hands of the Comptroller General so that he can constantly go through these agencies with experts, week in and week out, then make recurring reports to the Congress indicating in what respect functions can be abolished and in what respect employees can be superseded, and so really get some efficiency into the executive branch.

I have prepared a bill which I am going to introduce this week. It will set up a department in the General Accounting Office; maybe we will call it the Federal Efficiency Service. I want to see the Comptroller General get several million dollars additional every year. I want him to have some experts in every field of government and then send them into the agencies and let them come back and make their reports, let the chips fall where they may. When the Congress and the General Accounting Office are implemented with that kind of an instrumentality, there is no question about what will happen. There will be efficiency, there will be economy, there will be the curtailment and the abolition of expendable functions in the interest of the general welfare.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I do not want to be just in the position of paying a compliment to the gentleman while he is making this splendid presentation, but I had intended days ago to write him a letter saying that the recent speech he made on the subject of the responsibility of the Members of Congress to streamline its procedure in the manner the gentleman has indicated is in my opinion one of the fine contributions the gentleman from Illinois has made to this body.

Mr. DIRKSEN. I thank my friend from West Virginia. I am going to do my best to have some kind of an instrumentality set up to arm the Congress, for otherwise we are going to come dangerously close to the vitiation of the power of the legislative branch.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Michigan.

Mr. MICHENER. I was here at the time and helped draft the law setting up a Budget system and the General Accounting Office. As stated by the gentleman, the Comptroller General is presumed to be responsible to the Congress; he is the agent of the Congress, just as the Director of the Budget is responsible to the Executive. It seems to me that the bill now before us provides that a certain task be performed now which could not possibly be performed by the General Accounting Office in time to be of any assistance now. The General Accounting Office is just as busy as it can be determining whether or not the money which the Congress has appropriated is paid out in accordance with the laws the Congress has passed. That is its principal function, but it is an entirely different function from that proposed by the gentleman from Illinois.

Mr. DIRKSEN. I quite agree with the gentleman from Michigan that this resolution must be adopted; that this is an emergency matter and needs attention now. But I find on examining the statute which created the General Accounting Office that there are certain powers that ought to be delegated and certain provisions made for more experts who are chosen purely on the basis of fitness, if we are going to have these systematic and concerted examinations of the operations of the Government.

When all is said and done, there is but one way to achieve real economy, and that is through the judicious and intelligent use of the power of the purse, which is lodged in the Congress. But that power cannot be wisely utilized in the interest of efficiency unless the Congress is advised concerning the functions of government which can be streamlined or abolished or modified, the number and kind of personnel necessary to the discharge of those functions, and the employment of the best and most efficient techniques in the operations of government. To ascertain these facts requires careful investigation. It requires more than that. It requires careful investigation by experts skilled in the art of administration and management who can be assigned to the various agencies for sustained and constant study of their processes. I know of no better place in Government to lodge this power than to place it in the General Accounting Office, with an expanded staff and adequate powers. In my judgment, such a step is imperative to balanced government, efficient service, economical operation, and to full participation by the legislative branch.

Mr. MICHENER. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. THOMAS].

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore [Mr. BLAND]. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, I hold here in my hand a little volume entitled, "The Illustrious Dunderheads," edited by Rex Stout and illustrated by William Gropper. This volume proceeds to list the voting records of a number of my colleagues in Congress and to lift sentences and phrases from the CONGRESSIONAL RECORD, to make it appear that they are Nazi propagandists and should be removed from the Halls of Congress.

What a team Mr. Stout and Mr. Gropper make. For the information of the House and the accused "Dunderheads," I should like to inform you that Stout and Gropper have assisted in the preparation of other volumes equally as silly; namely, the official Communist publication—the New Masses. If you will examine the June 1928 issue of New Masses, you will find listed as owner, Rex Stout. You will also find him listed as a contributing editor of this official publication of the Communist Party, as well as being a member of the executive board.

An examination of any of the issues of the Daily Worker or the New Masses will show the artistic talents of Mr. Gropper spread throughout its pages. I could set forth in the RECORD the other Communist affiliations of these two individuals, but I think that this should serve to enlighten the membership as to the source of this attack.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. WILSON.]

Mr. WILSON. Mr. Speaker, on yesterday I got a special order to address the House for 1 hour today. The subject of that speech is The Biggest Bottleneck in Our War Effort, the heart of our capital, the situation here in Washington.

As some of you will recall, 7 months ago I introduced a resolution, practically the same as that introduced by the gentleman from Georgia [Mr. RAMSPECK] to investigate and determine the facts about the situation in Washington as they were then. Of course, my resolution was not agreed to, but we are running true to form today, just as we were with respect to the rubber situation, 10 months late—we are about 8 or 9 months behind time with this investigation—as I say, just about true to form.

I hope this resolution will be adopted. My resolution called for a special committee to make this investigation and to determine the facts in regard to the matter, but I have every confidence in our colleague, the gentleman from Georgia [Mr. RAMSPECK] and I believe that his committee will make honest findings and propose such remedial measures as are necessary to put Washington on the beam and thus expedite an earlier victory, saving many lives and many, many heartaches.

Mr. MICHENER. Mr. Speaker, I yield myself time to make just one observation. We all have that confidence in the gentleman from Georgia [Mr. RAMSPECK] to which the previous speaker has referred.

I do want again to call attention to the fact that time is of the essence with respect to any action that may be taken by this committee. The evils do exist. The gentleman from Georgia has thoroughly convinced the Rules Committee of that fact. The gentleman knows where they exist. I was hopeful that an Executive order of the President would make an investigation unnecessary, but the evil must be stopped and time for debate has passed. Let us let the gentleman from Georgia [Mr. RAMSPECK] go to work and expect him to get results and bring something back here soon. I said, soon.

Mr. SABATH. Mr. Speaker, all I wish to say in answer to my colleague from

Illinois and the other gentlemen is that the Rules Committee has been considering a rule for a joint House and Senate investigating committee, but we came to the conclusion that it would not be satisfactory and that time is of the essence and, consequently, having all the confidence in the world, as everybody has, in the gentleman from Georgia [Mr. RAMSPECK] we thought this would bring about immediate results and we reported the resolution unanimously.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. HAINES] may have permission to extend his own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. VOORHIS] is recognized for 15 minutes.

Mr. VOORHIS of California. Mr. Speaker, in Public Law 603, a law entitled "An act to mobilize the productive facilities of small business in the interest of successful prosecution of the war," the House wrote the following language when it adopted an amendment that was offered by the gentleman from Texas [Mr. PATMAN]:

> In any case in which a small business concern or group of such concerns has been certified by or under the authority of the Chairman of the War Production Board to be a competent Government contractor with respect to capacity and credit as to a specific Government procurement contract, the Secretary of War, the Secretary of the Navy, the Director of the Procurement Division of the Treasury, and all other officers of the Government having procurement powers are directed to accept such certification as conclusive, and are authorized to let such Government procurement contract to such concern or group of concerns without requiring it to meet any other requirements with respect to capacity and credit.

That language is very plain, I think. But the contracts have not been spread in accordance with it.

The speech I have asked time to make today is not an easy one for me to make, but there are certain things that I feel need very much to be said. The first thing I want to say is that I think there still remains much too great a tendency to let the whole of certain huge contracts to one or two concerns.

The second thing is that in order to secure the maximum speed of production, and if possible some genuine competition as to price, the work should be spread among just as many competent producers as possible, and every contract so divided. If I understand correctly the intent of Congress, that was precisely what it was intended to bring about. I think we may as well admit that in spite of the fact that Congress has passed three or four bills in an attempt to bring about the maximum possible saving of small business in this war that so far they have not done very much good. Recently we heard an announcement from the War Production Board to the effect that within a period of months a great number of small businesses will be deliberately deprived of their machinery and equipment, and that that will be concentrated in other hands. Such a move I want to say plainly and flatly has to be justified, if taken, on the very best possible grounds, on the ground that such a move is utterly necessary to the successful prosecution of the war. And if such a program is to be followed, the loss ought to be spread and carried by all industry and all the Nation, not just by some of these little fellows who are blotted out. In my judgment every one of these small businesses that may be put out of business through no fault of their own ought now to be compensated in some fair manner by means of War bonds or some other form of payment, or else there should be developed at once a program which can give absolute assurance to those businesses that when this war is finally won, they will be given a new lease on life and an opportunity to go ahead. Otherwise, Mr. Speaker, we shall confront a problem so serious that it may lead to great difficulty in perpetuating our so-called free economic system, for unless one has competition, unless one has a situation where there is more than one business in a given field, it is quite impossible to do that.

I for one am not ready to accept this death sentence to small business. The distinction ought not to be as between small and large businesses, but it should be as between capable and efficient business and unsuccessful and inefficient business. Sometimes that has not been the case. For example, I cannot understand why it should be necessary to deprive 198 firms of an opportunity to make certain items of clothing the Government is now ordering, and to concentrate all of that business in the hands of two firms. Neither can I understand why a tiny amount of steel to complete a steel producing plant should not be immediately granted by the War Production Board.

I am making this speech today because I want to say earnestly that I think monopoly is still a danger to our war effort, and that we have to recognize that fact. I have said over and over that I believe the dollar-a-year man idea is a mistake. I do not believe that governmental and public policy should be determined by people who are parties at interest. I think that many of the very men who are now in charge of many parts of this program are good men to do the job, but I certainly think they ought not to receive one cent of salary except from the Government Treasury.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. Yes. I am glad to yield to my fine and earnest colleague from Arizona.

Mr. MURDOCK. The gentleman has said he thinks monopoly is still a danger to our war effort.

Mr. VOORHIS of California. I do.

Mr. MURDOCK. Would not the gentleman be more nearly correct if he said that events today have aggravated monopoly, and that the danger is greatly enlarged through our war effort.

Mr. VOORHIS of California. I believe very sincerely that the gentleman is correct. I believe that one of the things needed in connection with the prosecution of this war is for Congress, even as it considers the question of manpower mobilization to "draft" every patent there is in existence for the use and welfare of the Nation. For in my humble judgment patents are not yet being released as they should be for the use of all manufacturers. I think that technical and scientific information, all matters of that kind, have to be thrown open for use by anyone who can make use of them at the present time for production in connection with the war. In some cases the people whose past and present connections are with the great corporations of this country in a certain field, oil, steel or whatnot, are the very people who make decisions in regard to those commodities in the War Production Board, and under those circumstances those gentlemen should lean over backward and we should insist that they do so, to make certain that if little businesses are not given contracts or an opportunity to live, it is only because those businesses are really of no benefit to the war, and not in any case because it may present a challenge to monopolistic control.

Great credit is due to the really great accomplishments that have been made by the people who have organized our war production program. I give that credit freely. But to some degree, at least, an inner circle of our great corporations have held sufficient influence to bring about this concentration of the great bulk of war business in the hands of only a few concerns. I am convinced this is a source of weakness and not of strength. Whole orders are still sometimes given to one or two concerns when that is not really necessary.

Mr. COFFEE of Washington. Will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. COFFEE of Washington. Does not the gentleman think it significant that the chairman of the General Electric Co. retired from the War Production Board and was promoted to go to England, and that he drew a salary of $10,000 a month, and that immediately following the Chairman of the War Production Board placed as his assistant the president of the General Electric Co., Mr. Wilson?

Mr. VOORHIS of California. What the gentleman has to say is an illustration of what this problem is that I am trying to point out.

I make no charge against any individuals as not having done the job the best way they know how, but I do say that a man who has been schooled all his life in the experience of dealing with a great corporate structure, has to be caught up from time to time by somebody who has the nerve to say that the eyes of America are upon him, and to make certain that he follows exclusively the welfare of this whole Nation and

gives an opportunity to his competitors to participate in helping America win this war. I believe that the truth is that even such outstanding producers as Mr. Higgins, of New Orleans, and Henry Kaiser, of the Pacific coast, just do not belong to the inner circle I have mentioned, and that that is one reason that in certain cases they have had difficulty in being able to go forward with their production as fast as they should have, could have, and were eager to do.

And now I come to another theme.

America is not going to lose this war. America is going to win the war. It is not the function of the Congress to try to decide military questions. We must have and we do have confidence in our military commanders and leaders, though we may wish most earnestly for more unification and centralization of command.

But as to groups of people in our population—all groups, labor, farmers, businessmen, politicians, everyone—I think they have to think about their position with regard to our country today in the light of a story that I am sure you are all familiar with. It is a story about three men who were working on a cathedral. The first man was asked, as he used his hammer and chisel on the stone, "What are you doing?" He said, "I am making 2 shillings a day." The second man was asked, as he was using his hammer and chisel on precisely the same kind of a job, "What are you doing?" And he answered, "I am chipping this stone so it will be in proper shape." The third man was asked what he was doing when he was doing the same job, and he stood up, and his face lit up, and he said, "I am building a cathedral." That third man's spirit is the kind of spirit that can win this war, the kind of spirit that can win the peace after this war. It must be a spirit in which every group, every person, especially in a position of public trust, uses his job and his work not as an opportunity for his own advancement or an opportunity for padding his own pocketbook—and I say that, regardless of whether it be capital, labor, or anybody else—but as an opportunity to produce more of the things that America needs to fight this battle for freedom; more of the food that is necessary to feed the nations of this world, or to furnish more of the business executive ability without which we cannot possibly carry on the war, as everybody knows. It is not a case of who gets the contract, after all, so much as it is a case of whether the things are produced that America needs.

All I have had to say is with that idea in mind.

Finally, I want to say one more thing, and that is that in my judgment it is only a profound and vital religious faith that can carry people through the fire and tragedy of a time like this. War brings out the worst and the best in people. It breeds hate inevitably; it also causes millions of plain people, unheralded and unsung, to perform acts of completely unselfish heroism and sacrifice. It gives the world the heroism of the private soldiers and the greed of the racketeer and profiteer. It leads some to see only an opportunity to take advantage of their fellow man, even of their nation, whereas in others it produces a love of country deeper than they have ever known before. The suffering and sacrifices of war either cause people to see a far deeper meaning to life than they have seen before, or else it destroys all that is best in them. The first of these things must happen. It is not enough to do honor to the men who bear the burden and heat of the battle and to make heroes of them. It is not enough to resolve to defeat the evil forces against which we fight. It will only suffice if we look without fear upon the vision of a new day—a day in which God's will will be done as never before on earth. And that means a day of greater brotherhood, a day of greater mercy, a day of greater concern for the welfare of the poor and the oppressed.

It is required of us today that each bear his share of the burden of this war. It will be required of us tomorrow that we be not either afraid or ashamed of the principles of the Kingdom of God on earth and that we build a world on the rock of cooperation in which monopoly will no longer bar the door of business opportunity to the little man, in which no returning soldier, nor his father nor his brother nor his son will seek in vain for work and constructive employment, in which no farmer will lose his farm because he has tilled the soil too skillfully and produced too bounteous a harvest. It will be required of us tomorrow that we build a world in which nation will not rise against nation; in which a lasting peace will prevail. No less than this will do. No less than a profoundly religious ideal about the whole struggle is worthy of us or of our country.

[Here the gavel fell.]

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Indiana [Mr. WILSON] is recognized for 1 hour.

Miss SUMNER of Illinois. Mr. Speaker, will the gentleman yield for a unanimous consent request?

Mr. WILSON. I yield.

PERMISSION TO ADDRESS THE HOUSE

Miss SUMNER of Illinois. Mr. Speaker, I ask unanimous consent that after other special orders of the day are disposed of I may address the House for 10 minutes.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

FEDERAL EMPLOYMENT CONDITIONS IN WASHINGTON

Mr. WILSON. Mr. Speaker, quite naturally I am a very happy man today. Last February 3 I started a movement here in the city of Washington to clean house in the Government departments in the matter of their wartime employment. I have since been joined by Senators, other Members of Congress, and newspaper men in a movement which has literally "smoked them out" and exposed the deplorable conditions that have been holding up our war effort right here in the heart of our Nation and the heart of the Allies' war effort. Conditions that call for investigation and proper remedial procedures have been exposed. The passage of the Ramspeck resolution has climaxed my efforts. Yesterday when I asked for my special order I did not know the Ramspeck resolution would come up today, but I shall proceed to give the facts which I had assembled for this talk anyway, in the hope they will only spur on the investigators and expedite remedial measures to alleviate the situation.

The first person I want to quote who got "on the beam" after I initiated this movement to investigate employment conditions was none other than the one and only Dorothy Thompson. I want to quote from an article written by Dorothy Thompson which appeared in the Washington Evening Star on April 6, 1942:

In Washington it is difficult to see the woods for the trees. * * *

The free agencies are increasing like guinea pigs. They have been set up without knowing exactly what they were set up for. * * *

We have these agencies—and how are they staffed? Why many of the people in Washington should be in the responsible places they are remains a complete mystery to me, for their qualifications for the particular job are conspicuously absent. * * *

The various information departments are in a complete tangle, and anything may come out of them except information. * * * Instead of this, they turn out pamphlets, leaflets, and mimeographed sheets enough to fill warehouses, while calling on the public to save paper. * * *

They hastily enlarge their staffs in order to prove that they are very big and important; they hire press agents to tell the world so—which is one form of information, I suppose. * * *

Washington seems to think that 200 people with 400 telephones and acres of office space can accomplish more than one person in a quiet room with one telephone. * * *

But when you try to find out what all this business and strain is about, you find it is concentrated on getting the final twentieth initial on a memorandum proposing something that is never going to be done.

Mr. Speaker, I made a similar charge on the floor of the House 8 months ago. A charge that if we would reduce the personnel in Washington we would get along much faster with our war effort, we would alleviate the necessity of spending millions of dollars and using thousands of tons of critical material to build houses for war workers and transportation facilities to carry these war workers between their homes and their jobs. If this were done, those remaining would have a much healthier environment in which to live and, therefore, could do their jobs better.

Further quoting Miss Thompson:

You could not get the beds made in a private house with the sort of set-up we have at present. We are overstaffed and overorganized. We do not need more coordinators; we need some brooms.

Another person I wish to quote is Senator HARRY F. BYRD, Democrat, from Virginia. I quote from the September issue of the Reader's Digest:

While Americans fight for their lives and pay to the hilt, Government spendthrifts toss away $2,000,000,000 a year on bands, publicity, pork-barrel projects, and Treasury leeches. How can we stop it?

While you and all other patriotic Americans are practicing strict economy, making sacrifices to help win the war, your Government is wasting billions of dollars of the

taxpayers' money. Geared to high-speed spending in peacetime, Washington in wartime continues to pour out money as furiously for nonessentials as it does for battleships, planes, and tanks.

Certain groups are determined to carry on their spending for unemployment and for relief, whether it is needed or not. Others want to keep their cultural projects running. Still others would continue pork-barrel spending, such as unnecessary dams, roads, buildings, canals, and power projects. There is a tendency to hang on to every Government employee, whether he is busy or idle.

Here's an example of the way your money is being wasted: In February, this year, a Work Projects Administration representative in West Virginia asked for $123,747 to organize bands, choruses, and orchestras among Work Projects Administration workers, to teach those who couldn't play, to furnish bull fiddles and bass drums to those who hadn't any. This, the representative declared, was "war morale work"; the Work Projects Administration folks would play and sing and make civilians want to buy more bonds.

The Work Projects Administration in Washington didn't say "no" to this application for $123,747. Incredibly, it said, "That isn't enough. You can spend, in West Virginia alone, up to $405,107."

Scores of Work Projects Administration bands, choruses, and orchestras have been engaged in this "war morale work." If other States were getting as much as West Virginia in proportion to their population $26,000,000 will be spent for fiddling while the world burns.

There is no real need for Government employees in these nonessential activities to speed along full-tilt crying, "Keep 'Em Rolling!"—the "Em" in this instance referring to dollars, rolling out of the pockets of taxpayers to support these employees and the millions of clients who are still receiving what some call charity in one form or another from the "U. S. Givernment."

If there were only some way to take a few thousand key Government employees—directors, assistant directors, and publicity purveyors—show them the newspaper headlines, and say: "Now, look, please. See that word? W-A-R spells war. You surely know what a war is. Well, there's a war going on, a very, very big war. We're in it up to our necks, and so far we haven't won it. This is not time for monkey business. Come on and get into the war with the rest of the country."

We are meeting strong resistance. Men and women in high places excitedly contend that social gains must advance unabated in wartime and that nonessential spending must be continued so that these agencies will come out of the war full of vim and vigor and with the spending habit unimpaired. The beneficiaries of Government bounties clamor for their continuance. Urging them on are thousands of Government field employees who have been known to use Government money to pay for propaganda to attack our committee.

Almost everybody who works in a nonessential Government position has convinced himself, and attempts to convince others, that we can't fight a good war if he loses his job. Straight-faced, they contend fiercely that to win the war it is necessary to lend money to operate schools to teach cultural subjects to adults, and to produce booklets telling how to put on a church supper and what to wear when you attend.

It's all in the interest of building morale, they declare. But America's morale doesn't need to be built. If there is any morale problem, it has been created by the practices of these morale builders. Stop wasteful spending and nobody will have to worry about morale in this country.

They have been spending money feebly to build morale when the very fact that they are spending the money contributed by these patriotic citizens to buy bonds and stamps is in itself destroying the morale of the country.

A clipping from a Kansas City newspaper points out that, while the Office of Civilian Defense has no money for gas masks, it was able to spend $124,000 for publicity. Washington's output of publicity is unbelievable. Nearly every agency has a staff of information specialists. Ninety million dollars a year is spent to send out news to boost various departments and their heads.

The Treasurer of the United States says he will need $1,700,000 in the coming year just to meet the costs of paying checks issued by other Government agencies.

A few days spent in some Washington offices would make any taxpayer go mad. Nobody seems to hesitate before he makes a long-distance telephone call nor appears to hurry while it is in progress. The National Youth Administration alone spent $262,892 for long-distance calls in a year. Patriotic Federal employees have written their Congressmen letters which include charges such as these.

I have here about 500 letters which I have selected from several thousand that I have received from patriotic Government employees protesting the deplorable conditions to which Senator BYRD refers.

An investigation would disclose that in many of the older departments, the Internal Revenue, General Accounting, Agriculture, etc., one-third of the personnel could be dropped and better work would be accomplished.

Without exaggeration, 70 percent of the girls have nothing to do all day. We may be lucky to get one letter a day to retype, and we may not. But we are told to write personal letters or do something else to appear busy.

This Nation is in dire peril. We can win only if every one of us realizes that his own safety is threatened, that he must make great sacrifices to save himself and his country. He must stop saying "Gimme" and declare "I will give." The top men in Washington who wantonly waste money are sabotaging our national effort as much as the spy who puts a bomb under a bridge. In every town and city, in every office in Washington, Americans should rise and protest when they see evidences of Government waste.

In Washington thousands of men and women are working effectively and unselfishly—fighting as patriotically as the men on the firing line. But there are thousands, too, who have the "Washington mind"—the political mind, the "gimme" mind, the reckless spending mind. They are a drag on the war effort. The "Washington mind" must be destroyed.

Then I want to quote from the Courier-Journal, Louisville, Ky., September 5, 1942, a column by Frank R. Kent:

Now, no one in the administration, except for purely propaganda purposes, contends that the war management is nearly as competent as it should be. Those in position to have a detached view know that its inefficiency is almost incredible; that the confusion is beyond description and that, compared to its size and effort, the results are shockingly small.

Why? Why is this war less well managed than the last one? Why is the proportionate waste greater and why are the results less satisfactory? Why are things, generally, in the kind of mess that was avoided last time? There are two obvious answers. One is that in this war we have failed to profit by the experience of the last one. We have disregarded its lessons and repeated its blunders.

But there is another reason even more basic. It consists of the really absurd, not to say terrifying, overmanning of the war machine. The extent to which this has been done is unprecedented and indefensible. It is the real reason the organization functions so feebly. It is the real reason it bogs down in so many places. There are in Washington today many thousands of people connected with the Government who should not be here. There are 50,000 or 60,000 men and women on the pay roll who not only have no useful work to do but who interfere with others who have.

Not long ago, a wise and patriotic man, who has been here for a long time at considerable sacrifice, was informally conferring with a half dozen administration aides. Everybody agreed that things were in a pretty bad state.

"Conceding," this man was asked, "that the mess is not only bad but dangerous, what would you do, if you had the power to straighten things out?"

"Well," was the thoughtful reply, "the first thing I would do would be to go through every department and agency and reduce personnel 70 percent, not in the interests of economy but solely in the interests of efficiency."

It is significant that after some hesitation, everyone in the group agreed with him. The fact is that that remark went to the root of the trouble. No informed man possibly could disagree. Even if no more brains were taken in, if personnel was reduced 70 percent efficiency would be increased 100 percent.

There are here thousands of men busily undoing the work of other thousands. There are many more thousands whose work exactly duplicates that of as many more thousands—or conflicts with it. There are many more thousands with little or nothing to do who find themselves in contact with similar thousands who have just as little to do but have been here longer. This immense overmanning is the real menace to our safety. It is the real reason the full power and resources of the Nation are not being made to count. It is the greatest threat to ultimate victory because it spells impotency.

But what is to be done about it? Reduction in personnel is the imperative need of the hour. Yet, who is to give the order? That can come from the White House only. And for 10 years Mr. Roosevelt's tendency has been strongly toward expansion, never toward contraction. His practice has been never to drop anyone. When changes were forced, new men were put over the old men, but the old men still stayed on the pay roll. This has been carried to a perilous and appalling length. No finer thing could happen than for the President to realize all this and issue directives that would contract this horribly swollen and utterly unmanageable organization into something that could be operated with ordinary intelligence.

Mr. PATMAN. Will the gentleman yield?

Mr. WILSON. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman stated he could reduce the number of employees in the Government and maintain 100-percent efficiency in the departments.

Mr. WILSON. I beg your pardon. Increase efficiency 100 percent. However, I was quoting.

Mr. PATMAN. Now, let us take the gentleman's own office.

Mr. WILSON. The gentleman asked me to yield for a question.

Mr. PATMAN. This is a question. Could the gentleman afford to reduce the number of employees in his office 70 percent and increase its efficiency?

Mr. WILSON. I could not reduce the employees in my office.

Mr. PATMAN. Does not the gentleman think the people in the Government have the same reason to keep the number of employees that they have? If the gentleman cannot reduce his, how can he expect them to reduce theirs?

Mr. WILSON. Will the gentleman let me answer his question now?

Mr. PATMAN. Surely.

Mr. WILSON. I defy anyone to go to my office morning or night, or to check all day long, and if my staff is not operating 100 percent efficiently, if it is not operating as efficiently as any staff on Capitol Hill, then I will eat my words. They are working, and efficiently. But I am quoting someone else in regard to the city of Washington. I am not saying I agree with the figures entirely, although I agree in part. I originally brought this subject before the House last February. I had noticed the trend. The gentleman has noticed it. Every honest Member of Congress has noticed it. However, we may differ on the degree of inefficiency and overstaffing.

Mr. PATMAN. If the gentleman will yield for another question, does he not believe that when he makes charges like that he should present some proof so that Congress can do something about it?

Mr. WILSON. I have the proof.

Mr. PATMAN. They are just letters, I understand.

Mr. WILSON. They are letters from Government workers. If they are liars, that is further proof that they are inefficient and incompetent and should not be on the Federal pay roll.

That is enough. I decline to yield further.

Mr. PATMAN. What has the gentleman done to stop it? I want to ask him one other question about the N. Y. A.

Mr. WILSON. I introduced a resolution last February asking for a committee to determine and report the facts with recommendations.

Mr. PATMAN. I make the point of order, Mr. Speaker——

Mr. WILSON. All right; remember, it is a poor rule that does not work both ways. There will be points of order all the way along if the gentleman does that. "What is sauce for the goose is sauce for the gander."

Mr. PATMAN. I just want the gentleman to yield once more.

Mr. WILSON. Let me have the gentleman's question.

Mr. PATMAN. The N. Y. A. was accused of spending $270,000 in 1 year for long-distance telephone calls. The gentleman knows that some of those calls were necessary.

Mr. WILSON. Absolutely.

Mr. PATMAN. Is it not unfair to make charges about this certain amount just because it is a large amount and say it is wrong, without pointing out the part that is not justified and the part that is justified? Why does not the gentleman put in the RECORD the part that is justified and that which is unjustified?

Mr. WILSON. Does the gentleman believe I could do that in an hour, a day, or a week?

Mr. PATMAN. If the gentleman cannot do that he should not make the charge.

Mr. WILSON. I was quoting an authority. He did not say it was all wasted, he merely told how much they spent. The gentleman's question is ridiculous and absurd.

Mr. PATMAN. Not as much as the gentleman's statement.

Mr. WILSON. No one would charge that every nickel spent for Western Union service or for telephone calls in a department is a waste. No one has attempted to make that charge. The gentleman was just drawing an ambiguous conclusion.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. WILSON. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Let us take one or two specific items. If the gentleman does not know it, he might be advised that the House not long ago permitted an appropriation to go through to spend $57,000 to study the food habits of wild birds. Does the gentleman feel that that is necessary to the prosecution of the war?

Mr. PATMAN rose.

Mr. REES of Kansas. I am not asking the gentleman from Texas, I am addressing the question to the gentleman who has the floor.

Mr. PATMAN. I do not question any specific item the gentleman mentions, but I presume he was on the floor at that time to point them out. The gentleman represents the great minority in this House. I wonder if a concerted effort was made to defeat this appropriation that the gentleman says was unnecessary and harmful? I do not know whether or not it was.

Mr. REES of Kansas. I can advise the gentleman that if he will examine the RECORD he will find that I offered an amendment to strike that particular item from the bill. The gentleman who asked the question neither was on the floor at the time nor did he attempt in any way to help me out on that proposal.

Let me proceed further, since I have opened the question.

There was in that same bill an item providing for the expenditure of money to continue a Travel Bureau in this Government. The distinguished gentleman, with all the authority and all the power he has on the majority side of the House, did not help on that particular item, either, and that item also stayed in the bill.

Continuing further for the moment, I bring up these two items simply as examples, and to say that while the gentleman from Indiana, who has the floor, probably has not pointed out specific items to satisfy the gentleman from Texas, I am pointing to items which I think are examples of extravagance and waste on the part of this Government. I am not here to say that all expenses are bad. However, the gentleman asked for a couple of specific items, and because the gentleman from Indiana, who has the floor, probably at the moment could not point to a specific item, I pointed out two items. I objected to those items and tried to strike them from the bill, but I could not get the job done. If the gentleman from Texas had been on the floor and had helped me out, I am sure both the items would have been stricken and we would have saved the money.

Mr. PATMAN. Will the gentleman yield to me briefly?

Mr. WILSON. Yes; for a moment or two, and then I want to conclude my remarks.

Mr. PATMAN. I commend the gentleman from Kansas for being on the alert and trying to stop anything he considered to be a wrongful appropriation. I commend him, too, for pointing out what he believes to be a waste of public funds. It happens that I am not familiar with the part that he refers to. I hope the gentleman from Indiana is just as specific and that other people who criticize will be just as specific as the gentleman from Kansas about pointing out, No. 1, so much, No. 2, so much. But if you add together the two complaints of the gentleman from Kansas, they would not amount to over a few cents per $1,000,000 of the money we have appropriated. Of course, even that should be saved if it is wastefully and needlessly spent. We should save every dime we can.

I commend the gentleman, but at the same time we should not make a blanket charge just because we spent $270,000 on long-distance calls. We should not try to impugn somebody's motives for that. We should separate that amount and show the part that should be spent and the part that should not be spent.

I thank the gentleman.

Mr. WILSON. Now, Mr. Speaker, I wish to continue for a little while, anyway, without interruption. I am going to change my routine here and point out to the distinguished gentleman from Texas a few specific cases where money has been wasted.

First. I will go back to my home district. I am a member of the Public Buildings and Grounds Committee of the House and we have had men come before our committee and state that we should authorize an appropriation of seven or eight or nine billion dollars to build houses for defense workers in the United States averaging around $6,500 per house, stating that anybody making less than $2,000 per year is a poor risk and that the Government should build a house in which he can live.

This is the testimony and this places 98 percent of our Indiana high school teachers who are required to have a master's degree to teach in the State, in the category of being a poor risk after they have spent thousands of dollars and years of their life to get their educations. Imagine them paying taxes to build houses for people who have spent nothing for their educations and are making twice as much money.

Now I am going to deviate from my regular order to point out some specific cases for the gentleman. Just the other day we were asked to authorize the appropriation of $600,000,000, an amount equivalent to the total amount appropriated under the Lanham Act to that date, and I happened, I think, to be the only one who opposed that authorization in

the committee. I opposed it here on the House floor, but I was not granted sufficient time to make adequate explanation of previous expenditures.

To be specific, I will quote from the Truman report, No. 480, part 5, pages 107, 108, 109:

At Gadsden, Ala., the project consists of 250 units and is limited to housing Army and civilian employees at the Gadsden ordnance plant. As of January 2, 1942, 150 units were available and 38 units occupied.

We have built 150 units, and there was supposed to be a demand of 5 or 6 people for every house built, but out of those 150 only 38 were occupied, although all of them became available on September 18, 1941. The coordinator's report of May 2, 1941, indicated a need for housing by June 1, 1941. Imagine we have built 150 units, and yet only 38 of those have been occupied. Gentlemen, I am quoting from the Truman committee report.

Mr. MANASCO. Mr. Speaker, will the gentleman yield?

Mr. WILSON. I would like to finish this first, and then I shall yield.

Fort Ord, Calif.: This project, consisting of 264 units, is intended to house Army civilian and enlisted personnel. And as of January 2, 1942, only 124 units out of 264 were occupied, although all units were available on December 6, 1941.

Only 124 out of 264 units and yet you charge me with the responsibility of pointing out to you where the Government has been wasting money, where they have paid coordinators who did not know how to coordinate, men who did not know what it was all about. Is this not an example of gross inefficiency and incompetency?

San Francisco, Calif.: This project, consisting of 75 units, is intended to house Army enlisted and civilian personnel, engaged in harbor defense of San Francisco. Although all units were available on September 15, 1941, as of January 2, 1942, only 46 have been occupied.

And yet you challenge me with the responsibility of pointing out specific cases of waste and incompetency.

Riverside, Calif.—

Mr. MANASCO. Mr. Speaker, will the gentleman yield? I want to correct a statement the gentleman made.

Mr. WILSON. I yield.

Mr. MANASCO. With respect to the Gadsden proposition, which you cited there, the ordnance plant was not completed until late in the spring of this year.

Mr. WILSON. But they found a need for the housing months before.

Mr. MANASCO. You do not think it a wise idea to have the houses built there for the workers to live in when the machines are there for them to operate?

Mr. WILSON. They claim the need must exist at the actual time the project is initiated. Continuing—

Riverside, Calif.: This project, consisting of 150 units, is intended to house Army enlisted and civilian personnel stationed at March Field.

Although all units were available on August 8, 1941, as of January 2, 1942, only 71 had been occupied. According to the housing manager, the need may have been overestimated.

There were 150 units, and only 75 of them occupied.

Next comes San Diego, with 3,000 units, and months later only 2,240 had been occupied. Imagine 760 idle homes, squandered money, and critical materials.

San Rafael, Calif., a project of 175 units, and months later only 141 occupied.

Sunnyvale, Calif., a project consisting of 150 units, and months afterward only 60 units occupied.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. WILSON. Yes.

Mr. PATMAN. Since the gentleman has been proven to be mistaken in one case, and if the cases are all similar, could not the gentleman be mistaken in all of these others?

Mr. WILSON. The gentleman has not been proven to be mistaken in any sense of the word. I thought the gentleman from Texas was honest and a good American citizen, working in the interest of better prosecution of the war and for efficiency in government, and here he is standing up defending inefficiency and incompetency when I am pointing out facts in quotations from the Truman report.

Mr. PATMAN. I am asking the gentleman to point them out, so that it will be helpful. Anybody can criticize.

Mr. WILSON. May I say to the gentleman I pointed out nothing but facts as reported by good, honest Democrats, who do not believe in New Deal bungling of the war effort and who put patriotism ahead of petty politics. Next we take Jacksonville, Fla., with 330 units, and only 259 occupied.

These show how we are wasting our critical materials, while the boys in service need tanks and guns. We are building houses for the comfort of individuals, who never move into them, and then the gentleman from Texas has the temerity to stand up and challenge me and ask me to point out specific cases.

Miami, Fla., a project of 200 units, and only 9 units occupied months later.

Tallahassee, Fla., a project of 100 units, and months after only 37 units occupied.

West Palm Beach, Fla., 150 units, and only 59 occupied months after; Macon, Ga., 250 units, and only 32 occupied.

Mr. Speaker, I am tired of reading all of these items individually. I think I have convinced those who could be convinced that I have some specific cases which I have pointed out. I ask unanimous consent to be permitted to insert other projects in the RECORD at this point.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Boise, Idaho: This project consists of 100 units for Army enlisted and civilian employees stationed at the Army air base. Although all units were available on May 30, 1941, as of January 2, 1942, only 77 units had been occupied. As of September 29, 1941, 83 units were occupied, so the demand is decreasing instead of increasing.

Louisville, Ky.: This project consists of 250 units for Army enlisted and civilian personnel stationed at Camp Taylor. The first unit was available on October 22, 1941, and all units were available on November 14, 1941. As of January 2, 1942, only 150 units have been occupied.

Bossier City, La.: This project, consisting of 139 units for Army enlisted and civilian employees stationed at Barksdale Field has been available for occupancy since September 23, 1941. As of January 2, 1942, only 52 units have been occupied. As of September 29, 1941, 24 units had been occupied. The Coordinator's reports of February 27, 1941, indicated a need by April 1, 1941.

Havre de Grace, Md.: This project, consisting of 500 units, is intended to house Army civilian workers employed at the Aberdeen Proving Grounds. All units were available on November 14, 1941. As of January 2, 1942, only 226 have been occupied.

Mount Clements, Mich.: This project, consisting of 130 units, is intended to house Army enlisted and civilian personnel stationed at Selfridge Field. Some units were available on May 12, 1941, and all units were available on July 5, 1941. As of January 2, 1942, only 62 units are occupied. On September 29, 1941, 103 units were occupied. The vacancy ratio thus is increasing rather than decreasing.

Pedricktown, N. J.: This project of 100 units is intended for Army civilian workers employed at the Delaware ordnance depot. All units were available on October 17, but as of January 2, 1942, only 54 have been occupied.

Albuquerque, N. Mex.: This project, consisting of 100 units, is intended to house Army enlisted and civilian personnel stationed at the Army air base. All units were available on April 4, 1941. As of January 2, 1942, only 70 have been occupied.

Lackawanna, N. Y.: This project, consisting of 200 units, is intended to house civilian industrial workers. All units were available on November 15, 1941, but as of January 2, 1942, only 45 have been occupied.

Sidney, N. Y.: This project of 200 units is intended to house civilian industrial workers. As of November 14, 1941, all units were available; as of January 2, 1942, only 110 have been occupied.

Wilmington, N. C.: Projects 31021 and 31203, consisting of 374 units, are intended to house industrial workers employed at the Wilmington shipyard. All units were available September 6, 1941, but as of January 2, 1942, only 275 units have been occupied.

Warren, Ohio: This project, consisting of 200 units, is intended to house Army civilian workers. All units were available on August 8, 1941, but as of January 2, 1942, only 105 have been occupied. The Coordinator's report of June 21, 1941, indicated a need by July 1, 1941.

Wickford, R. I.: This project, consisting of 262 units, is intended to house naval enlisted personnel stationed at the Quonset Point air base. All units were available on November 28, 1941, with the first units available on September 8, 1941. As of January 2, 1942, only 52 have been occupied. The Coordinator's report of December 31, 1940, indicated a need by April 1, 1941.

Charleston, S. C.: This project, consisting of 350 prefabricated, demountable units, is intended for Army and civilian workers employed at the ordnance depot. Some units were available on September 15, 1941, and all units were available on November 6, 1941. As of January 2, 1942, only 142 units have been occupied.

Corpus Christi, Tex.: This project, consisting of 400 units, is intended for naval enlisted personnel stationed at the naval air station. Although all units were available on October 3, 1941, only 199 units have been occupied as of January 2, 1942.

Dumas, Tex.: This project of 100 units is intended to house industrial workers employed at the zinc plant. Although all units

were available on August 15, 1941, as of January 2, 1942, only 70 units have been occupied. The Coordinator's report of April 21, 1941, indicated a need by May 1, 1941.

Houston, Tex.: This project of 200 units is intended to house Army enlisted and civilian personnel. All units were available on July 11, 1941, but as of January 2, 1942, only 124 units have been occupied.

Langley Field, Va.: This project of 350 units is intended to house Army enlisted and civilian personnel stationed at Langley Field. All units were available on September 26, 1941, but as of January 2, 1942, only 122 units have been occupied.

Manitowoc, Wis.: This project consists of 400 units for industrial workers. All units were available on November 21, 1941, but as of January 2, 1942, only 46 have been occupied.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. WILSON. Yes.

Mrs. ROGERS of Massachusetts. One of the great reasons for having this investigation is that it will show where the workers now in the Government can be released, so that they may go into the war industries and actually assist in the winning of the war. It seems to me that is one of the most vital things we have before us today. We cannot lose an hour in filling those industries.

Mr. WILSON. I thank the gentlewoman from Massachusetts.

Now I shall quote Senator "COTTON ED" SMITH from an interview written up in the Washington News. He says "we are in one hell of a mess." "COTTON ED," you know, is a good old Jeffersonian Democrat and lacks a hell of a lot of being a new dealer.

WE'RE IN ONE HELL OF A MESS—CURTAILED, "'LOWS" "COTTON ED" TILL WE HAVE NO TAIL TO CUR

Senator "COTTON ED" SMITH, of South Carolina, having made a serious study of world problems, concluded today that "We are in one hell of a mess—right smack dab in the middle of a jackass age."

SMITH shook his head sadly, pulled on his walrus moustache, and allowed as how:

"Congress has detailed powers to the administration until we no longer have any 'tail to de.'

"The administration has curtailed production of cotton until the country no longer has any tail to cur.

"If there could be anything worse the matter with us, I don't know what it could be."

Just returned to the Capital after a 6-week fishing trip to his home State, SMITH elaborated on his conclusions as follows:

"We are in one hell of a mess because we haven't paid attention to what has been going on behind our backs. Here the administration has suddenly sneaked up behind us, stuck a gun to our heads, and said: 'By October 1 or your life.' Now, how can anybody concentrate on legislation to stabilize the cost of living or anything else with somebody bigger than they are threatening them all the time?

"My God, but we are in one hell of a mess! We are right smack dab in the middle of a jackass age. For many years I have been advocating a return to the horse-and-buggy days. Now we have sunk below even that. We have now reached the jackass, spelled j-a-c-k-a-s-s, age. A return to the horse-and-buggy days would certainly be an improvement over the mess we are in now. If they don't drive us to the horse and buggy with gasoline rationing, maybe we can get there some other way."

He bit off a chew of tobacco, leaned back in his chair, shook his head sadly, waved his hand, and indicated that the interview was over.

"But Senator, don't you think there is some good somewhere?" the reporter asked.

"You're damned right there's some good, but it's not in the administration."

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. WILSON. I am sorry that I cannot yield. My time is short. Next, I am quoting Senator WHEELER in the Washington Times-Herald of September 24. Senator WHEELER is quoted as saying:

Someone has got to take these various bureaucrats and knock their heads together.

Returning from the West, Mr. WHEELER ridiculed stories that the people are complacent over the war. The people, he said, feel that Washington is complacent.

Why would they not be, when they are right here in the middle of it all and get their information first-hand?

"Ever since 1932 we have had one emergency after another, and we haven't won any of them, but we are in a war emergency now which we must win," Senator WHEELER said.

PUBLIC AROUSED

"The people in the West, however, are very much disturbed by the tremendous waste and extravagance in the various Government activities. It is so evident that the people in every community know it and talk about it. It is having a depressing effect on the sale of bonds and stamps.

"Matters of waste and extravagance were called to my attention in connection with some Government projects which seem incredible. But in some instances proof has been called to my attention.

"The people of the West and Middle West have been criticized for complacency, but they feel that the complacency is with the bureaus in Washington. Statements are issued one day by one department and contradicted the next day by another."

INEXCUSABLE WASTE

"The people realize that when you go from a peacetime to a wartime economy you are bound to have some inefficiency, but they feel what is taking place now is inexcusable.

"Farmers are asking why it is we permitted the sale of scrap iron, oil, gasoline, and copper to Japan, and then waited until 8 months after war was declared before we put on a drive to collect scrap iron for the United States.

"Someone has got to take these bureaucrats and knock their heads together."

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. WILSON. I decline to yield.

Mr. PATMAN. Mr. Speaker, a point of order. The gentleman is making a serious charge and he is absolutely mistaken about it.

Mr. WILSON. I did not make any charge at all. I was quoting a United States Senator.

Mr. PATMAN. The gentleman has 1 hour and I think he should yield.

Mr. WILSON. I do not have an hour. I beg your pardon. I did have 1 hour when I started.

Mr. PATMAN. I wonder if the gentleman would not yield on a question where he is positively mistaken?

Mr. WILSON. I am not mistaken about anything. I was quoting Senator WHEELER.

Mr. PATMAN. I will not insist on the point of order.

Mr. EBERHARTER. Will the gentleman yield?

Mr. WILSON. I do not yield.

"My own view is that if we had not created the new bureaus, but had let the old departments handle many of our problems we would have been far better off."

WHEELER said that the creation of new bureaus, with thousands of new employees, which must be trained from the start, has created difficulties which could have been avoided had the old bureaus been expanded.

I am going to quote now from a publication, War Management in Washington, published by the Citizens Bureau Government Research, Inc., New York State:

THE CRITICISM OF THE WAR MANAGEMENT

John O'Donnell in New York News: "Washington correspondents who covered World War No. 1 here in the Capital are frankly saying that the bewilderment and disorganization of today's war administration surpasses anything under the regime of Wilson."

Frank R. Kent in the Baltimore Sun: "* * * its inefficiency is almost incredible; * * * the confusion is beyond description; * * * the results are shockingly small."

Walter Lippman: "* * * the people are not being told the truth, are not being made to realize the gravity and the humiliation of what is happening, are being fed on pap by the officeholders and bureaucrats who lack the imagination and the will power to meet a crisis with extraordinary measures. * * * The cure is the fear of God put into them by the voice of the people."

"The things men complain about come from the refusal of the President to make a genuine war cabinet for reaching his decisions and the enforcement of discipline."

Prominent Washington newsletters, not customarily given to vehement criticism, have forcefully called attention to the ineptitude of many of the present officials, the disorganization of the war administration, and the delays in war production that these conditions have brought about.

David Lawrence: "* * * the President is susceptible to pressure groups."

"Labor is given an amazing concession—its peacetime standard of living must not be impaired even in wartime."

"* * * we are drifting into worse confusion."

Time Magazine: "* * * the confusion, amateurism, divided authority, the lack of broad planning that characterized Washington last week."

"The Cabinet looked weak even in peacetime."

New York Herald Tribune said in an editorial: "* * * what they (the public) sense is that there is something awry in the entire organization of the Nation's war effort. This has become more and more apparent with the passage of each month."

"* * * administrative ineptitude."

Drew Pearson, long an administration supporter, said: "F. D. R. is too great a man to be pulled down into the gutters of history by the well-meaning bunglers around him, and democracy is too precious to be left in their fumbling hands."

Fortune Magazine, to the President: "* * * your war administration as at present constituted is incapable of fighting a good war * * * the inefficiencies of the present set-up are too dangerous for you to tolerate any longer. They are monstrous and the people are beginning to see the results."

Maj. Al Williams, aviation columnist: "* * * We have everything except leadership."

Raymond Clapper: "It (the Baruch report) is important as a case study in bureaucratic fumbling * * * in this arsenal of bureaucracy.

"Can we expect something better from here on out? * * * That's the real challenge the Baruch report puts up to Washington."

Mr. PATMAN. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. PATMAN. I make the point of order that the gentleman should not read, without the permission of the House, what another says. I would like for him to yield for a question, if he will, because I think he left a mistaken impression awhile ago.

Will the gentleman yield?

Mr. WILSON. I yield.

Mr. PATMAN. The gentleman mentioned about scrap. Now, that is an example of how mistaken the gentleman is. It is true that over a period of 18 months we let the Japanese buy about 5,000,000 tons of scrap. We have 90,000,000 tons a year of steel, but while we were doing that we were building up the largest rubber supply in all history, 700,000 tons.

If we had not let the Japs have a little scrap—little to us—we would not have had sufficient rubber to carry on our war machine for 2 years. So the gentleman was clearly in error in indicating that we were wrong in letting the Japs have any of that scrap.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield to me on the same point?

Mr. WILSON. Just a moment; I will yield to everyone if someone will get me additional time; otherwise I cannot yield. If you want to adjourn on me, go ahead and take me off the floor in that fashion. If you want to exercise that right go ahead and do so, but remember that I reserve the same right from now on.

Mr. Speaker, I decline to yield.

Mr. PATMAN. I shall be delighted to let the gentleman have another hour.

Mr. EBERHARTER. I will ask that the gentleman be given additional time.

Mr. WILSON. Get the time extended and I shall be glad to yield.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana be allowed to continue for 1 additional hour after the other special orders that have already been entered are disposed of.

Mr. WILSON. Mr. Speaker, I decline to accept the conditions. I ask to have my time extended.

The SPEAKER pro tempore. (Mr. BLAND). Is there objection to the request of the gentleman from Pennsylvania?

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. WILSON. I yield.

Mr. PATMAN. I do not need to get the report of the Rules Committee; I was on the committee investigating it and know the reasons. I know that if we had not let Japan have a little scrap iron we would not have gotten tons of rubber.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. WILSON. I am sorry, Mr. Speaker, I have not been given additional time and therefore must continue with my statement.

Mr. EBERHARTER. Let the gentleman himself ask for additional time.

The SPEAKER pro tempore. The gentleman declines to yield.

Mr. WILSON. Mark Sullivan said this:

I find myself saying "we" and "our" in some vague reluctance to place so tragic a blame (for the rubber situation) on individuals. But it is not a thing that all of us were responsible for. The responsibility was on the persons conducting our Government.

Under the conditions under which we were laboring and what was obvious to all of us that the President had in mind, no sane sensible man would say that we had an adequate rubber supply stored up at the time of Pearl Harbor. We have heard much about this word "appeasement." Regardless of how much we appeased we still do not have an adequate rubber supply stored up in comparison with what we should have had.

The Baruch-Conant-Compton report, giving those parts which reflect the general management of the war effort, has this to say:

(The situation is) so dangerous that unless corrective measures are taken immediately this country will face both a military and civilian collapse.

Mind you, that was the Baruch report. We face a military and civilian collapse if we do not do something and do it now. We have wasted 10 valuable months. So beginning 10 months late on this investigation of wartime Washington is about the administration's batting average.

General Somervell said:

We are losing the war.

Mr. Speaker, I ask unanimous consent to put the remainder of this in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. WILSON. Mr. Speaker, I have about 500 letters here that I selected out of many thousands I received from Government employees last February, testifying to the deplorable conditions that existed in Washington at that time. I made those statements public in the House of Representatives. The newspapers very graciously carried them to every corner of the United States. The people know of those conditions and I am thankful that this criticism has resulted in setting up of a committee to determine the facts. No one can be accused of being unpatriotic if he asks only for the facts. I have confidence in my colleague, the gentleman from Georgia [Mr. RAMSPECK], that he will get us the facts.

I have not time to quote from many of these letters, but will pick out a few. The first one I pick up is from a Government employee, and from it I read the following:

Employees in one division of Securities are idle 50 percent of the time. Such a division can easily be abolished, thereby eliminating the salaries of the supervisor and assistant who never do a day's work.

An investigation is badly needed in the Division of Securities. Will you start the ball rolling and get some action? The interest of a gentleman of your initiative can help a great deal. Your interest in this matter will be greatly appreciated.

Mr. EBERHARTER. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. EBERHARTER. The gentleman is asking unanimous consent to have the material he is reading inserted in the RECORD. I will have to insist that the names of the persons writing these things be inserted in the RECORD also.

Mr. WILSON. Of course, I do not care what you ask, as long as you have no way of getting it; it does not make any difference to me. If you do not want the truth, all right. Like all new dealers, you always want to hold the hammer over the head of somebody to prevent them from telling the truth. You intentionally try to hide, cover up, and thus encourage this gross inefficiency, which I have proven to be a drag on our war effort.

Mr. EBERHARTER. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. EBERHARTER. Mr. Speaker, I make the point of order that these quotations cannot be inserted in the RECORD over an objection when they do not contain the names of the persons alleged to have written them.

Mr. WILSON. Mr. Speaker, I would like to be heard on the point of order. Every letter from which I am quoting is signed by the Government employee writing the letter.

Mr. EBERHARTER. Is it the intention of the gentleman to put the name of the person writing the letter in the RECORD?

Mr. WILSON. It is not.

Mr. EBERHARTER. Then I object, unless the gentleman is willing to put the names of the authors of the letters in the RECORD.

The SPEAKER pro tempore. The Chair does not understand that there is a unanimous-consent request pending. There was a request made a short time ago for the insertion of certain papers in the RECORD. The Chair asked if there was objection, or stated "Without objection, it is so ordered" and there was no objection. There is no unanimous-consent request now pending.

Mr. EBERHARTER. Mr. Speaker, I make the point of order that the gentleman is out of order when he reads a purported letter without naming the person who is supposed to have written the letter.

Mr. WILSON. Mr. Speaker, I want to be heard on the point of order.

The SPEAKER pro tempore. The Chair does not know of any such rule requiring a Member who is reading to state by whom the letter was written.

Mr. EBERHARTER. Mr. Speaker, on that point of order, if the Chair has not finally ruled, my understanding is that it is a violation of the rules of the House to read anything which is purported to come from another source without indicating the particular source from which it came.

The SPEAKER pro tempore. The Chair does not know of any such rule.

Mr. EBERHARTER. Has the Chair finally ruled?

The SPEAKER pro tempore. The Chair does not know of any such rule and, therefore, overrules the point of order.

Mr. PATMAN. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. PATMAN. The gentleman is not proceeding in order because he is reading without unanimous consent of the House.

The SPEAKER pro tempore. It does not require unanimous consent, but if there is objection, the question will be put to the House.

Mr. PATMAN. Mr. Speaker, I make the objection.

The SPEAKER pro tempore. The question is whether the gentleman will be permitted to read the statement.

Mr. PATMAN. Mr. Speaker, I do not object to the gentleman reading letters if he will give the names of the authors, but I do think that he should give the names of the persons who make the statements that he puts in the RECORD. I will not insist on the point of order, because I believe in an open, full, and free RECORD.

Mr. WILSON. Of course, the gentleman will not insist on that point of order, and I know why he will not insist on that point of order.

Mr. PATMAN. The gentleman does not have the floor right now.

The SPEAKER pro tempore. The Chair is hearing the gentleman from Texas on a point of order.

Mr. PATMAN. Mr. Speaker, I suggest and sincerely hope that the gentleman will give the House the benefit of the names of the people who are making these serious complaints.

Miss SUMNER of Illinois. Mr. Speaker, I hope the gentleman will not read the names of any Government employees who have written him.

Mr. WILSON. I certainly will not.

Miss SUMNER of Illinois. It would tend to intimidate Government employees and discourage them from writing to their Congressmen.

Mr. WILSON. I thank the gentlewoman from Illinois. I inserted a letter in the CONGRESSIONAL RECORD last February and a Government employee was fired the next day because her superior suspected her of writing the letter. However, I got the lady reinstated. That shows how desperate and vicious some of these supervisors are to build themselves up and to keep their useless jobs and big salaries.

Mr. GORE. Will the gentleman yield?

Mr. WILSON. I will not yield further.

Here is a quotation from another letter:

I spent 19 years in the United States Government service—in the Treasury, Agriculture, War, and Interior Departments. In three different offices I had very little work and they were all headed by chiefs who tried to raise their own standard by having as many employees under them as possible. In the last office I worked, the chief was conscientious, hard working, but in constant fear that someone with more pull would get his job. The assistant chief had plenty of pull, received $1,800 a year, and did nothing except answer a few telephone calls a day. Yet the yearly report on her work covered a list of duties that were staggering. I wrote the report from dictation. She could easily have done my work and her own, too, yet, when I left another stenographer was appointed to take my place.

Further quoting:

The New Deal distributors have apparently been trying to solve the unemployment situation by putting everybody possible to work in Washington—or putting them on the pay roll in Washington.

Some years ago Congressman Blanton, of Texas, took up the issue of overstaffed offices—too many people to do the work required. He visited the work rooms of the departments and counted the idle seat warmers—40 girls in a room doing the work that 10 could easily have done. There is lots of that.

Young girls and boys going to Washington from the country towns are amazed at the little they have to do to earn big money. You can get no help in the departments. Every department head and supervisor wants more help—and resists efforts to reduce. The only way to get at it is through appropriations, and the Appropriations Committee is so busy with billion dollar items they have not time to bother about nickels and dimes.

The enclosed clipping is applicable to most of the offices of the Federal Government at the present time. Older employees who have served through the years are all appalled at the wanton waste of time, energy, and supplies that is the rule of today. No one dares to report the facts in a candid and honorable way. The aim seems to be complete subjugation of the population through induction in the armed forces or employment within the corporations now functioning as integral parts of the Federal Government.

I have so many of these letters here that I do not have time to read very many. Several are from certified public accountants. Some of them have been to my office and have told me of the situation. They have put it in writing and promised to come before any committee which will give them the protection they need to tell their story. Now that my time is practically up I cannot insert any more quotations at this time.

I do not see how any Member of Congress can stand on the floor of this House and defend such a deplorable condition. Some have intentionally tried to disrupt my speech to prevent me exposing these facts to the people of the Nation. The people will always be suspicious of those who disrupt a speech designed to bring to them information about bottlenecks in our war effort, and especially will they be suspicious of those who shield waste and extravagance and thus prolong the war.

[Here the gavel fell.]

AMENDMENT OF THE HATCH ACT

Mr. HOBBS submitted the following conference report and statement on the bill (S. 2471) to amend the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, with respect to its application to officers and employees of educational, religious, eleemosynary, philanthropic, and cultural institutions, establishments, and agencies, commonly known as the Hatch Act:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2471) to amend the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, with respect to its application to officers and employees of educational, religious, eleemosynary, philanthropic, and cultural institutions, establishments, and agencies, commonly known as the Hatch Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1 and 2 and agree to the same.

That the House recede from its amendment numbered 3, for the reason that the conferees are of the unanimous opinion that nothing in the Hatch Act interdicts any person from expressing his opinion on any political subject or candidate.

HATTON W. SUMNERS,
SAM HOBBS,
JOHN W. GWYNNE,
Managers on the part of the House.

WALTER F. GEORGE,
CARL A. HATCH,
WARREN R. AUSTIN,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2471) to amend the act entitled "An act to prevent pernicious political activities", approved August 2, 1939, as amended, with respect to its application to officers and employees of educational, religious, eleemosynary, philanthropic, and cultural institutions, establishments, and agencies, commonly known as the Hatch Act, submit the following explanation of the effect of the action agreed upon in conference, and recommend in the accompanying conference report:

Amendment No. 1: This amendment is merely clerical. The Senate agrees to the substitution of section number "21" for "22".

Amendment No. 2: This amendment is to clarify the fact that the proposed exemption from section 9 is limited to "9 (a)" and "9 (b)" and does not refer to "9A". The Senate recedes from its disagreement to this amendment.

Amendment No. 3: This amendment provided that nothing contained in sections 2, 9, or 12 should be deemed to prohibit any bona fide editor and owner of a weekly or semiweekly newspaper with a circulation not exceeding 5,000 from expressing his own opinion in his own newspaper. The House recedes from this amendment for the reason that the conferees are of the unanimous opinion that nothing in the Hatch Act interdicts any person from expressing his opinion on any political subject or candidate.

HATTON W. SUMNERS,
SAM HOBBS,
JOHN W. GWYNNE,
Managers on the part of the House.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill S. 2471.

The SPEAKER pro tempore (Mr. BLAND). Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

Mr. MICHENER. Reserving the right to object, Mr. Speaker, has not the conference report been printed?

Mr. HOBBS. No, sir.

The SPEAKER pro tempore. It has not been printed. It has just been ordered printed.

Mr. MICHENER. What are the details of it? It is rather unusual to consider a conference report in this manner. I am in favor of what has been done, but I do not want the report to go through in such an unusual manner without some explanation.

Mr. HOBBS. The Senate receded on our two committee amendments, and we recede on the other one, the Creal amendment, because it was unnecessary. We so stated in the report.

Mr. MICHENER. What I am getting at is that the House is presumed to know what the committee of conference has done.

Mr. HOBBS. I will be glad to answer any questions. I have already stated the substance of the report.

Mr. MICHENER. It is very unusual to file a conference report and then ask that it be agreed to without the House being fully advised about it.

Mr. HOBBS. The reading of the statement will give the details. All we do is recede on the Creal amendment, and we do so for the averred and stated reason—and it is unanimous—that the relief sought by the gentleman from Kentucky [Mr. CREAL] for certain newspaper editors is already provided in the act.

Mr. MICHENER. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. WASIELEWSKI. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two respects and to include in connection therewith certain editorials.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. HOLLAND] is recognized for 35 minutes.

CONFUSE AND CONQUER

Mr. HOLLAND. Mr. Speaker, I am glad that, due to an error, the gentleman from Indiana [Mr. WILSON] was given the floor before the time that was allotted to me, because my subject is Confuse and Conquer. Very appropriate, after hearing him trying to "confuse" the American people by quoting from Republican writers. I do hope he shall listen and take heed and pay particular attention to the words of Hitler I shall quote in my speech.

Mr. Speaker, we are engaged in a life-or-death struggle against a deadly and determined enemy.

We must destroy or be destroyed.

We know that now.

We know that the three-headed Fascist monster seeks to be the master folk with all the world as slaves.

We know that the issue for which this war is being fought is freedom or slavery for mankind.

We have been told that this war is different from any ever waged—that it is a global war—that it is total war—that never before in history has destruction been wrought on so terrible a scale.

All this is true. But, the essential characteristic which marks the difference is that never before in history has a conflict required so complete a participation by all the people of the warring nations.

The home front ranks with the battle front and it is for that reason that our every act, our every word, may have a part in victory or defeat.

Our enemy knows the value of the home front and the importance of civilian and national morale.

Hitler said to Herman Rauschning as many as 8 years ago:

> We will find men to do our work everywhere. We won't even have to buy them. They'll come looking for us, driven by ambition, by partisan discord, by blindness, by pride, and by hatred. We won't have to use mass attacks by huge armies. What an artillery barrage meant for an infantry advance in trench warfare will be replaced in the future by the psychological dislocation of the enemy by means of revolutionary propaganda.

That is Hitler speaking. Listen and take note. For if we know the enemy's purpose, if we know the enemy's strategy and technique we are better prepared to cope with him and block his attacks.

Well, Hitler's purpose was never any secret.

And, we are all familiar with Hitler's strategy, the plan to divide and conquer.

We are less familiar, perhaps, with his technique, although we are learning more about it every day. He gave us a hint in Mein Kampf when he brazenly proclaimed the virtue of a lie, a magnificent lie, the bigger the better, so bold and so monstrous a lie that everyone would believe it to be the truth. He further declared that he would repeat these lies—over and over again—until familiarity could cover the falsehood.

There is another trick in that technique which has been exploited by the Nazis and by their friends, agents, and dupes in this country.

The trick is to "confuse and conquer."

I have shown before that Hitler has his men in our midst who, consciously or unconsciously, parallel his propaganda and serve his cause.

I have pointed before to hate-maddened men, with military titles, spewing their poison over the land—venting their spleen for one man against millions.

And let us not forget Eleanor Patterson, the publisher of the Washington Times-Herald, the lady with the unladylike language, who is so quick to shout "liar" but so reluctant or unable to disprove the charge she called a lie.

Joseph Patterson, publisher of the New York Daily News, and his ex-noble sister, Eleanor—here in our Capital—are past-masters at the art of confusion and are champion liars, even equaling in that talent the forked tongue of their mentor in Berlin, the infamous Dr. Goebbels.

I consider it my patriotic duty and my sworn pledge to the voters of my district to carry on the fight against the defeatists, the fifth columnists, and the Nazi pawns of America. I consider it my duty to freemen everywhere to pursue this fight to the end.

This is not a personal feud, for neither I nor the Pattersons are private citizens. As a Congressman I am charged with a public trust. As newspaper publishers the Pattersons must serve the public safety. Freedom of the press must not be used to destroy the democracy which grants that freedom.

Nor do I resort to name calling.

When I say Joseph Patterson and Eleanor Patterson are careless with the truth, the phrase is not empty. It is an accusation. I shall prove that charge, just as I have proven the charge that their papers carry Axis propaganda.

I shall also prove that they deliberately spread confusion, and I am certain that they will once more find themselves unable to refute the evidence, for in every instance it will be the evidence of their own pens.

Let us ask the Pattersons a question:

Question. Do you think it possible to avoid a war and build a lasting peace?

Answer. Oh, no; you cannot avoid war because—and I quote from a New York Daily News editorial, July 5, 1942:

> The people of almost every nation except our own think always and automatically of their own nation's best interests ahead of those of any other nation. This habit will turn up after this war; and, we expect, after all the wars to come.

There are at least five more references to more wars after this on different dates before and after July 5.

But let us take a look at the Pattersons' answer of July 20 to that same question:

Answer. Oh, yes; you can avoid war because—and I quote:

> If, when the European war broke out on September 1, 1939, the United States had immediately set itself to building long-range heavy bombers for its own defense, we think those bombers alone would have made this country immune to attack or annoyance in plenty of time to have kept it out of war.

But articles on August 4, May 17, and June 13 all tell us that there will be more wars to come and on June 16 the Patterson team spreads the pure Fascist doctrine, expounded in Mein Kampf, that—

> Want and fear are two mainsprings of human progress.

Now, want and fear are certainly war breeders, so it seems that Joe Patterson and his sister believe in the inevitability of war.

But do they?

What do these high priests of war say on August 16 about this inevitability?

They say that war can be avoided by compromise. I quote:

> But we are not in this war together because we all love one another. We are in it because we are all menaced by the Axis nations; because American, British, Russian,

and Chinese interests around the world directly conflict with German, Japanese, and Italian interests, and no compromise could be worked between them. Or, if it could have been, it wasn't.

They avoid the unavoidable. They believe that armed isolation can keep us out of war, although wars are inevitable.

They hinted on October 4 that our ultimatum to Japan provoked Pearl Harbor. But they told their readers on September 3 that Tojo had always believed in world conquest for Japan and that, had we been wise enough to realize it, his accession to power should have warned us that attack was inevitable.

This is a strange admission for a believer in armed isolation and compromise.

This is a revealing admission for a supposedly alert newsman.

This is a confession that Joseph Patterson and his sister peddle ignorance as well as lies and contradictions to millions of readers daily.

On July 13, we are pleasantly surprised to note the Patterson reaction to the Anglo-Soviet-American accords. Under the title "Pal Joey," the editorial says:

Up to now, Russia has been the one ally that could stand up to Hitler's best and strongest and give them as good as they sent. It has been only common sense all along for us to ship Russia what war gear we could, and for Britain to do the same.

So far, so good. But let us dip a little deeper into that same editorial of July 13, and our fears will be realized, for in an amazing turn about face Patterson follows up the praise for Russia with a typical confuse-and-conquer technique, worthy only of his propaganda minister, Goebbels, by saying:

Pal Joey has always, very shrewdly and realistically, kept promises when it would help him to keep them and broken them when it would help him to break them. * * * If in due time somebody—guess who—has to fight Russia to make Estonia, Latvia, Lithuania, Poland, and Finland safe for democracy, we don't expect to be exactly dumfounded.

Mr. Speaker, I submit that this statement is one of the most contemptible, deliberately malicious, contradictory, and utterly treacherous attacks upon a great and valiant ally that has been made by a newspaper under the protection of freedom of the press.

And let me also point out that the same sentiment was expressed on the same day via short wave by the propaganda bureaus of Berlin and Rome.

In effect, Patterson tells us in the same breath to give weapons of war to Russia—although warning us that Russia will use those very weapons against us some day.

This is a deliberate attempt to confuse the reader.

Confusion leads to indecision.

The Pattersons are creating confusion and disunity.

The Axis wants us to be confused and disunited.

Remember it was Hitler himself who said that he wouldn't have to buy his men—that they would play his game through bitterness, stupidity, hatred, and ambition.

The hatred of the Pattersons for President Roosevelt, a hatred which knows no bounds, prompted the treasonable editorial comparing Roosevelt to Caesar—reminding us that Caesar's dictatorship was ended by murder. The analogy is obvious—the intent odious.

But that was not the first time that the Pattersons had called our President a dictator and warmonger.

Nor were they content to stop there.

They sought out Churchill, too, for his share of the Patterson abuse.

On the 19th of July there appeared in the Daily News a cartoon from the poison pen of C. D. Batchelor that is typical of the cowardly, back-stabbing policy of his employer.

The cartoon shows the death-head harpy, World War No. 2, embraced by a man called Politics—a man waving a big cigar—a man who is unmistakably England's Prime Minister.

This man is whispering words of love to the grinning skull, these words:

Honey bunch, I love only you—and me.

Winston Churchill, symbol of the unconquerable British, the man who rallied his country through the dark days of the battle of Britain, becomes in the pages of the Patterson clan a typical dictator who chiselled his way to power during the war that he sought and that he cherishes.

And, just to make a clean sweep, Joseph Patterson hints on August 1 that Stalin is a bloodthirsty monster.

I quote:

Peter the Great, for instance, did more than any other one Russian to westernize, modernize, and improve Russia. Peter was also a bloodthirsty monster in his private life, and we had thought Comrade Joe had come rather to admire Peter in recent years for this or other reasons.

All the warmongers may be found in the camp of the United Nations, according to the Patterson editorials.

But I recall hearing about a man named Hitler.

Didn't he start the war, Joseph Patterson?

The New York Daily News and the Washington Times-Herald say "No." It was the British who started the war—over the Danzig question. At least that was Patterson's opinion in his editorial column August 4.

And that, in the Hitler tradition, is a monstrous lie.

The accusation of war guilt against the enemies of Hitler are deliberate attempts to confuse the public.

But Patterson plays the confuse-and-conquer game to the limit.

After claiming that our leaders are the warmongers in at least a half-dozen editorials—and that is the repeated lie technique—Joseph Patterson contradicts himself on August 30 with a sample of pure lunacy.

He has the madness to tell us that nobody started this war at all—but that Europe decided to commit suicide to relieve the overpopulation. It is almost unbelievable that any man could advance such an argument.

But I shall quote from that editorial and leave you to judge his sanity or his fitness to be entrusted with the opportunity to influence over 5,000,000 people through his paper and that of his sister. I quote:

Or perhaps Hitler was not wholly to blame for this war. Perhaps there was a subconscious conviction in the minds of many Europeans that there were too many people in Europe anyway and that a big bloodletting might help matters.

This, too, is a monstrous lie.

This, too, is a contradiction of other Patterson contentions of war guilt.

This, too, is a deliberate attempt to "confuse and conquer."

Yet—no Patterson editorial tells the truth.

These are not just isolated incidents which I have presented. My desk is piled high with every issue published in Washington and New York by these people since Pearl Harbor. From this pile of Patterson filth similar lies and contradictions can be selected at random.

Let me briefly put together a paraphrase composite of various Patterson arguments and theories advanced in his editorials during the last few months and note their inconsistencies:

We must make Hawaii impregnable.
Let's concentrate our forces.
We must hold Australia.
Drive the Japs out of the Aleutians.
The best way to win is to have the best generals commanding the troops in the field and the best general is MacArthur.
Let's bring MacArthur home, away from the battlefield.
We must have a second front.
Dieppe proves we cannot have a second front.
I believe in armed isolation.
I believe in balance-of-power imperialism.
We must win the war with our best material so let's drop the draft age to 18 and 19.

But—

To tap a man on the shoulder and tell him he has been drafted to fight for New Guinea is a violation of democracy.

And so on to infinity and to nausea.

The evidence against the Pattersons is now almost complete. I shall confine myself today to presenting only one more exhibit in the case against these seditious newspapers.

On Thursday, October 8, the Patterson papers outdid all their previous efforts to serve the enemy by delivering to their millions of readers an editorial which was prompted, in full, by none other than the Fuehrer, himself.

It was nothing more nor less than a simple rewrite of Hitler's address at the Sportspalast on September 30, 1942.

We know that the Hitler speech was a propaganda stunt with an important military and political purpose. Hitler, himself, gave the key in the following excerpt from the speech of September 30:

For this year we have prepared for ourselves a very simple program. In the first place, under all circumstances, we must hold whatever must be held. That is to say, we

must let the others attack as much as they wish wherever we have no intention to advance. We must hold everything and must wait to see who tires soonest. In the second place, we must attack under all circumstances where attack is necessary.

Note Hitler's qualification "for this year," Mr. Speaker. Not even sadist Hitler is prepared to promise a defensive strategy in the long run. But there can be no doubt that this year peace in the west fits exactly into Hitler's strategy, so that he can go on attacking, as he says, "where attack is necessary"—namely, Russia.

The matter was put even more plainly by Nazi propagandist, Lord Haw Haw, broadcasting to England and America on October 6. He said, and I quote:

Although the peace has not been made, the war has been won by National Socialist Germany.

Haw Haw, in arguing his statement out, was careful not to mention the military situation in Russia, and the meaning of his talk was clear—we need peace in the west.

Let us now briefly review the facts behind that talk and the aims it sought:

First. The supposedly irresistible German Army had finally met a worthy foe in the indomitable Russians who have been taking daily a tremendous toll of Nazi soldiers.

Second. Hitler was faced with the prospect of another winter campaign and he has not yet forgotten the last one.

Third. He realized the absolute necessity of throwing every last resort against the Russians, of complete concentration on the eastern front.

Fourth. The greatest nightmare of the German high command has always been a land war on two active fronts.

Fifth. Our second-front threat is causing them great concern. This anxiety slipped out when he complained that he is fighting idiots who might attack him anywhere.

Sixth. Therefore, he must find a way to remove that threat or to delay its translation into action.

Seventh. He chose to offer the olive branch, the old, old story we have heard so many times: "I now have all I want. There is no more need for my taking territory."

Let us now turn to that editorial of October 8 called Stalin Can't Quit.

We recall that the New York Daily News and the Washington Times-Herald have constantly warned that Stalin would make a separate peace. This fitted in perfectly with Axis propaganda aims to create mistrust among the Allies.

But, after having heard Hitler's latest speech, these papers suddenly discover that Russia could not possibly sign a separate peace. I quote from their editorial:

The main fact • • • is the fact that Stalin can't quit now. He might even threaten to sign a separate peace with Hitler if the Allies don't open a second front at once; but he can't make good that threat.

The reason why Stalin can't quit is that if he does, he will get back none of the part of Russia now held by the Germans.

Patterson then tells us that Germany will never give up the iron, grain, and oil territory of Russia, so that—and I quote:

It seems a sure bet that these two mighty enemies will continue to batter each other's brains out around Stalingrad and on less active sectors of their long battle front. The only thing that will get Hitler out of Russia is a complete defeat of Germany.

When it suits his purpose, and, incidentally, it also suits Hitler, Patterson suddenly has no difficulty in proving that he was either a falsifier or an oaf when he warned of a separate Russian peace.

What conclusion does he draw from the fact that Hitler has his hands full in Russia or that only complete defeat of Germany can drive him out?

Does he agree that the answer is to take advantage of Hitler's plight to attack in the west?

No. His answer is that the "western war could stop."

For Hitler is not his enemy. Hitler is his friend. And that was the answer of Hitler.

I quote from the New York Daily News of October 8:

On the other hand, the German-Italian part of the war could be called off in the west had not Great Britain and the United States elected to see it through to the end. • • •

Great Britain could quit now. It was Rudolph Hess' mission in his sensational flight to Scotland to propose that Britain sign a peace with Germany, the British Empire to be left intact. Hitler would no doubt be glad to arrange such a peace now—though, of course, he could not restore to Britain the Empire territories taken by the Japs.

The United States could quit fighting Germany now. Indeed, nothing would please Hitler more. Germany has not taken an inch of our territory and seems unlikely to do so soon.

Mr. Speaker, despite my familiarity with the Pattersons' disloyalty, I am aghast at the utter callousness of these paragraphs.

We, the free United Nations of the world, are locked in mortal combat with the greatest enemy of mankind, and Patterson says that Britain could quit now, that she could make the dream of Hess and Hitler come true, taking care, of course, not to compromise the position of Hitler's ally, Japan.

He claims that we could stop fighting Germany now.

He even admits that nothing would give Hitler greater pleasure.

Realizing the enormity of this criminal argument, Patterson begins part III of the editorial with a weak attempt at covering his tracks. He says, and I quote:

Of course, there is no thought of the Allies' quitting now and leaving Stalin to battle Hitler alone. It is to the Allies' interest to fight on, because their eventual victory now seems almost a mathematical certainty.

After developing the diabolical thesis of peace with Hitler, Patterson, with typical Fascist cynicism, seeks to whitewash himself by saying that there is no thought of the Allies quitting now and leaving Russia to fight alone.

That is a well-known Nazi device, identical with the old bund trick of opening meetings under the portrait of George Washington, flanked by American flags.

And he stupidly follows up that old chestnut with the devastating claim that our victory is a mathematical certainty.

Any man making such a statement at this time—in the face of all the warnings made by every responsible political and military leader of our Nation—deserves to be put into a cell, one with iron bars or one with padded walls. For such a man is clearly a menace to a free society.

Mr. Speaker, I am addressing myself—not only to the Congress of the United States—I am addressing myself to the residents of Washington, New York, and Chicago to cry out in a great public protest against these traitors in our midst. I am addressing myself to our great and loyal American press to denounce with righteous indignation these disgraceful stains on the record of American journalism.

Patterson's shabby friends of the vermin press have been silenced.

The public outcry must also drown out the Patterson voice of defeat.

The SPEAKER pro tempore (Mr. SOMERS of New York.) Under previous order of the House, the gentleman from Washington [Mr. HILL] is recognized for 15 minutes.

EXTENSION OF REMARKS

Mr. HILL of Washington. Mr. Speaker, first I want to submit a unanimous-consent request to extend my remarks in the Appendix of the RECORD and to include therein a symposium in the Boston Sunday Globe, of September 6, 1942, entitled "Shall Eighteen- and Nineteen-Year-Olds Be Drafted?" by Daniel L. Marsh, president of Boston University. He expresses, to a large extent, my idea on the bill coming up on Saturday except that I do not agree with him with reference to the time. I think instead of 2 years and 4 years it should be very short, 1 or 2 years.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. SHORT], may extend his remarks in the RECORD, and include an article by Frank C. Waldrop.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

(Mr. SMITH of Pennsylvania asked and was given permission to revise and extend his remarks in the RECORD.)

FOOD AND THE WAR

Mr. HILL of Washington. Mr. Speaker, it was my good fortune on my recent journey west to spend 10 days in southeastern Washington, the Fourth Congressional District, which I have the honor to represent. I inspected several Army bases at Yakima, Ephrata, Pasco, and Walla Walla. The men in uniform there are eager to take part in winning a complete victory over the Axis. They are being well trained and the food is both excellent and plentiful. I can personally testify to this as I was invited to mess at both Pasco and Yakima. The officers are efficient and courteous. At Yakima I was conducted by Mr. Frederic G. Lea-

sure, director of the J. M. Perry Institute, through that really fine institution of learning and training. For 2 hours we went from classroom to classroom, from training room to training room to see the young men not only receive the theory of modern aviation construction and warfare but actually putting it into practice in the workroom. The institute is cooperating splendidly with the Federal Government at this place. While we were there 550—the morning shift—were lined up and marched out of the building to be immediately replaced by the afternoon shift of 550. The Perry Institute is a living monument to the wisdom and magnanimity of Mrs. J. M. Perry, who planned and founded this practical school for the youth of the Yakima Valley.

It was my privilege also to spend most of my time out on the farms talking to the workers in the potato patches, the dairy farmers, and wheat farmers on the hills and the small businessmen in their places of activity. To me these people are the ones who have built our fine country up to where it is the most powerful, the most wealthy, and the most democratic country in the world today. Unless we protect and encourage them to continue their activities and maintain their homes, the United States will not continue a worth-while country in which to live. If we permit monopoly and trust companies to own and control our business and agriculture, we are certainly in line for fascism.

The tendency is in that direction today. Let me give you some pertinent instances:

I went out into a potato field near Ellensburg, Wash., and there were 10 or 15 young men and women working there, and 2 of them came to me and said:

We started a dairy last year. We want to stay in the dairy business, but because we cannot hire labor and because of the cost of the feed we have to give to our cows—

And they are paying $20 a ton for hay—

unless the present price of butterfat is continued, we cannot remain in business.

It was a case where they were going out of dairying. I saw a couple up in Badger Pocket, a little distance from Ellensburg. The man is a veteran, a middle-aged man, and they had four or five of the finest Jersey cows I have ever seen, 4 years old. I would say they were worth about $125 each. They had some heifers, they had some calves and some horses. The local banker had a mortgage of $700 on these cattle worth about $1,300 and he was foreclosing the mortgage on November 1, about 2 weeks hence, unless they secured in some way the funds to pay off that mortgage or could get some aid from the Federal Government. They are dairy people and want to continue. He knows the business of dairying, but he has to quit. Another farmer near Ellensburg came to me and said, "Here I have a ranch and a farm hand I hired about 6 months ago." He introduced me to the man and I saw at once he was not really fitted for military service. He had a "bum" leg, as he called it, also a bum knee, and he limped. Yet he received from his draft board in Iowa a command, if you please, to return to Iowa on Monday, October 12, and report for duty. The farmer said that this man could do the work well, had been doing it for 6 months, that he is a fine hand on the farm, and that he needs him. On the same day I was reading in the papers of the West that our Government was paying for transportation of men in the Middle West to go out into our State and help harvest the crops. Yet they were ordering this man who was disabled to go back, paying his own transportation to go into the Army. As long as that continues the farmers out there are being compelled to go out of business.

I have here a notice of auction sales—"Sale of Jersey herds at auction." There is one auction a day for the next 75 days out there in that county. I talked to the president of the Yakima Dairymen's Association and he said that 25 percent of the dairy cows out there had been sold and most of them for beef. What does that mean? That next year we are threatened with a famine of milk products, of butterfat, of cheese. Twenty-five percent of the dairy cows in my district have been sold, and most of them over the block, and why? Because the farmers cannot get the labor on the farm to run their dairies, to harvest their wheat, to pick their fruit and gather their vegetables. I tell you, my good friends, the situation is critical, and something should be done at once. I have a telegram here from a man and I will read a part of it. It shows the situation. He says that "the present milker is quitting within a week unless I can supply additional help." He also says there is none available. "The only man I know is the one I appealed to you about. Please help." This man, who has a large herd and trucked them from the Yakima Valley over to the coast, is going to lose his dairy business unless he can get help. They are taking his help away from him. The man working for him has some difficulty with his speech, and cannot speak plainly, yet that man is now in the Army. He is a good dairy worker and the dairyman needs him.

I have here something else that I want to refer to, something from the newspapers back there. Here is one heading that says that the dairy herds are going, that there is a labor shortage, that the situation is critical, and the farmer tries desperately to do the tasks of two or three men. That is what they are expecting of the farmers out there, not only to work for themselves, but to do the work of two or three other men.

At Pasco I went to see a dairyman and his wife. They are about 60 years old. The wife was delivering milk every day in the city of Pasco and had been for years. He is threatened with the loss of his dairy. He had about 30 cows. He has a large barn and he said that he could care for 100 cows and would like to do it, but that he had only one laborer on his farm of 160 acres, which a year ago did not show a weed. Now half of it is overgrown with weeds. He said that his man is threatening to leave and work in a defense project. If he does, the dairyman is quitting the dairy business in which he has been engaged for 34 years. Secondly, he tried to get tires for the car that his wife was driving to town to deliver milk to the consumers. They were refused tires on the car. Their tires were worn out. They were refused the tires unless they would use the car to deliver the milk to the storekeepers, and then the consumers of Pasco would have to use their own cars to go down to the store and get the milk.

Here is another statement from the newspapers about a possible acute milk shortage for the Army as well as civilians. It goes on to state that there is an impending milk shortage not only for civilians, but also for the armed forces in this area and Alaska, and quotes Maj. Gen. H. G. Winsor, director of the regional war manpower commission. He says:

There is going to be a critical milk shortage. Dairy cows of this area are being slaughtered at a terrific rate.

I am told by Members of this House that this is going on all over the United States. Where will we buy food next year? If we are not going to allow the farmers of the United States the necessary labor to carry on in producing food and clothes that are just as necessary in the war as are guns and tanks and bombers, where are we going to land? Our soldiers cannot carry guns unless they have food to eat and clothes to wear. Right in my own town of Prosser we had three dairymen. One of them used to deliver milk every morning about 5 o'clock at our home a few years ago. He went out of delivery business about 2 months ago. He sells his milk to another man in the same city. This second man is now quitting. Let me read to you what this man says in an advertisement:

To Our Patrons:

After 12 years we are going out of business because of the price and labor situation.

Our last delivery will be October 14. We thank you for your loyal patronage.

In other words, we had three dairies in the city of Prosser and now there is only one there to furnish milk for the citizens of my home town of Prosser.

Too little is being done right here in Washington, D. C., to save the food situation for next year. I have contended for months that it is just as important to feed and clothe our soldiers and sailors as to manufacture guns, ammunition, tanks, and bombers. Also, we are informed that both England and Russia are calling for food and supplies and equipment, and not men. You have seen that everywhere in the newspapers and elsewhere. They do not need our men. They say so. But they need supplies—food supplies—and yet we are hamstringing the farmers and taking them off of their farms.

Delay will not only lengthen the war, but may jeopardize the victory that we are all fighting and sacrificing for.

The gentleman from Iowa [Mr. JENSEN] several weeks ago sensed the critical condition in his great State of Iowa

and contacted officials here in Washington, D. C., on the matter. He also contacted the War Manpower Commission both in his State and here in the capital, and they are quite sympathetic to his proposition of having "at least one able-bodied man left on every farm and that dairy farms must be given special consideration because dairy products are the most urgently needed of all foods."

Here, Mr. Speaker, I ask unanimous consent to insert in the RECORD an editorial from the Council Bluffs Nonpareil, showing the necessity of having these farmers kept on the farms.

The SPEAKER pro tempore (Mr. SOMERS of New York). Is there objection to the request of the gentleman from Washington?

There was no objection.

The editorial referred to is as follows:

DRAFTING FARMERS

Secretary of Agriculture Wickard said the other day that he had made it plain to General Hershey that at least one able-bodied man must be left on every farm and that dairy farms must be given special consideration, because dairy products are the most urgently needed of all foods.

We hope for the good of the country and for the success of the war program that Mr. Wickard is able to make his demands stick. There are reports from many areas that draft boards are not following this policy. We do not personally know of any farm operators who have been taken, but we have heard of instances where the only able-bodied man about the place has been drafted, or expects to be, in the very near future.

The dwindling farm-labor supply is unquestionably the biggest threat to United States food production in 1943.

"There is a question in my mind whether American farmers can increase production or even maintain this year's level under the handicap of growing labor shortages," Secretary Wickard told an Illinois audience a few days ago.

"I know they will keep on trying," he continued, "but I am not sure they can overcome all the obstacles in their way. This year's shortage of farm labor is nothing to what they will encounter in the future. With our Army growing at the present rate and with war factories expanding in order to support our growing forces, the drain upon agricultural manpower will become more and more serious."

This raises the question as to the ultimate size of our Army. That it will be an increasingly controversial issue is inevitable. War Department officials and generals are now talking about an army of 10,000,000 to 13,000,000 men. It is doubtful if our farms and factories can keep such an army supplied and at the same time supply our Allies with the needed food, equipment, and supplies.

We have before us the experience of England, which drafted too many miners. The country's coal production was reduced so much that factories had to shut down and many people came near freezing.

We cannot afford to make such a mistake here. Congress ought to look into the whole matter before the country's production of food and war equipment is demoralized.

Mr. HILL of Washington. It is not only the dairy farmer, but also the wheat farmer. I have some old friends who have lived up on Rattlesnake Hills near Prosser for 50 years. Both of them are old. Both of them are ill. They have one son. Now this next month he is called to the colors. That is fine. We are not saying anything against that under normal conditions. We are not saying anything about calling men to the colors to fight, but when he goes those two old people cannot function. They cannot carry on the work on the farm, and that farm is going to lie idle. Several hundred acres that have been raising wheat for the last 30 or 40 years will be idle for the next year or the next 2 or 3 years. My contention is that we need some of these men on the farms to produce food, not only for our soldiers and sailors, but to feed Europe and our Allies.

Not only have the small farmers been crowded to the wall and off the farms, but small business is being driven off from the streets of our towns and cities. That is just as critical and serious. I talked to a furniture dealer in Yakima and he showed me a magazine article where three small furniture dealers had gone out of business this last month. He said, "We cannot get supplies. Of course, then we cannot sell." He said, "Within 6 months we will go out of business." There is a threat in this country to the small businessman and to the small farmer.

I have a letter here from a businessman in College Place saying the same thing. He will have to go out of business. They are going out of business by the tens of thousands all over the Nation. It is serious. It is critical. It is just as important to the winning of this war that we keep men on the farms as it is that we produce guns and ammunition.

The SPEAKER pro tempore. The time of the gentleman from Washington has expired.

Mr. HILL of Washington. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HILL of Washington. May I conclude by saying that the small, individual businessman and farmer have made this country great. It is democracy in action. It is what our men are fighting for all over the world and on the seven seas today. We must preserve this independence and progress here at home while our boys are fighting for it abroad. It is our common heritage to enjoy, it is our common duty to preserve, it is our common privilege to promote and maintain.

I appeal not only to the Members of Congress, but I appeal to the administration and to those in authority in the United States, in Washington, D. C., to consider this critical situation, to help keep our men on the farms and in industry, and to save the small businessmen and small farmers throughout the United States from the ruin that awaits them unless drastic steps are immediately taken.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. SIKES. Mr. Speaker, I ask unanimous consent that our distinguished colleague, the gentleman from New York [Mr. SOMERS], be granted permission to extend his own remarks in the Appendix of the RECORD and include therein an address by Louis Nizer on The Right to Fight.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. Under the previous order of the House the gentlewoman from Illinois [Miss SUMNER] is recognized for 10 minutes.

FREEDOM OF THE PRESS

Miss SUMNER of Illinois. Mr. Speaker, cheaply, easily, for more than a hundred years, America spread civilization through the world by letting other nations copy our successful pattern. Today, unfortunately, those who operate our Republic now seem to feel smarter than the men who invented it. It is our hard luck that we have Government chauffeurs so daring they cut a new road as they go along instead of following the trail from which generations of successful drivers feared to detour.

For more than 100 years American statesmen protected freedom of the press. Often Government leaders must have struggled with themselves to resist the temptation to use Government power to intimidate newspapers that reviled them. Apparently they resisted the temptation. Our Congress today resists it. Certain newspapers recently in a so-called purge have defamed some of our most valuable Members of Congress. But those Members of Congress who were themselves burned at the stake endure the ordeal without so much as whispering that such newspapers should be suppressed or threatened by Government.

It seems, however, that some administrators want to find out what will happen to America if they try running it with a frightened press. Not long ago your Government filed a criminal charge against writers of one of our popular midwestern newspapers, the Chicago Tribune. A grand jury dismissed the charge. Now a few weeks later one hears that Government has filed suit on some technical charge against an association of many American newspapers, called the Associated Press.

A wise government, like a wise mother, whips seldom. The merits of the case are not yet decided. Whatever the decision, real damage to the freedom of the press has already been done by government.

This new experiment is full of significance for every thinking citizen. Today of all days, to be sure, every American citizen is, or should be, a thinking citizen, alert to preserve whatever principles of government have, in the past, made this Nation a great nation.

There is, I suppose, no one newspaper with which you can thoroughly agree, so long as each one remains independent. One newspaper may approach news from the point of view of the industrial worker. Another may sound like the voice of a financier. Another wants to take an impersonal view of the news, but being written by human beings, is probably also a little prejudiced. A few may have no other object than to spread false propaganda.

Does it hurt you to have all this variety of opinion and news circulating through your country? You read certain newspapers, your neighbors prefer others.

You argue among yourselves. You stimulate one another to accept, reject, discriminate, and think for yourselves. Your mind and the garden of minds that make up America flourish in this fertile soil which is enriched rather than ruined by a certain amount of trash.

You know that illogical opinions soon become smothered by better; that newspapers which go too far soon lose their readers and fall of their own weight. Maybe today you approve the way Government is doing things and would like to see anybody who criticizes the administration driven out of business. Tomorrow you may wish to goodness some newspaper dared to print Government mistakes you have noticed which waste lives and resources.

You want to keep this a country which encourages everybody to think and express his ideas. You would rather read a few lies, even about yourself and all you hold dear, than risk frightening all newspapers into sounding one point of view like the printed megaphones in Hitler's Reich. You think maybe you had better not let this country become one like broken France or Belgium where nobody prints what the Government does not want except a few brave editors printing in secret basements living every minute in terror of being discovered and punished by Government.

You do not want newspapers to be corrupted by money or intimidated by gangsters. You know that government today, with billions in its pockets, with war powers and courts where decisions are made by judges appointed by government, has an almost irresistible power to corrupt, to intimidate. It can even intimidate without intending to intimidate. What citizen, what editor thinks his views so important that he wants to risk a prison sentence in order to express them?

Repress free speech, repress the press, and how much good will the right to vote do you? About as much good, you may decide, as the vote in Hitler's Reich.

You believe that America can be converted into complete dictatorship for the duration of the war and, because of American character and resources, still beat Hitler. So do I. But why try to do it gagged and blindfolded like the poor dupes in Hitler's Reich? Why not try to win the war the same way Americans, for more than 100 years, won wars and licked depressions? With every American inventing ideas and not afraid to express them. With America hitting on all 130,000,000 mental cylinders. You already know that road leads to victory.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SHEPPARD, for 15 days, on account of official business.

To Mr. HAINES, for Friday, October 16, on account of important business.

ENROLLED BILL SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5143. An act to amend the Home Owners' Loan Act of 1933, as amended.

ADJOURNMENT

Mr. WICKERSHAM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 45 minutes p. m.) the House adjourned until tomorrow, Friday, October 16, 1942, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1969. A letter from the Acting Secretary of the Interior, transmitting one copy of the legislation passed by the Municipal Council of St. Thomas and St. John of Virgin Islands; to the Committee on Insular Affairs.

1970. A letter from the Secretary of War, transmitting a draft of a proposed bill to authorize the President to confer decorations and medals upon units of, or persons serving with, the military forces of cobelligerent nations; to the Committee on Military Affairs.

1971. A letter from the Secretary of War, transmitting a draft of a proposed bill to accord free entry to bona fide gifts from members of armed forces of the United States on duty abroad; to the Committee on Ways and Means.

1972. A letter from the Acting Secretary of the Interior, transmitting a complete set of all of laws passed by the Municipal Councils and the Legislative Assembly of the Virgin Islands during the fiscal year 1942; to the Committee on Insular Affairs.

1973. A letter from the Acting Secretary of the Interior, transmitting a list of laws enacted by the municipal councils in the Virgin Islands; to the Committee on Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 7491. A bill to provide for the granting of rights-of-way for pipe lines for petroleum and petroleum products and for telephone and/or telegraph lines along and across parkway lands in the District of Columbia; without amendment (Rept. No. 2569). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITTINGTON: Committee on Expenditures in the Executive Departments. H. R. 7573. A bill to authorize the Secretary of War, the Secretary of the Navy, the Commissioners of the District of Columbia, and the Director of Procurement to acquire motor-propelled passenger-carrying vehicles necessary for the successful prosecution of the present war; without amendment (Rept. No. 2570). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 553. Resolution for the consideration of S. 1481, a bill to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal; without amendment (Rept. No. 2571). Referred to the House Calendar.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. R. 7424. A bill to amend and clarify certain provisions of law relating to functions of the War Shipping Administration, and for other purposes; with amendment (Rept. No. 2572). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 7528. A bill to amend the Selective Training and Service Act of 1940 by providing for the extension of liability; with amendments (Rept. No. 2574). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HENDRICKS:

H. R. 7711. A bill providing for taxation for bonded indebtedness by the States and their political subdivisions of real property acquired by or on behalf of the United States; to the Committee on Ways and Means.

By Mr. HULL:

H. R. 7712. A bill to provide relief for victims of the flood of September 17, 1942, in and near the village of Spring Valley, Wis.; to the Committee on Banking and Currency.

By Mr. VOORHIS of California:

H. R. 7713. A bill to promote the prosecution of the war by preventing monopolistic practices with regard to patents; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KEOGH:

H. R. 7714. A bill for the relief of Brooklyn Iron Works, Inc.; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 7715. A bill for the relief of the Young Men's Christian Association of Columbia, S. C., the Young Women's Christian Association of Columbia, S. C., the Richland County Post, No. 6, of the American Legion, of Columbia, S. C., and C. J. Nairn; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3366. By Mr. HAINES: Petition signed by members of Veterans of Foreign Wars Post, No. 1599, of Chambersburg, Pa., protesting against the enactment of Senate bill 860 or any other prohibition legislation; to the Committee on Military Affairs.

3367. By Mr. LUTHER A. JOHNSON: Petition of Mr. and Mrs. J. E. Mattison and 58 other citizens of Jewett, Tex., favoring legislation to prohibit the sale of liquor at the soldier training camps; to the Committee on Military Affairs.

3368. By Mr. MERRITT: Resolution of the Hillcrest Park Property Owners Association, Inc., Queens County, N. Y., voicing its disapproval of the threatened danger to the health of their community and the consequent sufferings due to the fuel-oil situation as it relates to the individual home owner; to the Committee on Interstate and Foreign Commerce.

3369. Also, resolution of the first zone, First Assembly District Regular Democratic Club of Long Island City, N. Y., protesting against the proposed closing of the National Sugar Refining Co. plant in Long Island City, N. Y., which would result in a lay-off of some 1,500 people and only add to the great number of unemployed in the city of New York; to the Committee on Ways and Means.

3370. By Mr. ROLPH: Resolution of the California State Federation of Labor, at its forty-third annual convention, supporting Senate bill 2329, compensation for captured Wake Island construction workers; to the Committee on the Judiciary.

3371. By Mr. SHORT: Petition of Mrs. J. T. Steele and 475 other citizens of Webb City

and Jasper County, Mo., petitioning for legislation to stop liquor and vice exploitation of our men in defense service and such other legislation as will protect homes from being invaded with liquor advertisements over the radio; to the Committee on Interstate and Foreign Commerce.

3372. Also, petition of Joseph V. Pitts and sundry citizens of Ava and Douglas County, Mo., petitioning that a ban be put on intoxicating liquors for the duration of the war; to the Committee on Military Affairs.

HOUSE OF REPRESENTATIVES

FRIDAY, OCTOBER 16, 1942

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord, how priceless is the gift of life and how close we are to the source of strength. Nothing from Thee is too difficult for us to attempt and nothing too grievous for us to bear. Strong must be the soul that does not faint under the strain of these days, do Thou invigorate our hearts and weapon our minds. Almighty God, this is Thy world, full of riches and full of Thy glory; keep us in grateful remembrance that life is broadened and deepened, dignified, and worth living by the things we lay hold of by faith. Thou dost call us to a life of devotion and patriarchal prayer and a reverent walk with our Heavenly Father on earth.

It matters little how rudely the winds of cruel fate may jar and shake, if the very fiber of our being is of real virtue and goodness; they heal, redeem, and satisfy, for Christ is the true vine and the immortal soul is the unwithering branch. This world, groaning under the weight of crimes and follies is in the hands of a good God, yet the vastness of evil, the exceeding frailty at the moment of our keenest trials, these disturb and defeat. O do Thou increase our faith in Saint Mary's Holy Child and inspire us with the eternal motives which swayed the teaching of our Blessed Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2794. An act to provide for adjusting royalties for the use of inventions for the benefit of the United States, in aid of the prosecution of the war, and for other purposes.

PERMISSION TO ADDRESS THE HOUSE

Mr. ROBERTSON of Virginia. Mr. Speaker, at the conclusion of the business on the Speaker's desk and after any special orders previously arranged, I ask unanimous consent to address the House for 10 minutes today.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. ROBERTSON]?

There was no objection.

PERMISSION TO FILE REPORT ON H. R. 7528

Mr. SABATH. Mr. Speaker, I ask unanimous consent that the Rules Committee may have the privilege of filing a report and rule on H. R. 7528 by midnight tonight.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. SABATH]?

Mr. RICH. Mr. Speaker, reserving the right to object, what bill is that?

Mr. SABATH. That is H. R. 7528.

Mr. RICH. We cannot keep these numbers in mind. What does it provide?

Mr. SABATH. That is the Wadsworth bill. It is an amendment to the draft law.

Mr. RICH. Drafting boys 18 and 19 years old?

Mr. SABATH. Yes; that is a part of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. SABATH]?

There was no objection.

EXTENSION OF REMARKS

Mr. CARLSON. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. LAMBERTSON] may be permitted to extend his own remarks in the Appendix of the RECORD and to include a statement by Westbrook Pegler.

The SPEAKER. Is there objection to the request of the gentleman from Kansas [Mr. CARLSON]?

There was no objection.

Mr. CRAVENS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. CRAVENS]?

There was no objection.

WOMEN'S ARMY AUXILIARY CORPS GRADE AND PAY

Mr. MAY. Mr. Speaker, I call up the conference report on the bill (H. R. 2751) to amend the act entitled "An act to establish a Women's Army Auxiliary Corps for service with the Army of the United States," approved May 14, 1942, to create the grade of field director in such corps, to provide for enrolled grades in such corps comparable to the enlisted grades in the Regular Army, to provide pay and allowances for all members of such corps at the same rates as those payable to members of the Regular Army in corresponding grades, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the full report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2751) to amend the act entitled "An act to establish a Women's Army Auxiliary Corps for service with the Army of the United States," approved May 14, 1942, to create the grade of field director in such corps, to provide for enrolled grades in such corps comparable to the enlisted grades in the Regular Army, to provide pay and allowances for all members of such corps at the same rates as those payable to members of the Regular Army in corresponding grades, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

A. J. MAY,
R. E. THOMASON,
W. G. ANDREWS,
Managers on the part of the House.

ROBT. R. REYNOLDS,
ELBERT D. THOMAS,
ED C. JOHNSON,
WARREN R. AUSTIN,
CHAN GURNEY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2751) to amend the act entitled "An act to establish a Women's Army Auxiliary Corps for service with the Army of the United States," approved May 14, 1942, to create the grade of field director in such corps, to provide for enrolled grades in such corps comparable to the enlisted grades in the Regular Army, to provide pay and allowances for all members of such corps at the same rates as those payable to members of the Regular Army in corresponding grades, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate bill provided that the pay and allowance rates applicable to the grades of director and assistant director in the Women's Army Auxiliary Corps should be increased to rates comparable to those of colonels and lieutenant colonels, respectively, in the Regular Army. It authorized the creation of the new grade of field director and provided that persons appointed to such grade should receive pay and allowances comparable to those received by majors in the Regular Army, and increased the pay and allowance rates for first, second, and third officers to rates comparable to those applicable to captains, first lieutenants, and second lieutenants, respectively, in the Regular Army.

The House amendment reduces to their present levels the pay and allowance rates for the grades of director and assistant director, and reduces the rate for the new grade of field director to correspond with that of a first lieutenant in the Regular Army. It retains the provisions of the Senate bill, however, with respect to rates of pay for first, second, and third officers.

The effect of the House amendment would be that persons in the grades of assistant director or field director would receive pay and allowances at the same or lower rates than many of their subordinates. The conference agreement restores the pay and allowance provisions with respect to the director, assistant directors, and field directors, which were contained in the Senate bill.

A. J. MAY,
R. E. THOMASON,
L. C. ARENDS,
FOREST A. HARNESS,
Managers on the part of the House.

Mr. MAY. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. IZAC. Mr. Speaker, I ask unanimous consent to address the House today for 10 minutes after all legislative business has been concluded and after other special orders heretofore entered have been disposed of.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. IZAC]?

There was no objection.

EXTENSION OF REMARKS

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a statement on Navy Day by Mr. Roy Miller.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. LUTHER A. JOHNSON]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my own remarks in the RECORD, and to include therein an article by Mr. Frank Gervasi.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

[Mr. RANKIN of Mississippi addressed the House. His remarks appear in the Appendix.]

AUTHORIZATION TO ACQUIRE MOTOR-PROPELLED PASSENGER-CARRYING VEHICLES

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7573) to authorize the Secretary of War, the Secretary of the Navy, the Commissioners of the District of Columbia, and the Director of Procurement to acquire motor-propelled passenger-carrying vehicles necessary for the successful prosecution of the present war.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. RICH. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. WHITTINGTON. This is a bill introduced by the gentleman from Texas [Mr. PATMAN]. It provides that the limitation of 100 motor-propelled passenger-carrying vehicles specified in the Navy Department and the Naval Service Appropriation Act of 1943 may be exceeded by such number as the Secretary of the Navy determines is necessary in the prosecution of the war.

Secondly, it provides that the limitation of $925 specified in the Sixth Supplemental National Defense Appropriation Act 1942 and a similar limitation specified in any other appropriation act or the fiscal year 1943, may be exceeded by such amount as the Secretary of War, the Secretary of the Navy, the Commissioners of the District of Columbia, and the Director of the Bureau of the Budget may deem to be necessary in order to enable the Army, the Navy, and the other Government agencies to acquire passenger vehicles.

I may say Mr. Speaker, that in these bills there is fixed a ceiling of $925. This ceiling was intended to apply in ordinary peacetime when the Army, the Navy, and the other Governmental agencies acquired their motor vehicles directly from the manufacturers.

At present, as is well known, the motor vehicles are in the hands of the dealers throughout the country. The dealers have been required to pay transportation costs, interest, and carrying and storage charges. The Office of Price Administration has fixed a ceiling on the prices of all these cars, with the result that, while the four-door small passenger cars have been frozen in the hands of the dealers, the Army and the Navy are unable to acquire them at the price fixed in the appropriation bills. It is necessary for this price limit to be removed only insofar as it applies to the fiscal year 1943, as disclosed by the hearings before the Committee on Expenditures, which unanimously reported this bill.

I have conferred with the gentleman from Massachusetts [Mr. GIFFORD], the ranking minority member on the committee, and with the gentleman from Michigan [Mr. MICHENER], the acting minority leader, and I understand there is no opposition to the bill.

Mr. RICH. Most of the cars that have been manufactured are in the hands of the dealers. Are there any cars at all in the hands of the manufacturers?

Mr. WHITTINGTON. The hearings before our committee disclosed that with one or two exceptions there are no cars in the hands of the manufacturers.

Mr. RICH. With regard to those exceptions, how many cars are there in the hands of the manufacturers?

Mr. WHITTINGTON. We understood that there are only a comparatively few. There was no definite information. The stocks change.

Mr. RICH. What does the gentleman mean by "a few"?

Mr. WHITTINGTON. I would not undertake to say. That was the language used by the witnesses who appeared before the committee. However, I understand that, even though the limitation be removed, as recommended by the President of the United States, as recommended by the Director of the Bureau of the Budget, as recommended by the Secretary of War, and as recommended by the Secretary of the Navy and the other agencies of the Government, they would still have the right, if they found cars in the hands of the manufacturers, to purchase them at the prices fixed in the appropriation bills.

Mr. RICH. Suppose the price limit of $925 is abolished and no ceiling is placed on the price. Of course, the Price Administration has put a limit on the prices of these cars.

Mr. WHITTINGTON. And that would control.

Mr. RICH. The Federal Government is the largest purchaser of automobiles. Now, you want these agencies to go to the dealers. I appreciate the plight of the dealers, but the United States Government must go to the dealers and pay the price that Henderson has set as the ceiling on these cars. We placed the $925 ceiling in the appropriation bills for the reason that we did not want the Government officials to be buying the highest-priced cars we had in the land. If you take off that ceiling, what will happen? They will pick up every car they can find, regardless of the price. Instead of getting a car that is valued at $1,000 or $1,100, they will be picking up the $1,800 and $1,900 cars, and we will have more joy rides in the department than we have ever had.

You look around over Washington today and see the number of Government cars that are being used now. I never saw as many station wagons in all my life as I saw at one of the departments yesterday. With all these station wagons and all these high-priced Government cars running around, does not the gentleman believe Uncle Sam now has just about all the load he can carry? He should not pay the retail price for all the automobiles that are manufactured.

I think we ought to know more about this bill. The gentleman ought to tell us how many cars are now in the hands of the manufacturers. Then let these agencies buy the manufacturers' cars, which they can get at the wholesale price. If it is only a dollar, let us save it for Uncle Sam. It is about time we do that.

Mr. WHITTINGTON. I am sure the gentleman wants to be accurate. This bill does not require the Army and the Navy to pay the retail price. It does remove the ceiling to enable them to pay more than the manufacturers' price as fixed in these appropriation bills.

I may say to the gentleman that the committee did its best to ascertain the number of cars still in the hands of the manufacturers. I repeat that the information furnished to the committee was that there were no cars in the hands of any manufacturers, with the possible exception of one or two manufacturers, and in those cases only a comparatively few cars were involved; and that was a type of car that would probably not be required by the Army and the Navy, whose total appropriations for cars are limited.

Mr. RICH. Then why do not we put on some limit? Nine hundred and twenty-five dollars was about the top retail price for a Ford or a Chevrolet and if you are going to let the Government buy these cars, let us put a ceiling on them so that they cannot go out and buy all the high-priced cars available. I want to see that the retailer is taken care of, but why not let us put on a ceiling of $1,100, but not allow them to go out and pick up everything they can.

Mr. WHITTINGTON. I think if the Office of Price Administration is entrusted with putting a price on the food we eat and the clothing we wear, with the ceilings placed by the Price Administration and with the authority given to the Army and the Navy to exceed the

price of $925, which only applies to these smaller cars——

Mr. RICH. Under your bill——

Mr. WHITTINGTON. Just a moment; let me complete my statement. This ceiling of $925, which we propose to remove, only applies to the low-priced class of cars. I believe, in view of the fact that there is a ceiling placed by the Office of Price Administration and we only give the Army and the Navy, with the Bureau of the Budget, the discretion to exceed that price, there are sufficient safeguards and that is the best way the committee has been able to devise to protect the price.

Mr. RICH. You have it in your bill that the Secretary of War is to fix the grade of car and he can buy every car in the land regardless of the value or price of that car.

Mr. WHITTINGTON. The gentleman is mistaken about that. He will have to buy them subject to the price fixed by the Office of Price Administration and he will have the privilege of buying them for a lesser amount if he is able to do so. I think under all the circumstances it would depend very largely upon how long these cars have been in possession and on the floors of the dealers as to what they would be willing to sell them for to the War Department. Transportation would have to be considered.

Mr. RICH. You have nothing in the bill that would require them to buy the lower-priced cars. They could go out and buy any car they want.

Mr. WHITTINGTON. I think, with all deference to the gentleman, the removal of the price limit of $925 is the only removal here and that is applicable only to the lower-priced cars.

Mr. RICH. If you fix a price of $1,100 or $1,200 I shall not object, but if you do not do that, I shall object to the bill.

Mr. WHITTINGTON. I yield to the gentleman from Indiana.

Mr. HALLECK. I appreciate the fact, as we all do, that the gentleman from Pennsylvania [Mr. RICH] has been one of the foremost Members of the House in his solicitude for the solvency of the Federal Government and with him on that I stand. With him many times I have stood, but it occurs to me that if the gentleman fully appreciates the situation here he will not object to this bill.

In the first place, the automobiles of the Nation by and large are in the hands of the dealers. Certain of the cars that were made after the first of the year and after the freezing order went into effect, were pooled under arrangements then made and were to be treated in a slightly different manner from the cars theretofore made. By and large those automobiles are in the hands of the dealers and are clearing through the dealers.

The automobile dealers have taken a terrific licking. As to that they are not complaining because it has just been a result of the war, but that they have taken a terrific licking no one can deny, and certainly no one wants that licking to be any worse than necessary.

I am not any happier than the gentleman from Pennsylvania to see some of the folks downtown riding around in great big cars. I would like to see them, perhaps, ride in some smaller type of car. But has it occurred to the gentleman that there is just a certain stock pile of cars available and certain services need automobiles and certain men need them to get back and forth to distant plants; and if you put on the limitation in this bill that you are talking about, then you have said to the dealer who has these higher-priced cars, "Mr. Dealer, you shall continue to be stuck," because the only real customer for automobiles presently is found either in the Government or some of its agencies. Those connected with some war activity or war workers in the first class are the ones who can buy an automobile under the present rationing plan. A war worker in a factory cannot afford to buy a big Cadillac car.

The point is that under the limitation fixed presently in the law, the dealers cannot afford to sell their automobiles to the departments of the Government or the Government people who need these cars. To my mind, it is not only a matter of helping the dealer but a question of carrying on the essential functions of the war.

This bill has been recommended by the Budget and approved by the President. I think it is a matter of necessity. In other words, in trying to reach some fellow downtown who is riding around in a big car, and about which I say I am not very happy either, I would not want to put a terrific penalty on the dealer who has that particular car.

I think that there are limitations in the law, even if this amendment is adopted, that will adequately reach that. The Appropriations Committee has a continuing responsibility in respect to the amount of money to be spent by the Government for cars.

But I do think that it is highly inequitable to say to the dealer who has these automobiles on his floor that at this time when he has been put out of business, when all he has is what is left in those automobiles, when he has carried them for months with his investment interest, that any governmental department should be allowed to buy one of those cars from him at a cut rate and less than the fair value thereof in his hands. I do not think it is fair, and I think it is an expense that the Government ought to meet.

Mr. RICH. Mr. Speaker, I am very much interested in the gentleman from Indiana [Mr. HALLECK], and I have a high regard for him, but this is the point that I make: When we put that limitation in the appropriation bill of $925 on a car, it was done for this purpose, so that the Government agencies and the departments would buy a car that could be operated reasonably, and that would not be too expensive a car for the taxpayers of this country to pay for. That was the purpose of putting that limitation in the appropriation bill.

I do not want the automobile dealers of this country to have to sacrifice, because they have sacrificed enough, but I do feel and I think I am justified in that feeling, that we should have the Army and the Navy and the Government departments buy cars in a similar category, as was intended they should purchase. In other words, they did buy minimum priced cars at $925 previous to this war. Why not go out now and buy those same cars but pay the same price, if necessary, they have to pay to the dealer, and I think that is going to put a pretty stiff burden on the taxpayers of this country. I do not feel as if the Army and the Navy should go out now and buy $1,800 or $1,900 cars from the dealers. Let the dealers sell those cars to the doctors and the war workers and the men who want to buy that price car, but you will find out that you are going to open up the door, as I see it. You are opening up the door for Uncle Sam to squander a lot more money, and goodness knows that he had squandered enough money now. I think that we ought to put a limit upon this.

Mr. HALLECK. I trust the gentleman will not object to this bill, because it is a meritorious one. There is just a limited stock pile of automobiles available, and I do not believe the war workers are going to buy a Cadillac and if anybody is going to buy that particular kind of a car, it better be some people more able to do it.

Mr. RICH. If Uncle Sam is expected to do it, I would like the gentleman or anybody else in this House to tell me how he will do it. I want to say to you that you are going in the red since the 1st of July to the extent of one of the greatest sums that this country has ever known, $14,541,000,000. That is just since the 1st of July. We have never squandered money in all our lives like that, and it is time that we ought to stop this, and you ought to put a limit of at least $1,200 on those automobiles, or I shall object to the bill.

Mr. WHITTINGTON. Mr. Speaker, the recommendation of the Director of the Budget shows the purpose of this bill, and I read the language of the recommendation of the Director of the Budget, which is to remove the ceiling on low-price cars, the 4-door Ford cars, and other small cars which have been frozen by the W. P. B. for the war agencies aggregating some 27,000 to 35,000. The whole purpose of this bill is disclosed by the bill itself, as disclosed by the recommendation of the President and the Director of the Budget is to apply only to the low price or small cars. It is to remove the ceiling only on those low-price cars that is fixed in the appropriation acts at $925, and that is for the protection of these individual dealers who cannot sell the car, although that car has been frozen, and he has been paying interest upon its cost.

Mr. RICH. What is the ceiling price of the car sold for $925? What is the price of that car in the hands of the dealer today?

Mr. WHITTINGTON. I will answer that by saying that my understanding of that is that under the Patman-Murray bill we passed here you would have to take into consideration the interest charges and the storage charges, and they might be different in Mississippi from what they would be in the State of Pennsylvania, because those charges

might be very different. There is also the question of transportation.

Mr. RICH. What is the limit on that character of car in Mississippi or Texas or in any State?

Mr. WHITTINGTON. The limit on that character of car is fixed by this act——

Mr. RICH. Oh, name the price. There certainly is a ceiling price on that car today. What is it?

Mr. WHITTINGTON. It is fixed by the Office of Price Administration and I do not recall the exact price at the moment. It is applicable to all citizens and all the people of the United States.

Mr. RICH. Does anybody here in the House know what that price is?

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. RICH. Yes.

Mr. PATMAN. It depends upon the transportation charges from Detroit. That is the principal item.

Mr. RICH. Name the highest price you would have to pay for it any place in the United States.

Mr. PATMAN. I would say $100.

Mr. RICH. Then you have a $925 ceiling now. Make it $1,025; make it $1,100. Put that ceiling on and I will agree to it.

Mr. PATMAN. Will the gentleman yield to me?

Mr. RICH. I yield.

Mr. PATMAN. I commend the gentleman from Pennsylvania in trying to keep down expenses, wages, and traveling expenses and things not needed in this war. I commend him for it. I do not want to place anything in his way, but I do appeal to him now to listen to the reasoning behind this legislation. Your own automobile dealer in your own home town was casualty No. 1 in this war. He did not say a word. Forty-four thousand Americans did not complain. They took it. They had long-term leases. They are paying rent every month. They are hit harder than any other group in America. That automobile dealer in your home town, I will say to the gentleman from Pennsylvania, has a number of new cars on hand. Those cars are frozen. He cannot sell them to anyone. You might come in to buy a car and you would be willing to pay the price fixed by the Price Administrator. You would be glad to pay it, and more.

There are thousands of would-be purchasers for every car, but they cannot buy them. Then a Government agent comes in and he can buy it. Do you think that dealer of yours, who is gradually going out of business, who is gradually being destroyed, should be compelled to sell that car to the Government for less money that you would be willing to pay for it?

Mr. RICH. No.

Mr. PATMAN. That is exactly the situation.

Mr. RICH. I do not want that dealer to have to sell that car for less, but you just told me that he would have to get $100 more.

Mr. PATMAN. No. The gentleman misunderstood me.

Mr. RICH. You said it would cost $100 more. I am willing to put a ceiling of $1,100 on the cars which the Government can buy.

Mr. PATMAN. The gentleman only mentioned one type of car. The gentleman mentioned about transportation, I thought, to different places in the United States. I said the transportation probably would be $100 difference.

I say that now. But remember this, those dealers have been keeping those cars for months. They pay high rental for this space every month. They must have mechanics go over them every week and see that those cars are kept in condition. They have to look after the tires. They have to look after everything, and they have been doing that for months and months and months. This is merely to allow them to collect a just and reasonable price for that service that they have been rendering, including the difference in transportation from Detroit.

Mr. RICH. I want to be fair in this matter. I would like you men who are sponsoring this bill to bring the data in here, the number of cars in the hands of manufacturers and the selling price of those cars, so that we can know what we are doing. You bring that in Monday if you have got the data, and we can pass it then. I am going to object to this now.

Mr. PATMAN. Will the gentleman wait a minute? Will the gentleman not listen a minute?

Mr. RICH. You do not have the figures.

Mr. PATMAN. You do not want to do an injustice to these dealers?

Mr. RICH. I do not, but we can put this off until Monday and you can get the information for us.

Mr. PATMAN. I can give you the information now.

Mr. RICH. You do not have any information.

Mr. PATMAN. Oh, yes; we have.

Mr. RICH. Then, how many cars are in the hands of the manufacturers?

Mr. PATMAN. There are no cars in the hands of manufacturers. Probably there are a dozen. They are all in the hands of the retailers, and the retailers are holding them today.

Mr. RICH. How many cars are there in the hands of the retailers?

Mr. PATMAN. Well, I do not know the number.

Mr. RICH. You see, you do not know anything about it.

Mr. PATMAN. What difference does that make?

Mr. RICH. We can limit this to those cars that were formerly sold for $925. We are not going to get the high-priced cars.

Mr. PATMAN. The principle of the thing would not be changed regardless of the number. It is the principle that is involved.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield.

Mr. GIFFORD. As the minority member of this committee having to do with this matter, I said I would have no objection to this bill. I certainly appreciate the help of the gentleman from Pennsylvania [Mr. RICH] in trying to keep down expenses, but I do not want him to take my job away from me this morning and object to this bill. Certainly it does not matter greatly how many automobiles there are on hand. There are too many. This is a bill for the relief of the Government in carrying on the war, and it is also for the relief of the automobile dealers. They can possibly borrow a little more than $925 on the automobiles. Now, where there are so few automobiles now being manufactured, I say to the gentleman it does not worry me too much if they have to buy the higher-priced automobiles.

I sympathize with you, sir, in seeing so many of these town cars taken over by them which they could buy at this price; but it worries me a hundred times more, living near army camps, to see the great abandon and freedom with which they are using tremendously large automobiles just going to lunch. The Army ought to be disciplined in this matter.

Mr. RICH. Yes; and I am trying to do just that. This applies to the Army and to the Navy.

Mr. GIFFORD. Exactly; but this is an entirely different matter; this is for the relief of a situation that ought to be relieved. Now, I cannot afford to buy a $1,925 car. They have let the higher priced cars go to them exclusively. It is often very much cheaper and better. We have had to limit them in the past lest they all ride around in these limousines. Surely that ought not to continue; but we have got to compromise. I have considered this matter for a long time and seriously, and probably I am the one who should be standing here objecting to it, but I do not want to take that right away from the gentleman from Pennsylvania. He has been active about this particular bill; so have I. I attended part of the committee hearings and have also looked into it. I appreciate the gentleman more than he can imagine and I seem to feel that I have been lax, really, in not opposing what I call some of these "peanut savings." I have not had too much backing when I have tried to oppose these tremendous wastes. I recall we have had reports from the departments, and then you, sir, would get up and have it laid upon the table. I am in no mood on a little bill like this to object to it.

Mr. RICH. Does the gentleman intimate that I have ever been for this vast reckless spending?

Mr. GIFFORD. Oh, no; certainly not. I congratulate the gentleman. Certainly the gentleman has done most effective work. We will miss the gentleman from our midst next year; but he has worked consistently and assiduously to try to save money, and knowledge of his efforts has spread all across this broad land.

Mr. RICH. Let me ask the gentleman this question: How many cars are there in any of the categories? How many of these $925 cars is the Army going to take out of the stock pile of the dealers?

Mr. GIFFORD. I cannot tell the gentleman; but that has nothing to do with this proceeding.

Mr. RICH. Have they a million? Have they 500,000? Give us some figures; I would like to get some figures on it.

Mr. GIFFORD. It is not that; that does not appeal to me in the matter.

Mr. RICH. The gentleman does not want the Government to go out now and pay $1,900 and $2,000 for cars when they can get a car for under $1,100, does he?

Mr. GIFFORD. Oh, no; certainly not.

Mr. RICH. Then let us put that limitation in the bill.

Mr. GIFFORD. Limitations have been in other bills, but when there is a limitation they go over the limit.

Mr. RICH. That is why there should be a limitation in the bill; we should see that they stick to it.

Mr. GIFFORD. The difficulty is that we are supposed to be working under the Price Control Administration.

Mr. RICH. Let me ask this: Cannot this be deferred until Monday and we be furnished figures so we may know what we are doing?

Mr. GIFFORD. I sympathize with the gentleman. I have tried to oppose large expenditures, but I do not like to make the objection in this instance when he wants to assume the responsibility. I recognize that the gentleman has the right to do it if he desires to do it; that is his responsibility. But I rose to tell the gentleman that I cannot sit still here all the time as ranking member of the Committee on Expenditures. I have not talked as much lately as I did some 6 years ago. Let me take this opportunity to remind this House that my feeling in the matter has not changed but I have become discouraged; on this peanut business, however, this little business, I do not want to hold it up 1 minute although I cannot see the reason for it. The gentleman is in position to oppose it and I do not want to interfere with the gentleman's prerogative because he will not be here much longer to exercise it.

Mr. RICH. Yes; but I get licked so often, and I am not going to be here very much longer.

Mr. GIFFORD. I have suffered out of the weariness of futility for years since 1933.

Mr. RICH. Small matters add up to large matters. We should have the facts and figures; how many cars? How much money? A few thousand dollars is a small matter to me, but billions do not mean much to the majority side of this Congress.

Mr. GIFFORD. I do not want to prolong this longer than necessary, but we have got to trust the Army in some of these matters.

Mr. PLOESER. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield because the gentleman has some information he wants to give us. Let us see what information he has.

Mr. PLOESER. I may not have all the information, but I am informed by dealers whom I consider to be competent that there is a stock pile left in the neighborhood of about 27,000 four-door, low-priced cars; that the demands of the Army, the Navy, the Marine Corps, and the Coast Guard will probably far exceed this number. With the limitation that is in the law now for the purchase of these low-priced cars the dealer is put in this very peculiar position: First, all of his cars are frozen; and second, he can go to the R. F. C. and borrow more on these new cars that he has in his stock pile than he can get from the Army, or the Navy, or the Coast Guard, or the Marine Corps under the law.

The result is that the dealer is not disposed to sell his merchandise.

Mr. RICH. I do not want to hurt the dealer.

Mr. PLOESER. He would rather wait for a ration order to sell that car to a defense worker who might be able to get along with a used car and probably should. The Army, Navy, Marine Corps, and the Coast Guard seem to feel that the four-door type sedan is the better utility for their use. There are not a great many high-priced cars left in the stock pile of the Nation, but at the same time there are many more of that type in the low-priced cars. They are going to have to have some kind of an automobile, and when we are not manufacturing any at all they are going to probably have to buy some of the higher-priced cars. They are also going to spend more money if they get these low-priced cars.

Mr. RICH. The gentleman says there are 27,000 low-priced cars in the stock pile?

Mr. PLOESER. That is an estimate given to me. I have no certification of that number, but it sounds reasonable.

Mr. RICH. It sounds reasonable?

Mr. PLOESER. Yes.

Mr. RICH. Why do they not buy these 27,000 first? Go out and buy the 27,000, if they need that many cars, utilize them, and let the higher-priced cars remain until they find out that they need them later on?

Mr. PLOESER. As I understand it, they do not want the high-priced cars. The better utility is the low-priced car.

Mr. RICH. Then let us put it in the bill.

Mr. PLOESER. They cannot buy it at a price less than the dealer can borrow money on this car from the Government.

Mr. RICH. I do not want the Government to buy it at a less price.

Mr. PLOESER. The dealer has to get a price for that car.

Mr. RICH. I tried to find out what the ceiling was on that car.

Mr. PLOESER. The price of the car varies according to the equipment ordered with it.

Mr. RICH. Take the standard Ford or the standard Chevrolet or the standard some other car, they certainly have a ceiling price on those cars of the four-door sedan type. Now, what is the ceiling price?

Mr. PLOESER. I think the gentleman can get that price in 5 minutes by calling the O. P. A.

Mr. RICH. Well, let the dealer sell that car for that price and the Government pay the freight to wherever they want to take it so that the dealer will not lose anything, but let us keep them down in the same category that we have kept them down in the bill we passed when we were sitting here before we were in the war and when we tried to save a few dollars. I think it is more important today that we save dollars. I think that was important when we were only going in the red to the extent of $3,000,000,000 a year. Now we are going in the red at the rate of $15,000,000,000 last year and this year we will be $5,000,000,000 in the red. I think it is about time that the Congress of the United States gets a little sense and writes into the bill some of these things that it ought to put in there.

Mr. WHITTINGTON. I may say for the gentleman's information that the committee has gotten all the information it reasonably can as to the number of cars. The gentleman must understand that stock piles change. Six months ago there were only about 400,000 of all kinds of passenger cars in the country for the year 1942. We had before us when the committee conducted hearings a representative of the automobile dealers. The statement was made that none of these low-priced cars were in the hands of the manufacturers, or that there were a few, but a very few. If we put this matter off until Monday we cannot give the gentleman any more information about the number of cars.

Mr. RICH. The gentleman over here stated something about 27,000.

Mr. WHITTINGTON. That is substantially correct. There are 27,000 to 35,000 of the low-priced or smaller cars. We cannot tell the gentleman anything more about the number of cars later than we can give him now because the stock pile changes. Let it be understood that if you put a ceiling of $1,100 in the bill you might require the Government to pay more for cars than it ordinarily would be required to pay because the price in Louisiana might be different from the price in New York. At all events, there is a price fixed on the cars by the Office of Price Administration and above the price of $925 the Secretary of the Navy, or the Director of the Budget, will fix the price and the Price Administration price cannot be exceeded.

I may say to the gentleman that if this bill were to go over until next week we could not give him a better bill in order to remove the ceiling on the low-priced cars because we have the consensus of opinion of the Director of the Budget and of the departments interested and they say this bill is necessary in order to give the Army and the Navy, and the Director of the Budget, the opportunity to buy the cars that they need. May I say one thing finally, and with this I close? In order to protect these dealers where the Committee on Appropriations fixed a price of $925, the thought occurred to the committee, and it might be well for the gentleman to consider it, that having put that price on the cars and having given the Army and the Navy by other legislation the power to requisition these cars, in the expansion of the Army from four to five or six million, you might put the Army and the Navy in the necessitous position of taking from these little dealers who have these cars whatever the Army needs at $925, whereas they have cost the dealers $1,025 or more.

I may also say to the gentleman that the committee has obtained all the information that it could. This bill has nothing to do with anything except low-priced cars and the Government is protected by the Director of the Budget and the Office of Price Administration. The gentleman's committee put a price on them, but that was at a time when the Government bought these cars from the manufacturers. The departments would follow the bill, and only apply the bill to small cars as they recommend, as is intended by the purpose of the bill. I am willing to rely on the Director of the Budget.

As I have stated the Committee on Expenditures conducted hearings and these hearings disclosed that practically all cars that are available for sale during the current year are in the hands of the dealers. These dealers have paid the freight, interest and carrying charges. The bill under consideration does two things: It enables the Navy under the Navy and Naval Service Appropriation Act to exceed 100 cars if the Navy so desires in the prosecution of the war. In the second place, the bill removes the $925 limitation specified in the Sixth Supplemental National Defense Appropriation Act of 1942, and a similar limitation specified in any other appropriation act for the fiscal year 1943 so that the War Department, the Navy Department, and the Director of the Budget in essential governmental needs may obtain the low-priced cars.

The report of the committee containing the President's message and the letter of the Director of the Budget shows that the limitation only applies to the low-priced cars and shows that it is the intent of the Congress by removing the limitation that only low-priced cars shall be purchased. No ceiling is placed on the cars because they are in the hands of dealers and the price of the cars in one place would be less than in another place.

In some sections the freight amounts to $15, in others $140. The ceiling price fixed by the Office of Price Administration on a Ford de lux four-door car in Memphis is $1,102.50 and the ceiling price on a Chevrolet, fleet master, is $1,078.50. The price in San Francisco on both of these cars would be approximately $100 more. A limitation of $1,100 would permit the purchase of no low-priced cars in the San Francisco area. The prices, I repeat, as fixed by the Office of Price Administration will protect the Government.

Automobile dealers are hard hit. There is no occasion for the fixing of a ceiling price. That price has been fixed by the Office of Price Administration. The Committee on Appropriations stipulates the amount of money that can be used by the several departments for automobiles. The prices on the medium automobiles are limited. In the very nature of the case the higher price of the cars is the fewer cars that can be purchased, and what the Army and Navy need are more cars.

I repeat that the hearings disclosed that there are substantially no cars in the hands of the manufacturers. They are in the hands of the dealers.

At the time of the hearings by the Committee on Expenditures there was pending in the Senate an amendment to the supplemental appropriation bill, H. R. 7672, as shown by page 8116 of the RECORD of October 13, 1942. Their amendment covered light-weight cars and medium-weight cars. The Senate amendment provided that in no event would the price exceed $1,500.

The Committee on Expenditures decided to follow the recommendation of the Budget. The bill under consideration was to remove the limit only on low-priced cars. It thought that the Budget could protect the Government by not approving the purchase of the higher-priced cars, and that the War and Navy Departments would only buy the smaller cars.

Members of Congress are generally advised as to the number of passenger cars in the United States. My recollection is that the Office of Price Administration ascertained that on February 11, 1942, there would be 402,077 passenger cars available for sale until March 1, 1943. All of these cars were in the hands of the dealers except about 3,885, which were then in the hands of the manufacturers. My recollection is that the Office of Price Administration showed that according to their records there were on September 30, 1942, only 188,000 cars of all kinds available for the remainder of the period ending March 1, 1943. Of these cars, about 35,000, consisting of Fords, Chevrolets, and Plymouths, were frozen by the War Production Board from August 18, 1942, to October 31, 1942. These cars are in the hands of the dealers; they cost the dealers around $1,100 each, figured at list price. While frozen the Army cannot buy them because the price fixed by the appropriation acts is $925. There is a limitation on the medium cars that can be bought by the Navy and the Marine Corps in the deficiency bill now pending in the Senate. If the amendment with respect to the heavy cars is adopted, no car can be purchased at a cost in excess of $1,500.

My general understanding is that approximately 70 percent of the cars manufactured are in the lower group while 30 percent are in the high-priced or heavy cars. The Office of Price Administration has advised that there will be available about 136,206 passenger cars for 1943 after the 1st of March, of which on February 28, 1942, 12,987 were in the hands of the manufacturers.

I repeat that after considering the matter carefully the committee was of the opinion that the interests of the Government would be protected by the provisions in existing appropriation bills limiting the amount that might be spent for automobiles by the various agencies and that the purpose of the pending bill was only to remove the ceiling insofar as the price of low cars was concerned. There was no occasion for fixing a ceiling inasmuch as the testimony showed that the cars could not be sold by the local dealers for any more than the ceilings placed by the Office of Price Administration, which included the list price of the cars, plus transportation, taxes, interest, and carrying charges as provided by the Patman-Murray bill.

I have understood that thus far for the fiscal year 1943 the Army and the Navy have purchased around 3,000 cars and the other governmental agencies around 2,500 cars. I repeat to emphasize that the agencies are forced to buy the low-priced cars inasmuch as even these cars will cost more than contemplated at the time the appropriation bills were passed and inasmuch as the War and Navy Departments and other governmental agencies are limited and restricted as to the amounts that may be spent for automobiles. The whole purpose is to enable the Army and the Navy and such governmental agencies as the F. B. I. to acquire the passenger cars that are needed in the war effort.

The members of the Committee on Small Business, as well as the President and the Director of the Budget, recommend favorable consideration of the bill. It is obviously impossible for the local dealers to sell as the manufacturers have heretofore sold. The cars are widely distributed. It is not a case of one dealer selling a large number of cars; it is not a question of wholesaling; it is a question of retailing. With deference, the contention of the gentleman from Pennsylvania [Mr. RICH] that the Government should get the wholesale price from the retailer is without merit. It is obvious that the retailers, many of whom have been put out of business, cannot sell at wholesale prices. The Government is protected by the Office of Price Administration. If the dealer can sell his car to an individual, there is no reason why he should be required to take less from the War Department. Again, the public is profoundly interested in as many automobile dealers remaining in business as possible. It was never more important for the services of these dealers in making repairs available to the public. The bill is primarily for the relief of the retail automobile dealers, and it is for the public benefit. It would be unfortunate for all retail dealers to be forced out of business. Repairs would thus be unavailable to the public. No more passenger cars are being manufactured. The stock pile is getting smaller every day; it will only be one-third in 1943 of what it was for 1942.

I trust that the gentleman from Pennsylvania [Mr. RICH] will withdraw his objection, as the Government is in every way protected by the ceilings fixed by the Office of Price Administration on all cars.

In the very nature of the case, when the cars were in the hands of the manufacturers, the Government could buy at the fixed price. But now, when the cars are scattered throughout the Nation, it would be utterly unfair to have a fixed price, whether that price be $1,000, $1,100, or $1,200, because the Office of Price Administration has fixed the prices in every section of the country.

To that statement, unless the gentleman has some further questions, I have nothing to add.

Mr. RICH. I do not wish to do any harm to the automobile dealers of the United States because I know the cars were frozen in their possession.

Mr. WHITTINGTON. They are in the possession of the smaller dealers.

Mr. RICH. But I do say that there is no reason, if we put a ceiling of $1,100 or $1,200 on these cars, why the Army or the Navy should pay $1,200 for every car they buy. That is just as ridiculous as anything could be because I do not think the Army would necessarily have to do that. The gentleman says he has given me the figures. The only figure I have had is that there are 27,000 cars in the hands of the dealers.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. RICH. I object, Mr. Speaker.

CONNECTICUT RIVER FLOOD CONTROL

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2623) authorizing the construction of certain public works in the basin of the Connecticut River for flood control.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. MICHENER. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. WHITTINGTON. Mr. Speaker, this bill amends the Flood Control Acts of 1938 and 1941 in one particular. Under the act of 1941 the Congress authorized to be appropriated for flood control along the Connecticut River about $17,524,000. The projects provide for reservoirs along the tributaries and for levees and flood walls in the populated areas like the city of Hartford. It provides in the city of Hartford for the construction of levees and flood walls and for pumping plants and conduits. The local interests have expended approximately $3,500,000 and the Federal Government has expended about $6,000,000 in the construction of the works.

At the time the committee reported the Flood Control Act of 1941, it had developed that one particular part of the Hartford project might not be sufficient. At that time it was recommended by the district engineer that the Gulley Brook conduit be included, but there was no report from the Chief of Engineers.

In pursuance of the policy of the committee that we ask the Congress to pass only projects recommended by the Chief of Engineers, the committee decided not to include the improvement of Gulley Brook in the 1941 act. Since that time the Chief of Engineers, the Secretary of War, and the Director of the Budget have approved the bill under consideration, to authorize the construction of the Gulley Brook conduit as recommended by the Chief of Engineers in the report submitted by the Chief of Engineers December 23, 1941.

In a word, this bill is to perfect existing legislation. It will require the expenditure of approximately $420,000 by the Federal Government and about $89,000 by the local interests, $60,000 of which they have already expended.

The hearings before the committee showed that this authorization is imperatively necessary to protect and conserve the works already constructed and for the protection of the business area of the city of Hartford, and to make effective works that the local interests and the Federal Government have already constructed at a cost of substantially $9,000,000 or $10,000,000.

I have conferred with the gentleman from California [Mr. ENGLEBRIGHT], the ranking member of the Flood Control Committee, and with the gentleman from Michigan [Mr. MICHENER], the acting minority leader, and with the gentleman from Massachusetts [Mr. MCCORMACK], the majority leader, and understand there is no objection to the passage of the bill.

The Committee on Flood Control conducted hearings, and it found that the benefits not only would exceed the cost of construction but that really the works as authorized by the pending bill are imperatively needed to protect the business area of Hartford with a population of 170,000 people. It is common knowledge that Hartford is busily engaged in the production of critical items of the war effort. As I have stated, it was not feasible to include an item for Gulley Brook in the omnibus flood-control bill, approved August 18, 1941, since there was no report by the Chief of Engineers on this particular feature of the Hartford project available at that time It is the universal policy of the Committee on Flood Control to report no project unless it is favorably recommended by the Chief of Engineers. As stated, the Chief of Engineers submitted a favorable report on December 23, 1941, and this report was transmitted by the Secretary of War to the Congress on June 18, 1942, and is published as House Document 804, Seventy-seventh Congress, second session. The authorized project for the city of Hartford has been substantially completed. The project, however, to protect and improve the business area will not be complete until the Gulley Brook conduit is constructed, as provided in the pending authorization. The proposed project is the most economical solution of the problem involved, which is to prevent the backwater floods and dispose of the natural drainage without pumping.

The bill is not only recommended by the Bureau of the Budget, by the Chief of Engineers, and by the Secretary of War but is unanimously reported by the Committee on Flood Control for the completion of a project already authorized and substantially completed which may be classed as an emergency project.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the project for flood control in the Connecticut River Basin adopted by the act of June 28, 1938 (Public, No. 761, 75th Cong.), and the act of August 18, 1941 (Public Law No. 228, 77th Cong.), is hereby modified to include and authorize the construction of the Gulley Brook Conduit at Hartford, Conn., for flood control in accordance with the recommendations of the Chief of Engineers in House Document No. 804, Seventy-seventh Congress, second session, at an estimated cost of $420,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MICHENER. Reserving the right to object, Mr. Speaker, will the gentleman give us some idea about the program for next week?

Mr. McCORMACK. I shall be very glad to.

A rule has been reported from the Committee on Rules relating to certain former employees of the Panama Canal Zone. It is a bill the equities of which have impressed me personally very favorably. I believe most Members are acquainted with the bill. I am going to call that up Monday, with the understanding, if it is agreeable to my distinguished colleague from Michigan, that if a controversy should develop and a roll call occur we will postpone the roll call until Tuesday. The Unanimous Consent Calendar, which is a short one, will be called.

The latest information I have received from sources in whose opinion I have confidence as to when the conference report on the tax bill may be ready is Tuesday. I do not make that as a definite statement because the conferees have a very difficult task, but according to reliable information I have received they are proceeding very rapidly. One of the members of the conferees on the part of the House told me just a few minutes ago on the floor that they were hopeful that an agreement would be reached and that the report would be ready for action next Tuesday. The probabilities are that the report will be ready Tuesday, but in any event, it is my opinion that the report will come up not later than Wednesday.

Mr. MICHENER. Has the distinguished majority leader information as to whether or not other controversial legislation will be before the House during the remainder of next week?

Mr. McCORMACK. I have no information, and so far as the leadership on this side is concerned—and I hope the leadership on the gentleman's side concurs—it is the intention that there shall not be any controversial legislation after the conference report on the tax bill is disposed of. We have got to be honest and frank, and, in my opinion, neither the country nor anyone else can properly or justifiably criticize any Member on either side, when we have completed the main business before us, within a few weeks of election for going home and presenting his views to the people of his district. So I have no hesitancy in expressing myself openly on that matter. I think in close districts especially Members on both sides of the aisle will recog-

nize that to be the fact. This is an election year, and the Members on both sides of the aisle ought to be given an opportunity to present their views to their people and do whatever may be necessary in connection with their political campaigns.

Mr. MICHENER. As I understand the majority leader, subject to the limitations of emergency legislation incident to the war effort, there will be nothing controversial after the tax bill before election?

Mr. McCORMACK. Of course, I have no control over others, but I will make this definite statement: It is the intention of the House leadership on this side—and when I say House leadership, that means House leadership on both sides, but I am confining it to this side, and I hope the leadership on the other side will concur, and I think it will—that after the disposition of the tax bill no controversial legislation will be brought up between that time and election day. Of course, that means a reasonable period of time thereafter.

Of course, there is a deficiency appropriation bill pending in the Senate. When the Senate will act on that, I am unable to state, but that will have to be passed, and I assume that is a matter that can be disposed of without any controversy.

Mr. MICHENER. I think a majority of the House, regardless of which side of the aisle they sit on, agree with the sentiments of the distinguished majority leader. Of course, we all realize that in case of emergency or war legislation, that should be taken care of; but routine matters can wait for a few days.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Yes; I yield.

Mr. WHITTINGTON. Assuming the other body should adopt an amendment to the Selective Service Act with reference to the 18- and 19-year-old inductees, and there should be a conference report, when would that conference report come along, or what would the gentleman care to say to the House with reference to the time for the disposition of the conference report in case there should be one?

Mr. McCORMACK. That is a question that I am unable to answer at the present time. I do not know when the other body is going to act, and, naturally, nobody knows what the other body will do. No one knows what we will do tomorrow. But it is assumed that the other body will proceed rationally, and it is my hope that the other body will concur in the action that I hope this body will take tomorrow.

Mr. WHITTINGTON. In the event that provision should be made, by rule or otherwise, for consideration of the bill to which the gentleman from Pennsylvania [Mr. RICH] objected a few moments ago, there would be no objection to that bill being taken up next week, so far as the gentleman is concerned?

Mr. McCORMACK. If the gentleman from Pennsylvania [Mr. RICH] is going to fight it, then I would rather have a rule today.

Mr. WHITTINGTON. I say, "by provision of a rule or otherwise."

Mr. McCORMACK. Otherwise, of course, means by unanimous consent.

Mr. RICH. Let me say that I will not fight this bill if you place some limitation on the price of the cars.

Mr. McCORMACK. Let me step out of that colloquy, because I am not in on that. I enjoyed my friend from Pennsylvania today. He was really in his glory and had a good time.

Mr. RICH. No; I am sincere. The trouble is nobody here is sincere. If you fellows will put a ceiling on this——

Mr. PATMAN. Mr. Speaker, I ask that the gentleman's words be taken down.

Mr. RICH. I meant, Mr. Speaker——

Mr. PATMAN. Mr. Speaker, I ask that the gentleman's words be taken down.

The SPEAKER. The gentleman from Texas [Mr. PATMAN] demands that the words of the gentleman from Pennsylvania [Mr. RICH] be taken down. There can be no other business unless the gentleman from Texas is willing to withdraw his demand.

Mr. RICH. Mr. Speaker, I made a statement here that everything that is done here is not sincere. There are sincere things done here and I do not want them to attribute it to the fact that what I said was not sincere. Therefore, I withdraw that statement.

Mr. PATMAN. I demand that the words be taken down.

Mr. McCORMACK. The gentleman from Pennsylvania says that he withdraws the words.

Mr. RICH. I withdraw that statement. What else does the gentleman want me to say?

The SPEAKER. Without objection, the words are withdrawn.

There was no objection.

Mr. McCORMACK. What I say is that unless unanimous consent is granted, the rule cannot come up for some time.

Mr. RICH. Mr. Speaker, if they will fix a limit on this bill I will not object to it.

Mr. McCORMACK. Mr. Speaker, my statement is that if the rule is reported out before the tax bill is disposed of, then I shall agree to bring the bill up.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. LANHAM. I direct attention to the fact that there is a bill of very considerable importance to the war effort which was passed yesterday by the Senate, and concerning which the Committee on Patents completed hearings yesterday and which I am inclined to think would not be controversial. That has to do with a reduction in some royalty payment rates for the duration of the war to patent owners and licensees of patent owners. It will reduce some of the royalty rates received by reason of the fact that production is so greatly increased in time of war that the normal royalties agreed upon between the patent owner and the licensee would be unreasonable and excessive and unfair. The War Department and the Navy Department advise us that it is highly important that that bill pass as soon as possible, because it will involve the saving of a great deal of money that should not be paid out of the Treasury for such purpose. It has to do only for the duration of the war, and is proposed legislation which has passed the Senate, and with the amendments that will be suggested in the House I think the bill will meet with the concurrence of a large majority of those who own patents that are being used in the war effort.

Mr. McCORMACK. If that is going to be brought up under a rule I fear that we cannot bring that up between now and election, but if the gentleman can bring it up by unanimous consent—that is, have a unanimous committee report—and have the Republican members of his committee agree as well as the Republican leadership, then it is agreeable to me to consider the bill, and I hope it will be taken up as quickly as possible.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts that the House meet at 11 o'clock tomorrow morning?

There was no objection.

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from North Dakota [Mr. ROBERTSON] may be permitted to extend his remarks and include therein a speech recently delivered by Hon. Abe Fortas.

The SPEAKER. Is there objection?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therewith a tribute to the redwoods of California by Irving S. Cobb.

The SPEAKER. Is there objection?

There was no objection.

THE 35-MILE LIMIT

Mr. KEAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. KEAN. Mr. Speaker, a great newspaper in New Jersey, the Newark Evening News, designed these little cards that I have in my hand for use in their own delivery trucks. They are now making them available to anybody who wants them. To preserve rubber we are asked to drive not over 35 miles an hour. When you place this little card over your speedometer, the needle will disappear if you exceed the 35-mile Victory speed limit. I suggest to the O. P. A. that they get some such gadget and deliver it into the hands of everyone who applies for a gas-rationing card.

EXTENSION OF REMARKS

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent that the gentleman from North Dakota [Mr. ROBERTSON] be

permitted to extend his remarks in the RECORD and include a speech by the Commissioner of Reclamation, Mr. John C. Page.

The SPEAKER. Is there objection?

There was no objection.

Mr. CHENOWETH. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an editorial and also sundry telegrams of protest on the recent order closing the gold mines of this country.

The SPEAKER. Is there objection?

There was no objection.

ONE HUNDRED AND SIXTY-FIRST ANNIVERSARY OF THE SURRENDER AT YORKTOWN, VA.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BLAND. Mr. Speaker, my purpose in asking unanimous consent to proceed for 1 minute is preliminary to a request that I shall make at the end of that minute.

October 19, next, will be the one hundred and sixty-first anniversary of the surrender at Yorktown, Va., and the establishment of American independence. To the tune of The World Turned Upside Down, the British marched out about 1 or 2 o'clock on that afternoon and surrendered. I really think we ought not to let the day pass without at least bringing it to the attention of the House.

I ask unanimous consent, Mr. Speaker, to address the House for 10 minutes on Monday, preferably before the other business of the day. If that should violate the rules of the House, then I ask that permission after the business of the day is disposed of. I ask unanimous consent now, in commemoration of the surrender at Yorktown 161 years ago, that I shall be permitted to speak for 10 minutes immediately after approval of the Journal on Monday.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

(By unanimous consent, Mr. YOUNG was granted permission to extend his own remarks in the RECORD.)

NONWAR EXPENDITURES IN THE FEDERAL GOVERNMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO 870)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk, and together with the accompanying papers referred to the Committee of the Whole House on the state of the Union and ordered printed with illustrations:

To the Congress of the United States:

In recent months you have demonstrated, through the activities of regular and special committees, a keen interest in reducing nonwar expenditures of the Federal Government. Undoubtedly reports by the special committees have helped to stimulate the large volume of letters which I have received from citizens in all walks of life. Some of the letters protest against recent cuts in various appropriations. Other letters urge a reduction of Federal expenditure to the amount expended in the fiscal year 1939 and characterize such a reduction as a "Federal contribution toward helping to win the war."

I, therefore, recently requested that the Director of the Bureau of the Budget prepare a report on just what has happened in the field of nonwar expenditures since I assumed the Presidency. The report is attached.

Inasmuch as total war enlists all our resources, you will recognize the very great difficulties of segregating "war" from "nonwar" expenditures. Moreover, the text in many places can only hint at the extent to which so-called nonwar expenditures are now integrated with the war program.

Nevertheless, it does show the important reductions which have been made without sacrificing humanitarian considerations. In addition, the report should be especially useful in further legislative and administrative consideration of budget policy.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *October 16, 1942.*

PERSONAL PRIVILEGE

Mr. BRADLEY of Michigan. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state the grounds upon which he desires recognition.

Mr. BRADLEY of Michigan. Mr. Speaker, there has recently been published and put on sale to the public a booklet edited by one Rex Stout, called The Illustrious Dunderheads. It purports to set forth the record of various Members of Congress.

On page 28, under my voting record, appears what purports to be a record of my speeches and writings. On a following page, among various quotations attributed to me, on page 30 of this booklet, is a statement purporting to be taken from the CONGRESSIONAL RECORD of August 12, 1941, page 7042, which reads as follows:

If the Germans get into Africa, they will be twice as far away from the United States as they are in Germany. They would be going backward; and even if they seized Dakar and got over to Brazil, that is twice as far away from America, and yet we are told we must go to war for Dakar and for Africa, and somebody the other day in debate said we must go to war against Japan for rubber, tin, quinine, and nux vomica.

Mr. Speaker, I did not make that statement. As a matter of fact, that statement is found on page 7042, but was uttered in the course of debate by the gentleman from New York [Mr. FISH]. I produce the RECORD to substantiate that statement.

I might say further, Mr. Speaker, that he also lists in my voting record that I voted for the ship-seizure bill. It is true I was incorrectly recorded as voting for it, but I changed the permanent RECORD by unanimous consent 2 days later on May 9, 1941.

The SPEAKER. While it is a closed question, the Chair will recognize the gentleman.

Mr. BRADLEY of Michigan. Mr. Speaker, about 2 weeks ago one Sunday night, having nothing better to do, I turned on the radio to listen to that outstanding smear artist on the record of Members of Congress, namely, one Walter Winchell. In the course of his discussion that evening he advised the public to read a new and illuminating document that had just appeared on the bookstands of the country entitled "The Illustrious Dunderheads," written or edited by one Rex Stout.

Let me say at the outset that I have no particular interest in anything that Mr. Rex Stout says. Nor shall I receive any royalties from his writings. His record has been well known to the members of the Dies committee for some time, but at the same time I do not propose to let him circulate in the country statements attributed to me which I did not make.

Such has been done in this booklet, and that is the reason for being on my feet at the present time.

In explaining the purpose of this book and the reason for setting forth records of the various Members as to how they voted and some of their presumed-to-be writings and sayings in the debates, Mr. Stout has a foreword in the front of this booklet which I want to quote as follows:

The sad-funny record of what the illustrious figures on Capitol Hill were doing and saying before Pearl Harbor is here to speak for itself. It will bring a kind of laughter to your lips—but not always the laughter of amusement. Frank Sullivan's marvelous introduction sets the pace, a pace which is maintained not only by the illustrations of William Gropper, one of two or three great cartoonists of our time, but also by the antics of the honorable gentlemen themselves.

The men whose speeches and voting records are cited here guessed wrong. Most of them are up for reelection.

I had presumed all of us are up for reelection.

The question is whether three strikes are out—or whether a man can stay at bat indefinitely no matter how many times he fans.

Every one of these Congressmen is a patriot; and everyone of them is a dunderhead. Ordinarily we can treat the dunderheads to "Bundles for Congress"; but these are not ordinary times. Today these men legislate for the United States.

Now get this statement—

When total victory is ours they will be legislating for the world.

Apparently he has us embarked on a program of world conquest—

And yet as their remarks show, their gaze does not reach beyond their own back yards. The folly of these men is not just their wrong guessing about the war, it is a narrow, parochial, selfish folly that puts local and private interests above the national interest. The favorite appeal of these men is "international," but their shame is that they themselves aren't able to think even nationally. From such men spout the dunderheadisms of which this book is made up.

We find further the above-referred-to introduction that one Frank Sullivan,

whoever he is, proceeds to attribute all these dunderheadisms to a carefully laid Nazi plan for dividing and then conquering the United States, and he intimates rather clearly in here that those of us who have made the various statements recorded in the book are in effect and with deliberation tools of the Nazi Government in this country. I have always thought in the few years I have been here that we Members of Congress were sent down here to be the official spokesmen for the people of our districts. Our constituents have the right to remove us at the polls every 2 years if they do not agree with our utterances as reflecting their opinions and desires; but I believe the people of my district and in many parts of this country are getting sick and tired of attempts to smear the people's representatives down here in Congress and attribute to them false or unpatriotic motives whenever they make statements they consider to reflect the true wishes of the majority of the people back home, because when they smear us they in effect smear the judgment of our constituents.

It is bad enough to have some of these smear attempts being made to purge the Members of Congress and so on, but at least the man who purports to put out a book like this and a man who plugs it over the radio, as Mr. Winchell did, should at least be careful that his words are accurate. It is to show their inaccuracy in my case—and doubtless others—that I have risen to this question of personal privilege. He has me incorrectly recorded as voting for the ship seizure bill. As a matter of fact, I fought that bill and felt fully justified in fighting that bill based on evidence submitted before the Merchant Marine Committee of which I happen to be a member. I fought it on the floor, and spoke against it. I spoke against it on May 5, 1941. I voted for the motion to recommit on May 7. I was incorrectly recorded as having voted for the bill despite the fact I voted for the motion to recommit. Two days later, on May 9, I received permission to have the permanent RECORD corrected.

As I have already said, there are two mistakes in quotations he attributes to me. In the first place, in the Appendix of the CONGRESSIONAL RECORD, volume 87, page A3616, he makes a very minor mistake, but in spite of that, it changes the whole meaning of the words:

> Were you told then that within a year the United States Army Air Corps would be ferrying American-made bombers to England in a steady service routine? In fact, was it then even so much as intimated to you that within 2 months after election America would become the arsenal for democracy, which not only—

That is where he misquoted. I said:

> which now means that we give all aid possible to bloodthirsty, atheistic Russia?
>
> There is—there can be—no question that you were deceived by Candidate Roosevelt last fall.

I want to say this with respect to Russia: I have the highest regard, as has everybody in this House, for the magnificent defense the Russians are putting up for their homeland and for the courageous help they are giving us in winning this war. Certainly in view of these things I want to see them get every possible aid we can ever give them; but I say to you, Mr. Speaker, that the people of Russia are entitled to have whatever form of government they decide they want to have. We are entitled to continue in our form of government here which has made us ever greater since that day at Yorktown to which the gentleman from Virginia [Mr. BLAND] just referred. We have prospered very well under our form of government. But still if somebody chooses to advocate a communistic form of government for this country, as long as they stay within the law they are perfectly entitled to advocate it if they want to. Yet I want none of it here.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY of Michigan. I yield.

Mr. RANKIN of Mississippi. How can a person advocate communism and stay within the law when the cardinal principle of the Communists is to overthrow this Government? They are dedicated to the overthrow of this Government.

Mr. BRADLEY of Michigan. When they advocate the overthrow of this Government by force and violence I agree with the gentleman.

Mr. RANKIN of Mississippi. That is exactly what their program is. These American Communists led by Earl Browder are dedicated to the overthrow of this Government by force of arms or in any other way they can. Surely a man cannot stay within the law and advocate that stuff.

Mr. THOMAS of New Jersey. Mr. Speaker, will the gentleman yield at that point?

Mr. BRADLEY of Michigan. I yield.

Mr. THOMAS of New Jersey. I understand how the gentleman feels about being misquoted; I likewise understand how the gentleman might feel about being an intended victim of the smear campaign; but when you consider the authors of this book, the long communistic affiliation of both the author Rex Stout and this Gropper who has been connected with the Daily Worker for a period of years, I think a lot of the sting is taken away from it. This Rex Stout at one time was either the owner or publisher, or both, of the Communist paper, New Masses. He was a contributor to New Masses for many years.

You can hardly pick up a Daily Worker, the official Communist organ, without seeing one of Gropper's cartoons in there. I think the most interesting thing about this author, this Stout, today is his present job. Unfortunately, I am not able to say definitely, right at this moment, what his job is, except that I have heard on very good authority that Rex Stout now is ghost writer No. 1 in Washington—I repeat, ghost writer No. 1—for one of the highest Government officials in America today. I hope before very long we will be able to verify that absolutely and name this official, although it is not very hard to guess who it is.

Mr. BRADLEY of Michigan. I appreciate that contribution from the gentleman from New Jersey, who is a member of the Dies committee.

Mr. FISH. Will the gentleman yield?

Mr. BRADLEY of Michigan. I yield to the gentleman from New York.

Mr. FISH. In support of what the gentleman from New Jersey has said, Rex Stout comes either from my district or a few miles out of it, near Brewster, N. Y. He is recognized throughout the whole country as being one of the leading writers for the Communist front in the United States. It seems to me, and I think from the point of view of most Americans who have no use for communism or Communists in our own country, that any attack upon any Member of Congress, Republican or Democrat, or upon his or her record in Congress, by Rex Stout, this Communist fellow traveler, is a commendation worth having, and you ought to be proud to be attacked by a man holding such views. To my way of thinking condemnation from such a source is the highest possible commendation.

Furthermore, in support of what the gentleman from New Jersey has said, Rex Stout was one of the owners, likewise editors and contributing editors, to the New Masses, one of the two leading Communist magazines in America and I am also informed a writer for the Daily Worker. Anyhow, this man together with his colleague, Mr. Gropper, whose cartoons appear regularly in the Daily Worker, are two of the outstanding agitators for communism in America. What can you expect other than to be attacked by men of that type? I think the gentleman is making too much of it. If Rex Stout writes about you or attacks you and other Members of Congress, what do you expect from the fountain head of communistic propaganda in America. Naturally he is going to attack you and all other Members of Congress who are fighting communism. We propose to continue to fight communism in the United States no matter what happens to communism in the rest of the world. We have taken an oath of office to uphold and defend the Constitution which guarantees our freedoms and a Republican form of government. There can be no compromise between communism and Americanism in our own country.

Mr. GIFFORD. Will the gentleman yield?

Mr. BRADLEY of Michigan. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I think it would be very satisfactory to all of us when we are criticized to prove that the one who says this or that is a skunk. That is quite satisfactory. But when there are a lot of people who like these skunks, it is not so satisfactory.

Mr. PATRICK. Will the gentleman yield?

Mr. BRADLEY of Michigan. I yield to the gentleman from Alabama.

Mr. PATRICK. I think there is a situation here that we can easily run into and make an unintended mistake in discussing these things. Even the people of Russia are not all Communists. We condemn anyone who will try to foment communism and foster it in our Government. We condemn that as a body and every man in here condemns any group

that will undertake to overthrow this Government by force or by any other violent means. But in a discussion like this, as it goes out over the ocean to other countries, the impression is liable to be sent out that a discussion of this kind is aimed at Russia. Russia may be "red" but she is not yellow, and the people of Russia are fighting for their homeland, they are fighting a battle that challenges the admiration of everybody in America, and I think we should clearly and carefully delineate in a discussion of this kind any possible criticism of Russia, and make it clear that anything we say on this floor shall not be construed so as to engender a feeling between any of the Allied Nations that are fighting together. You know how easily and how quickly anything is taken hold of and employed across the ocean.

Mr. BRADLEY of Michigan. Now, if the gentleman will yield to me I would like to conclude. I agree with what he has said. As I stated a moment ago, I have the highest regard in the world for the magnificent fight the Russians are putting up. However, we are fighting for the freedom of peoples all over the world to govern themselves as they see fit. If the people of Russia want to be governed by Communists, that is all right with me, but the point I wish to leave with you is that we in this country do not want to come out of this war under a Nazi government, a Fascist government, or a Communist government. We want the American form of government forever in this country, and I am opposed to anybody who advocates anything else. I am proud of the fact that I am one of those Members of Congress who has been singled out in here by this man Rex Stout who to all appearances is far more interested in preserving America for Communists than he is in preserving America for Americans.

SPECIAL ORDERS

The SPEAKER. Under a previous order of the House, the gentleman from Kansas [Mr. REES] is recognized for 10 minutes.

Mr. REES of Kansas. Mr. Speaker, our Government, and rightly so, has called attention to the extreme shortage of manpower, especially in certain essential industries. It is especially acute in the farm regions. The entire problem is a serious one.

It just seems to me, Mr. Speaker, the Government could set the example and lead the way in this direction by applying that very principle in our own departments of government.

Mr. Speaker, I am in accord with the resolution adopted yesterday giving the Civil Service Committee of the House authority to investigate the whole problem of civil employment in government.

Mr. Speaker, there are now approximately two and one-half million persons on the pay roll of the executive branch of our Government. About half of them are connected with the Departments of the Army and the Navy. The Army and the Navy and all other necessary agencies should have all the assistance they really need.

Mr. Speaker, I want to insist again there are a number of activities that are not necessary in view of the dire need of manpower for the prosecution of the war. I am advised there has been little effort to reduce personnel in any of the departments of government whether they relate to the prosecution of the war or not. It seems that those in charge of the various departments do not seem to want to reduce the number under them for the reason, in many cases, they have a higher standing or more money if more people are employed under them. We might reverse that and put a premium on doing the work with less employees; this by less duplication and less red tape and more efficiency on the part of the employees. I see no reason why the hours of all white-collared workers should not be extended to 48 hours a week, except in a few cases where it may not be practical. Pay them what they are worth but work longer hours. I realize that we have thousands of patriotic employees in Government who are anxious to do their share. There must, on the other hand, be numbers whose services could be dispensed with without injury to the departments where they are employed. Then there are activities that are all right in ordinary times but not absolutely needed in view of the critical situation as it exists today. In a colloquy with the gentleman from Texas [Mr. PATMAN] I mentioned only two comparative items as examples of items that I did not think were necessary right now, it being my notion the manpower and money could be better used in more critical places.

Mr. Speaker, I think Government employees would be glad to have their hours extended from 44 to 48 hours per week. I feel, too, they would be willing to cooperate by transferring to more important jobs. I think, too, the departments should be willing to cooperate in cutting duplication and red tape in many of our departments. Let me say again, I feel the Government should set the pace.

Now, Mr. Speaker, I want to divert the discussion a little to clear up a sort of colloquy between the gentleman from Texas [Mr. PATMAN] and myself. I made no charges or attack against the gentleman from Texas [Mr. PATMAN]. Certainly not. The gentleman from Texas is one of the able Members of this House. Furthermore, I have always refrained from making any charges of any kind against any Member of this body, no matter how much our opinions may differ. I regret that he seems to take it in that light.

Mr. Speaker, on yesterday the gentleman from Indiana [Mr. WILSON] had the floor. The gentleman from Indiana yielded to me to point out two specific items that I did not think were necessary expenditures for the prosecution of the war. I was simply expressing my own opinion. The gentleman from Texas [Mr. PATMAN] rose. I explained in these words:

> I am not asking the gentleman from Texas. I am addressing the question to the gentleman who has the floor.

The gentleman from Texas then replied by stating he did not question any specific item the gentleman from Kansas mentioned, but presumed he, the gentleman from Kansas, was on the floor at that time to point them out, and that he wondered if a concerted effort was made to defeat the appropriation that the gentleman from Kansas said was unnecessary and harmful. And he further said he did not know whether or not it was.

Mr. Speaker, the gentleman from Kansas then proceeded to say that he did offer amendments to strike these items from the bill. Upon recollection, the gentleman from Kansas says he offered the amendment to strike the item of $50,000 to the Committee on Appropriations handling the bill, but that the same or identical amendment was offered by the gentleman from North Carolina [Mr. COOLEY] on the floor of the House. The gentleman from Kansas supported the amendment and spoke for it.

Mr. Speaker, the gentleman from Kansas did say he objected to the item of $50,000 and the item for the continuance of a travel bureau in our Government, not because they had no value but because they were not needed in the prosecution of the war. It should be understood, too, that the item of $50,000 was a small part of a total of $6,871,775 that was under consideration for Fish and Wildlife Service.

Mr. Speaker, there was no intention to seem to criticize the gentleman as to whether or not he was on the floor when the legislation in question was considered.

Mr. Speaker, the gentleman from Kansas knows the gentleman from Texas is alert and keeps informed with reference to matters that are considered on the floor of the House, so when the gentleman from Texas raised the question as to whether the gentleman from Kansas was on the floor, and did not even recall that the gentleman from Kansas spoke for both amendments, and since he said he wondered if a concerted effort was made to defeat the appropriation, and since the gentleman from Texas did not express his views on the items under consideration; the gentleman from Kansas thought he had a right to assume he—the gentleman from Texas—was not present. The gentleman from Kansas, let me say again, was not concerned as to whether the gentleman was present, but the gentleman from Kansas thought, in view of his alertness, he might have assisted in striking these items from the appropriation bill. There is no criticism as to whether or not the gentleman was present then or any other time.

Mr. Speaker, let it be understood again, there was no intention to criticize the distinguished Member from Texas. The remarks by the gentleman from Kansas, in the first instance, were directed to the gentleman from Indiana. The gentleman from Kansas was not attempting to list items proposed by committees of this House that were, in his opinion, not necessary for the prosecution of the war. It was only a matter of calling attention to two items that were given as examples, in his opinion, are not required right now; and the employment furnished by

this expenditure could be used for the prosecution of the war. Seriously, I feel that it is going to be necessary to cut down on a number of these activities, even though it may hurt just a little, in order to provide more efficiency in the prosecution of the war.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Texas.

Mr. PATMAN. Replying to the gentleman's remark about the colloquy of yesterday, may I say that the gentleman from Virginia [Mr. ROBERTSON] expects to answer the gentleman on that point after he concludes his remarks. I hope the gentleman remains and listens, to the reply of the gentleman from Virginia.

Mr. REES of Kansas. I shall be glad to listen to the gentleman from Virginia, for whom I have the highest regard, with reference to that particular point. Let me say to him and to the gentleman from Texas that I am deeply interested in the problem of protecting the wildlife of this country. It still seems to me that, since we are expending about $6,000,000 a year for this purpose, we might cut down a little on the clerical help in Washington and some other places and use the money and the manpower for the prosecution of the war, and still not injure this activity. Like him, I am for the Izaak Walton League and all they are doing in this country. I will be glad to have the gentleman from Texas express his views as to the saving of manpower and money within our Government.

The SPEAKER pro tempore (Mr. MILLS of Arkansas). Under previous order of the House, the gentleman from Virginia [Mr. ROBERTSON] is recognized for 10 minutes.

WILDLIFE CONSERVATION

Mr. ROBERTSON of Virginia. Mr. Speaker, my heart is very heavy today, as heavy as the leaden skies that appear to me to be weeping over a world tragedy. For hours we have received no direct report from those brave marines holding a small and difficult sector of the Guadalcanal Island. I have two warm, personal friends in that unit, and friends and relatives in other foreign-service units. I feel this war not only as a Member of the Congress responsible for legislation and especially the tax program, but I feel it very deeply as an individual. It is hard for me to think about anything else. It is with great reluctance that I even mention anything else.

In an emergency of this character I have felt for months that all of us should exercise the greatest caution in the things that we publicly criticize. My distinguished friend, the gentleman from Kansas [Mr. REES] knows that I am with him 100 percent in his efforts to reduce nonessential, nonwar spending. Even before the war emergency, and before we had a tremendous national debt, I was doing what little I could in the Congress in behalf of efficiency in government and economy. I doubt if any Member of this House, unless it be my distinguished colleague, the gentleman from New York [Mr. TABER], has voted against more nondefense spending than I have.

I have voted for every defense measure and every war appropriation, as I felt our liberty and everything we hold dear was at stake, and while some of those appropriations may not be spent as economically as I would like to see them spent, we cannot handle that and we cannot help that. I feel that my friend from Kansas fell into what I am sure was an unintentional error on yesterday when he took our distinguished colleague, and, I am sure, his friend, as well as my friend, the gentleman from Texas [Mr. PATMAN], to task for not being present, as he said, when the House voted on an amendment to the supply bill for the Department of the Interior to eliminate an item of $57,000 for the study, according to the gentleman from Kansas, of the food habits of birds. I say that the gentleman fell into an unintentional error, and possibly he fell into the same error in stating categorically that the gentleman from Texas [Mr. PATMAN] was not present at that time because he invited us to look at the record, and the record shows that the amendment referred to was an amendment by the gentleman from North Carolina [Mr. COOLEY] to eliminate an item of $50,000, and that that amendment was adopted by a vote of 61 to 39. The appropriation in the previous fiscal year for the Fish and Wildlife Service for the study, not just of the food habits of birds but of the economic value of birds and animals with relation to agriculture, horticulture, and forestry, was $80,700. The Budget recommended for the 1943 Budget $71,555. The Committee brought in a recommendation of $50,000, and, on motion of the gentleman from North Carolina [Mr. COOLEY], the House voted that out. The bill went over to the Senate and the Senate inserted the Budget estimate of $71,555. When the item came back, in conference, the House conferees insisted on the House position, and the item was thrown out and the alleged appropriation of $57,000 referred to yesterday by the distinguished gentleman from Kansas as being wasted on a study of the food habits of birds was never appropriated.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of Virginia. I yield.

Mr. REES of Kansas. But the interesting thing about it is that the same individuals who were studying the food habits of wild birds are still on the pay roll. They may not be drawing this particular item of $57,000 which the gentleman suggests was stricken from the bill, but I will be glad if the gentleman will investigate further. I believe he will find that practically the same individuals are still employed in the Wildlife Division.

Will the gentleman yield further with reference to the gentleman from Texas [Mr. PATMAN]?

Mr. ROBERTSON of Virginia. I yield.

Mr. REES of Kansas. It was my opinion that the gentleman from Texas [Mr. PATMAN] was not on the floor, because I assume that if he were alert with reference to this particular question he would have expressed his views upon it. Evidently he did not. I examined the RECORD and did not find that he expressed himself on this or any other item in that bill. According to my own memory, I do not think that he was here. However, if the gentleman from Virginia says the gentleman from Texas [Mr. PATMAN] was here and that he was one of the small group that was present at that particular time, then I apologize in that respect and state that I am glad he was present giving attention to this matter.

Mr. ROBERTSON of Virginia. I say to my friend from Kansas that I cannot remember all of the times when I am present on the floor myself and naturally I would not undertake to say that on that particular occasion last spring the gentleman from Texas [Mr. PATMAN] was present or was not present. All I know is that he is a very active, zealous, and faithful Member of the House, and I think he is as often here as any average Member.

Mr. REES of Kansas. I agree with the gentleman that he is very active.

Mr. ROBERTSON of Virginia. With respect to the suggestion of the gentleman from Kansas that we still have on the pay roll some men who are supposed to go off the pay roll, I shall be happy to investigate that, because for 10 years since I have been a Member of the Congress, wildlife conservation has been my hobby, if I may say so. The House created a Select Committee on Wildlife Conservation in 1934, and Mr. Speaker Rainey named me as chairman, although a new Member of the House, and I have served as chairman of that committee ever since. I know no committee, standing or select, that has functioned with so little money as that committee has had. We have had an appropriation of never more than $7,500 for a 2-year period, and never have used all of that money, and it is the only committee that has required the bureaus whose operations fall within its jurisdiction, to submit annual reports in detail to the committee and to the Congress of what is being done with the money that is spent.

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. ROBERTSON of Virginia. Mr. Speaker, I ask unanimous consent to proceed for 10 additional minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of Virginia. With pleasure.

Mr. RICH. Mr. Speaker, I ask unanimous consent that at the conclusion of the other special orders I be permitted to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of Virginia. Yes.

Mr. PATMAN. Mr. Speaker, at the conclusion of the other special orders I ask unanimous consent to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

WILDLIFE CONSERVATION

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of Virginia. Yes.

Mr. REES of Kansas. Mr. Speaker, I have the highest respect for the gentleman from Virginia who is addressing the House. I regard him as one of the outstanding Members of this House. I know that he is outstanding in his alertness in watching that no money is expended except that which should be expended. I know about the gentleman's especial interest in this particular agency of the Bureau of Wildlife. He has done a splendid job on the floor of the House, and as far as that work is concerned there can be no criticism of it. But I had a feeling that he might agree with me, that in view of the present critical situation in which we find ourselves today, and in view of the need of giving every ounce of energy, manpower, and money for the prosecution of the war that we might at least reduce to some extent the expenditures that go for that agency without serious injury, as well as some other agencies of the Government. I have no idea at all of destroying it or wiping it out, but I think that he would agree with me that in view of what has happened in the past few months we might reduce the personnel a little and save some of the manpower for other and necessary purposes.

Mr. ROBERTSON of Virginia. I supposed that the gentleman would assume my interest in that, when I said that I was 100 percent for the gentleman's position that we should economize in this emergency in every particular. When this bill was coming before the House, with the large reduction in the Budget for the Fish and Wildlife Service I was appealed to by State organizations and sportsmen all over the country to unite in an effort to increase what the committee had recommended and the gentleman well knows that I refused to do that.

Mr. REES of Kansas. I realize that pressure was brought to bear upon the gentleman, and I think the figures were kept lower because of the gentleman's effort, but there are still items in it which it seems to me might, in the light of our present situation, be eliminated. For instance there is the item that provides for buying a herd of Longhorn cattle by the Government to be put in a refuge in Idaho. I do not know why the necessity of such expenditure or why the Government should buy Longhorn cattle for that purpose.

Mr. ROBERTSON of Virginia. The gentleman from Kansas will recall there are many items in the appropriation for the Fish and Wildlife Service that were cut, and the only suggestion I made was when in a colloquy with the subcommittee chairman, the gentleman from Oklahoma [Mr. JOHNSON], I asked the committee to consider the relative value of 12 fish hatcheries that were to be eliminated and the amount carried in the bill for predatory control.

It was my opinion, possibly something could be cut from that item, without cutting so much from the fish propagation item. But my views were not adopted, and I did not pursue the point.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of Virginia. I yield.

Mr. PATMAN. Is it not a fact that under our international agreements with Canada and Mexico we are under obligation to make available a certain amount of money each year for the purpose of taking care of wildlife?

Mr. ROBERTSON of Virginia. We have a treaty with Canada and with Mexico that we are supposed to carry out, but in that connection our select committee sponsored a bill known as the Duck Stamp Act. Under that we get over $1,000,000 a year, to be used solely in this migratory-bird program.

Some years ago when it was proposed during the worst of the depression to eliminate certain excise taxes that were adopted in 1930, our committee sponsored a proposal that we retain the 10-percent tax on sporting arms and ammunition; and that was retained, and that is the fund that is appropriated for the so-called Pittman-Robertson Act. Our sportsmen have gladly paid that money, feeling that it was not a tax on them, but rather an investment that paid them rich dividends.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of Virginia. I yield to the gentleman from Pennsylvania.

Mr. RICH. I agree with my colleague from Kansas [Mr. REES] in what he said about the gentleman from Virginia [Mr. ROBERTSON] being a leading advocate of wildlife for the sportsmen of this country. I want to congratulate him on what he has been doing for the sportsmen of these United States. I do not know of a man in the entire Congress who is doing more for them than the gentleman from Virginia [Mr. ROBERTSON]. I hope some day he will come up to Pennsylvania and speak to our sportsmen up there. The point I want to make, however, is this, we can cast a few flowers on the gentleman while he is living and they will be living years after he has gone. The fact is that the sportsmen of this country are willing to pay, if we will only make our laws so that they have an opportunity to have game, birds, and animals, where they can enjoy the privilege of hunting and fishing and all kinds of sport. The hunters and sportsmen of this country will be willing to pay taxes, to pay their share if somebody will take the lead, like the gentleman from Virginia; and if we are careful in making our laws to give advantages to those men and then put on a tax, I do not think that any sportsman in this country will object to paying for everything they are getting if we will just give them the opportunity. I think the gentleman from Virginia has done a wonderful thing and I hope he keeps up the good work. Always remember that in order to get things, somebody has to pay the fiddler, and that the sportsmen will do the job if we give them an opportunity.

Mr. ROBERTSON of Virginia. Mr. Speaker, words fail me to adequately express my appreciation of the complimentary references by the gentleman from Pennsylvania [Mr. RICH], and the gentleman from Kansas [Mr. REES] to my efforts in this House in behalf of wildlife conservation. It is true that for years I have loved nature. I have loved to hunt and to fish. I have been interested in the sportsmen of the Nation, but my interest in this cause has gone deeper than that. I felt that we were dealing with a great natural resource, and to neglect it, to waste and dissipate it would bring to us grievous consequences. It has been my privilege to visit certain sections of China, the classic example of the lack of adequate conservation policies, or else of a nation where the population becomes so dense that it consumes everything above the ground. There I found barren wastes; no timber; no game. The great Yangtze River navigable for 1,500 miles, flowing a yellow, turbid tide all the time from the topsoil washed into it, coloring the sea for 300 miles beyond its mouth, and having done it for so many years that the sea itself has been named the Yellow Sea. The Yellow Sea that carries in solution the rich topsoil of that part of China.

[Here the gavel fell.]

Mr. ROBERTSON of Virginia. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ROBERTSON of Virginia. So I feel that even in time of war, when, as I stated at the outset, I can hardly think of anything else except the war and what it means to all of us, if you agree with me that we are going to win this war you will agree with me that we must keep up our fire patrols and not let our forests be burned. You will agree with me that when a meat shortage occurs the deer and other game in a State like Pennsylvania will be a major contribution. For instance, I find in the United States Department of Agriculture Circular No. 636, recently published, covering a 2-year survey of game and wild fur production, that in 1938 the game bagged in Pennsylvania included:

Deer	169,986
Bears	381
Rabbits	4,224,779
Squirrels	1,097,660
Wild turkeys	6,722
Ruffed grouse	222,863
Ring-neck pheasants	511,132
Quail	109,080
Ducks and geese	21,231

The total bag in that year of game animals and birds amounted to 6,681,328. Throughout this Nation we will find the deer, turkeys, grouse, ducks, geese, quail, and the fish in our streams and ponds a contribution in this emergency to our food supply.

In the Department of Agriculture circular referred to it is stated:

The principal objectives of the study upon which this circular is based were to (1) ascertain how much income a farmer or rancher can expect to realize from wildlife or from game management, (2) get a comprehensive picture of the measures each State is using to provide a supply of wildlife, (3) discover or formulate biologically and economically sound principles which will serve as a basis for wildlife conservation programs acceptable to farmers and wildlife conservationists, and (4) ascertain the feasibility and practicability of a fuller use of farm and range lands in the production, utilization, and perpetuation of wildlife coincident with the improvement of agricultural conditions.

The project agreement and outline were approved in March 1936 and field work was started in June. The first year was devoted to a reconnaissance survey of the United States, designed to evaluate the problems involved in making wildlife a supplementary farm enterprise and to select representative areas for detailed study. Conferences were held in each State with representatives of the agricultural colleges, agricultural experiment stations, universities, game departments, planning boards, and other interested State and Federal agencies, farmers' organizations, sportsmen's organizations, and individuals interested in the problems of land use, farm management, and conservation of wildlife. All phases of agricultural and wildlife conservation and utilization were represented in these conferences.

Studies were made during the next year of areas where attempts had been made, or were being made, to establish farmer-sportsman cooperation in game management on farms. The purpose was to learn some of the causes of success and of failure of game-management projects, the effect game management and controlled hunting have upon the supply of game and hunting opportunities and upon the organization, management, income, and expense of the farms.

IN RELATION TO HUMAN DEMANDS

The limitation of the supply of game and wild fur in proportion to the increased demand is much more evident than is the decrease in the aggregate number. This demand is determined by the economic and social development of the people and the density of the human population.

According to sociologists and economists, people exist in a hunting and fishing stage of civilization until the game resources fail to meet their needs. They then usually develop an agricultural society. Records of early explorers indicate that when the Iroquois Indians were discovered by the white men in 1608, there were probably fewer than 20,000 in an area that included the greater part of the present States of New York, Pennsylvania, and Ohio, and parts of Canada bordering Lake Ontario. Even these few people apparently needed more wildlife for sustenance than the supply provided, for they were then in an agricultural stage of civilization. This culture was well advanced among the Iroquois Indians, as pointed out by Yoder.

It is reasonable to assume that before the white men came the Indians used game and wild fur mainly to provide the necessities of life. Their demand was relatively constant and in direct proportion to the density of population. The white men increased the drain on these resources, for the settlers, when possible, also relied upon this supply for food and clothing. Among the first evidences of this increased demand was contravention of former laws and customs. According to Seton, it apepars that in 1684, De la Barre, Governor of Canada, complained that the Iroquois were encroaching on the country of Indians who were allies of the French. He got a stinging reply from Garangula, the Onondaga chief, and a general statement that the aborigines had game laws; not written, indeed, but well known, and enforced with a club if need be: "We knock the Twightwies (Miamis) and the Chictaghicks (Illinois) on the head, because they had cut down the trees of peace, which were the limits of our country. They have hunted beaver on our lands. They have acted contrary to the customs of all Indians, for they left none of the beavers alive; they killed both male and female."

The human population of the area outlined increased rapidly between 1680 and 1760. As the game supply of Pennsylvania was becoming depleted, the legislators of that colony regulated the take by white residents in an effort to protect the food supply of the Indians. Such steps marked the end of the period when wildlife was essential to life.

The demand for game and fur would probably have decreased as the development of agriculture and industry advanced if the uses for game and fur had remained the same, but both whites and natives began to look for commodities to use in exchange. Furs, hides, antlers, plumage, and other wildlife products used as luxuries found a ready market in Europe. They were a lucrative cash crop. These new uses made greater demands on wildlife than had the food and clothing needs of Indians and settlers.

By 1900, when the population of the United States approximated 76,000,000, the supply of game available for sustenance was practically exhausted. Nevertheless there was still a heavy demand for both essential and nonessential uses. Efforts were made to protect these resources by enactment of many laws restricting the season, take, and use to which game could be put. But the demand for nonsustenance uses grew. Occupations, through the attitudes they create in people, influence the use to which game and wild fur is put. Wild birds and mammals were commonplace to the Indians and hunting was a major occupation, but today it is an esthetic or recreational avocation. Relaxation and recreation are essential to the physical well-being of people who live under mental strain in this machine age, and many of them choose some use of wildlife as a means of relaxation. They spend considerable time, effort, and money to preserve and perpetuate the opportunities for such enjoyment.

Demand for game is influenced also by its accessibility which in turn is affected by the social and economic development of the people. The Indians followed the trails on foot or worked the waterways in canoes; they had to carry the kill on their backs at least as far as their boats. Many places were so inaccessible or seldom visited that little demand was placed on wildlife there. Under improved transportation facilities, the take of game is probably more evenly distributed throughout the country than in the past. This accessibility makes wildlife available to more people and assures more complete utilization but it also reduces the number of undisturbed wildlife breeding areas.

Statistical methods cannot be used in comparing hunting pressure today and in the past; for there are no comparable records. Licensees are now permitted to hunt only a relatively few days each year, whereas hunting was once almost a year-round occupation. There appears to be no logical way of comparing the past and the present with respect to kill. No one knows how much game the average Indian took in a year, nor are there reliable figures on game killed by the average modern hunter.

The present demand for wildlife for hunting and trapping may be suggested graphically by statistics on the sale of licenses. However, these show only the number of applicants for the privilege of taking game and fur, and do not indicate the take. Moreover, there is wide variation in license requirements among the States: Some Commonwealths grant free hunting privileges to veterans, youths, the aged, and other groups; most States do not require a landowner to have a license to hunt or trap on his own property; some permit the residents of a county to hunt anywhere within that county without a license and some do not require a license to hunt certain species.

WILD FUR

Money for wild fur may be realized by the farmer by his either trapping the animals or selling trapping privileges. The method most advantageous to the farmer depends largely upon local circumstances. Estimates as to what proportion of the total annual crop is harvested by farmers vary greatly. Recent investigations indicate that perhaps the largest proportion of wild fur is trapped by professional trappers from the cities. In some instances farmers or farm boys get money from furs trapped in their local communities. They seldom confine their activities to their own property, but the money they get, on an average, seldom exceeds $100 annually. For families on submarginal land this cash item may be of critical importance. More successful farmers do not have time to trap over wide districts, and such trapping is necessary to earn any considerable income from wild-fur animals frequenting agricultural land; however, the per-acre revenue from some muskrat marshes is said to equal that of nearby agricultural land.

The sale of wild fur probably returns several million dollars annually to the rural population of this country. Intensive studies now being conducted under the Pittman-Robertson Act in some of the best fur-producing States indicate that considerably less than half the receipts from raw furs go to farmers and farm boys, so previous estimates were apparently too high.

In 1929, when prices were much higher than in recent years and the take of wild fur was greater, the annual market value of this product in the United States was estimated at $65,000,000.

Mr. Speaker, it is not, I may say to my friend from Pennsylvania, just for the sportsmen, it is for the whole Nation that I am interested in this work; and while I do not want to spend needlessly one dollar I may say to my friend from Kansas, we must manage, in some way, to keep the conservation program going. Let us keep alive the realization that we are dealing with a natural resource that will mean much to us through the war and for the many happy years we hope to live after it has been won.

[Here the gavel fell.]

SPECIAL ORDER

The SPEAKER pro tempore. Under the previous special order of the House the gentleman from California [Mr. IZAC] is recognized for 10 minutes.

Mr. IZAC. Mr. Speaker, I believe I express the sentiments of the great majority of the membership of the House of Representatives, both Democrats and Republicans, when I say that the bill to be presented tomorrow drafting the 18- and 19-year-old youths of America is the most obnoxious measure we have been called upon to enact since my coming to Congress. And yet, because our Commander in Chief has spoken, as good soldiers we cannot fail him now.

But I want to speak briefly on this subject, and believe there is no better time. For I have a warning to leave with you

and I would be derelict in my duty if I did not give you the benefit of my own feelings and my own experience.

The President has been induced by his military advisers to ask for the drafting of these immature youths. But you and I, who listened to his talk four nights ago, could detect the tone of hesitation, yes, of disinclination, which clothed his words on that occasion. The customary assurance was lacking, and well it might be. Because no good case has yet been made out by the military leaders and none can be made out in the light of our experience so far in this war and certainly not in the last war.

They say they want a younger Army and that they need the virility of youth, the athletic prowess of the 18-year-olds. Ridiculous; and we fathers and mothers know it. There are some prodigies, of course, but the average youth of 18 is just beginning to get his normal growth. Take the Wilson High School, the Hoover High School, the Roosevelt High School of your home cities, and out of the thousands of youngsters of 18 just how many will you find able, not willing—God knows they are all willing—but able to meet a man in battle? How many on the football squad? For every 1 who makes the squad there are 50 others not well enough matured to compete with the few who developed early in life. The records at the Naval Academy show that with the entrance age limit 20 years it required an enrollment of almost double that at the Military Academy, where the entrance age limit is 22, to produce a parity of athletic prowess. A difference of 2 years at this time of life means immeasurably more than at any other time. More recently the age limit for entrance to the Naval Academy has been advanced 1 year, making it now 21, a step which I heartily approved.

Take the typical college or university athletic team, with its average age of 22 or 23. How much chance would the typical high-school team of average 18 years have to stand against it? And the great military minds seem to forget that when we indulge in a blanket draft it takes all the boys of 18—not the 5,000 athletes alone but the million or more of the just plain average boys.

They further advance the argument that the Navy takes boys as young as 17. Of course they do, but you notice the Navy picks and chooses. In peacetime the Navy accepts only one out of every six who apply; in wartime only one out of three. They can take the cream of the crop, the boys who are best developed; but you cannot do that when you draft them all.

And, besides, there is another side to this picture. Have any of you investigated the result of those battles we have already had, in which some of these very young men have been subjected to the hell of bombs and torpedoes and sinking ships? Do so if you want to share my views; but do not do it if you would save yourselves a heart-rending ordeal.

Let us go back 25 years to the first World War. As a young officer, I had many of these teen-age lads in my division aboard ship. Willing, patriotic, alert—but too young. When the blow fell and 3 torpedoes scattered the wreckage of a 20,000-ton ship and a 700-man crew in all directions on the Atlantic, the shock was more than these young minds could stand. And this was not a unique occurrence, as you will agree when I tell you that today in the veterans' hospitals of the United States there are 34,457 veterans of the first World War suffering from neuropsychiatric diseases—more than from any other cause, and more than all the officers and men who were killed or who died of wounds in France in the whole period of that war. The brain just cannot stand the blasting effect of modern warfare, and the immature youth is the most susceptible.

I have spoken before on the inadvisability of reaching down among the children for the men we need to win this war. I have tried to explain how their physical immaturity renders them unable to oppose the husky soldiers they might be forced to meet in hand to hand combat. I have tried to show how their mental immaturity renders them easy prey to the mental and nervous disorders that always accompany war.

And now a thought on the spiritual side. You and I know the average American home is a safer place than any barracks. But I do believe our Army and Navy commands are doing an excellent job of keeping clean and wholesome the surroundings in which the youth of America must serve.

However, regardless of the care observed we must expect less rigid control of the boy than he has been accustomed to at home—so I ask, Can the 18-year-old, suddenly taken from under the protecting wing of his mother, resist the temptations of a war-torn world, or has his further education in the mysteries of life suddenly become unnecessary? These are some of the points I wanted to raise—some of the questions those in authority must answer. Because I warn that the conclusion of this war, successful though it be—successful as it must be—will leave in its wake a trail of human wreckage the like of which has not yet been seen.

Our military leaders complain that too many old men are being drafted, that the size the Army must attain is 7,500,000 of men, and that number by the dawn of 1944. My friends, the number already in service has not yet been trained and if trained they could not for a long time be transported to the desired points. The single men, even though of 30 years and upward, have many appropriate functions wherein they can perform to excellent advantage. The fixed coastal defenses, the training cadres—these do not require the dash and daring usually associated with the prime of life.

And how about the officers who lead our young men?—you did not find any marine officers holding back at the Solomons because they were 30 or 40 years of age or over. Oh, I, too, prefer the young and sturdy specimen of early manhood, with his fine mental balance and ability to think clearly, but that peak is seldom attained before the age of 21 or 22—certainly not at 18 or 19. The largest single class of men in the first World War was the 25-year group, and I have yet to hear that they failed to give a good account of themselves. I should like to see a more modest demand expressed by our Army chieftains, for none should know quite so well as they that "mere numbers do not an army make, nor size success assure."

The selective-service officials could likewise temper their contradictory statements which have already so upset the average American family that fear and uncertainty have replaced the peace and quiet of the home. I do not believe we have to break up the homes of our 40-year-olds to win this war, nor can I believe that the immature youths of 18 and 19 are all that stand between us and defeat.

But, my friends, if we cannot win the war without recourse to drafting our 18-year-olds, then the least we should do is to prevent their being sent into combat until 1 full year of training has been given them. They, too, are entitled to their rendezvous with destiny—because they have not yet lived; they have not yet tasted the kind of life we are sending them into combat to preserve. I bow to the will of my Commander in Chief, but I protest the recommendations of his military advisers. My voice may be the only one raised in protest on this floor, but I cannot remain silent when my better judgment—my own experience—tells me they are wrong, and when I really feel the path they ask us to pursue will lead—as the path of glory always has led—but to the grave.

SPECIAL ORDER

The SPEAKER pro tempore. Under the special order of the House previously agreed to, the gentleman from Pennsylvania [Mr. RICH] is recognized for 10 minutes.

Mr. RICH. Mr. Speaker, keen observers throughout the Nation have realized for a long time that the Appendix of the CONGRESSIONAL RECORD is the repository for everything from the sublime to the ridiculous. On many occasions I have criticized the useless waste of time and effort, not to mention the extravagant expenditure of taxpayers' money made necessary by extensions in the Appendix of the RECORD. Of course, I realize that in some instances the effusions of individuals would not get into print were it not for the fact that we have a congressional record. Some men say things that are worthy of transcription and recording. Other ambitious souls are less fortunate in their endowment by the Creator with that keenness of intellect which permits them to think through things clearly and with the ability to translate their thoughts into words.

The junior Senator from Pennsylvania has occupied an envious position in the New Deal camp for many years. No one will deny the place which he occupies in the councils of the New Deal. He has position and power. For a number of months past his popularity in Pennsylvania's new dealism has been a matter of question. Rumor has it that he was unsuccessful in naming the candidate of the Democratic Party for the governorship. According to press reports a line of cleavage was established between projunior Senator and antijunior Senator

as the primary developed and as the waning fortune of the distinguished junior Senator became apparent with the selection of one Mr. Ross as the gubernatorial candidate of the Democratic Party. The battle raged. Friction was evident on all sides. Harsh words were heard, and the division between the forces became wider day by day.

According to the CONGRESSIONAL RECORD of yesterday, a peace pipe was smoked last Sunday in the City of Brotherly Love. It may have been that the Democratic bigwigs decided that the Sabbath Day was the best day on which to bring together the warring factions, hopeful that the influences of the Sabbath might ameliorate the sores of long standing. Then, again, of course, it may have been that the Democratic bigwigs decided that the city of Philadelphia and the Sabbath Day together would contribute; in other words, the blue-sky laws and the influences of William Penn might each contribute to make the peace pipe a more acceptable symbol for the hopes of new dealism than the tomahawks that had been flying in the days preceding. The junior Senator from Pennsylvania was on the spot. He was the one who would be required to make the declaration of peace. Upon his shoulders fell the responsibility of making a statement which, to the uninformed, might appear to be an all-out avowal of the candidacy of those that in days gone by he had so strenuously opposed. Unfortunately the Senator hit upon a theme that all commentators, all students of political affairs have definitely labeled as of no value in the present campaign. Despite the fact that the pre-Pearl Harbor issue has proved to be a boomerang wherever it has been tried, the junior Senator from Pennsylvania decided that the only basis upon which he could advance the cause of candidates was to attempt to resurrect the discord and the disunity which most patriots have frowned upon. It is a well-known fact that the original strategy of the new dealers was laid upon the basis of a pre-Pearl Harbor attack.

In primaries throughout the country the effort was made. Wherever it was tried it failed. It is unfortunate that the junior Senator from Pennsylvania has not kept abreast of things. It is unfortunate that the junior Senator from Pennsylvania did not know of the trend of affairs. It is unfortunate that the junior Senator from Pennsylvania resurrected a corpse that had long been buried. It is unfortunate that the junior Senator from Pennsylvania, in his enthusiastic effort to appear as a smoker of a pipe of peace, drew so heavily on the stem of the pipe that his usual keen memory failed him so completely on the Sabbath Day a week ago.

Posterity will have a record of the effusion. The CONGRESSIONAL RECORD has provided the means for the children and the grandchildren of Pennsylvania to read of the event when old sores were covered up, when discords were declared to be nonexistent, and when futile and frantic efforts of the New Deal chieftain sought to impress upon the uninformed that unity prevailed in the little New Deal in Pennsylvania. It is regrettable, however, that in this frantic and futile effort the junior Senator from Pennsylvania found it necessary to revive an issue long buried, an issue that should be buried today while we are at war, an issue that has proved to be of no value politically, an issue that can contribute nothing to our all-out winning of the war, an issue which, if persisted in, can only mean discord and misunderstanding. It is unfortunate that, with the ability which he has, he did not seize the opportunity to better advantage in his espousal of the causes of the candidates for whom he spoke. Again, I say, posterity as a result of the charity of the CONGRESSIONAL RECORD will have the written evidence of the effusions of that memorable day. Whether they will be inspiring or not remains to be seen.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield for a question?

Mr. RICH. I yield to the gentleman from Pennsylvania for a question.

Mr. EBERHARTER. Does not the gentleman believe that one of the fundamental tenets of the American form of government is that there should be contests in primary elections; but that, after the primary elections and the voters have decided who shall be the candidates that the right thing is for those persons who were having differences in the primaries to get together, because they believe in the same principles of government?

Mr. RICH. When the junior Senator from Pennsylvania takes as his theme, and uses the CONGRESSIONAL RECORD as his vehicle of distribution, that he will oppose anyone who, previous to Pearl Harbor, was against getting this country into war, I cannot follow him. He takes as his basis of judgment the proposition that anyone who, previous to Pearl Harbor, opposed our entry into the war is of no value; that he is of no value if he did not follow the New Deal and follow it completely. I am one of those who believe that this country could have been kept at peace. I do not believe the junior Senator from Pennsylvania can espouse his cause to that extent and have peace and harmony. We are at war, and all of us who, previous to Pearl Harbor—and I am one of them—were against getting this country into war, now are for winning it and doing everything we can to win it, because it is the natural thing for the American people to hang together. He ought to have brains enough not to bring up an issue of that kind now.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield further at that point?

Mr. RICH. No. I do not believe there is any use discussing this matter on the floor of the House; it is a dead issue. The gentleman ought to send for the junior Senator and tell him that, if he thinks he can elect men to Congress who are nothing but rubber stamps, he had better get on another bandwagon and get on it quickly, because the people of Pennsylvania are not going to stand for any poppycock ideas of that kind.

Mr. EBERHARTER. The gentleman has a little more time; will he yield the balance of his time to me?

Mr. RICH. No; I will not yield to the gentleman because the gentleman is one of the new dealers who has followed the junior Senator from Pennsylvania; and I do not think anything the gentleman from Pennsylvania can say or anything he can do will help his cause in any way; certainly it would not with me because I do not see anything good in the New Deal as espoused in the meetings held by the junior Senator from Pennsylvania with the New Deal leaders of Pennsylvania. They are just as bad whether they come from Pennsylvania or whether they come from Texas, Alabama, or California; they ought to be buried.

[Here the gavel fell.]

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Texas [Mr. PATMAN] is recognized for 10 minutes.

Mr. WHITE. Mr. Speaker, will the gentleman yield for a unanimous-consent request?

Mr. PATMAN. I yield.

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a copy of a letter from the President and also from Secretary Ickes on reclamation.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. WRIGHT. Will the gentleman yield to me for a unanimous-consent request?

Mr. PATMAN. I yield to the gentleman.

Mr. WRIGHT. Mr. Speaker, at the conclusion of the address of the gentleman, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. WRIGHT]?

There was no objection.

ANSWERING AN ATTACK

Mr. PATMAN. Mr. Speaker, it has never been my purpose to attack any Member of this House, and I shall not deviate from that policy. On yesterday there was a colloquy between the gentleman from Kansas and myself which resulted in certain statements being made by the gentleman from Kansas that really attacked me as a Representative of the people whom I have the honor to represent. I look upon each Member of this House as an equal Member. Every Member represents approximately 300,000 people and his conduct and his assertions, so far as I am concerned, between himself and his people will remain there, and I have no comment or criticism to make; but, of course, if it involves other colleagues I think those colleagues have a right to defend themselves.

On yesterday the gentleman criticized me for not assisting in eliminating from an appropriation bill two expenditures which he labeled wasteful and extravagant expenditures. He made the statement:

> If the gentleman does not know it he might be advised that the House not long ago permitted an appropriation to go

through to spend $57,000 to study the food habits of wild birds.

Then further on he said:

I can advise the gentleman that if he will examine the RECORD he will find I offered an amendment to strike that particular item from the bill. The gentleman who asked the question was neither on the floor at the time nor did he attempt in any way to help me out on that proposal. There was in that same bill an item providing for the expenditure of money to travel bureaus in this Government. The distinguished gentleman, etc., did not help on that particular item either, and that item also stayed in the bill.

Now, what are the facts? The facts are there was no item of $57,000 involving wildlife in the bill. There was an item of a different amount, not so far removed from the $57,000, however. The gentleman from Kansas did not offer an amendment to strike it out at all. The gentleman from North Carolina [Mr. COOLEY] offered an amendment to strike it out, and instead of it being defeated, as the gentleman suggested, it was accepted by the House by a standing vote, and instead of the gentleman from Texas being absent he was present but not voting against the appropriation, but voting for it and against the amendment.

I do not consider it a waste. You know, things like that ought not to be said unless they represent the facts. In that one little statement there are at least four misrepresentations of facts. It does not take long for Congress to have quite a bad reputation if we indulge in such talk and just quarrel among ourselves. We should not do that, and I hope I shall never be guilty of anything like it. However, I feel that I am within my rights in making the suggestion that the gentleman was wholly in error—absolutely in error; in fact, he did not touch the truth, so far as those particular statements were concerned.

May I say just one word about another statement that was made in regard to expenditures on yesterday. I am against any waste, and I am against extravagance. We must eliminate every extravagant expenditure we can. But it does not help any to get up and say:

These bureaucrats are not patriotic. If we had patriotic men in charge of the bureaus we would do thus and so.

That does not help. That is a lot of loose talk and it does not mean anything. Do you not think we are charged with the duty, especially in wartime, to give facts which the House can act on? If there has been money wasted, point it out, when, where, who is guilty, how much, or at least sufficient information to enable someone to take action against the people who are accused and stop it. To get up here and just say there were $250,000 spent for long-distance telephone calls by the N. Y. A. last year does not mean a thing in the world. You can spend that much money legitimately and honorably in the public service in a great department like the N. Y. A., and to infer that because it was a large amount it is waste and extravagance does not prove anything. The gentleman from Michigan the other day referred to the War Department Building over here in Virginia. I was intensely interested in what he had to say. The gentleman is a great student, he works hard and I commend him. I am always anxious to hear him but I believe he should not deal in generalities. When he stated that he thought the building would cost $35,000,000 and it ultimately cost $70,000,000, of course, I listened, but when he failed to say that one extra dollar was spent unnecessarily or wastefully or extravagantly it did not prove anything. Why the $70,000,000? We presume it was necessary to spend $70,000,000. Yes; it is a lot of money, but why engage in a lot of loose talk and just mention big amounts, millions of dollars, and then say that that is an evidence of extravagance? It is not an evidence of extravagance at all.

WAR IS WASTE

War itself is a waste. We must do things in a hurry. Haste makes waste. In connection with all of these projects we have spent a lot of money that should not have been spent under normal conditions. It always will be that way in wartime because we want to do things quickly, we want to do them in a hurry. We must get labor away from existing industries. We must ask people who are already comfortably situated in their own homes, working in their own shops—mechanics, and so forth—to go away; we must in some way induce those people living in those comfortable surroundings to go to a distant point and work for the Government in order to make planes and tanks and ships and guns with which to win the war. It looks like a lot of waste, it looks like a lot of money, but war itself is waste.

LESS GRUMBLING AND MORE FACTS NEEDED

So I am with the gentlemen who say they want to stop wasteful expenditures. I commend them. I work shoulder to shoulder with them. But let us not do just a lot of grumbling, a lot of sniping, a lot of criticizing. Anybody can criticize. Let us point out, let us specify. If all the gentleman's information was as incorrect as that I have pointed out, I think the Members of the House will agree with me that there has been too much talk about things that do not coincide with the facts as disclosed by the record.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Kansas.

Mr. REES of Kansas. With reference to the item of $57,000, it happens that the item amounted to $50,000 instead of $57,000.

Mr. PATMAN. But the gentleman did not offer the amendment to cut that out.

Mr. DITTER. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. DITTER. As a member of the Committee on Appropriations—and I know my distinguished friend from Kansas is not a member of that committee—I can say for the benefit of the gentleman from Texas, knowing he wants to be fair in this matter, that the self-same amendment that was offered from the other side of the aisle by our distinguished colleague from North Carolina [Mr. COOLEY] was prepared and presented to the Committee on Appropriations by my distinguished friend from Kansas. It was not offered by him. As the gentleman knows, very frequently a commendable project appears all the more commendable if it is fathered and sponsored on the other side of the aisle instead of coming from our side.

Mr. PATMAN. With all due respect to the distinguished and able gentleman, he has not made any contribution to this at all. The reason he has not is that he has not disputed a thing. The gentleman said in his remarks yesterday that when the bill came here on the floor—read the remarks—he offered an amendment to strike out this item and that I was not present, that if I had been here to help him maybe the amendment would have been adopted, but that as it was the amendment was defeated. The record shows, however, that the gentleman did not offer the amendment at all. The gentleman from North Carolina offered the amendment. Further, instead of the amendment's being defeated it was accepted. So, whether or not he did something in the Appropriations Committee, I will say to the distinguished gentleman from Pennsylvania, has no reference to the discussion at all.

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DITTER. If the gentleman will yield, I feel that the gentleman from Texas wants to be fair.

Mr. PATMAN. Certainly I want to be fair.

Mr. DITTER. I hardly feel that he wants to say that the gentleman from Kansas purposely misrepresented the facts.

Mr. PATMAN. I am not saying that.

Mr. DITTER. The contribution I brought was simply to clear up that portion of the RECORD.

Mr. PATMAN. That he was sincere in wanting it stricken out? That I do not dispute. I do not question the sincerity of any Representative on any vote.

Mr. DITTER. That he was sincere and did not intend to misrepresent facts on the floor of the House.

Mr. PATMAN. I am not saying that. I am just saying that he made the statement that he offered the amendment to strike out that item, and that if the gentleman from Texas had been here and helped him, possibly the amendment would have been adopted, but as it was it was defeated, when the truth is just the reverse. The truth is that he did not offer the amendment, and when the amendment was offered it was accepted. Therefore, he places me in an attitude of being absent and causing the defeat of the amendment, when it was accepted.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I will accept the statement that I did not offer the amend-

ment. I did prepare an amendment to strike the item from the bill. If the gentleman has the record before him, he will find that I supported the amendment. The gentleman may have been present. I am not here to dispute that. If he says he was present, well and good.

Mr. PATMAN. That is immaterial. Do not bother about me. I will take care of my own situation.

Mr. REES of Kansas. Perhaps it is immaterial whether the gentleman from Texas was present. I am trying to answer the statement of the gentleman from Texas. Nevertheless, I do not find in the RECORD that he said anything on behalf of any of these amendments, whether striking out items or otherwise.

Let me ask the gentleman further——

Mr PATMAN. No, wait a moment. I want to take that up. The gentleman is charging me with failing to do my duty because I did not say something on that particular amendment.

Mr. REES of Kansas. I am not charging the gentleman with anything. He started this discussion.

Mr. PATMAN. In that bill there were possibly 50 amendments. Possibly the RECORD will show that I did not have anything to say on any of them. If the gentleman is going to criticize a Member because he does not speak on every bill or any amendment, he can criticize every Member of the House, including the distinguished gentleman from Kansas. So the gentleman makes no point there at all.

Mr. REES of Kansas. I am not trying to criticize.

Mr. PATMAN. Now, ask your question.

Mr. REES of Kansas. Thank you. What I wanted to say is that the gentleman evidently at the time the bill was under discussion did not see fit to say anything on behalf of the amendment. Did he?

Mr. PATMAN. No; it was not needed. The gentleman from Virginia [Mr. ROBERTSON] made a wonderful talk on it, to the best of my recollection; I am sure he discussed it during the consideration of the bill. I thought he made such a wonderful appeal that I did not see why it should be turned down. I do not think it was wasteful or extravagant. I think it was a fine expenditure; I think it was justified. I think the gentleman was voting against the interests of his own people and of the farmers in voting against it. That is my opinion. The gentleman has a different opinion. The gentleman is entitled to his views and I am entitled to mine.

Mr. REES of Kansas. Certainly. The thing I was trying to get across in the discussion is that, in view of the situation in which we find ourselves this afternoon, is that in view of the things that have gone by since that time, and with an appropriation of $900,000 to be spent in the District of Columbia, most of it going for the services of employees, does not the gentleman think we have a right to cut that a little bit and save some of that money and manpower and use it for others that may be quite important?

Mr. PATMAN. Yes; if we can do it. But suppose I should advocate cutting down the gentleman's own office expenses; I do not know a thing about it.

Mr. REES of Kansas. The comparison is hardly in point, but I assure the gentleman I am glad to use as much diligence in that respect as he does.

Mr. PATMAN. I would be acting in the dark. I would be advocating something that I knew nothing about. The statement of the gentleman from Kansas is a very general statement. Why does not the gentleman specify the department and just where expenses can be cut? The gentleman is a very diligent person, why does he not bring up some actual cases? The gentleman cited two cases, but they do not seem to hold water.

Mr. REES of Kansas. I cited one yesterday, the Travel Bureau. Is the gentleman from Texas in favor of maintaining the Travel Bureau at this time?

Mr. PATMAN. I do not know about the merits of the Travel Bureau, but if the gentleman is as mistaken about that as he was about the wildlife appropriation I would want to know more about it.

Mr. REES of Kansas. There was a Travel Bureau established here a couple of years ago—I thought it should not be continued under present conditions.

Mr. PATMAN. I am not going to discuss that because I know nothing about it. I am against waste and extravagance and I want the gentleman to point out where there is waste and extravagance.

Mr. REES of Kansas. That is exactly what I have been trying to do.

Mr. PATMAN. Well, fight it every time; that is what you should do.

Mr. REES of Kansas. And I was trying to convince the gentleman to do that, too.

Mr. PATMAN. That is what you should do, but do not say you did when you did not.

Mr. REES of Kansas. I was trying to do that on that day, March 27, and the gentleman did not stand up here and say a word about it. That is exactly why I fought that item and the $57,000 item. All I ask is for the gentleman from Texas to get up here and fight with me.

Mr. PATMAN. I think you will find the gentleman from Texas always trying to stop extravagance, but you know a lot of speculating and grumbling does not amount to anything. You have got to be specific and name the places, the dates, and the amounts.

Mr. REES of Kansas. I am surprised at the attitude of the gentleman.

Mr. PATMAN. You should get up here and give the facts and not always deal just in chicken feed when there are a lot of million-dollar items that deserve a lot of attention.

Mr. REES of Kansas. If $57,000 is chicken feed, to the gentleman, than that is different.

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DITTER. Mr. Speaker, will the gentleman yield for a unanimous-consent request?

Mr. PATMAN. Certainly.

Mr. DITTER. Mr. Speaker, I ask unanimous consent that following all previous special orders today I may proceed for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

TOO MUCH BEING DONE TO PLEASE HITLER AND TOJO

Mr. PATMAN. In all sincerity, I think the members of the minority party have been trying to cooperate generally in this war effort. Unity is what we need, but I think there has been too much disunity on the floor of this House, in the country, in the newspapers, among the commentators, and elsewhere. So let us, in all sincerity, keep in mind that any time we make statements that are just a little bit loose or are inclined to be just grumbling and critical without pointing out any facts, we are doing the very thing that Hitler would like for us to do. We are doing the very thing that Tojo would like for us to do. They would applaud us if they had the power to do it. It is right down their alley. They want us to do things that will create disunity and leave the impression throughout the world that we have a civil war here in the United States and that we hate our own leaders more than we hate Tojo and Hitler.

SUMMARY

Let me summarize the charges and state the facts regarding each charge.

Charge No. 1, as contained in the daily CONGRESSIONAL RECORD of October 15, 1942, page 8233, was that the gentleman from Kansas [Mr. REES] offered a motion to the Interior Department appropriation bill when it was before Congress in March 1942, to strike out an item of $57,000 for the purpose of studying the food habits of wild birds and that I, the gentleman from Texas, was not on the floor at the time and made no effort whatsoever to help him on the proposal.

Charge No. 2 was, because I, the gentleman from Texas, failed to help him, the gentleman from Kansas, on his amendment to strike out $57,000, the amendment was not adopted and the money was appropriated.

Charge No. 3 was that the $57,000 was a wasteful and extravagant expenditure on the part of the Government and that I was negligent in my duty in failing to be present to help him.

In answer to charge No. 1, the answer is, the gentleman from Kansas did not offer an amendment to strike out a proposed appropriation of $57,000 to study the food habits of wild birds. This statement is absolutely without foundation. The fact is, when the Interior Department bill was before the House on March 27, 1942, the gentleman from North Carolina [Mr. COOLEY] offered an amendment to strike out an appropriation of $50,000, which was provided for in the bill to govern food habits of birds and animals.

In answer to charge No. 2, the gentleman from Kansas [Mr. REES] did

not offer the amendment; and instead of me being absent, I was present. It is true that I did not vote for the Cooley amendment, because it had a worthwhile purpose and I believed that the Izaak Walton League members were correct in their contentions that it should be made available and, therefore, I supported it.

In answer to charge No. 3, the gentleman from Kansas did not take the position, when the Interior Department appropriation bill was before the House, March 27, 1942, that the $50,000 would be wasted; but he took the position that it could be used for a better purpose in wartime. He admitted in a statement on the floor of the House that the expenditure would do some good.

With reference to the Travel Bureau amendment that the gentleman talked so much about, it involved an expenditure of $9,820 and would probably have been worth millions of dollars to the Government. The original proposal for the Travel Bureau was for $75,000. It had already been reduced from $75,000 to $9,820 and the gentleman from Kansas proposed to eliminate it entirely. It involved an international question, as well as the wildlife amendment, and would have had some influence over an annual travel bill in this country of $7,000,000,000.

Out of the more than $200,000,000,000 that have been authorized to be expended during this administration, the gentleman has pointed out 2 items that he considered to be wasteful—one, the $50,000 item for wildlife, which involves our agreements with Canada, Mexico and other Central and South American countries and the Travel Bureau item for $9,820.

[Here the gavel fell.]

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. WRIGHT] is recognized for 3 minutes.

THE ITALIAN PEOPLE IN THIS COUNTRY

Mr. WRIGHT. Mr. Speaker, I read with commendation of the decision of the Government as expressed by the Attorney General to remove from the Italian people in this country the hateful appellation of enemy aliens. Mr. Biddle has stated that the action is to be taken as the result of the patriotism and devotion to America manifested by the Italian people both preceding our entry into the war and since that time.

It has been my privilege during my lifetime in Pittsburgh, the melting pot of all peoples, to have formed many strong friendships with those of the Italian race. I have recognized from the beginning that they have been grateful to the country of their adoption for its gifts of liberty and economic independence. They have built their churches here, they have raised their families here, and they are glad to consider America their home. They are now serving in our armed forces, many of them with notable valor, and already have given their tribute of blood to the country which they love.

It is true that sentimental ties still exist with them for the land of their ancestors, not to the extent of impairing their loyalty to this country, but more as a matter of pride and love for the old days of Italy. This affection for Italy is for a free Italy and not for the slave Italy of Mussolini's making. They have seen the country of their birth abjectly handed over to the despised Nazi overlords against the will of its very people. They know that the only chance for the removal of these shackles is an Allied victory and the defeat of Mussolini. They know that this country will walk upon the lands of Italy, and we hope at not too distant a time, not as a conqueror but as a liberator, which will restore to the Italian people and all other subject peoples in Europe their legitimate and traditional status as a free nation and as a friend and partner of all other free democracies.

EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial, by Damon Runyon, appearing today in the New York Daily Mirror.

The SPEAKER pro tempore. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that at the conclusion of the special order of the gentleman from Pennsylvania [Mr. DITTER] I be permitted to address the House for 3 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DITTER. Mr. Speaker, I shall be very gracious and so as not to detain the House unduly, be glad to yield to my distinguished friend for his 3 minutes at this time.

Mr. EBERHARTER. Oh, the gentleman is very kind, but I would rather defer my statement until after the gentleman has spoken.

Mr. DITTER. I should be very glad even to make it 5 minutes. I would be very glad to yield 5 minutes of my 10 minutes if the gentleman would accept the invitation.

Mr. EBERHARTER. I am sorry, but I did not intend to speak prior to the gentleman from Pennsylvania, and I may want to make an observation or two, depending upon what the gentleman says.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under special order heretofore granted, the Chair recognizes the gentleman from Pennsylvania [Mr. DITTER] for 10 minutes.

EXTRAVAGANCE IN GOVERNMENT

Mr. DITTER. Mr. Speaker, I do not intend to draw a bill of particulars at this time. From my experience in the law courts, I am satisfied that at times things are so self-evident that a bill of particulars is unnecessary. My distinguished friend the gentleman from Texas [Mr. PATMAN] a few moments ago insisted that a bill of particulars would have to be drawn to prove the wastefulness and extravagance of the New Deal. I cannot agree with him. It would be a useless waste of time and effort. The American people do not need a bill of particulars on this subject.

The American people have a memory that goes back to the early days of 1933. I am well satisfied that an increasing number of the American people know that the leopard has not changed its spots. I am satisfied that they well recall the easy money days from 1933 on. As this tax bill lays its heavy hand upon them I think an ever-increasing number of Americans know that they are not only paying for the war effort, but that they are paying for the waste and extravagance of the early days. I am satisfied that no bill of particulars need be drawn about the days of boondoggling. Does my distinguished friend from Texas want me to draw a bill of particulars of those projects that shocked the sensibilities of the American people—projects that were admittedly a shame and disgrace. Millions of dollars were cast hither, thither and yon. The American people have not forgotten the investigation of the W. P. A. I am sure that the majority of the honest, common sense people have not. With a due sense of modesty, the minority asks today, who was it that put a restraining hand on those easy-money days of boondoggling? A bill of particulars? Must we draw a bill of particulars and bring again to the attention of the American people the fan-dancers of just a few months ago? Must we draw a bill of particulars on the episode of Donald Duck? Must we draw a bill of particulars for every dollar of waste and make a specific charge on each of the multitude of items? No. After all, we are what we are and we do what we do because of a fundamental philosophy, because of our fundamental thinking.

Some people think that the Prodigal Son was an ideal worth imitating. Undoubtedly the Prodigal Son himself thought so. He undoubtedly was well satisfied to take the inheritance which was his, and waste his substance in riotous living. He never came to his senses until the tax bill came along and that tax bill came when he got down with the swine and began feeding with them. That was when he knew what the price of his profligacy was. When the tax of humiliation and hardship hit him he realized that he could go back to his father, and be better off with him as a hired man than to continue as a swine herder in the country far off. It was an easy life as long as the money lasted. Must we draw a bill of particulars of the prodigality and profligacy of waste and extravagance that has marked this administration over the years? What would be an insult to the intelligence of the American people. The American people remember. They realize today that the dollars that are coming out of their pockets as the tax gatherer goes around are in part the dollars of waste of yesteryears. Shall we draw a bill of particulars of the disclosures that have been made by my distinguished friend from Michigan? He has offered you a record, dollar for

dollar. Must we recall and draw a bill of particulars after the splendid work of my distinguished friend the gentleman from Michigan [Mr. ENGEL]? He has presented facts and figures. The American people know those facts and figures. If I have misrepresented, if I have in any way overstated, I shall be subject to correction at the hands of the majority. A bill of particulars—my friend the gentleman from Michigan [Mr. ENGEL] has drawn the most complete, the most specific bill of particulars. It has been detailed and exact. He has been answered with excuses, not with explanations.

I do not want to exaggerate. I do not want to misrepresent, but I do say that it is entirely unnecessary to draw up, item by item, where the dollars have been wasted. Shall we draw a bill of particulars on the C. C. C.? Shall we draw a bill of particulars about the burning of the goods, the scandalous disregard of the value of clothing? No bill of particulars is necessary. I repeat we do the things we like to do. "As a man thinketh so is he." Easy money and easy spending are habits fixed by our thinking. The easy-money theorist may be right. I do not think so. It is a matter of opinion. But the old homely virtues of frugality and thrift were virtues upon which I, in an old-fashioned American home, was reared. I was told that a penny saved was a penny earned. I was told that to save was one of the ways to earn. I was told that frugality and thrift and industry should be woven into the fiber of character to make for strength. I was told that wastefulness tore away the sinews of strength. God knows we need strength today. I am afraid that the softness of the earlier days of this administration, when men were taught that the only worth-while thing was how much they could get, is of little value in this serious hour. It is what we are giving today and not what we can get that is the measure of our devotion to a great cause. Sacrifice is giving, not getting.

I am not drawing a bill of particulars, for a bill of particulars is unnecessary with the plea that is now before us. The plea of the New Deal, as the heavy hand of taxation is laid on the American people, is a plea of "guilty" to the charge of improvidence that has been lodged against it.

[Here the gavel fell.]

SELECTIVE SERVICE AND TRAINING ACT

Mr. SABATH. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a special report from the Committee on Rules on the bill H. R. 7573, the Selective Service and Training Act.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. PATRICK. Mr. Speaker, I ask unanimous consent that at the expiration of all addresses for which permission has been given that I may be permitted to address the House for 10 minutes today.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. EBERHARTER] is recognized for 3 minutes.

THE REPUBLICAN PARTY IN PENNSYLVANIA

Mr. EBERHARTER. Mr. Speaker, the gentleman from Pennsylvania [Mr. RICH] this afternoon did a very unusual thing for him. He appeared in the Well of the House and read a prepared statement. I think that is the first time that Mr. RICH ever appeared in the Well of the House and read a prepared statement. That leads me to the conclusion that he devoted quite a bit of time and attention to the preparation of the statement. That leads me to another conclusion also, Mr. Speaker. That is the conclusion that in making that statement he was speaking not only for himself, but that he was speaking for the leadership of the Republican Party in Pennsylvania.

Mr. DITTER. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. Not just at this moment.

Mr. DITTER. I have been very gracious to the gentleman.

Mr. EBERHARTER. I will yield to the gentleman as soon as I have finished my statement. I think we can get some more time, probably.

Why the gentleman from Pennsylvania [Mr. RICH] should be selected, or, if not selected, why he should take it upon himself to speak for the Republicans of Pennsylvania, I do not know; but his statement evidently shows that the Republican Party in Pennsylvania is very, very much disturbed over the fact that the Democrats, after the primary fight was over, have joined hands together and are working harmoniously so that the principles and policies which they espouse will be successful on next November 3. That evidently disturbs the gentleman from Pennsylvania and those for whom he speaks.

Mr. DITTER. Will the gentleman yield at that point?

Mr. EBERHARTER. Not until I have finished my statement.

Mr. DITTER. The judicial bearing of the gentleman, I feel, always lends itself to one of fairness and equity.

Mr. EBERHARTER. I am afraid I cannot yield at this point until I have finished my statement.

Mr. Speaker, I have come to one other conclusion, and that is this, that the gentleman from Pennsylvania [Mr. RICH], or those for whom he spoke today, are also very much disturbed that the junior Senator from Pennsylvania brought to the attention of the public that isolationism was and still is an issue in this campaign.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. DITTER. Mr. Speaker, reserving the right to object, and, of course, under no circumstances would I object; but might we have an understanding that my friend, if he is yielded this additional 5 minutes, will be courteous enough to yield to me, as a part of the 5 minutes, to make a correction of a statement that he made a moment ago?

Mr. EBERHARTER. I shall be very delighted to yield to the gentleman from Pennsylvania so that he can make a correction, and I will yield before the expiration of the 5 minutes.

Mr. DITTER. May we put it in right here so that the continuity of the thought of the gentleman will not be disturbed as he makes his peroration in the next 5 minutes?

Mr. EBERHARTER. I thank the gentleman for giving me credit for having ability to make a peroration. I am sorry I am not as talented in that respect as the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. That is very gracious, sir.

Mr. EBERHARTER. The House is accustomed to hear perorations from the gentleman from Pennsylvania.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. EBERHARTER]?

Mr. DITTER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. The Chair hears no objection.

Mr. DITTER. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. DITTER. I, of course, would not presume to say for whom the gentleman from Pennsylvania [Mr. RICH] spoke. I, of course, would not presume to say that I in any way might speak for the leadership of Pennsylvania; but only as a very humble man of the delegation may I say that I know, if I am a part of Pennsylvania republicanism, that the gentleman from Pennsylvania [Mr. RICH] was speaking in his own behalf and not speaking for the gentleman from Montgomery County, Pa.

Mr. EBERHARTER. I am certainly glad the gentleman has made that statement for the benefit of the House.

Mr. DITTER. That is in no way presumptuous that I am speaking for any majority.

Mr. EBERHARTER. It would seem to me rather strange if the Republican Party did select the gentleman from Pennsylvania [Mr. RICH] to speak for it, inasmuch as he is not a candidate and will probably pass out of the public picture on next January 3.

Mr. DITTER. Does not the gentleman think that the gentleman from Pennsylvania [Mr. RICH] has a reputation for individualism around here by which he probably would operate in his own right and not subject to orders or restraint?

Mr. EBERHARTER. I am glad the gentleman has made that statement. I agree with the gentleman 100 percent.

The gentleman, in effect, says he repudiates the statement made by the gentleman from Pennsylvania [Mr. RICH].

Mr. DITTER. Under no circumstance would I leave that inference, but I say that when I attempt to speak for Pennsylvania republicanism I feel I have always been able to take care of myself.

Mr. EBERHARTER. The gentleman, then, does not agree with the statements expressed by the gentleman from Pennsylvania [Mr. RICH]?

Mr. DITTER. I never have made any disavowal of the splendid speech that my friend from Pennsylvania made.

Mr. EBERHARTER. Mr. Speaker, whether or not the people of this country are interested in the stand taken by this administration, by the Democratic Members of Congress, and by the Republican Members of Congress, whether or not they are interested in that is for them to decide and for them to show on November 3. What I want to say is that whenever the issue of isolationism is mentioned it immediately arouses the ire of those who were isolationists prior to Pearl Harbor. I do not know why it should disturb them so much. If it is not an issue, they should be glad to see a Democrat bringing it forward, because if it is not an issue certainly the public and the voters are not going to vote for those who bring it forward; so I do not see why it should disturb them so much.

The gentleman from Pennsylvania [Mr. DITTER] a few moments ago said he trusted that the memory of the American people was not so short but that it would go back to 1933. I, too, hope the memory of the people of America goes back to 1933 and that they will remember the conditions in this country in 1933; that they will remember there were bread lines and jobless, that the banking structure was about to fall, and that we had economic chaos; for their memory will also serve to remind them that out of that terrible and chaotic condition the President of the United States and a Democratic administration resurrected the country and gave new life and new hope to all of the people of America.

The gentleman from Pennsylvania [Mr. DITTER] tries to raise the issue of waste and extravagance on the part of the Democratic administration. In this he is raising the dead issue of W. P. A., the C. C. C., and some other things that are so infinitesimal in the public mind today. The great thing in the public's mind today is, What can we do to win this war? It is not inclined to resurrect a little bit of waste and extravagance perhaps in C. C. C. and W. P. A. No American voter will get excited about that issue. Mr. Speaker, if he wants to call the attention of the House to extravagance, he should not refer to those minor matters but should refer to the scandals, the bribery, and the corruption that occurred when the Republican Party was in power, such as Teapot Dome, the Veterans' Administration, and many other things.

[Here the gavel fell.]

SPECIAL ORDER

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Alabama [Mr. PATRICK] is recognized for 10 minutes.

Mr. PATRICK. Mr. Speaker, Pennsylvania is not involved in this speech. At least not by intent. I do not know the purpose behind these sudden outbursts on the floor sometimes so late before the oncoming elections in the country. I am a lame duck, therefore I am absolutely free from certain influences and it is for that reason that I can get up here and say what I please. It is really a privilege, being a lame duck. I do not mind it now. You cannot nurse a sore toe. If you do you become a heel. I do not propose to go around nursing mine. I want to get what benefit inures from it. I know it gives you a freedom you did not formerly know; you can stand on the floor of this Congress and say what you think. It may be brief in term, but it is freedom. The trouble with being a lame duck is it just does not last long enough, that is all.

May I say that I hope the public at large will not take too seriously these sudden little onslaughts of these brethren who rise up here and want to smack somebody down just before election. I think that they are trying to get the newspaper back home to publish something that will make the folks know that they are still running around up here. They know the value of publicity and there is no better place to get publicity for a man in Congress than to get up on the floor and say something that will get his name on the front pages of the paper back home. Being a lame duck and out of the picture I can say that with either guilt or innocence. My conscience does not hurt me while I am saying it. I hope the people will not get too exercised.

The Nation is getting together, it is pretty well solidified now. Those who are not in the forefront of the march are a mighty small minority in the Nation and that is just as true here down under on the floor of the Congress. Of course we know that in past days there was boondoggling, but nobody charges that there is boondoggling now. Our friend from Pennsylvania [Mr. RICH] always got exercised about the money that was being spent. He said he wanted to save his Government a dollar but he spent in his own talk and the time he took on the floor today at least $150 or $200 in what he called an effort to save the Government that dollar that he did not save. It just does not work out. We know about Teapot Dome, but the Members who are here now are not responsible for that. We remember when they stole the sheets out from under the afflicted veterans, but that is not a thing that can be charged now. Nobody is blaming them. They know what the Doheny crowd did to us with the Teapot Dome scandal, but the people do not say that everybody in the party then in power is responsible for that.

Of course, there have been indiscretions and lack of wisdom, there has been a lot of stuff that has gone on here and which will inevitably go on in a nation of 130,000,000 teeming, ambitious people of freedom and activity. But it does no good to get up on the floor and say the things, as the gentleman from Pennsylvania [Mr. RICH] has, for example, said things that he would not dare to say on the open street. I would challenge Mr. RICH of Pennsylvania to say on the street corner of Birmingham, Ala., the things that he got up here and said on the floor of this House because he has the protection of the House and nobody could do anything to him about it.

His is not the sentiment of the Democrats or the Republicans of this House. I want to state to the Nation that in my honest opinion the gentleman from Pennsylvania [Mr. RICH] stands isolated and alone, having no comfort or company from anybody here. We do not want anybody to get the idea that that sort of feeling and lack of unity and lack of faith in this Government emanates sincerely from the hearts that represent the Congress of the United States. Why, even today the gentleman said we could have stayed out of the war. Shades of Pearl Harbor and the lives of those poor boys when that sneaking assault occurred over there. Think of the boys who were killed over there. I do not understand how an American citizen, knowing what is happening in the Solomon Islands today, when the odds over there are perhaps against us, realizing what our embattled forces over there are facing, young men and men not so young fighting their merry lives away to protect our way of life, realizing the tragedy when we were hit from the rear on a Sabbath morning even when a conference of apparent peace was being carried on, I repeat, I do not understand how a man who has been elected to the Congress of the United States can stand up on the floor and say, in view of that sneak attack, that we could have stayed out of the war. That is certainly not the sentiment of this House or the people of this Nation.

All I got this time for was to get up and say that those sort of statements are far from being a part of the sentiment of this House. We hope the Nation can recognize that fact and know that America believes in its own freedom, believes in determining for itself the freedom of the seas, and in maintaining the things that will hold freedom forever for this Nation and protect it against all that would encroach upon that freedom. It is in that key that this war is pitched, and it is in that key that it will be fought and won. The unity of this country is demanded, and any little, isolated voice to the contrary is a mere whimpering of the irresponsible and misguided.

[Here the gavel fell.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. STARNES of Alabama (at the request of Mr. SPARKMAN), indefinitely, on account of important business.

To Mr. BLOOM (at the request of Mr. MCCORMACK), indefinitely, on account of illness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2794. An act to provide for adjusting royalties for the use of inventions for the

benefit of the United States, in aid of the prosecution of the war, and for other purposes; to the Committee on Patents.

BILL PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 3152. An act to suspend restrictions during the present war and for 1 year thereafter upon the service of certain officers of the Marine Corps in the Marine Corps Headquarters, Washington, D. C.

ADJOURNMENT

Mr. PATRICK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 10 minutes p. m.), under its previous order the House adjourned until tomorrow, Saturday, October 17, 1942, at 11 o'clock a. m.)

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ELLIOTT of California: Joint Committee on the Disposition of Executive Papers. House Report No. 2575. Report on the disposition of records by sundry departments of the United States Government. Ordered to be printed.

Mr. ELLIOTT of California: Joint Committee on the Disposition of Executive Papers. House Report No. 2576. Report on the disposition of records by sundry departments of the United States Government. Ordered to be printed.

Mr. ELLIOTT of California: Joint Committee on the Disposition of Executive Papers. House Report No. 2577. Report on the disposition of records by sundry departments of the United States Government. Ordered to be printed.

Mr. SABATH: Committee on Rules. House Resolution 554. Resolution providing for consideration of H. R. 7528, a bill lowering the draft law to 18 and 19 years, and for other purposes; without amendment (Rept. No. 2578). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RAMSPECK:

H. R. 7716. A bill to authorize heads of departments and agencies to delegate to subordinates the authority to employ persons for duty in departments or the field service; to the Committee on the Civil Service.

H. R. 7717. A bill to place the office of the Secretary of the Territory of Alaska under the classified civil service; to the Committee on the Civil Service.

By Mrs. ROGERS of Massachusetts:

H. R. 7718. A bill to establish in the Enlisted Reserve Corps of the Army of the United States a section to be designated the Women's Army Auxiliary Corps; to the Committee on Military Affairs.

By Mr. GUYER:

H. Res. 555. Resolution making H. R. 974 a special order of business; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PATRICK:

H. R. 7719. A bill authorizing the President to present a gold medal to Kay Kayser; to the Committee on Military Affairs.

By Mr. ROLPH:

H. R. 7720. A bill for the relief of Pacific Dry Dock & Repair Co., Inc.; to the Committee on Claims.

HOUSE OF REPRESENTATIVES

SATURDAY, OCTOBER 17, 1942

The House met at 11 o'clock a. m., and was called to order by the Speaker.

Rev. John Compton Ball, pastor of Metropolitan Baptist Church, Washington, D. C., offered the following prayer:

Our Father, we realize this morning as never before the truth of the expression, "Man's inhumanity to man makes countless thousands mourn." We not only hea of wars and rumors of wars but we know of them and the uncertainty of the outcome of battles with the heart concern over the fate of our loved ones. We plead, therefore, today for victory of arms over our foes that the United Nations may be welded into a solidarity of plan and purpose for the preservation of the freedoms fought for and handed down to us by our forefathers as a sacred trust. To this end "May the words of our mouth and the meditations of our heart be acceptable in Thy sight, O Lord, our strength and our Redeemer." May our boys, on the far-flung battle lines of the world, know that we are bearing them up in our prayers. May they be kept pure and clean in morals and possess a spiritual morale that shall lead to the achievement of their goal, namely, a victory complete and final for the peace of the whole world. In the name of Thy Son and to Thy glory we ask it. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

(Mr. CELLER asked and was given permission to revise and extend his remarks in the RECORD.)

PRIORITIES FOR URGENT LONG-DISTANCE TELEPHONE CALLS

The SPEAKER laid before the House the following communication from the Chairman of the Board of War Communications:

BOARD OF WAR COMMUNICATIONS,
Washington, D. C., October 15, 1942.

The Honorable SAM RAYBURN,
Speaker of the House,
United States House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: There is attached a copy of Order No. 20 of the Board of War Communications which establishes a system of priorities for urgent long-distance telephone calls which require immediate or prompt completion for the national defense and security, the successful conduct of the war, or to safeguard life or property. The persons entitled to use telephone toll priorities, where such a call is required in the manner and for a purpose specified in the order, are listed in paragraph 2 and include the President of the United States, the Vice President, Cabinet officers, Members of Congress, and other governmental and civilian agencies.

It would be appreciated if this information is brought to the attention of the Members of the House of Representatives. I should like to also add that there will be no censorship of telephone calls. A telephone operator will put through calls without questioning the right of the user to use the system. She may, however, request the name and address or position of the person placing the call, but this will be for record purposes only.

Sincerely yours,

JAMES LAWRENCE FLY,
Chairman.

AMENDMENT OF SELECTIVE SERVICE ACT

Mr. SABATH. Mr. Speaker, I call up House Resolution 554 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7528), to amend the Selective Training and Service Act of 1940 by providing for the extension of liability, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Military Affairs, the bill shall be read for amendment under the 5-minute rule. No amendments shall be in order to said bill except amendments offered by direction of the Committee on Military Affairs or amendments relating to age limits, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments that may be offered to said bill under the terms of this resolution shall not be subject to any amendment except pro forma amendments. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House and such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. COLE of New York. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. RAMSPECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll when the following Members failed to answer to their names:

[Roll No. 118]

Allen, Ill.	Duncan	Kocialkowski
Angell	Edmiston	Kramer
Arnold	Ellis	Lambertson
Baldwin	Englebright	Landis
Barnes	Faddis	Lesinski
Barry	Ford, Leland M.	Ludlow
Blackney	Gilchrist	McIntyre
Bloom	Granger	McKeough
Brown, Ohio	Green	McLean
Buckler, Minn.	Hall,	Maas
Buckley, N. Y.	Edwin Arthur	Magnuson
Byron	Hancock	Mason
Capozzoli	Hébert	Mills, La.
Chapman	Hendricks	Murray
Cochran	Hook	Norton
Coffee, Wash.	Houston	O'Brien, N. Y.
Cole, Md.	Hull	O'Connor
Collins	Jarrett	O'Day
Copeland	Johns	O'Leary
Creal	Johnson, Okla.	Oliver
Crosser	Kean	Osmers
Crowther	Kee	Pierce
Cullen	Keefe	Rankin, Mont.
Dickstein	Kennedy,	Reed, Ill.
Dies	Martin J.	Robertson,
Dingell	Keogh	N. Dak.
Domengeaux	Kerr	Rockefeller
Douglas	King	Rockwell

Romjue	Shanley	Sweeney
Sanders	Shannon	Tenerowicz
Satterfield	Sheppard	Thill
Southoff	Smith, Pa.	Tinkham
Scanlon	Smith, Wash.	West
Schaefer, Ill.	South	Williams
Schuetz	Starnes, Ala.	Wilson
Schulte	Stefan	Winter
Scrugham	Sullivan	Zimmerman

The SPEAKER. On this roll call 319 Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

Mr. SABATH. Mr. Speaker, after I shall have used 3 or 4 minutes, I will yield to the gentleman from New York [Mr. FISH] the customary time.

Mr. Speaker, this rule makes in order the so-called Wadsworth bill, H. R. 7528, amending the Selective Service and Training Act, and provides for 2 hours of debate, as requested by the Committee on Military Affairs, and as urged by the leadership of both sides.

The Committee on Military Affairs held extensive hearings for 2 or 3 days on the measure and heard the testimony of Secretary of War Stimson; General Marshall, Chief of Staff; General Hershey, Director of Selective Service; officers of the General Staff, and others, after which in executive session the original bill was amended in several respects, making it a much more improved measure than the one originally introduced.

I am informed that the bill was unanimously reported and I am pleased to say that the Committee on Rules, after two sessions, granted the rule on the bill with only one vote in opposition to it.

I am of the opinion that this legislation which now comes before the House requires immediate consideration and, consequently, we brought in a rule which is not a closed or gag rule, but a limited rule. It is a rule that will permit a vote on the age limit, which is the principal provision in the bill. The other provision of the bill broadens the effect of the law as to the draftees. I feel that the committee has done a splendid piece of work in bringing the bill before the House.

Mr. Speaker, so that there may be no misunderstanding on the part of any of the Members as to the purpose and effect of the bill, I will state that paragraph (a) of section 3 provides in brief that every male citizen between 18 and 45 years of age shall be liable for training and service.

Section 2 provides that students of high schools and colleges, upon their own request, may be deferred from induction up to July 1, 1943.

Section 4 provides that no person between 18 and 21 years of age shall be discharged from service while the Selective Training and Service Act is in effect.

Section 5 provides that those who have been deferred from training shall be inducted prior to the induction of persons in the same State who have been placed in categories made subject to induction prior to the category in which such person has been placed.

Section 6 provides that no person who has been convicted of any crime which is not a felony shall not be relieved from training or service because of such conviction.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. GIFFORD. The gentleman said this is not a closed rule?

Mr. SABATH. I said so; yes.

Mr. GIFFORD. What possibility is there of offering amendments?

Mr. SABATH. Not only the committee, as I have stated, has the right to offer amendments, but you or any Member will have the privilege to offer amendments on the principal provision in the bill, which is that pertaining to the age limit of draftees. You may offer any amendment you desire, whether you want to provide a minimum age limit of 18, 19, or even 17, or one to reduce the age limit from 45 to 40 years. Notwithstanding the statement of the gentleman from Massachusetts, and a few others who are always prone to find fault on rules of procedure, I will again say that this is not a gag rule by any means. It is a limited rule, as I have explained, regardless of what he may designate it. It has been asked for by the leadership of both sides to preclude the offering of any amendments that might tend to becloud the real issue or purpose of the bill which may be offered by some Members for purely political or personal reasons, notwithstanding that they are aware that any such amendments could not possibly be adopted.

Mr. GIFFORD. I want to clear that matter up. Has there not been a deliberate attempt to foreclose any amendment demanding 1 year of training before they are sent into combat zones?

Mr. SABATH. From the testimony given in the hearings of the Committee on Military Affairs and that adduced before my own committee, I have come to the conclusion, and it is my firm opinion, that the heads of our armed forces on whom we rely are in better position to know the needs of the service and want young men properly trained before they are ready for combat service and I can assure the gentleman from Massachusetts that they are not going to send them out before they have the benefit of real and proper training.

Mr. GIFFORD. And yet the gentleman believes it is not a closed rule?

Mr. SABATH. Again, I repeat it is not a closed rule, but a limited rule. Let me say to the gentleman that I have the fullest confidence in the officers of our armed forces who have long and efficiently served our country. They know what the real situation is and are keenly cognizant of the various considerations that may affect the drafting of young men of 18 and 19 years of age. It is my opinion, and I know it is not their intent, to send these young men out into combat service until they have been given basic training followed by field maneuvers, and other intensive training, all of which will take from 9 months to 1 year. Thus the vast majority will be at least 19 years of age and nearing 20 before they actually see combat service.

Mr. Speaker, 2 months ago I explained my position as to the induction of young men 18 and 19 years of age and the culmination of events and conditions since then have justified my advocacy of a reduction in the draft age limit. I quote from the speech which I made on the floor on August 31, of this year:

> Mr. Speaker, in 1940, yes; as far back as 1938, I saw the approaching danger and urged preparedness. In answer to criticism directed against my position in favoring conscription, I stated:
>
> "It is better to train without fighting than it is to fight without training."
>
> I think I was right then and it is to be regretted that some people who profess to be patriotic fail to realize their duty to provide for the protection of our country. I do not know whether some of the mothers who have written to me appreciate that our country, which is their country as well, is in danger, and that it becomes absolutely necessary to leave nothing undone to preserve our liberty, freedom, and our way of life which we enjoy in this country of ours—a country which deserves every sacrifice to save all of us from enslavement under the Nazis and Japs.

Mr. Speaker, we are at war and we must of necessity utilize the services of our able young men to aid us to insure the defeat of the enemy who seeks to take from us the liberty and freedom for which our forefathers fought, bled, and died. Everyone must concede that that precious liberty and freedom must be preserved and are worth the many sacrifices we must make.

Mr. Speaker, I reserve the remainder of my time and I now yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I yield myself 10 minutes.

The gentleman from Illinois [Mr. SABATH] said that one member of the Rules Committee opposed the rule. Whether that was so or not I do not know. I was not present at the afternoon session, although I was in the morning, when I understood we agreed on a rule.

Mr. SABATH. One member voted against it.

Mr. FISH. One member voted against the rule. I assume that the chairman of the committee is correct. I was not present at that meeting. If I had been present, I certainly would have voted against this rule. I see no reason for this type of gag rule for a bill of this nature. I have always opposed gag rules except on tariff bills and revenue bills, and there is no reason in the world that I can see why the Members of the House should not work their will upon this bill. The principal purpose of the pending rule is to deny the right of the Members of the House, Republican and Democratic alike, the opportunity to introduce and consider and vote upon a proposal requiring that these boys of 18 and 19 years of age be given at least 1 year of military training before being sent out of this country to battlefields all over the world.

If that limitation were put to a vote, I believe it would carry overwhelmingly in this House because I think every Member believes that youths of 18 or 19 years are entitled to at least 1 year of military training before being sent over to fight in Europe, Asia, and Africa. Why, we in this House, and particularly the majority, must remember that not long ago, even in peacetime, they insisted on the extension of the draft bill, which

was passed by one vote, that the selectees should receive 18 months training, and that was before war was declared. Some of us opposed that because we said they could be trained in a year. Some of us have not changed our views but believe that selectees should at least have a year of training before being sent with combat troops to fight in foreign lands. That is the proposal that is denied the membership of the House unless the rule is defeated and voted down. I do not want the issue to be confused. Some Members may rise after me and say that the proposal is different, that it would also prohibit ordering these boys in training to defend our country in case of attack. That is not so. The proposal that I want to see discussed on its merits and demerits is whether these young boys of 18 and 19 should be sent outside of America and American territory before at least 1 year's training. Of course, they can defend the country in a week's time of training if we were attacked.

So I do not want any Member to drag this red herring across the trail to prevent debate on this issue. I merely want to state my own views and give my own reasons. The House can act accordingly by a voice vote. If you want to vote down this rule, then you will have the right to vote on such an amendment. The rule gags the membership in that respect, and if the House wants to vote on that, all we have to do is to vote the rule out. Possibly the House wants to give up its right to legislate on this bill. Our only function is to legislate, particularly on bills of this nature. If you want to deny that right to yourselves, that is your privilege.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. CELLER. I agree with the gentleman, and I agree entirely that all of the intelligence does not reside in the Army, and I think we should put a clause in the bill about preventing colleges from closing, because all those youths of 18 and 19 comprise 95 percent of all college students, and unless you put some clause in there providing that the Army use the college facilities, those colleges will close, and these men will make poor officers.

Mr. FISH. Since the gentleman has raised the question, there would be a lot of amendments to be offered, and properly so, to this bill. Of course we are all in accord that the brass hats are not infallible, nor is the Committee on Military Affairs, one of the most distinguished committees of this House, composed of able and sincere members, infallible. It seems very apparent to me, and I may be alone in this, that the Committee on Military Affairs has made some very serious mistakes in the past, have made some serious blunders, particularly as regards the age limit in the matter of the selective service bill.

The Military Affairs Committee insisted on putting the age limit as high as 45. Many of us who fought in the last war with infantry troops insisted that no combat troops should be used over 30 years, that it would be high enough to place a limit of 35 years of age in the selective draft bill. General Hershey, then Major Hershey, now Major General Hershey, took exactly the same position. He did not want the age limit over 35. The Military Affairs Committee insisted on placing it at 45.

General Marshall appeared a few days ago before the committee and said that the Army is finding out that men between 40 and 45 break down physically under the heavy strain of war conditions, that they fill up the hospitals, that they are now loading down the airplanes bringing back over-age officers from Australia.

I propose, if nobody on the committee does it, to offer an amendment to lower the age limit from 45 to 40 in the interest of national defense in accordance with the statement made by General Marshall, Chief of Staff. I say this only to show that the Military Affairs Committee is not infallible, that there are some Members of the House who served in the last war who know what happened then. I served as a captain of Infantry in the last war and I know we had replacements in our regiment who had not had more than 30 days' training.

I believe the War Department is sincere in its statement in saying they hope and expect to give these boys a year's training, but what assurances have we in Congress? We are responsible for legislation and should not evade that duty. We should have the right to discuss this proposal and should have the right to vote upon it. This rule denies that right. It merely gives you an opportunity of voting on the ages limitations. It is difficult for Members of Congress, in view of the fact that the President of the United States insists that we lower the draft age to 18 and 19 and also the Chief of Staff on the basis of military necessity, to oppose the bill. It might be that some Members of Congress would like to lower the age to 19 instead of 18. I voted for 19 when it came up a year ago but I do not like to go below that and take boys out of high schools. However, I intend to vote for the bill as the President and Chief of Staff place their demands on military necessity. I intend to vote for all measures necessary to win the war. I do, however, want to have the House of Representatives debate the proposal that provides that these boys should have 1 year's training before being sent to fight throughout the world.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. ROBSION of Kentucky. As I understand the rule no amendments may be offered, except committee amendments and amendments relating to age.

Mr. FISH. That is correct.

Mr. ROBSION of Kentucky. Are those the only two classes that can be reached?

Mr. FISH. That is all a Member can present as amendments to this bill if this rule is adopted.

Mr. SABATH. Any committee amendment can be offered.

Mr. FISH. A committee amendment could be considered, but that deprives the House of legislating.

Mr. ROBSION of Kentucky. It is a gag rule. Many of us desire to offer amendments in regarding to helping the boys to finish their training after the war.

Mr. FISH. It is a gag rule, or a modified gag rule and it indicates that we have no confidence in the House of Representatives to legislate intelligently.

Mr. ROBSION of Kentucky. A number of us have amendments to offer, one is to provide what shall be done in the matter of taking these boys out of high schools, universities, and colleges. Such an amendment would not be in order.

Mr. FISH. Such an amendment would not be in order except it were offered as a committee amendment. The rule precludes the membership of the House from offering amendments.

Mr. ROBSION of Kentucky. I am against the rule. It denies Members a chance to offer amendments.

Mr. FISH. And I hope others will be against it, too, at the proper time.

The SPEAKER. The gentleman from New York has consumed 10 minutes.

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed out of order for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

OPPOSING CONSTRUCTION OF THE ST. LAWRENCE WATERWAY IN PEACE OR IN WAR

Mr. FISH. Mr. Speaker, the people of my district are aroused over the attempts of the administration at Washington, and of the Democratic Party in New York State, in accordance with a specific plank in its 1942 platform that urges the construction of the St. Lawrence Ship Canal. Various groups and elements in my Congressional district, including the Railroad Brotherhoods, the Orange County Board of Supervisors, the Wallkill Grange, and numerous business organizations have petitioned me to oppose the building of the St. Lawrence Ship Canal, which would divert trade and commerce from New York State to Canada.

For 10 years or more I have been fighting the proposal to spend a billion American dollars to sidetrack our own American commerce to Canada and, by British ships, to the world markets. The proposal is outrageous and an imposition upon the American taxpayers whether in time of peace or in time of war. I have opposed this wasteful and unnecessary project, and will continue to oppose it in every way whenever this pork-barrel measure, detrimental to American interests, appears in Congress. As a member of the Rules Committee I have done everything in my power to block and prevent any such squandering of the people's money on this non-defense project and upon other such projects that are not essential to winning the war.

I have been one of the leaders, from the beginning, against this unsound, unwise and, in my opinion, un-American proposal to divert our trade and the products of American labor to Canada and thence, by Canadian or British ships, to foreign markets overseas. I have repeatedly expressed my views in Congress, that the St. Lawrence waterway project is an economic imbecility, a monstrosity, and a fraud upon the American people, and particularly upon the people living in the congressional district I represent. It

would be most harmful to the thousands of railroad employees, merchants, and businessmen in Port Jervis, Middletown, Maybrook, Poughkeepsie, Beacon, and Brewster in my district. It would not benefit a single farmer in that district, nor in my opinion the farmers of any Western State, as it is a political myth.

While it is our duty not to permit Congress to spend a dollar of American money on projects nonessential to winning the war, and particularly when it would destroy the commerce and prosperity of Eastern railroads and shippers by diverting trade away from our seaports by the construction of the St. Lawrence waterway.

In view of the plank in the Democratic State platform in favor of the St. Lawrence waterway, we cannot afford to be silent on this vital issue. We must stop every effort to revive this project and further burden our taxpayers and cause financial and trade losses to our merchants and unemployment among our railroad employees when peace is restored.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

AMENDMENT OF SELECTIVE SERVICE ACT

Mr. MICHENER. Mr. Speaker, I do not agree with the gentleman from New York [Mr. FISH] in all of the things he has just said. Unlike him, I shall vote for this rule that makes in order the bill reported by the Military Affairs Committee. The rule is neither a closed nor an open rule. It makes it possible for the House to act expeditiously and freely on the question as to whether or not the draft age for military service shall be lowered to include the 18- and 19-year-olds. It is not what is commonly known as a gag rule, preventing all amendments. There was no politics in the consideration of this bill before the Military Affairs Committee. The same was true of the Rules Committee. When war legislation is involved, there is no room for politics. Be it remembered the Military Affairs Committee, both Republicans and Democrats, unanimously reported this bill as drawn. This same great committee requested this particular rule as drawn. As one Member of the House, I shall do nothing to interfere with this request and retard the progress of this legislation.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the distinguished majority leader, who represents the administration on the floor of the House.

Mr. McCORMACK. And I may also say for the RECORD that the rule was asked for by the leadership on the majority side. I make this statement in order that the RECORD may show that fact.

Mr. MICHENER. Of course, it is not difficult to find fault with this rule, because it is in certain respects restrictive. The Rules Committee is created for the express purpose of reporting to the House that which in its opinion is the most advisable method to advance the consideration of important legislation over the slow and general rules of the House. Seldom does a rule come from a committee that meets with the approval of all of us. At times it takes political courage to vote for a rule, even though we are satisfied its adoption will accomplish the objective at which we aim. That is the situation today. There is always an opportunity to decry and protest against any rule that imposes any limitation on the action of the House.

This rule gives sufficient time for debate, and under it every Member of the House will be permitted to express his views on the advisability of changing our draft law If a majority of the House does not favor this rule, then it will not be adopted. No one is deprived of his right to vote, and the majority will rule. In other words, this rule is a proposal made by the Rules Committee to the House. The House will reject that proposal or accept it, and within the next few minutes the House will be given an opportunity to speak.

Mr. Speaker, the war in which we are engaged is colossal in its ramifications. At this good hour American soldiers and sailors are battling on the seven seas and in many foreign lands to preserve what we are wont to call the American way of life.

In short, we are in an all-out war. An all-out war can only be won by all-out sacrifice and all-out effort on the part of each and every one of us. All realize that in these circumstances there must be a unified and directing head of our military activities.

Under the Constitution the President is the Commander in Chief of the Army and the Navy. We have trained Army and Navy experts upon whose shoulders rest the responsibility of planning for and directing the strategy and activity of our armed forces. The Congress is not made up of military experts. We must rely to a large extent on the counsel, advice, and requests of those so trained military experts. As laymen, we may have our notions as to the size of the Army, who shall compose it, where it shall operate, and when and where it shall strike. But, in the final analysis, the Commander in Chief and those trained in the science of war must decide these questions.

The bill which this rule makes in order lowers the draft age to include those in the 18- to 19-year category. The Commander in Chief not only requests, but demands, that the Congress pass this law now. The Secretary of War; General Marshall, the Chief of Staff; General Hershey, the Administrator of the Selective Service law; and, in fact, our entire Military Establishment, solemnly yet regretfully informs the Congress that this war cannot be won without the aid of these younger men in the military service; I repeat, cannot be won. In these circumstances, what is the duty of a Member of Congress when the roll is called today? It is generally conceded that the fate of democratic government hangs in the balance. Therefore, it seems to me that there is no alternative. This is one of the most difficult votes I have ever been called upon to cast. I do not want to disrupt the lives of these young men and put them into military service, yet if that is necessary in order that our Nation may be preserved, and that the youth of this generation and those to come may enjoy the blessings, the freedom, the liberty and opportunity which finds expression in our form of government, then it seems to me that I have no choice.

This bill will permit those young men who are now in school to complete the school year. That is as it should be.

I hoped that some provision might be included in the bill guaranteeing that these younger men should not be given combat duty until they have had at least 1 year's military training. The military authorities have presented logical reasons why a mandatory provision of this kind might prove disastrous. They insist that such a provision is impossible of practical accomplishment. They did, however, assure the Military Affairs Committee in the hearings that all of these draftees would receive the 13 weeks' basic training before they are assigned to any unit, and that it is, and will be, the policy of the Army not to assign these young men to combat duty without 1 year's military training except in case of emergency. This seems to be the most assurance we can get. Suffice it to say that this assurance, based upon the hearings before the Military Affairs Committee, convinced that committee to the extent that it voted unanimously for this bill as presented to us. After all, we must trust those who are presumed to know.

Mr. REES of Kansas. Will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Kansas.

Mr. REES of Kansas. In view of the gentleman's statement, may I ask, does he see anything wrong with the House having a chance to vote on whether or not these boys shall be taken out of the United States for a period of 1 year? They will be here to protect the United States, but they should not be put into combat service outside of the United States. Let the House pass on it.

Mr. MICHENER. The gentleman who has asked that question is a good lawyer. He is one of the sincere and outstanding Members of the House. He analyzes things keenly. He has not had an opportunity to read the hearings because they are not available. I am sure he did not attend the hearings of the Military Affairs Committee and hear the testimony in reference to this matter which I heard because, if he had, I have such faith and confidence in his good judgment and his desire to do that which is necessary now to win the war that I believe he would approach the matter as I do. Neither of us wants to send these boys to battle without adequate training. Neither do we want to imperil the earliest possible victorious conclusion of this terrible war with the least possible cost in blood and treasure.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, I was astonished to hear the remarks of the chairman of the Rules Committee when

he said this is not a closed rule. Certainly I have been foreclosed. I have written many letters making promises along the line of seeing to it that our boys are well and fully trained before they are sent into combat zones.

It is perfectly evident that the leadership of this House in trying to back up the President and the military, and fearful that a majority of this House would pass an amendment requiring such training, has seen fit and recognized the necessity of passing such a rule as this. I do not want any man in this House to suggest to me that I lack courage. When he proclaims his own, it carries its inference.

Mr. HOFFMAN. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Does it require very much courage to pass a bill to draft men who cannot vote?

Mr. GIFFORD. That feature is not so important at the moment. I see what the gentleman's point is. He is a little roguish in his questions at times.

I want to say to this House that I feel very deeply on this matter. I was formerly a high school teacher and for years past I have constantly visited with these young people. I know them as few of you can possibly know them. I know that some of them are capable and able to enter the service while others have far from reached the maturity sufficient to be taken. I feel that I must wholly rely on the statements of the Army officials that it will not be their policy to send these boys into combat zones. In the last World War a near neighbor of mine lost a boy just barely of the age when he could be drafted, probably never having shot a gun was taken and within 3 months was killed on the battlefields of France. His father said to me in such tones of great emotion that I shall never forget, "Why did they not take him out into the field and shoot him before they sent him over?"

I cannot endure the thought of sending these boys to actual combat until they are fully trained. Under this rule we are almost foreclosed from stating even our convictions. I do not like to vote against this rule, but I do not lack courage to do so. It is, of course, orderly procedure under our rules. Our own committees have decided for us. They wished to save us from ourselves, apparently.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. Does not the gentleman think that if this question was submitted to the House fairly and squarely the Members would decide that these boys should be given a year's training?

Mr. GIFFORD. Certainly. That is why the leadership and the committee have decided that we shall not have the chance to vote on it. When I notice certain signatures to bring a Townsend plan on to the floor for discussion, and find that some of them are the very ones who support this rule, I have cause to wonder. If we could have passed this bill with an amendment demanding this training and later if these boys were absolutely needed to be sent into combat we could then quickly grant such authority. We would not close the door on the military if in extremity they so needed it. We have jumped through the hoop quickly before and we can jump again if the occasion warrants.

I do not think I have ever before taken the floor to oppose a rule. I do believe in orderly procedure and wish to support the committee. But at the moment I do not know whether or not to do so. We were taken by surprise this morning. I shall vote for the bill, but with great regret that it cannot be amended. I wanted real assurance of the training I have suggested. This House has been deprived of a chance to vote on the question. I protest but whether my protest will go so far as to vote against the rule I am yet undecided. I am indeed sorry that this situation has so suddenly developed. I was at first stunned upon reading this rule. I have written letters stating that I would support such an amendment and now I find myself helpless to fulfill such a promise. There has been hasty action. Even the hearings have not been available until this morning. I regret such a condition has arisen. We now must and will rely on the promises made by the military authorities, which I hope will reassure these young boys and their anxious parents. This bill furnishes a difficult decision for the Members of this body.

Mr. FISH. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I am of the opinion that it is most ill-advised to present such a rule as this to the membership at this time. I feel that we should not be forced into the most uncomfortable position of voting on this closed rule as a result of popular clamor and popular excitement. I repeat that all intelligence does not reside in the Army. I say that with all due respect to our Army leaders. They are excellent officers yet they are not infallible. We have a stern responsibility in the matter. We should not shirk that duty. We should debate this draft bill carefully and not under a cloture rule. We should give some direction to the Army; no absolute direction but a discretionary power. We should determine some of the civil policies involved in the matter, leaving it discretionary to the Army whether they shall, in view of any emergency or peril that may arise, summarily take these boys and put them out on the battle front even at 18. There ought to be some expression of our opinion in the statute directed to the Army and to the Navy with reference to the essentialities of training these men in the colleges or universities, so as to make these lads better officers and better post-war heralds and leaders.

The Navy does that and the Army does. They avail themselves of higher institutions of learning. I refer to Annapolis and West Point. Students there are deferred for 3 years. Only recently we purchased at great cost land at Great Neck, Long Island, N. Y., and we set up there what is known as the United States Merchant Marine Academy. Boys who are 18 can go to that academy and be deferred for 18 months. The same holds true with five State merchant marine academies, those operated by New York, Massachusetts, Pennsylvania, California, and Maine. These academies are doing a fine job and they graduate splendid men as ensigns in the Navy, Merchant Marine Reserve. Without these academies our merchant marine service would be greatly handicapped. It would lack a reservoir upon which it can draw for its staff and officers.

I would have the Army, in its discretion, depending upon our peril, do exactly what our merchant marine service is doing.

Those boys can go to those academies and be deferred for 18 months before they enter combatant service. Now in this draft bill you are setting up a preferred class. You discriminate in that regard. You defer these merchant marine midshipmen, Annapolis midshipmen, and West Point cadets, but no others—none subject to the bill.

What is the policy in England? They have had more experience than we have. They do not shut their colleges. Pass this bill and you close all colleges. I repeat what I said a moment ago, 95 percent of all college students are in the age group of 18 and 19. In England they reduced the draft age to 18 as of July 1 last, but they permit the boys to be "screened" carefully and critically analyzed as to their attainments, equipment, experience, talents, and general intelligence. Then they give them courses in engineering, metallurgy, chemistry, forestry, government, economics, noncelestial navigation, and all things of that character, and they defer them for 18 months. The subjects I mentioned are not inclusive. They are typical. The course should be, as for us, those which make for better military officers.

What does Canada do? Canada goes even further than England. They place such great reliance upon their colleges that they allow all their students who may be called in the draft to be deferred until they finish their courses and are graduated. Those students who seek to go to the colleges are deferred during their entire college career until graduation.

It might be said I would discriminate in favor of boys who can afford to go to college. No, indeed, no. I would again pattern after the English system and grant subsidies to poor lads for their college tuition, board, and maintenance. The Navy in its VI program does just that. It pays for the tuition of all lads it sends to universities for the indoctrination courses.

What the Navy does I would have the Army do—use our colleges—and I would put some words in the bill asking the Army in its discretion to do this.

The lesson in China should furnish us some enlightenment. Commencing in the summer of 1937 the Japanese Zeros and bombers sought to destroy, and succeeded in destroying a good part of 108

Chinese universities. That did not faze Gen. Chiang Kai-shek. He discouraged, even after those tragedies, students from joining the armed forces. He felt it was more important to keep the colleges going. He arranged a mass migration of faculties, students, and classroom equipment to the interior provinces, and even appropriated $5,000,000 to subsidize 30,000 of these students—poor students, whose parents could not afford to send, or continue to send them to college.

In fact, in 1942, 5 years after the Japanese attempt to exterminate colleges began, there are seven more colleges and almost 7½ percent more Chinese students in colleges than there were before the war began.

Gen. Chiang Kai-shek realized that the survival of China, in a way, resides in her universities. He realized, of course, that his armies must be augmented and that military supremacy is essential, but he does not, at the same time, disregard the necessity of maintaining colleges upon which to draw for not only military officers, but for post-war leaders.

It is well to consider also the experience of Germany and even France. If we turn to the trials and tribulations of those countries growing out of the last war, we find that the tragedy in Germany in 1937, and in all likelihood the fall of France in 1940, had their foundations in the folding up of their colleges. Those countries took youths of 16, 17, 18, and 19 years of age and put them in first-line trenches in the years 1914 to 1919. After the war those two countries had an army of young people who had guns, revolutionary ideas, but no trades, no callings, little or no high-school education, and no college education. The results you know.

Wendell Willkie from Chungking said:

> This war is not simply a technical problem for task forces. It is also a war for men's minds. We must organize on our side not simply the sympathies but also the active, aggressive, offensive spirit of nearly three-fourths of the people of the world who live in South America, Africa, eastern Europe, and Asia. We have not done this, and at present we are not doing this.

How can we organize an active, offensive spirit of nearly three-fourths of the people of the world if we have not the leaders? Where are we going to get the leaders if we close our colleges?

The Navy has been far wiser than the Army in my humble judgment. It has used the colleges in a wholesale manner. Its naval VI program proceeds with indoctrination courses in our colleges. The program has been eminently satisfactory and successful.

All I am asking is that the Army follow the pattern laid down by the Navy.

Draft the 18- and 19-year-old youths, but at the same time let those who are qualified enter college to pursue the course that will make them appropriate material for military and naval officers and better leaders for the future.

The Navy has caused the colleges to condense their courses. They crowd into 3 months, for example, that which generally takes about 2 years.

The Army has set up its own colleges as it were—officers' candidate schools. I query whether they have been eminently successful in this regard.

Why should the Army have set up their own colleges, as it were? Section 2 of the current bill sets up a preference as to youths now in high school or in college and defers them until July 1 of next year. There are no such deferments for any period for the future 18-year-olds. Are not the latter therefore discriminated against?

My position is simply this: Draft down to 18 years, but follow the English system. Let the boys be "screened" by officers of the Army and the Navy. Those fitted for study in metallurgy, chemistry, physics, economics, government administration, navigation, and other subjects that would make them better officers and better post-war leaders should be deferred and permitted to take courses in colleges. During such deferment—say for 18 months, or even a year, or even 6 months—those students shall be under military training and discipline.

The English system provides for state bursaries—that is, subsidies. In order not to discriminate against poor students, again follow the example of the Navy, which pays the tuition of their men in the VI program. Subsidize as to tuition, board, and lodging of the boys 18 and 19 who have thus been selected for college work. There will then be no discrimination between the rich and the poor.

If the rule on which we are operating would permit, I would offer the following amendment:

> All persons of the age of 18 and of the age of 19 subject to the provisions of this act shall be carefully and critically examined by appropriate officials of the land and naval forces of the United States, under such regulations as the Secretary of War and the Secretary of the Navy shall promulgate, as to their special talents, aptitudes, experience, and general intelligence. Upon their respective requests, those persons who, in the discretion of such officials of the land and naval forces of the United States are found to be especially qualified for training and education in subjects such as engineering, chemistry, medicine, dentistry, physics, metallurgy, forestry, mathematics, economics, and governmental administration, and also in such subjects as would best fit them to become good military and naval officers, or in any other scientific and professional subjects that would aid the war effort, shall be deferred from induction into the land and naval forces for a period no longer than 18 months.
>
> Such persons so deferred shall be permitted to pursue these specialized courses of training and instruction in any bona fide university and college.
>
> The United States Office of Education shall cooperate with officials of the land and naval forces in the selection of those persons best fitted for deferment and training aforesaid.
>
> After the expiration of said 18 months of deferment, or prior thereto, if any person is certified by the faculty of said bona fide institution of learning where such person has been a student as being unfit to continue the authorized course of training, such persons shall be inducted into the land and naval forces of the United States.
>
> Supplementing their academic courses, these students shall receive such military training as the appropriate officials of the land and naval forces of the United States shall prescribe.
>
> If a person so recommended for specialized training is unable to defray necessary tuition and maintenance charges, same shall be paid for out of annual appropriations for the War and Navy Departments.

Mr. FISH. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. SABATH. Mr. Speaker, I yield 3 additional minutes to the gentleman from New York.

Mr. WADSWORTH. Mr. Speaker, in view of the nature of the discussion in connection with this training problem, I beg leave to read to the House a letter which I received this morning from the Chief of Staff of the Army, Gen. George C. Marshall, and I invite your close attention to it. It is addressed to me.

> In the discussion of the proposed legislation to lower the selective-service age, the proposal has frequently been made that a provision be written into the law that would make 12 months' training mandatory before any individual under 20 years of age could be sent to a theater of operations.
>
> I believe that this originates partly from a desire to avoid the unfortunate instances of the first World War, in which many men were sent to front-line combat before they had had any reasonable amount of training, and, second, on the assumption that, since the War Department has frequently stated that it takes 12 months to train a division, there should be no objection to guaranteeing 12 months' training for each enlisted man.
>
> Such a limitation would impose an almost impossible administrative problem for the War Department. There is a marked difference between the training of an individual soldier and the training of a complicated machine like a division. Every soldier receives approximately 3 months' basic training. In this period he is hardened physically and trained technically, as well as given an understanding of discipline. He is taught how to care for himself in the field, how to employ both his primary and secondary weapons, and how he and his weapons fit into the squad and platoon. Upon completion of this course he is a qualified rifleman, machine gunner, mortarman, etc., depending upon which course he pursued in the replacement center.
>
> Upon completion of his basic training the soldier is assigned to a tactical unit. If the unit is new (that is, recently organized) there then begins the "team" training that every unit must have before it can be considered an efficient combat organization. The length of time required for this team training varies, of course, with the type and size of the unit. A squad of 12 men who have had proper basic training can be trained as a team in a relatively short period of time. A battalion takes considerably longer. A division, which is a complicated organization involving the combined use of many arms, must have a long training period before it becomes a real combat organization. For this, 12 months is the minimum, and during this 12 months' period units that make up the division go through periods of small unit training, advanced unit training, training with the combined arms, and then extensive field maneuvers with the division acting alone and in combination with other divisions, and corps and Army troops.
>
> To get back to the training of an individual soldier, the length of his training before he can be fitted into an experienced tactical unit, varies according to the type of unit and the duties for which he is trained. A few examples will illustrate what I mean by this.
>
> In the Air Corps, a soldier selected for ground crew (mechanic) training, first receives a period of basic military training. He then goes to an Air Corps technical school, and the length of his training there depends upon the specific specialty in which he is being trained. The period may vary from 16 to 36 weeks, and when he graduates he is, for example, a finished airplane engine mechanic, and can be immediately assigned to

and used in a bombardment group as a mechanic, whether it is still itself in training or is in a combat theater.

A radio operator receives his basic training and his training as an operator simultaneously. In from 3 to 5 months he is an effective operator, trained in Army radio procedure and, as in the case of the airplane mechanic, can take his place in a signal company of a combat division, whether that division is still in training or is being committed to combat.

A rifleman, when he finishes his 13 weeks' basic training, is prepared to take his place in an experienced squad at any time. If 8 to 10 men in the squad have had "team" training, the trained basic rifleman can be inserted in the squad without detriment either to himself or his unit.

I could give you many other examples where it would be unnecessary and undesirable to hold a man out of a combat theater for 12 months. It would be almost impossible for the Army to operate under any such mandate. We would, in effect, have to put thousands upon thousands of men "on the shelf" after their essential training had been completed before we could use them. In the Air Corps alone possibly 500,000 such men would be involved. Incidentally, the Navy and the Marine Corps enlist men of 17, and, I am told, that the average age of the entire Marine Corps is below 20.

The proposal would create so many obstacles of this nature that I cannot too strongly emphasize the importance of giving us this legislation without crippling limitations. Trust our judgment and our own insistence that we fight only with properly trained units, to see that each soldier has adequate training before he enters combat. I am certain Members of Congress do not wish to hamper the War Department in the execution of the tremendous task we have before us. These proposals, I am sure, arise through a lack of understanding of the problem presented. Our enemies are desperate and implacable. Our task is extremely difficult.

Faithfully yours,

G. C. MARSHALL,
Chief of Staff.

Mr. REES of Kansas. Mr. Speaker, I am disappointed and deeply regret that the committee in charge of this legislation to submit this resolution under a gag rule, and that only amendments agreed upon by the committee may be considered and discussed. Personally, I feel the resolution should be amended to provide at least a year's training for these young men, in the United States, before they are put into actual service. I realize assurance is being given that these boys will be well trained and will not be hurried into combat organizations.

Mr. Speaker, I have an amendment prepared to cover that very subject. I feel the people whom we represent, would feel better about the matter if Congress should include this clause in the legislation. It would, in no way, impede the war effort. In any event, the House certainly ought to have a chance to vote on the question. Of course, under the rule I will not even have a chance to submit the amendment.

Mr. Speaker, I, too, have confidence in the leadership of our armed forces, and I realize the gigantic problem of providing an effective war machine is in their hands. It seems to me, however, that if these immature boys are necessary in this crisis, they ought to have a year's training before going into active service. They will be a little more mature and in better condition to withstand the rigors of combat service.

Mr. Speaker, why not, if this legislation is necessary, why not call the 19-year-old boys first and then give consideration to those who are 18? The difference of 1 year in age makes a big difference in most cases. This would in no way impede the process of increasing our armed forces in this crucial hour.

Mr. Speaker, the provision in this measure permitting boys enrolled in high school or college to continue to the end of the school year is commendable. Then why not then permit the boy on the farm, or in the shop, who does not happen to be in school, to have at least a year's training before he is called upon to go into active service? Seems he at least should have as much time in training as the one who is in school.

Mr. Speaker, this is most serious business in which we are engaged today. I have always been opposed to drafting 18- and 19-year-old boys. I expressed my views against such legislation before war was declared against the Axis countries. My feeling is they should not be called except as last resort and after most serious consideration. I also feel if they are called, the 19-year-old boys could be called before demand is made for those who are 18.

A year's difference at this age is more than it seems.

Mr. Speaker, I have voted for billions of dollars that have been requested for the defense and the war effort. I did oppose measures that I thought at the time might involve our beloved country in war. That is now beside the question. The plain truth is we are in a grim tug of war, and we cannot and dare not let go. We must win. The cost is secondary. Unfortunately, the picture today is not bright. The Commander in Chief and those charged with the responsibility of directing the war tell us now in no uncertain terms that if we are not to be defeated they must have these boys. That they have got to have them if we win.

Mr. Speaker, the picture I face this afternoon is one of the saddest in my experience. I did not think I would be called upon to vote on this question. Those who hold the destiny of our Nation in their hands at this most critical hour tell us this legislation—in their solemn judgment this legislation—practically determines whether we shall be victorious in this most terrible struggle at arms the world has known.

Mr. Speaker, I trust we may depend that those charged with the responsibility of the prosecution of our war program will see to it that these boys are given a fair break; that those who are called upon to enter the service may be given every chance and every protection that can be afforded them.

Mr. Speaker, this is a solemn, trying matter. Our Government says it needs the youth of our land to save our country in this most critical period in its history.

Mr. Speaker, the people of America are ready and willing to give their most precious possessions and to make any sacrifice to defeat the enemies who seek to overcome us in this terrible conflict.

Mr. Speaker, let us hope and trust that the lives of these boys may not be required. Let us pray that the day is not too far distant when this conflict shall cease and victory shall be ours.

Mr. FISH. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, the letter of General Marshall, as read by the gentleman from New York [Mr. WADSWORTH], simmers down to just one thing: "Trust our judgment." You remember this War Department building down here? The War Department told us that was supposed to cost $35,000,000, but we now learn the cost will be $70,000,000. Trust their judgment? We must in military matters, but we would have more confidence if the War Department would trust us—trust the people by telling them and us the truth.

Last week I called up the Navy Department to ask if a boy on one of those three cruisers—on the *Vincennes*—was still alive, if the ship had been injured or had been in a battle. The Navy Department down here told me that they had no report at all of any action it had been in and that the vessel had not been in action. Five days later I learned over the radio that 2 months ago the vessel was sunk. Why did not the Navy Department tell me the truth or why did they not tell me that no report could then be made?

They might have said, "I cannot tell you, it might aid the enemy." Why did they make a false statement to me? They had the information, did they not? Trust them when they deceive us? That is difficult for the people to do. If the people are to place confidence in our officers in the administration they must have confidence in us. It must be mutual.

We all want to win this war, but we should not send these boys into the service until they are trained, and it is our responsibility to see that they are trained. Boys in my district went in the service on the 6th of January, and they were down in Australia on the 6th of April. We should not send untrained men into combat service. I have not and I do not intend to criticize our military men when they are acting as such for I know nothing about war, but when they presume to tell us or give us advice or rather instructions about ordinary matters about which we know far more than do they, then there is no reason why we should follow their advice.

If they keep on stripping the farms of labor they will find that their huge armed forces are helpless for want of food. If they rob the cradle for fighting men—leave in the factories at high wages, in political and safe positions here in Washington, men who are just as capable of fighting they will find in the country resentment and discouragement. The trouble with the Army and Navy officials is that they see nothing but their own

professions. They forget that the fighting forces must have a foundation here at home, a source of supply.

Mr. FISH. Mr. Speaker, I yield my remaining time to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Speaker, I believe that every Member of this House is motivated today by two deep and prevailing convictions. The first of these is that every Member wants to do everything that is necessary, possible, and advisable to help win this war and to promote the security of the United States. Because of that, since the Commander in Chief, President Roosevelt, stated in his radio address to the Nation that the Nation is in peril and that our national security demands the lowering of the draft age, I am convinced that the House today is going to lower the draft age. There is no other choice open to us. America must be saved. In view of the fact that President Roosevelt and General Marshall, Chief of Staff, insist that the safety of America requires the lowering of the draft age, I shall vote to lower it, because first things must come first with all of us, and the winning of the war and the protection of our national safety must come first.

Mr. Speaker, I am dedicated to doing everything we must to protect this Republic and to win this war. In such purely military decisions as to the size of our Army in war and the strategy of best utilizing our manpower, no man outside of those directly charged with the responsibility of serving as our generals and admirals and our military leadership dare rely solely upon his own judgment. We must follow the judgment of military men on military matters in time of war. I know of no better place to look for guidance. If they prove faulty or incompetent, if they prove unwise or imprudent, we must change our military leadership until we find leadership which will wisely and ably lead us to victory and security. The fate of America means more than the fate of any individual, the reputation of any political party, or the personal or political future of any leader in this country.

America must not lose this war. If in order to avoid that catastrophe it becomes necessary to change military leadership, as has sometimes been the case in previous wars, we must make such change both in civilian and military leadership as are necessary to ward off defeat. However, Mr. Speaker, until and unless the evidence mounts to such a point that such an unfortunate situation becomes apparent, we must follow and support the decisions in military matters of men of military training and holding positions of military leadership when this Nation is at war for its survival. Personally, I am among those who have great confidence and faith in Gen. George Marshall. I pray God that faith and confidence is vindicated. I only wish that more authority would be given him so that he could be the better able to demonstrate his military leadership, his strategic wisdom, and his sense of coordinate action by being permitted to enjoy the unified leadership of all the armed forces on our side so that we could hit the enemy harder, in more concentrated form, and with the singleness of purpose and design which only a unified military leadership can provide and sustain.

The best way to test a military leadership is to give the man the full authority and responsibility for military action. I believe Gen. George Marshall would measure up in that test. I believe Gen. Douglas MacArthur would measure up. I believe the United Nations will measure up in this war more completely and quickly once unified leadership has been secured. I hope it is provided without much more delay because I believe it will save the lives of hundred of thousands of the young men we are called upon today to draft as an essential step in our national safety.

We have another conviction, I think, which is also shared by all Members of this House. That conviction is that we want to give these boys of 18 and 19 who are to be drafted every bit of adequate and wholesome training that is available and possible. I think we should amend this rule today so that we can deliberate upon this program as intelligent men and women, as legislators, and so that we can write a clear record concerning this conviction of this House. We should be given the opportunity to consider and analyze every possible safeguard for the welfare of these boys to see that their training is adequate, that their surroundings are wholesome, and that their health and ideals are protected. This is a phase of wartime effort where Members of Congress can exercise their judgment and leadership. And, incidentally, if we are going to protect the integrity of this body, we must legislate for ourselves and not rely entirely on legislative committees or on the Committee on Rules to prepare legislation and submit it to us on the basis of "take it or leave it," but do not try to improve it. If Congress is wise enough to approve or disapprove, it follows it should be wise enough to perfect, to strengthen, or to modify.

Mr. Speaker, I say this not in support of any amendment or suggestion mentioned thus far in this debate, but I say it as a matter of general principle to be applied to all legislation if representative government is to function as it should in this Congress and in this Republic. Of late years there has been an alarming tendency on the part of this administration to resort more and more to gag-rule procedure and the closed-rule formula for passing legislation written in the White House instead of on the floor of Congress. I have fought this tendency repeatedly. It must be curbed if Congress is to function as an independent and coordinate branch of government.

But to get back to the lowering of the draft age legislation now before us, Mr. Speaker, I shall vote for it with the same reluctance shared by many of you but I shall vote for it since President Roosevelt and his appointed military advisers say that our national safety depends upon it. The President has said he has secret sources of information not available to us. We all know that this is true. I wish there were more candor on the part of the Executive in giving Congress and the country the benefit of all possible information not of value to the enemy but we must meet the situation as it is. The opinion of laymen alone would not persuade me to vote for this bill but now that the President and the men he has selected as his military advisers say our national future depends upon this step, I shall support it. I hope that they, in turn, have not permitted popular pressure from nonmilitary sources to sway their judgment but that theirs is alone a military decision.

Throughout the long fight which many of us made to prevent if possible the involvement of America in this war and to avert changes of policy which we feared would draw us closer to it, I made it clear time and again by speech and vote that if we should become involved I would go all the way in helping to win the war and I have voted for more than $200,000,000,000 since coming to Congress to prepare us as fully as possible before Pearl Harbor and to grant every request for arms and equipment which has come to us since. One of the distasteful eventualities we envisioned before Pearl Harbor was the possibility that boys of 18 and 19, and also older men who are heads of families, would be forced to go overseas to fight if we became involved in war. Mr. Speaker, war has come, and we must not now withhold a single step which, if not taken, might mean the losing of it. We have found that total war means total sacrifice. We have learned that Japan cannot be bombed into oblivion in 2 weeks and that tools alone will not complete the job. We are now all the way in a cruel and global war and looking back over the path we have trod will not bring us peace or avert defeat—the only road out of this war, today, is the trail marked "victory" and we must march shoulder to shoulder up that trail until that goal is reached.

The drafting of 18- and 19-year-old boys is a distasteful and discomforting decision, but if our national safety might be lost without our making it, who is there who would vote against it? Who is there who wants to lose this war? To win it we may have to make many more distasteful and discomforting decisions. Mothers' hearts are bleeding all over America today and the feelings of some men in authority this hour may have to be hurt before we win this war, but win it we shall and must. Defeat, now, would be a worse eventuality by far than the unhappy action we must take today. However, I think we should provide every possible assurance as a Congress that these younger selectees be given adequate and wholesome training and that they will not be used in foreign combat service until they have attained as much maturity as possible. Surely we can do no less for these young men and surely America owes no less to these new draft categories who are still so young that by neither their votes nor their influence have they had an opportunity to make their ideals and ideas felt upon the course of events either in this Nation or the World. General Marshall and the President have assured us that this will be done but if by legislative action or by the record of statements made by Mem-

bers in this debate today we can support that assurance and make crystal clear to the President and his military advisers that this is the intent and the desire of this House, let us make sure that this is done. I hope that the record written in the House today will be helpful in guiding those who administer the draft law in developing a program which will attain the foregoing objectives.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. RANDOLPH] such time as he may desire.

Mr. RANDOLPH. Mr. Speaker, desire for the successful prosecution of this war, I am certain, is paramount in the heart of each Member of this House as we begin consideration of the legislation today.

We must put first needs first, and to ask our leadership in the armed forces to strait jacket themselves as to any definite date of training, I believe, would work against the successful outcome of the conflict.

My sister has an 18-year-old son who is in college. Only a few days ago I talked with her about the future which she and her husband have planned for this youth. I know the tugging at her heartstrings with the realization of what we are doing to make stronger the Army and the Navy and the air force for the protection of our country. I believe that these 18- and 19-year-old boys should remain in high school or college for the completion of the present school year. I also feel strongly that General Marshall and other high-ranking Army officials will not fail to give as many months training to these boys as possible before they are called for combat duty. We must have confidence that those who are in positions of trust, in waging this war, will do what is right on this question.

As a former teacher in a college myself I am deeply conscious of the need to keep alive in America our educational institutions, but I must understand, as all of us must understand, that we cannot win the war if we feel that here and there it is necessary to hold back a part of that all-out effort which we must put into the winning of this struggle. I believe it is clearly indicated that the country needs this legislation and that we as legislators will fail if we do not bring about its speedy passage.

Mr. Speaker, I deeply regret that we, as a people, were not more adequately prepared to fight this conflict in which we are now engaged. Yesterday morning I read a significant editorial in the Washington Times-Herald, which said:

> Though yielding to nobody in his patriotism and willingness to serve, how can this man become as agile, enduring, and straight shooting a soldier as a man of 18 or 19 in good physical condition?
>
> The draft law, as written and administered up to now, has taken far too little account of these facts of age and of youth. As a result we have been building ourselves an army whose average age is now growing dangerously high according to testimony of Secretary of War Stimson.
>
> After this war, too, it is to be hoped that we shall be more sensible than we were after World War No. 1.
>
> In 1933 we set up the Civilian Conservation Corps (C. C. C.) to take in a lot of young men who were victims of the great depression.
>
> Had each of these young men received 6 months' to a year's training in military fundamentals we would have entered this war with a reserve of about 3,500,000 men, most of whom could have been turned into grade A soldiers in short order.

Mr. Speaker and my colleagues, in May 1940 I introduced H. R. 9884, a bill which would have amended the Civilian Conservation Corps Act so all enrollees shall receive instruction in military tactics and drill for 8 hours during each week. I was unable to get support for this legislation, but it is gratifying to have quoted from this editorial, which rightly contends that we must prepare our youth more carefully than in the past. The editorial goes on to say that:

> We should not repeat that mistake. After this war we should have a system of compulsory military training. A boy should be drafted into the Army between high school and college and trained for a year. The system could be made flexible enough to give him some choice as to when he would serve his year, and to excuse inferior physical specimens from any training.

I have made this statement, because I will find it necessary later this afternoon to leave for West Virginia. I am hopeful of arranging for an active pair, because I want to be clearly understood as favoring this measure. It would be perhaps political expediency to talk otherwise, but in an hour of the crisis of this country I feel parents having 18- and 19-year-old sons will join in the expression which I received recently from a mother who has two sons in the armed forces of the United States. She lives in Martinsburg, W. Va., and writes, as follows:

> I am very happy in having my sons helping out; in fact, I think and I wish that all parents would think as—and—I do. This is Labor Day, but it is a world full of war, human suffering, torture, and much sadness, but as war continues we must all stand together with our President and accept the bad with the good. Our country has always had freedom, and we must endure hardships, to keep our freedom and bring peace to a troubled world.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. GIFFORD. Mr. Speaker, will the gentleman let me make a suggestion?

Mr. HALLECK. I only have 2 minutes and I cannot yield.

Mr. Speaker, I am sure every one of us recognizes that this is a solemn and a trying moment. We are today to pass on a matter of tremendous concern to a great many families and of tremendous and overwhelming concern to the future and the security of the country.

I think it is entirely fair to say that this legislation was initiated by the Commander in Chief, the President of the United States, when he made his radio speech to the country the other Monday night. He said in that address that the lowering of the age to include 18- and 19-year-old boys was inevitable—that it was absolutely necessary for the safety and the security of the country. Subsequently the military leaders of the country appeared before our Committee on Military Affairs and backed up those statements and asked for this legislation. That committee responded promptly and directly to that request. It performed its duty to the country and to the House of Representatives, and, I am informed, unanimously, Democrats and Republicans, voted to report this bill.

I happen to be one of those—and I think I stand with all of the Members of this House—who is committed without any mental reservation to the winning of this war.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield the gentleman 2 more minutes.

Mr. HALLECK. While we know the cost will be tremendous, we are determined to win it. Among us, I am sure, there is no difference on that score. I say further that it is obvious that the primary responsibility for the determination that this legislation must be enacted is upon the Commander in Chief and his military advisers. The Commander in Chief and the military leaders are charged with responsibility of leading us in the waging of this terrible war.

I think it is also obvious that the primary responsibility for training these young boys who are to be brought into the service, and for their proper equipment, mentally and physically, for the service of their country is upon the Commander in Chief and the military leaders of the country. As the gentleman from New York [Mr. WADSWORTH] has pointed out, they have assured us that they will observe the requirements of that responsibility and discharge their obligations to the Nation, the people, and these boys in the manner we would want them discharged.

There are many men in this body who were in the service of their country in the other war at the ages of 17, 18, or 19. We know what military service at this age means. Distasteful as it may be to us individually, there is nothing for this Congress to do in the circumstances except to respond to the demands of the Commander in Chief and the requests and the statements of the military leaders who, of necessity, are in possession of information and facts that cannot be disclosed to all the rest of us.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I now yield 10 minutes to the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Speaker, this thing we are called upon to do today, of course, is a distasteful business. We are all conscious of the fact that no parents in the United States will look with relish upon the proposition that they must give their 18- and 19-year-old sons to the war. If one were to consider this purely from a political standpoint, then one must certainly, in his selfishness, make excuses of every sort before voting for this legislation; but if we are to win this war, and that we will do, we in the House of Representatives and in the legislative branch of the Government must, even as every other public servant, lift ourselves above politics. This is easy to say and difficult to do, but I see it happen on this floor every day. I see men do things here in the interest of their country, in the interest of this war, that normally they

would not do in the light of good political judgment.

Someone has said that the Rules Committee has foreclosed the rights of some Members to offer amendments to this bill. Why, Mr. Speaker, there is not one of us who has served here even a day who does not know that this body is governed by the majority. If a majority of this House does not like this rule, which places certain limitations upon amendments, by a majority of your votes you will refuse to agree to the rule. There is nothing mysterious about this. There has been no steam rollering or anything of that kind. This is the ordinary legislative process, and this body will still govern the action on the bill by a majority vote. In the committee I led the questioning of the Military Affairs Committee about this 12 months' training. When I went into the committee I felt very strongly that that provision should be in the bill. They convinced me that it should not. They convinced me by what I thought was good, sound reasoning and logic. In the first place, they point out that the representatives from the War Department had told them that it would place unnecessary limitation upon their operation and their function, and that it would be a genuine detriment to the Army if we were to put that provision in the bill. That merely meant this to me:

A Member of this body said a moment ago that all intelligence is not in the Army. I am sure everyone will agree with that, but insofar as the conduct of this war is concerned, all of the directive intelligence and the tactical and strategical intelligence must be in the Army and the Navy, and I doubt that even my friend the distinguished gentleman from Michigan [Mr. HOFFMAN] could do a better job than is now being done. Insofar as the House of Representatives is concerned, the Committee on Military Affairs are your experts on this subject. I am frank to say to you that they must know more about this problem than I do. So, you and I have to depend on them. I think they are good men, capable and competent, and in legislation such as this if we cannot depend upon the great Committee on Military Affairs, and upon the leaders of the Army, and give them and their word credence as to things military, then the democratic processes of this country have broken down.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. Yes.

Mr. McCORMACK. This rule enables Members outside of the committee to offer amendments as to the basic question involved in the legislation and that is age, is it not?

Mr. NICHOLS. Of course.

Mr. McCORMACK. And if this kind of a rule were not adopted, it means that almost any amendment on almost any subject, providing the words "provided, however," were used in connection with it, could be offered, and nobody would want that situation to exist, because it might result in legislative chaos if emotions obtained control. The rule does permit amendments to be offered on the fundamental basic question involved before the House.

Mr. NICHOLS. This is a perfectly sane, sensible rule, because the bill coming from the Committee on Military Affairs deals with many phases of the induction act, would have allowed all of that act to be open to amendment.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. Yes.

Mr. GIFFORD. I do want to get this over, that in this particular war in respect to the matter of training, "that we are not teaching our boys today so much to die for their country, but rather to see to it that their enemies die for theirs." We want to know that our boys have the proper training to do that. I am glad that the gentleman has expressed his former and present sympathy, but does the gentleman not think that we could well do that ourselves, if the opportunity were presented?

Mr. NICHOLS. I know that it was laid down as the policy of this Congress that men should be given a basic training of 18 months. That was laid down as a policy against the opposition of some of my Republican friends on the Republican side. I know that today it is the policy of the War Department that men be given proper training before sent to combat. In the name of common sense, is there one among you who thinks that General Marshall and the other generals of the Army would relish the idea of taking into battle untrained troops? Of course not. It is their responsibility to win this war. Do you think they love the youth of this country less than you and I? Do you think the men who are heading the affairs of the Army and the Navy of this country think less of 18- and 19-year-old boys than we do? Certainly not. Certainly there is no one here who would say that there is any desire upon the part of those who lead the Army to send untrained men to the battlefields. That is fundamental. Even if they were only selfish to the extent that they only wanted to win and had no regard for human life, they would still want men prepared as best they could be before sending them to battle. There is no mystery, no shenanigan about this rule. You are still a majority group, and if this rule does not satisfy you, a majority vote will prevail.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. Yes.

Mr. WALTER. Is it not a fact that every man who enters the Army regardless of who he is or what his work has been in civilian life, is given certain fundamental training, and after that training has been given, he is selected by a group of specialists to proceed further with his training along the type of work he has indicated he is best fitted to perform?

Mr. NICHOLS. That is correct.

Mr. WALTER. So that it is impossible for a man to have found his place in a combat unit who has not been trained for the particular work to which he has been assigned.

Mr. NICHOLS. Mr. Speaker, let me say in answer to my distinguished friend from New York [Mr. CELLER] who said this bill may close all the colleges and universities of the land that I do not agree with his statement. I think there are ample safeguards in this bill against such a thing, but I may say to my friend from New York that if it is necessary temporarily to close every institution of learning in the United States to win this war we had better get about the business of closing them.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I move the previous question on the rule.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 212, noes 42.

So the resolution was agreed to.

Mr. MAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7528) to amend the Selective Training and Service Act of 1940 by providing for the extension of liability.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7528, with Mr. WOODRUM of Virginia in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. MAY. Mr. Chairman——

The CHAIRMAN. The gentleman from Kentucky is recognized for 1 hour.

Mr. MAY. Mr. Chairman, no man alive regrets the world situation that makes necessary this legislation more than I. I regret the necessity of bringing this legislation to the House of Representatives. I stated on the floor of this House on the 17th day of last December that I was opposed to this legislation and would be until such time as I was convinced there was necessity for it. That time has arrived.

Once to every man and nation comes the moment to decide
In the strife of Truth with Falsehood—for the good or evil side.

And may I add here today that if we lose this war there will be nothing left for us to decide; our conquerors will decide for us just like they have decided for the nations of the earth that they have already conquered, and we shall have nothing to say about who shall work, where they shall work, whether a man shall work on the farm or in a factory, whether we shall be in one vocation or in another vocation; hence the necessity for this legislation today.

The House Committee on Military Affairs, after the President of the United States, as Commander in Chief of the armed forces, had stated that there was a necessity for this legislation at this time, decided it would act promptly, not only in the interest of the welfare of our country and our countrymen and of this generation and of generations to come, but we decided we would by such action take away the unjust, the unfair, the unreasonable effort of some elements in this country to place upon the Congress the stigma of waiting until after the election

to pass this legislation. When your committee took up this bill they gave extensive hearings to the Secretary of War, to the Chief of Staff, to the Director of the Selective Service System, and to other military officers of the administration. After this hearing the committee wrote into the bill four different amendments, which the committee felt in view of the testimony were necessary to the proper administration of the legislation and to the proper prosecution of the war.

The first amendment the committee inserted in the bill was to the effect that no person between the ages of 18 and 21 should be discharged from service in the land or naval forces while this act was in effect because such persons entered the service without the consent of his parent or guardian. That was recommended by the Under Secretary of War and was accepted and agreed to by the committee.

The committee approached another situation in which we found ourselves and which the testimony had disclosed to be simply this: That in the administration of the law as it exists by the more than 6,000 local boards throughout the country we had found that in their reclassification of persons in some instances and in some areas one local board had inducted every man they could find in class I-A. They had dipped into the higher classes which constituted the taking of married men even with dependents other than a dependent wife. We found that in other sections of the country local boards had not exhausted even the I-A men by large groups; so we wrote into the bill amendment No. 2 in section 5, which requires that those quotas be based upon the States at large rather than upon local areas.

The committee wrote into the bill another section by way of amendment. I am sure every Member present knows of the practice and the rule in the War Department for some time that they would not induct into the service a man who had been convicted of a felony. That practice had gone even to the extent of not inducting men who had been convicted of misdemeanors; for instance, a man might be convicted under some provision of the national prohibition law, might be convicted of a breach of the peace, but such court conviction barred him from admission to the service. We have provided that no individual shall be relieved from liability for training and service under this act or held to be not acceptable to the land or naval forces for such training and service on the ground of his having been convicted of any crime which is not a felony at common law if the local board having jurisdiction determines that such individual notwithstanding such conviction is morally fit for military service.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield at that point?

Mr. MAY. I yield.

Mr. CRAWFORD. I find that the Navy declines to take young men into the naval service who have been discharged for what might be called minor misconduct; that is, where a group of sailors would kind of gang up and pull off what might be called gang tricks and for that have been thrown out. Under this provision can they get back into the Navy?

The boys have been thrown out and they cannot get back into the Navy. Is there anything in this bill which will tend to encourage the Navy to take those fellows back in who really want to get back in and prove they can behave themselves?

Mr. MAY. I do not know whether the provision that I have just read would encourage them to do it or not. That is a matter for the Navy. Their rules and regulations are not affected by this bill, to the extent this provision may affect it on this subject.

Mr. CRAWFORD. It is the intent of the committee recommending the bill that these young fellows who want to fight and who are physically fit, and with more or less training, may be taken in and given a chance. That is the intent of the committee?

Mr. MAY. That is the intent of the committee and I may say that I have been of the opinion that sometimes a fellow who has maybe shot and wounded a man under heat of passion or in sudden affray, and although convicted, would make a good soldier.

Mr. CRAWFORD. I think so, too.

Mr. MAY. Another amendment that answers much of the complaint that we have heard about in reference to exhausting the colleges of this country is the one which we wrote into the bill providing that any person who during the year 1942 entered upon attendance for the academic years of 1942 and 1943 at any high school or similar institution or at any college or university may be deferred upon their own request until the end of the academic year, in no event beyond July 1, 1943. That amendment, to my mind, is ample protection for those who have already entered a school and those who may enter a college course or a high school course between now and the enactment of this law.

Mr. HINSHAW. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from California.

Mr. HINSHAW. I appreciate this provision is all right for this year, but the same provision should be extended for additional years, because there are many people going into high school who will graduate perhaps in June of the year in which they are inducted. Does not the gentleman think we ought to allow them to complete their secondary education, if we can?

Mr. MAY. That would practically nullify the purpose of this law, which is to win the war. We have gone just as far as the committee feels the legislation should go on that particular subject. Of course, you and I both, in fact no one here really desires to induct these young men, but as I have said the life of our country is at stake and the liberty of all these young men is in jeopardy as well as all our people.

Mr. ANDREWS. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, to begin with, I wish to address myself to two amendments in this bill, and I would like your careful consideration of a few observations that I know the Members are interested in, judging from the remarks made during the consideration of the rule.

In the first place, I want to call attention to section 2 of the bill, the so-called educational deferment section. I might add in this connection that I was the author in the original Selective Service Act of an amendment similar to this which deferred students in senior years at accredited colleges until the end of that academic year or until July 1, 1941, whichever date came first. You will recall that the original act was passed during peacetime. It was passed at about this time in the year. A great many young men in those peacetimes had made their arrangements, financially and otherwise, to attend higher educational institutions. The purpose of the amendment in peacetime was not to unduly disrupt senior classes at the colleges and to allow many young men to obtain their degree before entering the military service. The situation today is quite different.

We have a bill here today to draft into the service certain numbers, by lot, it should be recalled, of those 18 and 19 years of age, an age group which more vitally affects the colleges and high schools. The original bill proposed by the gentleman from New York [Mr. WADSWORTH] gave exemption to high-school students and students of similar schools during the last half of their academic year, or until July 1.

The committee saw fit to superimpose the provisions of the original Selective Service Act giving senior students in any school or college exemption to all students today until the end of the academic year, or July 1, 1943, whichever comes first.

I want to bring you back to the 18- and 19-year-age group. If this amendment is left in the bill, you will defer from selection the sons only of the wealthier group—the sons of the more fortunate citizens who happen to be in high schools or who happen to be in colleges throughout the country. You will automatically force the selective-service boards to take the sons of the poorer people who are not so fortunate—the sons of the farmers whom you do not wish to unduly disrupt—and you will throw the entire selection by the selective-service boards to the boys 18 and 19 years of age who are less fortunate. You will defer and exempt those with parents who happen to have enough money to keep their sons in school. That does not seem to me to be eminently fair.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from California.

Mr. HINSHAW. Does not the gentleman think it would be wise to make provision so that the secondary school education can be completed if that does not run too far into the age group?

Mr. ANDREWS. The provision is to allow the completion of the present academic year. I am merely pointing out what will be the result if this stays in the bill.

Mr. HINSHAW. That is the first year. I mean for subsequent years where it is necessary to carry over a few months to finish the secondary education.

Mr. ANDREWS. Obviously I do not agree with the gentleman.

I also want to point out something in connection with section 5, which at the start I was inclined to agree with. This makes it mandatory by States for the Selective Service to take those classified I–A ahead of, we will say, II–A, II–B, or III–A. We all know of situations, particularly in large cities, where draft board boundary lines will come in the middle of a street; on one side of the street will be one draft board and operating on the other side of the street another draft board. The boards operating over these two districts may find themselves with two districts of different environments. There will be more I–A in one district than in the adjoining district. There is a desire to take all I–A men, particularly when these districts are together. There are neighborly and family contacts. They see one man taken here and over in the next district another I–A man not taken.

I want to remind you that in any amendment of the Selective Service Act to accomplish one purpose which usually results from what appears to be an injustice another injustice is automatically imposed. It is almost impossible to avoid that. We will assume that this bill is adopted with section 5. What will we do to the boys 18 and 19 in any draft area who are classified I–A?

We will force the draft boards to take more of the 18- and 19-year-old boys who are I–A and continue to defer some of those who have married. I am not saying that they have done so with the intention of avoiding the operation of selective service, but a young man of 18 or 19 under the provisions of section 5 will be much more liable to immediate service than he would be without the provisions of section 5.

I want to call those two things to the attention of the House. I think they are important. I think we should think twice before we adopt them. I am not at all certain but that both sections should not be stricken from the bill.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Texas.

Mr. KILDAY. Referring to the fact that these 18- and 19-year-old boys would be called prior to young men who have been married within the last year or two, I call the attention of the gentleman to the fact that under the regulations of the Selective Service System every man who married after May 1941 is not regarded as being a married man for the purpose of dependents and deferment.

Mr. ANDREWS. That is correct.

Mr. KILDAY. So that the classification is fixed as of May 1941, and it could not be that men who married in order to avoid service would not be called before the younger men.

Mr. ANDREWS. But it would tend to increase the pool of young men in that category.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. With reference to the last amendment to which the gentleman has referred, General Hershey before our Committee on Agriculture stated that a large proportion of the men had been selected from certain Midwestern States like Minnesota, that is, our percentage quotas were larger than in some more populous areas. The result has been that a good many boys who should have been left out in the agricultural sections to produce food have been called into the Army. Does this amendment change that status so that we will have a larger supply of manpower there for our farms and essential industries?

Mr. ANDREWS. Not necessarily. It means that the draft board must take the I–A's ahead of the II–A's, II–B's, II–AR's, or III–A's before they dip into the other classes.

Mr. AUGUST H. ANDRESEN. It will equalize it so the same percentage will be taken all over the country rather than a larger percentage from a certain State?

Mr. ANDREWS. That is correct.

Mr. AUGUST H. ANDRESEN. Then the amendment will serve our purposes.

Mr. WILLIAM T. PHEIFFER. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from New York.

Mr. WILLIAM T. PHEIFFER. Will the gentleman state what the attitude of the committee and the War Department is in respect to those boys who are attending accredited military schools such as Culver, Staunton, and other great military schools? Will they be permitted to complete their military course?

Mr. ANDREWS. That is already covered by basic law. Once the man reaches the senior grade of the R. O. T. C., he is automatically deferred.

Mr. WILLIAM T. PHEIFFER. Then they will be permitted to go ahead?

Mr. ANDREWS. It is a question of whether or not he attains the senior grade of the R. O. T. C. before his number comes up within the 18- or 19-year-old group.

I should like to conclude with a short review of selective service and I am talking to Republicans, not necessarily in the House, but I am talking to a number of Republicans who have written me with the expression that some sinister group has been behind selective service, that some sinister group was in favor of its extension, that another group is trying to bring in the 18- and 19-year-old boys today.

Let us look at the facts. The original Selective Service Act was proposed in 1940 by the gentleman from New York [Mr. WADSWORTH] who is in the House today. It was proposed in the Senate by Senator Burke. It had the complete approval of the War Department at that time.

A year later the move for extension of the Selective Service Act was backed by the gentleman from New York [Mr. WADSWORTH] and numerous Republicans in the Senate and House—not so many in the House.

Once we were at war, on December 7, the War Department came to the Congress. The Secretary of War and the Chief of Staff came to the Speaker's office and asked us to lower the minimum age grade then from 21 to 18. That very day they asked for 18, and the House refused it.

Now they come back 10 months later, as we knew they would, and are obliged to ask for it again. The first move for it was again made by the War Department. The two bills that were introduced in the Senate and the House were introduced by Republicans—Senator GURNEY and Representative WADSWORTH.

To those who say these men should have 1 year's training, and practically all of them will, I say Where would we have been on December 7 had we not extended the act a year ago? Where would we have been with men with 12 months' training had we not extended the act a year ago?

My point is this, and I think I say it correctly, that selective service, the extension of selective service, and the move to lower the age bracket, have at least been initiated by Republicans and strongly supported by the War Department, sometimes not with the immediate support of the administration.

In conclusion, let me say that we could have had this a year ago, or we could have had it last December. The War Department wanted it just as strongly then as they do now. Any young man in this group who would have come in then would by now have almost completed a full year's training.

The time has come, Mr. Chairman, to let General Marshall and the War Department operate the Army with no more hamstringing by armchair theorists, congressional theorists, columnists, or anyone else. We are at war. We know this is necessary, and I hope the bill will pass as quickly as possible.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, the time for general debate is very limited and, besides, I feel sure there is not a Member of the House who does not know exactly how he is going to vote upon this important bill. Time will not permit a discussion of the committee amendments to this bill with which I am not in full accord and since, under the rule, these committee amendments cannot themselves be amended, that matter must await the conference report or some later legislative procedure. After all, the real purpose and objective of this bill is to determine whether or not this Congress is going to induct young men of 18 or 19 years into the military service.

War is a horrible thing. All of us, I am sure, hoped we would never have to vote for a declaration of war such as occurred on this floor on December 8 last. We were left no alternative for Pearl Harbor forced us into war. I am sure, too, that all of us hoped the time would never come when we would have to vote for legislation like this. There was a time when I felt I could not support this bill, but I concur in the remarks of my distinguished friend from New York [Mr. ANDREWS], who just preceded me, in saying that we are in the worst war in all recorded history and we must now enlist

all our physical resources. We might just as well face the cold facts. We are in a dangerous war and confronted with ruthless enemies who would make slaves out of all of us. In wartime, my judgment is that the only persons in whom we can repose absolute confidence in military matters are our military leaders and for that reason I find myself completely out of harmony and agreement with the gentleman from Michigan [Mr. HOFFMAN], who said on this floor during the discussion of the rule that the War Department officials had been guilty of deceit and misrepresentation and that their purpose was to mislead. I do find myself in complete agreement with the gentleman from New York [Mr. ANDREWS], who says that he has confidence in the high officials of the War Department.

I have the greatest confidence in the integrity, ability, experience, and patriotism of the Secretary of War, and I invite the Members of this House to read his testimony that was given before the Committee on Military Affairs 3 or 4 days ago and which is the first testimony in the printed hearings. It is a full and fair presentation of the war situation as it exists today.

Then I will go a little bit further. I have been on this committee now for 12 years and I have seen some distinguished chiefs of staff come and go, among them the brilliant MacArthur, the grand and able General Craig, but, in my judgment, there is none greater than Gen. George C. Marshall, and in him I have complete confidence. I saw in a recent issue of a popular magazine where somebody said "If George Marshall does not know his job, may God help the United States."

Now, the Commander in Chief, the Secretary of War, the Chief of Staff, and other high military authorities all agree and tell us that the time has arrived when it is absolutely necessary and imperative that these young men of 18 and 19, who are physically fit, shall be taken into the armed service and given proper and adequate training. I think that some of our colleagues have, by their very questions here, shown that the very opposite is intended by this bill from what they think it is. We must trust our military leaders if we are to win this war. These young men will be called in order that they may be trained and able to fight if and when it becomes necessary. It is for their protection as well as that of the country.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield the gentleman from Texas 2 additional minutes.

Mr. THOMASON. The very purpose and object of this bill is to see to it that these young men do have proper and adequate training, and the letter that the gentleman from New York [Mr. WADSWORTH] read this morning from the Chief of Staff was fully confirmed by his testimony before the committee in which he said that they have no other thought except to give these young men at least 12 months' training. Surely, General Marshall does not want to send inexperienced boys into combat service. He was on the battlefields of France in the last war and he knows from experience what lack of training means. He says we must have an Army of seven and a half million men by the end of 1943. We must have 2,200,000 in the Air Corps, 3,300,000 in the ground forces, and 2,000,000 in the Services of Supply. He also tells us he must have trained young men to insure victory.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. AUGUST H. ANDRESEN. We are in a desperate war, and we all know it. Is it not a fact that we must have confidence and trust our military leadership because they are the sole ones to conduct a war and we must follow them and do what we can?

Mr. THOMASON. I agree with that statement 100 percent, and I think that is the view of almost 100 percent of this House. We have come to the time in this war when we can take no chances. It means work and sacrifice for every citizen in the Nation.

This bill will provide for more than 1,000,000 able-bodied young soldiers. Thousands of them have already volunteered. The testimony shows that in every war in which this country has been engaged, and, in fact, in every war in which every other nation has been engaged, the best fighting men were young men. We do not have to forget the sad days of our own Civil War. We know that on both sides of that great conflict the fighting men were young men. That was true in the last war, and the trouble in World War No. 1 was that thousands of those young men had no training at all to speak of. The very purpose of this bill is to see that these boys do have such training. I invite your careful reading of the testimony of General Marshall on that subject.

I am happy to state a fact which we all know and one to which reference has been made here several times, and that is the House Military Affairs Committee is not playing politics on a question like this. The printed hearings will disclose that we gave full and detailed hearings to the experts of the War Department and when it came to voting the bill out, there was not a vote against it in the House Committee from either the Democratic or the Republican side. I am informed that the very same thing happened in the Senate Committee yesterday. I am sure that this bill will be enacted into law before sundown. There seems to be some uneasiness that this legislation will close some of our high schools and colleges, but that is not borne out by the record. The War Department expects to encourage students of medicine, chemistry, engineering, and other technical subjects. They will be sent to appropriate schools to further their studies and at the same time give them military training. Many of them will be given educational advantages in the Army, and all will be afforded an opportunity to attend officer candidate schools. If we do not win this war our high schools, colleges, and universities will be converted into prisons and our athletic fields into concentration camps. We must and will win this war or all is lost.

The best measure of a nation's ground fighting strength is the number of trained and equipped divisions which can be committed to battle.

Recent estimates indicate that Germany has and can maintain 320 divisions with an additional 160 available to her from Italian, Rumanian, and other Axis satellites. A vast reservoir of conquered peoples and prisoners of war enable her to maintain an economic system adequate to support such a force. Because Germany has been building her army since the middle thirties, all of the 320 divisions are trained and capable of employment now. Japan is capable of maintaining 70 to 90 divisions. Thus, the United Nations are faced with enemies who between them can muster in the neighborhood of from 550 to 570 divisions now.

This total of 570 divisions which the enemy has to oppose ground forces of the United Nations deserves emphasis because it indicates the magnitude of the job which we have on our hands. At the present, Russian resistance is requiring the employment of approximately half of the Axis ground strength.

To provide effective striking forces on other fronts, our Army must increase its fighting power, measured in terms of armored, airborne, and infantry divisions, by at least 50 percent during 1943 if we are to strike the enemy with the maximum force that can be transported overseas—the force essential to translate air supremacy into total victory.

Mr. ELSTON. Mr. Chairman, I yield now to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I shall vote for this bill. I shall vote for it with a heavy heart. I do not like to send these boys to war. And, I want to go on record, now, as saying that the Congress and the administration which sends them to war has three great responsibilities: First, is to give these boys the best environment possible while they are in the Army; second, to give them a chance to complete their education when they return; third, to make good on our pledges to set up a world order in which such a tragedy will never come again.

Mr. ELSTON. Mr. Chairman, I yield now to the gentleman from Illinois [Mr. DEWEY].

Mr. DEWEY. Mr. Chairman, since I have been privileged to have a seat in this great body, I have voted on many important measures profoundly affecting the welfare and destiny of our free country of unconquerable people. But I do not believe any bill has ever been presented to us that gives me more pause than the bill we are debating here today, authorizing the drafting of boys 18 and 19 years of age into the armed service.

I am ever mindful that we are dealing with human lives, that we are passing on legislation which will send the youth of America through the hell of bombs and torpedoes. I am ever mindful that we are dealing with boys who have not yet reached full maturity of mind and body and who have not had opportunity to experience the richness of life. I am mindful of the parents of these boys. No man can but pause before casting his vote for this bill.

Mr. Chairman, the Commander in Chief and his military advisers have stated that this legislation is necessary in order to develop an army that will be the best in the world. Freedom is at stake, and I shall accept the judgment of those charged with the responsibility for the successful conduct of the war. I shall vote for this bill, as I have voted for all other measures essential to an early and decisive and complete victory over those who challenge man's right to be free.

I am pleased to note that the measure as reported by the Committee on Military Affairs provides for the deferment of these boys in order that they may complete this year's work at a college or university or in high school. I wish this was made a compulsory deferment rather than left to the boys to request it.

It is not my purpose to tell our military leaders how to run the Army. Questions of military organization and strategy we must with confidence leave to our military men. But I cannot refrain from expressing the hope that when these boys enter the service they will be kept together and not placed with the older men. I sincerely hope that special attention will be given to their mental and physical care and spiritual guidance.

Youth is always fired with enthusiasm and a resilience of spirit, with vigor and determination. But it must be recognized that the 18- and 19-year-old boy lacks the maturity that only experience can bring, and that he must receive special guidance and care.

War demands a common partnership. We shall survive or perish together. It seems to me that all of us should be required to serve in some capacity related to the war effort. These boys must have the best food, the best ships, the best planes and best guns that can be produced, in quality and quantity. The whole nation's manpower must be harnessed for the common objective: victory for freedom.

Mr. ELSTON. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. CLASON].

Mr. CLASON. Mr. Chairman, as a member of the committee, I call attention of the House to some of the testimony which came before the committee. All of us, of course, in the consideration of this bill are faced with a proposition which is not a pleasant one. None of us like to see these young men enter the Army and go off to war. We know that it will have a serious effect upon students in our high schools, colleges, and other institutions of learning. We do not like to see these interruptions in the orderly progress of young men into manhood. We were told by Secretary Stimson that this particular group of young men is "necessary to make an Army which can win this war against the kind of enemies that we have before us." He seemed to feel that unless we do take men of these ages and induct them at the present time, and put them into divisions which are being activated, it would not be possible from this time on to secure divisions of the age limits which could go into action successfully in modern warfare. These groups will furnish about one million and a half men. The effect of adding these young men to the lists at the present time is to keep married men with children from having to enter the Army for a period of 5 or 6 months at the shortest. In fact, General Hershey gave us to understand that if this bill becomes law married men with children will probably not have to enter the Army under the Selective Service Act during the entire year 1943. In that connection I bring up the matter of men 40 years of age and over.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield to me for a matter of information?

Mr. CLASON. Yes.

Mr. ROBSION of Kentucky. What are the requirements of Great Britain as to age?

Mr. CLASON. According to the record, I see it is 18.5 years, in General Hershey's statement; but I understand from the gentleman from New York [Mr. WADSWORTH] that it is 18 years.

Mr. ROBSION of Kentucky. What about Australia?

Mr. CLASON. I think they are the same as England.

Mr. ROBSION of Kentucky. And Canada? What are the requirements in Canada?

Mr. CLASON. As I recall, it is 20 years.

Mr. ROBSION of Kentucky. And in either Canada or Australia, can a young man of any age be required to serve overseas without his permission?

Mr. CLASON. I am not familiar with Australia, but I am sure of this: That young men of those Dominions have been volunteering below the age of 20 in large numbers and are serving overseas.

Mr. ROBSION of Kentucky. I am told that Canada has not yet put into effect this draft law for overseas service. What is the gentleman's information on that?

Mr. CLASON. If the gentleman has the information, I suggest that he put it in in his own time. I desire now to pass on to the question of people between the ages of 40 and 45. It is my belief that men over 40 years of age should no longer be considered under the requirements of the Selective Service Act. Mr. Stimson testified directly on this point that a man over 40 years of age who is capable of service in the Army is a "rare bird." When it comes to the point where the questionnaires of hundreds of thousands of men have to be handled in order to get a "rare bird" out of a large group of persons, it seems self-evident to me that that group can be excluded from the requirements of the Selective Service Act at this time without loss to the country or to the Army. General Hershey testified that the Army has lately taken on an undue number of men over 40, though the total is relatively small. He added that he felt the War Department should use them in positions other than in service with divisions. I hope he will also see to it that only the really physically fit are allowed to get into the Army. In some districts we find that married men are in this position. They are having their sons inducted into the service under this act, and then they are in turn under this act called upon to enter the Army within a few weeks after their sons have left home. That indicates that if the Selective Service Act is being carefully administered we are getting into a difficult and unfortunate manpower condition.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. ELSTON. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. CLASON. General Marshall testified he was appalled by the conditions in hospitals in the South, where he saw that in hospitals containing 3,500 beds a majority of all the men were over 35 years of age and a large number, a very large number, over 40. He said some of these men, or most of them, had been in the service only 2 weeks, and after they had been in service, some only 3 or 4 days, according to his testimony, they were hospital cases. It seems ridiculous that we should burden the Army and General Marshall with these men at all. They passed physical examinations and their organs, which have been able to carry on perfectly well in normal conditions, cannot stand up under the requirements of the Army training, and within 2 or 3 weeks they are in the hospitals under doctors' care.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield.

Mr. ARENDS. I call the gentleman's attention to the fact that the general also made mention of the fact that many of these older fellows in the service were taken from civilian jobs where they were badly needed and put in the Army where they were serving to no purpose.

Mr. CLASON. He went further than that; he said that even for limited service they did not wish them in the Army over the age of 40 years. That was the flat and positive statement made by General Marshall, that they are not physically strong enough for even limited service over the age of 40.

Mr. O'HARA. Why does the Army take in men of that age even though they are passed by the draft board when the Army realizes they cannot perform combat duty?

Mr. CLASON. To cite a case in point, we are told that a man who has a heart good enough to keep him going in his peacetime pursuits cannot stand the rigorous physical demands of military life. He might have no trouble from his heart while at home, but sustained heavy physical tasks under difficult conditions result in heart ailments which may make him an invalid for years.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I very deeply regret the necessity for this legislation. However, I do realize the necessity for it and am prepared to vote for it. I am not on the committee reporting it, but I, too, take the word of the high military men concerning the great need. There are certain amendments which I would favor to whatever extent this bill may be amended under the rule just adopted, yet if I were to amend it as I would like, it might be less, rather than more, effective.

The gentleman from New York [Mr. ANDREWS] led me to believe that he is in doubt about the committee amendment on page 2, which defers for a part of a school year, or until July 1, 1943, any 18- or 19-year-old boy who is now attending high school or college. I take it he is opposed to that provision. I am not opposed to it and shall support that amendment, for I should like to give every young man of that age at least until July 1 next year to complete the year of schooling he is now entered upon.

I cannot agree with the gentleman from New York that such a provision would defer sons of rich men only, and take into the service sons of poor men, for in recent years high schools and colleges have been attended by sons of poor men as well as by the children of the rich. That is one thing to which we point with pride—that our high school long ago became the college of the people. Very few are too poor to attend the high school. Even the college of late has not been the exclusive privilege of the wealthy class.

Something has been said here in debate to the effect that any deferment of teen-age boys would mean a deeper draft on married men. Possibly so, but it may be that we must take in more married men in any case, especially those without dependents, or with only a so-called dependent wife.

Some of my constituents have been complaining to me that there are too many young married men apparently deferred because of their having only one dependent. No doubt that is a matter which the Selective Service will take note of and remedy. I hope in our quest for more manpower for our armed forces, we shall go a long way toward reclassifying illiterates, those who have curable social diseases, and those who have found dependents only in very recent months.

I believe we have put off this step of calling younger men as long as we dare put it off, considering the dire circumstances confronting the Nation and the world. We all know that the Army wanted younger men in the beginning and I for one was reluctant to put the age limit down to 18 at first.

We may not be able to write an amendment into this bill requiring at least a year of training for these young men, before going into combat service, but there is every indication to my mind that the Army proposes that all shall have 12 months' training or more before going into combat. This should certainly be true of units also. I believe the military leaders are sincere both in their desires and their intent for such training.

Any training which these young men receive in the Army will in part compensate for their loss of a year or two of schooling. After all, what will a high school or college diploma mean to any one of these young men if America loses this war? A fraternity pin is a coveted decoration but in the event of our loss of this critical contest, other decorations heavier and less convenient will be provided for all of us.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HARTER].

Mr. HARTER. Mr. Chairman, this is a solemn occasion in the House of Representatives today. We have an unpleasant but necessary duty confronting us. I only hope it will be possible for every Member of this House—and I wish it might be possible for every mother and father of every 18- or 19-year-old boy in this country—to read the record of the hearings before the Military Affairs Committee this week on this subject. I am sure they would be very much enlightened from the testimony that was given to your committee by the Secretary of War, the Chief of Staff, the head of the Selective Service, and other officers from the Staff of the Army.

This legislation has not only been recommended and approved by these gentlemen, but by the Chief of Naval Operations. All have made it very plain to the Military Affairs Committee that the 18- and 18-year-olds must be drafted, and immediately.

I think all of us who have followed our military development and progress, the building up of this superb civilian army of ours, have the fullest confidence in the high command of the armed forces of this country. God help us if we cannot have confidence in our military leadership.

Many of us who now urge the enactment of this amendment to the Selective Service Act some months ago opposed taking men for training in service below the age of 20. We hoped and we thought it would not be necessary to take younger men. With those liable for military service under the present law in the age brackets of from 20 to 45, the Army's experience in recent months, as many older men are called up, is that the average age in the newly activated divisions is greater than it should be. For instance, in August, the average age of a newly formed division was 28 years 2 months. Unfortunately, the experience of mankind and the history of the world proves conclusively that the brunt of all great wars have fallen upon youth. War is a terrible thing. In all its manifestations none is worse than the sacrifice demanded of the young men of the Nation, particularly these 18 and 19 years of age, who we now propose to call.

Why do we do it? Because their youth, stamina, dash, and vigor are needed to bring victory and a speedier, successful conclusion than we can secure through the use of older men. The sooner and the harder we can strike offensively, the quicker the victory and the fewer casualties.

I do want to say this, however, in regard to the feeling on the part of some of you in the House that these men whom we are seeking to induct should have a year's training, that I was greatly impressed by what the Secretary of War said in answer to a question during the hearings. I shall read it to you:

Mr. HARTER. I understood from your testimony that you expected that the 18- and 19-year old selectees, in the event that the bill that the committee is considering becomes law, will be given a 12-month period of training before being sent into combat with combat divisions?

Secretary STIMSON. That is the program, sir, to be carried out as far as possible and as far as unexpected emergencies may allow.

These youths are not to be mustered into divisions consisting solely of men of their age. They are to be infiltrated with older men, so that there may be a leaven of youth as well as more mature judgment and experience in all divisions possible. Every one of these new selectees will have the Army's basic 13 weeks' training. It is the intention of our Army command to give as many as possible of these men a full year's training before they are sent into combat; however, it is the judgment of your committee that no such limiting amendment compelling a year's training before any of these men can be used against the enemy should be written into this bill. We might suffer unexpected reverses, the United States might even be invaded, and we would find ourselves in a sorry predicament if it was impossible to utilize the services of these youths who would be so eager to meet the foe under such circumstances. Furthermore, many of these men will enter divisions now in training after they have had their basic courses, and naturally their progress will be much more rapid as they learn from the older and more experienced men who have been in training for weeks and months.

It must be apparent to all of us who have given thought and consideration to our military problems, and, of course, I say this merely as a layman, that the number of troops that we can send to overseas duty is completely interlocked with two things—production and transportation.

In the first place we must have adequate weapons and supplies, including heavy equipment for every division sent from this country. Not only are we called upon to adequately supply and support our own troops, but we know that we are not as yet adequately supplying others of the United Nations, notably Britain and Russia, with the arms and supplies we have promised.

Next is the greatest stumbling block, the limiting factor in any scheme or plan to bring our might into this fight at an early date. That is transportation—ships, tonnage. We all know the German has taken a terrific toll of American and Allied shipping during the last year, and particularly during the earlier months of this year, when enemy submarines were operating so successfully in the western Atlantic. What none of us do know is how many precious cargo ships with arms and supplies being transported to our forces overseas, to England, Russia, and elsewhere, have been sunk. We cannot send greater armies to the several theaters of war unless we have the shipping to take them, together with their initial supplies and sufficient ocean-going transportation to maintain a continuous service of supply to such expeditionary forces.

The fears of some that these new selectees would be sent out of this country without adequate training and without being fully equipped have no foundation when we consider the realities which confront us relating to production and

transportation. We are fighting an entirely different war than that of 25 years ago. Not only are weapons changed, but the handling of great bodies of troops is different. This has been largely a war of movement and maneuver as distinguished from the trench warfare of 1917 and 1918. The airplane has become so important in warfare that no victory either on land or sea is won without its potent assistance. Small movements of troops equipped with tanks, motorized and mechanized equipment, possessed of tremendous striking power have achieved unexpected victories over huge armies which were unable to grasp the tempo of today's war. This was peculiarly demonstrated in the military campaign leading to the fall of France.

Let me again say that we, the Representatives of the American people and the public itself, must rely in military matters upon the judgment of those trained in the profession of arms—the ranking officers of the United States Army and the United States Navy. Determinations of military strategy are properly reposed in their hands. We defer to their judgment as is proper, in determining when and where offensive action shall be undertaken by our forces. They and not we will initiate and embark upon a second front; yea, even perhaps a third, fourth, and fifth front when they feel the time is right. When, in the judgment of General Marshall and his staff and Admiral King and his advisers, we are told the drafting of the 18- and 19-year-olds is a military necessity, I am content to accept their recommendation and do what I can as one Member of the House to carry into effect their considered judgment.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER of Michigan. Mr. Chairman, our house is afire. Our Nation is threatened. Time and again in recent weeks we have been told by high Government officials that we are "damned well losing this war."

President Roosevelt, our Commander in Chief, has declared it necessary to extend the Selective Service Act to include boys of 18 and 19 if we are to insure the safety and security of America.

This declaration was later supported in hearings before the House Committee on Military Affairs by the Secretary of War, the Chief of Staff of our Army, and other officers who are charged with formulating and directing our military efforts.

In view of these statements, Mr. Chairman, there is but one course for me to take today. That is, to act upon this grave question in the light of the recommendation made by these officials.

I assure you that it is no easy task for me to vote to send these mere youngsters into our armed forces. I opposed this same proposal last December. But today the situation is critical. The President and his military leaders, who are in possession of facts that obviously cannot be disclosed, declare the passage of this legislation imperative.

As one who is committed without any reservation to the winning of this war, it is my duty to cast an affirmative vote. I do so with a heavy heart.

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, there is no issue of the character of war in which we are involved. Likewise there is no issue on the question that we must accept the advice and the decisions of our military men upon military subjects. Our military men have told us that it is essential that they have within our Army the dash, the vigor, the stamina and the courage of boys 18 and 19 years of age. They have told us that unless we do have boys in that bracket and their attendant characteristics we are not in a favorable position to win the war. Therefore, I accept that as being true and on that basis I voted to report this bill and upon that basis I will vote to pass the bill.

They have told us that to require that these boys when taken in be retained for training for a period of 12 months will handicap the military effort and encumber the prosecution of the war. Therefore the Committee on Military Affairs rejected that proposal and I for one will vote against any such proposal if made now or in any subsequent proceedings on this bill.

The fact that military men make a recommendation does not make the subject upon which they recommend a military question.

They have made no recommendation actually as to my amendment on the educational feature of this bill. There was an educational feature in the original Wadsworth bill that was stricken out and my provision was inserted in lieu thereof. Under that provision a boy might continue in the last half of his academic year in a high school or similar institution. No objection was voiced against that provision by General Marshall or Secretary Stimson. The provision I have offered is almost a verbatim copy of the provision contained in the original Selective Training and Service Act of 1940. It provides for the educational protection of these boys during the present academic year only, ceasing to exist on July 1, 1943.

Mr. Chairman, we are in the position of coming here and changing the law after the academic year has started, and after these boys and their families have made commitments. I call your attention to the fact that the recommendation to lower the draft ages left the War Department more than a month before it ever reached the Congress of the United States. The proposal left the War Department prior to the beginning of the present academic year, but it was held in the Bureau of the Budget and only reached the Congress during the present week.

To permit these boys to complete this academic year is not going to disrupt the military situation. If this bill becomes law without some such provision as contained in my amendment, the day after it does become law the high schools and colleges will be emptied. They will be emptied at a greater rate than even the Army wants to take these boys in, because the boys are not going to wait for you to draft them; they are going to enlist, and you know it. If this bill is finally passed in such shape that you say to them, "You cannot even complete this academic year," they will join up immediately.

If you will read the hearings carefully you will be as bitterly disappointed as I am. This proposition has been under consideration for months. It has already been debated here that the original proposal of 1940 was to draft boys 18 and 19 years of age, but you will find not one governmental agency has a program to bring here with reference to what is to be done to provide for the disruptions in the society of this Nation which this bill brings about. You cut off the entire training of doctors, engineers, physicists, and all the other specialists, yes, your clergymen, too, because you will take them when they are in high school and before they have begun any specialized training. That is not a military question. That is a question of legislative policy and it is definitely the function of this Congress to see to it that we keep a continual supply of these vitally necessary professions in this country. It is a tremendous task, I grant you, but we should have been given here a program to provide for those disruptions. If you will observe the feeble efforts and the supposition as to what might be done in this regard, you will understand my disappointment. My amendment is just an expedient, that is all. But my amendment will hold the problem in proper balance for the time being. Even though there has been unnecessary delay in formulating a program, this will provide an opportunity to formulate it and carry it into execution. Unless this becomes law with my amendment it will be too late to correct the situation, because your men are going into the military service and you are not going to get them back into school. That is not a military question. The amendment involves a civilian question and a question of legislative policy for this Congress and I feel the Congress would be remiss in its duty if it failed to carry it out. My amendment is only a stop-gap until such time as a proper program is formulated and presented.

The other amendment which I have offered, and it has been criticized also, has the effect of requiring that the various categories be called in the order of preference provided in the regulations. These categories were set up under the provisions of a law we passed not before the declaration of war, but in July 1942.

These categories have been set up and roughly provide for the induction of single men ahead of married men, married men without children before married men with children, and so on. However, this order of preference applies within each local board only. My amendment would make those categories apply throughout each State as a whole. Therefore, no married man would be called as long as there remained in his State single men who had not been called.

This will remove the principal cause of concern, criticism, and lack of unity in the country over the administration of the Selective Service Act. It will place every man within the same State in exactly the same position, and you will not have a man living on one side of the street, married, or perhaps married with children, going into the Army, while across the street, but in a different draft board territory, single men with no dependents remain out of the military service.

You will not disrupt the Army or Selective Service System either, because General Hershey, Director of Selective Service, has made the recommendation to the State directors that they carry that into effect. All are not doing it. My amendment makes it mandatory upon the States that they do so. After all, we are still a federation. It is still the United States. The obligation is upon the State as a unit. When a call goes out for hundreds or thousands of men from an individual State, it is the obligation of the State, not of the various sides of the streets within a city, to fill those obligations.

I say that these two amendments carry out the legislative policy which we should carry out and which is necessary to actually discharge our duty.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. I commend my colleague on both of these amendments, especially the latter, which corrects a situation that has caused a great deal of dissatisfaction among the people who are drafted, some who have a wife and children going from one place and others who are unmarried going from another place. This will make it uniform throughout each State and see that the will of Congress is carried out.

Mr. KILDAY. I thank the gentleman.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Minnesota.

Mr. O'HARA. The gentleman has spoken on a subject which has been very close to my heart in connection with this problem; that is, what are we going to do to fill the gap left by the induction of these young people who are taking advanced education? The only schools that will not be affected by this are West Point, Annapolis, and the Marine Corps school.

Mr. KILDAY. That is correct. We brought that out in the hearings.

Let me go into this a step further: This will be a tremendous upset to our military establishment itself because our land grant colleges in the United States will be closed under this bill if some provision is not made similar to what I have here. The great Texas A. and M. College, the largest military school in the world, has furnished more Army officers than West Point itself, many times more, turning out more than 800 junior officers a year. Under the Selective Service Act only those holding senior R. O. T. C. contracts are deferred. Only students in the last two years of college can hold senior R. O. T. C. contracts. With the course of study reduced to 3 years instead of 4, that means that within 2 years you will have abolished your land grant college production of Army officers.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Chairman, I have always said I would never vote to draft teen-age boys unless I became convinced this was a military necessity to prevent failure in our war effort. I am now convinced of that necessity and will vote for this bill.

I regret that Congress has delayed so long in facing this issue, and I regret that, once having decided to meet it, full hearings were not held and that solution of the whole manpower problem, of which this is only a part, has been delayed again by Congress. Those in control in Washington, however, have seen fit to bring up this single question now, in this way, for decision, Shall we draft the 18- to 19-year-olds? Based on the evidence at hand, I am ready to vote "aye."

Two questions control the decision. What are our manpower resources for military service? What are our military manpower needs? If we have enough fighting men to meet our military needs, we should not draft these boys. If there are not enough fighting men unless we take them, they must go.

I am convinced we cannot build the armed forces now planned without taking these boys. I listened closely to the hearings before the Military Committee. Before that I made my own investigation in the Ohio selective-service offices and in local boards at home. My district, my State, and my country cannot meet the demands of our fighting forces without taking these boys soon, and many men now classed as having dependents will be coming with them soon.

The II–A's and II–B's, able-bodied men without dependents, deferred now in war industries and essential civilian positions, should be replaced by women and older men as soon as possible and sent into combat service. This replacement will take time in order to prevent a breakdown in production. There are surprisingly few of this group, even in an industrial State like Ohio. They amount to less than a third of the 18- to 19-year-olds in available manpower.

We must clean out the fighting material in Government jobs, clean out the stay-at-homes in the War Department, and still we will not have enough.

Do we need seven and one-half million men? I have gone into this, as much as I could, off the record, with high Army officials. On this question we must rely on our military leaders. I believe they are figuring carefully, taking account of our need for production, our training and transport facilities, and the far-reaching commitments our Government has made. I have always felt we should concentrate on Navy and Air Force in a global air-power struggle, and I find substantial agreement on this. Certainly our Navy and Air Force are spread over the globe. The number of ground troops needed, however, to protect and supply our air and naval bases is staggering. We see in the Solomons how important that protection is. Subtracting the antiaircraft, coast and harbor defense, and other troops needed here at home, I can only figure about 100 fully supported divisions in this vast Army. Obviously we will not be furnishing the mass armies to oppose Japan's 90 divisions and Germany's 300.

We will not have seven and one-half million men ready for combat until 1944. We cannot secure the necessary combat forces for an Army over 5,000,000 unless we take the 18- to 19-year-olds.

Taking these teen-age boys is a hard thing to do, but war is hard. I have received heart-rending appeals from mothers, and I am deeply conscious of the great silent appeal of all the mothers, "Do not take my boy until you have to." I wish older men could go and do the job as well.

We could raise a company or so in this chamber in a few minutes, if they would let us fight. I wish our enemies would send out only their older men so that we could meet them with our older men, but the age-old, brutal, ghastly truth remains, "Old men make wars, young men fight them." These teen-age boys of ours will be fighting alongside teen-age allies, against teen-age enemy fighters. Of course they are immature, many of them, but remember we have taken the young men in the best years already. The men who are left are not nearly as good as these boys in quickness, in stamina, in obedience, in endurance. This was true in the Civil War, when the average age of the Union Army in 1865 was 19½. I saw it myself in the World War, when I was an old man of 20 in the air service.

What will happen to their education? Many of them will receive college training in the sciences and professions necessary for warfare. The Army Selective Service and the Manpower Commission are working on plans for this. I feel it is unfinished business for Congress. There is no question, however, but that for most of them their education will be delayed or will be different from their present plans. There is no question but that this war is going to affect our education, our culture in this country. These boys will come back men, as boys always have, from wars. They will have learned much. They will insist on learning more. We must plan ahead for that time and have our educational system ready, not for boys but for veterans. If we win we can do this. If we keep them out of service and lose everything in order to save their education now they will have paid too dear a price for it. That is the hard decision we must make today. I am ready to make it.

Mr. ANDREWS. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, the President is the Commander in Chief of our armed forces. Upon his shoulders rests the responsibility of leadership in the prosecution of the war. It is a serious and far-reaching responsibility. It

includes the duty of making a commonsense appraisal of the tasks which have been undertaken and a practical evaluation of the means at hand to accomplish them. It is an intensely realistic responsibility. Of necessity, it entails the obligation to accept censure for failures as well as the right to claim credit for successes.

The President has seen fit to issue a military command which reaches into thousands of homes of our land—the command to the 18- and 19-year-old boys to become a part of our fighting forces. This recent command is a part of the President's responsibility of leadership. He is charged with the duty of securing the necessary information—facts and figures—upon which the command is based. As Commander in Chief these facts and figures are available to him. Unfortunately, the Congress has had to depend on the President's military advisers who have given much in the way of opinions, but little in the way of factual information. Whether accurate appraisals can be made under such circumstances is doubtful.

On December 8 of last year I cast a vote by which I approved a resolution of war. I was not unmindful at that time of the seriousness and the magnitude of the undertaking. In that resolution, and I studied it carefully at the time, the Congress pledged "all the resources of the country" in order "to bring the conflict to a successful termination." Those resources include the manpower of the Nation—those whom the Commander in Chief calls into service. To carry out the pledge which we have made, I can see no other course than to provide the legislation which is intended to carry out the President's command.

I am not convinced, however, Mr. Chairman, of the wisdom of the step. I find it difficult to reconcile the immaturity of the 18- and 19-year-old boys, taken as a whole, with the fearful and frightful demands of present-day battle combat. Witnesses who appeared before the Military Affairs Committee of the House insisted that lowering the age limit was not only a national necessity, but that it would prove to be a distinct advantage to our fighting forces. The needs of the Nation must be met. Our situation is perilous. For the moment we must depend upon our present military leaders acting under the direction of the Commander in Chief. But there is grave doubt in my own mind of the advantage which it is claimed will accrue.

I cannot dismiss from my mind the large number of young men here in Washington and elsewhere occupying civilian posts who appear to have been the beneficiaries of unjustified deferments. Before this new group is called what is being done with the deferred? What is being done about favorites who are claimed as indispensable? These are questions that the American people are asking, and they have the right to an answer.

In expressing my regret at the step which is being taken, I cannot refrain from an observation with reference to the manpower problem as a whole. It is not being dealt with as fully and completely as it should be. For some reason, and many of us are suspicious of the reason, certain aspects of the manpower problem have been studiously avoided. Piecemeal efforts have been resorted to in approaching a solution of that which is a closely related and integrated problem. The lesson has been brought home to us more and more, day by day, that men working and men fighting are both parts of a single effort in the successful prosecution of the war. The problem should be solved without further delay. If our 18-year-old boys are to fight, it is not too much to ask the older men to work.

The events of the last few days cannot be overlooked or disregarded. The news has been disquieting. The magnitude of our undertaking presses itself upon us. We are called upon for an all-out effort if we are to win. The American people have been called upon for every sacrifice. God grant that our leadership be challenged to an all-out service.

Mr. ANDREWS. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. GEHRMANN].

Mr. GEHRMANN. Mr. Chairman, after we were attacked at Pearl Harbor, I made a promise to the people I represent, as well as to our Commander in Chief, that I would go along with the Commander in Chief and his aides in anything they requested that would further our war effort and assure a speedy peace. I have lived up to that promise.

Today we are considering a question that is very controversial. The question of drafting boys of teen age is not an easy one to decide but, again, I am going to live up to my promise since the Commander in Chief and those responsible for carrying on this war tell us that these boys are needed in order to prevent calling upon married men with families.

Personally, I feel that I would prefer to have the single men drafted than to break up homes, especially where children are involved. On the other hand, in looking around the Government departments, I find that thousands of young men, married and single, are being shielded from the draft because it is claimed that they are needed in these departments to further the war effort. I know that thousands of them are nothing more than stenographers, typists, and messengers, who could be replaced by women or older men and, therefore, I do not believe that their presence in these departments is essential to winning the war. I know that there are many thousands of married men here in Washington whose wives are employed at a good salary. The same thing can be said of many young men who have been taken into some branch of the service as Reserves, subject to call whenever it is deemed necessary. These young men are requested to remain in school and take up certain studies until they are called. I would prefer to have them called immediately before we resort to drafting the youngsters of 18 and 19 years of age.

It is understood that, if this bill passes—and I am sure it will—those boys in school now will be permitted to finish out their school year. It is further understood that none of these youngsters will be sent into combat zones with less than a year's training. Therefore, I feel that I must follow the advice of those who are charged with the duty of conducting this war and vote for the bill but I want to emphasize again that I do hope that none of these youngsters will be drafted until the supply I mentioned above has been exhausted.

Mr. ANDREWS. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. BRADLEY].

Mr. BRADLEY of Michigan. Mr. Chairman, I opposed the conscription for military service in peacetime. I voted against the original Selective Service Act. I voted against the extension of time in which those original selectees would be held in the Army, not only because I believed it to be a breach of faith on the part of the Congress, but also because the Congress, having originally established a limit on the size of the Army which could be conscripted, by its refusal to extend the time of individual service would have created a gradual turn-over in the Army as these men had completed their year of training service and, therefore, in effect given us a larger army trained—or in the process of training—had the act not been extended.

I remind you that both of these negative votes of mine were cast while we were still at peace. We are now at war. War changes everything. When we voted to declare war we pledged every resource of this Nation to the successful prosecution of the war—we pledged our manpower and our physical resources, private as well as public.

The bill before us today, coming to us with the recommendation of the President and with the recommendation of all of our military leaders, calls upon us to pledge further manpower—the surging power of youth. We have no alternative but to vote in the affirmative.

In company with about everyone I know, I had always hoped that it would not be necessary for us to draft 18- and 19-year-old boys for the armed services. Hundreds of thousands of them have already volunteered and are valiantly serving in each of the several armed services. There is no question but that young muscles and youthful enthusiasm and courage are needed to fight today's warfare.

This week I listened very attentively to the testimony of Secretary Stimson and Generals Marshall, White, and Hershey. All of them have long been convinced that there is no alternative but to enroll these younger men. Our military leaders have determined that to fight this war we will need in the ground Army, the air forces, and the Services of Supply 7,500,000 men by the end of 1943. This, you will note, is in addition to the manpower requirements for our Navy, Marine Corps, and Coast Guard, which will probably total around 2,500,000 by the end of 1943.

Despite the fact that all branches of the service have repeatedly lowered their physical requirements, the fact remains that we just simply cannot find enough single men, or married men without children or other dependents, to fill up these demands of the armed forces while at the same time maintaining essential agriculture and essential war industries.

When we first started building this huge Army the various Army units, as organized and activated—that is, put into training as a combat team, comprising each of the several kinds of combat units needed to make one complete task force—averaged about 23 years of age. This is considered a good average age for an aggressive offensive fighting team. However, we are fast running out of the younger men, with the result that the draft boards now are sending forward to camp an ever-increasing number of older men—yes; even farmers of 34, with one eye—as actually happened recently in Rudyard, Mich.

Illustrative of the alarming increase in the average age of our Army is the testimony of Mr. Stimson, which I quote:

They show that a division activated in March had an average age of 26 years and 2 months. In June the average of such divisions had risen to 27 years and 5 months. The average by July was 27 years and 10 months. The average age in August was 28 years and 2 months. That is the average of the divisions being inducted at this time.

This is definitely too old an average for the rigors of modern mechanized and air warfare. Even that superbly trained physical specimen, Joe Louis, in announcing his retirement from the ring recently, stated that at 28 years he was too old to continue to fight in the ring. Modern warfare is almost as exacting in its strain on the human system. An army averaging 28 years is too old to fight an offensive war, and we must fight an offensive war to win.

Older men cannot be trained, and many of them are physically and organically unable to stand such strains as dive bombing, long, forced marches, or the bumps and bruises incident to tank warfare. General Marshall testified that in most of our huge training centers the hospitals are literally overloaded with older men whose health has broken under the strain of trying to get themselves trained to withstand the rigors of the youthful requirements of today's warfare. Yet some of our recently activated units are averaging 50 percent of men over 35 years of age. Such a unit is bound to fare badly in actual combat against the trained, youthful, and experienced armies of our enemies. They are not fit for combat service, and yet, having passed the so-called physical examination on their induction into the service, can claim service-incurred disability and become a permanent charge on the Government under the veterans' compensation laws.

The Army has determined that it takes at least 12 months to train a combat team and therefore it plans that it will not send any units into battle which have not had at least 1 year's training as a unit, received either in this country or in one of our foreign establishments not immediately faced with the prospect of combat action.

The Army plans to use these young boys not as a unit by themselves but rather it will sprinkle them through units now in training in which the present average age is too high for an effective combat unit. In addition, none of these boys will be drafted for the next several months for the reason that it will take that long for the local boards to act. Furthermore, it is expected that boys in school will be permitted to finish their present school year, providing that year is up by July 1, 1943.

There can be no question that there have been many inequalities and injustices in the operation of the Selective Service Act in the past. However, those difficulties are recognized and it is to be hoped will be speedily dealt with by General Hershey. For instance, General Hershey agreed that agriculture was our No. 1 problem at the moment, and promised that very much more careful consideration would be given in the future to the deferment of essential farmers. Today about 536,000 otherwise eligible farmers and students are on deferred lists. It is recognized that there are today in war industries, and especially in the aircraft industry, 556,000 eligible young single men who can very easily, and without marked loss of efficiency in the production line, be supplanted by women or older, more experienced, workers. For instance, the average age of young men working in the aircraft industry today is about 22 years. General Hershey expects that most of these will be in the Army within the next year. He has held numerous meetings with officials of the aircraft and other war industries, insisting that these young men are more needed in the fighting forces and that those industries form definite schedules to replace them with women and older workers. They will be drafted.

It is recognized that there are far too many deferred young men in civilian employment in the Government and even within the War Department itself and General Hershey promises that these too will be in uniform and in combat training in a very short time. They, too, will be drafted.

Mr. Chairman, again I repeat in view of the very complete and convincing expert testimony of those military experts charged with the successful prosecution of this war, to the end that total victory will be ours, I sincerely hope that the vote of this House will be unanimous in support of this measure, introduced by the gentleman from New York [Mr. WADSWORTH].

In conclusion, I want to say this: For the good of our Nation and for the preservation of our American form of government and our American way of life, I do think it is most unfortunate that this bill has been delayed in the manner it has and for what seems to me to be obviously political reasons. Once again the Congress is being unjustly accused of unwarranted delay and inactivity. Some press commentators have gone so far as to praise the President for goading Congress into action. It is well to recall the facts, some of which are stated in the hearings on page 13, which I quote as follows:

Mr. EDMISTON. Mr. Secretary, our committee has been informed consistently—we were informed all along—that the General Staff did not want this legislation until 1943. Now, our committee wrote to you, sir, on September 8, asking for a report to this committee on this legislation. That report arrived here yesterday afternoon, on October 13. That period was from September 8 to October 13.

What I cannot understand is that the War Department takes 5 weeks to answer a request for a report on this legislation, and on the same afternoon that the report arrives our committee is called up—I do not know whether the President or you called up the committee—and told, "We want hearings tomorrow morning at 9 o'clock on this bill and we want this bill passed by Saturday." Why the hurry all at once?

Secretary STIMSON. May I say just what I know about it?

The CHAIRMAN. Yes.

Secretary STIMSON. The letter which has just come to you from me yesterday afternoon was sent very much earlier than that, but, under the machinery of our Government, it had to go to the Bureau of the Budget first, and it has been lying there for quite a long time.

Mr. EDMISTON. It was the Bureau of the Budget that held up the report to this committee?

Secretary STIMSON. Well, I do not know; but it did not come out until then. I have not delayed it since the time I sent it.

Mr. EDMISTON. A good many of us are thinking that to rush this legislation through 2 weeks before election is not very smart.

Secretary STIMSON. The only thing I want to say in regard to that is that I do not wish to have any member of this committee, on which I have a great many friends, think that I contributed to that delay, and I do not think that any member of the War Department did.

Mr. Chairman, we recall that this bill was introduced by the gentleman from New York [Mr. WADSWORTH] on September 7. The War Department has long recommended the lowering of this age limit. Nevertheless, the President in his press conference of September 11, stated to the mothers of the Nation in effect—"your boys will not be needed until the end of 1943, have no fears about their immediate call, because the Army has not the facilities to train them until the end of 1943."

All of us in official Washington appreciate that the Bureau of the Budget and the Director of the Budget, function directly under orders of the White House. It is the Director of the Budget alone who gives the green light to legislation when he reports, "This legislation is in accord with the program of the President," and without which green light most legislation is foredoomed to failure in committee or on the floor. It is of factual note, therefore, that the report from the War Department was not permitted to reach the Congress until the day after the President's latest fireside chat on October 13, when he reverted his earlier position.

Mr. Chairman, the reports from the Solomon Islands in the South Pacific are dark and foreboding. They seem to substantiate beyond all reasonable doubt the recent statements by responsible military leaders that we are losing this war. It is about time we start winning this war

and it is about time to put an end to all political interference with the war effort—in fact as well as in weasel words.

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, I certainly have no desire to take up the time of this committee because we are all using up valuable time at this moment, as I see it. We are all aware of the position our Navy and Army are in at Guadalcanal and many other points right now. Even while this debate is going on, many of our boys may be paying the supreme sacrifice.

As a member of this committee, I heard every word that every witness said who presented himself before that committee. Of course, these witnesses were mainly from the War Department, witnesses who should know our exact status in the present conflict, witnesses such as the Secretary of War, the Chief of Staff of our Army, General White, of G–1, Personnel, and General Hershey of the Selective Service System.

We also heard General Magee, the Surgeon General of the United States Army. As a physician, I am naturally interested in the health and physical well-being of the personnel of our Army. I was well pleased when our distinguished chairman saw fit to ask the Surgeon General to testify before our committee. The Secretary of War had previously stated in answer to an inquiry of mine that this legislation had the sanction and approval of the Surgeon General of the United States.

Much has been said about the testimony given by the Secretary of War and the other witnesses before the committee. I want to quote just a few things that the Secretary of War really did say. He said that the legislation was approached and advised mainly through and based upon history and upon experience.

To my mind this is true of all legislation because it should be based upon history and experience.

The Secretary of War went on to say further:

In facing a great, critical war like this, we naturally look back to similar occasions so far as they will help or throw light on it; and I think I am stating the truth when I say that in every major war that the United States has had to carry through, it has been largely carried through by men under 20, from 18 to 20.

He further went on to say:

The contingencies now foreseeable make it imperative that this pool of available military manpower should be still further widened than it was in the existing law.

He pointed out that in a letter he had sent to the committee he had stated:

We have a very high responsibility to our generation and to those to come, to develop, with a minimum delay, the finest possible Army that we can develop to meet the emergency, not only armed with the best and most plentiful implements of war but composed of superlative fighting men who, man for man, will surpass in ingenuity, in self-reliance, in determination, and in stamina the best soldiers available to our enemies.

He further pointed out that it was necessary that our Army be animated by the youthful enthusiasm and resilience of spirit which has surged through all the earlier American armies.

[Here the gavel fell.]

Mr. ELSTON. Mr. Chairman, I yield to the gentleman from Pennsylvania 2 additional minutes.

Mr. FENTON. The Secretary of War was very emphatic about securing the youth of our Nation between these particular ages when he said:

It is youth that is making the power of our enemies—youth zealous for power and for the destruction of liberty. It is the strength of the armies that we have got to fight against. And, on the other side, it is American youth which is our strength and upon which the virility of our effort must depend.

The Surgeon General, in answering certain inquiries about why so many men were being turned down physically, stated that some 40 percent were being so turned down; and I asked him what was the reason for this; I asked him also whether our standards were higher than the standards in other countries or whether we were not in such good shape as we should be. He stated:

When we went into the training program before war was declared our physical standards were set at a very high level because it was looked upon as a training program. There seemed to be no good reason to bring men in who had physical disabilities which might interfere with early assumption of military training. The requirements have been lowered some in the light of our need for more soldiers. They have been lowered, not in respect to disabilities that are likely to be incapacitating but rather in respect to those things that are static, such as defects of vision and possible deficiencies in teeth, but certainly not in the case of involvement of any of the vital organs. I think, by and large, that our physical standards are fully as high as those of any army in the world, probably more exacting.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield to the gentleman from Idaho [Mr. WHITE] such time as he may desire to use.

Mr. WHITE. Mr. Chairman, the Members of this House are working under stress today; most of us realize that in time of war a good soldier must obey the Commander in Chief. We have received our orders but we are not soldiers. This is the Congress of the United States—a deliberative body; we are legislators working under a most serious disadvantage in dealing with a bill that is being rushed through the House without time or an opportunity to consider its far-reaching effect on the welfare of our country or study its full effect on the outcome of the war. We know that the present position of our country among the world powers and our military and naval strength must be credited to the education of our youth in technical schools and institutions of higher education, and that this training has given our country the creative technicians which has developed our great American industries that have given our country its military and naval might.

Knowing as we do the importance to our country's industrial effort of the technical and scientific training of our youth in the critical years between the ages of 18 to 21, it seems folly to take these boys out of school and put them in the Army when we have already provided for an army of 5,000,000 men that we are putting under arms as fast as we can; a military force that we are unable to move to the theater of war or adequately supply even if we could transport them overseas. In face of these conditions it is demanded now of this Congress that we pass this bill and sacrifice the training of our youth for the technical and scientific work on which our very success in winning this war must depend.

We have accepted the plan that we are to be the arsenal of the democracies. To fulfill this responsibility we must produce the ships and munitions to arm the fighting forces of our allies, and for our Nation's defense we have provided manpower for an Army of 5,000,000, and now we are called upon to sacrifice the education of our immature, untrained youth on whose future so much depends.

Let us hope that the Army will realize its responsibility and provide the technical and scientific training necessary for the full utilization of the manpower they are taking from our schools.

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Chairman, during the nearly 6 years that I have been a Member of this House, no piece of legislation has come before us that has given me greater concern than this particular legislation. Every humane feeling that I have cries against the idea of taking these boys. I have said all along that as a general principle I was opposed to it and would remain opposed to it until I was convinced it was necessary in order to win this war.

The men upon whom we have placed the responsibility of winning this war have come before us and have said that it is necessary, and I agree with the statements that have been made by various gentlemen speaking this morning to the effect that we must place our confidence in those men.

This is a total war, a war that demands every single resource that we can muster. It is for that reason and because these people upon whom rests the responsibility of winning this war have come before us and in no uncertain words have told us they deem it necessary in order to insure our national security that I am very reluctantly supporting this legislation.

I want to say a few things with reference to it. Personally, I think it could have been avoided. Back in the beginning, when our first divisions were built up, the physical standards were so high that only the choicest young men were taken. They were placed in those early divisions, and in those divisions we have a low age average. In the divisions that have been more recently activated we have seen that average age go up month by month until in the last division that was activated that age has reached the alarmingly high point of 28 years and 2 months. The military experts that came before us testified that 25 years was about right. During the World War the average age of our soldiers was 24.664 years, and it is because of the rising average age of these divisions that those

in authority in our armed forces have represented to us the necessity of taking in these younger fellows. They admitted to us that it is not a question of quantity, that the present manpower reservoir is sufficient to raise an army of seven and a half million men, but if we used only that reservoir we would have to look for that average age of divisions to go up and up and up. As I say, there have been mistakes made. I think it is a great mistake to take so many of our young, able-bodied young men and put them, for instance, in these desk jobs in the departments here in Washington, and have others spend their time as commissary clerks, chauffeurs, and in so many other places in which they are being used. I think it has been a mistake to turn back young men with simply minor physical defects. Nevertheless, the harm has been done, and it is too late to correct it in order to take care of this rising average age which we see in these divisions that are being formed. I think had a volunteer system with reference to these boys been pushed actively, this thing could have been very easily avoided, and I was greatly encouraged 2 weeks ago when the announcement came out that the Army was going out after these young men, encouraging them to volunteer. That would have been a selection, whereas what we are offering to you today is a mass induction, a mass induction of 18-year-old boys, regardless of whether they are sufficiently matured physically and mentally or not. In this connection, having to do with all these facts and figures that have been presented to us as to the fitness of these boys for soldiers, I shall read to you some excerpts from the Medical Department of the United States Army dealing with World War No. 1, found in volume 10, section II, chapter VIII, page 430. After giving the total of the men in the service and those that were troubled with neurotic diseases, it says:

These figures reveal a marked disproportion between the admissions to the hospital of men under 21 and their number in the Army at large, 77 percent more men from these groups being admitted to the hospital than their proportion in the Army would lead us to expect. That is, there was a marked tendency for men under 21 years of age to develop neurosis in greater number than their proportion in the Army would warrant.

I cite those facts to you in order to establish, even in the face of the fact that I am going to vote for this bill, that we must not be content to stop with this legislation. This thing has not been thought through yet. The gentleman from Texas [Mr. KILDAY] discussed the educational situation, which is most serious. As a matter of fact, the Army officials themselves testified that if we are to win this war, we must not be concerned alone with the welfare of those armies out on the front lines, but we must be equally concerned with the armies at home backing them up, and this stream of doctors, dentists, chemists, engineers, technicians, and trained men of every kind must come along in our civilian life and must not be stopped. It must continue to flow from our colleges, and yet this bill, as we present it to you today, dams it up completely. I say there must be considerable thought given to this by this Congress and those who are to administer this act, and I hope before these boys are taken we may have time in connection with the general manpower problem to come back here with a recommendation that will make these immature 18-year-old boys subject to the process of selection rather than mass induction.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. Yes.

Mr. COOLEY. Does not the gentleman consider the statement he just read in the report of World War No. 1 a complete answer to the argument made here on the floor of the House by the Military Affairs Committee to the effect that boys under 21 are better equipped for combat service than men over 21?

Mr. SPARKMAN. I am a member of the Military Affairs Committee, and I have never agreed to that statement. I say that probably if selected, they would, and yet, in that connection, I call attention to the fact that every one of those boys under 21 in World War No. 1 was in there because of voluntary service. I simply say to you, it challenges our thought and attention to additional action.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. Yes.

Mr. KEFAUVER. The gentleman referred to these able-bodied young boys who have desk jobs. Is not that being largely taken care of by the Army Specialist Corps and other branches trying to replace them?

Mr. SPARKMAN. There have been 300,000 red-blooded Americans who have made application to the Army Specialist Corps to serve. I think that five or six thousand of them got a job.

You have seen the treatment that has been given them, the mimeographed form letter giving them a complete brush off. A hundred thousand veterans of the first World War at the Kansas City convention pleaded with the Army for a chance to serve.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield.

Mr. VORYS of Ohio. Is not this what we have to think of: Not whether the boys under 20 are better than those above, but whether the boys under 20 are better than the older men we shall get? We have got to face that problem.

Mr. SPARKMAN. Oh, no; by taking the young married men and by paying careful attention to occupational deferments the Army can be raised. I am not speaking against the bill; I am simply saying it must not be accepted as final and complete. It calls for additional thought and additional action.

The Secretary of War, the Chief of Staff, and the Chief of Personnel of our War Department have all assured us that all of these young men will receive adequate training. They very frankly admit that it cannot be certain that every boy will get a full year's training before being sent into combat, it will be their purpose insofar as possible to do so.

We must have confidence in them to do this.

I think it would be well to keep in mind that enactment of this measure does not mean that married men without children will not be taken. It simply means a postponement of their induction by 2 or 3 months while these young men are filling the quotas.

With reference to the education angle so well discussed by the gentleman from Texas [Mr. KILDAY], and to which entirely too little thought has been given, I herewith include an editorial from today's Washington Post:

YOUNG MEN

The habit of tardiness in recognizing necessities and then of rushing them onto the statute book when those necessities have become immediate, as well as inexorable, is illustrated in the current effort to draft the teen agers. It would be an act of folly to leave the draft boards to induct the teen agers just on the basis of physical fitness. There are other considerations which must be borne in mind. Here is a pool of some 2,500,000 youths upon which this Nation must rely for future leadership. Many of them are in the process of finishing professional training in our colleges. They are our potential doctors, chemists, physicists, and technicians generally. If they are inducted, their half training would be made useless. It thus requires no effort of the imagination to realize that the future progress of the country may depend upon the wisdom and the prudence with which we nurse these fledglings to professional maturity.

General Hershey, head of Selective Service, told the House Military Affairs Committee that there could be no economic discrimination in drafting the teen agers. He is, of course, right, and it is true that the waiving of college students would be discriminatory. Not in order to avoid that charge but as a matter of national interest, however, a youth program—either as an amendment to the selective-service law or as part of a national service act—is urgently needed which will be aimed at the conservation of our embryonic professional talent, wherever it might be. Such a program is required by the exigencies of this war. In addition to the need flowing from the danger of haphazard induction of college youths, there is the need which has been pointed up by the stoppage in the flow of impecunious but worthy high-school boys to college.

From time to time this situation has been called to the Government's attention. Boys are being kept away from the colleges by forces operating both inside and outside the campus. Most of the colleges are now accelerating their courses by leaving out the summer vacation. Graduation is therefore possible within 3 years. But this acceleration, while invaluable in getting young men ready for war tasks ahead, actually means that many a poor but deserving boy is deprived of a college education. For the boy who has to work his way through college usually makes the wherewithal during the summer vacation. If, however, he has no leisure in the summer, he cannot work, and if he cannot work, he cannot go to college. Moreover, work is available to any high-school boy nowadays in the factories, and at wages, also, which heretofore would have been regarded as fabulous. Thus, there is a dual reason back of the falling off in college enrollments.

Our educators for some time have been pointing with alarm to this situation. And with every reason. The situation is likely further to deteriorate unless action is forthcoming. It represents a waste of manpower even without thinking of its consequences to peacetime America. It needs no argument to

show that a college training is necessary to provide the engineers and managers and specialists and technicians in our war industry. A college training likewise is invaluable training for officers in the new type of warfare. This is shown in the composition of our new Army. Twelve percent of the selectees are college men, yet of the men chosen from the ranks to go to officers' training schools 80 percent are college men. In these circumstances it behooves the Government merely as a war measure to maintain and, indeed, to expand the flow of youth to our colleges.

Yet, if the teen agers are taken without any safeguards, a hemorrhage from the colleges will be added to the falling off in enrollments. The whole problem is too important to leave to either the draft boards or any directive from Selective Service. The unevenness of both policy and administration in connection with the draft does not yield any confidence that in this matter the draft authorities would be either wise or prudent. Congress in this instance should act as the custodian of our potential leadership in war and peace. As it happens, a plan has been knocking around for months upon which statesmanship should seize. It is being pushed by Dr. Edward Elliott, former president of Purdue University, who is now in charge of professional supply and training for the Manpower Commission. Under this plan the Government would subsidize the bright but poor boys who in normal circumstances would try to work their way through college. This would remove any charge of economic discrimination which might be raised by the waiving of capable college boys from the incidence of the draft till their education has been completed.

Mr. THOMASON. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, I listened with interest to my friend and colleague who has just spoken. While I agree of course fully with the conclusion he reached, I am inclined to disagree to some extent with his line of reasoning.

The bill before us is designed to bring about the building of an army of seven and one-half million men. This does not mean merely seven and one-half million men taken from our civilian population and put in the armed forces; it means more. This bill does not include the personnel of the Navy, the Marine Corps, or the marine service; it simply contemplates personnel of the Army. We did not at our committee hearings receive the figures covering the program of the Navy and the Marine Corps, but it is safe to say that when the figures covering the personnel of the Navy as we have it and the proposed Navy as we expect to have it, the Marine Corps as we have it and the Marine Corps as we expect to have it, the figure of seven and one-half million men will go up at least a million and perhaps two million more. The problem before the Army is to get out of the civilian population seven and one-half million men in excess of the number needed in the other armed services of the country.

I approach this matter, I believe, Mr. Chairman, as reluctantly as any member of the committee and perhaps as reluctantly as any Member of the House of Representatives. A colleague said awhile ago that there are times that call for courage in voting; perhaps this is the time. There is, however, always a time in war that calls for courage among not only the armed forces but the civilian population, and problem after problem presents itself in that manner calling for courageous solution. I approach the matter reluctantly for two reasons: First the natural reluctance of a person who has seen and known war against drafting young men out of homes, out of schools, and out of the colleges of the country; and secondly I approach with reluctance and hesitation the problem of drafting anyone into the maelstrom of war.

We approach this problem of waging war with the same realization of the tragic seriousness of the hour when we in this body recognized war to exist between this country and the Axis nations. I perhaps, if you will pardon a personal reference to my own experience, am one of the few Members of this House who served in the armed forces of the last war who falls within the age group this bill will now call into service. I know the ability of the young men of 18 and 20 to go into service, to respond to training almost immediately, to carry on under severe physical punishment, to carry on in the face of fatigue and to recover from that fatigue. I have seen older men fall by the wayside when young men of 18 and 20 carried on and still did the job with perfection.

When the Chief of Staff, Gen. George Marshall, and when other generals representing our War Department came before the committee and told us that young, active men were the men who respond immediately to training, that those were the men who can actively wage a war of movement, in a real sense I could understand their position and their necessity. Tragic as the fact of war is it calls for the best and not the worst from our society. If we are going to win we must, unfortunately, give to the Army and the Navy the best we have—both physically and materially.

As one of my colleagues has already said, when this Congress recognized a state of war to exist, we passed, I believe without a dissenting vote, a resolution pledging our resources, both materially and physically, to the winning of this war. I have yet to receive one protest to the passage of this resolution either from Louisiana or from any part of the United States. By the passage of this resolution, this Congress pledged all of the resources—not a part of them—to this purpose. We pledged not only all but also the very best of all of our resources; and if we are to protect this Nation and its people, if we are to rise to the full responsibilities of this solemn hour and give our Army what it says is vitally necessary to preserve our land, we must support this bill and expand our armies as the needs of the hour tragically require.

[Here the gavel fell.]

Mr. ELSTON. Mr. Chairman, I yield such time to the gentleman from Vermont [Mr. PLUMLEY] as he may desire.

BILL JONES IS DEAD

Mr. PLUMLEY. Mr. Chairman, I shall vote for this bill but let nobody think that I have not felt the burden of the responsibility which rests on me as I have contemplated what my vote should be on the pending measure to amend the Selective Training and Service Act to include the 18- and 19-year-olds. It is no easy task I have to perform.

I almost wish there were some honorable way for me to avoid having to assume the responsibility. I know full well what it means to millions of fathers and mothers, many of whom have written me protesting against the enactment of this measure. On the other hand, an equal if not greater number have said to me that if it must be done in order to save us from the degradation and disgrace of Hitlerism, they would not be heard to complain. Of course I should not and do not intend to shirk my responsibility in the premises, but it is not, I assure you, a pleasant place in which to be found.

JUSTIFICATION FOR VOTE

I must have a reason to justify my vote in the premises. I am satisfied that here are the facts we face as detailed by those whom we hold responsible for the winning of the war. It stands to reason that unless you or I have the necessary evidence to prove that these statements are false, then there is but one thing for us to do, only one thing to do no matter how much we dislike to do it. That is to support them and to follow the advice of those responsible for winning a victory. They tell us that unless this proposed act becomes law we shall face defeat not only in arms but that we will lose all that we now have or hope to have or ever hope to be. That is an ultimatum. We must win this war. There can be no turning back.

WE ARE LOSING THE WAR

The first fact that is brought home to us in startling fashion is that we are losing this war. Too many people in the United States are not disposed to think that it could happen here, but it is happening here, despite all the fireside chats to the contrary. It is time we Americans were shocked out of our complacency. It is time we stopped playing politics and went out to win the war and to save ourselves. There can be no question that up to date we are losing this war. There also can be no question that the responsibility for this situation does not rest on Congress, notwithstanding any and all attempts to make it appear that such is the fact. Congress has furnished the money, has made the men and the means available for victory. That the situation has been mismanaged, and vitally so, is a fact which cannot be overlooked and one which Congress cannot long permit to go unchallenged if we are to win the war. The situation confronting us is one of which the people, through their representatives, will eventually have to take notice.

Our colleague, Representative SPARKMAN, of Alabama, has forcefully told you a lot of truths this afternoon with respect to the mistakes and mismanagement responsible for the awful situation in which we find ourselves today, which makes the enactment of this law absolutely necessary.

So we come to a situation which ought not to have confronted us, but does, which makes it necessary to commandeer

the youth of this country in order to save us from ourselves and our enemies and to preserve and conserve our lives and liberty.

REPORT OF MILITARY AFFAIRS COMMITTEE

The Committee on Military Affairs says in its report on the bill—

That there are two compelling reasons why young men 18 and 19 years of age should be made subject to the selective-service laws at this time.

The first of these reasons is one of supply. The Director of Selective Service advised your committee that the number of single men physically capable of performing military service is nearly exhausted. This fact, together with the statement of the Secretary of War that he contemplates an army of 7,500,000 men by the end of 1942, makes it imperative that a new source of manpower be developed. Such manpower can be obtained either by the induction of married men, or by including the 18- and 19-year-old groups within the operation of the selective-service laws. While the induction of younger men is by no means a complete solution of the manpower problem, the induction of these men will interfere least with the normal economic processes of our country. Their induction will be least destructive of industry, agriculture, and other wartime civil pursuits, and will also least disturb the normal domestic relationship which is the basis of American life.

The second, and the more essential reason in favor of the induction of 18- and 19-year-old men, is one of quality rather than quantity. It is essential that we develop immediately the finest possible Army which can be built to meet this emergency. This army must not only be provided with the best of weapons, but it must be composed of superlative fighting men—men who individually will surpass in ingenuity, in self-reliance, in determination, and in stamina, the best soldiers of our enemies. These criteria require that our Army be fired with the enthusiasm and resilience of spirit found predominantly in young men. It is American youth which can provide the virility and the strength upon which our effort must depend.

It is only natural and human that we desire to protect the youth of our land, and thereby to provide for the continuing advancement of the greatness of our country in future generations. Modern warfare, however, pursues a pace more violent, more terrific, and more pressing than has ever been known. The future of our country, the preservation of our liberty, and the lives of us all make it imperative now that a youthful army capable both in physique and in spirit of meeting the terrible demands of modern warfare be created without delay.

THE SECRETARY OF WAR

The Secretary of War in a letter to Chairman MAY, of the Committee on Military Affairs of the House, says:

The War Department supports H. R. 7528 for reasons which are manifest in this critical period. The harsh fact is that we have a high responsibility to our generation, and to those to come—an urgent, immediate responsibility to develop, with the minimum delay, the finest army in the world, not only armed with the best and most plentiful implements of war but composed of superlative fighting men who, man for man, surpass in ingenuity, in self-reliance, in determination, and in stamina the best soldiers available to our enemies. The urgency of this task cannot be overemphasized; our own survival is in the balance. Its accomplishment demands the substitution of current necessity for our peacetime preferences, and the necessity is this: That our Army be animated by the youthful enthusiasm and resilience of spirit which has surged through all earlier American armies, that in our human desire to protect the youth of our land we remember the terrific pace of modern war, that we realize, above every consideration, the imperative necessity of creating an army, as quickly as possible, more efficient, more determined, more ardent than Europe and Asia can produce after 10 years of concentrated training and indoctrination.

Youth zealous for power and the destruction of liberty is the strength of our enemies' armies; American youth is our strength, and despite our wishful thinking or the dictates of our hearts, the virility of our effort must take precedence. We must face this truth; I should be derelict in my responsibility to this country and its heritage should I fail to voice it.

Members of 18- and 19-age groups are peculiarly well adapted to military training. This is military axiom. Their response to leadership, their recovery from fatigue, their enthusiasm or "flair for soldiering" are exceptional as compared with older age groups. The simple fact is, they are better soldiers, and never before in its history has the American Nation more urgently needed exceptional soldiers.

Not only do 18- and 19-year-olds represent a relatively untapped source of manpower for increasing military needs, but medical records also reveal that they have a higher percentage physically fit for service than any other age group. Furthermore, it is patent that the induction of young men between the ages of 18 and 20 would be less disruptive of industry and agriculture, other essential wartime civil pursuits, and domestic relationships than that of any other age group. However, even these facts must remain subordinate to the fundamentals charting our course—we are fighting against slavery, our survival or defeat will save or destroy the freedom of our children and that of millions in the world. These stakes are in the balance against our preferences. The War Department is convinced that our goal must be paramount, and that individual and national preferences must be secondary to the exigencies of war.

So there we are. Our duty is plain, despite the cost our liberty is worth the price we shall be called upon to pay to preserve and to conserve it.

UTILIZATION OF RESOURCES

There is nothing to be gained by my making a lengthy speech concerning the issues that are involved. I do wish to make my position plain, however. I am one of those who, right or wrong, believes that there should be mandatory deferment of students until at least the close of their present senior college year. I am firmly of the opinion that we should utilize our established, recognized, accredited R. O. T. C. units, such as V. M. I. and Norwich, and others, in which we are efficiently training officer personnel, to our 100-percent advantage. I agree that not every R. O. T. C. unit comes within that category, but certainly there are several R. O. T. C. units at colleges and universities in this country which measure up to the requirements for the training of officer personnel. This has been proven beyond all possibility of any contradiction. There is no discrimination if the making of officer personnel is the issue. We must make officers where we can and as best we may and as rapidly as we can.

I am also definitely opposed to sending these teen-age troops into combat without at least an approximate or the equivalent of a year of training. To do less than that, it seems to me, would be not only unwise but involves an unnecessary sacrifice of manpower. I am 100 percent for adequate preparedness and proper training of the troops. I know that the lack of such preparedness will cost us much more than the mass multiplicity, numerically, in alleged accretion can possibly gain for us now. If the World War taught us anything, it taught us that.

We are always slow to recognize where we are. We should have utilized the Civilian Conservation Corps to have trained millions of young men for duty in our armed forces; but we would not. We are very slow to recognize necessities. The editorial writer in the Washington Post of this morning covers the situation very satisfactorily from my standpoint when he says:

DELAYED RECOGNITION OF NECESSITIES

The habit of tardiness in recognizing necessities and then of rushing them onto the statute book when those necessities have become immediate as well as inexorable is illustrated in the current effort to draft the teen agers. It would be an act of folly to leave the draft boards to induct the teen agers just on the basis of physical fitness. There are other considerations which must be borne in mind. Here is a pool of some 2,500,000 youths upon which this Nation must rely for future leadership. Many of them are in the process of finishing professional training in our colleges. They are our potential doctors, chemists, physicians, and technicians generally. If they are inducted, their half-training would be made useless. It thus requires no effort of the imagination to realize that the future progress of the country may depend upon the wisdom and the prudence with which we nurse these fledglings to professional maturity.

* * * * *

From time to time this situation has been called to the Government's attention. Boys are being kept away from the colleges by forces operating both inside and outside the campus. Most of the colleges are now accelerating their courses by leaving out the summer vacation. Graduation is therefore possible within 3 years. But this acceleration, while invaluable in getting young men ready for war tasks ahead, actually means that many a poor but deserving boy is deprived of a college education. For the boy who has to work his way through college usually makes the wherewithal during the summer vacation. If, however, he has no leisure in the summer, he cannot work, and if he cannot work, he cannot go to college. Moreover, work is available to any high-school boy nowadays in the factories, and at wages, also, which heretofore would have been regarded as fabulous. Thus there is a dual reason back of the falling off in college enrollments.

Our educators for some time have been pointing with alarm to this situation. And with every reason. The situation is likely further to deteriorate unless action is forthcoming. It represents a waste of manpower even without thinking of its consequences to peacetime America. It needs no argument to show that a college training is necessary to provide the engineers and managers and specialists and technicians in our war industry. A college training likewise is invaluable training for officers in the new type of warfare. This is shown in the composition of our new Army. Twelve percent of the selectees are college men, yet of the men chosen from the ranks to go to officers' training schools, 80 percent are college men. In these circumstances it behooves the Government merely

as a war measure to maintain and, indeed, to expand the flow of youth to our colleges.

Yet, if the teen agers are taken without any safeguards, a hemorrhage from the colleges will be added to the falling off in enrollments. The whole problem is too important to leave to either the draft boards or any directive from Selective Service. The unevenness of both policy and administration in connection with the draft does not yield any confidence that in this matter the draft authorities would be either wise or prudent. Congress in this instance should act as the custodian of our potential leadership in war and peace. As it happens, a plan has been knocking around for months upon which statesmanship should seize. It is being pushed by Dr. Edward Elliott, former president of Purdue University, who is now in charge of professional supply and training for the Manpower Commission. Under this plan the Government would subsidize the bright but poor boys who in normal circumstances would try to work their way through college. This would remove any charge of economic discrimination which might be raised by the waiving of capable college boys from the incidence of the draft till their education has been completed.

We might as well understand, if we do not now know it, that to win this war is our first business, or else there will be no business for any of us. Our first business is to win this war.

AN EXECUTIVE ORDER

There is altogether too much loose talk, too much carping criticism. Those who are so ready to tear down have usually nothing to offer to help build up. This does not mean that when we realize that a situation has been mismanaged or mishandled we should keep still about it. But it does mean that we ought to have something to offer to help avoid a recurrence of such a situation or to block the source of such error. The truth is we are getting nowhere because we are trying to go too many ways at once due to the lack of coordinated effort, which lack is based on the fact that we have too many bureaus the heads of which each are bound selfishly to assert themselves, rule or ruin, win or lose. It is regrettable. It will spell our destruction and our disgrace. It is time to put a stop to it. An Executive order would do it.

In conclusion, let me read you an article taken from the Kiwanis magazine, entitled "Bill Jones Is Dead":

Bill Jones is dead.

Bill Jones had just graduated from agricultural college. He was ambitious to put into action all he had learned about conservation of soil, better breeding of cattle, rotating crops, because his dad's farm was in pretty bad shape. When war came, Bill enlisted in the Army.

Bill went to the Philippines and the little town where he was billeted was overrun by a horde of Japs. Bill fought as long as he could and then, under orders, surrendered. They tied his hands behind him, a Jap soldier started to rape a white woman. He had torn her blouse off when Bill kicked him in the belly, and three Japs waiting their turn rammed their bayonets into Bill's guts.

This happened about the time you were telling the folks at your house that it was all darned nonsense to ration sugar because cake and candy were certainly no diet for soldiers.

Bill Jones is dead.

He was a soda jerker in a small town, and when the bands blared and the flags fluttered, he signed up for the Navy. They put him on a torpedo boat. He learned to wear his hat on the corner of his head, and to roll when he walked. Then his boat got into a scrap down in the South Seas. Bill stood by his gun and laughed as he fired it, but a shell hit the deck beside Bill. When he tried to pull himself to his feet, he saw that his right arm was in the scuppers 5 feet away. He reached for his gun with his left hand, and then things went black. The list of the ship rolled a dead sailor into the scuppers where his dismembered arm lay. Its extended thumb touched the tip of his nose, so that in death as in life, Bill was thumbing his nose at the Jap ship that got him.

This was just the same day that you were raising hell because they were rationing gasoline, and for fear you couldn't drive up to the lake to go fishing every week end this summer, you hid four cans of gasoline in your garage.

Bill Jones is dead.

Bill's dad had a lot of money, and when Bill wanted his own plane, dad bought it for him. Bill was a wild devil, driving a car out of all reason and flying a plane the same way, and getting drunk too often. But he was the first man in his town to respond to the Air Corps' call for flyers.

Bill got into a dogfight over the English Channel. There were six German planes, but with a "tallyho" Bill dived into the bunch of them. He got two before a third one sent a burst of bullets into his back that almost cut him in half, but he held on to the stick until he rammed the fourth plane and went down with it locked in the flaming embrace of death.

This happened about the time you were bellyaching and feeling abused because of the outrageous treatment given you by the tire-rationing board which would not allow you recaps for your pleasure car.

Bill Jones is dead.

Bill was a boy who had inclinations for the ministry, but when the call came, Bill laid aside his Bible and joined the Marine Corps. Bill wasn't much fun around the blanket where they were shooting craps, and he wasn't so hot at the beer-drinking contests in the jukes, but he earned his sergeant's stripes before they sent his gang ashore in one of those new boats which land through the surf.

The fistful of fighting fools charged a machine-gun nest, and Bill had just taken careful aim and let go with a hand grenade when another machine gun caught him. Four bullets hit his head, but a marine has four speeds forward and no reverse, and Bill fell toward the enemy.

That was the afternoon when you were sitting at the golf club with a highball in your hand, telling the other tree fellows in your foursome that if income taxes were not reduced, they were going to kill initiative in this country.

Bill Jones is dead.

Bill was a football player who had good prospects as professional coach at a good small college. Then came Pearl Harbor. Bill used some football language and headed for town to sign up with the parachute troops. He did all right.

Bill got action in an air raid in enemy country. He hit the ground with a dozen of his pals and raced to where their machine guns and grenades had landed near them. Fully equipped, they made for a nearby farmhouse from which bullets were spraying like water out of a garden hose.

Six of those machine gun bullets fairly cut Bill's legs off, but he lay on his belly in the mud and got two Heinies. Bill's last words were, "Of all the damn fool luck!"

That was the time you were telling the boys at the poker game that the union racketeers and the munition manufacturers were making fortunes out of this war, when we had no business getting into it in the first place.

Bill Jones is dead.

Bill was an uneducated clam digger on the New England coast, but he knew about boats. He had only one eye and the uniformed ranks would not take him, so he shipped on a tanker. His ship was bringing oil up the coast when a German pig boat came up out of the slime and set a torpedo into the hull amidships. The freighter burst into flames and Bill went over the side into the burning oil.

When he came to the surface, a machine gun was practicing on the bobbing heads. When the bullets hit Bill's head, it burst open like a dropped egg. His charred bullet-riddled body sank beneath the surface.

That was the night you were telling the folks at your party that this war is being run by a lot of old women in Washington, the most mismanaged mess you ever heard of.

Bill Jones is dead. When God in His infinite kindness meets Bill Jones at Heaven's gate. He is going to say, "Well done, thou good and faithful servant!"

What He is going to say to you, God alone knows.

Mr. ELSTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, the country is tremendously interested in the matter that we have under consideration here in Congress today. The matter is one which has in it a great human interest appeal. Many matters considered by Congress apply to taxes and tariffs and other abstract subjects in which many of the people are not personally and immediately interested. But this matter that we are considering now is one in which a very large percentage of our families are interested and is one in which millions of parents and millions of boys are vitally interested. Every 18- and 19-year-old boy in America and the fathers and mothers of these boys are interested.

We are in a most serious and crucial period and it is not an easy matter to determine just exactly what is best to do. We are all determined that we will win the war and that we will do everything we can to bring that about as speedily as possible. The question is whether we need at this time to call the 18- and 19-year-old boys into the Army.

Personally I find myself between two very strong sentiments. I have felt that the 18-year-old boys in the high schools of the country should not be drafted into the Army and I have also felt that I must do everything that I possibly can by vote and voice to assist in winning the war. I have maintained that we should all be firmly determined to sustain the commanding officers in the Army and the Navy upon the theory that they do and should know what is best for the country from a military standpoint. In other words my heart goes out to the parents of young boys who are not yet mature and who are not ready to take upon themselves the responsibility of rigorous military activity, and at the same time my judgment tells me that the only safe course for us to follow in military and naval matters is to follow the advice of our military and naval chiefs.

I have felt that the best solution of this very serious question would be for us to pass a law bringing the 18- and 19-year-old boys under the draft but with the express provision that they should

not be sent to active duty in any foreign country until after they had been given at least 12 months of preliminary and preparatory training. I think that if this House were permitted to express itself today on this question its expression would be in favor of giving the boys a year's military training. But the Rules Committee saw fit to bring before the House a rule which when adopted prevented an amendment to be offered to the bill providing that this training should be given to these boys. I voted against the adoption of the rule because I felt it was not fair in that respect. I felt that the Members on the Rules Committee should not have taken upon themselves that much responsibility and that much authority. This is a matter that the House could have well disposed of because it involves no intricate matters and involves no principles that cannot be easily understood by any member without much study or preparation. These gag rules should not be adopted except in very complicated matters and matters that are technical and difficult to understand except after much study. Now that the House has adopted the rule and has prevented the membership from offering such amendment providing for this training, the only other means of relieving this situation would be an amendment that would release the 18-year-old boys from the provisions of this bill. No doubt an amendment will be offered to this effect. If such an amendment is offered I expect to vote for it because I feel that boys who have not yet graduated from the high school should be relieved from the application of this bill at this time.

I agree that there are many boys 18 years of age who have developed until they are fully capable of carrying on the work of a soldier. Many of these who have been thus developed and who have been inclined to do so have enlisted in the armed services of the Nation. Many others no doubt will do so. There is no question but that many of these 18-year-old boys will make fine, courageous soldiers and sailors. They have done so in every war through which the country has passed. But there are many boys who have not reached maturity at 18 and who are not qualified physically and who do not have the natural development that a soldier should have. It is because I know from experience that many boys at 18 are not ready for the service that I will vote for such an amendment.

If this amendment should fail, of course I will then vote for the bill. I will have done my best to justify my judgment. The fact that the President has recommended and insisted that the 18- and 19-year-old boys be inducted and the fact that General Marshall of the Army and General Hershey of the Selective Service have strongly advocated the passage of the bill providing for the induction of these boys are convincing facts in favor of the bill and I naturally feel that I should support the measure. I will do what I can to perfect the bill, but, if we fail in that, then I think it is my bounden duty to support the measure, for as I have heretofore stated I feel that we must all stand behind our Commander in Chief and the commanding officers of the Army and the Navy in all military and naval matters and especially in all matters involving the prosecution of the war.

Mr. ELSTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, the bill before us—H. R. 7528—proposes to lower the draft age from 20 to 18 years. This same proposal was before the House on December 17, 1941, nearly 1 year ago, and was defeated. At that time the War Department did not ask for a lowering of the draft age to 18 years, and neither did the Military Affairs Committee of this House ask for it. We had just entered the war less than 2 weeks before and the necessity for such a step was not deemed essential. I voted against it then, but supported the amendment to register young men between 18 and 20. The difference of opinion between the House and Senate at that time on the age question was compromised at 20 years. That is the law now.

Since December 1941 the magnitude of this terrible war in which we are now engaged has become apparent to all who would read. It is a war waged on every continent and on every sea. Not only are we now required to provide for our own defense but also to furnish our allies with vast amounts of war materials. Large units of fighting men must be provided if we are to preserve the Nation in our way of life. The demand upon the manpower of the country is enormous. Already married men with dependents have been inducted into the service to meet military requirements. As we prepare to strike our enemies, the military and naval might of this citadel of freedom must be increased. To do this the reserve manhood of the land must be called into service.

For 2 days I listened intently to the evidence offered by Secretary of War Stimson; General Marshall, Chief of Staff; General Hershey, in charge of the Selective Service; General Magee, Surgeon General of the Army, and others. Each and every one stated as his opinion that it was necessary for the success of our arms to lower the draft to 18 years. Ten months ago, in addressing the House on this subject, I said when it becomes necessary to reach below the age of 20 years Congress will be in session and will be ready to listen and do the thing the War Department requires. That time is here now. Every agency of our Government, charged with the responsibility of defending the Nation and carrying on the conduct of the war, has spoken, showing conclusively the necessity for the proposed legislation. This bill comes to us with the unanimous report from the Committee on Military Affairs of the House. As much as I regret to induct boys 18 and 19 years of age into the armed forces, nevertheless, it is my duty and the duty of every other Member of this body to support, in every way possible, our Government, our war effort, our armed forces, and the winning of the war.

We are not setting a precedent in the history of the United States by inducting these boys. Hundreds of thousands of young men below the age of 21 and many only 15 years of age made up the Union and Confederate armies during our War between the States from 1861 to 1865.

I have made some investigation in the Congressional Library since the hearings on this bill, and I was surprised to find some facts which I think everyone of you will be interested in. It is something to inscribe on the tablets of memory that out of 2,778,000 men who enlisted in the Union Army in the War between the States over 2,000,000 were not 22 years of age, 1,151,000 were not 19 years old, over 800,000 were but 17 years of age, 100,000 were no more than 15 and 300 were less than 13 years of age. These 300 boys less than 13 years of age actually enlisted, were inducted and sworn into the service by officers of the United States as drummer boys in many regiments of the Union.

What has been detailed and what I have said concerning the Union Army in our Civil War can equally be said of the Confedrate Army but with greater emphasis on the youth of the rank and file of the men who were led by Jackson and Lee. The average age of the men who fought in the Union Army was 19 years and 6 months and the average age of the men who wore the gray in the Confederate Army was 1 year less, or 18 years 6 months. Certainly, as stated by our able and distinguished colleague from New York [Mr. WADSWORTH], no one will say that the army that was led by Grant or the army that was led by Lee were not as good armies as the world had ever seen up to that time.

Mr. Chairman, I am going to vote for this bill and I hope it passes the House of Representatives unanimously.

A reasonable provision is included in the bill permitting any young man in high school or college, at his request, to have his induction postponed until his school year has been completed.

I am fully conscious that this proposed change in the draft law will disrupt the life and plans of these young men, but war, and especially such a war as we are now engaged in, dislocates the life and activities of every individual and the whole civilized world.

[Here the gavel fell.]

Mr. ELSTON. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I am considerably disturbed on reading some portions of these hearings on this bill, particularly the testimony from Dr. Edward C. Elliott, president, Purdue University, and Chief of the Division of Professional and Technical Employment Training in the War Manpower Commission. I commend to your reading his testimony on page 153 before you vote on this bill as it stands, so that you may fully understand the viewpoint of the only educator who was called in to testify.

The following excerpt is from Dr. Elliott's testimony before the committee:

Dr. ELLIOTT. I have a very strong personal conviction that not only could the age be reduced to 18 but it should have been fixed

at 18 at the time of the passage of the first act.

Mr. HARTER. Thank you.

The CHAIRMAN. Any other questions?

Mr. MERRITT. Doctor, would you kindly tell us if there is any difference in the policy in the college education in Canada or England as it compares to the one we have here in the United States as it tends to bear on the induction?

Dr. ELLIOTT. I cannot speak so certainly with regard to Canada as, curious enough, I can speak of the schools in Great Britain. It has been my good fortune during the past week to have spent a number of hours with the vice chancelor of the University of Glasgow, who is in this country, and he told us some extraordinary things, at least extraordinary from our American point of view. First, that the British recalling their very calamitous experience in the first World War when their educated young men flocked to the colors and by the thousands lost their lives, that when the war was over England found herself strangely and tragically lacking in those abilities that are only acquired after long years of training. And, as Sir Hector Heatherington, vice chancelor of the University of Glasgow, told us the other night, before the war began the English ministers and the representatives of the university joined in adopting a policy. The points of that policy that I should like to emphasize here because they seem to have a direct bearing upon this plan to lower the draft age were these:

First, the English did not allow any student in medicine, in physics, in chemistry, in agriculture, in engineering and in certain defined areas of biology, to go into the armed forces at all except as to the air corps, which seems to be a sentimental regard so that the air corps is open to all, especially the best. England has found it necessary to see to it that she has an ample supply of trained scientists. This is above all first a war of scientists and that nation that has the scientists with the ability to apply that science to the destructive arts of war and to self-protection is the nation that is best armed. And I am hoping that if and when the draft age is lowered to 18 that full consideration is going to be given to the protection of these youths who should be designated for training whether they want to stay there or not. A question was asked a moment ago—I think it was by Representative ELSTON—about the medical profession, about these students classified as premedical students or those who are students in medical schools, to get them to remain there. Today, as a study which has been recently made with the War Manpower Commission indicates, we are in grievous need of 7,000 trained physicists. The physical visible supply is about 700 to meet that 7,000 need. Daily there come to my office representatives of chemical industries pleading for some relief whereby they may secure the trained abilities they need. This morning representatives of the rubber industry came in wondering where they are going to be able to find trained engineers for the equipping of a new synthetic-rubber plant.

In essence, Mr. Chairman, I would say that some provision will have to be made, if we are to be wise, to provide protection of those who are secured only by long periods of training. It will be found, I am sure, that teachers will be found wanting. There is the greatest lack of teachers. We have needed teachers of those technical subjects that are just as important for winning the war. Pardon me, sir, I did not mean to give such a long answer to such a short question.

Mr. FADDIS. Doctor, what system would you recommend in choosing those who are going to be educated among the thousands of boys that are being drafted under the provisions of this and other legislation?

Dr. ELLIOTT. I am not sure, sir, that I am prepared to give a definitive reply to that question. Personally I am ready to leave the matter to the Selective Service. I have had experience now with Selective Service boards all over this country, because the students who come to me are gathering from all over the 48 States. While mistakes have been made, I think one of the most competent groups of democratic bodies have been these 6,500 local boards. They have done a magnificent job. Personally I am quite willing to leave the selection of those individuals and the method whereby they may be allocated to the administration of the Selective Service System.

Mr. FADDIS. How much would you say the 4-year college course in engineering, let us say, could safely be dropped in order to furnish competent engineers—be shortened, I mean?

Dr. ELLIOTT. The best I can do, sir, is to make a lucky guess at it. Six weeks ago I instructed the members of my own engineering staff to begin the study of the several engineering curricula upon the basis that the longest time we would be able to keep these engineering students—I may say we have 4,000 on that campus—would be a maximum of 24 months. It might be as low as 18 months. We shall probably not be able to train fully competent engineers while we are at war. Our business is to give these engineers the minimum of science that electrical, mechanical, and chemical engineers need.

Mr. Chairman, I want to commend the gentleman from Texas [Mr. KILDAY], for his remarks, and the gentleman from Alabama [Mr. SPARKMAN]. I would like to propose to the Chair a parliamentary inquiry concerning the language on page 2, lines 3 to 10, and from line 11 on.

Has the language that is shown as stricken on the printed copy of the bill actually been eliminated from the bill or is that to come to a vote at some time this afternoon, probably? Has the committee stricken that out and substituted the language following it or is that to be a matter of vote later on?

The CHAIRMAN. The committee amendment seeks to strike out the language on page 2 and substitute the language in italics. The House will vote on the amendment.

Mr. HINSHAW. Then the language from section 2 on, that is now shown as stricken out, must be voted on before it is actually stricken from the bill?

The CHAIRMAN. The House passes on the committee amendment.

Mr. HINSHAW. If the committee amendment is defeated, does the language now stricken out remain in the bill?

The CHAIRMAN. If the committee amendment is defeated, that language remains in the bill.

Mr. HINSHAW. Mr. Chairman, I think we ought to look this over very carefully. It seems to me that we are acting under a high degree of compulsion and rather hurriedly, the bill having been introduced on September 7, and it laid dormant for 6 weeks before it was called up for hearing a few days ago. The statement was made about that time that the House and the Senate would not be called on to act on this matter until some time later. Now, all of a sudden we are called upon to act and without, I believe, adequate hearings on the bill. In fact, none but Government witnesses were called to testify on the question.

I call your attention to the fact there is stated in the testimony quoted a necessity for 7,000 scientifically trained young men in the Army today and there are probably only 700 available. I remember reading the testimony of the gentleman from New York [Mr. WADSWORTH] concerning this matter, and I know he also is concerned. It seems to me that we are going to have to vote for this bill because it is brought here under the sudden compulsion of the recommendations of the President, the Secretary of War, and the Chief of Staff, but I certainly hope the Military Affairs Committee will give further consideration to this matter in the very near future in order that some of the grave errors that are contained in this bill may be eradicated, otherwise we will find both the youth of our country and the armed services in exceedingly serious predicaments. The Navy Department has a classification for enlistment entitled "V–11," in which they can take boys who are in college or in any other position, but under 40 years of age, and hold them for as long as they like in that class V–11 without calling them into active duty. It may be that the Navy will by the use of the class V–11, provided it is necessary, train those boys to become ensigns for the new Navy that is soon coming off the ways.

Mr. Chairman, under authority to extend my remarks and include excerpts I submit the following taken from the hearings on this bill. These statements were not heard by the committee but only accepted for the record subsequent to the hearing.

Mrs. AGNES WATERS. Mr. Chairman, are the hearings to be closed today? I want to know if we can put in any opposition to this bill.

The CHAIRMAN. Have you a written statement?

Mrs. WATERS. I have not.

The following statements were subsequently submitted for the record:

"STATEMENT BY DR. GEORGE S. STEVENSON, MEDICAL DIRECTOR, NATIONAL COMMITTEE FOR MENTAL HYGIENE, NEW YORK

"(Submitted at the hearing of the House Military Affairs Committee for inclusion, with opinions of eminent medical men and educators relative to the drafting of youths under 20 years of age, in the report of the House Military Affairs Committee on the Wadsworth bill for the drafting of 18- and 19-year olds)

"I am sure that none of us take this matter of drafting our 18- and 19-year olds lightly. It is bound to be a critical decision. In time of war, when mistakes are costly, we are especially obligated to make the soundest possible judgments with all the facts in hand. Such questions as this are always complex. Only to the biased is the argument all on one side. There should be difference of experience and of opinion. An unreserved conclusion permitting no compromise and no modification is a conclusion of prejudice; not of clear thinking.

"I can understand the current pressures that are seeking to find resources in men, in money, in materials. I can understand the demands of this and that group that does not want its operations distributed and that looks upon youth as an answer. I have seen such interests operate in the past, in the early thirties, putting youth in a buffering position

by limiting their opportunity to participate in adult activities. They were kept dependent. Now we see them called on again in an opposite capacity to avoid disturbing the set-up in which their elders have found a place. There is a modicum of virtue in this search for productive stability. But there are other things in the drafting of this group that warn one of its dangers—dangers that seem to me to outweigh the purported benefits.

"It is not a simple question of whether such youth shall be drafted or not. I am sure that those who propose this hate to see us come to it just as those who oppose it would say that we should defend our democratic way of life to the last man. The question is, Who is the last man? Is it the man with a family or is it the youth? To take either is unfortunate. In balancing the pros and cons, however, I feel that the weight of evidence carries us to the latter and that the age 20 should be maintained as a minimum of compulsory service. I feel that the damage that will be done to the family can be more readily patched up than can that which will be done to the youth, and that the values of youth for military duty are greatly inflated. Let me, please, share some of this evidence with you.

"1. There is no sound basis for the claim that youth of this age make better soldiers. I say this without hesitation, even though I have no authority in the military field, because I am aware of a very serious fault in the reasoning that has led to this conclusion. Presumably this conclusion grows out of the experience of military leaders. Actually our Army has not had experience with the sort of boys they would get in a draft. Their experience has been with volunteers, the most matured part of this age group as evidenced by their capacity to arrive at independent decisions and break ties with family and commatured part of this age group, as evidenced point in their development. Some 18-year-olds are more like 20, others more like 16. It is this whole range that a draft will bring into the Army. The more immature will find themselves in a terrible situation, and so will the Army. Let us not forget that their conclusion is based upon a very small percentage at the top, but that 2,500,000 trail them.

"2. None of us has been satisfied with the care used in selection of men to date. The mental casualties as a result are enormous. Military discretion prohibits my citing figures. Consider then that our selection of 18- and 19-year-olds cannot be as good. More and more as our physicians leave their civilian posts will local facilities for examination be lessened. Less and less as we enter combat will qualified psychiatrists be available at induction stations. Remember that there are 2½ million boys in this group of 18- and 19-year-olds, and that even allowing 2 years, 5,000 a day will have to be examined along with other draftees. Remember that this will have to be done by the 40 percent of psychiatrists remaining. Remember that not all psychiatrists are adept at evaluating relatively normal people, and remember also that outside of mental hospitals our psychiatrists are concentrated in the large urban centers representing about 20 percent of our population. These psychiatrists are now giving freely of their time and will continue to do so, but there are just not enough of them to take on this added burden and do it better than it has been done.

"And now let us look at this question from a third angle. Let us look ahead to the post-war period. We have in the 18-year-olds a group which in general has not experienced an opportunity to function as free agents in a democracy. They have lived as dependents upon their families, both economically and to a decreasing degree emotionally, and in the normal course of things would at this age step out on their own and try their wings. If they are drafted this growing self-dependence will stop. These men would merely step from one type of dependency—the family—into another type of dependency—the authoritarian Army—and with the termination of the war these men will have established attitudes of mind much more favorable to the reception of totalitarianism than if they had tasted of freedom and free responsibility. Of course, our adversaries, the Fascists, find the drafting of youth quite harmonious with their purposes for it prepares youth to fit in with their philosophy. I think the loyalty of our youth would be strong enough to prevent them from ever accepting an authoritarian government, at least as a general policy, but they will be apt to find themselves throughout their lives in conflict with society because of their being deprived of this 2 years of experience with democracy in action.

"I am quite aware that some of our youth, of their own, will seek this opportunity for service to their country; and I know that this is often of great value to them. I would not wish to see this opportunity discontinued. To such men I should give the fullest encouragement to enlist, for I think they have attained a maturity that will allow them to stand up under the strains of this service. If those who are not ready to volunteer, including those who are less mature, if those of this age group could be given a quasi-military status, allowing them on the one hand to enter industry, to continue education, to do anything but remain idle; and on the other hand to undergo training as reserves, and if this group could be put in first-class physical and mental condition in anticipation of Army service, I should not be concerned about their being drafted. That is the point of view that I am impressing upon our Committee on Drafting Youth, which is seeking to educate the public on the issues involved in this proposal to draft the youth of 18 and 19. Our headquarters are in room 916, at 1790 Broadway, New York City.

"The implications of all of the discussions, however, are that drafting means induction into activity in the Army according to the same patterns as our older draftees, and this I am sure would be fraught with many hazards to the Army, to the youth, and to the strength of our democratic principles."

"OPINIONS OF EMINENT MEDICAL MEN AND EDUCATORS RELATIVE TO THE DRAFTING OF YOUTHS UNDER 20 YEARS OF AGE

"From Dr. Edward A. Strecker, president-elect, American Psychiatric Association, Philadelphia:

"'I believe that the 18- and 19-year-old boys should be the last group to be drafted. No other age group would be so seriously damaged as this one by its disarrangement and disorganization and would become so maladjusted not only immediately but throughout its future. If these boys are given 2 more years in which to grow up with perhaps part-time work on farms, where labor is evidently needed, they will be of more value, both in the war and in the post-war world.'

"From Dr. Caroline B. Zachry, director, Child Guidance Bureau, Board of Education, New York City, to Dr. George S. Stevenson:

"'Many of us who are close to the problems of youth are deeply concerned over the possibility of drafting 18- and 19-year-old boys. We realize how grave are the psychological dangers of war to boys of this age. I am writing to urge you to use your influence to the end that every other source of manpower be used before these boys are called.'

"From Nolan D. C. Lewis, M. D., New York State Psychiatric Institute and Hospital, New York City, to Dr. Stevenson:

"'With the hope that my opinion may help a little in preventing the making of a serious mistake, I should like to say that any proposal to induct boys of the 18- and 19-year level into our armed services at the present time is an unfortunate one. During this period of years the young boy is either in the midst of that formal education so necessary for the promotion of the best interests of society and civilization, or if not in school, is, along with the others, just learning to adjust in the complexities of our social and economic system. Any measure taken to interrupt this course of events should be very seriously scrutinized. The majority of interruptions in these life factors will result in a permanent end or an irreparable deviation of the life plan that is so much needed to constitute a sound basis for reconstruction here at home, after the war. These persons should constitute the trained minds of the future. Those hardly out of adolescence are comparatively immature emotionally and intellectually, and many of them are as yet unstable constitutionally, and are thus unfit for the regimented camp life or for active field service. Certainly, the older groups, including the married men and those married men with children, should be utilized first, until the supply is exhausted, before considering the adolescents for service.'

"From Dr. David Beck, Mount Sinai Hospital, New York City:

"'As a physician who has been medical director of one of the city's largest private schools for many years, and who has had other close contacts with young people in various institutions and in general practice, I wish to register my protest against the proposed drafting of boys age 18 and 19. It is my earnest conviction that these boys are not fitted physically, and particularly mentally and emotionally, to be drawn into the war directly. I believe further that letting these boys first develop to the age of 20 will make far less likely the mental break-down under stress such as would surely be common in the younger age groups. We must consider the blasting of individuals' lives and the resulting compounded cost to the country in money, and more particularly in the most valuable unit of its manpower. We must learn from the experiences of others.

"'If it is true that to use these boys has become absolutely and literally vital to the war effort, then there is this sane alternative: These boys may continue at college taking special preparatory courses, or they may be drafted for farms or defense industries for 2 years while they mature and grow less incapable of taking the impacts of war.'

"From Dr. Thomas V. Moore, department of psychology and psychiatry, the Catholic University of America, Washington, D. C., to Dr. George S. Stevenson:

"'I shall be pleased to act upon the committee and would like to make the following remarks concerning the draft of boys of 18 and 19.

"'The age at which the character of young men matures is a variable quantity. A number of boys of 18 have not the maturity of the normal boy of 16. A somewhat lesser percentage of 19-year-olds will belong to the group of immature characters.

"'If all boys of 18 and 19 are drafted, there will be a large number of youths mentally inadequate to meet the problems with which they will be confronted. Theoretically, it seems that there will be great danger in such a program being carried out indiscriminately. If the Government does decide to draft boys of 18 and 19, some effort should be made to test their emotional maturity and all those who are emotionally immature should be rejected. This would be a matter of some difficulty.

"'It would seem to be a more rational procedure to provide for the further education of all boys of 18 and 19 of average normal

intelligence. If they are drafted into the ordinary military services, their education will cease and we shall not have a body of men from whom to draw the officers of the future.

" 'Trusting that the National Committee for Mental Hygiene may be able to present this problem to Congress in its true light, I remain, * * *.'

"From Prof. George S. Counts, Teachers College, Columbia University, New York:

" 'It seems to me that we should proceed very cautiously in any move to draft into the armed forces 18- and 19-year-old boys. I am not saying that this should not be done under any circumstances. However, I have seen no sound argument for taking this step at the present time.

" 'I agree with you regarding the psychological and educational objections to drafting these boys. In addition, I am of the opinion that they are not required at this time in our armed forces. There are many other ways in which their energies and talents might be employed. What we need is a thoroughly accurate survey of our manpower and a thoroughly defensible policy for the use of that manpower in the total war effort. Quite possibly, from the standpoint of that effort, if the war is to be a long one, a large proportion of these boys should go to school rather than enter the armed forces.

" 'There is much loose talk now about an army of 13,000,000 men. Such an army may be possible and desirable, but I doubt it. I do not believe that we have a sufficient industrial and labor base to maintain a mechanized army of that size. It is obvious that the question of the drafting of the 18- and 19-year-olds should be regarded as one aspect of the total problem and should be so treated.'

"From Prof. John Dewey:

" 'The morale and mental health of this country would be undermined by drafting the young boys of 18 and 19. These boys are inexperienced, impressionable, and have never yet had an opportunity to live independently; they have not the stability and preparation of the older soldier When they reach the age of 20 they will still be available for military service and they will be better equipped physically, mentally, and emotionally to withstand the shock of war. They will be better either as soldiers or as civilians.

" 'We have in this vast land great reserves of manpower without sacrificing our boypower. All of us know many men in their twenties and thirties who have not gone into military service. They should be called first; the young boys should be the last to go. Those boys who are entering college should be permitted to continue their education. Unless we have boys with a basic college education, the country will be depleted of trained men in the future, when they will be so vitally needed. Being forced into the war machine will prevent their growth and development. Other boys who are not headed for college could replace unskilled labor on farms, in factories, etc., thus having a chance to grow up before going, fresh from school, to war.'

"From Carleton Washburne, superintendent of schools, Winnetka, Ill.:

" 'May I, as an educator, strongly protest against the drafting of the youths of 18 and 19 until all able-bodied men, married or not, are fully and effectively participating in the war effort?

" 'Temporary disruption of family life is, of course, undesirable—so is war. The question is the choice of the lesser of two evils. Mature men can readjust to the war situation and back again to civilian life, if they come back, with less loss to the Nation than can boys of 18 and 19 stop their education, stop their preparation to carry on after the war, and be thrown while still immature into the terrible maelstrom.

" 'There are plenty of us over 45, who, while we may not be fit for the rigors of infantry attack, could replace men of the present draft age behind the lines in the infinitude of services necessitated by the Army. Every such expedient should be used to the limit before we pull boys out of school and jeopardize the Nation's future.'

"From Dr. Frank J. O'Brien, associate superintendent of schools, former head of the Child Guidance Bureau, New York City schools, to Dr. George S. Stevenson:

" 'I am very much concerned as to the wisdom of conscripting boys of 18 and 19 years of age in terms of the boys themselves, their value to the armed forces at this age, and their subsequent adjustment after the war.

" 'We are aware that many boys of 18 and 19 years of age are very immature emotionally, although there are exceptions. To take these boys away from the stabilizing influences of home and school and put them into our armed forces may only have the effect of producing emotionally unstable and, therefore, not particularly useful individuals.

" 'A 20-year-old boy is still plastic but certainly more mature and is, therefore, better material for military training than boys of 18 and 19. I feel certain that the Army can accomplish a great deal more with 20-year-olds in a much less period of time than could be accomplished with the younger group.

" 'From the standpoint of subsequent adjustment, conscripting the younger group endangers their future service to the Nation. Already the proposal to draft the 18- and 19-year-olds, so my experience indicates, is having its effects upon those still younger. For example, a boy who is not yet 17 stated that he thought he would give up school and join the Navy. After some discussion with him about this, it was very evident that he had no desire to go into the Navy but he thought he would not be able to finish much of the school work he had planned and, therefore, that he might as well quit school now as 2 years from now. This adds to the maladjustment of youth, therefore, even more than is indicated by the proposed conscription of 18- and 19-year-old boys.

" 'I recognise that conscripting these boys is a much easier procedure and, therefore, less complicated than conscripting those of 20 or over. If this should enter into the picture, certainly the ease with which conscription can be accomplished should not be the determining factor in selecting our manpower for the armed forces.

" 'If the war continues and the manpower needed is so great that it will be necessary to conscript boys of 18 and 19 years of age or even younger, then, I think, we should do it; but I do not believe it is the wisest thing to do at this time, not only from the point of view of the individual, but also from the point of view of the armed forces.'

"From Dr. Felix Morley, president, Haverford College, Haverford, Pa.:

" 'I am fully in accord with the viewpoint about the undesirability of drafting boys of 18 and 19 for combat service. I am sufficiently well acquainted with the psychology of youths of that age to realize that the experience, wholly aside from the matter of risk, is unlikely to be helpful during these formative years.'

"From Dorothy Canfield Fisher:

" 'It would be the greatest calamity if boys of 18 and 19 were sent into active service. That goes without saying.'

"From George S. Stevenson, M. D., medical director, the National Committee for Mental Hygiene, New York City:

" 'The question of drafting the 18- and 19-year-old group is one of concern to a number of psychiatrists of my acquaintance as well as to me. It is our feeling that the original selective-service provision represented a decision untrammeled by pressures of emergency. It is important, now that these pressures appear, that we should not blind ourselves to some of the things involved in drafting the younger group. Selection of good soldiers from this younger group is bound to be much less successful for the simple reason that these men have had fewer years in which to show clues to their instabilities and disqualifications. These particular years have proved especially important in the evaluation of the older group. Thus there will be an undue proportion of unfit men taken into the service.

" 'It must be remembered also that these 2 or 3 years, when young men are emancipating themselves, are the years in which they can gain great personal strength by being on their own. In the Army they will miss this opportunity since the Army, without question, continues a dependence and regimentation. These men may fight for a glorious victory and at the end find themselves confused by the absence of a background of civilian experience and so regimented that the freedom that we are fighting for means nothing to them.

" 'In concluding that it would be far better to take men with dependents we have considered fully that it is not a good thing for a child to be deprived of a father or a wife of a husband, but even this is not as serious as subjecting the 18- and 19-year-old group to combat experience. As an alternative, would it not be possible to provide for this group the same sort of military training that has been provided to college students, in order that they may acquire much of the technical elements needed in the Army and at the same time have 2 years or so of experience as civilians standing on their own feet?'

"The CHAIRMAN. The committee will now go into executive session, and we will call General Hershey.

"Thereupon, at 4 p. m., the committee went into executive session."

Mr. Chairman, it is evident to the casual reader of the foregoing statements that this legislation has been hastily considered. The eminent persons who have contributed these views point out that some 18-year-old boys are mature and some are very immature, that some are in fact still children, while some are men. They point out also that great damage can come to many of the less mature through neuroses and other psychiatric maladjustments. They urge that careful psychiatric examination be given inductees of the top teen-age group before induction, with a view to postponing induction of those who may be found immature.

Other professional views point to the necessity for higher education of those best qualified and explain the need to our country for the special training of specialists whose services will be needed by the armed forces upon completion of training and certainly by the country for its welfare.

I feel very strongly that section 2—deferring for a few months those who are completing an academic year—should be extended into dates beyond June 30, 1943, to permit all youths to complete at least their secondary school educations. If they do not complete that much education before induction, I venture to say that they will never return to school to graduate.

Many who are inducted while in college will some day return to complete that stage of education as they did after the last war, but not so with those who lack a little bit of completing high school.

Everyone knows that war is a young man's business when such business becomes necessary. I thought myself to be

quite competent to command and did command first a platoon and then a company of engineers in the last war. I was 22 years and 10 months old when I received my commission as a first lieutenant of engineers. I was a few weeks less than 24 years old when my promotion to a captaincy arrived. There were older men, much older, serving in the ranks under me. They were fine and able men but many of them could not stand the gaff, and many did. Brains and experience are invaluable to an army but so are the springy qualities of youth.

Permit me to quote to you the words of our distinguished Chief of Staff, Gen. George C. Marshall, when he appeared before the Senate committee considering appropriations for the Military Establishment for 1941. General Marshall made the following statement on Wednesday May 1, 1940. I quoted these remarks in the RECORD on September 14, 1940, when the House was considering the original conscription bill, in an effort to persuade the House that older men were not the best material for military training and service. I quote as follows:

General MARSHALL. We are studying the use in war of older men. For example, older men, men between 35 and 45, are particularly suited for military police work. In France our military police were young men, lacking in the tolerance and that more benign point of view which comes only with years.

Senator THOMAS. If you have old men, that would change the ratio. At the present time, we have an Army with hospitals as an incident, and if you get old men, you will have hospitals with the Army as an incident.

General MARSHALL. I did not understand you, Senator.

Senator THOMAS. I said at the present time we have an Army with hospital facilities as an incident to the Army; but if you get old men in the service you will have the hospitals as the main consideration and the Army as an incident.

General MARSHALL. Young men get all of the diseases. They take all of the risks; get all of the colds and are sick a great deal until they finally become hardened. At first, the older man, say around 30, is the more desirable soldier, but he lacks stamina. He does not react from hardships the way the younger men do. The young fellow is a great care at first, because he will not take care of himself. He gets sore feet and he acquires all of the camp diseases. He does not clean his mess kit, and he eats injudiciously and suffers from diarrhea and other disorders. The older men avoid much of that. But the older man does not have the stamina. When you put a heavy pack on him his age begins to tell heavily.

Please notice that General Marshall considers that an "older man, say around 30, is the more desirable soldier but he lacks stamina." Men 35 to 45 are fit for military police work.

In conclusion, let us hope that the committee will give further consideration of this subject when time and circumstances are not so pressing. I shall vote for the bill with deep misgivings.

Mr. ANDREWS. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Chairman, this bill is a bill which I approach the consideration thereof with a very heavy heart. May I say to the membership here today that I hope all of them have heard the remarks of the gentleman from Texas [Mr. KILDAY] and the gentleman from Alabama [Mr. SPARKMAN] because this bill gives the subject of their remarks very little, if any, consideration.

I have been very much troubled about the very things they have discussed, first, the responsibility of this Congress as opposed to the responsibility of the War Department, the War Department thinking only in the terms of the immediate needs of the War Department, while the legislative body here should think in the terms of the future of this country. I wonder how much thought has been given by the Military Affairs Committee to the need of investigating some of the departments down here which are loaded with young men who are in there for the purpose of avoiding service in the armed forces of the United States by holding some job in a department in Washington, and I wonder how much effort will be made to take a survey of the young men who may have gotten into so-called defense industries for the purpose of avoiding the draft or at least for the purpose of getting deferment, young men who are single, young men who are 20, 22, and 23 years of age.

The very serious problem here is that all of us want to do what is necessary and what is right, but may I call your attention to something that Clemenceau, the former great leader of the now fallen French Nation, in substance, said:

In time of war the more serious the conditions the more necessary it is that the people of the country be represented in the conflict between the military and the civilian population of the country.

In other words, Mr. Chairman, what you are doing today will weigh more heavily upon your responsibilities and upon your conscience than you may appreciate this minute, because I do not know and you do not know how far reaching an effect it will have on the future of this country when we take out of the colleges, the universities, and the high schools of the United States the finest men, physically and mentally, qualified to be the future officers of this war if it is to be a long one. Not a thing has been done in the way of a safeguard unless the Committee on Military Affairs provides in the future what is to be done. This legislation has certainly been hastily considered.

Where are we going to fill the gaps caused by the drafting of the youth of 18 and 19?

There has been much confusion upon the subject of the drafting of the 18- and 19-year-olds. It is true that only last September 7, in speaking to the Nation, the President stated in substance that there was no urgent need before the first of the year to consider the reduction of the draft age.

The consideration of this bill in the House has been rushed through the Committee on Military Affairs subsequent to the speech of the President on Monday of this week. There are no safeguards in the bill for the training of this youth.

There are too many bitter experiences from the last war still fresh in the minds of those men who served in that war, of the tragedy of too many of the youth of the country being rushed into the front lines with improper and inadequate training, and the pitiful examples of some of them reaching the front-line trenches without knowing how even to fire a rifle. Some safeguard as to the training and conditioning of the immature youth should have been provided. The gag rule on this bill has prevented that.

No consideration has been given to the psychology of the draft upon these youngsters. Apparently no consideration is given to the fact of the tremendous numbers of the youth who are 18 and 19 years of age who have gone into service as volunteers. They do not want to be drafted, they will go in gladly. But what of the psychology of the average youth who knows that he is going to be drafted and will have no opportunity of enlistment? They want that right of selection, which is so important psychologically to them.

I shall support an amendment to not reduce the age below 19. I think that even has its advantages.

Mr. Chairman, I have read the hearings upon this bill. I fully realize its importance. I have followed the debate upon the bill, and have approached this bill with one viewpoint and that was that I would vote for the bill if I felt it was necessary in the conduct of the war and I would vote against it if I was not satisfied that such was the case.

I am voting against the bill because I do not believe that such a showing was made.

Mr. ELSTON. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, the bill H. R. 7528, calling for the conscription of men 18 and 19 years of age into the armed forces, received the unanimous support of the Committee on Military Affairs; and at the outset I want to pay a tribute to Chairman MAY, of the committee, for the way he conducted the hearings and deliberations on this bill. He and the committee met a serious situation and an emergency need of the country bravely and expeditiously. The entire committee was ready and willing and did give their maximum effort to the intense study of the need for this bill, and the decision they reached unanimously should go far to convince our enemies that America stands united today in answering the challenge of this war.

CONSCRIPTION FOR TRAINING IS NO LONGER AN ISSUE

Starting with the first national convention of the American Legion at Minneapolis in 1919, most veterans of the First World War favored the resolutions adopted in that convention favoring a policy of universal military training and opposing compulsory military service in time of peace. I cannot recall very many ex-service men who have at any time opposed conscription for military service in time of war. The policy of the American Legion, for instance, at no time opposed compulsory military service in time of war, even though the distinction between conscription for training and conscription for armed forces prevailed in time of peace until

the national convention at Boston, Mass., September 23, 1940, which was after the House of Representatives had passed the selective-service law on September 9, 1940.

As late as August 28, 1940, the Iowa State Convention of the American Legion enacted a resolution demanding prompt adoption by Congress of a system of compulsory universal training, as set out in the resolution adopted by the national convention at Minneapolis in 1919. I personally shared the views of the American Legion in making that distinction between conscription for training and conscription for armed service in peacetime. However that may be, the enactment of the selective-service law in September 1940 brought into being a national policy of compulsory military service in time of peace and the declaration of war on December 8, 1941, removed all the grounds for distinction between conscription for training and conscription for military service for the duration of the present war in which our Nation is now engaged.

THE ISSUE OF DRAFTING YOUNGER MEN

I have personally been awaiting for some word from the Secretary of War and General Marshall, Chief of Staff, and other military officials as to our needs for winning this war, and when I listened to their unequivocal statements and their earnest appeal to us to authorize the drafting of men of 18 and 19, and when I heard that any delay in the passage of this bill and the drafting of these younger men would jeopardize our own chances for victory in this war to that extent, I felt that there was no other issue and no other factor that could possibly justify the defeat of this bill at this time. America is united today as never before in the determination to win this war as completely and as quickly as possible, and America does realize the seriousness of the task ahead. I am certain that no patriotic American citizen wishes to do anything that will impede our war effort in any way.

At one other great crisis in our Nation's history, we are told the youth of the land answered the challenge and finished the job. According to Dyer's Compendium a great majority of the Civil War soldiers were 21 years of age or younger. The figures are surprising:

Over 21 years of age	618,000
21 years or younger	1,435,738
18 years or younger	1,151,000
16 years or younger	844,000
14 years or younger	252
10 years or younger	25
Total enlistments	2,053,753

In the first World War the average age of our armed forces was somewhat higher. In the hearings, at page 64, General White testified that the average age was 24 years and 3 months. In this war today, General White testified the average age was 25 years and 5 months on August 1 of this year.

HOW LONG WILL NEW INDUCTEES BE TRAINED?

One of the big issues involved in this bill is the length of time to be given the new inductees before they are sent into expeditionary forces or into combat. I was glad indeed to hear the testimony of our Army officials that insofar as possible each inductee will be given a maximum amount of training, and that, of course, is only good common sense. The real question is how long that maximum training can be. You will find in the hearings, on page 57, that General White explains that the 12 months of training commonly alluded to as the training to be given to each inductee is not a guaranty of 1 year of training to each individual soldier but rather a period of time established for the training of newly activated divisions. You will find, on page 63 of the hearings, in answer to my questions, that General White explained that all divisions newly activated would be filled if possible within the first 2 weeks of their activation, so that the only personnel of any such division who will have less than 1 year of training in the division in the regular procedure would be those men who are added to the divisions as replacements to make up for any attrition. In addition to the time spent in the division there is, of course, 13 weeks' basic training that is given to all inductees before they are placed in a division at all.

EDUCATION

In view of the time given to education in the hearings, I think it of sufficient interest at this point to set out here the educational level of men of military age as set out by the report of the Bureau of the Census in June 1942:

With the specialized needs of modern warfare requiring a higher level of education than ever before, the Nation has ample reserves of well-educated manpower, the study pointed out. The 1940 census tabulations show that of all men in the 18 to 44 age group, about 32 percent had completed at least a high-school education.

A comparison between the educational levels of white selectees in the present Army with those in the Army in the last war is shown in the following table:

Education	Percent of white selectees or draftees	
	World War II	World War I
All classes	100	100
College	11	5
High school graduates	20	4
High school nongraduates	28	12
Grade school and no schooling	31	79

The phenomenal improvement in the educational level of selectees in World War No. 2 as compared with draftees in World War No. 1 is due largely to a spectacular increase in educational opportunities in the United States in less than a generation, the study revealed. According to statistics of the United States Office of Education in 1940, on the eve of our entry into the war, almost as many men were attending college as were in high school less than 25 years ago. The high-school enrollment in 1940 was seven times greater than in 1916.

Census Bureau figures for 1940 reveal that of the men in the 18–44 age group who have registered or been ordered to register for selective service, only 5.3 percent had less than 4 years' formal schooling. Approximately one-half the group had less than 9 years of school with the other half having more—the median number of years of schooling completed being 9.4, or the equivalent of slightly more than 1 year of high school.

Of this group, men from 21 to 24 had the highest median number of years of school, and those from 35 to 44 the lowest. The study pointed out, however, that the 18-to-20-year group had not yet completed their education. These facts again reflect the rapid improvement in educational opportunities in recent years.

A real issue confronts us today regarding the educational requirements for the years ahead, both for the Army and for the civilian needs in the war period and for the needs of the Nation thereafter as well. Of course, we must give maximum consideration to our war needs at this time and especially to the needs for the armed forces for the successful and efficient prosecution of the war. Bearing those needs in mind, I made a point to ask some questions of Maj. Gen. James C. Magee, Surgeon General of the Army, and Dr. Edward C. Elliott, president of Purdue University, at pages 151 and 156 of the hearings. As to giving young men less than 18 years of age an opportunity to secure basic military instruction before they are placed in the Army, it seems to me that the colleges and high schools of the country can be of real help in making available to large numbers of these young men the opportunity to take basic military instruction before they reach the age of 18. An expansion of the R. O. T. C. and junior R. O. T. C. system might be the answer.

The War Department might take the position that they cannot spare officers and noncommissioned officers to do this work, but I submit that there are enough World War veterans available to do the job if the War Department wants to take them into the armed forces for that purpose. A training program could be devised to bring the training of each instructor up to date and I am sure that every veteran qualified by the War Department for this service would serve with outstanding credit, and the military training given these young men before they are drafted would give an invaluable start and make their services of far greater value also to our Nation.

THE FARM SITUATION

A great deal has been said in the press and on the radio and in Congress regarding the farm problem, particularly the shortage of farm labor that has come about because of so many men leaving the farms to go into war production plants and into the armed forces. The production of an adequate supply of food is a serious responsibility and our farmers are meeting the challenge to the limit of their physical ability. The farmers are today facing a real emergency in the matter of shortage of manpower if we are to keep all our best-producing acres in production. Farm plans are necessarily seasonal, and almost all crop plans must be made far in advance. The present plan followed in Selective Service in granting deferments of 6 months is of tremendous benefit to the farmer. But the farmers need more time than 6 months' deferment to plan next season's crops and to carry out the planting and harvesting of those crops. My statement on that point on page 114 of the hearings

is not accurately reported and should be changed to read as follows:

Mr. MARTIN. These fellows who have 6 months' deferment have greatly benefited the farmer but no farmer at this time of year can plan next year's crops with a 6 months' deferment, and it should be planned now in my area.

I understand from General Hershey's testimony that all policies regarding deferment are determined by the War Manpower Commission rather than by the Selective Service Director. That being the case, the War Manpower Commission has an immediate and pressing responsibility to determine the needs of agriculture for the service of any man subject to the draft. A system should be devised for keeping a sufficient number of trained and experienced farm hands on the farms. It may be necessary to assign experienced farm hands, who have been inducted into the service, back to the farms on a proper showing of need. The production of food is just as essential and the service of producing food is just as patriotic as any other war service. Unfortunately the production of food for the most part calls for the same degree of youth and vigor that is required of our armed forces, and consequently agricultural labor and the armed services are in direct competition for men of the same age. I sincerely wish that the War Manpower Board and the Army officials devise a plan whereby enough skilled producers of food will be left on the job of food production in our rich agricultural areas to insure our Nation against a food shortage in event we have a poor crop year such as 1934 or 1936. In addition to this, I hope these same officials will devise a plan whereby the producers of food will be given the recognition for patriotic service to which they are entitled. I am seriously alarmed by reports coming from my district of large numbers of farms to be taken out of production next year in the most fertile agricultural area of the world. The greatest cause of taking these farms out of production is the shortage of manpower. There will be other factors seriously limiting the acreage planted to crops and limiting successful harvests. One of these factors is the shortage of farm machinery and the difficulty in securing repairs. When a crop is ready for harvesting the days and even the hours of good harvest weather must be used to the utmost. Many a crop has been seriously damaged by the delay in securing repairs at the critical harvest hour.

I know of no group of our entire Nation more patriotic and more willing to serve in the armed forces and in our munitions plants than our farmers. They are accustomed to long hours and hard work and they are extremely patriotic. They should not be caused to feel that their patriotism is less if they continue their long hours of back-breaking toil on the farms of our country. The production of adequate food is a challenge to the most vigorous and able-bodied men in the land and it is exceedingly dangerous to our food supply to take all of our vigorous, trained, and experienced young men from the farms and undertake to substitute for them children, women, or even men who are unskilled, untrained, and unaccustomed to the rigors of farm life. The unfortunate thing about the farm problem is that once the seeding time has passed there is not much we can do to remedy threatened crop shortage, whether that threatened shortage arises from reduced acreage or from reduced yields. The issue on farm labor is the No. 1 issue confronting us today and I am glad General Hershey recognized the issue in that light in his testimony before our committee. It is time for the present national administration to stop blaming the farmer for an inflation that he has not caused and to extend to the farmers of our land a real and helping hand without further delay.

Mr. SPARKMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, the question presented in this legislation is not one of choice but one of necessity. If we had the choice of raising an effective hard-hitting army in some other way, there would be few, if any, who would not choose the other way.

I do not believe there is a single Member on either side of the aisle who does not appreciate the seriousness of the step we are about to take. The appeals that come to us from the mothers of this land, I know, touch a sympathetic chord in the heart of every Member. To those of us who are fathers the thoughts expressed in these appeals have for months weighed heavily upon us because we have been apprehensive that sooner or later our Commander in Chief and Army and Navy officials would advise us that the war had reached such serious proportions that the step, in the interest of American safety and freedom, would have to be taken.

Our apprehensions are now cold, hard facts. Our Commander in Chief, our Chief of Staff, our Secretary of the Navy, our Secretary of War, and others charged with the duty and responsibility of the prosecution of the war now tell us that in order to successfully prosecute the war our young men of 18 to 19 years of age will have to be taken into the service. In this hour of peril mine is not the duty to question my Commander in Chief, my Chief of Staff, my Secretary of the Navy, my Secretary of War. As a patriotic Representative, as a soldier in the legislative branch of the service charged with the responsibility to enact such legislation as is needed in defense of my country, mine is the duty to obey. I shall perform that duty.

To the mothers who appeal on the ground that lowering the draft age will disrupt the education of our boys let me say: Yes; that is true; and I can testify to its truthfulness from personal experience. I had a boy of tender years in college on that fateful Sunday back in December. He was a clean, manly youngster who was wrapped up in his studies and was making a scholastic record of which his mother and I were justly proud. But after Pearl Harbor, of his own free will and accord, he decided that his duty was no longer in the schoolroom but in the service of his country, and so he left college and volunteered for training as an Army pilot. I know not what the future holds for him, but I do know that his destiny is in the hands of a just and righteous God, in whom I trust. While I nightly pray that he may be spared to come back home and complete his education and take a man's place in the land that he helped keep free, whatever his fate, I shall cherish until I draw my last breath the choice that he made. Oh, yes, when he made the decision his mother and I, with eyes that were moist and hearts that were heavy, talked his decision over. Thank God that through our tears we saw the correct answer. We decided that we would encourage, in every way, the patriotic impulses that surged through his stout young heart. Why? Because we decided that we had rather for him to go through life an uneducated freeman than an educated slave.

And to those who entertain fears that because our boys between the ages of 18 and 19 are still in the impressionable age and are getting the ideas of the sacred values of human life fixed in their minds and that training for warfare and fighting on the fields of conflict will sear their souls, let me say: The history of our Republic is a glorious record to the contrary. Many of those who entered the Revolutionary War and the War between the States in their teens afterward rose to a standing and leadership never before witnessed in the world; and the citizenship of our Republic during the immediate generations following these conflicts has never been equaled. I have faith in our American youth of today. They have in them the stuff that men, real men, are made of, and, I am persuaded, will come out of this conflict, as their forefathers did in the other two memorial conflicts, with a God-given consciousness that when freedom was challenged they were men enough to accept the challenge, with souls made whiter and nobler and purer by reason of the sacrifices they have made to preserve the freedom and liberty and equality that is theirs by reason of the sacrificial blood of their ancestors, and take their rightful places in developing a truer, greater freedom, liberty, and equality, not only here at home but throughout the world.

Mr. SPARKMAN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. COSTELLO].

Mr. COSTELLO. Mr. Chairman, I do not think there can be any doubt in the minds of the Members of this House as to the necessity for this legislation. The Secretary of War and the Chief of Staff have definitely emphasized to the committee the fact that they cannot conduct this modern type of war unless they have young men. Older men will not do, because the speed and tempo of this war require terrific endurance and stamina on the part of the soldiers. People who tire easily, who suffer from fatigue, will not be able to wage war in the way that is going to be asked of them if we are going to be victorious. So we have to

look to our younger generation to carry on this fight.

There are some other matters that are equally important. It is not sufficient for the Army to train a highly organized and well-developed unit. A fighting force without foodstuffs or munitions would be worthless. I believe it is very important that the Selective Service System should reconsider its classes of deferment and the methods of deferment. I do not believe the deferments of those who engage in agricultural pursuits and in the production of essential munitions of war are adequate. Draft boards in many instances will not honor requests for the deferment of essential employees. I know that in the aircraft factories of the West many persons are being taken into the service who will be most difficult to replace. While the women everywhere are playing their part in the production of munitions, we need not kid ourselves; they definitely will slow down the rate of production of munitions. The more we take men out of the factories and put women in, the slower the rate of production will be. I have been told that in the machine shop of one aircraft plant now almost completely staffed by women workers productivity has dropped to 30-percent efficiency.

I believe it is unfortunate that General Hershey has not had some industrial experience and background. He is an educator. On that account, I do not believe he realizes the necessity and the difficulty of maintaining our engineering and trained staffs in many of the industrial plants. You cannot replace a schooled engineer with any other individual, man or woman, unless that person has had the same training and schooling. In the aircraft plants our plane program is seriously threatened by the inroads of the draft on the engineering departments composed largely of young men recently out of technical schools. For these reasons I believe it will be very imperative for the Committee on Military Affairs to give very serious thought and study to this entire manpower program in the near future. Another criticism of General Hershey, which I believe is justified, is based on the many conflicting statements he has issued which have driven essential employees to the recruiting stations rather than face the draft. I am informed by reliable sources that every time a statement is issued by General Hershey as to who he is going to draft next, thousands of needed men quit their jobs for the Navy, Marines, or some branch of their own choice. This has caused a great handicap to the steady flow of production.

One other item: Mr. Chairman, I am very loath to assume the responsibility of attempting to criticize those who have charge of the conduct of this war, but I believe that the present battle of the Solomons is crying out for redress. We have heard a great deal about a unified command, but the battle of the Solomons definitely indicates that we do not have it. General MacArthur has been designated as the supreme commander of the Southwest Pacific area. Then we find that the Navy has been given command of another sector of that same area. Whether the unified board of strategy in Washington determined upon this invasion of the Solomons I know not, but if they determined upon that invasion and did not work out a better program of conducting that attack than has been evidenced during the past 2 months, they are certainly subject to criticism.

For 2 months the Marines have been fighting on Guadalcanal. They have not been given relief. The Army has not been called upon to bring in their troops from adjacent areas nor to bring in their aircraft to join in the defense of that island, or to complete its conquest. Why, I ask, Mr. Chairman, has this not been done? Army divisions have been prepared and have daily expected to be taken to Guadalcanal, but they cannot get there walking across the water. They have to be taken there by boat, and this is clearly the Navy's responsibility.

I am afraid, Mr. Chairman, that an effort has been made on the part of the Navy to conduct a grandstand campaign in the Solomons without asking for the aid of the Army ground forces or the Army air forces. As I say, I am loath to criticize, but I believe that situation cries to heaven for readjustment. If we are going to put a unified command in an area, let us have one commander in charge of the entire battle area and not continue to leave that command divided.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. Mr. Chairman, I am going to support this legislation, but there are some serious observations I would like to make for the benefit of draft boards and General Hershey.

I have constantly supported all legislation relating to our war effort sponsored by our Commander in Chief, because I believe that our Commander in Chief has been steering our ship of state in the right direction, and know that under his guidance we shall reach port safely, and our country will emerge stronger and better after the present emergency is over.

The fact, however, that I am in favor of this legislation and am going to vote for this bill cannot make me close my eyes to the conduct of some of our draft boards, and I would like to call the attention of General Hershey to these pertinent facts.

It is true that all of the boards are doing their patriotic duty and are giving their time, effort, and energy to the service of the country, without compensation. There is, however, great confusion in the various draft boards, and there is no uniformity of procedure, which makes their functioning rather haphazard, and retards our war effort to some degree.

The boards in my State and in other sections of the country have been drafting married men with children, while others have refrained from doing so. As a result in some sections of the country we will find married men with children called into service ahead of single men, thus destroying family relationships when there is absolutely no necessity for it, while in other sections of the country single men who should be taken into the service have been deferred on all kinds of flimsy grounds and are permitted to continue in civilian life, while married men are in the fighting forces.

There have also been many instances, both in my State and in other sections of the country, where young men have been drafted who suffer from all kinds of disabilities, and who would be of better service to the United States if allowed to continue in civilian occupations.

There have been men called into service with glass eyes or defective hearing, and who upon being drafted will be sent to hospitals and be of no service to the United States. The drafting of such persons only imposes a severe burden on our military establishments, on the country, and on the taxpayers. People of this type should be sent to other defense activities, to war shops, and to civilian defense. It is surely of no benefit to the United States to have soldiers who are cripples.

Where a draft board finds itself unable to fill its quotas because of these conditions, it should be frank to admit it and not try to fill quotas promiscuously so as to divest itself from responsibility instead of making an intelligent effort to draft only such men as will clearly fill the specifications required by our Army.

Mr. MAY. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from West Virginia [Mr. EDMISTON].

Mr. EDMISTON. Mr. Chairman, I want to take a few minutes of your time to clarify, if I can, an erroneous impression that has been created by the press since last Monday night when the President made his fireside talk. I want to give you the absolute facts and the history of this legislation.

Senator WADSWORTH, of New York, introduced the original bill on this subject on September 7, and on September 8 the House Military Affairs Committee asked the Secretary of War for a report on the legislation. Six weeks later to the day, on October 13, this request was answered and the report arrived late in the afternoon of October 13, in the House Military Affairs Committee.

The press has definitely intimated that my committee and this House did not have guts enough to act on this until Roosevelt made a fireside chat. I resent that, personally, very much. During the testimony on this bill I asked Secretary Stimson a question and I want to read his answer to the question as to why it took 6 weeks if this measure was of such importance that it must be passed today, when we got the reply from the War Department last Tuesday. Here is Secretary Stimson's own answer:

The only thing I want to say in regard to that—

That is, the question I asked him why it took 6 weeks—

is that I do not wish to have any member of this committee, on which I have a great many friends, think that I contributed to that delay, and I do not think that anyone in the War Department did.

It was held up by the Director of the Budget in my opinion at the request of the President until he could make his

fireside chat and make the country believe that he made Congress act. I want you to know that we have been ready on the Military Affairs Committee to act on this legislation ever since September 7.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. EDMISTON. I yield to my chairman.

Mr. MAY. The gentleman recalls the fact that when I opened the hearings on this bill as chairman, on the 14th day of October, I announced that on the day before I had received a letter from the Secretary of War and on that same day I called the committee in session.

Mr. EDMISTON. I think that demonstrates the fact that we have acted just as instantaneously in response to the War Department on this sort of a measure as we possibly could. Of course, we cannot act until the Secretary of War and the Chief of Staff and G–1 of the Army and General Hershey give us their opinion on a subject such as this. We must trust our military experts.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. EDMISTON. I yield.

Mr. COOLEY. Can the gentleman explain to us what happened on September 21, when an official of the War Department in a letter addressed to the Members of the House, said this:

> Eighteen- and nineteen-year-old boys will not be called into service until such a course is absolutely necessary. When and if such a course is adopted it will be because this age group is urgently needed and because it is imperative that their training for actual duty with the Army be initiated.

Now if the War Department had any idea on September 21 that it was necessary to pass this legislation, how can the gentleman explain this letter?

Mr. EDMISTON. I cannot explain that, I will tell the gentleman, and neither can I explain why the Chief Executive himself, just a few weeks before his fireside chat, said that this was not necessary until late in 1943.

[Here the gavel fell.]

Mr. ELSTON. Mr. Chairman, I yield the balance of the time on our side to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, the members of the Committee, I assume, are pretty well aware of my opinions on this subject. Inadequately, they were expressed in a speech which has been printed in the RECORD as a result of the kindness of the gentleman from North Carolina [Mr. FOLGER], so I shall not at this time, and at this late hour, indulge in repetition, at least, if I can help it.

One or two thoughts occur to me. For a long time I have been convinced that we would have to come to this move. As the summer went along and the autumn came upon us, I began to encounter conditions in some of our draft boards which indicated very clearly that they were scraping the bottom of the barrel in many districts in their efforts to find competent, single men, and as a result were bringing into the Army men of an age which is not conducive to good soldiering. Then, as I had an opportunity to study some of the records of the Selective Service System itself at its headquarters here, I confess that my impatience reached the point at which I was impelled to introduce this bill. Always in the back of my mind I have had this dread—to this effect. It is a highly probable thing that we shall have tens and hundreds of thousands of our men in desperate action sometime in the year 1943. Where these actions will take place I do not know. When they will start I do not know. But it is more than probable that by that time, some time in the calendar year of 1943, we shall be engaged in this war desperately, and believing as I did then and as I do now that men of 18 years and 19 years, properly trained, could contribute immensely to our success, my dread was that we would delay so long in putting them into the Army, that when those terrible battles occurred, we would be compelled to put them in untrained and see them slaughtered. So I welcome the passage of this bill at this hour, and it is none too early. The quicker this legislation goes through, the more we can be sure that these youngsters will be trained. I rejoice that the House apparently is going to pass it by a substantial majority.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. McCORMACK. The gentleman stated a moment ago about men in the service at an age which is not conducive to the good of the service. I call the attention of the distinguished gentleman from New York to the fact that the average age of all the enlisted men in the Army of the United States now is 26 years and 2 months, that the average age of all enlisted men in the Navy is 22 years and 10 months, and the average age of all enlisted men in the Marine Corps is 19 years and 6 months.

Mr. WADSWORTH. Yes; and may I add to that that in a division most recently activated in the Army the average age was 28 years and 2 months, which means that there are thousands of men in that division well over 30 years of age, 32 and 35. When those figures came to my attention I made up my mind it is none too soon to pass this bill.

May I reminisce a moment if I have the time. As you gentlemen well know, this is not the first time in which the Congress of the United States has been asked to lower the draft age to 18 years. I remember very well what happened during World War No. 1. When we went into that war, we commenced to get ready, as was our custom in those days, in May of 1917. We passed the first selective-service law at that time and made the military age range from 21 to 31. The American Army was recruited and organized very largely in that age range. We did not actually get into the bitter fighting until May and June of 1918, 13 months later, when the A. E. F. began to be an important element in the war on the western front.

The Germans had held the offensive all through that spring, and it was only by a narrow margin that the last German offensive was stayed. The fighting was still desperate in July. At that time Secretary Baker and the War Department made up their minds that the desperation in that fighting was going to continue, and we would have to enlarge the age range, and especially drop it to 18 years in view of the fact that in all probability the war would go on through the succeeding winter and perhaps on into 1919. So a recommendation was made to Congress at that time that the age range be dropped to 18 years, and incidentally raised to 45—just what this bill does. The bill was debated in both Houses in August 1918, and was passed and enacted finally on August 31, 1918. Remember, these young men had not been registered prior to the passage of the act. The machinery for registration was being arranged, and the registration itself was being planned for in September, but in September and in October the whole war picture changed, to most military men most unexpectedly. Allenby and Lawrence drove Turkey out of the war. Austria collapsed. The whole of the territory of Serbia which had been overrun by the Germans and the Austrians was recovered, and finally by the middle of October Germany was left fighting alone and by the end of that month the end of the war was plainly in sight. On November 11 the final collapse was admitted by the Germans when they asked for an armistice. So the result was that no men of 18 were actually drafted, but the Congress, when it passed the bill in August 1918, did so with the full expectation that these young men would go into battle. We were activated at that time—I was a member of the Senate—by the same feelings that are controlling us today. We had the same inner feelings about the necessity of the war. It may be interesting to know that the House of Representatives passed that bill by a vote of 336 to 2, and that the Senate passed it by a vote of 75 to 0. I hope we can approach those figures today.

On an entirely different phase of this subject I want to make a few remarks, perhaps to bring some reassurance, not only to the Members of Congress, but to the families, the parents, and the relatives of men in the Army. It has to do with the moral condition of our troops, their behavior. There are two yardsticks you can use in measuring the personal behavior, moral or otherwise, of a great army.

The first yardstick is represented by the sick rate or hospital reports. The sick rate in our Army today is the lowest we have ever had in our history, and I believe the lowest of any army on earth. It runs about three-fifths of what it ran in World War No. 1, and I may say that with respect to social diseases, which, as you all know, have been the curse of armies for generations past, our Army has established a record that is veritably amazing. That terrible evil has all but been completely overcome. We have never known anything like it. I have been to great units, great divisional cantonments and found whole regiments without a single case. I have found in an outfit of 18,000 men only 18 cases. With respect to that terrible menace

which always overhangs armies I may make this observation, that men in the Army are suffering from that curse less than their contemporaries in civil life. We ought to rejoice at it.

Your hospital rate, your sick rate, is a yard stick measuring the behavior of your men, for obviously if large numbers of them indulge in excesses the sick rate goes up; our has gone down, way down. The other yard stick is represented by the summary court record of an Army. As you know, a summary court corresponds very closely to a police court in a big city; minor offenses are brought before the summary courts. Obviously, if large numbers of our men are misbehaving in one way or another, the summary court rate will go up. It may be of interest to you to know that in the Army of today, measured by the strength of the Army, as compared with the Army of 1918 and 1919 and its strength the number of summary courts is only one-quarter as many as it was 25 years ago. There is something for your comfort.

[Here the gavel fell.]

The Clerk read as follows:

Be it enacted, etc., That so much of the first sentence of section 3 (a) of the Selective Training and Service Act of 1940, as amended, as precedes the first proviso is hereby amended to read as follows:

"SEC. 3. (a) Except as otherwise provided in this act, every male citizen of the United States, and every other male person residing in the United States, who is between the ages of 18 and 45 at the time fixed for his registration shall be liable for training and service in the land or naval forces of the United States."

Mr. GOSSETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Page 1, line 10, after the word "ages", strike out the word "eighteen" and insert the word "nineteen."

Mr. GOSSETT. Mr. Chairman, there are three amendments all going to the same point simply changing the age from "eighteen" to "nineteen" wherever it appears in the bill. I ask unanimous consent that all three amendments may be read and be considered together.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Page 3, line 8, after the words "the ages of", strike out the word "eighteen" and insert "nineteen."

In line 9, after the words "attained the", strike out the word "eighteen" and insert the word "nineteen."

Page 3, line 17, after the words "the ages of", strike out the word "eighteen" and insert the word "nineteen."

Mr. GOSSETT. Mr. Chairman, I approach this matter with great temerity and offer this amendment only because I feel it to be my solemn duty. I do not pose as a military expert, but I submit to you that Members of this Congress are as good judges of human nature as are the generals and the admirals. Some weeks ago I believe it was, the President said that this matter of drafting the 18- and 19-year-olds would not become imperative until next year. Nothing since has happened to greatly change that situation. This bill has been considered by the Military Affairs Committee, reported to the House, and will be passed by this Congress in less than 1 week. I submit that if it becomes necessary, that if it becomes emergent, later on the 18-year-old boys can be included within 1 week.

The induction of 18-year-old boys into the Army, Mr. Chairman, is a serious thing. I see no reason why 18- and 19-year-old boys should be inextricably bracketed together. We could easily take the 19- without taking the 18-year-olds. Many 18-year-old boys lack a whole lot of being men. There are great differences between boys of this age. I submit to you that if the drafting of these boys is authorized our armed services are going to induct them in wholesale lots without discriminating greatly between the mature and the immature 18-year-olds. If you could give each a careful personal examination as to aptitude and development before induction, much harm could be avoided. Many 18-year-old boys are still in their adolescence. Many of them are going to be cracked up, so to speak, by being summarily drafted and inducted into the service. I submit to you further that during the first World War no drafted boy under 21 saw combat duty. I submit further that most of the boys of 18 who are developed and who are bold and adventurous will in the course of a few months volunteer. We can certainly get along without the 18-year-old boy who is going to be injured physically or mentally by compulsory military service. It seems to me, in view of the great harm we are probably going to do to the 18-year-old boys, we might well take more time and consider further his particular case before we authorize his induction into the service. I feel that this particular measure has not been given sufficient consideration on that point.

I submit to you that we ought not to include them at this time in this measure. I, therefore, offer the amendment to change wherever it appears in this bill the word "eighteen" to the word "nineteen." Some months ago we lowered the draft by only 1 year to include 20-year-olds. We should lower it only 1 year at this time. If absolute necessity is later shown the draft can again be lowered to include 18-year-olds, but absolute necessity should first be shown.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. COOLEY. The gentleman heard the statement made by the distinguished gentleman from New York regarding the sick list of the present Army. If I understood the gentleman correctly, he said the sick list in the present Army was the lowest in the history of the country; yet at the same time the age of the present Army is the highest in the country. Does not this, in the gentleman's opinion, answer the arguments which have been made here regarding the incapacity of the men over 28 years of age?

Mr. GOSSETT. I think so. Furthermore, I am told by many veterans of the first World War that many boys of 18 years just simply cannot stand the gaff, so to speak.

Mr. COOLEY. Mr. Chairman, will the gentleman yield further?

Mr. GOSSETT. I yield.

Mr. COOLEY. Does not the statement put in the RECORD a moment ago by our colleague indicate that men under 21 furnished most of the neurotic cases in the last World War?

Mr. GOSSETT. I understood that to be the case; and in the last war such men seeing service were volunteers.

Mr. VOORHIS of California. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. VOORHIS of California. Mr. Chairman, I do not rise to interpose my judgment about military matters against the judgment of the Chief of Staff of our Army or of the Chief Executive of this Nation. I shall vote for this bill for the military leaders of the Nation have said it was necessary. That is my reason and my only reason. But I cannot do otherwise than speak and vote in favor of the amendment offered by the gentleman from Texas, because everything in my own experience teaches me it is right and wise. I cannot but believe that if this age were fixed at 19 years we could get the men we have to have for the Army. Indeed, I believe on the average we would get better men because they would be men psychologically ready for the experiences they must face. Most of my life I have been a school teacher and I know the reason why 77 percent more men under 21 suffered from psychoneurosis during the First World War than was the case with the older group. Those figures were submitted by the gentleman from Alabama in his excellent speech awhile ago. It is because a considerable proportion of American young men simply are not mature at age 18. That is the year in which most of them finish high school. There are some of them who are just not ready and, as the gentleman from Alabama said, the ideal thing that could be done would be a consideration of this matter with regard at least to the 18-year-old group so that there can be a careful selection from that group, not mass induction. There ought to be not only physical but careful psychological examination of them—and I believe Congress should insist that this be done. Eighteen years is the exact age at which the normal boy graduates from high school if he makes a grade every year and enters school when he is 6. I believe we ought not to prevent any boy from at least finishing his high-school course before he is called.

I would not take any position that I thought was going to weaken our Nation, but I believe these things most strongly and feel in duty bound to give the House my opinion. From what I know of the development of American boys I sincerely believe we will get more nearly the exact men who can do the best job in this Army if we select from the 18-year-old group with far greater care than this bill provides.

I want to say one thing more. This bill undoubtedly is going to pass by an overwhelming vote. These young men

are going to do their duty. We should all understand that they are going to go and fight for a world that will be theirs when they come back and not for your world or mine. I want to say again as I have said many times in this House that no Member of the House will be doing his full duty if he simply votes for this bill. We must proceed to see that the world that these young men come back to will be as nearly one of genuine opportunity for them as we can make it. And the younger the age at which you call these boys the greater your obligation with regard to their future.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened with great interest to the speeches which have been delivered during the course of the debate on this bill. Many Members have said, "It will take a lot of courage to cast a vote for this bill." They tell us here that we should follow our leaders, and they remind us of the fact that we are now engaged in war. We are told that American men who are 27 or 28 years of age are physically unfit for combat duty, and that the average age of the Army must be lowered. The statement to the effect that able-bodied American men who are 27 or 28 years of age cannot fight is a reflection upon American manhood which cannot be justified, yet apparently Congress has decided, and our leaders have decided to lower the age and let the Boy Scouts fight this war.

I was in the cloak room a moment ago, and I asked one of the pages, "How old are you, son?", and he said, "I am 18." He is just a page boy. Are we going to let page boys and Boy Scouts stand forth as the best fighting material that America can offer in this world crisis?

My personal situation is somewhat unique. Immediately after Pearl Harbor and immediately upon voting for a declaration of war I tendered my services to the War Department and to the Navy Department. I sought to enlist by presenting myself at the recruiting station. I later conferred in person with officials of both Departments and subsequently applied by letter, tendering my services and likewise expressed a willingness to tender my resignation as a Member of this House upon being accepted in a combat unit. I was told, in effect, "You are too old to fight. You cannot stand the gaff, and Uncle Sam just does not have any place for you." Uncle Sam does not want you, and he does not want me, because he says we just cannot take it. And yet our leaders all of a sudden decide that the Nation is badly in need of teen-age boys, boys who, many of you said only a few short weeks ago, should remain tied to their mothers' apron strings until they become men. Oh, it does not take courage, but it certainly takes a lot of gall for able-bodied men in the legislative branch of the Government to vote for a bill that will press 18-year-old boys immediately into combat duty, to make cannon fodder of children; yes, because you know that is just what will be done. We are told they will be trained. Yes, to be sure they will be trained. They will be trained to go forth and to die in the interest of a country and for a society and a civilization in the building of which they have never been permitted to participate. Are we so hard-pressed for men that we must fight our wars with children and beardless youths who are in no way responsible for the chaotic world in which they find themselves?

I would revamp all of the educational institutions of America during the present emergency. I would stop teaching sociology, philosophy, art, Latin, and music, and a lot of subjects now being taught, and I would gear up the institutions of America to the wheels of war and utilize all of the facilities of the colleges and universities of this Nation in the teaching of subjects which are vital to the war effort, but this bill contemplates no such action.

Shortly after Pearl Harbor I had a conversation with Admiral Nimitz. This was before he was placed in command of the Pacific Fleet, and during the course of our conversation he received a telephone call from some of the policy-making officials of his Department. The subject of ages was then being discussed, and I heard Admiral Nimitz tell the official with whom he was talking that this would be a long, hard-fought war, that it would not be over this year or next year or year after next, and that in the years to come we would need engineers, doctors, technicians, chemists, and other skilled men, and he said that he did not want those who were responsible for arranging the age limits to lower the age limit so as to disrupt and to cripple the institutions of learning in America. Similar views have been expressed by many persons prominent in the life of our Nation. If we pass this bill, what will become of our institutions of learning? What will become of the high schools?

To prove to you that not even the War Department had reached a decision on this very important matter until very recently, I quote the following from a letter written by a responsible official of the War Department to a Member of this House on September 21:

> Eighteen- and nineteen-year-old boys will not be called into service until such a course is absolutely essential. When and if such a course is adopted, it will be because this age group is urgently needed and because it is imperative that their training for actual duty with the Army be initiated.

This letter clearly indicates that the War Department on September 21 did not then consider it necessary and certainly not "absolutely essential" to draft 18- and 19-year-old boys. What has happened since then to make it necessary? No one seems to know anything of importance which has transpired since September 21 which requires the enactment of this legislation.

Mr. MAY. Will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Kentucky.

Mr. MAY. I cannot remember anyone who stated on the floor that 28-year-old men could not fight. I wish the gentleman would point out the Member who stated that, if he can.

Mr. COOLEY. As I understand it, that is the present position of the War Department and as I understand it, that is the position of the gentleman's committee. Why, we drafted men into the Army up to 35 years of age and at the request of the War Department we lowered it to 28 years of age because the War Department did not want men over 28 years of age in the service. Then, with the consent and approval of the War Department, we fixed the age limit at 45 years. Now, at the request of the War Department, we are about to lower the age to 18 years. On every occasion congressional acts have been approved by the War Department and the President. I understand that the War Department is now taking the position that men over 28 years of age, which is the present average age of the Army, are incapable of carrying on this fight because many of them are in sickbeds. The distinguished gentleman from New York [Mr. WADSWORTH] in his recent speech completely negatives any such thought when he tells us that the sick list in the Army at the present time is the lowest that we have ever had and that the age limit in the Army is the highest in our history.

Mr. MAY. That is not the testimony or the contention of the War Department or anybody in it.

Mr. COOLEY. It may not be but it is the statement of the author of the pending measure. As food for further thought I want to read to you again an excerpt from volume 10, section 2, chapter 8, on page 430, in a series of studies of the medical department of the United States Army in the World War, volume on neuropsychiatry:

> These figures reveal a marked disproportion between the admissions to the hospital of men under 21 and their number in the Army at large, 77 percent more men from this group being admitted to the hospital than their proportion in the Army would lead us to expect. That is, there was a marked tendency for men under 21 to develop neurosis in greater numbers than their proportion in the Army would warrant.

Has the Medical Department of the United States Army been consulted regarding this pending bill? If so, the House has not been told about it. I wonder if the Medical Department of the Army is now willing to repudiate its findings concerning the neurotic tendencies of men in the armed forces under 21 years of age.

[Here the gavel fell.]

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

Mr. ANDREWS. Mr. Chairman, I object.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. HOFFMAN. Mr. Chairman, I yield to the gentleman for an observation if he wants to make it.

Mr. COOLEY. Will the gentleman yield?

The CHAIRMAN. The Chair may say that under the parliamentary rules of the House he cannot secure permission to address the House and then yield the time to someone else.

Mr. HOFFMAN. Mr. Chairman, I want to make some remarks on my own

account, but I just want to get an observation from the gentleman on the topic about which he was talking.

The CHAIRMAN. The gentleman from North Carolina has not asked the gentleman to yield.

Mr. HOFFMAN. I understood the gentleman to ask me to yield just now.

Mr. COOLEY. Will the gentleman yield to me for one brief observation?

Mr. HOFFMAN. Yes.

Mr. COOLEY. I should like to say further that I believe that this House is rushing into a very important matter with only slight consideration being given to either its importance or its implications. There is no reason on earth why we should hesitate to eliminate from our educational system all of the nonessentials. Likewise, there is no reason on earth why we should not utilize the dormitories and the classrooms of the colleges and universities and high schools of America in teaching and training the youth of our Nation in matters which are essentially a part of our war effort. Yet this is not being done. The only thing that we are doing is disrupting our school system and putting these boys—yes; children, if you please—in a uniform and into Army camps along with men many of whom have been hardened by years of service in the Army.

One further observation: We sit here, the Congress of the country, well knowing that every department in this Government is literally filled with men of combat age and what have we done about it? We will all agree that something should be done about it, yet we are all conscious of the fact that nothing has been or is being done about it.

Many men of combat age now in the armed forces are doing jobs that can be done by older men, yes, even men over the age of 40, or 45 or 50, or even by girls. Some have been in the Army for 5 or 6 or 7 years, sergeants and noncommissioned officers, 23, 25, or 27 years of age, who are still chauffeurs for lieutenants and others who hold commissions.

Do you mean to tell me that you and I and others of our ages are not capable of being chauffeurs for lieutenants? Oh, they have no place for us. We are too old, and we are too old—why? Because somebody down the street says we are too old. We talk about the size of the Army. I think that everyone of you is conscious of the fact that we are now overexpanding our armed forces. Not one of us will be fool enough to believe for 1 minute that even America, with all of its great resources, could support an army of 13,000,000 soldiers and carry the other great burdens which we are now carrying for our allies, yet just a few weeks ago that was the figure; that was the figure that was given to the country. Now they have lowered that figure to 7,500,000. Who knows that we will be able to equip fully, or to house, to clothe, and to feed an army of even 7½ million men? How many men will be needed in industry? How many men will be needed in agriculture, which is now already crippled? The determination has not yet been made.

We speak of manpower and the shortage of skilled workers, and yet we have the 40-hour week and strikes throughout the country. We want a larger Army, an Army ever-increasing in size, and yet there are men between the ages of 21 and 30, hiding out in so-called defense plants, having been deferred, yet continue to strike. Soldiers do not and cannot strike with impunity. There is another group whose induction is being delayed, married men of combat age neither supporting wife, nor chick, nor child. Many of them married just a few hours before Pearl Harbor and many marriages were accelerated by the impending crisis. Physically fit? Yes. Of combat age? Yes. Inducted into the service? No. Why should a 25-year-old man whose wife is earning her own livelihood, be deferred? Many married men are comfortable in the security of their marriage and they are playing bridge and gin rummy and otherwise entertaining themselves, while the Nation is hard pressed for manpower. What is going to be done about it? Certainly something should be done about the present situation before lowering the draft age. Production on our farms is being crippled on account of the labor shortage. Dairy herds are being sent to the slaughter pen because of a labor shortage. Our farms have already been stripped of manpower and yet we are told that we must double the size of our present armed forces. The suggestion is worthy of more serious consideration than is being given to it here in this House today.

I thank the gentleman from Michigan for yielding to me for this brief observation.

Mr. HOFFMAN. I thank the gentleman for his observations.

[Here the gavel fell.]

Mrs. BYRON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to say that I am in favor of the bill, and that I am a mother who has a son 18 years old, the oldest one of my five boys. My husband was an aviator in the last war, and my brother is serving overseas at the present time.

Mr. BOREN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, of course we must win this war regardless of cost. However disquieting that cost may be, I am ready for its payment upon its show of need, even though it means troubling my heart with this grievous task of the teen-age draft. But to the claim that this is the essential price of victory, I say it is not so, it is not true.

The teen-age draft will give a million manpower to our Army strength, you say. I reply that a million manpower is available without a teen-age draft if you will take the swivel-chair soldiers out of Washington and remove those from nonessential Army assignments the Nation over.

Another million is available if you will take the red-tape artists out of the useless Government activities which now hinder and hamper the war effort. Yet a third million is available, turned down seeking service by flatheads making rules against flatfeet and minor nothings.

Under the present situation, it is my certain conviction that this bill is based upon injustice, inequity, and error. The Army's claim that youths, yet mentally immature, make better soldiers is an indictment of our military system so disgustingly shameful that in the name of all the soldiers who made America's proud military history, I deny that lie.

The intensity of my opposition to placing the brutal burden of winning this war on the shoulders of teen-age youngsters does not permit me calmly to voice the sentiments that choke my words with the anger of rebellion against this outrage.

I have no doubt that, if called upon, our youth of teen age will serve bravely, nobly, and well but I rise to point to the grave injustice of exacting the full responsibilities of citizenship from those deemed so young that we deny them the full privileges of citizenship.

They are too young to vote, you say. Too young to fill the jobs in the factories and the offices, but you hold them to be old enough to die—old enough to face the hell of the battlefield. In God's name, what nonsense is this?

Only a knowledge that it was the last resort against defeat and disaster could lead me to vote for such a measure.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. LESINSKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, personally I do not understand why there is opposition to taking youth of 18 into the Army. Forty years ago I was 18 years old and I could do four times more work then than I can today. I could walk 20 or 30 miles a day and I doubt if I could walk 2 miles today. So I still cannot understand why there is opposition to taking youth into the Army. A year or two ago I spoke to the Chairman of the Military Affairs Committee to the effect that this country ought to have compulsory training for all youth from the age of 18 up, after they leave high school. We today would have an army of at least six or seven million people who would be ready to go and fight at all fronts whenever necessary. Why are we lacking in help today? It is because we have not built up an army, an army such as is required to police the world. I say that only through compulsory training will we be able to have an army, and we must remember that this war will not be over in 1 or 2 years, and after the war is over we will have to police the world.

Mr. HOOK. Mr. Chairman, I do not see why we are so unduly excited over this bill. I think the best way to determine what we are about is to look toward what the 18- and 19-year-old youths are doing themselves today. The 18- and 19-year-old youths are volunteering for service today and happy to be there. Only yesterday I had occasion to go through the Procurement Office of the Navy in Chicago and I saw the 18- and 19-year-old boys who were volunteering

for the air-cadet service. They were fine specimens of manhood, patriots happy to go there and fight, and here we stand saying, "Let those who want to volunteer go and those who do not want to volunteer we will let them alone."

The arguments that were made here today against this bill are the same arguments that we heard a few years ago. The same arguments, I might say, that were probably put forth by some of the America Firsters. I want to read to you something which is rather enlightening from one of the great men of this Nation, a man who stood on the platform with Lindbergh fighting the war effort, and now has shown himself to be one of the Nation's great patriots. He says:

> Only a year ago there were many loyal Americans—and I was one of them—who felt that this was not our war. We used to say that if the Soviets were wiped off the map it would be good riddance, and that the feeble, guilty old British Empire was not worth one American life.
>
> Yet, humiliating as it is, I am ready to confess that we were wrong and President Roosevelt was right. It was our war from the first.
>
> If the President had listened to me, China, Russia, and Great Britain would now be prostrate, and we should be facing our zero hour alone and unprepared.

This statement was made by the Very Reverend Robert I. Gannon, president of Fordham University, in an address at the formal opening of the academic year, 1942, a man who himself confesses that if the President had followed him and others of his thinking, we would be prostrate at the feet of Hitler.

President Roosevelt has asked for this now. The President was right before and he is right now. The people of this Nation want to win this war and the people are in favor of this bill.

Men like the Very Reverend Robert I. Gannon are real patriots. It is about time some of you in this Congress follow in the footsteps of that great man. Nobody likes to see these young men go in the Army but none of us wanted this war either. We are in it, and we must win. Thank God, the youth of America are real patriots. God bless and protect them.

[Here the gavel fell.]

Mr. RUSSELL. Mr. Chairman, if I thought this bill was necessary I would not be opposed to the measure. If it is necessary for the preservation and maintenance of our country, then, naturally, I am in favor of it, but the question arises in my mind at this time and in the minds of the people of the United States, Is it necessary at this time?

Some 3 weeks ago General Hershey appeared before the Military Affairs Committee, and I have in front of me what I borrowed from one of the members of that committee, a memorandum of what General Hershey submitted to the Military Affairs Committee on the available manpower now subject to the draft, capable and qualified to be drafted. I do not have the time to go over this list with you, but it says a recapitulation to the effect that there are 2,500,000 subject to the draft now that are qualified without dependents or with dependents, who are able to take care of themselves.

If we have now ready to be drafted into the armed service of this great country, along with others which we have in the service, 2,500,000 available soldiers, then why is this necessary at this time? This is what your Selective Service Director has given to the Military Affairs Committee. I am sure if I were not correct in this the chairman or some member of that body would correct me.

I am in support of this amendment because I do not believe from what General Hershey or the Army have given the Congress, that it is necessary. If it is necessary, then I say let us preserve our country at all costs. If it is necessary, I say, in line with what the gentleman from North Carolina [Mr. COOLEY] has said, take me and some of the rest of us here. I was in the other war and I know a little something about training, and I differ from some of you on the statement that a man 24 or 25 or 28 or even 30 years of age is not equally capable with a boy or a child of 18 years in the matter of endurance. If the War Department's theory is correct with reference to endurance, did it ever occur to you that these high-school students of 18 years of age would defeat the college men in football games? If the 18- and 19-year-old boys are physically and better qualified than the older men, then may I ask you why the professional baseball and football clubs do not select them. It is very seldom that you ever hear of a boy 18 years of age on a professional baseball team, and you never hear of one that age on a professional football club. Almost all of the athletes who compete in endurance tests are over the age of 18 years; therefore such argument will not stand up. Boys 18 years of age are not settled either physically or mentally; they are more susceptible to become excited and nervous as shown by the medical report put in this RECORD by the gentleman from Alabama. They are more susceptible to immoral influences than older men. And here may I say this, that there is being permitted the opening and operation of rum shops in and around our Army camps. As I see it this is the worst thing that could be done; to me this is very wrong, and this Government should never have permitted this. I believe, as millions of other American citizens believe, that the rum shop furnishes the most vicious and demoralizing place and influence that could be put in reach of the American soldier. I call upon this Congress in defense of the young men who have been taken from their homes and put in the service to put a stop to these vicious and demoralizing rum shops around our Army camps.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. RANKIN] for 3 minutes.

Mr. RANKIN of Mississippi. Mr. Chairman, I hope the amendment of the gentleman from Texas [Mr. GOSSETT] to strike out the figure "18" and insert "19", is adopted.

I am of the opinion that a great many people who are now on the Federal pay roll ought to be in the Army before we go to drafting boys of 18; and many people in industrial jobs, who seem to think that this war is a joy ride, are just as much entitled to fight this war as are these 18-year-old boys.

During the war between the States Jefferson Davis was urged to lower the draft age to 15 years, but he said that he declined to "grind the seed corn of the Confederacy." I am afraid that in a short time, instead of putting these men into the Army who are now enjoying wages and salaries they never enjoyed before, and which many of them do not earn, they will be here asking us to lower the draft age again, to grind the seed corn of the Republic.

You are stripping the farms in my section of the country of their manpower now.

The gentleman from New York [Mr. WADSWORTH] said that there was little or no venereal disease in the Army. The reason is that they are exempting men who claim to have venereal disease, and as a result rejecting the Negroes in the South, and taking the white boys off the farms.

Nine men out of 10 who go to the Army in one county I know are white men, and yet the contractors are required to employ 47 percent Negro laborers on a munition plant in that same county.

Those Negro laborers could do just as much in labor battalions as could these boys of 18, or even more.

Let us put a stop to exempting men merely because they want to be exempted before we take boys 18 years of age.

I realize as well as anybody the danger that we are in. We may have to defend our own shores before long, and if you people keep stirring up trouble for us in the South, we are going to need our young men trained when this war is over in order to take care of the domestic situation. But I think we ought to adopt this amendment and not take boys as young as 18 years of age.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The Chair recognizes the gentleman from Oklahoma [Mr. JOHNSON] for 3 minutes.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I shall support the pending amendment to this draft bill that will make the minimum age limit 19 years instead of 18, as proposed by the Committee on Military Affairs. I submit in all seriousness that this compromise, if agreed upon, would make this bill much easier for the average Member of Congress to support. I do not mind saying to Members that this is the most difficult bill for me to support of any of the several defense measures that have come before this body.

It will be recalled that when the original draft act was passed that certain high-up officials in the War Department even then insisted on lowering the age limit to 18 years. The bill as passed by the Senate contained a minimum age limit of 19 years. The House insisted on placing the age limit at 21, and finally 20 years was agreed upon as a compromise, not only between the two Houses but between those of us who have steadfastly opposed lowering the age limit to 18 years and the so-called military experts who

have been determined from the outset of this war to do so.

To those who are here today insisting that the age limit be reduced to 18 years and who are so vigorously opposing the pending amendment that proposes that the age limit be placed at a minimum of 19 years, I cannot refrain from reminding them that back in the year of 1935, some 7 years ago, I offered a bill to give military training to the youth of this country who were at that time or should thereafter become enrollees in the C. C. C. camps of the United States. For many months thereafter I begged for a hearing on that measure but was absolutely unable to secure one. It is significant that some of those who are today most active for lowering the age limit of the youth of this land ridiculed the idea 7 years ago of giving military training to boys who not only needed it but who were pleading for an opportunity to receive this training that was of such vital importance to the safety and security of our country. If all the enrollees who were in all of the C. C. C. camps of the country from the beginning had been given military training, we would have had a trained army of some 3,000,000 men who served in the Civilian Conservation Corps. So I cannot refrain from saying that the hindsight of some of our self-admitted experts appears to be considerably better than their foresight.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. Yes; I shall be glad to yield to my good friend from South Dakota.

Mr. CASE of South Dakota. I notice that the gentleman from Oklahoma has introduced in the House a companion bill to S. 680. I want to go on record now as commending the gentleman in doing that, and as saying that when this action is taken today to put 18- and 19-year-old boys in the Army, every Member of this House who votes for that should get behind the gentleman's bill and give a better environment to these boys in the camps.

Mr. JOHNSON of Oklahoma. I thank the distinguished gentleman, and of course agree with him. If and when the pending bill to lower the draft age is passed, that of course will be additional reason why my bill to outlaw intoxicating liquors at, on, or in the vicinity of Army camps and naval establishments should be considered and passed. I might add in this connection that this great Committee on Military Affairs that is so anxious today to rush this bill through without opportunity of amendments, has not yet shown a great deal of concern about the passage of my bill or similar legislation that would give at least some protection to our boys in uniform. In fact, I have not yet been shown the courtesy of a hearing on the bill to which the able gentleman from South Dakota referred. Let me add that despite the statements made here today about the good health of the young men at Army camps, and the excellent moral conditions of such camps, reports I am receiving are not anything to boast about in certain areas.

There are many things about this bill that I do not like. I voted against the rule to bring the bill in without an opportunity to offer all amendments. I voted against it because, for example, an 18-year-old high-school boy will not be permitted to finish his school and graduate in his class unless he walks down to the draft board and begs them to permit him to finish high school. Now if this bill means what it says, if you really intend to exempt high-school boys, why not put it right in the bill, rather than through a notice to a high-school or college boy who may be trying to complete his high-school or college education that he must ask for deferment.

Again, Mr. Chairman, I could not bring myself to vote for the rule on this bill today in spite of the explanations of members of that committee that there was nothing unusual about that procedure. It may not be unusual procedure but in my judgment it is wholly undemocratic and poor legislative practice to bring a bill before this body that will hamstring Members who desire to offer amendments. I have the utmost respect for the Military Affairs Committee of the House. I served for some years as a member of that committee and would have been chairman now had I chosen to remain on that committee instead of going as I did by my own request to the Committee on Appropriations, but to say that no Member of this Congress can offer an amendment except to the age of the draftee unless he happens to be a member of the Committee on Military Affairs is another way of saying that unless one happens to be a member of that committee he has no right to offer any suggestions as to legislation of this kind that affects every community and almost every home in the entire country.

We are told by members of the Committee on Military Affairs that responsible representatives of the War Department have given assurance that these 18-year-old boys if and when drafted will not be called into actual combat until they are thoroughly prepared and they are leaving the inference that this is the policy of the War Department and the Navy at this time. Yet reports are coming to us of men who have been killed or wounded who were inducted into service after Pearl Harbor. I have just talked to a young man now serving in the Navy from Okarche, Okla., in the district I have the honor to represent in Congress. He is sitting in the gallery now. I am advised that the parents of a young man from that town inducted into the service less than 9 months ago were notified of the death of their son in action a few days ago.

Having served in World War No. 1 as a buck private, I remember how we were told then that our boys would be trained before they were put in the front-line service, but I had the experience of seeing boys go into the front lines with practically no training; in fact, some who had never fired a rifle in all of their lives. So I accept with some apprehension the statement of assurance from the so-called brass hats in the armed forces that these boys are to have good and sufficient training before being called upon for combat duty.

Someone has suggested that if we took the swivel-chair patriots out of Washington and other places that there would not be a necessity for lowering the draft age at this time. Of course, there are many desk jobs among the officials in the War Department and other departments of Washington that are essential to the winning of the war; but it is generally conceded that if all those in the Government service who have asked for and secured deferments and all the others who have been turned down because of minor defects were permitted to serve in the Army, Congress would not be called upon for this drastic action at this time. It is difficult to make the country believe that it takes 1,200,000 employees in the War Department, most of whom have desk jobs, to run this war, and that great army of civilian employees is still growing. Many of them are taking care of jobs that intelligent women and older men, some possibly with minor defects, could perform equally as well.

Therefore, Mr. Chairman, considering the past history of this legislation and all the facts and conditions involved I shall support the pending amendment to place the minimum-age limit for military service of our American youth at 19 years, instead of 18, as proposed by the committee.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARTIN J. KENNEDY] for 3 minutes.

Mr. MARTIN J. KENNEDY. Mr. Chairman, I was one of those who stood up in opposition to the adoption of the rule because I did not think the rule permitted sufficient latitude. I believe the bill should be amended. I believe it is important to specify some form of training. Unfortunately we are estopped from discussing any incidents we know about whether in the Army or the Navy, and I am sure that if we were free and the galleries were cleared, we might be able to discuss them free and aboveboard.

If we could, we would not hesitate about saying whether or not we would take the words of General So-and-So and Admiral So-and-So. We all know that many unfortunate things exist in the Army and in the Navy. I think that to turn 18-year-old boys in without a specific provision that they should be trained for at least 1 year or 6 months is a most unfortunate situation.

I am not going to discuss the matter of all these men going around Washington in uniform having on their shoulders the insignia of colonels, majors, and whatnot, some of them just toddling around. There is something funny about an age limit. Here we have a Secretary of War seventy some years of age speaking about those of 28 as being old men. My heavens! If he is capable of being Secretary of War at his age, I do not know why a 28-year-old man is no good.

I believe it is unfortunate for us to draft these men without provision for their training, and as far as I am concerned I am not going to support any measure that will take an 18-year-old boy unless I have some assurance that he will have 6 months' or a year's training before he is put into active service. To do so is wrong.

I know there are some men in the Army at 17, but not all boys are as hard as that; they come from fine homes; they come from schools, they are sheltered and protected; yet we would throw them into the whirlpool and tell them to be soldiers. I was talking to a group of boys on the streets of New York when I was home last and was shocked. They had not been in the Navy more than a few weeks, and I want to tell you now they had no training. It was a sad sight.

I am not going to vote for any measure unless I am sure it provides for adequate training.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Texas [Mr. THOMASON] is recognized for 2 minutes.

Mr. THOMASON. Mr. Chairman, I beg this House in this critical hour that you not permit your personal or your racial prejudices to get the better of your judgment and patriotism. Some statements have been made here that there are men down in the departments in Washington who ought to be drafted, or that Negroes in some places should have been drafted instead of white men from the farms of the country; but I remind you in all fairness that if they were deferred they were deferred by their local draft boards. There are 5,600 local draft boards in this country which have done the most marvelous and patriotic job of any people I know, and done it without compensation or hope of reward. They are among our unsung heroes. I refuse to believe there has been any neglect or favoritism by any of them.

I can only repeat what I said earlier in the day: Heaven knows, my friends, in this hour when our boys are already in every part of the world we have got to trust somebody. Our leaders plead with us that this bill is necessary and imperative for the winning of the war. For a year, and especially since Pearl Harbor, the War Department has repeatedly told your Committee on Military Affairs that sooner or later these young men must be called and trained, and that we cannot safely wait longer. All will have 12 months' training. Hard days are ahead, and we cannot longer delay.

I wish you could have gone with me and others of our committee on an inspection trip to Fort Benning and other posts and have seen those 18- and 19-year-old boys parachuting out of those planes, and all of them volunteers. Thousands of young men of this age have already volunteered in the Army and many more in the Navy. The Navy takes them at 17. It takes young men of strength, action, and daring to handle parachutes, airplanes, and tanks.

Let us not take another bite at the cherry or let our prejudices run away with us in this critical hour when our flag must be defended. The time has come to take no chances. Let us pass this bill as the War Department wants it and quit amending it every few months. We did it in the last war, and every nation in the world is training young men of this age for the days when they may have to go into combat.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Kentucky [Mr. MAY] is recognized for 2 minutes.

Mr. MAY. Mr. Chairman, let me repeat that no man in this House or anywhere else in America regrets any more than I the necessity of coming here to ask that you draft 18-year-old boys; but when I look back at this flag and when I know it is trailing at many points on the battle fronts of the world, and when I know that the 18-year-olds of today may be the slaves of another generation, I wonder how men can come at this late hour of the day and undertake to say that we will cull this thing year by year and have this committee hold sessions for the next 2 years instead of finishing the job now so we shall not be called upon to do it again next month.

Mr. RUSSELL. Mr. Chairman, will the gentleman yield?

Mr. MAY. No; I am sorry I cannot yield in 2 minutes' time.

Mr. Chairman, I tell you today that the Nation you love, the Nation that is the only hope of all of the world at this hour is on trial, and the Congress of the United States is on trial before the American public. As for me, I stand here without fear or trembling to ask this House of Representatives this afternoon to be brave and not send us out as a Committee on Military Affairs to come back next month or in the next 6 months and tell you we have got to draft 18-year-old boys; let us get the job over with, and get these young men well trained, and let us get the job of licking Hitler and Tojo over with.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Massachusetts [Mr. MCCORMACK] is recognized for 2 minutes.

Mr. MCCORMACK. Mr. Chairman, in the few minutes at my disposal I desire to make just a few temperate statements without emotion but with as calm determination as it is possible for me as an American citizen to command.

Mr. Chairman, repeatedly during the past 2 years I have said that this generation of Americans was on trial. This means each and every one of us; this means we are going to be judged by what we do today in performing our trust, defending our heritage of the past, and measuring up to our obligations to future generations to preserve the United States of America. We in Congress are on trial, as the distinguished chairman of the Committee on Military Affairs said. These good people in the galleries and every one of the 130,000,000 Americans of this generation are on trial. The verdict we will receive will come from the historians of tomorrow.

This amendment should be defeated. We should proceed to vote with vision and courage. Our country is engaged in a war, but unlike some wars, if we lose this war we will not retain our country. If we lose this war we lose not only the war but we lose our beloved country.

Mr. Chairman, I hope that the pending amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. GOSSETT].

The question was taken; and on a division (demanded by Mr. GOSSETT) there were—ayes 55, noes 155.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. Section 5 (f) of such act, as amended, is hereby amended to read as follows:

"(f) Any person who, while pursuing a course of instruction at a high school or similar institution of learning, is ordered to report for induction under this act during the last half of the academic year at such school or institution, shall, upon his request, have his induction under this act postponed until the end of such academic year."

With the following committee amendment:

Strike all of section 2 and insert in lieu thereof the following:

"SEC. 2. Any person who, during the year 1942, entered upon attendance for the academic year 1942–1943—

"(1) at any high school (or similar institution); or

"(2) at any college or university which grants a degree in arts or science, to pursue a course of instruction satisfactory completion of which is prescribed by such college or university as a prerequisite to either of such degrees; or

"(3) at any university described in paragraph (2), to pursue a course of instruction to the pursuit of which a degree in arts or science is prescribed by such university as a prerequisite;

"and who, while pursuing such course of instruction at such high school (or similar institution), college, or university is selected for training and service under this act prior to the end of such academic year, or prior to July 1, 1943, whichever occurs first, shall, upon his request, be deferred from induction into the land and naval forces for such training and service until the end of such academic year, but in no event later than July 1, 1943."

Mr. CELLER. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Mr. CELLER moves to strike out all of section 2 commencing on page 2, line 11, and including all of page 3 down to and including the period on line 5, and insert in lieu thereof:

"All persons of the age of 18 and of the age of 19 subject to the provisions of this act shall be carefully and critically examined by appropriate officials of the land and naval forces of the United States, under such regulations as the Secretary of War and the Secretary of the Navy shall promulgate, as to their special talents, aptitudes, experience, and general intelligence. Upon their respective requests, those persons who, in the discretion of such officials of the land and naval forces of the United States, are found to be especially qualified for training and education in subjects such as engineering, chemistry, medicine, dentistry, physics, metallurgy, forestry, mathematics, economics, and governmental administration, and also in such subjects as would best fit them to become good military and naval officers, or in any other scientific and professional subjects that would aid the war effort, shall be deferred from induction into the land and naval forces for a period no longer than 18 months.

"Such persons so deferred shall be permitted to pursue these specialized courses of training and instruction in any bona fide university and college.

"The United States Office of Education shall cooperate with officials of the land and naval forces in the selection of those persons best fitted for deferment and training aforesaid.

"After the expiration of said 18 months of deferment, or prior thereto if any person is certified by the faculty of said bona fide institution of learning where such person has been a student as being unfit to continue the authorized course of training, such persons shall be inducted into the land and naval forces of the United States.

"Supplementing their academic courses, these students shall receive such military training as the appropriate officials of the land and naval forces of the United States shall prescribe.

"If a person so recommended for specialized training is unable to defray necessary tuition and maintenance charges, same shall be paid for out of annual appropriations for the War and Navy Departments."

Mr. MAY. Mr. Chairman, I rise for the purpose of making a point of order against the amendment just offered by the gentleman from New York [Mr. CELLER]. The amendment is not in order under the rule by which the bill is being considered.

Mr. CELLER. Mr. Chairman, may I be heard?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. CELLER. Mr. Chairman, may I point out to the Chair that on page 2, line 3 of the rule, there are the words "amendments relating to age limits" which is rather a broad term, namely "relating to age limits." "Relating" means having to do with, relative to, or within the realm of. There is no absolute limitation. The word "relating" is rather broad. It generally covers the subject matter. The subject matter is what may happen to those lads drafted under the act who are 18 and/or 19. The training and service of those between 18 and 45 is the subject matter of the bill and my amendment, therefore, refers to age limits and their training. It is a subject related to the age limits. To my mind, and in my humble opinion, the amendment is in order.

The CHAIRMAN. The Chair would call the gentleman's attention to the fact that even if the gentleman's contention were correct and his amendment fairly related to the age limits, lines 5 and 6 of the rule provide that committee amendments are not subject to any kind of amendment. This is a committee amendment and not subject to any kind of amendment.

Mr. CELLER. Do I understand the Chair to say that only committee amendments may be offered to the bill? I did not hear the Chair's entire statement.

The CHAIRMAN. The Chair did not say that. The gentleman understands, of course, that the bill is being considered under a special rule which is quite different from the regular rules of the House. This rule provides that only committee amendments may be considered to the bill, with the exception that amendments may be considered relating to age. But committee amendments, under this rule, are not subject to amendment. You may not amend the committee amendment under this rule.

The Chair therefore sustains the point of order.

Mr. CELLER. Do I understand the Chair to rule that there cannot be any amendment whatsoever to the words on page 2, commencing at line 11 and running down to page 3, line 5?

The CHAIRMAN. That is according to the rule adopted by the House.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the chairman of the Committee on Military Affairs a question. After July 1 or June 30 next, when a young man reaches 18 years of age without having completed his high-school education, can he then become eligible for training as an air cadet? After June 30 next a young man becomes 18 years of age and has not completed his high-school education; can he, upon reaching 18 years of age, make application and become an air cadet?

Mr. MAY. Why, certainly.

Mr. HINSHAW. If he has not completed his high-school education?

Mr. MAY. Any time before he is inducted he can do that, under the provisions of this act.

Mr. HINSHAW. Is it not a requirement that he shall have completed his high-school course before he can become an air cadet?

Mr. MAY. Oh, no.

Mr. HINSHAW. Is the gentleman certain of that?

Mr. MAY. That is my understanding and I have no information to the contrary.

Mr. HINSHAW. I have understood that a young man had to complete his high school course before he could become an air cadet.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Texas.

Mr. KILDAY. Formerly a man was required to have 2 years of college or its equivalent, but the regulations have been revised, and he is now subjected to a screening test which has no educational requirement attached to it. There is no provision that he shall have had any certain number of years of education, but he must be able to pass the screening test which he is given.

Mr. HINSHAW. I thank the gentleman for that information.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the pro forma amendment. But I shall support this bill on final passage and now so record my position.

Mr. Chairman, I wish to make a few observations somewhat relating to the comments of the gentleman from New York [Mr. WADSWORTH], and the gentleman from California [Mr. COSTELLO].

We are here considering the moving into the armed forces of several million young men. Considering the remarks of Mr. WADSWORTH, of New York, about the crucial situation which will prevail in 1943, what concerns me primarily is how our men are to be successfully transported to the military fronts and properly supplied with the necessary equipment, food, and so forth. In 1936 and 1937 I had a few things to say about the merchant marine. I think that at the beginning of this war we had about 8,000,000 tons of shipping. Then we proceeded to take over ships at our ports, along with the production of new ships, which carried that tonnage up to about 11,000,000 tons. Since then we have lost perhaps 400 ships of our own, with an average tonnage of about 6,000, or let us say roughly 2,500,000 tons. I understand from the Maritime Commission that in the year ending September 27, last, we built about 5,400,000 tons of shipping, so we have approximately 13,900,000 tons of shipping at the present time.

The responsibility for building and operating these ships on which the goods of war and the men must move is directly up to the Maritime Commission. I understand that one of the officials of that Commission, Admiral Wiley, made the statement while a member of that Commission that neither he nor any of the Navy people are familiar with the building or handling of merchant ships. These experts indicate, based on information I have obtained, that it takes about 17 tons of deadweight shipping to move a man 3,500 miles and about 3.4 tons to maintain him. Multiply that by 5,000,000 men being moved and maintained and see what you have. You probably have a shortage of around 75,000,000 tons of shipping if you are to do the job on such a grand scale as is often talked and at such distances as are involved to reach the military fronts where our men are now located and are to be sent.

The question I raise here is, How can you build a merchant marine that will do the job under the leadership of naval men who are accustomed to dealing with Bethlehem Steel and such companies as that on strictly naval equipment? I think it is about time that this country came to a full realization that we are not building the ships and that those ships will not be built and successfully operated under Admiral Land and his direct assistants.

I congratulate the American Federation of Labor on carrying out the investigation it is now carrying out in connection with the cancelation or the prevention of the building of ships on a streamline basis by the Higgins shipbuilding yard down in the South. I think this House and this country and these men who are now in the service and are to be moved into the service are entitled to know the full facts, which have not been divulged in connection with that.

If we are to have these men on the battle front we will have them massacred unless the Maritime Commission and the merchant marine move the goods and the men in sequence and in a way that will support the whole operation, including the Navy as well as the Army. That may perhaps be one of our great troubles down in the Solomon Islands at the present time, as so well pointed out by the gentleman from California [Mr. COSTELLO].

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Missouri.

Mr. BELL. The gentleman stated that it takes 17 tons of deadweight shipping to move a soldier.

Mr. CRAWFORD. Yes; let us say about 3,500 miles.

Mr. BELLL. For how long a period?

Mr. CRAWFORD. To transfer him 3,500 miles.

Mr. BELL. For how long a period, for a year or for 2 years?

Mr. CRAWFORD. No; that is to move him. Then you have to have an average of 3.4 tons to maintain him after he gets there.

Mr. BELL. For how long a period?

Mr. CRAWFORD. As long as you keep him there.

Mr. BELL. Does the gentleman mean 3 or 4 tons a month, or a year?

Mr. CRAWFORD. No. Let us say that you move 5,000,000 men. Multiply that by 3.4 tons of shipping that you have to keep ready to serve and in service constantly, going and coming. In this general connection let me quote from an October 16 New York News Press report of a statement made before the National Council of American Shipbuilders by Admiral Woodward, United States Navy, retired—

told the conference that the season is now approaching when a new outbreak of Axis undersea-raider activity along the Atlantic coast can be expected.

And further, the New York Journal of Commerce of October 17 points out that Admiral Land informed the American Merchant Marine Conference—

that the shipbuilding program has shaped up to a point where it is not the problem it was a year ago. Land explained that operations were the chief difficulty now. The Journal, quoting the Admiral, says: "Even a casual study of the global geography of this war and a look at some of the ports we are required to use show why operating efficiently, turn-around loading, and other necessary operations are extremely difficult. Many ports are being used which were never utilized in peacetime except under emergency conditions. Their facilities, their stevedoring, and all else that makes for successful and efficient operations are woefully lacking."

Now, Mr. Chairman, these are warnings to those who are watching the unfolding of this general program. Unless the military goods reach the boys at the front, they have a first-class chance of being massacred. It is an operating problem involving the handling of commercial craft, not battleships or naval vessels, and the point of my statement is that we have at the head of the Maritime Commission naval talent inexperienced in operating commercial vessels—inexperienced in building on a vast scale commercial craft. This is one of the prime reasons why we are so slow in getting the ships off the ways—I mean slow as compared to the task before us, as related to the thought of moving and supplying some five or more million men, as related to the job of getting ships built rapidly and much faster than ever built by the old naval craft builders.

I repeat this question: Why have naval admirals without experience in the building and operation of merchant ships been placed in charge of the Maritime Commission upon which we must depend for our ships to carry supplies to the boys on the fronts? When Admiral Wiley, a former member of the Commission, made the statement to the effect that neither he nor any of the Navy people were familiar with the building or handling of merchant ships, he had these matters I am now discussing in mind.

Certainly I would not protest against Admiral Land and Admiral Vickery being put back in the naval operations for which they have been trained. Let them go and supervise the building and operation of the battle wagons and destroyers, and so forth, but as to the operation of the Maritime Commission—the ships thereby controlled in their commercial activities—let us put this program in the hands of experienced commercial shipbuilders and operators.

To further substantiate my position in this matter, I invite the Members of the House and those who read these remarks to closely read the report of the Comptroller General, identified as Senate Document No. 230 of the Seventy-seventh Congress, second session. There is submitted evidence which clearly shows Admiral Land and his assistants are not qualified to manage such operations, and I would further refer my listeners to a report of the Comptroller General, identified as House Document No. 840 of the Seventy-seventh Congress, second session. This report further exposes the inefficiency—and I think one is justified in saying the graft and maladministration—which seems to be rampant in the management of the Maritime Commission.

I would also refer those who are interested to the testimony of Mr. Donald Nelson, of Mr. Mordecai Ezekiel, and others before the American Federation of Labor investigating committee and as it all relates to the prevention, by the Maritime Commission, of the building of commercial ships by the Higgins shipyard in New Orleans. Let me repeat that the American Federation of Labor is rendering the American people a very great service by getting at the bottom of this whole mess of maladministration in connection with the action of the Commission against the Higgins shipyard. As badly as we now need ships, and as we shall need them more to keep these young men involved in this bill properly supplied with military goods with which to fight, why does the Maritime Commission take such action as it did against the Higgins firm? Let us hope that when the American Federation of Labor has finished its investigation the American people will have a much more satisfactory answer to this question than it has had up to this hour. To talk about training and exporting five to ten million men and to do so without an adequate tonnage of ships is just the kind of procedure which will increase our miseries and bring death to tens of thousands of our best young men.

Along with all of this shortage of shipping facilities we are now about to be asked to enact a bill authorizing the President to advance Rear Admiral Emory S. Land to the rank of vice admiral. I ask the question, Why? Mr. Land has not yet demonstrated that he is entitled to this advancement. Let the facts be made public so that these young men and their parents may know what they are. We have now moved into a position where a slight error can involve the lives of millions of men. Unless a man can qualify, let him be cast aside, and quickly.

Mr. Chairman, in 1936, as a Member of this House, I said:

How far can Japan go? A brief glance at the accomplishments of Japan in her new state, Manchukuo, gives some indication of how far she can go and how fast she can travel in making set-ups in construction, in extraction of raw materials, building of railroads, etc. Her progress there has been phenomenal. Give Japan the raw materials of Manchuria, Mongolia, and North China, with her present organization and efficiency and coordination, plus improvements she will naturally make from time to time, and the balance of the world will take greater notice of Japan's competition than it does today.

Mr. Chairman, that hour has arrived. The boys at Guadalcanal will testify to this statement. Again in 1937 I said:

The United States has for weeks been in the midst of a new scrap-iron boom. It is becoming a national problem. The immediate phase of the problem is that the nations of Europe are competing for the output of every junk yard in America. Shipload after shipload of scrap metal leaves American shores for Europe, while our interested citizens speculate whether those old scraps from wrecked automobiles, railroad wheels, ship plates, old farm implements, broken stoves, iron beds, and a thousand-and-one other pieces commonly called junk may some day be sent back to the United States behind a blast of powder and in a cloud of smoke to wreak destruction.

And then I pointed out the part Japan was playing in the purchase of scrap from us and cited the detailed figures showing tonnage shipments for the first 4 months of 1937. Yes, Mr. Chairman, the junk is now coming back to us at Guadalcanal and other places; in Alaska; and we felt its sting at Manila and throughout the whole of the Philippines. We sold the scrap, the junk, the high-octane gas, and other vital war materials to Japan—and now she sends them back to our men who wait in the fox holes.

Mr. LUTHER A. JOHNSON. Mr. Chairman, I move to strike out the last word in order to ask the chairman of the committee a question.

This bill will not preclude a man from enlisting in the Army before he is inducted, as he does now?

Mr. MAY. None whatever. On the contrary, the Army is now inviting enlistments.

Mr. LUTHER A. JOHNSON. With reference to enlistments in the Navy, does this change in any way voluntary enlistments in that service?

Mr. MAY. Not at all.

Mr. BLAND. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I regret I did not know that my friend was going to address his remarks to the subject of the merchant marine. I should have listened to him with great interest. I was busy on some other matters and only heard a part of

his speech. I think, upon a careful investigation he will find out that the charge which he made in the conclusion of his speech is entirely unsupported. I do not know, but I understood him to refer to Admiral Wiley, as a member of the Maritime Commission.

Mr. CRAWFORD. At the time he made that statement.

Mr. BLAND. Admiral Wiley has not been on the Maritime Commission for a good, long time, and I doubt that the statements that were made then would be applicable to conditions now.

Perhaps it would be informative to the House to know about the progress the Maritime Commission is making on construction work. The September 1942 deliveries of the Maritime Commission were 93 new cargo vessels of 1,009,800 deadweight tons. With these ships they have now come up to the record of 3 ships a day.

American shipyards have produced 460 ships in 1942, totaling 5,101,956 tons. The program started out with an insufficient number of trained men, largely composed of men who did not know anything about the building of ships. Yet in a short time they have reached the number of 3 ships a day.

This applies to the deliveries in September, and the August deliveries were 63 new cargo carriers or 753,600 deadweight tons. July, 71 ships of 790,300 tons; June, 66 ships, 731,900 tons; May, 57 ships, 619,779 tons; April, 36 ships, 401,632 tons; March, 26 ships, 291,473 tons; February, 26 ships, 289,549 tons; and January, 16 ships, 197,628 tons. Month by month, throughout this year, there has been an increased production and increased speed in the manufacture and production of ships, to such an extent that I believe recently the Kaiser outfit brought a ship out in 10 days between the time of laying the keel and launching the ship, and 15 days from laying of the keel to delivery of the ship. Every month sees an increase and, with 3 ships a day, I feel sure the gentleman will find that the statement is unsupported.

In a later extension of remarks I shall endeavor to present the entire picture.

Mr. BEITER. Mr. Chairman, I move to strike out the last six words in order to submit an inquiry to the Chairman.

Mr. Chairman, is there any provision in this bill that would take care of future cadets for Annapolis or West Point?

Mr. MAY. No; there is no provision with reference to that subject.

Mr. BEITER. At some future date, if the requirements demand it, where are we going to get our officers?

Mr. MAY. There is nothing in the bill about that.

The Clerk read as follows:

SEC. 3. Section 15 (a) of such act, as amended, is hereby amended to read as follows:

"(a) The term 'between the ages of 18 and 45' shall refer to men who have attained the eighteenth anniversary of the day of their birth and who have not attained the forty-fifth anniversary of the day of their birth; and other terms designating different age groups shall be construed in a similar manner."

Mr. McGRANERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to say at this time that I propose to vote for this bill and I entertain a very high regard for the distinguished Chairman of the Military Affairs Committee and its members. However, I regret that the committee brought this bill to the floor with the haste that it did and ill considered a very important item in the bill. It is agreed upon throughout the world by educators that those of the adolescent age do not mix with mature men and come out morally well. I sincerely trust that the Military Affairs Committee of this House after this bill goes to the Senate will urge there that some language will be adopted which will keep our teen-age in groups.

No one can tell at this moment what the size of this Army must be, so during this training period these teen-age boys if kept in their groups and God willing, peace comes with victory, of course, only these teen-age boys will not come back here with 45- and 50-year-old ways and manners. It is my sincere hope that the committee will do something on the Senate side about this particular question. I feel it is the most important one in this bill. Teen-age boys we must have, but for Heaven's sake, let us keep them in their own group.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

After section 3 insert:

"SEC. 4. Section 5 of such act, as amended, is amended by inserting at the end thereof the following new subsection:

"'(l) Notwithstanding any other provision of law, no person between the ages of 18 and 21 shall be discharged from service in the land or naval forces of the United States while this act is in effect because such person entered such service without the consent of his parent or guardian.'

"SEC. 5. That section 201 (a), paragraph 1 (1), of section 5 (e) of the Selective Training and Service Act of 1940, as amended, is amended by adding at the end thereof a proviso to read as follows: '*Provided, however,* That no person who has been deferred from training and service as provided herein shall be inducted prior to the induction of all persons within the same State who have been placed in categories made subject to induction prior to the category in which such person has been placed.'

"SEC. 6. That section 5 of the Selective Training and Service Act of 1940, as amended, is amended by adding at the end thereof a new subsection, as follows:

"'(j) No individual shall be relieved from liability for training and service under this act, or held not to be acceptable to the land or naval forces for such training and service, solely on the ground of his having been convicted of any crime which is not a felony at common law, if the local board having jurisdiction determines that such individual is, notwithstanding such conviction, morally fit for military service.'"

Mr. RUSSELL. Mr. Chairman, I have an amendment at the desk which I offer and ask the Clerk to read.

The CHAIRMAN. Without objection, the Clerk will report the amendment offered by the gentleman from Texas.

The Clerk read as follows:

Amendment offered by Mr. RUSSELL: Page 4, line 13, after the word "crime", strike out the rest of the phrase to the comma, and insert in lieu thereof "Less than a capital offense."

Mr. MAY. Mr. Chairman, I make the point of order that the amendment is not in order under the rule.

Mr. RUSSELL. Mr. Chairman, will the gentleman withhold his point of order for a few minutes?

Mr. MAY. No.

The CHAIRMAN. The Chair sustains the point of order. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. CAMP. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CAMP: Page 4, after line 16, insert a new section to be numbered 7, as follows:

"SEC. 7. That section 5 of the Selective Training and Service Act of 1940, as amended, is amended by adding at the end thereof a new subsection as follows:

"'(k) All persons registered for training and service under this act, who have not been called for such training and service, shall upon reaching the age of 46 years, be automatically transferred to the 45–65 age group, and subject to training and service only as provided for persons between the ages of 45 and 65 in this act as heretofore amended.'"

Mr. MAY. Mr. Chairman, I make the point of order that this is an amendment offered in violation of the provisions of the rule which provides no amendment may be considered except committee amendments.

The CHAIRMAN. The Chair thinks that is not exactly the provision of the rule. The rule provides that committee amendments may be offered, also any amendments relating to age. The Chair thinks that the amendment of the gentleman from Georgia [Mr. CAMP] relates to the age limit. The Chair overrules the point of order and recognizes the gentleman from Georgia for 5 minutes.

Mr. CAMP. Mr. Chairman, I offer this amendment at the request of State officials in my State, and several members of our local draft boards. If you will remember under this act persons between the age of 20 and 45 were required to register for training and service. Many men lacking only a few days of being 45 years of age were thereby required to register, and these same men now are approaching the age of 46, an age which the leaders of our armed forces and staff say is entirely too old for training and service.

I submit that these men, age 45, the majority of them settled in business, particularly farmers in our section, are leaders in their professions and businesses, and are far more useful to the war effort where they are than they possibly could be in the service. They are very much worried and perturbed over their status, and last week men lacking less than a week of being 46 were called up in Georgia for the draft. I do not believe that that is the intention of Congress. I do not believe we ever intended to draft man 46 years of age. In the testimony of General Hershey and his associates they have repeatedly said that

it has not been their policy to call them and that they were going to get them out of the Army as soon as they could. We should clarify this situation here and now.

Mr. LUTHER A. JOHNSON. What does the gentleman's amendment provide, when these men pass 45 years of age?

Mr. CAMP. They remain on registration, except that they take their place among those in the last group, from 45 to 65, the group in which I happen to be.

Mr. HINSHAW. Why does not the gentleman put the age at 45 instead of 46? The Draft Act provides for those who have not reached 45 years of age. I think the present act provides for those who have not yet reached 45.

Mr. CAMP. They are up for service after they are 45.

Mr. COLMER. Mr. Chairman, I move to strike out the last word. I do this to call to the attention of the House and of the Military Affairs Committee a matter which may be taken care of in conference later on. Perhaps the matter may be clarified in the Senate. I think there is a very unjust and unfair provision in the bill. I wanted to offer an amendment in respect to it but under what I consider a rather drastic rule which I did not approve, I am prohibited from offering it. This bill provides that these boys who happen to be in high school or college may be deferred until the end of the scholastic year or until July 1, 1943. That may be done upon the boy's request. I contend that that should be stricken out. That burden should not be placed upon a boy of tender age to make that decision. He is immature and he is not capable of making a decision. Here are boys all around him in school who are either volunteering or who are not asking for a deferment, and he is placed in the unenviable position of being designated by his fellow students as a shirker or slacker if he goes in and asks for that deferment. I think that ought to be left out. It ought either to be mandatory that they be deferred until the scholastic year has expired, or the whole thing ought to be stricken out and all boys placed upon the same basis. I say it is unfair to the individual, unfair to those boys who cannot make that decision. I wish that the committee of its own motion would agree to it. I raised this question in the Rules Committee yesterday and it seemed to get quite a bit of support, but after the rule was adopted bringing it in here there was not anything that could be done about it. I merely wanted to call the attention of the House to the situation so that if it gets into conference the conferees can give it their attention.

Mr. MAY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Georgia [Mr. CAMP].

Mr. Chairman, I merely want to say that under section 5 (e) 2 of the existing selective-service law there is specific authority to do the same thing the amendment proposes. There is, however, an additional objection to the adoption of such an amendment at this time and it is this: The House has very decisively voted to induct 18- and 19-year-old boys into the Army of the United States. If after going down into the barrel to get these youngsters out of the schools we should provide that men around 40 years of age would escape military service I think it would be an ugly looking picture. I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was rejected.

Mr. CRAVENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAVENS: At the end of the bill add a new section to be designated as section 7, as follows:

"On each local draft board where there is under the jurisdiction of said board a substantial number engaged in agricultural activities there shall be appointed and maintained on said board at least one member who is engaged in agriculture."

Mr. MAY. Mr. Chairman, I reserve the point of order against the amendment that it is contrary to the rule under which the Committee is operating.

Mr. CRAVENS. Mr. Chairman, a great deal of the objection I have received lately—and I am sure it has also been the experience of the other Members—is that agriculture does not feel that in designating and making selections they are receiving a fair deal.

I have no quarrel with any local draft board, but in no case that I know of is there anyone on the draft board representing agriculture. Constantly farmers and farm labor are being drafted to the Army who are essential to agriculture, drafted without any consideration at all being given to the essential character of the work they are performing. This disrupts farm production. The purpose of this amendment is to attempt to secure representation for that large group of people engaged in this essential activity so that they may remain where they are for the purpose of making their contribution to the national defense effort where they are best fitted to make it, and to make sure there is someone on these draft boards who knows their problems and who are competent to say whether these people should be taken from the work they are doing and placed in the military service or left on the farms to accomplish a much greater service.

Mr. MAY. Mr. Chairman, I insist upon a point of order.

The CHAIRMAN. The Chair sustains the point of order.

Mr. FISH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FISH: At the end of the bill add a new section, as follows:

"SECTION 7. No person over the age of 40 shall be called for induction into the land or naval forces after the passage of this act."

Mr. FISH. Mr. Chairman, the President of the United States has declared that it was a military necessity to lower the age limit to 18, and in this he has the support of the Chief of Staff, George Marshall, in urging the same view upon the Congress of the United States as a matter of military necessity. I shall vote for this bill on that basis and that basis alone. I do so reluctantly, but if it is a military necessity we have to support it as a war measure, and if it is necessary to win the war it will go through Congress by almost a unanimous vote. I am sorry the rule precluded an amendment being offered to assure a year's military training for these boys of 18 and 19 before they could be sent overseas to battlefields all over the world. I opposed the rule to give the House that opportunity and believe such an amendment would have carried. I hope General Marshall will, in accordance with the assurances contained in his letter, make sure that these American boys are given a year of training before being ordered to foreign battlefields. I have purposely introduced this amendment in view of the fact that the bill will be passed almost unanimously reducing the age limit to 18. Unless we reduce the top brackets from 45 to 40 the draft boards will be compelled to classify under I-A the men who are not married between ages 40 and 45. The testimony of the Chief of Staff, General Marshall, shows very clearly that taking these men over 40 years of age out of useful occupations and putting them into the armed forces is doing a disservice and adding a burden and a hardship to our armed forces. I realize, Mr. Chairman, that this amendment will not pass, but I think it is unfair to the draft boards to call upon them to include men between 40 and 45; that it is unfair to the armed forces of the United States to force men of this age upon them by law when they do not want them or need them. General Marshall has clearly shown in his testimony before the Military Affairs Committee that soldiers over 40 break down under the strain, go into the hospitals and become hospitalized. It is a needless waste of time and money in the war effort of our country. For these reasons I think the amendment should be adopted. I doubt very much that it will be discussed on its merits but I want to take this occasion to read what General Marshall had to say about the burden to the Army of soldiers over 40 years of age when he appeared before the committee on Wednesday of this week:

Sunday before last I was down in North Carolina, and I went through the hospitals down there containing about 3,500 beds. I was shocked at what I found, in particular in the surgical wards. The majority of the men seemed to be over 35, and a very large number, comparatively speaking, over 40. Most of them had not been there at Fort Bragg more than 2 weeks, many of them only 3 or 4 days.

Then he goes on at length about these men over 40 years of age. He says further:

What was still more important, I thought, in one sense, was that these men were being taken from useful jobs. I found—I recall at the moment talking to one man who was 43. He was running a complicated machine in the Dodge factory in Detroit. At Fort Bragg he was using the services of the Hospital Corps, the Medical Corps, and he was not adding anything to the Army, and even though he was going to be enlisted for limited

service, even there it was quite evident that he and others like him are going to increase our hospital rate, increase construction necessity, increase the burden of overhead, whereas, where he came from he was running a very useful service.

Further on he says:

If we put them overseas we would have to bring them back. We would have to care for them over there, even though it was limited service, even though it was the Quartermaster detachment or something of that sort.

Yet under the law the draft boards have to induct these men over 40 years of age. There are two pages of this testimony by General Marshall depicting the trials and tribulations of the Army in connection with service of these older men. He goes on to say further:

So I want to find out how quickly we can process those men to go back and relieve us of the burden of looking after them. We want to get them back to where they came from, where they are performing useful jobs. And as I say, I want to find out how much of an increased burden that has placed on hospitalization, and what they think will happen when we get into the winter and more difficult cases, because it is very hard, it is exceedingly hard to make a certain type of man fit into a place that he should not be in. The principle of putting a round peg into a round hole is everywhere accepted. Its application is an exceedingly difficult thing.

Mr. Chairman, in justice to the Army, to the draft boards and particularly to these older men over 40 years of age and employed in useful occupations the law should be changed.

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. FISH].

Mr. Chairman, this amendment would be tying the hands of those in command of the Army. They can decide whether or not they want to use these men. If you do not like the high command, if you feel they are doing a bad job for us in winning the war, demand their removal, get them out, but while they are there, follow their suggestions and their advice.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FISH].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rise.

Accordingly, the Committee rose; and, the Speaker having resumed the chair, Mr. WOODRUM, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 7528) to amend the Selective Training and Service Act of 1940 by providing for the extension of liability, pursuant to House Resolution 554, he reported the same back to the House with sundry amendments agreed to in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered on the bill and amendments to final passage.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MAY. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 345, nays 16, not noting 66, as follows:

[Roll No. 119]

YEAS—345

Allen, Ill.	Durham	Johnson,
Allen, La.	Dworshak	Lyndon B.
Andersen,	Eaton	Johnson, Okla.
H. Carl	Eberharter	Johnson, W. Va.
Anderson, Calif.	Edmiston	Jones
Anderson,	Elliot, Mass.	Jonkman
N. Mex.	Elliott, Calif.	Kean
Andresen,	Elston	Kee
August H.	Engel	Kefauver
Andrews	Englebright	Kelley, Pa.
Arends	Faddis	Kelly, Ill.
Baldwin	Fenton	Kennedy,
Bates, Mass.	Fish	Michael J.
Beam	Fitzgerald	Keogh
Beckworth	Fitzpatrick	Kilburn
Beiter	Flaherty	Kilday
Bell	Flannagan	King
Bender	Fogarty	Kinzer
Bennett	Folger	Kirwan
Bishop	Forand	Kleberg
Blackney	Ford, Miss.	Klein
Bland	Ford, Thomas F.	Knutson
Boehne	Fulmer	Kopplemann
Boggs	Gale	Kunkel
Bolton	Gamble	Landis
Bonner	Gathings	Lane
Boykin	Gavagan	Lanham
Bradley, Mich.	Gearhart	Lea
Bradley, Pa.	Gehrmann	LeCompte
Brooks	Gerlach	Lesinski
Brown, Ga.	Gibson	Lewis
Bryson	Gifford	Ludlow
Buckley, N. Y.	Gillette	Lynch
Bulwinkle	Gillie	McCormack
Burch	Gore	McGehee
Burgin	Gossett	McGranery
Butler	Graham	McGregor
Byrne	Grant, Ala.	McLaughlin
Byron	Grant, Ind.	McLean
Camp	Gregory	McMillan
Canfield	Guyer	Maciejewski
Cannon, Fla.	Gwynne	Maciora
Cannon, Mo.	Haines	Magnuson
Capozzoli	Hall,	Mahon
Carlson	Edwin Arthur	Manasco
Carter	Hall,	Mansfield
Cartwright	Leonard W.	Marcantonio
Case, S. Dak.	Halleck	Martin, Iowa
Casey, Mass.	Hare	Martin, Mass.
Celler	Harness	May
Chapman	Harris, Ark.	Merritt
Chenoweth	Harris, Va.	Meyer, Md.
Chiperfield	Hart	Michener
Clark	Harter	Miller
Clason	Hartley	Mills, Ark.
Claypool	Hébert	Monroney
Clevenger	Heffernan	Mott
Cluett	Heidinger	Mundt
Coffee, Wash.	Hendricks	Murdock
Cole, Md.	Hess	Myers, Pa.
Cole, N. Y.	Hill, Colo.	Nelson
Colmer	Hill, Wash.	Nichols
Cooper	Hinshaw	Norrell
Copeland	Hobbs	O'Brien, Mich.
Costello	Hoffman	O'Brien, N. Y.
Courtney	Holbrock	O'Leary
Cox	Holland	O'Neal
Cravens	Holmes	Osmers
Culkin	Hook	O'Toole
Cunningham	Hope	Pace
Curtis	Howell	Paddock
D'Alesandro	Hunter	Patman
Davis, Ohio	Imhoff	Patrick
Davis, Tenn.	Izac	Patton
Day	Jackson	Pearson
Delaney	Jacobsen	Peterson, Ga.
Dewey	Jarman	Pfeifer,
Dickstein	Jenkins, Ohio	Joseph L.
Dingell	Jenks, N. H.	Pheiffer,
Dirksen	Jennings	William T.
Disney	Jensen	Pittenger
Ditter	Johnson, Calif.	Plauché
Domengeaux	Johnson, Ill.	Ploeser
Dondero	Johnson, Ind.	Plumley
Downs	Johnson,	Poage
Drewry	Luther A.	Powers
Priest	Sikes	Vincent, Ky.
Rabaut	Simpson	Vinson, Ga.
Ramsay	Smith, Maine	Voorhis, Calif.
Ramspeck	Smith, Ohio	Vorys, Ohio
Rankin, Miss.	Smith, Pa.	Vreeland
Reece, Tenn.	Smith, Va.	Wadsworth
Reed, Ill.	Smith, W. Va.	Walter
Reed, N. Y.	Smith, Wis.	Ward
Rees, Kans.	Snyder	Wasielewski
Rich	Somers, N. Y.	Weaver
Richards	Sparkman	Weiss
Rivers	Spence	Welch
Rizley	Stearns, N. H.	Wene
Robertson, Va.	Stevenson	Wheat
Robinson, Utah	Stratton	White
Robsion, Ky.	Sullivan	Whitten
Rockefeller	Sumner, Ill.	Whittington
Rodgers, Pa.	Sumners, Tex.	Wickersham
Rogers, Mass.	Sutphin	Wigglesworth
Rogers, Okla.	Taber	Wilson
Rolph	Talbot	Winter
Russell	Talle	Wolcott
Sabath	Tarver	Wolfenden, Pa.
Sacks	Terry	Wolverton, N. J.
Sasscer	Thom	Woodruff, Mich.
Scanlon	Thomas, N. J.	Woodrum, Va.
Schuetz	Thomas, Tex.	Worley
Schulte	Thomason	Wright
Scott	Tibbott	Young
Shafer, Mich.	Tolan	Youngdahl
Shanley	Traynor	Zimmerman
Sheridan	Treadway	
Short	Van Zandt	

NAYS—16

Barden	Doughton	O'Hara
Bates, Ky.	Fellows	Springer
Boren	Kennedy,	Steagall
Burdick	Martin J.	Tenerowicz
Coffee, Nebr.	Larrabee	Wheichel
Cooley	Moser	

NOT VOTING—66

Angell	Houston	Rankin, Mont.
Arnold	Hull	Robertson,
Barnes	Jarrett	N. Dak.
Barry	Johns	Rockwell
Bloom	Keefe	Romjue
Brown, Ohio	Kerr	Sanders
Buckler, Minn.	Kocialkowski	Satterfield
Cochran	Kramer	Sauthoff
Collins	Lambertson	Schaefer, Ill.
Crawford	McIntyre	Scrugham
Creal	McKeough	Shannon
Crosser	Maas	Sheppard
Crowther	Mason	Smith, Wash.
Cullen	Mills, La.	South
Dies	Mitchell	Starnes, Ala.
Douglas	Murray	Stefan
Duncan	Norton	Sweeney
Ellis	O'Connor	Thill
Ford, Leland M.	O'Day	Tinkham
Gilchrist	Oliver	West
Granger	Peterson, Fla.	Williams
Green	Pierce	
Hancock	Randolph	

So the bill was passed.

The Clerk announced the following pairs:

On the vote:

Mr. Douglas for, with Mr. Mason against.

Mr. Satterfield for, with Mr. Oliver against.

Until further notice:

Mr. Barry with Mr. Angell.

Mr. Ellis with Mr. Brown of Ohio.

Mr. Randolph with Mr. Rockwell.

Mr. O'Connor with Mr. Gilchrist.

Mr. McIntyre with Mr. Stefan.

Mr. Sheppard with Mr. Hancock.

Mr. Kramer with Mr. Thill.

Mr. Smith of Washington with Mr. Keefe.

Mr. Pierce with Mr. Lambertson.

Mr. Bloom with Mr. Leland M. Ford.

Mr. Arnold with Mr. Crawford.

Mr. Cochran with Mr. Maas.

Mr. West with Mr. Robertson of North Dakota.

Mr. Cullen with Mr. Johns.

Mr. Starnes of Alabama with Mr. Crowther.

Mrs. Norton with Mr. Murray.

Mr. Barnes with Mr. Sauthoff.

Mr. CRAWFORD. Mr. Speaker, I was called out of the Chamber and was not here when my name was called. There-

fore, I cannot qualify. Had I been here, I would have voted for the bill.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. MAY. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days in which to extend their own remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

MEMBERS DETAINED BECAUSE OF FLOOD

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, we are all aware that in the last several days there has been a very severe storm throughout the country, particularly east of the Mississippi.

A number of Members who are not recorded on the bill to lower the draft-age limit passed today were on their way to Washington and were unable to complete the journey due to the storm. I have just received the following telegram:

ROCKVILLE, IND., *October 17, 1942.*

Hon. JOHN MCCORMACK,
Majority Leader, the Capitol:

If you were not able to make statement on floor concerning MCKEOUGH, BARNES, and DUNCAN will you insert this wire in RECORD. Plane grounded at Indianapolis, impossible to get to Washington. If possible to have been present would have voted "aye."

RAY MCKEOUGH.
JIM BARNES.
R. M. DUNCAN.

I feel that in justice to the Members who made an effort to get here this information should appear in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ANNOUNCEMENT

Mr. LESINSKI. Mr. Speaker, on account of the flood I was delayed 3 hours in getting here this morning and was therefore unable to answer the quorum call.

EXTENSION OF REMARKS

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a press report on the disposition of our troops.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein some letters and statements.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RODGERS of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a radio address by myself on The Navy's Challenge for Service.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today and include therein certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THE SALES TAX

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. Mr. Speaker, I am opposed to the 5-percent Victory tax on incomes above $624 per annum—which figures out to be a wage of $52 per month—$12 per week or $2 per day for a 6-day week. I think it is both unjust and discriminatory. We must raise revenue to pay for as much of the war as possible. That is a basic premise—but this tax is unjust to the poor who have families. I claim that a 5 percent or even a 10 percent sales tax on all purchases except essential foods and fuel would probably be a just and fair tax. Such a sales tax would not be a heavy burden upon those who need every dime of income for the essentials of living. It would only tax those who have income that they can afford to spend for nonessentials.

In California we have such a sales tax—of 3 percent. It is not a burden on the poor. It is inexpensive to collect. It raises much revenue. I repeat—I am opposed to this proposed 5-percent Victory tax and favor the substitution of a sales tax on nonessentials of living.

EXTENSION OF REMARKS

Mr. WOLVERTON of New Jersey. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a declaration of policy adopted by the Republicans of the House on September 22.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this afternoon and include therein certain excerpts from Government reports, official documents, and press reports.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, I have two requests; first, that I may include in the Appendix of the RECORD a radio address to be delivered tomorrow by myself in company with the distinguished and very efficient Director of the Federal Bureau of Investigation, Mr. J. Edgar Hoover; and, second, that after all unanimous-consent requests have been granted I may be permitted to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein two brief editorials.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today and to include therein an editorial from the Los Angeles Times-Herald.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ACQUIREMENT OF MOTOR-PROPELLED PASSENGER-CARRYING VEHICLES

Mr. COLMER, from the Committee on Rules, submitted the following privileged resolution (H. Res. 556, Rept. No. 2585) which was referred to the House Calendar and ordered printed as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7573) to authorize the Secretary of War, the Secretary of the Navy, the Commissioners of the District of Columbia, and the Director of Procurement to acquire motor-propelled passenger-carrying vehicles necessary for the successful prosecution of the present war. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided by the chairman and the ranking minority member of the Committee on Expenditures in the Executive Departments, the bill shall be read for amendment under the 5-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

EXTENSION OF REMARKS

(Mr. SMITH of Pennsylvania asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. RABAUT. Mr. Speaker, I have two unanimous-consent requests, one to

extend my own remarks in the RECORD on the bill we had before the House today, including an extract from a letter I sent to the Detroit News, and, second, to extend my remarks in the RECORD and to include therein certain extracts from a Government report and a letter from the Department of State.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ANNOUNCEMENT

Mr. CHAPMAN. Mr. Speaker, I wish to announce that my colleague the gentleman from Kentucky [Mr. CREAL] was on his way to Washintgon to vote on the bill that just passed and was delayed because of a flood that slowed down the trains and kept him from getting here on time.

EXTENSION OF REMARKS

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on the bill considered today and to include therein an editorial from the Washington Post.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that on Monday next, following any previous special orders, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WASIELEWSKI. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BLOOM] be given unanimous consent to extend his remarks in the RECORD and to include therein an editorial by Arthur Krock, which appeared in the New York Times of October 16.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the House today and to include therein excerpts from letters and an excerpt from a document known as Volume X on Neuropsychiatry of the War Department.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

PERSONAL EXPLANATION

Mr. HENDRICKS. Mr. Speaker, my colleague the gentleman from Florida [Mr. GREEN] made every effort to get here to vote on this bill, but was prevented by flood conditions.

EXTENSION OF REMARKS

Mr. SACKS. Mr. Speaker, I ask unanimous consent to extend my remarks by including a broadcast made on Saturday, October 3, 1942, by Rabbi Louis Wolsey.

The SPEAKER. Is there objection?

There was no objection.

PERSONAL EXPLANATION

Mr. BLAND. Mr. Speaker, my colleague from Virginia [Mr. SATTERFIELD] was detained in Richmond by flood conditions, and it was impossible for him to get here to vote on this bill.

FLOOD CONDITION IN WASHINGTON

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, the District of Columbia, the Potomac River and all of the surrounding territory have just gone through one of the worst floods—if not the worst—in the history of this section of the country. I extend my commendations and congratulations to those who volunteered, to the volunteer boatmen, to the Coast Guard, to the river-front patrol of the Metropolitan Police, to the Red Cross, to the Army, and to all of those who cooperated, and to those on the civilian defense who also cooperated so splendidly during the past 48 hours to see to it that there was a minimum of damage on the water front, and particularly that all of the many private small craft representing in the aggregate hundreds and hundreds of thousands of dollars of value, moored on the water front, and which were taken off their dock moorings and moored safely out in the stream, with a minimum of damage and so far as I know without any loss of life, I think they all deserve the vote of thanks from this Congress. Theirs is a job well done.

THE ANTILYNCHING BILL

Mr. GUYER of Kansas. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. GUYER of Kansas. Mr. Speaker, yesterday I introduced Resolution 555, which provides for taking from the Committee on the Judiciary the bill H. R. 974, known as the antilynch bill. The colored people are not asking for any "four freedoms." The only thing that they ask is equal protection under the law, and owing to the fact that 450,000 of them are fighting for the liberties of the world, I believe they deserve it.

I ask unanimous consent to extend my remarks and include quotations from Washington Afro-American and the Washington Times-Herald.

The SPEAKER. Is there objection?

There was no objection.

[From the Washington Afro-American of October 17, 1942]

EXODUS FOLLOWS IN WAKE OF LYNCHING OF TWO BOYS BY MISSISSIPPI MOB

MERIDIAN, MISS.—A blood-thirsty Mississippi mob took two 14-year-old boys from the Quitman jail Sunday night and hanged them to a bridge.

The youths, Charlie Lang and Ernest Green, both of Shubuta, had been accused by a 13-year-old white girl of waylaying her and attempting to attack her on the same bridge from which they were lynched.

According to City Marshal G. F. Dabbs, members of the mob overpowered him when he answered a knock at the door. They put a blanket over his head, pinned his arms and took his keys from him, he reported.

On Monday morning, Sheriff Lloyd McNeal, of Clarke County, who was seeking the two boys, found their bodies hanging from the bridge.

It is reported that six previous lynchings have taken place at the same bridge from which the youths were hanged.

The Mississippi atrocity brings to five the total number of lynchings so far this year. Previous victims were:

Cleo Wright, lynched on New Year's Day at Sikeston, Mo.;

Howard Wilpitz, lynched on February 21 at Brookshire, Tex.;

Willie Vinson, lynched at Texarkana, Tex., on July 13.

It is expected that United States Attorney General Francis Biddle will conduct an inquiry into the double lynching.

Many persons with children have left the area, some going to Hattiesburg.

Camp Shelby, with hundreds of soldiers, is only 35 miles from Meridian, which is close to Shubuta.

The New Orleans National Association for the Advancement of the Colored People has sent protests to Attorney General Biddle and to the sheriff of Clark County.

BIDDLE URGED TO ACT

Demand that the Civil Liberties Division of the Department of Justice act immediately to punish the lynchers was telegraphed Tuesday to Attorney General Francis Biddle by the executive board of the Greater New York Congress of Industrial Organizations Council. A similar demand was made on Gov. Paul B. Johnson of Mississippi.

"We look to the Civil Liberties Division under your direction to restore America's sincerity in its war against fascism by acting swiftly to bring the perpetrators of this treasonable crime to justice," the board told the Attorney General.

The telegram to Governor Johnson said in part: "Unless justice is done, your State and its law-enforcement officers must stand responsible for an act disruptive of national unity in the face of the enemy."

[From the Washington Times-Herald of October 17, 1942]

GUYER SEEKS ACTION ON HIS ANTILYNCH BILL—MOVE FOLLOWS OUTCRY OVER NEW OUTRAGE

Following demands of Negro leaders throughout the country that outrages such as the recent Mississippi lynching of two 14-year-old Negro boys be ended, Representative U. S. GUYER, Republican, of Kansas, moved yesterday to force consideration of his antilynching bill.

GUYER moved to discharge the House Judiciary Committee from consideration of his bill, which would punish State, county, or municipal officers by a jail sentence of not more than 5 years and a fine not exceeding $5,000 or both if they be found negligent in a lynching

TWO HUNDRED AND EIGHTEEN MUST SIGN

Signatures of 218 House Members are necessary to discharge the committee and force immediate consideration of the bill. It took 2 years for a similar effort to discharge the same committee so anti-poll-tax legislation could be considered and passed.

Negro leaders cooperating in the effort are Dr. D. V. Jemison, president of the National Baptist Convention and chairman of the National Negro Council; Bishop David H. Sims, African Methodist Episcopal Church; Dr. George H. Sims, president of New York Negro Baptists; A. Philip Randolph, head of the March on Washington Movement; Lester Granger, National Urban League; and Edgar G. Brown, director of the National Negro Council.

LETTER TO PRESIDENT

Brown in a letter to President Roosevelt asked that he place the antilynching bill on his list of "must" legislation. The latter recalled that the President spoke out against the lynching of two California youths several years ago.

"The Nation was at peace then," Brown wrote. "You immediately condemned that gross miscarriage of justice.

"Today, with the Nation locked in a death struggle with two of its vilest enemies on our very east and west coasts, we confidently hope you will, again, speak."

Mr. Speaker, since I spoke this afternoon on the floor of the House I read in the Washington Star that there has been another lynching at Laurel, Miss., and that there exists a sort of reign of terror. It seems that every day there becomes more and more reason for the enactment of just this sort of legislation.

THE PROGRAM FOR NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I do this for the purpose of asking the majority leader if there has been any change in the program that was announced for next week.

Mr. McCORMACK. There has been no material change. The Unanimous-Consent Calendar will be called on Monday. It is a very short calendar, and I shall ask to suspend with the call of the Private Calendar on Tuesday, Mr. Speaker, I make that request.

The SPEAKER. Is there objection?

There was no objection.

Mr. McCORMACK. On Monday what is known as the Panama Canal bill will come up under a rule. Then the bill for the relief of automobile dealers, which was under discussion on the floor the other day will be called up. A rule has been reported out on that. It will be called up with the understanding that if there is to be a vote, the vote will go over until Tuesday. On Tuesday the conference report on the tax bill will definitely be called up.

Mr. MARTIN of Massachusetts. I wondered if the gentleman could agree to call the tax bill up at 11 o'clock?

Mr. McCORMACK. Yes; I think that is an excellent suggestion and I will make that request on Monday next.

OIL FOR THE EASTERN SEABOARD

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I commend to the Membership of the House the article written by Walter Davenport appearing in the current issue of Collier's magazine regarding oil and heating for the eastern seaboard. He apparently feels as I do that Secretary Ickes or somebody should be given complete power to see that we receive oil for heating purposes on the seaboard or at any rate a solution should be worked out for the solution of the oil problem so far as possible.

I would also point out, Mr. Speaker, that the question of oil is more important in the winning of the war than is rubber. I earnestly hope that soon the President will give power to one man to take charge of the oil situation if we are to be warm, if illness is to be kept away from our homes, if our industries are to be kept running, and if oil is to be sent wherever needed across the seas. Every day precious time is lost.

MEDAL PROPOSED FOR KAY KYSER

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PATRICK. Mr. Speaker, yesterday I introduced a resolution to authorize the President to present a gold medal of award to Kay Kyser for service he has rendered to his Nation in writing the song Praise the Lord and Pass the Ammunition.

We have been having a hard time getting an inspiring song in this war. More than one had been given to the Nation in World War No. 1 by this time. The man who inspires the men who march together in cadence, in thought, and inspired song with a feeling of patriotism and zeal does one of the greatest possible services to mankind whenever mankind is fighting his battles. For this reason I have introduced the resolution. I hope it passes.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. PATRICK. I yield.

Mr. CANFIELD. I feel that the RECORD should also show that the chaplain who inspired that song at Pearl Harbor himself seized a gun and shot down a Jap plane.

Mr. PATRICK. Yes; it is an inspiring thing all the way through.

EXTENSION OF REMARKS

Mr. GUYER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein certain quotations from newspapers.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. VINSON of Georgia, for 10 days, on account of official business;

To Mr. BROWN of Ohio (at the request of Mr. McGREGOR, indefinitely, on account of critical illness in the family.

To Mr. CHIPERFIELD, for several days, on account of illness in the family.

BILL PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on October 16, 1942, present to the President, for his approval, a bill of the House of the following title:

H. R. 5143. An act to amend the Home Owners' Loan Act of 1933, as amended.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 54 minutes p. m.) the House adjourned until Monday, October 19, 1942, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1974. A letter from the Attorney General, transmitting a draft of a proposed bill to provide for the punishment of certain hostile acts against the United States, and for other purposes; to the Committee on the Judiciary.

1975. A letter from the Chairman, Board of War Communications, transmitting a copy of order No. 20 of the Board of War Communications which establishes a system of priorities for urgent long-distance telephone calls; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McLAUGHLIN: Committee on the Judiciary. H. R. 7356. A bill to amend section 75 (a) of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended; with amendment (Rept. No. 2579). Referred to the House Calendar.

Mr. FULMER: Committee on Agriculture. H. R. 7632. A bill to provide that during the present war payments with respect to any crop of sugar beets or sugarcane shall not be subject to deductions on account of the employment of children; without amendment (Rept. No. 2580). Referred to the Committee of the Whole House on the state of the Union.

Mr. CELLER: Committee on the Judiciary. S. 2412. An act to provide benefits for the injury, disability, death, or enemy detention of employees of contractors with the United States, and for other purposes; with amendment (Rept. 2581). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAMSAY: Committee on Immigration and Naturalization. H. R. 6763. A bill permitting the naturalization of certain persons not citizens whose sons or daughters have served with the land or naval forces of the United States; with amendment (Rept. No. 2582). Referred to the Committee of the Whole House on the state of the Union.

Mr. FULMER: Committee on Agriculture. H. R. 7366. A bill to authorize the Secretary of Agriculture to adjust titles to lands acquired by the United States which are subject to his administration, custody, or control; with amendment (Rept. No. 2583). Referred to the Committee of the Whole House on the state of the Union.

Mr. DICKSTEIN: Committee on Immigration and Naturalization. H. R. 7615. A bill relating to the naturalization of persons not citizens who serve honorably in the military or naval forces of the United States during the present war; with amendment (Rept. No. 2584). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLMER: Committee on Rules. House Resolution 556. Resolution for the consideration of H. R. 7573, a bill to authorize the Secretary of War, the Secretary of the Navy,

the Commissioners of the District of Columbia, and the Director of Procurement to acquire motor-propelled passenger-carrying vehicles necessary for the successful prosecution of the present war; without amendment (Rept. No. 2585). Referred to the House Calendar.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on World War Veterans' Legislation was discharged from the consideration of the bill (H. R. 7705) for the relief of James E. Savage, and the same was referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIRKSEN:

H. R. 7721. A bill to expand the facilities of the General Accounting Office by creating therein a Federal Efficiency Service; to the Committee on Expenditures in the Executive Departments.

By Mr. WHITE:

H. R. 7722. A bill to amend the act approved May 27, 1937, chapter 269 (50 Stat. 208), by providing substitute and additional authority for the prevention of speculation in lands of the Columbia Basin project and substitute an additional authority related to the settlement and development of the project, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. CELLER:

H. R. 7723. A bill to authorize the use for war purposes of silver held or owned by the United States; to the Committee on Ways and Means.

By Mr. KEFAUVER:

H. R. 7724. A bill relating to the original jurisdiction of courts of suits or proceedings arising under section 20 (11), 20 (12), 219, or 413 of the Interstate Commerce Act, as amended, and to the removal of such suits and proceedings from State courts; to the Committee on the Judiciary.

By Mr. WICKERSHAM:

H. J. Res. 352. Joint resolution proposing an amendment to the Constitution of the United States to permit persons 18 years of age to vote in all elections for Federal officers; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. MARCANTONIO introduced a bill (H. R. 7725) for the relief of Dolores Forquet Fernandez, which was referred to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3373. By Mr. ROLPH: Resolution of the California State Federation of Labor supporting postal legislation, House bill 7404, for appointment of substitute clerks to regular clerkships in the Postal Service; to the Committee on the Post Office and Post Roads.

3374. Also, resolution of the California State Federation of Labor, at its forty-third annual convention, that Congress be petitioned to pay a reasonable amount of money to all people who have been disabled in the service of their country to the extent that they will be allowed to completely rehabilitate themselves; to the Committee on Military Affairs.

SENATE

MONDAY, OCTOBER 19, 1942

(Legislative day of Thursday, October 15, 1942)

The Senate met at 12 o'clock noon, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, unto whom all hearts are open, all desires known, and from whom no secrets are hid, cleanse the thoughts of our hearts by the inspiration of Thy Holy Spirit, that we may perfectly love Thee, and worthily magnify Thy Holy Name. Give, we beseech Thee, to these servants of the commonwealth clear vision, clean hands, and pure hearts as, facing great tasks and grave responsibilities, they ascend this holy hill of the Nation's life. In this age on ages telling, steady our purpose to give the best that is in us—body, mind, and spirit—to the right that needs assistance, against the wrong that needs resistance, to the future in the distance and the good that we may do. Grant us to pass this day in glad service and in inner peace, without stumbling and without stain. Amen.

NAMING A PRESIDING OFFICER

The Secretary (Edwin A. Halsey) read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., October 19, 1942.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. A. B. CHANDLER, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

CARTER GLASS,
President pro tempore.

Mr. CHANDLER thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, October 15, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that the President had approved and signed the following acts:

On October 14, 1942:

S. 2551. An act for the relief of Vernon Van Zandt.

On October 15, 1942:

S. 174. An act for the relief of Lyle L. Bressler;

S. 2203. An act for the relief of Bayard M. Atwood; and

S. 2284. An act conferring jurisdiction upon the United States District Court for the District of Connecticut to hear, determine, and render judgment upon the claim of James H. Lane.

On October 16, 1942:

S. 1853. An act for the relief of the Rock Hill Stone & Gravel Co., of St. Louis, Mo.; and

S. 2273. An act for the relief of Ruth D. and Henry L. Brittingham.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had passed without amendment the bill (S. 2623) authorizing the construction of certain public works in the basin of the Connecticut River for flood control.

The message also announced that the House had agreed to Senate Concurrent Resolution 33, as follows:

Resolved, etc., That there shall be printed 3,500 additional copies of the Senate amendments numbered print of the bill (H. R. 7378) to provide revenue, and for other purposes, of which 1,000 copies shall be for the use of the Senate document room, 1,000 copies for the use of the House document room, 500 copies for the use of the Committee on Ways and Means of the House of Representatives, and 1,000 copies for the use of the Committee on Finance of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2471) to amend the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, with respect to its application to officers and employees of educational, religious, eleemosynary, philanthropic, and cultural institutions, establishments, and agencies, commonly known as the Hatch Act.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2751) to amend the act entitled "An act to establish a Women's Army Auxiliary Corps for service with the Army of the United States," approved May 14, 1942, to create the grade of field director in such corps, to provide for enrolled grades in such corps comparable to the enlisted grades in the Regular Army, to provide pay and allowances for all members of such corps at the same rates as those payable to members of the Regular Army in corresponding grades, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5503) to authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 7311. An act to amend section 6 of Public Law Numbered 2, Seventy-third Congress, March 20, 1933, as amended;

H. R. 7528 An act to amend the Selective Training and Service Act of 1940 by providing for the extension of liability; and

H. R. 7695. An act to aid in preventing inflation, to stabilize the rents of real property, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5503) to authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings, and it was signed by Acting President pro tempore.

DANIEL B. LLOYD

Mr. TYDINGS. Mr. President, in October 1877 a young man began his life's work of reporting the debates of the United States Senate. Over an unbroken period of 65 years he has been in daily attendance upon the sessions of the Senate, reporting the debates which have taken place, and today he is the oldest living person associated with this body. That young man is Daniel B. Lloyd, who is here today, with hair whitened but with a good bit of youth in his countenance, still carrying on the work he started to perform many, many years ago.

During that time much has happened to this country. It has seen panics and depressions, periods of prosperity and boom, wars and peace, changes of political parties and administrations, and great debates upon which national interest was focused. In all that time there has been no blemish upon the escutcheon of Daniel B. Lloyd. His service has always been efficient; his service has always been faithful and, with that service, he has combined many delightful qualities of the human sort. In these days he has found a little time to spend in his library in Maryland, and upon his farm, as well as to devote considerable time to his duties here.

I am delighted to take this minute to offer a tribute to such signal and outstanding service, for all of us here in this body know Mr. Lloyd as a gentleman, and a scholar, as a philosopher, and as a friend. We wish for him many, many more years of companionship and association and of service here. We look upon him unofficially as the ninety-seventh Senator and, indeed, he would be an ornament to any legislative body on the face of the earth, either as a member or as an official reporter to take down the debates that members might utter.

Therefore, I add this word, of a personal sort, that I am glad too that he shares citizenship in the famous State of Maryland, for I am proud to claim him as a constituent, and to share with him the duty of representing that State as well as the Nation in this body.

REDUCTION IN NONWAR EXPENDITURES OF THE GOVERNMENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Appropriations:

To the Congress of the United States:

In recent months you have demonstrated, through the activities of regular and special committees, a keen interest in reducing nonwar expenditures of the Federal Government. Undoubtedly reports by the special committees have helped to stimulate the large volume of letters which I have received from citizens in all walks of life. Some of the letters protest against recent cuts in various appropriations. Other letters urge a reduction of Federal expenditure to the amount expended in the fiscal year 1932, and characterize such a reduction as a "Federal contribution toward helping to win the war."

I therefore recently requested that the Director of the Bureau of the Budget prepare a report on just what has happened in the field of nonwar expenditures since I assumed the Presidency. The report is attached.

Inasmuch as total war enlists all our resources, you will recognize the very great difficulties of segregating "war" from "nonwar" expenditures. Moreover, the text in many places can only hint at the extent to which so-called nonwar expenditures are now integrated with the war program.

Nevertheless, it does show the important reductions which have been made without sacrificing humanitarian considerations. In addition, the report should be especially useful in further legislative and administrative consideration of budget policy.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *October 16, 1942.*

NOTE.—Original charts accompanied a similar message to the House of Representatives.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

CONTRACTS AWARDED BY THE NAVY DEPARTMENT

A letter from the Acting Secretary of the Navy, transmitting, pursuant to law, monthly reports of contracts awarded by the Navy Department containing the names of persons who consummated the making or concluded the negotiation of any such contract on behalf of the Government, and of persons who participated in the negotiations on behalf of the contractor with reasons for award for negotiated contracts and contracts over $150,000 for the fiscal year 1942 (with accompanying papers); to the Committee on Naval Affairs.

LAWS ENACTED BY MUNICIPAL COUNCILS AND LEGISLATIVE ASSEMBLY OF THE VIRGIN ISLANDS

Three letters from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Municipal Councils of St. Croix, St. Thomas, and St. John, and copies of laws passed by the Municipal Councils and the Legislative Assembly of the Virgin Islands during the fiscal year 1942 (with accompanying papers); to the Committee on Territories and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution adopted by the executive board meeting of the American War Mothers held at St. Paul, Minn., requesting Congress to take drastic action against all strikes, profits in war, inefficiency in office, and curtailment of production; to the Committee on Education and Labor.

PROHIBITION OF LIQUOR SALES AND SUPPRESSION OF VICE AROUND MILITARY CAMPS—PETITION

Mr. BONE. Mr. President, I present a petition signed by 120 citizens of Seattle, Wash., sent to me by Mr. M. E. Rittenhouse, which prays for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments. I ask that the petition be appropriately referred.

The ACTING PRESIDENT pro tempore. The petition will be received and lie on the table.

TAX EXEMPTION FOR MEMBERS OF THE ARMED FORCES—RESOLUTION OF KANSAS STATE COUNCIL OF AMERICAN WAR DADS

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Kansas State Council of the American War Dads, of Kansas City, Kans., signed by Arthur J. Stanley, president, and Carl L. Pickell, secretary.

There being no objection, the resolution was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Whereas in the armed forces of the United States men and women are called upon and will be called upon to render to their Government every service to the best of their abilities in defense of our country, and to meet all sacrifices that may be called for; and

Whereas many inequalities of pay exist between those in the armed forces and those employed in the civilian effort to win the war; and

Whereas it becomes increasingly difficult for those serving in the armed forces to maintain their dependents in the ordinary ways of American living; Now, therefore, be it

Resolved, That the American War Dads do request the Congress of the United States to incorporate in the revenue bill now under consideration, a provision allowing an exemption of an additional $1,000 for the men and women in the armed forces over and above the exemptions provided for civilians; be it further

Resolved, That the commanding officers of the respective armed forces be directed to advise all those affected by the granting of this additional exemption.

Adopted this 15th day of October 1942.

KANSAS STATE COUNCIL OF THE AMERICAN WAR DADS,
ARTHUR J. STANLEY, *President.*
CARL L. PICKELL, *Secretary.*

ELIMINATION OF DESTRUCTIVE TRAFFIC IN ALCOHOL—LETTER FROM ROSEDALE (KANSAS CITY, KANS.) BAPTIST CHURCH

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter urging the elimination and prohibition of the destructive traffic in alcohol. This letter is signed by Rev. Carlton L. Briggs, pastor, and 22 members of the congregation of the

Rosedale Baptist Church, of Kansas City, Kans.

There being no objection, the letter was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

ROSEDALE BAPTIST CHURCH,
Kansas City, Kans., October 11, 1942.

Senator CLYDE REED,
Senate Office Building,
Washington, D. C.

DEAR SENATOR REED: "Strengthen America" is the watchword of every good citizen today. Alcoholic habits decrease happiness, make us less efficient and multiply our chances of losing this war.

Believing that the chief factors in winning the war are: Food, labor, life—and, conscious of the fact that the use of liquor is wasting all of these, we have a right to demand that the liquor business be abolished.

Believing that the liquor interests waste capital by transferring it from useful interests; waste earnings which might well be diverted to constructive war purposes; waste manpower by utilizing thousands of workers who might better be employed in defense projects; waste foodstuffs by consuming wheat, corn, sugar, fruits; waste human efficiency, thereby lowering the output of industry; waste human life, by being the cause of several commonly fatal diseases, and by shortening the life-span, and by contributing to the cause of time-losing or fatal accidents, seriously lowering man's resistance to disease and recovery—believing all these truths to be self-evident, we feel it our solemn obligation to protest, in this time of national crisis, the unhindered traffic in alcohol.

As our Representative of Government we urge that you do everything within your power to eliminate this useless and destructive traffic in alcohol.

Very truly yours,
ROSEDALE BAPTIST CHURCH.

SHORTAGE OF FARM LABOR—RESOLUTION OF COMMISSIONER OF AGRICULTURE OF NORTH CAROLINA

Mr. BAILEY. Mr. President, I present a resolution signed by the Commissioner of Agriculture of the State of North Carolina, as well as by the Members of the State Board of Agriculture, in which representations of real importance are made to the Congress concerning the acute shortage of farm labor. I call the attention of the Senate to the resolution and ask that it be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas an acute shortage of farm labor is making it difficult and practically impossible, in many instances, to harvest food-for-victory crops; and

Whereas little if any relief from the shortage of farm labor is apparent to the farmers at this time; and

Whereas valuable labor and irreplaceable materials have been used, at the request of the Federal Government, for the cultivation and growing of essential food and feed crops, many of which have ruined or are ruining in the fields; and

Whereas vital and irreplaceable labor for the farmer has been taken by the armed forces or lured away by more lucrative jobs in industry; and

Whereas an acute food and feed and other crops, necessary for the prosecution of the war, may be faced in 1943, unless immediate attention is given by the responsible National and State authorities,

Therefore, the State Board of Agriculture in session October 13, 1942, does urgently request the State selective service personnel, the Members of Congress from North Carolina, the members of the various county selective service boards or any others concerned with the manpower problem as it affects the farmers to take the necessary steps immediately to assure the retention of trained and essential farm workers on the farm in order that North Carolina may attain its food-for-victory goals so essential to the successful prosecution of the war.

W. Kerr Scott, commissioner of agriculture, chairman, North Carolina State Board of Agriculture; L. Y. Ballentine, Claude T. Hall, W. I. Bissette, W. G. Hargett, L. L. Burgin, D. R. Noland, Charles F. Cates, Miss Ethel Parker, Lionel Weil, members of the North Carolina State Board of Agriculture.

REDUCTION OF DRAFT AGE LIMIT

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram which I have received from Dr. C. C. Burlingame, of Hartford, Conn., in which he asks that I place the telegram before the Senate and the appropriate committee. The telegram refers to the drafting of 18- and 19-year-old men, and is signed by a number of prominent physicians. Dr. Burlingame is a leading and prominent physician in my State.

I also ask unanimous consent that immediately following the telegram there be printed a communication appearing in the New York Times, which I am presenting by request also, signed by other prominent physicians, who take exactly the opposite view from that taken by Dr. Burlingame.

There being no objection, the telegram and communication were referred to the Committee on Military Affairs and to be printed in the RECORD, as follows:

HARTFORD, CONN., *October 19, 1942.*

Hon. FRANCIS T. MALONEY,
United States Senate,
Washington, D. C.:

I would appreciate your placing the following material before the proper committee chairman and other authorities because of what seems to me like ill-conceived stand taken by a few psychiatrists: "So much has been said and so much implied about the desirability of drafting 18- and 19-year-old men for military service from the viewpoint of emotional stability that it seems that in the public interests a simple, direct statement should be made on this question. Speaking as individuals, we wish to assure the public and parents of this age group that there are no grounds for apprehension as to the effect of military service on these younger men, as distinguished from the older men. Such statistics as are available indicate that the incidence of mental break-downs is no greater in the 18- and 19-year-age group than in the older group. If anything, it is somewhat less. It would seem to us that the proposal now before the American Congress does not unduly compromise the future mental integrity of this particular age group or of the Nation. With the Government realizing and properly assuming this increased responsibility, we endorse favorable action upon the proposal to include men of 18 and 19 years under the Selective Service Act. (Signed) Adolf Meyer, M. D., professor emeritus of psychiatry, Johns Hopkins University; Dr. C. Macfie Campbell, director, Boston Psychopathic Hospital; Dr. Foster Kennedy, professor of neurology, Cornell University; Dr. C. Charles Burlingame, psychiatrist in chief, Neuropsychiatric Institute; Dr. Edwin G. Zabriskie, professor of clinical neurology, Columbia; Dr. Winfred Overholser, superintendent, St. Elizabeths Hospital, Washington, D. C.; Dr. S. Bernard Wortis, professor psychiatry, New York University; Dr. Tracy Putnam, professor of neurology, Columbia; Dr. Oskar Diethelm, professor of psychiatry, Cornell."

Personal regards.

Dr. C. C. BURLINGAME.

YOUTHFUL DRAFT PROTESTED—GROUP OF PHYSICIANS SEES GREAT HARM IN 18–19 PLAN

To the EDITOR OF THE NEW YORK TIMES:

Your readers are doubtless somewhat familiar with the contents of the bills that have been introduced in Congress which would amend the Selective Service Act to include 18- and 19-year-olds on the same basis as men of 20–45. This proposal raises a serious issue, on which many psychiatrists and other medical men will want to be heard before a decision is made.

We wish at the outset to make it crystal clear that it is not our purpose to obstruct in any way our Nation's war effort. We recognize the increasing pressures of war requirements, to which the President alluded so feelingly in his address to the Nation last Monday evening. Nevertheless, we should not be true to ourselves if we neglect to call attention to certain medical and social consequences that are involved in the indiscriminate drafting of this lower-age group. We are deeply concerned, from the medical point of view, with its effect both on the individual and on society.

Although the time may come when the drafting of this group will be unavoidable, we believe that they should be reserved as long as possible and employed on the farms and in other alternative service until they are absolutely required for combat service.

EMOTIONALLY IMMATURE

Boys of 18 and 19 years of age are, in a large percentage of cases, emotionally immature. They have had fewer years in which to show clues to their instabilities and disqualifications. In fact, it is these particular years that have proved especially important in the evaluation of older groups. Consequently there is bound to be an undue proportion of unfit men taken into the service from the 18- and 19-year-olds and a much greater likelihood of mental break-down under stress than would be the case if they are permitted to develop until they are at least 20 years old.

When it is argued that they can be protected adequately by giving them more thorough medical examinations than older men get, and that these examinations shall include a psychiatric study, the answer is that this precaution is in reality not going to be taken. There was the same intention originally to make a thorough medical evaluation of the men admitted to the Army, but their examinations have become most hasty and inadequate, not by intent but primarily because of the insufficient number of medical examiners available.

As a result of the lack of medical examiners the mental casualties are enormous. Military discretion prohibits our stating figures. More and more, as physicians leave their civilian posts, local facilities for examinations will be lessened. As we enter more extensive combat fewer qualified psychiatrists will be available at induction stations.

MILITARY IDEA DISPUTED

There is no sound basis for the claim that youth of this age make better soldiers. We say this without hesitation, even though we are not authorities in the military field. There is a very serious fault in the reasoning that has led to this conclusion. Presumably

the conclusion grows out of the experience military leaders have had thus far with volunteers from these age groups. But actually our Army has not had experience with the sort of boys they would get in a draft. Their experience has been with volunteers only, the most matured part of this age group, as evidenced by their capacity to arrive at independent decisions and break ties with family and community. Some 18-year-olds are like 20, others more like 16. The draft of this age group will bring the whole range into the Army. The more immature will find themselves in a terrible situation, and so will the Army. The Army has had experience only with a small percentage of this age group. Our conclusions as medical men are based upon knowledge of the 2,000,000 or more which trail them.

NAZI PLAN NOT FOR US

One of the arguments for the immediate drafting of this lower-age group will be that Germany considers this group valuable from a military viewpoint—even down to the age of 16. We should remember, however, that there is a difference between the boy of this age in Germany and the boy of this age in the United States. Our adversaries, the Fascists, find the drafting of youth quite harmonious with their purposes, for it prepares youth to fit in with their philosophy. The aim of the German system has been to mature—or premature—the youth at an early age to equip them physically through hard labor and mentally through early regimentation for army life and combat service. This is in marked contrast with the preparation which our youth have had.

Even England, which has been pressed to the wall in the search for manpower, does not treat her 18- and 19-year-olds with the lack of discrimination which is proposed in the bills now before Congress. While all men in England are registered at 18, they are not called for military service until 6 months later. Then they are given a thorough physical examination, and if they pass they are permitted to join the branch of service they prefer or, if highly skilled, they may be ordered back to the jobs they have left. If they do not pass their physical examinations they may be given some sedentary job with the armed forces or, if needed in agriculture, may be allocated to a farm.

In other words, England, in spite of greater pressure for manpower than we have yet felt, treats its 18-year-olds differently, at least, from the way it deals with other draftees. The bills before us make no discrimination between the age groups.

Looking at the problem from the standpoint of society, the fact should be remembered that the years between 18 and 20 are years when young men are finding themselves, emancipating themselves, developing personal strength by being on their own. If this proposal to draft the youths is carried out they will step out of the state of dependence on their parents to a state of dependence on an authoritarian organization, the Army, and following the war they will have no pattern of individual civilian responsibility to return to as a guide to their future living. They will be the best sort of material for the support of a totalitarian ideology, but not for the democracy for which they have fought. In our anxiety to win the war we must not lose sight of the necessity of creating a free world after the war.

FATHERS SIMPLER PROBLEM

We believe we have given full consideration to the fact that it is a great hardship for a child to be deprived of his father or a wife of her husband, but we regard even this as not so serious as subjecting the 18- and 19-year-old group prematurely to combat experience. It seems to us that this age group is our most important reserve of manpower and should be safeguarded to the last. If the Government is preparing for a long war, they might be placed in a quasi-military status now and conscripted for military service later. If it proves to be a short war, they will be equally needed in building the post-war world.

Should not such alternatives be considered, therefore, as will prepare them physically and emotionally for later service? Many of them should be given all possible opportunity to complete the technical and professional training that will replenish the Nation's exhausted skills for use both in the war and in the post-war period. This kind of training is particularly applicable to the boy with city background and to the boy who would normally go to college.

Many others with agriculture backgrounds are going to be needed on farms, from which they can pass into military life far better qualified for rendering useful service than they otherwise would have been.

We would particularly protest against conscripting this age group for combat service merely because it seems to be the line of least resistance or because they in their ignorance and inexperience will be more reckless soldiers than older men. We shall have a large enough proportion of mentally broken men from the older groups without unnecessarily ruining these youths.

Summing up our argument, it is our best judgment that the 18- to 19-year-olds must be regarded as our national reserve, and therefore as the last to be conscripted for military service; that drafting them now would be fraught with serious hazards to the Army, to the youths themselves, and to the future welfare of our country.

DAVID BECK, M. D.,
Mount Sinai Hospital.
LELAND E. HINSIE, M. D.,
Columbia University Medical School.
GERALD R. JAMIESON, M. D.,
GEORGE S. STEVENSON, M. D.,
Medical Director,
National Committee for Mental Hygiene.
THOMAS V. MOORE, M. D.,
Department of Psychology and
Psychiatry, Catholic University of America.
FRANK J. O'BRIEN, M. D.,
Associate Superintendent of Schools,
New York.
WILLIAM L. RUSSELL, M. D.,
New York State Psychiatric
Institute and Hospital.
NEW YORK, *October 14, 1942.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. VAN NUYS (for Mr. MCCARRAN), from the Committee on the Judiciary:

H. R. 7675. A bill to amend the act entitled "An act to incorporate The American Legion," approved September 16, 1919, so as to extend membership eligibility therein to certain American citizens honorably discharged from the active military or naval forces of the United States or of some country allied with the United States during World War No. 2; without amendment (Rept. No. 1645).

By Mr. KILGORE, from the Committee on Military Affairs:

S. Res. 303. Resolution for an investigation looking to better mobilization of the technological resources of the United States (submitted by Mr. KILGORE on October 13, 1943); with an amendment; and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

By Mr. McFARLAND, from the Committee on the Judiciary:

H. R. 5578. A bill to permit the United States to be made a party defendant in certain cases; without amendment (Rept. No. 1646).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. CHANDLER, from the Committee on Military Affairs:

Several officers for temporary appointment in the Army.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

By Mr. WALSH, from the Committee on Naval Affairs:

Capt. Oliver M. Read to be a rear admiral in the Navy, for temporary service, to rank from May 9, 1942; and

Sundry officers for promotion in the regular service of the Marine Corps.

REDUCTION OF DRAFT AGE LIMIT

Mr. GURNEY. Mr. President, on Wednesday of last week the Senate Committee on Military Affairs started hearings on the bill to lower the draft age so as to include 18- and 19-year-old men; the hearings were concluded on Friday and in executive session on Saturday the committee ordered Senate bill 2748 reported. The hearings have been printed and are now available. I ask permission to submit the report on the bill (S. 2748) to amend the Selective Training and Service Act of 1940 by providing for the extension of liability, with an amendment, and I submit a report (No. 1644) thereon. I ask for its early consideration by the Senate.

The ACTING PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation three lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on October 15, 1942, that committee presented to the President of the United States the following enrolled bills:

S. 2442. A bill to authorize the Secretary of War to approve a standard design for a service flag and a service lapel button; and

S. 2775. A bill to amend the act of March 5, 1942, relating to the planting of guayule and other rubber-bearing plants.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DAVIS:

S. 2854. A bill to authorize the Secretary of War to correct certain military records; to the Committee on Military Affairs.

By Mr. McNARY:

S. 2855. A bill for the relief of Josephine M. Melchior; to the Committee on Claims.

By Mr. VAN NUYS:

S. 2856. A bill to provide for the punishment of certain hostile acts against the United States, and for other purposes;

S. 2857. A bill to amend the Criminal Code so as to punish any one injuring a party, witness, or juror on account of his having acted as such; and

S. 2858. A bill to authorize the appointment of court reporters in the district courts of the United States; to fix their duties; to provide for their compensation, and for other purposes; to the Committee on the Judiciary.

By Mr. DOWNEY:

S. 2859. A bill for the relief of dependents of Frank Edward Dace; to the Committee on Military Affairs.

(Mr. LA FOLLETTE (for himself and Mr. THOMAS of Utah) introduced Senate bills 2860, 2861, 2862, 2863, and 2864, which were referred to the Committee on Education and Labor, and appear under a separate heading.)

(Mr. VANDENBERG introduced Senate Joint Resolution 166, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred or ordered to be placed on the calendar, as indicated:

H. R. 7311. An act to amend section 6 of Public Law, No. 2, Seventy-third Congress, March 20, 1933, as amended; to the Committee on Finance.

H. R. 7695. An act to aid in preventing inflation, to stabilize the rents of real property, and for other purposes; to the Committee on Banking and Currency.

H. R. 7528. An act to amend the Selective Training and Service Act of 1940 by providing for the extension of liability; ordered to be placed on the calendar.

VOTING PRIVILEGES FOR DRAFTEES

Mr. VANDENBERG. Mr. President, if young men are to be drafted at 18 years of age to fight for their Government, they ought to be entitled to vote at 18 years of age for the kind of government for which they are best satisfied to fight. I ask permission to introduce a joint resolution proposing an amendment to the Constitution of the United States and ask that it be referred to the Committee on the Judiciary

There being no objection, the joint resolution (S. J. Res. 166) proposing an amendment to the Constitution of the United States extending the right to vote to citizens 18 years of age or older was read twice by its title and referred to the Committee on the Judiciary.

REDUCTION IN DRAFT-AGE LIMIT—AMENDMENT

Mr. WILEY submitted an amendment intended to be proposed by him to the bill (S. 2748) to amend the Selective Training and Service Act of 1940 by providing for the extension of liability, which was ordered to lie on the table and to be printed.

LEGISLATION CONCERNING PRICES OF AGRICULTURAL COMMODITIES

Mr. REED submitted the following resolution (S. Res. 308), which was referred to the Committee on Agriculture and Forestry:

Resolved, That it is the sense of the Senate—

First. That the provisions of the act entitled "An act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes," approved October 2, 1942, plainly require that any maximum price fixed under authority of such act or otherwise for any agricultural commodity, or for any commodity processed or manufactured in whole or substantial part from any agricultural commodity, shall be a price which will enable producers of such agricultural commodity to receive for such agricultural commodity, when sold by them, a price which is not less (in any event) than the parity or comparable price for such agricultural commodity and which is not less (except to the extent necessary to correct gross inequities) than the highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942, as such prices are determined and published by the Secretary of Agriculture and adjusted by him for grade, location, and seasonal differentials.

Second. That in establishing, maintaining, or adjusting maximum prices for agricultural commodities, or for commodities processed or manufactured in whole or substantial part from agricultural commodities, no authority exists for making deductions from parity price or comparable price for payments made under the Soil Conservation and Domestic Allotment Act, as amended, parity payments made under the Agricultural Adjustment Act of 1938, as amended, or other payments which are not a part of the selling price of such commodity.

Third. That in considering and enacting the act entitled "An act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes", approved October 2, 1942, the Congress did not intend any such deductions to be made.

Fourth. That the making of any such deductions in establishing, maintaining, or adjusting any such maximum prices is a violation of the provisions of such act.

EFFECT OF GASOLINE RATIONING ON TRAVELING SALESMEN

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter addressed to me by Hon. Leon Henderson, Price Administrator, in reply to a letter sent to him by me, in which I enclosed a resolution signed by 4,549 traveling businessmen and adopted by the South Carolina Traveling Men's Association. I also ask unanimous consent to have printed a letter which I have received from Mr. M. H. McIntyre, Secretary to the President, regarding the same matter.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., October 17, 1942.

The Honorable BURNET R. MAYBANK,
United States Senate.

DEAR SENATOR MAYBANK: Your letter of September 24, 1942, addressed to Mr. Marvin H. McIntyre, and enclosing a resolution signed by 4,549 traveling businessmen, which was adopted by the South Carolina Traveling Men's Association, has been given to us for attention.

We appreciate the problems that face traveling men under the gasoline-rationing program. In the formulation of the Nation-wide mileage rationing program, we have given serious consideration to the possibility of increasing the amount of mileage made available to salesmen for occupational purposes. However, if this were done, almost every other traveling businessman would also have to be made eligible for the increased mileage. Moreover, a large proportion of the traveling men would be eligible for the maximum mileage allowed.

The United Commercial Travelers of America tell us that there are one-half million traveling men in the present rationed area. If all of these men were made eligible for an increase in their occupational mileage to 750 miles per month, consumption of gasoline in the rationed area would be increased 7,400 barrels daily. We are sure that you realize that the present gasoline supply situation in the east coast area does not make possible such an increase in gasoline consumption at this time. Nor does our national rubber supply situation, as indicated by the Baruch report, make possible an increase in the mileage allotted to traveling salesmen.

The Baruch committee has reported that the existing rubber supply situation is so dangerous that, unless corrective measures are taken immediately, this country will face both a military and civilian collapse. This committee also informs us that gasoline rationing is the only way of conserving our present rubber supply. The committee explored every means of avoiding this method, but it was found to be inescapable.

The gasoline rationing program that has been in effect in the Atlantic seaboard States since July 22, 1942, has limited the mileage made available to almost all traveling men to that provided by the A and B ration books. This program has not disrupted our eastern economic system, although it has, of necessity, imposed hardships upon certain individuals whose work could not be classed as most essential to the war effort.

Under the Nation-wide mileage rationing program, traveling salesmen will be eligible for supplemental rations for occupational purposes. It will also be possible to issue tires for their cars in view of the fact that the mileage-rationing program will provide a strict control over the operation of the cars. This control will include the 35-mile speed limit and a compulsory periodic tire inspection as well as the mileage rationing. They will be issued a basic ration book providing 240 miles of travel per month, calculated on the basis of 15 miles per gallon, and will also be eligible to receive supplemental rations to the extent presently provided by the B ration book. To qualify for supplemental rations, the applicant will be required to show that he is sharing his car with at least three other people, or that it is impossible to do so, and that alternate means of transportation are not available. The maximum mileage provided by the B book amounts to 320 miles per month. This, in addition to the mileage provided by the basic ration, will make available a maximum of 560 miles per month for all occupational purposes not included in the preferred mileage category.

Mileage in excess of that provided by the A and B ration books will not be available to salesmen. Technical men who render indispensable services of a specialized nature to agricultural, extractive, or industrial establishments may be eligible for preferred mileage to enable them to render such services. The fact that they sell will not disqualify such technical men, if their sales activity is incidental to the main purpose of the trip.

Our national rubber supply situation makes careful sharing necessary. We realize that hardships may be imposed upon some individuals. However, the modern form of total war imposes hardships in all fields of our civilian economy. Some business activities during these perilous times may not be carried on as usual.

Your interest in this problem of conservation with which we are confronted is sincerely appreciated. If we can be of any further assistance, please do not hesitate to call upon us.

Sincerely yours,

LEON HENDERSON,
Administrator.

THE WHITE HOUSE,
Washington, October 6, 1942.

Hon. BURNET R. MAYBANK,
The United States Senate,
Washington, D. C.

MY DEAR SENATOR: As requested in your letter to me of September 24, I brought to the President's attention the resolution adopted by the South Carolina Traveling Men's Association.

I suppose it is unnecessary for me to tell you that the whole matter is being given the fullest consideration.

Sincerely yours,

M. H. MCINTYRE,
Secretary to the President.

REPLY TO CRITICISM OF CONGRESS

Mr. REED. Mr. President, some time ago Mr. Fulton Lewis, Jr., took some potshots at Congress. A very able lawyer in Kansas named Charles L. Hunt wrote Mr. Lewis a letter, a copy of which he sent me. The letter gives a very appropriate answer to Mr. Lewis on behalf of Congress, and I ask permission to have it appear in the RECORD at this point.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 3, 1942.

Mr. FULTON LEWIS, Jr.,
Radio Station WOL,
Washington, D. C.

DEAR MR. LEWIS: For about a year I have been listening to your evening broadcasts. Don't ask me why. Really I don't know. Perhaps, it is your pleasant voice, though you sometimes begin apparently much out of breath. Are there no elevators in that building, or is it just adipose tissue?

I was tempted to write to you several days ago when you so rawhided Congress for its stupidity in not gleefully accepting the Presidential directive (thanks for the new word) on farm prices. What you said about curbing strikes and wages was the most profound silence I have ever heard. Of course, you and I know the President will knock the labor barons' ears down all right. He promised to do that all by himself many times.

But you surely took that grabby farm bloc to a cleaning. And the way you did it is proof that you must have been around in about all of the country towns in the Middle West and talked to the boys living up at the forks of the creeks. If you hadn't you would not know so much about it. You would be out on a limb just like most of the commentators and columnists who announce that they have made an inspection of the farming districts to get the pulse of the people, even if they had to stop off another day in Chicago or Buffalo to do it.

Anyway these greedy farmers have just got to be stopped and I guess it is up to you and the President to do it. You know what? If they are not stopped by some executive order the darn rascals will make enough money some of these days to pay up their back taxes, and then look out. The greedy devils will try next to buy back the farms the Federal Land Bank took away from them during the 8 years they didn't raise anything but dust. You just can't trust 'em, Mr. Lewis, give a farmer a penny and when your back is turned he will try to get another one. There seems to be no limit to his cupidity. Of course, you know all of this on account of your having inspected the Middle West so often and I, only having lived 65 years in this prairie State, which Mr. Tugwell said was going back to the desert of Indian days, don't know a lot about it. But I might let you in on a few things the boys forgot to tell you about that day you were talking with them down at the drug store.

Of course, the farmer did not raise anything to speak of for a good many years, and Wallace got it into his head he should have some parity payments, or something, for not trying to raise what he could not raise anyway, and even up with him just a little for all those cattle and pigs Henry decided to kill. Well, what was the difference? Cattle and hogs weren't worth a whoop anyway, and everybody except a few reactionaries and obstructionists know mighty well those killings had nothing to do with inflationary prices of livestock now. Also meat rationing. Trouble was the silly farmer got it into his head that all this talk about the more abundant life included him, as well as members of labor unions; got him all dissatisfied with being a peasant, and if we are going to have any luck keeping him a peasant, the New Dealers are just going to have to knock the farm bloc out for good, and as I have just said we are depending on you and the President to do it.

They even believe they should have the right to plant any crop they choose, regardless of what the Washington efficiency experts say. They think they are rugged individualists, and, just between you and me, Mr. Lewis, I think they got that idea from something Herbert Hoover said.

Just because they run a dozen hazards in trying to raise a crop, work longer hours than the Wage and Hour Division ever heard of, and make about as much in 1 month as defense workers get in 1 day is just no excuse for their wanting farm-labor costs to be considered in fixing a ceiling on prices. Of course, corn shuckers once were glad to get 5 cents per bushel, and now they demand 10 to 15 cents, but what difference does that make? Can't they learn a little patriotism and work for nothing for a few years so the unioneers can have cheap food? You might bring that out sometime.

Glad you don't have to live among them. They are a coarse outfit. Their raucous guffaws when they read Westbrook Pegler's My Day column was just disgusting to anyone like you or me who understand the fine points of the New Deal's social gains.

Your broadcast last evening was a pippin. Of course, we all know secrecy meant safety on the President's inspection trip, but these yokels out here say he would have been safer staying at the White House, and that he could have learned more by reading what was going on than he could by riding through a plant. Also, they seem to think, even with secrecy, he was in danger of running into some black Republican working in one of those projects. Some of them are even mean enough to say he made that trip in secrecy in an attempt to satiate his insatiable flair for the spectacular. So you see what kind of people I have to live with.

About this anti-inflation bill, these same farmers cheered when Congress showed fight. Yes; that's a fact. They can't seem to learn that the President knows more than all the Members of Congress and the Senate, with the Supreme Court thrown in for good measure. They keep talking about the Constitution, as though it means anything as between friends. Maybe they will learn sometime we could save a lot of money by just dispensing with Congress and the Supreme Court and let Mr. Roosevelt do everything by Executive order. Maybe they think Mr. Roosevelt may not always be President and then they might need Congress. I don't know.

You did a fine job on rubber, but when that committee reported a lot of people got the idea that the President should not have vetoed that bill Congress passed last spring, and they got to chattering around here that the delay was the fault of the President, and it may be they got that idea from some things you said, but I know you didn't mean anything like that.

Well, it is getting late and I will have to quit, but I just want to say that things are very much out of hand out here, and if you do not keep bearing down in your broadcasts and the President does not do a lot more fireside chatting, this State is going to backslide next month and go about 75,000 Republican.

I am sending you a bunch of keys to add to your collection. There is no history connected with any of them, except that the other 90 percent of my family won a long string of them in a golf tournament. None of them is a key to the city or the jail. Maybe you can fashion them into a key to Tokyo or Berlin. At least, I hope so.

Sincerely yours,

C. L. HUNT.

THE DAY OF THE NEW WORLD—ARTICLE BY THE VICE PRESIDENT

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an article entitled "The Day of the New World," written by the Vice President, and published in the New York Times magazine of October 11, 1942, which appears in the Appendix.]

LABOR WILL DO ITS SHARE—ADDRESS BY SENATOR DAVIS

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an address delivered by him at the convention of the American Federation of Labor in Toronto, Canada, October 12, 1942, which appears in the Appendix.]

ADDRESS BY SENATOR HERRING TO THE PEOPLE OF IOWA

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD a radio address delivered by Senator HERRING from Washington to the people of Iowa on September 30, 1942, which appears in the Appendix.]

WAR CRITICS AND IDEALS—ADDRESS BY SENATOR GREEN

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an address entitled "War Critics and Ideals," delivered by Senator GREEN at Providence, R. I., on October 16, 1942, which appears in the Appendix.]

FARM PRICES—LETTER FROM THE PRICE ADMINISTRATOR

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a letter addressed by Leon Henderson, Price Administrator, to Senator LUCAS on the question of farm prices, which appears in the Appendix.]

PRAISE FROM A COLORED SOLDIER

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD a letter written by Bert Cumby, a Negro soldier stationed at Myrtle Beach, S. C., published in the Washington Post of October 18, 1942, which appears in the Appendix.]

DEFEATISM—EDITORIAL FROM THE ANDERSON (S. C.) INDEPENDENT

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial entitled "Let's Stop the Squawking—Discouragement, Like the Flu, Is Catching," published in the Anderson (S. C.) Independent of October 11, 1942, which appears in the Appendix.]

EMPLOYERS' ASSOCIATIONS AND COLLECTIVE BARGAINING IN CALIFORNIA (PT. IV OF S. REPT. NO. 1150)

Mr. LA FOLLETTE. Mr. President, out of order, I ask unanimous consent to file a report from the subcommittee of the Committee on Education and Labor,

which is part IV of the series of Employers' Associations and Collective Bargaining in California. This particular report is entitled "Employers' Associations and Their Labor Policies in California's Industrialized Agriculture." I urge all Senators who are interested in the farm labor problem, either from the standpoint of the shortage of farm labor and the inability of agricultural employers to maintain an adequate labor force or the question of how farm wages should relate to urban wages, to read this particular report. More particularly, I urge those who are interested in the welfare of the millions of forgotten and disadvantaged farm workers and their families to learn what these laborers are up against without the protection of the labor legislation which we have put on the books during the last decade.

The ACTING PRESIDENT pro tempore. The report will be received and printed.

Mr. LA FOLLETTE. Mr. President, in this connection I ask that there be inserted in the RECORD as a part of my remarks excerpts from the report. These excerpts cover the introduction and conclusion of the report and will provide the Members of this body with a readily available outline of the subject matter to be covered and the conclusions and recommendations which the committee has derived from its investigation.

The ACTING PRESIDENT pro tempore. Without objection, the excerpts will be printed in the RECORD.

The excerpts are as follows:

PART IV. EMPLOYERS' ASSOCIATIONS AND THEIR LABOR POLICIES IN CALIFORNIA'S INDUSTRIALIZED AGRICULTURE

(Pursuant to S. Res. 266, 74th Cong.)

INTRODUCTION [1]

In accordance with Senate Resolution 266 (74th Cong., 2d sess.),[2] the committee herein submits an analysis of certain agricultural employers' associations in California whose activities are importantly related to the development of collective bargaining in "industrialized agriculture" and to labor policies that are responsible for the highly disadvantaged status of agricultural labor. This is Part IV of a report consisting of the following 10 parts:

Part I. General Introduction.

Part II. Organized Antiunionism in California Industry Prior to the Passage of the National Labor Relations Act.

Part III. The Disadvantaged Status of Unorganized Labor in California's Industrialized Agriculture.

Part IV. Employers' Associations and Their Labor Policies in California's Industrialized Agriculture.

Part V. The Organization of Resistance to Collective Bargaining in California, 1935–39.

Part VI. A Study of Labor Policies of Employers' Associations in the Los Angeles Area, 1935–39.

Part VII. A Study of Labor Policies of Employers' Associations in the San Francisco Bay Area, 1935–39.

Part VIII. The Associated Farmers of California, Inc.—Its Reorganization, Policies, and Significance, 1935–39.

Part IX. The Origin and Promotion of Recent Legislation in California Limiting Labor's Civil Rights.

Part X. Conclusions and Recommendations.

Employers in the various phases of agricultural industry in California are usually members of an association which has as one of its purposes the execution of policies respecting labor and labor relations. These associations may vary in type, function, and degree of formal organization. They are concerned, among other things, with labor supply, the setting and adjusting of wage rates, and, more recently, with the questions of employee association, collective bargaining, and labor legislation. They may have functions other than the conduct of labor relations. In any event, in relations with labor, California's agricultural employers often act collectively rather than individually.

Due to their prevalence and their support by large corporate business interests in agriculture and related industries, these employers' associations wield a powerful influence in matters affecting agricultural labor standards and the relationships between labor and agricultural employers. They seek to secure the maintenance in their hands of an unfettered control of the incidents of employer-employee relationships in California's industrialized agriculture. Many of these employers' associations, up to now, have not been willing to brook any intrusion from employees, their trade-unions, or the Government, in their management of labor relations. This policy gives rise not only to a continued sufferance of undesirable economic and social conditions among the thousands of California's agricultural laborers, but in large measure causes these conditions. In addition, it results in a continued conspiratorial nullification and destruction of civil rights.

The committee was confronted by no ordinary situation in treating the phase of its investigation that concerned these groups. There was evidence available that connected many of them in some fashion to alleged violations of civil rights. All were part of the complex out of which the agricultural labor problem developed. It was essential to examine closely some of the more important of these associations, analyze their structure, and trace the development of their labor policies. Any concrete program leading to the elimination of the economic and social disadvantages of agricultural labor and the violation of its civil rights must take into account these employers' associations and the temper of their present leadership. Section 1 of this Part IV is a summary analysis of these organizations and their significance.

At the outset, one fundamental distinction as to the character of these organizations must be observed. The associations treated in this part of the report differ in important respects from other organizations that include employers in varying proportions. In the latter part of the nineteenth century, agricultural groups, such as the California Immigrant Union and the State agricultural and horticultural societies, were concerned with the problem of attracting laborers to the State. There were also county groups and community organizations of growers of one type of crop, such as the Santa Clara County Viticultural Society and the Vacaville Fruit Growers, which dealt with problems of labor supply. In the present day the Farm Bureau Federation, the National Grange, and the Farmers' Union serve a different purpose from employers' associations in their emphasis on the business and social aspects of agriculture. Some production and marketing associations have been only collaterally concerned with labor problems. These organizations are not designed to represent interests of employers in labor matters. In that phase of agriculture they are only incidentally concerned. They are "farmers'" organizations, although in certain areas they may be dominated by the agricultural employer rather than the "family farmer."

The associations with which this part of the report is concerned are those whose interests and activities in labor matters are an essential part of their program. They are not properly considered as "farmer" organizations in the sense in which that word is understood and commonly used. They are organizations of employers, who use labor in their operations on a mass scale.

These employers' associations have grown in the environment of a developing and expanding wage-labor system. The nature and growth of this organization of agricultural production, sometimes referred to as the "factory system" or "industrialized agriculture," have been described in section 3 of Part III [3] of this report. Many of these employer organizations are of comparatively recent origin. The greatest numerical increase in the number of wage laborers on California farms occurred in the 1920–30 decade, when, according to the United States census, their number increased from 119,800 to 190,000.[4]

Even more significant than the growth in the number of wage workers was their concentration of employment. In 1930, 150,000 wage workers were employed on about 13,500 farms, or an average of 11 workers to a farm.[5] These figures may not be wholly accurate because of fluctuating employment. That is relatively unimportant. The generally conceded fact is that a great bulk of California agriculture, particularly in the fruit, vegetable, and specialty crops, operates by the use of gangs of hired wage labor. It is out of this employment relationship on an industrialized basis that the labor problems have emerged which, in turn, have given rise to the employers' associations, the subject of this study.

These associations are outstanding in their control of labor relations in the fruit, vegetable, and specialty crops such as cotton, and in the packing and canning phases of agricultural industry. In singling out particular associations, the Committee does not wish to imply that its observations are peculiar to them. The same analysis may be true of many other associations not mentioned. The ones treated are believed by the Committee to be typical of many additional groups. The Agricultural Labor Bureau of the San Joaquin Valley has recruited labor and set the wage rates for the 30,000 workers in the cotton industry, many thousands in the grape industry, and hundreds in the other fruit crops of the valley. Similar functions are discharged for the related cotton industry in Arizona by the Farm Labor Service.

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[1] The factual material referred to in this introduction and sec. 1, which is a summary analysis of materials in the succeeding sections of Part IV, is derived from those sections, and the appropriate footnotes and references for the facts are given in those sections.

[2] A subcommittee of the Committee on Education and Labor was appointed by the chairman June 6, 1936, under Senate Resolution 266, which reads, in part, as follows: *"Resolved*, That the Committee on Education and Labor is authorized and directed to make an investigation of violations of the right of free speech and assembly, and undue interference with the right of labor to organize and bargain collectively." The limit of expenditures under this resolution was extended by various resolutions in the Seventy-fourth, Seventy-fifth, and Seventy-sixth Congresses.

[3] See particularly, chs. 1, 2, and 3, pp. 262–331.

[4] See pt. 54, exhibit 8762, table 33, p. 19888.

[5] See testimony of Varden Fuller, pt. 47, p. 17309.

These two associations unify the policy of those cotton ginners and growers in the Southwest on labor supply and wage rates. In the vegetable and melon industry, the Western Growers Protective Association and the Grower-Shipper Vegetable Association have taken steps in the principal areas of vegetable production to protect and maintain a supply of labor, enforce wage standards of their own determination, and alternately deal with and fight labor organizations. In the citrus industry, leadership in matters affecting its labor force of some 60,000 workers has been assumed by the California Fruit Growers Exchange and the various local exchanges which compose it. In effect, the entire citrus industry is operated through these exchanges, which are equivalent to highly developed employers' associations. Practically plenary control over the labor problems of the canning industry is centralized in the California Processors & Growers, Inc. Selected examples of this significant type of employers' association are analyzed in full detail in section 2 of this Part IV. They represent the "area" or "commodity" associations and are fundamental to the workings of the system of which they are a part.

A distinguishing feature of some of these employers' associations has been the adherence, as members or as sources of financial support, of corporations not directly concerned with the handling of agricultural products in the cultivating or processing stage. These corporations for the most part have been those with whom agricultural enterprises do a substantial amount of business. A list of such members includes railroads, oil companies, power companies, banks, and companies manufacturing such products as paper, boxes, ice, and cans. Another class of such companies included in membership are the distributors, jobbers, and handlers of agricultural products. Besides enhancing the economic power of these associations by their financial support, the collaboration of these companies permits the business community to bring its influence to bear upon the pattern of labor relations in agriculture. Similarly, many of these outside industrial interests, together with processors such as canners, ginners, and refiners, participate in the activities of associations of producers and support them financially.

The trend of the California employers' associations in agriculture over the past 15 years has been toward greater unity within the association, greater synthesis of such agricultural associations, and a growing coalescence with efforts of urban industrial employers' associations. Along with this trend, there has developed only the most limited sharing of supervision over the employer-employee relationship with organized labor groups, public arbitration boards, and other governmental bodies.

An analysis of the structure and control of these employers' associations indicates that they are likely to be dominated by the industrial interests and the large-scale or corporate producers who typify industrialized agriculture. Oftentimes, these producers are shippers, handlers, or processors of agricultural products operating in the industry on a vertical basis. The labor policies of these associations naturally reflect the attitudes and interests of the industrial groups that sponsor and support them. Inevitably, the small independent producers, who may be more numerous in a given crop area, fall into line behind the tremendous economic and trade influence of these more highly organized and integrated forces. Thus, the motif of the labor policy of the industrialists becomes pervasive. This situation is neither surprising nor unusual in the light of the economic organization of California's agricultural industry[6] and the existence of large industrial interests with substantial economic stakes in the character of agricultural operations and labor costs.[7] The sharing of the agricultural income with labor provides an adequate motive for this intervention.

Several aspects of these associations, apart from their obvious utility for unifying employer policy, may be emphasized. These associations are the devices through which industrialized agriculture may achieve the ascendancy of a given labor policy for all agricultural operations. Through these organisms the large-scale or corporate operation is able to extend its policy beyond its natural economic influence, and "outside" business interests may secure a widespread adherence to the pattern of labor relations they consider desirable for agriculture. Finally, they are the means by which the labor policy of employers in agriculture can be correlated and subjoined to the labor policy of employers in industry as a whole, formulated in the great composite employer organizations that center their activities in San Francisco and Los Angeles, but operate in terms of a State-wide plan.

But to effect this unification and coordination of labor policies, employers' asociations more inclusive than the "area" and "commodity" associations treated in section 2 are required. The California State Chamber of Commerce and its related and subsidiary branches have performed this function since 1921. Indeed, the articles of incorporation of the State chamber declare that one of its purposes is:

"To secure cooperation of activities as represented throughout the State by relating the organizations throughout the State to this organization, in order that efficient and cooperative forces may be provided for the coordination and consideration of the agricultural, industrial, and commercial activities, not of any one section, but of the State as a whole, thereby furnishing a valuable medium for united expression, with the objective of making local bodies efficient and cooperative."[8]

The various "area" and "commodity" employers' associations in agriculture are associated in agricultural committees of the State chamber, the Los Angeles chamber, and regional chambers. In turn, selected members of these committees are conjoined with representatives of other industries in the board of directors of the particular chamber.

Naturally, the leadership for consolidating agricultural employer policy on a State-wide or regional basis in emergency situations has been provided by the California State Chamber of Commerce. This leadership made a definite contribution to the agricultural labor crisis that crystallized, after years of development, in 1933. It sponsored, organized, and procured financial support for a new employers' association, the Associated Farmers of California, Inc. This organization carried out the chamber's policy in this crisis, which was to ignore and pass over the miserable economic and social conditions of agricultural labor, and launch an aggressive State-wide campaign to suppress the protests that were current. This autocratic policy of repression was directed against striking agricultural laborers, the exercise of their legal rights to picket, and the activities of trade-union organizers, political agitators, public officials who endeavored to discharge dutifully their official functions, and citizens who raised their voices in protest. From 1933 to 1935 the Associated Farmers of California, Inc., tried to pass off California's agricultural labor problem, which dated back many decades, as "Communist propaganda." It was largely successful. A full account of this phase of employers' association policy in California's industrialized agriculture is contained in section 3 of this Part IV.

In late 1935 and 1936, certain new factors were clearly apparent. The National Labor Relations Act had become the law of the land. There was a startling new vitality in California's trade-union movement that threatened to include substantial groups of agricultural workers. There was a new vigor in the public policies of both Federal and State Governments toward alleviating the plight of disadvantaged population groups. Backed by the industrialists who were influential in the councils of the State chamber of commerce and other powerful urban employers' associations, the Associated Farmers of California, Inc., which had become dormant in the spring of 1935, was revived and extended on a larger and more intensive scale. County units were established in 42 California counties. Mass memberships were sought. The organization became the spearhead of opposition to collective bargaining and trade-unionism in California, affecting labor relations in agricultural production, agricultural processing, transportation and, indeed, through political devices, the whole of the labor movement. That development is not treated in this Part IV, but in Part VIII.

Somewhat later, in southern California, still another type of employers' association appeared. Called the Agricultural Producers' Labor Committee, it was sponsored by and composed of leading elements in the citrus and vegetable industries, who were active in various capacities in the Associated Farmers, the agricultural committee of the Los Angeles Chamber of Commerce, the Western Growers Protective Association, and various citrus associations. Its special function was to conduct organized lobbying against the application to any employers in agricultural industry of national labor legislation such as the National Labor Relations Act, the Social Security Act, and the Fair Labor Standards Act. It also attempted to obtain judicial and administrative rulings favorable to its policy. This organization and its activities are discussed in section 4 of this part.

To a general policy, typified by these two associations, the State chamber of commerce has continued to give its tacit blessing. It developed and promulgated a Code of Farm Labor Principles in 1937. This code was worded so that the Associated Farmers could give assent without embarrassment because it embodied nothing contrary to the concept of complete employer control of wage fixing, housing, and other working conditions, and paid only the most general lip service to the principle of collective bargaining. The history of this Code of Farm Labor Principles, which was only a public statement in relatively meaningless terms, illustrates again the function of the State chamber as the coordinating policy unit. The State chamber has not taken any affirmative steps to adjust the policy it originally sponsored to the demands of nationally accepted standards of economic democracy. The impression described finds ample confirmation in facts in addition to the statements or manifestos of policy by the State chamber and the Los Angeles chamber. It is apparent that the Associated Farmers' labor policy is the one accepted for agricultural industry by those bodies, which represented the most powerful and influential of the employer groups. The industrial membership of the State chamber, including many of its board of directors, has continued to render valuable financial support to the Associated Farmers. Various employers' associations represented upon its State-wide agricultural committee have continued to align

[6] See full discussion in Part III of this report, pp. 262–296.

[7] Id., pp. 383–387.

[8] See pt. 68, exhibit 11328, p. 24846.

their labor policy and membership with the activities of the Associated Farmers. The nature of the State chamber's organization and its role in formulating the policy for agricultural labor are treated in section 5.

CONCLUSION

The existence of employer-employee relationships in California's "industrialized agriculture" which are similar in their basic character to those in other industries is now beyond dispute. The analysis in Part III of the organization of California agriculture is a sufficient answer to any who would avoid this reality. The character of the agricultural labor market, the disadvantaged economic and social plight of the agricultural labor, and the absence of any substantial voice by the employees or the public in the fixing of conditions of employment make the problem of public policy a pressing one. A wise formation of public policy can be devised only in the light of the widespread activity of employers' associations of the character described in this Part IV.

Primarily, it becomes essential to reappraise the wisdom of the existing public policy that leaves the complete control of employer-employee relationships in a large part of industrialized agriculture in the hands of employers' associations beyond the reach of tempering employee sentiment and protective public regulation. Specifically, there should be a review of the present policy of exempting industrialized agricultural labor from labor legislation such as the Fair Labor Standards Act, the Social Security Act, the National Labor Relations Act, and various types of State labor laws. Indeed, the obvious unlikelihood of an early effective development of associations of agricultural laborers enjoying an equality of bargaining power with associations of agricultural employers of the type described in this Part IV calls for an extraordinary degree of attention to the passage and vigorous enforcement of protective social legislation for agricultural labor. It may be that the bare extension of existing labor legislation to include agricultural labor through the elimination of existing exemptions, except as they pertain to family-sized farms, may not be a sound or adequate policy in view of the character and activities of these employers' associations. Close examination may disclose the need for special forms or adaptations of existing labor legislation to fit peculiarities of the industry and to cope with the tremendous disparity of bargaining power between the individual laborer and these mighty and powerful employers' associations. Furthermore, the unusual character of the agricultural labor market, the extraordinary poverty and the underprivileged status of this type of labor will require, as has been noted in Part III, the application of special housing, relief, health, and educational facilities and, probably, unusual public controls of the seasonal labor supply.

Of course there has been, and will continue to be, a bitter and determined opposition to the adoption and application of a public policy of this nature. This opposition will be generated in large measure by the various associations of employers and allied industrial groups who, dictated by their own self-interest, have acted collectively for the purpose of manipulating the labor supply, setting and adjusting wage rates and, in general, providing a unified treatment of employer-employee relationships in agricultural industry. There will be protests that the rights of the individual employer are being infringed.

The protests will come from those who have destroyed individualism in agriculture by resorting to industrial methods of agriculture and using employers' associations to carry out collective, unified programs of labor policy. As the relationship between farm operator and farm worker partakes more of the relationship between industry and wage worker than that of father and son, brother and brother, neighbor and neighbor, or the "family farmer" and his hired man, the need for a public policy of this character becomes compelling. Collective action by the hired workers in industrialized agriculture, supplemented by social action of governmental agencies, similar to that applied to other industry, must become the order of the day. A continued indulgence in a monopolized control of the incidents of the employer-employee relationship cannot be successfully urged as a desirable condition in an economic system that is based upon accepted concepts of industrial democracy.

It may be suggested that enlightened employer leadership will eventually remove the injustices and undesirable conditions without governmental action. The record of the past decade does not lend force to this observation. On occasion there have been momentary and passing attempts by employer groups to develop the necessary self-discipline in the industry without unions, collective bargaining, or protective legislation. However commendable this activity may be, it cannot be accepted as a substitute for the bona fide sharing of the control of labor relations with labor through its chosen representatives, and the passage of legislation to protect both the employees and the fair and just employers from the abuses of a selfish and recalcitrant minority.

The record of this investigation discloses that there are vicious and intolerant forces which, unless restrained, are likely to combine to interfere with the normal development of the free and natural exercise of the right of employee association and collective bargaining and the underlying right of free speech and assembly. As this Part IV discloses, these forces, all too frequently, have been stimulated or encouraged and aided by the same groups that dominate employers' associations active in actual control of labor relations. That combination is the most outright economic tyranny, and, when it controls a given area or industry, can only be restrained by the policy of a democratic government zealous in the protection of the civil rights of its citizens and in the furtherance of social justice.

There are ominous signs that the various recurrent instances of undue interference with the civil rights of agricultural labor are not isolated and passing aberrations of untutored and reactionary local groups without great influence and prestige. Indeed, these violations of civil rights in agricultural industry form and follow a pattern. They have a central direction; they are encouraged and supported by the most powerful and outstanding industrial corporations and leaders in California. The analysis in this Part IV reviews only the background in the development of an organized State-wide conspiracy to violate labor's civil liberties in California agriculture and the eventual coordination of the organizational instrument forged for that function with "belligerent" antiunion employers' associations that have conducted a concentrated drive against all organized labor in contravention to the national labor policy embodied in the National Labor Relations Act. The unfolding of this broader and more startling context of the activity of employers' associations in California agriculture is the subject of Part V.

AGRICULTURAL LABOR—BILLS INTRODUCED

Mr. LA FOLLETTE. Out of order I also ask leave to introduce on behalf of the Senator from Utah [Mr. THOMAS] and myself five bills and one concurrent resolution. I ask for their reference to the Committee on Education and Labor. One of these bills proposes an amendment to the Social Security Act, which clearly is within the jurisdiction of the Finance Committee, but, through the kindness of the Senator from Georgia [Mr. GEORGE], I have at least secured his personal permission to have this measure referred first to the Committee on Education and Labor in order that this comprehensive legislative program may be considered by that committee as a whole. Of course, should it ever be favorably reported to this body, it would be understood that it would immediately be referred to the Committee on Finance, which has jurisdiction over such legislation.

There being no objection, the bills introduced by Mr. LA FOLLETTE (for himself and Mr. THOMAS of Utah) were read twice by their titles and referred to the Committee on Education and Labor, as follows:

S. 2860. A bill to amend the National Labor Relations Act by extending its benefits to agricultural labor on large industrial farms;

S. 2861. A bill to amend the Fair Labor Standards Act of 1938 by extending its benefits to employees on large industrial farms, and for other purposes;

S. 2862. A bill to regulate private employment agencies dealing with agricultural labor and engaged in interstate commerce;

S. 2863. A bill to provide for the fixing of wages on large industrial farms and affecting interstate commerce, to create an Agricultural Wages Board, and for other purposes; and

S. 2864. A bill to provide for the common defense; to provide for the general welfare of agricultural workers by amending the Social Security Act and the Internal Revenue Code to cover agricultural employment on large industrial farms with respect to old-age and survivors' insurance benefits; to establish a Federal Farm Placement Division within the Bureau of Employment Security of the Federal Security Agency; to provide a system of federal agricultural unemployment insurance; to raise revenue; and for other purposes.

COMMISSION TO INVESTIGATE UTILIZATION OF MANPOWER IN RURAL AREAS

There being no objection, the concurrent resolution (S. Con. Res. 34) submitted by Mr. LA FOLLETTE (for himself and Mr. THOMAS of Utah) was received and referred to the Committee on Education and Labor, as follows:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a commission to be composed of (1) three members of the Senate Committee on Agriculture and Forestry and three members of the Senate Committee on Education and Labor, to be appointed by the President of the Senate; three members of the House Agriculture Committee and three members of the House Labor Committee, to be appointed by the Speaker of the House of Representatives; and (2) the Secretary of Agriculture, the Secretary of Labor, and the Chairman of the War Manpower Commission or their alternates. The Commission shall select a chairman from among its own members. A vacancy in the Commission shall not affect the power of the remaining members to execute the functions of the Commission, and shall be filled in the same manner as the original appointment. The Commission is authorized and directed to make a full and complete study and investigation for the purpose of acquiring such information as will enable it to make recommendations to the President and to the Congress at the earliest practicable date on the—

(1) efficient utilization of manpower in the rural areas and farms of the Nation in the war and post-war economy.

(2) extent to which farm operators (owners, tenants, and sharecroppers) of small, inefficient, or submarginal farms should be converted to the war food- and fiber-production program by rehabilitation on efficient family-type farms.

(3) quantities, types, standards, and methods of public aid necessary or desirable to the conversion of farm operators of small, inefficient, or submarginal farms to full war food and fiber production.

(4) extent to which farm operators of small, inefficient or submarginal farms and their families should be encouraged and assisted to find more effective utilization in war and essential civilian industry and services nonagricultural in character.

(5) quantities, types, and methods of public aid necessary or desirable to the more effective utilization of manpower presently engaged on small, inefficient, or submarginal farms in nonagricultural war and essential civilian production and services on a full or part-time basis.

(6) any and all means of achieving a more effective utilization in the war effort of those engaged in part-time or subsistence agriculture and other seasonal occupations.

(7) quantities, types, and methods of public aid necessary or desirable to the transportation, housing (temporary or permanent), medical care and job training of seasonal or migratory agricultural workers.

(8) development and use of emergency, temporary, or untrained labor reserves for part-time or seasonal agricultural labor consistent with the war effort, the public interest and the interest of farm laborers of long standing who depend upon farm work as a livelihood.

(9) preservation or extension of public health and welfare services for the rural and farm population during the war and post-war economy.

(10) a program for assisting the reentry of demobilized members of the armed services with agricultural training and preference for agricultural employment into stable and useful agricultural occupations.

(11) measures necessary or desirable in the period of war and post-war readjustment to promote the policy of Congress to encourage and maintain the family-type farm, the security of the farm family on the land, and an adequate minimum standard of living for those who work on the land.

For the purposes of this concurrent resolution, the Commission or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods in the Seventy-seventh and succeeding Congresses, to employ such experts and such clerical and other assistants, to require by subpena and otherwise the attendance of witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the Commission, which shall not exceed $50,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman. Notwithstanding the provisions of section 3678, Revised Statutes, the Commission is authorized to utilize the services, information, facilities, and personnel of the departments and agencies of the Government represented on the Commission.

PRESERVATION OF FAMILY-SIZED FARMS

Mr. LA FOLLETTE. Mr. President, the series of five bills and one concurrent resolution which I have introduced today on behalf of the Senator from Utah [Mr. THOMAS] and myself propose to establish a new national legislative policy on a problem as old as civilization and as fresh as this morning's newspaper. That problem is the place of agricultural workers in our society.

The demands of the total war in which this Nation is engaged for an effective utilization of manpower and a maximum agricultural production require, in my opinion, an immediate consideration of this problem. Moreover, it must be treated, if we expect to stabilize economic freedom on the home front for the post-war world.

I digress, Mr. President, long enough to say that I have no doubt these measures will be misrepresented by those who will oppose them, but, as one of those who believe that the fate of democracy is linked with the economic fate of the family-sized, family-owned, family-operated farm, it is my firm conviction that these measures are calculated to help preserve the family-sized, family-owned, family-operated farm, and to prevent in part the encroachment of industrialized agriculture upon the concept inaugurated in the early years of the Republic, and further by the enactment of the Homestead Act in 1862.

Mr. McKELLAR. Mr. President, will the Senator from Wisconsin yield so that I may ask him a question?

Mr. LA FOLLETTE. I yield.

Mr. McKELLAR. The subject of manpower was discussed in the hearings by Administrator McNutt, and perhaps others, and it rather revolves around the question whether the use of manpower is to be on a voluntary or involuntary basis. The Senator from Wisconsin has evidently studied this subject very carefully, and I am wondering whether he has reached the conclusion that, in view of the fifteenth amendment to the Constitution, we ought to establish a form of involuntary servitude in dealing with the subject of manpower.

Mr. LA FOLLETTE. Mr. President, in the remarks which I intend to make this morning I am not endeavoring to treat the aspect of the situation to which the able Senator from Tennessee has referred. However, I will say to him that it is my firm conviction that, if any such drastic, sweeping, and revolutionary approach is intended, it makes all the more necessary a serious consideration of the problems with which the measures introduced this morning seek to deal, unless we are to be confronted with a condition which may accurately and fairly be described as involuntary servitude in the United States of America.

Mr. McKELLAR. I thank the Senator.

Mr. LA FOLLETTE. Mr. President, the legislative proposals to which I have referred are an outgrowth of our studies of the agricultural labor situation as a subcommittee of the Senate Committee on Education and Labor. We devoted the last phase of our investigations and public hearings in 1939 and 1940 to this subject. After an intensive survey on the west coast, where the great areas of "industrialized agriculture" predominate, we heard the views of the outstanding nonpartisan experts on farm labor in other sections of the country. Particular attention was given to the plight of the small or low-income farm family. The decade of the 1930's was found to be characterized as one of economic bondage, poverty, and wasted manpower for these disadvantaged groups. The reports of the committee, one of which I have filed today, provide a detailed analysis of this most important and pressing problem.

But the coming of the war, for the United States in particular, marked the end of active public concern with the Joads, the Jeeter Lesters, and their real-life counterparts. Now, however, the economic cycle has turned from an era of labor surplus to one of labor scarcity. The tragedy of waste and wasted manpower in agriculture again has become of vital concern to the Nation as well as to the inarticulate victims.

Having analyzed its conclusions on the problem formulated in the perspective of the late thirties and found them equally appropriate to a solution of the current war situation, the members of the subcommittee believe it timely to submit concrete proposals for the consideration of Congress.

THE CURRENT LEGISLATIVE PROBLEM

About 1 out of every 5 of those gainfully employed in the United States works on the land producing food and fibers. These laborers include working farm operators, either owner or tenant, sharecroppers, family labor, and wage laborers. These eleven-million-odd workers till the soil, harvest the crops, and care for the hundreds of millions of chickens, dairy cattle, and animals raised for slaughter. They and their families constitute a quarter of our national population, or more than 30,000,000 people.

They are too important a group numerically to be mishandled. As arms are necessary, it takes food to win the war and reconstruct a ravished and famished world. Maximum manpower utilization for total war must take agricultural labor heavily into account. Their stability is an important element in any enduring political and economic structure after the war.

About 3,000,000 of these 11,000,000 agricultural workers—about 1 out of every 4—are wage laborers. Their plight was an unanswered reproach to national conscience in years of peace. Deprived of the protection of labor legislation, employee organization, or even dependable and steady employment, these agricultural wage workers have suffered for years under a serious national discrimination.

It is no coincidence that when manpower came into demand because of our all-out war effort the agricultural wage laborer, particularly the migratory, part-time worker, who depended on industrialized or commercialized agriculture, sought to escape from his bondage of poverty and misery to the armed services and the urban factory. As a result there is no reliable agricultural labor supply. It is claimed on all sides that the Nation faces a serious farm labor shortage. This lack of a dependable

labor force for agriculture threatens the "Food for Victory" program. In the long years of war ahead it may become a fatal defect in our national armor. Naturally there are calls for a "work on the farms where you worked before or fight" policy. The next step, of course, in this line of reasoning is to "freeze" men in their jobs, as suggested by the question of the Senator from Tennessee [Mr. McKELLAR].

Passing any discussion of the desirability or necessity for either of these measures, it is quite clear that a necessary preliminary to any wartime handling of farm labor is to give that labor the dignity, standards, and rights accorded to other job occupations under our laws. "Job freezing" for agricultural labor under present standards would only be self-defeating and a source of national shame. I refer in particular to the migratory, part-time laborers. Indeed, in many low-wage sections it would approach "involuntary servitude," if not achieve it. No solution to this farm labor problem that does not apply the principles of the Atlantic Charter to men on our fields and farms will be effective. Stated another way, any manpower policy that controls farm labor will fail in its objective unless it creates a reliable, capable, and spirited labor supply that will have a stake in working to win the war, and realize that it has such a stake. If farm labor is given something of the status of other occupations, extreme methods of "job freezing" for agricultural labor may not become necessary.

The five bills introduced today would raise these standards and give farm labor the rights labor in an economic democracy should have. They would constitute a new legislative policy for farm labor that will promote the winning of the war. They would further the Four Freedoms at home and lay the foundation for a successful solution of the problem of farm labor after the war.

Mr. HILL. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. HILL. Is the Senator going to give us the gist of the measures?

Mr. LA FOLLETTE. I shall summarize them very briefly and at the conclusion of my remarks I had intended to ask that they be printed in the RECORD. I might just as well do so now. I now ask unanimous consent, Mr. President, to have the bills, the concurrent resolution, and an analysis of each, printed in the RECORD as part of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, the order is made.

(See exhibits at conclusion of Mr. LA FOLLETTE's remarks.)

Mr. LA FOLLETTE. Mr. President, around eight million of the eleven million agricultural workers—about three out of four—are farm operators, owners or tenants, sharecroppers, and members of their families who regularly assist in the farm work. This is a great reservoir of underdeveloped manpower for our national war effort.

Large numbers are underemployed, working on inefficient or submarginal farms. They occupy large numbers of farms on land unsuited for agricultural production while other good farms are idle or undermanned. They work additional numbers of farms which are too small to afford more than part-time employment although they may furnish subsistence to the worker and his family. Off the farm employment is not readily available to many in the locality. I may emphasize that the group of which I am speaking numbers not hundreds of thousands, but millions.

They suffer from the rural poverty that is a veritable blight in whole States and regions. They must become more productive for themselves and their families, and now, most of all, for their country, and for our allies who are joined with us in this total war effort. Otherwise we will fail to bring to the world cataclysm a population fully mobilized for war and wedded to democracy as the way to economic security and freedom.

The concurrent resolution submitted by me would authorize the establishment of a joint committee of the Senate and House to investigate certain specific phases of the problem of this small "family farmer" group. Such an investigation is needed in order to provide a firm and consistent pattern for the operation of such curative agencies as the Farm Security Administration. The entire program of that most vital public organization has been placed in jeopardy because of disagreements in Congress. There is, in my view, a general lack of understanding of the relationship of its work to the war and post-war problems of agriculture. Only a consistent and informed course of legislative action can permit the small agricultural producer to be converted to levels of war production. We are all eager to assist the conversion of the small manufacturer to war production. That is sound, it is vital, but I say it is equally vital that we should assist the small farmer to contribute his maximum to winning the war, and achieve a permanently useful and efficient place in our society.

I submit that all these legislative measures are properly viewed as bills vital to the war effort. Certainly if we view food as important as other supplies, manpower as a precious productive and military asset, no other conclusion is tenable.

LEGISLATIVE BACKGROUND

From time immemorial, the type and conditions of labor on the land have constituted grave economic, social, and political problems. The bulk of the world's population has been usually engaged in agricultural work. Agrarian conflicts have colored the pages of history with bloody and somber hues. From the period of classical antiquities in Greece and Rome to the post-war struggles in eastern Europe, the relationship of men to the land they work and the fruits of their labor has been the nub of endless tyranny and bloody conflict.

Slave labor has too often dominated, representing the principal alternative to a system of occupation by small owners. In the medieval centuries, outright slavery as an institution in European civilization was replaced by a feudal system. That system, however, permitted the rankest exploitation of those who tilled the soil by those who held some special control. The French Revolution and the more gradual British reform did not obliterate the problem of agricultural labor in western Europe. Feudalism was finally shattered, but the lot of the yeoman who became the agricultural wage laborer did not improve substantially. Enclosures, the industrial revolution, and the poor-law system in England produced a landless laborer to whom revolt or migration to a new world were the only feasible alternatives. Land ownership in the modern sense became the only device whereby the agricultural worker could achieve even relative economic freedom on the land.

Hence, all over Europe and in the Colonies the pursuit of rural happiness was directed to the attainment of rights of property in the land upon which men worker and lived. In the Old World the struggle for peasants' rights to the soil became a major theme in the battle for freedom. The North American Continent, particularly the United States, became the cockpit for the rival traditions of agricultural labor—slave or free. The notion of a family owned and operated farm, subject to nothing but the taxes of the sovereign and levy for debt, flowered to become the most esteemed concept of the independent rural democracy, idealized by Thomas Jefferson. The competing system, a slave system, found strong root in the vast stretches of tobacco, rice, and cotton.

A bloody civil war was fought. A major question in the war was the nature of the system of land operation which would dominate in America. The Homestead Act of 1862 was the legislative expression of the national policy of encouraging individual family-owned farming units as the basis of rural democracy.

Seventy years of agrarian struggle for economic parity with a dynamic industrial development brought the Nation to an agricultural crisis in the 1920's which culminated in the depression of the 1930's that was long foreshadowed to those who had studied the history of the economic situation confronting agriculture. Reliance upon the family-farm pattern of independent operators, the cultivation of a tradition of an agricultural ladder that permitted the laborer to aspire to ownership, and the opportunity to obtain public-land grants had caused the Nation to forget the problem of economic democracy on the land. A rude awakening came with a decade marked by foreclosure riots, sharecropper revolt, widespread strikes of agricultural wage workers, a parade of displaced farmers from the land, and the disclosure of severe rural poverty among one-third of the six-million-odd farm operators in the 1930 census.

In 1938 and 1939 the subcommittee of the Senate Committee on Education and Labor, composed of the Senator from Utah [Mr. THOMAS] and myself, undertook an inquiry into the background of a series of violations of the civil liberties of California's farm workers. This investigation was begun as a part of our 4-year survey of violations of rights of free speech and assembly and undue interference with the right of labor to organize and bargain collectively.

Our findings on the economic and social background of the farm labor problem in California were the subject of a recent report presented to the Senate. These findings appear in Senate Report No. 1150, part 3, of the Seventy-seventh Congress, second session. The volume is entitled "The Disadvantaged Status of Unorganized Labor in California's Industrialized Agriculture." Our conclusion was that the outbreak of violence and strife in California's agriculture was only the most recent storm signal of a profound and long-standing maladjustment in the lives of millions of hired farm workers and small farmers throughout the Nation. We recommended that a series of specific new public policies for agricultural labor be adopted.

Today I filed with the Senate a fourth report on "Employers' Associations and Their Labor Policies in California's Industrialized Agriculture." This report is Part 4 of Senate Report No. 1150. Our conclusion in this report was that it is essential to re-appraise the existing public policy, which leaves complete control of employer-employee relationships in what was termed "industrialized agriculture" in the hands of employers' associations, beyond the reach of tempering employee sentiment through trade-unions and protective public regulation. We concluded that a review of the present policy of exempting labor in "industrialized agriculture" from national and state labor legislation should be reviewed; that the obvious unlikelihood of an early effective development of associations of agricultural laborers, enjoying an equality of bargaining power with associations of agricultural employers, calls for an extraordinary degree of attention to the passage and enforcement of protective legislation for agricultural labor.

We pointed out in the report that there is likely to be a bitter and determined opposition to a shift in public policy of this character. It will be generated by the various associations of large agricultural employers and allied industrial groups. Guided by their own self-interest, they act collectively for the purpose of manipulating the labor supply, setting and adjusting wage rates, and in general providing a standard of treatment of employees in agricultural industry that is to the employers' advantage. Their handling of labor supply is predicated upon creating and using a surplus. We predicted that the protests that the rights of individual employers would be infringed upon by such legislation will come largely from those who have destroyed individualism in agriculture by resorting to industrial methods in agriculture and by using employers' association to carry out collective unified programs of labor policy.

I reemphasize, Mr. President, that in my effort to help to protect and preserve the concept of the family-sized, family-owned, family-operated farm, I have devoted much time to a study of this industrialized agricultural problem. Let me say again what I have said on so many occasions on this floor, that it is a common and human failing not to realize far-reaching economic changes until they have swept over our past concepts and obliterated them, perchance beyond recall. Since the days of Jefferson and the early history of this Republic—furthered, as I have said before, by the Homestead Act of 1862—we have had a national concept, if I may phrase it in that fashion, of the family-sized, family-owned, family-operated farm. We have gone on believing that it was the tradition, that it was prevailing in our time and generation, whereas, Mr. President, economic forces are already at work in this Nation which, if they are not brought under proper public control, will ultimately, in my judgment, wipe out that entire concept and obliterate the family-sized, family-owned, family-operated farm. I fear that unless we attend to our business, we shall ultimately have a predominance of industrialized agriculture in this Nation such as we already have in certain sections of the country, particularly in California. I venture the further prediction, Mr. President, that if that ever comes to pass it will bring in its train the most fundamental, the most sweeping, and the most far-reaching changes in our economic and political environment that this Nation has experienced in its 150 years and more of existence.

We have concluded that a continued indulgence of the monopolized control of the incidents of the employer-employee relationship in the employer and employee groups cannot be successfully urged as a desirable or efficient condition in an economic system based upon accepted concepts of economic democracy.

On our return from California in the spring of 1940, a check-up on the situation in other areas impelled the committee to call a brief series of hearings on the national farm labor problem. These latter hearings were not directed primarily to a disclosure of efforts to strangle attempts to secure adjustment of discontent through collective bargaining. They were devoted to the greater tyranny of economic and social misery suffered by millions of wage workers and working farmers in the past decade. A succession of the best-informed and most unbiased Government experts available recited a series of facts and opinions which deserve the attention of thinking people. These hearings were subsequently published in three volumes. They speak for themselves.

The subsequent hearings and reports of the House Committee on Interstate Migration of Destitute Citizens, headed by Hon. JOHN TOLAN, of California, provided a wealth of additional valuable information concerning the conditions in rural areas which led to the rural migrations of the past decade and the conditions which the migrants encountered in their search for security.

Only one conclusion was tenable on the record of the hearings of these two committees since published and distributed, namely, that the Nation should restate the national ideal of the place of agricultural workers in our society. Poverty, insecurity, low hourly and annual wages, inferior housing and living standards, child labor, the absence of adequate health and educational services, underemployment, unemployment, undirected and unnecessary migrancy, and a lack of any substantial opportunity to exercise the civil rights of labor—these were revealed as the lot of the great portion of the Nation's agricultural wage laborers.

This same disadvantaged status appeared to have spread to large numbers of family farms, affecting owner and tenant alike. They were persistently faced with the competition of cheap farm labor, mechanization, drought, debt, and the movement toward large-scale commercialized agriculture.

I wish to point out, as is shown beyond peradventure in the hearings, that the tendency toward commercialized or industrial farming is not confined to any one section of the country. It is manifesting itself all over the United States.

Most outstanding in all that testimony was the repetition on one theme, the existence of a surplus of underemployed and unemployed, real and disguised, in the Nation's rural areas. Unused and wasting manpower was the constant refrain. Agricultural areas were said to be burdened with a reserve of four or five million unemployed or underemployed. That was the paralyzing fact that seemed to make any measures other than full employment for all inadequate. Simple relief, a few F. S. A. camps, and the other remedies limited by inadequate appropriation, such as the rural rehabilitation and tenant purchase program, seemed desirable; but, cast against the background of the existing problem, they seemed totally inadequate.

Oddly enough, these hearings were interrupted and cut short by the fall of France. The Nation turned to the task of girding itself for the military struggle that loomed ahead. Before 2 years had passed, we witnessed the creation by Executive order of a War Manpower Commission, designed to relieve the impact of manpower shortages on war and essential civilian industry.

One of the first items of business for this Commission was the question of facilitating the importation of Mexican labor to work on the farms of the Western States. No major industry has been so vocal in its cries of labor shortages as industrialized agriculture.

A newspaper in any section of the country seldom appears without reference to the farm labor problem, present or potential. An avalanche of letters, petitions, and telegrams descends upon Congress and the executive departments, pleading for preparation for assuring an adequate farm labor supply. Congressional committees are seeking the views of officials from the Selective Service System and the War Manpower Commission. The farm labor supply problem cries for speedy and adequate treatment.

It is said that the "Food for Victory" program is in jeopardy. From Maine, where the importation of potato pickers from Quebec was requested, to Texas and California, where the cry for Mexican importation is heard once again, agricultural industry calls for help. The problem on the family-sized farm is acute, and growing from week to week. As I pointed out during the debate on the

recent price-control bill amendments, in my State an unprecedented number of sales of dairy stock and farm machinery are being conducted by those who find it impossible to carry on their operations because of the farm labor shortage.

The great farm factories dependent upon wage labor seem to be in for a long siege of trouble. Schools are being let out early and opened late; school children are being mobilized; a women's land army is going into action, it is said; even some of the local townsfolk are learning the joys of day-long sugar-beet picking. But despite all of these emergency expedients, the future promises no solution without new measures.

Indeed, many of those who refused to take seriously the sad plight of the underemployed migratory farm worker of the thirties now find that, after all, he is a very important fellow. He is a man. America needs men. The wasted months of the tenant, sharecropper, or low-income farmer, characteristic of each year, can no longer be viewed as solely their individual problem. An efficient use of manpower in the field of agriculture is necessary for a speedy and complete victory. Yes, Mr. President, it is necessary and essential for victory at all. It is essential to all-out war. It is readily apparent that efficient utilization of the 10,000,000 agricultural workers—farm operators, family labor, and hired labor alike—is necessary to any real attempt to maximize manpower in the war effort.

By 1943 our armed forces and industrial war production are expected to take a heavy additional labor supply from agricultural work. It is estimated that 2,000,000 persons have entered the armed forces, moved away from farms, or accepted nonfarm work since April 1940. Replacements, provided by natural increase and women and children, have been estimated at 1,000,000, leaving a net loss of 1,000,000.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. AUSTIN. Can the Senator state what the present pool of available farm laborers may be?

Mr. LA FOLLETTE. I have no figures on that subject which I regard as being recent enough to be of any value.

Mr. AUSTIN. I thank the Senator.

Mr. LA FOLLETTE. But we know from figures, which I believe are reliable, that there has been a net loss on the farms of 1,000,000 persons since April 1940.

In the next year an additional 1,300,000 are expected to leave the farm labor market, according to information which I have received. More, many more, could be used in the factory or in the Army. These figures in themselves show that the stakes are large.

How and on what terms will the agricultural labor necessary to the "Food for Victory" program be provided? How can we maximize the effort of the millions remaining on the land? What national policy must we now adopt to treat this problem?

THE ISSUE—AN EFFICIENT AND DEMOCRATIC MOBILIZATION OF FARM LABOR

Two courses may be used in meeting the problem of agricultural wage workers.

The first alternative would continue the existing method of handling the three-million-odd workers and their families who depend upon wage employment on the land. This would call for more of the same discrimination, mistreatment, and unthinking action that has been customarily accorded this group by industrialized agriculture. Their lot would only be blacker because the hope of escape or relief inherent in a rising labor demand would be dashed. Their contribution to the war effort would be delimited. "Business as usual," rather than effective manpower utilization, would hamper the war effort and leave our "Food for Victory" program in peril.

What are the hallmarks of this retrogressive course of action?

It would indulge the maintenance of inefficient and wasteful practices of hiring and employment, while listening sympathetically to accounts of labor shortage on industrialized farms.

It would resist the organization of the farm labor supply through a public employment exchange clothed with adequate authority and staff, while insisting that school children, women's land armies, and imported Mexicans be mobilized.

It would insist that there be two hands at the gate for every job, or whatever was adequate to maintain substandard wage scales, not to harvest crops.

It would destroy any remaining vestiges of stability in the agricultural labor market by throwing into it mobilized reserves, without providing adequate safeguards for those who depend upon it for a living. It would pull in additional labor supplies without attempting to extend the period of annual employment of the available supply. It would use 100 hands 100 days a year, rather than endeavor to utilize 50 men 200 days.

It would maintain wage and working conditions that inevitably would mean freezing of men in jobs they do not want, or the loss of the remaining trained agricultural wage workers to more desirable jobs in industry. It would maintain in industrialized agriculture substandard wages.

It would leave untouched in many areas the housing, transportation, and health problems of agricultural migratory workers now vital to our agricultural program, because of some weird notion of false economy.

It would drown out all complaint, all discontent, all potential labor trouble with a flood of excess labor reserves and old methods of repression. It would resist the provision of any forum where the differences could be considered or decided by an authorized public tribunal that would include representatives of both employers and employees.

It would offer no final solution, but a "work where you worked before—regardless" policy. It would leave the agricultural labor market in the same old rut, holding out no hope for the future, but the lot of misery that has been accorded particularly to the seasonal, part-time agricultural worker for decades past. It would leave our whole war agricultural program and plans for the Four Freedoms at home with an Achilles' heel of serious proportions.

The other approach to the problem of the wage worker in industrialized agriculture would give this class of labor a real, permanent, and desirable stake in the fruit of the land which they till and the country to which they belong. By decasualizing the industrialized agricultural labor market, longer periods of regular and annual employment without unnecessary migration, with some job security and preference for regular workers, could be provided. By establishing a method for determining fair wages for the labor performed, the incentive to employers and their pressure associations to maintain an excess labor supply to perpetuate substandard wage scales would be eliminated.

By extending to industrialized agricultural labor the benefits of labor legislation that provides social security minimum wages and protection of collective bargaining, the regular and experienced agricultural workers could be given a stake for the future in the agricultural labor market. The unhappy necessity of freezing hundreds of thousands of workers in a living pattern of which we cannot be proud might be obviated. Should job freezing become necessary, the tinge of involuntary servitude would be eradicated to some extent. The men would be frozen into jobs carrying the dignity, status, and rights of other occupations.

Likewise two courses are open in the treatment of the 8,000,000 agricultural laborers who work as farm operators, tenants, sharecroppers, or family labor. Large numbers of these can be permitted to live, as they are living now, at extremely low levels of productive effort because only part of their time is utilized on the small or submarginal farms which they now operate.

This deficiency may result also from the lack of appropriate facilities, stock, and other farm supplies. With better facilities their labor power could be made fully productive. It is a shocking waste of manpower in this war effort to leave men on submarginal farms. Many able-bodied citizens should be released to more constructive employment in war industries, or their farms rehabilitated, if practicable, so as to make a maximum contribution as efficient family-sized farms. Conversion of men on the farms to war agriculture or war industry on an efficient basis is a job well worth doing. Underemployment and a waste of human energy and resources in agriculture must be eliminated as a war manpower measure and as a basis for a better post-war agricultural society.

This situation presents an issue to the Nation. That issue is whether the 11,000,000 agricultural workers in the United States are to be mobilized for war according to a slave or peasant pattern or according to more efficient and democratic standards that will serve to max-

imize our national war effort and lay the foundation for a solid, enduring post-war agricultural economy.

SUMMARY OF PROPOSALS

The five bills which are being introduced to deal with industrialized agricultural wage workers would create a national policy for the treatment of this group for both the war and post-war period. These bills would constitute a rounded and cohesive series of measures. They would attempt to promote an efficient utilization of wage labor in agriculture that would secure both the "Food for Victory" program from the wage-labor side and the success of effective national manpower mobilization in the field of agriculture. They would accomplish these war aims by means of and according to a set of standards that would make agricultural labor a desirable employment. The same statutes and standards which our democracy has accorded to other forms of labor would pertain to agricultural wage labor, and, thereby, give these millions a stake in victory and a stable order thereafter.

The first bill, called the Agricultural Employment Stabilization Bill, would provide for the decasualization and stabilization of the agricultural labor market through public employment exchange operations accompanied by social security guarantees of old-age and survivor's insurance, and a specially adapted form of unemployment insurance. The latter form of unemployment compensation would be designed to meet and minimize underemployment and seasonal or intermittent unemployment, which inflict so much employment insecurity upon agricultural wage workers and waste of labor power on our economy. In wartime the operations of the public employment exchanges for farm labor would be responsive to the directives of the War Manpower Commission; in peacetime they would serve as employment stabilization measures.

The second bill, called the Agricultural Wage Board Bill, would establish a system of agricultural wage boards for the purpose of determining fair wages as distinct from minimum wages, for the employment of labor in industrialized agriculture. In wartime these operations would be coordinated with the War Labor Board activities. The wage determinations would be subject to veto by that body in accordance with the recently enacted anti-inflation measures and the Executive order setting up a Director of Economic Stabilization.

The third measure, called the Agricultural Labor Standards Act, would extend the benefits of the Fair Labor Standards Act of 1938 to employees in industrialized agriculture, namely, the right to be paid a certain minimum wage and to work only maximum hours except with overtime.

The fourth bill, called the Agricultural Labor Recruitment Act, would regulate the operation of private employment agencies, labor contractors, and other forms of private recruiting in the field of industrialized agriculture. It is similar to H. R. 5510, Seventy-seventh Congress, first session, which is better known as the Tolan bill, except that the bill introduced today is confined to agricultural labor. The bill introduced by Representative JOHN TOLAN in the House, and the subject of extensive hearings there, particularly as it applied to agricultural labor, is also responsive to the record of testimony before the subcommittee of the Senate Education and Labor Committee on the unregulated abuses of private recruiting of agricultural labor.

The fifth bill, but one of the most important, which will ultimately be the keystone arch of any enlightened national policy in this field, is called the Agricultural Labor Relations Act. It would simply extend the benefits of the National Labor Relations Act to include those individuals employed as farm laborers in industrialized agriculture.

In connection with these five measures introduced today, I call the attention of the Senate to S. 2057 which was introduced in November of last year. It would amend the Fair Labor Standards Act to regulate the use of children as agricultural wage laborers on other than the "family farm," thus removing this outside employment of children from its present dependence upon the attitude of local school authorities who may be subject to local pressures and prejudices. This bill would eliminate a specific exemption for children employed in agriculture and place such employment in the same category as children employed elsewhere, allowing for the employment of those between the ages of 14 to 16 with the permission of the Children's Bureau of the Department of Labor.

Certain of these measures require little explanation at this time. The extension of coverage to agricultural labor under the National Labor Relations Act, the Fair Labor Standards Act, and the laws regarding old-age and survivors' insurance raises fairly obvious issues. We are all familiar with the workings of those acts. Likewise, the abuses that accompany private recruiting of agricultural labor through labor contractors and employment agencies present a problem of regulation which is not novel. Accordingly, I shall request that they be printed with only brief explanatory notes at the conclusion of my remarks.

The two measures which have been called the Agricultural Employment Stabilization Bill and the Agricultural Wage Board Bill do require some further explanation. Rather than discuss them in detail today, I have prepared an analysis of these two measures as they relate to the war problem of farm labor. For the convenience of the Members who may wish a ready reference I request that this statement, together with the bills, also be printed at the conclusion of my remarks. It is entitled "Analysis of the Agricultural Employment Stabilization Act and the Agricultural Wage Board Bill."

Around the basic legislative framework embodied in these proposed measures certain collateral activities now authorized or in contemplation can be carried on to greater advantage through existing administrative agencies. For example, the Farm Security Administration camp and health programs could proceed on a more solid and firmly organized pattern. The camp program could be expanded and designed more accurately according to specifications that take into account the number of regular farm laborers resident in a particular locale and the deficit requirement for which temporary housing facilities must be provided.

Similarly, the permanent medical and health program embodied in the Agricultural Workers' Health and Medical Association would have more stability. Over-all planning for transportation, deferment, priorities, and job-training programs, to be carried on under the supervision of the War Manpower Commission, could be made applicable to agricultural wage labor.

The problem of transportation of migratory labor is particularly significant and must be handled on a well-organized basis to meet a well-defined demand. The necessity for making the most efficient use of our shrinking transportation facilities and of conserving rubber and fuel is another imperative reason why we must adopt some such plan as is proposed for full utilization of agricultural labor. Workers and their families who in the past have moved to and fro in search of jobs in their jalopies—ancient rattletrap automobiles—cannot continue to do so. Within the year millions of the country's automobiles may be taken from the highways for lack of tires. When these go from the roads, you can be sure that all the superannuated crates that migrant agricultural workers use for travel will be among them. An official of one of our war agencies already has asked that the jalopies "commit suicide."

The movement of workers to and from the crops will have to be carried on in trains and busses and in the trucks and passenger cars that continue to be available for this purpose. Needless to say, this movement of several hundred thousand people for millions of passenger miles each season will place a tremendous additional burden on our remaining transportation facilities. This burden must be minimized. The only way this can be accomplished is by planning the movement of farm labor only when it is needed, in the amounts needed. Such a plan logically could be worked out by the Federal Employment Service under the proposed legislation. The Employment Service would know both the labor requirements of the agricultural areas and the amount of transportation facilities needed to supply the demand for workers. It could organize the movement of labor in an efficient manner, now impossible under the current arrangements.

The foregoing summary deals solely with the problem of hired farm labor. The other phase of the agricultural labor problem concerns the small farmer who works on the land as an owner, tenant or sharecropper, and his family labor. The proposed resolution, previously referred to, would authorize an investigation, by a committee representing both Houses of Congress, of the ways and means of fully utilizing them in the war effort.

The policy of the Federal Government in treating this substantial population group is in a state of great uncertainty. We are all too familiar with the recent differences between the House and Senate on the extent of appropriations for the Farm Security Administration, rural rehabilitation, and tenant purchase programs. That difference is symptomatic of the need for a thorough public investigation and determination of the facts on which a consistent public policy can be based.

As a member of the joint committee on the reduction of nonessential expenditures, I took occasion to dissent from the findings of that committee. They were based upon brief hearings and scattered testimony taken largely from secondary sources and carefully removed from public scrutiny by executive sessions and confidential hearings. I said then and I restate now that the study and recommendations of the joint committee on reduction of nonessential expenditures concerning the Farm Security Administration are unsound and have developed only a confusion of congressional policy that is bound to do great damage.

We are willing to expend vast sums of money for converting so-called small manufacturing businesses to war work. I gave my enthusiastic support to legislation looking to that end. My only regret is that it has not been carried out with more vigor and success. That is a justified and wise public policy. But as yet Congress has not faced squarely the equally important problem of converting our small farming enterprises to the "Food for Victory" program in the proportion that may be necessary if we are to win the war. By the same token, we have not attempted to plan for the adjustment of the underemployed farming population on small subsistence and submarginal farms to the necessities of a full manpower mobilization for war.

I say, Mr. President, that we cannot give this problem too earnest consideration, for, if my fears are realized, unless constructive and vigorous action shall be taken by the Congress and the Executive, we will fail not only to furnish our allies with the food which they will require, but we will face the grave danger of food shortages in the United States, which may impair the efficiency of our labor forces in producing the materials needed by our armed forces and the civilian population. I cannot overemphasize that this need is immediate and pressing.

We must have the facts publicly explored and a legislative decision arrived at which will be consistently followed for the duration of the war.

THE CURRENT PERSPECTIVE

It seems only fitting to outline the perspective in which these measures must be appraised beyond the immediate and inexorable necessity of achieving a maximum utilization of manpower for the winning of the war. That necessity needs no further emphasis. It is accepted. The other aspects of the situation require some elaboration.

We are engaged in the greatest and most dynamic struggle the world has yet witnessed. There is a global war. Fighting rages daily in every ocean. All of Europe, Asia, and Africa are engaged. Australia is threatened. Even the North American Continent feels the foot of the invader on the Aleutian Islands. The consequences are bound to be earth shaping.

It was the failure of democratic governments to solve their economic problems that more than any other one factor turned the disheartened and disgruntled peoples of Europe over to the hands of a new type of demagogue who combined sugary promises with a brutal direct action.

That historical lesson should not be lost upon the Congress of the United States. Upon that body has fallen the mantle of representative government. Is it fit to survive in a world that demands freedom from want from its governors? Can it plan and act? Have we lost the ability to see the problems of our constituents and legislate creatively to meet them? These are questions that we must ask ourselves. More important, these questions are being put and answered by others in the press, market place, shop, and farm. Upon those answers much of the pattern of the future depends.

The supremacy of democratic systems of government cannot be established in the hearts of the people of the world solely by a victory at arms. The advocates of autocratic or "fuehrer" rule the world over will win inevitably unless the Congress of the United States, with the leadership and advice of the Executive, demonstrates that democratic government according to our pattern can successfully cope with the problems of a changing world. It is only by workaday, persistent effort that this body and its various legislative committees can forge the instruments of legislation that will prove to the people of this Nation and the world that freedom from want is attainable through the ground plan of democratic government established in our Constitution.

I challenge the proposition that we freeze our economic and social order as of December 7, 1941. The carefully cultivated theory that Congress and the President should abdicate their constitutional duty to preserve and extend democracy on the home front until hostilities cease is the counsel of either defeatism or reaction. Many who urge it have not hesitated to attempt to destroy many of the hard-won gains of the last decade for the disadvantaged and underprivileged on the altar of false economy or fancied war necessity. The status quo concept of democracy cannot be accepted. We either go forward or backward. This is a dynamic era.

Many have asserted that the failure of the United States to solve its internal economic and social problems was the greatest single threat to our ideals of democratic government. Others have urged, with equal sincerity, that the prime menace was physical aggression of foreign totalitarian force. The plain fact is that both elements now gravely threaten. Regardless of past differences, the United States has both battles to win. Defeat on either front will mean the loss of both.

A legislative concern with post-war planning is not enough. I yield to no one in my advocacy of the desirability of the immediate establishment and continued encouragement of appropriate legislative and executive search for a public policy designed to treat the situation that will occur on the cessation of hostilities. But such post-war planning is no substitute for the necessity of advancing economic, social, and political democracy on the home front today, tomorrow, this year, and every year, and as casualty notices increase, Mr. President, until they finally descend upon the homes of America like snow in a blizzard, that urgent necessity will become more and more vital.

As a coordinate arm of the Government, Congress has one supremely important task in addition to supporting assiduously the total war efforts under the leadership of the Commander in Chief. It has the responsibility and the opportunity to suggest, analyze, report upon, and enact legislation in furtherance of the Four Freedoms here at home in these United States.

In this context I urge the early and careful attention of this body to the proposed farm labor legislation which has been introduced today, and to the concurrent resolution. Their passage will do much to assure every able-bodied American who works on the land a full day's opportunity every day to beat the Axis.

EXHIBIT A

ANALYSIS OF AGRICULTURAL EMPLOYMENT STABILIZATION ACT AND AGRICULTURAL WAGE BOARD ACT AND THE WAR MANPOWER PROBLEM IN AGRICULTURE

The relationship of the proposed Agricultural Employment Stabilization Act and the Agricultural Wage Board Act to the current manpower problem in agriculture is well defined. They would attempt a regulation of the labor market and conditions of employment on large industrialized segments of agriculture. They would achieve a more efficient use of manpower in this industrialized agriculture according to standards of employment designed to attract or retain a reliable and desirable labor supply.

The purpose of the first-named bill is to achieve a utilization of wage labor in agriculture that will minimize the evils of underemployment, unnecessary migration, job insecurity, and disorganized hiring and recruiting. These are the factors that spell wasted manpower.

Title I of the proposed bill is a revision of the existing Social Security Act to bring agricultural labor in industrialized agriculture within the provisions of the Federal old-age and survivors' insurance program. In so doing, however, it would not place any taxing and administration burdens on those farmers who employ less than four persons at all times during the calendar year, and it would also exclude those farmers who employ a larger number for short periods if their total annual wage bill during the calendar year for agricultural employment was less than $1,000. Hence the agricultural laborer would not be credited with coverage for any periods of employment with such operators. This expansion of old-age and survivors' insurance to labor in industrialized agriculture is administratively feasible. It will serve to remove a discrimination between urban and rural employment which is illogical and detrimental to any stability in that occupation.

Title II goes to the very heart of the manpower problem. It would expand the functions of the Federal Farm Placement Division of the United States Employment

Service so as to permit it to handle the agricultural labor market in a manner designed to: (a) Concentrate the bulk of available agricultural employment on the smallest number of workers and provide them with job security and job seniority in the agricultural labor market; (b) Lengthen the period of annual employment to an efficient maximum for those, selected as regular employees; (c) Regulate the flow of agricultural employment and organize the orderly migration of domestic farm labor to promote the foregoing purposes. Those who have some knowledge of the important role of seasonal, periodic, and part-time workers in agriculture will know that such a measure strikes at the very heart of the problem of attaining an efficient utilization of manpower.

It is contemplated that the Director of the Farm Placement Division, through its regional and local offices, would come to occupy the function of a full-powered public employment exchange of the type long used in England. Each local employment office would perform the function of a public employment exchange for farm labor in a defined locality. Its activities would be synchronized with other localities by a regional supervisor. In turn, this activity on the regional basis would be coordinated on a national basis by the director. All persons available as agricultural laborers for all or part of the time would be registered and carefully classified by the local employment office into three groups—regular, reserve, and emergency. The basis of selection would be according to qualifications, experience, and length of residence. All farm laborers employed on full-time year-round jobs for a substantial period of time would be qualified as regular employees. There would be a proviso that all residents of a given period of time within a locality who are available and experienced as farm laborers and migratory farm workers of long standing would be given uniform preferential treatment.

Likewise, the local manager would collect from participating employers of agricultural labor full information concerning working conditions, and types and quantities of labor demand. Those selected as regular agricultural laborers would be kept at a minimum necessary to satisfy the regular and usual demand for agricultural labor within the locality that had a substantial consistency. For example, be it assumed that the demand in the locality called for 3,000 hands for 45 days, 1,000 hands for at least 180 days, and 500 hands for 250 days. The regular group might be selected to number between 500 and 1,000 and preferred for employment for the greatest possible number of days. The reserve group would be called upon only to meet extraordinary and peculiar demands that occur for brief periods during the year. The emergency list would be called upon in event of excessive labor shortages due to unforeseen and uncontrolled causes, or in case the reserve lists proved inadequate.

A system of borrowing workers from active lists of the various local offices of the region is prescribed to aid in lengthening the annual employment of the regular agricultural labor force for a particular region. For example, the regular list in locale A given 180 days of employment in locale A might be given the first call on 30 days of work in each locales B and C at the times they were not needed in locale A. By careful coordination of locales in a region and between regions, migration could be planned and organized and the maximum work concentrated in the fewest number of men selected for their experience and period of service.

This process of decasualization would affect most vitally the seasonal, intermittent, or part-time laborer. Every effort would be made to maintain existing full-time employer-employee relationships of any permanence. Thus, the full-time dairy workers, for example, would continue at their present positions. Only if the work was part-time or intermittent would the employment exchange operate to disturb previously existing employer-employee relationships. Even then preferences of employers for particular employees, and vice versa, would be taken into account. The farmer with 1 or 2 regular hired men would not be affected.

The question naturally arises as to how a substantial or adequate group of agricultural employers will be encouraged to use the public employment exchange to a degree that will make its operations feasible. Obviously, the exchange would be completely ineffective unless a substantial group of employers would draw their labor supply from it almost exclusively. Furthermore, agricultural employment on a wage-labor basis is not year round and cannot be made so except in case of the single foreman or hired man, the dairy farm, or the large-scale plant that requires the constant attendance of a few employees. How are those who work as seasonal or part-time laborers then to be cared for in their periods of idleness, some of which are inevitable no matter how carefully the flow of employment is organized?

Title III of the proposed bill provides an answer to both questions. It is a revenue bill which provides for the establishment of a Federal agricultural unemployment insurance system. It contemplates the appropriation of a sum each year, to which will be added moneys collected in taxes from a defined class of "taxable agricultural employers." This class of "taxable agricultural employers" would include only those who both employ in the calendar year at one time a total number of four or more individuals, not members of the employer's family, and have a total annual wage bill in excess of $1,000. As in the case of old-age and survivors' insurance, this unemployment compensation tax would not affect those farmers who are typical of the family farm. Those who employ less than four agricultural workers at all times would be exempt regardless of the amount of their wage bill. Even if they employed a larger number than four for short periods they would be exempt if their total annual wage bill was less than $1,000. This tax on large agricultural employers whose enterprise can be fairly said to be dependent upon agricultural labor is set at a 3-percent excise tax to be levied on the total annual wage bill. But those "taxable agricultural employers" who cooperate in reducing seasonal unemployment of the labor force they use by recruiting a required percentage of their laborers through the Federal Farm Placement offices, are required to pay only 1½ percent or one-half of the total tax. Obviously, the rebate feature applicable to the taxable agricultural employers would be conducive to their use of the public employment service. With this backlog of clients plus those small farmers, who although not taxed, will want to use the public employment service, the exchange should be provided with a relatively firm basis for the operation of a system of decasualization.

Title III defines total unemployment and sets up eligibility requirements which make the benefits available only to those who secure their employment through Federal Farm Placement offices. Tax collections added to the appropriated amounts will be used to take care of the regular class of agricultural workers in any long period of sustained unemployment in the year when work opportunities are not made available in the locale or the region. Title III does not purport to care for all persons who have ever engaged in agricultural labor and is designed to protect only those who, during the year, are classified as regular agricultural workers. It is contemplated that a slacking off of labor demand in any region may involve the maintenance of a surplus on the regular agricultural labor list. This would place an undue financial burden on the fund. In that situation the regular list would be cut and the requisite number moved on to the reserve list, where they would be absorbed by regular relief agencies or available for employment in fields other than agriculture.

This bill or one with similar purposes and results is fundamental to any effective utilization of wage labor in agriculture and the fulfillment of national policy of social security for those who are employed on the land. This system gives only that degree of job security, decent economic employment, directed migration, and organized hiring and recruiting that is accorded to almost all regular markets of skilled and unskilled labor. Without it, agricultural wage labor, particularly the seasonal, casual, periodic type, is not an occupation; it is simply an auxiliary to a system of public poor relief. Without it the industry is dependent for its life upon an exploited group which must be maintained for great periods of the time wholly at public expense. Without it, agricultural wage labor offers little around which the laborer can build a home and place in the community on the basis of prospective stable employment.

In times of labor demand, such as the war period, agricultural industry finds itself without an efficient, effective, and reliable labor force. Labor stability other than that born of desperation does not exist in this field. Without this type of public employment exchange, both agricultural employers and agricultural laborers must constantly face unnecessary difficulties. The employer is never sure of his labor; the laborer is never sure of his job. A clearinghouse must be created and maintained. At the moment the only organized institution capable of establishing this system and making it work on a Nation-wide scale is the Federal Government.

A corollary of this measure is the Agricultural Labor Recruiting Act. It would regulate the private recruiting of agricultural labor, whether by labor contractors, employment agencies, or agricultural industry. This regulation would be aimed at eliminating or reducing pirating, unnecessary migration, and the disorderly recruitment of farm labor as well as the uncorrected abuses that characterize much private recruiting. If the Government is to take over the job of organizing the flow of agricultural employment in the interest of the maximum utilization of the available manpower, it cannot brook inconsistent action by private recruiting agencies.

The other measure, requiring additional comment here, is the Agricultural Wage Board Act. It would establish a system of agricultural wage boards patterned somewhat after the British system. Composed of a central board, empowered to establish local or regional boards, this organization would have the authority and function of determining fair and adequate wages for the employment of labor in industrialized agriculture. This type of covered agriculture includes only those agricultural employers who employ four or more individuals as farm laborers simultaneously at any given time during the year. The bill would provide an administrative process whereby the agricultural wage boards, composed of representatives of agricultural employers and agricultural labor selected according to standards that give recognition to existing organizations, would, with members representing the public, attempt to reach a decision or recommendation for a wage scale in a given area or given crop. If an agreement on a recommendation is not reached within an appropriate time period, the impartial chairman designated by the national board would make a recommendation. The recommendation of the wage board or the impartial chairman, as the case may be, after review by the central board, would become the subject of an administrative order legally

enforceable upon all eligible agricultural employers in the area or crop as previously defined.

For the duration of the war the determination in the wage orders would be subject to approval by the War Labor Board. This device would assure conformity with the national economic policy on inflation provided for under the recent statute and Executive order affecting wages and farm prices.

The purpose of this bill should be carefully distinguished from one which would attempt to establish a national uniform floor below which agricultural wages could not legally fall. This bill would attempt to promote the establishment of fair wages in localities, regions, or crops, as the case may be, which would be not a minimum but a fair wage. True, the wage so determined would act as a minimum for the covered employers in the crop or area concerned. However, the national floor for wages to be fixed by the Fair Labor Standards Act would be maintained by law as a regulation applicable to all agricultural employers operating on an industrialized basis in every area and crop to prevent the payment of a wholly substandard wage.

The wage-board procedure would bring the essentials of collective bargaining on wages to an industry which is in its infancy, insofar as the modern forms of employer-employee relationships are concerned. This bill would attempt to give some order to a vital segment of employer-employee relationships between some hundred-odd thousand agricultural employers and their labor. It should be noted again that the bill to be proposed would not control the wage relationships on the other millions of farms which employ only a single hired man or even two or three persons. This approach exempts those who, in fact, operate as family farms, depend upon family labor, or the exchange of labor with their neighbors. It would attempt to stabilize the relationships between the larger agricultural employers and their help, insofar as wage levels are concerned.

The need for this type of mechanism in normal times has been marked by experts who have studied the field. The mere protection of labor's right to organize and bargain collectively in industrialized agriculture would not produce, except after a considerable struggle, a successful and workable system of collective agreements. The series of strikes and labor disputes in California in the past decade and, indeed, the attitude of agricultural employers uniformly throughout the Nation wherever confronted by insistence upon collective bargaining make it clear that some machinery to assist in the development of a proper wage-determination procedure is essential. In California, for example, employers have organized to determine the common wage to be paid their employees, yet they have resisted to the uttermost the perfectly natural and logical consequence of this action, namely, the bargaining of a fair wage with organizations representing their employees. The lessons of the more sensible and democratic British experience with negotiatory employers' associations and agricultural workers' unions have been ignored. State and local action in the field has not been successful because of the unwillingness to impose constraints upon the more dominant economic group—the agricultural employers.

A system of wage boards, such as that contemplated by this measure, could be expected to supply the necessary leverage that would give a balance in the bargaining relationship between large agricultural employers and employee groups, with a minimum of reliance upon the bloody process of industrial strife to compel final employer recognition of this democratic arrangement. It would do so without destroying the right of the worker to strike. It would not adversely affect in any manner the "family farmer" or small farmer. Indeed, they would be indirectly benefited because agricultural labor wages on a better than substandard scale would lessen the intolerable burden of sweat-shop competition under which the small working operator has labored.

The establishment of such a board would tend to offset the peacetime tendency toward gradual depression of agricultural wages that is the natural result of activities of well-organized employers' associations untempered by collective bargaining or arbitration of wage disputes. It would provide a method of coordinating agriculture and industrial wage trends and help stabilize the flow of agricultural labor supply into industry and, in turn, stabilize the supply of labor for industrialized agriculture. It would help correlate farm wages with farm income and move agriculture out of the position of being a potential poorhouse, a hitherto indulged but nonetheless dangerous and undesirable national tradition.

These desirable long-term aspects are overshadowed at the moment by present necessities that the war labor situation has made evident. In this period, when we must have a speedy and efficient settlement of employer-employee differences in industries other than agricultural industry, we usually find a reliance upon collective-bargaining procedures, upon collective agreements between established unions and established employer groups, upon wage-stabilization agreements, and upon determinations of the War Labor Board. These devices are used to settle the normal differences that are bound to arise between employer and employee. Yet there is little if any comparable machinery to take care of the relationships between agricultural employers and their employees. No established tradition of collective bargaining exists in most fields of agricultural employment. The only curb upon the employer has been his own good heart and sense and the law of supply and demand. Established unions have made some headway but the coverage of their collective agreements with employers are sparse indeed. Employers in agriculture get together to determine scales, but wage stabilization pacts such as those being promoted in the shipbuilding and aircraft fields are unknown. There is no agricultural division of the War Labor Board.

So, at the present time, the Nation has no machinery for treating the wage relationship in agriculture at a time when that relationship is the key to production in that field and an important part of the entire national program of inflation control. Experienced and effective agricultural laborers are being dissipated into other types of employment because of substandard wages and the absence of any hope of obtaining fair wages on any consistent pattern. The present system embraces a dependence upon force and the use of school children and local volunteers to take care of any disinclination of agricultural labor to work at the wage offered by the individual employer or fixed by a group of agricultural employers or previously established on a unilateral basis.

To continue to tolerate this system when agricultural production is one of the keys to victory is to live in a fool's paradise. If there ever were any doubt in anybody's mind concerning the essentiality of collective bargaining and public sponsorship of the settlement of employer-employee differences on a basis of collective bargaining as the necessity for effective democracy, it would seem that the experience of England and this country in this war would have been wholly persuasive. This being true, some translation of that lesson into agricultural industry along the lines of this measure would seem to be necessary.

Such a measure goes to the very heart of the problem of maintaining an adequate and effective farm labor supply. This point requires some further elaboration because it is so important to the whole problem of war production of food and fibers in the necessary quantities over the period of years ahead. Stabilization of farm wage rates at fair levels is essential if we are to reduce the incentives that cause labor pirating and turn-over. It is the best device for narrowing on a fair and scientific basis the existing differentials between farm wage rates and entrance rates in industry, thereby encouraging needed workers to remain as farm laborers. It tends to remove the differences between high- and low-wage areas that lead to unnecessary migration and dangerous recruiting practices. It is necessary to attract available resident labor reserves which are reliable and useful for seasonal labor.

Wage differentials between city and country have provided the basis for mass pirating of agricultural labor by an expanding industry. If the city movement continues in large volume—and it will if agricultural workers are not given sufficient inducement to remain on the land—the agricultural labor supply will continue to shrink. It has been this loss of labor to urban employers and the competition among agricultural employers themselves that has brought about some much-needed improvement in agricultural wage rates. That may have contributed to the outcry "labor shortage" among agricultural employers. That cry is apt to go up whenever employers have been unable to secure labor on their own terms, as they did in the pre-war years of glutted labor markets.

The most feasible means of dealing with the wage problem, which is one facet of the problem of labor supply, is through wage boards. In the first place, the boards, composed of representatives of employers, labor, and the Government, would establish rates that would discourage the exodus of workers to the cities. Secondly, the rates established in any area would be the prevailing rates, and their acceptance would, by and large, eliminate pirating and the excessive labor turn-over which is the result of that practice. Thirdly, with the determination of recognized rates the agricultural employer would be able to figure his costs in advance, which is not now possible. Fourthly, the setting of wage rates by the boards would lend support to the President's anti-inflation program by improving the income of workers with substandard wages and at the same time by keeping the wage increases within reasonable limits. Finally, the participation of all parties in interest in the determination of wage rates in a field in which union organization is generally lacking and in which wages are at substandard levels is a process essential to the democratic ordering of our country. Obviously, farm wages must be adjusted upward in any stabilization process.

It is a notorious fact that farm wages are the lowest of all the major types of employment in the United States except town grades of domestic service. Pages of testimony before the subcommittee of the Senate Committee on Education and Labor, before the Tolan committee, books, pamphlets, and articles, official and unofficial, bear witness to this point. To pick a few examples at random from the record of the Senate subcommittee, we find that in 1937 the average rate without board in the United States was $1.68 per day, varying in different regions of the country from $1.58 to $2.92. These are wage rates per day, not earnings per day. Actual earnings per day were certainly considerably lower as innumerable farm laborers do not work full days. It requires no argument to prove that a man cannot support a family in a decent American fashion, or in any fashion, on $1.68 a day. But the truth of the matter is that $1.68 a day represents, as I have said, a rate, not actual earnings. When actual earnings, especially earnings on an annual basis, are examined, the distance the farm laborer must travel before attaining even a minimum living standard becomes sharply apparent. In the years 1930–38 various studies of farm laborers' incomes

showed annual totals of this magnitude—$300, $322, $254, $206, $620, $225, and $195. These figures do not refer to the poorer sections of the country alone. The first two figures come from counties in Illinois and Iowa.

While farm wages have risen in the last year above depression levels, still the average rate for day labor without board on March 1 of this year was only $2.08 or about 20 cents per hour. This is just 40 cents per day or 4 cents per hour higher than the wage paid during 1937. At the March rate of $2.08 per day, assuming 200 full days of employment in the year, which is a generous assumption for farm work, total annual income would be $416. It is obvious that we have far to go before farm laborers' income will be sufficient to keep workers on the farm or even make "job freezing" for agriculture something other than rank discrimination.

There is no inherent reason why farm labor should be so far underpaid. It requires as much skill, and in general, more physical exertion than most types of manual labor. In his Annual Report issued last January, Secretary Wickard said:

"One basic trouble with agriculture is the tendency of many farmers to underrate farm skill and knowledge. They do so for the sake of keeping down farm wages. But the practice hurts themselves as well as their employees; it falsifies the costs of farm production, and results in returns that do not cover the costs. Farmers suffer along with their employees because they themselves are laborers and derive most of their income from the work of their hands and brains. This penalty results even in ordinary times with the market place setting farm prices. Farm wages that are too low simply mean that the farmers as well as their hired hands get less than their work is worth. In times like these, with legislation and other social procedures largely influential in farm returns, it is more important than ever that the costs of farm production shall be truly stated. Practically, this means that farm wages shall equal the value of the farm work, because otherwise the difference falls on the community in expenses for rural relief. Our pattern of farm objectives ought to include establishment of a thoroughly fair value on the skill and knowledge involved in agricultural production, and this valuation should benefit farm laborers equally with farm operators. It should be on a parity, moreover, with the valuation of equal skill and knowledge in other occupations. Equality for agriculture will then include the entire agricultural personnel."

Farm employers are receiving near parity prices now, and the total agricultural output is at the highest level in history, so that total farm income in 1941 was greater than in 1929. Farm income will be even higher for 1942. Thus, a larger total income is available out of which to pay higher wages: "In general the farmer's income is rising more rapidly than wage rates and more rapidly than prices of commodities farmers buy." Furthermore, the productivity of farm workers has been tending upward for the past several years. Farm output this year will be 20 percent greater than it was 10 years ago, but this increased production will require about a million fewer workers than were required to produce our 1932 crop. The amount produced per worker, therefore, will be very great as compared with 10 years ago. It is only fair that farm labor should receive a higher wage in view of its increased productivity, and the greater ability of farmers to pay fair wages.

Obviously there is an extent to which increases in wages for farm workers can be borne by the agricultural employers. The location of that point is a matter for the determination of experts in the various agencies working under the supervision of the new Director of the Office of Economic Stabilization. After that point is reached for various crops and classes of agricultural employment the problem is one of prices and subsidy.

The working out of this rather complicated problem cannot be left to voluntary unilateral wage adjustments by farm employers. Now that wages have been placed under economic controls, the need for a bilateral mechanism that will hear farm labor representatives as well as agricultural employers is readily apparent.

In conclusion, it should be noted again that these measures apply restrictively only to the large-scale agricultural employer, who depends primarily upon the wage worker to operate his farming establishment. The "family farmer" who does not hire at any time in excess of three farm laborers is not subject to the regulation.

EXHIBIT B

AGRICULTURAL LABOR RELATIONS ACT

The bill (S. 2860) to amend the National Labor Relations Act by extending its benefits to agricultural labor on large industrial farms, introduced by Mr. LA FOLLETTE on behalf of Mr. THOMAS of Utah and himself is as follows:

Be it enacted, etc., That the National Labor Relations Act of 1935, as amended, be, and is hereby, amended as follows:

"SEC. 1. Section 2 (2) is amended to read as follows:

"'The term "employer" includes any person acting in the interest of an employer, directly or indirectly, but shall not include the United States, or any State or political subdivision thereof, or any person subject to the Railway Labor Act, as amended from time to time, or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization, or a farm operator who at no time during the preceding 12 months employed as many as four or more individuals at any one time to perform agricultural labor.'

"SEC. 2. Section 2 (3) is amended to read as follows:

"'The term "employee" shall include any employee, and shall not be limited to the employee of a particular employer, unless the act explicitly states otherwise, and shall include any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice, and who has not obtained any other regular and substantially equivalent employment, but shall not include any individual employed in the domestic service of any family or person at his home, or any individual employed by his parent or spouse.'"

EXPLANATORY STATEMENT

The proposed bill amends the National Labor Relations Act to extend collective-bargaining protection to labor in "industrialized agriculture." It strikes out the clause in subsection (3) of section 2 of the act which presently excludes an "individual employed as an agricultural laborer" from the definition of the term "employees"; it adds to subsection (2) of section 2 language which excludes from the definition of the term "employer" a farm operator who at no time during the preceding 12 months employed simultaneously as many as four or more individuals to perform agricultural labor.

The effect of these two amendments would be to authorize the National Labor Relations Board to proceed against those substantial employers of agricultural labor (employers of four or more) who were found by it to be guilty of unfair labor practices.

EXHIBIT C

AGRICULTURAL LABOR STANDARDS ACT

The bill (S. 2861) to amend the Fair Labor Standards Act of 1938 by extending its benefits to employees on large industrial farms, and for other purposes, introduced by Mr. LA FOLLETTE (on behalf of Mr. THOMAS of Utah and himself) is as follows:

Be it enacted, etc., That the Fair Labor Standards Act of 1938, as amended, be, and is hereby, amended as follows:

"SEC. 1. Section 3 (e) is hereby amended by substituting a semicolon for the period at the end thereof, and by adding the following: 'but shall not include any individual employed in agriculture who is a member of the employer's immediate family.'

"SEC. 2. Section 7 is amended by striking out subsection (c) and substituting in lieu thereof the following:

"'(c) In the case of an employer engaged in "agriculture" or in the first processing of milk, whey, skimmed milk, or cream into dairy products, or in the ginning and compressing of cotton, or in the processing of cottonseed, or in the processing of sugar beets, sugar-beet molasses, sugarcane, or maple sap, into sugar (but not refined sugar) or into sirup, or in the first processing of, or in canning or packing, perishable or seasonal fresh fruits or vegetables, or in the first processing of any agricultural or horticultural commodity during seasonal operations, or in the handling, slaughtering, or dressing of poultry or livestock, the provisions of subsection (a) shall not apply to any employee employed in any of the foregoing operations, in any place of employment where the employer is so engaged: *Provided*, That the exemption herein granted shall apply (1) only during a period or periods of not more than 14 workweeks in the aggregate in any calendar year and shall apply during the same 14 workweeks to all such employees, and (2) only if such employee receives compensation for employment in excess of 12 hours in any workday, or for employment in excess of 56 hours in any workweek, as the case may be, at a rate not less than one and one-half times the regular rate at which he is employed.'

"SEC. 3. Section 13 is amended by striking out subparagraph (6) of subsection (a) and substituting in lieu thereof the following:

"'(6) to any employee employed in agriculture on a farm (as such term is defined and delimited by regulations of the Administrator) by an employer who employs not more than four employees at any time during a calendar year.'

"SEC. 4. Section 13 is further amended by striking out subparagraph (10) of subsection (a), and by renumbering subparagraph (11) as subparagraph (10)."

EXPLANATORY STATEMENT

The proposed bill attempts to cover under minimum wage and maximum hour standards those agricultural laborers who are employed on large industrial farms. Section 1 of the proposed bill is designed to exclude the family farmer. He will not be subjected to the act because he has a large family working on his farm, since members of his immediate family will not be considered employees.

Section 2 deals with hour exemptions granted in section 7 (c). Section 7 (c) is revised so that total exemptions from maximum hour regulation under the present act are eliminated, but all occupations requiring temporary relaxation of hour restrictions are to be granted uniform exemption for 14 weeks in the year, provided that any time worked over and above a 12-hour day or 56-hour week during this 14 workweek period be rewarded with overtime pay. If not so rewarded in any particular week, overtime will be owed the

employee for all hours over 40 in that week. The large farms which are brought under the coverage of the act by the proposed bill are also granted this hours exemption.

Section 3 alters subparagraph (6) of section 13 (a), which at present exempts "any employee engaged in agriculture." The proposed bill grants the exemption only to hired hands working for a farmer whose total number of employees never exceeds four, even during the peak seasons. This numerical basis for determining coverage is based upon the presumption that large industrial farms, however high the degree of mechanization, will require four or more agricultural laborers at certain times of the year, particularly for harvesting, while the average "family farmer" needs relatively little paid assistance. This device for separating industrialized and commercialized agricultural operations from the type of farming operations carried on by a farm operator who lives on and works his own land, will force a recognition of a basic distinction between industrialized and nonindustrialized farming, particularly insofar as it affects the actual status of the worker.

Section 4 eliminates the nebulous "area of production" clause of subparagraph (10) of section 13 (a). The exemption granted in subparagraph (10) hinges upon the exemption granted to agriculture in general under the act. With the inclusion of industrialized farming under the jurisdiction of the act, there is no justification for allowing a privileged group of industrialists to lie beyond the pale of the act merely because the commodities handled by them were, in their raw state, agricultural.

EXHIBIT D

REGULATION OF PRIVATE EMPLOYMENT AGENCIES DEALING WITH AGRICULTURAL LABOR

The bill (S. 2862) to regulate private employment agencies dealing with agricultural labor and engaged in interstate commerce, introduced by Mr. LA FOLLETTE (for Mr. THOMAS of Utah and himself) is as follows:

Be it enacted, etc., That this act may be cited as the "Agricultural Labor Recruitment Act of 1942."

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The Congress hereby declares that the migration from one place to another in interstate commerce of agricultural laborers and other persons seeking employment in agriculture in numbers in excess of reasonable opportunities for employment and abusive practices of employment agencies including the dissemination of false and misleading information regarding opportunities of employment (1) cause unnecessary migration; (2) tend to aggravate the distress of such persons seeking agricultural employment; (3) disturb the flow of necessary or desirable migration; (4) lead to excessive concentrations of such persons with resulting depression of existing wage-and-hour standards at the places where such excessive concentrations occur and consequent labor disputes burdening and obstructing interstate commerce; (5) cast an excessive burden of support upon the communities to which such persons move in interstate commerce and adversely affect the general welfare of the Nation, and (6) cause an excessive waste of manpower.

(b) It is hereby declared to be the policy of this act, through the exercise by Congress of its power to regulate commerce among the several States, and its power to control the use of the mails, to correct and eliminate the abuses resulting from such movements in interstate commerce by regulating the practices of employment agencies engaged in inducing or assisting others to induce such interstate movements of agricultural laborers or persons seeking agricultural employment by use of the mails or otherwise.

DEFINITIONS

SEC. 3. When used in this act—

(a) The term "person" means an individual, partnership, association, corporation, legal representative, trustee, trustee in bankruptcy, or receiver but shall not include (1) any public employment agency established under any State law or law of the United States, or (2) any bona fide labor organization, charitable, religious, fraternal or social welfare order, society or organization operating on a nonprofit basis, as such terms are limited and defined by the Secretary.

(b) The term "fee" means anything of value including money or other valuable consideration or services or the promise of any of the foregoing received by an agricultural employment agency from or on behalf of any person seeking employment or employees in payment for any service described or enumerated in subsection (f) hereof.

(c) The term "employer" means any person employing or seeking to employ any person for hire as an "agricultural employee."

(d) The term "agricultural employee" means any person performing or seeking to perform work or services of any kind for hire on a farm or incidental to farming operations, including the processing, packing, and preparation for market and transportation of any agricultural product in its raw or natural state to storage or to market or to carriers for transportation to market.

(e) The term "employment" includes engagement.

(f) The term "agricultural employment agency" means any person who:

(1) For a fee offers or attempts to procure or procures employment for agricultural employees, or without a fee offers or attempts to procure or procures employment for agricultural employees; or

(2) For a fee offers or attempts to procure or procures agricultural employees for agricultural employers, or without a fee offers or attempts to procure or procures agricultural employees for agricultural employers; or

(3) Regardless of whether a fee is received offers or attempts to supply or supplies the services of agricultural employees to any person.

(g) The term "Secretary" shall mean Secretary of Labor of the United States.

(h) The term "State" shall include, in addition to a State, the District of Columbia, Hawaii, and Alaska.

(i) The term "commerce" means commerce, transportation, transmission or communication among the several States, from any foreign country to any State and from any State to any foreign country.

ACTIVITIES OF UNREGISTERED EMPLOYMENT AGENCIES

SEC. 4. After 100 days from the effective date of this act, unless an agricultural employment agency is registered with the Secretary under section 5 hereof, it shall be unlawful for such agricultural employment agency, directly or indirectly—

(1) To transport or cause to be transported or aid or assist in obtaining transportation for, or in transporting in commerce any agricultural employee;

(2) To solicit or induce any person to move from one place to another in commerce for the purpose of obtaining agricultural employment;

(3) To furnish or make available any information which may tend to induce any person to move from one place to another in commerce for the purpose of obtaining agricultural employment;

(4) By use of the mails or any means or instrumentality of commerce, to perform any of the services enumerated in subsection (f) of section 3 hereof;

REGISTRATION OF EMPLOYMENT AGENCIES

SEC. 5. (a) On or before 100 days after the effective date of this act, every agricultural employment agency shall register by paying the annual fee of $100 required by section 5 (d) of this act, by filing with the Secretary the bond required by section 5 (e) and by filing with the Secretary a notification of registration in such form as the Secretary may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of agricultural employees or employers. An agricultural employment agency shall be deemed to be registered upon receipt by the Secretary of such fee and notification or registration and upon receipt and approval of such bond.

(b) It shall be the duty of every registered agricultural employment agency to file with the Secretary, within such reasonable time and in such form as the Secretary shall by rules, regulations, or order prescribe as necessary or appropriate in the public interest or for the protection of agricultural employees and employers, a registration statement which shall include—

(1) A schedule of fees which registrant proposed to charge for all services described and enumerated in section 3 (f) hereof and all forms of contract and other instrument or writing used in registrant's relations with agricultural employees or employers, in such form as the Secretary may by rules, regulations, or order prescribe as necessary or appropriate in the public interest or for the protection of agricultural employees or employers: *Provided, however,* That a registered agricultural employment agency may at any time file with the Secretary an amended schedule of fees or revised forms of contracts and other instruments or writings.

(2) Such information in such form and in such detail relating to, and copies of such documents of or relating to, the registrant as the Secretary may by rules, regulations, or order prescribe as necessary or appropriate in the public interest or for the protection of agricultural employees or employers in respect of—

A. The form of business organization and names and addresses of directors, officers, partners, and other managing officials thereof.

B. The extent to which any agricultural employer or association of employers owns, controls, or has any direct or indirect interest in the business or activities of the registrant.

C. The nature of the agricultural employment agency business carried on and of any other business or businesses carried on either directly or indirectly in connection therewith.

D. The size and extent of the agricultural employment agency business carried on and the aggregate amount of fees received therefor during the last calendar year.

(3) Such further information or documents regarding the registrant as the Secretary may by rules, regulations, or order prescribe as necessary or appropriate in the public interest or for the protection of agricultural employees or employers.

(c) Every registered agricultural employment agency shall file with the Secretary such annual, quarterly, or other periodic reports and such special reports necessary or appropriate to keep reasonably current the information filed under section 5 of this act, as the Secretary may by rules, regulations, or order prescribe as necessary or appropriate in the public interest or for the protection of agricultural employees or employers.

(d) Every registered agricultural employment agency shall pay to the Secretary an annual fee of $100.

(e) At the time of its initial registration every registered agricultural employment agency shall file with the Secretary a good and sufficient bond to the United States in the sum of $3,000. Not less than 6 months after the enactment of this act the Secretary may by rule, regulation, or order prescribe different bond requirements for any or all registered agricultural employment agencies: *Provided, however,* That no bond of less than $1,000 or

more than $25,000 may be required of any such agency. In fixing the amount of the bond for any agency the Secretary shall endeavor to furnish adequate protection for any person who might suffer loss or damage recoverable pursuant to section 15 of this act and shall take into consideration the past record of such agency with respect to compliance with this act, its financial stability, the volume of its activities and the demonstrated responsibility of its personnel. The condition of such bonds shall be that the registered agricultural employment agency shall pay to any person any loss or damage recoverable pursuant to section 15 of this act.

PROHIBITED EMPLOYMENT PRACTICES

SEC. 6. (a) It shall be unlawful for any agricultural employment agency required to be registered under this act, directly or indirectly—

(1) to make, publish, give, or circulate, or cause to be made, published, given, or circulated, any information, representation, or promise with respect to any material fact concerning agricultural employers, employees, or employment, or opportunities for agricultural employment which is, in the light of all the surrounding circumstances, false, fraudulent, or misleading, or which, in the light of all the surrounding circumstances may reasonably and foreseeably result in misleading such employers, employees, or the public, or which omits to state therein any material fact which is, in the light of all the surrounding circumstances, necessary to make such information, representation, or promise not misleading;

(2) to charge or accept, either directly or indirectly, any fee other than the fee set forth in the schedule of fees filed with the Secretary pursuant to section 5 (b) (1) of this act, or to use any form of contract or other instrument or writing other than that filed with the Secretary or after any form of contract or other instrument or writing has been prescribed by the Secretary pursuant to section 10 (b) of this act to use any form other than that prescribed: *Provided, however*, That no fee set forth in any amended schedule of fees shall be charged or accepted and no revised form of contract or other instrument or writing shall be used until 60 days after the filing thereof with the Secretary;

(3) to charge or accept any fee for registering agricultural employers, or employees, or any fee except for agricultural employees or employment obtained directly through the efforts of such registered agricultural employment agency;

(4) to divide or share or offer to divide or share, either directly or indirectly, any fee received from any agricultural employee, with any agricultual employer or association of such employers, or any person in the employment of any such employer;

(5) to procure or attempt to procure the discharge of any agricultural employee;

(6) to send out any agricultural employee for employment without having first obtained, either orally or in writing, a bona fide request for an employee for such employment and without furnishing such employee with a true statement in respect to such employment;

(7) to send out any agricultural employee for agricultural employment for a distance of more than 100 miles without having notified and obtained approval of the local office of the United States Employment Service nearest the residence or temporary abode of the agricultural employee;

(8) to place or assist in placing any person in any agricultural employment prohibited by any law of the United States or of any State where such placement is made or by any rule, regulation, or order prescribed under either;

(9) to send out any agricultural employee to any place where a strike or lock-out exists without furnishing such employee with a written statement of the existence of such strike or lock-out and retaining on file for 1 year after the date thereof a copy of such statement signed by such employee.

(b) It shall be unlawful for any agricultural employment agency required to be registered under this act, directly or indirectly, except in compliance with such rules, regulations, or orders as the Secretary may prescribe as necessary or appropriate in the public interest or for the protection of agricultural employees or employers—

(1) to operate or have a financial or other proprietary interest in any lodging house, restaurant, store, labor camp, dispensary of intoxicating liquors or beverages, or any business, pursuit, or facility serving persons seeking employment;

(2) to acquire any agricultural employee to subscribe to any publication or incidental service or contribute to the cost of advertising or to pay for any services except those described and enumerated in section 3 (f) of this act.

REVOCATION OF REGISTRATION

SEC. 7. (a) The Secretary may, after due notice and opportunity to be heard, revoke the registration of any registered agricultural employment agency whenever, at any time after the effective date of this act, such agency shall fail to comply with any provision of this act or any rule, regulation, or order issued thereunder, or with any provisions of any State law relating to employment agencies or Federal or State law relating to safety, health, or sanitation, or any rule, regulation, or order issued under any of such laws which is not in conflict with any provision of this act; or whenever the Secretary, after investigation, shall find that such agency or any officer or managing official thereof or partner therein, or any person directly or indirectly owning or controlling such agency at any time has been grossly unreliable in any business dealings or convicted of a felony under Federal or State law.

(b) No person whose registration has been revoked pursuant to this section and no person directly or indirectly owned or controlled by a person whose registration has been revoked pursuant to this section shall be entitled to registration under section 5 hereof within 3 years of the date of such revocation except upon such terms and conditions as the Secretary may by rule, regulation, or order prescribe.

REGULATION OF FEES

SEC. 8. (a) The Secretary shall have the authority (1) upon complaint, or at any time upon his own initiative, to investigate the reasonableness of all fees or amendments thereof filed by any registered agricultural employment agency or agencies pursuant to section 5 (b) (1) of this act or changed or accepted directly or indirectly by any agency or agencies required to be registered under this act, including fees established by any rule, regulation, or order of the Secretary; and (2) after due notice and hearing by rule, regulation, or order to prohibit the charging or accepting by any such agency or agencies of any fees, or classifications thereof, which he determines to be unjust, unreasonable, or discriminatory toward agricultural employers, agricultural employees, or the public, and to prescribe and establish for any such agency or agencies the maximum fees or classifications thereof which he determines to be just, reasonable, and nondiscriminatory toward such employers, employees, and the public. In making any determination under this subsection the Secretary shall consider among other relevant factors the type of agency, the economic and competitive conditions involved, the type of agricultural employment procured or attempted or offered to be procured, the length of such employment, and the wages to be paid for the same. At any hearing involving a fee sought to be increased, the burden of proof to show that the increased fee is just, reasonable, and nondiscriminatory toward agricultural employers, employees, and the public shall be upon the employment agency.

(b) Within 60 days after the filing of an amended schedule of fees pursuant to sections 5 (b) (1) of this act, whereby the fee or fees set forth in any schedule of fees or any part thereof effective on the date of the filing of such amended schedule are sought to be increased, the Secretary may at any time suspend the operation of such amended schedule of fees, or any part thereof, pending a hearing and the issuance of a rule, regulation, or order pursuant to subsection (a) of this section or an order dismissing the investigation: *Provided, however*, That such suspension shall become inoperative in any case where the registered agricultural employment agency or agencies file a good and sufficient bond to the United States in an amount and with a surety or sureties satisfactory to the Secretary. The condition of such bond shall be that the registered agricultural employment agency shall repay to agricultural employers and employees with interest the amount by which the fee or fees set forth in the amended schedule of fees and charged or accepted directly or indirectly by any such agency or agencies exceeds the fees which are determined by the Secretary to be just, reasonable, and nondiscriminatory pursuant to subsection (a) of this section or the fees which are effective on the date of the filing of the amended schedule of fees, whichever of said two fees are greater.

APPEAL FROM ACTION OF SECRETARY

SEC. 9. Any party aggrieved by any action of the Secretary in revoking a registration under section 7 (a) of this act or in the prohibiting of a fee or the prescribing or establishing of a maximum fee under section 8 (a) of this act may petition any circuit court of appeals of the United States in the circuit in which said party resides or transacts business for a review of said action of the Secretary. A copy of said petition shall forthwith be served upon the Secretary and thereupon the aggrieved party shall file in the court a transcript of the entire record in the proceeding certified by the Secretary, including the pleading and testimony upon which the action complained of was based and the findings and order of the Secretary. Upon such filing the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside in whole or in part the action of the Secretary or directing it to reregister the aggrieved party. No objection that has not been used before the Secretary shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the Secretary as to the facts, if supported by evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be made a part of the transcript. The Secretary may modify his findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and he shall file such modified or new findings, which, if supported by evidence, shall be conclusive, and shall file his recommendations, if any, for the modification or setting aside of his original action. The jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the

Supreme Court of the United States upon writ of certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

RULES AND REGULATIONS

SEC. 10. The Secretary shall have the authority from time to time to make, modify, and rescind such rules, regulations, and orders as he may deem necessary or appropriate in the public interest or for the protection of agricultural employers or employees to carry out the provisions of this act or to effectuate any power or duty provided herein, including but without limitation, rules, regulations, and orders:

(a) To require every agricultural employment agency required to be registered under this act to make, keep, and preserve accurate records relating to the conduct of the business of such agency and to make reports therefrom to the Secretary.

(b) To prescribe the form of contracts and other instruments or writings used by an agricultural employment agency required to be registered under this act.

(c) To require the posting of notices by agricultural employment agencies required to be registered under this act and to prescribe the form, content, place, and period of display thereof.

(d) To require and regulate the return of fees or portions thereof to agricultural employees or employers where the employment or employee procured or attempted to be procured by an agricultural employment agency required to be registered under this act is not as represented.

(e) To regulate the physical requirements and sanitation of the premises where the business of any agricultural employment agency required to be registered under this act may be conducted.

INVESTIGATIONS AND ATTENDANCE OF WITNESSES

SEC. 11 (a). For the purpose of any hearing or investigation under this act, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (U. S. C., 1934 ed., title 15, secs. 49 and 50), are hereby made applicable to the jurisdiction, powers, and duties of the Secretary.

(b) The Secretary or his designated representative may enter and inspect such places and such records and make such transcriptions thereof, question such persons and investigate such facts, conditions, practices, or matters as he may deem necessary or appropriate to determine whether any person has violated any provision of this act or any rule, regulation, or order thereunder, or which may aid in the enforcement of the provisions of this act or any rule, regulation, or order thereunder.

PERSONNEL, GOVERNMENT AGENCIES, AND DISPOSITION OF FUNDS

SEC. 12. (a) Subject to the civil service and the Classification Act of 1923, as amended, the Secretary may appoint and fix the compensation of all officers, agents, and other personnel necessary to carry out his duties and functions under this act and may utilize such voluntary and uncompensated services as may from time to time be needed.

(b) For the purpose of effectuating the provisions of this act the Secretary may utilize the services of any Federal department or agency, and, with the consent and cooperation of State agencies charged with the administration of State laws regulating employment agencies, may utilize the services of such State and local agencies and their employees, and, notwithstanding any other provision of law, may pay any such department or agency and their employees for services rendered for such purposes.

(c) The Secretary shall keep an account of all moneys coming into his possession by virtue of this act and shall pay all such moneys, except any sums received or recovered for the use of any claimant as provided in section 15 of this act, into the United States Treasury, as provided by law, to be credited to the general fund. Any sums received by the Secretary or recovered by the Attorney General for the use of any claimant as provided in section 15 of this act shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to the persons entitled thereto and on whose account such sums were received or recovered: *Provided*, That no claims by employees for such payments shall be entertained unless made within 1 year from the receipt thereof by the Secretary.

PENALTIES

SEC. 13. Any person who willfully violates any provision of this act or any rule, regulation, or order issued thereunder, the violation of which is made unlawful or the observance of which is required under this act, or any person who willfully in any statement, schedule, report, or information required to be filed with the Secretary by any provision of this act or any rule, regulation, or order issued thereunder, makes or causes to be made any false or misleading statement of a material fact or omits to state therein any material fact required to be stated or necessary to make such statement not misleading, in the light of all the circumstances under which such statement is made shall, upon conviction thereof, be subject to a fine of not more than $5,000 or to imprisonment for not more than 1 year, or both, for each offense.

INJUNCTION PROCEEDINGS

SEC. 14. The district courts of the United States and the United States courts of the Territories and possessions shall have jurisdiction, for cause shown, and subject to the provisions of section 20 (relating to notice to opposite party) of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (U. S. C., 1934 ed., title 28, sec. 381), to restrain violations of any provision of this act. All actions to restrain violations of this act shall be brought by the Secretary.

ACTIONS FOR DAMAGES

SEC. 15. (a) Any agricultural employment agency required to be registered under this act which violates any provision of section 6, subsection (a) (2), (3), (4), or (5), or subsection (b) (2), or any rule, regulation, or order issued thereunder, or any rule, regulation, or order issued under section 8 (a) or under section 10 (d), shall be liable to any person or persons for any loss or damage which reasonably and foreseeably results from such violation.

(b) Any agricultural employment agency required to be registered under this act which shall make, publish, give, or circulate, or cause to be made, published, given, or circulated, any information, representation, or promise with respect to any material fact concerning agricultural employers, employees, or employment, or opportunities for employment which is, in the light of all the surrounding circumstances, false, fraudulent, or misleading, or which, in the light of all the surrounding circumstances, may reasonably and foreseeably result in misleading such employers, employees, or the public, or which omits to state therein any material fact which is, in the light of all the surrounding circumstances, necessary to make such information, representation, or promise not misleading, shall be liable to any person or persons (not knowing of such omission or that such statement is false, fraudulent, or misleading) for any loss or damage which reasonably and foreseeably results from reliance by such person or persons upon such information, representation, or promise, unless such agency shall prove that it acted in good faith and had no knowledge of and with the exercise of reasonable diligence, could not have known of, such omission or that such information, representation, or promise was false or misleading.

(c) Any person or persons bound to an agricultural employment agency required to be registered under this act by any form of contract or other instrument or writing which differs in any material respect from the form of contract or other instrument or writing filed with the Secretary by such employment agency pursuant to section 5 (b) (1) of this act, or prescribed by the Secretary pursuant to section 8 (b) of this act, shall be entitled, at his own election, to avoid, as to any such agency, or as to any other person not a bona fide purchaser for value, such contract, or such other instrument or writing, or any separable part or provision thereof, which differs in any material respect from the contract instrument or writing so filed or prescribed, and shall be entitled to recover loss or damage pursuant to subsection (a) of this section.

(d) Every person who, directly or indirectly, controls any person liable under any provision of this section shall also be liable jointly and severally with and to the same extent as such controlled person to any person to whom such controlled person is liable.

(e) Any person suffering loss or damage recoverable pursuant to subsections (a) and (b) of this section shall be entitled to an action for such amount on any bond filed with the Secretary by such agency pursuant to section 5 (e) of this act, which action shall be brought in the name of the United States for the use of such person. Action to recover liability under subsections (a) and (b) of this section and action on such bond may be maintained in any court of competent jurisdiction by any one or more persons suffering such loss or damage for and in behalf of himself or themselves and other employees similarly situated, or by an agent designated by such person or persons, or by the Attorney General in the name of the United States for the use of such person or persons. The court in such action, except in cases where the Attorney General is party plaintiff, shall, in addition to any judgment awarded to the plaintiff or plaintiffs, allow a reasonable attorney's fee to be paid by the defendant and costs of the action.

RELATION TO STATE LAWS

SEC. 16. No provision of this act or of any rule, regulation, or order thereunder shall excuse noncompliance with any State law or municipal ordinance regulating employment agencies.

SEPARABILITY OF PROVISIONS

SEC. 17. If any provision of this act or the application of such provision to any person or circumstance is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

EXHIBIT E

AGRICULTURAL WAGES BOARD

The bill (S. 2863) to provide for the fixing of wages on large industrial farms and affecting interstate commerce, to create an Agricultural Wages Board, and for other purposes, introduced by Mr. LA FOLLETTE (for Mr. THOMAS of Utah and himself) is as follows:

Be it enacted, etc.,

FINDINGS AND DECLARATION OF POLICY

SECTION 1. (a) The Congress hereby finds that (1) a lack of equilibrium between agricultural wages and returns from other forms of labor exists which prevents the maintenance of any capable and stable labor supply for agriculture, leads to the excessive migration of agricultural laborers, and thus

interferes with the national commerce in foods and fibers and effective prosecution of the war; (2) a lack of employee organization and effective collective-bargaining machinery in industrialized and commercialized agriculture, the prevalence of wage scales imposed solely by organized employer effort, and the existence of a large rural population surplus from time to time, have seriously depressed wage levels in agriculture, resulting in wages which are abnormally low in comparison with other forms of employment; (3) the health and economic well-being of the agricultural laborers are seriously impaired by the consequent low standard of living, thus adversely affecting the general welfare of the Nation; (4) an excessive burden of support of such destitute laborers is cast upon Federal, State, and local agencies; and (5) the excessively low wages paid on industrialized or commercialized farms creates an unfair basis of competition with smaller farms on which the work is performed primarily by the operator and his family and thereby tends to depress the living standards, economic stability, and productivity of small farms.

(b) It is hereby declared to be the policy of this act, in the interest of the national defense and security and for the effective prosecution of the present war, and through the exercise by Congress of its power to regulate commerce among the several States and its power to provide for the general welfare of the United States, to correct and as rapidly as possible to eliminate the conditions above referred to in industrialized and commercialized agriculture, by encouraging collective bargaining and providing a method for fixing agricultural wages.

DEFINITIONS

SEC. 2. When used in this act—

(a) The term "agriculture" means farming in all its branches, and among other things includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodities (including commodities defined as agricultural commodities in section 15 (g) of the Agricultural Marketing Act, as amended), the raising of livestock, bees, fur-bearing animals, or poultry, and any practices (including any forestry or lumbering operations) performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, including preparation for market, delivery to storage, or to market or to carriers for transportation to market.

(b) The term "employ" means to suffer or permit to work for monetary wages or material goods on a temporary or permanent basis.

(c) The term "agricultural labor" includes any employment usually performed on a farm and any employment incidental to farming operations, including the processing, packing, and preparation for market and transportation of any agricultural product in its raw or natural state to storage or to market or to carriers for transportation to market.

(d) The term "farm" embraces the farm in the ordinarily accepted sense, and includes stock, dairy, poultry, fruit and truck farms, plantations, ranches, ranges, and orchards.

(e) The term "agricultural employer" means any person or groups of persons who employ four or more individuals to perform agricultural labor on a farm or other place of employment at any one time during the preceding calendar year.

(f) The term "agricultural employee" or "agricultural laborer" includes any person in the employ of an agricultural employer, including any person employed by an agricultural employer under a contract or agreement with such person's parent or person standing in place of a parent, or with any other relative: *Provided*, That such term shall not include a person employed by a member of his immediate family.

(g) The term "commerce" means trade, commerce, transportation, transmission or communication among the several States or from any State to any place outside thereof.

(h) The term "State" means any State of the United States or the District of Columbia or any Territory or possession of the United States.

(i) The term "person" means an individual, partnership, association, corporation, business trust, legal representative, or any organized group of persons.

(j) The term "produced" means produced, handled, or in any other manner worked on in any State; and for the purposes of this act an agricultural laborer shall be deemed to have been engaged in the production of agricultural commodities if such agricultural laborer was employed in producing, handling, transporting, or in any other manner working on such goods, or in any process or occupation necessary to the production thereof, in any State.

AGRICULTURAL WAGES BOARD

SEC. 3. (a) There is hereby created in the Department of Labor a board, to be known as the "Agricultural Wages Board" (hereinafter referred to as the "Board"), which shall be composed of five members who shall be appointed by the President, by and with the advice and consent of the Senate, two representing the interests of agricultural employer groups, two representing the interests of agicultural employee groups, and one impartial individual representing the interests of the public who shall be designated as chairman. Each member of the Board shall receive a salary of $10,000 a year, and shall not engage in any other business, vocation, or employment. A vacancy in the Board shall not impair the right of the remaining members to exercise all the powers of the Board, and three members of the Board shall at all times constitute a quorum.

(b) The Board may, subject to the civil-service laws, appoint such employees as it deems necessary to carry out the functions and duties under this act and shall fix their compensation in accordance with the Classification Act of 1923, as amended. The Board may establish and utilize such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this section may appear for and represent the Board in any litigation.

(c) The Board shall submit annually in January a report to the Congress covering its activities for the preceding year and including such information, data, and recommendations for further legislation in connection with the matters covered by this act as it may find advisable.

(d) The principal office of the Board shall be in the District of Columbia, but it may meet or exercise any or all of its powers at any other place. The Board may, by one or more of its members or authorized representatives, or by such other agents or agencies as the Board may designate, prosecute any inquiry necessary to its functions in any part of the United States.

(e) The Board shall have authority from time to time to make, amend, and rescind such rules and regulations as may be necessary to carry out the provisions of this act. Such rules and regulations shall be effective upon publication in the manner which the Board shall prescribe.

AGRICULTURAL WAGES COMMITTEES

SEC. 4. (a) The Board is hereby empowered to set up from time to time, within specific regions or with respect to specific agricultural commodities, local agricultural wages committees (hereinafter referred to as "committees"), which shall each be composed of a number of disinterested persons representing the public, one of whom the Board shall designate as chairman, a like number of persons representing employees in the industry, and a like number representing employers in the industry. The members of the committee shall be appointed by the Board without regard to any other provisions of law regarding the appointment and compensation of employees of the United States. In the selection of representatives of employers and employees the Board shall permit fair representation responsive to organizations established in employer and employee groups, and shall give due consideration to bona fide collective-bargaining agents determined by the National Labor Relations Board.

(b) The Board shall determine the committee's jurisdiction, based upon geographic area, type of agricultural operations, or crops.

(c) Two-thirds of the members of a committee shall constitute a quorum, and the decision of the committee shall require a vote of not less than a majority of all its members. Members of a committee shall receive as compensation for their services a reasonable per diem, which the Board shall, by rules and regulations, prescribe for each day actually spent in the work of the committee, and shall in addition be reimbursed for their necessary traveling and other expenses. The Board shall furnish the committees with adequate legal, stenographic, clerical, and other assistance, and shall, by rules and regulations, prescribe the procedure to be followed by the committees.

(d) It shall be the function of the committees to recommend to the Board fair and reasonable agricultural wages for the area and commodities within their respective jurisdictions as designated by the Board. In determining fair and reasonable agricultural wages the committees shall consider, among other relevant circumstances, the following: (1) The cost of living; (2) local economic conditions; (3) such considerations as would be relevant in a court in a suit for the value of services rendered where services are rendered at the request of any employer without contract as to the amount of the wage to be paid; (4) the wages established for work of a like or comparable character by collective labor agreements negotiated between employers and employees by representatives of their own choosing; and (5) the wages paid for work of a like or comparable character by employers who voluntarily maintain fair wage standards in the occupation to be subject to the order recommending such fair and reasonable wage. The committees shall be empowered to collect all factual data and to summon all witnesses necessary for the reaching of a fair and proper decision: *Provided*, That the recommendation of a committee of fair and reasonable wages shall be made to the Board within 4 weeks after the committee shall have been convened, subject to such reasonable extensions as may be granted by the Board upon the request of the committee chairman.

(e) The recommendation of any committee of fair and reasonable wages under subsection (d) shall include a determination as to whether such wages may include board and lodging furnished by an agricultural employer to an agricultural employee. If a committee determines that board and lodging may be included in such wages, the committee shall specify the values which may be allowed therefor in lieu of payment in cash.

WAGE ORDERS

SEC. 5. (a) Upon the filing of the recommendations by a committee, the Board, after due notice to interested persons and giving them an opportunity to be heard, shall by order approve and carry into effect the recommendations of the committee, if the Board finds that the recommendations are made in accordance with law, are supported by the evidence adduced at the hearing, and taking into consideration the same factors as are required to be considered by the committee, will carry out the purposes of this act; otherwise the Board shall disapprove such recommendations. If the Board disapproves such

recommendations, it shall again refer the matter to such committee, or to another committee (which the Board may set up for such purpose) for further consideration and recommendations.

(b) Orders issued under this section shall define the agricultural commodities and agricultural operations and classifications therein to which they are to apply, and shall contain such terms and conditions as the Board finds necessary to carry out the purposes of such orders, to prevent the circumvention or evasion thereof, and to safeguard the wage rates established therein. No such order shall take effect until after due notice is given of the issuance thereof by publication in the Federal Register and by such other means as the Board deems reasonably calculated to give to interested persons general notice of such issuance.

(c) Orders issued under this section during the effective period of the act of October 2, 1942 (Public Law No. —) and Executive Order 9250, shall not be effective until and unless they are filed with and approved by the National War Labor Board pursuant to the applicable provisions of said act, order, or regulations issued thereunder.

ATTENDANCE OF WITNESSES

SEC. 6. For the purpose of any hearing or investigation provided for in this act, the provisions of sections 9 and 10 (relating to attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (U. S. C., 1940 ed., title 15, secs. 49 and 50), are hereby made applicable to the jurisdiction, powers, and duties of the Board and committees, or their authorized representatives.

COURT REVIEW

SEC. 7. (a) Any person aggrieved by an order of the Board issued under section 5 may obtain a review of such order in the circuit court of appeals of the United States for any circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within 60 days after the entry of such order, a written petition praying that the order of the Board be modified or set aside in whole or in part. A copy of such petition shall forthwith be served upon the Board, and thereupon the Board shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, or set aside such order in whole or in part, so far as it is applicable to the petitioner. The review by the court shall be limited to questions of law, and findings of fact by the Board when supported by substantial evidence shall be conclusive. No objection to the order of the Board shall be considered by the court unless such objection shall have been urged before the Board, or unless there were reasonable grounds for failure to do so. If application is made to the court for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence may materially affect the result of the proceeding and that there were reasonable grounds for failure to adduce such evidence in the proceedings before the Board, the court may order such additional evidence to be taken before the Board and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Board shall modify its findings by reason of the additional evidence so taken, and shall file with the court such modified or new findings which if supported by substantial evidence shall be conclusive, and shall also file its recommendations, if any, for the modification or setting aside of the original order. The judgment and decree of the court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

(b) The commencement of proceedings under subsection (a) shall not, unless specifically ordered by the court, operate as a stay of the Board's order. The court shall not grant any stay of the order unless the person complaining of such order shall file in court an undertaking with a surety or sureties satisfactory to the court for the payment to the employees affected by the order, in the event such order is affirmed, of the amount by which the compensation such employees are entitled to receive under the order exceeds the compensation they actually receive while such stay is in effect.

FAIR AND REASONABLE WAGES

SEC. 8. Every agricultural employer shall pay to each of his agricultural employees who is engaged in the production of agricultural commodities for commerce not less than the fair and reasonable wages prescribed in the applicable wage order of the Board issued under section 5.

INVESTIGATIONS, INSPECTIONS, AND RECORDS

SEC. 9. (a) The Board or its designated representatives may investigate and gather data regarding the wages and other conditions and practices of employment in agriculture subject to this act, and may enter and inspect such places and such records (and make such transcriptions thereof), question such employees, and investigate such facts, conditions, practices, or matters as the Board may deem necessary or appropriate to determine whether any person has violated any provision of this act, or which may aid in the enforcement of the provisions of the act. The Board shall utilize the bureaus and division of the Department of Labor for all the investigations and inspections necessary under this section. The Board shall bring all actions under section 12 to restrain violations of this act.

(b) With the consent and cooperation of State agencies charged with the administration of State labor laws, the Board may, for the purpose of carrying out its functions and duties under this act, utilize the services of State and local agencies and their employees and, notwithstanding any other provision of law, may reimburse such State and local agencies and their employees for services rendered for such purposes.

(c) Every agricultural employer subject to any provision of this act or of any order issued under this act shall make, keep, and preserve such records of the persons employed by him, and of the wages and other conditions and practices of employment maintained by him, and shall preserve such records for such periods of time and shall make such reports therefrom to the Board as it shall prescribe by regulation or order as necessary or appropriate for the enforcement of the provisions of this act or the regulations or orders thereunder.

PROHIBITED ACTS

SEC. 10. (a) After the expiration of 120 days from the date of enactment of this act, it shall be unlawful for any agricultural employer—

(1) To transport, offer for transportation, ship, deliver, or sell, in commerce, or to ship, deliver, or sell, with knowledge that shipment, delivery, or sale thereof in commerce is intended, any agricultural commodities in the production, processing, or packing, of which any agricultural labor was employed in violation of any regulation or order of the Board issued under section 5;

(2) To violate any of the provisions of section 8 or any of the provisions of any regulation or order of the Board issued under section 5;

(3) To discharge or in any other manner discriminate against any employee or prospective employee because he has made any statement with respect to purported violations of this act, or has made any complaint to his employer or to any other person or agency with respect to purported violations of this act, or has filed any complaint with the Department of Labor or the Department of Justice or any other governmental agency charging a violation of this act, or has testified or is about to testify with respect to any violation of the provisions of this act;

(4) To violate any of the provisions of section 9 (c) or to make any statement, report, or record filed or kept pursuant to the provisions of such section or of any regulation or order thereunder, knowing such statement, report, or record to be false in a material respect.

(b) For the purposes of subsection (a) (1) proof that an employee was engaged in agricultural labor on a farm or other place of employment where agricultural commodities, shipped or sold in commerce, were produced, processed, or packed, within 30 days prior to the removal of such commodities from such farm or operating unit, shall be prima facie evidence that such employees were engaged in the production, processing, or packing of such commodities.

PENALTIES

SEC. 11. (a) Any person who violates any of the provisions of section 10 of this act or any order thereunder shall upon conviction thereof be subject to a fine of not more than $5,000 or to imprisonment for not more than 6 months, or both, for each offense.

(b) Any agricultural employer who violates the provisions of section 10 of this act shall be liable to the agricultural employee or employees affected in the amount of their unpaid fair and reasonable wages, and in an additional equal amount as liquidated damages. Action to recover such liability may be maintained in any court of competent jurisdiction by any one or more agricultural employees for and in behalf of himself or themselves and other agricultural employees similarly situated, or such agricultural employee or employees may designate an agent or representative to maintain such action for and in behalf of all agricultural employees similarly situated. The court in such action shall, in addition to any judgment awarded to the plaintiff or plaintiffs, allow a reasonable attorney's fee to be paid by the defendant, and costs of the action.

INJUNCTION PROCEEDINGS

SEC. 12. The district courts of the United States, including the District Court of the United States for the District of Columbia, and the United States courts of the Territories and possessions, shall have jurisdiction, for cause shown, and subject to the provisions of section 17 (relating to notice to opposite party) of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (U. S. C., 1940 ed., title 28, sec. 381), to restrain violations of section 10. Any such action may be brought in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found.

RELATION TO OTHER LAWS

SEC. 13. No provision of this act or of any order thereunder shall excuse noncompliance with any Federal or State law or municipal ordinance establishing a minimum wage higher than the agricultural wage rates established under this act, and no provision of this act shall justify noncompliance with any Federal or State law or municipal ordinance establishing a higher standard for working conditions in agriculture than the standard established under this act. No provision of this act shall justify any agricultural employer in reducing a wage paid by him which

is in excess of the applicable wage rate under this act, and no provision of this act shall prevent an agricultural employer from paying a wage which is in excess of the applicable wage rate under this act.

SEPARABILITY OF PROVISIONS

SEC. 14. If any provision of this act or the application of such provision to any person or circumstances is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 15. This act may be cited as the Agricultural Wage Board Act.

EXPLANATORY STATEMENT

The proposed bill attempts to establish a flexible wage-fixing procedure for industrialized agriculture. It creates an Agricultural Wages Board within the Department of Labor, composed of two representatives of agricultural employers, two representatives of agricultural employees, and an impartial chairman, to fix agricultural wages in various parts of the United States and enforce the wage regulations so issued. The wage regulations issued under the act will not apply to a farmer operating a nonindustrialized farm. A farmer who does not employ as many as four agricultural laborers at any one time during the preceding calendar year is exempt under the terms of section 2 (e). The Agricultural Wages Board is empowered to set up local agricultural wages committees within certain agricultural regions, and for various agricultural operations and commodities, whose responsibility it will be to carry on negotiations for the purpose of determining what the fair wage rates for the area and commodities within their respective jurisdictions should be. In effect, the local committees will perform collective-bargaining functions, since each committee will include equal numbers of agricultural employers and employees who will confer together with the public representatives for the purpose of determining fair wage rates. But, in addition, the committees will possess certain arbitration features since there will be public representatives who participate in formulation of recommendations.

The local agricultural wages committees will report their findings of fact and recommendations to the Board. After a public hearing has been allowed and all necessary legal due process has been observed, the Board will issue wage orders which will include wage schedules for various commodities and operations and also other provisions in regard to working conditions which may seem necessary and proper. The orders of the Board will be subject to approval of the National War Labor Board under the terms of the recent anti-inflation law and the Executive order setting up the Office of Economic Stabilization, so long as the anti-inflation law shall continue in effect.

The Board will authorize investigations and inspections of places and records of agricultural employers within its jurisdiction to insure proper compliance with such wage orders. Any shipments into the stream of interstate commerce of agricultural commodities which have been produced, sold, or transported under conditions violative of the act or violative of wage orders issued by the Board under authority granted by the act will be unlawful. Falsifying records and discriminating against employees seeking protection of the act will also be unlawful. Violations of the act will be prosecuted by the Board. Finally, minimum wages and maximum hours established under the Fair Labor Standards Act for any or all persons coming under the jurisdiction of the proposed bill will not be jeopardized, since the bill is not designed to abolish a legal minimum, but merely sets up machinery for allowing a flexible sliding scale of wages over and above a flat legal minimum.

EXHIBIT F

AGRICULTURAL EMPLOYMENT STABILIZATION

The bill (S. 2864) to provide for the common defense; to provide for the general welfare of agricultural workers by amending the Social Security Act and the Internal Revenue Code to cover agricultural employment on large industrial farms with respect to old-age and survivors' insurance benefits; to establish a Federal Farm Placement Division within the Bureau of Employment Security of the Federal Security Agency; to provide a system of Federal Agricultural Unemployment Insurance; to raise revenue; and for other purposes, introduced by Mr. LA FOLLETTE (for Mr. THOMAS of Utah and himself), is as follows:

Be it enacted, etc.—

TITLE I

That the Social Security Act, as amended, be, and is hereby, amended as follows:

"SEC. 1. The first paragraph of subsection (a) of section 209 of the Social Security Act, as amended, is amended to read as follows:

"'(a) The term "wages" means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash. The Social Security Board may, from time to time, prescribe a schedule of values for noncash payments, such as room and board. Except that the term "wages" shall not include—'

"SEC. 2. Subsection (a) of section 209 of the Social Security Act, as amended, is hereby further amended by striking out the word 'or' at the end of subdivision (5) and the period at the end of subdivision (6), substituting a semicolon therefor, and adding the following new subdivisions:

"'(7) With respect to "agricultural employment" (as defined in section 209 (1)) the value of services exchanged for other services for which there is no payment other than the exchange; or

"'(8) With respect to "agricultural employment" (as defined in section 209 (1)) the value of crop or other payments in kind in return for services rendered under a sharecropping or share tenancy contract or agreement; or

"'(10) With respect to "agricultural employment" (as defined in section 209 (1)) the value of services performed by a member of the farmer's immediate family working on a farm owned and operated by such farmer.

"'(9) With respect to "agricultural employment" (as defined in section 209 (1)) the value of services performed for a farm operator who employed less than four persons for agricultural labor at all times during the calendar year or whose total annual wage bill during the calendar year was less than $1,000.'

"SEC. 3. Subdivision (1) of subsection (b) of section 209 of the Social Security Act, as amended, is amended by striking out the entire subdivision; and subdivisions (2) through (15) are hereby renumbered (1) through (14) consecutively.

"SEC. 4. Subsection (g) of section 209 of the Social Security Act, as amended, is hereby further amended by striking out the semicolor and the word 'or' at the end of subdivision (1), substituting a comma, and adding the following: 'except that the number of quarters elapsing after 1936 and prior to January 1, 1943, shall be limited to twice the number of quarters of coverage he actually established during this period, or 24, whichever number is smaller; or.'

"SEC. 5. Subsection (g) of section 209 of the Social Security Act, as amended, is hereby amended by striking out the last sentence of that subsection and substituting therefor the following:

"'The quarters of coverage credited to any individual in any calendar year elapsing after 1942 shall be equal to the number of quarters of coverage as computed above, or to the number of quarters of coverage deemed to have been acquired, by virtue of annual wages paid to such individual, in accordance with the following schedule, whichever is higher:

"'Total annual wages:

	"'Deemed quarters of coverage
"'Less than $75	0
"'$75 and less than $150	1
"'$150 and less than $300	2
"'$300 and less than $600	3
"'$600 and over	4'

"SEC. 6. Section 209 of the Social Security Act, as amended, is hereby further amended by striking out the entire subsection (1) and substituting in lieu thereof the following:

"'(1) The term "agricultural employment" includes all services performed—

"'(1) By an employee, on a farm, in connection with the cultivation of the soil, the raising and harvesting of crops, or the raising, feeding, or management of livestock, bees, and poultry; or

"'(2) By an employee in connection with the processing of articles from materials which were produced on a farm; also the packing, packaging, transportation, or marketing of those materials or articles. Such services do not constitute agricultural employment, however, unless they are performed by an employee of the owner or tenant of the farm on which the materials in their raw or natural state were produced, and unless such processing, packing packaging, transportation, or marketing is carried on as an incident to ordinary farming operations as distinguished from manufacturing or commercial operations.

"'As used herein the term "farm" embraces the farm in the ordinarily accepted sense, and includes stock, dairy, poultry, fruit, and truck farms, plantations, ranches, ranges, and orchards.

"'The term "agricultural employment" does not include forestry and lumbering.'

"SEC. 7. Section 209 is hereby further amended by adding a new subsection (o) to read as follows:

"'(o) The Social Security Board may by regulation determine who is an "employer" or "person employing" an individual who performs services in "agricultural employment" (as defined in section 209 (1)) when the services are obtained from the individual by means of a contract or agreement with such person's child, parent, or other relative or with a labor contractor.'

"SEC. 8. Subdivision (1) of subsection (b) of section 1426 of the Internal Revenue Code is amended by striking out the entire subdivision; and subdivisions (2) through (15) are hereby renumbered (1) through (14), consecutively.

"SEC. 9. Subsection (h) of section 1426 of the Internal Revenue Code is amended to read as follows:

"'The Social Security Board may by regulation determine who is an "employer" or "person employing" an individual who performs services in "agricultural labor" (as defined in section 209 (1) of the Social Security Act, as amended) when the services are obtained from the individual by means of a contract or agreement with such person's child, parent, or other relative or with a labor contractor.'

"SEC. 10. (a) The contributions imposed by this title shall be collected by such agency or agencies as the Board of Trustees of the Federal Old Age and Survivors Insurance Trust Fund may from time to time designate and shall be paid into the trust fund as social insurance collections.

"(b) Those provisions of subchapter A of chapter 9 of the Internal Revenue Code which are specifically applicable to the Bureau of Internal Revenue or the Secretary of the Treasury, insofar as they are applicable to this subtitle, are hereby made applicable to such agency or agencies as the board of trustees may from time to time designate.

"SEC. 11. The following subsection is added after subsection (a) of section 1426 of the Internal Revenue Code:

"'(aa) Any "wages" in "agricultural labor" (as defined in sec. 209 (1) of the Social Security Act, as amended) shall not include:

"'(a) The value of services exchanged for other services for which there is no payment other than the exchange;

"'(b) The value of crop or other payments in kind in return for services rendered under a sharecropping or sharetenancy contract or agreement;

"'(c) The value of services performed by members of a farmer's immediate family working on a farm owned and operated by such farmer; or

"'(d) The value of services performed for a farm operator who employed less than four persons for agricultural labor at all times during the calendar year or whose total wage bill was less than $1,000.'"

TITLE II

FINDINGS AND POLICY

SEC. 201. (a) The Congress hereby finds (1) that the agricultural labor market is of marked interstate character, that serious problems of interstate migration have arisen and effective operation of agricultural employment services has been greatly hampered by restrictive State lines; (2) that a sound agricultural employment program must be coordinated with other Federal activities susceptible only to public operation, and that only a Federally controlled and Federally operated employment service system of farm placement will function properly and effectively.

(b) It is hereby declared by Congress, through exercises of its power to regulate commerce among the several States, and its power to provide for the general welfare of the United States, that a Federal Farm Placement Service be created within the United States Employment Service to insure orderly interstate migration of agricultural labor, to insure satisfactory adjustment of labor supply to labor demand in agriculture, to insure complete and effective integration of agricultural and nonagricultural labor supply and demand, and to regularize and organize the employment of a trained and qualified agricultural labor force.

FEDERAL FARM PLACEMENT DIVISION

SEC. 202. (a) There is hereby created in the United States Employment Service a Federal Farm Placement Service. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1944, $10,000,000, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for the operation of a United States Employment Service for agriculture.

(b) The Chief of the Federal Farm Placement Service (in this act referred to as the "Chief") shall submit annually in January a report to the Director of the United States Employment Service (in this act referred to as the "Director"), covering the activities of the Federal Farm Placement Service for the preceding year, an estimated budget for the following year to adequately provide a comprehensive placement service for agriculture, and including such information, data, and recommendations for further legislation in connection with the matters relating to the farm placement service as he may find advisable. The Director shall transmit the report of the Chief to Congress at the beginning of each regular session.

POWERS AND DUTIES

SEC. 203. (a) It shall be the province and duty of the Chief, under the direction and supervision of the Director, to—

(1) promote and develop a comprehensive and effective national system of farm placement to secure agricultural employment for men, women, and juniors;

(2) state the objectives of a national farm placement program;

(3) prescribe the general standards for Federal farm placement activity;

(4) assure coordination of the regional and local activities of agricultural employment and to minimize extensive migrations of agricultural labor, to approve all interregional movements of labor, and to permit regional and local offices to fill requests for labor which would require migration, only after careful investigation of actual employment opportunities, and only to maintain the necessary mobility required for supplying sufficient labor to meet peak seasonal demands within a reasonable geographic area;

(5) assure extensive research activities which shall include careful studies of crops, labor conditions, and markets as they affect agricultural employment, to issue reports from time to time which shall be made public, to dispense reliable information as to opportunities for agricultural employment, and any other information which may be of value concerning agricultural employment conditions;

(6) provide an extensive educational program to inform agricultural employers and employees, and others, of the advantages and benefits derived from use of public farm placement services;

(7) cooperate with other Federal and State agencies interested in agriculture, or agricultural labor, to secure a better understanding and solution of agricultural employment problems;

(8) cooperate in training young people in the skilled branches of agricultural employment; and

(9) interest other groups and agencies in agricultural employment problems with a view to improving working conditions and the general standard of living of agricultural workers.

LOCAL EMPLOYMENT OFFICES

SEC. 204. (a) For each local employment office there shall be a local office manager, who shall be responsible for providing the actual employment services within his locality.

(b) It shall be the function of the manager to obtain the registration of agricultural employers and agricultural laborers within his locality, in accordance with registration forms adopted by the Director, subject to such variations in form due to local exigencies, which changes shall require the approval of the Director. Registration cards of laborers shall be assorted according to qualifications, experience, and length of residence, provided that all residents of 10 years or over within a locality be given uniform treatment. The registration cards of employers shall be tabulated according to types of labor required and estimated demands. The manager shall request of each employer of agricultural labor, before supplying laborers, full information regarding working conditions, and labor disturbances, if any, at the place of employment, which information shall be communicated to the job applicants.

(c) The registration cards of the agricultural workers in each locality shall be sorted and graded on the basis of a grading system and shall be separated into three lists:

(1) active—to supply the actual and usual demand for agricultural labor within the locality, and for other localities within an area or region;

(2) reserve—to meet extraordinary and uncalculated peak demands within the locality and for other localities within an area or region; and

(3) emergency—for use in case of excessive labor shortages due to unforeseen and uncontrollable causes.

It shall be the duty of the manager to exhaust the active list of agricultural laborers of his locality and then the active lists of all localities of the area or region before drawing on the reserve list; and he shall exhaust the reserve list of his locality and then the reserve lists of all localities of the area and region before drawing on the emergency list. After exhausting his emergency list, it shall be his duty to request emergency placements from other localities.

(d) It shall be the duty of the manager to see that laborers on his local active list are given job seniority and job preference within the locality. The manager shall keep a separate employment record for each laborer and shall attempt to mete out jobs in the locality, and secure jobs in other localities, in such a way as to assure for those laborers on the active list, employment for approximately 6 to 9 months during the calendar year. In filling employer requests for labor, the manager shall give due weight and consideration to individual preferences of employers and laborers for each other, and shall constantly strive to promote harmonious employer-employee relationships. The manager shall authorize all placements within his locality which do not require migration.

(e) When local demands cannot be met from active lists, the manager, through the area or regional representative, shall apply for additional workers; when a surplus exists, the manager shall notify the representative of the number of idle workers on the active list in his locality. Each manager shall assist in the balancing and leveling out of these labor excesses and labor deficiencies within the various localities by making prompt reports of surpluses and shortages; by contacting, immediately, other managers upon notification to do so; and by interchanging complete and accurate information with other managers regarding transportation facilities, probable duration of employment, estimated wage scales and other matters, thereby assisting in the necessary mobility of the agricultural labor force within the area or region to meet seasonal demands. Where all active lists for the region have been exhausted, the same procedure shall be followed for utilization of reserve lists. Where all reserve lists for the area or region have been exhausted, emergency lists shall be used through the same procedure. Only in cases of emergency proclaimed by the Director, where an entire regional supply of agricultural labor is exhausted, or approaching exhaustion, shall an interregional migration of labor take place.

(f) The manager shall cooperate with all social agencies, public officials, and community organizations within the locality for promotion of better economic and social conditions for agricultural workers.

ADVISORY COUNCILS

SEC. 205. The Director shall require the formation of local advisory councils in every community in which local employment offices have been established. These local councils shall be composed of local representatives of employers, laborers, and the public, and shall be selected in such manner as the Director shall prescribe. Each advisory council shall function on a voluntary basis, without compensation, and shall meet periodically to discuss problems relating to employment and unemployment within its specific area, and shall make reports to its local employment office on matters of policy and practice which require revision and reform. These reports shall be transmitted by the local managers to the Director.

RELATION TO OTHER LAWS

SEC. 206. (a) Nothing in this act shall affect (1) the jurisdiction of the United States Employment Service over public employment services; or (2) the jurisdiction of any other commission, board, agency, or officer of the United States insofar as it does not conflict with the provisions of this act or any rule, regulation, or order thereunder.

(b) No provisions of this act or any rule, regulation, or order thereunder shall excuse noncompliance with State laws or municipal ordinances regulating employment activities. No provision of this act shall be interpreted to hinder State farm placement programs: *Provided*, That such programs do not conflict with policies set forth in this act.

SEPARABILITY OF PROVISIONS

SEC. 207. (a) If any provision of this act or the application of such provisions to any person or circumstances is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 208. That this title be cited as the "Federal Farm Placement Act."

TITLE III

APPROPRIATION

SEC. 301. For the purpose of supporting an unemployment-insurance system for agricultural labor and enabling the Federal Farm Placement Service to furnish proper and efficient employment services for agricultural employers and agricultural laborers, there is hereby appropriated for the fiscal year ending 1944 the sum of $50,000,000, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this act. The sums made available under this section and the sums made available under section 302 of this act shall be used for the establishment and maintenance of the Federal Farm Placement Service set up under the Federal Farm Placement Act and for the disbursement of unemployment-insurance benefits to agricultural laborers in accordance with the provisions of subsequent sections of this title.

UNEMPLOYMENT-INSURANCE TAX

SEC. 302. Each "taxable agricultural employer" (as defined in section 303 (a) of this title) shall pay for the calendar year 19 , and for each calendar year thereafter, with respect to having individuals in his employ performing "agricultural labor" (as defined in section 1607 (L) of the Internal Revenue Code) an excise tax equal to 3 percent of the "total wages" (as defined in section 303 (c) of this title) paid by him during the calendar year for such agricultural labor: *Provided, however*, That any taxable agricultural employer who shall cooperate in reducing seasonal and other forms of unemployment of agricultural labor by recruiting 90 percent or more of his agricultral laborers through an employment office of the United States Employment Sevice shall pay an excise tax equal to 1½ percent of the total wages paid by him during the calendar year with respect to agricultural labor.

DEFINITIONS

SEC. 303. When used in this act—

(a) The term "taxable agricultural employer" includes any person who employs a total number of four or more individuals to perform agricultural labor at any one time in the calendar year: *Provided*, That the total annual wage bill for such employment is in excess of $1,000 in the calendar year.

(b) The term "employ" means to suffer or permit to work for monetary wages or material goods on a temporary or permanent basis, and this includes services obtained from an individual by means of contract or agreement with such person's child, parent, or other relative, but the term "employ" shall not include services obtained by the employer from members of his immediate family.

(c) The term "total wages" includes all remuneration for agricultural labor which an agricultural employer has paid out during the calendar year, including the cash value of all remuneration paid in any medium other than cash. The Social Security Board may from time to time prescribe a schedule of values for noncash payments. Except that the term "wages" with respect to agricultural labor shall not apply (1) to the value of services exchanged for other services for which there is no payment other than the exchange; (2) to remuneration above $3,000 paid to an agricultural laborer by his employer with respect to employment during any calendar year.

(d) The term "total unemployment" means lack of any employment, including employment not subject to this act, together with the total lack of all compensation, both of which are caused by the inability of an employee who is capable of and available for employment to obtain any employment in agriculture, or in any other employment for which he is reasonably fitted by training and experience, including employments not subject to this title.

SPECIAL AGRICULTURAL UNEMPLOYMENT TRUST FUND

SEC. 304. (a) There is hereby established in the Treasury of the United States a trust fund to be known as the "Special agricultural unemployment trust fund," hereinafter in this title referred to as the "trust fund." There is hereby appropriated to the trust fund all such amounts as may be appropriated by Congress for the purposes stated in section 301 of this act, together with 100 percent of the taxes (including interest, penalties, and additions to the taxes) received under this act and covered into the Treasury.

(b) Subsections (b), (c), (d), (e), (f), and (g) of section 201 of the Social Security Act, as amended, are hereby made applicable to this title, insofar as they are applicable.

BENEFITS

SEC. 305. (a) Benefits shall be paid from the trust fund at the direction of the Social Security Board to each unemployed agricultural laborer entitled thereto.

(b) No agricultural laborer shall be eligible to receive benefits unless he (1) is registered at a United States Employment Office in conformity with requirements fixed under the Federal Farm Placement Act; (2) has, prior to his claim for benefits, been placed upon an active list in such office in accordance with requirements fixed under the Federal Farm Placement Act; (3) has secured through the United States Employment Service 30 or more workdays of employment during the calendar year immediately preceding his claim for benefits; (4) is suffering total unemployment (as defined in section 303 (d) of this act) at the time of his claim; and (5) has given proper notice of his unemployed status in accordance with rules and regulations pertaining thereto which shall be issued by the Social Security Board.

(c) After a specified waiting period of not less than 7 days and not more than 14 days, which shall be determined by the Social Security Board, benefits shall be payable to each eligible unemployed agricultural laborer at a benefit rate established by the Social Security Board for a period not to exceed 26 times the weekly benefit amount.

(1) The Social Security Board shall issue a schedule of benefits to be paid, using actual wages earned during a period to be prescribed by the Board, benefits to approximate one-half the actual earnings during such period.

(d) The validity of the claim and the amount of benefits payable thereunder shall be determined in accordance with rules and procedure which shall be fixed by the Social Security Board. Any benefits found payable thereunder shall be paid through public employment offices at such time and in such manner as the Social Security Board shall prescribe.

(e) Within 2 years after the enactment of this act the Social Security Board shall make a special report to the Congress concerning the administration of this title, including recommendations as to changes in this title.

OTHER LAWS APPLICABLE

SEC. 306. (a) All provisions of subchapter C of chapter 9 of the Internal Revenue Code relating to the payment of taxes, returns, penalties, and related matters, insofar as they are not inconsistent with this title shall be applicable with respect to the tax imposed by this title, and all provisions of titles II and XI of the Social Security Act, as amended, relating to evidence, procedure, and certification for payment, representation of claimants, assignment, penalties, and related matters insofar as they are not inconsistent with this title shall be applicable with respect to benefit payments and all other matters within the jurisdiction of the Social Security Board.

(b) Not later than March 31, next following the close of the taxable year, each taxable agricultural employer shall make a return of the excise tax levied under this title for such taxable year. Each such return shall be made under oath, and shall be filed with such agency as the board of trustees shall from time to time designate.

SEPARABILITY OF PROVISIONS

SEC. 307. If any provision of this title or the application of such provisions to any person or circumstances is held invalid, the remainder of the title and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 308. This title may be cited as the Federal Agricultural Unemployment Insurance Act.

EXPLANATORY STATEMENT

I

Title I of the proposed bill is directed toward coverage of agricultural workers under the Federal old-age and survivors' insurance program. At the present time, "agricultural labor" is excepted under section 209 (b) (1) of the Social Security Act and 1426 (b) (1) of the Internal Revenue Code, from the definition of "employment," and, therefore, all agricultural laborers are denied benefits under the act. In addition, the definition of agricultural labor contained in sections 209 (L) and 1426 (b), respectively, encompasses many occupations and processes which hardly can be called agricultural. Title I of the proposed bill sets out a basis for coverage of agricultural workers on large-scale industrialized farms, and attempts to meet the objections of those who oppose such coverage by outlining a feasible administrative technique for determining agricultural wages, and by defining and clarifying other relevant terms. However, it would not bring under the coverage of the pay-roll tax those farmers who employ less than four agricultural wage workers at all times during the year, and it would also exclude those farmers who employ a larger number for short periods of time if their total annual wage bill was less than $1,000.

The bill provides that in the matter of determining what are wages in order that taxes may be levied on such wages, services given in exchange for other services of equal value are not wages, nor are payments resulting from sharecropping agreements to be considered wages. The exemption of the smaller farm operators, referred to above, is accomplished by providing the wages subject to tax levy do not include those received from the farm operator who employed less than four persons for agricultural labor at all times during the year or whose total annual wage bill was less than $1,000 during the calendar year.

Sections 3 and 8 of title I strike out the exemption of agricultural labor from the Social Security Act and Internal Revenue Code, respectively. Sections 6 and 11 define agricultural employment, which definition is to be substituted in place of the present one in section 209 (L) of the Social Security Act and 1426 (b) of the Internal Revenue Code. A definition of agricultural employment must be retained although the exemption pertaining to agricultural labor has been eliminated in order to determine which taxes are to be paid and benefits to be received on the basis of agricultural wages established by the Social Security Board. However, a modification of the present definition was necessary in order to eliminate those occupations which cannot properly be called agriculture.

Before benefits can be paid under the present act, it must appear to the satisfaction of the Board that the individual, on the basis of whose wages the benefits are to be paid, was an insured individual. This is determined by use of quarters of coverage, each quarter comprising 3 calendar months. In order to remove the serious handicap of agricultural labor in industrialized agriculture in establishing these quarters of coverage because of the seasonality of much of that type of agricultural employment, section 5 of title I proposes an amendment to section 209 (g) of the Social Security Act to allow agricultural laborers to obtain insured status on the basis of annual wages or quarterly wages, whichever is the most advantageous.

Finally, sections 7 and 9 are designed to prevent an industrialized agricultural employer in the class defined above from escaping an employer-employee relationship through use of a subcontracting device under which he hires one member of the family who in turn contracts with other members of the family to perform services. Under sections 7 and 9, such services performed by any member of the family would still be covered employment if the Social Security Board so determined.

II

Title II of the proposed bill establishes within the United States Employment Service a Federal farm placement service to handle the problems of organization of the agricultural labor market on a national scale, and regularization of agricultural employment in agricultural areas throughout the United States. The chief of the service is given broad responsibilities, including formulation of a national farm placement policy, coordination of all regional and local activities to minimize migration of agricultural labor, and extensive research and educational activities of an essential character.

Registration cards of all agricultural laborers will be carefully classified by the local employment office and tabulated into 3 groups—active, reserve, and emergency. As far as it is possible, all workers on the active lists shall be given job preference, so that their employment will extend over a 6- to 9-month period during the calendar year. A system of borrowing workers from active lists of the various local offices of the region has been devised to aid in lengthening the annual employment of workers comprising the regular agricultural labor force for a particular geographic area. The Federal farm placement service will also cooperate with all other agencies, Federal, State, local, and private organizations which are concerned with agricultural labor problems. Local advisory councils are provided to aid the local employment offices in matters of policy and practice within the community.

III

Title III of the proposed bill is primarily a revenue bill, and will provide for the establishment of a Federal agricultural unemployment insurance system. Since the revenue from taxes will not be sufficient to take care of an unemployment compensation system for agricultural laborers, and a national farm employment service as well, it will be necessary to appropriate money each year which, together with moneys collected in taxes, will constitute a special agricultural unemployment insurance trust fund in the Treasury of the United States. This fund will be administered by the Secretary of the Treasury in the same manner as other Social Security trust funds. A 3-percent excise tax will be levied on the total annual wage bills of a defined class of agricultural employers, but those agricultural employers who shall cooperate in reducing seasonal and other forms of unemployment of agricultural labor by recruiting 90 percent or more of their agricultural laborers through the United States Employment Service shall be required to pay only one-half of the excise tax or, 1½ percent. Moreover, there would be a complete exemption from the unemployment compensation tax for all farmers who employ less than four farm workers at all times during the year, and those farmers who employ a larger number for short periods of time if their total annual wage bill was less than $1,000.

The unemployment insurance benefits will be paid from the special fund to totally unemployed agricultural laborers who are eligible to receive benefits. Title III of the proposed bill defines total unemployment and sets up eligibility requirements among which registration with and previous employment obtained through the United States employment offices are primary considerations.

Title III does not purport to care for all persons who have ever engaged in agricultural labor. It is designed to protect the active or regular class of agricultural labor as described under title II. These workers must be protected from the hazards of seasonal unemployment which, through no fault of their own, is an ever-present feature of our agricultural economy of today. The benefits, therefore, are designed to tide the active or regular agricultural worker over the gaps between his seasonal spurts of employment. Actual computation of the benefits will be made by the Social Security Board. Claims for benefits, and payment of benefits will be made through United States employment offices.

Finally the proposed bill has attempted to establish a Federal system of social security for agricultural labor. The present Federal-State system used for payment of unemployment compensation in industry, and for other purposes, has been discarded as too cumbersome and restrictive to be effective in dealing with agricultural labor problems.

AMENDMENT OF ANTIPERNICIOUS POLITICAL ACTIVITIES ACT—CONFERENCE REPORT

Mr. HATCH. I present the conference report on Senate bill 2471, and ask unanimous consent for its present consideration.

The ACTING PRESIDENT pro tempore. The clerk will read the report.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2471) to amend the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, with respect to its application to officers and employees of educational, religious, eleemosynary, philanthropic, and cultural institutions, establishments, and agencies, commonly known as the Hatch Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1 and 2 and agree to the same.

That the House recede from its amendment numbered 3, for the reason that the conferees are of the unanimous opinion that nothing in the Hatch Act interdicts any person from expressing his opinion on any political subject or candidate.

WALTER F. GEORGE,
CARL A. HATCH,
WARREN R. AUSTIN,
Managers on the part of the Senate.

HATTON W. SUMNERS,
SAM HOBBS,
JOHN W. GWYNNE,
Managers on the part of the House.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the report?

Mr. AIKEN. Mr. President, I should like to know what the conference committee decided on.

Mr. HATCH. The House conferees receded from the House amendment which included country editors.

Mr. AIKEN. That is what I wanted to know.

Mr. HATCH. The bill is now practically as it passed the Senate.

Mr. AIKEN. And country editors will still be subject to the Hatch Act, as others are?

Mr. HATCH. Just the same.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the report?

There being no objection, the report was considered and agreed to.

SENATOR NORRIS, OF NEBRASKA

Mr. REED. Mr. President, today I speak, not as a member of a political party but as a citizen of the United States, concerned solely with the welfare of my country. Like the man of whom I speak, I, too, am full of years. Through these years I have watched the panorama of public life unfold and have seen many characters, great and near great, walk across the stage of human drama. With some of these actors I have had close contact. Others I have watched with keen interest as a student of political government.

Measured by the quality of high character, of unquestioned integrity, of untiring industry, of sterling common sense, and of unfailing devotion to the welfare of his fellow men I unhesitatingly accord to my friend and my colleague in the United States Senate, GEORGE W. NORRIS, of Nebraska, the distinction of being the most useful public servant and the most wholesome influence in our public life for 40 years.

The heart and mind of GEORGE NORRIS are filled with that divine discontent which moves men forward in the effort to better the rules under which our human society lives. In this effort he has known no distinction of race, or color, or creed. He has a passion for all humanity. Its welfare is his sole concern.

I first knew of GEORGE NORRIS through his leadership of a revolt of insurgent Republican Members of the House of Representatives, in the first decade of this century. I was in Washington in those years,

and one of my close friends was an associate leader of the insurgent movement, Victor Murdock, then a Member of the House of Representatives. I was a witness of the high ability and great skill with which GEORGE NORRIS led the movement to liberalize the rules of the House. GEORGE NORRIS is a born insurgent against tyranny of any kind, anywhere. He and his fellow insurgents were successful.

I have watched him through all these years. I watched him cast a vote against the declaration of war with Germany in 1917. I watched him induce his State of Nebraska to change its system of legislative authority to a unicameral basis. I watched his part in the change in the method of electing Members of the United State Senate from the legislative bodies of the States to a direct vote of the people of the States. I watched him in his effort, which was finally succesful, to change the constitutional provision for meetings of Congress and the inauguration of the President of the United States. I have watched him and his part in other matters of first importance. He has been a patriot every time in every sense.

In all of these things, his pathway has been illuminated by the beacon light of his conscience and nothing else.

Mr. President, I say these things, I think and hope, without prejudice or bias of any kind. In the nearly 4 years that I have served in the Senate along with GEORGE NORRIS, he and I have voted more times, perhaps, on opposite sides than on the same side. On one or more occasions he has been a leader in debate on some question of importance and I have taken some part in the opposition. These differences of opinions, differences of voting, differences of action, are unimportant. They do not affect my belief that GEORGE NORRIS is our foremost public servant of any party and in any walk of public life today.

GEORGE NORRIS is an idealist, but a practical idealist. He possesses that highly essential quality, common sense, in a superlative degree. His language is plain; his words may be understood by anyone, even the humblest.

He commands an audience, not only in the Senate of the United States, but in the Nation. More than any other single Member of this body, he fairly may be termed a "Senator of the United States."

Under our system of government, Members of this body are selected by States, not by the Nation as a whole. If Senators were selected by the Nation as a whole, I am quite sure that Senator NORRIS, by an overwhelming, perhaps a unanimous, vote, would be continued in his membership as long as he lives and retains, as he does now, his mental and physical vigor. As things are, the State of Nebraska has the distinction of making his services available to the Nation. States have pride in their individual statehood. That is proper. I am glad that it is so. I have a high degree of pride in my own State. Always I am reluctant to offer suggestions or advice to other States in their choice of public servants.

However, I hope the people in Nebraska will forgive me for urging upon them the importance of retaining GEORGE NORRIS in the place where he has been so useful, where he has rendered such great service, where he has so distinguished himself and where he has conferred high honor upon the State that sends him here. I feel these things very deeply. I feel them more deeply than I can easily explain. In Senator NORRIS, Nebraska and the Nation have a combination of talents so beneficial to our entire citizenry and so useful in this great legislative body that it would be an irreplaceable loss if he should not be continued here. Only the immediate importance of the decision to be made in the coming election warrants me in departing from a rule that I have heretofore always followed.

So I appeal to Nebraska, without partisanship, without prejudice, to return GEORGE NORRIS to the United States Senate. I do this in the full light of what I have said before—that in the last 4 years he and I, perhaps, have voted on opposite sides more often than on the same side. Again, I repeat, this is not important.

The most important thing in this life, in fact the one thing of real importance, is the degree of service we can render to our fellow men. Measured by that standard, the roll of those in that effort would show the name of GEORGE NORRIS as leading all the rest.

A CHALLENGE TO GOVERNOR MOSES, OF NORTH DAKOTA

Mr. LANGER. Mr. President, today is Monday, October 19, 1942. On Saturday, the day before yesterday, the proceedings brought to bar me from the United States Senate were closed with the payment of the fees to my attorneys.

Thus, this action, which had its beginning right after the election of November 1940, is closed 2 weeks before election in 1942.

Mr. President, later on, I shall have more—much more—to say about this proceeding that was instigated by my political enemies in North Dakota, who were aided and abetted by the grain gamblers in Chicago and Minneapolis. Those grain gamblers were bitter because of my action as Governor in 1937 which kept them from stealing $12,000,000 from the farmers of North Dakota in the lightweight wheat racket.

But today I rise simply to bring to the attention of the Senate, now that the last chapter of my seating has finally been closed, a challenge to the Honorable John Moses, Governor of North Dakota, which was sent to him by Western Union yesterday. That challenge is as follows:

You have repeatedly made a campaign issue of the charge that there was dishonesty in State affairs on my part during my term as Governor. The main charge seems to be what you chose to designate as "corrupt bond transactions."

I hereby challenge you to debate me in any three of the county seats of the counties involved in these transactions. As Governor, you have had unlimited opportunity for investigation. The people are entitled to know whether they have an honest Senator or an incompetent Governor.

I will be in North Dakota for the entire week before election. You can select any three of the county seats, which would be Carson, Mandan, Mott, Watford City, Stanton, Stanley, Crosby, Bismarck, Minot, Steele, Washburn, Killdeer, Rolla, Amidon, or Towner, and you can set the time and the place during that week, and I will pay the hall rent. If you will accept this challenge, I will donate $25 to the Red Cross in every town where you will dare to debate me.

I am challenging you, and you alone, and none of your stooges. You made the charges, and I am calling upon you to defend yourself in the making of them or stand convicted before the people.

In these debates I am to speak the first 15 minutes; then you talk as long as you want to, and I will take 45 minutes to close.

Come on, now, John, and don't be afraid. Get on the platform with me face to face before the people of our State and produce your proof.

WILLIAM LANGER.

Mr. President, I mention this upon the floor of the Senate for the reason that there may be some Senators here who, knowing of this challenge, would feel in duty bound to assist Governor Moses in his coming ordeal in case he accepts, because I think that the Governor would be glad to have the assistance of some of the Senators who orated so long and so eloquently and so profusely in their unsuccessful endeavor to take from me the seat in the Senate to which, as GEORGE NORRIS, the distinguished Senator from Nebraska said, there was no claim that I had not been honestly elected.

SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 7672) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1943, and for other purposes.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the amendments of the committee be first considered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and it is so ordered.

Mr. McKELLAR. Mr. President, I feel that I should make a statement concerning the bill. I shall make it as brief as possible.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Danaher	McKellar
Andrews	Davis	McNary
Austin	Downey	Maloney
Bailey	Doxey	Maybank
Ball	Ellender	Murdock
Barbour	George	Norris
Barkley	Gerry	Nye
Bilbo	Gillette	O'Daniel
Bone	Green	O'Mahoney
Brewster	Guffey	Overton
Bulow	Gurney	Pepper
Bunker	Hatch	Radcliffe
Burton	Hayden	Reed
Butler	Hill	Reynolds
Capper	Johnson, Calif.	Rosier
Caraway	Kilgore	Russell
Chandler	La Follette	Schwartz
Chavez	Langer	Shipstead
Clark, Idaho	Lee	Spencer
Connally	McFarland	Thomas, Idaho

Thomas, Okla.	Vandenberg	Walsh
Thomas, Utah	Van Nuys	Wheeler
Tunnell	Wagner	Wiley
Tydings	Wallgren	Willis

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from Alabama [Mr. BANKHEAD], the Senator from Michigan [Mr. BROWN], the Senator from Virginia [Mr. BYRD], the Senator from Missouri [Mr. CLARK], the Senator from Iowa [Mr. HERRING], the Senator from Colorado [Mr. JOHNSON], the Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. MCCARRAN], the Senator from New York [Mr. MEAD], the Senator from Montana [Mr. MURRAY], the Senator from New Jersey [Mr. SMATHERS], the Senator from South Carolina [Mr. SMITH], the Senator from Tennessee [Mr. STEWART], and the Senator from Missouri [Mr. TRUMAN] are necessarily absent.

Mr. MCNARY. The Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. BROOKS], the Senator from Oregon [Mr. HOLMAN], the Senator from Massachusetts [Mr. LODGE], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The PRESIDING OFFICER. Seventy-two Senators having answered to their names, a quorum is present.

Mr. MCKELLAR. Mr. President, the committee unanimously reported the bill. I think I should make an explanation to the Senate about it. It is divided into three titles. The first title is made up of appropriations for the Navy Department. The largest amount of the appropriations is for the Navy Department—$5,599,974,308. That is to be used very largely for airplanes. The largest single appropriation in that title is for airplanes for the Navy.

The House divided the bill into two titles, as shown in the following table:

Agency	Budget estimate	Recommended in bill	Increase (+) or decrease (−), bill compared with estimates
Title I—Navy Department	$5,599,974,308	$5,595,388,308	−$4,586,000
Title II—General appropriations:			
President's emergency fund	25,000,000	25,000,000	
Office of Civilian Defense	1,042,000		−1,042,000
Office of Coordinator of Inter-American Affairs	5,500,000	5,000,000	−500,000
Office of Defense Transportation	5,290,000	5,200,000	−90,000
Office of War Information	26,990,000	25,000,000	−1,990,000
War Manpower Commission	17,166,000	10,303,680	−6,862,320
Public Building Maintenance	7,636,260	7,636,260	
War housing	600,000,000	500,000,000	−100,000,000
Emergency rubber project (guayule)	19,000,000	19,000,000	
Reduction in interest on farm mortgages	33,800,000	33,800,000	
Collecting internal revenue	8,199,720	8,000,000	−199,720
Miscellaneous items	2,823,293	2,628,373	−194,920
Total, title II	752,447,273	641,568,313	−110,878,960
Grand total, titles I and II	6,352,421,581	6,236,956,621	−115,464,960

Under title I it grouped the appropriations going to the Navy Department. The House appropriated for the Navy $5,599,974,308, and the Senate added to this sum $2,266.99. Perhaps I could more succinctly state what these naval appropriations are by quoting again from the House report, pages 2 and 3 thereof:

TITLE I—NAVY DEPARTMENT

The appropriations recommended under this title are in consequence of supplemental and deficiency estimates of appropriations contained in House Documents 845 and 860, of the present session, as follows:

House Document 845:	
Fiscal year 1942 (deficiency)	$6,820,000
Fiscal year 1943 (supplemental)	2,731,154,308
House Document 860: Fiscal year 1943 (supplemental)	2,862,000,000
Total	5,599,974,308

In addition to the foregoing sum, the submission contained in House Document 845 includes a proposal to permit the incurrence of obligations for constructing the naval craft authorized in Public Laws 665 and 666, each approved July 9, 1942, the total cost of which has been estimated at $9,510,000,000.

With the exception of a reduction of $4,586,000 in a Coast Guard item the committee recommends approval of the Budget estimates without change as regards money phases; also, it is proposing some additional minor legislation, confined to fiscal year effectiveness, pursuant to its inquiry of departmental officials. The bill, therefore, would make available a total of $5,595,388,308 by way of direct appropriations and gives approval to the incurrence of obligations on account of naval vessels to the extent of $9,510,000,000, more or less. As indicated at the outset hereof, $6,820,000 of the amount of direct appropriations represents actual deficiencies for the fiscal year 1942.

There previously has been made available to the Navy Department for the fiscal year 1943 the following amounts:

Direct appropriations	$14,254,779,974
Contractual authority	1,474,634,000
Total	15,729,413,974

The amounts in the accompanying measure would raise such total to $30,827,982,282, of which $19,843,348,282 represents direct appropriations and $10,984,634,000 contractual authority.

There follows a segregation of the amounts proposed for the fiscal year 1943 into general objects of expenditure:

Personnel:	
Training, education, and welfare, Navy	$21,640,000
Pay, subsistence, clothing, transportation, and recruiting:	
Navy	734,216,136
Marine Corps	277,507,642
Coast Guard	192,480,000
Medical Department	19,766,000
	1,245,609,778
Maintenance and operation, fleet and shore establishments	$102,422,530
Defense installations, merchant vessels	100,000,000
Aviation:	
Procurement of airplanes	2,862,000,000
Nonrigid airships	36,330,000
Stockage of aeronautical accessories	352,567,000
Maintenance and operation	225,203,833
Transport service	25,883,700
Miscellaneous, including defense aid	320,015,467
	3,822,000,000
Marine Corps: Equipment, supplies, and miscellaneous expenses	176,941,000
Coast Guard:	
Administrative expenses	495,000
General expenses, including purchase, charter, and conversion of vessels	141,100,050
Total	5,588,568,308

Generally speaking, the foregoing amounts are responsive to four factors, namely: (1) Commissioning of additional fleet units and patrol craft, (2) aviation augmentation, (3) larger Marine Corps forces, and (4) previously unprovided-for legislation.

The last accounts for $460,954,681, applying to the Navy, Marine Corps, and Coast Guard, directly in consequence of legislation touching pay and dependents' allowances, and for $9,510,000,000 of what is tantamount to contractual authority, such sum being the estimated whole cost of the following authorized augmentation of naval vessels:

Public Law 666:	
Aircraft carriers (tons)	500,000
Cruisers (tons)	500,000
Destroyer and destroyer-escort vessels (tons)	900,000
Small patrol, mine, etc., vessels (units)	800
Small coastal defense, patrol, mine-sweeping, etc., vessels (acquisition and conversion) units	200
Public Law 665: Auxiliary vessels (acquisition, conversion, or construction) (tons)	200,000

It will be seen, therefore, that insofar as the Navy is concerned, under the Senate bill we have appropriated $5,599,976,574.99.

It will be seen from this statement that the largest single item is the procurement of airplanes, $2,862,000,000.

The next largest item is an increase for personnel of $1,245,609,778.

The Senate committee believes that the augmentation of aircraft by the Navy is absolutely necessary. The Navy expects to build 14,611 airplanes with this money. Airplanes are going to win this war, and your committee has uniformly taken the position to furnish all the money necessary to build airplanes and airplane parts.

It is true that the bill carries $36,330,000 for nonrigid airships. The committee is not so certain about the prime value of these airships, but we must take no chances during this war. We are, therefore, appropriating this money.

It will be seen on page 5 of the bill that we have given the Navy contractual authority to build aircraft carriers, cruisers, destroyers, and other auxiliary vessels in the amount of $9,510,000,000. These have already been authorized.

So that, while the Navy is given the sum of $5,599,976,574.99 of actual appropriations, in addition thereto is contractual authority for $9,510,000,000 more for which appropriations will have to be made in the future.

In addition to the foregoing, the following general appropriations were made under title II:

TITLE II—GENERAL APPROPRIATIONS

The amount recommended to be appropriated under title II is $641,568,313, which is $110,878,960 less than the Budget estimates. This amount is comprised in a few major items, namely:

Emergency fund for the President	$25,000,000
Office of War Information	25,000,000
Office of Coordinator of Inter-American Affairs	5,000,000
Office of Defense Transportation	5,200,000
War Manpower Commission	10,303,680
War Housing	500,000,000
Emergency rubber project (guayule)	19,000,000
Reduction in interest on farm mortgages	33,800,000

The committee approved these items, together with some changes.

SENATE COMMITTEE CHANGES

First. The committee also approved the sum of $57,874 for salaries and expenses of certain temporary clerks of courts, the necessity for which was brought about by the large number of suits brought for the condemnation of lands in different parts of the country during the emergency. The Budget estimate for this was $75,000, but this included some twenty-one more clerks that the committee did not deem necessary.

Second. The committee also added a request for transportation of persons and goods in connection with the Board of Economic Warfare, but put a limitation of $50,000 for transportation of dependents and effects of employees.

Third. The bill as passed by the House provided that the Coordinator of Inter-American Affairs is authorized to agree on behalf of the United States to indemnify owners and operators of international short-wave radio stations and facilities used by his office against loss or damage on account of physical injury to persons or property arising from such use of said radio stations and facilities. It was represented to the Committee that the Office of Coordinator of Inter-American Affairs is contracting for the use of international short-wave radio stations and facilities, including the exclusive right to determine program content. These contracts will be on a cost basis without profit to the owners, and operators should be indemnified against loss or damage on account of injury to persons or property arising from the Government's use of such radio stations and facilities. Such injuries might possibly include more than physical injuries; namely, injury to persons in the form of slanderous statements broadcast in programs controlled by this office, for which the owners and operators of such radio stations would be legally responsible. It is, therefore, recommended that the word "physical" be deleted. For the same reason the word "physical" is deleted from the appropriation for the Office of War Information.

WAR MANPOWER COMMISSION

Fourth. Chairman Paul V. McNutt stated to the committee that the pressure for manpower in the country is now being acutely felt; so many boys are being taken into the Army that in some agricultural parts of the country there is great need for labor on the farms, and also there is a shortage of labor in other directions. Appropriations had already been made for the Manpower Commission of $3,281,052. The Budget estimate called for an increased staff in the field organization to raise the number from 299 to 1,038, or 739 additional positions. This force was to be distributed in strengthening the 12 regional offices, and the recommendation was to increase these area offices from 25 to 130, each to have adequate personnel, with the idea of obtaining labor quickly. The request was made for $2,213,000, and the House cut it by $400,000. The Senate Committee left the item as it was passed by the House.

In the Employment Service the situation is shown by the following excerpt from the House report:

Completion of the national occupational inventory	$6,131,049
Collection of labor-market data	501,658
Extension of the farm placement service	2,058,333
Additional facilities to secure orderly recruitment practices	2,802,960
Readjustment of U. S. Employment Service salaries of former State employees to Federal classification level	3,273,000
	14,767,000

The committee recommends a total of $8,304,618 under the above Budget estimate distributed among the five items as follows:

Completion of national occupational inventory	$5,000,000
Collection of labor-market data	501,658
Extension of farm placement service	None
Additional facilities to secure orderly recruitment practices	2,802,960
Readjustment of U. S. Employment Service salaries of former State employees to Federal classification level	None
	8,304,618

It will be seen from this that the House did not appropriate anything at all for farm placement service. The House denied the request of $2,058,333. The Senate committee inserted a fund of $1,000,000. The reason this was done was because Commissioner McNutt stated that the plans of the Manpower Commission had not yet been formulated, that they were at work on the plans, and your committee felt that in such a situation $1,000,000 would be a sufficient sum to guard against any lack of funds at the present time. The committee also added a provision that personnel to be paid out of this fund drawing salaries of $4,500 or more should be appointed by the President by and with the consent of the Senate, and in accordance with the provisions of the Constitution of the United States. There has been great complaint as to certain employees, and your committee believes it will make for better administration of this Department if its officers be selected with greater care, and that greater care can only be had by having the higher officers appointed by and with the consent of the Senate. I judge from newspaper articles that he does not approve of this, so it is a matter for the Senate to determine, first, whether an appropriation should be made at all, and, second, whether any limitation should be put upon it. I think your committee was right in its action.

As to the item of readjustment of United States Employment Service salaries of former State employees to Federal employment level, the House did not appropriate anything although the recommendation was for $3,273,000. The Senate committee approved the action of the House. The reasons were, first, that it will be recalled that the Federal Government some time ago took over the State organizations of the Employment Service that had theretofore been a joint organization of the States and the Federal Government. It was determined by the Federal Government that the taking over of this Service by the Federal Government should only be for the duration of the present war, and after the war is over it should go back to the States. The officers of the States in large numbers came before the committee last spring and insisted that the salaries should not be raised by the Government but should be left as they were at the time of the taking over. This was so done. Your committee sees no reason to change that position.

Again, we have just passed a law freezing all salaries, and we did not think these particular salaries should be singled out for increase at this time. It may work some discrimination, but all salaries of the Government cannot be equalized and certainly this should not be attempted during wartime and just after we have passed a bill freezing all salaries, except those that are grossly unjust. The President was given the authority to adjust those, as I recall.

The committee added an item for the Columbia Institution for the Deaf in the amount of $4,500.

The committee increased the limitation of $5,000 on the amount which may be expended from appropriations made to the Interstate Commerce Commission for the transfer of household goods and effects to $20,000.

The committee added $100,000,000 for housing. It was claimed that housing was so necessary throughout the country where there are war activities that it was deemed necessary to increase the sum from $500,000,000 appropriated by the House to $600,000,000.

The committee added authority to use $30,000 of funds already appropriated for the acquisition of additional lands by the Forest Products Laboratory, at Madison, Wis., such lands being adjacent to the present site of the laboratory. This had been reported before and passed by the Senate but was stricken out by the House. It was allowed by your committee because the testimony before the committee indicated it was very important.

Your committee has also inserted language making available funds already appropriated to the Civil Aeronautics Administration and the Weather Bureau for

the payment of traveling expenses of appointees of said agencies from the point of engagement in the United States to their posts of duty outside the continental limits of the United States.

The committee allowed $1,500 for care and custody of the insane in Alaska.

We also allowed $500,000 for construction of the Palmer-Richardson Road in Alaska.

The committee allowed the Department of Justice for printing and binding $225,000.

We allowed the Treasury Department to pay the expenses of absentee voting in the amount of $1,200,000.

The War Department was allowed an additional item of $1,567 to pay for damages due to military operations and changed some language. This change of language concerned the Intercoastal Waterway.

For judgments and authorized claims was added the sum of $1,157,558.67.

The total of moneys appropriated as reported to the Senate is $6,341,196,887.66. This is an increase of $104,240,266.66, but $100,000,000 of this was the addition made for housing.

I think this statement will give the Senate a fairly accurate statement of what is contained in this bill and what the changes are. There are a number of amendments, rather small, that I have been authorized to present in the name of the committee. Under the rules of the Senate notice had to be given to suspend the rules. This has been done so that the amendments can be considered. I shall take pleasure in explaining them as they are read and brought up.

I hope the bill will be speedily passed.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. McNARY. What is the amount which is to be used for airplanes?

Mr. McKELLAR. I shall give the Senator the various amounts:

Personnel:	
Training, education and welfare, Navy	$21,640,000
Pay, subsistence, clothing, transportation, and recruiting:	
Navy	734,216,136
Marine Corps	277,507,642
Coast Guard	192,480,000
Medical Department	19,766,000
	1,245,609,778
Maintenance and operation, fleet and shore establishments	102,422,530
Defense installations, merchant vessels	100,000,000
Aviation:	
Procurement of airplanes	2,862,000,000
Nonrigid airships	36,330,000
Stockage of aeronautical accessories	352,567,000
Maintenance and operation	225,203,833
Transport service	25,883,700
Miscellaneous, including defense aid	320,015,467

The Senator and the Senate will thus see that the greater part of the item—in fact, practically all of it—is for airplanes, airplane accessories, nonrigid airships, and the like. The total for the item is $3,822,000,000.

In addition, there are the following:

Marine Corps: Equipment, supplies, and miscellaneous expenses	$176,941,000
Coast Guard:	
Administrative expenses	495,000
General expenses, including purchase, charter, and conversion of vessels	141,100,050

Or a total of $5,588,568,308 for the use of the Navy, of which, as I stated before, $3,822,000,000 is for aviation and its accessories.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. McNARY rose.

Mr. VANDENBERG. Am I interrupting the Senator from Oregon?

Mr. McNARY. No; go ahead.

Mr. VANDENBERG. Can the Senator tell me the figure to which the bill would bring the total appropriations for the war effort?

Mr. McKELLAR. I cannot give the Senator the figure offhand. Does the Senator mean the total appropriations for the Navy Department or for all war purposes?

Mr. VANDENBERG. I mean for all war purposes.

Mr. McKELLAR. I cannot give that figure at the moment, but I shall obtain the information and shall put the figure in the RECORD.

Mr. VANDENBERG. It comes well up to $225,000,000,000; does it not?

Mr. McKELLAR. I think it is over $200,000,000,000. Of course, not anything like that amount has been spent.

Mr. VANDENBERG. I understand that.

Mr. McKELLAR. But that much has been appropriated or has been authorized to be appropriated.

Mr. VANDENBERG. As bearing upon an intelligent conception of our fiscal task in connection with the war and in connection with the country's reaction to the new tax bill which we shall pass this week, I simply want to make the observation that the pending purely supplemental appropriation for the war effort practically exhausts every penny of revenue which we are about to raise under the tax bill to which we have devoted the last 10 months of labor.

I do not make that statement by way of complaint or criticism, but by way of illumination, to indicate to the country the utterly terrific extent of the burden which is confronted by the fiscal agencies of the Government and by the fiscal committees of the Congress in writing tax bills.

Mr. McKELLAR. Yes; I can understand it, and we all know the seriousness of the situation.

I am glad to put into the RECORD the figure for which the Senator has asked: Prior to the passage of the pending bill the total amount has been approximately $205,000,000,000—as I said, I thought it was a little in excess of $200,000,000,000, and it is—$205,514,657,286.

Mr. VANDENBERG. And the pending bill adds $5,000,000,000?

Mr. McKELLAR. The figure is approximately $6,000,000,000, all told. I have not as yet got the items that constitute the remainder.

Mr. VANDENBERG. That produces a grand total, including the supplemental bill, of approximately $211,000,000,000?

Mr. McKELLAR. Yes.

Mr. VANDENBERG. I point out again, purely by way of information to the country, that out of this $211,000,000,000 the new tax bill will not raise over $8,000,000,000 as against $211,000,000,000.

Mr. McKELLAR. The Senator's figures are not exactly accurate. I have not given all the figures. In addition to the appropriation of, in round numbers, $6,000,000,000 in this bill, there are contract authorizations in the bill for ships of various kinds which have already been authorized by the Congress of $9,200,000,000 more, which would raise the total to about $220,000,000,000 when this bill shall be passed.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Oregon?

Mr. McKELLAR. I yield.

Mr. McNARY. On that point, perhaps the matter has already been developed, a few days ago in a colloquy with the Senator from Tennessee I referred to this bill as carrying between five and six billion dollars. He corrected me by saying it carried about nine and a half billion dollars. That is what I wanted to have stated in the RECORD.

Mr. McKELLAR. I made an error if I stated it was nine and a half billion dollars. I have not looked at the RECORD since, and do not know what the RECORD shows, but my reply should have been that it was in the neighborhood of $6,000,000,000 actual appropriations in this bill, to which there should be added $9,510,000,000 of contract authorizations for which, of course, the appropriations will come later.

Mr. McNARY. I have not the RECORD before me, but I remember the Senator placed it at a larger sum than I had in mind.

Mr. McKELLAR. I think it was due to the additional $9,510,000,000.

Mr. McNARY. I am not making any point on that; I simply want to have the RECORD accurately portray the facts.

Mr. McKELLAR. I thank the Senator.

Mr. McNARY. On the question of airplanes, I think the Senator said about half this appropriation would be used for aircraft?

Mr. McKELLAR. More than half of it. To be accurate, substantially—I say "substantially" because I do not understand exactly what is covered by the words "transport service" and the word "miscellaneous," which apply to a very small portion of the appropriation—the amount for aircraft service is $3,822,000,000.

Mr. McNARY. Of the amount carried in this bill as a cash appropriation, I observe that may be correct, but on page 1 of the hearings the amount in the bill is specified as $5,600,000,000, and on page 2 Mr. Forrestal says that $2,862,000,000 is for aircraft, for the construction of 14,611 planes. I was merely curious to know why the amount which the Senator suggests is different from the one stated by Mr. Forrestal, but it

may be associated with the construction of planes.

Mr. McKELLAR. He merely included the procurement of airplanes to the amount of $2,862,000,000.

Mr. McNARY. I am tremendously interested. The only excuse I find, if any, for voting for the bill is the fact that it provides for the construction of airplanes, and I am very air minded.

Mr. McKELLAR. I think the Senate, as a whole, feels the same way about it; I know I do; and I am glad that additional airplanes are to be constructed, for I think, when we win this war, it will be through the medium of airplanes.

Mr. McNARY. I should like to ask another question. When the Army appropriation bill was before the Senate in charge of the Senator from Oklahoma, I asked about the unexpended and unobligated amount of money available at that time, and I think we found that the unexpended and unobligated balance was about $36,000,000,000. That being the case, I thought that we probably would not have another appropriation for our war activities at least until 1943. I think the RECORD, as published a day or two ago—I read it rather hastily last evening—shows that the unobligated and unexpended balance is about $26,000,000,000.

Mr. McKELLAR. In the War Department.

Mr. McNARY. In the Navy Department. So there is sufficient now to carry their activities through another year. I should like to get those figures.

Mr. McKELLAR. I think it is true that there is a large unexpended balance.

Mr. McNARY. Amounting to about $26,000,000,000.

Mr. McKELLAR. But not for the purpose of providing airplanes.

Mr. McNARY. Then what is the purpose?

Mr. McKELLAR. By the way, let me say that if the Senator will look at the Senate hearings, page 5, he will find that the balance includes the amount in this bill as passed by the House of $5,589,000,000, and, in addition to that, it includes $9,510,000,000 of authorizations. If the Senator will look at page 5, at the top of the page, he will find the figures under the heading "Obligation statement, 1943."

Mr. McNARY. I notice that reference. I also observe on page 4, when the Senator from Louisiana [Mr. OVERTON] was pressing Admiral Allen and Mr. Forrestal, the Senator remarked:

> This shows—well, that shows $36,000,000,000, approximately, cash expenditures of $10,000,000,000. That would be a difference of about $26,000,000,000.

Then the Senator from Louisiana properly inquired:

> At what rate are you actually spending the appropriations now?
>
> Mr. FORRESTAL. We are going at the rate of about $20,000,000,000 per year. That is, for this fiscal year.
>
> Senator OVERTON. So at that same rate you have about a year and a half ahead of you?
>
> Mr. FORRESTAL. Yes.

If sufficient money has been appropriated by Congress to cover 18 months from this time what is the reason—there may be a very good one—for keeping this reservoir filled with Government funds which are not needed when we are having such a difficult time raising the money to carry on the war?

Mr. McKELLAR. If the Senator will look again at page 5 he will see that the item of $5,588,000,000 is carried in the bill for aircraft, and I think everyone realizes that more aircraft ought to be built by the Navy. It also includes the ship authorizations in the sum of $9,510,000,000. Incidentally—and if I am wrong the able chairman of the Committee on Naval Affairs is present and can correct me—as I recall in the building of the ships—and, by the way, ships sometimes take 3 or 4 years to build—there must either be a contract authorization to begin the ships or there must be an actual appropriation of money. That is, as I understand it. If I am wrong about it, I should like to be corrected and the Senator from Massachusetts can give the information to the Senator from Oregon.

Mr. McNARY. I think I may properly make the statement that, of course, there must be either existing law or an authorization upon which to base an appropriation. That is fundamental.

Mr. McKELLAR. Yes.

Mr. McNARY. That has not been changed by anything that has occurred during the course and conduct of the war.

Mr. McKELLAR. No.

Mr. McNARY. Every one knows that who is familiar with legislation in the Senate.

Mr. McKELLAR. The Senator is entirely correct about it.

Mr. McNARY. That, however, is not my inquiry at all; I appreciate that fundamental orthodox method of legislation.

What I am asking is this: The Senator stated that because airplanes are not mentioned in a specific amount none of this unexpended balance of $26,000,000,000 could be used. I think there is ample authority for the statement that we have given the President ample power to transfer these funds from one function to another, and if the Navy has $26,000,000,000 of unexpended money—and that I think is the figure the Senator gave me—is it necessary to pass an appropriation of five and a half billion dollars to reach the airplane-construction program? That is the question, and it is a simple one.

Mr. McKELLAR. It is a simple one, in a way, but it does not express exactly what the Senator wants to find out, for the reason that of the $26,000,000,000 authorized upwards of $15,000,000,000 is included in the $26,000,000,000, so that 15 from 26 leaves $11,000,000,000 that have been appropriated for other purposes. The $15,000,000,000 is covered by the appropriation of $5,588,000,000 and by the ship authorization of $9,510,000,000. Do I make it plain to the Senator? I hope I have.

Mr. McNARY. The Senator may have made it plain, but I may not be able to perceive as rapidly as the able Senator from Tennessee.

Mr. McKELLAR. Oh, yes, I think the Senator can.

Mr. McNARY. The Senator started out with a premise, and I thought his statement was that there is an unexpended balance of $26,000,000,000.

Mr. McKELLAR. It includes the two items in the pending bill to which I have referred.

Mr. McNARY. Then the Senator said there must be an authorization to spend a few billion dollars for planes.

Mr. McKELLAR. The authorization has already been made; what we are considering is an appropriation for the building of the planes.

Mr. McNARY. I appreciate that, and what I want to inquire about is the unobligated balance. There is an unobligated balance. What is that balance?

Mr. McKELLAR. That balance is the difference between $27,098,000,000, instead of the figures the Senator gave, and the $15,098,568,308, which is included in the pending bill.

Mr. McNARY. What is the net sum? Has the Senator a statement as to that?

Mr. McKELLAR. I have not, because we are considering a different situation. I will give the Senator the figure in a moment. It will be a little more than $12,000,000,000.

Mr. McNARY. Very well.

Mr. McKELLAR. That is authorized for the various departments in the Navy for shipbuilding, for the personnel, and for every other purpose connected with the Navy. That $12,000,000,000 has been authorized, and the $15,098,000,000 in the pending bill, which is authorized and appropriated at one time, is also made available, which will make the amount available $27,098,000,000.

Mr. McNARY. That does not seem wholly to conform with the record that was made before the committee, if I understand the figures. I am not quarreling about it. I refer to page 4, where it is figured by Mr. Forrestal that the Navy will have about $26,000,000,000 unexpended, and that that will be available for a year and a half. I do not want to see the Navy denied sufficient money, but I do not understand the reason for the planning which permits a big background of unexpended billions of dollars to remain in the Treasury when we are having such great difficulty and straining so hard to replenish these sums. If we have on hand enough for a year and a half, a carry-over of billions of dollars, why this bill, unless it is for the purpose, as the Senator has said, of authorizing an expenditure for airplanes? Then I replied that is not needed, because the President has power to transfer funds from one source to another, and he can transfer them to the production of airplanes.

Mr. McKELLAR. I am not sure that the President transfers these funds in the Navy Department. I cannot say about that, whether he has or whether he has not, but the House committee made a statement about it in the report which I think it is timely to read at this point. It is very short. The House committee in its report on the pending bill says:

> The instant program is intended to maintain a full and even flow for some months

ahead, which would seem to be a thoroughly justifiable policy so long as future requirements remain unpredictable.

I stop reading there to say that, in my judgment, it it were ever unpredictable how many planes would be needed for the future, it is unpredictable at this time. That the planes are necessary, that we must have an even flow of them, I think we all must realize. In my judgment, we cannot do more to win the war speedily than to provide all necessary airplanes for the Army, Navy, and Marine Corps.

Mr. McNARY. I stated that earlier.

Mr. McKELLAR. The Senator did.

Mr. McNARY. I would go further than what is proposed. My dear friend, Mr. Kaiser, from Oregon and California, wants to build planes in which to carry soldiers and munitions.

Mr. McKELLAR. I agree with the Senator about that. I would give Mr. Kaiser every opportunity he sought.

Mr. McNARY. I would take the quickest and cheapest way of crushing Hitler. I am not arguing about that. What I am trying to determine at this time is how much money we have. Do we need to expend the money here called for? Has not the President power to transfer funds if they are needed, and how large is the backlog? How many billion dollars does the reservoir hold? Those are the questions which I am interested in having answered, not whether we need airplanes or not. I concede that we do. I go further in that respect, probably, than the able Senator would go.

Mr. McKELLAR. I will read further from the House report on that subject. Senators will remember that some time ago the President established a program for the production of 50,000 airplanes a year, if I recall correctly. In the report of the House committee it is stated:

> The instant program is intended to maintain a full and even flow for some months ahead, which would seem to be a thoroughly justifiable policy so long as future requirements remain unpredictable. There is no thought to go beyond the production rate contemplated by the President's message of January 6, 1942, but rather to assure its realization and maintenance, particularly as to naval airplanes.

I do not believe I myself could answer the Senator's question as well as it is answered by that quotation. The President announced the number of airplanes expected to be produced this year. The Navy could not realize their share of the program with the money they then had on hand for that purpose. They sent in estimates which would permit them to realize it, or substantially realize it. The House committee in its report stated:

> There is no thought to go beyond the production rate contemplated by the President's message of January 6, 1942, but rather to assure its realization and maintenance particularly as to naval airplanes.

So far as I am concerned, Mr. President, I feel that the Congress should go the limit in providing for the production of airplanes. An appropriation for that purpose is more important in my opinion than any other we could make.

Mr. McNARY. Does the Senator make the point that there are not sufficient funds to carry out the air program unless the pending measure is passed?

Mr. McKELLAR. That is correct.

Mr. McNARY. And if we pass the pending bill how much money will be carried over, unobligated, or unexpended, as of December 1 of this year?

Mr. McKELLAR. As of December 1 of this year, if the bill shall be passed, I do not know how much it would be.

Mr. McNARY. That is probably not a fair test of the Senator's knowledge of the subject, because my question concerns the present year. Will the Senator supply the information for the RECORD?

Mr. McKELLAR. I shall be very glad to do so.

Mr. McNARY. It seems queer to me that we are asked to appropriate several billion dollars which are not necessary at this time in order to carry out the plan which we have adopted for the conduct of the war, aiding the affiliated members of the United Nations, and complying with the provisions of the lend lease program. We now have before us a bill which, as I read it, shows there is a tremendous amount of money now awaiting expenditure, and we are asked to appropriate an additional amount. That is the complaint I am making.

Mr. McKELLAR. The money already on hand was appropriated for other purposes.

Mr. McNARY. What is the Senator's proposition? Is there any carry-over, or is there not?

Mr. McKELLAR. If this bill shall be enacted we will have $27,000,000,000 carried over.

Mr. McNARY. Why cannot the $2,800,000,000 be taken out of the present fund without reappropriating for it?

Mr. McKELLAR. Because, the Department says, the money now on hand has been appropriated for other purposes, and the amount now requested is to be used for airplanes.

Mr. McNARY. I am talking about the unobligated sums of money—virgin money—in the vaults of the United States Treasury.

Mr. McKELLAR. The Senator may be talking about it, but let us see what the facts are.

Mr. McNARY. I am talking about it, but I am not getting an explanation.

Mr. McKELLAR. I am sorry, but I am endeavoring to give the Senator the facts. Let us consider what the greater part of this appropriation is for:

Procurement of airplanes	$2,862,000,000
Nonrigid airships	36,330,000
Stockage of aeronautical accessories	352,567,000
Maintenance and operation	225,203,833
Transport service	25,883,700
Miscellaneous, including defense aid	320,015,467

However, in addition, we have to make the following payments:

Personnel:	
Training, education, and welfare, Navy	$21,640,000
Pay, subsistence, clothing, transportation, and recruiting:	
Navy	734,216,136
Marine Corps	277,507,642
Coast Guard	192,480,000
Medical Department	19,766,000

These appropriations provide for the increase brought about by the building up of our great air force. Of course, that takes money. We have made appropriations for other naval purposes, such as for naval vessels, and personnel of naval vessels of every kind and description.

Mr. AIKEN. Mr. President, will the Senator from Tennessee yield, so that I may ask for some information?

Mr. McKELLAR. If I can give it, I shall be very glad to do so.

Mr. AIKEN. My question relates to an apparent backlog of a considerable amount. I have in my hand a copy of the message of the President of the United States, transmitting the lend-lease report for the period up to the end of August of this year. It shows that the total of lend-lease aid to the end of August had amounted to $6,489,000,000.

On page 21 of the report we find figures showing the maximum of lend-lease aid which can be provided by existing legislation, amounting to $18,410,000,000. Just below those figures is a list of transfers authorized from other departments, principally the War and Navy Departments and the Maritime Commission, amounting to $44,534,650,000, making a total amount available for lend-lease aid of $62,944,650,000. That leaves available for lend-lease aid, according to the table in the President's message, about $56,000,000,000. Lend-lease aid is being expended at the rate of approximately $8,000,000,000 a year, and we hear that we are approaching the maximum in that direction.

If these figures are what they appear to be, there is an appropriation for lend-lease aid for the next 7 years available. What I want to ask the Senator from Tennessee is this: When the War Department, the Navy Department, and the Maritime Commission come before the Appropriations Committee asking for more money, do they simply deduct $44,500,000,000 from the amount they have on hand available for their own purposes? Do they simply set that aside for lend-lease purposes so long as it is already authorized for those purposes? If they do, then there would be at least $44,000,000,000 to add to the backlog of appropriations now piled up for the future.

Mr. McKELLAR. I see these items in appendix II of the Sixth Report to Congress on Lend-Lease Operations: Naval Appropriation Act—ships—$3,900,000,000; Naval Appropriations Act—articles—$2,500,000,000; Navy Department sixth supplemental appropriation, $18,000,000. Whether those items from the Navy Department are a part of the $27,000,000,000, I cannot say.

Mr. AIKEN. I think we ought to know that.

Mr. McKELLAR. That was the question which the Senator from Oregon [Mr. McNARY] asked a while ago, and I will get that information and give it to the Senator.

Mr. AIKEN. I think the Senator from Tennessee will agree with me that if there is this amount of $44,000,000,000 set aside for possible lend-lease purposes, it should be taken into consideration in making the new appropriation.

Mr. McKELLAR. It should be.

Mr. AIKEN. That is a tremendous sum.

Mr. McKELLAR. It is.

Mr. DANAHER. Mr. President——

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Tennessee yield to the Senator from Connecticut?

Mr. McKELLAR. I yield.

Mr. DANAHER. I should like to ask the Senator from Tennessee to tell us what the pending appropriation bill, H. R. 7672, now supplements?

Mr. McKELLAR. It supplements the regular naval appropriation bill of 1943.

Mr. DANAHER. And did the regular appropriation bill for 1943 cover the very same items which are in this bill?

Mr. McKELLAR. Oh, no. Some items are in both measures and some are not. For instance, the naval appropriation bill contained quite a large sum, as I recall, for airplanes. The amount provided in this bill is in addition to that amount. To be absolutely certain, may I ask the chairman of the Naval Affairs Committee, the Senator from Massachusetts [Mr. WALSH], whether that is correct?

Mr. WALSH. I assume that the pending bill appropriates money for authorizations made since July 1, and, secondly, appropriates money for authorizations made before July 1, but upon which the department did not ask for an appropriation.

Mr. McKELLAR. That is correct.

Mr. DANAHER. I notice in line 5 on page 1 that this is an appropriation for the fiscal year ending June 30, 1943.

Mr. McKELLAR. That is correct.

Mr. DANAHER. Is it the Senator's understanding that any part of the money appropriated by this supplemental bill will be carried forward into the fiscal year 1943–44?

Mr. McKELLAR. I hope not. That can be done only by reappropriating. If the money is obligated of course it will be carried forward, but I hope that the part which is appropriated for the building of airplanes will be spent by the 1st of July, and that those airplanes will then be in the service of this country.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. WALSH. As I understand, if none of the money appropriated in this bill is contracted for between now and next July, it goes back to the Public Treasury, but such amounts as are contracted for are taken out of the appropriation. Perhaps a member of the Appropriations Committee should make the statement, but I should say that if there is made to a department an appropriation with which to build 10 battleships, and during the period of a year the department made contracts for only 4 battleships, until there is a first payment made upon the 4 battleships the money appropriated for all 10 is unexpended. That is why there is such a vast sum of unexpended money. Unexpended money means money appropriated for, for which a check is not yet made out, but there is a contract let which will eat it up sooner or later. As I understand, if a contract is entered into and a commitment out of this appropriation is made before July 1, the money remains appropriated, from which to meet all the obligations under the contract. If there is no contract let, if the department has changed its mind, if it has not entered into any negotiations, it must then come again after July 1 to the Appropriations Committee to obtain a new appropriation. Am I correct in that statement?

Mr. McKELLAR. That is my belief; yes.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. DANAHER. I notice from the hearings that the Senator from Louisiana [Mr. OVERTON] asked many questions looking to the development of the facts along these lines. He sought to find out how much money was unobligated and uncontracted for out of existing appropriations, as I recall.

Mr. McKELLAR. Yes.

Mr. DANAHER. It is my recollection that the hearings showed that there was about $23,000,000,000 unobligated and uncontracted for, and now available. Is that approximately correct?

Mr. McKELLAR. No, that is not approximately correct, unless a few billion dollars does not make any difference.

Mr. DANAHER. It does, but I am trying to find out what are the facts.

Mr. McKELLAR. I will tell the Senator the facts. Including the nearly $6,000,000,000 in cash appropriated in the pending bill, and including the authorization of $9,510,000,000 made in the bill, a total of over $15,000,000,000, all the unobligated sums in the Navy Department would be $27,008,000,000, as I recall. That includes the $15,000,000,000 contained in this bill. Outside the bill, in other words, there is about $12,000,000,000 unobligated by the Navy Department.

Mr. DANAHER. Mr. President, will the Senator again yield?

Mr. McKELLAR. I yield.

Mr. DANAHER. In the light of the Senator's last answer is it reasonable for us to expect that there will be a second supplemental appropriation bill which will actually appropriate approximately $9,000,000,000 to take care of the amount which is authorized but not actually appropriated by this bill?

Mr. McKELLAR. I could not tell. The Senator's guess would be as good as mine. Most of the $9,000,000,000, of course, will be spread over several years. It takes several years to build a great battleship. It takes considerably more than a year to build a large cruiser. The expenditure of such money would be spread over several years.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. AUSTIN. I wonder what the Senator's understanding of the practice is with respect to contracts which take several years to carry out. If we should make an appropriation for the Navy, does the Senator understand that it is limited to 2 years?

Mr. McKELLAR. No. This is the situation as it is now: The Congress has already passed measures—I think the last one was in July or August—authorizing a great number of naval vessels and other naval expenditures. The Navy cannot make contracts under that authorization, either until an appropriation is made or until a contract authorization is allowed. Under the terms of bills which Congress has already passed providing authorizations, we are in this bill authorizing contractual obligations to the amount of $9,510,000,000, as provided for in the bill.

Mr. AUSTIN. The point I had in mind was that the Constitution prohibits our appropriating for the purpose of raising and supporting armies beyond the period of 2 years, and I was asking if the Senator could tell me whether the practice with respect to the Navy conforms to that restriction which exists in the Constitution.

Mr. McKELLAR. I think it does. That is my recollection.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. WALSH. The distinguished Senator from Vermont has reminded me of two lines in the Constitution which I had not had called to my attention recently, and I should like to read them, where a different rule apparently is applied to the Army than to the Navy. The Constitution says:

> The Congress shall have power * * * to raise and support armies, but no appropriation of money to that use shall be for a longer term than 2 years.

So I understand that the Appropriations Committee, at the end of 2 years after an appropriation is made, insists upon a reappropriation if it has not been put to use, if it has not been contracted for.

Mr. McKELLAR. Yes, that is true with respect to the Army, and I think the Navy follows the same course. That is my recollection.

Mr. WALSH. The Constitution does not make any such limitation with regard to the Navy, but says:

> To provide and maintain a navy.

Without the words "but no appropriation of money to that use shall be for a longer term than 2 years."

I assume the reason for that is that there was no Navy at the time the Constitution was framed. The Navy did not come into being until the administration of George Washington. However, the framers of the Constitution had in mind that some day we should have a Navy.

Mr. McKELLAR. I do not think they ever had in mind the enormous vessels which have since been constructed by the Navy, or the length of time required to construct them. I believe the Navy follows the same practice as is followed by the Army.

Mr. WALSH. Navy contracts require longer to complete than Army contracts. When the Navy undertakes to build a battleship the construction of which requires 4 years, its representatives say to the Appropriations Committee, "We have an authorization from the Committee on Naval Affairs to build four battleships." They are asked, "How many can you build this year?" They may reply, "We want to build one this year." They may be

asked, "How much money will you need this year—not how much you will need for the completion of the vessel in 4 years, but how much money do you need and can you use this year to pay to the contractor who is building the vessel?" Only that amount is appropriated.

Mr. McKELLAR. That is my understanding.

Mr. WALSH. At the end of the fiscal year, if checks have not been drawn against all of it, it is still available to the department until it is exhausted. There is no question about that.

Mr. McKELLAR. As I recall, we either make it available until expended, or reappropriate the unexpended balance the next year.

Mr. WALSH. Yes. The next year representatives of the Navy Department may come before the Appropriations Committee and say, "We expect to make a little more progress on that vessel this year, and we expect to spend more than we did the first year." The necessary money is appropriated.

Mr. McKELLAR. That is correct.

Mr. WALSH. The third year we give them the money for that year.

Mr. McKELLAR. That is correct.

Mr. WALSH. If the money has not been obligated, it must be reappropriated. I understand there is no such practice as appropriating for more than can be spent by any department in 1 year, for anything.

Mr. McKELLAR. That is the practice.

Mr. WALSH. At the end of the fiscal year the department must come to Congress to get the additional sum of money which may be necessary to carry on the project, whatever it may be.

Mr. McKELLAR. All Senators have doubtless seen, in practically every appropriation bill, the reappropriation of unexpended balances.

Mr. WALSH. By unexpended balances the Senator means, to use the language of the ordinary businessman, money which is contracted for, but against which checks have not yet been drawn under the contract.

Mr. McKELLAR. That is correct.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. AIKEN. Referring again to the President's report on the lend-lease aid, I find that the transfers authorized from other appropriations amount to $44,534,650,000. Of that amount, about $32,000,000,000 was authorized to be transferred from the War Department.

Mr. McKELLAR. That is true.

Mr. AIKEN. The Senator from Massachusetts has just read from the Constitution that an appropriation to the Army may not be made more than 2 years ahead.

Mr. McKELLAR. That is true.

Mr. AIKEN. That being the case, would the constitutional limitation apply to the part of the War Department appropriation which is authorized to be transferred to lend-lease aid?

Mr. McKELLAR. I think it would; but I should have to look at the wording of the Constitution for a moment. The Senator's opinion on the construction of the Constitution is as good as mine. The language of the Constitution is:

> To raise and support armies, but no appropriation of money to that use shall be for a longer term than 2 years.

So I think it would depend upon what use the money was originally intended for. If it were for the use of the Army directly or indirectly, it would have to be reappropriated. Otherwise it would go back into the Treasury at the end of 2 years.

Mr. AIKEN. Of course, the appropriation directly for lend-lease aid will last long beyond the time limit set upon the act itself.

Mr. McKELLAR. There is no limitation on appropriations for that purpose.

Mr. AIKEN. Unless the $44,534,650,000 which is authorized to be transferred from the other departments can be spent within the constitutional limit of time. It really would not be available for that purpose, but would revert to the General Treasury. Is that where it would go?

Mr. McKELLAR. It would seem so. It would go back to the Treasury.

Mr. AIKEN. The point which disturbs me is this: With $44,534,650,000 on hand for this purpose, which cannot possibly be spent within the limit of time, why should the Navy Department, which has $6,500,000,000 authorized to be transferred to Lend-Lease, the War Department, and the other departments continually come to Congress asking for more billions?

Mr. McKELLAR. Because the money is used for lend-lease purposes.

Mr. AIKEN. Has the Senator any record of any of it being returned to the General Treasury?

Mr. McKELLAR. I have not; but I will make inquiry and find out.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. DANAHER. I should like to ask the Senator about particular items, having in mind whether or not in the course of the hearings representatives of the Navy Department demonstrated a need for the particular items.

Mr. McKELLAR. I thought so. If I had not thought so I would not have voted for the appropriations. I believe that it is tremendously important to build naval airplanes for the purpose of licking the enemy.

Mr. DANAHER. I ask the Senator not to get off on airplanes. I agree with the Senator from Tennessee about airplanes. Let us take an item such as that on page 4, beginning in line 15, under the heading "Bureau of Yards and Docks." There is a specific item. Does the Senator notice under that heading the item—

> Maintenance, Bureau of Yards and Docks, 1943, including the purchase of 2,000 additional motor-propelled passenger-carrying vehicles at not to exceed $1,250 each, $35,069,775.

Does the Senator see that item?

Mr. McKELLAR. Yes; I see it. While I am not very much in favor of passenger-carrying vehicles, under the present circumstances I presume they are absolutely necessary at the yards and docks, with the amount of business on hand in the Bureau of Yards and Docks.

Mr. DANAHER. The Senator is giving me a general statement. I wish to ask him a question or two about that item.

Mr. McKELLAR. Let me answer the first question.

Mr. DANAHER. The first question was, Does the Senator see the item? The Senator says he sees it.

Mr. McKELLAR. Yes.

Mr. DANAHER. I wish to ask the Senator another question, if he is ready.

Mr. McKELLAR. Go ahead.

Mr. DANAHER. The next question is, Did somebody from the Navy Department appear and testify that the need was for 2,000 such vehicles, to cost not to exceed $1,250 each?

Mr. McKELLAR. Let me read from the statement of Rear Admiral Louis B. Combs before the House committee:

> The CHAIRMAN. You include here funds for the procurement of 2,000 passenger-carrying automobiles.
>
> Admiral COMBS. Yes, sir.
>
> The CHAIRMAN. And you place the limit of cost at $1,250. Now, the present limit of cost, which has been in force for some time, is $925. In the first place, why do you need so many cars, and in the second place, why the increase over $925 per car?
>
> Admiral COMBS. I have tried to explain in this sheet our need for this additional transportation. First, of course, there is a tremendous expansion in the Naval Establishment.

We all know that that is true.

> Naturally, the demands are getting very heavy for passenger transportation. Second, with the situation as it is on gasoline and rubber, a great deal of transportation that has formerly been performed for service personnel, and reimbursed with their own cars, is all out of the window. They just are not able to do it any more, so that the demands for official transportation are increasing for that reason.

We all realize that that is true.

> Now, as you know, we have in the past been authorized by the committee to supply these additional transportation requirements by the use of station wagons, which can be converted either for passenger or truck transportation. The station-wagon market now is practically depleted, and the final recourse seems to be, to meet our ever-increasing requirements, to authorize the purchase of additional passenger-carrying vehicles, of which there are a large number in the country, the majority of which, of course, have been frozen.
>
> The CHAIRMAN. But they are available to you?
>
> Admiral COMBS. They are available to the Government; yes.
>
> The CHAIRMAN. What about this increase in the limit of cost over the $925 per car?

Then he goes into a discussion of that question.

As the Senator knows, last year we had a limitation or ceiling on the price of cars which could be bought by the various departments, except in exceptional cases. The ceiling was $925. Prices have gone up, of course, due to automobile factories being used for various war purposes.

Mr. DANAHER. Does the difference of $325 between the cost per car this year and the cost last year include reimbursement to garage owners, automobile sales-

men, and others whose cars have been frozen by Government order?

Mr. McKELLAR. Yes.

Mr. DANAHER. Does it return to them some monthly payments to take care of the rent and the interest and carrying charges which they have undergone since the Government order was issued?

Mr. McKELLAR. I shall give the Senator the information about it.

Mr. DANAHER. I shall be satisfied to have the Senator answer the question.

Mr. McKELLAR. I shall answer it in the words of the witness.

Mr. DANAHER. Very well.

Mr. McKELLAR. I read further from the hearings:

Mr. MORRISON. That is correct, Mr. Chairman. You see, by an act of Congress last winter the dealers were permitted to add 1 percent a month for carrying charges. A tabulation was made for me by the Bureau of Supplies and Accounts, and, as an illustration, I will read some of the prices. These would be the prices that would apply as of June 1943. If we bought them today, they would be somewhat less; they would be, say, 6 percent or 8 percent less than these prices.

On a four-door Dodge sedan the ceiling price in June 1943 would be $1,178; a Ford sedan would be $1,003; a Ford Deluxe eight would be $1,044; a Mercury would be $1,256; a Plymouth would be $1,050; a Plymouth Deluxe would be $1,103; a Chevrolet, $1,009.

The CHAIRMAN. And you want to pay the top price?

Admiral COMBS. No, sir; we are just talking about this authority for passenger-carrying vehicles; and we set that price, of course, at the top of the class that we might have to take. Of course it is not possible any more to say that we will get 2,000 Fords or Chevrolets, because we are not able to get them. We may be forced to get other classes of cars which are in the frozen market.

Mr. LUDLOW. When do you expect to get these cars?

Mr. MORRISON. We will probably buy 50 percent of them between now and January, and the remainder in the spring.

Mr. LUDLOW. Have you tried to do it by the statutory method?

Mr. MORRISON. Yes, sir; we did; and we finally had to take some cars that were on order by the War Department from the Ford Motor Co.

Mr. LUDLOW. Would it be possible to make use of used cars?

Mr. MORRISON. I anticipate the day is coming when we will have to do that.

Mr. LUDLOW. Have you explored that field?

Mr. MORRISON. The surprising thing to me is that there are so few instances that come to my attention of individuals that want to dispose of their cars.

Mr. LUDLOW. I am speaking now of services, such as the Narcotics Service, the Customs Service, and various other services.

Admiral COMBS. Their cars to be transferred to us, do you mean?

Mr. LUDLOW. Yes.

Admiral COMBS. We have had no success at all in getting those cars.

That is about the substance of what was said regarding the prices and number of the automobiles. They say they are necessary. They say they will need half the cars by the 1st of January and will need the others in the spring, and for that reason this appropriation was proposed by the committee, and I think the need for it is sustained by the proof.

Mr. WALSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Tennessee yield to the Senator from Massachusetts?

Mr. McKELLAR. I shall yield if the Senator from Connecticut will permit me to do so.

Mr. DANAHER. Yes; but I should like to ask the Senator another question or two.

Mr. McKELLAR. I shall be delighted to have the Senator do so. I do not know the answers to many of the questions, but I shall be happy to answer those whose answers I happen to know.

Mr. WALSH. Mr. President, I do not care to make inquiry regarding the number of automobiles or the prices of them. I think the inquiries of the Senator from Connecticut have been pertinent and sufficient in that field.

The matter calls to my mind the authorization recently passed by the Congress giving the Navy Department and War Department authority to transport passengers—workmen who become passengers—from the plants where they are employed to their homes.

As an illustration in point let me state that at Portsmouth, N. H., workers formerly came in their own cars 40 or 50 miles from Haverhill, Mass., and Newburyport. The same situation existed at Norfolk. Because of the rationing of gasoline those men will not be able to use their own automobiles to make the trip. It is the purpose of the Army and the Navy, when approval is given them by the Interstate Commerce Commission, or by the officer in charge of transportation, to carry the workers from their homes to the naval and Army stations where they are employed. That is the background of the situation.

As I said before, I do not know about the need for the automobiles or the number or the prices of the automobiles needed; but the bill was passed in anticipation of the rationing of gasoline compelling the departments to furnish facilities in order to bring their workers to the munitions plants of the country.

Mr. McKELLAR. Mr. President, let me add there, since the Senator from Massachusetts has taken his seat, this statement: We all know that in connection with the transportation of employees of the Navy Department, the War Department, and every other department from their homes to their places of employment and back to their homes the employees frequently used their own automobiles, purchased the necessary gasoline, and were allowed a mileage allowance for that purpose. That is impossible today with the allowance under the gasoline rationing program of only 4 gallons of gasoline a week to the automobile user. Under present conditions it is no longer possible for workers to transport themselves as they once did.

Mr. WALSH. Incidentally, they will have to pay for their transportation; the transportation provided them will not be free.

Mr. McKELLAR. Yes; they will have to pay for their transportation. That is another point.

However, in addition to that, the departments must have the employees come to work. They cannot come to work in their own automobiles because they cannot buy the necessary gasoline. I know that personally, because I am not able to get enough gasoline. I can get only 4 gallons a week, and that is not enough to take me to my place of residence and back to the Senate. So I know from personal experience that it is impossible to obtain sufficient gasoline for such purposes.

The Navy Department wants these cars in order to get the employees to work, and for the necessary work of the Department. The House committee was of the opinion, first, that the appropriation should be allowed; and the Senate committee takes the same position, and has recommended the appropriation.

Mr. DANAHER. Mr. President, will the Senator yield further?

Mr. McKELLAR. I yield.

Mr. DANAHER. Suppose that, having persuaded the Appropriations Committee that the Navy needed 2,000 such vehicles, at a cost not to exceed $1,250 each, the Navy Department placed its contract for the vehicles, and suppose that thereafter it said to the contractor, "You have charged an excessive price for these particular vehicles. We wish to renegotiate the contract. We wish to write the contract at the former price of $925 per unit."

That was the price last year.

Will the Senator say that the difference of $325 per unit times 2,000 automobiles is a sum of money which would lapse under this appropriation, or would it go back somewhere into the fund for the Navy Department to use?

Mr. McKELLAR. As I understand the Senator's question, it is this: If the appropriation is allowed, and if all the money is not expended, will the amount not expended lapse? Is that the Senator's question?

Mr. DANAHER. Yes. In the case I mentioned the money would not be expended, but would be withheld because it would be an excessive profit, let us say.

Mr. McKELLAR. For whatever purposes, it would lapse and would have to be reappropriated next July.

However, that is not what I want to say to the Senator about the matter. The Senator will recall that contracts for less than $100,000 are not renegotiable under the terms of the act. As to some contracts, I think the minimum limitation is $250,000, but in any case it is not under $100,000. Therefore, it is doubtful whether the Department could purchase $100,000 worth of automobiles from any particular person, and I doubt very much whether such a case as that which the Senator has described would occur.

Mr. DANAHER. The renegotiation can arise, does arise, and will arise.

Mr. McKELLAR. It will if the contract is over $100,000.

Mr. DANAHER. Yes. I am trying to find out whether any part of an appropriation appropriated but withheld and not expended could be put back into the appropriation again, subject to use by the Navy Department.

Mr. McKELLAR. No. It would have to come up next year; and if the Congress then thought it to be a proper appropriation it would allow it; and if it thought it not to be a proper appropriation, it would not allow it.

For instance, as to the appropriation provided in the pending bill, if a majority of the Senate were to feel that under the circumstances which have been narrated and under the proof which has been given, the Navy Department should not have the 2,000 automobiles, and the appropriation should not be made, it would not be made. That is all there is to it.

Mr. DANAHER. I simply want to know if the Navy Department were to withhold the equivalent of what would have bought 500 more automobiles, could the Navy Department buy 500 more automobiles?

Mr. McKELLAR. The Department would have to come back to the Congress and obtain authority if it desired to buy any more automobiles than those provided for in the pending bill.

Mr. DANAHER. Does the Senator understand that to be so as a matter of general law or as the result of the renegotiation law?

Mr. McKELLAR. It does not make any difference whether it is so under the renegotiation law or any other law. If the money is not expended it will go back to the Treasury.

Mr. DANAHER. Will the Senator direct his attention to page 12 of the bill?

Mr. McKELLAR. Very well.

Mr. DANAHER. I ask the Senator to tell me whether it is the customary and usual thing for the departments to pay the traveling expenses from point to point in foreign countries of the dependents of American representatives of the departments in foreign countries.

Mr. McKELLAR. The State Department and Commerce Department have had provisions in quite a number of cases for that to be done. The Senator will notice the amendment which was offered on that page by the Senate committee:

> When specifically authorized or approved by the Executive Director of the Board or such other official as he may designate for the purpose, of traveling expenses of employees of the Board, including the transportation of their effects, to their first post of duty in a foreign country or when transferred from one official station in the United States or elsewhere to another in a foreign country, and return to the United States; not to exceed $50,000 for transporting the dependents, including their effects, of such employees; reimbursement to employees of the Board for loss of effects in case of marine or aircraft disaster.

And so forth.

I shall state the purpose of the amendment. The present time is a very unusual one for any of our representatives in foreign countries. They are subject to a great many difficulties. In many cases it is very doubtful if they could get the money to use in transporting themselves or their effects. The committee has placed a limitation of $50,000 on the matter, out of an abundance of precaution that no advantage should be taken of their Government by such Government employees in the expenditure of the fund.

Mr. DANAHER. Oh, I have no doubt, let me say to the Senator, that it is wise precaution to take at such a time as this. I merely wondered if it is customary and usual; that is my question.

Mr. McKELLAR. It is customary and usual, but that is in ordinary times. By the way, I desire to say for the State Department—I feel that I should do so; I think I should do so in a spirit of commendation—that the requests for appropriations made by the State Department are probably the most modest of any such requests made by any department.

Mr. DANAHER. Of course, this item relates to the Board of Economic Warfare.

Mr. McKELLAR. I ask the Senator to wait a moment, please.

I repeat that the smallest requests for appropriations come from the State Department. That is not only so now, but it has been so during the 25 years I have been a Member of this body. I commend that Department.

Mr. DANAHER. The reference is to the Board of Economic Warfare.

Mr. McKELLAR. I understand that, but that Board works hand in glove with the State Department.

Mr. DANAHER. Will the Senator look at page 15, lines 7 and 8, and tell us why he thinks the Office of War Information would wish to do printing and binding outside the continental limits of the United States? What is that about?

Mr. McKELLAR. On page 15, beginning in line 6, the item reads, "printing and binding, including printing and binding"—at that point the words "in the field" have been stricken out by the committee and the words "outside the continental limits of the United States" substituted.

I have not the testimony at hand, but the reason for that is that some work of that kind is being done in London in connection with the operations of the War Information Office in England, and I think some other country is also included. It is entirely a proper thing, I will say to the Senator.

Mr. DANAHER. I do not doubt it; I merely wanted to know what was contemplated.

Mr. McKELLAR. It is fully substantiated by the testimony which was taken before the committee.

Mr. DANAHER. If the Senator will turn to line 22 on the same page he will note that the bill provides:

> Such gratuitous expenses of travel and subsistence as the Director deems advisable in the fields of education, travel, radio, press, and cinema.

In the first place, what is the "gratuitous expense" to which the bill refers?

Mr. McKELLAR. I read from the testimony.

> Certain special cases of gratuitous assistance do not appear to be covered by number 14 above, one of these being the financing of trips of distinguished journalists from neutral countries to the United States. The Office of War Information has undertaken to bear the expense of these journalists in the knowledge that what they observe in this country and then interpret in the newspapers of their countries will benefit the war effort of the United States.

Mr. DANAHER. Does it include the payment of the gratuitous expenses, if I may borrow a term, of American journalists going around the world or to any other country?

Mr. McKELLAR. It does not include that item.

Mr. DANAHER. Does any item in Office of War Information appropriation cover such a thing as the expenses of American journalists going on trips?

Mr. McKELLAR. There is no provision for such a thing.

Mr. DANAHER. When the Senator speaks of the gratuitous expenses of newspaper men from neutral countries, I assume he is excluding any country that is one of the group of United Nations?

Mr. McKELLAR. Not exactly.

Mr. DANAHER. The Senator referred to neutral countries.

Mr. McKELLAR. Several countries are put in the United Nations group that have never been anything more than neutral, and we would like very much to have them discard their neutrality and come over to our side.

Mr. DANAHER. It would be a singular thing, let me say to the Senator, if we should pay the expenses of representatives, let us say, of Argentina and Chile and not pay the expenses of representatives of Brazil and Venezuela. I merely wondered how far the Senator carries the distinction.

Mr. McKELLAR. I think Brazil and Venezuela, that have already come over to our side, would be perfectly delighted if we could, by this means or any other honorable means, get Chile and Argentina to come over to our side.

Mr. DANAHER. In the matter of the War Manpower Commission item, on page 17, is the Senate to understand that that supplements the Federal Security Agency appropriation?

Mr. McKELLAR. Will the Senator please repeat his question?

Mr. DANAHER. I ask if the Senate is to understand that this particular item supplements the Federal Security Agency appropriation.

Mr. McKELLAR. Not exactly supplements; but this has happened: As the Senator knows, the Security Agency has been made a part of the Manpower Commission; it is one organization.

Mr. DANAHER. What is meant by the reference in line 6 to the fiscal year 1943? Does that mean 1942–43?

Mr. McKELLAR. To what page does the Senator refer?

Mr. DANAHER. Page 17, line 6. The sentence reads:

> For an additional amount for the Office of Emergency Management, War Manpower Commission, fiscal year 1943.

And so forth. What is meant by "fiscal year 1943"?

Mr. McKELLAR. That means up until July 1, 1943.

Mr. DANAHER. It does not mean from July 1, 1943, to June 30, 1944?

Mr. McKELLAR. No, the fiscal year is from July 1, 1942, until July 1, 1943.

Mr. DANAHER. What is the exact purpose of this particular appropriation of $11,000,000?

Mr. McKELLAR. If there is to be a contest about that particular provision,

I have arranged to make a brief speech on the subject, and I wonder if the Senator would not be willing to wait until we get to it. I think it is the only really contested item in the whole bill.

Mr. DANAHER. It might be, if the Senator should make his speech now, that he would dissolve the controversy.

Mr. BARKLEY. Mr. President, if the Senator from Tennessee will permit me, I think what the Senator from Connecticut is inquiring about is the appropriation itself in the middle of the page, not the amendment at the bottom of the page relating to the confirmation of appointees.

Mr. DANAHER. That is true. I desire to know what is sought to be reached by this appropriation.

Mr. McKELLAR. I will answer the Senator's question now, and we will go into it more fully a little later.

Mr. DANAHER. The Senator may refrain from discussing the amendment in lines 20 to 24, inclusive, if he chooses.

Mr. McKELLAR. I do not refrain from discussing anything I know anything about. I refer the Senator to the House hearings. These items are to be expended as follows:

> First, for the completion of national occupational inventories.

Under the present law that reorganization has been directed to make an inventory of manpower.

Mr. AUSTIN. Mr. President, will the Senator yield at that point?

Mr. McKELLAR. I yield.

Mr. AUSTIN. May I ask a further question about that particular item?

Mr. McKELLAR. I shall be happy to answer the question if I can.

Mr. AUSTIN. Does the Senator know that that inventory has already been commenced by another bureau, namely, the Selective Service System, which issued Form 311 some time ago, and nearly all of us who are registrants have replied to it? This work, if commenced now, would be a duplication of the same effort.

Mr. McKELLAR. Oh, no; I do not know that at all. The truth is that that facility of which the Senator has just spoken is a part of the Manpower Commission and is asking for this money to finish the work.

Mr. AUSTIN. I think it is an error to assume that the Manpower Commission has already gobbled up the Selective Service System.

Mr. McKELLAR. It is a part of it.

Mr. AUSTIN. Oh, no. I do not think it will be able to gobble it up if a sufficient number of Senators of the United States block the effort. There is such a difference between the Manpower Commission and the Selective Service System in respect to democracy that I do not believe such a thing should be accomplished without full debate and a perfect understanding.

Mr. HAYDEN. Mr. President——

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield first to the Senator from Arizona.

Mr. HAYDEN. The Senator from Vermont will understand that the purpose of this appropriation is to bring to a head and analyze the data acquired by the Selective Service System. The census was taken, but the data have not been classified. That is all this appropriation is for. It is nothing new.

Mr. AUSTIN. How much money would that require?

Mr. McKELLAR. Six million one hundred and thirty-one thousand and forty-nine dollars.

Mr. HAYDEN. The appropriation is to finish the work which has already been instituted but has not been completed?

Mr. McKELLAR. No duplication of effort is involved.

Mr. AUSTIN. Was the committee satisfied from the evidence on this subject as to the amount required to classify the inventories of manpower and put them into categories?

Mr. McKELLAR. Those who are in charge of it stated it would take that much money; they testified to that effect; and the committee was satisfied that it would take the amount of money they estimated it would take.

Mr. AUSTIN. I should like to ask a further question before we leave that point, namely, did the committee ascertain from the Selective Service System whether it was able and competent with its present force to classify this information into categories and do this work without any additional appropriation?

Mr. McKELLAR. It could not have been done for the use of the Manpower Commission, for the reason that the Manpower Commission has the duty to perform, they say, of classifying information for the purpose of ascertaining what is now on hand in the country in the way of manpower.

Mr. AUSTIN. Will the Senator yield for a moment, further?

Mr. McKELLAR. I yield.

Mr. AUSTIN. I am in favor of a master plan to be made by the President's War Board, which includes both the Manpower Commission and the Selective Service System. I am glad to have this information brought together and classified in categories. But in my work in the Committee on Military Affairs with the Selective Service, I have understood that the Selective Service System has already done the preliminary work, and obtained the data.

Mr. McKELLAR. That is true, but it has not analyzed the information, and has not presented it in a way in which it can be used. General Hershey, who is the head of the Selective Service System, is also a member of the Manpower Commission, and he understands exactly what is being done. The truth is what I stated a while ago, the Selective Service System and the Manpower Commission are as one in this matter, and are conducting it so as to make it most useful to the Government. That is what they claim.

Mr. AUSTIN. But I think that as legislators we are greatly interested in the question.

Mr. McKELLAR. I know we are, and I am glad the Senator is. I am interested in any question the Senator discusses, and have been of that mind for a long time.

Mr. AUSTIN. Before this matter is finally passed upon I think we should have an opportunity to discuss it more fully.

Mr. McKELLAR. I have no objection whatsoever.

Mr. AUSTIN. I expect that the Director of the Manpower Commisison will appear before the Committee on Military Affairs Wednesday morning to testify about the work his commission is doing, and we should like to ask him about this particular activity.

Mr. HAYDEN. Mr. President, let me read the testimony of General Hershey on this matter, when he came before the House committee. He said:

> Mr. Chairman, I come here in two capacities. First, I am a commissioner of the Manpower Commission; and also the Director of the Selective Service System. As a Commissioner, I am interested in knowing what we have got in this country. We may have something over 60,000,000 or 65,000,000 working units. We have already in our possession material on some thirty-nine to forty-three million of those people.
>
> Our agency has acted to reduce that to writing on a Form No. 311, so that we have that very information. The thing that we are up here for this morning is to try to make that information available, not only nationally but available down in the localities; so that when you are looking for a carpenter or a plumber or a die-setter or something else, you know that man in terms of his name and his street address.

He was urging this appropriation. The head of the employment service made a similar statement. I read now from the testimony of Mr. Corson at page 493 of the House hearings:

> This questionnaire is filled out by each Selective Service registrant, and is then sent to the United States Employment Service by the Selective Service local boards. A copy of the questionnaire is filed in the local office by occupations so that we have a listing in the local employment office of every man between the ages of 18 and 65, according to occupations.
>
> When we are confronted with an order from the shipyards, or some other branch of industry wanting men of a particular skill, we have some source to which we can go. Thus these questionnaires furnish a catalog, you might say, of all the skilled workers in the community. It is practically the only record of these people.

The point is that the information was obtained by the Selective Service System. It was analyzed and made applicable by the United States Employment Service, and it takes the sum of money recommended in the pending bill to make that analysis.

Mr. McKELLAR. Without the analysis the information already collected would be of little value.

Mr. AUSTIN. Mr. President, I am in favor of securing the information and arranging it in categories. I am also in favor of obtaining information showing the demand for the various categories of workers.

Mr. McKELLAR. Mr. President, I want to say to the Senator from Vermont that I do not agree entirely with all the requests submitted by the head of the Manpower Commission. We cut down those requests very considerably, as we showed a while ago, and will further show within a few minutes. As a matter of fact, the House cut them down even more than we did.

I think we ought to be very careful about this matter, but so far as the information that has already been obtained is concerned, we have already spent money for getting it and having done that, we ought to spend the money necessary to make it available to the American people and to the American Government.

Mr. NORRIS and Mr. GURNEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Tennessee yield, and if so, to whom.

Mr. McKELLAR. I yield to the Senator from Nebraska.

Mr. NORRIS. I feel as does the Senator having the bill in charge. From what I can gather by listening to the discussion, it seems to me, that the information is very valuable and necessary, and at the present time it is not in condition to be used.

Mr. McKELLAR. That is true.

Mr. NORRIS. What surprises me is that it should require such a vast amount of money to arrange the information as is indicated in the proposed appropriation. I should like to understand, if I can, why so much money is necessary to do this necessary work.

Mr. McKELLAR. It seems to me it is a very large amount of money, but I will refer to the testimony on the subject, and answer the Senator a little later, after I have found it. In the meantime, I promised to yield to the Senator from Connecticut, and then I will yield to the Senator from South Dakota.

Mr. DANAHER. Mr. President, with the forbearance of the Senator from Tennessee, whom I wish to question concerning an item a little further along in the bill, I should be very happy to have the Senator from South Dakota propound his question now, since it bears on this very subject.

Mr. McKELLAR. I yield to the Senator from South Dakota.

Mr. GURNEY. Mr. President, the question I should like to ask is this: Has the Manpower Commission directed a request to the Selective Service System for the information desired?

Mr. McKELLAR. Yes. Testimony was given by representatives of the Commission concerning each one of these items. This is not the only one.

Mr. DANAHER. Let me ask a further question. Did the national headquarters of the Selective Service System reply that they could not supply the information?

Mr. McKELLAR. That was my understanding from General Hershey's testimony before the House committee.

Mr. HAYDEN. Mr. President, if the Senator from Tennessee will yield, let me say that General Hershey and the Selective Service System performed their full duty when they submitted the questionnaires originally to some 17,000,000 people and again to some 20,000,000 people the second time. They submitted the questionnaires, and turned the replies over to the Bureau of Employment Security for analysis. The money for which the appropriation is requested is to be used for the analysis of the questionnaires. There is an enormous number of them.

Mr. GURNEY. Will the Senator further yield?

Mr. McKELLAR. I yield.

Mr. GURNEY. I am very jealous of the fine work the selective service boards throughout the country are doing, and I regret the possibility of this money being appropriated with the result that another organization may inject itself into the offices of the local selective boards. I have apprehensions as to what will happen when two boards have a full right to have access to the records.

Mr. HAYDEN. It is not done in that way.

Mr. GURNEY. If the Selective Service System informs a local board that it will be called upon to furnish men of a certain category, the board is unable to ascertain whether the men are available because their records are in the offices of the Bureau of Employment Security.

Mr. HAYDEN. Oh, no; their records were made in duplicate.

Mr. GURNEY. There will be employees of two offices going over the same records, in the same local board office, in all the counties throughout the country.

Mr. HAYDEN. If that were the case, certainly General Hershey would not have recommended this appropriation.

Mr. McKELLAR. General Hershey came before the full committee. He is a member of the War Manpower Commission.

Mr. GURNEY. I am sure that if a certain amount of information is needed, and it is desired to collate it and ascertain how many carpenters, for instance, who may be registered, are necessary, the way to get the information would be to ask the local board for it and let it be furnished by those who have lived every day with the registry cards. I do not like to see another board having authority to go over those records.

Mr. HAYDEN. The act originally contemplated that what is proposed to be done should be done, and that the information should be obtained in duplicate from each man to whom the questionnaire was submitted. The local board keeps the original copy. The duplicate copy is sent to the United States Employment Security Bureau for analysis, so that they can know who is in the community as disclosed by the census which has been taken. If a request is then made for a bricklayer or for a man to work in a shipyard, the Bureau of Employment Security will be in possession of the information based on the census. The Senator proposes to turn the work of the Bureau of Employment Security over to the Selective Service Board.

Mr. GURNEY. And by the same token we do not want to turn over to the Bureau of Employment Security the work and responsibility of the Selective Service Board.

Mr. HAYDEN. No one is doing that.

Mr. GURNEY. I am apprehensive about what may be done.

Mr. AUSTIN. I do not think we are working at cross purposes. I think when the matter is fully understood we will all agree.

Mr. McKELLAR. I believe so.

Mr. AUSTIN. There is no Senator who does not want the most efficient organization of man supply and manpower, because that is already known to be necessary for the prosecution of the war. Our war effort will not merely be impaired, but will break down, unless we can perfect that quality of organization, so we are all in favor of it.

The point which the Senator from South Dakota and I are stressing, and which the Senator from Nebraska has already mentioned, is, that so far as the appropriation goes the amount asked for is frightening; it is alarming, because it suggests two or three things: First, time. We cannot wait to spend $11,000,000 on this mere function of slotting into categories the information which has already been collected. That ought to be done in 30 days and it cannot possibly require the amount of money called for in the pending measure.

What is the money for, then? It is the question of what is lurking behind the amount of the proposed appropriation that caused me to make the inquiries which I propounded.

I am firmly persuaded that it would be the greatest possible mistake for Congress to reverse its policy with respect to the delicate business of selecting our citizens for service either in fields of combat or in fields of production. That kind of service in America should be performed only by a democratic organization, by our own neighbors who work without pay and who have the same patriotic objective which they call upon others to serve, and it should not be transferred to a bureau of paid men.

Mr. McKELLAR. Mr. President, may I ask the Senator a question before he sits down?

Mr. AUSTIN. Yes.

Mr. McKELLAR. The Senator speaks of selecting men to be put in the service of production. Is it the Senator's view that under our Constitution we can select men and put them in the service of other men or other corporations?

Mr. AUSTIN. Oh, certainly.

Mr. McKELLAR. Suppose the Senator were the president of a bank in Vermont. Does he believe we could set up a board which could take the Senator out of his place as the president of a bank in Vermont and send him to labor in the fields of another private citizen?

Mr. AUSTIN. Yes; if it were a part of the war effort.

Mr. McKELLAR. The Senator is an outstanding lawyer in any field, but he is especially an able constitutional lawyer. The Senator recalls that about 75 years ago we placed an amendment in our Constitution which inhibits involuntary servitude. If we should pass a law which gave to the War Manpower Commission the right to take the Senator from his position as president of a bank in Burlington, Vt., and put him on a farm plowing in the field of Mr. John Smith in southern Vermont, or in the field of a farmer in Texas, I am rather inclined to think that would be a violation of the

constitutional provision to which I referred. I should like to hear the Senator's statement about that.

Mr. AUSTIN. I will answer it. This is total war.

Mr. McKELLAR. The Constitution does not recognize——

Mr. AUSTIN. The Constitution does recognize war and does recognize war powers; and anything that is necessary for the efficient prosecution of this war, including the regimenting of our citizens at home, on the home front, in order to keep bread and supplies flowing to our soldiers on the battle front, is within the Constitution. We have a brilliant example of the exercise of the war power in interfering with labor in the act of Abraham Lincoln in emancipating the slaves, purely and only as a war measure. There is not a constitutional lawyer in America who questions the validity of the emancipation of the slaves by Lincoln, even without a statute, because it was a necessary war measure.

So it will be with any act of ours. We must be brave enough to go about it and meet this danger before it comes down on our heads. We will in advance have to provide for the services of every one of us, so as to supply that which does not exist now and cannot exist in the future, unless we systematize the demand for and supply of labor, and control it. That is my opinion.

Mr. McKELLAR. Mr. President, the Senator goes a long way, and confidentially between him and me, I recall that a good many of us—I am not sure that the Senator from Vermont joined with us—have been complaining very bitterly of Mr. Hitler because he took laborers out of France, and out of other countries, and put them to work in Germany, many of them being obliged to do work for which they were not fitted. We have been complaining very bitterly of such practices on the part of Mr. Hitler.

Mr. AUSTIN. That is what I complain of here and now.

Mr. McKELLAR. But the Senator from Vermont——

Mr. AUSTIN. Let us keep this a democratic process, with our own neighbors handling this business.

Mr. McKELLAR. Involuntary servitude is not a democratic process in any way. Whether such a process takes place in Germany or in the United States, it is, in my judgment, wholly undemocratic, and wholly unconstitutional.

Mr. AUSTIN. The soldier on the field of battle, in uniform, risking his life, is not questioning the authority of his Government on the basis of constitutionalism, and neither is the citizen at home when he faces the possibility of having Hitler run over him. Mr. President, we are not trying to do this as a dictator does it. We are begging that we may adhere to the democratic process, and that we do not take this delicate operational part of the war effort away from that agency which is right close to the people. Six thousand five hundred local boards scattered all over this great land have already registered 27,000,000 of our people, and when they deferred all of them excepting 4,200,000, they in effect selected them to serve on the home fields instead of on the battlefield. That is what we are going to do by law expressly, if there are enough of us to carry out such a program.

Mr. McKELLAR. Mr. President, that may be a good way to sugar-coat the process, but call it by whatever name one pleases, when we get down to the real question underlying the matter it is a question of involuntary servitude, which is prohibited by the Constitution of the United States.

Mr. AUSTIN. No; this is war.

Mr. McKELLAR. Mr. President, I want to say to the Senator and to the Senate that the longer I live the more respect I have for the 38 men who gathered together a long time ago, in 1787, and framed the Constitution of the United States. I am for that Constitution, and every line in it. That Constitution is and should be just as strong today as it has ever been in its history. It should be stronger. It has made us a great Nation. The Constitution has lifted this country from nothing and made it one of the greatest Nations in all the world, until today the finest thing that can be said about America is the superiority of the American way of life, the democratic way of life under the Constitution. My judgment is that we had better stand by the Constitution. We have stood by it for more than 150 years, and have waxed stronger, better, and greater every year in that more than a century and a half.

Mr. President, so far as I am concerned I am stronger for the Constitution now than I ever was, and I believe that it should be our rule of conduct in war as well as in peace. I believe America could make no greater mistake than to violate its terms, whether such action is sugar-coated, or whether it is taken without sugar-coating. What we do is what really counts. We can win the war under the Constitution as it is. We have won every other war we have fought under the Constitution. Why does anyone want to change the procedure now? Where are we going? I want to stay within the folds of the Constitution. I want the Government to stay within the folds of the Constitution. I do not want to accept anything else. I do not want to ape Mr. Hitler. I do not want to ape the head of any other Government. I want to go along the line of the American Constitution and the institutions created under it. I may be wrong. I may be old-fashioned.

Mr. VANDENBERG. Are we changing the Constitution in this bill?

Mr. McKELLAR. No; but there is a request made to change it in this very bill.

Mr. AUSTIN. No, Mr. President.

Mr. McKELLAR. Wait a moment.

Mr. AUSTIN. There is a request——

Mr. McKELLAR. There is a request for money to form some kind of—we do not know what—something to be used for the purposes of furnishing manpower. We have plenty of manpower, and we are going to use it, but in my judgment we ought to use it under democratic processes.

I asked the Chairman of the War Manpower Commission how we are going to do it. Are we going to do it on a voluntary basis or on an involuntary basis? He said that was a secret as yet. Mr. President, it is not any secret with me. I want to do it on a voluntary basis, as we have always done, and when we have proceeded in that way we have always succeeded.

Mr. AUSTIN. And which we are failing to do now.

Mr. McKELLAR. I am not willing to provide for involuntary servitude directly or indirectly, in any possible form.

Mr. DANAHER. Mr. President, will the Senator further yield?

Mr. McKELLAR. I yield.

Mr. DANAHER. First let me thank the Senator for his helpfulness to me in explaining various provisions of the bill.

Coming back to a specific item, let me ask the Senator one more question. Does the Senator from Tennessee recommend to us the committee amendment on page 17, in lines 12 and 13?

Mr. McKELLAR. Yes.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BURTON. The amount which appears on page 17, line 13 in the committee amendment, is $9,304,618. As I read the hearings before the Senate committee, that includes about $5,000,000 for the national occupational survey about which we have been talking. I think the Senator will concede that it is absolutely necessary that we have the national occupational survey completed as soon as possible.

Mr. McKELLAR. I agree to that.

Mr. BURTON. In order that we may make use of it in the problem facing us.

Mr. McKELLAR. Otherwise, I should not have voted for the appropriation.

Mr. BURTON. On pages 70 and 71 of the hearings before the Senate subcommittee appears a letter from Mr. Paul V. McNutt, Chairman of the War Manpower Commission. Mr. McNutt says:

> The reduction from $6,131,049 to $5,000,000 in our request for funds for the completion of the Selective Service occupational inventory will make it difficult, if not impossible, for this important task to be completed during this fiscal year. The information to be derived through this project will furnish the only complete record of the skills of our men between the ages of 18 and 65. Consequently, this information is urgently needed by the War Department, the Selective Service System, and the War Manpower Commission at the earliest possible moment. Accordingly, the $6,131,049 required for the completion of this project should be made available if this important task is to be completed this year.

Am I to understand that the committee has received assurances that with an appropriation of $5,000,000 the national occupational survey will be completed within the fiscal year? Or will the reduction provide an excuse for delaying it several months beyond that time?

Mr. McKELLAR. We had no such assurances. The House believed that the

project could be completed with an appropriation of $5,000,000. After hearing the Commissioner, our committee came to the conclusion that it could be done for $5,000,000.

Mr. BURTON. But the Senator is still insisting on this fiscal year as the completion date?

Mr. McKELLAR. Congress will not adjourn for any great length of time. If more money is needed to complete the project, the Manpower Commission can always come to Congress and ask for it. We thought that the Commission ought to undertake to do the work for $5,000,000. We accepted the House figure. The House committee went into the question very carefully, as did the Senate committee. Both committees came to the conclusion that the work could be done for $5,000,000, and that is the amount in the bill.

Mr. BURTON. What I fear is that it may be claimed that if the Commission had $6,000,000 it could put more persons to work on it now and complete the job within the fiscal year. If it has only $5,000,000, that fact may be used as an excuse for not completing the job. I do not want to be a party to any delay in having the report completed.

Mr. McKELLAR. I believe that the Commission will do the very best it can to finish the report within the $5,000,000. The House committee and the House felt that the work could be completed for $5,000,000. The Senate committee felt likewise, and has so reported.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. While the Senator is engaged in his general explanation, I ask him to turn to page 33 of the bill and tell me what the change in language from line 14 to line 17 accomplishes?

Mr. McKELLAR. It merely enlarges the purposes for which the appropriation may be used.

Mr. VANDENBERG. The committee report says:

> The effect of the change is to make any unobligated balance of appropriations for rivers and harbors available for the prosecution of all of the navigation projects authorized by the act of July 23, 1942.

Mr. McKELLAR. That is true. That is along the whole line, instead of a part of it. That is all it is. I do not believe anything will be done with any of it, between you and me.

Mr. VANDENBERG. The "whole line" in the act of July 23, 1942, is the Florida ship canal.

Mr. McKELLAR. Oh, no.

Mr. VANDENBERG. I am sorry. I have the act before me at the moment. The only project which this amendment would add to the direct appropriations is the Florida ship canal, without admitting it. I wish to know if that is the purpose of the amendment. I believe the Senator will find that I have stated the precise fact.

Mr. McKELLAR. I am afraid the Senator is correct.

Mr. VANDENBERG. I am correct; and I am amazed that such a thing should be done in this form, in this kind of a bill.

Mr. McKELLAR. It is a small matter; but I am amazed.

Mr. ANDREWS. Mr. President——

Mr. McKELLAR. I shall be glad to yield to the Senator. I did not so understand it at the time. If I had, I should have voted against it.

I now yield to the Senator from Florida.

Mr. ANDREWS. Mr. President, my colleague [Mr. PEPPER] has been called from the Chamber for a conference uptown. I should like to have this amendment passed over until he returns.

Mr. McKELLAR. I am very happy to agree to that. I should like to finish the discussion of the other matter.

Mr. VANDENBERG. The amendment has not as yet been reached; but I wish to notify the Senator that it cannot be agreed to without a real quorum and a yea-and-nay vote.

Mr. ANDREWS. We expect that.

Mr. McKELLAR. I am not in a position to explain the item to the Senator, because I myself did not understand it.

Mr. VANDENBERG. I thank the Senator for joining me in condemning this method of legislating.

Mr. McKELLAR. So far as I am concerned, it is not a method of legislation. It was a mistake on my part; but the committee overwhelmingly voted to put it in.

Let me finish with respect to the items on page 17.

An appropriation for the collection of labor market data is included in the bill. That is proper. The appropriation was allowed by the House, and also by the Senate committee.

For extension of the Farm Placement Service, $2,058,333 was requested. The House did not allow that item at all. We heard members of the Manpower Commission. The Senate committee came to the conclusion that inasmuch as the Commission did not have a plan, and did not know whether the plan was to be voluntary or involuntary, we ought not to grant the full amount for this purpose. However, we did not want to stop any good work which might be of benefit to the Nation; so out of an abundance of caution we virtually cut the request in two, and allowed $1,000,000. I am frank to say that the Commission did not make a very strong case; but we all realized the importance of the work. We do not want to make a mistake about it. I think it was at my suggestion that $1,000,000 was allowed.

The Commission does not seem to want the $1,000,000 if they are not allowed to appoint the officials receiving more than $4,500 a year, and seems to think that I have some political motive, or that I am playing the part of a man who desires patronage, because we coupled with the grant of $1,000,000 a provision—taken from that much-abused document, the Constitution—that no part of the appropriation shall be available to pay the salary of any person at the rate of $4,500 per annum or more unless such person shall have been appointed by the President, by and with the advice and consent of the Senate.

A day or two ago I was denounced in the newspapers by a splendid young gentleman. I feel confident that he did not intend to denounce me. He is a very fine man, and one of the best correspondents in the city. I have nothing personal against him. The denunciation is largely in the headlines. Inasmuch as I shall refer to that article, I ask unanimous consent to have it printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

McKELLAR ASKS PATRONAGE EXTENSION

Extension of Senate job confirmation to all Government agency positions paying more than $4,500 was proposed yesterday, with a Manpower Commission deficiency outlay used as the entering wedge.

Senator McKELLAR (Democrat) of Tennessee, author of a Senate confirmation rider on a pending Manpower Commission appropriation, said he thought the same rule should be applied to all upper-bracket Government jobs.

The rider faces a showdown test in the Senate on Monday, when the $15,821,000,000 war deficiency bill is called up for consideration.

Senate Majority Leader BARKLEY, who led a successful fight against Senate confirmation of Office of Price Administration and Office of Civilian Defense officials paid more than $4,500, was out of town yesterday but is expected to take the floor against the Manpower Commission rider.

BARKLEY last July persuaded the Senate not to impose the confirmation rule on the price control and civilian defense agencies, with the warning:

"We cannot afford to create the impression that we are more interested in jobs than anything else."

Top War Manpower Commission officials have protested that their projected establishment of 12 regional offices and 125 rural and industrial offices throughout the country to control war manpower would be seriously hampered by the job confirmation requirement. Men sought for their qualifications to head up the offices, slated to draw between $4,600 and $8,000, could not take office unless the Senate voted yes and a single senatorial objection might block an appointment.

Senator McKELLAR, who voted with the full Senate Appropriations Committee to require confirmation of those heading up the manpower offices, said, "it's just poppycock to say patronage is involved."

"Of course, if we require confirmation in one agency, we ought to require it in all," said McKELLAR. "I'm in favor of that. * * * The Constitution provides for it. * * * Most Senators are far better acquainted with qualified men in their own States than are officials here in Washington.

HOUSE OPPOSITION SEEN

If the Manpower Commission rider is approved by the Senate, it will meet solid House opposition in conference, it was reliably indicated yesterday.

Opposing the unsuccessful effort to force Senate approval of Office of Price Administration appointments, BARKLEY last July told the Senate:

"If we have to confirm every appointee who is paid more than $4,500 it means that the Senator from each State must be consulted about the appointments made in his State, otherwise he might have the right to rise and express his objection to the nomination on the grounds that it was personally offensive to him, or for some other reason, which would, of course, be made in good faith."

He said he knew exactly what the country is going to say—"it is going to think that we are primarily interested in jobs."

Mr. McKELLAR. Mr. President, I believe that Senators know me well enough

to realize that I have no ambitious designs in connection with patronage. This is my fifth term in the Senate. I could never have got here by the use of patronage. I did not have any to begin with, and I have precious little now. I wish I had less. I do not believe it ever got me a dozen votes in my entire life; and I have always been elected by a very large majority, thanks to the generous conduct of the people of my State. I do not wish to build up any political machine with patronage or in any other way; but I wish to state what I think about this matter. If the head of the Manpower Commission wishes to appoint an officer in my State important enough to warrant a salary of $4,500 a year, I honestly and conscientiously believe that it would be better to appoint someone about whom my colleague [Mr. STEWART] and I know something. We know something about, or can easily obtain information about, practically every person in the State—something about his surroundings, about his background, about whether he would make a good public servant. I think we know more about such matters than could be known by a member or employee of the Civil Service Commission, charged with the duty of selecting a man for such a position. I think we know more about the people of our State than would be known by a man from New York or Indiana or California. I am old-fashioned enough to believe that the constitutional fathers knew exactly what they were doing when they said that important officers of the Nation should be appointed by and with the advice and consent of the Senate unless the Senate by rule or law should arrange for the appointment otherwise of "such inferior officers," evidently referring to clerkships and positions of that sort, unimportant positions. I believe that the Constitution was right. I still believe so. I am old-fashioned enough to believe so. I frankly admit it. I believe it means better government.

I have been in public life in my State a long time. Take one of the finest men I ever knew—I see him walking in the Chamber now—JIM MEAD, of New York. Suppose he were the head of the Commission or any other commission. I believe I know more about manpower in my State than the Senator from New York [Mr. MEAD] would know. I think a similar situation exists in every State in the Union. I think the Senator from Nebraska [Mr. NORRIS] knows more about the people in his State, that the Senator from Oregon [Mr. MCNARY] knows more about the people in Oregon, that the Senator from Kentucky [Mr. BARKLEY] knows more about the people of Kentucky—I think that every Senator knows more about the people in his State who would make good and efficient officers than would be known by the head of a commission here in Washington. I think the best way in the world to get important officers is to obtain them in the way the Constitution provides—to have them appointed by the President, by and with the advice and consent of the Senate. The matter of appointments is a nuisance to Senators. It has always been a nuisance to me. I have gotten into more trouble about it than almost any other Senator; but at the same time I think it is the best way in the world to select such officers.

What do the commissions do in connection with the selection of officers? I understand that in some cases they refer to the Civil Service Commission, and in some cases they simply send a representative to look around and select a man. I do not think that is good government. We are spending large sums of money. We should be careful as to whom we appoint to office. It should be the desire of those who do the appointing to get the best information about the men that they can obtain. So far as I know—and I shall not take my own case, but I shall take the cases of all the other Members of the Senate—if I wanted something important done in their States, I do not know of anyone to whom I should rather go than the Senators themselves. They know the background of everyone in their States. They know the history of practically everyone of any importance in their own States. Why should Senators clothed by the Constitution with this duty be excluded? The Constitution provides that important officers of the Nation shall be appointed by and with the advice and consent of the Senate. We have gone a long way under our Constitution, as I remarked awhile ago. Let us stick to it, Mr. President; it is the real palladium of our liberties. It is the one real thing in American government. We have been marvelously successful by sticking to it. Why should we at this time of our prosperity or power, whichever we shall call it, forego our allegiance to it or to any part of it? I believe that we should not do so. I believe that we should stand by that system. I believe that we should stand by the Constitution under which the Government has been founded. I have believed that ever since I have been a Member of the Senate, and every effort of mine has been to follow the Constitution of the United States. In all the world there is nothing like it. Why should we want to chisel it off here and there? Why should we want to say it is antiquated, when under it we have become the greatest Nation in all the world? Who has ever suggested a better one? Where has it been suggested? Nowhere in this world. We had better stick to it, and I want to stick to it now.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. CONNALLY. Does the requirement in the bill apply to only one department?

Mr. McKELLAR. It does. As the Senator may or may not know, the Appropriations Committee has proposed that this provision be placed in a number of bills. It has stayed in some of them, but has been removed from others.

Mr. CONNALLY. However, this particular requirement relates only to the Navy Department; does it?

Mr. McKELLAR. Oh, no; it refers to the War Manpower Commission. That is a new field, a field in which new appointments are to be made. No one knows who is an expert on manpower; and in that field it seems to me that the advice and consent of the best body in the world—the Senate—should be had, as provided in the Constitution. My judgment is that this is the best body in the world. I am talking about the other Members of the Senate; I am not talking about myself.

Mr. CONNALLY. Mr. President, will the Senator yield further?

Mr. McKELLAR. I yield.

Mr. CONNALLY. In his discussion of the knowledge of Senators and others, I think the Senator is overlooking one very important fact.

Mr. McKELLAR. I am sorry if I have been in error.

Mr. CONNALLY. The other day I had a discussion by invitation with one of the high officials of one of the departments relative to the selection of a lawyer in Texas. The head of the bureau is 28 years of age; he is general counsel of a large organization. He asked me about some lawyers. I know several lawyers; having practiced for several years in the justice of the peace court, I have somewhat of an acquaintance with some of the lawyers in the State.

Mr. McKELLAR. I happen to know that the Senator from Texas has practiced as much as anyone has in the courts of the State and of the Nation.

Mr. CONNALLY. I thank the Senator. The point I make is that I talked to the official about the lawyers about whom he asked me, and I myself talked about one whom he might consider. He said, "I sent two of my assistants down there last week, and they have reviewed and consulted all of these lawyers."

I asked, "How long were they there?"

He replied, "Oh, a few days."

I asked, "How many lawyers did they talk to?"

He replied, "Oh, 15 or 20."

I asked, "Do you know any of the lawyers to whom they have talked?"

"No," he replied, "I do not know any of them personally; but the men I sent report to me and say that the view of the Department is so-and-so." A little, small-shot camera view by some little 28- or 30-year-old boy in the Department about someone in the State is regarded as a better survey and as one made with better knowledge than a report from someone who has known the persons concerned 25 or 30 years, and probably has tried cases with them in the courthouse. That is a situation which I think the Senator will not overlook.

Mr. McKELLAR. I am delighted to have that statement from the Senator. I had not overlooked the matter, but I have not gotten around to it in my desultory remarks.

Mr. CONNALLY. That is not an imaginary case.

Mr. McKELLAR. I know that, and I thank the Senator.

Mr. CONNALLY. The matter came up last week, and I know how it is going to end. They are going to pick out someone whom I do not want and who I know is not the best man, but the little investigator whom they sent there from Massachusetts or New York or somewhere else with a diploma in his hand, but with no experience in court, will make the selection.

I understand that the official to whom I talked—the chief counsel in one of the departments—has never been in a court in his life except on the occasion when he was admitted to the bar, and I understand that he has never tried a case in his life. Yet he is chief counsel of one of the departments.

Mr. McKELLAR. Mr. President, I happen to know of a lawyer occupying a very high place in the Government, a man appointed from my home city, who never tried a case in his life. He never practiced law a minute in his life in Tennessee or anywhere else that I ever heard of; but he had "book larnin." He was appointed here in Washington. So far as I know, no recommendations at all were asked from Tennessee. I was told that he was to be appointed, and he was appointed. I could not and did not object. I did not have anything to do with the appointment. I was not consulted until after it had been agreed upon. I think we should retain the power to confirm the appointment of men to all important offices. I do not think clerkships should be handled in that way; but I believe that when important officers who receive as much as $4,500 are appointed from a State whose Senator has never heard of them, such a procedure is a travesty upon government, and is a violation of the constitutional requirement.

However, even if I had the right to advise and consent as to the appointment of everyone appointed from Tennessee, I do not believe it would make a whit of difference in the opinion of the people there about me. It would be of no political advantage to me. I say that with a good deal of pride. I think the people of the State have a good opinion of me, and it is an opinion which I appreciate more than anything else in the world. I do not believe that a bit of that opinion has come from the making of any appointment. When I first became a Member of the Senate I did not have a particle of patronage, and I have precious little now. I should prefer not to have any. I wish there were some good way of selecting the various officers of the Government other than the way provided by the Constitution; but, Mr. President, 25 years ago when I came to the Senate, I was escorted to the desk, and I held up my hand to Almighty God as a witness, and I swore that I would uphold and defend the Constitution of the United States; and as I know my own heart and mind, I have kept that oath. I have taken it five times at that desk. I have kept my oath; and so long as I sit in this body I shall adhere to that oath.

I believe that the forefathers, when they wrote that provision into the Constitution which I shall take the liberty of reading, meant exactly what they said, that the officers of the Federal Government should be appointed by and with the advice and consent of the Senate. I believe that now, and I shall adhere to my belief.

I was charged by a young newspaper friend in the city of being desirous of patronage because I recommended this amendment to the appropriation bill. I had no such desire; I had no such purpose. I merely think that we can get a higher order of officials for the Government in the several States of the Union by appointing them in a constitutional way rather than by appointing them in an unconstitutional way. I have uniformly taken that course as Senators know.

Mr. McNARY. Mr. President——

Mr. McKELLAR. I yield to the Senator from Oregon.

Mr. McNARY. Does the Senator have in his mind article II, section 2, of the Constitution?

Mr. McKELLAR. Yes.

Mr. McNARY. The reference there is to officers.

Mr. McKELLAR. I will read it:

He shall have power—

Meaning the President shall have power—

by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he shall nominate—

Nominate—

and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or in the heads of departments.

These offices in the Manpower Commission have not as yet been established; no authority has been given the President or any court of law or the head of any department to make these appointments, and, in the absence of such a law they are supposed to be appointed by the heads of departments. I do not think the departments have that right without specific authority of law. What we have done in this bill is simply to conform to the Constitution. If it be a crime for a Senator on the floor of the Senate or in a committee room to uphold and defend that provision of the Constitution, then I am guilty of that offense.

Mr. McNARY. Mr. President——

Mr. McKELLAR. I yield to the Senator.

Mr. McNARY. I am pleased at the splendid tribute paid to the Constitution by the distinguished Senator from Tennessee. I simply asked, without any idea of provoking a controversy, a question as to his interpretation of article II, section 2, of the Constitution, which, after enumerating a number of important offices, uses the generic term "officer." I am wondering if his interpretation is that an "officer" includes all employees, however insignificant, that are employed by an officer of the Government?

Mr. McKELLAR. All such except where Congress has provided that certain clerks and officers of lesser importance may be appointed by the President or by the judges of courts of law or by the heads of departments. That has not been provided for in this bill; there is no provision in the bill that touches that question at all.

Mr. McNARY. May I check for my own benefit and inquire if article II of section 2 of the Constitution is the provision upon which the Senator bases his argument, and that alone?

Mr. McKELLAR. That is true.

Mr. President, my attention has just been called to a cartoon in the afternoon Washington Star. I am pictured as being up a tree and saying to someone else, "Promise him some patronage." McNutt is holding onto a bear and I am saying, "Promise him some patronage."

Mr. BARKLEY. Does that mean promise McNutt or the bear some patronage?

Mr. McKELLAR. I do not know; I believe Governor McNutt looks more scared in this cartoon than does the bear; the bear is running, McNutt looks somewhat perturbed and in trouble, and is holding onto the tail of the bear. The bear is labeled "Manpower problem." It really is a problem; it is a problem under any circumstances, but it is not——

Mr. WILLIS. Mr. President——

Mr. McKELLAR. I shall yield to the Senator in a moment. But it is not a problem about which we ought to violate the terms of the Constitution. There is no reason for doing so. I try to legislate without regard to persons. I offered, if I remember aright—and if there is any member of the Appropriations Committee here who thinks I am wrong, I shall be glad to be corrected—an amendment appropriating a million dollars for this purpose. I did so, Mr. President, out of an abundance of precaution. The House did not allow anything. Instead of the Department thinking that was a gracious act, I am denounced by the Department and by the newspapers and by everyone concerned as a man who is thinking only of patronage, because I am upholding the old worn-out Constitution of the United States; and when I say "worn-out" I mean that that is their idea about the Constitution of the United States; it is not mine.

Mr. McFARLAND. Mr. President——

Mr. McKELLAR. I promised to yield first to the Senator from Indiana, and then I shall yield to the Senator from Arizona.

Mr. WILLIS. Mr. President, ordinarily it makes little difference to a minority Senator whether important appointments to Federal Government agencies are made with or without the Senate's approval. When Federal administrators are permitted to appoint their personnel without senatorial approval, it goes without saying that the administration appoints the man it wants. And when senatorial approval is required, it also goes without saying that the administration still usually gets the man it wants.

Nevertheless, in the peculiar circumstances in which I find myself, I think I ought to speak a word in favor of the amendment now before the Senate requiring senatorial approval of the important appointments to the War Manpower Commission, which at present is administered by Paul V. McNutt, former Governor of Indiana. As a citizen-subject of the then-Governor McNutt, I was made

peculiarly aware of his almost uncanny ability to surround himself with appointees highly qualified to control manpower. I learned in my own State, and from first-hand experience, of the methods which must have been in the mind of a War Manpower Commission spokesman last Friday when he said, "We prefer to proceed unhampered." The headlines over that statement alluded to the desire of the Commission to avoid politics in its operation. This, in Indiana, would be a laugh.

I have no doubt that Mr. McNutt will be highly successful in controlling manpower if he is permitted to proceed unhampered by the "nuisance" of senatorial approval. I am warning the faithful new dealers, whose hopes for the future are pinned to the fourth term, that such hopes would be sorely threatened by a vast McNutt-for-President army ready to spring full-armed from the dragon's teeth of the War Manpower Commission.

Mr. McNutt knows what he is talking about when he lets it be known that he "prefers to proceed unhampered" in his efforts to control manpower—whether for war or elections. He proceeded unhampered in Indiana when he assembled the notorious "2-percent club," whose chief objective seemed to be to further his Presidential ambitions of 1940, 1944, 1948, 1952, or what have you. This club did not limit its contributors to a handful of wealthy supporters. All those on the State pay rolls, even down to the charwomen of State benevolent institutions, were impressed with the practical wisdom of contributing 2 percent of their salaries to that political war chest. When this man goes about controlling manpower, he is certainly efficient about it.

I cannot conceive of the United States Senate giving anyone with this record the power to build a vastly increased 2-percent club out of what could only be, at best, a regrettable and temporary agency—the War Manpower Commission. Imagine the potentialities of such an opportunity in the hands of one who is always politically ambitious. He could hand-pick the personnel of an agency charged with the delicately precarious responsibility of controlling the liberties of every human soul in this great Nation.

In such a situation, every check against political profiteering that can be conceived should certainly be set up. Gentlemen, stop, look, and listen.

Mr. BARKLEY. If the Senator from Tennessee will permit, was the statement of the Senator from Indiana an original contribution, or was it a letter the Senator was reading?

Mr. WILLIS. It certainly was an original contribution, drawn from experience.

Mr. BARKLEY. At first I got the impression the Senator was reading from a communication from someone else.

Mr. WILLIS. I wanted to be careful in my statements.

Mr. BARKLEY. Very well.

Mr. McFARLAND. Mr. President——

Mr. McKELLAR. I yield to the Senator from Arizona.

Mr. McFARLAND. The Senator from Tennessee feels a responsibility, I take it, of helping select the best possible men in his State for the positions involved?

Mr. McKELLAR. I have always felt such a responsibility, and I still do whenever the duty is devolved upon me of doing it.

Mr. McFARLAND. Does not the Senator feel that it is his duty to see that that function is performed?

Mr. McKELLAR. I do; and that is why I am making these remarks here this afternoon and that is why I favor the amendment.

Mr. McFARLAND. Whom do the people of the Senator's State blame if a poor appointment is made, even if the appointee is not confirmed by the Senate?

Mr. McKELLAR. I have been blamed for poor appointments many times in my State when I had no more to do with them than a jack rabbit.

Mr. McFARLAND. Does not the Senator think that the people feel he has the responsibility of helping select competent public officials?

Mr. McKELLAR. In my opinion, the people generally feel that we are a constitutional government, and that it is our duty to follow the Constitution of the United States.

Mr. President, there is one further statement I wish to make about this matter, and perhaps it is something to which I should not even refer. There is not a finer cartoonist in the country than Mr. Berryman. The cartoon in today's Star is a very laughable cartoon, but I wish to say to Mr. Berryman, and to anyone else who may be interested, that it portrays me in rather a strange position. I am shown up in a tree, according to the cartoon, apparently very much scared. So far as I know, I have never been "up a tree" politically in my life, and I have never been scared in my life. I am not scared of cartoonists, of newspapermen, or of anyone else, for the reason that I try to do what is right, and I have always done so to the best of my ability. I have no other purpose than to serve my country and my God under the Constitution of the United States.

UNITED COMMAND OF ARMED FORCES

Mr. LEE. Mr. President, I wish to express my opinion on the subject of a united command. I can think of no better time than during the considera- of this appropriation bill.

I am making these observations as a Member of the United States Senate who has the responsibility of voting appropriations for the prosecution of this war. We have the responsibility of voting confirmation of the officers who direct this war. In fact, we have a full share of responsibility in this war effort.

Therefore, I feel it is not only my privilege but my duty to express my views on the subject of a united command. I do not do this with a sense of criticism. I merely offer my views for consideration by those who are charged with the final responsibility for determining the direction of this war.

Mr. President, when our present system of separate armed forces such as the Army and Navy was first established it was in the day of slow-moving transportation. It was in the day of the bow and arrow, the catapult, and the muzzle-loading gun. It was in the day of sailing vessels and ox carts. At that time a naval engagement was entirely separate and removed from a land engagement. In that day, a land engagement had little relation and no connection with the navy, unless it happened to be a landing party.

Airplanes, tanks, and jeeps were undreamed of. Trains were not even known. There were no steamboats, only sailing vessels and ships which moved by the oars operated by crews of men called galley slaves.

If General Custer had had one machine gun, he would have won the battle of the Little Bighorn. If Robert E. Lee had had one dive-bomber he would have won the Civil War. That, my colleagues, illustrates how much difference there is in the fighting today and fighting when we established the separate branches of our armed forces.

Then later it became evident that there was a certain type of fighting which belonged both to the Navy and to the land forces. Then we established the Marines, which fact was admission that the situation was changing from the old days when separate forces were adequate.

And now Mr. President, we have come to the stage of warfare that is obliterating the lines between the different branches of our armed forces. We ourselves have not erased these lines but whether you like it or not, the conditions of modern warfare have made it evident to me that the lines of demarcation between our fighting forces should be removed.

I realize that I am flying in the face of those who for years have enjoyed the friendly rivalry which has existed between the Army and Navy. During those times of peace, we could indulge ourselves in a sort of rivalry between the different branches of our fighting forces. But the day has come when to further indulge ourselves is to jeopardize our chances of victory.

Yes, Mr. President, the rivalry between the Army and Navy reached such a point at one time that the Army and Navy football teams which represent West Point and Annapolis did not even play football against each other. That spirit of competition does not end with the graduation of the men from these two academies, but it is carried on to the high offices here in Washington. Yes; it is carried on even to the field of battle.

While I do not believe all the reports I hear, yet when those reports continue as they are today concerning the jealousy which is going on between different branches of our armed forces—for example, in the battle of the Solomon Islands and the Battle of Wake Island as to who is entitled to the glory—then I say it is time for responsible officials of Government to give consideration to the question of a united command.

At the present time the whole question of drafting is thrown into confusion because of a different policy between the Army and the Navy. The Navy gets their men by voluntary enlistment, but they get many of those men because of the Army's policy of drafting. In other

words, many boys who would not otherwise enlist go ahead and enlist rather than to be drafted.

This has thrown the draft quotas out of kilter time and again. For example, in a certain community the registration shows, let us say, 50 available men who are in class I–A. On the basis of those available men, General Hershey's organization asks for 50 men from that community. In the meantime, 20 of these young men enlist in the Navy rather than be called by the draft board. But that draft board has been asked for 50 men, therefore they must dig down into another classification in order to fill the quota.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. WALSH. Has the Senator suggested a remedy for the situation to which he has just referred?

Mr. LEE. I am about to make a suggestion.

Mr. WALSH. Later on, I assume.

Mr. LEE. Yes.

Mr. WALSH. Is the Senator's remedy a suggestion which has already been proposed, that everybody be drafted and nobody volunteer?

Mr. LEE. No; the Senator from Oklahoma has not made such a suggestion. If the Senator from Massachusetts will follow the Senator from Oklahoma, he will see I am not making that suggestion.

Mr. WALSH. The Senator from Oklahoma is not making that suggestion; or is he?

Mr. LEE. I am making an argument in favor of a united command. As an illustration in support of my contention I am citing the fact that separation between branches of our Government results in friction and lost motion. An example, incidentally, of a situation of that character occurring in an actual case was presented before our committee.

Mr. WALSH. The friction to which the Senator has referred might well be pointed out, and the Senator would be rendering a service in doing so. However, I was wondering if he was suggesting that everybody be drafted and nobody volunteer for service in either the Army, the Navy, or even for commissions.

Mr. LEE. That suggestion has been made.

Mr. WALSH. That everybody be drafted, and when drafted by agencies of the Army and Navy the men should be rated and selected for their fitness and service based on their backgrounds of experience and qualification, even to the extent of giving them commissions. I wondered if the Senator had gone that far. I assumed he was merely pointing out that friction between the Army and Navy exists, and that the Government ought to give it some attention.

Mr. LEE. Such a suggestion came before our committee, but I did not wish to deal with it specifically at this time. I appreciate the Senator's contribution, and I will state that the subject to which he has referred is an important one.

Mr. WALSH. It is a very interesting question. I am not prepared to say what should be done, but I knew the suggestion had been made and, of course, if followed it would remove the embarrassment which draft boards experience in appointing persons who volunteer for service in the Navy, the Coast Guard, or some other branch of the service. I wondered if the Military Affairs Committee had reached a decision as to how the matter should be handled or whether the boards have reached a decision. I do not believe they have.

Mr. LEE. Mr. President, I do not believe I quite understood what the Senator asked.

Mr. WALSH. Have the boards made a decision or made any recommendation?

Mr. LEE. They did not make any recommendation to our committee. They simply pointed out some of the trouble they were having when we raised the question that in some communities they were digging down into classifications which in other communities had not even been exhausted.

Mr. WALSH. I do not know how the Navy feels about this matter, but I do know that it has been giving some consideration and thought to it. At one time I thought we would be approaching the situation where there would be no volunteering, and nothing but drafting, for the Army, for the Navy, for the Coast Guard, and perhaps for certain kinds of manpower.

Mr. LEE. I thank the Senator from Massachusetts. That of course would remedy this particular case, but it would not remedy the other situations which arise in the different branches of the fighting forces.

Mr. President, this is a simple example of some of the friction and overlapping among the different branches. I could give some examples which I have heard which come from the battle fronts. I shall not give them because I do not believe it would promote unity and be helpful at this time. Nevertheless such situations do exist, and therefore, as a Member of the United States Senate, I feel it my duty to call these difficulties to the attention of those who are directing our over-all war policy.

Mr. President, in Germany they have a system which requires a young man to serve in all branches of the service before he can become a general officer in the army. He then thinks in terms of all branches of the service.

But under our system a man thinks in terms of only one branch of the service. He has dinned into his ears loyalty to the precedents of that branch of the service.

We should have one minister of warfare. Every man in the armed forces should think in terms of the total armed forces, land, air, and sea. The main purpose of a soldier or a sailor is to defend his country and to destroy the enemies of his country. Therefore, the more we can promote unity as between the different armed forces, the better it will be.

If every official had served in the different branches of service or even thought of those branches as coordinated parts of one national unit of warfare to strike down the enemy, it would be helpful.

Mr. President, when a battle starts no one knows in what area that particular battle will end. The battle might start where a Navy man is in command, and end where the Army is in command, but finally be determined by the Air Force.

Therefore, it should appeal to the reasoning powers of every person that we need a unified supreme command and that command determined by air power.

Mr. President, I understood from one of the Members of this body who recently visited Alaska on an official inspection tour that when an attack is being planned it is under the command of the Army because the Army is in command of the land but when an attack is launched it is under command of the Navy because it is on the sea. This may not be the literal case but there is no doubt in my mind that this divided command is costing us dearly in this war.

Human nature is human nature and war does not change it. I am not criticizing anyone but I am criticizing an obsolete system. I am criticizing our system of separate fighting forces under separate commands, a system which was outmoded by the coming of the airplane and motor transportation.

It was outmoded by the coming of mechanized armies.

Now, Mr. President, let me say again that I am offering my opinion on this subject for consideration by those who are directing this war. I am not doing it in a critical spirit but with all the sincerity I possess.

It is indeed within the realms of my responsibility as a Member of the United States Senate to express my opinion on this subject. I believe we should have a unified command. I believe that unified command should be airpower. I believe supreme command should be vested in an air general who has control of all the armed forces of the United States.

This war has shown beyond a doubt that America's greatest weapon is airpower. It has shown that airpower will determine the outcome of the war. Both the Army and the Navy use airpower but I believe it should be revised so that airpower could use both the Army and the Navy.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. WALLGREN in the chair). Does the Senator from Oklahoma yield to the Senator from Kentucky?

Mr. LEE. I yield.

Mr. BARKLEY. Is the Senator advocating united command for the United States forces alone or united command for all the United Nations?

Mr. LEE. I believe that we should have united command for the United Nations also, but I am now making a plea for united command of our forces, and that command should reside in the air power.

Mr. BARKLEY. Under our Constitution we have a united command in the Commander in Chief of the Army and the Navy.

Mr. LEE. That is true.

Mr. BARKLEY. The Senator would not advocate any united command which could or would supersede that, would he?

Mr. LEE. No.

Mr. BARKLEY. Of course, the President, as the Senator knows, has in effect brought about a form of united command by appointing Admiral Leahy as his chief assistant and creating a board composed of four, Admiral Leahy, the Chief of Staff of the Army, the head of the Navy, and the head of the Air Corps, who sit almost daily, and also sit with the representatives of the United Nations, at least weekly, if not oftener, and that whatever is done is done practically by the unanimous agreement of all these officers, under the control of the President. So that we do have, in a very real sense I think, not only a united command in the United States, but we have it in effect in regard to the forces of the United Nations.

Mr. LEE. That is true, but that does not change the fact that we have separate commands. For instance, a general is in command of, let us say, the Panama Canal. An admiral beyond a certain line on the sea is in command there. Air power is utilized by both of them. My position is that we should have the command unified under an air force general.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. HATCH. I think I understand what the Senator is saying. What he wants is one Army of the United States.

Mr. LEE. That is exactly right.

Mr. HATCH. Which will include the Navy, the land forces, and the air forces.

Mr. LEE. Yes.

Mr. HATCH. Which will include all fighting forces. The only way in which I differ with the Senator is in respect to who shall be in charge. He wants someone from the air force to be in charge. I do not know whether that would be best or not. I entirely agree that there ought to be one Army of the United States, and that there should be one uniform also. I should like our armed forces to have one uniform, rather than the distinct uniforms of the Army, the Marine Corps, and the Navy, and other services. I believe they should all be under one command. I do not know whether it is best to have the air power in command, or the commander of the land forces in command, or Admiral Leahy in command.

Mr. LEE. I hope the Senator will then give attention to what I am about to say in support of my belief that the one supreme commander should be an air general.

Mr. HATCH. I certainly will.

Mr. LEE. The Senator from Kentucky [Mr. BARKLEY] just referred to Admiral Leahy, who certainly is a wonderful man, and yet his whole background ties him to the surface of the ocean. Admiral Leahy, or any other admiral, who has given his whole life to surface warfare on the sea is going to have his actions colored by that background.

Mr. HATCH. I shall be glad to listen to what the Senator has to say.

Mr. LEE. I thank the Senator for his contribution.

Mr. President, instead of having our strategy planned on the basis of land forces and sea forces and supported by air forces, I am convinced that our strategy should be planned on the basis of air power and be supported by land and sea power.

This would be a natural way to coordinate the armed forces, since air power is a common denominator for both land and sea forces.

When the admiral, who has spent his life training for maneuvers on the sea, plans a battle he plans it as he has been taught on the basis of naval warfare, but such warfare has been completely changed by air power. This admiral, then, in order to be up to date begins to recognize air power, but it is impossible for him to plan strategy without planning it on the surface of the sea. The same is true with respect to a general who has spent his life studying the ground strategy of mass armies. He is tied to the ground just as the admiral is tied to the surface of the ocean.

Mr. President, the air power should be in command of our armed forces just exactly as air power is over all actually and physically, just as our stratosphere bombers dominate the field of conflict in the same manner should the air generals dominate the councils of war when planning the strategy of attack.

Up to date the admirals and land generals have visualized air power merely as advance artillery; but with the increased reach of our long-range bombers and with the increased destructive power of our 4-ton bombs the situation presents a different aspect.

It is so different that to me it requires the brains of a man whose vision has encompassed this new type of warfare. With this long arm the United States can deal effective blows to the heart of the enemy; but in order that the effect of these blows may not be wasted there must be full coordination between land and sea forces in support of this great arm of our striking power.

Mr. President, some persons have recognized this problem and have approached it by recommending that the United States have three equal branches of warfare—land, air, and sea—but to me that would only aggravate the situation by adding one other separate branch of warfare.

In my opinion, one of the ablest columnists of today is Walter Lippmann. He wrote a very fine article in which he said that air power should be given a place in the driver's seat—in other words, that air power should be recognized in the war councils. I agree with that thought; but I would go further and say that the war councils should be controlled by air generals.

The Senator from Kentucky [Mr. BARKLEY] referred to an effort in this direction, which I certainly approve; but I do not think we have gone far enough, because as yet air power has not been given a seat at the controls.

To me it is unthinkable, when we are fighting for our lives, that we have several branches of armed forces with different responsibilities under separate and different commands. To me it violates all logic. I believe we should have one Minister of Warfare, and that all the armed forces should be under him. Not only should he control the armed forces, but in my opinion he should have power to decide where our materials are most needed. He should have power to determine priorities in order that the most critical materials could be used for the most important purposes.

Soon we shall vote out a bill appropriating $5,599,976,574.99 for the Navy. We are making this appropriation on the recommendation of the Navy itself.

Naturally, the men of the Navy are going to deal liberally with themselves, as I would if I were in their places, and as other Senators would if they were in their places; but if the critical material to be purchased by this appropriation for Navy purposes would go further toward winning the war if it were used for the air force, then it should be used for the air force.

Mr. President, let there be no misunderstanding. A thrill of pride runs through me every time I think of the Navy and the men in the naval forces.

We have the greatest navy on the seas. There can be no more patriotic nor gallant men than we have in that branch of the service. The tradition of the Navy is one of luster and glory, and nothing in the world can ever dim that luster or that glory.

Furthermore, we need the Navy. We must have it; and I shall support the Navy and the naval appropriations. Nothing we could do could ever match the sacrifice which those gallant men have already made in this war in order that we may preserve the liberty and honor of our country.

But, Mr. President, if by recognizing a new phase of warfare we are able to reduce the amount of sacrifice which will be required of the armed forces of America, in my opinion, it is our duty to recognize that new phase of warfare. Therefore I take this occasion to submit these observations for consideration by those who are directing this war.

Mr. President, it is necessary for the United States to send armed forces literally all over the globe. This means that we must spread ourselves pretty thin. When an officer is in command of an area, naturally he is going to beg, plead, and hammer and do everything he can to get all the armed forces and equipment he can for that area. In the same situation I would do the same thing.

Multiply such a situation by some forty different areas which we are guarding throughout the world and we get some idea of the pressure which is being brought to spread our armed forces all over the globe. Naturally, the more we spread our armed forces the less effective we are going to be in any one place. In my opinion, so long as we have a divided command we are going to continue to spread our armed forces. We are going to continue to try to bring up our armament in a sort of horizontal manner, rather than to concentrate it

and strike at the heart of the enemy; but if we were under a unified command and if that command were an air command, then operating under the theory that if we crush our enemy's head, his limbs will die, the air command could concentrate enough air power to strike again and again, day after day and night after night, at the vulnerable and vital spots which would destroy our enemy. Such a strategy could be much more safely planned under one responsibility than if that responsibility were divided.

Mr. President, I am not in a position to know whether or not all the materials called for by this appropriation should go for naval purposes. I am not in a position to know whether or not some of those materials should go to air power or to other military forces, but if an air general were in supreme command he would be in a much better position to weigh the hazards, to calculate the advantages, and to give proper consideration to every element which would enter into that decision.

I know it can be argued that the items in this bill are the result of expert testimony. I have even been taken to task on the floor of the Senate for putting my opinions against the testimony of the experts of the Navy; but Mr. President, let me call attention to this fact: This is a people's war, a war in which women and children, as well as soldiers, have been numbered among the casualties. The people want airpower given greater control in this war.

This is the result of the Gallup poll published August 8. The question asked was:

Assuming that land and sea and airpower is each important in winning the present war, which of these is the most important?

The answers follow:

	Percent
Land power	7
Sea power	14
Air power	69
Undecided	10

The next paragraph reads as follows:

As a matter of fact, the public appraised the value of air power even before many of the experts themselves. By a vote of more than 7 to 3 the people were calling for a bigger air force in 1935 * * *.

In the Gallup poll published in last Sunday's newspaper October 18, 1942, under the heading, "Public Would Give Air Force Top Priority," the question asked was:

If there is a shortage of raw materials for manufacture of war goods, which branch of the service, do you think should have first claim on materials—the Army, the Navy, or the Air Force?

Here are the findings:

	Percent
Army	9
Navy	11
Air force	52
Don't know	28

However, if the vote is confined to those with definite opinions, the ratio is: Army, 13 percent; Navy, 15 percent; air force, 72 percent.

Quite often the layman arrives at a sound conclusion before the expert. Sometimes the expert cannot see the forest for the trees.

Today the Garand rifle is recognized as one of the best weapons we have, yet it took public opinion and a number of laymen about 2 years to force that rifle on the experts.

According to the experts, a bumblebee cannot fly because the dimensions of his body, the length of his wingspread, and the size and shape of his body, according to the specifications worked out by experts in the air-tunnel tests, make it impossible for the bumblebee to fly; but the bumblebee does not know that, so he goes ahead and flies.

The experts thought gliders were only for children to play with. In so many words they so stated before our Committee on Military Affairs. They ridiculed the use of parachute troops since 1935, when a majority of the people already favored a greater air force. It took the Battle of Crete to wake up our experts to the fact that the glider was actually a potent weapon and would play a determining part in the outcome of this war.

It took public opinion to force the experts to give Henry Kaiser a contract to build giant cargo-flying boats.

Therefore, the opinion of the expert must be weighed along with other considerations. Certainly we need experts who have given their lives to this science; but on determination of the all-over policy the contribution of the layman is not out of place.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. PEPPER. I do not know whether the Senator may have heard of the matter, but I have heard from a very responsible source the story that during the World War the submarine menace was so great that it was about to cause the Allies to lose the war, and that the Navy Department therefore issued an invitation for all laymen or persons of general knowledge having suggestions to make regarding means or inventions by which the submarine menace might be met to bring their suggestions or inventions to the Navy Department. They were received at the New London Navy Yard. Facilities were provided for them. They were given little stalls; each inventor was allowed a place to work in a little stall with his own apparatus. Numerous instances arose in connection with that situation; because each man was afraid that the men on either side of him would steal his invention.

However, the result was that within 3 months there had come out of the people's laboratory, as it were, many suggestions as to how to meet the submarine menace; and in a short time the United States Navy had the best equipment in the world to meet that menace.

Mr. LEE. I appreciate the Senator's remarks, and I am glad to have them at this point of my remarks.

Mr. President, I have offered these observations in good faith. I know I am speaking the opinion of the majority of the men on the street, the men on the farm. I am speaking the opinion, as the Gallup poll shows, of the folks and the people who in the long run will determine the outcome of this war.

I am not opposed to this appropriation. I shall vote for it. I merely chose this time as an appropriate time to express these observations.

PRINTING OF ARTICLES ON "THE AIRPLANE AND THE BATTLESHIP" AND "DANGERS IN CONTROVERSY OVER BATTLESHIP CONSTRUCTION"

Mr. WALSH. Mr. President, in view of the very able presentation of a most important military subject, following the remarks of the Senator from Oklahoma, I should like to quote from an article written by Rear Admiral Joseph K. Taussig, and published in the United States News of October 16. The article does not deal directly with the subject which the able junior Senator from Oklahoma discussed, but it does deal with a phase of the subject which should be considered before reaching any judgment as to what branch of the services should assume supreme command.

In the article Admiral Taussig states:

In the Battle of Midway, which has been proclaimed as a great victory, we were acting on what is known as the offensive-defensive. That is, we were taking offensive action against the enemy for the purpose of defending one of our bases. We did defend the base, but, as the greater part of the Japanese Fleet escaped to fight another day, it is surprising that this should be considered a great victory. However, if our battleships had been stationed within striking distance of this battle, I am convinced that, with the initial damage done by aircraft, the entire Japanese force would have been annihilated.

We lightly pass over the great loss in aircraft in attacking surface craft with an equanimity that is entirely unwarranted. The Battle of Midway resulted in a far greater loss in aircraft and aircraft carriers than to the other surface craft. When our gallant Squadron I, composed of 15 torpedo-carrying planes, attacked a well-screened formation of Japanese surface vessels, every plane and all the personnel (with the exception of one officer) were destroyed. Fourteen of these planes never got within striking distance of the main enemy formation, and I am informed on good authority that the same fate met the Japanese torpedo plane squadrons which attacked our well-screened surface formations. They were simply annihilated.

I now read another paragraph from the article by Admiral Taussig:

If the Japanese did not recognize the great potential value of the battleships they would not have made the raid on Pearl Harbor The Japanese knew that the only way we could save the Philippines was for our fleet to arrive there in greater strength than their own before the fall of Manila. They know that this would be impossible if they could sink or disable a number of our battleships. Accordingly, they undertook the great risk of the raid on Pearl Harbor simply because they knew our battleships were based there. And their objectives were the battleships and not the shore establishments. When the truth finally comes to light, I am confident it will show that it was the damage done our battleships which prevented sending relief to MacArthur and resulted in the loss of the Philippines.

Those very remarkable statements are by a very able retired naval officer, perhaps one of the ablest in the Navy in his day, an officer especially well informed on the problems confronting this country in any naval skirmish or combat in the Pacific Ocean. In fact, a few years before the outbreak of the war this same

admiral was severely criticized by the press for statements which he made before the Naval Affairs Committee. The press severely criticized him because of his explanation and contention regarding the difficulties which would confront our Navy in any attempt to combat the Japanese Navy in Japanese waters.

In addition to my remarks—and I have offered them only in connection with what has been said by the Senator from Oklahoma to show how involved is the matter—I should like to have printed as a Senate document two articles recently appearing in the public press. The first is the article to which I have referred, written by Rear Admiral Taussig. The second is an article written by Rear Admiral G. J. Rowcliff, now a member of the General Board of the Navy. His article is entitled "The Airplane and the Battleship." He presents views on the subject which many naval officers consider the ablest which have as yet been presented. I submit the two articles and ask that they be printed as a Senate document because of their exceptional value in regard to the present controversial naval problems.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LEE. Mr. President, will the Senator yield?

Mr. WALSH. I am glad to yield.

Mr. LEE. I appreciate the spirit in which the Senator from Massachusetts, the able chairman of the Naval Affairs Committee, has offered the contribution; and I want to be sure that what I have said has not been regarded as intended as a depreciation of the Navy or the use of the Navy or the need for the Navy or the gallant fighting spirit of the Navy.

I want to make the suggestion, certainly in good faith, and not in a critical manner, that, as said by Admiral Taussig in the article just quoted by the Senator from Massachusetts, the air force of the Navy itself is tied to the Navy and has a shorter reach in combat than land-based planes have, and is at a considerable disadvantage. Therefore, when we are making our decisions as to appropriations for naval construction we certainly must take into consideration the fact that the loss of aircraft carriers has been great and will be great, and that the loss of naval aircraft has been great, and much greater—I call the Senate's attention to the fact—than the loss in similar engagements of land-based planes, particularly our Flying Fortresses. Of course, I do not mean that we do not need both land and sea planes. We do. But the point I am making is that we must take into consideration a change in warfare. As chairman of the great Naval Affairs Committee of the Senate, the Senator from Massachusetts certainly has shown that he recognizes that change.

Mr. President, I desire to refer to three things in connection with the article by Admiral Taussig from which the Senator from Massachusetts has read.

With respect to Pearl Harbor, I call the Senator's attention to this point: In that attack the Japanese Navy itself was deliberately given second place. The attack was not made by the Japanese Navy; it was made by the Japanese air force.

A second point is that the Japanese destroyed our air force there, along with certain ships of our Navy. As to the weakening effect on us in destroying or disabling our battleships, no one would take issue on that point. Admiral Taussig also said that in the battle of Midway we claimed a great victory, and he put in a big "if." He said that if our battleships had been in striking distance of the enemy ships, the enemy ships would not have lived to fight another day.

However, Mr. President, air power has changed the whole strategy of warfare. Our battleships could not get within striking distance. The air branch goes out so much farther. Its reach has been greatly increased, and is being increased almost every month by new inventions.

The third point is this: In the pending bill two things are evident. One is that the admirals themselves recognize the change, because in this tremendous bill providing for the appropriation of over $5,000,000,000 for the Navy Department they are not asking for a single battleship. Aside from the bill preceding the pending one, I believe that this is the first time that a bill of anything like the size of this one has not included an appropriation for a battleship.

Mr. WALSH. Yes; the bill preceding the pending bill did not include appropriations for a battleship; and, confirming what the Senator has said, let me say that the Navy Department recently has raised to the status of admiral about 20 flight officers who had the title of captain. The large number of airmen recommended for promotion to admirals shows that the heads of the Navy themselves recognize the value and importance of the air service.

Mr. LEE. The other point connected with the matter is the fact that in the pending bill such a large part of the appropriation intended for the Navy is designated for aircraft which shows that the officials of the Navy Department are recognizing the change.

VETO MESSAGES ON PRIVATE BILLS

Mr. BARKLEY. Mr. President, there are on the desk several veto messages relating to private bills. I ask unanimous consent that the messages be regarded as having been read, printed in the CONGRESSIONAL RECORD, and referred to the respective committees which considered the bills involved, and I ask further that the veto messages be printed as a document.

The PRESIDING OFFICER. Is there objection.

There being no objection, the veto messages were considered as having been read, ordered to be printed as documents, printed in the RECORD, and, with the accompanying bills, referred to committees, as follows:

CLAIMS FOR PROPERTY LOSSES FROM FAILURE OF BIG PORCUPINE DAM ON THE FORT PECK PROJECT, MONT.—VETO MESSAGE (S. DOC. NO. 281)

To the Senate:

I return herewith, without my approval, S. 1869, a bill for the relief of certain claimants against the United States who suffered property losses as a result of the failure of the Big Porcupine Dam on the Fort Peck project, Montana.

The bill proposes payment to certain persons, whose names are set forth therein, as compensation for damages sustained by them, aggregating $29,672.69, as a result of a break in the above-mentioned dam on March 24, 1939.

In a number of instances where it has been claimed that flood and resulting damage were caused to property owners by failure of the Government to keep in repair structures which had been erected in aid of navigation, approval has been withheld from special relief bills on the ground that it was not the policy of the Government to assume responsibility therefor.

The enactment of the bill under consideration was based on an assumption or belief on the part of the Congress that the flooding of the claimants' lands and property was due largely to faulty construction of the dam and failure of the Government to exercise reasonable and proper safeguards for the protection of the claimants' property. No facts have been furnished or cited to support this assumption. From the record available in the Department it appears that the break in the dam was caused by an unprecedented accumulation and flow of heavy ice, which loosened the structure. The dam was properly designed and constructed to withstand such pressure as it would be likely to meet, based on past experience. Every precaution was taken that a reasonably prudent and careful owner and operator of such a project would be required to take in the circumstances. There is no showing of any actual negligence on the part of Government personnel.

In these circumstances I do not believe the Government should be held responsible, and I am, therefore, obliged to withhold my approval from the bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *October 19, 1942.*

(To the Committee on Indian Affairs.)

DAYEE JONES—VETO MESSAGE (S. DOC. NO. 280)

To the United States Senate:

I am returning without my approval S. 1143, 77th Congress, "An act for the relief of Dayee Jones." The bill would create a statutory presumption that Ray Vernon Jones applied for and was granted $10,000 National Service Life Insurance, and that he designated his wife, Dayee Jones, beneficiary thereof.

The pertinent facts of the case are that Ray Vernon Jones, lieutenant One Hundred and Sixteenth Observation Squadron, National Guard of the United States, entered active service on September 16, 1940, and died in an airplane

crash on October 21, 1940, while on a practice flight with One Hundred and Sixtieth Observation Squadron stationed at Gray Field, Fort Lewis, Wash. His death has been found to have been incurred in line of duty and not the result of misconduct. Ray Vernon Jones was eligible to apply for United States Government life insurance not in excess of $10,000 from September 16, 1940, until October 8, 1940, under the provisions of the World War Veterans' Act, 1924, as amended, and thereafter until the time of his death, eligible to apply for National Service Life Insurance not in excess of $10,000 under the provisions of the National Service Life Insurance Act of 1940, Public No. 801, Seventy-sixth Congress, approved October 8, 1940. The records of the Veterans' Administration do not contain any application by the veteran for either type of insurance. Further, the record before the Congress upon which reliance is had for the presumption, is at best highly conflicting.

A grant of $10,000 insurance to the widow of Ray Vernon Jones, as provided by the bill, would establish an unwise precedent for granting $10,000 insurance to the widows of other veterans who have died or may hereafter die while in active military or naval service without having availed themselves of the opportunity to protect their dependents by timely application for insurance. Moreover, Dayee Jones, as the widow of this veteran, upon application, is entitled for the period of her widowhood, to the monthly installments of $5,000 automatic insurance provided under the provisions of Public Law 360, Seventy-seventh Congress, approved December 20, 1941, as amended, which provides insurance in the amount of $5,000 payable to certain dependents of every person in active military or naval service who died in line of duty on or after October 8, 1940, and prior to April 20, 1942, without having in force at time of such death insurance under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, or the National Service Life Insurance Act, in the aggregate amount of at least $5,000.

I see no impelling reason for granting the widow of this veteran insurance benefits in excess of the amount provided by law for the widows of other veterans who die under similar circumstances.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *October 19, 1942.*

(To the Committee on Military Affairs.)

ANGELA SKEOCH—VETO MESSAGE (S. DOC. NO. 275)

To the Senate:

I return herewith, without my approval, the bill (S. 2506) for the relief of Angela Skeoch.

The bill proposes to pay Angela Skeoch, of Frederiksted, St. Croix, V. I., the sum of $2,500 in settlement of her claim against the United States for personal injuries sustained when the automobile in which she was riding was struck, on March 1, 1941, by a United States Army truck.

The accident resulted when a noncommissioned officer, driving an Army truck on military police duty, apprehended an enlisted man for intoxication, and failing to enforce his orders allowed him to ride on the front seat. The intoxicated soldier interfered with the driver, causing the truck to swerve and collide with an automobile in which the claimant was a passenger.

It appears that, as a result of the accident, Miss Skeoch sustained five lacerations about the face and head, together with bruises of face, left knee, and chest, from which she has completely recovered except for scar formations. The attending physician made a statement on October 11, 1941, that the lacerations have healed leaving thin inconspicuous scars, except for a laceration under the chin which is thick and irregular. Medical expenses incurred in connection with this injury amounted to only $37, and there was no loss of wages for the reason that the claimant was unemployed at the time of the accident.

It appears, therefore, that the proposed payment of $2,500 is excessive in view of the injuries sustained, for which reason I do not feel justified in approving the bill. I would not withhold my approval from a bill which would provide payment of an amount more commensurate with the injuries sustained in this case.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *October 19, 1942.*

(To the Committee on Claims.)

FORMER FIRST LT. WILLIAM J. TEPSIC—VETO MESSAGE (S. DOC. NO. 276)

To the Senate:

I return herewith, without my approval, S. 2364, "An act for the relief of former First Lt. William J. Tepsic, One Hundred and Seventy-sixth Field Artillery."

The enrolled bill would authorize the President to vacate the executed court-martial sentence of dismissal imposed upon First Lt. William J. Tepsic, One Hundred and Seventy-sixth Field Artillery, as a result of which he ceased to be an officer of the Army at 12 o'clock, midnight, December 14, 1941, and to reinstate him as a first lieutenant of the Army effective December 15, 1941.

In view of the approved findings and sentence of a court of competent jurisdiction in the case of this former officer, and in the absence of sufficient evidence that an injustice has been done, I do not feel justified in approving, and thereby establishing a dangerous precedent, special legislation the effect of which would be to set aside the judgment of a court of competent jurisdiction by legislative action.

I am, however, directing the Secretary of War to appoint a board of officers to investigate Mr. Tepsic's entire record and his present qualifications for appointment as an officer, and shall take such action with reference to a new appointment as the facts warrant.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *October 19, 1942.*

(To the Committee on Claims.)

MRS. REITA M. LARY—VETO MESSAGE (S. DOC. NO. 277)

To the Senate:

I return herewith, without my approval, S. 2099, a bill "For the relief of Mrs. Reita M. Lary."

The enactment would authorize and direct the Secretary of the Treasury to pay to Mrs. Reita M. Lary the sum of $1,266.16, representing compensation for accrued annual leave due her husband, Howard N. Lary, who died on August 6, 1941, while he was an employee of the Securities and Exchange Commission in its regional office at Denver, Colo.

The Annual Leave Act of March 14, 1936 (49 Stat. 1161), makes a grant of leave in kind, only; that is, the right to be absent from duty for a prescribed period without loss of pay while retaining a status as one of the "civilian officers and employees of the United States" included within the purview of the law. There is no provision of law for payment of the commuted value of leave not taken before separation from service. Many similar claims have been disallowed by the Government. The approval of relief legislation upon behalf of the widow of the former employee named in this enactment would result in the presentation of similar relief bills in respect to other former employees or their personal representatives similarly situated.

For these reasons, I do not feel justified in giving this enactment my approval.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *October 19, 1942.*

(To the Committee on Claims.)

CLAIM OF LEGAL REPRESENTATIVES OF ESTATE OF ROBERT LEE WRIGHT—VETO MESSAGE (S. DOC. NO. 279)

To the Senate:

I return herewith, without my approval, S. 1033, Seventy-seventh Congress, first session, "An act conferring jurisdiction upon the Court of Claims of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representatives of the estate of Robert Lee Wright."

Some years ago Robert Lee Wright brought suit against the United States in the Court of Claims alleging two distinct causes of action: (1) nonperformance of a contract for compensation for the use of certain inventions relating to projectiles, and (2) infringement of the patents covering such inventions. Before the case was completed Robert Lee Wright died. In 1935 his administratrix, Willie Crockett Wright, the beneficiary under S. 1033, was substituted as party plaintiff and revived the prosecution of the suit. After the proofs were completed, and shortly before the case was submitted to a Commissioner of the Court of Claims for report on the facts, plaintiff elected to waive all patent infringement claims and elected to rely solely upon the cause of action based upon contract. The Court of Claims found that plaintiff was not entitled to recover on contract and dismissed the petition.

The purpose of the present enactment is to authorize and direct the Court of Claims, in effect, to reopen and reconsider the former case, substituting the alleged infringement of the patents as a cause of action.

The administratrix elected in the former suit to rely solely on the cause of action based upon contract, which cause was determined adversely to her claim. The Government should not now, as a result of such voluntary election by the plaintiff, regardless of the motives prompting such election, be required to defeat piecemeal the claims of Mr. Wright's estate. In my opinion, the decision of the Court of Claims should, under the circumstances, be accepted as determinative of all the issues, and intervention by the legislative branch of the Government is unwarranted.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *October 19, 1942.*

(To the Committee on Claims.)

CAFFEY ROBERTSON-SMITH, INC.—VETO MESSAGE (S. DOC. NO. 278)

To the Senate:

I return herewith, without my approval, S. 103, a bill "For the relief of Caffey Robertson-Smith, Inc."

This bill authorizes and directs the Secretary of Agriculture to pay, out of any funds available for carrying out the provisions of section 32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935, as amended, the sum of $9,348.86, to Caffey Robertson-Smith, Inc., of Memphis, Tenn., in full satisfaction of its claims against the United States for payments for the exportation of certain quantities of cotton at the rates in effect at the time of the sale thereof for export.

The program of the Department of Agriculture, under which indemnity payments were made for the exportation of cotton, provided that the exporter could either file declaration of sale at the time the cotton was sold, or could file notice of delivery at the time the cotton was exported. The method employed by the exporter was left to his choice. If the exporter elected to file a declaration of sale, he was protected as to the rate of payment which was in effect at the time of the sale on cotton subsequently exported within the prescribed period. The exporter who filed declaration of sale was required to file also a bond in the amount of $2 per bale to assure fulfillment within the prescribed time of the said contract. This condition of the program was necessary in order to prevent the earmarking of funds on which no actual exports would be made, to assure the most effective utilization of the total funds provided for the program, and to encourage quantitatively the maximum exportation of cotton. In filing declaration of sale, Caffey Robertson-Smith, Inc., failed to file the necessary bond within the prescribed time.

To grant relief to Caffey Robertson-Smith, Inc., as is proposed in S. 103, would be discriminatory, considering the large number of exporters who did comply with the provisions of the program. All programs of necessity, must have some limitations and regulations. Relief to an individual who has found that his failure to comply with provisions of the program has worked a hardship on him may be considered as a precedent to others and encourage them to seek the same type of relief.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *October 19, 1942.*

(To the Committee on Claims.)

CONFIRMATION OF POSTMASTERS

Mr. McKELLAR. Mr. President, as in executive session, I ask unanimous consent that the Senate proceed to consider three nominations reported by the Committee on Post Offices and Post Roads today, which deserve special consideration. I refer to the nominations of William L. Dawson, Jr., to be postmaster at LaGrange, Ky.; Kenneth L. Martin, to be postmaster at Bloomfield Hills, Mich.; and Charles R. Gampher, Jr., to be postmaster at Rossford, Ohio.

These three nominees will shortly be called into the military service, and the Post Office Department would like to have them confirmed immediately so that they may be commissioned as postmasters in their respective cities before being called into the service. During their service they will be given leaves of absence from their duties as postmasters.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and, without objection, the nominations are confirmed.

Mr. McKELLAR. I ask that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith of the confirmations.

Mr. BARKLEY. Mr. President, there are on the Executive Calendar but two nominations, both being nominations of postmasters, and I ask unanimous consent that, as in executive session, they may be confirmed and the President notified.

The PRESIDING OFFICER. The clerk will state the nominations.

The legislative clerk read the nomination of Edith A. Gordy to be postmaster at Wisner, La.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Viola J. Kearns to be postmaster at Netcong, N. J.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Without objection, the President will be notified forthwith of the confirmations.

SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 7672) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1943, and for other purposes.

Mr. PEPPER. Mr. President, before the day's session is concluded, and so that the explanation may be a part of its business, I wish to say just a word in respect to the remarks made by the able Senator from Michigan [Mr. VANDENBERG] in a colloquy with the able Senator from Tennessee [Mr. McKELLAR] in regard to an item contained in the pending bill.

The inference was left—and I regret very much that the able Senator from Michigan is not now on the floor——

Mr. McKELLAR. In respect to what does the Senator intend to address the Senate?

Mr. PEPPER. It is with respect to H. R. 7672 that I propose to speak. It is that portion of the bill relating to the canal, and may be found on page 33, under the appropriation for the Corps of Engineers. I have reference to the Senate amendment made to the House bill affecting the authority of the Engineers to work upon any parts of the projects which are of a navigation character, included in the act of July 23, 1942, Public Law No. 675.

I desire to say that I was in attendance with the Governor of my State on a delegation from Florida at the office of the Price Administrator, and for that reason I was not on the floor so I could have heard the inquiry made by the Senator from Michigan.

The Senator from Michigan left the impression that either the Senate Appropriations Committee or someone else was trying to slip into the bill some item by another name and as a result of some sinister purpose. I wish to repudiate that as well as the alleged statement of fact which the Senator from Michigan made, and to say that it was in error, and, I regret to say, grossly in error. That is the reason I wanted to make this word of explanation.

Mr. President, the Bureau of the Budget recommended to the Congress through the House of Representatives that during the coming year certain work be done upon a part of the intracoastal waterway, which we approved here and which later became Public Law 675, approved by the President July 23, 1942.

That bill could be said to fall into three parts. First, was the cutting of a new canal from the Mexican border to Corpus Christi, Tex., 12 feet deep and 125 feet wide.

Second, was the deepening to a depth of 12 feet and a width of 25 feet of an existing intracoastal canal from Corpus Christi to Apalachee Bay on the west coast of Florida.

Third, the cutting of a new canal a distance of about eighty-odd miles across the peninsula of Florida.

So the bill passed by us this year, which is Public Law 675, approved by the President on July 23, 1942, provided for three categories of work, all of which was to make for the Nation an intracoastal waterway stretching from the Mexican border to Trenton, N. J., there already being an inland waterway 12 feet deep and more than 100 feet wide from the east coast of Florida to Trenton, N. J.

The Bureau of the Budget recommended that, for the purpose of moving petroleum products out of the Gulf area where they originate, by pipe line across

the Peninsula of Florida, through which they were to move into the intracoastal canal on the east coast of Florida, there be authorized such work as could be done in a year on the part of the existing canal for its enlargement between Corpus Christi, Tex., and Apalachee Bay.

Congress had dealt with this as a whole project, as a part of national intercoastal waterway. We went before the Senate Appropriation Committee and pointed out the fact that the Congress had dealt with the whole project as one project. We had not authorized merely the part from Corpus Christi to the Mexican border, or merely the enlargement of the existing canal, or only the barge canal, but we authorized the whole project to make a whole intercoastal waterway for the Nation. We therefore said to the Senate Appropriations Committee, "We are not complaining about the action of the Bureau of the Budget in suggesting that immediate construction be upon only that part of the canal between Corpus Christi and Apalachee Bay on the west coast of Florida, but we are saying that the Congress ought not to limit what the engineers may do upon a national project excepting insofar as they ought to be limited by the Bureau of the Budget taking into consideration the money matters, and by the executive branch of the Government taking into consideration priorities and availability of material and manpower."

Therefore, we merely say, "Let us give to the engineers authority to work upon any part of this authorized waterway within the money made available by the Bureau of the Budget out of unobligated balances—just a few million dollars altogether—and, if the executive department of the Government finds it possible and proper, to authorize specifically and affirmatively work upon any other part of the project." But we said, "Now that we have treated it as a whole in the Congress, let us not cut it all up into segments again legislatively," although we made it clear in our conferences with the Bureau of the Budget, and in our testimony, which is in the record before the Senate Appropriations Committee, that we were not asking any initiation of these improvements until and unless the President and the Bureau of the Budget, out of unobligated balances already appropriated, found it proper and affirmatively desirable to initiate construction. If there is anything fairer than that I do not know it.

This afternoon the Senator from Michigan [Mr. VANDENBERG] said that all which this added authority applied to is just the Florida ship canal, which is grievously untrue. It would authorize the engineers to work upon either end of the waterway that we authorized in the early part of this year, or in the summer—either the part between Corpus Christi and the Mexican border, which is, I think, something like 100 miles, or the Florida end of it, which is also authorized in that bill.

So the Senator from Michigan was in error in what he said to the able Senator from Tennessee. Representatives of the United States Army engineers appeared and, with full knowledge of that fact and a full discussion of the matter by the committee, stated that with that understanding, and the language couched as it is now, there was no objection on the part of the Army engineers. So when the Senator from Michigan leaves the impression that there was not a hearing, that there was not full presentation of the facts, that the Army Engineer Corps was not represented, the Senator is uninformed.

Mr. President, I did not want today's RECORD, therefore, to become permanent in print without some refutation of the statement made by the Senator from Michigan being carried at the same time. Whenever the Senator gets ready for a more thorough consideration of the matter on the floor we will be very glad to go into the facts. I did not want this day's RECORD to show those imputations, without the true facts being carried in it.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. McKELLAR. I was present at the hearings and asked some questions about the matter, and I gained the impression that what the Senator wanted was the right to use this money all the way from Corpus Christi to Apalachee Bay. I thought I asked the specific question if any money was going to be used on the canal, and I was told that it was not, but that it would be used on any part of the waterway from Corpus Christi, Tex., to Apalachee Bay in Florida, and on the west coast of Florida, that was desirable. I see that the Senator from Louisiana [Mr. OVERTON] asked a question:

> That is from Corpus Christi to Apalachee?

The Senator from Florida [Mr. PEPPER] answered as follows:

> From Corpus Christi to Apalachee Bay on the west coast of Florida. However, I have talked to Mr. Wayne Coy, Assistant Director of the Budget, and they have no objection, as Mr. Coy affirmed to me, to the authorization of the use of these unobligated balances upon any part of this whole waterway, provided it be clear that Congress is not giving a directive to them to initiate this construction, until and unless they find it proper, taking into consideration the availability of funds, and the availability of equipment, and so forth.

That was where I gained the impression in the hearings which I stated today, that it was that part of the canal from Corpus Christi to Apalachee Bay. I did not know that it was intended to include what is known as the Florida ship canal. I was told, and I think it appears somewhere in the hearings, but I do not find it, although I have looked for it hastily while I have been on my feet, that the purpose was to get the oil from the Texas field and from the Louisiana field, and take it along this north Gulf of Mexico route known as the inland waterways to Apalachee Bay, and that there the oil would be transported by pipe line, which was being built. That is the impression I received. I did not know it was for the purpose of actually doing work on the Florida ship canal.

Mr. PEPPER. Mr. President, I appreciate the dilemma which the Senator finds himself in, because the matter is a little bit confused, but I think I can clear it up. The Senator is right and wrong. We are talking a little bit about different things. The situation is this. Let me take it up chronologically. In July of this year we authorized the project which I described a bit ago, which is the digging of a new canal from the Mexican border to Corpus Christi, the enlargement of the existing canal from Corpus Christi to Apalachee Bay, and the digging of a new canal across Florida—all as one project, one authorization in one bill, as one waterway, to connect up with the inland waterway on the east coast.

Mr. McKELLAR. But that was not pointed out in this hearing.

Mr. PEPPER. If the Senator will allow me, I think perhaps we were at fault in not making the matter clear. I think if the Senator will read the whole record it will be clear to the Senator. That is the first thing chronologically that happened. The next thing chronologically that happened was that the Bureau of the Budget, when this matter was being considered in the House, sent down an item or a recommendation that certain unobligated balances in the hands of the Corps of Engineers be allocated to and used for the purpose of, one might say, the completion of the middle part of the bill of July, that is, the enlargement of the existing waterway from Corpus Christi to Apalachee Bay, which could be done in a year. That is all that the Bureau of the Budget recommended the authorization of. It related strictly to that statement.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CONNALLY. The Senator has touched a certain feature in which I am interested. As I understand, the attitude of the Bureau of the Budget is that they want to use these unobligated funds primarily for the deepening of the channel from Corpus Christi, Tex., to Apalachee Bay. That is the first consideration.

Mr. PEPPER. The Senator is correct.

Mr. CONNALLY. But the Senator from Florida wants to make it possible for the engineers, if they should see fit, to allocate these funds to other purposes.

Mr. PEPPER. Any little additional funds that they have as unobligated balances.

Mr. CONNALLY. The amendment does not do that. The amendment opens it up so it is just a question then as to what the engineers may want to do. I think we ought to follow the recommendations of the Bureau of the Budget. I am interested in the language contained in the House bill, that those unallocated balances shall be first and primarily devoted to the deepening and improvement of the channel from Corpus Christi, Tex., to Apalachee Bay on the west coast of Florida.

Mr. PEPPER. That is provided for. We took great care to provide for it, as the Senator from Louisiana [Mr. OVERTON] will attest.

Mr. CONNALLY. Every dollar, though, that is spent on some other part of this authorization may come out of the money that ought to go to the improvement of this channel.

Mr. PEPPER. No; that is not possible, the way this matter came to the Senate

floor. If the Senator will read the record——

Mr. CONNALLY. I am talking about the language of the bill. The language of the bill is what we are passing; we are not passing the hearings.

Mr. PEPPER. But if the Senator has read the committee report——

Mr. CONNALLY. Let me read the language of the bill—

are hereby made available—

That is, all these unobligated balances—

are hereby made available for the prosecution of the navigation projects authorized by the act approved July 23, 1942.

In other words, the engineers want to take this money and use it on any portion of all the projects which were authorized, whereas the Budget insists that the primary improvement shall be made on this particular stretch of the canal in which I am interested; and I wish to see it improved first, because it ought to be improved first. It is necessary to improve that stretch in order to make the canal harmonious with the depth and serviceability of the other end of the canal. I understood that the engineers were not proposing to try to dig the Florida Canal at this time, but to deepen the channel and bring oil and gasoline in barges up to Apalachee Bay, then transport it across Florida with a pipe line, and pick it up at the other end of the canal with another barge line, and bring it on to the Atlantic coast.

My theory is that if this language in the Senate bill is contained in the final draft the Senator from Florida, with his usual eloquence and persuasiveness, will influence and induce somebody in the Engineer Corps to divert these funds from the deepening of the channel from Corpus Christi to Apalachee Bay to some purpose which we do not now have in mind. I say that in all kindness to the Senator. I have been under the spell of his magic and I know just what I might do under tremendous temptation if I were the supervising engineering officer.

Mr. PEPPER. Mr. President, all this discussion arises from the fact that my able friend from Texas was not at the committee hearing, and did not hear all that was said.

Mr. CONNALLY. I apologize; but I cannot be at every committee hearing.

Mr. PEPPER. Of course. I am not complaining about that.

Mr. CONNALLY. I was in attendance on the Finance Committee for 3 months trying to get some of the money which Senators are going to spend by the pending bill.

Mr. PEPPER. The able Senator is not a member of the committee. I am not complaining about it. I am merely saying that had he been present, or had he had the time in his busy life to have read the record of the hearings, everything would have been made clear. We specifically went on record, after having consulted with the Bureau of the Budget, that there was not even a suggestion of an intention of the character indicated. Not only that; but the committee itself, if the Senator will allow me to say so——

Mr. CONNALLY. Let me say another word to the Senator and I shall be through.

When I want to see what an act of Congress means, the first thing I do is to get a copy of the act. I do not wish to have to chase down some official in the Budget Bureau and put an intellectual camera on him to find out what is in his mind, or what was in his mind last year. I want to read what is in the act. This language is clear and unequivocal.

Mr. PEPPER. The Senator will at least agree that the report of the committee is pertinent?

Mr. CONNALLY. I do not agree that any report can control the plain and unequivocal language of an act of Congress. If the act of Congress is equivocal and ambiguous, the courts will sometimes go to the debates to determine what Congress had in mind; but when the language says "A, B, C," we do not have to find out what "P" and "Q" mean.

Mr. PEPPER. Mr. President, in the first place, on page 4 of the committee report appears the following language:

CORPS OF ENGINEERS—RIVERS AND HARBORS

It is recommended by the committee that the following language be stricken from the bill:

"* * * work of enlargement of the present Intracoastal Waterway from the vicinity of Apalachee Bay to Corpus Christi, Tex., in accordance with the provisions of"

And the following words inserted in lieu thereof:

"NAVIGATION PROJECTS AUTHORIZED BY

"The effect of the change is to make any unobligated balances of appropriations for rivers and harbors available for the prosecution of all of the navigation projects authorized by the act of July 23, 1942, rather than just the specific project mentioned by the bill as passed the House. However, the committee recommends this amendment with the understanding that priority will be given to the project named in the House bill, namely, the enlargement of the present Intracoastal Waterway from the vicinity of Apalachee Bay to Corpus Christi, Tex."

That language is from the committee report.

In the second place, the Chief of Engineers sent Colonel Reber, his representative, to appear before the Committee on this item. The Colonel stated definitely and unequivocally that this amendment would not interfere with the construction of the part from Corpus Christi to Apalachee Bay, exactly as though the additional language were not in the bill. That was the Engineer Corps itself speaking.

Mr. CONNALLY. Suppose the Engineer Corps should change its mind next week? If it should change its mind the appropriation would be changed.

Mr. PEPPER. In the third place, that is the statement of the law anyway. Unless the Budget Bureau should affirmatively recommend this additional construction and provide money from additional funds which it has impounded, and which are not involved, and unless the President should give a directive, the Army Engineers could not start work anyway. They testified to that effect before the committee.

The able senior Senator from Louisiana [Mr. OVERTON] is a member of the Committee on Appropriations, and a member of the subcommittee. The able Senator from Texas could not be more interested than is the senior Senator from Louisiana in the assurance that the part from Corpus Christi to Apalachee Bay will be constructed, as the House has provided. He stated in the record that he had a complete understanding with the representative of the Engineer Corps. It was put in writing in the report, and it is embodied in the committee recommendation. The understanding is that nothing contained in this added authority will take away one red cent of the money which the Bureau of the Budget has already allocated to and designated for use in the construction of that part.

All our amendment did—and the representative of the Engineer Corps stated that that is what caused the Engineer Corps to have no objection to it—was merely to state that so far as Congress is concerned, if there are additional unobligated balances in the hands of the engineers, and if the Engineer Corps thinks it can work on the Texas end or the Florida end of this project, if the Bureau of the Budget releases the money for it, and if the President gives the engineers a directive to proceed, finding that manpower and material are available, there will be no objection on the part of Congress, and that authorization for such use of unobligated balances will be given. That is all it does; and that is all embodied in writing in the record of the hearings, and summarized in the recommendation of the committee.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. McKELLAR. Let me call the Senator's attention to the question and answer which determined my view about the matter. On page 115 of the hearings, under the heading "Work that will be carried on," I find the following:

Senator MCKELLAR. What work do you think you can do?

Colonel REBER. We are planning, Senator McKellar, to concentrate primarily on that portion of the Intracoastal Waterway between New Orleans and Carrabelle. Then in addition to that, there are very definite bottlenecks, so to speak, west of New Orleans, in several sections, reaching as far as the mouth of the Brazos River, Tex., which flows into the Gulf of Mexico near Freeport.

That states my understanding. I may be in error about it.

Mr. PEPPER. The Senator is correct.

Mr. McKELLAR. I may be in error in my interpretation of Colonel Reber's testimony. My understanding is that the money is to be spent between New Orleans and Carrabelle.

Mr. PEPPER. If the Senator is talking about the $6,000,000 necessary for that part, he is absolutely correct. However, the point is that if they have any other money, authorization for its use will be given under the conditions I have stated. I think they have got hold of about $10,000,000. This project would cost only about $6,000,000. We are not talking about the same money.

Mr. McKELLAR. I did not understand about the two appropriations. I

thought Colonel Reber was talking about the money which was to be used in this appropriation for the purposes of the war.

Mr. PEPPER. That is where the conclusion is. Nobody expects any part of that $6,200,000 to be affected in any sense of the word. We are not talking about the same money. Perhaps I was at fault in not making it clear.

Mr. McKELLAR. It seems to me that I made it as clear as it was possible to make it.

Senator McKELLAR. What work do you think you can do?

Colonel REBER. We are planning, Senator McKellar, to concentrate primarily on that portion of the Intracoastal Waterway between New Orleans and Carrabelle. Then in addition to that, there are very definite bottlenecks, so to speak, west of New Orleans, in several sections, reaching as far as the mouth of the Brazos River, Tex., which flows into the Gulf of Mexico near Freeport.

From that language, and from what the Senator previously stated, I got the idea that by releasing this money we could probably open up the canal from Corpus Christi, Tex., to Apalachee Bay, Fla., which is a sheltered canal, and that pipe lines were now being built to convey oil to the east coast of Florida, so that large quantities of oil could be furnished to the east coast of the United States, where it is so necessary. All I can say to the Senator is that that is the conclusion which I reached, and those are the facts on which I based my opinion that provision should be made to release that appropriation.

Mr. AIKEN rose.

Mr. PEPPER. One further word, and then I will yield to the Senator from Vermont.

The Senator is absolutely correct in speaking of the expenditure of money which the Bureau of the Budget has already made available for this part of the construction. Of course, the Army engineers made it clear that they do not propose to engage in any construction for which the Bureau of the Budget has not specifically provided. At the present time all the Bureau of the Budget has provided for is the part about which the Senator is speaking, from Corpus Christi to Apalachee Bay. We were merely asking the committee to provide in the legislation congressional authority for the use of any other funds which might be available, provided the Bureau of the Budget should direct the engineers to use those funds, and provided the President should give them a directive to undertake the work.

There is no conflict whatever between the two; and the Senator from Louisiana [Mr. OVERTON] was scrupulous in seeing to it that there was no possible misunderstanding on that subject.

So, if Senators will read the whole record and will look at the legislation, there cannot be any possible misunderstanding of the facts or the legal effect of the amendment.

Mr. AIKEN rose.

Mr. PEPPER. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I am interested in this part of the bill from what will probably be called selfish motives. I am interested in getting an adequate supply of fuel oil and other petroleum products to New England and to the Northeast at the earliest possible date, and it is immaterial to me whether the oil comes across Florida by pipe line or by barge canal, so long as it gets across Florida and to the Northeast in sufficient quantities and on time.

However, as I understand the matter, any canal or pipe-line system across Florida could not be used to the fullest advantage until the inland waterway from Texas to the west coast of Florida is completed. Therefore, it seems to me that it would be only the natural course to make sure that the Gulf waterway is completed and put in use or made available for use before either the pipe-line system or the canal is built across Florida.

Mr. PEPPER. Will the Senator permit me to respond right at that point, because I appreciate the inquiry.

Mr. AIKEN. Yes.

Mr. PEPPER. The part of the inland waterway that is now built along the Gulf of Mexico, from Corpus Christi to Apalachee Bay, is already 9 feet deep. It is an existing canal. It is a question of policy and judgment as to whether it would be better to dig the connecting link to a depth of 9 feet or to increase the depth of the part in the Gulf of Mexico—a part which is perfectly usable and is already being used by a very considerable volume of traffic—from 9 feet to a depth of 12 feet.

I put in the record that we were not quarreling with that judgment; but, because we thought the Engineer Corps would have equipment which could be used in working along on this project, which would accumulatively be approaching the time when there would be a possible connecting link, we saw no reason why the Congress should withhold permission from the Engineer Corps and the Bureau of the Budget and the President to let some work be done toward the construction of the canal, or the Texas end of it, if in their opinion all conditions were satisfactorily met. That is all there is to it.

Mr. AIKEN. Mr. President, it seems to me that the fears of those persons who seemed to believe that the money might be spent in digging the canal across Florida are rather unfounded.

Mr. PEPPER. Of course, they are.

Mr. AIKEN. Because those who are interested in either the pipe-line system or the canal across Florida naturally would realize that, unless the canal from Florida to the oil fields of Texas were usable and practicable, the canal or the pipe lines, either one, would be virtually worthless.

Mr. PEPPER. The Senator is correct; and we should be glad to put in language, if the Senator from Texas would feel better about it, to say:

Provided, however, That no construction on any other part of the project shall be begun until the part—

Designating it—

between Corpus Christi, Tex., and Apalachee Bay is completed.

There is no question about that. We merely hope that if the Army Engineer Corps were to find itself with some drag lines and dredges in the vicinity of the Texas end or the Florida end of the pipeline project, they could be working on it in such a way as to assure its eventual completion.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. McKELLAR. I want to say that the amendment is not now before the Senate.

Mr. PEPPER. That is correct.

Mr. McKELLAR. Of course, it must go over until tomorrow, in any event; and if the Senator does not object, we can recess now until tomorrow, and then the matter can be brought up again.

Mr. BURTON. Mr. President, will the Senator yield to me so that I may ask him a question? I have been standing for half an hour waiting for an opportunity to ask a question.

Mr. PEPPER. I yield.

Mr. BURTON. My question is for information as to a particular matter which has been presented. As I understand the provision, it relates to any and all unobligated balances from existing appropriations which may be developed under the head of rivers and harbors appropriations under the War Department appropriation bill and similar appropriation bills of 1943, and it is not possible to ascertain how large such amounts will be. Is that correct?

Mr. PEPPER. It is a question of fact as to how large they will be. The maximum estimate so far has been $10,000,000; and the project which we have been discussing, the one from Corpus Christi, Tex., to Apalachee Bay, is estimated to cost $6,200,000.

Mr. BURTON. It may be larger than $10,000,000; we will not know until the end of the bills, in other words.

The discussion shows, as I understand it, that in any event, as the bill passed the House, that fund could be used only for the enlargement of the present canal between Corpus Christi, Tex., and Apalachee Bay; is that correct?

Mr. PEPPER. That is correct.

Mr. BURTON. Can the Senator give me an estimate as to how much that cost will be?

Mr. PEPPER. Approximately $6,200,000.

Mr. BURTON. As a consequence of the language of the substitute of the Senator from Florida, it also would apply to the enlargement between Corpus Christi and the Mexican border; is that correct?

Mr. PEPPER. That is correct.

Mr. BURTON. About how much would that involve?

Mr. PEPPER. I do not recall exactly the cost of it; but the whole project which we authorized in July, including the part from the Mexican border to Corpus Christi, the enlargement of the

canal from Corpus Christi to Apalachee Bay, and the building of the barge canal across Florida, would amount to approximately $83,000,000,000.

Mr. BURTON. Can the Senator give me an estimate of the amount which would be involved in the other link, the one between Apalachee Bay and the east coast?

Mr. PEPPER. The cost of Florida canal part, including the cost of the five locks, was to be about $44,000,000.

Mr. BURTON. So that if the enlargement were made as proposed by the Senate amendment, it would open up an expenditure of at least $44,000,000, if that were available, for the development across Florida, and also an additional sum for the development to the west of Corpus Christi, and there is nothing in the act as it stands that would set a priority as to the expenditures which would be made; is that correct?

Mr. PEPPER. Yes; and the committee's recommendation is always taken as a part of the act. Furthermore, when the Army engineers come before the Appropriations Committee for funds, they always specify what they will do, and they will not change that unless they have another chance to come before the Appropriations Committee and correct it.

So, as a practical matter, in making appropriations, we never do specify the projects upon which it shall be expended. We go upon the statements which the engineers make before the Appropriations Committee; and they scrupulously regard those statements as binding as to the expenditure of the money.

So that historically and practically, and buttressed by the record and the report of the committee, they are not given any authority to interfere with the part from Corpus Christi to Apalachee Bay, and they are not going to initiate any other projects until they are approved and authorized by the Bureau of the Budget and directed by the President.

Mr. BURTON. Let me see if I clearly understand the matter: As the bill passed the House, funds in the amount of approximately $6,000,000 might be available for the central link; is that correct?

Mr. PEPPER. That is correct.

Mr. BURTON. And no more, and not for the Florida link; is that correct?

Mr PEPPER. That is correct.

Mr. BURTON. But with the Senate amendment in the bill, up to $44,000,000 would then be available, and only then, to be expended for the Florida link, if the money were there; is that correct?

Mr. PEPPER. If the money were unobligated and available, if the Bureau of the Budget allocated it for these purposes, if the President found the situation such as to justify and require the expenditure, and if he gave a directive that it be done—yes, with all those "ifs."

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Texas?

Mr. PEPPER. I yield.

Mr. CONNALLY. The Senator suggested a few minutes ago that some amendment of his be brought about. If the Senate would disagree to the Senate committee amendment and leave the House language, and add a proviso that any other funds might be used which would accomplish the purpose if the middle section were left clear and intact and a proviso added "*Provided, however,* That any unexpended funds," and so forth, that would leave us in a position either to adhere to the House language in toto, or vote down the proposed amendment. I am not urging that, but I am suggesting that that could be done as a means of accomplishing the object sought.

Mr. PEPPER. Mr. President, one thing about which the proponents were solicitious was that the projected legislation should be treated as a unit project. For purposes of practical construction, the construction would begin where it was thought best to begin it, but it was thought that legislatively it should not be divided up again into various sections, because the whole purpose of the bill was to provide for one waterway. If there is the desire to break it up into isolated, separate parts, legislatively, again, we might just as well not have adopted the authorization.

Mr. AIKEN. Mr. President, I wish to ask the Senator just one further question.

Mr. PEPPER. I yield.

Mr. AIKEN. I think the answer will have an important bearing on this matter. If the money had been available, has the Senator any doubt of the length of time it would have taken to put the inland waterway in such usable condition that oil could be borne in adequate quantities to northeastern United States? How long would it take if the money were available?

Mr. PEPPER. The work authorized by the Budget on that part of the canal between Corpus Christi and Apalachee Bay is that work which can be done in 1 year. Evidently the petroleum authorities and the Budget and the engineers thought that 1 year's work would get the canal into condition so that it could adequately supply the pipe line and meet the petroleum needs. That is the best answer I can give, that a year was the period of work that was referred to by the Budget, and they are authorized to do only the work which can be done in a year, even between Corpus Christi and Apalachee Bay.

Mr. AIKEN. How long would it take to construct adequate pipe line capacity for a 12-foot barge canal across Florida?

Mr. PEPPER. The estimates vary all the way from 13 months up to 3 years. Of course, the Senator is not losing sight of the fact that the canal between Corpus Christi and Apalachee Bay is already 9 feet deep and already over a hundred feet wide, and already moving great volumes of oil. As a matter of fact, it is already capable of moving all the oil that can be moved through the pipe line that is now being built. They have authorized its enlargement so that we have a greater capacity to furnish oil to the peninsula of Florida. Perhaps they intend to build larger pipe lines; I do not know. It is already capable of moving all the oil that can move through the pipe line that is now being built or that is presently contemplated. However, if we could get a greater capacity in this inland waterway, then, of course, it would move more oil through any additional pipe line or through tank cars or by trucks across the narrow peninsula, so that it could get through the 12-foot-deep intercoastal canal on the east coast, which runs as far north as Trenton, N. J.

PUBLIC DEMAND FOR T. N. E. C. REPORTS

Mr. O'MAHONEY. Mr. President, since the Temporary National Economic Committee went out of existence, so many requests have been coming to my office daily for copies of its various publications that it became necessary a week or two ago to present and secure the adoption of a resolution authorizing the publication of 1,000 additional copies of the final report. Five hundred of those copies will be delivered to the House Document Room, and the other 500 will be available for Members of the Senate.

Because of the demand, I made inquiry of the Superintendent of Documents to find out what the exact condition was of the stock on hand in the Superintendent's office. Senators are aware of course, that the Superintendent of Documents sells to the public all manner of Government publications for which there is a public demand. I find that although this committee went out of existence on April 3, 1941, demand for its publications continues unabated. A single day does not pass that I do not receive several letters in my office asking for one publication or another. The report which I now have in my hands shows the rather remarkable record that the Superintendent of Documents has actually sold to the public 182,125 copies of our various publications. That is the record as of October 6, 1942. The receipts for these various publications amounted to $74,556.45. In this material are to be found factual information and expressions of opinion about almost every conceivable subject which would be involved in economic reorganization or post-war planning.

Mr. President, I ask that there may be printed as a part of my remarks, at this point, the report of the Superintendent of Documents on the condition of stock of the hearings and monographs of the Temporary National Economic Committee.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Report of the Superintendent of Documents on the condition of stock of Temporary National Economic Committee hearings and monographs as of Oct. 6, 1942

Hearings, part—	Received	On hand	Sold	Unit price	Unit total
1. Economic Prologue	3,781	294	3,487	$0.25	$871.75
2. Patents	2,077	503	1,574	.75	1,180.50
3. Patents	1,534	447	1,087	.35	380.45
3. Patents (extract)	5,213	0	5,213		90.00
4. Life Insurance	2,089	157	1,932	.50	966.00
5. Monopolistic Practices in Industries, Development of the Beryllium Industry	1,005	0	1,055	.75	753.75
5A. Federal Trade Commission Report on Monopolistic Practices in Industries	1,013	0	1,013	.15	151.95
6. Liquor Industry	1,000	83	917	.40	366.80
7. Milk Industry, Poultry Industry	1,010	0	1,010	.75	757.50
8. Problems of the Consumer	2,000	735	1,265	.25	316.25
9. Savings and Investment	1,042	0	1,042	.75	781.50
10. Life Insurance	1,004	28	976	.75	732.00
10A. Life Insurance	4,602	296	4,306	.35	1,507.10
11. Construction Industry	1,000	420	580	.75	435.00
12. Industrial Insurance	1,000	174	826	.75	619.50
13. Life Insurance	1,127	300	827	.75	620.25
14. Petroleum Industry	1,006	154	851	.75	638.25
14A. Petroleum Industry	1,009	119	890	.75	667.50
15. Petroleum Industry	1,000	198	802	.75	601.50
15. Petroleum Industry (extract)	505	0	505		165.00
15A. Petroleum Industry	1,000	342	738	.35	265.30
16. Petroleum Industry	1,024	235	789	1.00	789.00
17. Petroleum Industry	1,004	240	764	.65	496.60
17A. Petroleum Industry	1,000	214	786	.30	235.80
18. Iron and Steel Industry	1,000	503	497	.30	149.10
19. Iron and Steel Industry	1,028	482	546	.35	191.10
20. Iron and Steel Industry	1,012	472	540	.35	189.00
21. War and Prices	1,000	332	668	.65	434.20
22. Investment Banking	1,000	542	458	.50	229.00
23. Investment Banking	1,022	544	478	.65	310.70
24. Investment Banking	720	272	448	.75	336.00
25. Cartels	1,020	355	665	1.50	997.50
26. Iron and Steel Industry	1,002	542	460	.65	299.00
27. Iron and Steel Industry	1,024	601	423	.75	317.25
28. Life Insurance	1,078	106	972	1.25	1,215.00
29. Interstate Trade Barriers	1,089	488	601	.55	330.55
30. Technology and Concentration of Economic Power	1,019	387	632	1.75	1,106.00
31. Investments, Profits, and Rates of Return for Selected Industries	1,019	356	663	.40	265.20
31A. Supplemental Data Submitted to the Temporary National Economic Committee	1,019	233	786	.50	393.00
Final Report of the Executive Secretary to the Temporary National Economic Committee	3,145	141	3,004	.55	1,652.20
Total			45,046		22,804.05

Monograph	Received	On hand	Sold	Unit price	Unit total
1. Price Behavior and Business Policy	5,766	794	4,972	$0.45	$2,237.40
2. Families and Their Life Insurance	4,262	830	3,432	.25	858.00
3. Who Pays the Taxes?	4,837	1,465	3,362	.10	336.20
4. Concentration and Composition of Individual Incomes, 1918–37	3,360	143	3,217	.15	482.55
5. Industrial Wage Rates, Labor Costs, and Price Policies	3,269	592	2,677	.25	669.25
6. Export Prices and Export Cartels (Webb-Pomerene Associations)	3,323	942	2,381	.35	833.35
7. Measurement of the Social Performance of Business	3,229	758	2,471	.30	741.30
8. Toward More Housing	2,837	199	2,638	.30	791.40
9. Taxation of Corporate Enterprise	2,238	60	2,178	.60	1,306.80
10. Industrial Concentration and Tariffs	4,302	1,658	2,644	.35	925.40
11. Bureaucracy and Trusteeship in Large Corporations	3,257	310	2,947	.30	884.10
12. Profits, Productive Activities, and New Investment	2,978	719	2,259	.35	790.65
13. Relative Efficiency of Large, Medium-Sized, and Small Business	5,258	1,404	3,854	.50	1,927.00
14. Hourly Earnings of Employees in Large and Small Enterprises	4,330	1,391	2,939	.15	440.85
15. Financial Characteristics of American Manufacturing Corporations	2,901	415	2,486	.40	994.40
16. Antitrust in Action	4,428	766	3,662	.20	732.40
17. Problems of Small Business	4,314	1,167	3,147	.40	1,258.80
18. Trade Association Survey	4,017	560	3,457	.50	1,728.50
19. Government Purchasing—An Economic Commentary	2,223	203	2,020	.35	707.00
20. Taxation, Recovery, and Defense	4,259	1,112	3,147	.35	1,101.45
21. Competition and Monopoly in American Industry	5,776	1,641	4,135	.40	1,654.00
22. Technology in Our Economy	3,266	221	3,045	.35	1,065.75
23. Agriculture and the National Economy	5,327	1,653	3,674	.10	367.40
24. Consumer Standards	3,235	801	2,434	1.00	2,434.00
25. Recovery Plans	3,780	1,276	2,504	.30	751.20
26. Economic Power and Political Pressures	10,349	3,964	6,385	.25	1,596.25
27. The Structure of Industry	3,254	799	2,455	1.00	2,455.00
28. Study of Legal Reserve Life Insurance Companies	8,307	1,638	6,669	.50	3,334.50
28A.	2,110	528	2,582	.15	387.30
29. The Distribution of Ownership in the 200 Largest Nonfinancial Corporations	2,673	330	2,343	2.00	4,686.00
30. Survey of Shareholdings in 1,710 Corporations with Securities Listed on a National Securities Exchange	2,741	639	2,102	.35	735.70
31. Patents and Free Enterprise	3,275	117	3,158	.25	789.50
32. Economic Standards of Government Price Control	2,940	747	2,193	.55	1,206.15
33. Geographical Differentials in Prices of Building Materials	2,217	654	1,563	.55	859.65
34. Control of Unfair Competitive Practices Through Trade Practice Conference Procedure of the Federal Trade Commission	2,763	539	2,224	.10	222.40
35. Large-Scale Organization in the Food Industries	3,311	284	3,027	.20	605.40
36. Reports of the Federal Trade Commission	2,717	666	2,051	.35	717.85
37. Saving, Investment, and National Income	3,208	611	2,457	.20	531.40
38. A Study of the Construction and Enforcement of the Federal Antitrust Laws	3,225	402	2,823	.15	423.45
39. Control of the Petroleum Industry by Major Oil Companies	5,247	1,688	3,559	.30	1,067.70
39A.	3,253	1,332	1,921	.15	288.15
40. Regulation of Economic Activities in Foreign Countries	3,008	604	2,404	.20	480.80
41. Price Discrimination in Steel	2,814	666	2,148	.10	214.80
42. The Basing Point Problem	2,730	548	2,182	.30	654.60
43. The Motion Picture Industry—A Pattern of Control	5,299	2,388	2,911	.15	436.65
S. Doc. 35,[1] 77th Cong., 1st sess.	4,078	38	4,040	1.00	4,040.00
Total			137,079		51,752.40

Total number of Temporary National Economic Committee publications sold	182,125
Total income from same, to date	$74,556.45
Increase since Jan. 6, 1942 (total revenue)	$7,658.30
Increase since Jan. 6, 1942 (publications sold)	16,549

[1] 500 additional copies have been ordered reprinted.

MOBILIZATION OF MANPOWER

Mr. PEPPER. Mr. President, a few days ago I introduced in the Senate Senate Resolution 291, which contemplated the appointment of a special committee to be appointed by the Vice President to make a study of the whole subject of manpower mobilization and use in this country. That resolution was referred to the Committee on Education and Labor. A subcommittee has been holding hearings upon the resolution to determine whether it shall report favorably, or make some modification of the suggestion contained in the resolution, and that is in the nature of a study which is now going on, which we thought appropriate to the committee which deals with the question of public health and vocational training, and public education, and with the question of labor legislation.

It is to be remembered that after all the mobilization of our manpower means the mobilization of more civilians than soldiers. So I thought appropriate to mention at this time, and ask that they be incorporated in the RECORD at the conclusion of my remarks, two letters, one addressed to the chairman of the Committee on Education and Labor, the Senator from Utah [Mr. THOMAS], from J. G. Luhrsen, executive secretary-treasurer, Railway Labor Executives Association, and another dealing with the same subject from M. W. Thatcher, legislative chairman, National Farmers' Union.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

RAILWAY LABOR EXECUTIVES' ASSOCIATION,
Washington, D. C., September 25, 1942.

Hon. ELBERT D. THOMAS,
Chairman, Senate Committee on Education and Labor, Senate Office Building, Washington, D. C.

MY DEAR SENATOR THOMAS: It is my understanding that Senate Resolution 291, introduced by Senator PEPPER to create a five-man committee to study manpower mobilization, has been referred to your committee.

I wish to convey to you my hearty support of Senator PEPPER's resolution and urge upon you the necessity to hold public hearings on the need for such an investigation in the immediate future.

At the present time the Railway Labor Executives' Association is much perturbed by the constant and persistent publicity which is being given to a national service act. We fear that some such legislation may be passed without adequate study being given to the complexities of the problem. We have particular reference to the relationship between production scheduling and manpower scheduling. In addition, we are seriously concerned with the present inadequacies of Federal labor market mechanisms to handle the distribution of war manpower.

With all good wishes, I am,

Sincerely yours,

J. G. LUHRSEN,
Executive Secretary.

NATIONAL FARMERS UNION,
Washington, D. C., September 24, 1942.

The Honorable ELBERT D. THOMAS,
Chairman Senate Committee on Education and Labor, The Capitol, Washington, D. C.

DEAR SENATOR: The Nation's No. 1 problem is manpower. We are months, if not years, late in preparing to meet this problem. Lack of an adequate manpower policy has hit agriculture more quickly than any other industry.

Some people think this problem can be met by higher farm prices and wage adjustments or by a simple freezing of persons in their present occupations. Our organization knows that no such methods would be efficient or adequate. They would soon do more harm than good.

We are alarmed at the blind efforts of various groups in Government and out of Government to take headlong steps to meet our manpower problem without any evidence whatsoever having been given that a program adequate for our needs has yet been thought out. It is clear to us that we can no more meet our farm manpower needs without an adequate over-all program for all industries and activities than we can meet them by a simple juggling of wages and prices. We therefore feel most strongly that it would be disastrous to agriculture and to the Nation to proceed without a realistic examination of all suggested plans and phases of the problem.

We believe Senate Resolution 291, just introduced by Senator PEPPER, provides the only sensible next step. The National Farmers Union urges, therefore, the immediate holding of hearings on that resolution so that your committee and, we hope, the Senate, can be convinced of the need for taking inventory for which the resolution provides. We should be glad to appear before your committee and we do hope that you will immediately call all interested parties for such hearings. We fail to see any other effort now being made to set about providing at this late date the kind of manpower plans which the Nation needs.

Very truly yours,

M. W. THATCHER,
Legislative Chairman, National Farmers Union.

THE NATIONAL SERVICE ACT

Mr. AUSTIN. Mr. President, last night I engaged in the American Forum of the Air, at which the subject which has occupied the attention of the Senate for a part of today was discussed, and I made some brief remarks which were prepared in advance. I ask unanimous consent to have those remarks printed in the RECORD itself at this point.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

The most recent estimate of the number of men required for the Army in 1943 is 7,500,000. If there must also be provided a complement at the rate of 15 civilian workers to each soldier, then the manpower demand would be increased by 112,500,000 persons. Such a demand could not be met out of a population of 134,000,000 on the basis of present man-hours of work and peacetime free competition in the labor market, now estimated to number 59,000,000, and probably to number by the end of 1943, 62,500,000. A crisis would threaten which would involve curtailment of food supplies to both fighting men and civilians, as well as to the production goals set for equipment of our Army as a mobile force competent to strike on any battle front on the globe, if the Government should fail to organize and coordinate demand and supply of manpower and man-hours.

Four bills involving control of manpower between the ages of 18 and 65 have been introduced in the Senate.

Evidence taken in various committee hearings on related subjects has already established the fact that two influences have stripped farms throughout the country of men necessary for their operation—inductions into the land and naval forces, and the competition of industrial employers offering high wages.

There is too great a differential in hours, wages, comfort, interest, and glamor to justify any further hope that this critical shortage can be offset by voluntary service. This fact, alone, warrants enactment of the type of legislation which I have offered.

Also, I believe that labor piracy among industrial activities, as well as labor hoarding in anticipation of future increase of labor demand, require preventive legislation.

My bill, S. 2805, is aimed directly at establishment and maintenance of proper balances between fighting men and production workers, and among civilian activities essential to the health and welfare of the population, and the maintenance of the Army. It is based upon existing laws and institutions, and creates no new agency.

The President, through any agency he might choose, but presumably through his Organization for War, consisting of the Joint Chiefs of Staff, the Economic Stabilization Board, and the War Production Board, from time to time, would determine what may be an adequate supply of production workers in war industries and agriculture, and in other occupations, activities, and employments. These determinations would depend on what may then be essential to the effective prosecution of the war. They would be designed to maintain a proper balance between fighting men and production workers, and among the production workers themselves.

Thus, the Commander in Chief would determine the policies, and would collect, assimilate, and distribute to the Selective Service System categorical information regarding the demand for labor, manpower, and man-hours.

Meanwhile, the Selective Service System is already collecting detailed information which will show the supply of manpower by corresponding categories.

Thus, the systematized over-all relationship between demand and supply could furnish the basis for selection.

Registrants would be selected and assigned to duty by the selective service local boards. The right to appeal from all decisions to a home-rule appeal board or agency of appeal set up under the now existing law is continued by the bill.

Each selectee, not deferred, would be bound to perform the service required of him, and he could not engage in an original employment, or transfer to some other service, or voluntarily enlist, or be commissioned an officer, without the consent of his local board.

This provision would keep the information regarding quotas constantly before the local boards. It would assure the giving of credit to the local communities for all inductions, and it would prevent evasion or avoidance of the plan for an over-all, comprehensive, and inclusive systematization of fighters and workers, with the objective of most efficient armies, wholesome conditions among civilians, and maximum, continuous—and even accelerated—production.

The spirit of the bill has the same democratic ideal which animates and gives moral power to the existing selective-service law. It is decentralized operation of coordinated planning. It is the distribution of operating authority to the smallest branches and twigs of the tree—that is, to the local boards consisting of neighbors of each registrant. They are required to pass upon each person separately and impartially in executing the grand policy required by total war.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. WALLGREN in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

RECESS

Mr. McKELLAR. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 50 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, October 20, 1942, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate October 19 (legislative day of October 15), 1942:

COLLECTOR OF INTERNAL REVENUE

Harold A. Berliner of San Francisco, Calif., to be collector of internal revenue for the first district of California, in place of Clifford C. Anglim, resigned.

COAST AND GEODETIC SURVEY

The following-named employees of the Coast and Geodetic Survey to the position indicated:

TO BE HYDROGRAPHIC AND GEODETIC ENGINEER WITH RANK OF LIEUTENANT IN THE COAST AND GEODETIC SURVEY

Dale E. Sturmer, from the 15th day of October 1942.

Fair J. Bryant, from the 3d day of November 1942.

Charles W. Clark, from the 7th day of November 1942.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

TO ORDNANCE DEPARTMENT

Capt. Champlin Fletcher Buck, Jr., Field Artillery (temporary lieutenant colonel), with rank from June 11, 1941.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

To be colonels with rank from October 1, 1942

Lt. Col. Harold Roe Bull, Infantry (temporary major general).

Lt. Col. James Byron Haskell, Signal Corps (temporary colonel).

Lt. Col. Charles Morton Milliken, Signal Corps (temporary brigadier general).

Lt. Col. James Fred Byrom, Quartermaster Corps (temporary colonel).

To be lieutenant colonels with rank from November 4, 1942

Maj. Dale Vincent Gaffney, Air Corps (temporary colonel).

Maj. Kenneth Bonner Wolfe, Air Corps (temporary brigadier general).

Maj. Grant Heninger, Field Artillery (temporary lieutenant colonel).

Maj. Stanley Powloski, Infantry.

Maj. John Milton Harman, Corps of Engineers (temporary lieutenant colonel).

Maj. Harry Lincoln Calvin, Quartermaster Corps (temporary lieutenant colonel).

Maj. Henry Berbert, Corps of Engineers (temporary lieutenant colonel).

Maj. Chester Carroll Hough, Corps of Engineers (temporary colonel).

Maj. Conrad Palmer Hardy, Corps of Engineers (temporary colonel).

Maj. Clifford Irving Hunn, Cavalry (temporary lieutenant colonel).

Maj. Chester Howard Elmes, Quartermaster Corps (temporary colonel).

Maj. Edward Vanmeter Macatee, Quartermaster Corps (temporary colonel).

Maj. John Vernon Hart, Air Corps (temporary colonel).

Maj. Richard Hartnett Magee, Air Corps (temporary colonel).

Maj. Henry Harold Reily, Air Corps (temporary colonel).

Maj. Henry DuPree, Infantry (temporary lieutenant colonel).

Maj. John Caraway Arrowsmith, Corps of Engineers (temporary colonel).

To be lieutenant colonels with rank from November 16, 1942

Maj. Harvey Thomas Morgan, Infantry (temporary colonel).

Maj. Elsmere Joe Walters, Quartermaster Corps (temporary colonel).

Maj. Harry Edgar Hagan, Quartermaster Corps (temporary lieutenant colonel).

Maj. Frank Osborn Dewey, Cavalry (temporary colonel).

Maj. Edward Milan Taylor, Field Artillery (temporary lieutenant colonel).

Maj. Jesmond Dene Balmer, Field Artillery (temporary brigadier general).

Maj. Herschel David Baker, Field Artillery (temporary lieutenant colonel).

Maj. Donald David FitzGerald, Air Corps (temporary colonel).

Maj. Thomas Standifer Gunby, Field Artillery (temporary colonel).

Maj. Andrew Paul Sullivan, Coast Artillery Corps (temporary lieutenant colonel).

Maj. Austin Walrath Martenstein, Air Corps (temporary colonel).

Maj. Edwin Barton Bobzien, Air Corps (temporary colonel).

Maj. John D. Corkille, Air Corps (temporary colonel).

Maj. William Ross Mackinnon, Quartermaster Corps (temporary lieutenant colonel).

Maj. DuVal Crump Watkins, Quartermaster Corps (temporary colonel).

Maj. Levi L. Berry, Air Corps (temporary colonel).

Maj. Carlton Foster Bond, Air Corps (temporary colonel).

Maj. Robert MacKenzie Shaw, Signal Corps (temporary lieutenant colonel).

Maj. John DeForest Barker, Air Corps (temporary colonel).

Maj. James Albert Durnford, Quartermaster Corps (temporary lieutenant colonel).

Maj. Engmann August Andersen, Quartermaster Corps (temporary colonel).

Maj. Frank Griffin Marchman, Quartermaster Corps (temporary lieutenant colonel).

Maj. Francis Hugh Antony McKeon, Infantry (temporary lieutenant colonel).

Maj. Braxton DeGreves Butler, Quartermaster Corps (temporary lieutenant colonel).

Maj. Clifford Augustus Smith, Quartermaster Corps (temporary lieutenant colonel).

Maj. Warren Rice Carter, Air Corps (temporary colonel).

Major Thomas Francis Sheehan, Cavalry.

Maj. Thad Victor Foster, Air Corps (temporary colonel).

Maj. Thomas Joseph Cross, Infantry (temporary colonel).

Maj. James Bayard Haley, Finance Department (temporary colonel).

Maj. Emerick Kutschko, Infantry (temporary colonel).

Maj. Marshall Eugene Darby, Ordnance Department (temporary colonel).

Maj. Peter Thomas Wolfe, Infantry (temporary colonel).

Maj. John Cyrus Gates, Quartermaster Corps (temporary lieutenant colonel).

Maj. Harold Alling McGinnis, Air Corps (temporary colonel).

Maj. Harry Arthur Halverson, Air Corps (temporary colonel).

Maj. Morton Howard McKinnon, Air Corps (temporary colonel).

Maj. Elmer Edward Adler, Air Corps (temporary brigadier general).

Maj. Nathan William Thomas, Quartermaster Corps (temporary lieutenant colonel).

Maj. Walter Bernard Hough, Air Corps (temporary colonel).

Maj. William Michael Lanagan, Air Corps (temporary colonel).

Maj. George Platt Tourtellot, Air Corps (temporary colonel).

Maj. George Hendricks Beverley, Air Corps (temporary colonel).

Maj. Paul California Wilkins, Air Corps (temporary colonel).

Maj. Bruno William Brooks, Quartermaster Corps (temporary colonel).

Maj. Gustavus Franzie Chapman, Quartermaster Corps (temporary lieutenant colonel).

Maj. Norman Delroy Brophy, Air Corps (temporary colonel).

Maj. Wallace Gordon Smith, Air Corps (temporary colonel).

Maj. Charles Adam Horn, Air Corps (temporary colonel).

Maj. Byron Elihu Gates, Air Corps (temporary colonel).

Maj. Elmer Karl Pettibone, Quartermaster Corps (temporary lieutenant colonel).

Maj. Thomas Hugh Young, Infantry (temporary lieutenant colonel).

Maj. William Lewis Boyd, Air Corps (temporary colonel).

Maj. Delmar Hall Dunton, Air Corps (temporary brigadier general).

Maj. Orvil Arson Anderson, Air Corps (temporary brigadier general).

Maj. Emile Tisdale Kennedy, Air Corps (temporary colonel).

Maj. Robert Benjamin Hood, Field Artillery (temporary lieutenant colonel).

Maj. Roy Milton Thoroughman, Infantry (temporary colonel).

Maj. John Joseph Powers, Quartermaster Corps (temporary colonel).

Maj. John Canning Wade, Corps of Engineers (temporary lieutenant colonel).

Maj. George William Goddard, Air Corps (temporary colonel).

Maj. Charles Wingate Reed, Ordnance Department (temporary colonel).

Maj. William John McCarthy, Coast Artillery Corps (temporary colonel).

Maj. Guy Kirksey, Air Corps (temporary colonel).

Maj. Thomas Herbert Chapman, Air Corps (temporary colonel).

Maj. Robert Van Thomas, Quartermaster Corps (temporary lieutenant colonel).

Maj. Angier Hobbs Foster, Air Corps (temporary colonel).

Maj. Edwin Sullivan, Air Corps (temporary colonel).

Maj. Carroll Ray Hutchins, Quartermaster Corps (temporary lieutenant colonel).

Maj. John Fidelis Connell, Finance Department (temporary lieutenant colonel).

Maj. John Sherman Gullet, Air Corps (temporary colonel).

Maj. Walter Lenius Dencker, Philippine Scouts (temporary lieutenant colonel).

Maj. Roy Judson Caperton, Finance Department (temporary colonel).

Maj. Paul Kellam, Quartermaster Corps (temporary lieutenant colonel).

To be lieutenant colonels with rank from November 24, 1942

Maj. Ray L. Owens, Air Corps (temporary colonel).

Maj. Charles Benjamin Leinbach, Field Artillery (temporary lieutenant colonel).

Maj. Henry Leonard Kersh, Finance Department (temporary lieutenant colonel).

Maj. Lloyd Russell Garrison, Field Artillery (temporary colonel).

Maj. Raymond George Miller, Field Artillery (temporary lieutenant colonel).

Maj. Clyde Milton Hallam, Field Artillery (temporary colonel).

Maj. Nicoll Fosdick Galbraith, Field Artillery (temporary colonel).

Maj. William Adrian Enos, Finance Department (temporary lieutenant colonel).

Maj. Norman Joseph Eckert, Field Artillery (temporary lieutenant colonel).

Maj. Hugh Cort, Field Artillery (temporary colonel).

Maj. George Vardeman McPike, Air Corps (temporary colonel).

Maj. Jasper Ewing Brady, Jr., Infantry (temporary lieutenant colonel).

Maj. George Good Cressey, Air Corps (temporary colonel).

Maj. Clarence Edgar Crumrine, Air Corps (temporary colonel).

Maj. Harry Kirsner, Quartermaster Corps (temporary lieutenant colonel).

Maj. Russell Hay Cooper, Air Corps (temporary colonel).
Maj. Gaylord Leon Phipps, Infantry (temporary lieutenant colonel).
Maj. Henry Guy Woodward, Air Corps (temporary colonel).
Maj. Clifford James Moore, Quartermaster Corps (temporary colonel).
Maj. John Ross Morgan, Air Corps (temporary colonel).
Maj. Roscoe Caleb Wriston, Air Corps (temporary colonel).
Maj. Charles Edwin Thomas, Jr., Air Corps (temporary colonel).
Maj. Henry William Brandhorst, Infantry.
Maj. Leonard Roberts Smith, Infantry (temporary lieutenant colonel).
Maj. Stanley Noble Partridge, Quartermaster Corps (temporary lieutenant colonel).
Maj. James Bumer Jordan, Air Corps (temporary colonel).
Maj. Albin Nace Caldwell, Quartermaster Corps (temporary lieutenant colonel).
Maj. John Hamilton Judd, Quartermaster Corps (temporary lieutenant colonel).
Maj. Thomas Jefferson Ford, Chemical Warfare Service (temporary colonel).
Maj. Charles Richardson Smith, Quartermaster Corps (temporary colonel).
Maj. Raymond Edward Shum, Infantry (temporary colonel).
Maj. Kenton Parkes Cooley, Infantry (temporary colonel).
Maj. Leste: Erasmus Gruber, Finance Department (temporary colonel).
Maj. Fay Smith, Infantry (temporary colonel).
Maj. Alfred Nelson Taylor, Infantry (temporary lieutenant colonel).
Maj. Jack Edmund Rycroft, Quartermaster Corps (temporary lieutenant colonel).
Maj. Ben Robert Jacobs, Infantry (temporary lieutenant colonel).
Maj. Jefferson Buckner Willis, Infantry (temporary colonel).
Maj. Clyde Girard Banks, Infantry (temporary lieutenant colonel).
Maj. Ivan Downes Yeaton, Field Artillery (temporary colonel).
Maj. Thomas Everett Winstead, Infantry (temporary colonel).
Maj. Harry Cullins, Quartermaster Corps (temporary colonel).
Maj. Alfred Edwin McKenney, Infantry (temporary colonel).
Maj. Henry Bosard Ellison, Infantry (temporary lieutenant colonel).
Maj. Joe Arthur Hinton, Infantry (temporary colonel).
Maj. William Paul Hayes, Infantry (temporary lieutenant colonel).
Maj. Earl Monroe Miner, Infantry (temporary lieutenant colonel).
Maj. Eugene Lemuel Miller, Infantry (temporary colonel).
Maj. Reuben Ellis Jenkins, Infantry (temporary colonel).
Maj. Patrick Francis Powers, Chemical Warfare Service (temporary colonel).
Maj. Howard E. Pulliam, Infantry (temporary lieutenant colonel).
Maj. Millard Fillmore Willet Oliver, Finance Department (temporary colonel).
Maj. Thomas Alfred Northam, Infantry (temporary lieutenant colonel).
Maj. James Robert Manees, Infantry (temporary colonel).
Maj. Roland Samuel Henderson, Infantry (temporary lieutenant colonel).
Maj. Norman Drysdale Gillet, Chemical Warfare Service (temporary colonel).
Maj. Jack Clemens Hodgson, Air Corps (temporary colonel).
Maj. Carlisle Clyde Dusenbury, Infantry (temporary lieutenant colonel).
Maj. James Leland Bolt, Infantry (temporary lieutenant colonel).
Maj. John Harvey Becque, Chemical Warfare Service (temporary lieutenant colonel).
Maj. Theodore Thomas Teague, Signal Corps (temporary colonel).
Maj. Eugene Vincent Elder, Signal Corps (temporary colonel).
Maj. Carter Weldon Clarke, Signal Corps (temporary colonel).
Maj. Ralph Gordon Richards, Quartermaster Corps (temporary colonel).
Maj. Paul LaRue Neal, Signal Corps (temporary lieutenant colonel).
Maj. Ray Guy Harris, Air Corps (temporary colonel).
Maj. Harry Earl Reed, Finance Department (temporary lieutenant colonel).
Maj. Kamell Maertens, Infantry (temporary colonel).
Maj. James Cole Shively, Air Corps (temporary colonel).
Maj. Clifford Smith, Quartermaster Corps (temporary colonel).
Maj. Francis Harold Vanderwerker, Judge Advocate General's Department (temporary colonel).
Maj. James Culver Cluck, Air Corps (temporary colonel).
Maj. Richard Geter Rogers, Quartermaster Corps (temporary colonel).
Maj. Robert Taylor Strode, Field Artillery (temporary lieutenant colonel).
Maj. Harold Charles Raymond, Field Artillery (temporary lieutenant colonel).
Maj. Charles Herbert Day, Field Artillery (temporary colonel).
Maj. Harry Lee Watts, Jr., Field Artillery (temporary lieutenant colonel).
Maj. Harold Engerud, Cavalry (temporary lieutenant colonel).
Maj. Sidney Cushman Page, Finance Department (temporary colonel).
Maj. Walter Talcott Wilsey, Quartermaster Corps (temporary colonel).
Maj. Albert James Hastings, Field Artillery (temporary lieutenant colonel).
Maj. Seward Lincoln Mains, Jr., Field Artillery (temporary lieutenant colonel).
Maj. Herbert Glendonne Messer, Signal Corps (temporary lieutenant colonel).
Maj. Charles Kellogg McAlister, Finance Department (temporary colonel).
Maj. Thomas Francis Keefe, Field Artillery (temporary lieutenant colonel).
Maj. Edward Harold Metzger, Field Artillery (temporary colonel).
Maj. Clinton Steele Berrien, Field Artillery (temporary lieutenant colonel).
Maj. John Edward McCarthy, Infantry (temporary lieutenant colonel).
Maj. Keith Kirkman Tatom, Infantry (temporary lieutenant colonel).
Maj. Paul Revere Taylor, Infantry (temporary lieutenant colonel).
Maj. William Noel Amis, Air Corps (temporary colonel).
Maj. Alva Edison McConnell, Quartermaster Corps (temporary colonel).
Maj. Harold Hibbard Carr, Air Corps (temporary colonel).
Maj. Carley Lawrence Marshall, Infantry (temporary lieutenant colonel).
Maj. Henderson Wilcox Allen, Philippine Scouts (temporary lieutenant colonel).
Maj. William Ernest Donegan, Infantry (temporary colonel).

To be lieutenant colonels with rank from November 26, 1942

Maj. Stanley Milward Umstead, Air Corps (temporary colonel).
Maj. Robert Smith Williams, Quartermaster Corps (temporary lieutenant colonel).
Maj. Roland Birnn, Air Corps (temporary colonel).
Maj. Stanton Thomas Smith, Air Corps (temporary colonel).
Maj. Stephen Edward Stancisko, Field Artillery (temporary colonel).
Maj. Edward Vincent Freeman, Quartermaster Corps (temporary colonel).
Maj. Norman Crawford Caum, Infantry (temporary lieutenant colonel).
Maj. Howard James Edmands, Philippine Scouts (temporary lieutenant colonel).

To be first lieutenants with rank from November 18, 1942

Second. Lt. Charles Broderick Huntley, Field Artillery (temporary captain).
Second Lt. Benjamin Hays Vandervoort, Infantry (temporary captain).
Second Lt. Elbert Mack Sleeker, Infantry (temporary major).
Second Lt. Walter Emil Barker, Field Artillery (temporary captain).
Second Lt. Elbert Emerson Stickels, Infantry (temporary first lieutenant).
Second Lt. Robert Alan MacGregor, Field Artillery (temporary captain).
Second Lt. Dean Edgar Painter, Field Artillery (temporary captain).
Second Lt. Max Lee Pitney, Field Artillery (temporary captain).
Second Lt. Harry Walter Stephenson, Jr., Infantry (temporary captain).
Second Lt. Donn Wallace Mall, Infantry (temporary first lieutenant).
Second Lt. Jacob Shacter, Infantry (temporary captain).
Second Lt. Cecil Hubbard Strong, Field Artillery (temporary captain).
Second Lt. Harry Wilhoit Stulting, Infantry (temporary first lieutenant).
Second Lt. Patrick Boisseau Watson, Infantry (temporary captain).
Second Lt. Joel McCord Hollis, Infantry (temporary captain).
Second Lt. Matthew Charles Mautz, Signal Corps (temporary captain).
Second Lt. Robert Nelson Eddy, Infantry (temporary captain).
Second Lt. Allen Bennett, Coast Artillery Corps (temporary captain).
Second Lt. Malcolm Ringen Stotts, Infantry (temporary captain).
Second Lt. Marvin Arnold Kreidberg, Infantry (temporary captain).
Second Lt. Robert Lucius Walton, Infantry (temporary captain).
Second Lt. John Belton O'Connell, Infantry (temporary captain).
Second Lt. James Wright Williams, Coast Artillery Corps (temporary captain).
Second Lt. Wilson Maxwell Hawkins, Cavalry (temporary captain).
Second Lt. Armistead Robison Harper, Cavalry (temporary captain).
Second Lt. Eugene John White, Cavalry (temporary captain).
Second Lt. Francis Xavier Bradley, Coast Artillery Corps (temporary major).
Second Lt. John Ellison Hart, Coast Artillery Corps (temporary first lieutenant).

MEDICAL CORPS

To be captains

First Lt. Franklin Leo Spann, Medical Corps (temporary captain), with rank from November 1, 1942.
First Lt. Kermit Hudson Anderson, Medical Corps (temporary major), with rank from November 1, 1942.
First Lt. Walter Robbins deForest, Medical Corps (temporary major), with rank from November 3, 1942.
First Lt. Glenn Jesse Collins, Medical Corps (temporary major), with rank from November 8, 1942.
First Lt. Cannon Armstrong Owen, Medical Corps (temporary captain), with rank from November 8, 1942.
First Lt. Roger Leslie O'Toole, Medical Corps (temporary major), with rank from November 8, 1942.
First Lt. William Nelson Piper, Medical Corps (temporary captain), with rank from November 8, 1942.
First Lt. Madison Aaron Furrh, Medical Corps (temporary captain), with rank from November 8, 1942.
First Lt. Edward Ross Marshall, Medical Corps (temporary captain), with rank from November 8, 1942.
First Lt. John Thomas Martin, Medical Corps (temporary major), with rank from November 8, 1942.

First Lt. Frank James Shaffer, Medical Corps (temporary major), with rank from November 8, 1942.

First Lt. Hanes Mathew Fowler, Medical Corps (temporary captain), with rank from November 8, 1942.

First Lt. David Edward Thomas, Medical Corps (temporary major), with rank from November 8, 1942.

First Lt. Otis Whittier Snyder, Medical Corps (temporary major), with rank from November 8, 1942.

First Lt. Beverley Eugene Smith, Medical Corps (temporary captain), with rank from November 8, 1942.

DENTAL CORPS

To be captain

First Lt. Paul Eugene Edson, Dental Corps (temporary major), with rank from November 1, 1942.

First Lt. David Chase Hazard, Dental Corps (temporary captain), with rank from November 1, 1942.

First Lt. Walter Judson Newton, Dental Corps (temporary major), with rank from November 8, 1942.

First Lt. Robert Clay Sample, Dental Corps (temporary captain), with rank from November 17, 1942.

First Lt. James Edward Chipps, Dental Corps (temporary captain), with rank from November 22, 1942.

First Lt. Harold John Malan, Dental Corps (temporary captain), with rank from November 22, 1942.

First Lt. Franklin Smith Lister, Dental Corps (temporary major), with rank from November 22, 1942.

CHAPLAINS

To be captains

Chaplain (First Lt.) Augustine Perry Donnelly, United States Army (temporary major), with rank from November 5, 1942.

Chaplain (First Lt.) Louis James Beasley, United States Army (temporary captain), with rank from November 13, 1942.

Chaplain (First Lt.) Mitchell William Phillips, United States Army (temporary major), with rank from November 13, 1942.

Chaplain (First Lt.) Albin Leonard Fortney, United States Army (temporary captain), with rank from November 20, 1942.

Chaplain (First Lt.) Wallace McDougald Hale, United States Army (temporary captain), with rank from November 20, 1942.

Chaplain (First Lt.) Norman Gregg Long, United States Army (temporary captain), with rank from November 20, 1942.

PROMOTIONS IN THE REGULAR NAVY

The following-named commanders to be captains in the Navy, to rank from the date stated opposite their names:

James M. Steele, April 21, 1942.
Charles P. Cecil, June 30, 1942.
Gilbert C. Hoover, June 30, 1942.
Herbert J. Grassie, June 30, 1942.
Lyman K. Swenson, June 30, 1942.
Henry R. Oster, June 30, 1942.
Albert G. Noble, June 30, 1942.
Andrew G. Shepard, June 30, 1942.
William P. O. Clarke, June 30, 1942.
Nicholas Vytlacil, June 30, 1942.
Carl F. Holden, June 30, 1942.
Proctor M. Thornton, June 30, 1942.

The following-named lieutenant commanders to be commanders in the Navy, to rank from the date stated opposite their names:

Theodore R. Wirth, January 1, 1942.
John H. Shultz, January 1, 1942.
David W. Roberts, January 1, 1942.
John H. Leppert, March 1, 1942.
Anthony L. Danis, March 1, 1942.
Charles C. Phleger, April 1, 1942.
Edward A. Solomons, May 2, 1942.
Herbert S. Duckworth, June 30, 1942.
Cecil C. Adell, June 30, 1942.
Whitaker F. Riggs, Jr., June 30, 1942.
Henry F. MacComsey, June 30, 1942.
Edward H. Pierce, June 30, 1942.
Edward H. Durgin, June 30, 1942.
Leon J. Manees, June 30, 1942.

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the date stated opposite their names:

Eugene B. McKinney, January 1, 1942.
Lucius H. Chappell, January 1, 1942.
Roland F. Pryce, January 1, 1942.
Charles L. Freeman, January 1, 1942.
George L. Heath, January 1, 1942.
Doyle G. Donaho, January 1, 1942.
Joseph B. Maher, January 1, 1942.
Gordon S. Everett, January 1, 1942.
John C. Atkeson, January 1, 1942.
George P. Enright, February 1, 1942.
Rodney B. Lair, February 19, 1942.
John R. Pierce, March 1, 1942.
Robert C. Peden, March 1, 1942.
John T. Bowers, Jr., March 1, 1942.
Hugh R. Nieman, Jr., March 1, 1942.
Daniel J. Wagner, March 1, 1942.
Robert J. Archer, April 1, 1942.
Idris B. Monahan, April 1, 1942.
George Fritschmann, May 9, 1942.
John K. McCue, June 1, 1942.
Leonard F. Freiburghouse, June 30, 1942.
John L. Collis, June 30, 1942.
Marcel R. Gerin, June 30, 1942.
Jesse J. Underhill, June 30, 1942.
Philip D. Gallery, June 30, 1942.
Stephen N. Tackney, June 30, 1942.
John A. Williams, June 30, 1942.
William F. Raborn, Jr., June 30, 1942.
Robert T. S. Keith, June 30, 1942.
Robert W. Wood, June 30, 1942.
John A. Scott, June 30, 1942.
Corben C. Shute, June 30, 1942.
Herbert J. Hiemenz, June 30, 1942.
Earl A. Junghans, June 30, 1942.
Gerald L. Huff, June 30, 1942.
Elliott W. Parish, Jr., June 30, 1942.
Caleb B. Laning, June 30, 1942.
Paul Foley, Jr., June 30, 1942.
Francis R. Duborg, June 30, 1942.
Williston L. Dye, June 30, 1942.
William H. McClure, June 30, 1942.
George W. Ashford, June 30, 1942.
Albert C. Perkins, June 30, 1942.
Ralph C. Lynch, Jr., June 30, 1942.
Edward C. Folger, Jr., June 30, 1942.
Herman L. Ray, June 30, 1942.
Lamar P. Carver, June 30, 1942.
Oliver G. Kirk, June 30, 1942.
Roy Jackson, June 30, 1942.
Arthur S. Hill, June 30, 1942.
John F. Davidson, June 30, 1942.
Charles O. Triebel, June 30, 1942.
Edward R. Hannon, June 30, 1942.
Reynold D. Hogle, June 30, 1942.
Frank B. Stephens, June 30, 1942.
Goldsborough S. Patrick, June 30, 1942.
John R. Yoho, June 30, 1942.
George F. Beardsley, June 30, 1942.
Richard R. Bellinger, June 30, 1942.
Charles H. Crichton, June 30, 1942.
James H. Mills, Jr., June 30, 1942.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, to rank from the date stated opposite their names:

Albert M. Bontier, December 8, 1941.
Thomas H. Henry, December 16, 1941.
John J. Foote, January 1, 1942.
Vincent A. Sisler, Jr., January 1, 1942.
Cassius D. Rhymes, Jr., January 1, 1942.
George Hutchinson, January 1, 1942.
Gordon E. Schecter, January 1, 1942.
Frank K. B. Wheeler, January 1, 1942.
Grafton B. Campbell, January 1, 1942.
Henry C. Gearing, 3d, January 1, 1942.
Joe R. Penland, January 1, 1942.
Robert W. Jackson, January 1, 1942.
Richard G. Jack, January 1, 1942.
John D. Stevens, January 1, 1942.
William F. McLaren, January 1, 1942.
William J. Germershausen, Jr., January 1, 1942.
Walker A. Settle, Jr., January 1, 1942.
Peter F. Boyle, January 1, 1942.
Richard D. Stephenson, January 1, 1942.
Robert A. Phillips, January 1, 1942.
Martin T. Hatcher, January 1, 1942.
Everett H. Steinmetz, January 1, 1942.
Burris D. Wood, Jr., January 1, 1942.
John T. Probasco, January 1, 1942.
Robert H. Holmes, January 1, 1942.
Arthur T. Decker, January 1, 1942.
Edwin B. Parker, Jr., January 1, 1942.
William A. Sullivan, January 1, 1942.
LeRoy T. Taylor, January 1, 1942.
Mark Eslick, Jr., January 1, 1942.
James W. Whaley, January 1, 1942.
Benjamin L. E. Talman, January 1, 1942.
Dale E. Cockran, January 1, 1942.
James H. Mini, January 1, 1942.
Bladen D. Claggett, January 1, 1942.
John H. Theis, January 1, 1942.
Richard E. Babb, January 1, 1942.
Charles W. Consolvo, January 1, 1942.
Groome E. Marcus, Jr., January 1, 1942.
Nicholas G. Doukas, January 1, 1942.
Wilson G. Reifenrath, January 1, 1942.
Edward D. Robertson, January 1, 1942.
Wyman H. Packard, January 1, 1942.
Clyde H. McCroskey, Jr., January 1, 1942.
Arthur A. Giesser, January 1, 1942.
Richard H. Burns, January 1, 1942.
Joseph E. Dougherty, January 1, 1942.
Doyen Klein, January 1, 1942.
Richard McGowan, January 1, 1942.
Albert H. Bowker, January 1, 1942.
William E. Gaillard, January 1, 1942.
Arnold H. Newcomb, January 1, 1942.
Edward C. Outlaw, January 1, 1942.
Edward W. Bridewell, January 1, 1942.
Charles H. Turner, January 1, 1942.
Frederic W. Kinsley, January 1, 1942.
William T. Samuels, January 1, 1942.
Kerfoot B. Smith, January 1, 1942.
James T. Moynahan, January 1, 1942.
Clarence M. White, Jr., January 1, 1942.
Seth S. Searcy, Jr., January 1, 1942.
James A. Brown, January 1, 1942.
Allan F. Fleming, January 1, 1942.
Frederic A. Chenault, January 1, 1942.
John B. Rawlings, January 1, 1942.
Robert E. Odening, January 1, 1942.
Alexander K. Tyree, January 1, 1942.
Frank G. Springer, January 1, 1942.
William B. Thomas, January 1, 1942.
Robert A. Thacher, January 1, 1942.
William N. Price, January 1, 1942.
John D. Blitch, January 1, 1942.
John M. Alford, January 1, 1942.
Raymond W. Vogel, Jr., January 1, 1942.
Carl H. Amme, Jr., January 1, 1942.
Willard M. Hanger, January 1, 1942.
Clinton McKellar, Jr., January 1, 1942.
William T. Groner, January 1, 1942.
James L. Semmes, January 1, 1942.
John P. Preston, January 1, 1942.
Harlan R. Dickson, January 1, 1942.
Allen R. Faust, February 1, 1942.
Jonathan L. W. Woodville, Jr., February 1, 1942.
Dayton A. Seiler, February 5, 1942.
Sydney R. Miller, Jr., February 19, 1942.
Thomas S. King, Jr., March 1, 1942.
Sydney S. Sherby, March 1, 1942.
William Blenman, March 1, 1942.
Walter B. Bayless, March 20, 1942.
Richard R. Bradley, Jr., April 1, 1942.

The following-named ensigns to be lieutenants (junior grade) in the Navy, to rank from the date stated opposite their names:

Philip F. Bankhardt, June 1, 1942.
William O. Carlson, June 1, 1942.
John R. Mackroth, June 1, 1942.
John N. West, June 1, 1942.
Howard L. Johnson, June 1, 1942.
Charles E. Ingalls, Jr., June 1, 1942.
Wilbur J. Wehmeyer, June 1, 1942.
Mervin J. Berg, June 1, 1942.
Morris R. Doughty, June 1, 1942.
Richard LeR. Summers, June 1, 1942.
DeVon McC. Hizer, June 1, 1942.
Leslie A. Pew, June 1, 1942.
Glen B. Butler, June 1, 1942.
Donald Furlong, June 1, 1942.
John M. Reigart, June 1, 1942.
Frank W. Vannoy, June 1, 1942.
William G. Hawthorne, Jr., June 1, 1942.
Frederic A. Hooper, June 1, 1942.

Hubert E. Carter, June 1, 1942.
James A. Dare, June 1, 1942.
George B. Cattermole, June 1, 1942.
Fred W. Kittler, June 1, 1942.

Medical Director Edgar L. Woods to be a medical director in the Navy, with the rank of rear admiral, to rank from the 1st day of March 1937.

Medical Inspector Wendell H. Perry to be a medical director in the Navy, with the rank of captain, to rank from the 30th day of June 1942.

Surgeon Harold O. Cozby to be a medical inspector in the Navy, with the rank of commander, to rank from the 30th day of June 1942.

The following-named passed assistant surgeons to be surgeons in the Navy, with the rank of lieutenant commander, to rank from the date stated opposite their names:

Charles L. Ferguson, January 1, 1942.
Cecil H. Coggins, January 1, 1942.
Robert W. Babione, January 1, 1942.
Frank P. Kreuz, Jr., January 1, 1942.
James R. Reid, Jr., January 1, 1942.
Austin J. Walter, January 1, 1942.
Albert H. Staderman, January 1, 1942.
Paul M. Crossland, January 1, 1942.
Alton C. Abernethy, January 1, 1942.
Walter H. Schwartz, January 1, 1942.
Armand J. Pereyra, January 1, 1942.
William V. Clark, January 1, 1942.
John T. Smith, January 1, 1942.
Oran W. Chenault, January 1, 1942.
David C. Gaede, January 1, 1942.
Jerry T. Miser, January 1, 1942.
Phillip S. McLennan, January 1, 1942.
Edwin B. Coyl, January 1, 1942.
Thomas L. Allman, January 1, 1942.
Elmer L. Caveny, January 1, 1942.
Gordon H. Ekblad, January 1, 1942.
Ernest C. Aulls, January 1, 1942.
Julius C. Early, Jr., January 1, 1942.
Clark G. Grazier, June 30, 1942.
John M. Wheelis, Jr., June 30, 1942.
William L. Engelman, June 30, 1942.
Robert L. Ware, June 30, 1942.
Robert A. Bell, June 30, 1942.
Murphy K. Cureton, June 30, 1942.
Alvin J. Cerny, June 30, 1942.
George B. Ribble, June 30, 1942.
Langdon C. Newman, June 30, 1942.
Victor G. Colvin, June 30, 1942.
Fitz-John Weddell, Jr., June 30, 1942.
Leslie D. Ekvall, June 30, 1942.
Benjamin G. Feen, June 30, 1942.
Lawrence E. Bach, June 30, 1942.
John H. Ward, Jr., June 30, 1942.
Thomas L. Willmon, June 30, 1942.
Francis K. Smith, June 30, 1942.
James B. Butler, June 30, 1942.
Andrew Galloway, June 30, 1942.
Erwin H. Osterloh, June 30, 1942.
Charles D. Bell, June 30, 1942.
Paul M. Hoot, June 30, 1942.
Morris M. Rubin, June 30, 1942.
Louis M. Harris, June 30, 1942.
Charles R. Moon, June 30, 1942.
Alton R. Higgins, June 30, 1942.
David H. Davis, June 30, 1942.
Lewis T. Dorgan, June 30, 1942.
Richard S. Silvis, June 30, 1942.
Oscar Schneider, June 30, 1942.
Julian M. Jordan, June 30, 1942.

The following-named assistant surgeons to be passed assistant surgeons in the Navy, with the rank of lieutenant, to rank from the 1st day of January 1942:

Eldon C. Olson	George L. Calvy
Robert E. Bruner	Joseph J. Blanch
Boris Schuster	Joseph L. Yon
Ralph B. Berry	Derrick C. Turnipseed
Joseph J. Zuska	William W. Ayres
Felix H. Ocko	Bruno O. Junnila
Jacque E. Miller	Paul J. Ritchie
Ronald B. Frankboner	James A. Grindell
Robert B. Jamieson, Jr.	John D. Walters
Robert B. Johnson	Marcellus C. Shurtleff
William S. Wray	Edward F. Slosek
Thomas M. Foley, Jr.	Jesse F. Richardson
Lamar B. Harper	Walter F. Berberich
Arthur J. Vandergrind	Shirley A. Fuhring
Joseph M. Picciochi	Robert G. Gilbert
Norman L. Barr	Nicholas M. Musso
Robert H. Mershon	Leslie G. Seebach
Frederic G. Hirsch	John T. Cangelosi
George W. Mast	Wallace E. Allen
Emmett F. Norwood	Lewis S. Sims, Jr.

The following-named passed assistant dental surgeons to be dental surgeons in the Navy, with the rank of lieutenant commander, to rank from the date stated opposite their names:

Curtiss W. Schantz, January 1, 1942.
Charles F. Lynch, January 1, 1942.
Mack Meradith, January 1, 1942.
William D. F. Stagner, January 1, 1942.
Robert W. Wheelock, June 30, 1942.
Paul M. Carbiener, June 30, 1942.
Richard H. Barrett, Jr., June 30, 1942.

The following-named assistant dental surgeons to be passed assistant dental surgeons in the Navy, with the rank of lieutenant, to rank from the 1st day of January 1942.

Dewey D. Jackson	John C. Farquhar
Charles J. Schork	Paul L. Brandt
Albert T. Smith	William R. Franklin

The following-named pay inspectors to be pay directors in the Navy, with the rank of captain, to rank from the 30th day of June 1942:

Carlton R. Eagle	Thomas E. Hipp
Wilson S. Hullfish	James D. Boyle

The following-named paymasters to be pay inspectors in the Navy, with the rank of commander, to rank from the 30th day of June 1942:

Walter E. Gist
Ralph J. Arnold
Reed T. Roberts

The following-named passed assistant paymasters to be paymasters in the Navy, with the rank of lieutenant commander, to rank from the 30th day of June 1942:

James S. Bierer
Allan McL. Gray
Milton C. Dickinson

The following-named assistant paymasters to be passed assistant paymasters in the Navy, with the rank of lieutenant, to rank from the date stated opposite their names:

Stephen Sherwood, January 1, 1942.
Charles S. Sharrocks, January 1, 1942.
Charles H. McCarthy, Jr., January 1, 1942.
Stanton M. Trott, January 1, 1942.
Charles K. Phillips, February 20, 1942.
Allen B. Reed, Jr., March 25, 1942.

The following-named acting chaplains to be chaplains in the Navy, with the rank of lieutenant, to rank from the 1st day January 1942:

Francis A. Burke
Walter A. Mahler

The following-named captains to be rear admirals in the Navy, to rank from the date stated opposite their names:

Patrick N. L. Bellinger, November 1, 1941.
William R. Purnell, March 1, 1942.
Donald B Beary, June 30, 1942.

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the date stated opposite their names:

Monro M. Riker, December 8, 1941.
Marvin G. Kennedy, June 30, 1942.

The following-named dental surgeons to be dental surgeons in the Navy, with the rank of captain, to rank from the 30th day of June 1942:

Francis G. Ulen	David L. Cohen
Henry R. Delaney	Harry L. Kalen

Dental Surg. Daniel W. Ryan to be a dental surgeon in the Navy, with the rank of commander, to rank from the 30th day of June 1942.

The following-named passed assistant dental surgeons to be dental surgeons in the Navy, with the rank of lieutenant commander, to rank from the date stated opposite their names:

Francis V. Lydon, January 1, 1942.
George N. Crosland, June 30, 1942.
Adolph W. Borsum, June 30, 1942.
William D Bryan, June 30, 1942.

The following-named assistant dental surgeons to be passed assistant dental surgeons in the Navy, with the rank of lieutenant, to rank from the 1st day of January 1942:

August Bartelle
Edmund E. Jeansonne
William D. Owen

Assistant Paymaster Earl E. Carlsten to be an ensign in the line of the Navy, to rank from the 1st day of June 1939.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 19 (legislative day of October 15), 1942:

POSTMASTERS

KENTUCKY

William L. Dawson, Jr., La Grange.

LOUISIANA

Edith A. Gordy, Wisner.

MICHIGAN

Kenneth L. Martin, Bloomfield Hills.

NEW JERSEY

Viola J. Kearns, Netcong.

OHIO

Charles R. Gampher, Jr., Rossford.

HOUSE OF REPRESENTATIVES

MONDAY, OCTOBER 19, 1942

The House met at 12 o'clock noon and was called to order by the Speaker.

The Reverend Edward G. Latch, Metropolitan Memorial Methodist Church, Washington, D. C., offered the following prayer:

Almighty and Eternal God, in whose hand are all the nations of the earth, and who hast given us this good land for our heritage, we pray for our country. Humbly we beseech Thee to make of us a people worthy of Thy favor, deserving of Thy mercy, and glad to do Thy will.

Pour out Thine abundant blessing upon us the leaders of our Nation. We need Thy guidance. We need the wisdom that comes from Thee. May we truly be Thy servants, eager to do Thy will and ready to obey Thy voice.

Take from us all pride and greed and injustice. Grant unto us the spirit of unselfish service which alone can make us great. Keep in our hearts a spirit of devotion to the public good and keep from our hearts a desire for the public goods, that truth and righteousness and good will may be exalted in our land and in all lands.

We remember before Thee all those engaged in the defense of our country. Preserve their lives and keep them clean in mind and spirit. Comfort the sorrowing. Strengthen the weak. And hasten the day when peace shall come in the hearts of all men, we pray in the name of Jesus Christ our Lord. Amen.

The Journal of the proceedings of Saturday, October 17, 1942, was read and approved.

HOUR OF MEETING

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the

House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

CALL OF THE PRIVATE CALENDAR DISPENSED WITH

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of bills on the Private Calendar tomorrow be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

DELAY OF MEMBER EN ROUTE TO WASHINGTON

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

Mr. McCORMACK. Mr. Speaker, on Saturday last, through oversight on my part I neglected to read a telegram that was received at that time addressed to Hon. SAM RAYBURN and I read it at this time for the RECORD:

HAGERSTOWN, MD., *October 17, 1942.*

Hon. SAM RAYBURN,
Speaker of the House:

I am en route to Washington on train due there 10:45 this morning. Because of flood conditions our train is detoured. Will not arrive before 7 this evening. Will you please insert this in RECORD to show why I cannot be present unless vote comes after that hour?

LAURENCE F. ARNOLD,
Member of Congress.

PERMISSION TO ADDRESS THE HOUSE

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that I may be allowed to address the House tomorrow for 15 minutes after disposition of business on the Speaker's table and at the conclusion of any other special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. KNUTSON]?

There was no objection.

THE INDEPENDENCE OF THE UNITED STATES

The SPEAKER. Under the circumstances and the occasion the Chair will, without objection, recognize at this time the gentleman from Virginia [Mr. BLAND] for 15 minutes.

There was no objection.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain quotations.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. BLAND]?

There was no objection.

Mr. RANKIN of Mississippi. Mr. Speaker, the gentleman from Virginia is going to discuss one of the most important issues in the world today, and I think the Members of the House ought to be here to listen.

Mr. BLAND. I hope the gentleman will not do that. I received permission to address the House sometime ago, and I would prefer that the gentleman not make the point of order.

Mr. RANKIN of Mississippi. Mr. Speaker, I withdraw the point of order.

Mr. BLAND. Mr. Speaker, one hundred and sixty-one years ago today the independence of this Nation was won at Yorktown, Va. About 11 o'clock in the forenoon of that day the articles of surrender were signed by General Washington in the trenches. Cornwallis and his army became prisoners of war. At noon Yorktown changed hands. At 2 p. m. the army of Cornwallis marched out as prisoners of war to the surrender field to lay down their arms. They marched to the tune of an old British march with the title considered by them to be peculiarly appropriate then, but vastly more appropriate now—The World Turned Upside Down.

One hundred and sixty-one years ago at this very moment of the day the American and French allied troops were preparing their lines for the surrender and the British were preparing to march out of Yorktown to the surrender field. Two hours later the prisoners of war marched out between the American Army on the one side with Washington at their head and the French on the other side headed by Rochambeau. The contrast between the French and the Americans was striking. The French were in their white uniforms, with plumed and decorated officers at their head, and with gorgeous standards of white silk, embroidered with golden fleur de lis, floating along the line. On the other side were the war-worn, weary Continentals of Washington, wearing every variety of dress, poor at the best, distinguishing the men of the different lines, their appearance speaking of the hardships and the privations that they and their States had undergone to win the struggle, but all bearing themselves as conquerors and with a soldierly manner that commanded attention.

The surrender was exactly 6 years and 6 months following that spring day in 1775, when at Lexington and at Concord, in the State of Massachusetts, armed resistance began—that day when—

The embattled farmers stood,
And fired the shot heard round the world.

The surrender at Yorktown brought liberty to American and Englishman alike. From the hour of that surrender both nations grew to greatness. The policies of the older country changed. The policies of the younger took shape. They were both fashioned in the mold of freedom.

On the occasion of the sesquicentennial celebration of the surrender, in 1931, there was unveiled and dedicated at Yorktown a memorial tablet bearing the bust of Lord Cornwallis. The tablet had been presented by the Virginia Yorktown Sesquicentennial Commission and was erected on the outer wall of former Governor Nelson's home, which was the headquarters of Lord Cornwallis immediately preceding the surrender. The tablet bore this inscription: "A testimonial of the affection of Virginia for the mother country." The table was unveiled by Mrs. Arthur C. Humphreys, a direct descendant in collateral line of the father of Lord Cornwallis.

The memorial was unveiled in the presence and with the sympathetic approval of a direct descendant of General Rochambeau, the commandant of the French forces.

The response to the speech in dedication of the memorial was delivered by Lord Cornwallis, C. B. E., a direct descendant of Lord Cornwallis, the commander of the British forces at Yorktown.

In his response then, Lord Cornwallis said:

Gen. George Washington is recognized as one of the greatest figures not only in the history of this country but in the history of the werld, and the fact that my ancestor had to yield to him in honorable defeat was no disgrace. To yield was considered no disgrace by Cornwallis' countrymen at the time, and it is not considered so today. Later Lord Cornwallis was again called to high office.

Although I know what your country owes to General Washington, both as soldier and administrator, yet even he could not have won the victory without the untamable spirit of British freedom. To that my forebear had to yield.

It is a most pleasant chance that has enabled me to be present as your guest today. When I received the invitation I determined that if it were in any way possible that I would be present as the representative of the soldier and administrator whose memory you honor today.

What is happening today, it appears to me, could happen only in a great and generous country.

In a sermon by Bishop Freeman at the sesquicentennial celebration held in 1931 at Yorktown, he recalled that in the latest hour of his eventful life the dying war President Woodrow Wilson, declared that "Our civilization cannot survive materially unless it be redeemed spiritually." Bishop Freeman said:

In no fitter place or amidst more stirring scenes might we highly and solemnly resolve, God helping us, to rededicate our lives, our fortunes, and our sacred honor that this Nation, under God, shall not perish from the earth.

We appeal to the leaders of every class and kind, to parties of every name, to the churches of every faith, to native sons and foreign born, for a reaffirmation and practical demonstration of those eternal values that alone proceed from a vital and vitalizing faith, regnant and evident in the hearts of men.

The days when those words were uttered were days of peace. The war drums were stilled, and the battleflags were furled. Peace reigned. We thought that we had made the world safe for democracy. Our prayer was that peace might continue forever. Eleven years have now joined the eternity of the past. We are engaged in a more deadly, desperate, devastating, brutal, destructive war than has ever before swept the world. The liberties of the world are threatened. Our own liberties so dearly won in the Revolution are menaced. Our country is in danger. Our destiny is at stake. Now, more than ever, it is necessary that leaders of every class and kind, parties of every name, churches of all creeds, native sons and foreign born, must reaffirm and rededicate themselves to the high ideals and the lofty purposes for which one

hundred and sixty-one years ago we fought. We must now reconsecrate ourselves to the vital and vitalizing faith regnant and evident in the hearts of those men who made Yorktown immortal. Once more we must return to fundamentals. On this day, sacred with the blood of patriots, rich in tradition and forever hallowed in memory, I beg for unity, for cessation of strife, for devotion to one ideal, for consecration to one purpose, to unrelenting toil for speedy victory. Thank God, there still exists that spirit of freedom which Lord Cornwallis, in 1931 at Yorktown, described as the untamable spirit of British freedom to which at Yorktown in 1781 his ancestor had been compelled to yield. That spirit has joined America and Britain in arms and those nations cannot know defeat.

The old France is missing. Only a part of France is with us, a glorious united, fighting France; but a part of France is under the despot's heel. Fear not; the spirit of freedom in France can never die. Daily resistance demonstrates that no tyrant can ever conquer that indomitable spirit, and I confidently predict that when victory shall crown our efforts the revivified and reglorified strains of the Marseillaise will resound in triumph in the streets of Berlin, along with the national anthems of the Allied Nations, bringing victory and peace and hope to a bleeding world.

We have inherited liberty, freedom of assembly, freedom of speech, freedom of the press, the enjoyment of life, and those other essentials with which we have become so familiar that they are even as the air we breathe. In contrast, our enemies present us with a new order exemplified by assassinations, suppression of speech, control of the press, relentless persecution of races and religious sects, concentration camps for the aged, the diseased, the unfortunates, political opponents, pogroms and purges, family life destroyed by spies, life under secret police, the Gestapo, the torture camps, mass executions, industrial feudalism, lies, brutality, torture, and death.

Against these things we fight. To their destruction we devote all that we are and all we hope to be.

Today's struggle is between freedom and slavery. Both cannot survive.

We may have today some defeatists and appeasers. The same pernicious groups existed in our war for independence. There were those who then found us weak, who would have us wait until we were stronger, who foresaw financial bankruptcy, and who would have us do nothing. Patrick Henry answered them. He said:

> Shall we gather strength by irresolution and inaction? Shall we acquire the means of effectual resistance by lying supinely on our backs, and hugging the delusive phantom of hope, until our enemies have bound us hand and foot? * * * There is no retreat but in submission and slavery. * * * Gentlemen may cry peace, peace—but there is no peace. * * * What is it that gentlemen wish? What would they have? Is life so dear, or peace so sweet, as to be purchased at the price of chains and slavery?

Henry answered then:

> Forbid it, Almighty God! I know not what course others may take, but as for me, give me liberty or give me death.

That is the answer of every American today.

Upon this hallowed day, let us catch the vision of the past, and with no less fervor devote our lives, our fortunes, all that we are and all that we hope to be, to the preservation of liberty, to the maintenance of freedom, to the destruction of tyranny, to the perpetuation of democracy, to the overthrow of all of the enemies of human freedom, now and forever. Let us live the faith of our fathers.

At Yorktown 11 years ago there were presented stirring pageants which told the inspiring story of this Nation's birth and growth to greatness. These pageants closed with America's charge to her youth. That charge is a clarion call today.

> A hundred years and fifty fighting on
> Still leaves the inward battle to be won,
> And nations far beyond our earlier ken
> Still to be knit in brotherhood and need
> And famine, and the clash of old demands,
> Still to be conquered. Youth, for the wars to come
> Gird well your spirit. From this sacred ground
> March to your victories, and hold aloft
> In centuries to come, these images
> Of life and justice under liberty.

Fundamentals never change. We live again in days that try men's souls. We must again rededicate our lives to the holy purposes of the Revolution. We must reconsecrate ourselves anew to the work of Washington and his ragged men. We fight another war of independence. We carry forward the glorious work which Washington and his men began and which our fathers have continued on many battlefields at home and abroad. We pledge that they shall not have died in vain.

With dissension ended, division behind us, factionalism past, and America, as represented on this floor, and on farm, in factory, in every phase of life rich and poor, high and low, regardless of color, race, or creed, united as never before, we pledge anew once more our fidelity to the past, our loyalty to the present, and our promise for the future.

Our fathers fought at Concord and Lexington in abiding faith in the triumph of justice, of truth, and of right. They fought with an unfaltering faith at Yorktown. They have fought with the same faith ever since. It is a holy faith.

To that faith of our fathers, we pledge today renewed allegiance.

> Faith of our fathers, holy faith,
> We will be true to thee till death.

COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES OF CANDIDATES FOR HOUSE OF REPRESENTATIVES

Mr. WHITTINGTON. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 557), as follows:

Resolved, That a special committee of five be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1943, the campaign expenditures of the various candidates for the House of Representatives in both parties, or candidates of parties other than or independent of the Democratic or Republican Parties, the names of persons, firms, associations, or corporations subscribing, the amount contributed, the methods of collection and expenditures of such sums, and all facts in relation thereto not only as to subscriptions of money and expenditures thereof but as to the use of any other means or influences, including the promise or use of patronage, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in necessary legislation or in deciding any contests which might be instituted involving the right to a seat in the House of Representatives.

The investigation hereby provided for in all the respects above enumerated shall apply to candidates and contests before primaries, conventions, and the contests and campaigns of the general election in 1942, or any special election held prior to January 3, 1943. Said committee is hereby authorized to act upon its own initiative and upon such information which in its judgment may be reasonable and reliable. Upon complaint being made before such committee under oath by any person, persons, candidates, or political committee setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, said committee shall investigate such charges as fully as though it were acting upon its own motion, unless after hearings on such complaints the committee shall find that such allegations in said complaints are immaterial or untrue.

That said special committee or any subcommittee thereof is authorized to sit and act during the Seventy-seventh Congress whether the House is in session, has recessed, or adjourned, and that said committee or any subcommittee thereof is hereby empowered to sit and act at such time and place as it may deem necessary; to require by subpena or otherwise the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost not exceeding 25 cents per hundred words. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpenas for witnesses may be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties as prescribed by law.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, I understand that this is the usual resolution that is offered every 2 years, and that the text is exactly the same as in the resolution adopted 2 years ago.

Mr. WHITTINGTON The gentleman is correct in his understanding. This resolution is identical with that adopted by the Congress for investigations in connection with candidates for the Seventy-seventh Congress and for the Seventy-sixth and previous Congresses.

Mr. MARTIN of Massachusetts. The cost is whatever the committee may make it?

Mr. WHITTINGTON. For the Seventy-seventh Congress there was appropriated $20,000. Mr. Warren, formerly a Member of the House from North Carolina, was appointed chairman when the resolution was passed in 1940 with regard to investigations for the Seventy-seventh Congress. I happen to have been appointed to succeed Mr. Warren when he subsequently retired from the House. The committee submitted two reports, one on the 2d of January 1941, No. 3110, Seventy-sixth Congress, third session,

prior to the convening of the Seventy-seventh Congress, and another and final report on the 3d day of March 1941, No. 180, Seventy-seventh Congress, first session. Not 1 cent of the amount appropriated was used by the committee.

The committee gave consideration to all complaints and information submitted by or in behalf of candidates for Congress, and it investigated of its own initiative such information as in its judgment was reliable and reasonable. The members of the committee used their office employees in the discharge of their duties, and no stenographers, attorneys, or investigators were employed by the committee.

The committee responded to every complaint made under the terms of the resolution providing for its appointment, and, as stated, established the unique record of spending no part of the $20,000 appropriated for use in investigations by the committee.

Mr. MARTIN of Massachusetts. I may say to the gentleman that we have complete confidence not only in him but in his predecessor as far as not spending money unnecessarily is concerned.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 557 of the Seventy-seventh Congress, the Chair appoints as members of the Special Committee to Investigate Campaign Expenditures the following Members of the House: Mr. WHITTINGTON as chairman, Mr. HART, Mr. BARDEN, Mr. MICHENER, and Mr. DITTER.

EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a declaration of principles of the Republican Party of Vermont as promulgated by the State committee of the State of Vermont.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I further ask unanimous consent to extend my own remarks in the RECORD and include therein a radio address by C. Budington Kelland, executive director of the Republican National Committee.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

ANNIVERSARY OF THE DAY OF YORKTOWN

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I am constrained and compelled, very willingly, to say that the gentleman from Virginia [Mr. BLAND] has made a most eloquent and valuable contribution to the recognition and to the celebration of the anniversary of the Day of Yorktown, which we should reverently observe. We are all proud of Virginia, that mother of Presidents, the source of fearless fighters for independence, those outstanding exemplars of the fighters for that freedom which today or tomorrow you and I will win or lose.

Your pledge we make our own, I say to my friend and colleague from Virginia. We are all out to conserve and to preserve the liberties for which Patrick Henry spoke so forcefully long ago. More power to you.

THE FARM LABOR SITUATION

Mr. STEARNS of New Hampshire. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a resolution.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. STEARNS of New Hampshire. Mr. Speaker, the gravity of the farm-labor situation has been repeatedly aired on this floor. It affects the dairy and poultrymen of my State quite as much as it does the western farmers. It cannot be too often emphasized that this is not a question of any selfish interests, but of a vital element in our war effort, and that increased production is being constantly urged by one Government agency, while other agencies are drawing off the necessary manpower. This aspect of the case is very clearly stated in the following resolution adopted by the New Hampshire Egg Producers Cooperative:

Whereas the United States Government, through the Department of Agriculture, has asked for a large increase in the number of eggs to be produced in 1942 and 1943 in order that additional supplies will be available for domestic use, for those in the armed forces and for shipment to our Allies abroad, and

Whereas the Secretary of Agriculture has recently asked for the production of an additional 600,000,000 pounds of poultry meat this year through the hatching of 200,000,000 additional chickens, and

Whereas the achievement of this goal is an impossibility for the farmers of northern New England unless immediate action is taken to alleviate the labor shortage, and

Whereas the present labor shortage has already resulted in the sale of many poultry flocks and dairy cows for meat because of the absence of labor to care for them: Therefore,

The New Hampshire Egg Producers Cooperative, a producers' marketing cooperative, comprising 2,100 farmers located in the States of New Hampshire, Vermont, and Massachusetts, at its annual meeting, held on October 6, 1942, unanimously voted that the proper authorities in Washington should be made aware of this very serious labor shortage, and immediate steps be taken to relieve the labor shortage on the farms. Otherwise, a very serious food shortage cannot be avoided.

PERMISSION TO ADDRESS THE HOUSE

Mr. THOMAS of Texas. Mr. Speaker, my colleague the gentleman from Texas [Mr. KLEBERG] has been granted unanimous consent to address the House for 1 hour today. He now desires to relinquish that time, but I ask unanimous consent that he be permitted to address the House for 1 hour on Wednesday at the conclusion of the legislative program of the day and following any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

U. S. S. "CHOCTAW"

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, yesterday I had the privilege of assisting in the christening of another ship, the U. S. S. *Choctaw*, at the docks of the Charleston Shipbuilding & Dry Docks Co., in Charleston, S. C. The lady who had the privilege of christening that ship is Mrs. Lou Cordell, a resident of the Seventh Congressional District of Oklahoma, typical of the motherhood not only of Oklahoma but of the United States. She has 11 children, 4 of whom are in the Navy. Three of these boys—R. R., John, and Rolla, of Durham, Okla.—were on the *Lexington* when it sank, and they swam for 2½ hours before they were rescued. They, too, were there yesterday. Other honored guests who accompanied Mrs. Cordell were her eldest daughter, Mrs. J. F. Chastain, of Shattuck, Okla.; her brother, J. F. Corn, of Thomas, Okla.; Mrs. J. Miles Berrong, of Hiawassee, Ga., aunt of Mrs. Cordell; and a daughter-in-law, Mrs. Jo Ann Cordell.

In connection with the launching of this ship, I wish to pay tribute not only to the laborers who helped to build it, the manufacturers who planned it, and the farmers who feed the Nation, including the laborers, manufacturers, the armed forces, and themselves, but to our President and all foresighted people, including you Congressmen, who assisted in the furtherance of our war effort. Above all, we should pay tribute to God, who provided not only the men but all the substance from which we earn our livelihoods and the raw materials from which man has formed this ship and many others. I trust that you heard the rebroadcast of the program last evening over the Columbia Broadcasting System.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Mississippi.

Mr. RANKIN of Mississippi. I wish the gentleman would also call attention to the fact that in christening this ship Mrs. Cordell used a bottle of water from Oklahoma, instead of liquor or champagne.

That is the way it should be done, since we are going to have to win our victories with these ships on water. When we begin to win them on champagne, wine, or beer then we should christen our ships with champagne, wine, or beer, but not before.

Mr. WICKERSHAM. You are correct. I understand that this is the first ship

christened with water since the repeal of prohibition.

[Here the gavel fell.]

SOCIAL SECURITY

Mr. ELIOT of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[Mr. ELIOT of Massachusetts addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

(Mr. TOLAN asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. LEWIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and in connection with my remarks to include an address by Hon. John C. Page, and another address by Mr. Abe Fortas, Under Secretary of the Interior.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include articles by Mark Sullivan and one by Arthur Krock.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

SERVICE WITH THE MARINE CORPS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, at various times within the past few months the House has been favored by reports from Members of the House who have returned from active duty in the Army and the Navy. A few minutes ago I noticed that my good friend and colleague from Minnesota, the Honorable MEL MAAS, a colonel in the Air Forces of the United States Marine Corps, has returned to the floor. I trust that at an appropriate time he will give us the benefit of such of his observations as he may see fit to make.

EXTENSION OF REMARKS

Mr. HOLLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a column from the Pittsburgh Courier.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOLLAND. Mr. Speaker, I also ask unanimous consent to address the House on Thursday next for 35 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PRESENTATION OF GOLD MEDAL TO KAY KYSER

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. PATRICK. Fellow Members of Congress, I want to call your attention and the attention of everybody here to H. R. 7719. H. R. 7719 is a bill authorizing the President to present a gold medal to Kay Kayser. I mentioned this Saturday. I think it is a serious matter that we should understand the sentiment under which soldiers march. It seems that until Kay Kyser wrote this song, inspired by a chaplain over in the Far East who said, "Praise the Lord and pass the ammunition," there was no new song that had the cadence and inspiration necessary to unify the footsteps of the American soldiers. If this body or if the Congress of the United States can do something that will help to inspire that one marvelous, wonderful thing that is a human institution, that will help to solidify and strengthen the marching soldiers and help to inspire them in moments when preparing for or marching into battle it should do so. This award to Kay Kyser, if given, should tend to inspire other similar songs.

[Here the gavel fell.]

FOOD PRODUCTION

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I am deeply concerned about the problem of food production in this country. The reduction of draft age of men for the armed forces accentuates it even more. These boys do men's work and should be retained on the farms wherever needed.

Mr. Speaker, for the safety of this country we must have better standing and coordination on the food question. There is already a shortage of some foods. The condition will soon grow worse.

A tremendous war load has been put on the farm producers of America. They must produce food for the largest armed force we have ever had. They must provide food for a tremendous army of workers. In addition we must continue to send millions of tons of food supplies to the Allied Nations.

It is a tremendous task. Labor shortage is acute. Farm sales are the order of the day, and much-needed dairy herds are being dispersed. It is true we had a big production this year. It was a good crop year. Even with similar favorable weather conditions we cannot do as well next year. Shortage of labor and much-needed machinery, now being rationed, are sure to curtail production.

Mr. Speaker, ceilings should be fairly applied, and must be worked out in the light of the situation, and need of greater food production. We have too much criss-crossing of policies. We need a more definite and better understanding on the question of food supply. In 1918 the slogan was "Food will win the war—don't waste it." It is more true today. We need more and more food to help win the war and to help win the peace. Even when the war is over there will be little chance for peace so long as there is hunger in Europe.

Mr. Speaker, the farmers of America, and their families are willing to work long hours and do their part, and even more, but even then it takes manpower and machinery to perform the task.

Mr. Speaker, the whole problem of farm production and the need of food supply should be examined realistically and practically, and that right now. All factors and all matters should be worked out so there may be a better understanding on this extremely important problem.

EXTENSION OF REMARKS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a resolution passed by the Propeller Club of the United States at its annual meeting in New York on October 15–16.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter addressed by me to the Secretary of the Treasury under date of September 30; also a reply to that letter from the Secretary under date of October 3, together with two enclosures which were in the letter from the Secretary of the Treasury.

The SPEAKER. Is there objection?

There was no objection.

PERSONAL EXPLANATION

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. GREEN. Mr. Speaker, I endeavored to arrive Saturday in time to vote on the selective-service bill inducting into the armed services 18- and 19-year-old youths, but my train was 12 hours late and I arrived a few minutes after the vote was taken.

CONGRESSIONAL PROCEDURE

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, the architecture of congressional procedure is not an easy thing with which to deal, but I think in the days to come it is going to be imperative that we deal with it.

Sometime ago, I suggested to the Congress the advisability of a 4-point congressional charter which calls for the creation of a legislative post-war planning and reconstruction service to aid the Congress in coping with post-war problems on the domestic front, the staffing of Congress to make a constant and continuous operations check-up on the activities of the various agencies in the executive branch, the creation of a joint committee of the two Houses of Congress to

more constructively and effectively participate in the war effort, and the creation of a legislative instrumentality to better deal with and prepare for the problems of peace.

On October 1, I introduced a concurrent resolution creating a planning and reconstruction service under the jurisdiction of Congress. On October 17, I introduced a bill to expand the facilities of the General Accounting Office and staff it with experts in a separate department to be known as the Federal Efficiency Service which shall be at th command of the National Legislature for the purpose of making a continuous check on the functions and activities of the various governmental bureaus and agencies.

Today I am introducing a resolution for the creation of a joint committee consisting of 42 members, evenly divided between House and Senate and composed of members of the Military and Naval Affairs Committee and Appropriations Committees which shall consider matters relating to the conduct of the war and the armed forces. This joint committee would serve as a congressional high command. If the resolution is adopted, it would be a simple matter to amend the rules of House and Senate to bring them into conformity with the purport of this measure.

A committee of 42 from both Houses giving representation to all of the appropriate committees is but 7 percent of the entire membership of the Congress and would be large enough to improve the functioning of Congress with respect to the war effort without proving unwieldy.

We have repeatedly clamored for national unity and for a unified military and naval command. We can be the first to demonstrate by example the value of such unified effort.

The essential function of Congress is to provide the sinews of war in the form of authority and funds and then to review the application of such authority and funds without undertaking to conduct or direct the war.

We must be geared to move with dispatch and conserve the time of busy men in the military, naval, and related agencies of Government.

There should be complete coordination of the war activities of the Congress under a legislative high command. Diffusion and dispersion of effort will not do. Consider aircraft. Naval aircraft authorizations are first considered by the Naval Affairs Committee. Funds for such craft are considered by a subcommittee on naval appropriations. If it is a deficiency or supplementary rather than a regular item, it goes to a deficiency subcommittee. Then it proceeds to the full committee on appropriations. Military aircraft authorizations are first considered by the Military Affairs Committee. Funds come before the military subcommittee. If it is a deficiency item, it goes to the deficiency subcommittee. Then it goes to the full committee. A like procedure obtains in the Senate. Such diffusion is not in accord with the functional pattern of the present war. Unified effort can be our best contribution to victory.

In the same proportion that we ask the Nation to be unselfish in sacrificing for and participating in the war effort, we in the National Legislature must be equally unselfish in the matter of precedents, prerogatives, and habits of procedure and so revamp the architecture of Congress to meet the exigencies of this grave hour.

The SPEAKER. The time of the gentleman from Illinois has expired.

EXTENSION OF REMARKS

Mr. YOUNGDAHL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address made by myself on the subject of the Navy's challenge for service.

The SPEAKER. Is there objection?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection?

There was no objection.

INCREASED COMPENSATION FOR CIVILIAN EMPLOYEES

Mr. CLASON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. CLASON. Mr. Speaker, the Seventy-seventh Congress has made a grand record in passing every law and giving every dollar requested by the President for the national defense and war programs. But to my mind the leaders of the House responsible for bringing legislation to the floor which will provide increased compensation for deserving civilian employees in the various departments have failed utterly to cope with a very disturbing situation. They have held hearings for weeks. The President has told them not to discriminate but to cover all employees of the various departments. Thousands are entitled to increased pay to meet increased costs of living as much as civilians in industry. Many have spent years in the Post Office and War Departments and in the Veterans Bureau on small salaries and are being driven from Government employment because this legislation is not passed. Others are remaining at work but are not able to maintain their families properly. The minority leader and a majority of the Republican membership will support any fair bill. I hope that the Seventy-seventh Congress will enact such legislation shortly.

EXTENSION OF REMARKS

Mr. PLOESER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to extend my remarks and include some resolutions of the American Legion.

The SPEAKER. Is there objection?

There was no objection.

Mr. CHENOWETH. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter from Merle Shoupe, president of the United Gold Mine Co., to his stockholders.

The SPEAKER. Is there objection?

There was no objection.

Mr. LYNDON B. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech by the majority leader, the gentleman from Massachusetts [Mr. MCCORMACK].

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMASON. Mr. Speaker, there is so much interest throughout the country, and particularly among the farmers and the ranchers in the South, regarding the gasoline-rationing program that I ask unanimous consent to revise and extend my remarks by including a letter just received from Mr. Leon Henderson, Director of the Office of Price Administration, as to how the gasoline program will be handled especially in regard to farmers and ranchers.

The SPEAKER. Is there objection?

There was no objection.

FLOOD CONDITIONS AND HYDROELECTRIC POWER POSSIBILITIES

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and revise and extend my remarks, and include some remarks I made in the House 6 years ago.

The SPEAKER. Is there objection?

There was no objection.

[Mr. RANKIN of Mississippi addressed the House. His remarks appear in the Appendix.]

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

PUYALLUP TRIBE OF INDIANS IN THE STATE OF WASHINGTON

The Clerk called the first bill on the Consent Calendar (H. R. 4578) to authorize certain corrections in the tribal membership roll of the Puyallup Tribe of Indians in the State of Washington, and for other purposes.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to correct the tribal membership roll of the Puyallup Tribe of Indians approved by the First Assistant Secretary of the Interior on May 12, 1930, pursuant to the act of June 30, 1919 (41 Stat. 9), by striking therefrom the name of Grace Taylor, Roll No. 261, and by adding the name of Annie Sloan. The said Secretary is further authorized and directed to cause to be paid, respectively, to said Annie Sloan or her heirs, from any funds to the credit of said Grace Taylor in the custody of the United States, or from any tribal funds to the credit of the Puyallup Indian Tribe, her distributive share of any payments made from the Puyallup tribal funds since May 12, 1930.

SEC. 2. That when the corrections authorized in section 1 hereof shall have been made, the sum of $228,525, authorized to be appropriated by the act of August 11, 1939 (53 Stat. 1405), for the acquisition of complete title to the Puyallup Indian Tribal School property at Tacoma, Wash., for Indian sanatorium purposes, shall be distributed by the Secretary of the Interior, under such rules and regulations as he may prescribe, to those persons, or their heirs, whose names appear

on the said roll approved on May 12, 1930, as herein modified, and section 2 of said act of August 11, 1939, is hereby amended accordingly.

With the following committee amendment:

Page 1, line 9, after the name "Sloan" insert "and the name of Lawrence Charles Williams."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRED B. WOODWARD

The Clerk called the next bill, H. R. 3759, to limit the operation of sections 109 and 113 of the Criminal Code, and section 190 of the Revised Statutes of the United States with respect to certain counsel.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

PHILIPPINE ARMY PAY BILL

The Clerk called the next bill, S. 2387, to equalize the rates of pay of all personnel in the United States Army, the Navy, the Philippine Scouts, and the Philippine Commonwealth Army, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, for reasons which have been heretofore given in connection with this bill, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

AMENDING THE NATIONALITY ACT OF 1940

The Clerk called the next bill, H. R. 5569, to amend the Nationality Act of 1940, to preserve the nationality of naturalized veterans of the Spanish-American War and of the World War, and of their wives, minor children, and dependent parents.

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That chapter IV of the Nationality Act of 1940 is amended by adding a new section, to be denominated section 406A, after section 406 and before section 407, as follows:

"SEC. 406A. Subsection (c) of section 404 shall have no application to a person who is a veteran of the Spanish-American War or of the World War, his wife, minor children, or dependent parents."

With the following committee amendment:

Strike out all after the enacting clause and insert "That section 406 of the Nationality Act of 1940, approved October 14, 1940 (54 Stat. 1170), be, and it hereby is, amended by adding thereto a new subsection to be lettered '(g)' and reading as follows:

"'(g) Who is a veteran of the Spanish-American War or of the World War, his wife, minor children, or dependent parents.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRESERVING NATIONALITY OF PERSONS BORN IN PUERTO RICO WHO RESIDE FOR 5 YEARS IN A FOREIGN STATE

The Clerk called the next bill, H. R. 6165, preserving the nationality of a person born in Puerto Rico who resides continuously for 5 years in a foreign state in the Western Hemisphere.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RANKIN of Mississippi. Mr. Speaker, reserving the right to object, I pointed out when this bill was considered the other day that there should be an amendment to the bill so that it would not apply to persons who have become citizens of other countries. If the proponents of this measure are willing to accept that amendment, I will have no objection to the passage of the bill; but I do not think this bill should become law unless that protection is provided.

I understand it puts these people on a parity with citizens of the United States who have gone to other countries; but it goes beyond that, because it restores to citizenship individuals who have become citizens of other countries without depriving them of citizenship in those other countries.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman.

Mr. COLE of New York. I am afraid the gentleman's understanding of the operation of this bill is not just as he has disclosed it.

Mr. RANKIN of Mississippi. I shall be glad to hear from the gentleman from New York.

Mr. COLE of New York. As I related to the House 2 weeks ago when this bill was considered, under existing law, all persons born in Puerto Rico are naturalized citizens of the United States. Under the Nationality Act of 1940, we declared that any naturalized citizens who should be outside the United States for more than 5 years shall automatically lose his citizenship.

Mr. RANKIN of Mississippi. Yes; I understand.

Mr. COLE of New York. So that any person in Puerto Rico living outside of Puerto Rico for more than 5 years was affected by that act. The purpose of this bill is simply to give to Puerto Ricans the status of a native-born citizen rather than a naturalized citizen. At first I confess I was somewhat hesitant to adopt this measure, but I can see where the Puerto Ricans are in a position entirely different from any other nationality in the country for this reason—that they did not have an opportunity of selecting citizenship. American citizenship was forced upon them as a result of the Spanish-American War 40 years ago. So they are in a class by themselves. We have declared that they are American citizens and have classified them as naturalized citizens. I do not see any reason why they should not be considered native-born citizens. That is all this bill does.

Mr. RANKIN of Mississippi. Let me ask the gentleman a question, since the gentleman has studied this bill. Suppose a person living in Puerto Rico had gone to Chile in 1932 or 1935 and he not only stayed there 5 years but he took out citizenship papers in Chile or in Argentina. He became a citizen of one of those countries. Then, if this bill is passed in its present form and he comes back to Puerto Rico, he automatically becomes a citizen of Puerto Rico again, does he not?

Mr. COLE of New York. If after having acquired that citizenship he reestablishes American citizenship, yes.

Mr. RANKIN of Mississippi. But it does not destroy the other citizenship. He has not renounced it. It seems to me you are bestowing upon him a dual citizenship that you do not bestow upon other Americans. For that reason, I think this bill ought to be confined to those persons who have not become citizens of another country.

Mr. COLE of New York. If the gentleman will read this amendment, he will notice that it states that section 404 (c) of the Nationality Act—which is the one that deprives them of American citizenship if they have been out of the country 5 years—

Subsection (c) of section 404 shall have no application to a person born in Puerto Rico, except a person who has been a citizen of some foreign country and who thereafter acquired citizenship in the United States by naturalization.

Mr. RANKIN of Mississippi. The gentleman from New York takes the position, then, that if he becomes a citizen of some other country this does not apply.

Mr. COLE of New York. That is right.

Mr. RANKIN of Mississippi. With that understanding of it, I withdraw my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 404 of the Nationality Act of 1940, as amended, is amended by adding at the end thereof the following new paragraph:

"A national born in Puerto Rico shall not lose his nationality under subsection (c) of this section by residing continuously for 5 years in any foreign state in the Western Hemisphere, if such national shall make a sworn statement of intention to return to the United States before an American consul in such foreign state prior to the expiration of the first year of such continuous residence and annually thereafter during each succeeding year of such residence. Any statement required under this amendatory paragraph with respect to such residence prior to the date of enactment of this amendatory paragraph may be made at any time within 6 months after such date."

With the following committee amendment:

Strike out all after the enacting clause and substitute the following: "That the act approved October 14, 1940 (54 Stat. 1137–1174), is hereby amended by adding a new section to be known as section 406 A, and to read as follows:

"'Subsection (c) of section 404 shall have no application to a person born in Puerto

Rico, except a person who has been a citizen of some foreign country and who thereafter acquired citizenship in the United States by naturalization.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill preserving the nationality of a person born in Puerto Rico who resides for 5 years in a foreign state."

COMMITTEE ON WAYS AND MEANS—PERMISSION TO FILE CONFERENCE REPORT ON TAX BILL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to have until midnight tonight to file a conference report on the tax bill.

The SPEAKER. Without objection it is so ordered.

There was no objection.

THE CONSENT CALENDAR

REHABILITATION OF THE ANTHRACITE-COAL INDUSTRY

The Clerk called the next bill, S. 357, to provide for the establishment and operation of a research laboratory in the Pennsylvania anthracite region for investigation of the mining, preparation and utilization of the mining, preparation and utilization of anthracite, for the development of new uses and markets, for improvement of health and safety in mining; and for a comprehensive study of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the war effort.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDING THE FEDERAL EXPLOSIVES ACT

The Clerk called the next bill, S. 2515, to amend the Federal Explosives Act, as amended, by removing from the application of the act explosives or ingredients in transit upon aircraft in conformity with statutory law or rules and regulations of the Civil Aeronautics Board.

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore (Mr. RAMSPECK). The gentleman will state it.

Mr. WOLCOTT. May I inquire whether a supplemental report conforming with the Ramseyer rule has been filed in this case?

Mr. PETERSON of Florida. Mr. Speaker, I do not think such a report has been filed.

I ask unanimous consent that this bill may be passed over without prejudice in order that we may comply with the request made by the gentleman from Michigan when this bill was last called on the Consent Calendar.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

TRANSFER OF CERTAIN LAND TO NEW MEXICO

The Clerk called the next bill, H. R. 7330, to provide for granting to the State of New Mexico the right, title, and interest of the United States in and to certain lands in New Mexico.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioner of Work Projects is authorized and directed to grant to the State of New Mexico all the right, title, and interest of the United States in and to certain lands in the State of New Mexico, located in sections 28 and 29, township 16 south, range 11 west, New Mexico principal meridian, upon which a dam and reservoir have been constructed in Bear Canyon, on the Mimbres River, in Grant County, N. Mex., which right, title, and interest were acquired by the United States pursuant to a judgment rendered on April 22, 1942, by the District Court of the United States for the District of New Mexico in an action brought by the United States against J. S. Mitchell, also known as Jake S. Mitchell and J. A. Mitchell, and others, No. 203 Civil.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ESTABLISHMENT OF FUEL DEPOT AT MIDDLE AND ORCHARD POINTS, WASH.

The Clerk called the next bill, S. 1468, to authorize the Secretary of the Navy to establish a fuel depot at Middle and Orchard Points, Wash.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to establish a fuel depot at Middle and Orchard Points, Wash., to be designated as the "Naval Fuel Depot, Puget Sound, Wash.," for the storage of fuel oil, Diesel oil, gasoline, and other fuels. He is further authorized to utilize for tor the purposes of such depot, the fuel-storage facilities existing, under construction or projected at Middle and Orchard Points, Wash., together with the utilities, accessories, and appurtenances pertaining thereto.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

SETTLEMENT OF MILEAGE ACCOUNTS OF OFFICERS AND TRAVEL ALLOWANCES OF ENLISTED MEN

The Clerk called the next bill, S. 2327, to provide for payment and settlement of mileage accounts of officers and travel allowance of enlisted men of the Navy, Marine Corps, and Coast Guard.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That payment and settlement of mileage accounts of officers and travel allowance of enlisted men of the Navy, Marine Corps, and Coast Guard, regular and reserve, shall be made in accordance with distances and deductions computed over routes established and published in mileage tables prepared pursuant to the provisions of the act of June 12, 1906 (34 Stat. 246), as amended (U. S. C., title 10, sec. 870).

SEC. 2. This act shall be effective as of April 1, 1941.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXPEDITING THE PROSECUTION OF THE WAR

The Clerk called the next bill, H. R. 7575, to expedite the prosecution of the war, and for other purposes.

Mr. KEAN. Mr. Speaker, reserving the right to object, may I ask the gentleman from Maryland about section 3 of this bill? It has come to my attention that several civil-service employees have been accused of having Nazi sympathies but have been unable to find out definitely what the accusation was or where it came from or who accused them. Does the gentleman feel that this bill will cover such cases?

Mr. SASSCER. This act is a continuation of a similar provision which was tacked on to a former bill which was vetoed not on account of this particular provision but because of the fact providing certain benefits to one particular group. The President felt that the problem should be reached as an over-all problem, and therefore vetoed the whole act.

This section is the same as previous law except it includes, as the gentleman will note at the bottom of page 2, the following language:

Provided, That the persons summarily removed may, in the discretion of the Secretary concerned, be allowed compensation for all or any part of the period of such removal in an amount not to exceed the difference between the amount such person would normally have earned during the period of such removal, at the rate he was receiving on the date of removal, and the interim net earnings of such person.

That is the only difference between this and the former provision of law; it just provides for the subtraction of net earnings in the meantime.

The question that the gentleman raises was discussed at some length in the committee and whereas it was felt by the Department that in the very nature of the agencies that are being run by the Navy Department, such as powder factories, ship plants and so forth, it should be necessary for the Secretary to have authority to summarily dismiss when in his judgment the removal of a particular person is necessary and in the national safety. However, the act does provide that the person within 30 days after such removal shall have the opportunity to personally appear before the official designated by the Secretary and set forth his case. I would think that where such drastic action is taken—that is, summary dismissal—under the power granted in this particular section to the Secretary he could very readily and should very readily go into the particular case and if necessity warranted reinstate the particular person.

Mr. KEAN. A case has just come to my attention where a man has only been

suspended, so he is unable under this act to get any information as to what the charges are. If he had been actually removed, within 30 days afterward he could find out, but as long as he has only been suspended he cannot find out what the charges are.

Mr. SASSCER. My interpretation would be that suspension is removal within the purview of this act.

Mr. KEAN. The Department has said he could now take his accumulated leave pending disposition of his case. I thank the gentleman for his explanation.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That whenever the Secretary of the Navy finds it impossible to make contracts or obtain facilities in the procurement or construction of items authorized in connection with the prosecution of war, he is hereby authorized to provide, out of appropriations available to the Navy Department for such purposes, the necessary buildings, facilities, utilities, and appurtenances thereto on Government-owned land or elsewhere, and to provide for their operation, either by means of Government personnel or otherwise: *Provided*, That the Secretary of the Navy shall report to the Congress, every 3 months, the contracts entered into under the provisions of this section.

SEC. 2. The limit of cost of the vessels authorized by the act of July 30, 1937 (50 Stat. 544), and any statutory limitation with respect to the cost of any other individual naval project of construction are hereby increased as may be necessary to expedite the prosecution of the war.

SEC. 3. The provisions of section 6 of the act of August 24, 1912 (37 Stat. 555; U. S. C., title 5, sec. 652), shall not apply to any civil-service employee of the War or Navy Departments or of the Coast Guard, or their field services, whose immediate removal is, in the opinion of the Secretary concerned, warranted by the demands of national security, but nothing herein shall be construed to repeal, modify, or suspend the proviso in that section. Those persons summarily removed under the authority of this section may, if in the opinion of the Secretary concerned, subsequent investigation so warrants, be reinstated, and if so reinstated shall be allowed compensation for the period of such removal at the rate they were receiving on the date of removal: *Provided*, That within 30 days after such removal any such person shall have an opportunity personally to appear before the official designated by the Secretary concerned and be fully informed of the reasons for such removal, and to submit, within 30 days thereafter, such statement or affidavits, or both, as he may desire to show why he should be retained and not removed.

SEC. 4. This act shall be effective from June 30, 1942, and shall remain in force until the termination of the present war or until such earlier time as the Congress by concurrent resolution or the President by proclamation may designate.

With the following committee amendment:

Page 2, line 20, strike out lines 20 and 21 and insert "may, in the discretion of the Secretary concerned, be allowed compensation for all or any part of the period of such removal in an amount not to exceed the difference between the amount such person would normally have earned during the period of such removal, at the rate he was receiving on the date of removal, and the interim net earnings of such person."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT TO AN ACT TO EXPEDITE NATIONAL DEFENSE, AND FOR OTHER PURPOSES, APPROVED JUNE 28, 1940

The Clerk called the next bill, H. R. 7619, to amend the act entitled "An act to expedite national defense, and for other purposes," approved June 28, 1940 (54 Stat. 676), and "Title IV of the Naval Appropriation Act for the fiscal year 1941," approved September 9, 1940 (54 Stat. 883).

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, will the gentleman from California assure me that enlisted men are not going to be taken out of their quarters and captains and lieutenants in the Navy getting $4,000 a year put in their places?

Mr. ANDERSON of California. I can assure the gentleman that is not the purpose of the act in any sense.

Mr. KEAN. And that will not occur?

Mr. ANDERSON of California. It will not occur. An act approved October 14, 1940, was amended by the act of January 28, 1942, permitting just what the gentleman is asking for under two other acts. This is simply to bring all three acts under the same provisions of law.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill (S. 2706) to amend the act entitled "An act to expedite national defense, and for other purposes," approved June 28, 1940 (54 Stat. 676), and "Title IV of the Naval Appropriation Act for the fiscal year 1941," approved September 9, 1940 (54 Stat. 883) be substituted for the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the act entitled "An act to expedite national defense, and for other purposes," approved June 28, 1940 (54 Stat. 676), is hereby amended as follows: (a) title II, section 201, lines 7 and 8, strike out the parenthesis and the words "excluding officers" and insert in lieu thereof the following: "and officers of the Army and Marine Corps not above the grade of captain, and officers of the Navy and Coast Guard not above the grade of lieutenant"; (b) title II, section 202 (a), line 3, after the word "the", insert "officers."

SEC. 2. The third proviso under the caption "Navy Department" in title IV of the Naval Appropriation Act for the fiscal year 1941, approved September 9, 1940 (54 Stat. 883), is amended by inserting between the words "to" and "enlisted", in line 3 of the third proviso, the following: "officers of the Army and Marine Corps not above the grade of captain, and officers of the Navy and Coast Guard not above the grade of lieutenant, with families, assigned to duty at naval or military reservations, posts, or bases, or to duty at defense industries, to", so that the third proviso as amended shall read: *"Provided further*, That the Secretary of War and the Secretary of the Navy, at their discretion, are hereby authorized to rent such housing units, upon completion, to officers of the Army and Marine Corps not above the grade of captain, and officers of the Navy and Coast Guard not above the grade of lieutenant, with families, assigned to duty at naval or military reservations, posts, or bases, or to duty at defense industries, to enlisted men of the Army, Navy, Marine Corps with families, to field employees of the Military and Naval Establishments with families, and to workers with families who are engaged, or to be engaged, in industries essential to the military and naval national defense programs, including work on ships under the control of the Maritime Commission. The Secretary of War and the Secretary of the Navy are further authorized to use such rentals as may be collected from each housing project for the management and maintenance of the housing units therein, including utilities, roads, walks, and accessories, and to set up special reserve accounts for the amortization of the cost of the project."

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 7619) was laid on the table.

RESTORING AND ADDING CERTAIN PUBLIC LANDS TO THE UINTAH AND OURAY RESERVATION IN UTAH

The Clerk called the next bill, H. R. 7638, to restore and add certain public lands to the Uintah and Ouray Reservation in Utah, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, I notice that the Budget is opposed to this bill and there is no explanation in the report as to why the Budget is opposed to it. Could the gentleman from Utah explain what objections they have to the bill?

Mr. ROBINSON of Utah. I do not know just what the Bureau of the Budget had in mind, but that is not unusual in connection with the exchange of these lands. The Bureau does make objection in those cases. That matter, however, was discussed by the committee at the time. It was fully explained that there was an objection, but the committee nevertheless unanimously reported this bill.

Mr. COLE of New York. Will the gentleman advise us as to the approximate cost of this proposition?

Mr. ROBINSON of Utah. It should not cost the Government anything. It is an exchange and cannot cost the Government anything.

Mr. COLE of New York. No expense is involved?

Mr. ROBINSON of Utah. I would not say there will be no expense, but there will be none unless there is some litigation or something of that sort.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there are hereby restored to the Ute Indian Tribe of the Uintah and Ouray Reservation, subject to any valid existing rights, sixty-one thousand three hundred and eighty-nine and eighty-nine one hundredths acres, more or less, of undisposed-of, surplus, opened lands of said reservation, exclusive of any such lands within a national forest, within the following townships:

Township 1 north, ranges 1, 2, 4, 8, and 9 west;

Township 1 north, ranges 1 and 2 east;

Township 2 north, range 1 west;

Township 2 north, ranges 1 and 2 east;

Township 1 south, ranges 1, 2, 3, 4, 5, 7, 8, and 9 west;

Township 1 south, ranges 1 and 2 east;

Township 1 south, ranges 1 to 10 west, inclusive;

Township 2 south, ranges 1 and 2 east;

Township 3 south, ranges 1, 2, 3, and 4 west, all north of Duchesne River;

Township 3 south, range 5 west, all north of Strawberry River;

Township 3 south, ranges 6 to 10 west, inclusive;

Township 3 south, range 1 east, all north of Duchesne River;

Township 3 south, range 2 east, sections 3 to 11, inclusive;

Township 4 south, ranges 2, 3, and 4 west, all north of Duchesne River;

Township 4 south, range 5 west, all north of Strawberry River and all north of Duchesne River;

Township 4 south, ranges 6, 7, and 8 west, all north of Strawberry River;

Township 4 south, ranges 9 and 10 west.

SEC. 2. Except as provided in section 1 hereof, no undisposed-of opened lands in Utah shall be added to any reservation under the provisions of section 3 of the act of June 18, 1934 (48 Stat. 984), and any such lands formerly belonging to any Indian reservation in said State, to the extent that they have not been disposed of by the United States, are hereby declared to be the absolute property of the United States free from any trust restrictions.

SEC. 3. The Secretary is hereby authorized and directed, subject to any valid existing rights, to establish an Indian grazing reserve within the boundaries of Utah Grazing District No. 8 by selecting and setting apart public lands adjacent to the base properties of the Indians of the Uintah and Ouray Reservation for the exclusive use and benefit in common of the said Indians. The establishment of such Indian grazing reserve shall not restrict prospecting, locating, developing, mining, entering, leasing, or patenting the mineral resources in such reserve under the mining and mineral leasing laws applicable to the public lands of the United States. The area of the public lands to be set aside shall be determined by the Secretary with due regard to the commensurability of said base properties, the amount of lands needed for the proper conduct of a livestock enterprise based upon such Indian properties, and such other range requirement standards as the Secretary may deem proper.

SEC. 4. The Secretary is hereby authorized in his discretion, under rules and regulations to be prescribed by him, to accept relinquishments and reconveyances to the United States of any tracts of school or other lands owned by the State of Utah, surveyed or unsurveyed, within the areas involved in sections 1 and 3 hereof, and the State shall have the right to make selections in lieu thereof of lands approximately equal in value to the lands relinquished from any vacant, unappropriated, public lands or grazing district lands in the State of Utah; such lieu selections shall be made within 5 years after approval of this act. No fee or commission shall be charged for any exchange of land made hereunder. The value of improvements owned by the State on lands relinquished by the State shall be taken into consideration and full credit in the form of lieu lands shall be allowed therefor.

SEC. 5. Either party to an exchange under this act may reserve easements with respect to, or minerals in, the lands conveyed and such reservations shall be duly considered in determining the values of the exchanged lands. If reservations are made with respect to lands conveyed to the United States, the right to enjoy such reservations shall be subject to such reasonable conditions respecting ingress and egress and the use of the surface of the lands as may be deemed necessary by the Secretary. The minerals reserved to the United States under such exchanges may be disposed of under the mineral leasing and general mining laws.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REHABILITATION OF DISABLED VETERANS

The Clerk called the next bill, H. R. 7661, to amend title I of Public Law No. 2, Seventy-third Congress, March 20, 1933, and the Veterans Regulations to provide for rehabilitation of disabled veterans, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1, title I, Public, No. 2, Seventy-third Congress, approved March 20, 1933, be amended by adding at the end thereof a new subsection known as subsection (f) and to read as follows:

"(f) Any person who served in the active military or naval forces on or after December 7, 1941, and prior to the termination of hostilities in the present war shall be entitled to vocational rehabilitation, subject to the provisions and limitations of Veterans Regulation No. 1 (a), as amended, part VII."

SEC. 2. Veterans Regulation No. 1 (a), as amended, is hereby amended by adding at the end thereof a new part to be known as part VII and to provide as follows:

"PART VII

"1. Any person who served in the active military or naval service at any time after December 6, 1941, and prior to the termination of the present war, who is honorably discharged therefrom, and who has a disability incurred in or aggravated by such service for which pension is payable under laws administered by the Veterans' Administration, or would be but for receipt of retirement pay, and is in need of vocational rehabilitation to overcome the handicap of such disability, shall be entitled to such vocational rehabilitation as may be prescribed by the Administrator of Veterans' Affairs to fit him for employment consistent with the degree of disablement: *Provided*, That no course of training in excess of a period of 4 years shall be approved nor shall any training under this part be afforded beyond 6 years after the termination of the present war.

"2. The Administrator shall have the power and duty to prescribe and provide suitable training to persons included in paragraph I, and for such purposes may employ such additional personnel and experts as are deemed necessary, and may utilize and extend existing Veterans' Administration facilities and utilize those of any other governmental agency as well as those maintained by joint Federal and State contribution; and, in addition, he may, by agreement or contract with public or private institutions or establishments, provide for such additional training facilities as may be suitable and necessary to accomplish the purposes of this part.

"3. While pursuing training prescribed herein, and for 2 months after his employability is determined, each veteran will be rated as totally and temporarily disabled by reason of service-connected disability, and pension shall be payable at the compensation rates provided for World War veterans temporarily and totally disabled: *Provided*, That when the course of vocational rehabilitation furnished to any person as herein provided consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement under oath showing any wage, compensation, or other income paid by him to such person during the month, directly or indirectly, and based upon such sworn statements, the Administrator is authorized to reduce the pension of such person to an amount considered equitable and just, but not below the amount of pension or retirement pay to which he would be entitled for service-connected disability if not following a course of vocational rehabilitation.

"4. Where any person while following a course of vocational rehabilitation as provided for in this part suffers an injury or an aggravation of any injury, as a result of the pursuit of such course of vocational rehabilitation, and not the result of his own willful misconduct, and such injury or aggravation results in additional disability to or death of such person, the benefits under laws applicable to veterans of the present war shall be awarded in the same manner and extent as if such disability, aggravation, or death were service connected within the meaning of such laws; except that no benefits under this paragraph shall be awarded unless application be made therefor within 2 years after such injury or aggravation was suffered, or such death occurred.

"5. The purpose of rehabilitation is to restore employability lost by virtue of a material and permanent handicap due to service-incurred disability. The Administrator shall have the power and duty to cooperate with and employ the facilities of other governmental and State employment agencies for the purpose of placing in gainful employment persons trained under the provisions of this part.

"6. The Administrator is hereby authorized to make such rules and regulations as may be deemed necessary in order to promote good conduct and cooperation on the part of persons who are following courses of vocational rehabilitation provided by this part. Penalties for the breach of such rules and regulations may, with the approval of the Administrator, extend to a forfeiture by the offender for a period of 3 months of such portion of the pension herein provided as will leave him not less than the amount of the monthly pension or retirement pay to which such person is entitled for service-connected disability, and such penalties may also extend to permanent discontinuance of all further benefits of this part.

"7. The Administrator is hereby authorized to make such rules and regulations as may be deemed necessary for the granting of leaves of absence to those following courses of vocational rehabilitation provided by this part where in his opinion such leaves do not materially interfere with the pursuit of such courses. Such leaves of absence shall not in the case of any person be granted in excess of 30 days in any consecutive 12 months except in exceptional circumstances as determined by the Administrator: *Provided*, That during leave of absence under this paragraph such person shall be considered to be pursuing his course of vocational rehabilitation under this part.

"8. There is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, available immediately and until expended, the sum of $500,000 to be utilized

by the Veterans' Administration under such rules and regulations as the Administrator may prescribe, as a revolving fund for the purpose of making advancements not exceeding $100 in any case, to persons commencing or undertaking courses of vocational rehabilitation under this part, such advancement to bear no interest and to be reimbursed in such installments as may be determined by the Administrator by proper deductions from any future payments of pension or retirement pay.

"9. The Administrator shall have the power to provide courses of instruction for personnel and may detail employees to attend the same and may detail any such personnel to attend courses conducted by other than Veterans' Administration agencies, including private organizations, and such employees in addition to their salaries shall be entitled to the payment of expenses incident to such detail, including transportation and tuition, as the Administrator by rules and regulations shall provide; and also in his discretion, to make, or, as by agreement with other agency or institution, cause to be made, studies, investigations, and reports inquiring into the rehabilitation of disabled persons and the relative abilities, aptitudes, and capacities of the several groups of the variously handicapped and as to how their potentialities can best be developed and their services best utilized in gainful and suitable employment, including the rehabilitation programs of foreign nations engaged in the present war. For this purpose he shall have the power to cooperate with such public and private agencies as he may deem advisable and to call in consultants who shall receive as compensation for their services a reasonable per diem, which the Administrator shall by rules and regulations provide, for each day actually spent in the work provided for herein and shall in addition be reimbursed for their necessary traveling and other expenses. For the purposes of this part, the Administrator may accept uncompensated services upon such agreement as he may deem feasible."

SEC. 3. The appropriations for the Veterans' Administration, "Salaries and expenses, medical and hospital, and compensation and pensions," shall be available for necessary expenses, including but not confined to necessary medical care, and pension payment, payment or reimbursement of expenses in connection with supplying suitable training under this act; and there is hereby authorized to be appropriated such additional amount or amounts as may be necessary to accomplish the purposes of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFERRING JURISDICTION ON THE COURT OF CLAIMS TO CONSIDER CERTAIN CLAIMS

The Clerk called the next bill, H. R. 1413, conferring jurisdiction upon the Court of Claims of the United States to consider certain claims arising after January 1, 1926, out of the Tariff Act of 1922.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

APPOINTMENT IN THE NAVAL AND MARINE CORPS RESERVE OF PERSONS WITH PHYSICAL DISABILITIES

The Clerk called the next bill, H. R. 6839, to provide for the appointment in the Naval and Marine Corps Reserve of persons with physical disabilities, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Reserving the right to object, Mr. Speaker, I understand that the committee amendment is intended to take care of a certain situation which has come to my attention. To clarify the fact that where an officer waives a disability he might not get retirement or disability pay because of an unusual aggravation of his disability, I wonder if the committee would accept an amendment to the committee amendment on page 2, line 14. The amendment would read as follows:

On page 2, line 14, after "thereof", strike out the period, substitute a comma, and add the following language: "except where such aggravation is beyond the normal progress of the disease or injury and where such aggravation is incident to the service."

My reason for offering this amendment is simply this. An officer files a waiver because of defective vision. He wears glasses. He does not know what the reason for his disability is except that he has to wear glasses. He gets into the service and because the service aggravates the condition he may become totally blind. Under the bill as it is now drafted there is some question whether that waiver would prohibit him from collecting disability or retirement pay. I think this amendment would correct that situation, so that the bill would apply only to disabilities having a normal progress.

Mr. MAAS. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Minnesota.

Mr. MAAS. Representing the Committee on Naval Affairs on this bill and as author of the bill, I am very happy to accept the amendment. I think it is an improvement and clarification of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That hereafter persons who are otherwise qualified but who have physical defects which will not interfere with the performance of general or special duties to which they may be assigned, may be issued appointments in the Naval and Marine Corps Reserve and ordered to active duty, and officers now in the Naval and Marine Corps Reserve may likewise be ordered to active duty under similar circumstances: *Provided*, That any officer so appointed or ordered to active duty shall not be eligible for retirement benefits on account of the disability with which he was suffering at the time of such appointment or for any aggravation thereof. Such officer, however, shall be eligible for retirement benefits for a disability incident to the service.

With the following committee amendment:

On page 2, strike out lines 1 to 6, inclusive, and insert the following:

"*Provided*, That any officer of the Naval Reserve or the Marine Corps Reserve who has heretofore been ordered to active duty upon waiver of physical disability or any such officer hereafter appointed or ordered to active duty upon waiver of physical disability shall not be eligible for retirement benefits by reason of the disability with which he was suffering at the time of appointment or orders to active duty or by reason of any aggravation thereof. Such officer, however, shall be eligible for retirement benefits as provided by law for a disability incident to the service."

Mr. WOLCOTT. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT to the committee amendment: On page 2, line 14, after "therefore" strike out the period, substitute a comma, and add the following language: "except where such aggravation is beyond the normal progress of the disease or injury and where such aggravation is incident to the service."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill relating to the appointment and retirement in the Naval and Marine Corps Reserve of persons with physical disabilities, and for other purposes."

COAST GUARD

The Clerk called the next bill, S. 2381, to provide that certain provisions of law relating to the Navy shall be held applicable to the personnel of the Coast Guard when that service is operating as a part of the Navy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That whenever the Coast Guard is operating as a part of the Navy, the provisions of section 1563 of the Revised Statutes, of section 13 of the act approved February 16, 1909 (35 Stat. 622), of the act approved March 3, 1909, relative to discharged naval prisoners (35 Stat. 756), of the act approved March 4, 1917, relative to advances to officers (39 Stat. 1181), of section 10 of the act approved March 4, 1925 (43 Stat. 1274), and of the act approved May 22, 1928 (45 Stat. 712), shall be considered applicable to personnel of the Coast Guard.

With the following committee amendments:

Page 1, line 4, insert a comma after the word "Navy" and change the comma at the end of the line to a semicolon.

Change commas to semicolons after the parentheses in lines 6, 7, 9, and 10, and in line 1 on page 2.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

CERTIFICATES IN CONNECTION WITH PAY AND ALLOWANCE ACCOUNTS

The Clerk called the next bill, S. 2555, to authorize the use of certificates by officers of the Army, Navy, Marine Corps, and Coast Guard of the United States in connection with pay and allowance accounts of military and civilian personnel under the jurisdiction of the War and Navy Departments.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That during the existence of the present war in which the United States is engaged, and during the 6 months

immediately following the termination of such war, certificates of officers of the Army, Navy, Marine Corps, and Coast Guard of the United States, executed on and after December 8, 1941, attesting to the existence of the stated facts, and which are filed with and relate to vouchers and papers involving pay and allowances of civilian and military personnel under the jurisdiction of the War or Navy Departments, shall be accepted as supporting such payments so far as said facts are concerned without the necessity of any other supporting evidence or certificates: *Provided*, That the Secretary of War or the Secretary of the Navy may prescribe the places where and the classes of pay and allowance accounts to which the above authority of law may be made applicable.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PARKER DAM POWER PROJECT, ARIZONA-CALIFORNIA

The Clerk called the next bill, H. R. 6813, for the acquisition of Indian land required in connection with the construction, operation, and maintenance of electric transmission lines and other works, Parker Dam power project, Arizona-California.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 2369, be considered in lieu of the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That in aid of the construction of the Parker Dam power project there is hereby granted to the United States, subject to the provisions of this act, such right, title, and interest of the Indians as may be required in and to such tribal and allotted lands as may be designated by the Secretary of the Interior from time to time for the construction, operation, and maintenance of electric transmission lines and other works of the project or for the relocation or reconstruction of properties made necessary by the construction of the project.

SEC. 2. As lands or interests in lands are designated from time to time under this act, the Secretary of the Interior shall determine the amount of money to be paid to the Indians as just and equitable compensation therefor. The amounts due the tribe and the individual allottees or their heirs or devisees shall be paid from funds now or hereafter made available for the Parker Dam power project to the superintendent of the appropriate Indian agency, or such other officer as may be designated by the Secretary of the Interior, for credit on the books of such agency to the accounts of the tribe and the individuals concerned.

SEC. 3. Funds deposited to the credit of allottees, their heirs, or devisees may be used, in the discretion of the Secretary of the Interior, for the acquisition of other lands and improvements or the relocation of existing improvements or construction of new improvements on the lands so acquired for the allottees or heirs whose lands and improvements are acquired under the provisions of this act. Lands so acquired shall be held in the same status as those from which the funds were derived, and shall be nontaxable until otherwise provided by Congress.

SEC. 4. The Secretary of the Interior is hereby authorized to perform any and all acts and to prescribe such regulations as he may deem appropriate to carry out the provisions of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 6813) was laid on the table.

WAR SHIPPING ADMINISTRATION

The Clerk called the next bill, H. R. 7424, to amend and clarify certain provisions of law relating to functions of the War Shipping Administration, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all seamen employed by or on behalf of the United States through the War Shipping Administration, or agents or other persons acting for or on behalf of the War Shipping Administration, shall, with respect to (1) death, injuries, illness, loss of effects, detention, or repatriation, or claims arising therefrom; (2) the Federal social security laws and Federal employment tax laws; and (3) allotments, have all of the rights, benefits, exemptions, privileges, and liabilities of seamen employed on privately owned and operated American vessels. Such seamen shall not be entitled to any benefits nor be subject to any charges provided for Federal employees under the United States Employees Compensation Act, as amended, or the Civil Service Retirement Act, as amended. Any claim referred to in clause (1) hereof shall, if administratively disallowed in whole or in part, be enforced pursuant to the provisions of the Suits in Admiralty Act, notwithstanding the vessel on which the seaman is employed is not a merchant vessel within the meaning of such act. The War Shipping Administration, with respect to seamen employed by it or on its behalf, is hereby authorized to make payments by way of contributions, and to make deductions from wages of such seamen, as if an employer under the Federal social security laws and Federal employment tax laws. The War Shipping Administration and its agents or persons acting on its behalf or for its account may, for convenience of administration, with the approval of the Administrator, make payments of any taxes, fees, charges, or exactions to the United States or its agencies.

SEC. 2. Section 222 (f) of Subtitle—Insurance of title II of the Merchant Marine Act, 1936, as amended (Public Law 523, 77th Cong.), is amended by inserting before the period at the end thereof a semicolon and the following: "and, whenever the Commission shall insure any risks included under subsection (d) or (e) of this section, or under this subsection insofar as it concerns liabilities relating to the master, officers, and crews of such vessels or to other persons transported thereon, the insurance on such risks may include marine risks to the extent that the Commission determines to be necessary or advisable."

SEC. 3. (a) The second proviso of section 1 of the act of June 6, 1941 (Public Law 101, 77th Cong.), as amended, is hereby amended to read as follows: "*Provided further*, That such compensation hereunder, or advances on account thereof, shall be deposited with the Treasurer of the United States, and the fund so deposited shall be available for the payment of such compensation, and shall be subject to be applied to the payment of the amount of any valid claim by way of mortgage or maritime lien or attachment lien upon such vessel, or of any stipulation therefor in a court of the United States, or of any State, subsisting at the time of such requisition or taking of title or possession; the holder of any such claim may commence prior to January 1, 1943, or within 6 months after the first such deposit with the Treasurer and publication of notice thereof in the Federal Register, whichever date is later, and maintain in the United States district court from whose custody such vessel has been or may be taken or in whose territorial jurisdiction the vessel was lying at the time of requisition or taking of title or possession, a suit in admiralty according to the principles of libels in rem against the fund, which shall proceed and be heard and determined according to the principles of law and to the rules of practice obtaining in like cases between private parties, and any decree in said suit shall be paid out of the first and all subsequent deposits of compensation; and such suit shall be commenced in the manner provided by section 2 of the Suits in Admiralty Act and service of process shall be made in the manner therein provided by service upon the United States attorney and by mailing by registered mail to the Attorney General and the United States Maritime Commission and due notice shall under order of the court be given to all interested persons, and any decree shall be subject to appeal and revision as now provided in other cases of admiralty and maritime jurisdiction."

(b) The last sentence of section 223 of Subtitle—Insurance of title II of the Merchant Marine Act, 1936, as amended (Public Law 523, 77th Cong.), is amended by striking out the clause in parentheses, and by inserting before the period at the end of such sentence a comma and the following: "but in no case shall such allowance to the carrier provide for payment by the carrier of commissions in excess of 5 percent of the premiums paid for that portion of the direct insurance so reinsured."

(c) Section 224 (a) of Subtitle—Insurance of title II of the Merchant Marine Act, 1936, as amended (Public Law 523, 77th Cong.), is amended by inserting after the word "subtitle" and before the comma following such word the words "or in section 10 of the Merchant Marine Act, 1920, as amended."

(d) The clause in parentheses in the first sentence of section 3 (b) of the act of June 6, 1941, as amended (Public Law 101, 77th Cong.), is amended to read as follows: "(including any interest or liability of the owner, charterer, or agent)."

(e) The second sentence of section 4 of such act of June 6, 1941, is amended by inserting after the words "national defense" and before the semicolon a comma and the following: "and when so chartered or operated may be insured as provided in said section 3."

SEC. 4. The United States shall, with respect to vessels chartered to the War Shipping Administrator under bareboat charter or time charter or operated directly by such Administrator or for his account, be entitled to the benefits of all exemptions and of all limitations of liability accorded by law to the owners of vessels. With respect to any such vessel, the term "The United States" shall include agents or other persons acting for or on behalf of the Administrator in connection with the operation thereof.

SEC. 5. The provisions of section 1 of this act shall take effect on the date of enactment hereof, but payments and deductions under the Federal social security laws and Federal employment tax laws of the nature authorized by said section 1 made prior to such date are hereby ratified and confirmed. The provisions of such section 1 shall remain in force until the termination of title 1 of the First War Powers Act, 1941. The termination of the provisions of such section shall not affect any act done or any right accruing or accrued, or any suit or proceeding had or commenced in any cause before such termination, but all rights and liabilities under law as modified by such provisions shall continue, and may be enforced in the same manner as if such provisions had not terminated.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That (a) officers and members of crews (hereinafter referred to as 'seamen') employed on United States or foreign-flag vessels as employees of the United States through the War Shipping Administration shall, with respect to (1) laws administered by the Public Health Service and the Social Security Act, as amended by subsection (b) (2) and (3) of this section; (2) death, injuries, illness, maintenance and cure, loss of effects, detention, or repatriation, or claims arising therefrom not covered by the foregoing clause (1); and (3) collection of wages and bonuses and making of allotments, have all of the rights, benefits, exemptions, privileges, and liabilities, under law applicable to citizens of the United States employed as seamen on privately owned and operated American vessels. Such seamen, because of the temporary wartime character of their employment by the War Shipping Administration, shall not be considered as officers or employees of the United States for the purposes of the United States Employees Compensation Act, as amended; the Civil Service Retirement Act, as amended; or the act of Congress approved March 7, 1942 (Public, No. 490, 77th Cong.). Claims arising under clause (1) hereof shall be enforced in the same manner as such claims would be enforced if the seamen were employed on a privately owned and operated American vessel. Any claim referred to in clause (2) or (3) hereof shall, if administratively disallowed in whole or in part, be enforced pursuant to the provisions of the Suits in Admiralty Act, notwithstanding the vessel on which the seaman is employed is not a merchant vessel within the meaning of such act. Any claim, right, or cause of action of or in respect of any such seaman accruing on or after October 1, 1941, and prior to the date of enactment of this section may be enforced, and upon the election of the seaman or his surviving dependent or beneficiary, or his legal representative to do so shall be governed, as if this section had been in effect when such claim, right, or cause of action accrued, such election to be made in accordance with rules and regulations prescribed by the Administrator, War Shipping Administration. Rights of any seaman under the Social Security Act, as amended by subsection (b) (2) and (3) and claims therefor shall be governed solely by the provisions of such act, so amended. When used in this subsection the term 'administratively disallowed' means a denial of a written claim in accordance with rules or regulations prescribed by the Administrator, War Shipping Administration. When used in this subsection the terms 'War Shipping Administration' and 'Administrator, War Shipping Administration' shall be deemed to include the United States Maritime Commission with respect to the period beginning October 1, 1941, and ending February 11, 1942, and the term 'seaman' shall be deemed to include any seaman employed as an employee of the United States through the War Shipping Administration on vessels made available to or subchartered to other agencies or departments of the United States. The President shall, whenever he finds that convenience of administration and the efficient prosecution of the war require, extend to seamen upon such terms and conditions as he finds fair and appropriate any and all the benefits of employees of the United States under the United States Employees Compensation Act, as amended, and upon such event the rights, benefits, and privileges of such seamen herein provided for with respect to death, injury, illness, and maintenance and cure, shall cease to such extent as the President finds that the termination of such rights, benefits, and privileges is necessary to avoid duplication of payments on account of death, injury, illness, or maintenance and cure.

"(b) (1) Section 1426 of the Internal Revenue Code (53 Stat. 177, 1383; 26 U. S. C. 1426) is amended by adding at the end thereof the following new subsection:

"'(1) Officers and members of crews employed by War Shipping Administration: The term "employment" shall include such service as is determined by the Administrator, War Shipping Administration, to be performed after September 30, 1941, and prior to the termination of title I of the First War Powers Act, 1941, on or in connection with any vessel by an officer or member of the crew as an employee of the United States employed through the War Shipping Administration, or, in respect of such service performed before February 11, 1942, the United States Maritime Commission. The term "wages" means, with respect to service which constitutes employment by reason of this subsection, such amount of remuneration as is determined (subject to the provisions of this section) by the Administrator, War Shipping Administration, to be paid for such service. The Administrator and such agents as he may designate for the purpose are authorized and directed to comply with the provisions of the internal revenue laws on behalf of the United States as the employer of individuals whose service constitutes employment by reason of this subsection, but the Administrator and his agents shall not be liable for the tax on any employee imposed by section 1400 (unless the Administrator or his agent collects such tax from the employee) with respect to service performed before the date of enactment of this subsection which constitutes employment by reason of the enactment of this subsection.'

"(2) Section 209 of the Social Security Act, as amended (U. S. C., title 42, sec. 409), is amended by adding at the end thereof the following new subsection:

"'(o) (1) Officers and members of crews employed by War Shipping Administration: The term "employment" shall include such service as is determined by the Administrator, War Shipping Administration, to be performed after September 30, 1941, and prior to the termination of title I of the First War Powers Act, 1941, on or in connection with any vessel by an officer or member of the crew as an employee of the United States employed through the War Shipping Administration, or, in respect of such service performed before February 11, 1942, the United States Maritime Commission.

"'(2) The Social Security Board shall not make determinations as to whether an individual has performed services which are employment by reason of this subsection, or the periods of such services, or the amounts of remuneration for such services, or the periods in which or for which such remuneration was paid, but shall accept the determinations with respect thereto of the Administrator, War Shipping Administration, and such agents as he may designate, as evidenced by returns filed by such Administrator as an employer pursuant to section 1426 (1) of the Internal Revenue Code and certifications made pursuant to this subsection. Such determinations shall be conclusive and shall not be reviewed by any person, tribunal, or governmental agency.

"'(3) The Administrator, War Shipping Administration, is authorized and directed, upon written request of the Social Security Board, to make certification to it with respect to any matter determinable for the Board by the War Shipping Administrator under this subsection, which the Board finds necessary in administering this title.

"'(4) This subsection shall be effective as of September 30, 1941.'

"(3) Section 907 of the Social Security Act Amendments of 1939 is amended by inserting after the phrase 'attaining age sixty-five,' the following: 'and 1 percent of any wages paid him for services which constitute employment by virtue of subsection (o) of section 209 of the Social Security Act, as amended.'

"(c) The War Shipping Administration and its agents or persons acting on its behalf or for its account may, for convenience of administration, with the approval of the Administrator, make payments of any taxes, fees, charges, or exactions to the United States or its agencies.

"SEC. 2. (a) Section 222 (f) of Subtitle—Insurance of Title II of the Merchant Marine Act, 1936, as amended (Public Law 523, Seventy-seventh Congress), is amended by inserting before the period at the end thereof a semicolon and the following: 'and, whenever the Commission shall insure any risks included under subsection (d) or (e) of this section, or under this subsection insofar as it concerns liabilities relating to the master, officers, and crews of such vessels or to other persons transported thereon, the insurance on such risks may include marine risks to the extent that the Commission determines to be necessary or advisable.'

"(b) Whenever the Administrator, War Shipping Administration, finds that, on or after October 1, 1941, and before 30 days after the date of enactment of this subsection, a master, officer, or member of the crew of, or any persons transported on, a vessel owned by or chartered to the Maritime Commission or the War Shipping Administration or operated by or for the account of or at the direction of the Commission or the Administration, has suffered death, injury, detention, or other casualty, for which the War Shipping Administration would be authorized to provide insurance under Subtitle—Insurance of Title II of the Merchant Marine Act, 1936, as amended by this act, the Administrator may declare that such death, injury, detention, or other casualty, shall be deemed and considered to be covered by such insurance at the time of the disaster or accident, if the Administrator finds that such action is required to make equitable provision for loss or injury related to the war effort and not otherwise adequately provided for: *Provided*, That in making provision for insurance under this subsection the Administrator shall not provide for payments in excess of those generally provided for in comparable cases under insurance hereafter furnished under the said Subtitle—Insurance of Title II, as amended: *Provided further*, That any money paid to any person by reason of insurance provided for under this subsection shall apply in pro tanto satisfaction of the claim of such person against the United States arising from the same loss or injury. The declarations, findings, and actions of or by the Administrator under this subsection shall be final and conclusive and shall not be reviewed by any person, tribunal, or governmental agency.

"SEC. 3. (a) The second proviso of section 1 of the act of June 6, 1941 (Public Law 101, Seventy-seventh Congress), as amended, is hereby amended to read as follows: '*Provided further*, That such compensation hereunder, or advances on account thereof, shall be deposited with the Treasurer of the United States, and the fund so deposited shall be available for the payment of such compensation, and shall be subject to be applied to the payment of the amount of any valid claim by way of mortgage or maritime lien or attachment lien upon such vessel, or of any stipulation therefor in a court of the United States, or of any State, subsisting at the time of such requisition or taking of title or possession; the holder of any such claim may commence prior to January 1, 1943, or within 6 months after the first such deposit with the Treasurer and publication of notice thereof in the Federal Register, whichever date is later, and maintain in the

United States district court from whose custody such vessel has been or may be taken or in whose territorial jurisdiction the vessel was lying at the time of requisition or taking of title or possession, a suit in admiralty according to the principles of libels in rem against the fund, which shall proceed and be heard and determined according to the principles of law and to the rules of practice obtaining in like cases between private parties, and any decree in said suit shall be paid out of the first and all subsequent deposits of compensation; and such suit shall be commenced in the manner provided by section 2 of the Suits in Admiralty Act and service of process shall be made in the manner therein provided by service upon the United States attorney and by mailing by registered mail to the Attorney General and the United States Maritime Commission and due notice shall under order of the court be given to all interested persons, and any decree shall be subject to appeal and revision as now provided in other cases of admiralty and maritime jurisdiction.'

"(b) The Administrator, War Shipping Administration, may determine at any time prior to the payment in full or deposit in full with the Treasurer of the United States, or the payment or deposit of 75 percent, of just compensation therefor that the ownership of any vessel (the title to which has been requisitioned pursuant to sec. 902 of the Merchant Marine Act, 1936, as amended, or the act of June 6, 1941 (Public, No. 101, 77th Cong.)), is not required by the United States, and after such determination has been made and notice thereof has been published in the Federal Register, the use rather than the title to such vessel shall be deemed to have been requisitioned for all purposes as of the date of the original taking.

"(c) In the event that a vessel the title or use and possession of which is requisitioned or taken pursuant to section 902 of the Merchant Marine Act, 1936, as amended, or the act of June 6, 1941 (Public, No. 101, 77th Cong.), is in the custody of any court, State or Federal, it shall be the duty of all agents and officers of the court having possession, custody, or control of said vessel, forthwith upon the filing with the clerk of said court of a certified copy of the order of requisitioning or taking, and without further order of the court, to comply with said requisitioning or taking and to permit the representatives of the United States Maritime Commission or the War Shipping Administration, as the case may be, to take possession, custody, and control of said vessel.

"(d) Section 902 of the Merchant Marine Act, 1936, as amended, is hereby amended by adding at the end of subsection (d) thereof a paragraph to read as follows:

" 'The existence of any valid claim by way of mortgage or maritime claim or attachment lien upon such vessel shall not prevent the taking thereof pursuant to this section: *Provided, however,* That in the event any such claim exists the United States Maritime Commission may in its discretion deposit the compensation hereunder, or advances on account thereof with the Treasurer of the United States, and the fund so deposited shall be available for the payment of such compensation, and shall be subject to be applied to the payment of the amount of any valid claim by way of mortgage or maritime lien or attachment lien upon such vessel, or of any stipulation therefor in a court of the United States, or of any State, subsisting at the time of such requisition or taking of title or possession; the holder of any such claim may commence prior to January 1, 1943, or within 6 months after the first such deposit with the Treasurer and publication of notice thereof in the Federal Register, whichever date is later, and maintain in the United States district court from whose custody such vessel has been or may be taken or in whose territorial jurisdiction the vessel was lying at the time of requisitioning or taking of title or possession, a suit in admiralty according to the principles of libels in rem against the fund, which shall proceed and be heard and determined according to the principles of law and to the rules of practice obtaining in like cases between private parties, and any decree in said suit shall be paid out of the first and all subsequent deposits of compensation; and such suit shall be commenced in the manner provided by section 2 of the Suits in Admiralty Act and service of process shall be made in the manner therein provided by service upon the United States attorney and by mailing by registered mail to the Attorney General and the United States Maritime Commission and due notice shall under order of the court be given to all interested persons, and any decree shall be subject to appeal and revision as now provided in other cases of admiralty and maritime jurisdiction.'

"(e) (1) The second sentence of section 223 of Subtitle—Insurance of Title II of the Merchant Marine Act, 1936, as amended (Public Law 523, 77th Cong.), is amended by inserting before the period at the end thereof a comma and the following: 'but the Commission may allow fair and reasonable compensation to any company authorized to do an insurance business in any State of the United States for servicing insurance written by such company as an underwriting agent for the Commission, and such compensation may include an allowance for expenses reasonably incurred by such agent but such expenses shall not include any commission paid by such agent in excess of 5 percent of the premiums in respect of such insurance.'

"(2) The last sentence of such section 223 is amended by striking out the clause in parentheses, and by inserting before the period at the end of such sentence a comma and the following: 'but in no case shall such allowance to the carrier provide for payment by the carrier of commissions in excess of 5 percent of the premiums paid for that portion of the direct insurance so reinsured.'

"(f) Section 224 (a) of Subtitle—Insurance of Title II of the Merchant Marine Act, 1936, as amended (Public Law 523, 77th Cong.), is amended by inserting after the word 'subtitle' and before the comma following such word the words 'or in section 10 of the Merchant Marine Act, 1920, as amended.'

"(g) Section 225 of subtitle—Insurance of title II of the Merchant Marine Act, 1936, as amended (Public Law 523, 77th Cong.), is amended by adding at the end thereof the following: 'All persons having or claiming to have an interest in such insurance, or who it is believed might assert such an interest, may be made parties to such suit, either initially or upon the motion of either party. In any case where the Commission acknowledges the indebtedness of the United States on account of such insurance, and there may be a dispute as to the person or persons entitled to receive payment, the United States may bring an action in the nature of a bill of interpleader against the persons having or claiming to have any interest in such insurance, or who it is believed might assert such an interest, in the District Court of the United States for the District of Columbia, or in the district court in and for the district in which any such person resides. In either of such actions any person claiming to have an interest in such insurance, or who it is believed might assert such an interest, if not an inhabitant of or found within the district within which either of such actions is brought, may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct, and if it be shown to the satisfaction of the court that persons unknown might assert a claim on account of such insurance, the court may direct service upon such persons unknown by publication in the Federal Register. Judgment in any such action shall discharge the United States from further liability to any parties to such action, and to all persons where service by publication upon persons unknown is directed by the court. The procedure herein provided shall apply to all actions now pending against the United States under the provisions of this subtitle, as amended.'

"(h) Subtitle—Insurance of title II of the Merchant Marine Act, 1936, as amended (Public Law 523, 77th Cong.), is amended by adding at the end thereof a section to read as follows:

" 'SEC. 229. In addition to the insurance functions authorized by the other sections of this subtitle, the War Shipping Administration may insure directly, or may reinsure in whole or in part, any company authorized to do business in any State in the United States and which shall insure directly, any person who shall perform services or provide facilities for or with respect to any public or private vessel against legal liabilities (except liability to employees in respect of employer's liability and workmen's compensation) that may be incurred by such person in connection with the performance of such services or the providing of such facilities, whenever in the opinion of the Administrator, War Shipping Administration, such insurance or reinsurance is required in the prosecution of the war effort and cannot be obtained at reasonable rates or upon reasonable conditions from approved companies authorized to do an insurance business in any State of the United States.'

"(i) The clause in parentheses in the first sentence of section 3 (b) of the act of June 6, 1941, as amended (Public Law 101, 77th Cong.), is amended to read as follows: '(including any interest or liability of the owner, charterer, or agent).'

"(j) The second sentence of section 4 of such act of June 6, 1941, is amended by inserting after the words 'national defense' and before the semicolon, a comma and the following: 'and when so chartered or operated may be insured as provided in said section 3.'

"SEC. 4. The United States shall, with respect to vessels owned by or chartered to the War Shipping Administrator under bare-boat charter or time charter or operated directly by such Administrator or for his account, be entitled to the benefits of all exemptions and of all limitations of liability accorded by law to the owners of vessels. With respect to any such vessel, the term 'the United States' shall include agents or other persons acting for or on behalf of the Administrator in connection with the operation thereof.

"SEC. 5. The provisions of section 1 (a) of this act shall remain in force until the termination of title 1 of the First War Powers Act, 1941. The termination of the provisions of such section shall not affect any act done or any right accruing or accrued, or any suit or proceeding had or commenced in any cause before such termination, but all rights and liabilities under law as modified by such provisions shall continue, and may be enforced in the same manner as if such provisions had not terminated."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7621) to amend the District of Columbia Unemployment Compensation Act.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I

understand this measure simply delays the time within which a report shall be submitted to the Congress.

Mr. McGEHEE. Yes; by the Unemployment Compensation Commission of the District of Columbia from July 1, 1943, to July 1, 1944.

Mr. MARTIN of Massachusetts. That is all that is involved?

Mr. McGEHEE. Yes.

Mr. MARTIN of Massachusetts. I withdraw the reservation of objection, Mr. Speaker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the District of Columbia Unemployment Compensation Act, approved August 28, 1935, as amended, is further amended to read as follows:

"In section 3 (c), on the second line, between the words 'year' and 'on', strike out the figures '1943' and insert in lieu thereof the figures '1944'."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PIPE LINES FOR PETROLEUM AND PETROLEUM PRODUCTS AND FOR TELEPHONE AND TELEGRAPH LINES IN THE DISTRICT OF COLUMBIA

Mr. DISNEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7491) to provide for the granting of rights-of-way for pipe lines for petroleum and petroleum products and for telephone and/or telegraph lines along and across certain parkway lands in the District of Columbia.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from Oklahoma explain what this bill does?

Mr. DISNEY. Yes, Mr. Speaker.

This bill has a favorable report from the District of Columbia and from the National Parks Planning Commission, the Bureau of the Budget, and the Secretary of the Interior. The Commissioners of the District of Columbia had the subject before them, but are not interested and so advised in writing, because the land involved is what is known as Fort Drive, which comes under the jurisdiction of the National Park and Planning Commission. The report states:

The purpose of this measure is to authorize the Secretary of the Interior to grant to the Sinclair Refining Co., its successors and assigns, an easement for right-of-way for pipe lines to transport crude petroleum or its by-products and telegraph lines along, through, under, and across parkway lands in the District of Columbia, known as Fort Drive.

Because of the urgency of the petroleum distribution situation, construction of one pipe line has been begun under a revocable permit issued by the Secretary of the Interior on June 8, 1942, along and across a portion of the parkway.

The line extends down near the vicinity of Union Station and the freight facilities near that station and, as I have said, the measure has the approval of every one concerned and a thorough investigation has been made.

Mr. MARTIN of Massachusetts. Is there any oppostion to the measure?

Mr. DISNEY. None whatever. The recommendation of the Parkway Commission is as follows:

It is the opinion of the Commission that it is very important that the District of Columbia be supplied with these petroleum products, that the location of the pipe line is satisfactory, and that the rights of the Federal Government and the District Government are fully protected by the wording of this bill.

Mr. MARTIN of Massachustts. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior, with the approval of the National Capital Park and Planning Commission, be, and he is hereby, authorized and empowered to grant to Sinclair Refining Co., a Maine corporation, its successors and assigns, an easement for rights-of-way for pipe lines for the transportation of crude petroleum and/or the products and/or byproducts thereof, and also for telegraph and/or telephone lines to be installed in underground cables, for use in connection with the operation of such pipe line or pipe lines, along, through, under, and across all those certain lands in the District of Columbia designated as United States Reservation No. 451 acquired for the parkway known as Fort Drive, extending from Fort Totten Park in an easterly direction to the boundary line between the District of Columbia and the State of Maryland, which lands are shown on the maps of the public parks, District of Columbia, 1942, filed in the office of National Capital Parks, Washington, D. C., numbered as map 7-105: *Provided*, That such easement shall be granted only upon a finding by the Secretary of the Interior that the same will not substantially injure the interests of the United States in the property affected thereby, and will not be incompatible with the public interest: *And provided further*, That all or any part of such easement may be annulled and forfeited by the Secretary of the Interior after reasonable notice (a) for failure of said Sinclair Refining Co., or its successor or assigns, to comply with the terms or conditions of any grant made hereunder, or (b) for abandonment of such easement.

SEC. 2. All the construction and use provided for herein shall be in accordance with plans approved by the Secretary of the Interior, and under such regulations and rentals as the said Secretary may make and establish in connection herewith.

SEC. 3. No easement granted or enjoyed hereunder shall vest any title or interest in or to the above-mentioned parkway land.

SEC. 4. The Congress reserves the right to alter, amend, or repeal this act as at any time.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRODUCTION OF SUGAR BEETS AND SUGARCANE

Mr. DOMENGEAUX. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7632) to provide that during the present war payments with respect to any crop of sugar beets or sugarcane shall not be subject to deductions on account of the employment of children.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, just what does this bill do?

Mr. DOMENGEAUX. This bill, Mr. Speaker, provides for the suspension of the penalties applicable to those who violate the provisions of the Sugar Act of 1937 relative to the employment of child labor in the cultivation of sugarcane and sugar beets. The bill passed unanimously the Committee on Agriculture last week and it provides that these provisions are suspended during this emergency because of the scarcity of labor which is prevalent in these industries.

Mr. MARTIN of Massachusetts. Does the bill have the sanction of the Department of Agriculture?

Mr. DOMENGEAUX. That I do not know, sir; but I have been informed that Mr. Bernhardt, head of the Sugar Division is in favor of the measure, but from my own personal knowledge I do not know.

Mr. MARTIN of Massachusetts. And the gentleman does not know how the Department of Labor stands on it?

Mr. DOMENGEAUX. That I do not know, but I do know that General Hershey, in publications in the newspapers, as well as Secretary Wickard, of the Department of Agriculture, have said that the need is so imperative that soon the women, as well as the children, would have to be used as help in these various endeavors.

Mr. MARTIN of Massachusetts. How old would the children be who would be employed?

Mr. DOMENGEAUX. The law presently prohibits the employment of children under 14 years of age, and as to those between 14 and 16 it prohibits their employment for more than 8 hours a day.

Mr. MARTIN of Massachusetts. And at how low an age would the children be who are likely to be employed under this bill?

Mr. WOODRUFF of Michigan. Mr. Speaker, will the gentleman yield to me for a minute?

Mr. MARTIN of Massachusetts. Yes.

Mr. WOODRUFF of Michigan. Coming from a sugar-beet district as I do, I can inform the gentleman that while I have been familiar with the growing beets in that section for something over 40 years I never yet have known farmers in that section to employ children so young in the cultivation and harvesting of their beets who ought not to be employed. There is no question about that, and I think the House can well afford to leave the matter to the farmers themselves, who know their necessities, who know their children and what should and should not be done.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. DOMENGEAUX. Yes.

Mr. CRAWFORD. As I understand, this proposal is requested on the basis of the need for workers in the field, and the request does not come from the processors of the beet-sugar industry?

Mr. DOMENGEAUX. No.

Mr. CRAWFORD. And it does not come from the processors of the sugarcane industry?

Mr. DOMENGEAUX. That is correct.

Mr. CRAWFORD. It comes from the farmers themselves?

Mr. DOMENGEAUX. Yes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the provisions of section 301 (a) of the Sugar Act of 1937, as amended, shall not apply with respect to the present crop of sugar beets and sugarcane or with respect to any subsequent crop thereof harvested during the present war or during the calendar year in which the present war is terminated.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EXTENSION OF REMARKS

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an article by Mr. Mark Sullivan.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the reading of the Journal and other special orders, I be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

SALE TO THE GOVERNMENT OF MOTOR-PROPELLED PASSENGER CARS

Mr. COLMER. Mr. Speaker, I call up for present consideration House Resolution 556, which I send to the desk and ask to have read.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7573) to authorize the Secretary of War, the Secretary of the Navy, the Commissioners of the District of Columbia, and the Director of Procurement to acquire motor-propelled passenger-carrying vehicles necessary for the successful prosecution of the present war. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided by the chairman and the ranking minority member of the Committee on Expenditures in the Executive Departments, the bill shall be read for amendment under the 5-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, the rule which makes this bill in order is not controversial. It is unfortunate that it had to go through the procedure of obtaining a rule therefor. The bill briefly provides that the Government may take into consideration and pay the automobile dealers the additional charges over the wholesale prices which they had to pay for those vehicles when they purchased them. In other words, heretofore the War Department has been making its purchases of these vehicles necessary for its Department direct from the wholesaler. The machines are no longer manufactured, however, and the Government must get those in the hands of the retailers. A limitation has been placed by Congress upon the price at which they could purchase these vehicles. It is necessary in order to deal fairly and equitably with the regular dealers to pass this legislation, to authorize the payment of these additional charges that the dealer has incurred in handling the automobiles, and processing them, and so forth.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. COLMER. Yes.

Mr. HOLMES. As a matter of fact did not the Office of Price Administration fix a ceiling on all dealer-owned cars today?

Mr. COLMER. That is correct.

Mr. HOLMES. And as a matter of fact did they not allow them a small percentage each month for the upkeep and storage of these cars, so that whatever the price is, it is a price fixed by the Office of the Price Administration, and that is what the Government would pay?

Mr. COLMER. That is quite true, and this legislation merely authorizes them to do that.

Mr. Speaker, I yield 30 minutes to the gentleman from Indiana [Mr. HALLECK], and reserve the remainder of my time.

Mr. HALLECK. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, as a member of the House Small Business Committee, I have been in close touch with the automobile situation ever since the Government froze the sale of all new cars on January 1, last. Thus I know what has been happening not only to the dealer, but also to Government agencies, in the movement of cars.

In the light of this first-hand information, I want to say that such discussion as has been had on this bill on the floor to date has gotten off on the left foot. The impression has been left that this is a bill designed primarily to set a high price on a lot of cars and make some additional money for automobile dealers. Nothing could be further from the truth. The chief purpose of this bill is to expedite the purchase of badly needed cars by Government departments. Included in this group are the Army and the Navy and, especially, the F. B. I. All of them need cars and, owing to the present price limitations as set by law they have been unable to get them.

To relieve this situation, discussions were held by the various department heads and a plan was worked out, with the approval first of the Bureau of the Budget and then the President himself, to do just that. The exact words of the Bureau of the Budget were incorporated in this bill and that is the bill upon which this rule has been adopted by the committee.

If this rule is adopted, and the bill is passed, the House will be helping to place needed cars in the hands of Government agencies. A bill similar to this now is before the Senate and I understand it probably will be passed today. If we will pass this bill now, as we should do, the measure can be enacted into law by both Houses before the House recess starts. Government agencies can begin purchasing these cars, which they have needed for months, within the next week or 10 days.

Let me emphasize that the passage of this bill will not mean one cent of additional profit to any retail automobile dealer. All he can charge under this measure is the ceiling price set by O. P. A. As a matter of fact, by buying these cars now the Government can get them cheaper than if it waits and makes purchases later. The reason for this is that under the Murray-Patman Act, the prices of cars go up 1 percent a month and on July 1 the Government must buy all unsold cars in dealers hands. So, to carry this out to a logical conclusion, if the Government should be denied the right now to buy these cars, as proposed in this bill, it would have to buy them 8 months hence at exactly 8 percent more than they can be bought for now. That is the best answer to those who say this bill proposes wasting money.

Now I just want to say a word about the large-car situation which was discussed the other day. There has been a great deal said on this floor about this bill permitting the various Government departments to buy large cars. The fact is that this bill does not change the large car situation in any way whatsoever. If anything, it establishes more protection against large cars being bought by the Government because it now requires additionally that such purchases must have the approval of the Director of the Budget. Heretofore it always has been necessary for any Government department desiring a large car to get the approval of the Appropriations Committee and that must be done also under this bill, but only after the Director of the Budget has approved the purchase. The fact is, of course, that there will be very few, if any, large cars bought.

If it were possible to give retail automobile dealers some special relief in their large-car situation, I think it should be done. However, that is impossible in this bill. Nevertheless, it should be given, and I think that it could be done by departmental order. I certainly hope that O. P. A. will pay some attention to that particular phase of the freezing order because I know that dealers holding large cars are suffering.

As you know, when the Government froze automobiles, they froze all new cars, regardless of size. Since then the rationed car demand has been chiefly for small and medium sized four-door cars. Dealers have been left with the larger cars on their hands.

Since apparently the Government has no intention of buying these large cars, it seems to me that O. P. A., which has control of rationing, should ease the rationing regulations on these large cars and let the dealers get their money out of them. The original purpose of the freezing order, as I understand it, was to obtain a supply of cars primarily for Government uses. No one objected to that, least of all the dealers. It was a fair thing to do. But to freeze these large cars and then not move them is an entirely different matter. If rationing regulations in relation to these large cars were liberalized, I understand they could be moved rapidly.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. Yes.

Mr. COOLEY. Is it contemplated by this legislation that the War Department may take all or a large part of the cars now in storage?

Mr. HALLECK. Just how many they need I do not know, but there is need for a considerable number of cars by the different Government departments, including the Army and the Navy.

Mr. COOLEY. The purpose of this legislation is to supply that need?

Mr. HALLECK. It is to make it possible for the Government agencies to acquire those cars by providing that the Government can pay the prices that the dealer has a right to expect for his cars.

Mr. COOLEY. And it is not contemplated that the Government would take over all of the cars in question?

Mr. HALLECK. Provision for that is found in the bill passed sometime ago, which provided for loans to the dealers, and also provided that within 1 year from that time if the cars were not disposed of under the rationing regulations the Government, through the R. F. C., should take them over; and with that I find no quarrel, because it has always seemed to me that the freezing of these cars was in effect and in substance an exercise of the right of eminent domain by which private property is being taken for public use. Of necessity, just compensation should and must be paid by the Government for the cars that are so taken over.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. GREEN. This bill would not deprive the dealer of his handling charge on the car, would it?

Mr. HALLECK. Oh, no. It will provide that he is to get the price that is fixed by the Office of Price Administration, which includes the necessary handling charges as a ceiling price.

Mr. GREEN. I think he should be protected in that, because the dealers in my State, the same as in other States, have been so impoverished through these freezing orders that they should be entitled to a reasonable handling fee.

Mr. HALLECK. That is what we are trying to do in this bill. The dealers are not complaining. They are patriotic. They are going along, but at the same time they have been hard hit.

Mr. COLE of New York. Will the gentleman yield?

Mr. HALLECK. I yield.

Mr. COLE of New York. Can the gentleman tell us whether or not any passenger vehicles are being manufactured at the present time?

Mr. HALLECK. I do not think any passenger vehicles are being manufactured that are going into the hands of the dealers. Whether any are being manufactured directly for the armed forces, I do not know.

[Here the gavel fell.]

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that the bill H. R. 7573 be considered in the House as in Committee of the Whole.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) the limitation of 100 motor-propelled passenger-carrying vehicles specified in the Navy Department and the Naval Service Appropriation Act, 1943, may be exceeded by such number as the Secretary of the Navy may determine necessary to obtain an adequate number of motor-propelled passenger-carrying vehicles for the successful prosecution of the present war.

(b) The limitation of $925 specified in section 405 of the Sixth Supplemental National Defense Appropriation Act, 1942, and any similar limitation specified in any other appropriation act for the fiscal year 1943 may be exceeded by such amount as the Secretary of War, in the case of the War Department, the Secretary of the Navy, in the case of the Navy Department, the Commissioners, in the case of the government of the District of Columbia, and the Director of Procurement in the case of other essential governmental needs, may determine necessary to obtain satisfactory motor-propelled passenger-carrying vehicles, but in no event shall the price so paid for any such vehicle exceed the maximum price for such vehicle established by the Office of Price Administration.

With the following committee amendment:

Page 2, line 11, strike out the word "Procurement" and insert "the Bureau of the Budget."

The committee amendment was agreed to.

Mr. WHITTINGTON. Mr. Speaker, I offer a committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: Page 2, line 13, after the word "satisfactory", insert "light weight and medium weight."

Mr. WHITTINGTON. Mr. Speaker, I detain the House merely to say that this bill was before the House on last Friday, October 16. A rather full discussion may be found in the RECORD of that date, beginning with page 8514.

I merely say at this time, Mr. Speaker, that the purpose of this bill is, first, to remove the limitation of 100 cars that the Navy is authorized to purchase in the Navy Department and the Naval Service Appropriation Act of 1943 by such number as the Secretary of the Navy may decide is necessary for the prosecution of the war. Secondly, the purpose is to remove the limitation of $925 specified in the Sixth Supplemental National Defense Appropriation Act of 1942, and a similar limitation specified in other appropriation acts for the fiscal year 1943.

There are three types of cars, lightweight, mediumweight, and heavyweight. No heavyweight cars can be purchased unless especially authorized generally for heads of departments, and then, in a very few exceptional cases. The medium cars can be purchased by the War Department and the price of those cars is fixed in the Army appropriation at $1,400. The price of the lightweight cars is fixed at $925. That is less than the dealers can purchase the cars for and transport them from the factories to their places of business.

A suggestion of a limit of $1,100 was made on last Friday, the 16th, but this would be utterly unfair. There is none of these cars now embraced in this bill, in the hands of the manufacturers. They are all in the hands of the dealers. It costs $15 to transport one of those cars from the factory to Detroit. It costs $150 to transport one from the factory to San Francisco. The average price fixed by the Office of Price Administration is around $1,100 in the United States. It would be $50 or $75 more on the Pacific Coast.

This bill deals with the low-priced cars. They cannot be purchased by the Army, the Navy, or the Director of the Budget in excess of the price fixed by the Office of Price Administration. That price is fair. The bill, as was stated repeatedly on the floor last Friday, October 16, deals with low-priced cars, but in order to make it absolutely certain that this bill deals only with those cars and with no others, and does not authorize the purchase by the War Department, the Navy Department, or any other governmental agency of the heavy type cars, we have proposed this amendment, which only authorizes the purchase of the lightweight or mediumweight cars, by the removal of the limitation of $925.

The amendment will make definite and certain that the purpose of the bill is to remove the limitation to enable the War and Navy Departments and the other agencies named to obtain satisfactory lightweight and mediumweight cars.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

HOUSE COMMITTEE ON SMALL BUSINESS INDORSES THIS BILL

Mr. PATMAN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this bill is sponsored and endorsed by the House Committee on Small Business. That committee is composed of the gentleman from North Carolina [Mr. BULWINKLE], the gentleman from Illinois [Mr. KELLY], the gentleman from Connecticut [Mr. FITZGERALD], the gentleman from Indiana [Mr. HALLECK], the gentleman from New York [Mr. LEONARD W. HALL], the gentleman from Missouri [Mr. PLOESER], and myself. This is the third bill that the House Committee on Small Business has brought before this House or at least has had something to do with bringing before this House. It is true that our committee does not have the power and authority to present bills to the House, but the bill was introduced by me for the committee and was introduced in the Senate by Senator MURRAY for the Senate Committee on Small Business.

This bill was considered by the Committee on Expenditures, and the gentleman from Mississippi [Mr. WHITTINGTON], was acting chairman and held hearings on it to determine all the facts and made a favorable report on it.

The first bill introduced by our House Committee on Small Business was to assist the automobile dealers and the tire dealers who had their stocks frozen by

reason of the war. We had no complaint from the automobile and the tire dealers about the action taken because of the war, they were all willing to make every sacrifice necessary and proper, but they did want Congress to make it possible for them to be dealt with just as gently and fairly as possible in view of the fact that most of them would eventually be forced to go out of business. The first bill sponsored by our committee, therefore, was to assist the automobile dealers and the tire dealers.

Bill No. 2 was the Smaller War Plants Corporation bill which I introduced in the House for our Committee on Small Business and which Senator MURRAY introduced in the Senate. That bill is now the law. It was signed by the President on June 10. Mr. Lee E. Holland, of Kansas City, was made chairman of the board of the Smaller War Plants Corporation. They have set up offices in about 69 different cities in the United States. The War Production Board has offices in these cities, and I understand that at each place where they have a War Production Board office they expect to establish and maintain an office for the Smaller War Plants Corporation. The Smaller War Plants Corporation is directly under Mr. Donald Nelson and he is directly responsible for its activity and for its supervision. The Smaller War Plants Corporation is armed with $150,000,000 appropriated by this Congress to aid and assist small business in any way possible. Substantial progress I believe is being made by this Corporation. I am highly pleased with the personnel that has been selected, I believe they are good, experienced, well-qualified men, and they are doing their best to aid small business in every way in which it is possible to aid them.

I would not be as candid as I should be unless I expressed the fact that I am somewhat disappointed in the actual results. It occurs to me we should have more results to the credit of the Smaller War Plants Corporation than we have, but I am not willing to condemn the organization, because I know it has taken time; orders have to be issued by the President and by Mr. Nelson; directives have to be issued; they have to get their personnel together; they were hindered in many ways I shall not discuss here; but I believe they are now well on their road to real substantial progress in the direction of helping the small businessmen of this country, and as all of you know they need plenty of help.

The third bill sponsored by our committee is the bill now pending before us. As explained by the gentleman from Indiana [Mr. HALLECK], who is the ranking minority member of our Committee on Small Business, and the gentleman from Mississippi [Mr. WHITTINGTON], it is merely for the purpose of permitting the Government to pay the same price for these automobiles that are frozen in the retail dealers' hands that the retail dealers would now sell these cars to people who have priority ratings to buy them; and this is asking very little. I am sorry the bill was objected to the other day, but I commend the Committee on Rules for giving us a rule making it possible to consider the bill at this time. I hope it may be delayed no longer than possible.

[Here the gavel fell.]

Mr. BROOKS. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, I have just listened to the exposition of the bill by my colleague and friend from Texas, and I wish to commend him and the committee handling this legislation for taking these steps in the direction of aiding the small business plants and the smaller businesses of the Nation. This is the third bill in that direction.

I feel that this is a very fine bill and hope the committee will go further and bring in additional bills which are badly needed by the Nation as a whole to help the smaller business plants throughout the country.

At this very moment I can cite the instance of a small business plant that has been in active operation for over 20 years, has met the successful competition of peacetime, and has produced equipment which has been very satisfactory on the markets of the world. During the last year it has been making trailers for the Army. The company now, however, is approaching the termination of the contract; in fact, the contract is just about completed. The Army needs trailers; so do other departments of the Government; but this company is just about to close its doors and allow its skilled personnel to disintegrate because of the fact that no war agency has stepped in and said to them, "We need your production to win this war." They have no lobby here in Washington; they have no facilities for getting before the proper departmental officials the fact that the output of this plant is needed to win the war.

The Smaller Plants Corporation should be in position today to go into plants like this one and keep them running; keep their personnel from being scattered to the four corners of the country; insisting that it continue to operate and continue to produce the equipment so badly needed by the Army and the Navy in order to win this war. This is something the committee can do; it is something the Smaller Plants Corporation can and should do without delay. I want to commend the committee for the steps it has taken along this line.

[Here the gavel fell.]

Mr. TALLE. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, I am asking for time in order to interrogate my chairman of the Committee on Expenditures in Executive Departments. Is it not true, Mr. Chairman, that not one word of opposition was raised against this bill when we considered it in our committee?

Mr. WHITTINGTON. The gentleman is correct, and as was stated on last Friday, October 16, and as I previously indicated today, the bill was unanimously reported by the Committee on Expenditures. With the gentleman's permission I would like to say and to emphasize that the bill does not authorize the purchase of mediumweight cars unless the purchase of such type is authorized under other existing law. It does not authorize the purchase of a heavyweight car under any circumstances. The primary purpose of this bill is to do just what the bill stipulates, to wit, remove the ceiling on the price of the lightweight cars, the low-priced cars, which is now $925.

With the gentleman's permission I should like to say further that the facts as developed before our committee on information furnished to the committee was that the average price of the four-door sedan Ford car by the average dealer in the United States about the 1st of October was $1,102.50. That is for a four-door sedan Ford, as I have said. The average price for a Chevrolet four-door sedan was $1,078.75. If we fixed a ceiling of $1,100, the armed forces might have been justified in paying about $22 more for the car than they would be authorized to pay under the bill as it is before the House now and as reported by the committee, because the ceiling on these low-priced cars, the lightweight and the mediumweight, is as fixed by the Office of Price Administration. The difficulty with establishing a fixed ceiling is that if we fix it at $1,100, even for a Chevrolet car, you could not purchase one of those cars in San Francisco, because the freight from the factory to San Francisco is around $150, whereas the freight from the factory to Detroit is $15; so that the Treasury and the country are protected by the fact that this bill provides that the price as fixed in the various regions of the country by the Office of Price Administration on these lightweight cars and on these mediumweight cars shall control.

There is no authority under this bill—I repeat to emphasize—for the purchase of any heavyweight cars or for the purchase of an increased number of the medium-priced cars over and above those stipulated in existing law. The only agency that I know which might increase the number of medium-priced cars would be the War Department because they were authorized to purchase medium cars at a price not to exceed $1,400, as I recall, with no definite limitation as to amount, except the total appropriated for transportation.

Mr. TALLE. I thank the gentleman. The gentleman from Mississippi is always well informed. May I say in conclusion, that automobile dealers in Iowa and in other States are eager to have this bill passed and I trust there may be no opposition to it.

Mr. WHITTINGTON. If the gentleman will yield further, may I say for the benefit of Members who have asked for the information: When the cars were inventoried by the Office of Price Administration on February 11, 1942, there were 402,077 passenger cars in the United States. Of that number there were then, on February 11, 1942, 3,885 cars in the hands of manufacturers.

At that time practically all of the cars were in the hands of the dealers. Those are the cars that may be sold during the year 1942 and up to March 1, 1943. After March 1, 1943, there is the remainder of all the cars that have been manufactured, the manufacture of passenger cars have stopped, 136,206 that may be sold after March 1, 1943. Only 12,987 of the second stock of 136,206 were on the

28th of February 1942 in the hands of the manufacturers. There is none of these small type lightweight cars in the hands of the manufacturers. There are of the 4-door sedan type lightweight cars in the hands of the dealers throughout the United States around 35,000 to 38,000. The dealers are in the unfortunate position of the War Department and the armed services having requisitioned through the War Production Board these lightweight cars. The dealers cannot sell them to individuals even though they may have a priority, because there is a stop order and they have been frozen for the War Department from August 18, 1942, to October 31, 1942. Because of the ceiling of $925 for peacetime and direct purchase from the factories, which is now impossible, the pending bill is necessary. This bill is primarily for the protection of the dealers who can thus remain in business to supply parts for all cars and make repairs, in the public interest.

Mr. TALLE. I thank the gentleman for the additional information he has given Members of the House.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to authorize the Secretary of War, the Secretary of the Navy, the Commissioners of the District of Columbia, and the Director of the Bureau of the Budget to acquire motor-propelled passenger-carrying vehicles necessary for the successful prosecution of the present war."

PERMISSION TO ADDRESS THE HOUSE

Mr. PATMAN. Mr. Speaker, after disposition of business on the Speaker's table tomorrow, and at the conclusion of any other special orders heretofore entered, I ask unanimous consent to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

RECOGNITION OF THE SERVICES OF CIVILIAN OFFICERS AND EMPLOYEES IN CONSTRUCTION OF PANAMA CANAL

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 553.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1481) to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. PACE. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. PACE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Will the gentleman withhold that for a minute?

Mr. PACE. I withhold the point of order.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BROWN of Ohio (at the request of Mr. ELSTON), indefinitely, on account of death of his father.

The SPEAKER. The gentleman from Georgia makes a point of order that a quorum is not present.

Mr. HALLECK. Mr. Speaker, will the gentleman withhold his point of no quorum for a minute?

Mr. PACE. Mr. Speaker, I withhold it for a moment.

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 7 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. HALLECK]?

There was no objection.

POLITICAL CAMPAIGN PRACTICES

Mr. HALLECK. Mr. Speaker, the hope has been expressed by many that there be an adjournment, or at least a moratorium, on intense political activity this fall. Of course, under the two-party system in which I assume we all believe, complete adjournment of politics and political contests is impossible. All of my colleagues seeking reelection are now engaged in political campaigns.

I quite agree that in the midst of this war emergency we should not indulge in cheap political practices. All Americans will appreciate it if the contests are kept on a high plane with the issues clearly drawn and presented in a forthright manner.

I hold here in my hand evidence to the effect that, although all or many or us in the House of Representatives have kept our campaign on a high plane, at least one New Deal candidate who aspires to a seat in this body has shown a complete lack of campaign ethics and has, in fact, been guilty of a grave transgression that I think should be called to the attention of the country.

This beautiful poster is apparently a bona fide appeal to farmers to fight with the plow and to turn in all scrap steel, scrap rubber, and other war material to county war boards or to farm implement dealers. All of us subscribe wholeheartedly to that type of appeal and there is every evidence that the food producers of the country are contributing mightily in the furnishing of materials from which we are constructing tanks, ships, guns, planes, and bombs.

But what else do we find on this beautiful and patriotic poster, the production of which must have cost thousands of dollars? First, we find the direct appeal of the New Deal candidate for support, although I am convinced he will not be with us in the next Congress, and that he will not even come close to supplanting our able, respected, and useful colleague, ROBERT A. GRANT, who has served the Third Indiana District with honor.

Then, above and below this political slogan are two very significant sentences. The first says:

This copy approved and checked by the Department of Information, United States Department of Agriculture.

And the other says in large and emphatic type:

Sponsored at the request of the United States Department of Agriculture.

Incidentally, that is in large type, right below the name of the candidate who seeks to come to Congress. The clear purpose is to make it appear that the Department of Agriculture is supporting that candidacy.

In this morning's Washington Post, Mr. Frank Gannett, assistant chairman of the Republican National Committee, is quoted as saying that this misuse of the patriotic poster is—

one of the most flagrant and reprehensible abuses of governmental power and authority ever to be injected into a congressional campaign.

Mr. Gannett said further it was—

pertinent to inquire whether the Department is confining its poster campaign to this one district.

In this same newspaper story we read the following:

The Agriculture Department later issued a statement saying that the poster was printed by a private concern and that its only connection with it consisted of advising the printer, when consulted by telephone, that "the copy seemed to present correctly the message of the Government scrap-iron salvage campaign."

"A week later, copies of the poster were received here," the Department continued, and it immediately notified the printers "that the lines claiming Department of Agriculture sponsorship for the poster should be removed, as this Department does not take part in advertising enterprises of the sort."

I am glad to know that someone in the Department of Agriculture has disavowed this poster. However, that disavowal seems to be a rather anonymous one. Some high official of the Department, it seems to me, should make a more emphatic statement on the subject than that printed as having come from the Department of Agriculture. I tried to call Secretary Wickard this morning—incidentally, he is a constituent of mine—but could not get him. Does he personally know of the existence of this poster? Does he stand by it or disavow it? Is this poster, leaving out the obnoxious political appeal, an official vehicle of the Department of Agriculture? If it is, how did it happen to fall into the hands of a seeker for public office who has prostituted it for his own selfish purposes?

By what authority or sanction does this candidate try to make it appear that the Department of Agriculture is sponsoring his candidacy?

Either the Department of Agriculture is at fault in this grave transgression or

the New Deal candidate must take the sole blame. Let us find out who is at fault because this transgression is grave and its repetition must not be tolerated.

Certainly, the Department of Agriculture, one of the most important parts of our Government, has no candidates for the Congress. But in the circumstances, I think the Secretary should himself so state. I believe that an immediate check should be made on whether this is an official poster. If this is not political chicanery, then the Department of Agriculture should make this poster available to every candidate for Congress.

I am told that this poster was picked up off of a table in one of the political headquarters of this candidate and that they were available in large quantities and have been generally distributed in the Third Indiana District. I believe that clear explanations of this whole proceeding are due the voters of the Third Indiana District from Secretary Wickard, and certainly from the candidate himself.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Texas.

Mr. PATMAN. May I ask the gentleman if it is not a fact that corporations and individuals generally have in the recent past been placing expensive advertisements in various newspapers throughout the country asking people to bring in their scrap, and that at the bottom of these advertisements you can see the names of the individuals or the corporations which conduct these businesses and who, of course, are seeking the goodwill of the public? This is just as commercial as a political advertisement. I am not condoning the use of the American flag or any American insignia or anything else in political advertising, and I may say that I do not even know this gentleman, but I do not see anything very bad in trying to bring in scrap. We need scrap badly.

Mr. HALLECK. The gentleman heard my statement in which I, too, commended that. The gentleman is an able statesman, and he knows a little about politics. He knows that there is as much difference between this operation and the thing that he talks about as there is between night and day.

The thing I am objecting to is that this is put out in such a manner as to make it appear to the voters of that district that the Department of Agriculture is sponsoring this candidacy. Right underneath the name of the candidate are the words "sponsored by."

Mr. PATMAN. I am not condoning any sponsorship by the Department of Agriculture.

[Here the gavel fell.]

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 2 additional minutes, in order that I may ask him a question.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. I wonder just how much of a check the gentleman made with the Department of Agriculture, whether he has had sufficient time really to investigate that aspect of it, and what the Department of Agriculture actually said through some responsible man in the Department. If the gentleman has not had time to check on this thing, I would not want the Department of Agriculture to be accused of attempting to aid any particular candidate.

Mr. HALLECK. In my remarks I gave the statement of the Department of Agriculture as it was carried in the papers this morning, which, as far as I know, is the explanation from someone down there. I said to the gentleman that in good faith I called the Secretary of Agriculture this morning, a man whom I know personally and for whom I have a high regard, but I could not get to talk to him. I think I have discharged my full obligation and that I am perfectly within my rights in pointing out what it seems to me might further be done outside of the statement that was published in the papers this morning from the Department of Agriculture. And, if I may say it, I was fair enough to include in what I had to say here today the published statement of the Department to give them a chance further to clarify this situation.

[Here the gavel fell.]

ENROLLED BILL SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5503. An act to authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings.

ADJOURNMENT

Mr. COOPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 4 minutes p. m.), under its previous order, the House adjourned until tomorrow, October 20, 1942, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

1976. Under clause 2 of rule XXIV a letter from the Acting Secretary of the Navy transmitting a report of contracts awarded by the Navy Department for the fiscal year 1942 was taken from the Speaker's table and referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GEHRMANN:

H. R. 7726. A bill to provide relief for victims of the flood of July 16, 1942, in and near the city of Bayfield, Wis.; to the Committee on Banking and Currency.

By Mr. MAY:

H. R. 7727. A bill to authorize the President to confer decorations and medals upon units of, or persons serving with, the military forces of cobelligerent nations; to the Committee on Military Affairs.

H. R. 7728. A bill to amend the act of January 24, 1920, so as to authorize the award of a silver star to certain persons serving with the Army of the United States; to the Committee on Military Affairs.

By Mr. DOMENGEAUX:

H. R. 7729. A bill to provide for free Government inspection of sea food; to the Committee on Interstate and Foreign Commerce.

By Mr. DIRKSEN:

H. J. Res. 353. Joint resolution to establish a joint congressional committee on military and naval affairs and appropriations; to the Committee on Rules.

By Mr. WHITTINGTON:

H. Res. 558. Resolution providing for the expense of House Resolution 557; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. JOSEPH L. PFEIFER introduced a bill (H. R. 7730) for the relief of Joseph Ippolito, which was referred to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3375. By Mr. ROLPH: Resolution No. 261 of the California State Federation of Labor, for a broader definition of defense worker for Federal Housing Administration housing; to the Committee on Banking and Currency.

3376. Also, Resolution No. 123 of the California State Federation of Labor, supporting President Roosevelt's seven-point program; to the Committee on Banking and Currency.

3377. Also, Resolution No. 166 of the California State Federation of Labor, supporting the civil service for all national and memorial property employees; to the Committee on the Civil Service.

3378. Also, Resolution No. 124 of the California State Federation of Labor, supporting House bill 7239, concerning citizenship of natural-born Americans; to the Committee on Immigration and Naturalization.